MDN/CS/AGM-52/2026-27

September 8, 2026

BSE Limited,
P.J. Towers,
Dalal Street
Mumbai- 400001
Scrip Code: 541195

National Stock Exchange of India Limited,
Exchange Plaza, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400051
Trading Symbol: MIDHANI

Sub: Notice of 52nd Annual General Meeting of Members of Company and Annual Report for FY 2025-26.

Dear Sir/Madam,

I. Fifty-second (52nd) Annual General Meeting:

This is to inform that, fifty-second (52nd) Annual General Meeting of MIDHANI will be held on Wednesday, September 30, 2026 at 11:00 AM (IST) through video conferencing/other audio-visual means.

II. Annual Report for FY 2025-26:

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), we are submitting herewith, the Annual Report for FY 2025-26 which also includes Notice of fifty-second (52nd) Annual General Meeting (AGM) of Members of the Company.

The Annual Report for FY 2025-26 is being sent through electronic mode to those Members who have registered their e-mail addresses with Company/ depositories. The aforementioned Annual Report of the Company is also available at Company's website at https://midhani-india.in/annual-reports/

III. Record Date:

Pursuant to Regulation 42 of SEBI Listing Regulations, we inform that, 'Record Date' for determining entitlement of Members to the final dividend for FY 2025-26, if declared at AGM, is fixed as Wednesday, September 23, 2026.

Kindly take the above intimation on record.

Thanking you,

Yours faithfully,
For **Mishra Dhatu Nigam Limited**

PAUL ANTONY Digitally signed by PAUL ANTONY
Date: 2026.09.08 21:58:39 +05'30'

Paul Antony
Company Secretary & Compliance officer
e-mail: company.secretary@midhani-india.in

Encl: As above

MIDHANI

Aligning Strategy.

Accelerating Growth.

Delivering Excellence

Mishra Dhatu Nigam Limited

Annual Report **2025-26**

Table of Content

Notice 2 - 23

Corporate Overview 24 - 68

Theme Introduction	
Who We Are	24
Our Journey	28
Our Geographical Footprint	32
Delivering All Round Performance	34
Message From the Chairman's Desk	36
Our Products	40
Certifications & Accreditation	43
Industries We Service	46
Financial Performance	52
Risk Management & Mitigation	54
The People Behind Our Progress	56
Environment	60
Social	62
Governance	64
Board of Directors	66
10 Years at a Glance	68

Statutory Report 69 - 212

Boards Report	69
Corporate Governance Report	92
Management Discussion & Analysis Report	115
Business Responsibility & Sustainability Report	151

Financial Statements 213 - 360

Auditors Report on Standalone Financial Statements	214
Comments of C&AG on Standalone Financial Statements	230
Standalone Financial Statement	231
Auditors Report on Consolidated Financial Statements	287
Comments of C&AG on Consolidated Financial Statements	299
Consolidated Financial Statement	300
Corporate Information	361

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

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

Aligning Strategy, Accelerating Growth, Delivering Excellence

India's defence production journey over the last five years has been remarkable and is a matter of immense national pride. In FY 2025–26, annual defence production reached an all-time high of ₹1.78 lakh crore, registering a significant 110% increase over ₹84,643 crore in FY 2020–21. This transformation is even more pronounced over the longer term, with indigenous defence production increasing nearly four-fold from ₹43,746 crore in FY 2013–14. This sustained momentum reflects India's growing capabilities, technological advancement and steadfast commitment to self-reliance in defence.

Against this backdrop, FY 2025–26 was a landmark year for MIDHANI, marked by significant achievements in both scale and capability. The Company recorded its highest-ever Revenue from Operations, registering a year-on-year growth of 12.56%. At the same time, MIDHANI continued to strengthen its technological leadership through the development of critical alloy grades for aero-engine and naval applications, while achieving the significant milestone of pouring the biggest Titanium casting in India.

As the nation advances towards greater self-reliance in critical materials and advanced manufacturing, MIDHANI continues to align its capabilities, investments and strategic priorities with evolving national and customer requirements. This alignment is enabling the Company to unlock new opportunities, expand its manufacturing and technological capabilities, enhance operational performance and accelerate sustainable growth.

At the heart of this journey is MIDHANI's unwavering commitment to excellence, across technology, manufacturing, quality, delivery and customer engagement. By combining strategic intent with execution excellence, MIDHANI is strengthening its role as a trusted partner in India's strategic sectors, contributing to the nation's goals of self-reliance and technological advancement, while creating enduring value for its stakeholders.

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 fifty-second (52nd) Annual General Meeting of the Members of **MISHRA DHATU NIGAM LIMITED (MIDHANI)** will be held on Wednesday the 30th day of September 2026 at 11:00 A.M. (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS

ITEM NO.1

To receive, consider and adopt:

a) the audited standalone financial statements of the Company for the financial year ended March 31, 2026, 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, 2026 and report of the Auditors thereon.

ITEM NO. 2

To confirm payment of interim dividend i.e. Re. 0.85 per equity share of Rs.10 each (i.e. @8.50%) and declare final dividend of Rs. 1.25 per equity Share of Rs. 10/- each (i.e. @12.50%) for the financial year ended on March 31, 2026.

ITEM NO.3

To appoint a Director in place of Smt. Madhubala Kalluri (DIN: 11202794), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

ITEM NO. 4

Appointment of Shri Padavittan Babu (DIN: 11233808) as Director (Production & Marketing) w.e.f October 7, 2025.

To consider and, if thought fit, to pass, the following resolutions as an **ORDINARY RESOLUTIONS**:

"RESOLVED THAT Shri Padavittan Babu (DIN: 11233808) appointed as Director (Production and Marketing) with effect from October 7, 2025 (assumption of charge date) for a period of five years or until further orders, whichever is earlier pursuant to letter No. F. No. 5/1 (2)/ 2024/ D (NS) dated October 3, 2025 issued by Ministry of Defence, Department of Defence Production; be and is hereby appointed as Director (Production and Marketing) (Executive – Whole-time Director) of MIDHANI (liable to retire by rotation), with effect from October 7, 2025 for a period of five years or until further orders issued by Ministry of Defence, whichever is the earliest, pursuant to the applicable provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

ITEM NO. 5

Appointment of Shri Prakash Rajpurohit (DIN:06895578) as Government Nominee Director of Company.

To consider and, if thought fit, to pass, the following resolutions as an **ORDINARY RESOLUTIONS**:

"RESOLVED THAT Shri Prakash Rajpurohit (DIN: 06895578) appointed as Government Nominee Director of Mishra Dhatu Nigam Limited (MIDHANI) pursuant to the Office Memorandum No. 8(29)/2026-D (Coord/DDP) dated June 5, 2026 issued by Ministry of Defence, Department of Defence Production; be and is hereby appointed as Nominee Director (Non-Executive) on the Board MIDHANI, with effect from June 5, 2026, not liable to retire by rotation, till further orders issued by Ministry of Defence, pursuant to the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

ITEM NO. 6

Appointment of Shri Sameer Mundra (DIN: 00078727) as Independent Director of the Company

To consider and, if thought fit, to pass, the following resolutions as **SPECIAL RESOLUTIONS:**

"RESOLVED THAT pursuant to the letter No. 11(70)/2021/Misc. D(NS) dated August 21, 2026, issued by the Ministry of Defence, Department of Defence Production, and pursuant to the applicable provisions of Regulation 17 and Regulation 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of the Companies Act, 2013, Shri Sameer Mundra (DIN: 00078727), appointed as Independent Director of Mishra Dhatu Nigam Limited (MIDHANI) for a period of three (3) years commencing from August 21, 2026, or until further orders, whichever is earlier, be and is hereby appointed as Independent Director of MIDHANI with effect from August 21, 2026, up to August 20, 2029, or until further orders of the Ministry of Defence, whichever is earlier.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

ITEM NO. 7

Appointment of Shri Pugazhendhy Arumugam (DIN: 11912614) as Independent Director of the Company

To consider and, if thought fit, to pass, the following resolutions as **SPECIAL RESOLUTIONS:**

"RESOLVED THAT pursuant to the Ministry of Defence (MoD) letter No. 11(70)/2021/Misc. D(NS) dated August 21, 2026, issued by the Ministry of Defence, Department of Defence Production, and pursuant to the applicable provisions of Regulation 17 and Regulation 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of the Companies Act, 2013, Shri Pugazhendhy Arumugam (DIN: 11912614), appointed as Independent Director of Mishra Dhatu Nigam Limited (MIDHANI) for a period of three (3) years commencing from August 25, 2026, or until further orders of the Ministry of Defence, whichever is earlier, be and is hereby appointed as an Independent Director of MIDHANI with effect from August 25, 2026, up to August 24, 2029, or until further orders of the Ministry of Defence, whichever is earlier.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

ITEM NO. 8

To ratify the remuneration to be paid to SS Zanwar & Associates, Cost Accountants, Cost Accountants as Cost Auditor of the Company for FY 2026-27.

To consider and, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, fee of Rs. 1,50,000/- (excluding applicable statutory levies and reimbursement of out-of-pocket expenses), to be paid to SS 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, 2027, be and is hereby ratified."

By the Order of the Board of Directors

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

Hyderabad
August 28, 2026

NOTES:

1. In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 52nd AGM is being held through video conferencing ("VC") or Other Audio Visual Means ("OAVM"). In view of the same, the registered office of the Company shall be deemed to be the venue of the AGM.

   Notice of the 52nd AGM along with the Annual Report for FY 2025-26 is being sent by electronic mode to those members whose e-mail address is registered with the Company/Depositories, unless a member has requested for a physical copy of the same. Members whose email address has not been registered with the Company / Depositories, a letter providing the web-link, through which Annual Report can be accessed, is being sent. Members may note that the Notice of AGM and Annual Report for FY 2025-26 will also be available on the Company's website http://midhani-india.in/ website of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and on the website of National Securities Depository Limited (NSDL) at https://www.evoting.nsdl.com. The Company will also publish advertisement in the newspapers containing details of the AGM to be conducted via VC/OAVM, and other relevant information for the shareholders.

2. Since the AGM is held through VC/OAVM, route map to the venue is not required and therefore, the same is not annexed to this Notice.

3. The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') in respect of Item Nos. 4 to 8 of the Notice, is annexed hereto. Further, disclosures in relation to Item Nos 3 to 7 of the Notice, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') forms part of this Notice.

4. Details of Directors retiring by rotation and proposed to be re-appointed at the Meeting is as below:

Smt. Madhubala Kalluri (DIN:11202794)	
Age	59 years
Qualifications	Postgraduate in Commerce from Andhra University and a Fellow Member of The Institute Cost Accountants of India.
Experience	She joined MIDHANI as Accounts Officer in 1993 and in a career spanning over 32 years, served the company in various capacities with exposure in all aspects of Accounting, Costing, Financial Management, Budgeting, Projects, Taxation and Audit. She is MIDHANI's Director (Finance) w.e.f. July 21, 2025 and designated as CFO w.e.f. August 13, 2025.
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Smt. Madhubala Kalluri is liable to retire by rotation.
Remuneration proposed to be paid	Smt. Madhubala Kalluri has been appointed by Ministry of Defence in pay scale of ₹ 1,60,000 — 2,90,000/- (IDA Pattern)
Date of first appointment on the Board	July 21, 2025
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2026	Nil
Relationship with other Directors / Key Managerial Personnel	None

Smt. Madhubala Kalluri (DIN:11202794)	
Number of meetings of the Board attended	FY 2025-26 – 100%
Directorships of other Boards as on March 31, 2026	None
Listed entities from which the Director has resigned in the past three years	None
Remuneration received during FY 2025-26 as Director	Rs. 36,79,000/- (from the date of appointment as a Director)

5. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares of the Company as on September 23, 2026 **('Cut-off date')** can join the meeting anytime 30 minutes before the commencement of the AGM by following the procedure as outlined in **Annexure – 1** of the Notice.

6. Attendance through VC/OAVM is restricted and hence, members will be allowed on first come first serve basis. However, attendance of members holding more than 2% of the paid-up share capital of the Company, institutional investors, Directors and Key Managerial Personnel, Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors will not be restricted on first come first serve basis.

7. **Appointment of Proxy and Attendance Slip:** Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014 provides for appointment of proxy to attend and vote at a general meeting on behalf of the member who is not able to physically attend the AGM. Since the 52nd AGM is being held through VC/OAVM and in accordance with the MCA Circular, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxy would not be available to the Members for attending the 52nd AGM and therefore, proxy form and attendance slip are not annexed to this Notice.

8. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend and vote at the 52nd AGM are requested to send from their registered email address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorizing their representative(s) to vote, to the Scrutinizer i.e. Shri Navajyoth Puttaparthi on his e-mail ID at cs@pjco.info with a copy marked to evoting@nsdl.com.

   Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab under their login.

9. **Record Date:** Members may kindly note that Wednesday, September 23, 2026 has been fixed as the Record Date to determine entitlement of members to the final dividend for the financial year 2025-26.

   Declaration Dividend:

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

      - to members in respect of equity shares held by them in physical form, whose name appear as a member in the Company's Register of Members as on Wednesday, September 23, 2026; and
      - to beneficial owners in respect of equity shares held by them in dematerialized form whose name appear in the statement of beneficial owners furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited

('CDSL'), on close of business hours on Wednesday, September 23, 2026.

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

10. **Mandatory updation of PAN, KYC, nomination and bank details by Members**

For Members holding shares in physical form:

As per Master Circular for Registrar to an Issue and Share Transfer Agents dated June 23, 2025 issued by SEBI, it is mandatory for all holders of physical shares in the Company to furnish PAN, contact details (postal address with PIN and mobile number), bank account details and specimen signature for their corresponding folio number(s) of physical securities. The relevant forms for updating the records are available on Company's website https://midhani-india.in/ and the duly filled forms may be sent to the Company's RTA at the earliest, preferably on or before September 23, 2026**.**

For Members holding shares in demat form:

Members holding shares in demat form are requested to update PAN and other details with their Depository Participant(s).

11. **Unclaimed Dividend:** Details of unclaimed dividend are available on the Company's website, https://midhani-india.in/unpaid-unclaimed-dividend-list/ Members who wish to claim their unpaid/unclaimed dividend(s) may send a request to the Corporate Secretarial Department on e-mail ID: company.secretary@midhani-india.in or to the Company's RTA on e-mail ID: rta@alankit.com or by post to RTA's address at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055.

12. **Electronic dissemination of AGM Notice and Annual Report:** Electronic/digital copy of the Annual Report for FY26 and Notice of 52nd AGM are being sent to all the Members whose e-mail ID is registered with the Company/ NSDL/CDSL. Members who have not registered their e-mail ID may get the same registered. The Annual Report for FY26 and Notice of 52nd AGM of the Company are available on the Company's website viz. https://midhani-india.in/ websites of BSE Limited and National Stock Exchange of India Limited, and on the website of NSDL at https://www.evoting.nsdl.com.

13. **Inspection of documents:** The statutory registers maintained under the Act, shall be made available for inspection to the members by accessing the NSDL e-voting platform at https://www.evoting.nsdl.com during the remote e-voting period and during the 52nd AGM.

14. **Speaker Registration/ facility to non-speakers**:

Registration as speaker at the AGM	Members who wish to raise queries at the AGM may register themselves as 'Speaker' by sending request to the said effect from their registered email address to the e-mail ID: company.secretary@midhani-india.in quoting their name, DP ID and Client ID/folio number, on or before September 23, 2026. It is also advisable to submit questions/ subject matter to be addressed by shareholder
Facility for non-speakers	Members who wish to receive any information on the Annual Report for FY26 or have questions on the financial statements and/or matters to be placed at the 52nd AGM, may send a communication from their registered email address to the e-mail ID: company.secretary@midhani-india.in quoting their name, DP ID and Client ID/folio number, on or before **September 23, 2026.**

The Company reserves the right to restrict the number of questions and/ or number of speakers during the AGM, depending upon availability of time and for smooth conduct of the meeting. However, the Company will endeavour to respond to the questions which have remained unanswered during the meeting, over e-mail.

15. **E-voting :**

a) In accordance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, SS-2 and Regulation 44 of SEBI Listing Regulations, the Company has extended the facility of voting through electronic means including 'Remote e-voting' (e-voting other than at the AGM) to transact the business mentioned in the notice of 52nd AGM.

b) Necessary arrangements have been made by the Company with NSDL to facilitate 'Remote e-voting' as well as e-voting at the AGM to be held through VC/OAVM facility. Members shall have the option to vote either through remote e-voting or voting through electronic means at the AGM.

c) The Company has appointed Shri Navajyoth Puttaparthi, Practising Company Secretary (Membership No. FCS 9896 and Certificate of Practice No. 16041) as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.

d) Voting rights of members shall be reckoned on the paid-up value of equity shares registered in their name as on the **'Cut-off date'** i.e. **September 23, 2026.**

e) Members whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the 'Cut-off date', shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.

f) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	**From 9:00 a.m. (IST), September 26, 2026 (Saturday)**
End of remote e-voting	**Up to 5:00 p.m. (IST) September 29, 2026 (Tuesday)**

g) The procedure for e-voting on the day of the AGM is identical to remote e-voting instructions as outlined in **Annexure-1** to this Notice.

h) Any person who becomes a Member of the Company after dispatch of the Notice of 52nd AGM and holds equity shares as on the 'Cut-off date' may also follow the procedure as outlined in **Annexure-1** to this Notice. Any person who is not a Member as on the 'Cut-off date' should treat this Notice for information purpose only.

i) Members present at the 52nd AGM through VC/OAVM facility and who have not cast their vote on resolutions set out in the 52nd AGM Notice through remote e-voting, and who are not otherwise barred from doing so, shall be allowed to vote through e-voting facility during the 52nd AGM. However, Members who have exercised their right to vote by remote e-voting may attend the 52nd AGM but shall not be entitled to cast their vote again.

j) Members can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the 52nd AGM. If a Member cast votes by both modes, then voting done through remote e-voting shall prevail.

k) In case of joint holders attending the 52nd AGM through VC/OAVM facility, only such joint holder who is higher in the order of names will be entitled to vote.

16. **Declaration of results of voting:** After conclusion of the meeting, the Scrutinizer will submit the report on votes cast in favour or against and invalid votes, if any, to the Chairman or any other person authorized by him, who shall countersign the same, and the result of the voting will be declared within the time stipulated under the applicable laws. The voting results along with the Scrutinizer's report, will be hosted on the Company's website viz. http://midhani-india.in/ website of NSDL, https://www.evoting.nsdl.com/, displayed on the Notice Board of the Company at the Registered Office and Corporate Office, and will be simultaneously forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

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

Item No. 4

Pursuant to Article 67 of Article of Association (AoA) of the Company, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through Ministry of Defence (MoD).

Ministry of Defence, Department of Defence Production vide Letter F. No. 5/1 (2)/ 2024/ D (NS) dated October 3, 2025 conveyed the appointment of Shri Padavittan Babu (DIN: 11233808) as Director (Production and Marketing) of the Company for a period commencing from his assumption of charge of post for five years or until further orders issued by Ministry of Defence, whichever is the earliest.

Shri Padavittan Babu (DIN: 11233808) assumed charge as Director (Production and Marketing) of the Company w.e.f. October 7, 2025. The Board of Directors took note of his appointment as Director (Production and Marketing) of the Company pursuant to applicable provisions of the Companies Act, 2013 and/or Articles of Association of the Company.

Shri Padavittan Babu is a metallurgical engineer with over three decades of expertise in special metals and alloys, including special steels, superalloys, and titanium alloys. He holds a Bachelor's degree in Metallurgical Engineering from Madras University, Chennai, and an MBA from Dr. B.R. Ambedkar Open University, Hyderabad.

He joined MIDHANI in 1997 and has held key roles in marketing, production, and strategic planning. In marketing, he played a pivotal role in developing new markets, reviving exports, strengthening customer engagement, and building long-term relationships with leading customers across critical sectors such as Aerospace, Defense, Energy, and Industrial applications. His proficiency in production management, process assurance, and business development has significantly contributed to the growth of the special metals and alloys segment.

Pursuant to regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the appointment of Director is subject to the approval of shareholders.

In view of above, approval of Members of Company by way of ordinary resolution is sought for appointment of Shri Padavittan Babu (DIN: 11233808) as Director (Production and Marketing) (Whole-time Director) of the Company for a period commencing from October 7, 2025 for five years or until further order conveyed by Ministry of Defence whichever is the earliest.

Details of Shri Padavittan Babu, 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 forms part of Notice of the 52nd AGM.

Shri Padavittan Babu is not disqualified from being appointed as a Director under provisions of Section 164, of the Companies Act, 2013 and read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Except Shri Padavittan Babu and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise, in the said Resolution

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 Ordinary Resolution.

Item No. 5

Pursuant to Article 67 of Articles of Association (AoA) of the Company, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through Ministry of Defence (MoD)).

Ministry of Defence, Department of Defence Production vide 8(29)/2026-D (Coord/DDP) dated June 5, 2026 conveyed the appointment of Shri Prakash Rajpurohit (DIN: 06895578), Joint Secretary (Defence Industries Promotion), MoD, as Government Nominee Director on the Board of MIDHANI w.e.f. June 5, 2025.

He will continue to hold office until further orders, conveyed by Administrative Ministry in this regard. Shri

Prakash Rajpurohit shall not be liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013. The Government Nominee Director on the Board of Company does not draw any sitting fees, commission or remuneration from the Company.

Mr. Prakash Rajpurohit, born on 28th February, 1986, is an Indian Administrative Service Officer of 2010 Batch of Rajasthan Cadre. He holds a B.Tech Degree in Electrical Engineering from IIT Delhi. He is currently posted as Joint Secretary, Ministry of Defence, Department of Defence Production.

Prior to joining Ministry of Defence, he served as Director in the Department of Economic Affairs, Ministry of Finance, handling works related to international investment treaties.

In Government of Rajasthan, he has held several important field and policy assignments, including district administration, commercial taxes and excise commissioner.

As on date of this AGM Notice, He is Director on the Board of Defence Innovation Organisation; Munitions India Limited and Jaipur Smart City Limited.

Pursuant to regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the appointment of Director is subject to the approval of shareholders.

In view of above, approval of Members of Company by way of ordinary resolution is sought for appointment of Shri Prakash Rajpurohit (DIN: 06895578), as Government Nominee Director of the Company for a period commencing from June 5, 2026 till further order conveyed by Ministry of Defence.

Details of Shri Prakash Rajpurohit (DIN: 06895578), 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 forms part of Notice of the 52nd AGM.

Shri Prakash Rajpurohit, is not disqualified from being appointed as a Director under provisions of Section 164, of the Companies Act, 2013 and read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Except Shri Prakash Rajpurohit, and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives are concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the resolution set out in item No. 5 of the accompanying Notice for the approval of the members of the Company by way of Ordinary Resolution.

Item No. 6

Pursuant to Article 67 of Articles of Association (AoA) of the Company, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through Ministry of Defence (MoD).

Ministry of Defence, Department of Defence Production vide Letter No. 11(70)/2021/Misc./D(NS) dated August 21, 2026 conveyed the appointment of Shri Sameer Mundra (DIN: 00078727) as Independent Director of the Company for a period three years i.e. till August 20, 2029 or until further orders issued by Ministry of Defence, whichever is the earliest.

Shri Sameer Mundra (DIN: 00078727) is an entrepreneur and business professional with a B.E. in Production Engineering from NIT Surat. He has extensive experience in business management, engineering and trading activities, with a professional career spanning nearly three decades.

He has been associated with Hytech Engineers as Proprietor since 1997 and Precision Engineering as Proprietor since 2013. He has also served as Director of MP JFC Industries Private Limited since 2020 and as Director of LUB E-Mart Advanced Platform Foundation since 2025.

His professional experience covers engineering, trading and e-commerce activities, with leadership responsibilities in various business organizations.

With his educational background in production engineering and long-standing entrepreneurial experience, Mr. Mundra brings practical business knowledge and leadership experience to his professional engagements.

Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the appointment of Director is subject to the approval of shareholders.

In view of above, approval of Members of Company by way of special resolution is sought for appointment of Shri Sameer Mundra (DIN: 00078727) as Independent Director of the Company for a period commencing from August 21, 2026 till August 20, 2029 or until further order conveyed by Ministry of Defence whichever is the earliest.

Details of Shri Sameer Mundra, 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 forms part of Notice of the 52nd AGM.

Shri Sameer Mundra is not disqualified from being appointed as a Director under provisions of Section 164, of the Companies Act, 2013 and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Shri Sameer Mundra and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise, in the said Resolution

The Board recommends the resolution set out in item No. 6 of the accompanying Notice for the approval of the members of the Company by way of Special Resolution.

Item No. 7

Pursuant to Article 67 of Articles of Association (AoA) of the Company, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through Ministry of Defence (MoD).

Ministry of Defence, Department of Defence Production vide Letter No. 11(70)/2021/Misc./D(NS) dated August 21, 2026 conveyed the appointment of Shri Pugazhendhy Arumugam (DIN: 11912614) as Independent Director of the Company for a period three years i.e. till August 24, 2029 or until further orders issued by Ministry of Defence, whichever is the earliest. The letter also specified that in case on non-availability of DIN, the appointment would be effective from date of allotment of DIN. Accordingly, Shri Pugazhendhy Arumugam obtained his DIN: 11912614 on August 25, 2026 and his appointment as Independent Director got effective from August 25, 2026.

Shri Arumugam Pugazhendhy (DIN: 11912614) is a professional with educational qualifications in M.Sc. and LL.B., with experience and exposure in the areas of Law, Management and Agriculture. He has legal experience with exposure to matters relating to property, banking and labour laws, including assisting in providing legal advice and dealing with related legal matters.

He is also actively engaged in agriculture, with a particular focus on organic farming and horticulture. He has practical exposure to sustainable agricultural practices and modern horticultural techniques aimed at enhancing productivity and quality.

Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the appointment of Director is subject to the approval of shareholders.

In view of above, approval of Members of Company by way of special resolution is sought for appointment of Shri Pugazhendhy Arumugam, DIN: 11912614 as Independent Director of the Company for a period commencing from August 25, 2026 till August 24, 2029 or until further order conveyed by Ministry of Defence whichever is the earliest.

Details of Shri Pugazhendhy Arumugam, 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 forms part of Notice of the 52nd AGM.

Shri Pugazhendhy Arumugam, is not disqualified from being appointed as a Director under provisions of Section 164, of the Companies Act, 2013 and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Shri Pugazhendhy Arumugam, and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise, in the said Resolution

The Board recommends the resolution set out in item No. 7 of the accompanying Notice for the approval of the members of the Company by way of Special Resolution.

Item No. 8

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 SS Zanwar & Associates, Cost Accountants (Firm Registration No. 100283), to conduct the audit of the cost records of the Company for the Financial Year 2026-27

Brief profile, terms & conditions of appointment and the proposed fee of the proposed cost auditor, are as follows:

a) Brief Profile: SS Zanwar & Associates, Cost Accountants, Hyderabad was established in year 1999. SS Zanwar & Associates have specialization in Cost Audit, Management Consultancy, and Regulatory Compliance. Led by CMA Sandeep Shrivallabh Zanwar, the firm leverages over 25 years of expertise to deliver precision-driven financial solutions across diverse industrial sectors.

b) Term of appointment: Appointed as Cost Auditor for FY 2026-27.

c) Proposed fees: ₹1,50,000/- (excluding statutory levies and out of pocket expenditure)

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

Accordingly, members are requested to consider and ratify the remuneration payable to Cost Auditors for the financial year 2026-27 as set out in the resolution for the aforesaid services.

The Board recommends the resolutions set out in Item No. 8 of the accompanying Notice for approval of the Members by way of an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution at item No. 8 of the accompanying Notice.

By the Order of the Board of Directors

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

Hyderabad
August 28, 2026

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.

Item No. 4

Name of the Director	Shri Padavittan Babu
DIN	11233808
Date of Birth	May 14, 1971 (55 years)
Date of first appointment on the Board	October 7, 2025
Qualifications	Shri Padavittan Babu holds a Bachelor's degree in Metallurgical Engineering from Madras University, Chennai, and an MBA from Dr. B.R. Ambedkar Open University, Hyderabad.
Expertise in specific functional areas	Shri Padavittan Babu is a metallurgical engineer with over three decades of expertise in special metals and alloys, including special steels, superalloys, and titanium alloys. He joined MIDHANI in 1997 and has held key roles in marketing, production, and strategic planning. In marketing, he played a pivotal role in developing new markets, reviving exports, strengthening customer engagement, and building long-term relationships with leading customers across critical sectors such as Aerospace, Defense, Energy, and Industrial applications.
Terms and conditions of appointment or reappointment	Appointed as Director (Production and Marketing) (Executive – Whole-time Director) of MIDHANI, with effect from October 7, 2025 for a period of five years or until further orders issued by Ministry of Defence, whichever is the earliest. He assumed charge as Director (Production and Marketing) w.e.f. October 7, 2025. He has been appointed as Director (Production and Marketing) in basic pay scale of ₹ 1,60,000 – ₹ 2,90,000/- (IDA) pattern. He is liable to retire by rotation.
Details of remuneration last drawn at MIDHANI (FY 2025-26)	₹22,93,000/- (from the date of appointment as a Director)
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 28, 2026)	Utkarsha Aluminium Dhatu Nigam Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 28, 2026)	None
No. of Board Meetings attended during the Financial Year 2025-26	Not applicable
No. of shares held in the Company:	
(a) Own	520
(b) For other persons on a beneficial basis	Nil
Name of listed companies from which Director has resigned in past three years	None

Note: Shri Padavittan Babu is not related to any other Director or Key Managerial Personnel.

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.

Item No. 5

Name of the Director	Shri Prakash Rajpurohit
DIN	06895578
Date of Birth	February 28, 1986 (40 years)
Date of first appointment on the Board	June 05, 2026
Qualifications	Indian Administrative Service Officer of 2010 Batch of Rajasthan Cadre. He holds a B.Tech Degree in Electrical Engineering from IIT Delhi.
Expertise in specific functional areas	He is currently posted as Joint Secretary, Ministry of Defence, Department of Defence Production. Prior to joining Ministry of Defence, he served as Director in the Department of Economic Affairs, Ministry of Finance, handling works related to international investment treaties. In Government of Rajasthan, he has held several important field and policy assignments, including district administration, commercial taxes and excise commissioner.
Terms and conditions of appointment or reappointment	Ministry of Defence, Department of Defence Production vide letter No. 8(29)/2026-D (Coord/DDP) dated June 5, 2026 appointed Shri Prakash Rajpurohit as Government Nominee Director of Mishra Dhatu Nigam Limited (MIDHANI). He will continue to hold office until further orders, conveyed by Administrative Ministry in this regard. He is not liable to retire by rotation.
Details of remuneration last drawn at MIDHANI (FY 2025-26)	Not applicable
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 28, 2026)	a) Munitions India Limited b) Jaipur Smart City Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 28, 2026)	None
No. of Board Meetings attended during the Financial Year 2025-26	Not applicable
No. of shares held in the Company:	
(c) Own	Nil
(d) For other persons on a beneficial basis	Nil
Name of listed companies from which Director has resigned in past three years	None

Note: Shri Prakash Rajpurohit is not related to any other Director or Key Managerial Personnel.

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.

Item No. 6

Name of the Director	**Shri Sameer Mundra**
DIN	00078727
Date of Birth	April 5, 1975 (51 Years)
Date of first appointment on the Board	August 21, 2026
Qualifications	B.E. in Production Engineering from NIT Surat.
Expertise in specific functional areas	He has extensive experience in business management, engineering and trading activities, with a professional career spanning nearly three decades. He has been associated with Hytech Engineers as Proprietor since 1997 and Precision Engineering as Proprietor since 2013. He has also served as Director of MP JFC Industries Private Limited since 2020 and as Director of LUB E-Mart Advanced Platform Foundation since 2025. His professional experience covers engineering, trading and e-commerce activities, with leadership responsibilities in various business organizations. With his educational background in production engineering and long-standing entrepreneurial experience, Mr. Mundra brings practical business knowledge and leadership experience to his professional engagements.
Terms and conditions of appointment or reappointment	Appointed as Independent Director for a period of three years commencing from August 21, 2026 (i.e. date of letter), till August 20, 2029 or until further orders issued by Ministry of Defence, whichever is the earliest.
Details of remuneration last drawn at MIDHANI (FY 2025-26)	Not applicable
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 28, 2026)	None
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 28, 2026)	Nil
No. of Board Meetings attended during the Financial Year 2025-26 as Director	Not applicable
No. of shares held in the Company:	
(e) Own	Nil
(f) For other persons on a beneficial basis	Nil
Name of listed companies from which Director has resigned in past three years	None

Note: Shri Sameer Mundra is not related to any other Director or Key Managerial Personnel.

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.

Item No. 7

Name of the Director	**Shri Pugazhendhy Arumugam**
DIN	11912614
Date of Birth	February 9, 1969 (57Years)
Date of first appointment on the Board	August 25, 2026
Qualifications	M.Sc. and LL.B
Expertise in specific functional areas	Shri Arumugam Pugazhendhy (DIN: 11912614) is a professional with educational qualifications in M.Sc. and LL.B., with experience and exposure in the areas of Law, Management and Agriculture. He has legal experience with exposure to matters relating to property, banking and labour laws, including assisting in providing legal advice and dealing with related legal matters. He is also actively engaged in agriculture, with a particular focus on organic farming and horticulture. He has practical exposure to sustainable agricultural practices and modern horticultural techniques aimed at enhancing productivity and quality.
Terms and conditions of appointment or reappointment	Shri Pugazhendhy Arumugam (DIN: 11912614) appointed as Independent Director of MIDHANI for a period of three years commencing from date of letter and in case of non-availability of DIN, the appointment would be effective from date of allotment of DIN. Accordingly, Shri Pugazhendhy Arumugam obtained his DIN: 11912614 on August 25, 2026, hence his appointment is effective from August 25, 2026 till August 24, 2029 or until further orders, whichever is earlier conveyed by Administrative Ministry in this regard. He is not liable to retire by rotation
Details of remuneration last drawn (FY 2025-26)	Not applicable
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 28, 2026)	None
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 28, 2026)	Nil

Name of the Director	Shri Pugazhendhy Arumugam
No. of Board Meetings attended during the Financial Year 2025-26	Not Applicable
No. of shares held in the Company:	
(g) Own	Nil
(h) For other persons on a beneficial basis	Nil
Name of listed companies from which Director has resigned in past three years	None

Note: Shri Pugazhendhy Arumugam is not related to any other Director or Key Managerial Personnel.

Annexure – 1

Instructions for remote e-voting and access to 52nd Annual General Meeting

Members are requested to follow the instructions given below to cast their vote through e-voting and to access the Video Conference facility at the AGM:

1. Shareholders holding shares either in physical form or in dematerialized form, as on the **'Cut-off date' i.e. Wednesday, September 23, 2026** may cast their vote electronically by logging to NSDL website at https://www.evoting.nsdl.com/

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

Commencement of remote e-voting	**From 9:00 a.m. (IST), September 26, 2026 (Saturday)**
End of remote e-voting	**Up to 5:00 p.m. (IST), September 29, 2026 (Tuesday)**

   The e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being, Wednesday, September 23, 2026.

3. Detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM, is given below:

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

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

Step 1: Access to NSDL e-Voting system

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

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

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholder	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. 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 or joining virtual meeting & voting during the meeting.
	2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholder	Login Method
	3. 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
	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
	2. After successful login of Easi/Easiest the user will be also able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the demat account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of shareholder	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911

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

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon **"Login"** which is available under '**Shareholder/ Membe**r' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. 'Cast your vote electronically'.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 142041 then user ID is **

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

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

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

   c) How to retrieve your 'initial password'?

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

      ii. If your email ID is not registered, **please follow steps mentioned below which outlines the process for those shareholders whose email id is not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

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

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

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

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

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

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

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

Step 2: Cast your vote electronically on NSDL's e-voting system and join General Meeting on NSDL e-Voting system

How to cast your vote electronically on NSDL's e-voting system and join General Meeting on NSDL e-Voting system?

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

2. Select **"EVEN**" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the voting page opens
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on **"Submit"** and also **"Confirm"** when prompted.
5. Upon confirmation, the message **"Vote cast successfully"** will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scan copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. authorising their representative(s) to vote, to the Scrutinizer by e-mail to cs@pjco.info with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.
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 after five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or "**Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available in the download section of www.evoting.nsdl.com or call on no.: 022 – 4886 7000 or send a request to Ms. Pallavi Mahtre, DVP (NSDL) at evoting@nsdl.com

Process for those shareholders whose e-mail id is not registered with the depositories to procure user id and password and registration of e-mail id for e-voting for the resolutions set out in this notice

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to 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 scan copy of PAN card), Aadhar (self-attested scan copy of Aadhar Card) to rta@alankit.com If you are an individual shareholder holding securities in demat mode, please refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting for individual shareholders holding securities in demat mode.
3. Alternatively, shareholder may send a request to evoting@nsdl.com 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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of 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 casted 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 in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

About Us

WHO WE ARE

Mishra Dhatu Nigam Limited (MIDHANI) is India's premier metallurgical Company, established in 1973 at Hyderabad as a Government of India Enterprise under the Ministry of Defence. Since its inception, MIDHANI has been entrusted with the objective of achieving self-reliance in the production and supply of various superalloys, special steels, and materials to defence and other strategic sectors including aeronautical, and space applications.

Over the decades, the Company has built specialised capabilities to address applications where high-performance materials and associated technologies were not readily available within the country, thereby contributing to India's strategic autonomy and self-reliance.

Today, MIDHANI stands as one the few integrated and modern metallurgical plants in the world, manufacturing wide range of Superalloys, Titanium alloys, Special Steels with state-of-art production facilities integrating value chain that transforms titanium sponge into high-performance alloys and value-added products ranging from forgings and rolled products to precision fasteners.

MIDHANI's manufacturing footprint spans Hyderabad, Telangana and Rohtak, Haryana, serving niche and high-criticality end-user segments across Defence, Aerospace and Energy. In these sectors, where material performance and reliability are paramount, MIDHANI's products play a critical role in advancing national security, strategic capabilities and self-reliance.

Our Mission

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

OUR UNIQUE PROPOSITION

MIDHANI's position in India's strategic materials landscape rests on a combination of capabilities that are have been built over more than five decades`

Leading manufacturer of Titanium alloys, special Steels and Superalloys in India

We operate the country's leading integrated Titanium value chain — from Titanium sponge compaction through ingot, forging, plate, bar and wire production, to fasteners and investment castings — all under one roof. During FY 2025-26, this capability enabled us to nearly double our Titanium production to approximately 700 MT.

Deep, multi-decade customer relationships

We have partnered with our key Defence, Aerospace and Energy customers for over five decades, often co-developing materials for their specific platforms. This partnership has embedded MIDHANI deep within India's strategic supply chains.

World-class certifications opening direct OEM access

In FY 2025-26, we secured NADCAP certifcation for Heat Treatment and Airworthiness Certificates for ten critical Aerospace-grade alloys from CEMILAC — credentials that allow global OEMs to procure directly from MIDHANI. Additionally, MIDHANI has become the first Company in India to secure Independent and International Metallic Material Laboratory (S400) approval for a wide range of chemical, mechanical and metallurgical testing.

Mastery of extreme metallurgy

We are among a small number of organisations worldwide capable of producing cast superalloy single-crystal blade material, widely regarded as the pinnacle of competitiveness in metallurgy — alongside high-purity Titanium alloys, Superalloys and Ultra-High-Strength Steels engineered to exacting compositional and performance tolerances for aero-engine and Defence applications.

Securing Critical Raw Materials Demand

Recognising that India does not possess natural reserves of the Nickel, Cobalt, Molybdenum, Tungsten, Vanadium and Chromium that advanced alloys require, we initiated the establishment of a Metal Bank for critical raw materials during the year which is a forward-looking mechanism to insulate our Defence production from global supply chain disruptions.

A trusted name beyond Defence and Aerospace

Our capabilities extend to landmark national projects beyond our traditional segments — including the supply of armour-grade steel for the Presidential Dais and, most notably, becoming the first organisation in India to deliver Titanium for an architectural application, with 31 Titanium windows supplied to the Shri Ram Janmabhoomi Mandir, Ayodhya.

Our Journey

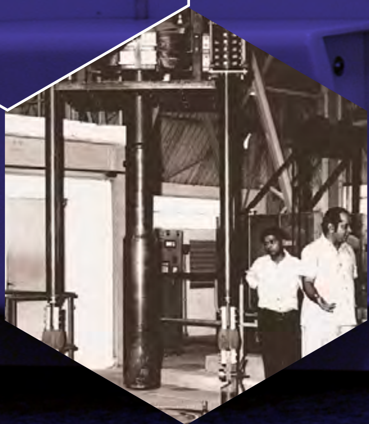
FORGING A LEGACY OF STRATEGIC EXCELLENCE

1973

MIDHANI Incorporated

1983

Operations transitioned to commercial production



2008

Granted Miniratna Category-I status by the Ministry of Defence

2015

Commissioned 6,000T Forge Press

MIDHANI's journey is marked by a relentless pursuit of technological advancement, manufacturing excellence and national service. From pioneering indigenous materials to enabling some of India's most critical strategic programmes, every milestone reflects our enduring commitment to innovation, self-reliance and nation-building.

2026

Delivered Highest-Ever Revenue of ₹1,209 Crore

2021

Established Rohtak Armour Unit

2022

Wide Plate Mill Dedicated to the Nation by the President of India

2018

Listed on BSE and NSE

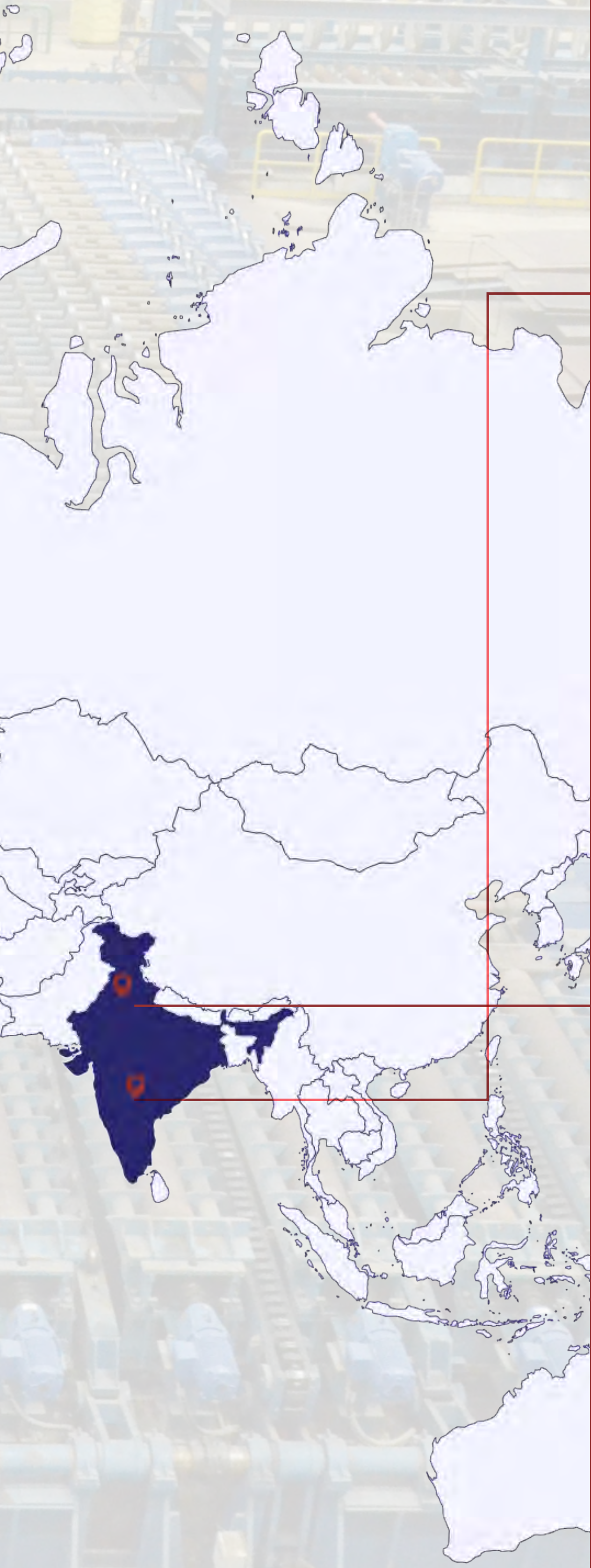
LVM-3 M5 & M6

- Special Steel: Used for critical structural elements like the propulsion module's lander separator band and motor casings.
- Cobalt and Nickel-Base Alloys: Deployed in high-stress and high-temperature environments, including liquid engines and thrusters.
- Titanium Alloys: Applied in lightweight structural frames, gas bottles, and propellant tanks.
- Special Steels & Stainless Steel: Utilized for liquid stage nozzles, cryogenic upper stage components, and exhaust units.

SKYROOT VIKRAM

- Special Steel: Used for critical structural elements like the propulsion module's lander separator band and motor casings.

Our Geographical Footprint



Hyderabad unit

Rohtak unit

Delivering All round Performance

ADVANCING VALUE. DELIVERING EXCELLENCE

KEY HIGHLIGHTS & ACHIEVEMENTS

FY 2025-26 was a year in which MIDHANI's performance excelled in financial strength, operational delivery, technical advancement and social impact.

Financial Highlights

MIDHANI delivered its highest-ever revenue, supported by strong execution across Defence, Aerospace and Energy verticals.

Revenue from Operations	EBITDA	Profit After tax
₹1,208.63 Cr.	₹275.59 Cr.	₹130.79 Cr.
↑ 12.52% YoY	↑ 10.69% YoY	↑ 18.82% YoY

Operational Performance & Achievements

During FY 2025-26, MIDHANI developed several major alloy grades for its application in Aero Engines, Naval applications, Augmentation of existing facilities and major certifications, which showcase MIDHANI's capabilities & commitment towards continuous up-gradation and operation excellence.

700 MT

Titanium Alloy Production – nearly 100% y-o-y increase

700+

Rolled Rings supplied for Aero Engines

10 alloys

Certified airworthy by CEMILAC

Superalloy single crystal blade

Developed for the first time Superalloy single crystal blade material for Aero engine.

Augmentation of Bar & Wire Drawing Shop facilities

State-of-the-art Aerospace Fasteners Facility being inaugurated by Shri Sanjeev Kumar, IAS, Secretary (Defence Production)

MIDHANI's Heat Treatment facility has been awarded the prestigious NADCAP accreditation.

Centre for Military Airworthiness and Certification (CEMILAC) airworthiness certificate

Message from the Chairman's Desk

LEADERSHIP PERSPECTIVE

Dr. S.V.S. Narayana Murty
Chairman & Managing Director

Dear Shareholders,

It is my privilege to present MIDHANI's Annual Report for FY 2025–26. I am pleased to share that FY 2025-26 has been a landmark year for MIDHANI, marked by record financial performance, technological achievements and significant contributions to India's strategic sectors.

I am pleased to report that FY 2025–26 was a year of record financial performance for MIDHANI. The Company achieved its highest-ever revenue of ₹1,20,862.59 lakh, registering year-on-year growth of 12.52% over ₹1,07,410.15 lakh in FY 2024–25. Value of Production also reached all time high of ₹1,19,391.98 lakh, an increase of 12.04% over ₹1,06,562.38 lakh in the previous financial year. EBITDA stood at ₹27,558.83 lakh, reflecting growth of 10.69% over ₹24,896.79 lakh in FY 2024–25. Profit before tax rose by 17.98% to ₹18,409.40 lakh from ₹15,603.90 lakh, while profit after tax increased by 18.82% to ₹13,078.62 lakh from₹11,006.87 lakh.

These achievements were realised despite geopolitical uncertainties and supply-chain disruptions. These results reflect the strength of our operations, disciplined execution, and continued focus on creating sustainable value.

1,20,862.59 Lakh

highest-ever revenue

Operational Performance

During the year, MIDHANI further strengthened its position as a strategic materials partner to key sectors by increasing the production of titanium alloys and expanding the supply of superalloys and other critical materials for indigenous aero-engine programmes.

Industry 4.0

Smart Manufacturing

Titanium production nearly doubled to approximately 700 MT during the year, supported by the commissioning of a new vacuum arc remelting furnace. In a significant technological milestone, we also developed, for the first time, cast single-crystal superalloy material for aero-engine blades - an achievement widely regarded as one of the most demanding frontiers in metallurgy. The material successfully passed the full suite of customer mandated tests therein marking a proud accomplishment for every metallurgist and engineer at MIDHANI.

First in India

Cast Single-Crystal Superalloy Material

During the year, more than 200 parts were type-certified and supplied for aero-engine applications. We also successfully isothermally forged a nickel-based superalloy for a fighter-aircraft engine using our 6,000-tonne press and secured orders spanning four Superalloy grades and three Titanium alloy grades. Beyond aerospace, MIDHANI completed its first commercial rolling order for a 7000-series Aluminium alloy, advanced the testing of ABHED bulletproof jackets, and commenced operations at its spring plant with a sample order from BEML.

One achievement particularly close to my heart was the delivery of 31 specially engineered titanium windows for the Shri Ram Janmabhoomi Mandir in Ayodhya. This landmark contribution made MIDHANI the first company in India to deploy titanium as a structural and architectural material in a major heritage monument. We also supplied approximately 90 tonnes of indigenously developed armour-grade steel for the Presidential Dais within a compressed delivery schedule. It is a powerful reminder that materials developed for defence and aerospace can transcend their strategic origins to become part of enduring structures that will inspire generations.

Accredited Quality, Trusted Worldwide

Quality remains our highest priority. We received Airworthiness Certificates from CEMILAC for 10 critical alloys and secured NADCAP accreditation for our heat treatment processes which is one of industry's most rigorous and globally recognised certifications. This accreditation strengthens MIDHANI's integration into the global aerospace supply chain by enabling original equipment manufacturers worldwide to procure directly from us.

We are also the first company in India to receive Independent and International Metallic Material Laboratory (S400) approval from GE Aerospace for a broad range of chemical, mechanical, and metallographic testing. This approval enables MIDHANI to provide commercial testing services for GE Aerospace materials worldwide, creating a new international revenue opportunity.

Our non-destructive testing personnel have achieved NAS 410 Level II certification in ultrasonic testing, magnetic particle testing, and fluorescent penetrant testing. This qualification represents an important milestone in our journey towards securing NADCAP accreditation for the NDT section.

Further, company is pursuing ISO 27001 and ISO 50001 certifications to strengthen its aerospace, information-security and energy-management credentials. At the same time, our initiatives in Industry 4.0, Quality Assurance 4.0, and AI-driven alloy development are building the digital and technological capabilities required for MIDHANI's future growth.

"We are also the first company in India to receive Independent and International Metallic Material Laboratory (S400) approval from GE Aerospace for a broad range of chemical, mechanical, and metallographic testing. This approval enables MIDHANI to provide commercial testing services for GE Aerospace materials worldwide, creating a new international revenue opportunity."

Capacity Expansion and Capability Building

To sustain the momentum we have built, we are preparing Detailed Project Reports for a capital expenditure programme of approximately ₹1,000 crore over the next few years. This programme will replace equipment that has served us since the 1980s with modern, Industry 4.0-enabled facilities, enhancing productivity, precision, and operational efficiency. We have already inaugurated a world-class aerospace fasteners manufacturing facility, positioning MIDHANI among the few manufacturers globally with fully integrated capabilities from producing the raw material to supplying the finished fasteners under one roof.

The opportunity ahead is equally compelling. India currently imports approximately ₹8,000 crore worth of titanium alloys, superalloys, and specialty steels that fall within MIDHANI's established capabilities. Capturing a meaningful share of this import-substitution opportunity, together with our robust order book, gives me confidence that sustained annual revenue growth is achievable.

Metal Bank: Securing our supply chain for long term

Recent geopolitical crises, sanctions, price volatility, and shipment delays have reinforced the need for a more secure and durable sourcing strategy. Accordingly, during the year we initiated the establishment of a Metal Bank covering six critical raw materials. Our alloys depend on more than 20 critical inputs, many of which India must import. Designed as a strategic reserve, the Metal Bank will be drawn upon during supply disruptions and replenished once normal supply conditions resume. The metal bank will act as a safeguard against future supply shocks.

Further, MIDHANI has also entered a Memorandum of Understanding with the Non-Ferrous Materials Technology Development Centre (NFTDC) to strengthen research and development, pilot-scale production, and advanced metal-recovery technologies. The collaboration will facilitate the establishment of new pilot plants, promote recycling, and advance self-reliant production models for critical metals and elements.

> During the year we initiated the establishment of a Metal Bank covering six critical raw materials. Our alloys depend on more than 20 critical inputs, many of which India must import. Designed as a strategic reserve, the Metal Bank will be drawn upon during supply disruptions and replenished once normal supply conditions resume.

Corporate Governance

Strong corporate governance remains fundamental to the way we conduct our business and create sustainable value. Our Board and Senior Management adhere to our Code of Conduct and we are committed to the highest standards of integrity, transparency, accountability, and regulatory compliance, supported by effective Board oversight, robust internal controls, disciplined risk management, and timely stakeholder communication. Your Company scored 100% as per the revised grading norms for CPSEs, conducted by the DPE on compliance of guidelines on Corporate Governance. A report on Corporate Governance and certificate on Corporate Governance issued by Practicing Company Secretary forms part of this Annual Report

Community Commitment, Shareholder Value

Furthermore, through our Corporate Social Responsibility (CSR) initiatives, MIDHANI remains deeply committed to inclusive and sustainable community development. Our interventions in strengthening local healthcare infrastructure, supporting the education of underprivileged students, promoting skill development, and advancing environmental sustainability in and around Kanchanbagh and our regional facilities reflect our responsibility as a conscientious corporate citizen. We will continue to align our CSR efforts with the needs of local communities and create meaningful, lasting value beyond our business operations.

Your Board has recommended a final dividend of ₹1.25 per equity share for FY 2025–26. Together with the interim dividend of ₹0.85 per share already paid, this brings the total dividend for the year to ₹2.10 per equity share. It reflects our commitment to sharing the benefits of growth with shareholders while continuing to invest in the Company's future capacity and capabilities.

Looking Ahead

We remain in active discussions with several global aero-engine majors that have audited our facilities over the past year, and we expect the first signs of commercial supply toward the end of FY 2026–27. At the same time, we are deepening our role in India's Advanced Medium Combat Aircraft programme, undertaking developmental work on both superalloys and Titanium alloys for one of the country's defining future aerospace programmes.

Looking back, what stands out is not only the records we set, but how we achieved them, through deeper indigenisation, sharper execution and an unwavering commitment to the metallurgical excellence that has defined MIDHANI for more than five decades.

These achievements belong to the entire MIDHANI family. I thank our employees across Hyderabad and Rohtak for their dedication; our customers in Defence, Aerospace, Space and Energy for their continued trust; my colleagues on the Board for their guidance; and the Ministry of Defence and the Government of India for their unwavering support. I am equally grateful to you, our shareholders, for your continued confidence in MIDHANI.

As we enter FY 2026–27, the foundations we have strengthened in capacity, certification, supply-chain resilience and, above all, the metallurgical talent of our people will position MIDHANI to keep delivering for the nation and for its shareholders in the years ahead.

With warm regards,

Dr. S.V.S. Narayana Murty

Chairman & Managing Director

OUR PRODUCTS

MIDHANI's product portfolio is built around High Value Speciality Steels, Superalloys, Titanium Alloys and supplemented by a growing range of special products. Every offering is manufactured to meet the stringent, often mission-critical specifications of our customers in Defence, Aerospace and Energy, and is backed by a Quality Management System that is certified to the highest national and international standards.

KEY PRODUCT OFFERINGS

Our product categories span the full spectrum of advanced metallurgy required by India's strategic sectors:

High Value Speciality Steels

Manufactured across both Alloy Steel and Stainless Steel families, including:

- Ultra High Strength Steel (UHSS)
- Ferritic, Martensitic and Austenitic Stainless Steels
- Armour Grade Plates
- Precipitation Hardening Steel

Superalloys

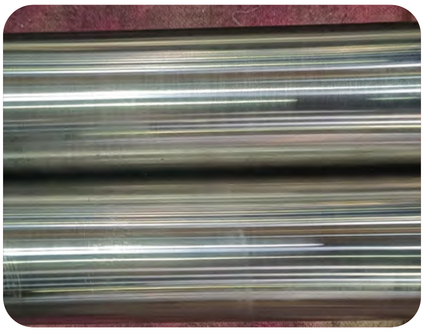
Engineered across Nickel-based, Iron-based and Cobalt-based chemistries for extreme-temperature, high-stress applications such as aero-engine components. During FY 2025-26, this capability advanced significantly with the development of cast superalloy single-crystal blade material for aero engines, a first for the Company and the supply of more than 700 ring-rolled rings for aero-engine applications.

Titanium Alloys

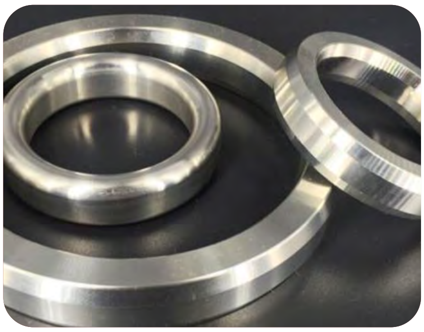
MIDHANI is India's leading integrated manufacturer of Titanium alloys. During FY 2025-25, MIDHANI nearly doubled its Titanium Alloys production to 700 MT.

Inauguration Of New Titanium Shop by Shri Sanjeev Kumar, IAS, Secretary (Defence Production)

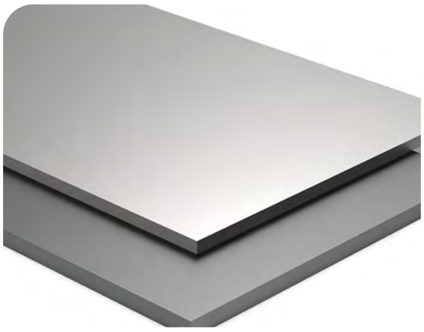
INGOTS



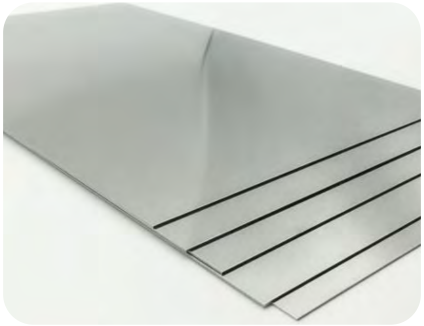
FORGED BARS



RINGS



HOT ROLLED PLATES



COLD ROLLED SHEETS

HOT ROLLED BARS

COLD DRAWN WIRES

TITANIUM CASTINGS

BIO IMPLANTS

FASTENERS

Special Products

Beyond core alloys, MIDHANI manufactures a range of special, application-specific products, including:

Personal and vehicle armour

including Bhabha Kavach (under technology transfer from BARC) and the newly inducted ABHED bullet-proof jacket technology, developed by DRDO in association with IIT Delhi.

