

Business Standard



By SI Reporter

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Mukand zooms 38% in 2 days on transfer of land at Thane for Rs 802 crore

The management said during the financial year 2020-21, the company reduced its debt and other interest-bearing liabilities by more than Rs 975 crore



Shares of Mukand rallied 15 per cent to hit a fresh 52-week high of Rs 79.80 on the BSE in intra-day trade on Wednesday on the back of five-fold jump in trading volumes.

The stock has zoomed 38 per cent in just two trading days after the company announced that it has completed the transfer of approximately 55 acres of surplus leasehold land at Thane to NTT Global Data Centers Nav2 and received total consideration of Rs 801.51 crore, including taxes, which shall, amongst other things, be utilised for debt repayment of the company.

Mukand has also completed the sale of the first tranche of shares in the joint venture, Mukand Sumi Special Steel (MSSSL) to Jamnalal Sons and received a consideration of Rs 713.61 crore, the company's chairman Niraj Bajaj and co-chairman Rajesh V Shah said in a communication to shareholders.

The second and final tranche of sale of shares worth Rs 500 crore will be completed in April, Q1 of FY 2021-22. This amount will be utilised for further debt repayment, they said.

The company will continue to retain ownership of its alloy steel manufacturing assets in Ginigera, Karnataka, and the income derived from sale of its alloy steel products to the joint venture, MSSSL.

The management said during the financial year 2020-21, the company reduced its debt and other interest-bearing liabilities by more than Rs 975 crore. With this considerable reduction in interest rates, the total finance costs for the company have reduced substantially and are expected to be further brought down in the coming years, thereby improving the profitability of the company substantially, it added.

The company said the main businesses viz. alloy steel and stainless steel have been performing very well and the demand for all company products is robust and expected to remain strong in the coming years as well.

At 12:47 pm, the stock was trading 13 per cent higher at Rs 78.70 on the BSE as compared to a 0.89 per cent rise in the S&P BSE Sensex. A combined 2.1 million equity shares have changed hands on the counter on the NSE and BSE so far.

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