

ANNUAL REPORT

2010-2011



MISHRA DHATU NIGAM LIMITED

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

REGISTERED OFFICE & WORKS :

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Shri M.M. Pallam Raju, Hon'ble Raksha Rajya Mantri, Ministry of Defence, seen laying Foundation stone for establishing dedicated plant for production of high quality fasteners made up of Titanium and Titanium alloys and Special Steels during his visit to MIDHANI on 25-06-2011. Also seen Shri M. Narayana Rao, C&MD, Midhani.



CHAIRMAN'S MESSAGE

It is a pleasant privilege for me to present the financial performance of the Company during the financial year 2010-'11 and the anticipated scenario in the years to come.

2. The performance over the years has been quite encouraging and gives every support to achieve higher echelons of growth, self sufficiency in extending critical materials support to the strategic sectors of our country.
3. The prestigious Modernisation & Up-gradation program taken up by the company in recent times has reached final stages of completion promising a major boost in the operations of the company taking the turnover level up to Rs. 600 Cr. in the current year and to attain a level of Rs.1,000 Cr. by 2015. The year 2010-'11 ended with an impressive sales turnover of Rs.418Cr.(approx.), VoP of Rs.485Cr., PBT of Rs.75.18Cr. and PAT of Rs.50.42Cr. MIDHANI's commitment towards growth, encouraged it to conclude



MIDHANI signed an MoU with Steel Authority of India Limited (SAIL) on 16-06-2011 for synergizing and utilizing its' competencies towards forward integration. Shri C.S. Verma, Chairman SAIL and Shri M. Narayana Rao, C&MD, Midhani are present on the occasion.

MoUs with Steel Authority of India Limited (SAIL) and Goa Shipyard Limited (GSL) for synergizing and utilizing the competencies of these organisations towards forward integration.

4. MIDHANI's continuous search for new products, technologies, applications and markets enabled it to move forward on growth path thereby ensuring **CUSTOMER DELIGHT**. The in-house Research & Development setup has been planned to strengthen further to groom skilled manpower with expertise in State-of-Art technologies, which can act as backbone of MIDHANI for achieving sustained development over the years.
- 5 The Company continued to attach highest importance to put in place the best systems and practices of **"CORPORATE GOVERNANCE"** in all its spheres of activities. A detailed report on compliance of applicable guidelines on Corporate Governance issued by Department of Public Enterprises, has been furnished as a part of Directors' Report. As a good **"Corporate Citizen"**, MIDHANI continues to attach highest importance for the well being of the society, environment and the economy in which it operates.
- 6 I, on my behalf and on behalf of the Board of Directors of MIDHANI, take this opportunity to extend sincere thanks to one and all who have associated with and contributed to the sustained development of the company over the years more particularly to Ministry of Defence, Dept. of Def. Prodn, other Govt. Depts, Institutions, Agencies, Customers, Suppliers and all sections of employees and their Associations and Union.



(M. NARAYANA RAO)
CHAIRMAN & MANAGING DIRECTOR

BOARD OF DIRECTORS



Shri Gyanesh Kumar
Joint Secretary
(Naval Systems)



Shri P. K. Kataria
Addl. F.A (K) & JS)
(Permanent Spl. Invitee)
(w.e.f 28.04.2011)



Shri G. Malakondaiah
Director (DMRL)



Shri P. K. Mishra
Addl. F.A (M) & JS)
Permanent Spl. Invitee
(upto 28.04.2011)



Shri V.S. Krishna Murthy
Director (Finance)



Shri M. Narayana Rao
Chairman & Managing Director



Shri V. S. Verma
Director (Prod. & Mktg.)
(upto 31.08.2011)



Mrs. Indu Liberhan
Director
(w.e.f 09.12.2010)



Dr. Dipankar Banerjee
Director
(w.e.f 09.12.2010)



Dr. Kota Bhanushankara Rao
Director
(from 27.04.2011)



