

**Mukand Ltd.**

**Regd. Office :** Bajaj Bhawan, 3rd Floor  
Jamnalal Bajaj Marg  
226 Nariman Point, Mumbai, India 400 021  
Tel : 91 22 6121 6666 Fax : 91 22 2202 1174  
www.mukand.com

**Kalwe Works :** Thane-Belapur Road  
Post office Kalwe, Thane, Maharashtra  
India 400 605  
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179  
CIN : L99999MH1937PLC002726

26<sup>th</sup> February, 2022

1	Department of Corporate Services <b>BSE Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  ISINCode:INE304A01026& INE304A04012 BSE Scrip Code : 500460	2	Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.  ISINCode:INE304A01026&INE304A04012 NSE Scrip Name: MUKANDLTD
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Dear Sir(s),

**Sub: Intimation of Notice of Postal Ballot to Members**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed Postal Ballot Notice of the Company, dated 11<sup>th</sup> February, 2022 emailed to Members (Equity shareholders) on February 26, 2022 for seeking approval for following businesses.

- 1. To Approve the Material Related Party Transactions proposed to be entered during FY: 2022-23. (Ordinary Resolution), and**
- 2. To approve and ratify the Material Related Party Transactions being Corporate Guarantee issued by the Company on behalf of Mukand Sumi Special Steel Limited. (Ordinary Resolution)**

The Notice is sent to the members whose names appear in the Register of Members/ Record of Depositories as on the **cut-off date being Friday, February 18, 2022**. Members on the cut-off date would be entitled to vote by way of Remote E-voting.

Pursuant to Section 110 of the Companies Act, 2013 (“the Act”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) and other applicable provisions of the Act and the Rules, General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and read with other relevant circulars, including General Circular No.10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



("SEBI Listing Regulations"), Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time).), the Resolutions appended in the attached Postal Ballot Notice is proposed to be passed by way of Postal Ballot only through electronic means ('Remote e-voting').

E-voting schedule and information relating to Postal Ballot is as under:

Sr. No.	Particulars	Schedule
1	Date of Commencement of Remote e-Voting	February 28, 2022 at 9.00 a.m. (IST)
2	Date of Ending of Remote e-Voting	March 29, 2022 at 5.00 p.m. (IST)
3	Date of Declaration of Results of Postal Ballot/Remote e-Voting	On or before March 31, 2022
4	Remote e-voting Agency	KFin Technologies Private Limited
5	E-voting website	<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>
6	Scrutinizer for conducting the Postal Ballot/ E-voting	Anant Khamankar (FCS 3198, CoP. 1860), Anant B. Khamankar & Co., Practising Company Secretaries

Postal Ballot Notice, along with the Explanatory Statement, is also uploaded on the website of the Company at [www.mukand.com](http://www.mukand.com) and on the website of KFin Technologies Private Limited <https://evoting.kfintech.com>.

Kindly take the above on your record.

Yours faithfully,  
For **Mukand Limited**

K. J. Mallya  
Company Secretary  
([kjmallya@mukand.com](mailto:kjmallya@mukand.com))

Encl. - as above





**MUKAND LIMITED**

(CIN:L99999MH1937PLC002726)

**Registered Office:** Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400021

**Tel:** 022-61216666, **E-mail:** investors@mukand.com, **Website:** www.mukand.com

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## **NOTICE OF POSTAL BALLOT**

**[Pursuant to Section 110 read with Section 108 of the Companies Act, 2013, Rules 20 & 22 of Companies (Management and Administration) Rules, 2014 and the Circulars issued by the Ministry of Corporate Affairs, Government of India]**

Notice to the Members of the Company

Dear Member(s),

**Notice** is hereby given that the resolutions set out below are proposed to be passed by the Members of **Mukand Limited** (“the Company”) by means of Postal Ballot, only by way of Remote e-voting process (“e-voting”), pursuant to Section 110 of the Companies Act, 2013 (“the Act”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) and other applicable provisions of the Act and the Rules, General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and read with other relevant circulars, including General Circular No.10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time).

An Explanatory Statement pursuant to Section 102 of the Act and other applicable provisions of the Act, pertaining to the resolutions setting out the material facts and reasons thereof, is annexed to this Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company has appointed Shri Anant Khamankar (FCS 3198, CoP. 1860) of M/s. Anant B. Khamankar & Co., Practising Company Secretary, Mumbai, as the Scrutinizer for conducting the Postal Ballot through Remote e-voting process in a fair and transparent manner.

