



CHAMAN METALLICS LIMITED

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Transcript of 20th Annual General Meeting of Chaman Metallics Limited held on Wednesday, September 27, 2023 at 11:30 A.M. (IST) through video conferencing and other audio-visual means.

Mr. Rahul Relwani - Company Secretary and Compliance Officer, Chaman Metallics Limited:

- Good Morning everyone, respected Chairman and Managing Director, Joint Managing Director, and all the directors of the company, respected Statutory Auditors, Secretarial Auditors, Cost Auditors, Internal Auditors and Scrutinisers appointed for the e-voting process, respected shareholders, I welcome all of you to the 20th Annual General Meeting of Chaman Metallics Limited being held through video conferencing in accordance with the provisions of the Company's Act, 2013 and circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. My name is Rahul Relwani, and I'm the Company Secretary and Compliance Officer of the company. I would like to share with you certain details relating to your participation at this meeting.
- All the members who have joined this meeting are by default, placed on Mute mode by the host, and to avoid any disturbance arising from background noise, and to ensure smooth and seamless conduct of this meeting. The notice of the Annual General Meeting, along with the Annual Report for the year 2022-23, has been sent by email to all the shareholders whose email addresses are registered with the company or the depository participants. The notice and Annual Report have also been uploaded in the company's website, as well as the website of the National Stock Exchange. Since the Annual General Meeting is being held through video conferencing, physical attendance of members has been dispensed with. Hence, the facility of appointment of proxy is not available for this meeting. The Register of Directors and Key Managerial Personnel and their shareholding, the Register or Contracts or Arrangement in which the directors are interested, and other documents as mentioned in the notice convening this Annual General Meeting, are available electronically for inspection by the members.
- The company has provided remote e-voting facility to the shareholders of the company to enable them to cast their votes electronically between 24th September 2023, 9 a.m. and 26th September 2023, 5 p.m. On the resolutions mentioned in this notice convening this meeting, accordingly, the remote e-voting has been closed yesterday at 5 p.m. Further, the voting at the AGM will also be conducted by the same e-voting system of NSDL which was used during the remote e-voting. The shareholders who have not already cast their vote during the

remote e-voting process, can cast their vote through e-voting during the meeting. Ms. Preeti Singhania - Practicing Chartered Accountant, has been appointed as the Scrutiniser to scrutinise the votes cast at this meeting, and through remote e-voting. Since the AGM is being held through audio-visual means, and the resolutions forming part of the notice convening this meeting have been already put to vote through remote e-voting, the e-voting practice of proposing and seconding the resolution is not required, and will not be followed. The shareholders may please note that, there will be no voting by show of hands.

- The proceedings of this Annual General Meeting will be filed with NSE after the conclusion of this meeting, and the results of the e-voting, along with the Scrutiniser's Report, shall be communicated to NSE, where the equity shares of the company are listed, and will also be placed on the website of the company within 48 hours after the conclusion of this meeting.
- The agenda to be transacted in this Annual General Meeting are:
- Adoption of audited financial statements for the financial year 2022-23.
- To appoint the director in place of Mr. Ramesh Kumar Agrawal, who retires by rotation, and being eligible, offers himself for reappointment.
- Rectification of remuneration of the Cost Auditors.
- I would now request the Chairman of our company to preside over the meeting, and continue the proceedings of this Annual General Meeting. After his speech, we will take the questions from shareholders, and the same shall be answered either by our Chairman, or by our Chief Financial Officer. If any question requires any information to be taken from the records of the company and is not possible to be answered on the spot, the same will be answered by email to the respective shareholders after this meeting. After this discussion is over, the meeting will be open for 15 minutes for e-voting, and thereafter the meeting will be concluded. Chairman sir, please continue the proceedings of this meeting.

Mr. Chetan Kumar Agrawal – Chairman & Managing Director, Chaman Metallics Limited:

- Dear shareholders, good morning to all the directors and members of the company. I have great pleasure in welcoming you to the 20th Annual General Meeting of Chaman Metallics Limited being held through video conferencing and other audio-visual means. The quorum being present, I declare the meeting to be in order. The notice of the AGM has been circulated to all the members. With your permission, I will take it as read. The company has made all efforts feasible under the circumstances to enable members to participate, vote on the items being considered in the meeting. Before my speech, I would like to introduce the directors of the Company.
- Myself, Chetan Kumar Agrawal – Chairman & Managing Director of the company.
- My father, Mr. Ramesh Kumar Agrawal – Non-Executive Director and Chairman of the Stakeholders Relationship Committee and CSR Committee, and Chairman of G.R. Group of Industries.
- Mr. Keshav Kumar Agrawal – Joint Managing Director and Chief Financial Officer of the company.
- Mr. Sumit Dahiya – Independent Director and Chairman of the Audit Committee.