Shri R. K. Mishra
Director
(upto 31.10.2010)



Dr. (Mrs.) B. Kinnera Murthy
Director
(upto 31.10.2010)



Shri P. Ravi, IPS
Chief Vigilance Officer



Shri P. V. Subba Rao
Company Secretary

GENERAL MANAGERS



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



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



Shri A.K. Bhatia
General Manager
(Prodn.-II)
(upto 31.03.2011)



Shri T.K. Chandrasekhar
General Manager
(Services)
(upto 31.03.2011)

MEMBERS OF CORPORATE MANAGEMENT COMMITTEE

(As on 31-8-2011)

SHRI M. NARAYANA RAO, CHAIRMAN & MANAGING DIRECTOR

Shri V.S. Krishna Murthy	Director (Finance)
Shri V.S. Verma	Director (Prodn.&Mktg.)
Shri P. Ravi	Chief Vigilance Officer
Shri D.N. Bhatia	General Manager (Prodn.)
Shri B.G. Raj	General Manager (Comml.)
Shri P. Sarkar	Addl. Genl. Mgr (MS)
Dr. H.V. Kiran	Addl. Genl. Mgr (Mktg.)
Shri K. Shankar Rao	Addl. Genl. Mgr (Eng. Services)
Shri K. Rambabu	Addl. Genl. Mgr (Prod.-I)
Shri M.S. Chalapathy	Addl. Genl. Mgr (Prod.-II)
Shri K.Siva Subramanian	Addl. Genl. Mgr (Prod.-III)
Shri P. Mukhopadhyay	Addl. Genl. Mgr (QC)
Shri K.R. Acharya	Addl. Genl. Mgr (QCL)
Shri A.R. Ghatak	Addl. Genl. Mgr (PPC)
Shri V.V.R.S. Sharma	Addl. Genl. Mgr (AMD)
Shri R.N. Ray	Addl. Genl. Mgr (Prg. & Dev.)
Dr. M. Chatterjee	Addl. Genl. Mgr (R&D)
Shri A.B. Naidu	Addl. Genl. Mgr (HR)
Shri M.S. Ray	Addl. Genl. Mgr (F & A)
Shri A.K. Ghosh	Dy. Genl. Mgr (U&SS)
Shri T.V. Rao	Dy. Genl. Mgr (ER)
Shri G.V.R. Murthy	Dy. Genl. Mgr (QC)
Shri D. Giri	Dy. Genl. Mgr (Tech.Coord.)
Shri P. V. Subba Rao	Company Secretary

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10 YEARS AT A GLANCE

Rs. in Lakhs

Sl. No.	ITEM	2001-02	2002-03	2003-04	2004-05	2005-06
1	Sales(tonnage)	1489	1975	1088	1337	1215
	Sales (Value)					
	..To customers	8,710.35	7,486.41	9,562.63	11,190.78	13,926.20
	..Despatch to sub-contractors	1,713.30	1,648.76	2,949.96	1,936.23	1,362.92
	Total	10,423.65	9,135.17	12,512.59	13,127.01	15,289.12
2	Value of Production(inclg.ED)	10,717.41	9,350.23	11,641.88	14,166.73	17,759.69
3	Cash Profit/Loss(-) *	396.82	-32.85	908.62	1,385.47	2,036.80
4	PBT	38.67	(226.42)	756.97	1,152.97	1,841.82
5	Net Profit/Loss (-) **	8.95	-236.07	690.15	687.08	1,180.78
6	Value Added	7,160.95	6,768.64	9,082.89	9,697.49	10,112.80
7	Value added per employee	5.54	5.26	7.06	7.34	7.67
8	Paid up Capital	13,734.00	13,734.00	13,734.00	13,734.00	13,734.00
9	Gross Block	12,900.45	13,054.68	13,138.93	13,115.61	13,270.84
10	Net Fixed asset	2869.35	2831.35	2789.45	2583.94	2555.10
11	Net current asset	11224.44	10880.68	11036.09	11777.69	12826.29
12	Capital employed(10+11)	14,093.79	13,712.03	13,825.54	14,361.63	15,381.39
13	Equity	13734.00	13734.00	13734.00	13734.00	13734.00
14	Reserves	-385.77	-507.90	236.59	766.79	1695.16
15	Net Worth(13+14)	13,348.23	13,226.10	13,970.59	14,500.79	15,429.16
16	Contribution to Exchequer	2,029.00	1,863.00	2,031.00	2,418.00	2,671.00
17	No.of employees (Fig. in Nos.)					
	..Executives	256	256	256	265	270
	..Non executives	1,037	1,031	1,030	993	985
	..Non unionised supervisors				6	64
18	Productivity per employee	8.29	7.27	9.05	10.72	13.46

