

**TRANSCRIPT OF THE 47TH ANNUAL GENERAL MEETING OF MISHRA DHATU
NIGAM LIMITED HELD ON 29TH SEPTEMBER, 2021 AT 11.00 A.M (IST) THROUGH
VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS**

PAUL ANTONY - (COMPANY SECRETARY & COMPLIANCE OFFICER)

Good morning, everyone.

I, welcome you all at the 47th Annual General Meeting (“AGM”) of the Mishra Dhatu Nigam Limited being held through Video Conferencing to transact the Ordinary and Special Business set out in Notice of 47th AGM which was sent to Members *via* e-mail on September 6, 2021 along with Annual Report for FY 2020-21. Members may also access the Notice of AGM and Annual Report from the Company’s website.

We have, with us for the AGM, Dr. S. K. Jha, Chairman and Managing Director, Shri Gowri Sankara Rao Naramsetti – Director (Finance) designated as Chief Financial Officer.

Board of MIDHANI does not have any Independent Directors, hence, Audit Committee and Stakeholders Relationship Committee stands suspended, till such time Independent Directors are appointed by Govt. of India. All stakeholder queries will be addressed by Chairman & Managing Director and any queries related to financial statements will be addressed by Director (Finance).

We also have us with today, CA S Srinivas– Representing Statutory Auditors, CS R. Ramakrishna Gupta – Secretarial Auditor & Scrutinizer, Shri S.S. Zanwar – Cost Auditor and Shri Sharda Prasad, Director (NS) – representing the President of India.

The joining link for attending AGM was opened 30 minutes before the scheduled time of the commencement of the meeting and shall remain open for another 15 minutes after the end of the meeting for the purpose of voting at AGM.

The facility for participation at the AGM through video conferencing has been made available for 1,000 members on first come first serve basis, except for large shareholders (i.e. shareholders holding 2% or more shares), promoters, institutional investors, Directors, key-managerial personnel, as well as the auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis. Members are encouraged to join Meeting through their Laptop & PC with good internet connectivity for seamless and better experience.

The remote e-voting facility was provided to the Members to cast their votes electronically on all the resolutions set out in the Notice which commenced at 9.00 a.m. on Saturday, September 25, 2021 and ended at 5:00 p.m. on Tuesday, September 28, 2021. Company is also providing e-voting facility during the proceedings of AGM to enable Members to cast their vote who have not cast their votes through remote e-voting, this facility is provided by NSDL.

Mr. R Ramakrishna Gupta, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting process

Registered Speakers, have been provided specific links to log in to the meeting and shall be allowed to express their views/questions once the Chairman directs the same. We request speakers to limit their speeches to 2 minutes for the benefit of other shareholders. The Chairman would be responding to such queries at the end of the meeting.

The Registers under Companies Act, 2013 and other relevant documents as mentioned in the AGM Notice are available for inspection.

Requisite Quorum being present, Now, I request our Chairman to kindly Chair the proceedings of the Meeting.

DR. SANJAY KUMAR JHA, (CHAIRMAN & MANAGING DIRECTOR)

It gives me great pleasure to welcome you all to this 47th Annual General Meeting of Mishra Dhatu Nigam Limited.

As we reflect on the year passed, we are predominantly proud of achievements, resilience of team MIDHANI and the inherent strength of our technology as well as innovation. FY 2020-21 was the year when the vicious effect of COVID-19 pandemic and the challenges faced thereby on humanity affected us. On account of the COVID-19 pandemic, the world has faced unprecedented challenges. With loss of lives, livelihoods and stress on global supply chains, the economic crisis world over has significantly increased.

We all got a good amount of change during the course of FY 2020-21, whether it was working from home, virtual interactions, or staying indoors for days at a time, we had to adapt to something completely new. At MIDHANI, we managed to adapt challenges and in these challenging times, MIDHANI has recorded its highest ever Sales turnover of ₹ 81,323.08 Lakh. We continued to leverage our operational and technological capabilities to tide through

difficulties. We are also keen to capitalise on emerging opportunities arising from the Government's emphasis on 'Make in India' products. As an indigenous manufacturer, we are also poised to fulfil the country's vision of 'Aatmanirbhar Bharat'.