Aerospace-grade fasteners

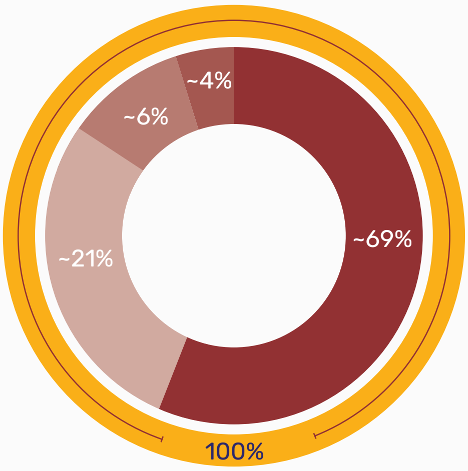
produced at a newly inaugurated, world-class ₹40 crore facility manufacturing superalloy and Titanium-alloy bolts and fasteners for the missile, space and Defence sectors. MIDHANI's ability to produce its own raw wire offers a distinct advantage over fastener-only competitors.

Welding electrodes and precision springs

including a spring manufacturing plant being made operational for Railway sector.

Order Book Snapshot

Order book composition by end-user segment, as on April 1, 2026



	Order Book	Share
Defence	₹1,569 Cr	~69%
Space / Aerospace	₹488 Cr	~21%
Energy	₹139 Cr	~6%
Others	₹94 Cr	~4%
Total Order Book	**₹2,290 Cr**	100%

Certifications and Accreditations

MIDHANI's Quality Management System is certified to the following standards:

ISO 9001:2015

Quality Management Systems

AS 9100:2016

Aerospace Quality Management System

ISO/IEC 17025:2017

Testing and Calibration Laboratory Competence

AFQMS

Aerospace and Defence Quality Management

ISO 45001:2018

Occupational Health and Safety Management

NADCAP

Heat Treatment, newly secured in FY 2025-26

The NADCAP certification for Heat Treatment, awarded during the year, is one of the most stringent accreditations in the global aerospace and defence industry. It allows Original Equipment Manufacturers (OEMs) to procure material directly from MIDHANI, materially shortening qualification timelines and opening direct access to global supply chains. The Company is now pursuing additional NADCAP certification in Non-Destructive Testing (NDT) to extend this advantage to its investment-casting business.

Separately, the Company received Airworthiness Certificates for 10 critical Aerospace-grade superalloys and steels from CEMILAC (Centre for Military Airworthiness and Certification) during the year, authorising their use in the production of advanced aero engines, a critical enabler for MIDHANI's continued participation in India's aero-engine development programmes.

MIDHANI become the first Company in India to secure Independent and International Metallic Material Laboratory (S400) approval for wide range of chemical, mechanical and metallurgical testing from GE Aerospace.

Quality Across the Value Chain

Stringent compositional control

Our most demanding products, such as single-crystal superalloy blade material, require extremely tight compositional tolerances and gas-content control to withstand aero-engine operating temperatures; our processes are designed to meet these tolerances consistently.

Customer-validated quality

new materials, including our single-crystal blade material, are qualified only after passing the full battery of tests prescribed by the end customer, ensuring our quality benchmarks are aligned to the most demanding global standards.

Precision manufacturing ecosystem

our material is processed downstream using modern 5-axis CNC machining capability, both in-house and through a network of precision manufacturing partners in and around Hyderabad, keeping machining-stage rejection rates negligible.

Continuous accreditation upgrades

the Company continues to pursue new certifications and capability audits with global OEMs, several of which were at an advanced stage during FY 2025-26, to expand the markets it can directly serve.

This quality architecture — Spanning systems certification, product-level validation and process-level precision — is fundamental to MIDHANI's ability to serve as a trusted, long-term materials partner to India's Defence, Aerospace and Energy establishments, and increasingly, to global Original Equipment Manufacturers.

At the Chapter Convention on Quality Concepts CCQC – 2025 held from 22nd – 23rd September 2025 organized by Quality Circle Forum of India, Hyderabad Chapter, MIDHANI team was bestowed with the prestigious Quality Movement Award.

Team Agniveer' of MIDHANI clinched the Gold Award in the Quality Circle category at the Chapter Convention on Quality Concepts CCQC – 2025 held from 22nd – 23rd September 2025 organized by Quality Circle Forum of India, Hyderabad Chapter.

Group of Five teams from Midhani Participated in Chapter Convention of Quality Circle 2025, who won 3 gold and 2 silver awards.

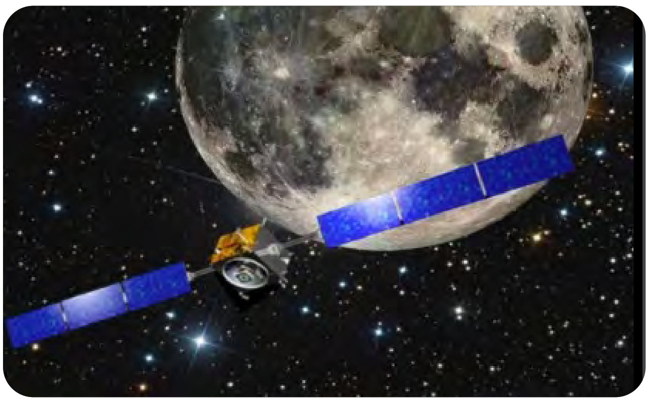
DRIVING MISSION CRITICAL INDUSTRIES

The Company's niche end-user segments – Defence, Armouring, Aeronautical, Aerospace & Space, and Energy operates in performance-critical, often mission-critical, environments where material failure is not an option. MIDHANI's order book and revenue mix for FY 2025-26 reflect the continued centrality of these sectors to the Company's business.

Defence

Space

Energy



Industries at a Glance

Industry	MIDHANI's Role	FY 2025-26 Indicator
Defence	Special alloys and high-strength steels for land systems and strategic platforms	~69% of order book
Armouring	Armour-grade steel, personnel and vehicle armour, bullet-proof jackets — manufactured at the dedicated Rohtak Armour Unit	~90T armour steel for Presidential Dais; ABHED technology inducted
Aeronautical	Superalloys and Titanium alloys for aero-engines and airworthiness-critical components	10 CEMILAC-certified alloys; single-crystal blade material developed
Aerospace & Space	Titanium and superalloy components for airframes, launch vehicles and spaceflight structures	~21% of order book
Energy	Special alloys for power generation, nuclear and energy infrastructure	~6% of order book (₹139 Cr)
Architecture & Infrastructure	Emerging, non-traditional application of Titanium alloys for landmark structures	31 Titanium windows delivered to Shri Ram Janmabhoomi Mandir, Ayodhya — a first for India
Railways	Precision springs and specialty steel for rolling stock applications	Spring plant being operationalised

Defence

Defence remains MIDHANI's largest and most enduring served industry, accounting for approximately 69% of the Company's total order book of ₹2,290 crore as on April 1, 2026. As a Defence Public Sector Undertaking under the Ministry of Defence, MIDHANI supplies materials and finished products critical to land systems, personnel protection and strategic platforms.

Strategic platforms

Special steels and superalloys for land systems, strategic platforms and naval applications, including high-strength steel for submarine and surface-ship construction

Raw material security

Initiated establishment of a Strategic Metal Bank for 6 critical raw materials to ensure uninterrupted supply for Defence projects amid global supply chain disruptions

Aerospace fasteners for Defence platforms

the newly commissioned ₹40 crore aerospace fasteners facility caters to the missile and Defence sectors alongside Space

Armouring

Armouring is a distinct, dedicated line of business for MIDHANI, served principally through its purpose-built Armour Unit at Rohtak, Haryana which is a 10-acre facility separate from the Company's core metallurgical plant at Hyderabad, equipped with fibre cutting, hydraulic ballistic press, CNT spray, water-jet and plasma cutting technology, autoclaves and composite moulding presses to manufacture personnel and vehicle armour at scale.

Product / Technology	Detail
Bhabha Kavach	Lightweight ballistic armour panel technology transferred from the Bhabha Atomic Research Centre (BARC), offering Level III / III+ protection; manufactured and marketed by MIDHANI
ABHED bullet-proof jackets	Technology jointly developed by DRDO and IIT Delhi, acquired by MIDHANI via Transfer of Technology in FY 2025-26; among the lightest jackets in its protection category; initial supply executed to OCTOPUS
Armour-grade steel plates	High-strength rolled plate for vehicle and structural armour applications; ~90 tonnes supplied for the Presidential Dais on a compressed delivery timeline
Vehicle & personnel armouring	Bullet-resistant jackets, bullet-proof vehicle armouring and protective armour systems supplied to paramilitary and security forces, including past supply to the CRPF
Rolled Homogeneous Armour (RHA) steel	MDN 30CND8 Mod grade developed and qualified for penetration testing of missile applications during FY 2025-26

With two active technology platforms (Bhabha Kavach and ABHED) and a dedicated manufacturing unit, armouring is positioned as a growth area within MIDHANI's Defence portfolio; management has indicated an expectation of further order bookings for ABHED jackets going forward.

Aeronautical

The aeronautical sector specifically aero-engines and airworthiness-critical components represents the most metallurgically demanding segment MIDHANI serves, and the one where the Company's in-house R&D has produced its most significant breakthroughs in FY 2025-26. MIDHANI is named as part of India's domestic aero-engine industrial base, supplying superalloys and Titanium alloys for programmes including the Kaveri engine and India's broader combat-aircraft engine development effort.

Capability / Milestone	Detail
Single-crystal blade material	Developed cast superalloy single-crystal blade material for aero engines for the first time — regarded as the highest level of competitiveness in metallurgy
CEMILAC airworthiness certification	Received Airworthiness Certificates for 10 critical Aerospace-grade superalloys and steels, authorising production for advanced aero engines
NADCAP certification	Secured NADCAP certification for Heat Treatment, enabling global OEMs to procure directly from MIDHANI; NDT certification planned next
Ring-rolled components	Supplied more than 700 ring-rolled rings of superalloys and Titanium alloys for aero engines during the year
Next-generation fighter programme	Currently executing developmental work on alloys (Superalloys and Titanium) for India's Advanced Medium Combat Aircraft (AMCA) programme
Global OEM engagement	Undergoing multi-visit facility audits with global aero-engine majors; commercial supplies expected

Aerospace & Space

Beyond aero-engines, MIDHANI supplies Titanium and superalloy components for airframe structures, launch vehicles and spaceflight applications. This segment accounts for approximately 21% (₹488 crore) of the total order book and ₹93 crore of FY 2025-26 revenue, making it the Company's second-largest served industry by order book.

MIDHANI was presented with excellent performance award for Indigenisation of Aerospace Raw Materials by HAL.

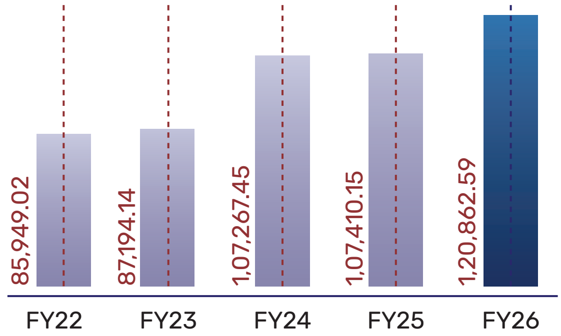
Energy

Energy remains a niche segment where the Company's special alloys and steels are deployed in applications requiring high-temperature stability and corrosion resistance, consistent with MIDHANI's broader role as a Prime Production Agency for high-value products.

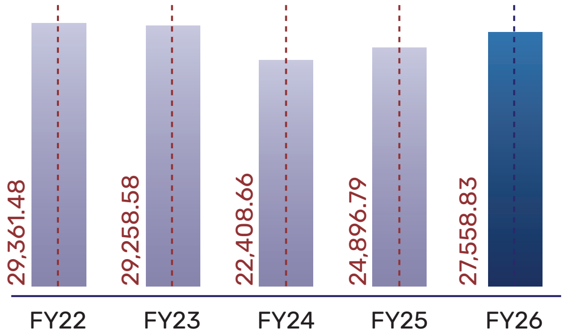
Financial Performance

PERFORMANCE IN NUMBERS

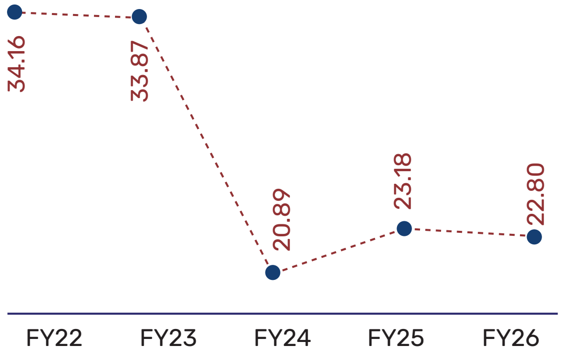
Revenue from Operations (₹ in Lakhs)



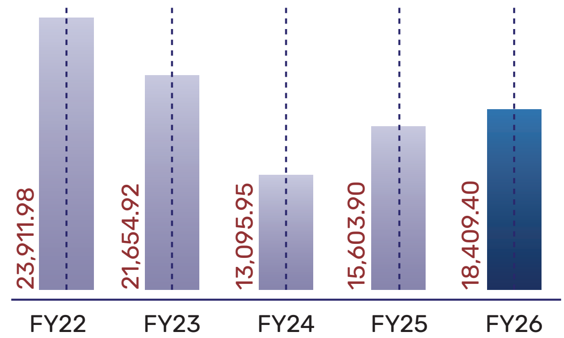
EBITDA (₹ in Lakhs)



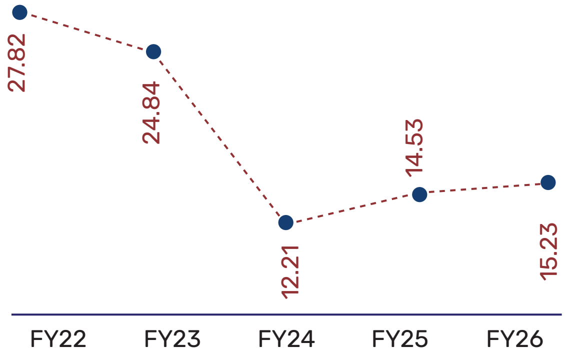
EBITDA Margin (in %)



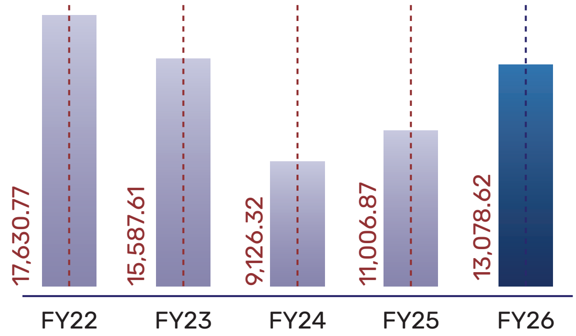
Profit Before Tax (₹ in Lakhs)



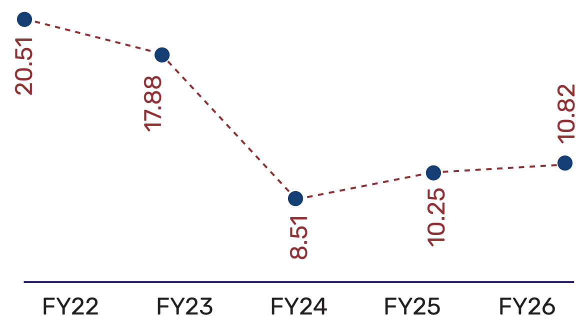
PBT Margin (%)



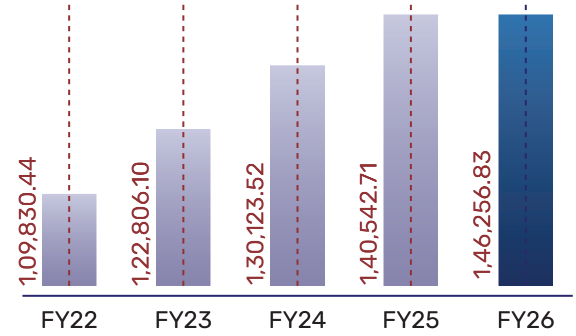
Profit After Tax (₹ in Lakhs)



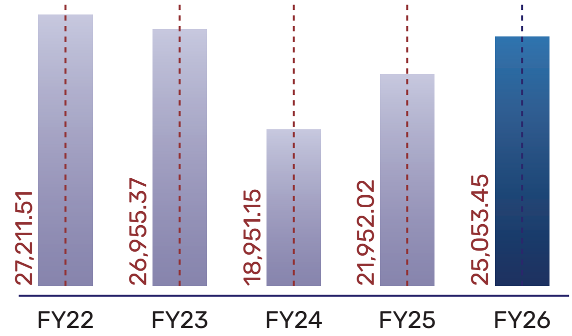
PAT Margin (%)



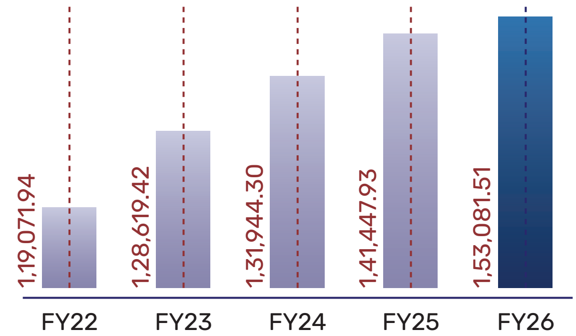
Gross Block (₹ in Lakhs)



Cash Profit (₹ in Lakhs)



Networth (₹ in Lakhs)



Risk Management & Mitigation

MANAGING RISK. SECURING THE FUTURE

MIDHANI operates a structured risk management framework to identify, assess and mitigate risks across its financial, operational, regulatory and strategic functions. The key risks facing the Company and the corresponding mitigation measures are summarised below.

Key Risk	Risk Description	Mitigation Strategy
Market & Customer Concentration Risk	A significant portion of MIDHANI's revenues is derived from Defence, Space and Government-linked customers. Any delay in project execution, procurement cycles or changes in spending priorities may impact order inflows and revenue visibility.	Diversifying into Aerospace, Space and Energy; pursuing exports and new markets such as Railways and architectural Titanium
Raw Material Supply & Price Volatility Risk	Critical raw materials such as Titanium sponge, Nickel, Cobalt, Molybdenum and other alloying elements are subject to supply constraints, import dependencies and price fluctuations, which may affect production schedules and margins.	Establishing a Strategic Metal Bank for 6 critical raw materials; identifying and qualifying alternate vendors; pricing long-term contracts to account for input cost uncertainty upfront.
Finance Cost & Interest Rate Risk	Changes in interest rates and borrowing costs can increase financing expenses and affect profitability, particularly during periods of capacity expansion and higher working capital requirements	Maintain a prudent capital structure, optimise debt levels, improve cash generation through operational efficiencies and prioritise internal accruals for funding growth initiatives.

Key Risk	Risk Description	Mitigation Strategy
Government Policy & Regulatory Risk	As a strategic PSU operating in highly regulated sectors, changes in government policies, procurement frameworks, environmental regulations or compliance requirements may influence business operations and growth plans.	Continuously monitor policy developments, maintain proactive engagement with stakeholders and regulators, and ensure strict adherence to applicable statutory, environmental and industry regulations.
Cybersecurity & Information Security Risk	Increasing digitalisation of manufacturing, operational systems and enterprise processes exposes the Company to potential cyber threats, data breaches and business disruptions.	Strengthen IT security architecture, conduct periodic vulnerability assessments, implement access-control mechanisms, undertake employee awareness programmes and maintain robust business continuity and disaster recovery plans.

The People Behind Our Progress

THE STRENGTH BEHIND OUR SUCCESS

Human Resource Development continued to receive focused attention during FY 2025-26, as the Company remained committed to building a competent, motivated and future-ready workforce. HRD initiatives during the year covered employee training and development, performance management, career progression, leadership development, mentoring and succession planning .The initiatives were aimed at strengthening employee capabilities and fostering a culture of continuous learning, collaboration and improvement.

Workforce Snapshot

760

Total Permanent Manpower

77

Women Employees (10.13% of workforce)

Yoga day celebrations at MIDHANI saw active participation from employees.

Training & Development

During FY 2025-26, the Training & Development Department achieved 3,814 man-days of training through a combination of 27 internal and 45 external training programmes. A total of 1,526 employees — comprising Executives, Non-Unionised Supervisors, Non-Executives, Fixed Term Contract employees and Casual manpower — participated in these programmes. The Department also organised 10 plant visits benefiting 291 participants, facilitated internships/project work for 28 students, and conducted skill development training for 39 apprentices, all of whom successfully completed their apprenticeship during the year.

72

Training Programmes

1,526

No.'s of personnels Trained

10

Plant Visits

39

Apprentices Trained

MIDHANI Sports Meet

Employee Welfare Initiatives

- Merit scholarships of ₹6,000 and ₹3,000 per annum to wards of employees (Classes I–X) securing 1st and 2nd rank respectively; monetary awards for meritorious SC/ST/OBC students, including for those scoring 75%+ in Class X.
- Scholarship of ₹1,000 per month to children of employees pursuing Graduation in Metallurgical Engineering.
- Post-Retirement Medical Benefits to eligible retirees through a Group Insurance Policy – 85% premium borne by the Company, 15% by the retiree.
- Brahm Prakash D.A.V. School (BPDAV), within MIDHANI Township, supports holistic education of employees' children; fee reimbursement of ₹500 per month per child (up to two children).
- Township of 87 quarters maintained for employees engaged in essential services.

Township

Quarters maintained for employees

Retirement Benefits

PRMBS to retire employees

Education

supports education of employees' children

International Women's Day was celebrated at MIDHANI to recognise the contribution of women employees across the organisation.

Health & Safety

MIDHANI is ISO 45001:2018 (Occupational Health & Safety) and ISO 14001:2015 (Environment Management) certified. A systematic five-step risk management process — Identification, Assessment, Mitigation, Monitoring and Reporting — governs all manufacturing units and offices. National Safety Week was observed with awareness programmes for employees.

Safety Indicator	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (per million person-hours)	Employees	1.04	1.59
	Workers	6.54	7.74
Total recordable work-related injuries	Employees	2	3
	Workers	22	26
Fatalities	Employees / Workers	0	0
High consequence work-related injury/ill-health	Employees	0	0
	Workers	3	2

Diversity, Equal Opportunity & Official Language

- Workplaces are accessible to differently-abled employees, with ramp facilities and permitted use of personal vehicles within factory premises for orthopaedically disabled staff.
- Reservation and recruitment of SC/ST/OBC and Persons with Disabilities is implemented per DPE Guidelines.
- Eight Hindi Awareness Workshops were organised benefiting around 163 employees; 40 employees received formal training under the Hindi Teaching Scheme; four quarterly Official Language Implementation Committee meetings were held during the year.

Environment & Social

SERVING THE NATION SUSTAINABLY

Environmental stewardship remains integral to MIDHANI's commitment to responsible and sustainable manufacturing. The Company continually strives to minimise its environmental footprint through efficient resource utilisation, energy conservation, emissions management, water stewardship and responsible waste management. By integrating sustainable practices across its operations, MIDHANI aims to enhance operational efficiency while contributing to environmental resilience and long-term value creation.

MIDHANI sponsored Installation of Solar Power System.

BPDAV School Managed by MIDHANI

Commitment towards a Sustainable Future

MIDHANI continued to embed sustainability considerations into its operational choices during FY 2025-26, building on its ongoing investments in cleaner processes, responsible resource use and energy efficiency.

MIDHANI has entered into an MoU with NVVNL for procurement of 850 kW renewable energy under the RESCO model, supporting the transition towards lower-carbon electricity

MIDHANI is progressively transitioning towards cleaner energy through renewable power procurement, fuel substitution and technology-led energy efficiency, with initiatives expected to save approximately 17 lakh units of electricity annually.

Strengthening Community Impact

MIDHANI's social outreach continued through its CSR programmes and its commitment to inclusive growth. A notable highlight of the year was the recognition received by the MIDHANI Primary Health Care Centre (MPHCC), which was conferred the prestigious Gold Award at the CSR Times Awards 2025-26 for its contribution to community healthcare.

332.29 lakh
CSR Expenditure

2009 lakh
Procurement from Micro & Small Enterprises (MSEs)

950
MSEs benefited

7913
BPL Patients treated at MPHCC

Gold Award
At CSR Times Awards 2025- 26 (MPHCC)

SOCIAL

At MIDHANI, our social commitments extend well beyond the factory floor — from the well-being of our 760-strong workforce to the communities that surround our plants and townships. The Company remains committed to fostering a safe, inclusive and empowering workplace while creating meaningful value for employees, customers, communities and other stakeholders. Through a strong focus on employee well-being, skill development, occupational health and safety, diversity, ethical business practices and community development, MIDHANI continues to strengthen its social impact and build lasting stakeholder trust.

MIDHANI Primary Health Care Center (MPHCC), managed by the MPHCC Trust, received the prestigious Gold Award in the PSU & Healthcare category at the CSR Times Awards.

Sponsored Ambulance to Dharmabharathi Charitable Trust, Keralam

Corporate Social Responsibility

₹332.29 Lakh

CSR Spend

Health Care & Sanitation

114.62 Lakh

Towards MIDHANI Primary Health Care Center

31,029

Patients visted MIDHANI Primary Health Care Center

Promotion of Education

13.45

Amount Spent (₹ Lakh)

4.0%

Share of Total Spend

Skill Development

8.59

Amount Spent (₹ Lakh)

2.6%

Share of Total Spend

Apprentices trained under MIDHANI CSR.

Distribution of Sewing Machines to Women in Ranchi under MIDHANI CSR.

GOVERNANCE

As a strategic materials partner to India's Defence, Aerospace and Energy sectors, MIDHANI upholds a governance framework rooted in integrity, accountability and transparency. Strong governance enables us to balance commercial objectives with our broader responsibility towards national strategic priorities.

Guided by an experienced Board of Directors and supported by robust committee oversight, the Company maintains effective supervision of strategy, risk management, compliance and stakeholder interests. During FY 2025-26, the Board continued to provide active oversight of growth initiatives, operational performance and long-term value creation, while reinforcing a culture of ethical conduct and responsible decision-making.

As MIDHANI advances its capabilities and strengthens its role in India's self-reliance journey, governance remains the foundation of sustainable growth, operational resilience and stakeholder trust

100%
Average Board Attendance

100%
Regulatory Compliance Focus

Board Committees

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- CSR & Sustainable Developement Committee
- Risk Management Committee

Governance Pillars

Integrity

Ethical business conduct and accountability

Compliance

Adherence to statutory, SEBI and DPE requirements

Transparency

Timely and accurate stakeholder disclosures

Risk Oversight

Enterprise-wide risk monitoring and mitigation

Stakeholder Trust

Responsible value creation for all stakeholders

FY26 Governance Highlights

Robust Internal Control Framework

Enterprise Risk Management Oversight

Board-Led Strategic Governance

Regulatory & Statutory Compliance Focus

Strong Vigilance & Ethics Mechanisms

Transparent Stakeholder Engagement

BOARD OF DIRECTORS

Dr. S. V. S. Narayana Murty
Chairman and Managing Director

Smt. Madhubala Kalluri
Director (Finance) & CFO
(w.e.f July 21, 2025)

Shri P. Babu
Director (Production & Marketing)
(w.e.f October 7, 2025)

Shri Prakash Rajpurohit
Govt. Nominee Director
(w.e.f June 5, 2026)

Shri Sameer Mundra
Independent Director
(w.e.f August 21, 2026)

Shri Pugazhendhy Arumugam
Independent Director
(w.e.f August 25, 2026)

Shri Gowri Sankara Rao Naramsetti
Director (Finance) and CFO
(Till May 31, 2025)

Shri T. Muthukumar
Director (Production & Marketing)
(Till June 30, 2025)

Shri Amit Satija
Govt. Nominee Director
(Till June 4, 2026)

Smt V. T. Rema
Independent Director
(Till April 17, 2026)

Ms. Aruna Sarap
Independent Director
(Till April 17, 2026)

Mr. Ajay Kumar Chauhan
Independent Director
(Till April 17, 2026)

Chief Vigilance Officer

Ms. Spurthi Reddy
IRS (Customs and Indirect Taxes)

Key Managerial Personnel

Shri Paul Antony
Company Secretary & Compliance Officer

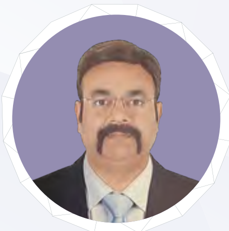
SENIOR MANAGEMENT

Shri S K Dwivedi
GM (Marketing & SBD)

Shri V. Rathod
GM (Engineering Services)

Shri A. Ravichandran
GM (Melts & Titanium)

Dr. VNSV Annapurneswara Rao
GM (Finance & Accounts)
(w.e.f July 1, 2026)



Vikram Mahaan Cairae
GM (Rohtak Plant)
(w.e.f July 1, 2026)

Shri Anand Kumar Kaluvala
GM (P-II & IV)
(Till July 31, 2026)

Shri Arun Kumar Sharma
GM (Marketing)
(Till October 31, 2025)

Shri Sasidharan Palasseri
GM (Engineering Services)
(Till May 31, 2025.)

10 years at a glance

(Figures in Rs. Lakh unless otherwise stated)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Sales	80,970.77	66,607.87	71,084.62	71,287.57	81,323.08	85,949.02	87,194.14	107,267.45	107,410.15	120,862.59
Value of Production	69,564.01	69,767.72	81,483.22	97,010.91	77,164.22	98,872.75	110,026.63	114,764.49	1,06,562.38	1,19,391.98
Cash Profit/ Loss(-)	20,401.69	21,789.22	21,424.26	22,820.06	25,308.92	27,211.51	26,955.37	18,951.15	21952.02	25053.45
Profit Before Tax (PBT)	18,635.28	19,825.09	19,104.78	20,208.62	22,609.39	23,911.98	21,654.92	13,095.95	15,603.90	18,409.4
Net Profit/Loss (PAT)	12,631.31	13,126.18	13,055.69	15,973.38	16,629.15	17,630.77	15,587.61	9,126.32	11,006.87	13,078.62
Value Added	50,181.18	54,412.85	52,206.95	59,350.32	60,157.17	66,868.27	70,908.96	62,417.24	64,340.23	68,831.23
Value added per employee	66.73	64.02	66.00	75.51	78.84	86.84	94.42	81.06	81.86	90.57
Paid up Capital	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00
Gross Block	35,911.43	39,574.81	49,938.95	54,097.55	55,592.28	109,830.44	122,806.1	130,123.52	140,542.71	146,256.83
Net Fixed asset	32,737.74	34,443.38	42,494.69	44,074.63	42,891.57	93,848.75	101,550.21	103,150.96	107,403.49	106,630.44
Net current asset	47,862.25	44,052.85	63,221.24	81,738.45	80,847.94	87,649.27	94,263.28	99,194.35	110,103.46	127,434.52
Capital Employed (as per MOU)	70,558.01	78,995.46	83,527.97	95,857.07	107,263.11	121,847.82	135,355.09	137,858.43	145,355.81	154987.63
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	51,700.40	60,169.45	64,736.91	77,104.66	88,529.11	100,337.94	109,885.42	113,210.3	122,713.93	134,347.51
Net Worth	70,434.40	78,903.45	83,470.91	95,838.66	107,263.11	119,071.94	128,619.42	131,944.30	141,447.93	153,081.51
Contribution to Exchequer	16,641.00	14,492.26	16,272.22	17,012.99	18,593.16	22,363.05	26,027.52	30,826.54	28,373.56	30,359.69
Productivity per employee	92.51	82.08	103.01	123.42	101.13	128.41	146.51	149.04	135.58	157.09

(Figures in number)

No. of employees	752	850	791	786	763	770	751	770	786	760

Capital Employed Figures have been computed in line with the MoU parameters.

Capital Employed = Net worth + Long Term Borrowings

BOARDS' REPORT

The Members,

Mishra Dhatu Nigam Limited

Your Directors take great pleasure in presenting the 52nd Annual Board's Report, highlighting the performance and achievements of your Company, together with the Audited Financial Statements (Standalone & Consolidated) for the Financial Year (FY) ended on March 31, 2026.

1. SIGNIFICANT ACHIEVEMENTS:

- ❖ During FY 2025-26, Company achieved its highest ever revenue of ₹1,20,862.59 Lakh, achieving year-on-year (y-o-y) growth of 12.52% via-a-vis revenue of ₹1,07,410.15 Lakh achieved for FY 2024-25.
- ❖ The Company has achieved highest ever Value of Production (VoP) for the FY 2025-26 which stood at ₹1,19,391.98 Lakh registering a (y-o-y) growth of 12.04 % vis-à-vis VoP of ₹1,06,562.38 Lakh recorded during the previous FY 2024-25
- ❖ The Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) for FY 2025-26 stood at ₹27,558.83 Lakh, registering a (y-o-y) growth of 10.69% vis-à-vis EBITDA of ₹24,896.79 Lakh recorded in FY 2024-25.
- ❖ Profit Before Tax (PBT) for FY 2025-26 stood at 18,409.40 Lakh, registering a (y-o-y) growth of 17.98% vis-à-vis PBT of ₹15,603.90 Lakh recorded in FY 2024-25. Likewise, Profit After Tax (PAT) stood at ₹13,078.62 Lakh in FY 2025-26, registering a (y-o-y) growth of 18.82% vis-à-vis PAT of ₹11,006.87 Lakh recorded in FY 2024-25.

2. HIGHLIGHTS OF OPERATIONS:

- ❖ During FY 2025-26, MIDHANI achieved the prestigious NADCAP accreditation for Heat Treatment, a globally recognized quality certification for the aerospace and defence industries. The certification validates the manufacturing processes and quality systems, enabling global Original Equipment Manufacturers (OEMs) to directly source products from MIDHANI. The certification is expected to open new opportunities for expanding business with leading global aerospace and defence customers.
- ❖ MIDHANI secured 10 Airworthiness Certifications from CEMILAC (Centre for Military Airworthiness and Certification) for critical aerospace-grade alloys during FY 2025-26. These certifications qualify the Company's advanced superalloys and special steels for use in military aviation and advanced aero-engine applications. The certification reinforces MIDHANI's capability to develop and manufacture indigenously certified materials that meet the stringent performance and reliability standards.
- ❖ To strengthen India's strategic materials ecosystem and ensure uninterrupted availability of critical raw materials for Defence programmes, MIDHANI signed a Memorandum of Understanding with four key stakeholders for the establishment of a Metal Bank. The initiative was aimed at mitigating global supply chain disruptions by creating strategic reserves of critical alloying elements essential for the production of superalloys and other advanced materials. This pioneering initiative is expected to enhance supply chain resilience and ensure timely execution of strategically important national defence projects.
- ❖ FY 2025-26 was a landmark year in Titanium production as MIDHANI recorded its highest-ever production of approximately 750 tonnes, which was nearly double the previous year's output. MIDHANI has significantly expanded its Titanium product portfolio with the development and supply of Titanium alloy slabs for aircraft structures, Titanium and superalloy rings for aero engines, Titanium shell forgings and dished head forgings for naval applications, and India's largest Titanium casting.
- ❖ MIDHANI successfully supplied approximately 90 tonnes of indigenously developed Armour Grade Steel for the construction of the Presidential Dias used during the 76th Republic Day celebrations on 26th January 2026. The project was executed within a highly challenging timeline to support prestigious national initiatives.
- ❖ In a proud national milestone, MIDHANI has successfully supplied Titanium for an architectural

application by designing, manufacturing and delivering 31 Titanium windows for the Shri Ram Janmabhoomi Temple at Ayodhya. MIDHANI took up the assignment of this prestigious project to demonstrate Company's technological excellence and to showcase the versatility of Titanium beyond strategic sectors, establishing a new benchmark for the use of advanced engineering materials in iconic national infrastructure.

3. FINANCIAL HIGHLIGHTS:

3.1 Your Company achieved a revenue of ₹1,20,862.59 Lakh for FY 2025-26 vis-à-vis revenue of ₹1,07,410.15 Lakh achieved for FY 2024-25 reflecting a Year-on- Year (Y-o-Y) growth of 12.52%. Company delivered a significant improvement in profitability, achieving an Operating Profit of ₹14,608.66 Lakh for the FY 2025-26 registering a Y-o-Y growth of 16.76% vis-à-vis Operating Profit of ₹12,511.75 Lakh achieved for FY 2024-25. This improvement underscores the Company's focus on operational efficiency.

3.2 EBITDA for the FY 2025-26 stood at ₹27,558.83 Lakh and registered Y-o-Y growth of 10.69% against the EBITDA of ₹24,896.79 Lakh recorded during FY 2024-25. Value of Production (VoP) for the FY 2025-26 stood at ₹1,19,391.98 Lakh against the VoP of ₹1,06,562.38 Lakh recorded during FY 2024-25.

3.3 Profit Before Tax (PBT) for FY 2025-26 stood at ₹18,409.40 Lakh registering a Y-o-Y growth of 17.98% vis-à-vis PBT of ₹15,603.90 Lakh for FY 2024-25. Profit After Tax (PAT) stood at ₹13,078.62 Lakh for the FY 2025-26 registering a Y-o-Y growth of 18.82%, vis-à-vis ₹11,006.87 Lakh achieved for FY 2024-25.

3.4 Your Company achieved the following results during FY 2025-26:

(Figures in ₹ Lakh)

Particulars	FY 2025-26	FY 2024-25
Revenue from Operations	1,20,862.59	1,07,410.15
Other Income	3,800.74	3,092.15
Total income	**1,24,663.33**	**1,10,502.30**
Less: Operating Expenditure	97,104.5	85,605.51
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	27,558.83	24,896.79
Less: Depreciation/ Amortization/ Impairment	6,644.05	6,348.12
Profit before Finance Costs, Exceptional items and Tax Expense	20,914.78	18,548.67
Less: Finance Costs	2,505.38	2,944.77
Profit before Exceptional items and Tax Expense	18,409.40	15,603.90
Add/(less): Exceptional items	-	-
Profit before Tax Expense	**18,409.40**	**15,603.90**
Less: Tax Expense (Current & Deferred)	5,330.78	4,597.03
Profit /(loss)for the year (1)	13,078.62	11,006.87
Other Comprehensive Income/(loss) (2)	147.56	(97.90)
Total Comprehensive Income (1+2)	**13,226.18**	**10,908.97**

(Figures in ₹ Lakh)

Particulars	FY 2025-26	FY 2024-25
Ratios (Percentages unless otherwise provided)		
Profit Before Tax to Capital employed	11.88	10.73
Profit Before Tax to Revenue from operations	15.23	14.53
Profit After Tax to Net Worth	8.54	7.78
Profit After Tax to Paid-up Share Capital	69.81	58.75
Sales to Capital Employed	77.98	73.89
Sales to Gross Block	82.64	76.43
Per Capita Sales (₹ in Lakh)	159.02	136.65

4. DIVIDEND POLICY:

4.1 Your Company, being a Central Public Sector Enterprise (CPSE), the Guidelines on Capital Restructuring issued by Department of Investment and Public Asset Management (DIPAM) as amended from time to time are applicable. As per the DIPAM Guidelines, every CPSE would pay a minimum annual Dividend of 30% of PAT or 4% of the Net- worth whichever is higher subject to the limit, if any, under any extant legal provision.

4.2 The Company's dividend distribution policy is enclosed as **"Annexure - I"** and also available on the Company's website viz. https://midhani-india.in/policies/ .

4.3 The Directors have recommended a final dividend of ₹1.25 per equity share of the face value of ₹10/- each i.e. @12.5% for FY 2025-26, Further, during the year under review, the Board of Directors of the Company had in their Meeting held on March 13, 2026 declared interim Dividend of ₹0.85 per equity share of the face value of ₹10/- each i.e. @ 8.50%. The proposed final dividend, will be payable to those shareholders whose names appear in the Register of Members as on the 'Record Date' i.e. September 23, 2026.

4.4 The interim dividend and final dividend recommended cumulatively translates to 30% of Profit After Tax (PAT) of FY 2025-26.

4.5 During the year under review, your Company sought exemption from DIPAM with respect to payment of minimum dividend for FY 2025-26 in accordance with DIPAM Guidelines.

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

(₹ in Lakh unless otherwise stated)

S.No	Parameters	FY 2025-26	FY 2024-25
1.	Dividend	3,934.35	1,405.34
2.	Profit After Tax (PAT)	13,078.62	11,006.87
3.	Net Worth*	1,50,635.61	1,41,491.34
4.	Dividend/PAT (%)	30.08	12.77
5.	PAT/Net Worth (%)	8.68	7.78
6.	Dividend/Net Worth (%)	2.61	1

*Net worth is after considering Dividend for respective periods.

5. TRANSFER TO GENERAL RESERVE:

Your Company has transferred ₹ 9,800 Lakh to General Reserve for the FY 2025-26.

6. Joint Venture/ Associate Company

6.1 **Advanced Materials (Defence) Testing Foundation:** A Joint Venture Company i.e. Advanced Materials (Defence) Testing Foundation, (Section 8 Company) was incorporated on June 4, 2024 under Defence Testing Infrastructure Scheme promulgated by Ministry of Defence. The Joint Venture Members comprise Mishra Dhatu Nigam Limited, Hindustan Aeronautics Limited, Bharat Dynamics Limited, Yantra India Limited and PTC Industries Limited, each holding 20% of paid-up share capital of the Company. The Joint Venture Company will set up a Mechanical and Material Testing Facility at the Lucknow node of the Uttar Pradesh Defence Industrial Corridor, with MIDHANI leading the project. The project will be funded through a grant-in-aid of 75% of the project cost by the Government of India, while the balance 25% will be contributed by the Joint Venture members. Facility implementation related activities are on-going.

6.2 **Utkarsha Aluminium Dhatu Nigam Limited:** Utkarsha Aluminium Dhatu Nigam Limited (UADNL), is a Joint Venture company of M/s National Aluminium Company Limited (NALCO), a Navratna CPSE under Ministry of Mines and M/s Mishra Dhatu Nigam Limited (MIDHANI), a Miniratna CPSE under the Ministry of Defence. The Company was proposed for setting up a 60,000 TPA integrated facility for the production of high-end aluminium alloy flat rolled products. The project was assessed through detailed studies and reports and was found to be commercially non-viable. Accordingly, it was recommended that the name of the Company be removed from the Register of Companies in accordance with the applicable provisions of the Companies Act, 2013 and the Promoters shall take an appropriate decision regarding the future course of action with respect to UADNL.

7. PERFORMANCE AGAINST MoU:

For FY 2025-26, MIDHANI's MoU performance is expected to qualify for an overall 'Very Good' rating, subject to evaluation and confirmation by Department of Public Enterprises (DPE).

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

8.1 Over the years, the Company's consistent focus on upgradation and modernization has resulted in the establishment of additional facilities, expansion of production capacity, and diversification of its product portfolio.

8.2 Projects undertaken/ proposed for Modernization, Expansion and Upgradation of MIDHANI's production activities during the year ended on March 31, 2026 are as under:

(i) **Compacting Press for Titanium sponge:** Procurement of a 6000T capacity hydraulic compacting press is being planned for compacting Titanium sponge with master alloys to produce Titanium electrodes which will be utilized in both primary and secondary melting in the Vacuum Arc Re- melting (VAR) furnace. The project scope also covers establishment of necessary auxiliary facilities such as moulds, electrical and Programmable Logic Controller (PLC) systems, stacking devices and plasma welding.

(ii) **Aerospace Fasteners Facility:** State-of-the-art Aerospace Fasteners Facility was inaugurated and the facility will produce high-precision aerospace-grade fasteners from steel, titanium, and superalloys**.** The facility is equipped with cutting-edge technologies, including fully automated warm/hot head forging, thread rolling, and fillet rolling machines.

(iii) **Welding Electrode Plant:** Augmented facilities at MIDHANI's Welding Electrode Plant were inaugurated during the year. The plant was augmented with a new dedicated welding area, raw material storage, and a specialized dehumidifier room. These enhancements prevent moisture-related defects (e.g., porosity, cracking), ensuring manufacturing excellence for specialized low-alloy and stainless-steel welding consumables used in strategic sectors.

(iv) **Metal Bank:** Metal Bank at MIDHANI serves as a strategic repository of critical raw materials. The project for setting up a Metal Bank progressed significantly during the year. Modification of the existing shed was completed and the procurement process for specialized flooring is underway. Construction activities for the Metal Bank sheds are progressing as planned. Once set up the Metal Bank would contribute significantly to operational efficiency, supply chain resilience and the nation's objective of self-reliance in strategic materials.

9. LABOUR PRODUCTIVITY:

The value added per employee for year ended on March 31, 2026 was ₹90.57 Lakh, vis-à-vis ₹81.86 Lakh in the previous financial year.

10. SALES AND OPERATIONAL EFFICIENCY:

As of March 31, 2026, MIDHANI's trade receivables, measured in terms of 'Number of Days Sales,' increased to 167 days, compared to 139 days as on March 31, 2025. The rise in receivable days is due to huge increase in sales in the month of March 2026. Additionally, the higher share of dispatches made during the last quarter of the financial year contributed to the elevated receivables position as of the reporting date.

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

11.1 Research and Development (R&D) continues to be accorded high priority at MIDHANI and serves as the cornerstone of the Company's product development activities. The R&D function not only drives innovation but also contributes to product enhancement, cost optimisation and marketing support, thereby aligning with the Company's broader business objectives. Through continuous research and technological advancement, MIDHANI develops new products, improves existing ones and strengthens its ability to address the emerging requirements of the strategic sectors.

11.2 During FY 2025–26, the Company incurred an expenditure of ₹2,215.23 Lakh towards Research and Development. The R&D function at MIDHANI is responsible for the development of new products and process technologies, continuous improvement of existing products, and effective utilization of technical infrastructure and skilled manpower to support critical manufacturing activities and strategic business objectives.

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

❖ **Indigenous Product Developments:**

- **Development of Superni 701A nickel based super alloys for Aero engine:** MIDHANI has successfully developed and certified SUPERNI 701A, a nickel-based precipitation-hardening superalloy intended for demanding aeronautical applications with a maximum service temperature of 816°C. Owing to its narrow hot-working window, the alloy presented significant challenges during processing and forging. Despite these complexities, MIDHANI has successfully established the manufacturing process and developed certified forged bars up to 200 mm in diameter.

- **Development of Nickel based superalloy cast alloy for single crystal blade of aero-engine:** MIDHANI has successfully developed and certified a Russian-origin cast superalloy for the manufacture of single-crystal turbine blades, one of the most critical components of aero engines. Remelt stock was produced using the 600 kg Vacuum Induction Melting (VIM) furnace and for the first time at MIDHANI, single-crystal alloy remelt stock bars of 70 mm diameter were successfully manufactured and qualified, meeting the stringent stress rupture requirements at 1000°C.

- **Indigenised various nickel based super alloys for the aero engine:** MIDHANI has successfully indigenised and certified a range of nickel-based superalloys for critical aero-engine applications. These alloys have been successfully manufactured and supplied in various mill forms, including forged bars, rings, hot-rolled bars and cold-rolled sheets. In the absence of established literature or processing guidelines, MIDHANI successfully developed and optimized the melting, homogenization, forging, hot rolling and cold rolling process parameters through extensive experimentation and process validation. The indigenised products consistently met the stringent high-temperature mechanical property requirements and ultrasonic testing (UT) acceptance criteria.

- **Development of Superni 41 nickel based super alloys for turbine blade of Aero engine:** MIDHANI has successfully developed SUPERNI 41, a precipitation-hardenable nickel-based superalloy containing Cobalt, Molybdenum, Titanium, Aluminium and Boron, for high-temperature aerospace applications. The alloy exhibits excellent mechanical strength at room temperature as well as elevated temperatures up to 870°C, along with outstanding oxidation resistance up to 980°C. Owing to its extremely narrow processing window, the alloy presents significant challenges during manufacturing and MIDHANI has successfully established the processing parameters, developed blade bars, and supplied them for export applications. The developed product achieved the stringent grain size requirement of ASTM No. 8 or finer.

- **Development of Ti-5553 for Aeronautical application:** Successfully developed and established thermo-mechanical processing and heat treatment parameters for Titan 31 forged/hot-rolled flats and metastable beta Titanium alloy Ti-5553 forged products, achieving the required mechanical properties in all three principal directions, thereby meeting the stringent requirements for aeronautical applications.

- **Development of Ti-32B for Naval application:** Successfully developed and established specialized thermo-mechanical processing and open-die forging parameters for Titan 32B, equivalent to PT-3B, for the manufacture of heat exchanger shells and domes intended for strategic applications.

- **Development of BT 20 rings for Aeronautical application:** Successfully developed and certified BT-20 forged and ring-rolled rings for aeronautical applications. The stringent quality requirements were achieved through an innovative process route, ensuring compliance with demanding aerospace standards. This achievement significantly strengthened indigenous manufacturing capabilities and reduced dependence on imported materials for critical aeronautical applications.

❖ **Process improvement:**

- **Yield Improvement:** Yield improvements were achieved through process and design innovations. A design modification enabled the casting of sticks directly from the distribution box to a round turntable, resulting in a 15% increase in casting yield. In addition, enhanced process efficiency in superalloy forging led to substantial raw material savings through higher forging yields. Further, in certain areas the yield successfully improved from 25% to 50%, contributing to improved productivity and cost efficiency.

- Successfully optimized the melting, forging and heat treatment parameters for SNI 80A blade bars, resulting in a uniform microstructure, enhanced mechanical properties, and a significant improvement in process yield from 25% to 50%.
- MIDHANI successfully qualified the Wide Plate Mill (WPM) for five aeronautical steel grades thickness up to 100mm. Following qualifications, materials has been successfully dispatched and this development would enhance product yield, reduce dependency on the Forge Shop, Heat Treatment Shop, and Hot Rolling Mill. It would also improve overall production efficiency through the WPM route.
- Plant reverts were successfully qualified for use in five aeronautical steel grades, resulting in significant cost savings on raw materials and a reduction in Work-In-Progess (WIP) inventory.

❖ **Artificial Intelligence (AI)**

During FY 2025–26, MIDHANI implemented two Projects for Artificial Intelligence. One project was for AI based Image analysis system for Predicting Alloy Microstructure' and second project was for Prediction of Mechanical properties of Alloys based on Chemistry & Microstructure using AI. These AI implementations are aimed at optimisation of Internal processes enabling us to ensure product consistency with enhanced decision-making in production and quality functions. The AI projects were also exhibited at 'India AI Impact Summit 2026'.

12. INTELLECTUAL PROPERTY:

The Company continued to develop new products to meet growing market demand, achieving significant advancements in R&D activities. MIDHANI's products are unique, and to safeguard against infringement, the Company has placed a strong emphasis on encouraging the application of Intellectual Property Rights (IPRs). Recognizing the importance of IPR in identifying potential patents, MIDHANI's R&D team, in collaboration with the Training and Development department, also organizes in-person and online sessions to educate employees on IPR awareness and its application during the development phase.

13. ENERGY CONSERVATION:

13.1 During FY 2025–26, the Company continued to focus on energy conservation through efficient utilisation of resources and process optimisation. Operational practices such as grouping materials with similar heat treatment cycles, optimising batch sizes and scheduling continuous furnace operations were continued to improve furnace utilisation and enhance the Capacity Utilisation Factor (CUF), resulting in more efficient use of LPG.

13.2 As part of ongoing efforts to improve energy efficiency and power quality, the Company placed a purchase order for the procurement of a 3 MVAr Automatic Power Factor Correction (APFC) Panel. The installation is expected to improve the power factor from the present level of 0.95 to 0.99, building on the earlier improvement from 0.90 to 0.95 achieved through previous APFC installations. The project is scheduled for completion by December 2026 and is expected to contribute to reduced energy costs and improved power system performance.

13.3 Your company has also continued the phased replacement of over 40-year-old 11 kV/415 V distribution transformers with new high-efficiency transformers conforming to IS 1180 standards. During the year, two transformers were installed at the Bar and Wire Rod Mill, and replacement of two 1.6 MVA transformers at the CRS Shop is planned as the next phase. These replacements are expected to improve energy efficiency and reduce distribution losses.

13.4 As part of the ongoing power system improvement program, your company has initiated procurement for the replacement of the existing 11 kV paper-insulated high-tension (HT) cable from MRSS to LBSS-2 with a new XLPE cable covering a length of approximately 6 km. The replacement is expected to reduce distribution losses, improve the reliability of the power distribution network and ensure more efficient power transmission across the plant.

13.5 In efforts to increase the use of renewable energy, power supply commenced from the 850 kWp rooftop solar power plant at the Wide Plate Mill (WPM) located at MDIHANI plant. It was implemented under the RESCO model in association with NVVN Limited (NVVNL). The project is expected to help in managing peak power demand and reducing energy costs.

13.6 During the year, the Company also approached Singareni Collieries Company Limited (SCCL) for procurement of renewable (solar) energy. In addition, a 35 kWp rooftop solar power plant was installed at BPDAV School under the Company's Corporate Social Responsibility (CSR) initiative.

13.7 During the year under report there was an increase in specific consumption of LPG and Electricity due to the ongoing project works.

The summary of consumption of Electricity and LPG for the FY 2025-26 vis-à-vis FY 2024-25 are as below:

- **The summary of consumption of LPG:**

Description	Unit	FY 2025-26	FY 2024-25
Annual consumption of LPG	MT	5,516.25	4,783.23
Specific consumption of LPG in Production	MT (LPG)/ MT (Prod.)	0.13	0.14

- **The summary of consumption of Electricity:**

Description	Unit	FY 2025-26	FY 2024-25
Annual consumption of Electricity	KWHr (in Crore)	7.02	6.35
Specific consumption of Electricity in Production	Kwh/T	1,704.30	1,891.96

14. MARKETING & BUSINESS DEVELOPMENT:

14.1 During FY 2025-26, MIDHANI secured contracts worth ₹1,81,726 Lakh. As of April 1, 2026 the value of open orders stood at ₹2,29,000 Lakh. Considering the current order book situation and expected new orders, the Company is well positioned for consistent growth.

14.2 Company also expanded its customer base by adding 30 new customers during the year and received orders for over 18 new grades catering to various strategic requirements.

14.3 The sector wise order booked during FY 2025-26 are as under:

(₹ Lakh)

Sector	Total value of orders
Defence	1,04,556
Space	45,740
Energy	15,260
Others	16,170
Total	**1,81,726**

14.4 **Sector-wise Performance:** The total orders executed during FY 2025-26 were ₹1,20,862 Lakh and sector wise sales were as follows**:**

(₹ Lakh)

Sector	Total value of supplies
Defence	86,753
Space	10,670
Energy	4,980
Others	18,459
Total	**1,20,862**

14.5 **Business Development:**

- During FY 2025–26, MIDHANI continued to strengthen its position as a leading supplier of advanced metallurgical products for the strategic sectors. The Company maintained a strong focus on product indigenisation, development of high-value alloys and expansion of its manufacturing capabilities to meet the evolving requirements of strategic customers. Backed by our integrated manufacturing facilities and in-house research capabilities, MIDHANI continued to supply critical materials for several national programmes while expanding its presence in new application areas.
- The Company recorded its highest-ever turnover during the year, supported by sustained demand across its core business segments. The order book remained robust at approximately ₹2,29,000 Lakh as on 1st April 2026, with the defence sector continuing to constitute the major share of business. The Company also expanded its Titanium product portfolio and strengthened its capabilities in aerospace materials through the development and supply of advanced Titanium alloys, superalloys and specialised steel products for critical applications.
- During the year, MIDHANI achieved several significant milestones that are expected to support future business growth. Your Company secured NADCAP accreditation for Heat Treatment, obtained 10 CEMILAC airworthiness certifications for aerospace-grade alloys, and developed several new products including Titanium alloy rings, aircraft structural components, naval forgings and single crystal superalloy materials for aero engines. These developments have expanded the Company's capabilities in advanced materials and are expected to support greater business opportunities across the aerospace and defence sectors in India and abroad.
- As part of its long-term business strategy, MIDHANI initiated the establishment of a Metal Bank in association with key stakeholders to ensure the availability of critical raw materials required for strategic programmes. The initiative is aimed at mitigating supply chain disruptions and strengthening the resilience of the domestic manufacturing ecosystem. In addition, the Company continued to invest in capacity augmentation and modernisation of downstream facilities to improve productivity, operational efficiency and readiness for future business opportunities. Existing facilities, including Vacuum Induction Melting and Vacuum Arc Remelting Furnaces, can meet the growing demand in these areas, particularly from the aerospace sector.
- The Company also continued its efforts to expand its global footprint. With internationally recognised quality certifications and ongoing customer qualification programmes, MIDHANI is well positioned to increase exports and strengthen business relationships with global aerospace and defence Original Equipment Manufacturers (OEMs). The management has also outlined plans for capital investment in advanced manufacturing facilities to support future growth and cater to the increasing demand for specialised alloys and strategic materials.

14.6 **Information Technology (IT):**

- ✓ During the year, MIDHANI also strengthened its cyber security framework through the revision of its Cyber Security Policy–2026. The Company completed an internal Vulnerability Assessment and Penetration Testing (VAPT) audit of its IT infrastructure and implemented the new on-premise NIC e-Office 7.x platform and migrated to the NIC-Zoho corporate email system.
- ✓ MIDHANI continued its digital transformation by implementing a range of online applications to improve operational efficiency and facilitate ease of doing business. Key initiatives included the ERP Enterprise Asset Management (EAM) module for equipment maintenance work orders, online Route Card and Manufacturing Process Planning (MPP) applications for process routing, and digital production log sheets for heat treatment operations.
- ✓ A contract labour management system incorporating biometric attendance and online contract bill processing was implemented. Introduction of online disciplinary inquiry and e-Measurement Book applications were made as part of Vigilance Awareness Week 2025. In addition, several QA 4.0 initiatives, including multiple production line calibration, process control and linear interpolation modules, were implemented.

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

15.1 MIDHANI participated as an exhibitor at the National Defence Industries Conclave (NDIC) held on 19th – 20th March 2026. The conclave, themed "Advanced Manufacturing Technologies," brought together key stakeholders from the defence and manufacturing sectors and provided a platform for showcasing the Company's capabilities and engaging with industry participants.

15.2 MIDHANI participated in the India AI Impact Summit 2026, held at Bharat Mandapam, New Delhi, on 19th – 20th February 2026. During the summit, the Company showcased its AI-driven alloy development project, which leverages historical laboratory data on alloy composition and microstructure to predict the mechanical properties of alloys.

