Q3 FY'17

Industry Update & Key Performance Highlights

14th February, 2017

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PRESENTATION OUTLINE

Q3 FY'17

OUTLOOK

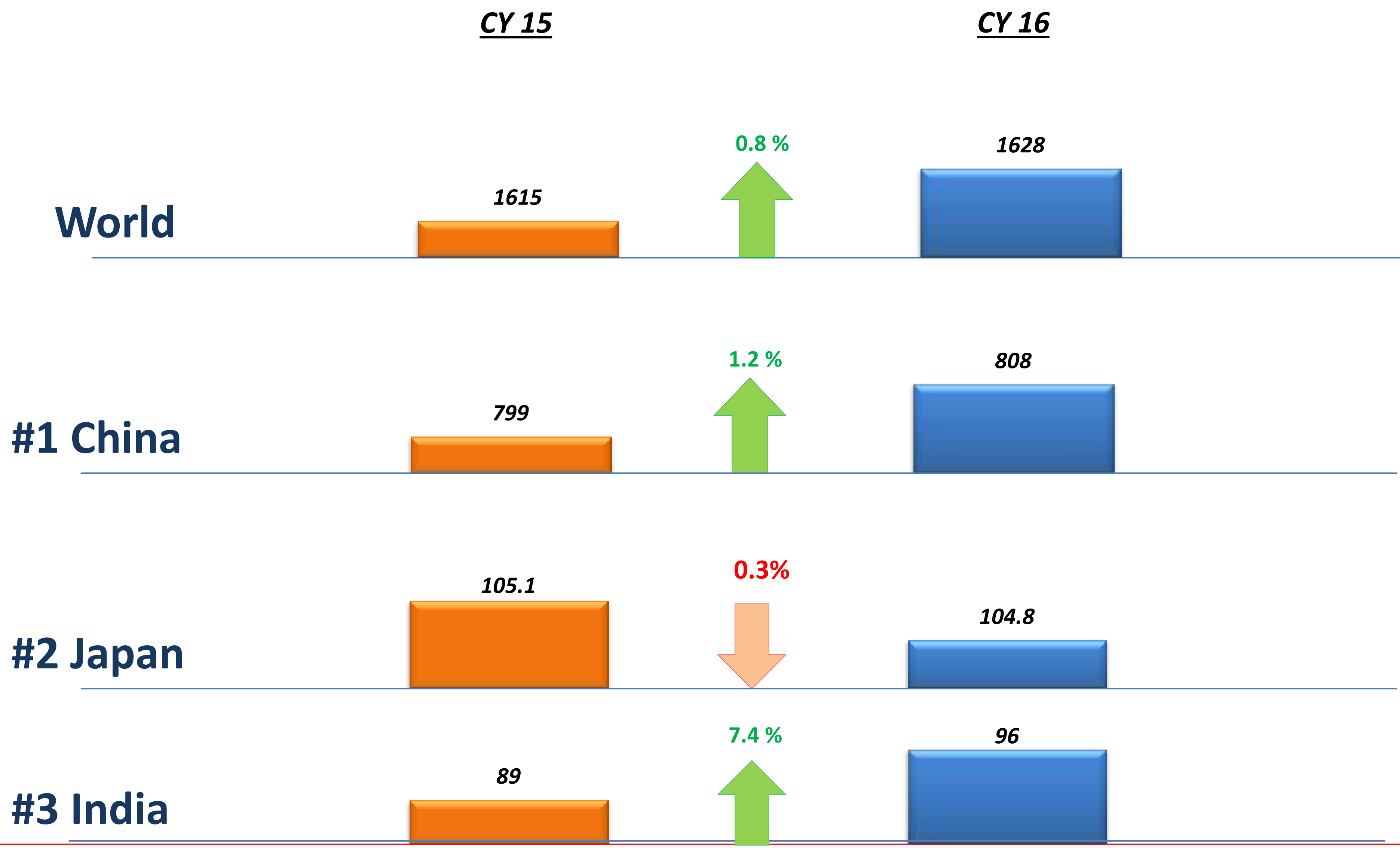
INDUSTRY DEVELOPMENTS

BRIEF BACKGROUND

OPERATIONAL PERFORMANCE

FINANCIAL PERFORMANCE

World Crude Steel Production recovered in CY16 (fig in MnT)

