

Business Responsibility Report

Annexure-3

Annexure to the Directors' Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

	Disclosure item	Response
1	Corporate Identity Number (CIN) of the Company	L99999MH1937PLC002726
2	Name of the Company	Mukand Limited
3	Registered address	3 rd Floor, Bajaj Bhawan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021
4	Website	www.mukand.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	1) Manufacture of Alloy Steel bars, Rods, Structural, Rails ((NIC Code: 27151) 2) Manufacture of Stainless Steel bars, Rods, Structural, Rails (NIC Code: 27153) 3) Manufacture of EOT Cranes, Material Handling Equipments and other Industrial Machinery and comprehensive engineering services.
8	List three key products/services that the Company manufactures / provides (as in balance sheet)	1. Special and Alloy steel long products 2. Stainless Steel long products 3. Industrial Machinery
9	i. Number of International Locations (Provide details of major 5)	Major International Operations: 1. Dubai – The Company has a Wholly owned subsidiary registered in Jebel Ali Free Zone at Dubai from where it carries on it's business of trading in the Steel finished products and input materials. 2. There is no other location of the Company's international operations.
	ii. Number of National Locations	Mukand Limited 1. Kalwe (Mumbai) 2. Ginigera(Karnataka) Subsidiaries: 1. Mukand Sumi Special Steel Ltd. Kalwe (Mumbai), Ginigera (Karnataka) 2. Mukand Sumi Metal Processing Ltd. (Kalwe-Mumbai)
10	Markets served by the Company - Local / State / National / International	National – Primarily North, West and South zones International – Latin America, European countries, Middle Eastern Countries, South Asian Countries, etc

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Equity Capital - (INR): - 141.42 Crore
2. Total Turnover (INR): - 2870.61 Crore
3. Total profit/(loss) after taxes (INR): (195.57) Crore

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): - Not Applicable.

5. List of activities in which expenditure in 4 above has been incurred:-
Not Applicable

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

List of Indian Subsidiaries: -

1. Mukand Global Finance Ltd.
2. Vidyavihar Containers Ltd.
3. Mukand Sumi Special Steel Ltd.
4. Mukand Sumi Metal Processing Ltd.
5. Adore Traders and Realtors Pvt Ltd.

List of Foreign Subsidiaries: -

Mukand International FZE

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Yes.

Mukand Sumi Metal Processing Ltd and Mukand Sumi Special Steel Ltd participate in the BR initiatives of the parent Company

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].
No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number: - 00028261
2. Name: - Shri Niraj Bajaj
3. Designation: -Chairman & Managing Director
1. DIN Number: - 00021752
2. Name: - Shri Rajesh V. Shah
3. Designation: - Co-Chairman & Managing Director
1. DIN Number: - 00033407
2. Name: - Shri Suketu V. Shah
3. Designation: - Joint Managing Director

- (b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Shri A.M. Kulkarni
3	Designation	CEO-Steel Plant Kalwe
4	Telephone number	022-21727588
5	e-mail id	amkulkarni@mukand.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

Sr. no.	Disclosure item	Response								
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policy is based on and is in conformity with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?									
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, BRR Committee is responsible to oversee the implementation of policy and performance.								
6	Indicate the link for the policy to be viewed online?	The policies are available for employees to view on the Company's intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Currently, the policy has been uploaded on the Company's website and is communicated through the Business Responsibility Report as well as Annual Report since 2020. However, it is proposed to formally communicate the policy to all relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy / policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Yes, while institutional shareholders can write to uvjoshi@mukand.com , non-institutional shareholders can write to kjmalliya@mukand.com about their queries and concerns.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company has various kinds of audits like Internal Audit, Compliance Audit which are independent and cover specific policies.								
2b	If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)									
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principle	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- The CEO to assess BR performance of the Company within 3-6 months every year.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- The requirements of business Responsibility Report are outlined in company's Annual Report for FY 2019-20. This report is available on company's website.

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

Even though these codes and policies are applicable to the directors and employees of the Company and its subsidiaries, the underlying principles are communicated to the vendors, suppliers, distributors and other key business associates of the Company.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The details of investor complaints received from shareholders during the year have been disclosed in the Corporate Governance Report annexed to the Board's Report. Except for 2 complaints relating to sexual harassment matters which have been satisfactorily resolved, there have been no complaints from other stakeholders during the year.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company?
- Yes. These policies are reflected in the 'Code of Conduct', 'Code of Ethics' and 'Whistle Blower Policy' adopted by the Company.

