

ArcelorMittal Nippon Steel buys Essar infra assets for ₹19,200 cr

The acquisition includes ports, power units, infra assets in Gujarat, Odisha & AP

OUR BUREAU

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ArcelorMittal Nippon Steel India (AM/NS) has signed a definitive agreement with the Essar Group to acquire port, power, and other logistics and infrastructure assets in India for about \$2.4 billion (₹19,200 crore).

The deal also envisages a 50-50 joint venture partnership between Essar and ArcelorMittal for building a 4 million tonne per annum (mtpa) LNG terminal at Hazira in Gujarat.

The transaction is expected to be funded by AM/NS India and the completion of the deal is subject to regulatory approval.

The assets acquired are cash accruing and will generate operational synergies and strengthen the strategic integration of the company's manufacturing and logistics chain, said AM/NS in a statement on Friday.

The company will be able to realise further synergies by rising throughput at the ports to support the planned steel capacity expansion at Hazira.

Long-awaited foothold

After fighting a fierce corporate battle for three years, AM/NS India acquired the assets of Ruia-owned Essar Steel India in one of the largest stressed asset sale for ₹42,000 crore in 2019.

The deal gave India-born British steel magnate Lakshmi

Mittal a long-awaited foothold in India.

Port assets

AM/NS will acquire a 25 mtpa all-weather, deep-draft bulk port terminal adjacent to the AM/NS steel plant at Hazira. It will also take possession of a 16 mtpa deep-draft terminal at Visakhapatnam in Andhra Pradesh, along with an integrated conveyor connected to AM/NS India's 8 mtpa iron ore pellet plant in the port city and a 12 mtpa deep-water jetty at Paradip, Odisha, along with a dedicated conveyor that handles pellet shipments from the Paradip pellet plant.

Power plants

The power plants acquired include a 270 MW multi-fuel unit near the steel facility and a 515 MW gas-based facility along with allied land that can be used for expansion at Hazira.

The company will also take over the 100-km Gandhar-Hazira transmission line, connecting the steel complex with the central electricity grid.

Rewant Ruia, Director, Essar Ports and Terminals, said the company has unlocked value for all its stakeholders with a multifold return on investment and will continue to focus on building new and modern core infrastructure assets in India and overseas.

Prashant Ruia, Director, Essar Capital, said that after con-



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Essar repays \$25-b loans

With this deal, Essar has concluded its monetisation plan and repaid a \$25-billion (₹2 lakh crore) loan to banks. Its aggregate revenues will stand at \$15 billion (₹1.2 lakh crore) from assets under management of \$8 billion (₹64,000

crore). "By monetising assets in a planned and strategic manner that were built with earlier technologies over the last several years, Essar is now poised to reinvest in new assets with the latest, more efficient, and ESG-compliant technologies to last the next several decades.

"Essar has planned investments in its core sectors of energy, infrastructure, metals and mining, and technology and services," said an Essar press statement.