16. QUALITY MANAGEMENT ACTIVITIES:

16.1 During FY 2025–26, MIDHANI successfully completed the NABL audit of the Mechanical Testing Lab, Metallography, and NDT sections with an enhanced scope of testing, including high-temperature tensile, creep and stress rupture tests, alpha casing measurement, and immersion ultrasonic testing (AMS 2154). The Company also commissioned an X-Ray Diffraction (XRD) machine in the Metallography Laboratory, strengthening its capabilities in retained austenite measurement and texture identification.

16.2 The Quality Department continued to support manufacturing and product qualification activities by preparing and testing nearly 55,000 samples covering tensile, creep, impact, fatigue and fracture toughness evaluations. To further strengthen capabilities, a new immersion ultrasonic testing machine was procured and is currently under installation.

16.3 During the year, the Company made significant progress in enhancing its Non-Destructive Testing capabilities. As part of the ongoing efforts towards NADCAP accreditation for the NDT section, team successfully acheived NAS 410 Level-II certification in Ultrasonic Testing (UT), Magnetic Particle Testing (MPT) and Fluorescent Penetrant Testing (FPT). The Company is targeting NADCAP accreditation for NDT section in FY 2026-27.

16.4 The Quality Department was recognised with an Award for Excellence in Quality Orientation by the World Quality Congress & Awards. As part of the Quality 4.0 initiative, an online test results system was implemented, resulting in reduced turnaround time and melt cycle duration. The Company also successfully completed the first audit cycle towards securing S-400 laboratory accreditation from GE Aerospace, and efforts are underway to achieve full accreditation.

17. SUPPLY CHAIN MANAGEMENT PERFORMANCE:

17.1 **Vendor Meet:**

- ✓ To strengthen the MSME ecosystem in the strategic metals sector, MIDHANI organised the "MSME Conclave for Promotion of Indigenisation in Defence – 2025" on 16th May 2025 at its Corporate Office, Hyderabad. The conclave witnessed active participation from MSME vendors and presentations on the SRIJAN Portal and Trade Receivables Discounting System (TReDS) were also made to them. The conclave highlighted MIDHANI's ongoing efforts to work closely with MSMEs in strengthening the domestic defence manufacturing ecosystem.
- ✓ As part of Vigilance Awareness Week 2025, MIDHANI organised a Vendor Meet on 1st November 2025 exclusively for contractors providing manpower services. The meeting provided a platform to address issues faced by the contractors, and the Company's bill and payment processing system was explained to the participating vendors to enhance their understanding and facilitate smoother processing.
- ✓ MIDHANI also organised a Vendor Development Programme in association with the National SC-ST Hub (NSSH), Hyderabad, with the objective of promoting vendor development, encouraging greater participation of SC/ST entrepreneurs in the supply chain, and strengthening collaboration with MSMEs.

17.2 **Encouragement to Micro and Small-Scale Industries:** MIDHANI continues to encourage the growth of Micro and Small Enterprises (MSEs) by procuring a wide range of goods and services from them. During FY 2025–26, procurement from MSEs accounted for 53% of the total domestic procurement value, reflecting the Company's continued support for the sector. During the year, purchase orders valued at ₹26.90 crore were also placed on women-owned MSEs, further promoting inclusive participation in the Company's supply chain.

17.3 **Integrity Pact (IP):** In order to uphold transparency and integrity in all our contracts, MIDHANI has implemented the practice of signing integrity pacts with the respective bidders for high-value contracts. Shri Sunil Kumar Chourasia, IOFS(Retd) and Shri T. Bal Raj, ITS (Retd) act as our Independent External Monitors (IEM) to ensure compliance and adherence to ethical standards. During FY 2025-26, approximately 83.50 % of the total value of contracts and Purchase Orders (POs) were covered under the Integrity Pact, reaffirming our commitment to maintain integrity and accountability in our operations.

17.4 **Government e-Market Place (GeM):** MIDHANI is putting all efforts for procurement through the Government eMarket Place (GeM) platform. During FY 2025-26, MIDHANI released purchase orders amounting to Rs. 25,460 Lakh through GeM portal.

18. RISK MANAGEMENT:

18.1 MIDHANI has a comprehensive Risk Management Policy that has been approved by the Board. The identification and assessment of risks associated with various processes in MIDHANI have been extensively discussed in the Internal Production Review Meetings. In compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015), MIDHANI has constituted a Risk Management Committee.

18.2 As part of the Management Discussion and Analysis section of this Annual Report, a detailed list of the identified risk elements faced by the Company are enumerated. This ensures transparency and allows stakeholders to have a comprehensive understanding of the risks involved in MIDHANI's operations. By actively managing and addressing these risks, MIDHANI remains committed to safeguarding its interests, promoting sustainable growth, and ensuring the long-term success of the organization.

19. HUMAN RESOURCE DEVELOPMENT:

19.1 Human Resource Development continued to receive focused attention during FY 2025–26 as the Company remained committed to building a competent, motivated and future-ready workforce. The HRD function supported the Company's business objectives by strengthening employee capabilities and fostering a culture of continuous learning and professional development.

19.2 During the year, HRD initiatives covered employee training and development, performance management, career progression, leadership development and succession planning. These initiatives were aimed at enhancing employee competencies, encouraging continuous improvement and preparing the workforce to meet the evolving requirements of the Company.

19.3 The HRD function remained focused on creating a skilled and motivated workforce, while fostering a culture of learning, collaboration and continuous improvement. Employee learning and development continued to be an important focus area during the year. Training programmes were organised to enhance technical, managerial and behavioural competencies, enabling employees to keep pace with changing business requirements and emerging technologies.

19.4 **Manpower Position:** As on 31st March 2026, the Company's manpower strength comprised 499 Non-Executives, 8 Non-Unionised Supervisors and 253 Executives, as against 510 Non-Executives, 15 Non-Unionised Supervisors and 261 Executives as on 31st March 2025.

19.5 The total manpower strength under permanent category of your Company as on March 31, 2026 is as under:

Particulars	Non-Executives	Non-Unionized Supervisors	Executives	Total
Male	460	5	218	683
Female	39	3	35	77
Total	499	8	253	760

*Statement showing the representation of SC/ST/OBC/PH and their recruitment etc., is enclosed as '**Annexure - II**'.*
Note: Excluding Directors

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

SC	ST	OBC	Others	Total
98	43	228	130	499

19.6 **Employee Welfare Initiatives**: The various employee welfare initiative taken during FY 2025-26 are as below:

- ✓ As part of its employee welfare initiatives, the Company continued to recognize academic excellence among the children of employees belonging to SC, ST and OBC categories. Monetary awards are presented to meritorious students, including cash awards to the highest scorers in each category and to students securing 75% and above marks in the Class X Board examination or equivalent. Merit scholarships of ₹6,000 and ₹3,000 per annum are awarded to the wards of employees studying in Classes I to X who secure first and second rank, respectively, in the final examinations of the preceding academic year. The Company also continued to extend scholarships to the children of employees pursuing Graduation in Metallurgical Engineering, in accordance with the approved scheme, at the rate of ₹1,000 per month for the duration of the course.

- ✓ The Company continued to provide Post-Retirement Medical Benefits to eligible retired employees through a Group Insurance Policy. Under the scheme, the Company bears 85% of the insurance premium, while the remaining 15% is contributed by the retired employee.
- ✓ Brahm Prakash D.A.V. School, located in the MIDHANI Township, continued to provide education to the children of employees with emphasis on their overall development through academics, sports, cultural activities and other co-curricular programmes. Company also continued to provide financial assistance towards the education of employees' children studying in the school by reimbursing ₹500 per month per child, subject to a maximum of two children for NEX's, in accordance with the approved scheme.
- ✓ MIDHANI continues to discharge its social obligations by maintaining a small Township consisting of 87 quarters to cater to the housing needs of the employees working especially in essential services of the company.

19.7 **Women Empowerment:**

- ✓ The Company continued to provide a conducive work environment that enables women employees to contribute effectively across various functions, including production, maintenance, materials management, marketing, finance, human resources and other support services. Their continued participation across operational and administrative areas reflects the Company's commitment to equal opportunity and inclusive growth.
- ✓ The Company also continued to extend all statutory welfare measures and facilities for the well-being of its women employees. The Company has complied with the applicable provisions relating to maternity benefits as prescribed under the Maternity Benefit Act, 1961.
- ✓ **Creche:** The Company continues to provide a fully operational Creche facility for the children of its employees, offering a safe, secure and child-friendly environment. The facility is equipped with appropriate play materials and is managed under the supervision of trained women staff to ensure the care and well-being of children during working hours. To support employees availing the Creche facility, the Company also provides flexible working hours to eligible women employees, in accordance with the applicable policy.
- ✓ International Women's Day was celebrated at MIDHANI to recognise the contributions of women employees across the organization. The celebration reflected the Company's continued commitment to fostering an inclusive and supportive workplace for women.

19.8 **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.

19.9 **Environment Management:** MIDHANI continues to maintain a green and eco-friendly campus through dedicated landscaping and plantation efforts. More than 50% of the Company's land is under green cover, providing a natural habitat for a variety of flora and fauna. The premises support diverse species of birds, squirrels, peacocks and rabbits, reflecting the Company's commitment to environmental conservation and biodiversity.

20. DIRECTORS, EMPLOYEES AND RELATED DISCLOSURES:

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

21. TRAINING & DEVELOPMENT:

21.1 During FY 2025–26, the Training & Development Department achieved 3,814 man-days of training through a combination of 27 internal and 45 external training programmes. A total of 1,526 employees, comprising Executives, Non-Unionised Supervisors, Non-Executives, Fixed Term Contract employees and Casual employees, participated in these programmes.

21.2 Training Department also organised 10 plant visits, benefiting 291 participants, facilitated internships/project work for 28 students, and conducted skill development training for 39 apprentices, all of whom successfully completed their apprenticeship during the year.

22. STATUTORY & SOCIAL OBLIGATIONS:

22.1 **CORPORATE SOCIAL RESPONSIBILITY:**

- ✓ The Corporate Social Responsibility and Sustainable Development Policy of MIDHANI in line with the Companies Act 2013 was approved by the Board of MIDHANI. The policy is available at https://midhani- india.in/policies/ .
- ✓ For the year under review MIDHANI has incurred expenditure of ₹332.29 Lakh towards CSR as against the mandatory requirement of ₹325.67 Lakh. In terms of Rule 7(3) of 'The Companies (Corporate Social Responsibility Policy) Rules', 2014 the excess CSR amount of ₹6.62 Lakh spent during FY 2025-26 is to be set off against the requirement of Section 135(5) of the Companies Act, 2013 up to immediate succeeding three financial years.
- ✓ The Company has prepared an annual report on its CSR activities, in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The report can be accessed at https://midhaniindia.in/csr/ and forms part of Annual Report as **Annexure - III**. Details about the composition of the Corporate Social Responsibility and Sustainable Development Committee of MIDHANI can be found in the "Report on Corporate Governance," which is included in this Annual Report.
- ✓ The CSR activities undertaken by our Company during the reporting year encompass the following areas:

  (i) Promotion of Health Care and Sanitation;

  (ii) Promotion of Education;

  (iii) Skill Development and;

  (iv) Others

  (i) **Promotion of Health Care and Sanitation**:

  (a) **Promotion of Health care:**

  i) MIDHANI has sponsored the activities of MIDHANI Primary Health Care Centre (MPHCC) which is providing medical services to the needy patients by extending Outpatient consultation, Eye Camps, Cardiac and Orthopedic Camps. An expenditure of ₹114.62 lakh was incurred, and outstation medical camps were also conducted to extend the services to people in remote areas.

  ii) Sponsored ₹4.99 Lakh for procurement of medical equipment Blood Cell Counter and Blood Bank Refrigerator

  iii) Sponsored an Ambulance to Dharmabharathi Charitable Trust, Keralam with a budget of ₹10 Lakh.

  iv) Sponsored ₹97.96 Lakh for the treatment of patients with severe burns.

(b) **Sanitation:** An amount of ₹12.87 Lakh was incurred towards sponsorship for renovation of washrooms in BPDAV school. Further, Public Toilet near MIDHANI is also being maintained under CSR.

(ii) **Promotion of Education:**

(a) Free Education for children belonging to SC/ST/OBC category whose parents fall in lower income group are being given admission in to Nursery/LKG/UKG. The entire fees is borne by MIDHANI till they complete 10th Class. During the year Company has sponsored free education to 60 children at an expenditure of ₹13.45 lakh.

(iii) **Skill Development:**

(a) Every year MIDHANI is inducting apprentices to help students have exposure to the real time environment and gain knowledge from experienced professionals. As part of the stipend paid to the apprentices, an amount of ₹1.35 lakh is accounted under CSR as per the guidelines.

(b) Sponsored 174 sewing machines for Women and Self-help groups at Jharkhand with an expenditure of ₹7.24 Lakh.

✓ The Annual Report on CSR forms part as **Annexure -III** of this Annual Report.

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

✓ Company has provided a safe and harassment free workplace for every individual working in the company and for women in particular. There is an Internal Complaints Committee (ICC) which is responsible for Redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

✓ During the year under review the Internal Complaints Committee (ICC) has not received any complaint pertaining to sexual harassment.

22.3 **CONTRIBUTION TO EXCHEQUER:**

✓ During FY 2025-26, your Company contributed an amount of ₹30,359.69 Lakh in the form of Dividend, Duties and Taxes vis-a-vis ₹30,800.00 Lakh during FY 2024-25.

22.4 **COPY OF ANNUL RETURN:**

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

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

✓ The Report on conservation of Energy, Technology Absorption and foreign exchange earnings and outgo forms part of Annual Report as **Annexure – IV**.

22.6 **BUSINESS RESPONSIBILITY REPORT:**

✓ As per the requirements of Regulation 34 of SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms part of Annual Report as **Annexure-V**. This report highlights the various initiatives undertaken by the Company in terms of environmental sustainability, social responsibility, and governance practices. We encourage you to review this report for a comprehensive understanding of our commitment to responsible business practices.

22.7 **IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT 2005:**

✓ MIDHANI, as a Public Authority under the RTI Act 2005, has appointed a Nodal officer, Appellate Authority, and Central Public Information Officer (CPIO) to ensure compliance with the RTI Act 2005. The Company promptly provides information requested by citizens within the specified time frame. MIDHANI also fulfills its obligation of Suo Motu disclosures under Section 4(1)(b) of the RTI Act by displaying information on its official website.

- ✓ During FY 2025-26, 61 RTI applications were received and 62 applications were disposed of, including those from the previous period. As on March 31, 2026, 1 RTI application was yet to be replied. Additionally, 8 RTI appeals were raised during FY 2025-26 and 6 RTI appeals were disposed within the stipulated time in the said period. MIDHANI submits quarterly returns to the authorities in accordance with the regulations.

22.8 **RAJBHASHA IMPLEMENTATION:**

- ✓ In compliance with the directives of the Government of India, the Official Language Act, 1963, and the Official Language Rules, 1976 made thereunder, along with subsequent instructions issued by the Government of India for the promotion of Hindi in official work, MIDHANI has adhered to the policies without any deviation. The company has consistently demonstrated commitment towards the progressive use of Hindi in its day-to-day operations.

- ✓ During the year, the Company continued its efforts to promote the use of Hindi in official work by holding four quarterly meetings of the Official Language Implementation Committee under the chairmanship of the Chairman & Managing Director. During the year, the Company organised eight Hindi Awareness Workshops, benefiting around 163 employees, to promote the use of Hindi in official work. Under the Hindi Teaching Scheme, 40 employees also received formal training in the Hindi language, further strengthening their ability to carry out official work in Hindi.

- ✓ As part of the Ministry of Home Affairs' directives, MIDHANI celebrated "Hindi Month" from 18th September 2025 to 19th October 2025 and also started monthly Hindi Competition. The event aimed to propagate the use of Hindi on a larger scale across the organization. In recognition of its efforts in implementing the Official Language Policy during FY 2024-25, MIDHANI was awarded the 'Best E-House Journal Award' for its Rajbhasha e-House Journal "Sankalp" (awarded on 29th May 2025).

22.9 **RELATED PARTY TRANSACTION:**

- ✓ Disclosure of related party transactions as per Ind AS- 24, issued by the Institute of Chartered Accountants of India, is provided at note no. 40 of the Notes forming part of Annual Accounts for FY 2025-26.

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

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

23. VIGILANCE ACTIVITIES:

23.1 The Vigilance Department of the Company is led by Ms. Spurthi Reddy, an IRS officer, serving as the Chief Vigilance Officer (CVO). As CVO, Ms. Spurthi Reddy guides the Chairman & Managing

Director (C&MD) on all vigilance-related matters and acts as a liaison between the organization and the Central Vigilance Commission (CVC). Preventive vigilance continued to be a key focus area during FY 2025–26.

23.2 During FY 2025–26, the Vigilance Department continued its preventive vigilance efforts through regular examination of procurement contracts, case files and key processes, along with periodic and surprise inspections. Eight Chief Technical Examination (CTE) type inspections covering procurement, civil works and utilisation of equipment were carried out, and recommendations were submitted to the Management for necessary action. The Vigilance Department also undertook measures to review and standardise rules and procedures across the organisation with the objective of improving transparency, ensuring consistency in decision-making and reducing the scope for discretionary practices in day-to-day operations.

23.3 Structured meetings between the Chairman & Managing Director and the Chief Vigilance Officer were also held periodically to review vigilance-related matters and strengthen the vigilance framework. Vigilance Department suggested twelve systemic improvements and good practices covering Human Resources, Civil, Security, Stores Management, and Procurement & Contracts. These recommendations were considered by the Management.

23.4 Vigilance Awareness Week 2025 was observed from 27th October to 2nd November 2025 on sthe theme "Vigilance: Our Shared Responsibility" as prescribed by the Central Vigilance Commission (CVC).

24. VIGIL MECHANISM:

24.1 MIDHANI invites reporting of unfair, unethical activities, if any in the company from the employees. In this regard, a Whistle blower policy has been put in place. The Whistleblower Policy was first adopted by the Board of Directors at its 206th Meeting on January 23, 2013. It was later amended as the Whistleblower Policy - 2018 to align with the Public Interest Disclosure and Protection of Informers Resolution, 2004 (PIDPI).

24.2 The Audit Committee periodically reviews the functioning of the Vigil Mechanism, including the surveillance system and any whistle-blower complaints received, to ensure transparency and accountability in the organization.

24.3 The Whistleblower Policy – 2018 serves as MIDHANI's Vigil Mechanism, providing a structured platform for individuals to report unfair or unethical practices that may affect the organization. The policy ensures confidentiality and protection against retaliation for whistleblowers, thereby promoting transparency and accountability.

24.4 The policy is readily accessible on the company's website. at https://midhani-india.in/department vigilance/role-functions-ofvigilance- department/ .

25. AWARDS AND RECOGNITION:

- ✓ MIDHANI Quality Circle Team has won the prestigious Gold Award at the 50th International Convention on Quality Control Circles (ICQCC) 2025, held in Taipei, Taiwan, from 3rd to 6th November 2025 for the project titled 'Innovation in Casting of Liquid Metal in Cylindrical Moulds'.
- ✓ Dr. S. V. S. Narayana Murty, Chairman & Managing Director, MIDHANI, was felicitated by Hon'ble Minister for State, Ministry of Agriculture and Farmers Welfare Shri Bhagirath Choudhary at the Government Achievements & Rising PSEs Expo-2025, held in New Delhi on 23rd June 2025. The recognition was conferred in appreciation of MIDHANI's outstanding contributions to innovation in specialized materials and advanced manufacturing for critical sectors such as Aerospace and Defence.
- ✓ At the Chapter Convention on Quality Concepts CCQC – 2025 held from 22nd – 23rd September 2025 organized by Quality Circle Forum of India, Hyderabad Chapter, MIDHANI team was

bestowed with the prestigious Quality Movement Award. 'Team Agniveer' of MIDHANI also clinched the Gold Award in the Quality Circle category.

- ✓ MIDHANI Primary Health Care Center (MPHCC), managed by the MPHCC Trust, received the prestigious Gold Award in the PSU & Healthcare category at the CSR Times Awards, held on 15th July, 2025.

26. COMPANY PERFORMANCE AND FUTURE OUTLOOK:

- ✓ The Annual Report includes Management Discussion and Analysis, providing a comprehensive analysis of the Company's financial performance, operations, and future outlook.

27. CORPORATE GOVERNANCE:

27.1 The Company adheres to the principles and philosophy of Corporate Governance, ensuring good decision-making practices in line with current standards and guidelines from the Department of Public Enterprises. A comprehensive Code of Business Conduct and Ethics is in place which is applicable to all Board Members and Senior Management. A certificate from the Chairman and Managing Director affirming compliance with Code of Business Conduct and Ethics for Board and Senior Management forms part of Annual Report as **Annexure – VI**.

27.2 The Annual Report includes a comprehensive report on Corporate Governance, providing detailed information on the Company's adherence to guidelines issued by the Department of Public Enterprises (DPE) and SEBI Listing Regulations. A certificate confirming compliance with these guidelines, signed by a practicing Company Secretary, forms part of Annual Report as **Annexure – VII**.

27.3 In line with the Revised Grading norms for CPSEs, your Company has achieved a perfect score of 100% for the FY 2025-26 in terms of compliance with the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

28.1 MIDHANI has implemented a robust framework for internal controls, which is designed to align with the company's size and operations. This internal control system is further strengthened by a comprehensive program of internal audits and management reviews. The internal audit function, supported by external audit firms, conducts thorough and risk-focused audits to assess the effectiveness of the internal control structure and its functions on a regular basis. This ensures the integrity and reliability of the company's operations.

28.2 The Company has implemented robust internal financial controls in accordance with the requirements of the Companies Act, 2013. These controls are implemented at various levels within the organization to ensure compliance with internal control requirements, regulatory compliance, and accurate recording of financial and operational information. The internal financial controls are designed to safeguard assets, prevent fraud, maintain financial accuracy, and promote operational efficiency.

28.3 The Company engaged the services of external audit firm Sagar & Associates to conduct the internal audit during the year, with a focus on assessing the adequacy of systems and controls. The audit reports prepared by Sagar & Associates were thoroughly reviewed by the Audit Committee. Additionally, the in-house Internal Audit team conducted regular audits of specific processes. The findings and recommendations from these audits, along with the corrective actions initiated, were discussed with the Management and reviewed by the Audit Committee. The Audit Committee also assessed the adequacy and effectiveness of internal controls in place.

28.4 No instances of fraud were reported to the Audit Committee by the Auditors in accordance with Section 143(12) of the Companies Act, 2013 and the rules prescribed. Therefore, no disclosure is required under Section 134(3)(ca) of the Companies Act, 2013.

29. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

29.1 The Board of your Company at the beginning of FY 2025-26 comprised of Four (4) Directors i.e. Two (2) Functional Directors, One (1) Government Nominee Director and One (1) Independent Director, all eminent personalities with vast experience from diverse fields.

29.2 As on date of this Report, the Company has six (6) Directors i.e. Three (3) Functional Directors, One (1) Govt. Nominee Director and Two (2) Independent Directors.

29.3 During the year under review and as on date of report, the following changes in composition of Board of Directors/KMP was observed:

- The tenure of Smt. V. T. Rema (DIN: 09561611) ended w.e.f. April 5, 2025 as Independent Director on the Board MIDHANI.
- Department of Defence Production, Ministry of Defence vide letter No. 5/1 (1)/ 2022/ D (NS) dated April 15, 2025 conveyed the appointment of Dr. S.V.S. Narayana Murty as Chairman and Managing Director of the Company on immediate absorption basis with effect from date of assumption of charge of the post till the date of his superannuation i.e. 31.12.2029 or until further order by MoD (whichever is earlier). In view of above, Dr. S.V.S. Narayana Murty (DIN: 11065319) assumed charge as Chairman & Managing Director of the Company on April 28, 2025.
- Department of Defence Production, Ministry of Defence vide letter No. 11(70)/2021/ Misc./D(NS) dated April 18, 2025 conveyed the re-appointment of Smt. V. T. Rema (DIN: 09561611) on the Board of MIDHANI as Independent Director for a period of one-year w.e.f. April 18, 2025 or until further order by MoD (whichever is earlier).
- Department of Defence Production, Ministry of Defence vide letter No. 11(70)/2021/ Misc./D(NS) dated April 18, 2025 conveyed the appointment of Shri Ajay Kumar Chauhan (DIN: 09394953) and Ms. Aruna Sarap (DIN: 09583629) on the Board of MIDHANI as Independent Director for a period of one-year w.e.f. April 18, 2025 or until further order by MoD (whichever is earlier).
- The tenure of Shri Gowri Sankara Rao Naramsetti (DIN: 08925899) as Director (Finance) & CFO of MIDHANI ended on May 31, 2025. The tenure of Shri T. Muthukumar (DIN: 09636771) as Director (Production & Marketing) of MIDHANI ended on June 30, 2025.
- Department of Defence Production, Ministry of Defence vide letter No. F.No. 5/1 (1)/ 2024/ D (NS) dated July 17, 2025 conveyed the appointment of Smt. Madhubala Kalluri – General Manager (Finance & Accounts, MIDHANI) as Director (Finance) of the Company with effect from date of assumption of charge of the post till the date of her superannuation i.e. 31.08.2027 or until further order by MoD (whichever is earlier). Smt. Madhubala Kalluri (DIN: 11202794) assumed charge as Director (Finance) of the Company on July 21, 2025. She was designated as Chief Financial Officer (CFO) of MIDHANI w.e.f. August 13, 2025.
- Department of Defence Production, Ministry of Defence vide letter No. F.No. 5/1 (2)/ 2024/D(NS) dated October 3, 2025 conveyed the appointment of Shri Padavittan Babu– General Manager (Technical Services, MIDHANI) as Director (Production & Marketing) of the Company for a period of five years with effect from date of assumption of charge of the post or until further order by MoD (whichever is earlier). Shri P. Babu (DIN: 11233808) assumed charge as Director (Production & Marketing) of the Company on October 7, 2025.
- Department of Defence Production vide 8(29)/2026-D (Coord/DDP) dated June 5, 2026 conveyed the appointment of Shri Prakash

Rajpurohit (DIN: 06895578), JS (Defence Industries Production), MoD, as Government Nominee Director on the Board of MIDHANI w.e.f. June 5, 2025.

- Department of Defence Production vide Letter No. 11(70)/2021/Misc./D(NS) dated August 21, 2026 conveyed the appointment of Shri Sameer Mundra (DIN: 00078727) as Independent Director of the Company for a period three years or until further orders issued by Ministry of Defence, whichever is the earliest.

- Department of Defence Production vide Letter No. 11(70)/2021/Misc./D(NS) dated August 21, 2026 conveyed the appointment of Shri Pugazhendhy Arumugam (DIN: 11912614) as Independent Director of the Company for a period three years or until further orders issued by Ministry of Defence, whichever is the earliest. The letter also specified that in case on non-availability of DIN, the appointment would be effective from date of allotment of DIN. Accordingly, Shri Pugazhendhy Arumugam obtained his DIN: 11912614 on August 25, 2026 and his appointment as Independent Director got effective from August 25, 2026, till August 24, 2029.

29.4 The Members of Company at their 51st Annual General Meeting held on September 30, 2025 approved the following:

a) Appointment of Dr. S.V.S. Narayana Murty (DIN: 11065319) as Chariman & Managing Director of the Company.

b) Re-appointment of Smt. V. T. Rema (DIN: 09561611) as Independent Director of the Company

c) Appointment of Shri Ajay Kumar Chauhan (DIN: 09394953 on the Board of MIDHANI as Independent Director of the Company.

d) Appointment of Ms. Aruna Sarap (DIN: 09583629) on the Board of MIDHANI as Independent Director of the Company.

e) Appointment of Smt. Madhubala Kalluri (DIN: 11202794) as Director (Finance) of the Company.

29.5 Smt. Madhubala Kalluri, Director (Finance) (DIN: 11202794) would retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered herself for re-appointment.

29.6 The Notice of the 52nd Annual General Meeting (AGM) provides a brief resume, expertise, directorship details in other companies, and shareholding information of the Director(s) proposed for appointment/re-appointment at the AGM, in accordance with Secretarial Standard-2 and Regulation 36 of the SEBI Listing Regulations.

29.7 **Performance Evaluation:** Being a Government Company, the appointment/ re-appointment of Independent Directors is done by the President of India through the Administrative Ministry. The evaluation of Independent Directors' performance and their compliance with the Independence criteria specified in the SEBI Listing Regulations is conducted by the Government of India through its internal processes.

30. REMUNERATION POLICY:

30.1 MIDHANI is a Government of India owned Public Sector Enterprise under the administrative control of the Ministry of Defence. The Directors of the Company are appointed by the President of India and their remuneration is determined in accordance with the Guidelines issued by DPE. As per Article 67 of MIDHANI's Articles of Association, the President of India is Competent Authority for appointing Directors and deciding their remuneration. Given that these appointments are made by the President of India, the evaluation of the performance of these appointees is also conducted by the Government of India.

30.2 The terms and condition of payment of sitting fees to Independent Directors and Govt.

Nominee Director is available on the Company's website at https://midhani-india.in/policies/ .

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

31. DECLARATION AND MEETING OF INDEPENDENT DIRECTORS:

31.1 The Independent Directors of the Company have affirmed their compliance with the independence criteria outlined in both the Companies Act, 2013 and SEBI Listing Regulations. Additionally, they have fulfilled the requirements specified in Rule 6, Sub-rule 1 & 2 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

31.2 The Independent Directors have provided confirmation of their adherence to the "Code of Business Conduct and Ethics for Board Members and Senior Management" of the Company.

31.3 During FY 2025-26, one (1) meeting of the Independent Directors was conducted on January 30, 2026, in accordance with the provisions of the Companies Act, 2013, and SEBI Listing Regulations.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a. in the preparation of the Annual Accounts for the financial year ended March 31, 2026, the applicable Indian Accounting Standards (Ind AS) have been followed along with proper explanations on the material departures;

b. the Directors have such Accounting Policies have been selected and applied consistently and judgments and estimate have been made; that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. March 31, 2026; and of the Profit of the Company for the year ending on March 31, 2026;

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

d. the Directors have prepared the accounts for the financial year ended on March 31, 2026 on a 'going concern' basis;

e. the Directors have laid down proper internal financial controls in place and that such internal controls are adequate and are operating effectively; and

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

33. AUDITORS:

33.1 **Statutory Auditors:** Comptroller and Auditor General (C&AG) of India appointed M/s Anjaneyulu & Co, Chartered Accountants, Hyderabad, [Firm Registration No. 000180S] as Statutory Auditors of the Company for conducting audit of accounts for the year ended March 31, 2026. The Report of Statutory Auditors on the Financial Statements for the financial year ended on March 31, 2026, is an unmodified opinion i.e., it does not contain any qualification, reservation or adverse remark.

33.2 **Cost Auditor:** Your Company is required to maintain cost records as specified by Central Government under section 148(1) of the Companies Act, 2013. Your Company appointed BVR & Associates, Cost Accountants, Hyderabad, [Firm Registration No 000453] as Cost Auditors for the FY 2025- 26 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

33.3 **Secretarial Auditor:** The shareholders of the Company at their Annual General Meeting held on September 30, 2025, have appointed Hanumanta Raju & Co, Company Secretaries Hyderabad as Secretarial Auditor of the

Company, to hold office for 5 (five) consecutive years from the conclusion of the 51st Annual General Meeting held in calendar year 2025, until conclusion of the 56th Annual General Meeting to be held in the calendar year 2030. The Secretarial Audit Report forms part of Annual Report as **Annexure – VIII** along with management's reply to the observations therein.

33.4 **Internal Auditor:** Your Company engaged Sagar & Associates. [Firm Registration No.003510S] to conduct Internal Audit for FY 2025-26.

34. COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA:

The 'Nil' Comments certificate on the Accounts issued by the Comptroller and Auditor General of India for the year ended March 31, 2026 is placed in Annual Report after Statutory Auditors Report.

35. DISCLOSURES UNDER COMPANIES ACT, 2013:

35.1 **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.

35.2 **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.

35.3 **Board Meetings:** During the financial year ended on March 31, 2026, the Board met nine (9) times on April 25, 2025, May 28, 2025, June 30, 2025, August 13, 2025, September 30, 2025, November 13, 2025, December 12, 2025, February 12, 2026 and March 13, 2026. For further details of these meetings, Members may please refer 'Report on Corporate Governance' which forms part of this Annual Report.

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

35.5 **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.

36. GENERAL AFFIRMATIONS AND DISCLOSURES:

36.1 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.

36.2 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 2025-26 and till the date of this report, which affect the financial position of your Company.

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

d) during the year, no corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before National Company Law Tribunal or other court(s).

e) the Company has complied with the provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. ACKNOWLEDGEMENT:

37.1 The Board of Directors wishes to extend its deepest gratitude for the unwavering support and cooperation received from various Government agencies. We acknowledge the Ministry of Defence, establishments under DRDO, and other Central and State Government agencies for their invaluable assistance.

37.2 The Board also sincerely appreciates the continuous support from our customers, vendors, bankers, the C&AG, statutory and internal auditors, the Chairperson of the Audit Committee, the Chairpersons of other sub-committees of the Board, as well as our advisers, consultants, and stakeholders. Your guidance and partnership have been instrumental to our progress throughout the year.

37.3 The Board extends its sincere gratitude to all employees of the Company for their outstanding contributions and unwavering cooperation. Your dedication and hard work have been key to our collective achievements.

37.4 Lastly, the Board extends its profound gratitude to our shareholders and investors for their steadfast trust and confidence in the Company. We look forward to your continued support, which will undoubtedly drive the Company towards even greater success in the future.

For and on behalf of the Board of Directors
Dr. S. V. S. Narayana Murty

Sd/-
Chairman & Managing Director
DIN: 11065319

Place: Hyderabad
Date : August 28, 2026

REPORT ON CORPORATE GOVERNANCE

MIDHANI's philosophy on code of Corporate Governance

Mishra Dhatu Nigam Limited (MIDHANI) is a Mini-Ratna Category – 1, Public Sector Undertaking (PSU) under administrative control of Ministry of Defence (MoD) upholds the highest standards of Corporate Governance. As a responsible corporate citizen, MIDHANI's Corporate Governance philosophy is anchored in principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision making and avoiding conflicts of interest. MIDHANI consistently strives to transcend beyond the basic requirements of Corporate Governance and focuses consistently towards the interests of individuals, organization and society at large.

The Company is committed to protecting and facilitating the rights of its shareholders by providing timely information to them and ensuring their equitable treatment. Company also ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

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

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

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

Board of Directors

Composition of the Board

As on March 31, 2026, the Board of MIDHANI comprised of seven (7) Directors, including Three (3) Executive Directors, One (1) Non- Independent Non-Executive and Three (3) Independent Director (Including two Woman Independent Director) which was not in accordance with Regulation 17(1)(b) of SEBI Listing Regulations, which provides that, where listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.

MIDHANI being a Govt. Company and in accordance with Articles of Association, the Board of Directors has no authority to appoint Directors on the Board of MIDHANI. The authority for appointment of Directors on the Board vests with 'The President of India' acting through Administrative Ministry i.e. Ministry of Defence (MoD). As on March 31, 2026, the position for one (1) Independent Director remains vacant. MIDHANI will continue to be non-compliant with Regulation 17(1)(b) of SEBI Listing Regulations till such time Administrative Authority appoints one (1) Independent Director on the Board of MIDHANI.

Changes in Directors

During the financial year ended on March 31, 2026, the following changes were observed:

- The tenure of Smt. V.T.Rema (DIN: 09561611) as Independent Director ended w.e.f. April 5, 2025.
- The tenure of Shri Gowri Sankara Rao Naramsetti (DIN: 08925899) as Director (Finance) & CFO of MIDHANI ended on May 31, 2025.
- The tenure of Shri T. Muthukumar (DIN: 09636771) as Director (Production & Marketing) of MIDHANI ended on June 30, 2025.

During the financial year ended on March 31, 2026 the following appointment/re-appointment of Directors were observed:

- Department of Defence Production, Ministry of Defence (MoD) vide letter No. 5/1 (1)/ 2022/ D (NS) dated April 15, 2025 conveyed the appointment of Dr. S.V.S. Narayana Murty – General Manager (Materials Development and Production Group, Liquid Propulsion Systems Centre, ISRO) as Chairman and Managing Director of the Company on immediate absorption basis with effect from date of assumption of charge of the post till the date of his superannuation i.e. 31.12.2029 or until further order by MoD (whichever is earlier). In view of above, Dr. S.V.S. Narayana Murty (DIN: 11065319) has assumed charge as Chairman & Managing Director of the Company on April 28, 2025.
- Department of Defence Production, Ministry of Defence (MoD) vide letter No. 11(70)/2021/Misc./D(NS) dated April 18, 2025 conveyed the re-appointment of Smt. V. T. Rema (DIN: 09561611) on the Board of MIDHANI as Independent Director for a period of one-year w.e.f. April 18, 2025 or until further order by MoD (whichever is earlier).
- Department of Defence Production, Ministry of Defence (MoD) vide letter No. 11(70)/2021/Misc./D(NS) dated April 18, 2025 conveyed the appointment of Shri Ajay Kumar Chauhan (DIN: 09394953) on the Board of MIDHANI as Independent Director for a period of one-year w.e.f. April 18, 2025 or until further order by MoD (whichever is earlier).
- Department of Defence Production, Ministry of Defence (MoD) vide letter No. 11(70)/2021/Misc./D(NS) dated April 18, 2025 conveyed the appointment of Ms. Aruna Sarap (DIN: 09583629) on the Board of MIDHANI as Independent Director for a period of one-year w.e.f. April 18, 2025 or until further order by MoD (whichever is earlier).
- Department of Defence Production, Ministry of Defence (MoD) vide letter No. F.No. 5/1 (1)/ 2024/ D (NS) dated July 17, 2025 conveyed the appointment of Smt. Madhubala Kalluri – General Manager (Finance & Accounts, MIDHANI) as Director (Finance) of the Company with effect from date of assumption of charge of the post till the date of her superannuation i.e. 31.08.2027 or until further order by MoD (whichever is earlier). Smt. Madhubala Kalluri (DIN: 11202794) has assumed charge as Director (Finance) of the Company on July 21, 2025.
- Department of Defence Production, Ministry of Defence vide letter No. F.No. 5/1 (2)/ 2024/D(NS) dated October 3, 2025 conveyed the appointment of Shri Padavittan Babu– General Manager (Technical Services, MIDHANI) as Director (Production & Marketing) of the Company for a period of five years with effect from date of assumption of charge of the post or until further order by MoD (whichever is earlier). Shri P. Babu (DIN: 11233808) has assumed charge as Director (Production & Marketing) of the Company on October 7, 2025.

The composition of the Board of Directors as on March 31, 2026, was as follows:

Name of Director	Date of appointment	Relationship between Directors, inter-se	DIN
EXECUTIVE DIRECTOR(S)/ FUNCTIONAL DIRECTOR(S)			
Dr. S.V.S. Narayana Murty	April 28, 2025	None	11065319
Smt. Madhubala Kalluri	July 21, 2025	None	11202794
Shri Padavittan Babu	October 7, 2025	None	11233808
GOVERNMENT NOMINEE DIRECTOR			
Shri Amit Satija Joint Secretary (DIP), Department of Defence Production, Ministry of Defence	December 10, 2024	None	08989543
NON-EXECUTIVE – INDEPENDENT DIRECTOR			
Smt. V. T. Rema	April 18, 2025	None	09561611
Shri Ajay Kumar Chauhan	April 18, 2025	None	09394953
Ms. Aruna Sarap	April 18, 2025	None	09583629

Key Board expertise and skills

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

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

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

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

None of the Directors serve as Independent Director in more than seven listed companies or serve as Independent Director in more than three listed companies in case he/ she serves as Whole-time Director in a listed Company. During the FY 2025-26, no Independent Director resigned before the expiry of his/her tenure.

Further, none of our Independent Director serve as Non-Independent Director of any Company on the Board of which any of our Non-Independent Director is an Independent Director.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

Smt. Madhubala Kalluri, Director (Finance) (DIN: 11202794) would retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered herself for re-appointment.

The brief resume and other requisite details of the Director proposed to be re-appointed are provided in Notice of 52nd Annual General Meeting.

CEO & CFO Certificate

In accordance with the provisions of Regulation 17(8) of SEBI Listing Regulations, certificate of Chairman & Managing Director and Chief Financial Officer in relation to the Financial Statements for the year ended March 31, 2026, forms part of this Annual Report as **Annexure – IX**.

Certificate on Non- disqualification of Directors

None of the Directors on the Board have been debarred or disqualified from being appointed or continuing as directors by SEBI/ Ministry of Corporate Affairs or any other statutory authority. The certificate of Puttaparthi Jagannatham & Co., Practicing Company Secretaries, certifying the same, forms part of this Annual Report as **Annexure – X**.

Directors' attendance and Directorships held

The Board met nine (9) times during the financial year ended March 31, 2026. The average attendance of Directors for all the Board Meetings during the financial year was 100%, details thereof are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
25.04.2025	6	6	3 out of 3
28.05.2026	7	7	3 out of 3
30.06.2025	6	6	3 out of 3
13.08.2025	6	6	3 out of 3
30.09.2025	6	6	3 out of 3
13.11.2025	7	7	3 out of 3
12.12.2025	7	7	3 out of 3
12.02.2026	7	7	3 out of 3
13.03.2026	7	7	3 out of 3

Details of Directors' attendance at the Board Meetings and Annual General Meeting as on March 31, 2026 along with name(s) of listed companies and category of directorship held, are as follows:

Name of Director	No. of Meetings attended during FY 2025-26	Attendance at last Annual General Meeting held on 30.09.2025	No. of other Directorships held ^	Committee positions held in other companies&		Directorships held in other listed companies and category
				Chairperson	Member%	
Dr. S. V. S. Narayana Murty@	8	Yes	2	None	None	None
Shri Gowri Sankara Rao Naramsetti*	2	Not Applicable (NA)	NA	NA	NA	None
Shri Thulasiraman Muthukumar"	3	NA	NA	NA	NA	None
Smt V. T. Rema!	9	Yes	2	1	1	None
Shri Ajay Kumar Chauhan#	9	Yes	1	1	None	None
Ms. Aruna Sarap?	9	Yes	1	None	1	None
Smt. Madhubala Kalluri$	6	Yes	1	None	1	None
Shri Padavittan Babu +	4	NA	1	None	2	None
Shri Amit Satija	3	No	4	None	None	1

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

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

%Does not include chairmanships.

@Appointed as Chairman & Managing Director w.e.f .April 28, 2025

**Tenure as Director (Finance) ended on May 31 2025.*

"Tenure as Director (Production & Marketing) ended on June 30, 2025.

! Appointed as Independent Director w.e.f. April 18, 2025.

 # Appointed as Independent Director w.e.f. April 18, 2025.

? Appointed as Independent Director w.e.f. April 18, 2025.

$ Appointed as Director (Finance) w.e.f. July 21, 2025.

+ Appointed as Director (Production & Marketing) w.e.f. October 7, 2025.

During FY 2025-26, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Board Methodology

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

During FY 2025-26, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, was placed before the Board for its consideration. The Directors were provided with an option to join the Meeting through video conferencing, as and when desired by them to attend/ participate in Board/Committee Meeting. Further, quorum of Board was throughout the Meeting was compliant 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.

Independent Directors' meeting

In accordance with the requirements of Schedule IV to the Companies Act, 2013, Secretarial Standard-1 on Board Meetings ('SS-1') and SEBI Listing Regulations, a meeting of Independent Directors was held on January 30, 2026 to discuss, inter-alia, performance of the Board, its committees, and assessment of flow of information from management to the Board.

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 provide that Directors shall be appointed by the President of India. The terms and conditions of appointment of a Director are issued by Govt. of India acting through Ministry of Defence (MoD). The Functional Directors are generally appointed for a period of five years with effect from date of assumption of charge of the post or till the date of his/ her superannuation or until further orders by MoD whichever is earlier. The Functional Directors are also entitled to performance-related pay in accordance with DPE guidelines. The notice period in case of leaving service before the contractual term is 3 months or in the absence of notice period, 3 months' pay has to be remitted.

The details of remunerations paid to Functional Directors paid during FY 2025-26:

(Figures in ₹)

Name of Director	Salary & Allowances	Perquisites	Retirement benefits (Pension/ Gratuity)	Performance related pay during FY 2025-26 (pertaining to profits for FY24-25)
Dr. S. V. S. Narayana Murty	53.90	-	7.24	-
Smt. Madhubala Kalluri	30.91	-	5.88	-
Shri Padavittan Babu	20.24	-	2.69	-
Shri Gowri Sankara Rao Naramsetti	8.03	0.39	42.33	8.62
Shri Thulasiraman Muthukumar	15.62	1.01	52.58	11.26

Appointment and remuneration to Non-Executive Independent Directors

The appointment of Non-executive Independent Directors is under the purview of Govt. of India. The revised sitting fees paid to Independent Directors @₹25,000/- per meeting, for attending meetings of Board and @₹20,000/- for attending each meeting of its committees thereof. Independent Directors are reimbursed travelling cost, accommodation cost etc. for attending meetings. The criteria for making payments to Non- Executive Independent Directors of the Company are disclosed on the Company's website at https://midhani-india.in/policies/.

The details of sitting fees paid to Smt. V. T. Rema, Shri Ajay Kumar Chauhan and Ms. Aruna Sarap (Independent Directors), during the financial year ended on March 31, 2026, are as under:

Name of Independent Director	Sitting fees (in ₹)	
	For Board Meetings	For Board Committee Meetings
Smt V. T. Rema	2,05,000	2,40,000
Shri Ajay Kumar Chauhan	2,05,000	3,55,000
Ms. Aruna Sarap	2,05,000	2,55,000
Total	**6,15,000**	**8,50,000**

Appointment and remuneration to Non-Executive - Government Nominee Director

The Government Nominee Director is appointed by the President of India and he/she holds the office till further orders from the Government. They are not entitled to any remuneration or sitting fees. As on March 31, 2026, your Company has one Government Nominee Director i.e., Shri Amit Satija– JS (DIP).

Board Committees

MIDHANI has the following active Board level Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility and Sustainable Development Committee
- Procurement Committee
- Human Resources Committee; and
- Share Certificate Committee

MIDHANI has one apex internal committee called Corporate Management Committee.

a) Audit Committee (AC):

The Audit Committee was reconstituted upon appointment of Independent Director(s) w.e.f April 18, 2025.

During FY 2025-26, four (4) meetings of Audit Committee were held on May 28, 2025, August 13, 2025, November 13, 2025 and February 12, 2026.

The Committee composition and details of Meetings as on March 31, 2026 are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Shri Ajay Kumar Chauhan[@]	Independent Director	Chairman	4	4
Smt. V. T. Rema[%]	Independent Director	Member	4	4
Ms. Aruna Sarap[^]	Independent Director	Member	4	4
Shri Padavittan Babu[*]	Executive Director	Member	2	2
Shri Thulasiraman Muthukumar[&]	Executive Director	Member	1	1

[@] *Shri Ajay Kumar Chauhan was appointed as chairman of Audit Committee w.e.f. April 18, 2025.*

[%] *Smt. V. T. Rema was appointed as member of Audit Committee w.e.f. April 18, 2025.*

[^] *Ms. Aruna Sarap was appointed as member of Audit Committee w.e.f. April 18, 2025.*

[*] *Shri Padavittan Babu was appointed as member of Audit Committee w.e.f. October 7, 2025.*

[&]*Shri Thulasiraman Muthukumar ceased to be member of Audit Committee on June 30, 2025.*

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

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

i) The Audit Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent directors present.

ii) The 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.

w) The Company Secretary acts as Secretary to the Committee;

x) Chairman of Audit Committee shall be a Nonexecutive Independent Director, who has accounting and related financial management expertise. All members of Audit Committee have good knowledge of accounting and expertise in financial matters. The Committee regularly interacts with the representatives of external audit firms carrying out Internal/ Statutory Audit of the Company and takes stock of all the finance related matters; and

y) The Chairman of the Audit Committee shall apprise the Board about the observations of the Audit Committee during the Board Meetings. The Minutes of the Audit Committee Meetings shall be placed before the Board of Directors at their subsequent meetings for information.

b) Nomination & Remuneration Committee (NRC)

The NRC was reconstituted upon appointment of Independent Director(s) w.e.f April 18, 2025.

During FY 2025- 26, two (2) Meetings of NRC were held on April 25, 2025 and January 30, 2026.

The Committee composition and details of Meeting is as below:

Name	Category	Position in Committee	No. of meetings entitled to attend	No. of Meetings attended
Shri Ajay Kumar Chauhan@	Independent Director	Chairman	2	2
Smt. V. T. Rema%	Independent Director	Member	2	2
Ms. Aruna Sarap^	Independent Director	Member	2	2

@ *Shri Ajay Kumar Chauhan was appointed as chairman of NRC w.e.f. April 18, 2025.*

% *Smt. V. T. Rema was appointed as member of NRC w.e.f. April 18, 2025.*

^ *Ms. Aruna Sarap was appointed as member of NRC w.e.f. April 18, 2025.*

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.

c) Stakeholders Relationship Committee (SRC)

As on March 31, 2026, SRC comprised of One (1) Independent Directors and Two (2) Executive Directors. During FY 2025-26, one (1) Meeting of SRC was held on March 30, 2026.

The Committee composition and details of Meeting is as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Smt. V. T. Rema[%]	Independent Director	Chairperson	1	1
Smt. Madhubala Kalluri[$]	Executive Director	Member	1	1
Shri Padavittan Babu[*]	Executive Director	Member	1	1

[%] *Smt. V. T. Rema was appointed as Chairperson of SRC w.e.f. April 18, 2025.*

[$] *Smt. Madhubala Kalluri was appointed as member of SRC w.e.f. July 21, 2025.*

[*] *Shri Padavittan Babu was appointed as member of SRC w.e.f. October 7, 2025.*

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

Opening balance	Received	Resolved	Closing Balance
Nil	2	2	Nil

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

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

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

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

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

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

d) Risk Management Committee (RMC)

As on March 31, 2026, RMC comprised of Three (3) Executive Directors and One (1) Independent Director. During FY 2025-26, Two (2) Meetings of RMC were held on October 23, 2025 and March 30, 2026.

The RMC was reconstituted upon appointment of Independent Director(s) w.e.f April 18, 2025.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Dr. S. V. S. Narayana Murty[&]	Executive Director	Chairman	2	2
Smt. Madhubala Kalluri[$]	Executive Director	Member	2	2
Shri Padavittan Babu[*]	Executive Director	Member	2	2
Shri Ajay Kumar Chauhan[@]	Independent Director	Member	2	2

[&] *Dr. S. V. S. Narayana Murty was appointed as Chairman of RMC w.e.f April 28, 2025.*

[$] *Smt. Madhubala Kalluri was appointed as member of RMC w.e.f. July 21, 2025.*

[*] *Shri Padavittan Babu was appointed as member of RMC w.e.f. October 7, 2025.*

[@] *Shri Ajay Kumar Chauhan was appointed as member of RMC w.e.f. April 18, 2025.*

The terms of reference to RMC are as follows:

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

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

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

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

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

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

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

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

ix) Company Secretary shall act as Secretary of the Committee.

e) Corporate Social Responsibility (CSR) Committee & Sustainable Development (SD) Committee (CSR&SD)

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 at www.midhani-india.in .

As on March 31, 2026, the CSR&SD Committee comprised of Three (3) Executive Directors and One (1) Independent Director. During FY 2025-26, two (2) Meetings of CSR&SD were held on May 27, 2026 and February 11, 2026.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Dr. S. V. S. Narayana Murty[&]	Executive Director	Chairman	2	2
Shri Gowri Sankara Rao Naramsetti[*]	Executive Director	Member	1	1
Shri Thulasiraman Muthukumar["]	Executive Director	Member	1	1
Ms. Aruna Sarap[^]	Independent Director	Member	2	2
Smt. Madhubala Kalluri[$]	Executive Director	Member	1	1
Shri Padavittan Babu[*]	Executive Director	Member	1	1

[&] Dr. S. V. S. Narayana Murty was appointed to be Chairman of CSR Committee w.e.f April 28, 2025.

** Shri Gowri Sankara Rao Naramsetti ceased to be member of CSR Committee on May 31 2025.*

"Shri Thulasiraman Muthukumar ceased to be member of CSR Committee on June 30, 2025.

[^] Ms. Aruna Sarap was appointed as member of CSR Committee w.e.f. April 18, 2025.

[$] Smt. Madhubala Kalluri was appointed as member of CSR Committee w.e.f. July 21, 2025.

[*] Shri Padavittan Babu was appointed as member of CSR Committee w.e.f. October 7, 2025.

A CSR & SD Committee, chaired by the Chairman & Managing Director, has been constituted to oversee the planning, implementation, and monitoring of the CSR & SD activities of the 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.

iii) Company Secretary shall act as Secretary of the Committee.

f) Procurement Committee (PC)

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.

As on March 31, 2026, the PC comprised of three (3) Executive Directors and one (1) Independent Director. During FY 2025-26, five (5) Meetings of PC were held on May 27, 2025, September 12, 2025, September 29, 2025, January 16, 2026 and February 9, 2026.

The CSR&SD was reconstituted upon appointment of Independent Director(s) w.e.f April 18, 2025.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings Attended
Dr. S. V. S. Narayana Murty[&]	Executive Director	Chairman	5	5
Shri Gowri Sankara Rao Naramsetti[*]	Executive Director	Member	1	1

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings Attended
Shri Thulasiraman Muthukumar"	Executive Director	Member	1	1
Shri Ajay Kumar Chauhan@	Independent Director	Member	5	5
Smt. Madhubala Kalluri$	Executive Director	Member	4	4
Shri Padavittan Babu*	Executive Director	Member	2	2

& Dr. S. V. S. Narayana Murty was appointed as Chairman of CSR Committee w.e.f April 28, 2025.

** Shri Gowri Sankara Rao Naramsetti ceased on member of CSR Committee on May 31 2025.*

"Shri Thulasiraman Muthukumar ceased on member of CSR Committee on June 30, 2025.

@ Shri Ajay Kumar Chauhan was appointed as member of RMC w.e.f. April 18, 2025.

$ Smt. Madhubala Kalluri was appointed as member of CSR Committee w.e.f. July 21, 2025.

** Shri Padavittan Babu was appointed as member of CSR Committee w.e.f. October 7, 2025.*

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.

(ix) Company Secretary shall act as Secretary of the Committee.

g) Human Resources Committee (HRC)

The HRC was constituted by the Board of Directors on July 22, 2011. HRC is being 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.

As on March 31, 2026, HRC comprised of Three (3) Independent Director and Two (2) Executive Directors. During FY 2025-26, five (5) Meetings of HRC were held on April 25, 2025, September 29, 2025, November 12, 2025, February 11, 2026 and March 13, 2026.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Smt. V. T. Rema[%]	Independent Director	Chairperson	5	5
Shri Gowri Sankara Rao Naramsetti[*]	Executive Director	Member	1	1
Shri Thulasiraman Muthukumar["]	Executive Director	Member	1	1
Shri Ajay Kumar Chauhan[@]	Independent Director	Member	5	5
Ms. Aruna Sarap[^]	Independent Director	Member	5	5
Smt. Madhubala Kalluri[$]	Executive Director	Member	4	4
Shri Padavittan Babu[*]	Executive Director	Member	3	3

[%] *Smt. V. T. Rema was appointed as Chairperson of HRC w.e.f. April 18, 2025.*

* *Shri Gowri Sankara Rao Naramsetti ceased to be member of HRC on May 31 2025.*

"Shri Thulasiraman Muthukumar ceased to be member of HRC on June 30, 2025.

[@] *Shri Ajay Kumar Chauhan was appointed as member of HRC w.e.f. April 18, 2025.*

[^] *Ms. Aruna Sarap was appointed as member of HRC w.e.f. April 18, 2025.*

[$] *Smt. Madhubala Kalluri was appointed as member of HRC w.e.f. July 21, 2025.*

[*] *Shri Padavittan Babu was appointed as member of HRC w.e.f. October 7, 2025.*

The detailed terms of reference of HRC are as follows:

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

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

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

c) Recruitment Rules and Procedure.

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

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

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

g) Retirement benefits and plans.

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

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

j) Maintenance of Town Ship and Estate Matters.

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

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

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

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

o) Vigilance and Security related issues.

p) Trade Unions, Officers / Supervisors Associations.

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

   (ii) The committee shall submit its recommendations to Board for its consideration and approval. The committee can frame its own guidelines for conducting its meeting.

h) Share Certificate Committee (SCC)

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.

As on March 31, 2026, SCC comprised of three (3) Executive Directors. No Meeting of SCC was held during FY 2025-26.

i) Corporate Management Committee (CMC)

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

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

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

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

(i) Review of Production/major Projects and Financial Performance and Marketing Operations;
(ii) Ways and means of improving cash flows in the organization;
(iii) Employee relations / resolving Personnel grievances;
(iv) Systems improvements; and
(v) Improving inter-departmental; inter-functional co-ordination and resolving inter-departmental and intradepartmental bottlenecks, if any.

Senior management:

In terms of Clause 5B of Schedule V of SEBI Listing Regulations, the particulars of Senior Management are provided below:

- **Key Managerial Personnel: (as on March 31, 2026)**

  1. Dr. S. V. S. Narayana Murty - Chairman and Managing Director.
  2. Shri Gowri Sankara Rao Naramsetti – Director (Finance) & CFO. *
  3. Smt. Madhubala Kalluri - Director (Finance) & CFO.$
  4. Shri Paul Antony – Company Secretary & Compliance Officer.

Notes:

* Term ended on May 31 2025.

$ Appointed as CFO w.e.f. August 13, 2025.

- **General Managers:**

1. Shri Sasidharan Palasseri- General Manager (Engineering Services)*
2. Smt. Madhubala Kalluri- General Manager (Finance & Accounts)%
3. Shri Arun Kumar Sharma- General Manager (Technical Services) @
4. Shri Anand Kumar Kaluvala- General Manager (Production)
5. Shri Shashi Kumar Dwivedi - General Manager (SBD & Marketing)
6. Shri Babu Padavittan - General Manager (Technical Services) #
7. Shri A Ravichandran - General Manager (Melts, QM,PAG & AMD) &
8. Shri R Venkateswar - General Manager (ES)&

Notes:

* Retired on May 31, 2025.

% Appointed as Director (Finance) w.e.f. July 21, 2025.

@ Retired on October 31, 2025.

Appointed as Director (Production & Marketing) w.e.f. October 7, 2025.

& Appointed as General Manager w.e.f. July 1, 2025.

