

Mukand Ltd.

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CIN : L99999MH1937PLC002726

June 27, 2021

1. BSE Ltd. Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 021. ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2. National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400051 ISIN CODE : INE304A01026 INE304A04012 NSE Scrip Name : MUKAND LTD.
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Sub.: Chairman communication to the shareholders

Dear Sir(s)

With reference to the above and in compliance with the provisions of Regulation 30 and 47 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby enclose the copy of the Chairman communication emailed to the shareholders of the Company on 27th June, 2021.

Kindly take the above on your record.

Thanking you,

For **Mukand Limited**



K. J. Mallya
Company Secretary
(kjmallya@mukand.com)



MUKAND LIMITED

(CIN : L99999MH1937PLC002726)

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June 27, 2021

Dear Shareholders,

We hope this message finds you and your family safe and in good health.

We wish to keep you, our valuable and supportive shareholders, informed of the various important developments of your Company since our last communication of 27 March, 2021 wherein we shared the good news about the transfer of approx. 55 acres of the Company's leasehold land at Thane for an amount of ₹ 801.51 crore including taxes.

Through this communication, we are happy to inform you that the second and final tranche from the sale of your Company's equity share capital in Mukand Sumi Special Steel Ltd (MSSSL) was received on April 30, 2021. This completes the entire sale of the 51% share capital in MSSSL for a total consideration of approx. ₹ 1,213.14 crore to Jamnalal Sons Private Limited (JSPL), a promoter group company, along with its nominees.

This sale of your Company's 51% equity in MSSSL together with the sale of its approx. 55 acres of leasehold land in Thane, enabled the Company to reduce its debt by 52%, from ₹ 3,083 crore to ₹ 1,479 crore within a short period of four months from December 30th, 2020 to May 1st, 2021. With this substantial reduction in debt, it is expected that the Company's interest costs will come down by around ₹ 200 crore annually.

On June 25, 2021 your Company signed an MOU for the sale of approximately 47 acres of surplus land at Thane for a total consideration of ₹ 752.11 crore and also received an advance of ₹ 10 crore. The entire sale process is expected to be completed in the next 4 to 5 months and the resultant inflows will further reduce debt and strengthen the financials of your Company.

Mukand Ltd. continues to retain full ownership of its alloy steel manufacturing assets in Ginigera, Karnataka, and receives the income derived from the sale of its alloy steel products manufactured at that plant. As the various lockdowns across the country are being lifted and auto sales are coming back to normal, we are confident that demand for our specialised steel utilized for auto component manufacturing will remain strong.

The production, rolling and sale of specialised stainless steel long products at our Thane plant was affected due to the diversion of oxygen for medical purposes for six weeks prior to May 31, 2021. The supply of oxygen to our plant was resumed on June 1, 2021 as per government directives, and production of stainless steel has regained normalcy.

The Company will shortly be enhancing its production and sales of stainless steel at the Thane facility from around 1,00,000 tons annually to 1,50,000 tons per annum without any significant capital expenditure resulting in an increase of turnover by approximately ₹ 700 crore per annum. This is possible as the alloy steel rolling, normally done at the Thane plant, is now being gradually transferred to the newly commissioned bar and wire rod mill at the MSSSL Hospet plant, freeing up greater capacity for stainless steel products at the Thane facility.

The Board of Directors at their meeting held on May 25, 2021 recommended a dividend of 10% on each fully paid equity share for FY: 2020-21 which would be disbursed once approved by our esteemed shareholders at the ensuing Annual General Meeting.

We remain committed to constantly endeavour to provide a steady returns on your investment and regular dividend pay-outs.

Please do take care of yourselves and stay safe.

Best wishes

Niraj Bajaj
Chairman and Managing Director

Rajesh V. Shah
Co - Chairman and Managing Director