

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

August 11, 2022

Department of Corporate Services
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

ISIN CODE : INE304A01026
BSE Scrip Code : 500460

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051
ISIN CODE : INE304A01026
NSE Scrip Name : MUKAND LTD.

Dear Sir(s),

Sub : Chairman speech at 84th Annual General Meeting held on August 10, 2022

Please find enclosed copy of the Chairman speech delivered by Shri Niraj Bajaj at the 84th Annual General Meeting of the Company held on August 10, 2022.

Kindly take the above intimation on your record.

Yours faithfully,
For **Mukand Limited**,


Rajendra Sawant
Company Secretary

Enclosure: Chairman speech



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

Chairman speech at the 84th Annual General Meeting of Mukand Limited

Welcome to the 84th Annual General Meeting of Mukand Ltd. I am happy that we have finally been able to hold a physical meeting after a gap of two years. Please do take all precautions and be safe, as I understand that the Covid 19 infection rate is slowly rising again. I am sure none of us want to go back to those difficult times, when the country and the world were taken over by the Pandemic. So please be careful and take care of yourselves.

Before I move on to the business-related matters, we have lost two loved and respected persons who served on this board. My brother, Shri Rahul Bajaj was the Chairman of this Board from December 1999 to mid July 2007. I know many of you here have met and interacted with him in person. On 12 February this year, he passed away leaving a void in our lives.

Shri Pratap Ashar who was an employee of Mukand Ltd for more than 50 years rose to become a Director on this board in the year 2018. He passed away on 8 April this year. He too will be missed by all of us.

Let us observe a two minute silence as a mark of respect for these two departed souls who served your Company with dedication and love.

Thank you.

Coming to business matters, the Financial Year 21- 22 has been an outstanding year in the history of your Company in many ways. The year saw your Company successfully:

- selling its balance equity share in Mukand Sumi Special Steel Ltd, to a promoter group company
- and restructuring its interest rates.

Together, these activities enabled a remarkable turnaround of your Company which was facilitated not only by the dramatic reduction in debt but was further propelled by operational excellence. You may have noticed that we have finally crossed the Rs 4,000 crore mark in our turnover and since last year are back on the dividend paying list.

I am happy to announce that the Board of Directors propose a dividend of Rs 1.50 per equity share for the financial year 2021-22. The record date is 29 July, 2022 and will be dispatched on 17 / 18 August, 2022.

I mentioned that the last Financial Year achieved operational excellence. You will be happy to note that our Company achieved a 31% increase in steel production as against the previous year. Let us not forget that the production in Thane and Hospet facilities were severely affected in the beginning of FY 22, due to the lack of oxygen supply during the second wave of Covid 19. This increase in production fructified into increase in steel revenues by 38% as against the previous year. Revenue from the Industrial Machinery division stood at Rs. 100.34 crore as against Rs. 26.52 crore in the previous year. We are confident that both these divisions will continue the growth trajectory.

Let me now share with you some of the highlights of the year in running.



The much delayed amalgamation of Mukand Engineers Ltd with Mukand Ltd, which was to be completed last year, has now been made effective from June 01 2022. Shareholders of MEL as on 10 June 2022 have been allotted Mukand shares on a ratio of 13:5. Shareholders holding 13 shares of MEL received 5 shares of Mukand. I welcome the new shareholders to this Company.

The Scheme of Demerger of the alloy steel business of Mukand Sumi Metal Processing Limited (MSMPL) to Mukand Sumi Special Steel Ltd (MSSSL) has also been approved by NCLT in the month of May.

As for the Financial performance in the first quarter of the year in running, your Company recorded a turnover of Rs 1,462 crore as against Rs 1,329 crore of the previous quarter. The PAT stood at Rs 23.03 crore. Barring unforeseen circumstances, we expect the turnover for the year in running to be above Rs 5,500 crore.

The global steel demand is expected to grow by 0.4% in the calendar year 2022. Crude steel production in India stood at 120 million tons in FY 22. The consumption of steel in India is at 75 kg per capita which is far below the world average of 220kg per capita.

The automobile industry which was severely affected during the Covid19 Pandemic is finally picking up. Although the bulk of the alloy steel produced by your Company feeds into the automobile and auto component sector, your Company has been systematically increasing its supply to the Bearing and Fastener industries which are growing at a faster pace.

The global stainless steel market is expected to grow steadily at 5 - 8% per annum. The stainless steel produced by your Company is mainly exported either directly or indirectly. These markets had shown signs of brisk recovery in the beginning of FY22, but the war in Ukraine has slowed down the recovery.

Investments in capital goods continue to remain sluggish. The machine building division hopes to revitalize the portfolio with the merging of Mukand Engineers Ltd.

Prices of raw materials required for the manufacture of steel have been on a roller coaster throughout the previous year and continued to be volatile in the first quarter of the current year. In the month of July, most raw material prices eased out and is expected to be stable in the coming months.

The economic environment of the world continues to be affected by the geopolitical volatility which is unprecedented and has had a negative impact on global trade and business. Be it Brexit, war in Ukraine, political upheaval in many countries, growing protectionist policies in many first world nations, climate change issues, etc have created a complex situation which will test the functional resilience of any economy.

The RBI forecasts India's GDP growth at 7.2% for FY 22-23 and the CPI inflation for 22-23 is projected at 4.5%. To manage inflation, while supporting recovery, is the biggest task of our government today. The Rupee is at an all time low which is good news for our exports but bad news for our raw material imports.

One of such steps taken by the Government of India was to increase the export duty of certain steel products leading to an excess supply in the domestic market resulting in lower prices of these items. However, at the same time, the government also reduced the import duty of essential raw materials required to produce steel, thereby easing the pressure on steel manufacturers.



The Government of India also announced a Production Linked Incentive (PLI) scheme for 133 items, including Specialty Steel. The implementation has been postponed many times as the Steel Ministry has been considering inputs from the industry on the same.

Your Company is on the threshold of transformation – both financially and culturally. We have together demonstrated resilience to come out of very difficult times and we hope for a brighter tomorrow with your support. On behalf of the Board of directors, I thank all the employees for their dedication and commitment to take your Company to greater heights.

I thank you all for your continued support and encouragement over the years. I also thank you for taking the trouble to attend this AGM. Please take care and observe all precautions to stay safe and healthy.

