

# Rs 7,400 cr debt: SBI looks to SC to recover loans from Jindal Steel and Power

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In another attempt to recover its outstanding dues of Rs 7,400 crore, a consortium of eight banks, led by State Bank of India (SBI) has urged the Supreme Court to implead it as a party in the mining case related to Jindal Steel and Power (JSPL), saying any direction to refuse permission to the firm to lift and transport iron ore lying at its long time supplier Sarda Mines Private Ltd (SMPL) plant in the Keonjhar district of Orissa will bleak its chances of recovery.

This is not the first time SBI has approached the SC to help it recover money from defaulters. Earlier this month, a SBI-led consortium of 12 PSU banks had sought intervention in the Aircel-Maxis case, saying it apprehended that if the telcom company was restrained from earning revenue by using the 2G spectrum, all the lenders would be severely affected due to non-payment of their outstanding dues to the tune of R20,000 crore.

The consortium of 17 banks led by SBI has also sought recovery of over R9,000-crore dues from Kingfisher Airlines. All the pleas are pending in the SC. The present case relates to processed iron ore stocks lying at the dispatch point of SMPL for onward delivery to JSPL. The mining department in March 2014 had directed SMPL to stop all mining activities on the ground that its environment clearance had expired. And on this basis, the department had refused to give transit permit to JSPL for transportation of procured and processed iron ore.

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The SBI-led consortium's application is coming up for hearing on Monday.

The Odisha government has challenged the high court's April 2016 order that allowed JSPL to lift 12 million tonne of iron ore from Sarda Mines, whose mine is currently non-operational for want of clearances. The HC had also directed the state government to issue necessary orders for lifting and transport of iron ore from the mines.

The state government has told the apex court that transporting of extracted ore would also count as mining, and this could not be allowed as the mining operations have been suspended. Besides, there may be irregularities in the deal between the two companies, as Sarda Mines is selling iron ore to JSPL way below the market rate.

However, JSPL has claimed that lifting already extracted iron ore is not a mining-related activity.