

Haldia Petrochemicals set to invest ₹50,000 crore

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Following up on a memorandum of understanding (MoU) signed with the Tamil Nadu government earlier, representatives from Haldia Petrochemicals called on Chief Minister Edappadi K. Palaniswami on Thursday to discuss investments to the tune of ₹50,000 crore in Cuddalore district.

A senior official said the meeting of company representatives with Mr. Palaniswami was a follow-up on the MoU signed during Mr. Palaniswami's visit to New York last year.

Haldia Petrochemicals has submitted bid for Nagarjuna Oil's refinery unit in Cuddalore, which is facing liquidation. "The company is likely to get it. In that regard, the company representatives called on the Chief Minister in his camp office on Thursday," the official said. Although Nagarjuna's was a refinery, the new plant would be one of petrochemicals.

The outlay is estimated at ₹50,000 crore for converting the facility in Cuddalore into a petrochemical complex.

The team from Haldia was represented by its Chairman and Managing Director Purnendu Chatterjee.

Industries Minister M.C. Sampath, Chief Secretary K. Shanmugam, Chief Minister's Secretary M. Sai Kumar and Officer on Special Duty, Investment Facilitation Cell, K.P. Karthikeyan were present.

HALDIA PETROCHEMICALS SETS THEIR EYES ON NAGARJUNA REFINERY

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The Kolkata based firm as filed a fresh bid for the refinery of Nagarjuna oil in Cuddlore district of Tamil Nadu, this is one of the largest owned private refineries in the country which is currently facing insolvency with an estimated outstanding balance of about \$1.4 billion both to it's lenders and operational creditors. If the board of creditors decides to take Haldia Petrochemicals on their offer, it would be one of the first of its kind in India for the resolution process of a privately-owned refinery which is expansive in its dimensions with about 2185 acre property and a fully functional refinery with advanced Sulphur Recovery Units (SRU's) installed.

The company is said to have offered a lower amount than the valuation of assets arrived by the insolvency resolution professional earlier of about 1450 crore, which is a seventh of the total outstanding debt of the plant. With cents on the dollar at, offer the resolution will not be an easy piece of business for the creditors who will have to take a huge haircut on their lending's but the banks involved are also looking at other Asset Reconstruction Companies (ARC's) to look at this deal and make an offer themselves. One such ARC that had showed interest in the refinery is Adani Ports which is interested not just in the production capacity of the plant but also the land it holds, which can power a big port and potentially another big trading hub which if given the development rights under the deal would make Adani Ports one

of the leading port developers in India along with the highest operational workload in the shipping and logistics sector.

The interest of the buyer in this deal are varied and to whom it ultimately goes shall be decided next month in the creditors meeting, but to summarize from the Haldia Petrochemicals perspective, there seems to be a scheme for the revival of the plant and their action plans have already been submitted to the concerned authorities