For MIDHANI, FY 2020-21 has been a year of excellent performance and I am delighted to share with you our progress during the year. We recorded highest ever revenues of ₹ 81,323.08 lakh, despite the disruptions caused by the pandemic, registering y-o-y growth of 14.08 % in comparison to ₹ 71,287.57 lakh in the previous fiscal. For FY 2020-21, MIDHANI has achieved highest ever operating profit of ₹ 20,626.27 Lakh for FY 2020-21 vis-à-vis ₹ 16,564.99 Lakh for FY 2019-20, registering y-o-y growth of 24.52%, Profit Before Tax (PBT) at ₹ 22,609.39 Lakh vis-à-vis PBT of ₹ 20,208.62 Lakh for FY 2019-20, registering y-o-y growth of 11.87% and the highest ever Profit After Tax (PAT) of ₹ 16,629.15 Lakh vis-à-vis ₹ 15,973.38 Lakh achieved for FY 2019-20, registering y-o-y growth of 4.11%. Highest ever export turnover of ₹ 1,942.47 Lakh was also recorded during the FY 2020-21 vis-à-vis ₹ 1,042.04 Lakh for FY 2019-20, registering y-o-y growth of 86.41%.

In the beginning of the FY 2020-21, our Business operations were shut down for 45 days due to COVID-19 pandemic induced lockdown. The ideology of 'Extraordinary time's call for extraordinary efforts' adopted by our workforce during challenging times helped us pave out a recoup plan, and within 15 days of reopening, our plant operations were brought in order. This indomitable spirit of our workforce is what helped us surmount the odds and record our best ever performance. Post lockdown, process optimization, managing capital expenditure, working capital requirements were key factors that were addressed by Management. These efforts, cumulatively have shaped FY 2020-21 as a best ever in terms of Sales, Operating Profit, Profit Before Tax (PBT) & Profit After Tax (PAT).

When compared to the previous fiscal year, the Value of Production (VoP) has decreased by 20.4% to ₹ 77,164.22 Lakh in FY21. Owing to our operational efficiency, our EBITDA margins also recorded an impressive 24.06 % y-o-y growth. EPS for the year stood at ₹ 8.88 and our Company recommended/ declared Dividend of ₹ 2.78 per equity share @27.80% for FY 2020-21

As at April 1, 2021 MIDHANI had an order book of ₹ 1,37,200 Lakh, out of which Company booked order worth ₹ 50,480 Lakh during FY 2020-21.

During the year, MIDHANI has dispatched its first consignment of high temperature alloy for the 'Kaveri Dry Engine Program', for powering Unmanned Combat Aerial Vehicle (UCAV)

which shall be used for various Class I and Class II components of the engine. We have also developed spider casting, fulfilling stringent Aerospace requirements for 'Semi CryoEngine of Satellite Launch Vehicle'. Our indigenously manufactured impellers, made of Nickel based Super Alloy were delivered to customers and we have also delivered first ever consignment of Superfer 800 (Alloy 800) SG Tubes to BHEL, Trichy, for its application in power reactors.

The strength of our operation stems from innovation in our production processes, combined with increased efficiency and resource utilisation. We aim to leverage our design, engineering and manufacturing capabilities to widen our offerings in defence and aerospace markets. Moreover, we are making concerted efforts to enter new markets of oil and gas, mining, power, railways, chemicals and fertilizers. With continued focus on growth and modernisation, improvement of R&D capacities and the strength of our human resources, we strive to fulfil our ambitious plans. To successfully accomplish our goals, we have collaborated with Indian and multinational research institutions to gain access to the necessary know-how for producing critically advanced technology products.

Government of India laid down the foundation of "AatmanirbharBharat" on the premise of "आपदा को अवसर" wherein list of 101 items for embargo on the imports were notified in August, 2020. Subsequently, a 'Second Positive Indigenisation List' consisting of 108 items were also notified in May, 2021 to further boost indigenisation with active participation of public and private sector for fulfilling the twin objectives of achieving self-reliance and promoting defence exports. These initiatives by Govt. of India will nourish India's overall Defence manufacturing ecosystem. MIDHANI has taken number of initiatives in diversification and modernization of business and operation activities. During FY 2020-21, MIDHANI has spent ₹ 15,825.79 Lakh towards capital expenditure. With key projects like 'Wide Plate Mill' and "Springs" to be commissioned soon along with the facility at Rohtak, Haryana dedicated for armour solutions, MIDHANI is well poised to play a pivotal role to facilitate self-reliance in Defence as envisaged by Govt. of India.

The product requirements of our customers changes and evolves regularly, and we invest substantial amounts in research and development efforts to pursue advancements in a wide range of technologies and products. At present, there are hundreds of grades that MIDHANI manufactures, and each grade has unique specification which makes R&D as an inevitable part of our process and procedures. As a testament to our efforts in R&D, we were granted two (2) patents during the year.

Our emphasis on research and development enables us to adopt advanced technologies that aid the production of superior quality alloys and other products. It also allows us to achieve cost efficiencies and expand the scope of our operations across sectors. During the year under review, we have invested around ₹ 574.31 Lakh for R&D.

During FY 2020-21, as the society was reeling against pandemic, it was important for our Company to reach out to the society through various initiatives including health, sanitation, education, skill development etc. We consider it our responsibility to serve the communities in which we operate and create value for all our stakeholders. During FY21, the company undertook various CSR initiatives under health, sanitation, education, sports and skill development, spending around ₹ 350.92 Lakhs for various activities.