Annual General Meetings (AGM)

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

Date & Time	49th Annual General Meeting held on September 29, 2023 at 11:00 a.m.	50th Annual General Meeting held on September 30, 2024 at 11:00 a.m.	51st Annual General Meeting held on September 30, 2025 at 11:00 a.m.
Venue	*Through Video Conferencing* - Mishra Dhatu Nigam Limited – P.O. Kanchanbagh, Hyderabad - 500058		
Special Resolution(s) passed, if any	None	None	Three Special Resolutions passed for appointment of Independent Directors - Smt. V.T. Rema; Shri Ajay Kumar Chauhan; and Ms. Aruna Sarap.

Extra-ordinary General Meeting (EGM):

During last three years, i.e. from FY 2023-24 to FY 2025-26 no EGM was held.

Postal Ballot:

During the year ended on March 31, 2026, there were no Resolutions passed through 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, 2026, all transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations were in the ordinary course of business and on arm's length terms, and they do not attract the provisions of Section 188 of the Companies Act, 2013.

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

Disclosure of related party transactions as per Ind AS-24, issued by the Institute of Chartered Accountants of India, is given at note no 40 of the Notes forming part of Annual Accounts for FY 2025-26.

Disclosure of certain type of agreements binding listed entities

There is no agreement impacting management or control of the Company or imposing any restriction or creating any liability upon the Company as stated under Schedule III, Para A, Clause 5A of the SEBI Listing Regulations.

Details of Compliance/Non-compliance under SEBI Listing Regulations:

As on March 31, 2026, the Board of MIDHANI comprised of Three (3) Executive Directors, Three (3) Independent Directors and One (1) Govt. Nominee Director. During FY 2025-26, MIDHANI also re-constituted statutory Board level Committees in line with applicable Regulations of SEBI Listing Regulations.

Hence as on March 31, 2026, with respect to composition of Board, MIDHANI did not comply with Regulation 17 of SEBI Listing Regulations which provides that, Board of Company should comprise of at least six (6) Directors and at least half of Board of listed entity shall comprise of Independent Director in case where listed entity does not have a regular non-executive chairman. As on March 31, 2026, there exist vacancies of one (1) Independent Director on the Board of MIDHANI.

Due to aforementioned non-compliance(s) as on March 31, 2026, MIDHANI was non-compliant with Regulation 17 of SEBI Listing Regulations and the Stock exchanges have imposed penalties.

The company has sought waiver of fine imposed by Stock Exchanges in accordance with carve out policy and in line with NSE Circular dated March 31, 2023.

As on March 31, 2026 Company has not paid any fine to stock exchanges. Stock Exchanges have not taken any further action apart from levy of penalties as specified in SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 issued on July 11, 2023 and last updated on January 30,2026 (Chapter VII (A)-Penal Action for Non-Compliance).

During FY 2025-26, 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 & 21 of SEBI Listing Regulations for a period of year. The details of non-compliances is enumerated in Company's Secretarial Audit Report.

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

The CEO/CFO certificate in terms of Regulation 17(8) of the SEBI Regulations has been placed before the Board and forms part of Annual Report as **Annexure- IX**. In terms of Part – E of Schedule II of SEBI Listing Regulations, the Company has complied with some of the non-mandatory requirements of the SEBI Listing Regulations on Corporate Governance such as, the head of internal audit of the Company directly reports to Audit Committee and the Auditor's Report on standalone and consolidated financial statement of the Company for Financial Year ended on March 31, 2026 are unqualified.

Training and Evaluation of Directors

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

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

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

Other Affirmations

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

During the year under review, all the recommendations made by the committees of the Directors have been accepted by the Board of Directors.

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

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

The Administrative and Office Expenses as percentage of total expenses stood at 2.71% as compared to 2.61% in the previous year and such percentage in respect of financial expenses was 2.36% when compared to 3.10% in the previous year. No extravagancy was found in the Expenditure on the part of the Board Members and Senior Management Personnel.

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

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

Prevention of Sexual Harassment of Women at Workplace

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

Number of Complaints filed during FY-26	Number of Complaints disposed of during of FY-26	Number of Complaints pending as on end of FY - 26
Nil	1	Nil

Fee paid to Statutory Auditor during FY 2025-26:

(₹ Lakh)

Particulars	Amount
Statutory Audit & Limited Review	10.70
Tax Audit	1.50
Total	**12.20**

Means of Communication

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

MIDHANI also conducts Investor Meets, earnings call with analyst/investor on quarterly/yearly financial results. The transcript and recordings of such earnings calls are available on website of Company and also available on the website of stock exchanges.

In terms with Regulation 47 of SEBI Listing Regulations, the financial results are published in one English national daily, having all India circulation, one Hindi Daily and at least in one local Telugu daily within 48 hours of its adoption. The Annual Report of the Company, on placement before both the houses of Parliament is posted in the website viz. https:// midhani-india.in/annual-reports/ . The website of the Company also displays all official news releases and investor presentation.

Policies & Code framed

Policy of Materiality of and of dealing with Related party Transactions

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

Vigilance & Whistle Blower Policy

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

Policy on Material Subsidiaries

Your company does not have any subsidiaries as on March 31, 2026, 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, 2026. A declaration to this effect signed by the Chairman & Managing Director of your Company forms part of Annual Report at **Annexure – VI**.

General Shareholders Information

Forthcoming Annual General Meeting

Date	September 30, 2026
Time	11:00 am
Venue	Through Video conferencing in line with General Circular No. 03/2025 dated September 22, 2025 issued by MCA.

Record date for Final Dividend FY 2025-26

The Record Date for the purpose of entitlement for Final Dividend for FY 2025-26 will be September 23, 2026. The cut-off date for the purpose of entitlement for e-voting will be September 23, 2026.

Financial year

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

Tentative calendar of Board Meeting for FY 27 is as under:

Results for quarter ending June 30, 2026	On/before August 14, 2026
Results for quarter and half-year ending September 30, 2026	On/before November 14, 2026
Results for quarter ending December 31, 2026	On/before February 14, 2027
Results for the quarter and year ending March 31, 2027	On/before May 30, 2027

Unpaid & Unclaimed Dividend details

Pursuant to the applicable provisions of the Companies Act, 2013, (Act) 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 at https://midhani-india.in/unpaid-unclaimed-dividend-list/ .

Further, in compliance with the applicable provisions of the Act and rules made thereunder, the Company had transferred the unclaimed dividend amounting to Rs. 2,54,676/- (final dividend for FY 2017-18 and interim dividend for FY 2018-19) and 700 fully paid equity shares to Investor Education and Protection Fund ('IEPF').

The details of unpaid and unclaimed dividend amounts lying with the Company and equity shares already transferred to IEPF, are available on the Company's website and can be accessed by *clicking here*. The shareholders whose unpaid dividend and/or shares have been transferred to IEPF may reach out to the Company/ Registrar and Transfer Agent, to lodge their claim for refund from IEPF.

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 - 400051	MIDHANI

MIDHANI Equity shares got listed in April, 2018 and as per market capitalization on March 31, 2026 MIDHANI falls under category of top 1000 listed companies.

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

The annual listing fees have been paid to both stock exchanges i.e. BSE & NSE for FY 2025-26. The Company has also paid Annual Custodian fees to both the Depositories i.e NSDL and CDSL.

Shareholding Pattern as on March 31, 2026

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)			**0**
Mutual Funds	8	1,14,55,021	**6.11**
Foreign Portfolio Investors	74	24,72,746	**1.32**
Alternate Investment Funds	6	2,87,835	**0.15**
Insurance Companies	2	28,98,434	**1.55**
Bodies Corporate	512	13,92,949	**0.74**
Non-Resident Indians	2707	8,88,804	**0.47**
Trusts	5	14,343	**0.01**
Clearing Members	25	91,919	**0.05**
HUF	2987	14,83,391	**0.79**
LLP	81	1,33,283	**0.07**
Employees	88	20,696	**0.01**
NBFCs Registered with RBI	2	4,490	**0.00**
Directors	1	520	**0.00**
IEPF	1	400	**0.00**
Banks	0	0	**0.00**
Individuals	1,57,831	2,75,63,569	**14.71**
Total Public Shareholding (B)	**1,64,330**	**4,87,08,400**	**26.00**
Total Shareholding (A+B)	**1,64,331**	**18,73,40,000**	**100**

Distribution of shareholding by size as on March 31, 2026

No. of equity shares held	No. of shareholders	% of total shareholders	No. of equity shares held	% of paid up equity share capital
Upto 500	1,54,115	93.78	1,24,37,177	6.64
501-1000	5,757	3.50	44,46,598	2.37
1001-5000	3,879	2.36	79,37,841	4.24
5001-10000	357	0.22	25,91,289	1.38
10001 & above	223	0.14	15,99,27,095	85.37
Total	**164331**	**100.00**	**187340000**	**100.00**

Commodity risks or foreign exchange risk and hedging activities

Your Company had no exposure to commodity and commodity risks for the FY 2025-26. Further, your Company does not involve in hedging activities. The Company is exposed to foreign exchange exposures related to procurement of materials and services. These procurements are mostly covered under exchange rate variation clause for reimbursement of exchange rate variations arising out of foreign currency fluctuations. Hence, your Company has no direct exposure on this account.

Prohibition of Insider Trading

The Company has adopted 'Code of Conduct to Regulate Monitor and Report Trading by Designated Persons' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). The Company issues circulars, notifications etc. from time to time to sensitize Designated Persons with PIT Regulations. The Company's Code of practices and processes for disclosure of unpublished price sensitive information is available on Company's website at https://midhani-india.in/policies/

Dematerialisation of Shares and Liquidity

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2026, the number of equity shares in electronic form and physical form was as follows:

Particulars	No. of shares	% of paid up equity shares
Demat shares with NSDL	17,16,62,919	91.63
Demat shares with CDSL	1,56,77,081	8.37
Physical shares	-	-
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, 2026.

Credit Ratings obtained during the year

During the year under review, Credit Rating Agency ' CRISIL Ratings Limited' has reaffirmed long term rating at AA-/Stable & short term rating at A1+.

Details of shares held in Unclaimed Suspense Account

There are no outstanding shares lying in the unclaimed suspense account as on March 31, 2026.

Plant Locations (As on March 31, 2026)

City	Address
Hyderabad, Telangana	P.O. Kanchanbagh - 500058
Rohtak, Haryana	Plot No. 8 & 13, Sector 30 A, IMT, Rohtak, Haryana- 124 001

Details of Compliance Officer / Address for Investor correspondence

Shri Paul Antony

Company Secretary & Compliance Officer,

P.O Kanchanbagh, Hyderabad- 500058

Tele-Fax: 040 2418 4515/ 040 2956 8502, Email: company.secretary@midhani-india.in

Details of IEPF Nodal Officer

Shri Paul Antony

Company Secretary & Compliance Officer

P.O Kanchanbagh, Hyderabad- 500058

Tele-Fax: 040 2418 4515/ 040 2956 8502, Email: company.secretary@midhani-india.in

Registrar and share transfer agent

Alankit Assignments Limited, 4E/2 Jhandewalan Extension,

New Delhi -110 055, Tel: 011-42541234 / 23541234; Fax: 011- 42541201

Email: rta@alankit.com

Share Transfer System

The dematerialized shares of the Company are transferable through the depository system. However, the shares held in physical form are processed by the Registrar & Transfer Agent of the Company in coordination with Share Certificate Committee of Company. As on March 31, 2026, no equity shares of the Company were held in physical form.

For **Mishra Dhatu Nigam Limited**
Dr. S. V. S. Narayana Murty

Sd/-
Chairman & Managing Director
DIN: 11065319

Place: Hyderabad
Date: August 28, 2026

MANAGEMENT DISCUSSION & ANALYSIS 2025-26

ECONOMY OVERVIEW

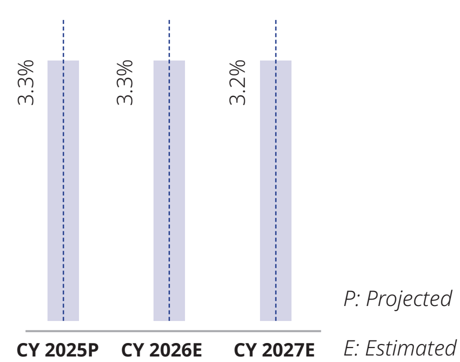
GLOBAL ECONOMY

Throughout CY 2025, the global economy reinforced its capacity to withstand external pressures, advancing steadily through a macroeconomic environment characterised by fluid geopolitical conditions, reconfiguring trade architectures, and divergent monetary policy recalibrations across major financial centres.

Foundational to this performance was a confluence of enabling factors — progressive supply chain normalisation, uninterrupted private sector investment activity, a gradual unwinding of price pressures, and timely policy support from central banking authorities across strategically significant markets. Together, these dynamics bolstered the structural stability of the global economy and improved its capacity to absorb and respond to external shocks.

The IMF's assessment affirms this constructive narrative, placing global output expansion at 3.3% for CY 2025 which is a reflection of enduring economic vitality across emerging and developing market blocs.

GLOBAL GDP GROWTH OUTLOOK



Inflation Trajectory and Monetary Policy

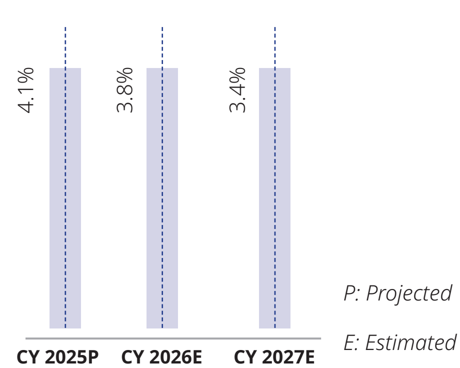
Price pressures across the global economy continued their gradual retreat over the review period, shaped by the progressive unwinding of supply-side bottlenecks, a return to relative stability in commodity markets, and the compounding influence of measured monetary tightening by leading central banks.

Global headline inflation is placed at 4.1% in CY 2025, with forward projections indicating a further decline to 3.8% in CY 2026 and 3.4% in CY 2027 — charting a clear path toward the long-term price stability benchmarks maintained by major monetary authorities.

The United States presented a somewhat divergent inflationary profile relative to its advanced economy peers, with price persistence proving more entrenched; nonetheless, core inflation is anticipated to converge gradually with the Federal Reserve's established medium-term target. Elsewhere among advanced economies, disinflationary momentum has been more consistent, aided by declining energy costs and a tempering of demand-side pressures.

In this context, major central banks maintained disciplined, evidence-based policy frameworks, carefully balancing inflation management with growth support imperatives. The trajectory of monetary normalisation continues to exert meaningful influence on global liquidity, international capital allocation, and currency dynamics, even as the overarching macroeconomic environment retains a broadly supportive character.

GLOBAL INFLATION OUTLOOK (%)



Regional Growth Dynamics

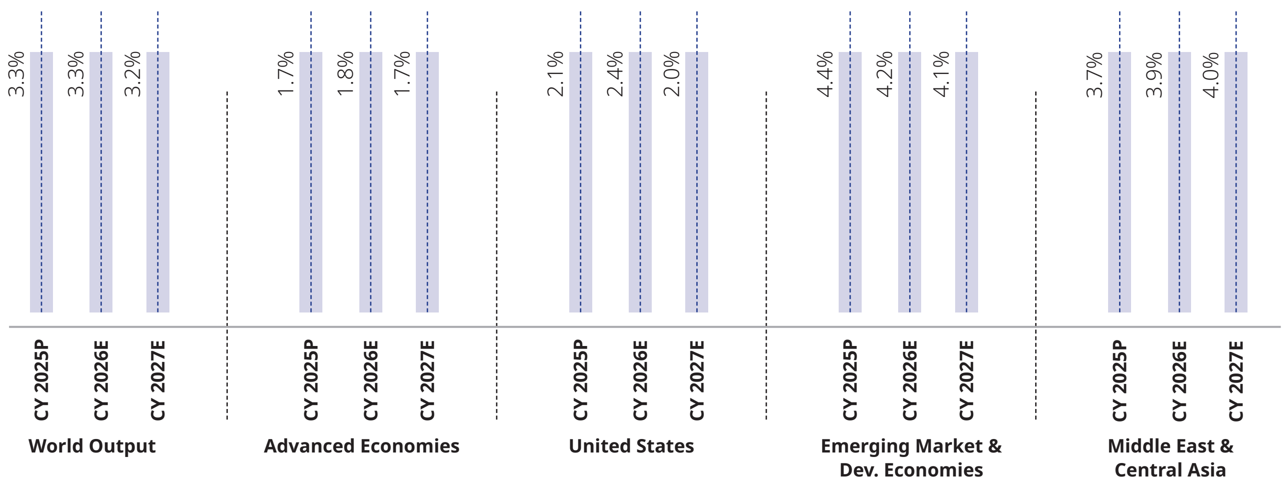
The distribution of global growth across CY 2025–2027 is expected to remain uneven, shaped by divergent fiscal positions, varying degrees of domestic demand buoyancy, and structural distinctions inherent to individual economies and regions.

Advanced economies are forecast to register moderate but stable expansion, benefiting from improved price conditions and measured policy support, though structural constraints continue to temper their longer-term growth ceiling. Within this cohort, the United States is positioned to lead on relative growth performance, drawing support from durable household consumption and a broadly enabling policy environment.

Emerging market and developing economies are projected to maintain a decisive growth premium over advanced economies, propelled by ongoing infrastructure build-out, a deepening of domestic consumption bases, and accelerating economic diversification strategies. The Middle East and Central Asia region is poised for a gradual growth uplift, driven by expanded hydrocarbon output and deliberate efforts to broaden the economic base beyond natural resources.

In aggregate, the medium-term global growth outlook retains a positive orientation, grounded in the sustained economic dynamism of key emerging market economies.

REGION-WISE REAL GDP GROWTH (%)



Key Risks and Uncertainties

Notwithstanding the economy's demonstrated resilience, the global risk landscape remains layered with structural, geopolitical, and policy driven variables that carry the potential to unsettle the pace or sustainability of growth across interconnected economies:

- Trade Policy Volatility: The ongoing restructuring of global supply networks, coupled with shifting export controls and protectionist policy impulses, continues to introduce material uncertainty into cross-border commerce. A further deterioration in trade conditions could trigger supply disruptions, drive input cost inflation, and rekindle broader price pressures.
- Fiscal and Financial Stability Risks: Mounting sovereign debt burdens, deteriorating fiscal balances, and the heightened sensitivity of bond markets to yield movements present credible risks of financial instability, with potential spillover effects on broader macroeconomic conditions.
- Geopolitical Tensions: Active geopolitical conflicts and evolving regional instabilities continue to cast uncertainty over global trade corridors, threaten supply chain integrity, and amplify volatility in energy and commodity markets, with the capacity to generate wider economic dislocations.

- AI Driven Investment and Valuation Risk: Should the productivity dividends and commercial applications of artificial intelligence fall short of prevailing market expectations, investor sentiment may weaken, technology-sector capital flows could contract, and enterprise adoption rates may decelerate. The consequent repricing of highly valued technology assets poses a tangible downside risk to equity markets more broadly.

The global macroeconomic outlook is positioned for measured stability, with the IMF projecting world output growth at 3.3% in CY 2026 and 3.2% in CY 2027. The medium-term trajectory, while constructive, will remain contingent on the effective management of an array of structural and externally-driven risks.

Preserving the conditions for sustained long term growth will demand continued commitment to fiscal consolidation, well-calibrated monetary policy, and institutional reform, complemented by reinforced multilateral frameworks supporting trade openness and economic resilience. Strategic investment in technology, critical infrastructure, workforce capability, and total factor productivity will be equally decisive in determining the trajectory of global economic advancement.

Looking further ahead, the broad-based integration of artificial intelligence and next-generation technologies into global production and business models holds considerable potential to augment medium-term economic performance, delivering measurable gains in efficiency, innovative capacity, and enterprise productivity across sectors worldwide.

INDIAN ECONOMY

India sustained its standing as one of the world's most dynamic large economies during FY 2025–26, crossing a significant milestone by overtaking Japan to claim the position of the fourth-largest economy globally by nominal GDP. The country's ascent is projected to continue, with India on course to secure the third-largest economy ranking by 2028, underpinned by compounding economic expansion, robust domestic consumption, and an accelerating infrastructure investment pipeline.

Real GDP recorded an expansion of 7.6% in FY 2025–26, advancing from 7.1% in the preceding fiscal year, while nominal GDP climbed 8.6% to reach ₹345.47 lakh crore. Growth drew support from durable private consumption, concurrent public and private capital formation, and broad-based momentum across both the services and industrial segments of the economy.

7.6%

Real GDP Growth **FY 2025–26**

8.6%

Nominal GDP Growth FY **2025–26**

10.1%

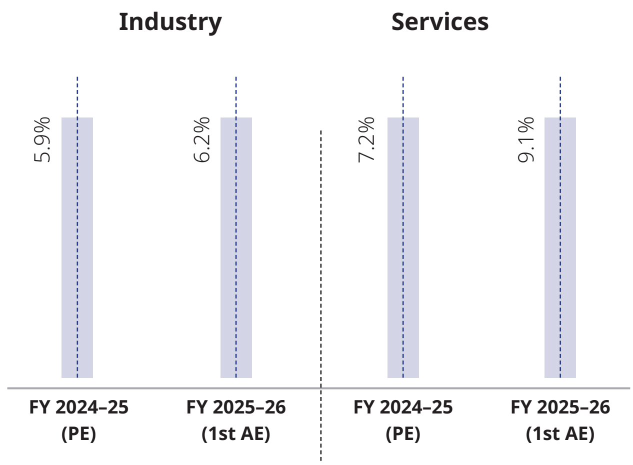
Trade & Transport GVA Growth — Highest Sub-Sector

Sectoral Growth and Infrastructure Momentum

India's sectoral growth profile remained firmly positive through FY 2025–26, reflecting concurrent strength across industrial and services activity.

Industrial GVA growth edged upward from 5.9% in FY 2024–25 to 6.2% in FY 2025–26, buoyed by a recovery in manufacturing output and sustained expansion within the construction segment. Manufacturing GVA delivered healthy performance over the year, reflecting improved capacity utilisation, resilient end-market demand, and a favourable investment environment shaped by infrastructure-linked activity.

The services sector retained its position as the primary engine of economic value creation, with GVA growth accelerating markedly from 7.2% to 9.1% over the same period. The sector's contribution to overall GVA reached a record high, propelled by strong household consumption, steady broadening of trade, transport, communication, and allied service industries, alongside stable growth in services exports.



https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219907Q

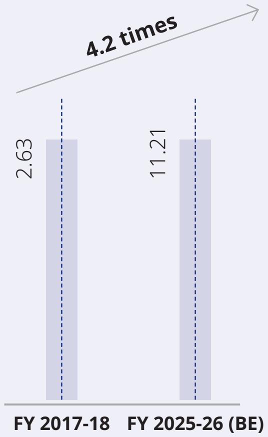
Capital Expenditure

Public capital expenditure remained a cornerstone of India's growth architecture through FY 2025–26, serving as a critical lever for infrastructure development, industrial capacity expansion, and long-term productivity uplift. Government capital outlay has undergone a transformational scale-up over recent years, rising nearly 4.2 times from ₹2.63 lakh crore in FY 2017–18 to ₹11.21 lakh crore in FY 2025–26 (Budget Estimates) — a testament to the sustained policy prioritisation of investment-led growth.

The Central Government's effective capital expenditure has also strengthened considerably, rising from an average of 2.7% of GDP in the pre-pandemic era to approximately 4.0% of GDP in recent years. State-level capital deployment has been further reinforced through targeted mechanisms such as the Special Assistance to States for Capital Investment (SASCI) scheme, deepening the aggregate public investment footprint across the national economy.

Looking ahead, the Union Budget for FY 2026–27 proposes a further step-up in public capital expenditure to ₹12.2 lakh crore, reaffirming the Government's resolute commitment to infrastructure creation, private investment facilitation, and broad-based capacity building.

GLOBAL INFLATION OUTLOOK (%)



Outlook

India's medium-to-long-term economic outlook remains distinctly positive, anchored by sound macroeconomic fundamentals, a deepening policy reform agenda, and the transformative ambition embodied in the Government's Viksit Bharat 2047 vision.

In the near term, growth is projected to remain resilient, with real GDP expansion forecast in the 6.8%–7.2% range for FY 2026–27, supported by vigorous domestic demand, rising investment activity, continued public infrastructure deployment, and expanding private sector participation.

Over the longer horizon, India's structural growth drivers with encompassing accelerated digitalisation, expanding infrastructure networks, deepening financial inclusion, and a demographically young and growing workforce will provide a durable foundation for sustained economic advancement. While external uncertainties stemming from geopolitical developments, evolving trade dynamics, and global financial market volatility may present intermittent challenges, India's robust domestic fundamentals, disciplined macroeconomic stewardship, and reform-oriented policy environment position the economy strongly to sustain and build upon its long-term growth momentum.

INDUSTRY OVERVIEW

STEEL INDUSTRY

The Indian steel industry recorded healthy growth during FY 2025-26, supported by infrastructure development, urbanisation, expansion in manufacturing activities, and steady domestic demand. India continued to remain the world's second-largest steel producer and one of the largest consumers of finished steel globally.

Crude Steel Production

India's crude steel production increased to 168.4 million tonnes (MT) during FY 2025-26 from 152.2 MT in FY 2024-25, registering a growth of approximately 10.7% over the previous year. The increase in production was supported by capacity expansion, improved utilisation levels, and continued demand from key user industries.

The growth in crude steel production is in line with the objectives of the National Steel Policy aimed at increasing domestic steelmaking capacity and improving self-sufficiency in value-added steel products.

Finished Steel Production

Finished steel production in India stood at 160.9 MT during FY 2025-26 as against 146.7 MT in FY 2024-25, reflecting a growth of approximately 9.7%. Demand from infrastructure, construction, engineering, automotive, defence, and industrial manufacturing sectors supported higher production levels during the year.

Government initiatives such as the Production Linked Incentive (PLI) Scheme for Specialty Steel, infrastructure investments, and policies promoting domestic manufacturing continued to support production growth in the steel sector.

Finished Steel Consumption

Consumption of finished steel in India remained strong during FY 2025-26 and increased to 163.7 MT from 152.1 MT in FY 2024-25, registering a growth of approximately 7.6%. Growth in consumption was mainly driven by investments in infrastructure, housing, transportation, renewable energy, and industrial projects.

Construction and infrastructure continued to account for the largest share of steel consumption in the country, followed by engineering, packaging, and automotive sectors.

OUTLOOK

The outlook for the Indian steel industry remains positive, supported by continued investments in infrastructure, manufacturing, transportation, defence, and renewable energy sectors. Government initiatives focused on domestic manufacturing, specialty steel production, import substitution, and capacity expansion are expected to support long-term growth in the sector. Increasing emphasis on green steel, energy efficiency, and low-carbon to promote long term sustainable growth.

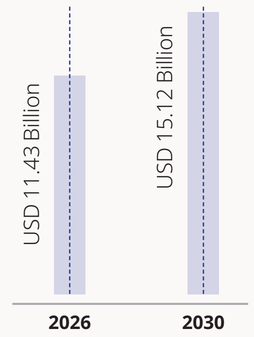
https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/may/doc202655864101.pdf

HIGH PERFORMANCE ALLOYS MARKET

The high-performance alloys market continues to witness steady growth, driven by increasing demand from aerospace, defence, energy, automotive and industrial engineering sectors. High-performance alloys such as nickel-based superalloys, titanium alloys and specialty steels are increasingly being used in critical applications requiring high strength, corrosion resistance and superior performance under extreme temperatures and operating conditions. The global high-performance alloys market was valued at approximately USD 11.43 billion in 2026 and is projected to reach USD 15.12 billion by 2030, growing at a CAGR of around 7.2%.

High Performance Alloys Market

Market forecast to grow at a CAGR of 7.2%



https://www.researchandmarkets.com/reports/5766808

The aerospace segment remains a key demand driver for high-performance alloys due to increasing aircraft production, defence modernisation programmes and rising investments in next-generation aerospace technologies. The global aerospace high-performance alloys market is expected to grow at a CAGR of approximately 7.1% between 2026 and 2033.

https://www.persistencemarketresearch.com/market-research/aerospace-high-performance-alloys-market.asp

In India, the market is supported by increasing focus on indigenous manufacturing under the "Make in India" initiative, expansion of aerospace and defence manufacturing capabilities, localisation of critical materials and growing investments in advanced engineering sectors. Government initiatives aimed at strengthening domestic manufacturing ecosystems, along with increasing demand for specialised materials in strategic sectors, are expected to support long-term growth opportunities for the high-performance alloys industry.

DEFENCE MANUFACTURING

The Indian defence market continued to demonstrate robust growth during FY 2025-26, driven by increased budgetary support, sustained focus on indigenous manufacturing and ongoing modernisation of the armed forces. In the Union Budget 2026-27, the Ministry of Defence received its highest-ever allocation of approximately ₹7.85 lakh crore, reflecting a growth of over 15% compared to the previous year. Of the total allocation, more than ₹2.19 lakh crore was earmarked towards capital outlay for the Defence Forces, including approximately ₹1.85 lakh crore for acquisition of advanced military platforms, aircraft, naval systems, unmanned systems, missiles and next-generation defence technologies. Further, around 75% of the capital acquisition budget has been reserved for domestic procurement, underlining the Government's continued emphasis on self-reliance, localisation and strengthening of the domestic defence manufacturing ecosystem.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222601

India's defence market was valued at approximately USD 30.52 billion in 2025 and is projected to reach around USD 38.73 billion by 2031, registering a CAGR of about 4.05% during 2026-2031. The market growth is being supported by rising investments in aerospace, defence electronics, naval systems, missile programmes, surveillance technologies and strategic manufacturing capabilities. Government initiatives such as "Make in India", Defence Acquisition Procedure (DAP) 2020, positive indigenisation lists and defence industrial corridors continue to support localisation of defence manufacturing and reduction in import dependence.

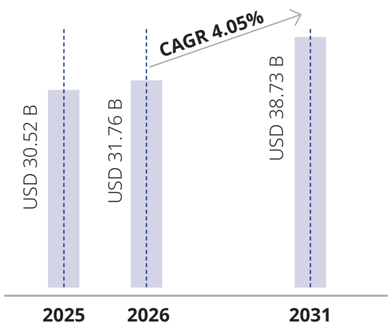
https://www.mordorintelligence.com/industry-reports/india-defense-market

In addition, the India fasteners market reached USD 11.2 billion in 2025 and is expected to grow to nearly USD 17.0 billion by 2034, registering a CAGR of 4.67%. Growth in the sector is being driven by increasing demand from aerospace, defence, automotive and industrial applications. Indian fastener manufacturers are increasingly focusing on advanced materials such as aluminium, titanium and composite fasteners in step with India's expanding aerospace, defence, and industrial manufacturing sectors.

https://www.imarcgroup.com/india-fasteners-market

India Defense Market

Market Size in USD Billion



Source: Mordor Intelligence

Market Overview

Study Period	2020-2031
Forecast Data Period	2026-2031
Base Year Market Size (2025)	USD 30.52 Billion
Market Size (2026)	USD 31.76 Billion
Market Size (2031)	USD 38.73 Billion
Growth Rate (2026-2031)	4.05% CAGR
Market Concentration	Medium

**Disclaimer: Major Players sorted in no particular order*

INDIAN AEROSPACE INDUSTRY

India's Aerospace and Defence (A&D) sector is undergoing a transformational phase, driven by strategic policy imperatives, elevated defence budgets, and a decisive shift toward self-reliance under the Aatmanirbhar Bharat initiative. The industry encompasses military aviation, civil aviation, space, naval defence, land systems, and the rapidly expanding Maintenance, Repair and Overhaul (MRO) ecosystem.

According to Mordor Intelligence, the India Aviation, Defence, and Space Market is estimated at USD 19.81 billion in 2025 and is projected to reach USD 26.32 billion by 2030, expanding at a CAGR of 5.84% during the forecast period. Expert Market Research estimates the broader India Aerospace and Defence Market at USD 28.68 billion in 2024, expected to reach USD 56.95 billion by 2034 at a CAGR of 7.10%, reflecting the immense scale of modernisation investments underway. India's defence exports touched INR 23,622 crore in FY 2024-25, further validating the growing global competitiveness of India's defence industrial base.

https://www.expertmarketresearch.com/reports/india-aerospace-and-defence-market

https://www.mordorintelligence.com/industry-reports/india-aviation-defense-and-space-market

Government initiatives such as "Make in India" and "Aatmanirbhar Bharat" continue to strengthen indigenous defence manufacturing capabilities across aerospace, naval and advanced defence systems. Increasing localisation in platforms such as LCA Tejas, INS Vikrant and indigenous helicopters, along with rising investments in drones, AI, cyber-defence and advanced electronics, is expected to support long-term growth of India's defence manufacturing ecosystem. Advanced technologies are also being integrated across defence platforms, supported by DRDO's "Year of Reforms" programme with focus on multi-domain operations.

ENERGY SECTOR

India recorded significant progress in renewable energy capacity addition during FY 2025-26, with more than 55 GW of non-fossil fuel capacity added during the year, taking the total installed non-fossil fuel capacity to approximately 283 GW as of March 2026. During the year, India also achieved the milestone of deriving 50% of its cumulative installed electricity capacity from non-fossil fuel sources ahead of the targeted timeline of 2030. Total power generation in the country reached approximately 1,845.9 billion units (BU) during FY 2025-26, with non-fossil fuel sources contributing around 29.2% of overall generation. Growth in renewable power generation was supported by continued expansion in solar and wind energy capacity across the country.

India ranked third globally in installed renewable energy capacity, according to the IRENA Renewable Energy Statistics 2026 based on data as of December 2025

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2250039&reg=3&lang=2

https://mnre.gov.in/en/physical-progress/

Total Renewable Energy Installed Capacity in 2025-26 (GW)

150.26GW
Solar Power

56.09GW
Wind

51.41GW
Hydro (Large)

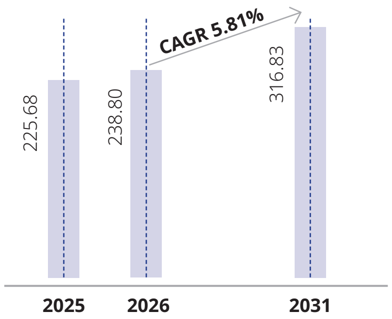
5.17GW
Bio Power

TITANIUM

The global titanium market continued to witness steady growth during 2025-26, driven by increasing demand from aerospace, defence, energy, chemical processing, medical and industrial engineering sectors. The market is expected to grow from approximately 225.68 kilotons in 2025 to 238.80 kilotons in 2026 and is projected to reach around 316.83 kilotons by 2031, registering a CAGR of 5.81% during 2026-2031. The growth is being supported by rising defence procurement, increasing aircraft production, expansion in offshore renewable energy projects and growing adoption of lightweight, corrosion-resistant materials across strategic and industrial applications.

Titanium Market

Market Size in Kilotons



Source: Mordor Intelligence

https://www.mordorintelligence.com/industry-reports/titanium-market

Market Overview

Study Period	2020-2031
Market Volume (2026)	238.8 kilotons
Market Volume (2031)	316.83 kilotons
Growth Rate (2026-2031)	5.81% CAGR
Fastest Growing Market	Asia Pacific
Largest Market	Asia Pacific
Market Concentration	Medium

**Disclaimer: Major Players sorted in no particular order*

The titanium alloys market is also expected to record sustained growth, supported by increasing utilisation in aerospace structures, aircraft engines, defence systems, medical implants and high-performance industrial applications. Consistent order backlogs at major global aircraft manufacturers, increasing defence modernisation programmes and growing demand for advanced engineering materials are expected to support long-term market expansion.

In India, the titanium market reached an estimated value of USD 679.1 million in 2024 and is projected to grow to approximately USD 1,048.5 million by 2033, registering a CAGR of around 4.94% during 2025-2033. The market growth is supported by increasing investments in aerospace and defence manufacturing, expansion of indigenous capabilities under the "Make in India" and "Aatmanirbhar Bharat" initiatives, and rising focus on localisation of strategic materials and import substitution. Demand for titanium and titanium alloys continues to increase across aircraft structures, aero-engines, naval systems, missiles, medical applications and specialised industrial equipment.

https://www.imarcgroup.com/india-titanium-market

India is also strengthening its domestic titanium manufacturing ecosystem through investments in advanced metallurgical facilities and strategic material capabilities aimed at enhancing self-reliance in critical applications. Continued investments in defence, aerospace and advanced engineering sectors are expected to support long-term growth opportunities for manufacturers operating in the titanium and specialty alloys segment.

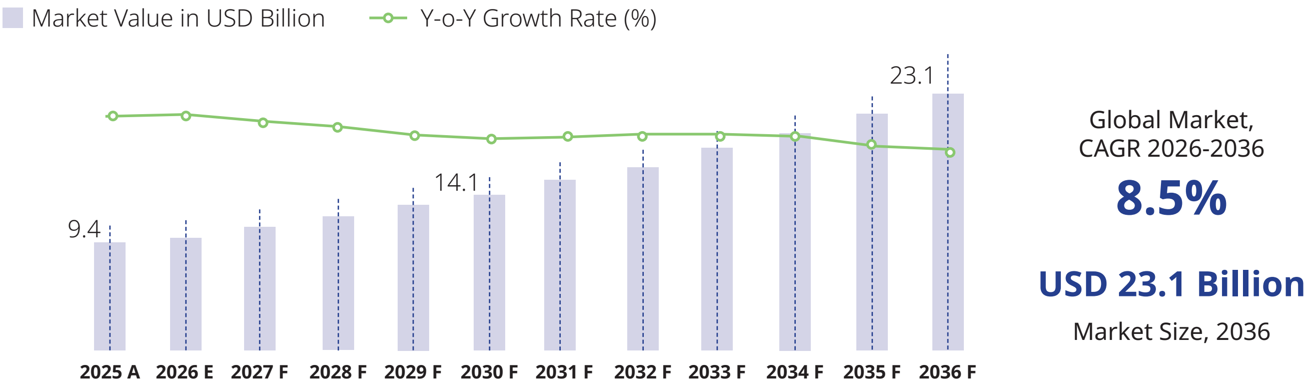
SUPER ALLOYS

Superalloys are advanced high-performance materials engineered to retain superior mechanical strength, thermal stability and corrosion resistance under extreme operating conditions. These alloys, primarily nickel-based, cobalt-based and iron-based, are widely utilised in aerospace engines, gas turbines, defence systems, power generation equipment, space applications and other critical engineering environments requiring high reliability and performance.

https://www.futuremarketinsights.com/reports/superalloys-market

The global superalloys market continued to demonstrate robust growth during FY 2025-26, supported by increasing demand from aerospace, defence and energy sectors. According to Future Market Insights, the global superalloys market was valued at approximately USD 9.40 billion in 2025 and is projected to reach around USD 23.06 billion by 2036, registering a CAGR of 8.5% during the forecast period. Nickel-based superalloys are expected to continue dominating the market owing to their extensive application in aero-engines, gas turbines and high-temperature industrial systems.

Superalloys Market Size & CAGR Forecast (2025-2036)



Source: FMI analysis based on primary research and proprietary forecasting model

Growth Drivers

Growth in Power Generation Sector

Expansion in thermal and gas-based power generation infrastructure is contributing to higher demand for superalloys used in turbines and high-temperature industrial components

Adoption of Advanced Manufacturing Technologies

Advancements in additive manufacturing, precision metallurgy and material engineering are enabling development of specialised superalloys with improved efficiency, durability and operational performance.

Rising Demand for High-Performance Materials

Increasing focus on lightweight, heat-resistant and corrosion-resistant materials across aerospace, energy and industrial sectors continues to support long-term growth of the superalloys market.

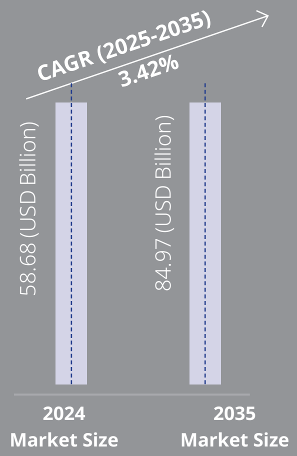
SPECIALITY ALLOYS

The specialty alloys market continued to record stable growth during FY 2025-26, supported by increasing demand from aerospace, defence, energy, automotive and advanced engineering industries. Specialty alloys such as nickel-based superalloys, titanium alloys, cobalt alloys and specialty steels are extensively used in critical applications requiring high strength, corrosion resistance, thermal stability and reliable performance under demanding operating conditions.

According to Market Research Future, the global specialty alloy market was valued at approximately USD 60.69 billion in 2025 and is projected to reach around USD 84.97 billion by 2035, registering a CAGR of 3.42% during the forecast period. Market growth is being supported by increasing adoption of lightweight and high-performance materials across aerospace, automotive and energy sectors, along with rising investments in advanced manufacturing technologies and strategic applications.

https://www.marketresearchfuture.com/reports/specialty-alloy-market-23661

GLOBAL INFLATION OUTLOOK (%)



The specialty alloys market is evolving in line with increasing industry requirements for customised and application-specific material solutions across strategic and high-performance sectors. Advancements in manufacturing and metallurgical technologies are enabling development of specialised alloys with enhanced operational efficiency, durability and performance characteristics. In parallel, growing emphasis on sustainability, recycling and resource optimisation is supporting adoption of environmentally responsible practices across the specialty alloys value chain.

Aerospace and defence continue to remain key growth drivers for the specialty alloys market, supported by increasing aircraft production, defence modernisation programmes and rising demand for advanced propulsion systems and strategic platforms. Nickel-based and titanium-based alloys are witnessing higher adoption due to their superior performance under high-temperature and corrosive operating conditions. Asia-Pacific is expected to remain a key growth region, supported by rising defence expenditure and increasing aerospace manufacturing activity, including in India.

1.0 COMPANY OVERVIEW

About the Company

Mishra Dhatu Nigam Limited (MIDHANI), incorporated on 20 November 1973 and commissioned for production in 1982, is a Navratna Central Public Sector Enterprise (CPSE) under the administrative control of the Ministry of Defence, Government of India. Headquartered at Kanchanbagh, Hyderabad, Telangana, the Company was established with a singular national mandate — to achieve self-reliance in the research, development, and production of superalloys, titanium alloys, special steels, and other advanced metallic materials critical for India's strategic sectors.

Over five decades of continuous operations, MIDHANI has emerged as the only manufacturer of titanium alloys and maraging steels in India, and the largest domestic producer of nickel-based superalloys. With a portfolio spanning more than 500 alloy grades — including approximately 100 aeronautical grades required for aero-engine applications — MIDHANI serves as the metallurgical backbone of India's most critical defence, space, and atomic energy programmes.

2.0 Manufacturing Footprint

MIDHANI operates two strategically located manufacturing facilities, each serving distinct product categories:

Unit 1 — Hyderabad, Telangana (Primary Production Plant)

The Hyderabad unit at Kanchanbagh is the Company's flagship manufacturing centre and one of the most sophisticated advanced metallurgy facilities in Asia. It houses the complete value chain from raw material melting to downstream processing, and produces:

- Superalloys (nickel-base, iron-base, cobalt-base) — including cast, wrought, powder metallurgy grades
- Titanium and titanium alloys — all major grades in bar, plate, sheet, forging, tube, fastener, and fabricated structure forms
- Special steels — maraging, armour-grade, stainless, ultra-high-strength, and non-magnetic grades
- Soft magnetic alloys, copper alloys, and other special metals
- Precision investment castings including nickel-based single-crystal castings for aero-engines
- Aerospace fasteners (new facility inaugurated FY 2025-26) from steel, titanium, and superalloys
- Welding consumables, including defence-grade non-synthetic electrodes for nuclear submarines
- Biomedical implants (hinge knee joints, acetabular cups, NiTi shape memory alloys)

Key equipment at Hyderabad includes primary melting furnaces — Electric Arc Furnace with Ladle Refining Furnace (EAF-LRF), Vacuum Induction Melting (VIM) furnaces, Electron Beam Melting (EBM) furnace — and secondary refining furnaces — Vacuum Arc Re-melting (VAR), Electro-Slag Re-melting (ESR), and Vacuum Induction Refining (VIR) furnaces. Downstream processing is carried out on 1,500-tonne and 6,000-tonne hydraulic forge presses (with isothermal attachment on the 6,000T press), a 330/220T radial-axial ring rolling mill, a 1,250T extrusion press, hot and cold rolling mills, bar and wire drawing equipment, wide plate rolling mills, thread rolling and fillet rolling machines (fasteners), and comprehensive NDT infrastructure.

Unit 2 — Rohtak, Haryana (Armour & Specialised Products)

The Rohtak unit specialises in armour products and defence-grade specialised systems, and includes the newly commissioned Spring Manufacturing Unit (FY24). Products manufactured include:

- Armour plates, panels, and ballistic protection systems (Rakshak jackets, Bhabha Kavach, ABHED BPJs)
- Vehicle up-armouring systems for paramilitary and police forces
- Helical compression springs for railway wagons, coaches, and locomotives — capacity 60,000+ springs per annum, RDSO-approved
- Nano-material plant producing Carbon Nano Tubes (CNT) to strengthen Ultra-High Molecular Weight Polyethylene (UHMWPE) for Bhabha Kavach bullet-proof jacket manufacturing

Facility Parameter	Hyderabad Unit | Rohtak Unit
Primary Products	Superalloys, Titanium Alloys, Special Steels, Castings, Fasteners, Welding Consumables | Armour Systems, Springs, BPJs
Melting Furnaces	VIM, VAR, ESR, VIR, Primary + Secondary | Specialised processing
Key Press / Rolling	6,000T & 1,500T Hydraulic Forge Presses (Isothermal), 330/220T Ring Rolling Mill, 1,250T Extrusion Press, Wide Plate Mill | Hydraulic Ballistic Press, Plasma Cutting, Water Jet Cutting
Certifications Held	CEMILAC, NADCAP (Heat Treatment), ASTM, BS, ISO, IS | BIS Ballistic Testing
Specialty Capability	Only Titanium Alloy & Special Steel manufacturer | Bhabha Kavach (BARC), ABHED (IIT-Delhi/ DRDO ToT)

https://midhani-india.in/rohtak-unit/

https://midhani-india.in/hyderabad-unit/

3.0 Product Portfolio

MIDHANI's product architecture spans the full spectrum of advanced metallic materials required for high-technology strategic applications. The portfolio is structured across five alloy categories and multiple product form factors:

Material Category	Key Grades / Types	Primary Product Forms	Principal Applications
Superalloys	Ni-base (IN718, IN625, Waspaloy, C263, single-crystal), Co-base, Fe-base	Bars, Rings, Forgings, Cast Sticks, Tubes, Powders	Aero-engine hot sections, gas turbines, missile propulsion, space launch vehicles
Titanium & Ti Alloys	Ti-6Al-4V (Titan31/32), BT1-0, PT3B, PT1-M, BT20, Titan31A	Plates, Sheets, Bars, Pipes, Fasteners, Forgings, Fabricated Structures, Windows	Aircraft structures, propellant tanks, gas bottles, missile casings, marine systems, architectural (Ayodhya RAM Mandir)
Maraging Steels	MDN 250, MDN 300, MDN 350	Rings, Plates, Bars	Missile casings, rocket motor casings, aerospace structures — sole producer in India
Special / Armour Steels	DMR series (316Ti, 64), MDN 321A, MDN 177, ultra-high-strength grades, 304L NAG	Plates, Tubes, Bars, Seamless Pipes	Surface ships, missile structures, armour panels, atomic energy
Other Metals & Alloys	Soft magnetic alloys, copper alloys, bronze, NiTi SMAs	Various	Naval, instrumentation, biomedical
Aerospace Fasteners (New)	Special steel, titanium alloy, superalloy fasteners	Bolts, Screws, Nuts, Pins, Rivets	Airframe assembly, aero-engine attachment (Su-30MKI, Tejas, AMCA)

Material Category	Key Grades / Types	Primary Product Forms	Principal Applications
Armour Systems	Bhabha Kavach (BARC), Rakshak, ABHED (IIT-Delhi/ DRDO)	Jackets, Panels, Vehicle Armour	Military / paramilitary / police ballistic protection; BIS Level III to Level 6
Welding Consumables	Defence-grade non-synthetic electrodes	Electrodes, Wire	Naval Sector
Springs	High-performance helical compression springs	Springs	Railway wagons, coaches, locomotives (Vande Bharat, LHB coaches)
Precision Castings	Ni-base single-crystal & polycrystalline cast sticks	Cast Sticks, Investment Castings	Turbine blades, aero-engine hot section components
Biomedical Implants	NiTi SMA, titanium implants	Knee joints, acetabular cups, stents, lumbar needles	Orthopaedic implants, cardiovascular stents — ToT from CSIR-NAL

4.0 Joint Ventures and Subsidiary

Entity	Key Details
Utkarsha Aluminium Dhatu Nigam Limited (UADNL)	50:50 joint venture between MIDHANI and National Aluminium Company Limited (NALCO).
Advanced Materials (Defence) Testing Foundation	A Joint Venture Company i.e. Advanced Materials (Defence) Testing Foundation, (Section 8 Company) was incorporated on June 4, 2024 under Defence Testing Infrastructure Scheme promulgated by Ministry of Defence. The Joint Venture Members comprise Mishra Dhatu Nigam Limited, Hindustan Aeronautics Limited, Bharat Dynamics Limited, Yantra India Limited and PTC Industries Limited, each holding 20% of paid-up share capital of the Company. The Joint Venture Company will set up a Mechanical and Material Testing Facility at the Lucknow node of the Uttar Pradesh Defence Industrial Corridor, with MIDHANI leading the project. Facility implementation related activities are on-going.

5.0 Research & Development

MIDHANI continued to strengthen its research and development capabilities during FY 2025-26 with a focus on advanced alloys, process optimisation and indigenous technology development for strategic sectors such as aerospace, defence, space and energy. The Company enhanced its metallurgical capabilities through simulation-driven process optimisation, advanced material characterisation and development of specialised high-performance alloys.

Area	Key Developments
Advanced Simulation	Adoption of Gleeble thermo-mechanical simulation system for process modelling, welding simulation and alloy development.
Forging Optimisation	Use of DEFORM simulation software for intelligent forging and process optimisation to improve product quality and reduce trial-and-error.
Material Characterisation	Strengthening of microstructural analysis capabilities through Scanning Electron Microscope (SEM) and Energy Dispersive X-ray Spectroscopy (EDS).
Aerospace Fasteners	Development and manufacturing capability enhancement for aerospace-grade fasteners and critical components.
Indigenous Products	Development of strategic products under Atma Nirbhar Bharat initiatives, including titanium and superalloy components for aerospace and defence applications.
Advanced Alloy Development	Continued development of special steels, superalloys, titanium alloys and welding consumables for critical applications.

The Company's R&D initiatives continue to support product innovation, import substitution and enhancement of indigenous manufacturing capabilities for strategic sectors.

6.0 SWOT Analysis

Strengths

Integrated Metallurgical Plant	• Leading manufacturer of Titanium alloys; one of few plants globally producing superalloys, titanium alloys and special steels under one roof. • Over 500 alloy grades including 100+ aeronautical grades, supporting complete indigenisation of critical metallic materials.
Strategic National Asset	• Government of India enterprise under administrative control of Ministry of Defence (MoD). Leading supplier of Special Steels for launch vehicles. • MIDHANI's materials present in every stage of PSLV, GSLV, LVM-3 and Chandrayaan-3
Advanced Facilities	• State-of-the-art melting (VIM, VAR, ESR, EBM), forging (up to 6,000T press), Wide Plate Mill, cold rolling, investment casting and isothermal forging. • Gleeble thermo-mechanical simulator, DEFORM FEA software and SEM for alloy development and process optimisation.
Strong Order Book	• Order book of ₹2,594 crores as on 1st April, 2026

Weakness

High Working Capital	• 3–5 months of raw-material inventory; long production cycles and PSU customer payment timelines inflate working capital days.
Customer Concentration	• Revenue largely dependent on Government sectors/ orders; any programme delay or budget revision directly impacts turnover.
Import Dependency	• Titanium sponge largely imported (Eastern Europe); cobalt, nickel and other superalloy constituents sourced internationally — exposing costs to geopolitical and forex risk.

Opportunities

Aero-Engine Indigénisation	• Kaveri/Manik engines, F414/M88 co-production and AMCA programme will sharply increase demand for MIDHANI superalloys, titanium forgings and PH steels.
Space Programme Growth	• Gaganyaan missions, Bharatiya Antariksh Station, Mangalyaan-2 and IN-SPACe commercial launches underpin multi-year special steel and titanium demand.
Deep-Sea & Naval Programmes	• Samudrayaan (Ti-6Al-4V pressure hulls), and other Programmes represents high-value niche opportunities.
Defence Modernisation	• Positive indigenisation lists, DAP import restrictions and growing missile/armour procurement create a structurally protected domestic market. • ₹1,000+ crore Body-armour tender for ABHED jackets — MIDHANI holds technology licence from DRDO/IIT Delhi.
Railways & Metro	• Vande Bharat/LHB coaches and metro expansion require high-spec helical springs and special steel axle billets; RDSO certification in progress.

Threats

Geopolitical Raw Material Risk	• Titanium sponge sourced from Eastern Europe (Russia-Ukraine region); cobalt supply dominated by DRC/China — geopolitical disruption could spike costs or cause shortages.
Global Competition	• ATI, Carpenter Technology, VSMPO-AVISMA and Haynes International have established OEM approvals and larger scale; gaining export market share will be challenging.

7.0 FINANCIAL PERFORMANCE

The Summarized financial position for the Financial Year 2025-26 and for the two preceding Financial Years is given below:

(Figures in ₹ Lakh)

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
ASSETS:			
Non-current assets			
Property, Plant and Equipment	1,06,359.49	1,07,119.42	1,02,777.80
Capital work-in-progress	1,580.18	2,508.78	8,305.75
Intangible assets	270.95	284.07	373.16
Financial Assets			
(i) Investments	2,273.20	2,483.31	2,210.11
(ii) Loans	-	-	
Non-current tax assets (Net)	-	-	-
Other non-current assets	0.01	360.95	195.19
Total Non-Current Assets (1)	1,10,483.83	1,12,756.53	1,13,862.01
Current assets:			
Inventories	1,33,260.59	1,28,097.93	1,30,971.81
Financial Assets			
(i) Trade receivables	5,5422.72	41,031.36	32,300.17
(ii) Cash and cash equivalents	19,221.49	5,101.18	1,661.37
(iii) Other financial assets	2,078.79	2,058.60	1,712.32
Other current assets	1,545.99	2,370.17	10,063.03
Total Current Assets (2)	2,11,529.58	1,78,659.87	1,76,708.70
Total Assets (1+2)	3,22,013.41	2,91,416.40	2,90,570.71
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18,734.00	18,734.00	18,734.00
Other Equity	1,34,347.51	1,22,713.93	1,13,210.30
Total Equity (1)	1,53,081.51	1,41,447.93	1,31,944.30
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1,906.12	3,907.88	5,914.13

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
(ia) Lease Liabilities	8,025.32	8,064.25	8,099.94
(ii) Other Financial Liabilities	109.83	109.83	109.83
Provisions	240.84	232.45	207.71
Deferred tax liabilities (net)	5,605.17	5,184.33	4,467.78
Other non-current liabilities	68,949.86	63,913.32	62,312.67
Total Non-current liabilities (2)			
	84,836.84	81,412.06	81,112.06
Current Liabilities			
Financial liabilities			
(i) Borrowings	26,495.62	19,499.90	26,500.00
(ii) Lease Liabilities	4,257.86	3,504.01	2,750.43
(iii) Trade payables			
(A) Micro Enterprises and Small Enterprises	1,108.67	554.15	768.39
(B) Other than Micro Enterprises and Small Enterprises	1,0278.19	8,772.44	11,228.91
(iii) Other financial liabilities	10,761.59	11,424.49	13,079.33
Other current liabilities	27,932.05	21,765.35	20,233.92
Provisions	3,261.08	3,036.07	2,953.37
Total Current Liabilities (3)	84,095.06	68,556.41	77,514.35
Total Equity and Liabilities (1+2+3)	3,22,013.41	2,91,416.40	2,90,570.71
Working Capital	1,27,434.52	1,10,103.46	99,194.35
Capital Employed	1,54,987.63	1,45,355.81	1,37,858.43
Net Worth	1,53,081.51	1,41,447.93	1,31,944.30
Net worth per rupee of paid-up capital (₹)	8.17	7.55	7.04

8.0 MOU Performance Parameters (FY 2025-26 Actuals vs Target)

For the FY 2025-26, MIDHANI's MoU performance is expected to qualify for an overall "Very Good" rating. The rating is subject to evaluation and confirmation by Department of Public Enterprises.

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

Part-I: Main Parameters

S. No.	Name of the Parameter	Unit	Target	Actual
1	Revenue from Operations	₹ Cr.	1580	1208.63
2	Reduction in Imports Consumption (as percentage of Revenue from Operations, over previous year)	%	10.00	8.45
3	EBITDA (as a percentage of Total Income)	%	33.00	22.16
4	Return on Net Worth	%	16.38	8.92
5	Asset Turnover Ratio	%	45.00	38.70
6	Procurement through GeM (as percentage of Total Procurement)	%	40.00	64.83
7	Trade Receivables (as number of days of Revenue from Operations)	No. of Days	90	167
8	Expenditure on R&D (Including Innovations Initiatives, as percentage of previous 3 years average PBT)	%	14.00	13.15

In FY 2025-26, MIDHANI has achieved a TRS (Total Return to Shareholders) of (-)0.26%. However, the performance of MIDHANI against the parameter "Total Return to Shareholders" is pending as the benchmarking data is awaited from MoU Division, Department of Public Enterprises (DPE).

Part-II: Compliance Parameter

S. No.	Parameter	Compliance
Status		
1.	DPE guidelines on CSR expenditure	Complied
2.	Provisions in the Companies Act, 2013 [or SEBI (LODR) regulations in case of listed entities] on Corporate Governance:	
a.	Composition of Board of Directors	Complied
b.	Board Committees	Complied
c.	Holding Board and Committees' Meetings	Complied
d.	Related Party Transactions	Complied
e.	Disclosures and Transparency	Complied
3.	Onboarding of CPSE on all operational TReDS platforms	Complied
4.	Timely payments to MSE vendors as prescribed in MSMED Act	Not Complied
5.	Procurement of goods and services (as % of total procurement), from:	
	a. MSEs overall - 25%	Complied
	b. SC/ST owned MSEs - 4%	Not Complied
	c. Women owned MSEs - 3%	Complied
6.	Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs	Complied
7.	Targets under PM Internship scheme of MCA	NA
8.	Leadership Development Plan	Complied
9.	Surplus non-core assets (land & building) monetization plan	Complied

8.1 MIDHANI has onboarded on five Trade Receivables Discounting System (TReDS) platforms to facilitate invoice financing and improve access to working capital. The organization was first onboarded on A.TReDS Limited (Invoice Mart) on 30-01-2018, followed by Receivables Exchange of India Limited (RXIL) on 18-12-2024, Mynd Solutions Private Limited (M1xchange) on 24-02-2025, KredX Platform Private Limited (DTX) on 30-01-2026, and C2FO Factoring Solutions Private Limited (C2 TReDS) on 02-03-2026.

