



MIDHANI reaffirms commitment UN Global Compact

MIDHANI, as a member of UN Global Compact, reaffirms its commitment to the ten principles of UNGC Program. Midhani continues its support to the UN initiative on protection of Human Rights, Labor, Environment and Anti -Corruption.

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.

Customer Meet was organized on November 24, 2010 with a theme 'Nurturing Partnership', Midhani and its customers are all aiming for growth in their respective strategic sectors for the industrial, technological and economy development of the Country. Ninety delegates representing a galaxy of our customers from different Government organizations and Public Sector Units participated in sharing of information for consolidating relationships. Another customer meet for Private sectors was organized on February 9, 2010 about twenty five delegates participated in the meet.

A vendor meet was organized on January 9, 2010 to understand and appreciate the concerns of vendors and to impress upon them the needs of Midhani.

MIDHANI is committed towards its efforts towards Corporate Social Responsibilities.

M. Narayana Rao
Chairman & Managing Director

UNGC – Communication on Progress (2009-10)

MIDHANI posted a brief on Global Compact and its commitment to the principles of GC on its website www.midhani.com. The 36th Annual Report cites that the 10 principles of Global Compact have been given due recognition and implementation in the Company during the year.

Principle 1&2 Human Rights

Ensuring zero cases of human right violations, non occurrence of any fatal accidents during the year

MIDHANI, a model employer and a company owned by the Government of India, owing allegiance to the Constitution of India, supports and respects the protection of human rights. The Constitution of India not only supports the Universal Declaration of Human Rights but also guarantees to all its citizens fundamental human rights. The Constitution of India is known throughout the world to be a document based on democratic principles of justice, liberty, equality and fraternity. All the stakeholders of MIDHANI receive support and protection whenever dealing with the Company. Every citizen of India has a right to information under the Right to Information Act and majority of the stakeholders are first citizens and then stakeholders in the form of employees, suppliers, contractors, vendors, customers.

Relations with employees are regulated through various laws of the land such as Factories Act, Industrial Disputes Act, and Minimum Wages Act. Employees' code of conduct is regulated through MIDHANI Conduct, Discipline and Appeal Rules and MIDHANI Certified Standing Orders. These are made available to all the employees of the Company. Personnel Manual of the Company is available on the Intranet of the Company and can be easily accessed by employees. Certain relevant features are reiterated through circulars time and again.

MIDHANI supervisory staff monitors payment of wages, Medicare, provident fund to contract employees whenever engaged on non-core activities in the capacity as Principal Employer.

Fire-fighting Manual and Disaster Management Manual are in place and regular mock drills are carried out to expose employees to familiarize with the fire fighting system.

*Principles 3, 4, 5 & 6: Labor***Freedom of association & right to collective bargaining**

a) Due recognition for employee associations and strive to promote their legitimate right to collective bargaining by encouraging participatory forums such as Joint Council, Shop Council, Welfare Committee, and Safety Committee, Canteen Managing Committee etc. where issues concerning the employees are discussed and decided upon in a transparent manner

A tripartite agreement was signed with the Recognized Union on the Revised Career Development Plan to motivate the workmen during the year.

Prohibiting discrimination on grounds of religion, race, caste, creed, sex or place of birth etc.

Putting in place a well-documented procedure to redress the grievances of all stake holders

*Environment**Principles 7, 8 & 9:***Precautionary approach to environmental challenges:**

MIDHANI stands committed to prevention and control of environmental pollution due to its activities in a sustained manner. Midhani endeavor had been and will continue to be:

Ensuring at every level the operations are environment friendly.

- To ensure upkeep of equipment and machinery at all times in fit condition so as not to affect environment.
- Remain prepared and alert to respond effectively to all foreseeable emergency situations.
- Meeting all the norms stipulated by the State and Central Pollution Control Boards.
- Constantly monitor parameters like ambient air quality, water quality and ambient noise levels.
- Plan for construction of check dams in Midhani to arrest and store rainwater to increase the Ground water level.
- Harness the use of natural energy resources.

Energy conservation measures were taken to bring improvements in specific energy consumption of LPG. This was implemented by revamping and calibration of furnaces, periodical maintenance of refractory and burner blocks, prompt repairs to re-heating furnaces and installation of flow meters, its measurement and monitoring, use of oxygen during melting, reduction of heat cycle time, compact charging, use of proper scrap mix.

MIDHANI continues its efforts to give importance for maintaining a thick canopy of greenery in and around its factory area through extensive plantation work. Special emphasis was made towards waste water management by digging ponds and growing shrubs to contain water and air pollution.

Promote Greater environmental responsibility

- Company does not generate or store hazardous solid waste.
- Zero emission.

Development and diffusion of environmentally friendly technologies

MIDHANI endeavor has been to adapt safe, scientific and environmentally friendly methods of melting, rolling, forging operations, complying with all applicable environmental laws. Maintain the furnaces, rolling, machinery and equipment in excellent conditions to ensure minimum impact of their operation on environment.

The modernization and up-gradation of certain facilities have been completed and state-of-the-art equipments are being installed.

The ESR furnace, 10T VAR furnace was commissioned during the year thereby increasing production capacity and decreasing operating cost and time.

In house development of Electric discharge cutting machine saved cost and contributed towards effective utilization of existing spares.

Recycled scrap to an extent of 33% obviating the purchase of virgin raw material.

Principle 10

Anti corruption

Ensuring at all levels of decision making an atmosphere free from corruption by adopting a code of business ethics and conduct to uphold values and morals.

During the year, effective measures were taken to improve vigilance administration in the Company by observing Vigilance awareness week. Talks



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by eminent professionals, Interactive sessions with employees were conducted to create awareness of Purchase Policy and CVC guidelines. The active persuasion of Vigilance Department, The CVC finalized the issue of appointment of Independent External Monitors (IEMs) to oversee the procurement cases.

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Actions taken in the direction of Corporate Social Responsibility:

Midhani conforming to the guidelines issued by Department of Public Enterprises during April, 2010 on effective implementation of Corporate Social Responsibility by Public Sector Enterprises have been taken as thrust area during the year. The guideline envisages commitment on the part of PSUs to operate and develop in an economically, socially and environmentally sustainable manner while recognizing the interest of its stakeholders. Midhani has been suggested to hold corpus fund of 3 to 5 % of net profit towards these activities.

MIDHANI continued to supply custom-made bio medical implants made of stainless, titanium to needy patients at a reasonable price. Sixty numbers of prosthesis were supplied during the year 2009-10.

A sum of Rupees Ten Lakhs Forty Nine Thousand One Hundred and Thirty Seven was contributed towards Chief Minister's Relief Fund as a part of our commitment to Corporate Social Responsibility.

As welfare measures to employees monetary awards were given to meritorious students and children of weaker sections of society. The Company run Brahma Prakash DAV School continued to excel in its performance. Students from nearby villages are given admission into the school, thus contributing to better education facilities.