During the COVID-19 outbreak, MIDHANI has set up shelter and beds for COVID+ patients and distributed ration kits to families and people in need. For treatment of COVID affected patient our Company has provided immediate medical relief and also provided an emergency helpline no. which were helpful to address emergencies. A state of art Primary Health Care Centre is also being set up to cater to the medical needs of public living in and around MIDHANI.

To minimize the impact of our operations on the environment and atmosphere, we strive to reduce our emission and discharge effectively. Due to our compliance with EHS norms, MIDHANI was awarded ISO 14000:2015 (EMS) Certification for Environmental management and ISO 45001:2018 (OHSMS) Certification for Occupational Health and Safety Assessment during the year. At sustainability front, MIDHANI has devised ways to conserve energy, During FY 2020- 21 MIDHANI has been certified with ISO 14001:2015 (Environmental Management System).

At MIDHANI, we attribute our success to our employees; the value added per employee was highest during FY 2020-21. Therefore, we diligently focus on creating conducive working environment for our people, offering them opportunities for personal as well as professional growth. We organised skill development programmes and trainings to improve their careers, enhance their expertise and boost future-ready managerial talents.

Our constant emphasis on the health and well-being of our people enabled us to formulate a COVID response mechanism, immediately after outbreak of the COVID-19 pandemic. Post COVID-19 outbreak, MIDHANI took pre-emptive initiatives to 'break the chain of transmission'

such as, distribution of face masks, face shields, extensive sanitization, thermal screening, social distancing and distribution of immunity booster kits. MIDHANI also facilitated COVID-19 testing by tying up with laboratories; no deduction were made in salaries of employees during lockdown period; including salaries to casual employees.

At the onset of pandemic, Human Resource department of MIDHANI, was in constant touch with employees who were impacted with COVID. MIDHANI has also made ex-gratia payments, tweaked employee welfare scheme to minimise the financial distress laid on families/ individuals due to COVID-19. Even with our best efforts and all the preventive measures, we lost four of our employees to the pandemic. We at MIDHANI, stand in solidarity with their families and will forever be grateful to their contributions and efforts.

To ensure transparency and accountability across organizational processes, the Company abides by ethical policies that ensure good governance. Our Board and Senior Management confirm adherence to the code of conduct on annual basis and we continuously evaluate and upgrade policies and procedures to keep the organizational integrity intact and uphold values. MIDHANI continues to follow in both letter and spirit, the guidelines issued by the Department of Public Enterprises from time to time. We are happy to report that, your Company scored 100% as per the revised grading norms for CPSEs, conducted by the DPE on compliance of guidelines on Corporate Governance issued by them.

Further, we have been bestowed with various awards during the FY 2020-21 including Excellence in Industrial Productivity, Excellence in Research & Development, at FTCCI Excellence Awards, Certification of Appreciation presented from DRDO, SKOCH Order of Merit and SKOCH Gold Award for “Modernization and Diversification of Product & Process at MIDHANI” under “Corporate Excellence”, and Certificate of Commitment for ‘4-star rating’ in EHS practice, to name a few.

Moving forward, we remain optimistic about our future endeavors. Our continuous success in indigenization of subassemblies for Aero, Naval and Energy applications coupled with Government initiatives in this regard has opened new avenues of success in the Indian defence sector. Resilience and innovation will continue to remain constants in MIDHANI’s future growth plans and I hope that MIDHANI scale greater heights in the coming years.

On behalf of the Board, I want to express my deepest gratitude to everyone who engaged themselves in the battle against COVID-19. I would also like to thank all our valued

shareholders for your constant support and belief in our abilities. I am grateful to my colleagues on the Board for their valuable guidance, and acknowledge the immense contribution and dedication of our employees towards the organization. I also acknowledge the enormous amount of goodwill and support that we have received from our customers, the Department of Defence Production and all Government agencies particularly the Government at the Centre, State and local bodies who have provided valuable guidance and support in Company's Management.

There is no negative qualification/ observations in the Auditors' Report and since the Annual Report has been sent to members via e-mail on September 6, 2021 with your permission, I take it as read.

There are observations from Secretarial Auditor with respect to non-appointment of Independent Directors and management's replies to the same are made part of the Annual Report. Since it forms part of Annual report which has already been circulated, with your permission, I take it as read.

On behalf MIDHANI family, we would like to express solidarity with all the people and communities affected by the COVID-19 pandemic. I also want to thank each and every stakeholder of MIDHANI for contributing to success of MIDHANI.

Now I request, Company Secretary to take up the Agenda Item in Seriatim.