8.2 During the year, MIDHANI procured goods and services worth Rs. 254.60 crore through the Government e-Marketplace (GeM). The total annual domestic procurement of goods and services amounted to Rs. 392.71 crore.

8.3 The details of procurement from Micro and Small Enterprises (MSEs) are updated on a monthly basis on the Sambandh Portal. The total procurement from MSEs amounted to Rs. 209.24 crore, including procurement of Rs. 3.04 crore from MSEs owned by SC/ST entrepreneurs and Rs. 26.89 crore from MSEs owned by women entrepreneurs.

8.4 During the year, MIDHANI's procurement from SC/ST owned MSEs was 0.77% as percentage of total procurement against the target of 4%. The shortfall is primarily due to the specialized nature of MIDHANI's requirements, as the company manufactures Special Steels, Super Alloys, Titanium Alloys, and other strategic materials. MSEs owned by SC/ST entrepreneurs are not always available in these specialized sectors.

However, MIDHANI is making continuous efforts to develop vendors from this category by conducting exclusive Vendor Development Programmes, sharing technical know-how, and providing guidance on processing requirements. One such exclusive Vendor Development Programme, aimed at creating awareness and enhancing procurement opportunities from SC/ST-owned MSEs, was conducted on 19-02-2026.

8.5 During FY 2025-26, the total amount involved in payments delayed beyond 45 days for MSE suppliers was Rs. 76.5 Cr. The delay involved 806 invoices pertaining to 218 MSE suppliers. The total annual procurement value from MSEs for which invoices were received amounted to Rs. 181.54 Cr. and the total number of MSEs during the year engaged in annual procurement for which invoices are received was 417.

8.6 Administrative Ministry i.e. Ministry of Defence prescribed specific targets for FY 2025-26 to strengthen employee health at MIDHANI. MIDHANI successfully achieved the following health related targets during the reporting period:

- The Medical Rules were updated in alignment with the Central Government Health Scheme (CGHS) Medical Rules which includes empanelment of two additional multi-specialty hospitals, extension of credit-based Outpatient (OP) services to all eligible employees and dependents and credit-based post IP admission discharge medicines to all eligible employees and dependents
- Health check-ups of 500 out of 1200 bio-meteric registered casuals engaged by third party contractor.
- Half-yearly eye check-ups were conducted for all 60 quality personnel and drivers/crane operators, achieving the prescribed target in full.
- Lung Function Tests – PFT - were conducted for all 60 employees working in dust-prone areas, achieving the prescribed target in full.
- Pure Tone Audiometry – PTA - hearing tests were conducted for all 60 employees working in high-noise areas, achieving the prescribed target in full.

8.7 Administrative Ministry i.e. Ministry of Defence prescribed specific targets for FY 2025-26 to strengthen safety at MIDHANI. MIDHANI successfully achieved the following safety related targets during the reporting period:

- MIDHANI provided training on Health, Safety & Fire Prevention to continually create awareness on process hazards, risks & mitigating measures to 1150 employees and casuals constituting 55% of total man-power against the target of 50%.
- Three periodic mock drills for major fire hazard installations such as LPG and hydrogen (H2) gas storage area as per MSIHC Rule -1989 were conducted against a target of two.
- One internal audit and one external audit were conducted on occupational, health, safety and environment as per ISO-45001 (2018) and ISO-14001 (2015) to continually improve safety management system of MIDHANI against target of two. MIDHANI has received ISO Certification for Occupational Health and Safety Management System (OH&SMS) and Environmental Management System (EMS).
- To improve the safety culture at workplace MIDHANI has organized various competitions like online quiz, poster making, safety suggestions etc. during two occasion which is National Fire Service Week and National Safety Week against the target of two. Winner of the competitions were recognized on Independence Day Celebration.

9.0 Key Financial Ratios

Particulars	FY 2025-26	FY 2024-25	% Change	Reason
Operating Profit Margin (%)	12.09	11.65	3.78%	-
Net Profit Margin (%)	10.82	10.25	5.56%	-
Return on Net Worth (%)	8.88	8.05	10.31%	-
Current Ratio (x)	2.52	2.61	-3.45%	-
Debt-Equity Ratio (x)	0.19	0.17	11.76%	-
Inventory Turnover Ratio	0.81	0.72	12.50%	-
Debtors Turnover Ratio (x)	2.51	2.93	14.33%	-
Interest Coverage Ratio	11.00	8.45	30.18%	Decrease in Interest rate of STC

10.0 Other Operating Highlights

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Sales — Domestic (To Customers)	1,20,862.59	1,07,410.15	1,07,267.45
Sales — Export (Direct)	8,542.17	9,419.32	6,201.20
Value of Production	1,19,391.98	1,06,562.38	1,14,764.49
Cash Profit	25,053.45	21,952.02	18,951.15
Profit Before Tax (Excl. OCI)	18,409.40	15,603.90	13,095.95
Net Profit (PAT) (Excl. OCI)	13,078.62	11,006.87	9,126.32
Value Added	68,831.23	64,340.23	62,417.24
No. of Employees	760	786	770
Value Added per Employee (₹ Lakh)	90.57	81.86	81.06
Productivity per Employee (₹ Lakh)	157.09	135.58	149.04
Value Added per Direct Worker (₹ Lakh)	163.49	166.68	161.70
Paid Up Capital	18,734.00	18,734	18,734
R&D Investment (₹ Lakh)	2,215.23	2,417.61	1,836.16
Capital Expenditure (₹ Lakh)	4,611.71	4,992.17	7,888.83

11.0 Significant highlights of the performance for FY 2025-26 and its comparison with the previous two years:

S. No.	Particulars	2025-26	2024-25	2023-24
1	Sales - To Customers	1,20,862.59	1,07,410.15	1,07,267.45
2	Sales – Export	8,542.17	9,419.32	6,201.20
3	Value of Production	1,19,391.98	1,06,562.38	1,14,764.49
4	Cash Profit	25,053.45	21,952.02	18,951.15
5	Profit Before Tax (Excl. OCI)	18,409.40	15,603.90	13,095.95
6	Net Profit (PAT) (Excl. OCI)	13,078.62	11,006.87	9,126.32
7	Value Added	68,831.23	64,340.23	62,417.24
8	Value added per employee	90.57	81.86	81.06
9	Productivity per employee	157.09	135.58	149.04
10	Value added per direct worker	163.49	166.68	161.70
11	Paid up Capital	18,734.00	18,734.00	18,734.00
12	No. of Employees	760	786	770

12.0 Risk & Concern

Risk Type	Risk Description	Risk Probability & Impact	Risk Mitigation
Market Risk	A substantial portion of MIDHANI's revenue is derived from Government sector customers, including Defence, Space organisations and Public Sector Undertakings (PSUs). Any shift in Government priorities or budget allocations could impact the Company's growth strategy and future business prospects.	**Medium (M)** MIDHANI's dependence on Government-linked sectors makes the Company vulnerable to policy changes and variations in spending patterns within the Defence and Space segments, which may affect revenues and operational planning.	The Company continues to diversify its product portfolio and expand into emerging industrial and commercial sectors. MIDHANI is also focusing on widening its customer base to reduce concentration risk and strengthen long-term business sustainability.
Finance Cost Risk	Variations in interest rates, liquidity conditions and foreign exchange movements may adversely impact MIDHANI's financial performance and profitability.	**Medium (M)** Higher borrowing levels and elevated interest rates have resulted in increased finance costs, thereby affecting margins and bottom-line performance.	MIDHANI maintains a strong balance sheet and adopts prudent financial management practices, including diversified funding sources and efficient treasury management, to minimise financial risks and ensure long-term stability.
Raw Material Risk	The Company's dependence on imported raw materials exposes it to risks associated with global supply chain disruptions, geopolitical developments and volatility in commodity prices.	**Medium (M)** Fluctuations in the availability and pricing of critical materials such as titanium, nickel and cobalt may affect production schedules and operating costs.	MIDHANI has undertaken proactive measures to secure a stable supply of raw materials through establishment of a Metal bank, supplier diversification, strategic sourcing and enhanced utilisation of domestic resources. The Company also closely monitors inventory levels of critical materials.
Change in Government Policies	Changes in Government regulations and policies, particularly relating to the aerospace and defence sectors, may lead to additional compliance requirements or operational restrictions.	**Medium (M)** Modifications in regulatory frameworks may necessitate significant operational adjustments, increase compliance costs and potentially delay execution timelines.	The Company continuously monitors regulatory developments and ensures compliance with applicable policies and standards. MIDHANI is also expanding its presence in non-defence sectors to reduce dependence on defence-related policy dynamics.

13.0 Human Resource

MMIDHANI's skilled and committed workforce remains integral to the Company's operational excellence and long-term growth strategy. As on March 31, 2026, the Company's permanent employee strength stood at 760, including 4 new employees inducted during the year.

During FY 2025-26, the Training & Development Department achieved 3,814 man-days of training through a combination of 27 internal and 45 external training programmes. A total of 1,526 personnel -- comprising Executives, Non-Unionised Supervisors, Non-Executives, Fixed Term Contract employees and Casual manpower -- participated in these programmes. The Department also organised 10 plant visits benefiting 291 participants, facilitated internships/project work for 28 students, and conducted skill development training for 39 apprentices, all of whom successfully completed their apprenticeship during the year.

14.0 Internal Financial Control & Their Adequacy

The Company has established a robust internal control framework commensurate with the scale and complexity of its operations. Management periodically conducts internal audits and reviews to further strengthen the effectiveness of the internal control systems and processes.

The in-house Internal Audit function, supported by experienced external audit firms, undertakes comprehensive risk-based audits and regularly assesses the adequacy and effectiveness of internal controls across business functions. The Company has also implemented internal financial controls in accordance with the provisions of the Companies Act, 2013, to ensure regulatory compliance, safeguarding of assets and accurate recording of financial and operational information.

During the year, Sagar & Associates, an external audit firm, carried out internal audits to evaluate the adequacy of systems and controls. The observations and recommendations arising from such audits were reviewed by the Audit Committee. In addition, the in-house Internal Audit team continued to conduct periodic process audits, and the audit findings along with corrective actions were discussed with the management and reviewed by the Audit Committee. The Audit Committee also periodically evaluates the effectiveness of the Company's internal control environment.

15.0 Cautionary Statement

The Management Discussion and Analysis section of the document may contain forward-looking statements regarding the Company's objectives and predictions, as defined by relevant laws and regulations. It is important to note that the actual results may differ significantly from these statements due to various risks and uncertainties. These risks and uncertainties may arise from economic and political conditions in India, fluctuations in interest rates and exchange rates and the impact of new regulations and government policies on the Company's business and its ability to execute its strategies. The Company does not guarantee the accuracy of these forward-looking statements and does not commit to updating them.

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) the guidelines on Capital Restructuring issued by Department of Investment and Public Asset Management (DIPAM) are applicable latest guidelines being Office Memorandum vide F.No. 5/2/2016-Policy dated November 18, 2024. (revised/amended from time to time by DIPAM).

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 endeavour to pay minimum annual dividend as per guidelines issued by DIPAM, subject to maximum dividend permitted under the extant legal provisions.

Provided that Board of Directors after considering factors including but not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position etc. may seek exemption from DIPAM through Administrative

Ministry from declaring minimum dividend or declaring any dividend for Financial Year(s) as the case may be.

5. UTILISATION OF RETAINED EARNINGS

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

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

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

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

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

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

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

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

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

8. INTERPRETATION & AMENDMENTS

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

8.2. In case of any subsequent changes in the DIPAM Guidelines or provision of SEBI LODR or Companies Act, 2013 or any other applicable laws, the extant amendment would prevail over the Policy and the provisions in the Policy would be modified by Board of Directors in due course to make it consistent with applicable law.

In any circumstance where terms of this Policy differ from any existing or newly enacted law, rule, regulation; the law, rule, regulation will take precedence over this Policy until such time as this Policy is changed to conform to the law, rule, Guideline and regulation.

ANNEXURE- II

MANPOWER POSITION AS ON 31.03.2026

PAY SCALE & GROUP	TOTAL NO. OF EMPLOYEES	SCs	STs	OBC	Differently abled	Ex-Ser. men
EXECUTIVES **Group – A** Rs 40000-140000 & above	253	47	15	72	6	3
Group – B Rs 30000 - 120000(Grade-I) Rs 29000 – 115000 (E.0.) to Rs 50000 – 160000(E0-III) (Jr. Mgr & Non-Unionized Supervisory Cadre)	8	0	1	5	0	0
NON-EXECUTIVES: **Group – C** Rs 28950/- Rs 28790/- Rs 27810/- Rs 26830/- Rs 25900/- Rs 25230/- Rs 23750/- Rs 22950/- Rs 21900/-	405	80	36	184	5	16
Group – D Rs 21000/- Rs 20000/- Rs 19130/- Rs 18000/-	94	18	7	44	4	1

Note: Excluding Directors

RECRUITMENT OF SCs, STs DURING FY 2025-26

Pay Scales & Group	Total recruited during the year	No. of posts reserved		No. of candidates appointed	
		SC	ST	SC	ST
EXECUTIVES **Group – A** Rs 40000-140000 & above	3	1	0	1	0
Group – B Rs 30000 - 120000(Grade-I) Rs 29000 – 115000 (E.0.) to Rs 50000 – 160000(E0-III) (Non-Unionized Supervisory Cadre)	0	0	0	0	0
NON-EXECUTIVES: **Group – C** Rs 28950/- Rs 28790/- Rs 27810/- Rs 26830/- Rs 25900/- Rs 25230/- Rs 23750/- Rs 22950/- Rs 21900/-	1	1	0	1	0
Group – D Rs 21000/- Rs 20000/- Rs 19130/- Rs 18000/-	0	0	0	0	0

Annexure-III

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2025-26

1.	Brief outline on CSR Policy of the Company:	• The CSR policy of MIDHANI aims at developing company specific social responsibility strategies for long, medium and short-term period with built in mechanism for implementation and monitoring towards all-round development of people belonging to weaker sections of the society. However, preference shall be given to the people residing in and around the Company's area of operation. • To be a Responsible Corporate Citizen committed to Socio-Economic development through social innovation and to build a better sustainable way of life for the weaker sections of the society through suitable projects and programs. • A brief overview of projects/programs undertaken by MIDHANI under its CSR policy is as under: (i) Promotion of Health Care and Sanitation (ii) Promotion of Education (iii) Skill Development (iv) Others
2.	Composition of CSR Committee as on March 31, 2026:	

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. S V S Narayana Murty	Chairman	2	2
2.	*Smt. Madhubala Kalluri	Member	2	2
3.	&Shri. Babu Padavittan	Member	2	2
4.	#Ms. Aruna Sarap	Member	2	2

Notes:

$Dr. S V S Narayana Murty became Chairman of CSR&SD w.e.f April 28, 2025.

**Smt. Madhubala Kalluri inducted as Member of CSR&SD w.e.f July 21, 2025.*

&Shri. Babu Padavittan inducted as Member of CSR&SD w.e.f October 7, 2025.

#Ms. Aruna Sarap inducted as Member of CSR&SD w.e.f April 18, 2025.

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	The CSR policy and the activities undertaken under the CSR policy of MIDHANI can also be viewed at www.midhani-india.in under CSR tab.
4.	Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:	Not applicable
5.	a) Average net profit of the company as per sub-section(5) of section 135:	Rs 16,723.94 Lakh
	b) Two percent of average net profit of the company as per sub-section (5) of section 135:	Rs 334.48 Lakh
	c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	NIL
	d) Amount required to be set-off for the financial year, if any.	Rs. 8.81 Lakh
	e) Total CSR obligation for the financial year [(b)+(c)-(d)]:	Rs 325.67 Lakh
6.	a) Amount spent on CSR projects (both ongoing projects & other than ongoing project)	Rs. 323.46 Lakh
	b) Amount spent in Administrative Overheads	Rs. 8.83 Lakh
	c) Amount spent on Impact Assessment, if applicable	Nil
	d) Total amount spent for the financial year [(a)+(b)+(c)]	Rs. 332.29 Lakh
	e) CSR amount spent or unspent for the financial year	

Total amount spent for the financial year (in Rs.)	**Amount unspent (in Rs. Lakh)**				
	Total amount transferred to Unspent CSR Account as per Sub- Section (6) of Section 135		**Amount transferred to any Fund specified under Schedule VII as per second proviso to Sub-section (5) of Section 135**		
	Amount	**Date of Transfer**	**Name of the Fund**	**Amount**	**Date of Transfer**
Rs. 332.29 Lakh	NIL	NA	NA	NA	NA

f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in Rs. Lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135 [CSR Obligation after set-off]	Rs. 325.67 Lakh
(ii)	Total amount spent for the Financial Year	Rs. 332.29 Lakh
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 6.62 Lakh
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs. 6.62 Lakh

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR account under sub-section (6) of section 135 (in Rs.)	Amount spent in the financial year 2025-26 (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1.	2024-25	NIL	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	2023-24	NIL	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	2022-23	22,00,000	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

8. Whether any Capital Assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No ✓

If yes, enter the number of Capital Assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Sl. NO.	Short particulars of the property or Asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of Entity/Authority/Beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(All the fields should be captured as appearing in the Revenue Record, Flat No., House NO., Municipal Office/Municipal Corporation/Gram Panchayath are to be specified and also the area of the immovable property as well as boundaries).

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135.

Not Applicable.

Sd/-
Dr. S. V. S. Narayana Murty
DIN: 11065319
(Chairman - CSR Committee)

Sd/-
Smt. Madhubala Kalluri
DIN: 11202794
(Member - CSR Committee)

Date : May 29, 2026
Place : Hyderabad

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 following steps were taken for conservation of energy:

i. To improve power quality and reduce energy costs, 3 MVAr Automatic Power Factor Correction (APFC) panel would be installed. The installation is expected to increase the power factor from the current level of 0.95 to 0.99, building on the earlier improvement from 0.90 to 0.95 achieved through previous APFC installations. The project is expected to be completed by December 2026.

ii. For replacement of ageing, low-efficiency distribution transformers with high-efficiency units, company has initiated the phased replacement of 40-year-old 11 kV/415 V distribution transformers across the plant with new, high-efficiency transformers conforming to IS 1180. Two transformers have already been installed at the Bar and Wire Rod Mill, and two 1.6 MVA transformers are planned for replacement at the CRS Shop.

II. Steps taken by the company for utilizing alternate source of energy: The following steps were taken for utilizing alternate source of energy:

i. Power supply has commenced from the 850 kWp rooftop solar plant at the Wide Plate Mill (WPM), implemented under the RESCO model in collaboration with NVVNL. The project is expected to help MIDHANI manage peak power demand and reduce energy costs.

ii. A 35 kWp rooftop solar power plant has been installed at BPDAV School as part of the company's corporate social responsibility (CSR) initiatives.

III. Capital investment on energy conservation equipment's:

Capital expenditure in technologies to improve the environmental social impact of processes during FY 2025-26 was ₹70.17 Lakh (Approx.).

B. TECHNOLOGY ABSORPTION:

i. The efforts made towards technology absorption:

During FY 2025–26, based on the Transfer of Technology (ToT), MIDHANI completed the manufacture of the 1st trial batch and the subsequent two more trail batches of weld consumables, along with their qualification.

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

Development of new products has helped in savings of valuable foreign exchange as import substitution.

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

MIDHANI has imported technology for development and manufacturing of weld consumable.

iv. The expenditure incurred on Research and Development:

- An amount of ₹2,215.23 Lakh has been incurred towards R&D Expenditure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the total foreign exchange earning was ₹8,542.17 Lakh and outgo was ₹26,118.22 Lakh.

For **Mishra Dhatu Nigam Limited**
Sd/-
Dr. S. V. S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Place: Hyderabad
Date: 29.05.2026

Annexure- V

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No.	Particulars	Information
1.	Corporate Identity Number (CIN) of the Listed Entity	L14292TG1973GOI001660
2.	Name of the Listed Entity	Mishra Dhatu Nigam Limited
3.	Year of incorporation	1973
4.	Registered office address	P.O. Kanchanbagh Hyderabad - 500058
5.	Corporate address	P.O. Kanchanbagh Hyderabad - 500058
6.	E-mail	company.secretary@midhani-india.in
7.	Telephone	040 – 2418 4515
8.	Website	https://midhani-india.in/
9.	Financial year for which reporting is being done	FY 2025-26
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited; and 2. National Stock Exchange of India Limited
11.	Paid-up Capital (in Rs.)	187,34,00,000/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Dr. S. V. S. Narayana Murty Chairman & Managing Director 040 2418 4501 cmd@midhani-india.in P.O. Kanchanbagh Hyderabad – 500058
13.	Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services –

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

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of Special Metals and Alloys/ Metal and Metal Products	100

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

S. No	Product/Service	NIC Code (5 Digit)	% of total Turnover contributed
1.	Manufacturing of Special Metals and Alloys	24103	53
		24204	23
		24209	22
		30400	2

III. Operations -

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2 (Hyderabad and Rohtak)	3 (Hyderabad, Delhi and Rohtak)	5
International	None	None	0

Note:

Plant locations - Hyderabad and Rohtak

Office locations - Hyderabad, Delhi and Rohtak

19. Markets served by the entity: -

a. Number of locations

Locations	Number
National (No. of States)	15
International (No. of Countries)	9

b. What is the contribution of exports as a percentage of the total turnover of the entity?

- **7.04%**

c. A brief on types of customers :

Our company operates in strategic sectors such as Defence, Space, Aerospace & Energy and is engaged in manufacturing of Special Steels, Superalloys and Titanium alloys. Most of our customers belong to strategic sectors.

IV. Employees -

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	261	223	85.44	38	14.55
2.	Other than Permanent (E)	3	3	100	0	0
3.	Total employees (D + E)	264	226	85.61	38	14.39
	WORKERS					
4.	Permanent (F)	499	460	92.18	39	7.82
5.	Other than Permanent (G)	103	99	96.12	4	3.88
6.	Total workers (F + G)	602	559	92.86	43	7.14

Notes:

a) 'Permanent Employees' means Executive and Non-Unionized Supervisors (NUS).

b) 'Workers' means Non-Executives.

c) Other than permanent means Fixed Term Contract Employees/Workers.

d) Details of Employees and Workers are excluding Directors.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	6	6	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	6	6	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	9	9	100	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	9	9	100	0	0

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	3	42.85
Key Management Personnel (KMP)	1	0	0

Note:

- Whole time Directors & CFO (who is also a Director) are included in Board of Directors.
- KMP includes – Company Secretary & Compliance Officer.

22. Turnover rate for permanent employees and workers:

(in %)

Particulars	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.10	0	6.97	8.10	7.59	8.03	9.68	0	8.44
Permanent Workers	1.71	7.41	9.11	2.89	0	2.64	3.02	2.33	2.95

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

23. Names of holding / subsidiary / associate companies / joint ventures-

S. No.	Name of the holding / subsidiary / associate companies / joint ventures as on 31st March, 2025 (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Utkarsha Aluminium Dhatu Nigam Limited	Joint Venture	50	No
2.	Advanced Materials (Defence) Testing Foundation	Joint Venture	20	No

VI. CSR Details –

24.

i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

ii) Turnover (in Rs.) : ₹12,08,62,59,226.36

iii) Net worth (in Rs.) : ₹15,30,81,52,553.20

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities-	Yes, https://pgportal.gov.in/ Public can submit their grievance at CPGRAMS.	5	0	None	5	0	None
Investors (other than shareholders)	Yes, https://pgportal.gov.in/ Public can submit their grievance at CPGRAMS and also by contacting authorities https://midhani-india.in/grievance-contacts/	0	0	None	0	0	None
Shareholders	Yes, https://scores.sebi.gov.in/	2	0	None	4	0	None
Employees and workers	Yes, MIDHANI has internal mechanism for receiving employees & workers grievance and its redressal, which is available offline mode on Intranet Portal.	9	0	None	9	0	None
Customers	Yes, https://midhani-india.in/ department_marketing/ business-enquiries/ all business related enquires/ grievance can be addressed mentioned.	0	0	None	0	0	None

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes, https://pgportal.gov.in/	4	0	None	4	0	None
Other (please specify)	Yes https://pgportal.gov.in/ Public can submit their grievance at CPGRAMS and also by contacting authorities https://midhani-india.in/grievance-contacts/	0	0	None	0	0	None

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG Emissions	R	The Company's manufacturing of special metals and alloys involves melting and allied processes that are energy-intensive in nature. Greenhouse gas emissions arise from two sources: the combustion of fuel in furnaces and related operations, giving rise to direct emissions; and the consumption of purchased grid electricity, giving rise to indirect emissions. Indirect emissions associated with purchased electricity form the larger share of the Company's footprint, reflecting the emission intensity of the grid. Tightening climate-related regulation and reporting obligations, together with movements in fuel prices, grid tariffs and the emission intensity of the grid, expose the Company to increased compliance requirements and operating cost.	The Company addresses both sources of emissions. On electricity, ground-mounted and rooftop solar installations supply a portion of the Company's requirement, directly displacing grid purchase. On fuel, the Company has introduced the use of hydrogen in annealing operations and LPG in furnaces in place of more carbon-intensive fuels, reducing direct emissions. Demand-side efficiency measures include the replacement of conventional ceiling fans with BLDC fans and the upgradation of inefficient motors with high power factor motors. Greenhouse gas emissions are compiled and monitored through a structured ESG data management system, enabling year-on-year tracking of emissions and emission intensity.	Negative: Emission reduction requires continuing investment in renewable generation, fuel substitution and energy efficiency measures.
2.	Energy Management	R	The Company's manufacturing of special metals and alloys is energy-intensive, drawing on both fuel and purchased grid electricity. Energy requirements are largely determined by the nature of the manufacturing process and cannot be materially reduced in the short term, while electricity tariffs and fuel prices are subject to movements outside the Company's control. Increases in energy prices therefore translate directly into higher cost of production.	Solar installations reduce the Company's purchase of grid electricity. Automatic Power Factor Controllers (APFC) and Dynamic Power Factor Controllers (DPFC) have been installed to optimise power factor and improve the efficiency of power utilisation. Efficiency measures include replacement of conventional ceiling fans with BLDC fans and upgradation of inefficient motors with high power factor motors.	Negative - Energy cost forms part of the Company's operating expenditure and is subject to movements in fuel prices and electricity tariffs.

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Waste and Hazardous Materials Management	R	MIDHANI's manufacturing operations generate hazardous and non-hazardous waste, including waste streams requiring controlled handling and disposal. Improper storage, handling, treatment or disposal of hazardous waste may result in environmental and occupational health risks and expose the Company to regulatory and associated financial consequences.	The Company operates an environmental management system certified to ISO 14001:2015. Hazardous waste is stored in designated areas pending treatment or disposal and is handed over to authorised third-party agencies, with movements duly documented. Bio-medical waste is disposed of through an authorised agency, and e-waste and used batteries are auctioned only to authorised agents. Returns are filed with the concerned regulatory authority in accordance with the Hazardous and Other Wastes Rules.	Negative - The management, treatment and disposal of hazardous and other waste require ongoing expenditure, while incidents of improper handling or disposal may result in additional remediation, regulatory and associated costs.
4.	Employee well-being	R & O	MIDHANI's operations depend on a workforce with specialised metallurgical and engineering capability, developed over the course of long careers with the Company. Retention of these skills and orderly succession are essential to sustaining the Company's ability to meet the requirements of customers in strategic sectors, while a motivated and well-supported workforce contributes directly to productivity and to the Company's capacity to deliver on its mandate.	The Company extends social security benefits to employees and their families and follows the guidelines issued by the Department of Public Enterprises on human resource management. Training programmes covering technical and non-technical subjects are conducted. A grievance redressal mechanism is in place, and employees are engaged through internal communication channels and Company-wide events.	Negative - Continued expenditure is required for employee welfare, social security benefits, training and capability development. Skill gaps or challenges in retaining specialised personnel may also result in recruitment and training costs, productivity impacts and disruption to operations.
5.	Supply Chain Management	R	MIDHANI depends on the timely availability of specialised raw materials and input items to meet production schedules and delivery commitments to customers in strategic sectors. Delays in supply, price volatility or supplier non-performance may affect production continuity and the Company's ability to meet committed timelines. Environmental and social practices within the supply chain may also expose the Company to associated operational and reputational risks.	Supplier and dealer interactions are undertaken to understand requirements, address supply-chain issues and support continuity of supply. The Company procures from Micro and Small Enterprises, including those owned by SC/ST and women entrepreneurs, in line with the Public Procurement Policy for MSMEs, supporting the development and broadening of its supplier base.	Negative - Supply disruptions, delays or quality issues may result in increased procurement costs, production inefficiencies and delays in fulfilling customer requirements.

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Water Management	R	MIDHANI's manufacturing operations require water for various operational and supporting activities and generate wastewater that requires appropriate treatment and management. Availability of water and effective management of wastewater are important to maintaining operational continuity and meeting applicable environmental requirements. Inefficient water use or inadequate management of wastewater may result in environmental impacts, regulatory exposure and associated financial consequences.	The Company manages wastewater through appropriate treatment systems and undertakes measures to promote water conservation and reuse. The Company has established a Sewage Treatment Plant for treatment of domestic wastewater, with treated water proposed to be reused for gardening and landscaping.	Negative - Water procurement, wastewater treatment and water-management measures require ongoing expenditure. Water scarcity or inadequate wastewater management may also result in additional operational, regulatory or remediation costs.
7.	Occupational Health and Safety	R	MIDHANI's manufacturing operations involve melting, furnace operations, material handling and the use of pressurised equipment, which present inherent occupational health and safety hazards. Incidents may result in injury to employees and workers, disruption to operations and regulatory consequences. Maintaining a safe working environment is therefore essential to the well-being of the workforce and to the continuity of operations.	The Company operates an occupational health and safety management system certified to ISO 45001:2018. Work-related hazards are identified and assessed through a structured process, supported by workplace inspections and safety training for employees and workers. Incidents are reported, investigated and reviewed, and corrective measures are implemented.	Negative - Continued investment in occupational health and safety measures is required to manage these risks. Occupational injuries or ill-health may additionally result in medical and compensation costs, operational disruption and productivity losses.

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Business Ethics, Governance and Regulatory Compliance	R	As a Government company, MIDHANI is subject to oversight by the Central Vigilance Commission and to supplementary audit by the Comptroller and Auditor General of India, in addition to the governance and disclosure obligations applicable to it as a listed entity. Failure to maintain effective governance and ethical controls, or to comply with applicable laws and regulations, may result in regulatory consequences, financial impact and reputational damage.	The Company maintains governance and ethical controls through its Code of Conduct, Anti-Bribery Policy, vigilance mechanisms and applicable internal policies and procedures. A Chief Vigilance Officer is appointed by the Central Vigilance Commission, and Integrity Pacts are entered into for specified procurements and monitored by Independent External Monitors. A Whistle Blower Policy enables employees, vendors and other stakeholders to report wrongful practices without fear of retaliation. The Company's financial statements are also subject to supplementary audit by the Comptroller and Auditor General of India.	Negative - Failure to comply with applicable laws and regulations or weaknesses in governance and ethical controls may result in penalties, legal and remediation costs, and reputational impacts that may adversely affect business operations.
9.	Cyber Security and Data Privacy	R	MIDHANI's operations involve the handling of sensitive technical, commercial and customer information relating to products supplied to customers in strategic sectors. Unauthorised access, loss or compromise of such information, or disruption to the Company's information systems, may affect business operations and give rise to regulatory, financial and reputational consequences.	The Company has a Board-approved Cyber Security Policy and undertakes cyber security audits to assess and strengthen its controls. Cyber security and data privacy matters are monitored through established processes, and appropriate measures are taken to address identified issues and protect the Company's information systems and data.	Negative - A cyber security incident, loss or compromise of sensitive information, or disruption of critical information systems could result in business interruption, recovery and remediation costs, regulatory or legal liabilities, and potential loss of customer confidence and business opportunities.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P2: Businesses should provide goods and services in a manner that is sustainable and safe.

P3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4: Businesses should respect the interests of and be responsive to all its stakeholders.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect and make efforts to protect and restore the environment.

P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8: Businesses should promote inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1 Ethics & Transparency	P 2 Service responsibility	P 3 Human Resources	P 4 Responsive to Stakeholders	P 5 Human Rights	P 6 Restore environment	P 7 Public Policy Advocacy	P 8 Inclusive growth	P 9 Customer Engagement
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes				
b. Has the policy been approved by the Board? (Yes/No)					Yes				
c. Web Link of the Policies, if available					*https://midhani-india.in/policies/*				
2. Whether the entity has translated the policy into procedures. (Yes / No)					Yes				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					No				

Disclosure Questions	P 1 Ethics & Transparency	P 2 Service responsibility	P 3 Human Resources	P 4 Responsive to Stakeholders	P 5 Human Rights	P 6 Restore environment	P 7 Public Policy Advocacy	P 8 Inclusive growth	P 9 Customer Engagement
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001:2015 ISO/IEC 17025:2017	ISO 45001: 2018 DPE Guidelines on Human Resource Management	-	DPE Guidelines on Human Resource Management	ISO 14001: 2015	-	Public Procurement Policy - MSME	ISO/IEC 17025: 2017
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company aims to progressively increase the number of training and awareness programmes conducted for its stakeholders, including Board of Directors, Key Managerial Personnel, employees, workers and value chain partners, and to expand the topics covered under such programmes in alignment with the NGRBC principles.	The Company aims to continue investing in capital expenditure on technologies to improve the environmental and social impacts of its products and processes and to progressively increase the proportion of such expenditure as a share of total capital expenditure.	The Company is committed to progressively reducing the Lost Time Injury Frequency Rate (LTIFR) across employees and workers through continued strengthening of its occupational health and safety management system. The Company aims to undertake assessments of value chain partners on health and safety practices and working conditions.	-	The Company aims to progressively increase the coverage of human rights training for both employees and workers. The Company aims to undertake assessments of value chain partners on human rights parameters, including child labour, forced labour, sexual harassment, discrimination and wages.	The Company is committed to increasing the share of renewable energy, including through the operationalisation of the MoU signed with NVVNL for procurement of 850 kW of renewable energy under the RESCO model, and through additional initiatives as identified. The Company aims to expand the scope of its Scope 3 greenhouse gas emissions reporting to cover additional categories, including business travel, in subsequent reporting periods.	-	The Company aims to increase the number and geographic reach of CSR projects undertaken, with a focus on health care, education, nutrition and livelihood support, in line with the priorities of the local communities in the areas in which it operates.	-

Disclosure Questions	P 1 Ethics & Transparency	P 2 Service responsibility	P 3 Human Resources	P 4 Responsive to Stakeholders	P 5 Human Rights	P 6 Restore environment	P 7 Public Policy Advocacy	P 8 Inclusive growth	P 9 Customer Engagement
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Training and awareness programmes were conducted for the Board of Directors and Key Managerial Personnel during FY 2025-26, with 100% coverage across both categories. No such programmes were conducted for these categories in the previous year. 3 awareness programmes were conducted for value chain partners during FY 2025-26, as compared to 2 in the previous year. Days of accounts payable reduced to 60 days in FY 2025-26 from 84.77 days in FY 2024-25, reflecting improved payment practices.	Capital expenditure on technologies to improve environmental and social impacts of products and processes increased to 1.52% of total capital expenditure in FY 2025-26 from 1.26% in FY 2024-25.	Cost incurred on well-being measures increased to 0.60% of total revenue in FY 2025-26 from 0.55% in FY 2024-25. Lost Time Injury Frequency Rate (LTIFR) for employees improved to 1.04 per million person-hours in FY 2025-26 from 1.59 in FY 2024-25.	-	Coverage of human rights training for employees improved to 34.85% in FY 2025-26 from 21.5% in FY 2024-25. Gross wages paid to female employees and workers as a percentage of total wages increased to 11.34% in FY 2025-26 from 10.98% in FY 2024-25. No complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during FY 2025-26, as against 1 complaint in FY 2024-25.	Scope 3 greenhouse gas emissions were reported for the first time in FY 2025-26, covering two categories: Fuel and Energy Related Activities and Waste Generated in Operations.	-	6 CSR projects were implemented during FY 2025-26 covering health care, education, nutrition and livelihood support.	-

Governance, leadership and oversight:

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure*)

   As a manufacturer of special metals and alloys for India's defence, space, energy and other strategic sectors shapes the way the Company approaches its responsibilities towards the environment, its workforce and the communities in which it operates. Responsible business conduct is not a separate agenda but an integral part of how the Company fulfils this mandate.

During FY 2025-26, the Company continued to make progress across its key areas of ESG focus. Environmental performance improved through a greater focus on resource efficiency, expansion in the scope of greenhouse gas emissions reporting and increased investments aimed at improving the environmental impact of operations. Efforts towards augmenting renewable energy sourcing also continued. On the social front, the Company continued to focus on employee well-being, occupational health and safety, and community development through CSR initiatives covering areas such as healthcare, education, nutrition and livelihood. Governance standards were maintained through established oversight mechanisms, Board-approved policies and ongoing vigilance, ethical conduct and compliance frameworks.

Challenges remain in certain areas, particularly in strengthening the depth and coverage of ESG practices and disclosures as the Company's sustainability journey continues to evolve. The Company is progressively working towards enhancing its systems, processes and capabilities to address these areas and further integrate sustainability considerations into its operations and decision-making.

MIDHANI's approach to sustainability is one of steady and evidence-based progress — building on existing practices, transparently recognising areas where further improvement is required, and directing efforts towards matters of genuine material significance. The Company will continue to strengthen its ESG performance in a manner consistent with its responsibilities as a public sector enterprise and its role in India's strategic industrial base.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies):

   Dr. S.V.S. Narayana Murty

   Chairman & Managing Director

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details:

   Yes, the Company's Corporate Social Responsibility and Sustainable Development Committee is responsible for sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Any other Committee, on need basis.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Any other Committee, on need basis.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	8	Corporate Governance, Ethics, Leadership, Vigilance awareness, Corporate affairs on Procurement, Capacity Building.	100%
Key Managerial Personnel	1	Corporate Governance (Progressive, Inclusive, and Sustainable Bharat).	100%
Employees other than BoD and KMPs	44	Corporate Governance, Ethics, Leadership, Vigilance awareness, Safety awareness, measures for well-being.	100%
Workers	15	Safety awareness, measures for well-being.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

   The Company had no monetary and non-monetary fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, during FY 25-26.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

   Not Applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes, The Company has 'zero tolerance' of any practice that may be classified as corruption, bribery or giving or receipt of bribes and the same has been mentioned in its Code of Conduct. The Anti Bribery policy is available on the website of the Company viz. https://midhani-india.in/policies/ .

   MIDHANI is a Govt. Company and its Conduct, Discipline and Appeal (CDA) Rules for executives of the Company clearly brought out disciplinary proceedings in case of bribery or corruptions. MIDHANI also has a Chief Vigilance Officer, who is appointed by Central Vigilance Commission (CVC). MIDHANI also enters into Integrity Pact with suppliers in respect to all procurements exceeding Rs. 40 Lakh, and such procurements are monitored by Independent External Monitor (IEM) who are appointed by CVC. The financials of MIDHANI are also subject to supplementary/ test audit by Comptroller and Auditor General of India (CAG).

   Web-link: https://midhani-india.in/department_vigilance/role-functions-of-vigilance-department/

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 25- 26	FY 24- 25
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	1
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

   None

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. –

   Action taken by law enforcement agencies on cases of corruption:

   FY 25-26

   NIL

   FY 24-25

   Action by concerned authorities on cases of corruption as per extant applicable laws, rules, procedures was initiated and same is under progress.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 25- 26	FY 24- 25
Number of days of accounts payables	60.00	84.77

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 25- 26	FY 24- 25
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	46.80%	Nil
	b. Number of trading houses where purchases are made from	367	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	88%	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	6.4%	2.4%
	b. Number of dealers / distributors to whom sales are made	7	4
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	6.4%	2.4%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)**	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	1. MSME Conclave for promotion of Indigenisation in Defence- 2025 2. Annual Vendor Meet – 2025 3. Special Vendor Development programme for SC/ST Vendors.	• 10% (Domestic Vendors & covered under awareness programme) • Special Vendor Development for New SC/ST Entrepreneur’s

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

   Yes, MIDHANI has Code of Business Conduct and Ethics for Board Members and Senior Management, which requires all Directors of the Company and Senior Management to always act in the interest of the Company and ensure that any other business or personal association which they may have does not involve any conflict of interest with the operations of the Company. In case of any actual or potential conflicts of interest, the concerned Director/Senior personnel is required to immediately report such conflicts and seek approvals as required under applicable law and under Company's policies.

   The Company also obtains an annual declaration from its Board of Directors and Senior Management confirming adherence to the Code of Conduct, which inter-alia includes the provisions on dealing with conflict of interest.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 25- 26	FY 24- 25	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	No R&D expenditure was reported towards specific technologies for improving the environmental and social impacts of products and processes.
Capex	1.52%	1.26%	Capital expenditure towards procurement of electric scooters, battery operated vehicles and 4MW Grid Connected Solar Photovoltaic plant - defect rectification.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   No, MIDHANI being a Govt. Company procures goods and services mostly through tendering process, hence sustainable sourcing stipulators cannot be incorporated in procurement procedures as it may lead to limiting the participation of vendors in tender enquiries. Though such stipulators are not present in procurement procedures as of now, many of our suppliers are already adopting such standards.

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

   The percentage of inputs sourced sustainably is currently not quantified, as formal sustainable sourcing criteria and a tracking mechanism are not yet established.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.:

a)	Plastics (including packaging	The Company does not have a specific mechanism for reclaiming its products at the end of their useful life it supplies specialised materials, including superalloys, titanium alloys and special steels, which are primarily used by its customers for further processing, manufacturing and downstream applications. However, at its project and operational sites, systems are in place for the reuse, recycling and appropriate disposal of waste generated during manufacturing and other operations. Such waste is managed in accordance with applicable regulatory requirements and established waste management procedures.
b)	E-waste	
c)	Hazardous waste	
d)	Other waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Extended Producer Responsibility (EPR) is not applicable to MIDHANI based on the nature of its products and operations. Accordingly, the requirement for preparation and submission of an EPR plan to the Pollution Control Board is not applicable to the Company.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   Not applicable.

   Note: During the reporting period, MIDHANI did not undertake Life Cycle Perspective/Assessment (LCA) for any of its products. The Company manufactures and supplies specialised materials, including superalloys, titanium alloys and special steels, which are primarily used by its customers for further processing, manufacturing and downstream applications.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   Not applicable.

   Note: MIDHANI has not conducted Life Cycle Perspective/Assessment (LCA) for its products during the reporting period. Accordingly, significant social or environmental concerns and/or risks arising from the production or disposal of its products have not been identified through LCA.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 25- 26	FY 24- 25
Scrap Utilization	18.07%	24.87%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

   Not applicable.

   Note: No products or packaging materials are reclaimed by the Company at the end of their useful life. Accordingly, the disclosure on the amount reused, recycled and safely disposed is not applicable.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   Not Applicable.

   Note: The Company does not reclaim its products or associated packaging materials at the end of their useful life. Accordingly, the disclosure relating to reclaimed products and packaging materials as a percentage of total products sold is not applicable.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	223	223	100.00	223	100.00	0	0.00	223	100.00	0	0.00
Female	38	38	100.00	38	100.00	38	100.00	0	0.00	38	100.00
Total	**261**	**261**	**100.00**	**261**	**100.00**	**38**	**14.56**	**223**	**85.44**	**38**	**14.56**
Other than Permanent employees											
Male	3	3	100.00	3	100.00	0	0.00	0	0.00	0	0.00
Female	0	0	100.00	0	100.00	0	0.00	0	0.00	0	0.00
Total	**3**	**3**	**100.00**	**3**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**

Note: Maternity, Paternity Benefits and Day Care Facilities are provided to eligible permanent employees, as applicable. Other than permanent employees are eligible for Maternity Benefits and Day Care Facilities, subject to applicable eligibility criteria.

All employees are covered under the MIDHANI Medical Scheme, under which empanelled hospitals provide medical treatment as per CGHS rates. The Company bears up to 100% of the eligible expenses incurred by employees for in-patient treatment, as per the applicable scheme provisions.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	460	460	100.00	460	100.00	0	0.00	460	100.00	0	0.00
Female	39	39	100.00	39	100.00	39	100.00	0	0.00	39	100.00
Total	**499**	**499**	**100.00**	**499**	**100.00**	**39**	**7.82**	**460**	**92.18**	**39**	**7.82**
Other than Permanent workers											
Male	99	99	100.00	99	100.00	0	0.00	99	100.00	0	0.00
Female	4	4	100.00	4	100.00	4	100.00	0	0.00	4	100.00
Total	**103**	**103**	**100.00**	**103**	**100.00**	**4**	**3.88**	**99**	**96.12**	**4**	**3.88**

Note: Maternity, Paternity Benefits and Day Care Facilities are available to all permanent workers, however, other than permanent workers are eligible for Maternity and Day Care facilities.

All workers are covered under Medical Scheme of MIDHANI where, the empaneled hospitals are providing medical attention as per CGHS rates which are borne by the company upto 100% of the total expenses incurred by worker for in- patient treatment.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Particulars	FY 25- 26	FY 24- 25
Cost incurred on well-being measures as a % of total revenue of the company	0.60%	0.55%

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

Benefits	FY 25- 26			FY 24- 25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0	0	Not applicable	0	0	Not applicable
Post Retirement Medical Benefit Scheme	100	100	Yes	100	100	Yes

Note: The above disclosure of retirement benefits and the corresponding coverage percentages have been reported based on permanent employees and permanent workers of the Company.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. MIDHANI provides infrastructure to facilitate accessibility and movement for differently abled employees and workers within its premises. Ramp facilities have been provided for the movement of Persons with Disabilities (PwD). Further, the Company permits personal vehicles of persons with orthopaedic disabilities within the factory premises to facilitate access to their respective workplaces.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. MIDHANI, being a Central Public Sector Undertaking (CPSE), follows the applicable DPE guidelines on reservation for SC/ST/OBC and differently abled persons. The DPE guidelines/HR policies relating to the reservation and recruitment of differently abled persons are available on MIDHANI's intranet portal. Details regarding the recruitment of differently abled employees are also disclosed in the Annual Reports available on MIDHANI's website.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate (%)	Retention rate(%)	Return to work rate (%)	Retention rate (%)
Male	100	100	100	100
Female	100	100	100	100
Total (%)	100	100	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes	The grievance redressal process is available to all employees and workers to raise their concerns or grievances with the Management. It ensures that such issues are addressed promptly, impartially, and fairly. Depending on the employee's or worker's preference, the grievance can be raised either in writing or orally, with the concerned person, i.e., the immediate superior or the Human Resource Head. An employee or worker can also raise their concern in writing through an e-mail mentioning the details to the Human Resource Department.

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

Category	FY 25- 26			FY 24- 25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	261	252	96.55	276	223	80.80
Male	223	216	96.86	238	193	81.09
Female	38	36	94.74	38	30	78.95
Total Permanent Workers	499	324	64.93	510	417	81.76
Male	460	293	63.69	468	381	81.41
Female	39	31	79.49	42	36	85.71

8. Details of training given to employees and workers:

Category	FY 25- 26					FY 24- 25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	226	226	100.00	226	100.00	238	238	100.00	238	100.00
Female	38	38	100.00	38	100.00	38	38	100.00	38	100.00
Total	**264**	**264**	**100.00**	**264**	**100.00**	**276**	**276**	**100.00**	**276**	**100.00**
Workers										
Male	559	559	100.00	559	100.00	468	468	100.00	468	100.00
Female	43	43	100.00	43	100.00	42	42	100.00	42	100.00
Total	**602**	**602**	**100.00**	**602**	**100.00**	**510**	**510**	**100.00**	**510**	**100.00**

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

Category	FY 25- 26			FY 24- 25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	223	223	100	238	238	100
Female	38	38	100	38	38	100
Total	**261**	**261**	**100**	**276**	**276**	**100**
Workers						
Male	460	460	100	468	468	100
Female	39	39	100	42	42	100
Total	**499**	**499**	**100**	**510**	**510**	**100**

Note: Worker's annual performance and career development reviews are undertaken in the calendar year instead of the financial year.

For other than permanent employees and workers, performance and career development reviews are conducted yearly as per their joining date and at the end of their respective term/engagement period; therefore, an annual percentage cannot be calculated for this category.

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity?

(Yes/ No). If yes, the coverage such system?

Yes. An occupational health and safety management system has been implemented. It covers the entire operations of the Company, including all manufacturing units, industrial production facilities, and offices. MIDHANI's Safety Policy is in accordance with the international standard ISO 45001:2018 (Occupational Health and Safety Management System). The EHS Management System defines mandatory requirements for systematic management and execution within the organisation.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a systematic risk management process in place to identify and control work-related hazards across its manufacturing units and offices. Hazards associated with routine and non-routine activities are identified and assessed based on the nature of the activity and the associated occupational health and safety risks. The Company's risk management process comprises five key steps: Identification, Assessment, Mitigation, Monitoring, and Reporting.

- Identification involves recognising potential work-related hazards associated with various activities and operations.
- Assessment involves evaluating the identified hazards and associated risks to determine their significance.
- Mitigation involves implementing appropriate measures to eliminate or minimise the identified risks.
- Monitoring involves periodically reviewing the identified risks and the effectiveness of the control measures implemented.
- Reporting involves documenting and communicating the identified risks and related actions to facilitate appropriate follow-up and continual improvement.

Based on the risks identified and assessed, appropriate control and mitigation measures are implemented and periodically monitored to support effective management of occupational health and safety risks across the Company's operations.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (**Y/N**)-

Yes. The Company has processes in place that enable workers to report work-related hazards and unsafe conditions.

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (**Yes/ No**)

Yes. The Company provides access to non-occupational medical and healthcare services, including outpatient (OP) consultations at CGHS rates through empanelled hospitals and in-patient treatment at empanelled hospitals. The Company bears up to 100% of the treatment cost, as per CGHS rates, at its respective locations.

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

Safety Incident/Number	Category	FY 25- 26	FY 24- 25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.04	1.59
	Workers	6.54	7.74
Total recordable work-related injuries	Employees	2	3
	Workers	22	26
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	2

Note: The figures reported under the "Workers" category include the contract workforce.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

MIDHANI is certified to ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System). The Company has a systematic risk management process in place to identify and control hazards across its projects and units, including verification of conformity with established requirements.

The EHS Management System comprises various procedures and norms, and a process has been established for conducting internal EHS audits. The Company also undertakes safety awareness initiatives to sensitise employees on workplace safety. National Safety Week was observed in March 2026, during which various safety awareness programmes were conducted. Further, MIDHANI has formulated on-site emergency plans in accordance with the Manufacture, Storage and Import of Hazardous Chemical (MSIHC) Rules, 1989.

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

	FY 25- 26			FY 24- 25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	None	None	None	None	None	None
Health & Safety	None	None	None	None	None	None

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

Note: MIDHANI has a robust internal audit process in place in line with the requirements of ISO 45001:2018, covering all manufacturing units, offices and construction projects. Internal audits covering health and safety practices and working conditions are conducted at least once during the financial year across the Company's manufacturing units and offices.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Standard Safety and Health Inspection Committee (SSHIC), comprising the GM (P-II & IV) as Chairman and executives from the Safety Department, conducted an inspection of the entire plant. Based on the inspection, a total of 276 observations were reported to the concerned departments/shops for necessary corrective action, of which 95% were complied with/resolved by the respective in-charges.

Further, Designated Safety Officers (DSOs) and Safety Captains (DSCs) were identified across shops/areas, and groups were formed to conduct quarterly shop-floor safety inspections.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). :

   Yes. MIDHANI has a Death Relief Fund and Group Insurance under the EDLI Scheme for employees and workers. As per the Scheme, in the event of the death of an employee/worker while in service, an ex-gratia amount is provided to the nominee.

   Further, under MIDHANI's Employees' Family Benefit Scheme, 2021, monetary benefits are provided to the family of an employee/worker upon depositing the terminal benefits with the Company, in the event of the death of the employee/worker while in service.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Statutory deduction towards Employees Provident Fund are monitored by MIDHANI PF Trust to ensure deduction and remittances to the concerned Authority.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 25- 26	FY 24- 25	FY 25- 26	FY 24- 25
Employees	NIL	NIL	Nil	Nil
Workers	3	2	2	2

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) :

   Regular training is provided to employees while in employment to upskill their technical as well as personal abilities / traits.

5. Details on assessment of value chain partners: No such assessment undertaken

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   Not applicable, as no assessment of value chain partners was undertaken on Health and Safety practices and working conditions.

PRINCIPLE 4

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

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   MIDHANI, being a strategic Defence Public Sector Undertaking engaged in the manufacture of special steels, superalloys and other critical materials, identifies its key stakeholder groups based on the nature of its business, level of dependency and influence, regulatory requirements, and the significance of stakeholders to its operations and sustainable growth. Accordingly, the following key stakeholder groups have been identified:

Stakeholder group	Basis of Identification
Suppliers/ Contractors	MIDHANI has significant dependency on supply chain partners for the procurement of raw materials and also engages skilled contractual manpower for its operations. These partners play an important role in meeting the Company's operational, delivery and cost objectives.
Government	Government entities, including those in the Defence, Energy and Space sectors, and Public Sector Undertakings (PSUs) constitute a significant portion of MIDHANI's customer base, accounting for approximately 90% of the orders booked during FY 2025-26. Accordingly, they represent a key stakeholder group for the Company.
Customers	Customers across defence, space, energy and strategic sectors are a key stakeholder group given their central role in the Company's revenue, order book and product development priorities.
Employees and Workforce	MIDHANI manufactures high-end and critical alloys that are required to meet stringent quality requirements. A skilled and competent workforce is therefore critical to maintaining the required quality and operational standards.
Regulatory bodies	MIDHANI is regulated by various regulatory bodies. To support sustainable growth, it is important for the Company to understand the priorities of these regulatory bodies, address their concerns, if any, maintain compliance with applicable requirements, and establish benchmark performance levels.
Shareholders and Investors	Shareholders and investors are identified as key stakeholders considering their financial interest in the Company and their contribution to its growth. Shareholders also play an important role in the governance of the Company through the exercise of their voting rights.
Communities through its CSR	Communities surrounding the Company's operations are identified as important stakeholders considering MIDHANI's focus on socio-economic development through its CSR initiatives, particularly for underprivileged and marginalised sections of society.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government	No	Monthly D.O. Letter Quarterly Results, Annual Reports, Stock Exchange filings, issue specific meetings, representations.	As and when required	Reporting requirement, statutory compliance, support from authority and resolution of issues.
Customers (majorly Govt. & Public Sector)	No	Formal business interaction.	As and when required	Challenges that are faced during order execution. Project delivery, timeline
Suppliers/ contractors	No	Regular supplier and dealer meets i.e. Vendor Meet.	As and when required	Need and expectation, schedule, supply chain issue, etc
Employees and Workforce	No	MIDHANI has intranet portal for dissemination of information related to Circulars, OM' s etc. - Company encourages its employees to showcase their talent in Games/ Cultural programs on various occasions like 'MIDHANI's Foundation Day', Independence Day, Republic Day, Hindi Diwas, Women's Day, etc. - Company reaches out to its employees & their families through in house magazines which are published to cover important events of the Company on quarterly basis. - Apart from regular training programs on technical/ non- technical topics program related to work life balance, meditation are also conducted.	As and when required	Employees' growth and benefits, their expectation, volunteering, career growth, professional development and continuing education and skill training etc
Community	Yes (Some of the Company's CSR Project Beneficiaries)	Direct engagement and through the Company's CSR project implementation partners (Implementing agencies i.e. NGOs)	As and when required	Regular review is done for effective service. Beneficiaries are encouraged to provide feedback/ lodge grievance w.r.t CSR activities
Shareholders and Investors	No	Annual General Meeting, quarterly results, stock exchange filings, website disclosures	As and when required	Financial performance, governance, regulatory disclosures and investor queries
Regulatory Bodies	No	Statutory filings, compliance reports, correspondence and meetings as required	As and when required	Statutory compliance, maintenance of licences and approvals, response to queries

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company interacts with various stakeholders through sub-committees of the Board viz. CSR&SD Committee, Human Resource Committee, Risk Management Committee, and Corporate Management Committees. These Committee undertakes review and discuss agenda pertaining to economic, social topics and the recommendation by the Committee is placed before Board of Directors for appropriate decision.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   The Company on regular basis engages with its stakeholders to boost relationships enabling the Company to make informed decisions. CSR projects undertaken in area of Education, Health Care, Nutrition, etc. are based on the Government Guidelines and inputs received from relevant stakeholders. Recommendations received from Board level committees are being implemented by way of policies and activities of the Company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   MIDHANI engages with economically vulnerable sections of the community through its Primary Health Care Center, which provides basic healthcare facilities and supports their healthcare needs. Through this initiative, the Company seeks to address basic healthcare requirements of economically vulnerable stakeholders.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 25- 26			FY 24- 25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	261	92	35.25	276	60	21.73
Other than permanent	3	0	0	3	0	0
Total Employees	**264**	**92**	**34.85**	**279**	**60**	**21.50**
Workers						
Permanent	499	45	9.02	510	90	17.64
Other than permanent	103	4	3.88	82	0	0
Total Workers	**602**	**49**	**8.14**	**592**	**90**	**15.20**

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

Category	FY 25- 26					FY 24- 25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	261	0	0.00	261	100.00	276	0	0.00	276	100.00
Male	223	0	0.00	223	100.00	238	0	0.00	238	100.00
Female	38	0	0.00	38	100.00	38	0	0.00	38	100.00
Other than Permanent	3	0	0.00	3	0.00	3	0	0.00	3	0.00
Male	3	0	0.00	3	100.00	3	0	0.00	3	100.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Workers										
Permanent	499	0	0.00	499	100.00	510	0	0.00	510	100.00
Male	460	0	0.00	460	100.00	468	0	0.00	468	100.00
Female	39	0	0.00	39	100.00	42	0	0.00	42	100.00
Other than Permanent	103	0	0.00	103	100.00	82	0	0.00	82	100.00
Male	99	0	0.00	99	100.00	77	0	0.00	77	100.00
Female	4	0	0.00	4	100.00	5	0	0.00	5	100.00

3. Details of remuneration/salary/wages:

a Median remuneration / wages: (***Calculate for those who were employed during whole FY 25-26***)

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Rupees)	Number	Median remuneration/ salary/ wages of respective category (in Rupees)
Board of Directors	3	-	-	-
Key Managerial Personnel	1	13,04,691	-	-
Employees other than BoD and KMPs	221	12,93,258	38	12,79,903
Workers	502	4,98,365	43	5,29,187

Notes:

- The CFO is also a Director of the Company and has accordingly been included under the Board of Directors category.
- For the purpose of this disclosure, remuneration comprises Basic Pay and Dearness Allowance (DA).
- The median remuneration/salary/wages have been calculated considering individuals who were employed in respective role for the entire FY 2025-26.

b Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 25- 26	FY 24- 25
Gross wages paid to females as % of total wages	11.34%	10.98%

Note: For the purpose of this disclosure, "wages" have been considered in accordance with the definition provided under Section 2(y) of the Code on Wages, 2019.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (***Yes/No***)

   No. The Company does not have a single designated focal point for addressing human rights-related issues. However, procedures and mechanisms are in place through which employees can raise such concerns with the Human Resources Department or the respective Department Heads for appropriate redressal.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Human rights-related grievances are addressed as and when received by the respective Department Heads, in coordination with the Human Resources Department. Such grievances are duly investigated, and appropriate actions are taken to resolve the issues/complaints. Wherever required, disciplinary action is initiated as deemed appropriate, and assistance from the relevant regulatory authorities is sought.