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the manner of voting on the proposed resolutions is restricted only to Remote e-voting i.e. by casting votes electronically instead of submitting postal ballot forms. The instructions for e-voting are given under note nos. 10 & 11 of the Notes annexed to this Postal Ballot Notice.

In accordance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only by e-mail to all Members whose e-mail addresses are available in the beneficial ownership data/records of National Securities Depository Limited and Central Depository Services (India) Limited (“Depositories”) and the record of the KFin Technologies Private Limited, Registrar and Share Transfer Agent. Further, the MCA has, vide General Circular No. 20/2021 dt. December 08, 2021, inter-alia, extended the relaxation to the Company for the requirement of sending hard copy of the Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope to the Members for Postal Ballot.

Therefore, the Company is not required to send a physical copy of the Postal Ballot form to the Members for voting. The Members are required to communicate their assent or dissent through the Remote e-voting facility only.

**The Remote e-voting period will commence from Monday, February 28, 2022 at 9:00 a.m. (IST) and will end on Tuesday, March 29, 2022 at 5:00 p.m. (IST). The results of the Postal Ballot shall be announced on or before March 31, 2022.**

The Company has engaged services of KFin Technologies Private Limited (“**KFintech**”) for providing remote e-voting facilities to the Members.

The voting result, along with the Scrutinizer's Report, shall be available forthwith on the Company's website at [www.mukand.com](http://www.mukand.com) and will also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where the Company's shares are listed.

You are requested to carefully read the instructions on Remote e-voting process, printed in the Notes to this Postal Ballot Notice.

The resolutions, if approved by the requisite majority, will be deemed to have been passed on the last date specified by the Company for Remote e-voting i.e., Tuesday, March 29, 2022.

**SPECIAL BUSINESS:**

**1. To Approve the Material Related Party Transactions proposed to be entered during FY: 2022-23**

To consider and pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (the “Act”), read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), and subject to such other laws, rules, regulations, approvals, consents, sanctions and permissions of any authorities as may be necessary, the Members of the Company hereby approve the material related party arrangements or transactions with related parties as detailed below proposed to be entered into during the financial year 2022-23 with authority to the Board of Directors of the Company to authorize the management of the Company to enter into the said material related party arrangements or transactions with related parties upon the principal terms as explained further in detail in the Explanatory Statement annexed hereto.

Name of Related Party	Description of Contracts /Arrangement/ Transactions	Tenure of Contracts / Arrangement/ Transactions	T o t a l Cumulative Contracts/ arrangement/ Transactions Value (Rs. in Crore)
Mukand Sumi Metal Processing Limited	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing/ rendering of marketing/ business transfer and other services, leasing of factory/ office premises/facilities/ corporate guarantee or any other transactions	April 01, 2022 to March 31, 2023	547.36
Mukand Sumi Special Steel Limited	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing/ rendering of marketing/ business transfer and other services, leasing of factory/ office premises/facilities/ corporate guarantee or any other transactions	April 01, 2022 to March 31, 2023	2,677.00

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee/s thereof) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual if any, in relation to the above and be authorized to approve aforesaid transactions and the terms and conditions thereof.”

**2. To approve and ratify the Material Related Party Transactions being Corporate Guarantee issued by the Company on behalf of Mukand Sumi Special Steel Limited**

To consider and pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 (the “Act”), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), and subject to such other laws, rules, regulations, approvals, consents, sanctions and permissions of any authorities as may be necessary, the Members of the Company hereby approve and ratify the material related party contracts/arrangement/transactions entered into with Mukand Sumi Special Steel Limited (MSSSL) being Corporate Guarantee issued in favour of HDFC Bank Limited in respect of Term Loan facility of Rs.122 crore and 51% of Cash Credit Facility of Rs.40 crore i.e. Rs.20.40 crore extended by HDFC Bank Limited to MSSSL and explained further in detail in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors(or a Committee/s thereof) be and is hereby authorized to take such steps as may be necessary and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board  
For Mukand Limited**

