

# Disinvestment: Tata Steel arm acquires NINL for ₹12,100 cr

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**T**ata Steel Long Products Ltd has completed the acquisition of state-owned Neelachal Ispat Nigam Ltd for ₹12,100 crore, the Centre said on Monday.

The strategic divestment of the Odisha-based steelmaker was underway since January 2021. The takeover was completed today after the transfer of 93.71% shares of all the joint venture partners to the Tata Group firm. Neelachal Ispat, which makes pig iron and billets, was a joint venture of four central public sector enterprises, including Metals and Minerals Trading Corp, Ltd

( 4 9 . 7 8 % ) , National Mineral Development Corp. (10.10%), Bharat Heavy Electricals Ltd (.68%), MECON Ltd (0.68%), Odisha Mining Corp. (20.47%) and Industrial

Promotion and Investment Corp. of Odisha (12%). The remaining stake is held by banks and insurance companies.

“Enterprise value paid by the strategic buyer is ₹12,100 crore. This payment has been utilized as per the share purchase agreement for settlement of dues of employees, operational creditors, secured

financial creditors and sellers, and for equity of selling shareholders as per the agreement,” the government said.

The government had initiated the strategic divestment process to sell the entire government’s stake to the private entity and transfer its management control.

Tata Steel Long Products was declared the winning bidder on 31 January, and the letter of award was issued on 2 February. The share purchase agreement was signed on 10 March. Other bidders were a consortium of Jindal Steel and Power, Nalwa Steel and Power, and JSW Steel.

Neelachal Ispat’s shareholders satisfied the conditions of the share purchase agreement,

including the certification of operational creditor’s dues, employees’ dues, and sellers’ operational and financial dues.

“The conditions have been met to mutual satisfaction,” the govern-

ment added.

The sale also included transfer of mining rights and leasehold rights of lands held by the public sector enterprise that was under the steel ministry.

N. Chandrasekaran, chairman, Tata Steel, had said it was looking to increase the capacity of Neelachal Ispat to 1.1 million tonnes per annum within the next one year.

**The takeover was completed after the transfer of 93.71% shares of all joint venture partners to the Tata Group firm**