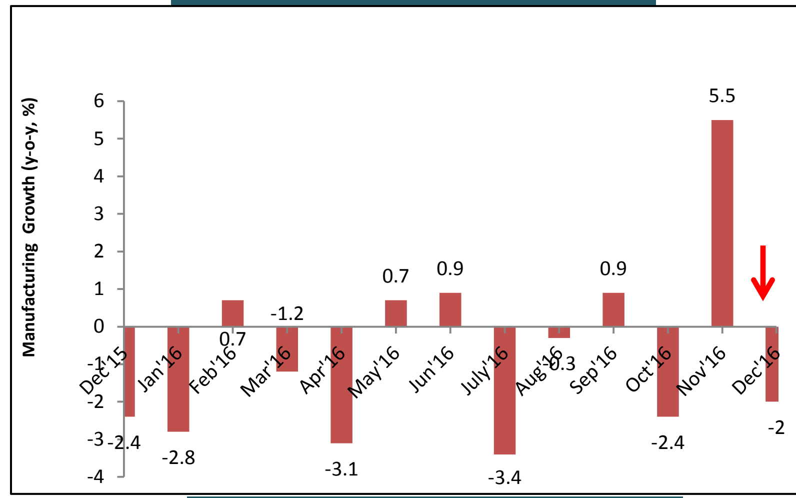


Source: WSA

IIP exhibited a slight decline

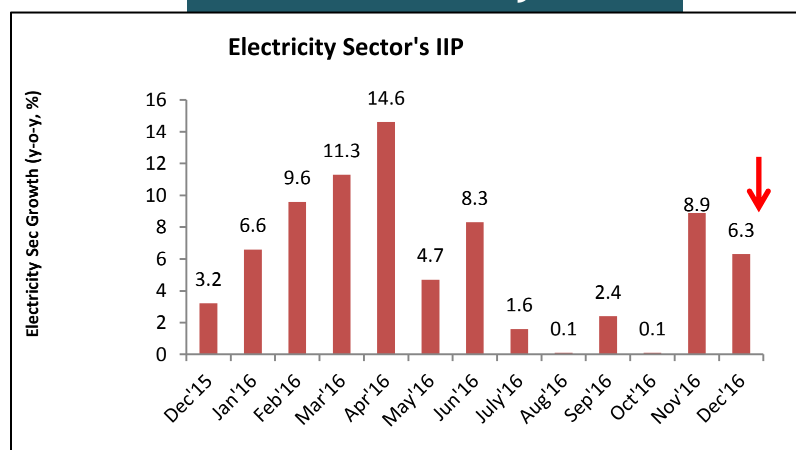
Overall IIP Trend

Manufacturing



Mining

Electricity



Source: Ministry of Finance, RBI

Indian Steel Scenario : (April-Dec '16)

In Million MT	Apr-Dec'16	YoY	
Production for sale	73.8	10.5%	↑
Import	5.5	-37.4%	↓
Export	4.9	57.8%	↑
Consumption	61.5	3.3%	↑
Crude Steel Production	72.2	8.5%	↑

Source: JPC

Indian real consumption grows by 3%

(Qty : MnT)	FY '16		April- Dec'16	
	Qty	change (y-o-y)	Qty	change (y-o-y)
Crude Steel Production	**89.8**	**0.9%**	**72.17**	**8.5 %**
Finished Steel (Non Alloy+Alloy)				
Import	11.7	**25.7%**	5.49	**(37.4)%**
Export	4.08	**(27)%**	4.98	**58 %**
Real Consumption (Demand)	80.5	**4.6%**	61.5	**3.3 %**

Source: JPC

World Finished Steel Demand (CY 16 & CY 17): Major consumption pockets

A) China: Decline in Chinese steel demand softened by government stimuli

- ***Steel demand*** *in China is projected to decline by -1.0% in 2016 and by -2.0% in 2017.*

B) Emerging Economies:

- **Steel demand** in emerging and developing (excluding China) economies is expected to expand by 4.0% in 2017.