Note:- While calculating Net worth and Capital employed for the year 2010-11, Rs.39.08 crore received on account of Equity and Rs.39.08 crore towards loan totalling Rs.78.16 crore from Ministry has not been considered as the amount was received on 31st March 2011.

10 YEARS AT A GLANCE

Rs. in Lakhs

Sl. No.	ITEM	2006-07	2007-08	2008-09	2009-10	2010-11
1	Sales(tonnage)	1262	1919	1908	2429	3014
	Sales (Value)					
	..To customers	17,256.58	23,111.71	27,142.74	31,482.89	33,062.14
	..Despatch to sub-contractors	1,993.18	2,389.30	3,768.49	5,638.10	8,724.63
	Total	19,249.76	25,501.01	30,911.23	37,120.99	41,786.77
2	Value of Production(inclg.ED)	22,388.49	29,640.17	36,402.83	37,323.63	48,545.58
3	Cash Profit/Loss(-)*	3,768.16	5,737.67	6,605.56	7,085.33	7,955.19
4	PBT	3,559.04	5,494.68	6,289.65	6,766.78	7,518.14
5	Net Profit/Loss (-)**	2,318.01	3,548.93	4,114.63	4,455.52	5,090.02
6	Value Added	13,016.50	17,652.62	21,486.34	23,757.48	28,877.73
7	Value added per employee	10.16	13.97	17.48	19.95	25.76
8	Paid up Capital	13,734.00	13,734.00	14,634.00	14,634.00	18,334.00
9	Gross Block	13,340.11	13,810.98	14,228.28	15,454.37	17,693.55
10	Net Fixed asset	2438.47	2667.90	2779.32	3676.82	5,526.39
11	Net current asset	14602.87	16767.00	18485.64	22757.42	22,494.42
12	Capital employed(10+11)	17,041.34	19,434.90	21,264.96	26,434.24	28,020.81
13	Equity	13734.00	13734.00	14634.00	14634.00	18,334.00
14	Reserves	3474.21	6196.54	9341.50	12759.18	15,461.46
15	Net Worth(13+14)	17,208.21	19,930.54	23,975.50	27,393.18	29,887.46
16	Contribution to Exchequer	4,405.00	5,483.00	6,651.00	6,295.00	7,956.10
17	No.of employees (Fig. in Nos.)					
	..Executives	250	249	249	255	258
	..Non executives	905	862	837	775	685
	..Non unionised supervisors	126	153	143	161	178
18	Productivity per employee	17.48	23.45	29.62	31.34	43.31

Note:- While calculating Net worth and Capital employed for the year 2010-11, Rs.39.08 crore received on account of Equity and Rs.39.08 crore towards loan totalling Rs.78.16 crore from Ministry has not been considered as the amount was received on 31st March 2011.

NOTICE OF THE 37th ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of **MISHRA DHATU NIGAM LIMITED** will be held at 1100 hours on Tuesday, the 20th day of September, 2011 at the Registered Office of the Company, P.O. Kanchanbagh, Hyderabad – 500 058, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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 31st March, 2011.

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.27.02.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 : 22.08.2011