



MISHRA DHATU NIGAM LIMITED

Our Company was incorporated as Mishra Dhatu Nigam Private Limited on November 20, 1973 under applicable provisions of the Companies Act, 1956, with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad (“RoC”). Being a Government Company, the word ‘private’ was deleted from the name of our Company by the RoC on June 15, 1974 by virtue of General Statutory Rules (“G.S.R.”) No. 1234 dated December 30, 1958 issued by the Central Government. The status of our Company was changed from ‘private limited company’ to ‘deemed public limited company’ under the provision of section 43A of the Companies Act, 1956 with effect from July 01, 1983. Thereafter, the status of our Company was again changed to ‘private limited’ pursuant to the notification of the Companies (Amendment) Act, 2000 on February 27, 2001 and the word ‘private’ was not inserted in the certificate of incorporation by virtue of the above said G.S.R. Our Company was converted into a ‘public limited company’ with effect from November 13, 2017 and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the RoC. For further details, see “History and Certain Corporate Matters” on page 114 of the Red Herring Prospectus dated March 08, 2018 (“RHP”).

Registered and Corporate Office: P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India; **Contact Person:** Paul Antony, Company Secretary and Compliance Officer; **Tel:** +91-040-24340853; **Fax:** + 91-040-24340214; **E-mail:** secretary@midhani.com; **Website:** www.midhani.com; **Corporate Identity Number:** U14292TG1973GOI001660

OUR PROMOTER: THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF DEFENCE

PUBLIC OFFER OF 48,708,400 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF MISHRA DHATU NIGAM LIMITED (“OUR COMPANY”) THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF DEFENCE (“THE SELLING SHAREHOLDER”) FOR CASH AT A PRICE* OF ₹[·] PER EQUITY SHARE (THE “OFFER PRICE”), AGGREGATING UPTO ₹[·] MILLION (“THE OFFER”). THE OFFER INCLUDES A RESERVATION OF UP TO 1,873,400 EQUITY SHARES AGGREGATING TO ₹ [·] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (“EMPLOYEE RESERVATION PORTION”). THE OFFER LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.00% AND 25.00% RESPECTIVELY, OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*Retail Discount of ₹ 3 per Equity Share to the Offer Price is being offered to the Retail Individual Bidders and Employee Discount of ₹ 3 per Equity Share to the Offer Price is being offered to the Eligible Employees bidding in the Employee Reservation Portion.

Price Band: ₹ 87 to ₹ 90 per Equity Share of face value of ₹10 each

Retail Discount and Employee Discount: ₹ 3 per Equity Share on Offer Price.

The Floor Price is 8.7 times the face value of Equity Shares and the Cap Price is 9.0 times the face value of Equity Shares

Bids can be made for a minimum of 150 Equity Shares and in multiples of 150 Equity Shares thereafter

Risks to Investors:

- The two Book Running Lead Managers associated with the Offer have handled 19 public offers in the past three years, out of which 6 offers closed below the offer price on listing date.
- Based on the Basic and Diluted EPS for the year ended March 31, 2017, P/E at the Floor Price is 12.91 times and at the Cap Price is 13.35 times. Since, there are no comparable listed companies in India engaged in the same line of business as the Company, comparison with industry peers are not applicable.
- The average cost of acquisition of Equity Shares for our Promoter Selling Shareholder is ₹ 10, and the Offer Price at upper end of the Price Band is ₹ 90.
- Further, investors should take note of risk factor number 2 on page 17 of the RHP titled "As a result of national securities concerns, certain information in relation to our business and operations is classified as 'secret and confidential' pursuant to which we have neither disclosed such information in the RHP nor provided such information to the BRLMs and other intermediaries and advisors involved in the Offer."

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 8.7 times the face value at the lower end of the Price Band and 9.0 times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

- Most advanced and unique facilities.
- Capability to manufacture wide range of advanced products.
- Strong long term customer relationships.
- Research and development based technology development.
- Highly Qualified and Experienced Management and Management Systems.