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

Particulars	FY 25- 26			FY 24- 25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	One complaint was disposed off during FY 25-26	1	1	The resolution is in progress.
Discrimination at workplace	0	0	None	0	0	None
Child Labour	**MIDHANI doesn't employee child labour.**					
Forced Labour/ Involuntary Labour	0	0	None	0	0	None
Wages	0	0	None	0	0	None
Other human rights related issues	0	0	None	0	0	None

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 25- 26	FY 24- 25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	01
Complaints on POSH as a % of female employees / workers	0.00%	1.18%
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein the employees/ vendors or any stakeholders of Company can report, without fear of retaliation - any wrong practices, unethical behaviour or non-compliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, MIDHANI's CDA Rules and Standing Orders requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

9. Do human rights requirements form part of your business agreements and contracts? (***Yes/No***)

No. Human rights-related clauses are currently not incorporated in MIDHANI's business agreements and contracts. However, the Company is committed to safeguarding human rights and providing a safe workplace for its employees and workers. MIDHANI also ensures timely payment of wages and availability of ESI benefits to casual workers engaged through third-party agencies..

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

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

    No significant risks or concerns requiring corrective action were identified from the assessments conducted during the reporting period. The Company, however, continues to monitor its practices and maintain appropriate controls to ensure compliance with applicable requirements relating to child labour, forced/involuntary labour, sexual harassment, discrimination at the workplace and wages.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   MIDHANI did not receive any human rights grievances/complaints that have necessitated to introduce or modify our business processes.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   No specific human rights due diligence was conducted by the Company during the reporting period. Accordingly, the disclosure regarding its scope and coverage is not applicable.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes, MIDHANI provides conducive environment for differentially abled persons with infrastructure. Company allows the personal vehicles of differentially abled persons (Orthopaedically disabled) within factory premises to help them reach their work spot.

4. Details on assessment of value chain partners:

   No such assessment of value chain partners undertaken.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   No assessment of value chain partners was undertaken during the reporting period. Accordingly, no significant risks or concerns requiring corrective action were identified through such assessments, and hence, no corrective action was required.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (Mega Joules) and energy intensity, in the following format[1]:

Parameter	Unit	FY 25- 26	FY 24- 25
From renewable sources			
Total electricity consumption (A)	Gigajoule (GJ)	2,596.22	6,851.84
Total fuel consumption (B)	Gigajoule (GJ)	0.00	0.00
Energy consumption through other sources (C)	Gigajoule (GJ)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	**Gigajoule (GJ)**	**2,596.22**	**6,851.84**
From non-renewable sources			
Total electricity consumption (D)	Gigajoule (GJ)	2,50,723.41	2,22,529.91
Total fuel consumption (E)	Gigajoule (GJ)	2,63,427.15	2,29,032.54
Energy consumption through other sources (F)	Gigajoule (GJ)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	**Gigajoule (GJ)**	**5,14,150.57**	**4,51,562.45**
Total energy consumed (A+B+C+D+E+F)	**Gigajoule (GJ)**	**5,16,746.79**	**4,58,414.29**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Gigajoule (GJ) / Crores ₹	427.55	426.79
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Gigajoule (GJ) / 10 MN USD	8,696.37	8,817.48
Energy intensity in terms of physical output	Gigajoule (GJ) / MT	167.39	152.31
Energy intensity (optional) – the relevant metric may be selected by the entity	Gigajoule (GJ) / FTE	596.71	526.31

Note: The FY 2024–25 figures and related calculations have been revised and updated.

Note: The decrease in renewable energy consumption during FY 2025–26 was primarily due to Operation & Management (O&M) related issues, transition of O&M contracts, plant condition issues and prolonged shutdowns arising from faults and tripping at the connected TGSPDCL 33 kV Lenin Nagar Substation. Solar Plant rectification and improved O&M arrangements subsequently improved generation from April 2026 onwards.

Note: Indicate any independent assessment/ evaluation/ assurance has been carries out by an external agency? (Y/N) if yes, name of the external agency.

No independent assessment/evaluation/assurance of the energy consumption data has been carried out by an external agency during the reporting period.

Energy intensity adjusted for Purchasing Power Parity (PPP) has been calculated using the International Monetary Fund (IMF) PPP conversion factor. The PPP conversion factor considered is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No. Mishra Dhatu Nigam Limited does not have any facilities recognized as Designated Consumers under the Government of India's Perform, Achieve, and Trade (PAT) Scheme. The entity was therefore not subject to any specific obligations or targets under the PAT framework during the reporting year.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 25- 26	FY 24- 25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	2,45,645.00	2,44,550.00
(iii) Third party water	1,22,006.28	1,14,348.44
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilo litres) (i + ii + iii + iv + v)	**3,67,651.28**	**3,58,898.44**
Total volume of water consumption (in kilo litres)	**2,57,264.00**	**2,48,759.80**
[Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (kilo litres / Crore Rs.)	212.86	231.60
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	4,329.57	4,784.86
Water intensity in terms of physical output	83.33	82.65
Water intensity (optional) – the relevant metric may be selected by the entity	297.07	285.60

Note: The FY 2024–25 figures and related calculations have been revised and updated.

Note: Indicate any independent assessment/ evaluation/ assurance has been carries out by an external agency? (Y/N) if yes, name of the external agency.

No independent assessment/evaluation/assurance of the water withdrawal and consumption data has been carried out by an external agency during the reporting period.

Water intensity adjusted for Purchasing Power Parity (PPP) has been calculated using the International Monetary Fund (IMF) PPP conversion factor. The PPP conversion factor considered is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.

4. Provide the following details related to water discharged:

Parameter	FY 25- 26	FY 24- 25
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) Groundwater	1,10,387.28	1,10,138.64
- No treatment	55,285.68	55,290.64
- With treatment – please specify level of treatment	55,101.60	54,848.00
(iii) Seawater / desalinated water	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
- No treatment	0.00	0.00
- With treatment - please specify level of treatment - Primary, Secondary and Tertiary treatment (STP)	0.00	0.00
(v) Others	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	**1,10,387.28**	**1,10,138.64**

Note: The FY 2024–25 figures and related calculations have been revised and updated.[ML2.1]

Note: Indicate any independent assessment/ evaluation/ assurance has been carries out by an external agency? (Y/N) if yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency during the reporting period.

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

Mishra Dhatu Nigam Limited (MIDHANI) does not currently operate under a Zero Liquid Discharge (ZLD) mechanism. However, the Company has established a Sewage Treatment Plant (STP) to effectively manage and treat domestic wastewater generated from its premises. The maximum quantity of domestic wastewater generated is estimated at 90 m^3/day.

The treated water from the STP is proposed to be reused for gardening and landscaping purposes, thereby promoting sustainable water management practices within the facility.

The wastewater treatment process is carried out in three stages -Primary, Secondary, and Tertiary treatment:

Primary Treatment: Involves screening and equalization to remove large particles and balance the wastewater characteristics.

Secondary Treatment: Comprises an aeration process followed by secondary clarification to biologically degrade organic matter.

Tertiary Treatment: Involves chemical oxidation to ensure further purification and compliance with prescribed discharge standards.

Through this structured treatment process, MIDHANI ensures that domestic wastewater is effectively managed and environmentally responsible practices are adopted, even in the absence of a ZLD system.

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

Parameter	Unit	FY 25- 26	FY 24- 25
NOx	Tonnes	0.017	138.70
SOx	Tonnes	0.005	66.90
Particulate matter (PM)	Tonnes	0.004	34.40
Persistent organic pollutants (POP)	Tonnes	-	138.70
Volatile organic compounds (VOC)	Tonnes	-	-
Hazardous air pollutants (HAP)	Tonnes	-	-
Others – please specify	Tonnes	-	-

Note: FY 2025-26 air emissions are reported as total quantities in tonnes, whereas FY 2024-25 figures were reported as pollutant concentrations in mg/Nm^3. Therefore, the figures are not directly comparable.

Note: Indicate any independent assessment/ evaluation/ assurance has been carries out by an external agency? (Y/N) if yes, name of the external agency.

Yes, Sampling and evaluation of air emissions is carried out on a bi-monthly basis by an authorized third-party agency, M/s TEAMS LABS & CONSULTANTS, which is accredited by the State Pollution Control Board.

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

Parameter	Unit	FY 25- 26	FY 24- 25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes OF CO2 equivalent	17,260.33	15,107.84
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes OF CO2 equivalent	49,448.23	43,887.84
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes OF CO2 equivalent/Crore Rs.	55.19	54.93
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[7] (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes OF CO2 equivalent/10 MN USD	1122.56	1134.85
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 equivalent / MT	21.61	19.6
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	Metric tonnes OF CO2e /FTE	77.03	67.73

Note: The FY 2024–25 figures and related calculations have been revised and updated.

Note: Indicate any independent assessment/ evaluation/ assurance has been carries out by an external agency? (Y/N) if yes, name of the external agency.

No independent assessment/evaluation/assurance of Scope 1 and Scope 2 greenhouse gas (GHG) emissions data has been carried out by an external agency during the reporting period.

Total Scope 1 and Scope 2 emission intensity adjusted for Purchasing Power Parity (PPP) has been calculated using the Purchasing Power Parity conversion factor published by the International Monetary Fund (IMF). The PPP conversion factor considered is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.

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

   Yes. MIDHANI has undertaken initiatives related to renewable energy adoption and energy efficiency to reduce energy consumption and associated greenhouse gas emissions. Key initiatives include:

   - Renewable energy: MoU signed with NVVNL for procurement of 850 kW renewable energy under the RESCO model, supporting the transition towards lower-carbon electricity.
   - Power factor improvement: Procurement of 3 MVAr Automatic Power Factor Correction (APFC) panels to improve power factor from 0.96 to 0.99 and optimise electricity utilisation.
   - Efficient transformers: Replacement of old, low-efficiency distribution transformers with high-efficiency transformers.
   - Reduction of distribution losses: Replacement of old 11 kV paper-insulated cables with XLPE-insulated cables to reduce distribution losses and improve power efficiency.
   - Efficient motors: Replacement of old motors with IE-3 efficiency motors in selected operations.
   - Variable Frequency Drives (VFDs): Introduction of VFD controls for selected motor operations to optimise power consumption.
   - Motor optimisation: Replacement/optimisation of motors and gearboxes, including reduction in motor capacity from 25 HP to 20 HP using an IE-3 motor.

   These initiatives are expected to reduce electricity and energy consumption and thereby contribute to the reduction of associated greenhouse gas emissions. The energy-efficiency initiatives have an expected energy saving of approximately 17 lakh units per year, as reported by the Company.

9. Provide details related to waste management by the entity, in the following format[9]:

Parameter	FY 25- 26	FY 24- 25
Total Waste generated (in metric tonnes)		
Plastic waste (**A**)	4.14	0.00
E-waste (**B**)	4.200	3.170
Bio-medical waste (**C**)	0.0510	0.0590
Construction and demolition waste (**D**)	870.00	100.00
Battery waste (**E**)	3.00	0.50
Radioactive waste (**F**)	0.00	0.00

Parameter	FY 25- 26	FY 24- 25
Other Hazardous waste. Please specify, if any. (**G**)	0.00	8.68
Other Non-hazardous waste generated (**H**). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	14.99	0.00
Total (A+B + C + D + E + F + G + H)	**896.39**	**112.41**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (metric tonnes / Crore Rs.)	0.74	0.10
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	15.05	2.07
Waste intensity in terms of physical output	0.29	0.037
Waste intensity (optional) – the relevant metric may be selected by the entity	1.04	0.13
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste – E-waste		
(i) Recycled – E-waste	26.33	12.31
(ii) Re-used	870	100
(iii) Other recovery operations	0.00	0.00
Total	**896.33**	**112.31**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.051	0.059
(ii) Landfilling	0.00	0.04
(iii) Other disposal operations	0.00	0.00
Total	**0.051**	**0.099**

Note: The FY 2024–25 figures and related calculations have been revised and updated.

Note: The significant increase in total waste generated during FY 2025-26 is primarily attributable to the higher generation of Construction and Demolition (C&D) waste during the year. The increase was mainly associated with construction, renovation and other infrastructure-related activities undertaken during the reporting period.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance of waste management data has been carried out by an external agency during the reporting period.

Waste intensity adjusted for Purchasing Power Parity (PPP) has been calculated using the Purchasing Power Parity conversion factor published by the International Monetary Fund (IMF). The PPP conversion factor considered is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

    MIDHANI manages its hazardous and other wastes in accordance with applicable statutory requirements. All categories of hazardous waste, such as pickling sludge, coolant oil, oil-soaked cotton waste and similar by-products, are safely stored in designated areas within the central store until further treatment or disposal.

    For safe disposal, hazardous wastes are handed over to a certified third-party agency, with all movements duly documented through Manifest Form-10 in compliance with applicable regulations. Bio-medical waste is also disposed of through a certified third-party, while e-waste and used batteries are auctioned only to authorized agents. Turnover data of hazardous waste is also regularly submitted to the concerned regulatory authority in the prescribed Form-04 under HWMR.

    MIDHANI's waste management practices are guided by the principles of Reduce, Reuse and Recycle:

    - Reduce: Adoption of waste-reduction technologies and improved inventory management practices to minimize waste generation at source.
    - Reuse: Recirculation of coolant and quench oils within operations to extend their useful life.
    - Recycle: Remelting of metallic scrap in arc melting furnaces to produce primary ingots, thereby reducing dependence on virgin raw materials.

    In alignment with its Consent to Operate (CTO) requirements, MIDHANI has also adopted measures to further reduce hazardous waste generation. Metallic scrap is increasingly utilized in arc melting operations, thereby reducing overall waste volumes. Further, a pickling waste treatment technology has been introduced, wherein liquid discharge from pickling operations is treated with specific chemicals to enable segregation into reusable water and solid pickling sludge.

    Through these measures, MIDHANI focuses on minimizing waste generation, maximizing reuse and recycling, and ensuring the safe and compliant management of hazardous and other wastes generated from its operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

    Not applicable.

    Note: MIDHANI does not have any operations or offices located in or around ecologically sensitive areas requiring environmental approvals or clearances of the nature specified above. Accordingly, this disclosure is not applicable.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

    Not applicable.

    Note: No projects requiring an Environmental Impact Assessment (EIA) under applicable laws were undertaken by MIDHANI during the current financial year. Accordingly, the disclosure is not applicable.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    MIDHANI is compliant with all applicable environmental laws, regulations and guidelines.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   i. Name of the area: Not Applicable.

   ii. Nature of operations: Not Applicable.

   iii. Water withdrawal, consumption and discharge in the following format:

   Not applicable, as MIDHANI does not undertake commercial operations in areas of water stress.

Parameter	FY 25- 26	FY 24- 25
Water withdrawal by source (in kilolitres)	0.00	0.00
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	0.00	0.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres)	0.00	0.00
Total volume of water consumption (in kilolitres)	0.00	0.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00	0.00
Water intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)	0.00	0.00
(i) Into Surface water	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii)Into Groundwater	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) Into Seawater / desalinated water	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(v) Others	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Not Applicable.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 25- 26	FY 24- 25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	16,429.29	-
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent /Crores ₹	13.59	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent / FTE	18.97	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No external review or independent analysis has been undertaken to evaluate our operational practices, performance metrics, or adherence to relevant standards and regulatory frameworks.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy conservation/ efficient measure	• Procurement of 3MVA automatic power factor correction panel for improvement of power factor from 0.96 to 0.99 • Replacement of old low efficiency distribution transformers with New High Efficency in phased manner • Replacement of 11KV old paper insulated cables with XLPE insulated cables to reduce distribution losses and improves reliability. • Replacement of Old motors with IE-3 motors for blower application in 12-HI mill • Replacement of on/off control system of Thyristorised power controller (160A) in Aurora Electrical Heated furnace in Forge Shop. • Introduced VFD control for bogie drive motor operations in LPG fire furnaces in HT shop • Replaced the milling head with gear box by optimizing the motor size from 25HP to 20HP in IE-3 motor.	• Expected outcome- 17 Lakhs Unit/ Year Energy Saving • Improved the thermal efficiency and optimization in power consumption • VFD eliminates the energy losses, low mechanical and thermal stress on the motor and gear box and hence optimizes the power consumption

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2.	Application of clean energy	• MoU signed with NVVNL for Renewable energy power purchase of 850KW in RESCO mode. • Revamping of Fume Extraction System of 5T Electric Arc Furnace, All 400 filter bags were replaced, operation of all 40 no's of Solenoid valves were checked and re-set to healthy condition	• Positive environmental impact, reduced carbon footprint, contribution to sustainable energy transition. • Reduction in fume emission at shop floor level.
3.	Conservation of flora and fauna	Planted ~29,000 saplings across plant premises, corporate office, and township. Developed water bodies (~3,50,000 sq. m) to collect rainwater and treated water, which have evolved into habitats for flora, fauna, and migratory birds.	Enhanced biodiversity, improved ecosystem balance, greenbelt development, and increased employee awareness on sustainability.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   MIDHANI has developed and implemented a comprehensive On-Site Emergency Plan in accordance with the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (Rule 13) and applicable Major Accident Hazard (MAH) guidelines. The plan provides for preparedness, response and mitigation in the event of emergencies or disasters, including leakage of flammable gases or hazardous substances, fire or explosion involving pressurised vessels and furnaces, and unforeseen plant or process upsets. The plan also provides for mobilisation of resources and coordination with external agencies to minimise risks to employees, property, business operations and surrounding communities.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   During the reporting period, no value chain partners were assessed for environmental impacts. Accordingly, no significant adverse environmental impacts arising from the Company's value chain were identified through such assessments, and no specific mitigation or adaptation measures were required in this regard.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   During the reporting period, no value chain partners were assessed for environmental impacts. Accordingly, the percentage of value chain partners assessed for environmental impacts was 0%.

8. Introduction of Green Credits Disclosure

   a. Green Credits generated or procured by the listed entity. – **Nil**

   b. Green Credits generated or procured by the top ten value chain partners (based on purchase and sales value).

      - **Nil**

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. Five

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry	National
2.	Society for Defence Technologist	National
3.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4.	Indian Institute of Metals	National
5.	Federation of Telangana Chamber of Commerce and Industry (FTCCI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

   No adverse orders relating to anti-competitive conduct were received from regulatory authorities during the reporting period. Accordingly, no corrective action was required to be undertaken in this regard.

Leadership Indicators

1. Details of public policy positions advocated by the entity: **None**

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

Note: No projects requiring a Social Impact Assessment (SIA) under applicable laws were undertaken by the Company during the reporting period. Accordingly, the above disclosure is not applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable.

Note: No projects requiring Rehabilitation and Resettlement (R&R) were undertaken by the Company during the reporting period. Accordingly, there are no ongoing R&R projects to report.

3. Describe the mechanisms to receive and redress grievances of the community.

Any community member can raise a complaint through the Company's contact number or e-mail address provided on its website. Such complaints are monitored and addressed, and appropriate records are maintained. Further, stakeholders of the Company may also raise complaints under the Whistle Blower Policy.

For community-based CSR projects, representatives of MIDHANI's CSR team facilitate interactions with beneficiary groups, address their concerns and resolve issues, if any. MIDHANI also regularly interacts with implementing agencies and provides feedback boxes at CSR project sites. The feedback received through these mechanisms is monitored and addressed appropriately.

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

	FY 25- 26	FY 24- 25
Directly sourced from MSMEs/ small producers	25.64%	32.00%
Directly from within India	48.11%	54.50%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 25- 26	FY 24- 25
Rural	0.00%	0.00%
Semi-urban	0.00%	0.00%
Urban	0.00%	0.00%
Metropolitan	100.00%	100.00%

(Place categorized as per RBI Classification system- rural/ semi-urban/ urban/ metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

   Not applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
	Nil	Nil	Nil

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) :

   Yes, MIDHANI has a preferential procurement policy.

   (b) From which marginalized /vulnerable groups do you procure?

   MIDHANI procures from MSEs owned by SC/ ST entrepreneurs and MSEs owned by women entrepreneurs.

   (c) What percentage of total procurement (by value) does it constitute?

   Procured 0.77% of total domestic procurement from SC/ ST MSEs and procured 6.85% of total domestic procurement through MSEs owned by women entrepreneurs.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   Not applicable

   Note: The Company does not own or have any intellectual property based on traditional knowledge. Accordingly, the disclosure relating to benefits derived and shared from such intellectual property is not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. :

   Not applicable

   Note: There were no adverse orders against the Company in relation to intellectual property disputes involving the use of traditional knowledge during the reporting period. Accordingly, no corrective action was required to be undertaken.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Sponsoring the activities of MPHCC	7193	96%
2	Sponsoring free education to SC, ST & OBC children in BPDAV school	60	100%
3	Sponsoring Cancer patients	1500	80%
4	Sponsoring Sewing Machines to women and self-help groups in Ranchi, Jharkhand	174	100%
5	Sponsoring for treatment of patients with severe burns	3	100%
6	Mid-Day Meals through Akshaya Patra	7090	100%

Note: The 7,193 beneficiaries reported under the MPHCC project represent patients belonging to the Below Poverty Line (BPL) category who received treatment through the initiative.

PRINCIPLE 9

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company receives customer complaints and feedback through e-mails, transmittal letters and verbal communications directly addressed to the respective project teams. Customers can also lodge complaints through the contact number, e-mail address and web forms available on the Company's website. Such complaints and feedback are received and addressed through the respective channels.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100.00%
Recycling and/or safe disposal	Not Applicable

Note: Products are made as customer specification/ International Specifications.

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

Particulars	FY 25- 26		Remarks	FY 24- 25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (***Yes/No***) If available, provide a web-link of the policy.

   Yes. MIDHANI has Board Approved Cyber Security Policy, which is available on the https://midhani-india.in/policies/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   There are no incident of Cyber security and Data privacy of Customers, hence not applicable.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches: **None**

   b. Percentage of data breaches involving personally identifiable information of customers: **Not applicable**

   c. Impact, if any, of the data breaches: **Not applicable**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Details of MIDHANI products and services are available on the Company's website http://midhani-india.in/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   MIDHANI manufactures industrial products as per customer specifications and requirements. Relevant technical specifications, product documentation, operating instructions and safety-related information are provided to customers, wherever applicable, to support the safe and responsible use, handling, installation and operation of the products. Customer requirements and technical queries are addressed through appropriate support channels.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Not Applicable. The Company is engaged in the manufacture and supply of specialised metals and alloys and does not provide essential services to consumers. Accordingly, the disclosure relating to disruption or discontinuation of essential services is not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. MIDHANI displays product information in accordance with applicable laws and rules and provides relevant product information to its customers.

   Yes. The Company conducts an annual customer satisfaction survey with its major customers to assess customer satisfaction with its products and services.

For **Mishra Dhatu Nigam Limited**

Sd/-

Dr. S. V. S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Date: August 12, 2026

Annexure-VI

Declaration of compliance with 'Code of Conduct' of the Company

To,

The Members of Mishra Dhatu Nigam Limited,

I, Dr. S. V. S. Narayana Murty, Chairman & Managing Director be hereby declare that:

a) Mishra Dhatu Nigam Limited, has adopted a 'Code of Business Conduct and Ethics' for Board members and senior management as per the Guidelines on Corporate Governance for Public Sector Enterprises, 2010 issued by Department of Public Enterprises, and Regulation 17 of SEBI Listing Regulations;

b) all the Board members and Senior Management Personnel of the Company have complied with the 'Code of Business Conduct and Ethics for Board Members and Senior Management', during the financial year 2025-26; 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. V. S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Place: Hyderabad
Date: 29.05.2026

Annexure- VII

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Mishra Dhatu Nigam Limited

Reg Off: P. O. Kanchanbagh, Hyderabad-500058, Telangana.

Based on our examination and according to the information and explanations provided to us, and subject to the observations stated below, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46, and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") during the financial year ended 31st March 2026.

The Company has also complied with the provisions of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ("DPE") for the said period.

The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

We further 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.

Based on our examination and according to the information and explanations provided to us, and subject to the observations stated below, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46, and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") during the financial year ended 31st March 2026. The Company has also complied with the provisions of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ("DPE") for the said period.

Observations:

a) **Regulation 17(1)(a) & (b):** As on 31st March 2026, the Board comprised three (3) Executive Directors, one (1) Government Nominee Director and three (3) Independent Directors. Since the Chairperson was an Executive Director, one (1) additional Independent Director was required to be appointed.

b) **Regulation 17(1)(c):** The Company had less than six (6) Directors on its Board during the period from 1st April 2025 to 17th April 2025.

c) **Regulation 18(1):** The constitution of the Audit Committee was not in conformity during the periods from 1st April 2025 to 17th April 2025 and from 1st July 2025 to 20th July 2025.

d) **Regulation 19(1):** The constitution of the Nomination and Remuneration Committee was not in conformity during the period from 1st April 2025 to 17th April 2025.

e) **Regulation 20(2):** The constitution of the Stakeholders Relationship Committee was not in conformity during the period from 5th April 2025 to 17th April 2025.

f) **Regulation 21(2):** The constitution of the Risk Management Committee was not in conformity during the period from 5th April 2025 to 17th April 2025.

**Note: The Company, being a Government Company under the administrative control of the Ministry of Defence, Government of India, is dependent upon the Government of India for appointment of Directors, including Independent Directors.*

Place: Hyderabad

Date: 27th May 2026

For **Puttaparthi Jagannatham & Co.**
Company Secretaries
Sd/-

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 7813/2026
UDIN: F009896H000503114

Annexure- VIII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

MISHRA DHATU NIGAM LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MISHRA DHATU NIGAM LIMITED** (a Mini-Ratna PSU) having **CIN: L14292TG1973GOI001660** and having its registered office at P.O. Kanchanbagh, Hyderabad, Telangana- 500058 (hereinafter called the **'Company'**). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and 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, confirmations, clarifications 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, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026, according to the provisions of:

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

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

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

(iv) 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 period under review);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

   (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **(Not applicable to the company during the period under review)**;

   (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **(Not applicable to the company during the period under review)**;

   (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the company during the period under review);**

(h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **- (Not applicable to the company during the period under review);**

(i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **(Not applicable to the company during the period under review);** and

(j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- *The constitution of the Board of Directors of the Company did not have at least onethird of total number of Directors as Independent Directors during the period from 01.04.2025 to 17.04.2025 as required under Section 149(4) of the Companies Act, 2013.*
- *As required under Regulation 17(l)(a) & (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least fifty percent of the Board as Independent Directors, if the Chairman of the Company is an Executive Director. However, it has been observed that:*
  - *As on quarter ended 30.06.2025, the company had 6 (Six) Directors including 2 ([wo) Executive Directors, 1 (One) Govt. Nominee Director and 3 ([hree) Independent Directors. However the company was not in compliance for part of the quarter ended on 30.06.2025.*
  - *As on quarter ended 31.12.2025 and 31.03.2026, the company had 7 (Seven) Directors including 3 (Three) Executive Directors, 1 (One) Govt. Nominee Director and 3 ([hree) Independent Directors. During the aforesaid period the company had to appoint 1 (One) more Independent Director.*
- *As per Regulation 17(1)(c) of Securities and .Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should have at least 6 (Six) directors on its Board. It has been observed that company was having less than 6 (six) Directors on its Board.from 01.04.2025 to 17.04.2025 during the quarter ended 30,06.2025 and from 01.07.2025 to 20.07.2025 during the quarter ended 30.09.2025.*
- *The Company has not filled vacancy in the office of directors caused due to expiration of their respective term of office as prescribed under second proviso to Regulation 17 (1E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- *The constitution of Audit Committee of the Company was not as per Regulation 18(1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 a/Companies Act, 2013 during the period.from 01.04.2025 to 17.04.2025.*
- *The constitution of Nomination and Remuneration Committee of the Company was not as per Regulation 19 (1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 during the period from 01.04.2025 to 17.04.2025.*
- *The constitution of Stakeholders Relationship Committee of the Company was not as per Regulation 20(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 during the period.from 05.04.2025 to 17.04.2025.*
- *The constitution of Risk Management Committee of the Company was not as per Regulation 21 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period from 05.04.2025 to 17.04.2025.*

- *The constitution of Corporate Social Responsibility Committee of the Company was not as per Section 135 of Companies Act, 2013 during the period.from 05.04.2025 to 17.04.2025.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. *However, the appointment of Independent Directors is not as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.* 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. In terms of Articles of Association of the Company, all appointments to the Board are made by Government of India.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

We further report that during the period under review

- BSE Limited and National Stock Exchange of India Limited have individually imposed on the Company a fine of Rs. 17,52,300/- including GST for non-compliance with the requirements pertaining to the composition of the Board of Directors as per Regulation 17(1), constitution of Audit Committee as per Regulation 18(1), constitution of Nomination and Remuneration Committee as per Regulation 19(1), constitution of Stakeholders Relationship Committee as per Regulation 20(2) and constitution of Risk Management Committee as per Regulation 21 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company did not pay fine levied by the stock exchanges. The company also periodically approached Administrative Ministry for appointment of Directors on the Board.

  Further, Company had replied to the Stock Exchanges on the said matter stating that it is a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of Defence, Government of India and as per Article 67 of the Articles of Association of the Company, inter alia, the President of India shall appoint all members of the Board of Directors. Company has also submitted fine waiver request to stock exchanges as per Policy for Exemption of Fines Levied as per the provisions of SEBI SOP Circular and has not paid any fine to Stock Exchanges during the year.

Place: Hyderabad

Date: 26.05.2026

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Sd/-

CS Mohit Kumar Goyal
PARTNER
FCS: 9967, CP NO:12751
UDIN: F009967H000491151
PR NO: 6326/2024

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,

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever 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.

Place: Hyderabad
Date: 26.05.2026

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Sd/-

CS Mohit Kumar Goyal
PARTNER
FCS: 9967, CP NO:12751
UDIN: F009967H000491151
PR NO: 6326/2024

Management's reply to observations under Secretarial Audit Report

Sl. No.	Observations of Secretarial Auditor	Management's Reply
1.	➢ *The constitution of the Board of Directors of the Company did not have at least one-third of total number of Directors as Independent Directors during the period from 01.04.2025 to 17.04.2025 as required under Section 149(4) of the Companies Act, 2013.* ➢ *As required under Regulation 17(1)(a) & (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least fifty percent of the Board as Independent Directors, if the Chairman of the Company is an Executive Director. However, it has been observed that:* ➢ *As on quarter ended 30.06.2025, the company had 6 (Six) Directors including 2 (Two) Executive Director, 1 (One) Govt. Nominee Director and 3 (Three) Independent Directors. However the company was not in compliance for part of the quarter ended on 30.06.2025.* ➢ *As on quarter ended 31.12.2025 and 31.03.2026, the company had 7 (Seven) Directors including 3 (Three) Executive Directors, 1 (One) Govt. Nominee Director and 3 (Three) Independent Directors. During the aforesaid period the company had to appoint 1 (One) more Independent Director.* ➢ *As per Regulation 17(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should have at least 6 (Six) directors on its Board. It has been observed that company was having less than 6 (six) Directors on its Board from 01.04.2025 to 17.04.2025 during the quarter ended 30.06.2025 and from 01.07.2025 to 20.07.2025 during the quarter ended 30.09.2025.* ➢ *The Company has not filled vacancy in the office of directors caused due to expiration of their respective term of office as prescribed under second proviso to Regulation 17 (1E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*	During FY 2025-26 and as on March 31, 2026, MIDHANI was not compliant with applicable provisions of Companies Act, 2013 and relevant Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to: a) Composition of Board of Directors i.e. minimum number of Board of Directors; b) Minimum number of Independent Directors on Board; c) At least half of the Board to comprise of Independent Directors; and d) Composition of various board level Committees which require minimum number of Independent Directors for its constitution. The non-compliance was due to vacancies of Independent Directors on the Board of MIDHANI from to time. MIDHANI being a Government Company, as per its Articles of Association, the authority to appoint Directors on the Board of MIDHANI vests with 'The President of India' acting through Administrative Ministry i.e. Ministry of Defence. The Board of Directors does not have any role in appointment of Directors on the Board MIDHANI.

Sl. No.	Observations of Secretarial Auditor	Management's Reply
	➢ *The constitution of Audit Committee of the Company was not as per Regulation 18(1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of Companies Act, 2013 during the period from 01.04.2025 to 17.04.2025.* ➢ *The constitution of Nomination and Remuneration Committee of the Company was not as per Regulation 19 (1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 during the period from 01.04.2025 to 17.04.2025.* ➢ *The constitution of Stakeholders Relationship Committee of the Company was not as per Regulation 20(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 during the period from 05.04.2025 to 17.04.2025.* ➢ *The constitution of Risk Management Committee of the Company was not as per Regulation 21(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period from 05.04.2025 to 17.04.2025.* ➢ *The constitution of Corporate Social Responsibility Committee of the Company was not as per Section 135 of Companies Act, 2013 during the period from 05.04.2025 to 17.04.2025.*	Hence, MIDHANI has no control over non-compliance arising out of non-appointment of Directors (Executive/Non-Executive/Independent) on the Board of MIDHANI. MIDHANI has not paid any fine to Stock Exchanges during FY 2025-26 and have submitted fine waiver request to Stock Exchanges considering impossibility of compliance on part of MIDHANI. The fine waiver request was submitted in line with Policy for exemption of Fine levied.

For **Mishra Dhatu Nigam Limited**

Sd/-

Dr. S.V.S. Narayana Murty

Chairman & Managing Director

DIN: 11065319

Place: Hyderabad

Date: May 27, 2026

Annexure- IX

CEO and CFO Compliance Certificate

We, Dr. S.V.S. Narayana Murty, Chairman & Managing Director and Smt. Madhubala Kalluri, Director (Finance) & Chief Financial Officer certify that:

a) We have reviewed the Financial Statements for the Year Ended 31st March, 2026 and to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the Year Ended 31st March, 2026 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal financial controls over financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Board and steps have been taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Board that:

   i) there has not been any significant change in internal control over financial reporting during the period under reference;

   ii) the changes in Accounting Policies during the period and its impact on financial statements; and

We are not aware of any instance during the period of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal financial control system over financial reporting.

Sd/-
Dr. S. V. S. Naryana Murty
Chairman & Managing Director
DIN:11065319

Sd/-
Smt. Madhubala Kalluri
Director (Finance) & CFO
DIN: 11202794

Place: Hyderabad
Date : 29.05.2026

Annexure- X

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Mishra Dhatu Nigam Limited

Reg Off: P. O. Kanchanbagh, Hyderabad-500058, Telangana, India.

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Mishra Dhatu Nigam Limited having CIN: L14292TG1973GOI001660 and having its registered office at the address mentioned above (hereinafter referred to as "the Company"), maintained by the Company and produced before us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our verification of the records, disclosures, and information made available to us, including the status of Directors' Identification Numbers (DINs) as available on the website of the Ministry of Corporate Affairs (MCA)(www.mca.gov.in), and to the best of our knowledge and according to the information and explanations furnished to us by the Company and its officers, we hereby certify that:

None of the Directors on the Board of the Company as on 31st March 2026 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

The details of Directors as on the end of the financial year and during the relevant period are as follows:

S. No.	Names of Director	DIN	Date of Appointment
1	Ajay Kumar Chauhan	09394953	18/04/2025
2	Padavittan Babu	11233808	07/10/2025
3	Madhubala Kalluri	11202794	21/07/2025
4	Vallikkat Thanayankizhil Rema	09561611	18/04/2025
5	Thulasiraman Muthukumar	09636771	23/06/2022
6	Narayanamurty Susarla Venkata Surya	11065319	28/04/2025
7	Amit Satija	08989543	10/12/2024
8	Aruna Sarap	09583629	18/04/2025

Note:

• Ms. Vallikkat Thanayankizhil Rema (DIN: 09561611), Non-Executive Independent Director, ceased to hold office upon completion of tenure with effect from 5th April 2025 and was re-appointed by the Ministry of Defence with effect from 18th April 2025 for a further period of one year.

• Mr. Gowri Sankara Rao Naramsetti (DIN: 08925899), Director (Finance) and CFO, ceased to hold office upon completion of tenure with effect from 1st June 2025.

• Mr. Thulasiraman Muthukumar (DIN: 09636771), Director, ceased to hold office upon completion of tenure with effect from 1st July 2025.

The responsibility for ensuring the eligibility of Directors for appointment and continuation in office rests with the management of the Company. Our responsibility is limited to examining the records and disclosures made available to us and issuing this certificate based on such verification.

This certificate 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.

Place: Hyderabad

Date: 27th May, 2026

For **Puttaparthi Jagannatham & Co.**
Company Secretaries
Sd/-

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 7813/2026
UDIN: F009896H000503061

FINANCIAL STATEMENT

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 29.05.2026 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 disclosure under "Other Matters" para. This report supersedes our earlier report issued on 29.05.2026.

Opinion

We have audited the accompanying standalone financial statements of **Mishra Dhatu Nigam Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 31st March, 2026, and its profit, total comprehensive income, changes of 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 ("ICAI") of India 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period.

These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

i) **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 focuses on Revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognized before control has been transferred.	**How the matter was addressed in our audit** Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence: 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 2. Examined whether the basis of recognition of revenue is in accordance with the applicable accounting standards.

The standard on Revenue establishes a comprehensive framework for determining when, how and under what conditions 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.	3. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer on sale. 4. Verified whether the company has instituted adequate cut off procedures in relation to sales. 5. Carried out analytical procedures on revenue recognized during the year to identify unusual variances, if any. Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.

ii) **Inventory:**

Refer Accounting Policy No.2.8, Note No. 10 and 31st to the standalone financial statements.

Inventory was identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key financial and operational indicator. This could create an incentive for inventory to be overstated. Inventory valuation involves certain key managerial judgements including accounting estimates that have been identified as having high estimation uncertainty in measuring inventory valuation.	**How the matter was addressed in audit** Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence: 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to Inventory. 2. Review of physical verification of inventory with the company and held by Job workers. 3. For inventory held with Job Workers, wherever physical verification was not conducted, verified confirmations received by management at the year end. 4. Ensured that appropriate adjustments are made to inventory wherever variances were observed in physical verification and in the review of external confirmations. 5. Examined the inventory valuation policies and methods used for its appropriateness and compliance with the applicable accounting standards. 6. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 7. Examined whether the company has instituted appropriate cut off procedures for recognition of inventory. 8. Performed analytical review procedures in relation to inventory. Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.

iii) **Consumption of Raw Material**

Refer Note No. 30 to standalone financial statements.

Cost of material consumed is identified as a key audit matter as the Company as well as its external stakeholders focuses on Inventory as a key operational indicator.	**How the matter was addressed in audit** Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence: 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to procurement, issues, consumption, allocation, recording and recognition of Inventory in respect of Raw Material, reusable scrap and WIP.

Cost of material consumed is a substantial portion of the total production costs, and the same is a significant part of total expense for the Company. Given the complexity involved in production processes, gap between input and output, there is a risk of costs may not be accurately ascertained, allocated or recorded that could lead to potential misstatements.	2. Substantive checking of material procurement and its recording to ensure compliance with the relevant accounting policies adopted and the applicable accounting standards. 3. Substantive checking of recording consumption and allocation to WIP to ensure compliance with the relevant accounting policies adopted. 4. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 5. Performed analytical review procedures in relation to inventory consumption. Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.

Emphasis of Matter

We draw attention to the following matters in the notes to the standalone financial statements:

1. Note No. 9 (Other Non-Current Assets), Note No.11 (Current Financial Assets Trade - Receivables), Note No. 14 (Current Financial Assets - Others), Note No. 15 (Other Current Assets), Note No. 22 (Other Non-current Liabilities), Note No. 24 (Current Financial Liabilities - Trade Payables), Note No. 25 (Current Financial Liabilities - Others) and Note No. 26 (Other Current Liabilities) to the standalone financial statements are subject to receipt of confirmation of balances/reconciliation.

Our opinion on the standalone financial statements is not modified in respect of the above matters.

Information other than the standalone financial statements and auditors' report thereon

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the 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 auditor's 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 responsibility for the standalone financial statements

The Company's board of directors are 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 cash flows, other comprehensive income, changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 also 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 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 Matter

We draw attention that the Company is not complying with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pertaining to the required composition of its Board of Directors.

We draw attention that the term of Independent Directors ended on 17.04.2026, therefore the annual accounts for FY 2025-26, were directly approved by the Board at its meeting held on 29.05.2026.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone of cash flows dealt with by this report are in agreement with the books of account 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 over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

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

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c. There has been no delay in amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

h) Based on our examination, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) and the same has operated throughout the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

3. 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;

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568MGINYB5755

Date: 2nd July, 2026
Place: Hyderabad

Annexure "A" to Independent Audit Report on Standalone Financial Statements

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' Section of our report to the members of Mishra Dhatu Nigam Limited for the year ended 31st March, 2026)

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

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

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

(c) According to the information and explanations given to us and as per the records examined by us, the title deeds of the immovable properties comprising of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date except for the following:

Sl.No.	Particulars	Land Details
1	Description of property	1. Factory Area: 132 acres and 31st Guntas 2. Corporate Office: 8.00 Acres 3. Township Area: 97 Acres and 05 Guntas 4. Under lease to DRDO & Others: 37 Acres and 39 Guntas
2	Gross carrying value	Rs. 128.82 Lakh
3	Held in the name of	DMRL, Ministry of Defence. However, in some land award proceedings, MIDHANI's name is mentioned as Super Alloy Plant of DMRL
4	Whether Promoter, Director or their relative or employee	No
5	Period Held. Indicate Range where appropriate	Since 1975/1977/1985/1986
6	Reason for not being held in the name of the Company	Conveyance Deed for 275 Acres and 35 Guntas of land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/ granted by the undivided Govt. of AP earlier. In the said Grant proceedings, MIDHANI is mentioned as Super Alloy Plant of DMRL (Defence Organization). Further, out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.

(d) As per the information and explanations given to us, the company has not revalued any of its Property, Plant and Equipment (including Right of use of asset) or intangible assets or both during the year. Accordingly, clause 3(i) (d) is not applicable for the year under review.

(e) According to the information and explanation provided to us and the records examined by us, no proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. Accordingly, clause 3(i)(e) of the order is not applicable.

3(ii) (a) According to the information and explanation provided to us, the inventory has been physically verified by the management at reasonable intervals. The procedure for physical verification is appropriate having regard to the nature, size, scale and volume of business operations. No discrepancies exceeding 10% or more in the aggregate of net carrying value of each class of inventory were noticed. However, the discrepancies noticed, having regard to the nature and the size of the business, on physical verification have been adequately dealt with.

(b) During the year, the company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.

3(iii) During the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii) of the order is not applicable.

3(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.

3(v) According to the information and explanations given to us and based on our examination of records, the company has not accepted any deposits and accordingly clause 3(v) of the order is not applicable.

3(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

3(vii) (a) According to the information and explanations given to us, the company is regular in depositing its dues in respect of Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess. We were informed by the management that there were no dues under any other statues. There are no arrears of undisputed amounts payable as at year end for a period of more than 6 months from the date they became payable.

(b) 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, 2026, on account of disputes pending before appropriate authorities as given in **Annexure – "B".**

3(viii) According to the information and explanations given to us and the records of the company examined by us, there are no transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

3(ix) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not defaulted in repayment of dues to any financial institution or bank or government during the year. The Company has not issued any debentures.

(b) According to the information and explanation given to us and records examined by us, the company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

(c) According to the information and explanation given to us and records examined by us, the company has applied term loans for the purpose for which they were obtained.

(d) According to the information and explanation given to us and records examined by us, the company has not used the funds raised for short term funds basis for the long-term purposes.

(e) According to the information and explanation given to us and records examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of any other entities.

(f) According to the information and explanation given to us and records examined by us, the company has not raised any loans during the year on the pledge of securities held.

3(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

3(xi) (a) According to the information and explanations given to us and records examined by us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, there were no instances which necessitated filing of report under sub-section (12) of section 143 of the Companies Act in Form ADT – 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(b) According to the information and explanations given to us and records examined by us, no complaints were received from any whistle-blower, neither against the Company nor any of the managerial personnel.

3(xii) The Company is not a Nidhi Company. Hence, clause 3(xii) of the order is not applicable.

3(xiii) According to the information and explanations given to us and records examined by us, the transactions with the related parties are in compliance, wherever applicable, with section 177 and 188 of the Act and the details of such transactions, have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

(b) The reports of the internal auditors for the period under audit were considered during the audit.

3(xv) According to the information and explanations given to us and records examined by us, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the order is not applicable.

3(xvi) According to the information and explanations given to us and records examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. The company did not conduct any Non-Banking Financial or Housing Finance activity. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under clause 3(xvi) of the order is not applicable.

3(xvii) The Company has neither incurred cash loss during the year under consideration nor in the immediately preceding financial year.

3(xviii) During the year under review, there has been no instance of any resignation of the Statutory Auditors. Hence the provisions of para (xviii) of the said order are not applicable.

3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

3(xx) (a) The company has no unspent fund in respect of projects other than ongoing projects under the provisions of Section 135 of the Companies Act.

(b) The Company has no amount remaining unspent under Section 135(5) of the Companies Act, pursuant to any ongoing project.

3(xxi) There are no qualifications or adverse remarks by the Auditors of the Joint Controlled Entity, whose share of profit/loss is included in the consolidated financial statements of the Company.

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568MGINYB5755

Date: 2nd July, 2026
Place: Hyderabad

Annexure "B" to the Independent Auditor's Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR Ended 31ST MARCH, 2026 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph vii(c) of Annexure A, a statement on the matters specified in the Companies (Auditor's Report) Order, 2020 (as amended) of the Company for the year ended on 31st March, 2026)

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)

Sl. No.	Name of the Statute	Nature of Dues	Total Demand Amount	Paid under Protest	Period to which the amount re-lates	Forum where dispute is pending
1	Customs Act, 1962	Customs Duty & Penalty	540.89	20.28	2009-12	CESTAT
2	Finance Act, 1994	Service Tax on LD received from Vendors	154.20	7.71	01/07/2012 to31st/03/2016	CESTAT
3	Customs Act, 1962	Customs Duty & Penalty	106.20	-	2011-12	CESTAT
4	CST Act, 1956	CST	143.60	109.44	2010-11	VAT Tribunal
5	Finance Act, 1994	Service Tax on LD received from Vendors	33.21	3.32	2016-17	CESTAT
6	VAT Act, 2005	VAT	47.83	23.92	02/2014 to 06/2017	Deputy Commissioner (ST), Charminar, Hyderabad & VAT Tribu-nal,Telangana
7	Income Tax Act,1961	Income Tax Penalty (De-mand notice u/s 156 of the Act)	62.90	-	2023-24	Commissioner of Income Tax (Appeals) CIT(A).

Annexure "C" to the Independent Auditor's Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR Ended 31ST MARCH, 2026 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Mishra Dhatu Nigam Limited for the year 25-26)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mishra Dhatu Nigam Limited** ("the Company") as at 31st March, 2026, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in 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 control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

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

ii) 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

iii) 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.

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568MGINYB5755

Date: 2nd July, 2026
Place: Hyderabad

Annexure "D" to the Independent Auditor's Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 3 under "Report on other legal and regulatory requirements" section of our report to the members of Mishra Dhatu Nigam Limited of even date)

Reports on the directions under section 143(5) of Companies Act,2013 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	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The investments, made directly by the Company or through Trusts, for Post-retirement benefits of the employees have been valued appropriately in accordance with the applicable financial reporting framework and applicable regulations. The valuation approach and valuation methodologies applied by the company for these investments is appropriate.	NIL
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies financial reporting process as well as cyber security has been done by Information Security Auditing Organization empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, may also be reported.	Company is using Oracle ERP software to record all business and financial transactions including Purchase Accounting, Sales Accounting, and 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 are 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. Review of ERP system and controls including Roles and Responsibilities conducted by Internal team. ERP complete infrastructure audited by Cert-In empanelled auditor. Information Security Audit – Vulnerability Assessment and Penetration Testing (VAPT) conducted at a minimum frequency of once in a year. Recent VAPT audit of IT Infrastructure by Cert-In empaneled auditor conducted in the month of Jan-2026. The audit includes configuration review of the entire critical IT infrastructure – Network active components, Servers, Desktops, etc. Cyber Security Policy revised in 2026 towards cyber security framework upgradation. 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 2025-26.	NIL

Sl No	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilized as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	According to the information and explanations given to us and based on the examination of the books and records of the company, during the Financial Year 2025-26, no funds were received by the Company for any specific schemes.	NIL
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) Whether the Risk Management Policy has been formulated considering global best practices? (b) Whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified key risk areas and has formulated a Board-approved Risk Management Policy for monitoring and mitigation of such risks. The policy is implemented and the identified risks are periodically reviewed and monitored by the Risk Management Committee. (a) As represented by the management, the Risk Management Policy has been formulated considering the nature, scale and complexity of the Company's operations and incorporates generally accepted/global risk management practices, wherever considered appropriate. (b) The Company has identified its data assets, including operational, financial, technical, design, production, manufacturing, maintenance, vendor, procurement, pricing, contract, customer and other databases. Data assets acquired for monetary consideration are recognized and valued in accordance with the applicable accounting standards. Internally generated information/data, which cannot be reliably measured in monetary terms, are appropriately managed and safeguarded.	NIL

Sl No	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on the information and explanations given to us, representations made by the management, and audit procedures carried out by us, the company is generally complying with the provisions of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable, except with respect to non-appointment of directors on the Board which is in purview of administrative ministry.	NIL

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568MGINYB5755

Date: 2nd July, 2026
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 2026

The preparation of financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2026 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 02 July 2026, which supersedes their earlier Audit Report dated 29 May 2026.

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 2026 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 auditor's report under section 143(6) (b) of the Act.

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

Sudha Rajan

(Sudha Rajan)
Director General of Audit, Defence - Commercial

Place: Bengaluru
Date: 29 July 2026

STANDALONE BALANCE SHEET As At 31st March, 2026

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS:			
Non-current assets			
Property, Plant and Equipment	3	1,06,359.49	1,07,119.42
Capital work-in-progress	5	1,580.18	2,508.78
Other Intangible assets	4	270.95	284.07
Financial Assets			
(i) Investments	6	2,273.20	2,483.31
(ii) Loans	7	-	-
Non current tax assets (Net)	8	-	-
Other non-current assets	9	0.01	360.95
Total Non-Current Assets		**1,10,483.83**	**1,12,756.53**
Current assets:			
Inventories	10	1,33,260.59	1,28,097.93
Financial Assets			
(i) Trade receivables	11	55,422.72	41,031.36
(ii) Cash and cash equivalents	12	19,208.90	5,088.18
(iii) Bank balances [other than (ii) above]	13	12.59	13.63
(iv) Others	14	2,078.79	2,058.60
Other current assets	15	1,545.99	2,370.17
Total Current Assets		**2,11,529.58**	**1,78,659.87**
Total Assets		**3,22,013.41**	**2,91,416.40**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	18,734.00	18,734.00
Other Equity	17	1,34,347.51	1,22,713.93
Total Equity		1,53,081.51	1,41,447.93
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,906.12	3,907.88
(ia) Lease Liabilities		8,025.32	8,064.25
(ii) Others	19	109.83	109.83
Provisions	20	240.84	232.45
Deferred tax liabilities (net)	21	5,605.17	5,184.33
Other non-current liabilities	22	68,949.56	63,913.32
Total Non-current liabilities		**84,836.84**	**81,412.06**

STANDALONE BALANCE SHEET As At 31st March, 2026

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
Current Liabilities			
Financial liabilities			
(i) Borrowings	23	26,495.62	19,499.90
(ia) Lease Liabilities		4,257.86	3,504.01
(ii) Trade payables	24		
(A) Micro enterprises and Small Enterprises		1,108.67	554.15
(B) Other than Micro enterprises and Small enterprises		10,278.19	8,772.44
(iii) Others	25	10,761.59	11,424.49
Other current liabilities	26	27,932.05	21,765.35
Provisions	27	3,261.08	3,036.07
Total Current Liabilities		**84,095.06**	**68,556.41**
Total Equity and Liabilities		**3,22,013.41**	**2,91,416.40**
The accompanying notes 1 to 49 form an integral part of the financial statements.			

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

UDIN: 26280568DQFCRJ1839
Place: Hyderabad
Date: 29-05-2026

STANDALONE STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March, 2026

(₹ in Lakh)

Particulars			Note No.	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Income					
	Revenue From Operations		28	1,20,862.59	1,07,410.15
	Other Income		29	3,800.74	3,092.15
Total Income				**1,24,663.33**	**1,10,502.30**
Expenses					
	Cost of material consumed		30	50,560.75	42,222.15
	Change in inventories of finished goods, work-in-progress and stock-in-trade		31	1,470.61	847.77
	Employee benefits expense		32	14,490.19	14,233.86
	Finance Costs		33	2,505.38	2,944.77
	Depreciation and amortization expense		3, 4	6,644.05	6,348.12
	Other expenses		34	30,582.95	28,301.73
Total Expenses				**1,06,253.93**	**94,898.40**
Profit / (Loss) before exceptional items and tax				**18,409.40**	**15,603.90**
Exceptional Items - Income / (Expense)				-	-
Profit / (Loss) before tax				**18,409.40**	**15,603.90**
	Tax expense				
		Current Tax	35	4,910.30	3,880.97
		Earlier Year Tax		(0.36)	(0.49)
		MAT Credit Entitlement			
		Deferred Tax		420.84	716.55
Profit / (Loss) for the period				**13,078.62**	**11,006.87**
Other Comprehensive Income					
A	(i)	Items that will not be reclassified to profit or loss		197.19	(130.83)
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		(49.63)	32.93
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				147.56	(97.90)
Total Comprehensive Income for the period				**13,226.18**	**10,908.97**

STANDALONE STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March, 2026

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		6.98	5.88
Diluted (₹)		6.98	5.88
Weighted average number of shares (Nos.) (Basic & Diluted)		18,73,40,000	18,73,40,000

The accompanying notes 1 to 49 form an integral part of the financial statements.

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

UDIN: 26280568DQFCRJ1839
Place: Hyderabad
Date: 29-05-2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) As at 31st March, 2026

(₹ in Lakh)

Balance as at 01st April, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2025	Changes in share capital during the F.Y. 2025-26	Balance as at 31st March, 2026
18,734.00	-	18,734.00	-	18,734.00

(2) As at 31st March, 2025

Balance as at 01st April, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2024	Changes in share capital during the F.Y. 2024-25	Balance as at 31st March, 2025
18,734.00	-	18,734.00	-	18,734.00

B. Other Equity

(1) As at 31st March, 2026

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2025	**8,181.47**	**1,14,575.87**	**(43.41)**	**1,22,713.93**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 01st April, 2025	**8,181.47**	**1,14,575.87**	**(43.41)**	**1,22,713.93**
Profit for the Period	13,078.62			13,078.62
Remeasurement of the net defined benefit liability / asset, net of tax effect			147.56	147.56
Dividends	(1,592.60)			(1,592.60)
Transfer to General Reserve	(9,800.00)	9,800.00		-
Balance as at 31st March, 2026	**9,867.49**	**1,24,375.87**	**104.15**	**1,34,347.51**

(2) As at 31st March, 2025

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2024	**6,679.94**	**1,06,475.87**	**54.49**	**1,13,210.30**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 01st April, 2024	6,679.94	1,06,475.87	54.49	1,13,210.30
Profit for the Period	11,006.87			11,006.87
Remeasurement of the net defined benefit liability / asset, net of tax effect			(97.90)	(97.90)

STANDALONE STATEMENT OF CHANGES IN EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Dividends	(1,405.34)			(1,405.34)
Transfer to General Reserve	**(8,100.00)**	**8,100.00**		**-**
Balance as at 31st March, 2025	**8,181.47**	**1,14,575.87**	**(43.41)**	**1,22,713.93**

The accompanying notes 1 to 49 form an integral part of the financial statements.

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Place: Hyderabad
Date: 29-05-2026

STANDALONE STATEMENT OF CASH FLOW

For The Year Ended 31st March, 2026

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year ended 31st March, 2025
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	18,409.40	15,603.90
Adjustments for:		
Depreciation expense	6,644.05	6,348.12
Finance costs	1,790.45	2,226.89
Interest on Lease Liability	714.93	717.88
Interest income	(1,053.69)	(720.23)
Deferred Income from customer funded assets/Grant	(864.67)	(864.67)
Other Comprehensive Income	197.19	(130.83)
Profit / Loss on sale of Fixed Assets	2.64	(5.90)
	25,840.30	**23,175.16**
Working capital adjustments:		
(Increase) decrease in inventories	(5,162.66)	2,873.88
(Increase) decrease in trade receivables and loans	(14,391.36)	(8,731.19)
(Increase) decrease in other financial assets	132.88	(180.34)
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	824.94	7,643.48
Increase (decrease) in trade payables	2,060.27	(2,670.71)
Increase (decrease) in other financial liabilities	(314.15)	194.24
Increase (decrease) in provisions	(138.13)	(106.06)
Increase (decrease) in non-current liabilities	5,036.24	1,600.65
Increase (decrease) in other current liabilities	6,166.70	1,531.43
Cash generated from operating activities	**20,055.03**	**25,330.54**
Income tax paid (net)	(4,588.04)	(3,634.05)
Net cash from(used in) operating activities (A)	**15,466.99**	**21,696.49**
Cash flow from investing activities		
Acquisition of property, plant and equipment (Net)	(4,930.97)	(6,769.14)
Deferred Income from Customer funded assets/Grant	864.67	864.67
Profit / Loss on sale of Fixed Assets	(2.64)	5.90
Investment in other projects	210.11	(273.20)
Interest received	900.62	554.29
Investment in fixed deposits	(12,000.00)	(4,000.00)
Net cash from/(used in) investing activities (B)	**(14,958.21)**	**(9,617.48)**
Cash flows from financing activities		
Repayment of Borrowings	(19,499.90)	(26,500.00)

STANDALONE STATEMENT OF CASH FLOW

For The Year Ended 31st March, 2026

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year ended 31st March, 2025
Availment of borrowings	24,493.86	17,493.65
Dividend on shares	(1,591.56)	(1,405.26)
Lease Liability	714.92	717.89
Interest on Lease Liability	(714.93)	(717.88)
Interest paid	(1,790.45)	(2,226.89)
Net cash flow from (used in) financing activities (C)	**1,611.94**	**(12,638.49)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**2,120.72**	**(559.48)**
Cash and cash equivalents at 1st April	1,088.18	1,647.66
Cash and cash equivalents at the reporting date	**3,208.90**	**1,088.18**
Reconcilliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	3,208.90	1,088.18
Other bank balances not considered above		
- Term Deposit	16,000.00	4,000.00
Cash and cash equivalents (including Term Deposits) at the reporting date	**19,208.90**	**5,088.18**

The accompanying notes 1 to 49 form an integral part of the financial statements.