**Place:** Mumbai

**Date:** February 11, 2022

**K.J. Mallya  
Company Secretary**

**NOTES:**

1. The Explanatory Statement containing the reasons for the proposed resolutions and setting out material facts, pursuant to Section 102 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, is annexed hereto.
2. This Notice is being sent to the equity shareholders ('Members') whose names appear in the List of Beneficial Owners received from National Securities Depository Limited/ Central Depository Services (India) Limited ('Depositories') as at the close of business hours on **Friday, February 18, 2022 ('cut-off date')**. **Members as on the cut-off date would be entitled to vote by way of Remote e-voting** and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only. This Notice is being sent electronically to all Members whose e-mail addresses are registered with KFin Technologies Private Limited/RTA or the Depositories.
3. Members who have not registered their email address and in consequence could not receive the Notice may temporarily get their email address registered with the RTA, by clicking the link: <https://ris.kfintech.com/clientservices/postalballot/registration.aspx> and following the registration process as guided thereafter.
4. The dispatch of Postal Ballot Notice shall be announced through an advertisement in at least 1(one) English newspaper and at least 1 (one) Marathi newspaper, each with wide circulation in Mumbai, where the registered office of the Company is situated and will also uploaded on the website of the Company.
5. The Company will issue necessary advertisements in the newspaper/ e-newspaper having all India circulation and the newspaper circulating in the District where registered office of the Company is situated for the information of Members whose e-mail addresses are not available in the records of RTA and Depositories.
6. Kindly note that the communication of the assent/dissent to the Resolutions proposed in the Notice would take place only through Remote e-voting.
7. **The voting will commence at 9:00 a.m. (IST) on Monday, February 28, 2022 and will end at 5:00 p.m. (IST) on Tuesday, March 29, 2022** for the Members exercising their vote through electronic voting. The Remote e-voting module shall be disabled for voting thereafter.
8. **The Members whose names appear in the Register of Members/ Record of Depositories as on cut-off date i.e. Friday, February 18, 2022 , shall only be considered for voting.**

9. Documents if any referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts and other statutory registers, shall subject to Covid-19 related restrictions, be open for inspection by the Members at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days except Saturdays, Sundays and national holidays, until the end of the voting period.
10. **Instructions for Voting through electronic means:**

**Access to NSDL e-voting system**

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login method
<b>Login method for Individual shareholders holding securities in demat mode with NSDL</b>	<p><b>A. Users registered for NSDL IDeAS facility</b></p> <ul style="list-style-type: none"> <li>i. Open web browser by typing the URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>ii. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page.</li> <li>iii. Click on options available against Company name or e-voting service provider – Kfintech and you will be re- directed to e-voting service provider website for casting your vote during the remote e-voting period</li> </ul> <p><b>B. Users not registered for IDeAS e-Services:</b></p> <p>Option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a> and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote</p> <p><b>C. By visiting the e-voting website of NSDL:</b></p> <ul style="list-style-type: none"> <li>i. Visit the e-voting website of NSDL. Open web browser by typing the URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the “Login” icon, available under the “Shareholder/Member” section.</li> <li>ii. A new screen will open. Enter your User ID (i. e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</li> <li>iii. Click on options available against Company name or e-voting service provider – KFintech and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</li> </ul>

<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p><b>A. Existing users who have opted for Easi/Easiest:</b></p> <p>i. <b>URL to login to Easi/Easiest:</b>  <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and select New System Myeasi</p> <p>ii. Shareholders can login through their user ID and password. Option will be made available to reach e-voting page without any further authentication.</p> <p>iii. After successful login on Easi/Easiest, the user will also be able to see the e-voting menu. The menu will have links of ESPs. Click on <b>KFintech</b> to cast your vote.</p> <p><b>B. Users who have not opted for Easi/Easiest:</b></p> <p>Option to register for Easi/ Easiest is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> and proceed with completing the required fields.</p> <p><b>C. By visiting the e-voting website of CDSL:</b></p> <p>i. The user can directly access e-voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile no. and e-mail id as recorded in the demat account.</p> <p>ii. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of ESP i.e. KFintech</p>
<p><b>Individual Shareholders (holding securities in demat mode) logging in through their depository participants</b></p>	<p>i. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option.</p> <p>ii. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>iii. Click on options available against the Company name or e-voting service provider- KFintech and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</p>
<p><b>Important note:</b> Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.</p>	
<p><b>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.</b></p>	
<p><b>Members facing any technical issue - NSDL</b></p>	<p><b>Members facing any technical issue – CDSL</b></p>
<p><b>Members facing any technical issue in logging in can contact NSDL helpdesk by sending a request at</b>   <b>evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.</p>

