



JSW Steel receives LOI to buy Bhushan Power and Steel



JSW Steel has received a Letter of Intent (LoI) from the Insolvency Resolution Professional (IRP) of Bhushan Power and Steel, declaring it the highest bidder for the stressed asset.

In a press report, it said that JSW Steel has to review the approved resolution plan sent along with the letter before accepting the

offer. The development takes JSW Steel closer to acquiring Bhushan Power, provided there is no arbitrary insertion of clauses by the IRP or the stressed company's Committee of Creditors (CoC).

Once JSW Steel accepts the LoI, the IRP, in consultation with the CoC, will place the resolution plan before the NCLT for final approval. The entire process is expected to be completed by the first week of April, the report said.

Earlier this week, the NCLAT had upheld JSW Steel's bid and turned down Tata Steel's objections to the selection process.

Tata Steel had initially pipped JSW Steel to emerge as the highest

bidder for Bhushan Power, which had defaulted on loans worth Rs.47,700 crore. However, Liberty House of the UK submitted a better offer after the bidding deadline.

Tata Steel moved the NCLAT against the IRP considering a bid that was submitted after the deadline.

Meanwhile, JSW Steel revised its offer from Rs. 9,500 crore to Rs. 9,300 crore, and that offer was approved by the CoC with 97 per cent vote.

While directing the IRP to send the JSW Steel bid for approval, the appellate authority had said the NCLT should ensure that there is no discrimination between financial and operational creditors. ■

China's steel industry breaks profit record in 2018, bringing in RMB 470 bln for the year

China's steel industry achieved an all-time high in profits last year driven by supply-side structural reforms, environmental supervision, strong market demand and high product prices.

Operating revenue of the country's steel industry rose by 13.8% to RMB 7.7 trillion last year, with profits increasing by nearly 40% to RMB 470 billion, according to the Ministry of Industry and Information Technology's raw materials department.

Operating revenue of major large and medium-sized steel enterprises in the country also increased by



13.8% to RMB 4.1 trillion, growing profits by 41.1% to RMB 286 billion, on a 6.9% profit margin.

This was because steel prices had managed to remain high last year which turned out to be a major contributor towards the increase in turnover. Overall, the steel

composite price index stood at 115.8 on average last year, up by 7.6% from last year.

Steel prices saw their largest increase in the period from July to November after remaining relatively constant for the first half of the year.

Following this, prices had started to fall in November and was 13% down from its peak in late December last year.

At the same time, crude steel output in the country also increased by 6.6% to a record high of 928 million tons with domestic consumption increasing by nearly 15% to 870 million tons. ■