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

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CA B Mohan lal
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Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Place: Hyderabad
Date: 29-05-2026

Standalone significant accounting policy

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 Financial Statements for the period ended 31st March 2026 are approved by the Board of Directors and authorized for issue on 29 May 2026 by Board.

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], as amended from time to time, 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 judgment

The preparation of financial statements in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of alloys may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company is acting as the principal or as an agent of the customer. The company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer's prior inspection is stipulated; revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts,

Standalone significant accounting policy

revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Customer contributed equipment to facilitate Company's fulfilment of contract are accounted as non-cash consideration received from Customer and are measured at fair value.

Use of significant judgments in revenue recognition:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Standalone significant accounting policy

Contract fulfillment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through statement of profit and loss.

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees. The Company has Post-Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss. The Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

The Company has Gratuity and contribution towards Provident Fund under this category.

iii. Compensated Absence

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by

Standalone significant accounting policy

an independent actuary using the Projected Unit Credit Method. The liability includes the long-term component accounted on a discounted basis and the short-term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01st April, 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

a) It is probable that future economic benefits associated with the item will flow to the Company and;

b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

Standalone significant accounting policy

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 (a) Re-usable process scrap, process rejections and sales rejections with customers for return

At estimated realizable value for scrap.

(b) Scrap Identified for Sale

At estimated realizable value or market value whichever is less

v Tools and Gauges

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

Standalone significant accounting policy

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

Standalone significant accounting policy

provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

i. Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Except Trade Receivable, 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

Standalone significant accounting policy

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.

Standalone significant accounting policy

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.

2.18 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are netted-off from revenue on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.19 Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.20 Physical verification of Fixed Assets and Inventory:

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.

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

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.21 Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7-Statement of Cash Flows.

2.22 New standards and interpretations not yet effective:

i. A number of new standards, amendments to standards and interpretations are not yet effective as on the reporting date, and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

2.23 Government Grants:

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

Standalone significant accounting policy

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

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 31st March, 2026
Land	1,718.39	-	-	1,718.39	-	-	-	-	1,718.39
Buildings/Drainage/ Water systems	9,736.70	645.71	(5.79)	10,376.62	1,688.71	370.88	(2.32)	2,057.27	8,319.35
Plant and Equipment	90,245.26	4,705.82	(130.76)	94,820.32	20,653.98	4,050.83	(111.78)	24,593.03	70,227.29
Furntiure and Fixtures	624.09	19.07	(7.22)	635.94	420.79	42.14	(6.97)	455.96	179.98
Vehicles	640.75	32.12	(8.77)	664.10	399.80	45.84	(7.87)	437.77	226.33
Office Equipment	1,991.61	233.79	(33.39)	2,192.01	1,391.65	240.84	(26.94)	1,605.55	586.46
Other (Electrical Installations)	4,244.74	132.53	(0.77)	4,376.50	1,628.81	353.10	(0.61)	1,981.30	2,395.20
Others (Roads and Bridges)	443.96	-0.00	(0.43)	443.53	214.03	82.84	(0.39)	296.48	147.05
Right of Use Assets									
Buildings/Drainage/ Water systems	4,934.22	-	-	4,934.22	767.12	157.81		924.93	4,009.29
Plant and Equipment	21,564.15	-	-	21,564.15	3,337.02	819.44	-	4,156.46	17,407.69
Other (Electrical Installations)	3,526.35	-	-	3,526.35	2,048.89	335.00	-	2,383.89	1,142.46
Total	**1,39,670.22**	**5,769.04**	**(187.13)**	**1,45,252.13**	**32,550.80**	**6,498.72**	**(156.88)**	**38,892.64**	**1,06,359.49**

Notes to Standalone Financial Statements

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 31st March, 2025
Land	1,718.39	-	-	1,718.39	-	-	-	-	1,718.39
Buildings/Drainage/ Water systems	7,940.14	1,799.15	(2.59)	9,736.70	1,360.84	329.75	(1.88)	1,688.71	8,047.99
Plant and Equipment	82,408.69	7,925.23	(88.66)	90,245.26	16,869.06	3,860.65	(75.73)	20,653.98	69,591.28
Furntiure and Fixtures	632.47	5.31	(13.69)	624.09	382.62	51.19	(13.02)	420.79	203.30
Vehicles	616.93	82.77	(58.95)	640.75	402.53	53.55	(56.28)	399.80	240.95
Office Equipment	1,869.51	158.00	(35.90)	1,991.61	1,207.27	214.75	(30.37)	1,391.65	599.96
Other (Electrical Installations)	3,618.82	630.32	(4.40)	4,244.74	1,302.39	330.60	(4.18)	1,628.81	2,615.93
Others (Roads and Bridges)	443.96	-	-	443.96	130.34	83.69	-	214.03	229.93
Right of Use Assets									
Buildings/Drainage/ Water systems	4,934.22	-	-	4,934.22	609.31	157.81		767.12	4,167.10
Plant and Equipment	21,564.15	-	-	21,564.15	2,517.58	819.44	-	3,337.02	18,227.13
Other (Electrical Installations)	3,526.35	-	-	3,526.35	1,713.89	335.00	-	2,048.89	1,477.46
Total	**1,29,273.63**	**10,600.78**	**(204.19)**	**1,39,670.22**	**26,495.83**	**6,236.43**	**(181.46)**	**32,550.80**	**1,07,119.42**

Notes to Standalone Financial Statements

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

   Further, above land includes:

   (a) Land leased to DRDO - 35 acres and 39 guntas (Operating Lease), (b)Land in the physical possession of Telanagana State Govt. - 1 acre, (c) Land in the physical possession of BDL - 1 acre and (d) 1.5 Acres land is under dispute on account of unauthorized ocupancy by third party.

2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.

3. Pending registration/receipt of claims, no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)

4 Plant and Machinery includes Rs.6,454.96 lakhs (31-Mar-2025 Rs.4,976.50 lakhs) for R&D capital cost.

5 Plant and Machinery includes Rs.18,337.48 lakhs (31-Mar-2025 Rs.18,337.48 lakhs) funded by ASL vide MoU ASL/SP/R/SP/0138/11/2011/2005 dated 21 December 2011, where no repayment exists.

6 Company considered the salvage value as 5% of the Cost of Tangible Assets. However, assets having value less than and equal to Rs.5,000 are depreciated at 100% in the year of acquisition.

7 Principal Asset costing ₹100 lakhs and above only are identified for the purpose of componentization of assets.

8 During the year, the Company has not revalued Property, Plant and Equipment.

9 The Estimated useful life of various categories of assets are considered based on the Schedule II of the Companies Act, 2013, where NESD rates are available. For the other assets, management has estimated the useful life after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence etc. The estimated useful lives of various categories of Tangible Assets is as follows.

Asset Class	Useful Life (Years)
Buildings	30/60
Roads and Bridges	5
Electrical Installations	10
Plant, Machinery and Equipment	10/15/25
Electrical Equipments	3/6
Vehicles	8/10
Office Equipments	5/8/10
Furniture and Fixtures	8/10

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

Notes to Standalone Financial Statements

4. INTANGIBLE ASSETS

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 31st March, 2026
Computer Software	766.54	132.21	-	898.75	542.98	135.21	-	678.19	220.56
Copyrights & Patents and other intellectual property rights, services and operating rights	105.95	-	-	105.95	45.44	10.12	-	55.56	50.39
Total	**872.49**	**132.21**	**-**	**1,004.70**	**588.42**	**145.33**	**-**	**733.75**	**270.95**

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 31st March, 2025
Computer Software	743.94	22.60	-	766.54	439.10	103.88	-	542.98	223.56
Copyrights & Patents and other intellectual property rights, services and operating rights	105.95	-	-	105.95	37.63	7.81	-	45.44	60.51
Total	**849.89**	**22.60**	**-**	**872.49**	**476.73**	**111.69**	**-**	**588.42**	**284.07**

Notes to Standalone Financial Statements

5. CAPITAL WORK-IN -PROGRESS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital Work-in-Progress-Civil	581.54	411.98
Capital Work-in-Progress- Plant & Machinery Under Erection	952.44	1,762.18
Plant, Machinery & Equipment under Inspection & in Transit	46.20	334.62
Total	**1,580.18**	**2,508.78**

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Investments Non-Trade, Unquoted AT COST		
Investment in Equity instruments		
AP Gas Power Corporation Limited (*)		
18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	-	107.20
4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	-	102.91
Investments in Joint Venture (**)		
a) Utkarsha Aluminium Dhatu Nigam Limited	2,000.00	2,000.00
2,00,00,000 fully paid up Equity share of ₹ 10/- each		
b) Advanced Materials (Defence) Testing Foundation	273.20	273.20
27,320 fully paid up Equity share of ₹ 1,000/- each		-
Total	**2,273.20**	**2,483.31**

Nature of Investment

The Company holds equity shares in Andhra Pradesh Gas Power Corporation Limited (APGPCL), classified as Non-Current Investments – Unquoted Equity Instruments. The investment was strategic in nature and was made primarily for securing eligibility of power supply for the Company's operations and not with the primary objective of earning investment returns.

Impairment Assessment

During the year, the Company has carried out an assessment of the recoverable value of the above investment. APGPCL is presently not carrying on significant commercial operations and is involved in various legal proceedings, arbitration matters, and claims. Certain adverse arbitration awards and contingent liabilities are expected to have a significant adverse impact on its financial position. Although the latest available financial statements of APGPCL indicate a positive net worth, based on management's assessment of the likely impact of pending litigations, arbitration matters, contingent liabilities, and uncertainty regarding future operations and recoverability, the recoverable value of the investment has been determined to be Nil.

Notes to Standalone Financial Statements

Accordingly, an impairment loss of Rs.210.11 lakh has been recognised during the year in the Statement of Profit and Loss, resulting in the carrying value of the investment being reduced to Nil as at the reporting date.

The impairment recognised represents a diminution in the carrying value of the investment based on management's assessment of recoverability. The equity shares continue to be held by the Company and have not been extinguished or disposed of.

(**) Details of Joint venture

Particulars	Principal Activity and place of business	Proportion of ownership Interest/ voting rights held by the Company	
		As at 31-03-2026	As at 31-03-2025
a) Utkarsha Aluminium Dhatu Nigam Limited	For setting up High End Aluminium Alloy Production plant at Nellore, Andhra Pradesh.	50%	50%
b) Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act, 2013)	For development, operation and maintenance of Defence Testing Infrastructure (DTI) of Mechnical and Material Testing Facility in UP Defence Industrial Corridor, Lucknow.	20%	20%

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Loans to Vendors	-	-
Total	**-**	**-**

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance Income Tax	-	-
Total	**-**	**-**

9. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Capital Advances				
Unsecured, considered good		0.01		360.95
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		**0.01**		**360.95**
Others				

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	31st9.40		322.29	
Less: Provision	31st9.40	-	322.29	-
Obsolete and slow moving -consumables	49.00		56.37	
Less: Provision	49.00	-	56.37	-
Obsolete and slow moving -spares	227.42		216.45	
Less: Provision	227.42	-	216.45	-
Total		**0.01**		**360.95**

10. INVENTORIES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw Materials and components	11,464.03	9,428.50
Raw Materials and components -in transit	6,360.59	1,859.85
Total	**17,824.62**	**11,288.35**
Work-in-progress#	72,712.07	66,863.46
Total	**72,712.07**	**66,863.46**
Finished goods	56.13	9.44
Finished goods in transit	123.65	76.43
Total	**179.78**	**85.87**
Stores and spares	839.15	668.63
Stores and spares-in transit	-	-
Total	**839.15**	**668.63**
Loose Tools	41.46	47.26
Total	**41.46**	**47.26**
Consumables	2,492.92	2,560.64
Consumables-in transit	-	-
Total	**2,492.92**	**2,560.64**
Internally generated Scrap/rejected material*	39,170.59	46,583.72
Total	**39,170.59**	**46,583.72**
Grand Total	**1,33,260.59**	**1,28,097.93**

Notes to Standalone Financial Statements

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

#Work in progress Include materials lying with sub-contractors **₹ 3,749.55** Lakh (31.03.2025 ₹ 1,323.47 Lakh) and is subject to confirmation of balance by sub-contractors.

*Includes Rejected Materials lying with Customers **₹ 438.33** Lakh (31.03.2025 ₹ 103.70 Lakh) yet to be brought back from Customers.

Valuation of Inventories has been made as per criteria specified at 2.8 of Significant Accounting Policies given at Note-2.

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables		
Considered Good - Unsecured	55,455.80	41,052.17
Which have significant increase in Credit Risk	-	-
Credit Impaired	1,345.99	1,562.19
Total (A)	**56,801.79**	**42,614.36**
Less : Allowance for bad and doubtful debts		
Considered good - Unsecured (ECL)	(33.08)	(20.81)
Which have significant increase in Credit Risk	-	-
Credit Impaired	(1,345.99)	(1,562.19)
Total (B)	**(1,379.07)**	**(1,583.00)**
Grand Total (A-B)	**55,422.72**	**41,031.36**

Trade Receivables ageing schedule

(₹ in Lakh)

	Particulars	Outsanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Recievables - Considered good	50,792.91	2,816.81	1,396.53	348.65	100.90	55,455.80
(ii)	Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables - Credit Impaired	870.75	72.69	115.60	49.54	237.41	1,345.99
(iv)	Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

#Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Notes to Standalone Financial Statements

Expected Credit Loss Percentage

Age of receivables	Expected credit loss	
	As at 31st March, 2026	As at 31st March, 2025
Within Credit the Period	2.09%	1.80%
Upto 3 months	3.54%	2.87%
3-6 months	22.12%	24.48%
6-9 months	56.73%	58.27%
9-12 months	93.00%	92.80%
>12 months	100.00%	100.00%
Specific Provision (Rs. In Lakhs) relating to Defence, Govt and PSU customer dues	284.46	351.75
Specific Provision (Rs. In Lakhs) relating to Defence, Govt, PSU, Private customer dues (LD)	1,061.53	1,210.44

(₹ in Lakh)

Age of receivables	Expected credit loss	
	As at 31st March, 2026	As at 31st March, 2025
Private Customers -Unsecured		
Within Credit the Period	133.49	755.73
Upto 3 months	215.38	127.52
3-6 months	-	0.03
6-9 months	-	-
9-12 months	1.93	1.76
>12 months	20.88	1.93
Private Customers -secured	7,464.84	677.79
Defence, Govt and PSU customer dues	48,965.27	41,049.60

Movement in Provision made against Trade Receivables

(₹ in Lakh)

Particulars	Total
Loss allowance as on 31st March, 2025	1,583.00
Changes in loss allowance	(203.93)
Loss allowance as on 31st March, 2026	1,379.07

Notes to Standalone Financial Statements

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with Banks		
In Current Accounts	3,208.15	1,086.23
In Deposit Accounts#	16,000.00	4,000.00
Cash on hand	0.75	1.95
Total	**19,208.90**	**5,088.18**

Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unpaid Dividend #	12.59	13.63
Total	**12.59**	**13.63**

This amount includes of ₹ 0.88 lakh (31-03-2025 - ₹ 0.48 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured - Considered Good		
Loans and advances to employees	57.60	39.92
Claims receivable	3.46	40.61
Deposits with others	1,698.72	1,812.13
Interest accrued on bank deposits	31st9.01	165.94
Total	**2,078.79**	**2,058.60**

15. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Assets held for disposal	2.04	1.28
Prepaid expenses	360.26	303.11

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
GST/Customs duty receivable	980.09	1,508.66
Others		
Unsecured, considered good		
Advance to suppliers	203.60	557.12
Total	**1,545.99**	**2,370.17**

16. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised		
Equity shares		
20,00,00,000 shares @ ₹ 10/- per share	20,000.00	20,000.00
(Previous Year 20,00,00,000 shares @ ₹ 10/- per share)		
	20,000.00	**20,000.00**
Issued		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Subscribed and fully Paid up		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Total	**18,734.00**	**18,734.00**

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

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	Amount (₹ in Lakh)	No. of Shares	Amount (₹ in Lakh)
Outstanding as at Opening Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	**18,73,40,000**	**18,734.00**	**18,73,40,000**	**18,734.00**

Notes to Standalone Financial Statements

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each equity share represents one voting right.

Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2026		31st March, 2025	
	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%

Details of Shareholding of Promoters

Shares held by promoters as on 31st March, 2026				% Change during the year
S. No.	Promoter Name	No. of Shares	% of Total shares	
1	President of India	13,86,31,600	74%	-

17. OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
General Reserve				
Opening Balance		1,14,575.87		1,06,475.87
Less: Depreciation adjustment		-		-
		1,14,575.87		1,06,475.87
Add: Additions during the year		9,800.00		8,100.00
Sub-total		**1,24,375.87**		**1,14,575.87**
Retained Earnings				
Opening Balance		8,181.47		6,679.94
Add: Amount transferred from statement of profit and loss		13,078.62		11,006.87
Amount available for appropriation		21,260.09		17,686.81
Less: Appropriations				
Interim Dividend	1,592.60		1,405.34	
Final Dividend	-			
Transferred to General Reserve	9,800.00	11,392.60	8,100.00	9,505.34
Sub-total		**9,867.49**		**8,181.47**
Components of other comprehensive income				
Opening Balance		(43.41)		54.49

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect	147.56	(97.90)
Sub-total	**104.15**	**(43.41)**
Total	**1,34,347.51**	**1,22,713.93**

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Term Loans		
from Banks	1,906.12	3,907.88
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan)		
(Excluding Rs.2000.00 lakh (31.03.2025 -Rs.2000.00 lakh) which is due for payment within 12 months treated as Other Current Financial Liability and included under Note 23) Repayable in 20 quarterly equal installments)		
Total	**1,906.12**	**3,907.88**

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deposit under MEFBS-2021	109.83	109.83
Total	**109.83**	**109.83**

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Provision for gratuity	181.82	169.92
Provision for compensated absences	59.02	62.53
Total	**240.84**	**232.45**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities		
On Depreciation	6,338.09	5,815.92
Sub Total	**6,338.09**	**5,815.92**
Deferred Tax Assets		

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
On Provision	732.92	631.59
On Disallowance as per IT Act	-	-
Sub Total	732.92	631.59
Net Total	**5,605.17**	**5,184.33**

Movement in deferred tax

(₹ in Lakh)

Particulars	Closing Balance 31-March-2025	Charge/Credit during the year 2025-26	Closing Balance 31-March-2026
Deferred Tax Assets			
Provision for Non Moving Stores	149.78	0.18	149.96
Provisions for Doubtful Debts	93.77	(13.85)	79.92
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	147.71	7.13	154.84
AMTL Leave Provision	-	-	-
Provison for Others	2.78	-	2.78
OFB-Melt-IV Interest Differences (Net)	88.34	8.19	96.53
OFB-WPM Interest Differences (Net)	143.54	32.96	176.50
MSE Liaibility Unapaid	-	7.13	7.13
Provision for diminution/impairment of Investment		52.88	52.88
Provision for Gratuity		6.71	6.71
Total Assets	**631.59**	**101.33**	**732.92**
Deferred Tax Liability			
Depreciation	5,815.92	522.17	6,338.09
Total Liability	**5,815.92**	**522.17**	**6,338.09**
Net Liability	**5,184.33**	**420.84**	**5,605.17**

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances		
Advances from Customers	32,254.59	25,866.98

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Others		
Other Liabilities - VSSC	-	54.72
Other Liabilities - OFB	347.00	163.00
Advances Others	-	64.57
Deferred Income	36,347.97	37,764.05
Total	**68,949.56**	**63,913.32**

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	(4.38)	(0.01)
(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	-	-
Secured by Fixed Deposits of ₹ Nil (31.03.2025 Nil)		
Unsecured		
From Banks		
Short Term Loans	24,500.00	17,499.91
Current Maturities of Long Term Debt	2,000.00	2,000.00
Total	**26,495.62**	**19,499.90**

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Micro & Small Enterprises	1,108.67	554.15
Others	10,278.19	8,772.44
Total	**11,386.86**	**9,326.59**

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 Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Amount due and Payable at the year end		
Principal	33.56	45.02
Interest on above Principal	1.20	-
Payments made during the year after the due date		
Principal	6,025.95	4,120.22
Interest on above Principal	-	-
Interest due and payable for principals already paid	124.16	-
Total Interest accrued and remain unpaid at year end	**125.36**	**-**

Trade Payables ageing schedule

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	986.49	75.14	25.08	5.45	16.51	**1,108.67**
(ii) Others	7657.93	2,368.50	92.09	50.67	109.00	**10,278.19**
(iii) Disputed dues - MSME	-		-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Earnest money deposit	552.33	575.37
Security Deposit	1,163.94	1,481.00
Liabilities to customers	1,626.47	1,471.47
Capital creditors	5,791.61	6,140.36
Employee payables	1,611.70	1,742.66
Unpaid Dividend #	12.59	13.63
Interest Accured on Short-term Loan	2.95	-
Total	**10,761.59**	**11,424.49**

#This amount includes of ₹ 0.88 lakh (31-03-2025 - ₹ 0.48 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

Notes to Standalone Financial Statements

26. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances received from customers	21,502.08	17,243.68
Liabilities for Customer Financed projects	502.69	478.95
Material Received on Loan - Others	2,496.18	2,540.58
Statutory liabilities	3,431.10	1,502.14
Total	**27,932.05**	**21,765.35**

27. CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for employee benefits		
Provision for compensated absences	(14.41)	381.57
Provision for gratuity	78.55	356.34
Provision for post retirement medical scheme	181.06	175.87
Provision for pension scheme	37.25	35.71
Provision for other employee benefits	1,711.39	1,219.23
Other Provisions		
Provision for contingencies and warranty	615.24	586.88
Provision for Income Tax	640.96	269.43
Other provisions	11.04	11.04
Total	**3,261.08**	**3,036.07**

Movement in Provisions (Short term and Long term)

(₹ in Lakh)

Particulars	As at 01.04.2025	Additions	Utilization	Reversal	As at 31.03.2026
Compensated absences	444.10	-17.92	381.57	0.00	44.61
Gratuity	526.26	90.45	356.34	0.00	260.37
Post retirement medical scheme	175.87	181.06	175.87	0.00	181.06
Contingencies and Warranty	586.88	28.36	0.00	0.00	615.24
Others	1230.27	910.00	417.84	0.00	1722.43
Total	**2963.38**	**1191.95**	**1331.62**	**0.00**	**2823.71**

Notes to Standalone Financial Statements

28. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Sale of Manufacturing Products		
Domestic	1,04,777.12	93,258.93
Export Sales	8,542.17	9,419.32
Sale of Services	4,883.93	2,600.32
Other Operating Revenue		
Sale of product scrap	2,659.37	2,131.58
Total	**1,20,862.59**	**1,07,410.15**

29. OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Interest Income		
From Banks	502.28	167.47
From Others	551.41	552.76
Liquidated Damages	1,152.03	538.70
Exchange rate variance	50.42	-
Net gain on sale of Fixed Assets	-	5.90
Income from Sale of Unserviceable Scrap	430.77	31st4.68
Provisions written back		
Non-Moving Inventories	-	78.37
Excess Liabilities written back	174.31	490.31
Grant Income	864.67	864.67
Other miscellaneous income	74.85	79.29
Total	**3,800.74**	**3,092.15**

Details of other miscellaneous income

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Sale of Application Forms (Personnel)	1.52	0.07
Sale of Tender Documents	-	0.02
Others	73.33	79.20
Total	**74.85**	**79.29**

Notes to Standalone Financial Statements

30. COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Cost of Material for manufactured products	50,560.75	42,222.15
Total	**50,560.75**	**42,222.15**

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

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Opening Stock		
Work-in-progress	66,863.46	66,870.49
Finished Stock	85.87	56.66
Scrap	46,583.72	47,453.67
	1,13,533.05	1,14,380.82
Closing Stock		
Work-in-progress	72,712.07	66,863.46
Finished Stock	179.78	85.87
Scrap	39,170.59	46,583.72
	1,12,062.44	1,13,533.05
(Increase) / Decrease		
Work-in-progress	(5,848.61)	7.03
Finished Stock	(93.91)	(29.21)
Scrap	7,413.13	869.95
Total	**1,470.61**	**847.77**

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Salaries & Wages		
Salaries & Wages	9,992.50	9,585.29
Leave Encashment	178.58	543.96
Directors remuneration	259.32	246.62
Contribution to Provident and other Funds		

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Provident fund	775.59	782.81
Employees Gratuity	479.06	237.08
Leave salary and pension contribution	397.30	418.30
Staff Welfare & Training		
Workmen and staff welfare expense	2,407.84	2,419.80
Total	**14,490.19**	**14,233.86**

(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.

The ceiling of Gratuity payable to Officers & Workmen was Rs.20 lakhs w.e.f 01.01.2017. In terms of the DPE OM dated 03.08.17, the ceiling of Gratuity shall increase by 25 % whenever Industrial Dearness Allowance (IDA) rises by 50%. From 01.10.2025 IDA has been revised to 51.80 % as notified vide Circular dated 08.10.2025. Accordingly, ceiling of Gratuity to eligible Officers and Workmen of the Company have been revised from Rs.20 lakhs to Rs.25 lakhs from 01.10.2025. The additional liability accruting to the Company due to the increased ceiling in respect of officers and workmen is Rs.252.30 lakhs given effect during FY 2025-26.

Expenses Recognised during the period

(₹ in Lakh)

Particulars	2025-26	2024-25
In Income Statement	500.72	230.66
In Other Comprehensive Income	(197.19)	130.84
Net Liability	**303.53**	**361.50**

Assets and Liability (Balance Sheet Position)

(₹ in Lakh)

Particulars	2025-26	2024-25
Present Value of Obligation	3,347.81	3,267.39
Fair Value of Plan Assets	3,295.93	2,911.04
Surplus / (Deficit)	(51.88)	(356.35)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	**(51.88)**	**(356.35)**

Notes to Standalone Financial Statements

Changes in the Present Value of Obligation

(₹ in Lakh)

Particulars	2025-26	2024-25
Present Value of Obligation as at beginning	**3,267.39**	**3,022.77**
Current Service Cost	229.16	212.77
Interest Expense or Cost	220.96	217.49
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions		
- change in financial assumptions	(186.52)	140.56
- experience variance (Actual Vs assumptions)	11.33	(2.04)
Past Service Cost	251.65	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(446.16)	(324.16)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**3,347.81**	**3,267.39**

Bifurcation of net liability

(₹ in Lakh)

Particulars	2025-26	2024-25
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	51.88	356.34
Net Liability	**51.88**	**356.34**

Changes in the Fair Value of Plan Assets

(₹ in Lakh)

Particulars	2025-26	2024-25
Fair Value of Plan Assets as at the beginning	2,911.04	2,774.12
Investment Income	201.05	199.59
Employer's Contribution	608.00	253.80
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(446.16)	(324.16)
Return on plan assets , excluding amount recognised in net interest expense	22.00	7.69
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**3,295.93**	**2,911.04**

Notes to Standalone Financial Statements

Expenses Recognised in the Income Statement

(₹ in Lakh)

Particulars	2025-26	2024-25
Current Service Cost	229.16	212.77
Past Service Cost	251.65	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	19.91	17.89
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	**500.72**	**230.66**

Other Comprehensive Income

(₹ in Lakh)

Particulars	2025-26	2024-25
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(186.52)	140.57
- experience variance (i.e. Actual experience vs assumptions)	11.33	(2.04)
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	(22.00)	(7.69)
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	**(197.19)**	**130.84**

Actuarial assumptions

(₹ in Lakh)

Particulars	2025-26	2024-25
Discount rate (per annum)	7.30%	6.75%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

(₹ in Lakh)

Particulars	2025-26	2024-25
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

Table of sample mortality rates from Indian Assured Lives Mortality 2012-14

Mortality (per annum)		
Age	**Male**	**Female**
20 years	0.092%	0.092%
25 years	0.093%	0.093%
30 years	0.098%	0.098%
35 years	0.120%	0.120%
40 years	0.168%	0.168%
45 years	0.258%	0.258%
50 years	0.444%	0.444%
55 years	0.751%	0.751%
60 years	1.116%	1.116%
65 years	1.593%	1.593%
70 years	2.406%	2.406%

Sensitivity analysis

(₹ in Lakh)

Particulars	31-Mar-26		31-Mar-25	
Defined Benefit Obligation (Base)	3,347.80		3,267.39	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,721.41	3,031.93	3,622.73	2,968.22
(% change compared to base due to sensitivity)	11.2%	-9.4%	10.9%	-9.2%
Salary Growth Rate (- / + 1%)	3,129.18	3,576.58	3,073.67	3,460.29
(% change compared to base due to sensitivity)	-6.5%	6.8%	-5.9%	5.9%
Attrition Rate (- / + 1%)	3,281.34	3,401.13	3,214.88	3,309.04
(% change compared to base due to sensitivity)	-2.0%	1.6%	-1.6%	1.3%
Mortality Rate (- / + 10%)	3,339.00	3,356.38	3,266.00	3,268.76
(% change compared to base due to sensitivity)	-0.3%	0.3%	0.0%	0.0%

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Lakh)

1 year	353.98
2 to 5 years	959.61
6 to 10 years	1,241.29
More than 10 years	6,090.84

Notes to Standalone Financial Statements

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave. The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss.

Bifurcation of net liability

(₹ in Lakh)

Particulars	31-Mar-26	31-Mar-25
Current Liability (Short term)	290.77	334.19
Non-Current Liability (Long term)	3,110.86	3,134.65
Net Liability	**3,401.63**	**3,468.84**

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year. The Current year contribution to pension fund has been paid @ 7% of Basic + DA in line with the MoD guidelines.

33. FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Interest expense		
Cash Credit	8.16	12.50
Short Term Overdrafts	2.42	-
Interest expenses on Lease Liability	714.93	717.88
Interest - Others	171.03	5.56
Interest - Term Loan	1,608.84	2,208.83
Total	**2,505.38**	**2,944.77**

34. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Travelling Expenses		
Travelling and conveyance	225.40	232.71
Hire of cars	22.00	25.01
Communication Expenses		
Postage & telephone	31.95	33.32
Repairs & maintenance expenses		

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Buildings	586.20	588.03
Plant and machinery	456.39	794.07
Others	364.96	271.65
Rent, rates & taxes		
Rates and taxes	12.17	6.87
Rent	32.60	35.48
Printing and stationery		
Printing and stationery	10.86	13.92
Office maintenance expenses		
Security guard charges	1,370.05	1,163.42
Administration expenses-Others	233.51	130.64
Power & fuel		
Power and fuel	10,312.77	8,839.50
Sub-contractor expenses		
Sub-contractor expenses	8,422.34	7,510.41
General expenses		
CSR Expenses	332.29	399.76
Bad debts written off	37.38	55.84
Fixed Assets written off	2.64	-
Sales schemes	653.52	949.55
Library books	18.62	-
News paper and journals	13.95	0.90
Membership fees	20.48	24.40
Training expenses	66.07	21.96
Entertainment/courtesy expenses	2.03	1.88
Hostel/guest house expenses net of income	12.11	21.87
Business promotion expenses	120.22	195.55
Directors sitting fees	21.50	11.44
Factory expenses	260.80	274.07
Advertisement	41.21	62.53
Water charges	205.06	202.52
Consumption of stores, loose tools and spare parts		

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Consumption of stores, loose tools and spare parts	5,810.49	5,709.46
Insurance expenses		
Insurance	355.57	31st4.68
Professional charges		
Legal and professional fees	30.88	17.24
Internal Audit Fee	6.30	6.76
Consultancy charges	81.84	69.53
Contract professionals expenses	22.27	22.18
R& D Expenses		
R & D Contribution	30.00	0.07
Exchange fluctuation		
Exchange rate variance charged off	-	160.98
Auditors remuneration		
Auditor's remuneration	12.20	13.05
Finance & bank charges		
Bank charges	105.14	98.37
Provision for Diminution/Impairment of Investments	210.11	
Provision for non moving inventories	0.71	-
Provision for Bad debts		
Provision for Doubtful Debts	-	22.11
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	28.36	
Total	**30,582.95**	**28,301.73**

Remuneration and other payments to the auditor

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Auditor		
(a) Statutory Audit & Limited Review	10.70	11.55
(b) Tax Audit	1.50	1.50
(c) Other Services	-	-
Total	**12.20**	**13.05**

Notes to Standalone Financial Statements

Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Promoting Education	13.45	81.43
Promotion of Skill development and Women empowerment	8.59	67.02
Promotion of Health	247.55	223.21
Other Projects	62.70	28.10
TOTAL	**332.29**	**399.76**

Additional details of Corporate Social Responsibility (CSR)

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31st March, 2026
(i)	Amount required to be spent by the company	325.67
(ii)	Amount of expenditure incurred	332.29
(iii)	Shortfall at the end of the year	Nil
(iv)	Total of previous years shortfall	Nil
(v)	Reason for shortfall	Nil
(vi)	Nature of CSR activities	Promote Education, Skill development, Promote culture, Social and Sport activities and Promote health activities
(vii)	Details of related party transactions	"MIDHANI under CSR has envisaged to build a Primary Health Centre to provide medical services to the poor families residing in and around MIDHANI. The center shall cater to the basic needs of the patients by providing consulation, checkup, basic diagnostic tests & medicines at nominal charges. In F.Y. 2025-26, MIDHANI under CSR has spent an amount of Rs.114.62 lakh towards manpower, organizing various camps, infrastruture development etc. Out of which Rs. 59.62 lakh has been contributed to MPHCC Trust towards payment of salaries to the staff working for MPHCC."
(viii)	Movement in provision with respect to liability incurred by entering into a contractual liability	Nil

35. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Notes to Standalone Financial Statements

(a) Income tax expense

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Current tax		
Current tax on profits for the year	4,959.93	3,848.04
Earlier year tax	(0.36)	(0.49)
	4,959.57	**3,847.55**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(420.84)	(716.55)
Total income tax expense	**5,380.41**	**4,564.10**

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026		For the Year Ended 31st March, 2025	
Profit before tax		**18,606.59**		**15,473.07**
Tax at Indian tax rate of 25.168%		4,682.91		3,894.26
Add:				
Depreciation under Companies Act	6,644.05		6,348.12	
Disallowances under Sec 43B	26.68		-	
Disallowance under Sec 43 B (h)	28.33			
Provision for Doubtful Debts	(55.02)		22.11	
Provision for non moving stores and spares	0.71		(78.37)	
R&D expenditure	-		-	
Provision for contingency & warranty	28.36		(315.20)	
Provision for obselete items	-		-	
Provision for doubtful claims	-		-	
CSR Expenses	332.29		399.76	
OFB Deferred Exp (Net-off)	32.54		33.31	
VSSC Deferred Exp (Net-off)	-		-	
OFB-WPM Deferred Exp (Net off)	130.98		133.17	
AMTL Leave Provision	-			
Provision for Others	-		(99.00)	
Provision for advance to suppliers	-		-	

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026		For the Year Ended 31st March, 2025	
Others	125.36		-	
Loss on Sale of Fixed Assets	2.64			
Provision for diminution/impairment of Investment	210.11			
	7,507.03		**6,443.90**	
Less:				
Earlier years liability discharged in the current year	-		26.21	
Depreciation as per IT Act	6,522.37		6,616.89	
R & D weighted deductions	-		-	
	6,522.37		**6,643.10**	
Taxable Income	**984.66**	**247.82**	**(199.20)**	**(50.13)**
Tax Liability		4,930.73		3,844.13
Interest		29.20		3.91
Earlier Year Tax		(0.36)		(0.49)
Deferred Tax		420.84		716.55
Total		**5,380.41**		**4,564.10**

Financial instruments

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakh)

	31st March, 2026				31st March, 2025			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	55,422.72	55,422.72	-	-	41,031.36	41,031.36
Cash and cash equivalents	-	-	19,221.49	19,221.49	-	-	5,101.81	5,101.81
Loans	-	-	-	-	-	-	-	-
Other financial assets	-	-	2,078.79	2,078.79	-	-	2,058.60	2,058.60
Total	**-**	**-**	**76,723.00**	**76,723.00**	**-**	**-**	**48,191.77**	**48,191.77**
Financial liabilities								
Borrowings	-	-	28,401.74	28,401.74	-	-	23,407.78	23,407.78

Notes to Standalone Financial Statements

(₹ in Lakh)

	31st March, 2026				31st March, 2025			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Trade payables	-	-	11,386.86	11,386.86	-	-	9,326.59	9,326.59
Lease Liabilities			12,283.18	12,283.18			11,568.26	11,568.26
Other financial liabilities	-	-	10,871.42	10,871.42	-	-	11,534.32	11,534.32
Total	**-**	**-**	**62,943.20**	**62,943.20**	**-**	**-**	**55,836.95**	**55,836.95**

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, 2026, March 31, 2025 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, 2026, March 31, 2025 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.

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

Notes to Standalone Financial Statements

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) Provision for expected credit loss

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having neglible credit risk, hence expected credit loss have not been computed

Expected credit loss for trade receivables

c) Reconciliation of loss allowance provision - trade receivables

(₹ in Lakh)

Loss allowance on 31st March, 2025	1,583.00
Changes in loss allowance	(203.93)
Loss allowance on 31st March, 2026	1,379.07

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, 2026, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2026	March 31, 2025
India	51,649.72	40,169.59
Outside India	5,152.07	2,444.77
	56,801.79	**42,614.36**

Notes to Standalone Financial Statements

At March 31, 2025, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2026	March 31, 2025
Government, Government undertakings and other secured debts	56,430.11	41,727.39
Others	371.68	886.97
	56,801.79	**42,614.36**

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 ₹ 19,208.90 Lakh at March 31, 2026 (March 31, 2025: ₹ 5,088.18 Lakh).

The Company is investing in Fixed Deposits with various banks empanelled by the Investment Committee which is approved by the Board. All such deposits are made only with the approval of the Investment Committee. Further, management believes that cash and cash equivalents are of low risk in nature and hence no impairment has been recognized.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

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	More than 5 Years	Total
31st March, 2026							
Non derivatives							
Borrowings (Current and Non-current)	9,995.62	15,500.00	1,000.00	1,906.12	-		28,401.74
Trade payables	11,271.57	-	115.29	-	-	-	11,386.86
Lease Liabilities	4,228.67	9.73	19.46	42.47	151.92	7,830.93	12,283.18

Notes to Standalone Financial Statements

(₹ in Lakh)

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	More than 5 Years	Total
31st March, 2026							
Other financial liabilities	1,627.24	7,507.88	1,626.47			109.83	10,871.42
Total non-derivative liabilities	**27,123.10**	**23,017.61**	**2,761.22**	**1,948.59**	**151.92**	**7,940.76**	**62,943.20**

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 5.87 % 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 5.87 percent (2025: 6.82 percent).

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakh)

Particulars	As at 31st March, 2026
Total liabilities	1,68,931.90
Less : Cash and cash equivalent	19,208.90
Adjusted net debt	**1,49,723.00**
Total equity	1,53,081.51

Notes to Standalone Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026
Less : Hedging reserve	-
Adjusted equity	**1,53,081.51**
Adjusted net debt to adjusted equity ratio	0.98

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. As the Company is engaged in defence production, exemption was granted from applicability of Accounting Standard on Segment reporting under sec 129 of Companies Act, 2013 vide Notification dated 23 February 2018 of Ministry of Corporate Affairs.

40. Related party transactions

The President of India has an ownership interest of 74.00 %. Midhani is thus a Government entity under the administrative control of Ministry of Defence (MoD) and is exempt from detailed disclosures as required under Ind AS 24 with respect to related party tansactions with Government and Government related entities.

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakh)

	Name of the party	31st March, 2026					31st March, 2025
		Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a)	Dr. Sanjay Kumar Jha, C&MD (Upto31st December, 2024)						95.94
(b)	Dr. S.V.S Narayana Murty, C&MD (w.e.f. 28 April, 2025)	53.91	7.24	-	-	**61.15**	-
(c)	Shri. N. Gowri Sankara Rao, Director (F) & CFO (Upto31st May, 2025)	16.64	1.08	20.00	21.25	**58.97**	67.24
(d)	Shri. Tulasiraman Muthukumar, Director (P&M) (Upto 30 June, 2025)	26.89	2.10	20.00	30.48	**79.47**	83.44
(e)	Smt.K. Madhubala, Director (F) & CFO (w.e.f 21 July, 2025)	30.91	4.13	-	1.75	**36.79**	-
(f)	Shri P. Babu, Director (P & M) (w.e.f 7 October, 2025)	20.24	2.69	-	-	**22.93**	-
(d)	Shri Paul Antony, CS	19.59	2.48		0.90	**22.97**	21.29
Total		**168.18**	**19.72**	**40.00**	**54.38**	**282.28**	**267.91**

Joint Ventures:

During the year the company has made the following transactions with the JVs

(₹ in Lakh)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2026	Year ended 31.03.2025
Utkarsha Aluminium Dhatu Nigam Limited	Equity contribution	-	-
Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act, 2013)	Equity contribution	-	273.20

Notes to Standalone Financial Statements

Balance at the end of reporting day

(₹ in Lakh)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2026	Year Ended 31.03.2025
Utkarsha Aluminium Dhatu Nigam Limited	Investment in equity	2,000.00	2,000.00
Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act, 2013)	Investment in equity	273.20	273.20

41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31st March, 2026 (₹ in Lakh)	31st March, 2025 (₹ in Lakh)
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	31st,007.56	20,300.82
Bank Guarantees	11,803.53	6,586.90
Letter of credit outstanding	16.74	412.74
Provisional Liquidated Damages on unexecuted customer order where the delivery date has expired	2,084.00	1,835.00
	44,911.83	**29,135.46**
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	2,867.15	5,806.16
	2,867.15	**5,806.16**

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

Particulars	31st March, 2026	31st March, 2025
Profit attributable to equity holders of the Company (₹ in Lakh)	13,078.62	11,006.87
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)	6.98	5.88

43. Imported Consumption

Particulars	31st March, 2026 (₹ in Lakh)	31st March, 2025 (₹ in Lakh)
Raw Material	25,534.57	24,786.38
Consumables and Spares	583.65	566.78
Total	**26,118.22**	**25,353.16**

Notes to Standalone Financial Statements

44. The Company has used the borrowings from banks for the specific purpose for which it was taken as at 31st March, 2026 and 31st March, 2025.

45. Additional Regulatory Information

(i) Title deeds of Immovable Properties not held in name of the Company (other than properties where the Company is the lesses and the leasee agreements are duly executed in favour of the lessee)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in Lakh)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
PPE	Land	128.82	DMRL,Ministry of Defence. However,in some land award proceedings, Midhani's name is mentioned as Super Alloy Plant at DMRL.	No	Since 1975/1977/ 1985/ 1986	Conveyance Deed for 275 Acres and 35 Guntas of land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earlier. In the said Grant proceedings, Midhani is mentioned as Super Alloy Plant of DMRL (Defence Organization). Further, out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.
	Building	-	-	-	-	
Investment Property	Land	Not Applicable				
	Building					
PPE retired from active use and held for disposal	Land	Not Applicable				
	Building					
Others		Not Applicable				

(ii) During the year, the Company has not revalued its Property, Plant and Equiment and Intangible Assets.

(iii) The Company has not granted Loans or Advances in the nature of loans to Promoters, Directors, KMP, and the related parties as defined under Companies Act, 2013, either serverally or jointly with any other person.

Notes to Standalone Financial Statements

(iv) Capital-Work-in Progress (CWIP) ageing schedule

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,044.28	447.78	88.12	-	**1,580.18**
Projects temporarily suspended	-	-	-	-	**-**

(v) The quartery returns or statements of current assets filed by the Company with banks where the Company has borrowings as on 31st March, 2026 are in agreement with the books of accounts.

(vi) The Company has not made any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vii) The Company has created or modified the charges with Registrar of Companies (ROC) within the statutory period as specified in the Companies Act, 2013.

(viii) The Company has no subsidiary hence Section 2 (87) not applicable.

(ix) Analytical Ratios

Ratio	Numerator	Denominator	31st March, 2026	31st March, 2025	% of variance	Reason for variance (For more than 25 %)
Current Ratio	Current Assets	Current Liabilities	2.52	2.61	-3.45%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.19	0.17	11.76%	
Debt Service Coverage Ratio	EBITDA	Debt service(Interest & Principal repayments)	0.89	0.94	-5.32%	
Return on Equity (%)	Net profit after tax	Average Shareholder's Equity	8.88%	8.05%	10.31%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.81	0.72	12.50%	
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	2.51	2.93	-14.33%	
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	6.08	4.31	41.07%	Due to increase in Raw Material Inventory
Net Capital Turnover Ratio	Net Sales	Working capital	0.95	0.98	-3.06%	

Notes to Standalone Financial Statements

Ratio	Numerator	Denominator	31st March, 2026	31st March, 2025	% of variance	Reason for variance (For more than 25 %)
Net Proit Ratio (%)	Net profit after tax	Net Sales	10.82%	10.25%	5.56%	
Return on Capital Employed (%)	EBIT	Capital Employed	13.02%	12.32%	5.68%	
Retrun on Investment (%)	Not applicable					

46. As at 31st March, 2026, the company does not have any outstanding Commercial Paper and therefore, the disclosure requirements as per updated SEBI circular: SEBI/HO/DDHS/P/CIR/2021/613 dated 13 April, 2022 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", information as required under regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 is not applicable.

47. The Company has leases for various assets referred to in Note 3 of financial statements. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment (Refer Note 3) The maturity analysis of Contractual Cash flows of Lease Liabilities is disclosed at Note 37(ii) of the financial statements.

48. Retention Sale

The value of Retention Sale (i.e., Goods retained with the Company at the customers' request and at their risk) included in Turnover during the year is Rs.5,378.05 Lakh (31.03.2025 Rs. 8,629.74 Lakh) Out of the above, the value of Ex-work sale is Rs. 3,290.40 Lakh (31.03.2025 Rs. 7,839.04 Lakh)

49. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

Subject to our report of even date

for **ANJANEYULU & CO.**
Chartered Accountants
Firm’s registration no. 000180S

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Place: Hyderabad
Date: 29-05-2026

for and on behalf of the Board of Directors

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

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 29.05.2026 on the Ind AS Consolidated Financial Statements as adopted by Board of Directors on even date. Pursuant to the observations of Comptroller and Auditor General of India, we are issuing this Revised Report by including additional disclosure under "Other Matters" para. This report supersedes our earlier report issued on 29.05.2026.

Opinion

We have audited the accompanying consolidated financial statements of **Mishra Dhatu Nigam Limited** ("the Company") and its joint controlled entity, which comprise the Balance Sheet as at 31st March, 2026, Statement of Profit and Loss(including comprehensive income), Statement of Changes in Equity, 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 ('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 the accounting principles generally accepted in India, of the consolidated state of affairs of the company and its joint controlled entity as at 31st March, 2026, 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 specified under section 143 (10) of the Companies Act, 2013. 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 in accordance with the code of ethics issued by the Institute of Chartered Accountants ("ICAI") of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

i) Revenue Recognition:

Refer Accounting Policy Note No.2.3 and Note No. 28 to the Consolidated financial statements.

Revenue Recognition was identified as a key audit matter as the Company as well as its external stakeholders focuses on Revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognized before control has been transferred.	**How the matter was addressed in our audit** Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence: 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 2. Examined whether the basis of recognition of revenue is in accordance with the applicable accounting standards.

The standard on Revenue establishes a comprehensive framework for determining when, how and under what conditions 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.	3. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer on sale. 4. Verified whether the company has instituted adequate cut off procedures in relation to sales. 5. Carried out analytical procedures on revenue recognized during the year to identify unusual variances, if any. Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.

ii) Inventory:

Refer Accounting Policy No.2.8, Note No. 10 and 31 to the Consolidated financial statements.

Inventory was identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key financial and operational indicator. This could create an incentive for inventory to be overstated. Inventory valuation involves certain key managerial judgements including accounting estimates that have been identified as having high estimation uncertainty in measuring inventory valuation.	**How the matter was addressed in audit** Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence: 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to Inventory. 2. Review of physical verification of inventory with the company and held by Job workers. 3. For inventory held with Job Workers, wherever physical verification was not conducted, verified confirmations received by management at the year end. 4. Ensured that appropriate adjustments are made to inventory wherever variances were observed in physical verification and in the review of external confirmations. 5. Examined the inventory valuation policies and methods used for its appropriateness and compliance with the applicable accounting standards. 6. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 7. Examined whether the company has instituted appropriate cut off procedures for recognition of inventory. 8. Performed analytical review procedures in relation to inventory. Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.

iii) Consumption of Raw Material

Refer Note No. 30 to Consolidated financial statements.

Cost of material consumed is identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key operational indicator. Cost of material consumed is a substantial portion of the total production costs, and the same is a significant part of total expense for the Company. Given the complexity involved in production processes, gap between input and output, there is a risk of costs may not be accurately ascertained, allocated or recorded that could lead to potential misstatements.	**How the matter was addressed in audit** Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence: 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to procurement, issues, consumption, allocation, recording and recognition of Inventory in respect of Raw Material, reusable scrap and WIP. 2. Substantive checking of material procurement and its recording to ensure compliance with the relevant accounting policies adopted and the applicable accounting standards. 3. Substantive checking of recording consumption and allocation to WIP to ensure compliance with the relevant accounting policies adopted. 4. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 5. Performed analytical review procedures in relation to inventory consumption. Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

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 consolidated financial statements are subject to receipt of confirmation of balances/reconciliation.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Information other than the consolidated financial statements and auditors' report thereon

The Company's boards of directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's 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 do 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 are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements 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 the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement 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 management of the company and its jointly controlled entity are 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 of the company or the jointly controlled entity either intends to liquidate 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 also responsible for overseeing the Company's financial reporting process of each company and of the joint 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 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 provided 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 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

The accompanying consolidated financial statements include the Company's share of Net Profit of Rs. 67.915 Lakhs for the year ended March 31, 2026, 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 have 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.

We draw attention that the Company is not complying with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pertaining to the required composition of its Board of Directors.

We draw attention that the term of Independent Directors ended on 17.04.2026, therefore the annual accounts for FY 2025-26, were directly approved by the Board at its meeting held on 29.05.2026.

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 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 theron 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, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account 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 other auditor;

   c) The consolidated balance sheet, the consolidated statement of profit and loss, consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the books of account 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, Government companies are exempt from the applicability of the provisions of section 164(2) of the Act and on the basis of the reports of the statutory auditor of its jointly controlled entity incorporated in India, none of the director of the jointly controlled entities is disqualified as on 31st March, 2026 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 over financial reporting 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 over financial reporting;

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

      a. 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;

b. The Company including its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c. There has been no delay in amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.; and

d. (i) The respective managements of the company and its jointly controlled entity which are companies incorporated in India have represented to us and the other auditor of such jointly controlled entity that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or its jointly controlled entity to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The respective managements of the company and its jointly controlled entity have represented, to us and other auditor of such jointly controlled entity that, to the best of its knowledge and belief, no funds have been received by the company or its jointly controlled entity from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company or jointly controlled entity shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as were considered reasonable and appropriate in the circumstances nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

h) Based on our examination and the report of Auditor of Jointly controlled entity, the company and its jointly controlled entity have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) and the same has operated throughout the year. Further, there were no instances of audit trail feature being tampered with.

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568DWNGLN2934

Date: 2nd July, 2026
Place: Hyderabad

Annexure "A" to the Independent Auditor's Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026 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)

Reports on the directions under 143(5) of Companies Act, 2013 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	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The investments, made directly by the Company or through Trusts, for Post-retirement benefits of the employees have been valued appropriately in accordance with the applicable financial reporting framework and applicable regulations. The valuation approach and valuation methodologies applied by the company for these investments is appropriate.	NIL
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies financial reporting process as well as cyber security has been done by Information Security Auditing Organization empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, may also be reported.	Company is using Oracle ERP software to record all business and financial transactions including Purchase Accounting, Sales Accounting, and 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 are 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. Review of ERP system and controls including Roles and Responsibilities conducted by Internal team. ERP complete infrastructure audited by Cert-In empanelled auditor. Information Security Audit – Vulnerability Assessment and Penetration Testing (VAPT) conducted at a minimum frequency of once in a year. Recent VAPT audit of IT Infrastructure by Cert-In empaneled auditor conducted in the month of Jan-2026. The audit includes configuration review of the entire critical IT infrastructure – Network active components, Servers, Desktops, etc. Cyber Security Policy revised in 2026 towards cyber security framework upgradation. 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 2025-26.	NIL

Sl No	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
3	Whether funds (grants/ subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilized as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	According to the information and explanations given to us and based on the examination of the books and records of the company, during the Financial Year 2025-26, no funds were received by the Company for any specific schemes.	NIL
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) Whether the Risk Management Policy has been formulated considering global best practices? (b) Whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified key risk areas and has formulated a Board-approved Risk Management Policy for monitoring and mitigation of such risks. The policy is implemented and the identified risks are periodically reviewed and monitored by the Risk Management Committee. (a) As represented by the management, the Risk Management Policy has been formulated considering the nature, scale and complexity of the Company's operations and incorporates generally accepted/global risk management practices, wherever considered appropriate. (b) The Company has identified its data assets, including operational, financial, technical, design, production, manufacturing, maintenance, vendor, procurement, pricing, contract, customer and other databases. Data assets acquired for monetary consideration are recognized and valued in accordance with the applicable accounting standards. Internally generated information/data, which cannot be reliably measured in monetary terms, are appropriately managed and safeguarded.	NIL

Sl No	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on the information and explanations given to us, representations made by the management, and audit procedures carried out by us, the company is generally complying with the provisions of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable, except with respect to non-appointment of directors on the Board which is in purview of administrative ministry.	NIL

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568DWNGLN2934

Date: 2nd July, 2026
Place: Hyderabad

Annexure "B" to the Independent Auditor's Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 2 (f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the Members of **Mishra Dhatu Nigam Limited** for the year 25-26)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting of MISHRA DHATU NIGAM LIMITED (hereinafter referred to as ("the Company") and considered the auditors' reports on Internal Financial Controls over financial reporting of its jointly controlled entity, which are companies incorporated in India, as of that date.

The financial statements of the jointly controlled entity have been audited by other auditor whose reports has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to this jointly controlled entity, is based solely on the reports of the other auditor.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the jointly controlled entity, which are companies incorporated in India, is based on the corresponding report of the other auditor of such company.

Management's responsibility for internal financial controls

The respective board of directors of the Company and jointly controlled entity incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

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

ii) 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

iii) 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 financial statements.

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company and its jointly controlled entity, which are incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anjaneyulu & Co
Chartered Accountants
FRN – 000180S

Sd/-
B. Mohan Lal
Partner
Mem No. 280568
UDIN: 26280568DWNGLN2934

Date: 2nd July, 2026
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 2026

The preparation of consolidated financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2026 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 02 July 2026, which supersedes their earlier Audit Report dated 29 May 2026.

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 2026 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 auditor's report under section 143(6) (b) read with section 129(4) of the Act.

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

SudhaRajan

(Sudha Rajan)
Director General of Audit, Defence - Commercial

Place: Bengaluru
Date: 29 July 2026

CONSOLIDATED BALANCE SHEET As At 31st March, 2026

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS:			
Non-current assets			
Property, Plant and Equipment	3	1,06,359.49	1,07,119.42
Capital work-in-progress	5	1,580.18	2,508.78
Other Intangible assets	4	270.95	284.07
Financial Assets			
(i) Investments	6	2,390.03	2,532.22
(ii) Loans	7	-	-
Non current tax assets (Net)	8	-	-
Other non-current assets	9	0.01	360.95
Total Non-Current Assets		**1,10,600.66**	**1,12,805.44**
Current assets:			
Inventories	10	1,33,260.59	1,28,097.93
Financial Assets			
(i) Trade receivables	11	55,422.72	41,031.36
(ii) Cash and cash equivalents	12	19,208.90	5,088.18
(iii) Bank balances [other than (ii) above]	13	12.59	13.63
(iv) Others	14	2,078.79	2,058.60
Other current assets	15	1,545.99	2,370.17
Total Current Assets		**2,11,529.58**	**1,78,659.87**
Total Assets		**3,22,130.24**	**2,91,465.31**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	18,734.00	18,734.00
Other Equity	17	1,34,464.34	1,22,762.84
Total Equity		**1,53,198.34**	**1,41,496.84**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,906.12	3,907.88
(ia) Lease Liabilities		8,025.32	8,064.25
(ii) Others	19	109.83	109.83
Provisions	20	240.84	232.45
Deferred tax liabilities (net)	21	5,605.17	5,184.33
Other non-current liabilities	22	68,949.56	63,913.32

CONSOLIDATED BALANCE SHEET As At 31st March, 2026

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
Total Non-current liabilities		**84,836.84**	**81,412.06**
Current Liabilities			
Financial liabilities			
(i) Borrowings	23	26,495.62	19,499.90
(ia) Lease Liabilities		4,257.86	3,504.01
(ii) Trade payables	24		
(A) Micro enterprises and Small Enterprises		1,108.67	554.15
(B) Other than Micro enterprises and Small enterprises		10,278.19	8,772.44
(ii) Others	25	10,761.59	11,424.49
Other current liabilities	26	27,932.05	21,765.35
Provisions	27	3,261.08	3,036.07
Total Current Liabilities		**84,095.06**	**68,556.41**
Total Equity and Liabilities		**3,22,130.24**	**2,91,465.31**
The accompanying notes 1 to 51 form an integral part of the consolidated financial statements.			