## 11. Instructions for remote e-voting by Physical Shareholders:

- a) Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- b) Enter the login credentials provided in the email and click on Login.
- c) Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
- d) The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,).
- e) Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- f) Login again with the new credentials.
- g) On successful login, the system will prompt you to select the-“EVENT” i.e. **“Mukand Limited** – On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR / AGAINST” taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- h) Members holding multiple folios / demat accounts may choose to vote differently for each folio / demat account.
- i) Members may then cast their vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm or “CANCEL” to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking “SUBMIT”.
- j) Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/ authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format ‘MUK\_EVENT No’
- k) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFintech on 1800 309 4001 (toll free).
- l) **Those members who have not yet registered their email addresses are requested to get their email addresses registered with KFintech, by following the procedure mentioned below:**
  - i. Visit the link. <https://ris.kfintech.com/clientservices/postalballot/registration.aspx>
  - ii. Select the company name i.e. **Mukand Limited**
  - iii. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical
  - iv. Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
  - v. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
  - vi. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
  - vii. Enter the email address and mobile number.



- viii. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
- ix. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
- x. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
- xi. Alternatively, Members may send an email request addressed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFintech to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
- xii. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

In case of queries, members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at the toll free number 1800 309 4001.

**By Order of the Board**  
For **Mukand Limited**

**K.J. Mallya**  
**Company Secretary**

**Place:** Mumbai  
**Date:** February 11, 2022

## EXPLANATORY STATEMENT

### (PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013)

#### Item No.1-To Approve the Material Related Party Transactions proposed to be entered during FY: 2022-23

Pursuant to Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board of Directors and prior approval of the Members by resolution in case related party transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the company in the ordinary course of business on an arm's length basis.

As per amended Regulation 23(4) of the SEBI Listing Regulations, which shall come into effect from April 01, 2022, all material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution. Explanation to Regulation 23(1), which shall come into effect from April 01, 2022, provides that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees 1000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Mukand Sumi Metal Processing Limited ('MSMPL') and Mukand Sumi Special Steel Limited ('MSSSL') are related parties of your Company, within the meaning of sub-section (76) of section 2 of the Act and Regulation 2 (1) (zb) of SEBI Listing Regulations. MSMPL is a Joint Venture with Sumitomo Corporation Japan, and MSSSL is an entity related to promoter group members of the Company. Your company does sale, purchase, provides / receives services to / from them and also provides financial support to them, which are significant for expansion and growth of your Company. The Board is of the opinion that proposed transactions with above related parties are in the best interest of the Company and the Members.

Your Company proposes to enter into transactions with MSMPL and MSSSL during financial year 2022-23 which are likely to be material transactions as per amended Regulation 23(1) of SEBI Listing Regulations.

The particulars of proposed material related party transaction are as below:

S r . No.	Type and particulars of the proposed Transaction	Total Transaction Value (Rs. in crore)	
		MSMPL	MSSSL
<b>(A)</b>	<b>Sale of Goods &amp; rendering of Services by the Company</b>		
1	Sale of Black Bars of SS / Rods & Bright Bars & Rods	430.00	-
2	Sale of cast billets, blooms, cogged billets bars/rounds, hot rolled bars and hot rolled wire rods & machineries manufactured by Industrial Machinery Division	-	1,830.00
3	Job Work Income	25.00	257.00
4	Rent of Factory / Office- Income	0.76	-
5	Fees/provision for other services	0.25	-
6	Guarantee commission Income	-	7.00
7	Marketing Income	0.90	-
8	Electricity Charges	0.15	-
	<b>Total -A</b>	<b>457.06</b>	<b>2,094.00</b>
<b>(B)</b>	<b>Purchase of Goods &amp; receiving of Services by the Company</b>		
1	Purchase of Scrap	35.00	20.00
2	Job Work /Machinery Hire Charges	10.30	10.00
3	Other Services	-	1.00
4	Interest on advance payments	-	2.00
5	Repurchase of Mills	-	25.00
	<b>Total -B</b>	<b>45.30</b>	<b>58.00</b>
<b>(C)</b>	<b>Corporate Guarantees issued by the Company</b>	<b>45.00</b>	<b>525.00</b>
	<b>Total Transaction Value (A+B+C)</b>	<b>547.36</b>	<b>2,677.00</b>