For further details see, “Our Business”, “Risk Factors” and “Financial Statements” beginning on pages 97, 17 and 141, respectively, of the RHP.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. Our Company has only one set of restated financial statements since it has no associates, subsidiaries, joint ventures to consolidate. For further details, see “Financial Statements” on page 141 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for change in capital: As per our Restated Financial Statements:

Year ended	Basic & Diluted EPS (in ₹)	Weight
March 31, 2017	6.74	3
March 31, 2016	6.37	2
March 31, 2015 (proforma)	5.53	1
Weighted Average	6.42	
Half year ended September 30, 2017*	1.46	

* Not Annualized

Note:

- The face value of equity share is ₹10 each.
- Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year at the end of the period/ year.
- Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year for diluted EPS.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.
- The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- EPS calculations have been done in accordance with Indian Accounting Standard Ind AS 33 - “Earning per share” prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2. Price/Earning (P/E) ratio in relation to Offer Price of ₹[·] per Equity Share of ₹10 each:

Sr. No.	Particulars	Times (x)
1.	P/E ratio on the Basic and Diluted EPS for the year ended March 31, 2017 at the Floor Price	12.91
2.	P/E ratio on the Basic and Diluted EPS for the year ended March 31, 2017 at the Cap Price	13.35

Industry P/E Ratio

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers is not applicable.

3. Return on Net Worth (“RoNW”):

Period ended	RoNW (%)	Weight
March 31, 2017	17.93	3
March 31, 2016	19.26	2
March 31, 2015 (proforma)	19.19	1
Weighted Average	18.58	
September 30, 2017	3.72*	-

* RoNW is not annualized

Note:

- Return on Net Worth has been computed as Net Profit after tax as divided by Net Worth at the end of the period/year.
- Net Worth for Equity Shareholders has been computed as sum of share capital and reserves and surplus (includes Securities Premium and Surplus / (Deficit) in Standalone Statement of Profit and Loss).

4. Minimum Return on Increased Net Worth for maintaining Pre-Offer EPS for the year ended March 31, 2017

There will be no change in the Networth post offer as the Offer is by way of Offer for sale by Selling Shareholder.

5. Net Asset Value (“NAV”) per Share:

Year Ended	NAV Per share (₹)
March 31, 2017	37.60
Half year ended September 30, 2017	39.15
After the Offer	There will be no change in the NAV post Offer, as the Offer is by way of an Offer for Sale by Selling Shareholder.

Note: Net Assets Value per Equity Share (₹) = Net worth as restated at the end of the year divided by Number of Equity Shares outstanding at the end of the year.

6. Comparison of accounting ratios with Industry Peers

There are no comparable listed companies in India that engage in the same line of business as the Company, hence comparison with industry peers is not applicable.

7. The Offer price is [·] times of the face value of the Equity Shares.

The Offer Price of ₹[·] has been determined by our Company and Selling Shareholder, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” beginning on pages 17 and 141, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” beginning on page 17 or any other factors that may arise in the future and you may lose all or part of your investments.

For further details, please see the section entitled “Basis for Offer Price” beginning on page 73 of the RHP.

BID/OFFER PERIOD:

BID/OFFER OPENS ON WEDNESDAY, MARCH 21, 2018 | BID/ OFFER CLOSES ON FRIDAY, MARCH 23, 2018

ASBA *

Simple, Safe, Smart way of Application - Make use of it !!!

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.

Mandatory in public issues from January 01, 2016. No cheque will be accepted.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), this is an Offer for at least 25% of the post-Offer paid-up Equity Share capital of our Company. In accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI ICDR Regulations”), the Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (“QIB Portion”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, 1,873,400 Equity Shares have been reserved for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Offer Price. All potential Bidders shall mandatorily participate in the Offer through an Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”). For details, see “Offer Procedure” beginning on page 298 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see the section titled “History and Certain Corporate Matters” beginning on page 114 of the RHP and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see the section titled “Material Contracts and Documents for Inspection” beginning on page 361 of the RHP.