PAUL ANTONY

The Notice along with the Explanatory Statement dated August 12, 2021 convening the 47th Annual General Meeting of the Company was sent through e-mail on September 6, 2021, and with your permission, I take it as read.

Since Company has provided e-voting facility, the requirement to propose and second a resolution is not applicable.

CS R. Ramakrishna Gupta, Company Secretary in Practice has been appointed by Company to scrutinize the e-voting process in a fair and transparent manner.

Members who have not cast their vote through remote e-voting are requested to vote on the proposed resolutions via e-voting facility available at NSDL's e-voting platform which is available throughout the meeting.

I now request moderator to allow the Speakers for Q&A session and I kindly hand over the proceedings to the Chairman & Director (Finance) to take questions from Speakers.

BHARATI SARAF (SPEAKER)

I hope all the Directors and employees are safe & healthy. I also express my deep condolences to families who lost their loved ones due to COVID-19 pandemic. I pray for well-being of their families.

I want to ask Chairman & Managing Director regarding capital expenditure plan for current and upcoming years, order book position, women empowerment and vaccination status of employees.

DR. SANJAY KUMAR JHA

Thank you very much, for your questions. Your Company is well poised to achieve capital expenditure of Rs. 186 Crore during FY 2021-22 and in upcoming years, we are planning to scale capital expenditure to Rs. 200+ Crore

When it comes to order book, we have an order book of Rs. 1,372 Crore as on April 1, 2021 out of which, orders around Rs. 500 Crore were booked during FY 2020-21. Due to COVID-19 pandemic, we did not meet order booking targets for FY 2020-21 but for current financial year i.e. FY 2021-22, we are planning to book orders worth around Rs. 1,000 Crore.

In MIDHANI, around 13% are women employees and labor turnover is nearly negligible amongst them. Women employees are deputed at critical departments across the Company. During COVID -19 pandemic, we facilitated women employees with flexi duty hours.

Now, when it comes to vaccination, 91% of employees are vaccinated, the rest 9% pertains to either COVID + cases where they have to wait for certain time period to get vaccinated or pregnant women or employees with underlying health issues.

I would also like to apprise you that MIDHANI had organized vaccination drive at plant which benefitted employees, their families and other organization in nearby locality. Vaccination was free of cost to employees and their spouse. MIDHANI also reimbursed to employees who got vaccinated in private hospitals. Apart from that, after each dose, a paid leave was granted to employees.

I hope your questions have been duly answered.

PAUL ANTONY

I now request Mr. Ravindra Purohit, a registered speaker to ask question/ speak.

RAVINDRA PUROHIT (SPEAKER)

Most of my questions have already been answered. I request Chairman to apprise regarding scalability of Titanium Alloys in India and at what extent MIDHANI can aid in import substitution of Titanium alloys and also about Wide Plate Mill, its products & end market.

DR. SANJAY KUMAR JHA

Thanks Mr. Purohit for your questions. I would like to inform you that, MIDHANI is commissioning 10 tonne Vacuum Arc Remelting Furnace, which will enhance Titanium production by two fold in next one year. Also, we are also setting up an exclusive Titanium Shop, order for equipment for Titanium Shop has already been placed. Apart from this, a plasma melting facility will be set up which is required for Titanium production. In addition, we are also commissioning compacting press of 8,000 tonne capacity, at present MIDHANI has 3,000 tonne compacting press. So with these facilities, Titanium production of MIDHANI will be enhanced coupled with reduction in manufacturing cost.

Also, the demand of Titanium in Aerospace sector is substantial as Titanium is critical and important component.

When it comes to Wide Plate Mill, I am happy to declare that, due to cumulative efforts of our workforce and stakeholders, we were able to complete major civil construction and major equipment's have also been commissioned. I would also like to mention that, trails are also on-going on. As Wide Plate Mill is multi product Mill, commissioning will be done in several stages and during commissioning also any output that we achieve will be sold off to customers.

When it comes to market for Wide Plate Mill, I would like to apprise you that, Wide Plate Mill is strategic in nature as no one in India has a mill that has 3 meter width rolling capacity for manufacturing Stainless steel, Titanium alloys or superalloys, so that market is untapped which MIDHANI will surely explore and try to get a business out of it.

PAUL ANTONY

On behalf of all the members present and the Board of Directors, I propose a vote of thanks to the chair. I also thank Directors, Auditors, Members and Shri Sharda Prasad – Director (NS) representing ‘The President of India’ for attending the Meeting. The voting result along with scrutinizer report on items of agenda will be declared within the prescribed time limit and the same will also be uploaded on the company's website after intimation to the stock exchange.

Thank you, the meeting is now concluded.

Notes:

1. Queries/ comments of shareholders who spoke in Hindi have been translated into English language
2. This transcript of AGM has been edited to improve readability