- Mr. Ranjit Singh Thakur – Independent Director and Chairman of the Nomination and Remuneration Committee.
- Ms. Disha Keshariya - Independent Director and Woman Director.
- With this, I introduced all the directors to the shareholders of the company.
- I would like to share the global scenario. Now, I would like to share some thoughts on the performance of the company and its future. Let's begin with the global economy. In the year 2022-23 we have witnessed the world in a constant flux. The global economy has faced unprecedented challenges from climate change, trade tensions and geopolitical conflicts. These challenges have disrupted supply chains and strained economies. We have experienced a notable surge in inflation, particularly in developed economies. The global economic growth outlook for FY23 is currently at around 2.9% of GDP, and has downside risk in future. However, the Indian economy looks positive and the expected GDP growth this year is at 6.1%, which could be the world's highest.
- Moving on to the steel industry, it was also affected by the volatility in the global market. A lot of movement is observed in the steel prices. However, the steel demand in India appears to be an exception from a good domestic market perspective. India is currently the world's second largest producer of crude steel, and the world's largest producer of DRI or sponge iron. In India, the crude steel production and finished steel production was around 126 million tons and 122 million tons in FY23 respectively. Indian steel consumption last year registered a total of 119 million tons in FY23 and 105 million tons in FY22, growing around 12% year on year. Huge scope for growth is offered by India's competitively low per capita steel consumption, and by the expected rise in steel consumption due to significant investment in infrastructure development projects and thriving developments in the automobile and railway sector. Target of India in 2030 is 300 million tons steel production. So, demand is likely to pick up in future. In FY23, your company has registered production of 65,156 metric tons of sponge iron, utilising 90% of its capacity, and sold around 64,649 metric tons of sponge iron.
- Review of Operating and Financial performance of the company:
- Now I would like to share with you the highlights of the financial performance of your company during FY22-23. In FY22-23, the company registered total income of 22,897.69 lakhs as compared to total income of 18,546.32 lakhs achieved during the previous financial year, marking a growth of 23.46%. The company's EBITDA was Rs. 2,747.21 lakhs as compared to the EBITDA of Rs. 1,584.41 lakhs during the previous year, marking a growth of 73.39%. During FY22-23, the net profit of the company was around 1,709.64 lakhs as compared to a net profit of Rs. 818.95 lakhs in the previous financial year, increasing significantly by 108.76% year on year. The company's financial performance showcased strength and resilience.
- Expansion project:
- Further I would like to share with you an update on the specifics of the company's expansion project. Your company, under the process of strategic expansion of existing operations, also under the process of forward and backward integration to work more efficiently. This expansion is to boost our production capacity, enhance operational efficiency, and position us for increased market share in our industry. Your company has also received environmental clearance from the Ministry of Environmental Forest for proposed expansion in January 2023. The entire expansion project will be implemented in a phased manner.

- Key Highlights of the first phase of our expansion project and diversification:
- Right now, sponge iron existing capacity is 72,000 ton per annum, under installation capacity is 115,500 tons per annum, The total will be 1,87,500 tons per annum. Induction furnace – we are setting up a new furnace for manufacturing of billets under installation capacity of 1,98,000 tons per annum. Submerged arc furnace i.e. ferroalloys, capacity under installation is 39,204 tons per annum, and captive power plant of 30 megawatt. We have also received approval from Maharashtra Industrial Development Corporation for construction of required infrastructure to set up dynamic plants and machineries. Ongoing expansion efforts, involve the modernisation and enlargement of our production facilities. This will not only accommodate increased demand for our existing offerings, but also the necessary infrastructure for new products to be introduced.
- Our CSR commitment:
- Your company has undertaken various CSR activities in the field of women empowerment, education, infrastructure development, healthcare, for promotion of vocational skills, livelihood in rural areas and other community development activities, and has spent Rs. 11.82 lakhs during FY22-23.
- I, on behalf of the board, express my sincere gratitude to all the stakeholders, all the lenders, state and central government authorities, valued customers, vendors, for their continued support. The board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitments of all the employees of the company. There are no qualifications, observations, reclaimers, and adverse remarks in the Auditor Reports on the annual financial statements of the company for the year 2022-23. Hence, we take the Auditor Report as read.
- We have given the opportunity to stakeholders to register themselves as a speaker stakeholder. However, none of the shareholders have registered for raising any query. I request Rahul to conclude the meeting after the voting period.
- We will again open the e-voting platform for 15 minutes to allow those shareholders of the company who could not vote during the e-voting period. Thank you so much. Thank you very much.
- **Mr. Rahul Relwani - Company Secretary and Compliance Officer, Chaman Metallics Limited:**
- I would like to convey a vote of thanks to all the shareholders for their continued support, to the Chairman and to all the directors present in this meeting, the Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors of the company, and also to the Scrutinisers.
- The e-voting facility will be kept open for 15 minutes to enable the members to cast their vote, who could not vote during the remote e-voting period. After that, we will be concluding the meeting and will publish the voting results within 48 hours after the conclusion of this meeting. Thank you.
- ***END OF MEETING/E-VOTING BEGINS***

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2. This transcript has been edited for the purpose of clarity and better reading.