
CDR cell admits JSL debt restructuring proposal

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JSL Limited said that its application for restructuring INR 6,500 crore of debt was admitted in the Corporate Debt Restructuring cell, at a lenders' meet on August 11th 2009.

JSL Limited had approached the CDR cell after it posted losses of INR 580 crore in the year ended March 2009, due to inventory and foreign exchange losses. JSL had taken a debt of INR 4,500 crore for Phase II of the INR 6,000 crore Orissa integrated stainless steel project, which has now been deferred by two years. Besides, JSL had old loans of around INR 2,000 crore in existing operations.

Mr Arvind Parekh director, business development at JSL said that because of losses last year, there's a liquidity mismatch. He added that "The problem has been precipitated, as we were doing Phase II of our Orissa project, which needs internal accruals of INR 1,500 crore."

JSL, part of the Delhi based OP Jindal Group, makes stainless steel at its mother plant in Hisar, with a capacity of 720,000 tonnes per annum. It has undertaken a two phase expansion to set up an integrated stainless steel facility in Orissa, which will have a capacity of 800,000 tonnes per annum.

In the INR 2,500 crore first phase, JSL has built a 250 MW power plant, a 400,000 tonnes per annum coke oven plant and a 200,000 tonnes per annum ferroalloy plant, which largely goes for captive use. Construction of the INR 6,500 crore Phase II has been deferred by 24 months and the project is being re jugged to include new equipment.

(Sourced from Business Standard)

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