





Hon'ble Defence Minister Shri A.K. Antony laying the foundation stone for the **EXPANSION** and **UPGRADATION** of Midhani and launching of **"ALCHEMY"** ERP program. Also seen are Shri R.K.Singh, Secretary Defence Production and Shri M.Narayana Rao, C&MD, Midhani.

## CHAIRMAN'S MESSAGE



It gives me immense pleasure in presenting 36<sup>th</sup> Annual Report of **MISHRA DHATU NIGAM LIMITED** for the year 2009-'10.

2. It is pleasurable to note that MIDHANI's journey, around in the last 36 years, has proved a success for, as many programs of National importance as possible, were extended support in critical materials which are virtually import substitutes. The Company is presently committed to move forward realizing all opportunities available to it, for better years of prosperity and growth with improved performance.
3. Among major achievements made during the year, the prominent were:
  - ◆ Crystallizing and mustering required support from Govt. of India, Ministry of Defence and ASL- DRDO, towards company's ambitious III - Phase of Expansion plan i.e. establishment of Wide Plate Mill, with an investment of around Rs. 350 Cr.
  - ◆ Surpassing all critical milestones in Procurement of Major Equipment under II - Phase of Modernisation & Up-gradation Program, which has been taken up as a part of Company's Corporate Plan-2020; and thereby reaching advanced stages of its implementation.
  - ◆ Witnessing, full year's successful performance of critical equipment installed and commissioned during I - Phase of Up-gradation & Modernisation program.
  - ◆ Achieving, once again, an "Excellent" and unprecedented performance during the year 2009-'10 surpassing all its past records.
4. On my behalf and on behalf of the Board of Directors, I would like to place on record that the Company has achieved a CAGR (Compounded Annual Growth Rate) of 24% over the last 5 years. MIDHANI's clear, decisive and deliverable initiatives in the last few years towards establishing synergetic linkage of internal expertise with usage of quicker & cost effective facilities available outside, both in Public and

Private Sector, has resulted in such an impressive performance. The meticulous efforts made in recent days, in selection of type, nature and design of critical equipment including the erection and commissioning thereof, in synergy with home grown capabilities & expertise, have resulted in producing quality material and timely deliveries. This would enable MIDHANI to achieve a turnover level of Rs. 1,000 Cr. by 2015. MIDHANI's constant efforts in identifying new materials and technologies not only enhances customer's present satisfaction further but also create new markets/ avenues for its growth.

5. As a socially conscious corporate citizen, MIDHANI has been adhering to good practices of "Corporate Governance", a detailed report on the same is added as a part of Directors' Report.
6. MIDHANI human relations underlying objective is to develop and create high quality human resources. Young scientists, engineers and other technical staff were provided with good environment of creativity, motivation with excellent perks and allowances. MIDHANI is confident of realizing its "GROWTH" dream with improved vigor, enthusiasm, hard work, ethics and team work.
7. I am confident that though the road towards future is challenging but it is definitely existing and promising. The Company clearly understands that the key to success in realizing the Modernisation programs is in translating Company's rich experience gained over the years by integrating the same with contemporary technologies. I am extremely happy to convey to all MIDHANIANS that Govt. of India, Ministry of Defence, expressed full support to MIDHANI in all its endeavors of indigenization of critical materials required by all strategic Sectors of our country.
8. To conclude, I acknowledge on my behalf and on behalf of Board of Directors of MIDHANI that the improved performance year after year was possible on account of relentless and dedicated efforts made by all employees of the Company and the unstinted support, particularly from Government of India, Ministry of Defence, major customers and all concerned institutions and agencies.



(M. NARAYANA RAO)

CHAIRMAN & MANAGING DIRECTOR

## BOARD OF DIRECTORS



**Shri Gyanesh Kumar**  
Joint Secretary  
(Naval Systems)



**Shri G. Malakondaiah**  
Director (DMRL)



**Shri P. K. Mishra**  
Addl. F.A (M) & Joint Secretary)  
Permanent Special Invitee



**Shri V.S. Krishna Murthy**  
Director (Finance)



**Shri M. Narayana Rao**  
Chairman & Managing Director



**Shri V. S. Verma**  
Director (Prod. & Mktg.)



**Dr. (Mrs.) B. Kinnera Murthy**  
Director



**Shri R. K. Mishra**  
Director



**Dr. Dipankar Banerjee**  
Ex-Chief Controller,  
R&D (AMS) DRDO  
(upto 01-03-2010)



**Shri S.N. Mishra**  
Ex-Joint Secretary (Aerospace)  
(upto 28-01-2010)



**Shri P. Ravi, IPS**  
Chief Vigilance Officer



**Shri P. V. Subba Rao**  
Company Secretary

## SENIOR EXECUTIVES

( MEMBERS OF CORPORATE MANAGEMENT COMMITTEE)



Shri D.N. Bhatia  
General Manager (Prodn.-I)



Shri A.K. Bhatia  
General Manager (Prodn.-II)



Shri T.K. Chandrasekhar  
General Manager (Services)



Shri B.G. Raj  
General Manager (Comml.)



Shri P. Sarkar  
Addl. Genl. Mgr (MS)



Shri T.B. Harikishan Rao  
Addl. Genl. Mgr (Mktg.)



Shri K. Shankar Rao  
Addl. Genl. Mgr (Mktg.)



