

## JSL Floats to Restructuring Scheme



The Hon'ble High Court of Punjab and Haryana at Chandigarh approved the Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective Shareholders and Creditors ("Scheme"), under the provisions of Sections 391-394 of the Companies Act, 1956 read with Section 100 of the Companies Act, 1956, with effect from the appointed dates as mentioned in the Scheme.

As part of the Scheme, JSL will demerge its business undertakings comprising of the Ferro Alloys division and Mining division to JSHL in consideration of which JSHL will issue its shares to the shareholders of JSL on a proportionate basis. Further, JSL will also transfer its business undertaking relating to the Hisar Unit to JSHL for ~Rs 2809 crore.

Further, the business undertaking related to HSM Plant will be transferred by way of slump sale to Jindal United Steel Limited for ~Rs 2413 crore while the business undertaking related to the Coke Plant will be transferred by way of slump sale to Jindal Coke Ltd for ~Rs 493 crore. The copy of the High Court Order will now be filed with the Registrar of Companies, NCT of Delhi & Haryana and the Scheme will be effective from appointed dates specified in the Scheme.

Commenting on the landmark development, Mr. Rattan Jindal, Chairman and Managing Director, JSL, said, "Our group has always been working on the philosophy of being value enhancing to all the stakeholders, with the Hon. High Court approving the scheme of arrangement, the scheme will not only be helping unlocking value for all stakeholders of the Company to increase its profitability but will also help in reducing debt in the Company and strengthen the balance sheet. This will also help improving debt serviceability, while increasing capacity utilization and enabling backward integration of the value chain of the Company's Odisha Plant". The current long term debt of the company stands at ~ Rs. 8500 Crs.

## POSCO to Expand High-end Auto Steel Production

South Korea's largest steelmaker, POSCO, is accelerating the production of high-quality auto steel sheets. With the successive construction of additional plants, the company will secure the system with an annual production capacity of 10 million tons in 2017.

POSCO announced on Sept.3 that the company broke ground for the Gwangyang 7 Continuous Galvanizing Line (7CGL), which will produce 500,000 tons of auto steel sheets each year, in South Jeolla Province on that day.

The mill will be specialized to produce advanced high strength steel (AHSS) for high-end vehicles. With an investment of 225.4 billion won (US\$214.57 million) in total, it will be completed in June 2017. The plant will supply AHSS to global automakers such as Volkswagen, GM, the Renault-Nissan Alliance, and Toyota Motor. With this, POSCO plans to cement its position as the world's second-largest steelmaker for AHSS, after Luxembourg-based ArcelorMittal.

Also, the steelmaker will continuously expand the production lines of auto steel sheets in the future. As POSCO has started building additional plants in Thailand and China, the total annual output will reach 9.1 million tons in 2016, and 10 million tons in 2017. Last year, the annual production of auto steel sheets stood at 8.5 million tons.

AHSS is about 10 percent lighter but more than twice as strong as current steel sheets for cars. Accordingly, the auto firms show a preference for AHSS since they can reduce steel sheet inputs when



### 광양 7CGL 신설사업 착공

POSCO executives and local government officials take part in a ground breaking ceremony for the Gwangyang 7 Continuous Galvanizing Line for auto steel sheet production at POSCO steelworks in Gwangyang, South Jeolla Province.

producing a car, but satisfy with the strength required. Also, demand for AHSS is steadily rising.

POSCO said that the entire process of the Gwangyang 7CGL construction will be carried out with its own engineering technologies, from placing an order, to designing, manufacturing, and building. All the technologies of the steelmaker, including smaller annealing furnaces, internal oxidation technology, and the cooling system after plating, will be used.