

Jindals prefer Bhushan over other steel COS

TIMES NEWS NETWORK

Kolkata: JSW Group is more keen on buying ailing Bhushan Steel than other stressed steel entities in India. This was disclosed here by Parth Jindal, the MD of JSW Cement, and son of JSW Group chairman Sajjan Jindal.

On the sidelines of the group's cement launch here, the Jindal junior said that although he does not look after steel directly, but according to his information, the group would be more keen on Bhushan Steel because of the location of its units. Bhushan units are mostly located in western India.

It may be noted that State Bank of India (SBI) has filed bankruptcy petition in the National Company Law Tribunal (NCLT) against Bhushan Steel and on Wednesday, the NCLT reserved the order on the SBI's petition. "We were keen for both Monnet Ispat and Bhushan Steel. But I feel that we are more interested in Bhushan," he added.

Bhushan Steel is in default of Rs 44,478 crore to banks, while Essar Steel owes Rs 37,284 crore, Monnet Ispat Rs 12,115 crore and Electrosteel Steels Rs 10,274 crore to their respective lenders. These four big borrowers belonging to the steel industry are among the 12 accounts identified by the RBI for immediate reference to the NCLT. These 12 accounts constitute a quarter of the over Rs 8 lakh crore of NPAs.

On the status of the bid for Monnet, he said although the initial bid was rejected a revised bid has been submitted by the group. He added it would be keen for Essar Steel as well. However, the balance sheet of the group would not permit JSW to buy both Bhushan Steel and Essar assets, he pointed out. "Monnet can be added with either of these two," he added.

Jindals would dilute 10% stake through an IPO after 2019 and are hoping to raise Rs 2,000-2,500 crore. By 2019, JSW Cement would have a capacity of 20 MT.