Principle 2: PRODUCTS AND SERVICES DESIGNED WITH ENVIRONMENTAL AND SOCIAL OPPORTUNITIES

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- First in India to install Fume extraction and dedusting system for Ultra High power furnace and converter which ensures dust and pollution free emissions from the Steel melt shop

- Use of 60 % of total annual electrical consumption through renewable wind power.
- Minimise the use of process water by having closed circuits throughout the plant , so that only make up water is used.
- Water recycling plant – reuse of waste water for process.(300 Cum /day)
- Recuperators in all the reheating furnaces of mills – reuse of heat of flue gases to save energy .
- Capacitor banks to ensure unity power factor (minimize the transmission losses in electrical system)

2. For each such product, provide the following details in respect of resource use (energy, water,raw material etc.) percentage it of product (optional):

i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the valuechain?

- Higher quantum of Wind energy sourced in FY 20.
- Use of cleaner PNG as fuel in reheating furnaces to eliminate Furnace oil planned.
- Installation of secondary emission control system in Steel Melt Shop planned.

ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- 8 % reduction in Water consumption in FY 20 over FY 19;
- Distribution reduction is not Applicable, since the company is only into power generation based on waste gases for self consumption.

ii) Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%,5- 10%, >10%). Also, provide details thereof, in about 50 words or so.

As a part of its endeavor of contribution towards reducing environmental pollution and carbon footprints and ensuring sustainability across all operations, company focuses on various activity like

- 100% Metal waste recycled & reused.
- 75% Recycled treated effluent used inside the plant and gardening purpose.
- 100% Hazardous waste sent to Authorized party and Common Hazardous Waste Treatment,
- Storage and Disposal Facility.
- 100% E-waste and Bio medical waste & Battery waste send to authorized party.
- Waste minimization and reduction program taken.

iii) Does the company have procedures in place for sustainable sourcing(including transportation)?

Yes

If yes,what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so?

The Company depends on local mines and the authorized transport unions around their plant in Hospet for it's sourcing of the major input of iron ore. Another important input of metallurgical coke was mainly imported in view of shortage of capacities in India and uneconomical and poor quality capacity of a own plant. In the recent past, good quality domestic capacities of merchant cokerries are coming up and the Management is planning for a long term tie ups. For stainless steel manufacture the Company depends on imports in view of very low generation of this product in India, but since the Kalve plant is very near the Navha Sheva port, this operation is very convenient.

iv) Has the company taken any steps to procure goods and services from local& small producers, including communities surrounding their place of work?

The Company has developed a large vendor base of SMEs to provide small inputs and services located around their factories.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company provides to such vendors the necessary technical and commercial expertise, whenever needed for improvement in their capabilities. For most such vendors, the Company supplies the essential raw materials.

Principle 3: HUMAN CAPITAL

Sr. No.	Particulars	Response
1.	Please indicate the Total number of employees	3850 (Executives, Staff, Workmen, Retainers, Trainees, Contract Labours, & Apprentices)
	Total Number of Permanent Employees	1628 Executives – 341, Staff- 367 DRW-920
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	2222
3	Please indicate the Number of permanent women employees	27
4	Please indicate the Number of Permanent employees with disabilities	NIL
5	Do you have an employee association that is recognised by management	Yes 1373
6	What percentage of your permanent employees is members of the recognised employee association	36 %

1. Please indicate the Number of complaints relating to child labour, forced labour, involuntary Labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	2	NIL
3	Discriminatory employment	NIL	NIL

2. What percentage of your under mentioned employees were given safety & skill gradation training in the last year?

- Permanent Employees: 69%
- Permanent Women Employees: 58%
- Casual/Temporary/Contractual Employees: 85%
- Employees with Disabilities: Nil

Principle 4: STAKEHOLDERS' ENGAGEMENT

1. Has the company mapped its internal and external stakeholders?

Yes

The stakeholders have been mapped and the key stakeholders are as follows:

- Government and regulatory authorities
- Investors and Shareholders
- Employees
- Customers

- e) Local communities - Suppliers/contractors.
- f) Lenders
- g) NGOs

There is a defined set of processes for interacting and engaging with various stakeholders at various levels. A Committee of the Board deals with the grievances and engage with the Investors and shareholders. Likewise, departments have been set up at Project locations for interacting and engaging with other stakeholders at various levels. The specialised teams ensure communication with various stakeholders internally and externally which helps the Company in understanding their concerns and respond to them appropriately.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The CSR initiatives of the Company emphasise education for self-reliance and growth, with focused approach targeted towards needy and sustenance of natural resources.