The other particulars of aforesaid transactions are as under:

Sr. No.	Name of the related party	Name of the Director or Key Managerial Personnel of the Company who is related party, if any	Nature of Relationship/ position in MSMPL/ MSSSL	Material Terms of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
1	Mukand Sumi Metal Processing Limited	None	Subsidiary company	Credit Period of 15-45 days	The transactions are in the ordinary course of business and at Arm's Length basis
2	Mukand Sumi Special Steel Limited	None	MSSSL is an entity related to Promoters group members of the Company	Credit Period of 7 days	The transactions are in the ordinary course of business and at Arm's Length basis.

The above transactions are approved by the Audit Committee as per the provisions of the Act and the SEBI Listing Regulations.

In view the above, it is proposed to seek approval of the Members of the Company through an Ordinary Resolution for the above transactions and the related parties are abstained from voting on the resolution.

None of the Directors or Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except as mentioned above to the extent of his/her respective shareholding, if any, in the Company, in the said resolution.

The Board recommends the Ordinary Resolution at Item no. 1 of the Postal Ballot Notice for approval by the Members.

**Item No.2- To approve and ratify the Material Related Party Transactions being Corporate Guarantee issued by the Company on behalf of Mukand Sumi Special Steel Limited**

Pursuant to Section 188(1) of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board of Directors and prior approval of the members by resolution in case related party transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis. Further Section 188(3) of the Act provides for ratification of related party transaction by the shareholders within three months from the date of on which such contract or arrangement was entered into.

Further, pursuant to regulation 23(4) of SEBI Listing Regulations, approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, related party transactions will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Your Company has issued Corporate Guarantee dated February 10, 2022 in favour of HDFC Bank Limited in respect of Term Loan facility of Rs.122 crore and 51% of Cash Credit Facility of Rs.40 crore i.e. Rs.20.40 crore extended by HDFC Bank Limited to Mukand Sumi Special Steel Limited (MSSSL).

MSSSL is a related party of your company within the meaning of sub-section (76) of section 2 of the Act and Regulation 2 (1) (zb) of Listing Regulations and Corporate Guarantee issued on behalf of MSSSL exceeds the materiality threshold as provided in Section 188 of the Act and Regulation 23 of SEBI Listing Regulations. MSSSL is an entity related to promoter group members of your Company. Your Company provides financial/technical support to MSSSL.

The particulars of corporate guarantee / material related party transaction are as below:

Name of Related Party	Description of Corporate Guarantee / Transaction	Tenure of Contract	Total Transaction Value (Rs. in Crore)
Mukand Sumi Special Steel Limited	Corporate Guarantee dated February 10, 2022 issued in favour of HDFC Bank Limited in respect of Term Loan facility of Rs.122 crore and 51% of Cash Credit Facility of Rs.40 crore i.e. Rs.20.40 crore extended by HDFC Bank Limited to MSSSL	Till the tenure of credit facilities extended	142.40

The other particulars of aforesaid corporate guarantee / transaction are as under:

Name of the related party	Name of the Director or Key Managerial Personnel of the Company who is related party, if any	Nature of Relationship / position in MSSSL	Material Terms of the Corporate Guarantee / contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
Mukand Sumi Special Steel Limited	None	MSSSL is an entity related to Promoters group members of the Company	Irrevocable and unconditional guarantee for the due repayment to HDFC Bank Limited of all amounts towards the credit facilities availed by MSSSL from HDFC Bank Limited	--

The above transaction is approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

In view the above, it is proposed to seek approval and ratification of the Members of the Company through Ordinary Resolution for the above transaction and the related parties are abstained from voting on the resolution.

None of the Directors or Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except as mentioned above to the extent of his/her respective shareholding, if any, in the Company, in the said resolution.

The Board recommends the Ordinary Resolution at Item no. 2 of the Postal Ballot Notice for approval by the members.

**By Order of the Board  
For Mukand Limited**

**Place:** Mumbai  
**Date:** February 11, 2022

**K.J. Mallya  
Company Secretary**