



Amritha Pillay

Last Updated: 16 Mar 2015, 02:30 PM IST

Mukand to sell special and alloy steel business to subsidiary



At 12.50pm, Mukand Ltd was trading at Rs51.10 on BSE, up 0.7% from the previous close while the benchmark Sensex was down 0.2% to 28,448.65 points.

Synopsis

The shareholders of the company have by postal ballot approved the sale with requisite majority on 18 February 2015

Mumbai: Mukand Ltd on Monday said it had executed a business transfer agreement to transfer its special and alloy steel business to subsidiary Mukand Alloy Steels Pvt. Ltd for ₹ 1,590 crore.

The transaction value is subject to deduction of debt and net working capital adjustment.

Mukand's board of directors had approved the business transfer in December 2014, following which the proposal was put to shareholders vote through postal ballot. "The shareholders of the company have by postal ballot approved the sale with requisite majority on 18 February 2015," the company said in its statement to BSE.

In its statement to BSE in December 2014, the company said the proposed restructuring is intended to facilitate the possible introduction of a strategic partner.

Mukand Ltd's alloy and special steel business has a total capacity of 3.7 lakh tonnes per annum.

The transaction is subjective to receipt of requisite approvals, including that from lenders, the company said.

At 12.50pm, Mukand Ltd was trading at ₹ 51.10 on BSE, up 0.7% from the previous close while the benchmark Sensex was down 0.2% to 28,448.65 points.