Principle 5: HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Company is not having separate human right policy. However, Company ensures compliance of all applicable statutes and accordingly compliance report is submitted on quarterly basis to our Board of Directors. The disciplinary action is being taken against the employees who violates disciplinary rules which covers human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

84 complaints were received in 2019-20, and all were resolved.

Principle 6: ENERGY AND ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, Companies environmental policy extends to all interested parties, which includes company employees, vendors, suppliers, contractors, NGO's, local public and others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, As a part of its endeavor of contributing towards environmental protection and contributing towards reducing carbon footprints and ensuring sustainability towards all our process the company's focus on various activities like modern regenerative combustion technology, recycling of metal waste, recycling of treated water, adoption of eco-friendly waste disposal system, celebration of world environment day with tree plantation and various awareness programs to improve the environment a performance.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, Company has identified and assessed potential environmental risks based on ISO 14001:2015. Accordingly, Company has implemented following:

- i. EHS risks and opportunities.
- ii. EHS Compliance Obligations and Evaluations.
- iii. Identification and evaluation of EHS aspects and impacts of its operation.
- iv. Emergency preparedness and management.

- v. Environmental management programs were taken to measure and mitigate the high-risk area through system and dedicating for continuous improvement.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, Company continues to work towards development and implementation of climate change mitigation projects. Mainly these are conservation of natural resources projects like energy conservation, water conservation, recycling material, waste reduction, noise reduction and are committed for creating and preserving safe environment. 100% canteen waste is being composted. Our plant is certified with ISO14001:2015, ISO 50001:2011, ISO 9001:2015 and IATF 16949:2016.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, several initiatives on clean technology energy efficiency and renewable energy undertaken by company like solar energy, wind energy, providing energy efficient pumping system with motors and LED fitting etc. inside the plant premises.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all emissions /waste generation are monitored on regular basis and ensured that they are within the permissible limits prescribed in the consent to operate by State Pollution Control Board and central Pollution Control Board (MPCB & CPCB).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending(i.e.,not resolved to satisfaction)as on end of Financial Year.

NIL

Principle 7:

1. Is your company a member of any trade and chamber or association?

If Yes, Name only those major ones that your business deals with:

The Company is member of following major Trade and Chamber or Association:

- i. Confederation of Indian Industry;
- ii. The Alloy Steel Producers Association of India;
- iii. Indian Stainless Steel Development Association;
- iv. Associated Chamber of Commerce & Industries of India;
- v. Steel Furnace Association of India;
- vi. Engineering Export Promotion Council;
- vii. Federation of Indian Export Association; and
- viii. Thane Belapur Industrial Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has taken leadership roles in these industry associations and provided important inputs and statistics to the Government bodies regularly. Industry issues are taken up through these associations with appropriate Government departments for mutually acceptable resolutions.

Principle 8: COMMUNITY DEVELOPMENT

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Considering the remoteness and difficult conditions of the rural areas, programs have been designed to address the issues of literacy, women empowerment, drinking water and sanitation, public health in general

and maternal and child health in particular. Creation and restoration of community infrastructures and improvement in farm productivity along with vocational skill development of rural youth is also undertaken to attain an overall improvement in quality of life of the people.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

All these programs, at different plant locations are run both through in-house independent teams, and also in collaboration through NGO's / Govt structures etc.

3. Have you done any impact assessment of your initiative?

The Social impact of initiatives taken by the Company are mentioned in the CSR section of the Annual Report.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company with financial support from Janakidevi Bajaj Gram Vikas Sanstha has pursued Community development projects for promotion of Child Education and implemented projects valued at 1.47 crore during the year.

5. Have you taken steps to ensure that this community development in it initiatives successfully adopted by the community? Please explain in 50 words, or so.

The initiatives taken by the Company are greatly appreciated in the neighbourhood, including from parents through their schoolheadmasters. The Company monitors the initiatives on regular basis through periodic site visits and interaction with the target beneficiaries.

Principle 9: CUSTOMER SATISFACTION

1. What percentage of customer complaints/consumer cases are pending as on the end of financially year.

As on 1st April 2020, 3.76 % of complaints received were pending for settlement.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NIL

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Company regularly carry out Customer satisfaction survey and take necessary actions to improve our performance in Quality , Delivery and Services.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director
Mumbai, June 27, 2020

Rajesh V. Shah
Co-Chairman & Managing Director