



## Sumitomo buys 49% in Mukand Sumi Special Steel for Rs 1,181cr



Japan's Sumitomo Corporation has bought 49 per cent stake in its Indian joint venture (JV), Mukand Sumi Special Steel, for Rs 1,181 crore.

Mukand (the Indian JV partner) will retain 51 per cent equity in the company, which will be a leading speciality steel supplier for the fast growing automotive and engineering industries, Mukand's chairman and managing director Rajesh V Shah told reporters here.

The JV is at present engaged in the business of rolling, finishing and marketing of alloy steel wire rods and bars made from blooms and billets, procured from Mukand's Hospet plant in Karnataka.

It has 100 acre of land adjoining Mukand's existing plant at Hospet for the proposed construction of new steel rolling facilities by mid 2020 at a cost of around Rs 600 crore, Shah said, adding that the money will be raised through internal accrual and debt.

Mukand is a supplier of speciality steels to all global manufacturers in the domestic automotive sector for their critical components.

For Sumitomo Corporation, a company present in 129 locations in 66 countries and regions, this investment is their largest in India.

Makoto Horie, senior managing executive officer, general manager, metal products business unit, Sumitomo Corporation, said, "We were keen to strengthen our presence in India, one of the fastest growing markets in the world."

Niraj Bajaj, chairman and managing director, Mukand, said that both the partners have already been working closely together for the past five years.

Mukand has a debt of around Rs 3,000 crore at present, which according to Bajaj will be reduced to Rs 1,000 crore by end of this year.

The company is also looking at monetising its excess land to reduce debt further, he said.