Subject to our report of even date

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
CA B Mohan lal
Partner
Membership No.280568

UDIN: 26280568GXXQLF5005
Place: Hyderabad
Date: 29-05-2026

for and on behalf of the Board of Directors

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March, 2026

Particulars			Note No.	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Income					
	Revenue From Operations		28	1,20,862.59	1,07,410.15
	Other Income		29	3,800.74	3,092.15
Total Income				**1,24,663.33**	**1,10,502.30**
Expenses					
	Cost of material consumed		30	50,560.75	42,222.15
	Change in inventories of finished goods, work-in-progress and stock-in-trade		31	1,470.61	847.77
	Employee benefits expense		32	14,490.19	14,233.86
	Finance Costs		33	2,505.38	2,944.77
	Depreciation and amortization expense		3, 4	6,644.05	6,348.12
	Other expenses		34	30,582.95	28,301.73
Total Expenses				**1,06,253.93**	**94,898.40**
Profit / (Loss) before exceptional items and tax				**18,477.32**	**15,680.77**
Exceptional Items - Income / (Expense)				-	-
Share of Profit / (Loss) of Joint Venture				67.92	76.87
Profit / (Loss) before tax				**18,409.40**	**15,603.90**
	Tax expense				
		Current Tax	35	4,910.30	3,880.97
		Earlier Year Tax		(0.36)	(0.49)
		MAT Credit Entitlement		-	-
		Deferred Tax		420.84	716.55
Profit / (Loss) for the period				**13,146.54**	**11,083.74**
Other Comprehensive Income					
A	(i)	Items that will not be reclassified to profit or loss		197.19	(130.83)
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		(49.63)	32.93
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			-	-

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Other comprehensive income for the year net of tax		**147.56**	**(97.90)**
Total Comprehensive Income for the period		**13,294.10**	**10,985.84**
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		7.02	5.92
Diluted (₹)		7.02	5.92
Weighted average number of shares (Nos.) (Basic & Diluted)		18,73,40,000	18,73,40,000

The accompanying notes 1 to 51 form an integral part of the consolidated financial statements.

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

UDIN: 26280568GXXQLF5005
Place: Hyderabad
Date: 29-05-2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) As at 31st March, 2026

(₹ in Lakh)

Balance as at 01st April, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2025	Changes in share capital during the F.Y. 2025-26	Balance as at 31st March, 2026
18,734.00	-	18,734.00	-	18,734.00

(2) As at 31st March, 2025

Balance as at 01st April, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2024	Changes in share capital during the F.Y. 2024-25	Balance as at 31st March, 2025
18,734.00	-	18,734.00	-	18,734.00

B. Other Equity

(1) As at 31st March, 2026

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2025	**8,230.38**	**1,14,575.87**	**(43.41)**	**1,22,762.84**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 01st April, 2025	**8,230.38**	**1,14,575.87**	**(43.41)**	**1,22,762.84**
Profit for the Period	13,146.54			13,146.54
Remeasurement of the net defined benefit liability / asset, net of tax effect			147.56	147.56
Dividends	(1,592.60)			(1,592.60)
Transfer to General Reserve	(9,800.00)	9,800.00		-
Balance as at 31st March, 2026	**9,984.32**	**1,24,375.87**	**104.15**	**1,34,464.34**

(2) As at 31st March, 2025

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2024	**6,651.98**	**1,06,475.87**	**54.49**	**1,13,182.34**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 01st April, 2024	**6,651.98**	**1,06,475.87**	**54.49**	**1,13,182.34**
Profit for the Period	11,083.74			**11,083.74**
Remeasurement of the net defined benefit liability / asset, net of tax effect			(97.90)	**(97.90)**

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Dividends	(1,405.34)			(1,405.34)
Transfer to General Reserve	**(8,100.00)**	**8,100.00**		-
Balance as at 31st March, 2025	**8,230.38**	**1,14,575.87**	**(43.41)**	**1,22,762.84**

The accompanying notes 1 to 51 form an integral part of the consolidated financial statements.

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

UDIN: 26280568GXXQLF5005
Place: Hyderabad
Date: 29-05-2026

CONSOLIDATED STATEMENT OF CASH FLOW

For The Year Ended 31st March, 2026

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year ended 31st March, 2025
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	**18,477.32**	**15,680.77**
Adjustments for:		
Share of Profit / Loss of Joint Venture	(67.92)	(76.87)
Depreciation expense	6,644.05	6,348.12
Finance costs	1,790.45	2,226.89
Interest on Lease Liability	714.93	717.88
Interest income	(1,053.69)	(720.23)
Deferred Income from customer funded assets/Grant	(864.67)	(864.67)
Other Comprehensive Income	197.19	(130.83)
Profit / Loss on sale of Fixed Assets	2.64	(5.90)
	25,840.30	**23,175.16**
Working capital adjustments:		
(Increase) decrease in inventories	(5,162.66)	2,873.88
(Increase) decrease in trade receivables and loans	(14,391.36)	(8,731.19)
(Increase) decrease in other financial assets	132.88	(180.34)
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	824.94	7,643.48
Increase (decrease) in trade payables	2,060.27	(2,670.71)
Increase (decrease) in other financial liabilities	(314.15)	194.24
Increase (decrease) in provisions	(138.13)	(106.06)
Increase (decrease) in non-current liabilities	5,036.24	1,600.65
Increase (decrease) in other current liabilities	6,166.70	1,531.43
Cash generated from operating activities	**20,055.03**	**25,330.54**
Income tax paid (net)	(4,588.04)	(3,634.05)
Net cash from(used in) operating activities (A)	**15,466.99**	**21,696.49**
Cash flow from investing activities		
Acquisition of property, plant and equipment (Net)	(4,930.97)	(6,769.14)
Deferred Income from customer funded assets/grant	864.67	864.67
Profit / Loss on sale of Fixed Assets	(2.64)	5.90
Investment in other projects	210.11	(273.20)
Interest received	900.62	554.29
Investment in fixed deposits	(12,000.00)	(4,000.00)

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year ended 31st March, 2025
Net cash from/(used in) investing activities (B)	**(14,958.21)**	**(9,617.48)**
Cash flows from financing activities		
Repayment of Borrowings	(19,499.90)	(26,500.00)
Availment of borrowings	24,493.86	17,493.65
Dividend on shares	(1,591.56)	(1,405.26)
Lease Liability	714.92	717.89
Interest on Lease Liabiity	(714.93)	(717.88)
Interest paid	(1,790.45)	(2,226.89)
Net cash flow from (used in) financing activities (C)	**1,611.94**	**(12,638.49)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**2,120.72**	**(559.48)**
Cash and cash equivalents at 1 April	1,088.18	1,647.66
Cash and cash equivalents at the reporting date	**3,208.90**	**1,088.18**
Reconcilliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	3,208.90	1,088.18
Other bank balances not considered above		
- Term Deposit	16,000.00	4,000.00
Cash and cash equivalents (including Term Deposits) at the reporting date	**19,208.90**	**5,088.18**

The accompanying notes 1 to 51 form an integral part of the consolidated financial statements.

Subject to our report of even date

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Place: Hyderabad
Date: 29-05-2026

for and on behalf of the Board of Directors

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Consolidated Significant Accounting Policies

1. GENERAL INFORMATION

Mishra Dhatu Nigam Limited ("the Company") a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at 'P.O. Kanchanbagh, Hyderabad, 500058'.

The company has made strategic investment in a joint venture company M/s. Utkarsha Aluminium Dhatu Nigam Limited for furtherance of its business in the area of Aluminium based alloys.

The Company has made strategic investment in a Joint Venture Company M/s. Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act) for development, operation and maintenance of Defence Testing Infrastructure (DT) of Mechanical and Material Testing Facility in UP Defence Industrial Corridor, Lucknow.

The Financial Statements for the period ended 31st March, 2026 are approved by the Board of Directors and authorized for issue on 29th May 2026 by Board.

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], as amended from time to time, to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

ii. Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and its Joint venture and the currency of the primary economic environment in which the entities operate. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgment

The preparation of consolidated financial statements are in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of alloys may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company and its joint venture is acting as the principal or as an agent of the customer. The company and its joint venture recognize revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer's prior inspection is stipulated; revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Customer contributed equipment to facilitate Company's fulfilment of contract are accounted as non-cash consideration received from Customer and are measured at fair value.

Use of significant judgments in revenue recognition:

The contracts of the Company and its joint venture with its customers could include promises to transfer multiple products and services to a customer. The Company and its joint venture assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. Variable considerations are allocated to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company and its joint venture use judgment to determine an appropriate standalone selling price for a performance obligation. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract.

Where standalone selling price is not observable, expected cost plus margin approach used to allocate the transaction price to each distinct performance obligation.

The Company and its joint venture exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. Indicators considered such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfillment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through consolidated statement of profit and loss.

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the consolidated statement of profit and loss in the periods during which services are rendered by employees. Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme are classified under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the consolidated statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the consolidated statement of profit and loss. All actuarial gains and losses arising from defined benefit plans recognized in other comprehensive income.

The Gratuity and contribution towards Provident Fund classified under this category.

iii. Compensated Absence

The liability towards compensated absences is accounted based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 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’.

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 Rs.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. (a) Re-usable process scrap, process rejections and sales rejections with customers for return

At estimated realizable value for scrap.

(b) Scrap Identified for Sale

At estimated realizable value or market value whichever is less

v. Tools and Gauges

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

vi. Work-in-process

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii. Finished Goods

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.

viii. Goods in transit are valued at cost.

ix. Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

x. Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value

Consumables and Spares (which do not meet definition of PPE): 50% of the book value

xi. Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Investments in Associates and Joint Ventures

An associate is an entity over which the Company has significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated on these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduces the carrying amount of the investment. When the company's share of losses of an associate or a joint venture exceeds the company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the company's net investment in the associate or joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If, there exists such an objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Company's investment in an associate or joint venture.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

For the purpose of consolidation the use of the equity method is discontinued from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

The equity method is continued when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the ownership interest in an associate or a joint venture is reduced but the use of equity method is continued, the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.10 Income tax

Tax expense represents the sum of current tax and deferred tax

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The current tax assets and current tax liabilities are off-set, where there is a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.11 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, impairment loss if any is recognized on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

i. Financial assets

The Company and its joint venture initially recognizes its Loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company and its joint venture becomes a party to the contractual provisions of the instrument.

The Company and its joint venture de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Except Trade Receivables, financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company and its joint venture's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Financial liabilities

The Company and its joint venture initially recognize debt securities issued and subordinated liabilities on the date that they are originated and all other financial liabilities are recognized initially on the trade date at which it becomes a party to the contractual provisions of the instrument.

The Company and its joint venture de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.13 Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company and its joint venture on terms that would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

ii. Non-financial assets

At the end of each reporting period, the Company and its joint venture reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.14 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.15 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the consolidated statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of profit and loss using the effective interest method.

2.16 Earnings per share

The Company and its joint venture presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.17 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment.. 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.

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 31st March, 2026
Land	1,718.39	-	-	1,718.39	-	-	-	-	1,718.39
Buildings/Drainage/ Water systems	9,736.70	645.71	(5.79)	10,376.62	1,688.71	370.88	(2.32)	2,057.27	8,319.35
Plant and Equipment	90,245.26	4,705.82	(130.76)	94,820.32	20,653.98	4,050.83	(111.78)	24,593.03	70,227.29
Furntiure and Fixtures	624.09	19.07	(7.22)	635.94	420.79	42.14	(6.97)	455.96	179.98
Vehicles	640.75	32.12	(8.77)	664.10	399.80	45.84	(7.87)	437.77	226.33
Office Equipment	1,991.61	233.79	(33.39)	2,192.01	1,391.65	240.84	(26.94)	1,605.55	586.46
Other (Electrical Installations)	4,244.74	132.53	(0.77)	4,376.50	1,628.81	353.10	(0.61)	1,981.30	2,395.20
Others (Roads and Bridges)	443.96	(0.00)	(0.43)	443.53	214.03	82.84	(0.39)	296.48	147.05
Right of Use Assets									
Buildings/Drainage/ Water systems	4,934.22	-	-	4,934.22	767.12	157.81	-	924.93	4,009.29
Plant and Equipment	21,564.15	-	-	21,564.15	3,337.02	819.44	-	4,156.46	17,407.69
Other (Electrical Installations)	3,526.35	-	-	3,526.35	2,048.89	335.00	-	2,383.89	1,142.46
Total	**1,39,670.22**	**5,769.04**	**(187.13)**	**1,45,252.13**	**32,550.80**	**6,498.72**	**(156.88)**	**38,892.64**	**1,06,359.49**

Notes to Consolidated Financial Statements

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 31st March, 2025
Land	1,718.39	-	-	1,718.39	-	-	-	-	1,718.39
Buildings/Drainage/ Water systems	7,940.14	1,799.15	(2.59)	9,736.70	1,360.84	329.75	(1.88)	1,688.71	8,047.99
Plant and Equipment	82,408.69	7,925.23	(88.66)	90,245.26	16,869.06	3,860.65	(75.73)	20,653.98	69,591.28
Furntiure and Fixtures	632.47	5.31	(13.69)	624.09	382.62	51.19	(13.02)	420.79	203.30
Vehicles	616.93	82.77	(58.95)	640.75	402.53	53.55	(56.28)	399.80	240.95
Office Equipment	1,869.51	158.00	(35.90)	1,991.61	1,207.27	214.75	(30.37)	1,391.65	599.96
Other (Electrical Installations)	3,618.82	630.32	(4.40)	4,244.74	1,302.39	330.60	(4.18)	1,628.81	2,615.93
Others (Roads and Bridges)	443.96	-	-	443.96	130.34	83.69	-	214.03	229.93
Right of Use Assets									**-**
Buildings/Drainage/ Water systems	4,934.22	-	-	4,934.22	609.31	157.81	-	767.12	4,167.10
Plant and Equipment	21,564.15	-	-	21,564.15	2,517.58	819.44	-	3,337.02	18,227.13
Other (Electrical Installations)	3,526.35	-	-	3,526.35	1,713.89	335.00	-	2,048.89	1,477.46
Total	**1,29,273.63**	**10,600.78**	**(204.19)**	**1,39,670.22**	**26,495.83**	**6,236.43**	**(181.46)**	**32,550.80**	**1,07,119.42**

Notes to Consolidated Financial Statements

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

   (a) Land leased to DRDO - 35 acres and 39 guntas (Operating Lease), (b)Land in the physical possession of Telanagana State Govt. - 1 acre, (c) Land in the physical possession of BDL - 1 acre and (d) 1.5 Acres land is under dispute on account of unauthorized ocupancy by third party.

2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.

3. Pending registration/receipt of claims, no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)

4 Plant and Machinery includes Rs.6,454.96 lakhs (31-Mar-2025 Rs.4,976.50 lakhs) for R&D capital cost.

5 Plant and Machinery includes Rs.18,337.48 lakhs (31-Mar-2025 Rs.18,337.48 lakhs) funded by ASL vide MoU ASL/SP/R/SP/0138/11/2011/2005 dated 21st December 2011, where no repayment exists.

6 Company considered the salvage value as 5% of the Cost of Tangible Assets. However, assets having value less than and equal to Rs.5,000 are depreciated at 100% in the year of acquisition.

7 Principal Asset costing ₹100 lakhs and above only are identified for the purpose of componentization of assets.

8 During the year, the Company has not revalued Property, Plant and Equipment.

9 The Estimated useful life of various categories of assets are considered based on the Schedule II of the Companies Act, 2013, where NESD rates are available. For the other assets, management has estimated the useful life after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence etc. The estimated useful lives of various categories of Tangible Assets is as follows.

Asset Class	Useful Life (Years)
Buildings	30/60
Roads and Bridges	5
Electrical Installations	10
Plant, Machinery and Equipment	10/15/25
Electrical Equipments	3/6
Vehicles	8/10
Office Equipments	5/8/10
Furniture and Fixtures	8/10

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

Notes to Consolidated Financial Statements

4. INTANGIBLE ASSETS

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 1st April, 2025	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2026	As at 31st March, 2026
Computer Software	766.54	132.21	-	898.75	542.98	135.21	-	678.19	220.56
Copyrights & Patents and other intellectual property rights, services and operating rights	105.95	-	-	105.95	45.44	10.12	-	55.56	50.39
Total	**872.49**	**132.21**	**-**	**1,004.70**	**588.42**	**145.33**	**-**	**733.75**	**270.95**

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 1st April, 2024	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2025	As at 31st March, 2025
Computer Software	743.94	22.60	-	766.54	439.10	103.88	-	542.98	223.56
Copyrights & Patents and other intellectual property rights, services and operating rights	105.95	-	-	105.95	37.63	7.81	-	45.44	60.51
Total	**849.89**	**22.60**	**-**	**872.49**	**476.73**	**111.69**	**-**	**588.42**	**284.07**

Notes to Consolidated Financial Statements

5. CAPITAL WORK-IN -PROGRESS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital Work-in-Progress-Civil	581.54	411.98
Capital Work-in-Progress- Plant & Machinery Under Erection	952.44	1,762.18
Plant, Machinery & Equipment under Inspection & in Transit	46.20	334.62
Total	**1,580.18**	**2,508.78**

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Investments Non-Trade, Unquoted AT COST		
Investment in Equity instruments		
AP Gas Power Corporation Limited (*)		
18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	-	107.20
4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	-	102.91
Investments in Joint Venture (**)		
a) Utkarsha Aluminium Dhatu Nigam Limited	2,116.83	2,048.91
2,00,00,000 fully paid up Equity share of ₹ 10/- each		
b) Advanced Materials (Defence) Testing Foundation	273.20	273.20
27,320 fully paid up Equity share of ₹ 1,000/- each		
Total	**2,390.03**	**2,532.22**

Nature of Investment

The Company holds equity shares in Andhra Pradesh Gas Power Corporation Limited (APGPCL), classified as Non-Current Investments – Unquoted Equity Instruments. The investment was strategic in nature and was made primarily for securing eligibility of power supply for the Company's operations and not with the primary objective of earning investment returns.

Impairment Assessment

During the year, the Company has carried out an assessment of the recoverable value of the above investment. APGPCL is presently not carrying on significant commercial operations and is involved in various legal proceedings, arbitration matters, and claims. Certain adverse arbitration awards and contingent liabilities are expected to have a significant adverse impact on its financial position. Although the latest available financial statements of APGPCL indicate a positive net worth, based on management's assessment of the likely impact of pending litigations, arbitration matters, contingent liabilities, and uncertainty regarding future operations and recoverability, the recoverable value of the investment has been determined to be Nil.

Notes to Consolidated Financial Statements

Accordingly, an impairment loss of Rs.210.11 lakh has been recognised during the year in the Statement of Profit and Loss, resulting in the carrying value of the investment being reduced to Nil as at the reporting date.

The impairment recognised represents a diminution in the carrying value of the investment based on management's assessment of recoverability. The equity shares continue to be held by the Company and have not been extinguished or disposed of.

(**) Details of Joint venture

Particulars	Principal Activity and place of business	Proportion of ownership Interest/ voting rights held by the Company	
		As at 31-03-2026	As at 31-03-2025
a) Utkarsha Aluminium Dhatu Nigam Limited	For setting up High End Aluminium Alloy Production plant at Nellore, Andhra Pradesh.	50%	50%
b) Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act, 2013)	For development, operation and maintenance of Defence Testing Infrastructure (DTI) of Mechnical and Material Testing Facility in UP Defence Industrial Corridor, Lucknow.	20%	20%

Financial Information in respect of Joint Venture (Utkarsha Aluminium Dhatu Nigam Limited)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-current assets	1,051.27	1,032.63
Current assets	3,336.54	3,201.18
Non-current liabilities	16.85	16.09
Current liabilities	137.31	119.89
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	3,170.85	3,028.09
Current financial liabilities (excluding trade payables and provisions)	-	-
Non-current financial liabilities (excluding trade payables and provisions)	-	-
Current liabilities	137.31	119.89

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue	-	-
Profit or loss from continuing operations	135.83	153.74
Other comprehensive income for the year	-	-
Total comprehensive income for the year	135.83	153.74
The above profit / (Loss) for the year include the following:		

Notes to Consolidated Financial Statements

Particulars	As at 31st March, 2026	As at 31st March, 2025
Depreciation and amortisation	8.34	9.73
Interest Income	-	-
Interest expenses	-	-
Income tax expense / (income)	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in JV recognised in the consolidated financial statements:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Net asset of the Joint Venture	4,233.65	4,097.83
Proportion of the Group's ownership interest in JV (%)	50%	50%
Proportion of the Group's ownership interest in JV (₹)	2,116.83	2,048.91
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	2,116.83	2,048.91
Carrying amount of the Group's interest in JV	2,116.83	2,048.91

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Loans to Vendors	-	-
Total	**-**	**-**

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance Income Tax	-	-
Total	**-**	**-**

Notes to Consolidated Financial Statements

9. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Capital Advances				
Unsecured, considered good		0.01		360.95
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		**0.01**		**360.95**
Others				
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	319.40		322.29	
Less: Provision	319.40	-	322.29	-
Obsolete and slow moving -consumables	49.00		56.37	
Less: Provision	49.00	-	56.37	-
Obsolete and slow moving -spares	227.42		216.45	
Less: Provision	227.42	-	216.45	-
Total		**0.01**		**360.95**

10. INVENTORIES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw Materials and components	11,464.03	9,428.50
Raw Materials and components -in transit	6,360.59	1,859.85
Total	**17,824.62**	**11,288.35**
Work-in-progress#	72,712.07	66,863.46
Total	**72,712.07**	**66,863.46**
Finished goods	56.13	9.44
Finished goods in transit	123.65	76.43
Total	**179.78**	**85.87**
Stores and spares	839.15	668.63
Stores and spares -in transit	-	-
Total	**839.15**	**668.63**
Loose Tools	41.46	47.26
Total	**41.46**	**47.26**

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Consumables	2,492.92	2,560.64
Consumables-in transit	-	-
Total	**2,492.92**	**2,560.64**
Internally generated Scrap/rejected material *	39,170.59	46,583.72
Total	**39,170.59**	**46,583.72**
Grand Total	**1,33,260.59**	**1,28,097.93**

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

#Work in progress Include materials lying with sub-contractors ₹ 3,749.55 Lakh (31.03.2025 ₹ 1,323.47 Lakh) and is subject to confirmation of balance by sub-contractors.

*Includes Rejected Materials lying with Customers ₹ 438.33 Lakh (31.03.2025 ₹ 103.70 Lakh) yet to be brought back from Customers.

Valuation of Inventories has been made as per criteria specified at 2.8 of Significant Accounting Policies given at Note-2.

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables		
Considered Good - Unsecured	55,455.80	41,052.17
Which have significant increase in Credit Risk	-	-
Credit Impaired	1,345.99	1,562.19
Total (A)	**56,801.79**	**42,614.36**
Less : Allowance for bad and doubtful debts		
Considered good - Unsecured (ECL)	(33.08)	(20.81)
Which have significant increase in Credit Risk	-	-
Credit Impaired	(1,345.99)	(1,562.19)
Total (B)	**(1,379.07)**	**(1,583.00)**
Grand Total (A-B)	**55,422.72**	**41,031.36**

Notes to Consolidated Financial Statements

Trade Receivables ageing schedule

(₹ in Lakh)

Particulars		Outsanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Recievables - Considered good	50,792.91	2,816.81	1,396.53	348.65	100.90	**55,455.80**
(ii)	Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	**-**
(iii)	Undisputed Trade Receivables - Credit Impaired	870.75	72.69	115.60	49.54	237.41	**1,345.99**
(iv)	Disputed Trade Receivables - Considered good	-	-	-	-	-	**-**
(v)	Disputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	**-**
(vi)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-	**-**

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

#Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Expected Credit Loss Percentage

Age of receivables	Expected credit loss	
	As at 31st March, 2026	As at 31st March, 2025
Within Credit the Period	2.09%	1.80%
Upto 3 months	3.54%	2.87%
3-6 months	22.12%	24.48%
6-9 months	56.73%	58.27%
9-12 months	93.00%	92.80%
>12 months	100.00%	100.00%
Specific Provision (Rs. In Lakhs) relating to Defence, Govt and PSU customer dues	284.46	351.75
Specific Provision (Rs. In Lakhs) relating to Defence, Govt, PSU, Private customer dues (LD)	1,061.53	1,210.44

Notes to Consolidated Financial Statements

(₹ in Lakh)

Age of receivables	As at 31st March, 2026	As at 31st March, 2025
Private Customers -Unsecured		
Within Credit the Period	133.49	755.73
Upto 3 months	215.38	127.52
3-6 months	-	0.03
6-9 months	-	-
9-12 months	1.93	1.76
>12 months	20.88	1.93
Private Customers -secured	7,464.84	677.79
Defence, Govt and PSU customer dues	48,965.27	41,049.60

Movement in Provision made against Trade Receivables

(₹ in Lakh)

Particulars	Total
Loss allowance as on 31st March, 2025	**1,583.00**
Changes in loss allowance	(203.93)
Loss allowance as on 31st March, 2026	**1,379.07**

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with Banks		
In Current Accounts	3,208.15	1,086.23
In Deposit Accounts#	16,000.00	4,000.00
Cash on hand	0.75	1.95
Total	**19,208.90**	**5,088.18**

#Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unpaid Dividend #	12.59	13.63
Total	**12.59**	**13.63**

This amount includes of ₹ 0.88 lakh (31-03-2025 - ₹ 0.48 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

Notes to Consolidated Financial Statements

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured - Considered Good		
Loans and advances to employees	57.60	39.92
Claims receivable	3.46	40.61
Deposits with others	1,698.72	1,812.13
Interest accrued on bank deposits	319.01	165.94
Total	**2,078.79**	**2,058.60**

15. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Assets held for disposal	2.04	1.28
Prepaid expenses	360.26	303.11
GST/Customs duty receivable	980.09	1,508.66
Others		
Unsecured, considered good		
Advance to suppliers	203.60	557.12
Total	**1,545.99**	**2,370.17**

16. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
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**

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Subscribed and fully Paid up		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Total	**18,734.00**	**18,734.00**

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

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	Amount (₹ in Lakh)	No. of Shares	Amount (₹ in Lakh)
Outstanding as at Opening Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	**18,73,40,000**	**18,734.00**	**18,73,40,000**	**18,734.00**

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each equity share represents one voting right.

Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2026		31st March, 2025	
	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%

Details of Shareholding of Promoters

Shares held by promoters as on 31st March, 2026				% Change during the year
S. No.	Promoter Name	No. of Shares	% of Total shares	
1	President of India	13,86,31,600	74%	-

Notes to Consolidated Financial Statements

17. OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
General Reserve				
Opening Balance		1,14,575.87		1,06,475.87
Less: Depreciation adjustment		-		-
		1,14,575.87		1,06,475.87
Add: Additions during the year		9,800.00		8,100.00
Sub-total		**1,24,375.87**		**1,14,575.87**
Retained Earnings				
Opening Balance		8,230.38		6,651.98
Add: Amount transferred from statement of profit and loss		13,146.54		11,083.74
Amount available for appropriation		21,376.92		17,735.72
Less: Appropriations				
Interim Dividend	1,592.60		1,405.34	
Final Dividend	-			
Transferred to General Reserve	9,800.00	11,392.60	8,100.00	9,505.34
Sub-total		**9,984.32**		**8,230.38**
Components of other comprehensive income				
Opening Balance		(43.41)		54.49
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect		147.56		(97.90)
Sub-total		**104.15**		**(43.41)**
Total		**1,34,464.34**		**1,22,762.84**

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Term Loans		
from Banks	1,906.12	3,907.88
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan)		
(Excluding Rs.2000.00 lakh (31.03.2025 -Rs.2000.00 lakh) which is due for payment within 12 months treated as Other Current Financial Liability and included under Note 23) Repayable in 20 quarterly equal installments)		
Total	**1,906.12**	**3,907.88**

Notes to Consolidated Financial Statements

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deposit under MEFBS-2021	109.83	109.83
Total	**109.83**	**109.83**

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Provision for gratuity	181.82	169.92
Provision for compensated absences	59.02	62.53
Total	**240.84**	**232.45**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities		
On Depreciation	6,338.09	5,815.92
Sub Total	**6,338.09**	**5,815.92**
Deferred Tax Assets		
On Provision	732.92	631.59
On Disallowance as per IT Act	-	-
Sub Total	732.92	631.59
Net Total	**5,605.17**	**5,184.33**

Movement in deferred tax

(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2025	Charge/Credit during the year 2025-26	Closing Balance 31-March,-2026
Deferred Tax Assets			
Provision for Non Moving Stores	149.78	0.18	149.96
Provisions for Doubtful Debts	93.77	(13.85)	79.92
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	147.71	7.13	154.84
AMTL Leave Provision	-	-	-

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2025	Charge/Credit during the year 2025-26	Closing Balance 31-March,-2026
Provison for Others	2.78	-	2.78
OFB-Melt-IV Interest Differences (Net)	88.34	8.19	96.53
VSSC Interest Differences (Net)	-	-	-
OFB-WPM Interest Differences (Net)	143.54	32.96	176.50
MSE Liaibility Unapaid	-	7.13	7.13
Provision for diminution/impairment of Investment	-	52.88	52.88
Provision for Gratuity	-	6.71	6.71
Total Assets	**631.59**	**101.33**	**732.92**
Deferred Tax Liability			
Depreciation	5,815.92	522.17	6,338.09
Total Liability	**5,815.92**	**522.17**	**6,338.09**
Net Liability	**5,184.33**	**420.84**	**5,605.17**

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances		
Advances from Customers	32,254.59	25,866.98
Others		
Material Received on Loan - Kaveri Project	-	-
Other Liabilities - VSSC	-	54.72
Other Liabilities - OFB	347.00	163.00
Advances Others	-	64.57
Deferred Income	36,347.97	37,764.05
Total	**68,949.56**	**63,913.32**

Notes to Consolidated Financial Statements

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	(4.38)	(0.01)
(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	-	-
Secured by Fixed Deposits of ₹ Nil (31.03.2025 Nil)		
Unsecured		
From Banks		
Short Term Loans	24,500.00	17,499.91
Current Maturities of Long Term Debt	2,000.00	2,000.00
Total	**26,495.62**	**19,499.90**

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Micro & Small Enterprises	1,108.67	554.15
Others	10,278.19	8,772.44
Total	**11,386.86**	**9,326.59**

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 Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Amount due and Payable at the year end		
Principal	33.56	45.02
Interest on above Principal	1.20	-
Payments made during the year after the due date		
Principal	6,025.95	4,120.22

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest on above Principal	-	-
Interest due and payable for principals already paid	124.16	-
Total Interest accrued and remain unpaid at year end	**125.36**	**-**

Trade Payables ageing schedule

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	986.49	75.14	25.08	5.45	16.51	**1,108.67**
(ii) Others	7,657.93	2,368.50	92.09	50.67	109.00	**10,278.19**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Earnest money deposit	552.33	575.37
Security Deposit	1,163.94	1,481.00
Liabilities to customers	1,626.47	1,471.47
Capital creditors	5,791.61	6,140.36
Employee payables	1,611.70	1,742.66
Unpaid Dividend #	12.59	13.63
Interest Accured on Short-term Loan	2.95	-
Total	**10,761.59**	**11,424.49**

This amount includes of ₹ 0.88 lakh (31-03-2025 - ₹ 0.48 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

26. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances received from customers	21,502.08	17,243.68
Liabilities for Customer Financed projects	502.69	478.95
Material Received on Loan - Others	2,496.18	2,540.58
Statutory liabilities	3,431.10	1,502.14
Total	**27,932.05**	**21,765.35**

Notes to Consolidated Financial Statements

27. CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Provision for compensated absences	(14.41)	381.57
Provision for gratuity	78.55	356.34
Provision for post retirement medical scheme	181.06	175.87
Provision for pension scheme	37.25	35.71
Provision for other employee benefits	1,711.39	1,219.23
Other Provisions		
Provision for contingencies and warranty	615.24	586.88
Provision for Income Tax	640.96	269.43
Other provisions	11.04	11.04
Total	**3,261.08**	**3,036.07**

Movement in Provisions (Short term and Long term)

(₹ in Lakh)

Particulars	As at 01.04.2025	Additions	Utilization	Reversal	As at 31.03.2026
Compensated absences	444.10	-17.92	381.57	-	44.61
Gratuity	526.26	90.45	356.34	-	260.37
Post retirement medical scheme	175.87	181.06	175.87	-	181.06
Contingencies and Warranty	586.88	28.36	-	-	615.24
Others	1230.27	910.00	417.84	-	1722.43
Total	**2963.38**	**1191.95**	**1331.62**	**-**	**2823.71**

28. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Sale of Manufacturing Products		
Domestic	1,04,777.12	93,258.93
Export Sales	8,542.17	9,419.32
Sale of Services	4,883.93	2,600.32
Other Operating Revenue		
Sale of product scrap	2,659.37	2,131.58
Total	**1,20,862.59**	**1,07,410.15**

Notes to Consolidated Financial Statements

29. OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Interest Income		
From Banks	502.28	167.47
From Others	551.41	552.76
Liquidated Damages	1,152.03	538.70
Exchange rate variance	50.42	-
Net gain on sale of Fixed Assets	-	5.90
Income from Sale of Unserviceable Scrap	430.77	314.68
Provisions written back		
Non-Moving Inventories	-	78.37
Excess Liabilities written back	174.31	490.31
Grant Income	864.67	864.67
Other miscellaneous income	74.85	79.29
Total	**3,800.74**	**3,092.15**

Details of other miscellaneous income

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Sale of Application Forms (Personnel)	1.52	0.07
Sale of Tender Documents	-	0.02
Others	73.33	79.20
Total	**74.85**	**79.29**

30. COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Cost of Material for manufactured products	50,560.75	42,222.15
Total	**50,560.75**	**42,222.15**

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

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Opening Stock		
Work-in-progress	66,863.46	66,870.49

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Finished Stock	85.87	56.66
Scrap	46,583.72	47,453.67
	1,13,533.05	**1,14,380.82**
Closing Stock		
Work-in-progress	72,712.07	66,863.46
Finished Stock	179.78	85.87
Scrap	39,170.59	46,583.72
	1,12,062.44	**1,13,533.05**
(Increase) / Decrease		
Work-in-progress	(5,848.61)	7.03
Finished Stock	(93.91)	(29.21)
Scrap	7,413.13	869.95
Total	**1,470.61**	**847.77**

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Salaries & Wages		
Salaries & Wages	9,992.50	9,585.29
Leave Encashment	178.58	543.96
Directors remuneration	259.32	246.62
Contribution to Provident and other Funds		
Provident fund	775.59	782.81
Employees Gratuity	479.06	237.08
Leave salary and pension contribution	397.30	418.30
Staff Welfare & Training		
Workmen and staff welfare expense	2,407.84	2,419.80
Total	**14,490.19**	**14,233.86**

(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

The ceiling of Gratuity payable to Officers & Workmen was Rs.20 lakhs w.e.f 01.01.2017. In terms of the DPE OM dated 03.08.17, the ceiling of Gratuity shall increase by 25 % whenever Industrial Dearness Allowance (IDA) rises by 50%. From 01.10.2025 IDA has been revised to 51.80 % as notified vide Circular dated 08.10.2025. Accordingly, ceiling of Gratuity to eligible Officers and Workmen of the Company have been revised from Rs.20 lakhs to Rs.25 lakhs from 01.10.2025. The additional liability accruting to the Company due to the increased ceiling in respect of officers and workmen is Rs.252.30 lakhs given effect during FY 2025-26.

Expenses Recognised during the period

(₹ in Lakh)

Particulars	2025-26	2024-25
In Income Statement	500.72	230.66
In Other Comprehensive Income	(197.19)	130.84
Net Liability	**303.53**	**361.50**

Assets and Liability (Balance Sheet Position)

(₹ in Lakh)

Particulars	2025-26	2024-25
Present Value of Obligation	3,347.81	3,267.39
Fair Value of Plan Assets	3,295.93	2,911.04
Surplus / (Deficit)	(51.88)	(356.35)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	**(51.88)**	**(356.35)**

Changes in the Present Value of Obligation

(₹ in Lakh)

Particulars	2025-26	2024-25
Present Value of Obligation as at beginning	**3,267.39**	**3,022.77**
Current Service Cost	229.16	212.77
Interest Expense or Cost	220.96	217.49
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(186.52)	140.56
- experience variance (Actual Vs assumptions)	11.33	(2.04)
Past Service Cost	251.65	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(446.16)	(324.16)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**3,347.81**	**3,267.39**

Notes to Consolidated Financial Statements

Bifurcation of net liability

(₹ in Lakh)

Particulars	2025-26	2024-25
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	51.88	356.34
Net Liability	**51.88**	**356.34**

Changes in the Fair Value of Plan Assets

(₹ in Lakh)

Particulars	2025-26	2024-25
Fair Value of Plan Assets as at the beginning	**2,911.04**	**2,774.12**
Investment Income	201.05	199.59
Employer's Contribution	608.00	253.80
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(446.16)	(324.16)
Return on plan assets , excluding amount recognised in net interest expense	22.00	7.69
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**3,295.93**	**2,911.04**

Expenses Recognised in the Income Statement

(₹ in Lakh)

Particulars	2025-26	2024-25
Current Service Cost	229.16	212.77
Past Service Cost	251.65	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	19.91	17.89
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	**500.72**	**230.66**

Other Comprehensive Income

(₹ in Lakh)

Particulars	2025-26	2024-25
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(186.52)	140.57
- experience variance (i.e. Actual experience vs assumptions)	11.33	(2.04)

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	2025-26	2024-25
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	(22.00)	(7.69)
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	**(197.19)**	**130.84**

Actuarial assumptions

(₹ in Lakh)

Particulars	2025-26	2024-25
Discount rate (per annum)	7.30%	6.75%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

(₹ in Lakh)

Particulars	2025-26	2024-25
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

Sensitivity analysis

(₹ in Lakh)

Particulars	31-Mar-26		31-Mar-25	
Defined Benefit Obligation (Base)	3,347.80		3,267.39	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,721.41	3,031.93	3,622.73	2,968.22
(% change compared to base due to sensitivity)	11.2%	-9.4%	10.9%	-9.2%
Salary Growth Rate (- / + 1%)	3,129.18	3,576.58	3,073.67	3,460.29
(% change compared to base due to sensitivity)	-6.5%	6.8%	-5.9%	5.9%
Attrition Rate (- / + 1%)	3,281.34	3,401.13	3,214.88	3,309.04
(% change compared to base due to sensitivity)	-2.0%	1.6%	-1.6%	1.3%
Mortality Rate (- / + 10%)	3,339.00	3,356.38	3,266.00	3,268.76
(% change compared to base due to sensitivity)	-0.3%	0.3%	0.0%	0.0%

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Lakh)

1 year	353.98
2 to 5 years	959.61
6 to 10 years	1,241.29
More than 10 years	6,090.84

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave. The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss.

Bifurcation of net liability

(₹ in Lakh)

Particulars	31-Mar-26	31-Mar-25
Current Liability (Short term)	290.77	334.19
Non-Current Liability (Long term)	3,110.86	3,134.65
Net Liability	**3,401.63**	**3,468.84**

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year.

The Current year contribution to pension fund has been paid @ 7% of Basic + DA in line with the MoD guidelines.

Notes to Consolidated Financial Statements

33. FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Interest expense		
Cash Credit	8.16	12.50
Short Term Overdrafts	2.42	-
Interest expenses on Lease Liability	714.93	717.88
Interest - Others	171.03	5.56
Interest - Term Loan	1,608.84	2,208.83
Discount on issue of Commercial Paper	-	-
Total	**2,505.38**	**2,944.77**

34. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Travelling Expenses		
Travelling and conveyance	225.40	232.71
Hire of cars	22.00	25.01
Communication Expenses		
Postage & telephone	31.95	33.32
Repairs & maintenance expenses		
Buildings	586.20	588.03
Plant and machinery	456.39	794.07
Others	364.96	271.65
Rent, rates & taxes		
Rates and taxes	12.17	6.87
Rent	32.60	35.48
Printing and stationery		
Printing and stationery	10.86	13.92
Office maintenance expenses		
Security guard charges	1,370.05	1,163.42
Administration expenses-Others	233.51	130.64
Power & fuel		
Power and fuel	10,312.77	8,839.50
Sub-contractor expenses		
Sub-contractor expenses	8,422.34	7,510.41

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
General expenses		
CSR Expenses	332.29	399.76
Bad debts written off	37.38	55.84
Fixed Assets written off	2.64	-
Sales schemes	653.52	949.55
Library books	18.62	-
News paper and journals	13.95	0.90
Membership fees	20.48	24.40
Training expenses	66.07	21.96
Entertainment/courtesy expenses	2.03	1.88
Hostel/guest house expenses net of income	12.11	21.87
Business promotion expenses	120.22	195.55
Directors sitting fees	21.50	11.44
Factory expenses	260.80	274.07
Advertisement	41.21	62.53
Water charges	205.06	202.52
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	5,810.49	5,709.46
Insurance expenses		
Insurance	355.57	314.68
Professional charges		
Legal and professional fees	30.88	17.24
Internal Audit Fee	6.30	6.76
Consultancy charges	81.84	69.53
Contract professionals expenses	22.27	22.18
R& D Expenses		
R & D Contribution	30.00	0.07
Exchange fluctuation		
Exchange rate variance charged off	-	160.98
Auditors remuneration		
Auditor’s remuneration	12.20	13.05
Finance & bank charges		
Bank charges	105.14	98.37

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Provision for Diminution/Impairment of Investments	210.11	
Provision for non moving inventories	0.71	-
Provision for Bad debts		
Provision for Doubtful Debts	-	22.11
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	28.36	
Total	**30,582.95**	**28,301.73**

Remuneration and other payments to the auditor

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Auditor		
(a) Statutory Audit & Limited Review	10.70	11.55
(b) Tax Audit	1.50	1.50
(c) Other Services	-	-
Total	**12.20**	**13.05**

Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Promoting Education	13.45	81.43
Promotion of Skill development and Women empowerment	8.59	67.02
Promotion of Health	247.55	223.21
Other Projects	62.70	28.10
TOTAL	**332.29**	**399.76**

Additional details of Corporate Social Responsibility (CSR)

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31st March, 2026
(i)	Amount required to be spent by the company	325.67
(ii)	Amount of expenditure incurred	332.29
(iii)	Shortfall at the end of the year	Nil
(iv)	Total of previous years shortfall	Nil
(v)	Reason for shortfall	Nil

Notes to Consolidated Financial Statements

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31st March, 2026
(vi)	Nature of CSR activities	Promote Education, Skill development, Promote culture, Social and Sport activities and Promote health activities
(vii)	Details of related party transactions	MIDHANI under CSR has envisaged to build a Primary Health Centre to provide medical services to the poor families residing in and around MIDHANI. The center shall cater to the basic needs of the patients by providing consulation, checkup, basic diagnostic tests & medicines at nominal charges. In F.Y. 2025-26, MIDHANI under CSR has spent an amount of Rs.114.62 lakh towards manpower, organizing various camps, infrastruture development etc. Out of which Rs. 59.62 lakh has been contributed to MPHCC Trust towards payment of salaries to the staff working for MPHCC.
(viii)	Movement in provision with respect to liability incurred by entering into a contractual liability	Nil

35. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Current tax		
Current tax on profits for the year	4,959.93	3,848.04
Earlier year tax	(0.36)	(0.49)
	4,959.57	**3,847.55**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(420.84)	(716.55)
Total income tax expense	**5,380.41**	**4,564.10**

Notes to Consolidated Financial Statements

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026		For the Year Ended 31st March, 2025	
Profit before tax		**18,606.59**		**15,473.07**
Tax at Indian tax rate of 25.168%		4,682.91		3,894.26
Add:				
Depreciation under Companies Act	6,644.05		6,348.12	
Disallowances under Sec 43B	26.68		-	
Disallowance under Sec 43 B (h)	28.33			
Provision for Doubtful Debts	(55.02)		22.11	
Provision for non moving stores and spares	0.71		(78.37)	
R&D expenditure	-		-	
Provision for contingency & warranty	28.36		(315.20)	
Provision for obselete items	-		-	
Provision for doubtful claims	-		-	
CSR Expenses	332.29		399.76	
OFB Deferred Exp (Net-off)	32.54		33.31	
VSSC Deferred Exp (Net-off)	-		-	
OFB-WPM Deferred Exp (Net off)	130.98		133.17	
AMTL Leave Provision	-			
Provision for Others	-		(99.00)	
Provision for advance to suppliers	-		-	
Others	125.36		-	
Loss on Sale of Fixed Assets	2.64			
Provision for diminution/impairment of Investment	210.11			
	7,507.03		**6,443.90**	
Less:				
Earlier years liability discharged in the current year	-		26.21	
Depreciation as per IT Act	6,522.37		6,616.89	
	6,522.37		**6,643.10**	
Taxable Income	**984.66**	**247.82**	**(199.20)**	**(50.13)**
Tax Liability		4,930.73		3,844.13

Notes to Consolidated Financial Statements

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Interest	29.20	3.91
Earlier Year Tax	(0.36)	(0.49)
Deferred Tax	420.84	716.55
Total	**5,380.41**	**4,564.10**

Financial instruments

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakh)

	31st March, 2026				31st March, 2025			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	55,422.72	55,422.72	-	-	41,031.36	41,031.36
Cash and cash equivalents	-	-	19,221.49	19,221.49	-	-	5,101.81	5,101.81
Loans	-	-	-	-	-	-	-	-
Other financial assets	-	-	2,078.79	2,078.79	-	-	2,058.60	2,058.60
Total	**-**	**-**	**76,723.00**	**76,723.00**	**-**	**-**	**48,191.77**	**48,191.77**
Financial liabilities								
Borrowings	-	-	28,401.74	28,401.74	-	-	23,407.78	23,407.78
Trade payables	-	-	11,386.86	11,386.86	-	-	9,326.59	9,326.59
Lease Liabilities			12,283.18	12,283.18			11,568.26	11,568.26
Other financial liabilities	-	-	10,871.42	10,871.42	-	-	11,534.32	11,534.32
Total	**-**	**-**	**62,943.20**	**62,943.20**	**-**	**-**	**55,836.95**	**55,836.95**

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, 2026, March 31, 2025 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from

Notes to Consolidated Financial Statements

customers and certain other accruals) as of March 31, 2026, March 31, 2025 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.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Trade receivables	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these consolidated financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) **Provision for expected credit loss**

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having neglible credit risk, hence expected credit loss have not been computed

Expected credit loss for trade receivables

c) **Reconciliation of loss allowance provision - trade receivables**

(₹ in Lakh)

Loss allowance on 31st March, 2025	1,583.00
Changes in loss allowance	(203.93)
Loss allowance on 31st March, 2026	1,379.07

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, 2026, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2026	March 31, 2025
India	51,649.72	40,169.59
Outside India	5,152.07	2,444.77
	56,801.79	**42,614.36**

At March 31, 2025, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2026	March 31, 2025
Government, Government undertakings and other secured debts	56,430.11	41,727.39
Others	371.68	886.97
	56,801.79	**42,614.36**

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 ₹ 19,208.90 Lakh at March 31, 2026 (March 31, 2025: ₹ 5,088.18 Lakh).

Notes to Consolidated Financial Statements

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 Lakh)

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	More than 5 Years	Total
31st March, 2026							
Non derivatives							
Borrowings (Current and Non-current)	9,995.62	15,500.00	1,000.00	1,906.12	-		28,401.74
Trade payables	11,271.57	-	115.29	-	-		11,386.86
Lease Liabilities	4,228.67	9.73	19.46	42.47	151.92	7,830.93	12,283.18
Other financial liabilities	1,627.24	7,507.88	1,626.47	-	-	109.83	10,871.42
Total non-derivative liabilities	**27,123.10**	**23,017.61**	**2,761.22**	**1,948.59**	**151.92**	**7,940.76**	**62,943.20**

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.

Notes to Consolidated Financial Statements

The Company's external borrowings carries a fixed interest rate of 5.87 % 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 5.87 percent (2025: 6.82 percent).

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakh)

Particulars	As at 31st March, 2026
Total liabilities	1,68,931.90
Less : Cash and cash equivalent	19,208.90
Adjusted net debt	**1,49,723.00**
Total equity	1,53,198.34
Less : Hedging reserve	-
Adjusted equity	**1,53,198.34**
Adjusted net debt to adjusted equity ratio	0.98

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. As the Company is engaged in defence production, exemption was granted from applicability of Accounting Standard on Segment reporting under sec 129 of Companies Act, 2013 vide Notification dated 23rd February 2018 of Ministry of Corporate Affairs.

40. Related party transactions

The President of India has an ownership interest of 74.00 %. Midhani is thus a Government entity under the administrative control of Ministry of Defence (MoD) and is exempt from detailed disclosures as required under Ind AS 24 with respect to related party tansactions with Government and Government related entities.

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakh)

Name of the party		31st March, 2026					31st March, 2025
		Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a)	Dr. Sanjay Kumar Jha, C&MD (Upto 31st December, 2024)						95.94
(b)	Dr. S.V.S Narayana Murty, C&MD (w.e.f. 28th April, 2025)	53.91	7.24	-	-	**61.15**	-

Notes to Consolidated Financial Statements

(₹ in Lakh)

Name of the party	31st March, 2026					31st March, 2025
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(c) Shri. N. Gowri Sankara Rao, Director (F) & CFO (Upto 31st May, 2025)	16.64	1.08	20.00	21.25	**58.97**	67.24
(d) Shri. Tulasiraman Muthukumar, Director (P&M) (Upto 30th June, 2025)	26.89	2.10	20.00	30.48	**79.47**	83.44
(e) Smt.K. Madhubala, Director (F) & CFO (w.e.f 21st July, 2025)	30.91	4.13	-	1.75	**36.79**	-
(f) Shri P. Babu, Director (P & M) (w.e.f 7th October, 2025)	20.24	2.69	-	-	**22.93**	-
(d) Shri Paul Antony, CS	19.59	2.48		0.90	**22.97**	21.29
Total	**168.18**	**19.72**	**40.00**	**54.38**	**282.28**	**267.91**

41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31st March, 2026 (₹ in Lakh)	31st March, 2025 (₹ in Lakh)
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	31,007.56	20,300.82
Bank Guarantees	11,803.53	6,586.90
Letter of credit outstanding	16.74	412.74
Provisional Liquidated Damages on unexecuted customer order where the delivery date has expired	2,084.00	1,835.00
	44,911.83	**29,135.46**
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	2,867.15	5,806.16
	2,867.15	**5,806.16**

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

Particulars	31st March, 2026	31st March, 2025
Profit attributable to equity holders of the Company (₹ in Lakh)	13,146.54	11,083.74
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)	7.02	5.92

Notes to Consolidated Financial Statements

43. Imported Consumption

Particulars	31st March, 2026 (₹ in Lakh)	31st March, 2025 (₹ in Lakh)
Raw Material	25,534.57	24,786.38
Consumables and Spares	583.65	566.78
Total	**26,118.22**	**25,353.16**

44. The Company has used the borrowings from banks for the specific purpose for which it was taken as at 31st March, 2026 and 31st March, 2025.

45. Additional Regulatory Information

(i) Title deeds of Immovable Properties not held in name of the Company (other than properties where the Company is the lesses and the leasee agreements are duly executed in favour of the lessee)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in Lakh)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
PPE	Land	128.82	DMRL,Ministry of Defence. However,in some land award proceedings, Midhani's name is mentioned as Super Alloy Plant at DMRL.	No	Since 1975/1977/ 1985/ 1986	Conveyance Deed for 275 Acres and 35 Guntas of land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earlier. In the said Grant proceedings, Midhani is mentioned as Super Alloy Plant of DMRL (Defence Organization). Further, out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.
	Building	-	-	-	-	
Investment Property	Land	Not Applicable				
	Building					
	Land	Not Applicable				
	Building					
Others		Not Applicable				

Notes to Consolidated Financial Statements

(ii) During the year, the Company has not revalued its Property, Plant and Equiment and Intangible Assets.

(iii) The Company has not granted Loans or Advances in the nature of loans to Promoters, Directors, KMP, and the related parties as defined under Companies Act, 2013, either serverally or jointly with any other person.

(iv) Capital-Work-in Progress (CWIP) ageing schedule

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,044.28	447.78	88.12	-	**1,580.18**
Projects temporarily suspended	-	-	-	-	**-**

(v) The quartery returns or statements of current assets filed by the Company with banks where the Company has borrowings as on 31st March, 2026 are in agreement with the books of accounts.

(vi) The Company has not made any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vii) The Company has created or modified the charges with Registrar of Companies (ROC) within the statutory period as specified in the Companies Act, 2013.

(viii) The Company has no subsidiary hence Section 2 (87) not applicable.

(ix) Analytical Ratios

Ratio	Numerator	Denominator	31st March, 2026	31st March, 2025	% of variance	Reason for variance (For more than 25 %)
Current Ratio	Current Assets	Current Liabilities	2.52	2.61	-3.45%	-
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.19	0.17	11.76%	-
Debt Service Coverage Ratio	EBITDA	Debt service(Interest & Principal repayments)	0.89	0.95	-6.32%	-
Return on Equity (%)	Net profit after tax	Average Shareholder's Equity	8.92%	8.11%	9.99%	-
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.81	0.72	12.50%	-
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	2.51	2.93	-14.33%	-
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	6.08	4.31	41.07%	Due to increase in Raw Material Inventory

Notes to Consolidated Financial Statements

Ratio	Numerator	Denominator	31st March, 2026	31st March, 2025	% of variance	Reason for variance (For more than 25 %)
Net Capital Turnover Ratio	Net Sales	Working capital	0.95	0.98	-3.06%	-
Net Proit Ratio (%)	Net profit after tax	Net Sales	10.88%	10.32%	5.43%	-
Return on Capital Employed (%)	EBIT	Capital Employed	13.06%	12.37%	5.58%	-
Retrun on Investment (%)	Not applicable					

46. As at 31st March, 2026, the company does not have any outstanding Commercial Paper and therefore, the disclosure requirements as per updated SEBI circular: SEBI/HO/DDHS/P/CIR/2021/613 dated 13th April, 2022 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", information as required under regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 is not applicable.

47. The Company has leases for various assets referred to in Note 3 of financial statements. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment (Refer Note 3). The maturity analysis of Contractual Cash flows of Lease Liabilities is disclosed at Note 37(ii) of the financial statements.

48. Retention Sale

The value of Retention Sale (i.e., Goods retained with the Company at the customers' request and at their risk) included in Turnover during the year is Rs.5,378.05 Lakh (31.03.2025 Rs. 8,629.74 Lakh) Out of the above, the value of Ex-work sale is Rs. 3,290.40 Lakh (31.03.2025 Rs. 7,839.04 Lakh)

49. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

50. Disclosure of additional information

(a) As at and for the year ended 31st March, 2026

(₹ in Lakh)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	Amount	AS % of consolidated profit or loss	Amount	AS % of consolidated other comprehensive income	Amount	AS % of consolidated total comprehensive income	Amount
Joint Ventures (Accounting as per equity method)								
Utkarsha Aluminium Dhatu Nigam Limited	2.76%	4,233.65	0.52%	67.92	0.00%	-	0.51%	67.92
Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act, 2013)	Formed as per Section 8 of the Companies Act, 2013 for development, operation and maintenance of Defence Testing Infrastructure (DTI) of Mechnical and Material Testing Facility in UP Defence Industrial Corridor, Lucknow.							

Notes to Consolidated Financial Statements

(b) As at and for the year ended 31st March, 2025

(₹ in Lakh)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	Amount	AS % of consolidated profit or loss	Amount	AS % of consolidated other comprehensive income	Amount	AS % of consolidated total comprehensive income	Amount
Joint Ventures								
Utkarsha Aluminium Dhatu Nigam Limited	2.90%	4,097.83	0.69%	76.87	0.00%	-	0.70%	76.87
Advanced Materials (Defence) Testing Foundation (Section 8 Company under the Companies Act, 2013)	Formed as per Section 8 of the Companies Act, 2013 for development, operation and maintenance of Defence Testing Infrastructure (DTI) of Mechnical and Material Testing Facility in UP Defence Industrial Corridor, Lucknow.							

51. 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	Joint Venture
	Utkarsha Aluminium Dhatu Nigam Limited	Advanced Material (Defence) Testing Foundation
1. Latest audited Balance Sheet Date	31.03.2026	31.03.2026
2. Shares of Associate / Joint Ventures held by the company on the year end No.	2,00,00,000	27,320
Amount of Investment in Associates / Joint Ventures (₹)	20,00,00,000	2,73,20,000
Extent of Holding %	50.00%	20.00%
3. Description of how there is significant influence	[refer note 51.2]	[refer note 51.2]
4. Reason why the associate / joint venture is not consolidated	-	
5. Networth attributable to share holding as per latest audited Balance Sheet (₹)	21,16,83,000	-
6. Profit / (Loss) for the year (₹)		
i. Considered in Consolidation	67,91,500.00	-
ii. Not Considered in Consolidation	-	-

Notes to Consolidated Financial Statements

Note:
51.1 The JV Company has not commenced its operations.
51.2 Voting power as per the percentage of equity held.

Subject to our report of even date

for and on behalf of the Board of Directors

for **ANJANEYULU & CO.**
Chartered Accountants
Firm's registration no. 000180S

Sd/-
Dr. S.V.S. Narayana Murty
Chairman & Managing Director
DIN: 11065319

Sd/-
CA B Mohan lal
Partner
Membership No.280568

Sd/-
Smt.Madhubala Kalluri
Director (Finance)
DIN: 11202794

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Place: Hyderabad
Date: 29-05-2026

CORPORATE INFORMATION

Registered Office

Hyderabad, Telangana

P.O. Kanchanbagh, Hyderabad -500058

Tel. No: 040-2418 4515, Fax No: 040-2956 8502

Website: www.midhani-india.in

Regional / Commercial office

New Delhi (Regional Office)

Core- 6, Floor – 1, Scope Complex, 7 Lodhi Road,

New Delhi – 110070

Tel No. : 011-4166 6375, Fax: 011-2436 6466

Rohtak, Haryana (Armour Unit)

Mishra Dhatu Nigam Limited, Plot No. 8 & 13,

Sector 30 A, IMT, Rohtak, Haryana- 124 001

Statutory Auditors

Anjaneyulu & Co., Chartered Accountants

Cost Auditor

BVR & Associates, Cost Accountants

Secretarial Auditors

D. Hanumanta Raju & Co., 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

www.midhani-india.in

Registered Office

Mishra Dhatu Nigam Limited

PO – Kanchanbagh, Hyderabad – 500058, Telangana, India

GST Number: 36AABCM6345A1ZU

Corporate Identity Number: L14292TG1973GOI001660

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