

JSW keen on Bhushan, Monnet, even Essar Steel

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The Sajjan Jindal-controlled JSW Steel is "very keen" on Bhushan Steel and Monnet Ispat, and at the right price, might even consider buying Essar Steel. Asked about the companies facing insolvency proceedings and JSW Steel's interest in them, Sajjan Jindal's son, Parth Jindal, said, "We are very keen on Monnet and Bhushan." Jindal is, however, not on the board of JSW Steel. His portfolio of businesses comprises cement, paints and sports, among others.

In the city to launch JSW Cement in West Bengal, Jindal said Essar Steel would also be attractive at the right price. He, however, pointed out that JSW Steel would be able to acquire either Bhushan Steel or Essar Steel, apart from Monnet Ispat. Monnet Ispat has 1.2 million tonnes of steel-making capacity, Bhushan Steel 5 million tonnes and Essar Steel 10 million tonnes. In 2015-16, Bhushan Steel had net sales of Rs 1,803 crore and a total debt of Rs 44,478 crore; Essar Steel had net sales of Rs 14,381 crore and a total debt of Rs 37,284; and Monnet Ispat had net sales of Rs 1,843 crore and a total debt of Rs 8,944 crore. JSW Steel was the lone bidder for Monnet Ispat, one of the first companies in which lending banks had converted their debt into equity

as part of strategic debt restructuring. That was in February, much before banks filed for insolvency in the National Company Law Tribunal (NCLT) on a directive by the Reserve Bank of India (RBI).

The lenders found the 75-80 per cent haircut implicit in the JSW Steel offer steep. Jindal said JSW Steel would revise its offer for Monnet Ispat.

The revised proposal, however, would have to come once the bidding process for Monnet started, indicated sources close to the development.

"Our proposal for Bhushan Steel has not been rejected," he added. He said that buying Bhushan Steel was a preferable to buying Essar Steel because of its location. JSW Steel had approached banks earlier with a proposal to take over Rs 20,000-22,000 crore of Bhushan Steel's debt but did not make much headway. Bankers are seeking international investors for Bhushan Steel and Essar Steel.

The NCLT on Wednesday reserved its order in the matter between State Bank of India and Bhushan Steel.

The Essar Steel hearing in the NCLT is scheduled for July 24 while the Monnet Ispat case has been admitted by the NCLT. JSW Steel has a

target of 40 million tonnes steel-making capacity, up from 18 million tonnes now. Among other plans, Parth Jindal said the group would invest \$350 million in its US steel mills. The US mills were bought for \$1 billion a decade ago and have been languishing.