Dr. H.V. Kiran  
Addl. Genl. Mgr (QCL)



Shri K.Siva Subramanian  
Dy.Genl.Mgr (P-III)



Shri A.K. Ghosh  
Dy. Genl. Mgr (U&SS)



Shri S. Sen  
Dy.Genl.Mgr (F&A)



Shri S.K. Dwivedi  
Sr. Manager (Tech. Coord.)

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## 10 YEARS AT A GLANCE

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Sl. No.	ITEM	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Sales (tonnage)	2445	2041	1975	1088	1337	1215	1262	1919	1908	2429
	Sales (Value)										
	..To customers	9,075.96	8,710.35	7,486.41	9,562.63	11,190.78	13,926.20	17,256.58	23,111.71	27,142.74	31,482.89
	..Despatch to sub-contractors	2183.57	1,713.30	1,648.76	2,949.96	1,936.23	1,362.92	1,993.18	2,389.30	3,768.49	5,638.10
	<b>Total</b>	<b>11,259.53</b>	<b>10,423.65</b>	<b>9,135.17</b>	<b>12,512.59</b>	<b>13,127.01</b>	<b>15,289.12</b>	<b>19,249.76</b>	<b>25,501.01</b>	<b>30,911.23</b>	<b>37,120.99</b>
2	Value of Production (inclg. ED)	11,386.57	10,717.41	9,350.23	11,641.88	14,166.73	17,759.69	22,388.49	29,640.17	36,402.83	37,323.63
3	Cash Profit/Loss (-)*	359.62	396.82	-32.85	908.62	1,385.47	2,036.80	3,768.16	5,737.67	6,605.56	7,085.33
4	Net Profit/Loss (-)**	35.14	8.95	-236.07	690.15	687.08	1,180.78	2,318.01	3,548.93	4,114.63	4,455.52
5	Value Added	7,172.68	7,160.95	6,768.64	9,082.89	9,697.49	10,112.80	13,016.50	17,652.62	21,486.34	23,757.48
6	Value added per employee	5.25	5.54	5.26	7.06	7.34	7.67	10.16	13.97	17.48	19.95
8	Paid up Capital	13,734.00	13,734.00	13,734.00	13,734.00	13,734.00	13,734.00	13,734.00	13,734.00	14,634.00	14,634.00
9	Net Fixed asset	2886.09	2869.35	2831.35	2789.45	2583.94	2555.10	2438.47	2667.90	2779.32	3676.82
10	Net current asset	11003.78	11224.44	10880.68	11036.09	11777.69	12826.29	14602.87	16767.00	18485.64	22757.42
11	Capital employed (9+10)	13,889.87	14,093.79	13,712.03	13,825.54	14,361.63	15,381.39	17,041.34	19,434.90	21,264.96	26,434.24
12	Equity	13734.00	13734.00	13734.00	13734.00	13734.00	13734.00	13734.00	13734.00	14634.00	14634.00
13	Reserves	-312.84	-385.77	-507.90	259.68	734.80	1695.16	3474.21	6196.54	9341.50	12759.18
14	Net Worth (12+13)	13,421.16	13,348.23	13,226.10	13,888.66	14,468.80	15,429.16	17,208.21	19,930.54	23,975.50	27,393.18
15	Contribution to Exchequer	2,270.80	2,029.00	1,863.00	2,031.00	2,418.00	2,671.00	4,405.00	5,483.00	6,651.00	6,295.00
16	No. of employees										
	(Figures in Nos.)										
	..Executives	285	256	256	256	265	270	250	249	249	255
	..Non executives	1,081	1,037	1,031	1,030	993	985	905	862	837	775
	..Non unionised supervisors					63	64	126	153	143	161
	Productivity per employee	8.34	8.29	7.27	9.05	10.72	13.46	17.48	23.45	29.62	31.34

Note:- While calculating Net worth and Capital employed for the year 2009-10, Rs.37 crore received on account of Equity and Rs.37 crore towards loan totalling Rs.74 crore from Ministry has not been considered as the amount was received on 31st March 2010.

## **NOTICE OF THE 36<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of **MISHRA DHATU NIGAM LIMITED** will be held at 1000 hours on Wednesday, the 25<sup>th</sup> August, 2010 at the Registered Office of the Company, P.O. Kanchanbagh, Hyderabad – 500 058, to transact the following business:

### **ORDINARY BUSINESS:**


1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2010.

### **SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass with or without modifications, the following resolution as an "ORDINARY RESOLUTION"

"RESOLVED THAT" the consent of the Members of the Company be and is hereby accorded for transferring a sum of Rs. 34.18 Cr. to the General Reserves of the Company"

BY ORDER OF THE BOARD  
FOR MISHRA DHATU NIGAM LIMITED

  
( P.V.SUBBA RAO )  
COMPANY SECRETARY

Place : Hyderabad,  
Date : 30.07.2010

**NOTES:**

- i. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The proxy form duly completed must reach the Registered Office of the Company at least forty eight hours before the commencement of the Meeting.
- ii. The Explanatory Statement in respect of the Special Business under item No. 3 of the notice is annexed hereto.
- iii. The documents referred to in the Notice and accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 1100 hours and 1700 hours upto the date of the Annual General Meeting.
- iv. A copy of the audited Balance Sheet as at 31st March, 2010, and the Profit and Loss Account for the year ended on that date along with all documents required to be annexed or attached thereto along with NIL comments by C&AG of India under Section 619 (4) of the Companies Act, 1956 and the reports of the Directors' and Auditors' thereon, is enclosed.
- V. The dividend for the year 2009-2010 as and when declared to the extent due will be paid to the shareholders whose names appear in the register of members as on the date of annual general meeting.