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ArcelorMittal Nippon Steel completes acquisition of Bhandar power unit in Hazira

BY [RAKHI MAZUMDAR](#), ET BUREAU | UPDATED: MAR 03, 2020, 03.31 PM IST

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Kolkata: [ArcelorMittal Nippon Steel](#) India (AM/NS India) on Tuesday announced that it has completed the acquisition of [Bhandar Power Plant](#) in [Hazira](#), Gujarat from [Edelweiss Asset Reconstruction Company](#). Bhandar, a natural gas-based thermal plant with an installed capacity of 500 MW, will remain captive to AM/NS India’s steel manufacturing operations at Hazira. The size of the deal was not immediately disclosed but it is understood to be around Rs 500 crore.

Bhandar, which was commissioned in 2006 and commenced commercial operations in 2008, was purchased by AM/NS India under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act, an official statement said.

ArcelorMittal, the world’s biggest steelmaker, had has completed the acquisition of [Essar Steel India](#) Limited (ESIL) in December last year, which at Rs 42,000 crore is also the largest stressed-asset deal to be closed in the country. It also announced the establishment of a joint venture, with Nippon Steel Corporation, called [ArcelorMittal Nippon Steel India](#) Limited (AM/NS India), which will own and operate Essar Steel.

The announcement of the acquisition of [Bhandar](#) Power Plant comes days after ArcelorMittal India Private Limited (AMIPL) said it was selected as a preferred bidder for an iron ore mine license in Odisha following an auction process facilitated by the state government. “The Thakurani block in Odisha’s Keonjhar district has estimated reserves of 179.26 million tonne of ore and is expected to make a valuable contribution to AM/NS India’s long-term raw material requirements,” the statement added. On conclusion of the license award process, AMIPL will proceed to seek requisite clearances, as well as mine development and production agreements, ahead of commencing mining operations, the statement further added.

Commenting on the developments, Dilip Oommen, CEO of AM/NS India, said: “We are pleased to have acquired these important ancillary assets for our steelmaking facilities. This is in line with an intent to secure a robust captive power and commodity supply chain



(LN Mittal, ArcelorMittal)

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as we continue to make strong strides in our production and operational performance.” He added that efforts to become increasingly self-reliant, in this case through the procurement of a key energy source in Gujarat and an iron ore rich reserve in Odisha, form “part of AM/NS India’s medium to long term strategy to significantly grow our production capacity in India.”

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