LIABILITY OF THE MEMBERS OF THE COMPANY: Limited by shares

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 SBICaps Markets Limited 202, Maker Tower ‘E’, Cuffe Parade, Mumbai - 400005, Maharashtra, India Tel: +91 (22) 22178300; Fax: +91 (22) 22188332; E-mail: midhani ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Contact Person: Janardhan Wagle; Website: www.sbicaps.com SEBI Registration No.: INM00003531	 IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited) 3rd Floor, Mafatol Centre, Nariman Point, Mumbai – 400 021, Maharashtra, India Tel: +91 22 4322 1212; Fax: +91 22 2285 0785; E-mail: ipo.midhani@idbicapital.com Investor grievance e-mail: redressal@idbicapital.com; Contact Person: Sumit Singh Website: www.idbicapital.com; SEBI Registration No.: INM000010866	 Health & Wealth, We Manage Both Alankit Assignments Limited 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055, India Tel: +91 11-4254 1234; 2354 1234; Fax: +91 11 4154 3474 Email: midhani_ipo@alankit.com; Investor grievance email: midhani_igr@alankit.com; Contact Person: Pankaj Goenka / Bojman Kh; Website: www.alankit.com SEBI Registration No: INR000002532	Paul Antony, P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India Tel: +91-040-24340853; Fax: + 91-040-24340214 E-mail: secretary@midhani.com Website: www.midhani.com Investors can contact the Company Secretary and Compliance Officer, the BRLMs and the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, non credit of Allotted Equity Shares in the beneficiary account or refund orders respectively.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the Risk Factors beginning on page 17 of the RHP before applying in the Offer. Full copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs at www.sbicaps.com and www.idbicapital.com and BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application form can be obtained from the Registered Office of the Company: **MISHRA DHATU NIGAM LIMITED**, Tel: +91-040-24340853; Fax: + 91-040-24340214; BRLMs: **SBICaps Markets Limited**, Tel: +91 (22) 22178300, Fax: +91 (22) 22188332; **IDBI Capital Markets & Securities Limited**, Tel: +91 (22) 22178300; Fax: +91 (22) 22188332; E-mail: midhani.ipo@sbicaps.com. Any potential investor should note that investment in Equity Shares involves a high degree of risk, far details, potential investors should refer to the section titled “Risk Factors” beginning on page 17 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

SUB-SYNDICATE MEMBERS: Achievers Equities Limited, Almondz Global Securities Ltd., Amit Jasani Financial Services Pvt Ltd., Anand Rathi Shares & Stock Brokers Limited, Ashika Stock Broking Ltd, Axis Capital Limited, Eureka Stock & Share Broking Services Ltd., HDFC Securities Limited, ICICI Securities Limited, India Infoline Limited, Inventure Growth & Securities Limited, J Financial Services Limited, Jobanputra Fiscal Services Pvt Ltd., Karvy Stock Broking Limited, Keynote Capitals Limited, KJMC Capital Markets Services Limited, Kotak Securities Limited, LKP Securities Limited, Motilal Oswal Securities Limited, Prabhudas Lbadhar Pvt. Limited, Pravin Ratilal Share And Stock Brokers Ltd., Sharekhan Limited, SMC Global Securities Limited and Tradebulls Securities (P) Ltd.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. For details on the ASBA process, please refer to the details given in the ASBA Form and Abridged Prospectus and also please refer to “Offer Procedure” beginning on page 298 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA Form can be obtained from the BRLMs, SCSBs, Registered Brokers, RTAs and CDPs, the list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

PUBLIC OFFER ACCOUNT BANK AND REFUND BANK: Kotak Mahindra Bank Limited and Indian Overseas Bank.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For MISHRA DHATU NIGAM LIMITED

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

Place: Hyderabad

Date: March 13, 2018

MISHRA DHATU NIGAM LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the Red Herring Prospectus dated March 08, 2018 with the Registrar of Companies, Andhra Pradesh & Telangana at Hyderabad. The RHP shall be available on the website of the SEBI at www.sebi.gov.in, the websites of the Book Running Lead Managers at www.sbicaps.com and www.idbicapital.com and the websites of BSE and NSE at www.bseindia.com and www.nseindia.com. Any potential investor should note that investment in Equity Shares involves a high degree of risk, far details, potential investors should refer to the section titled “Risk Factors” beginning on page 17 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement is not an offer to sell, nor a solicitation of any offer to buy, securities of our Company in the United States. The offer and sale of the Equity Shares referenced herein has not been, and will not be, registered with the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state securities administrator under any applicable U.S. state securities laws, and unless the offer and sale of the Equity Shares is so registered, such Equity Shares may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of each jurisdictions where such offers and sales are made.