C) Developed economies :

- **Steel demand** in developed economies is projected to increase by 1.1% in 2017.

Source: WSA

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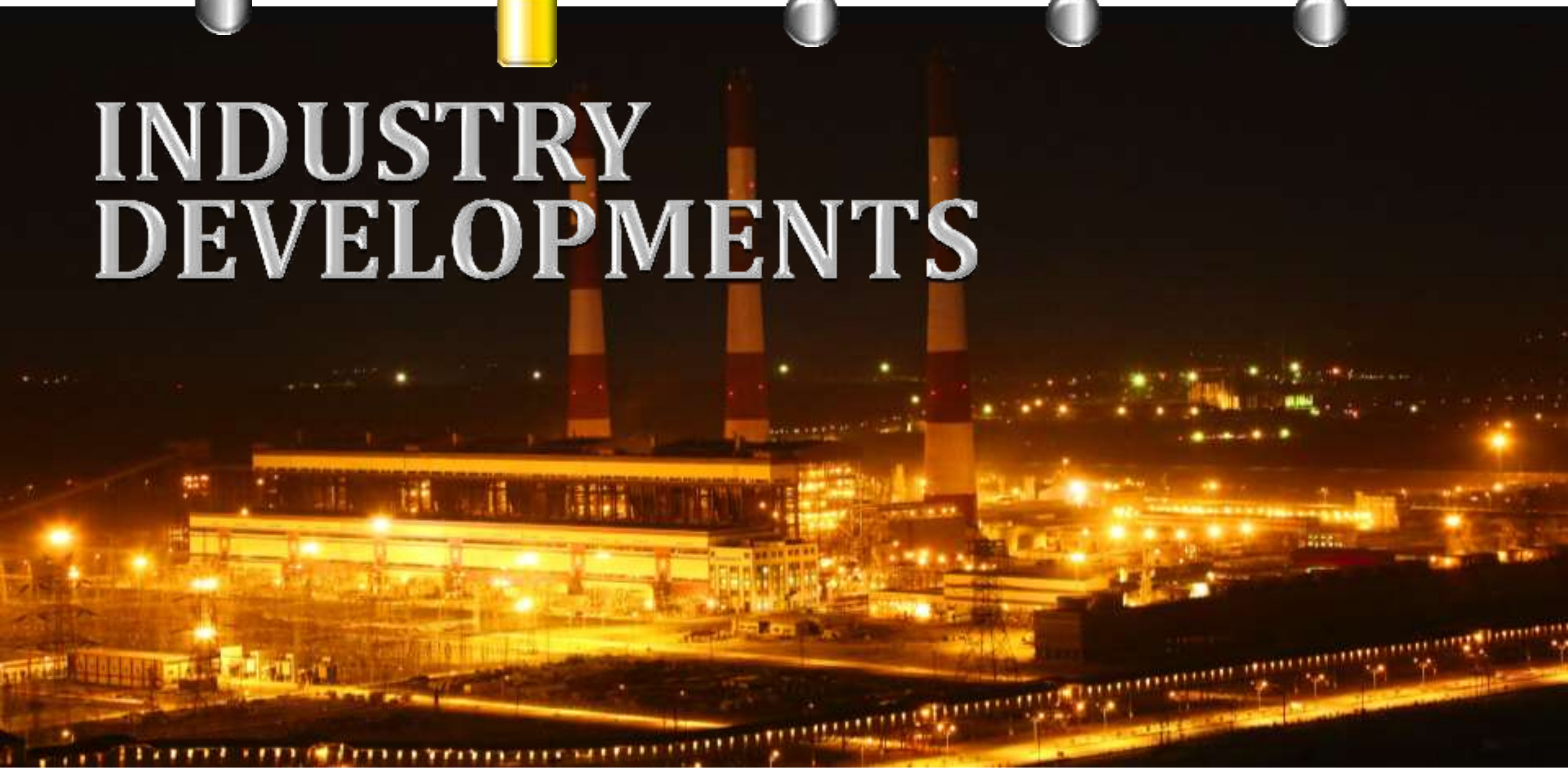
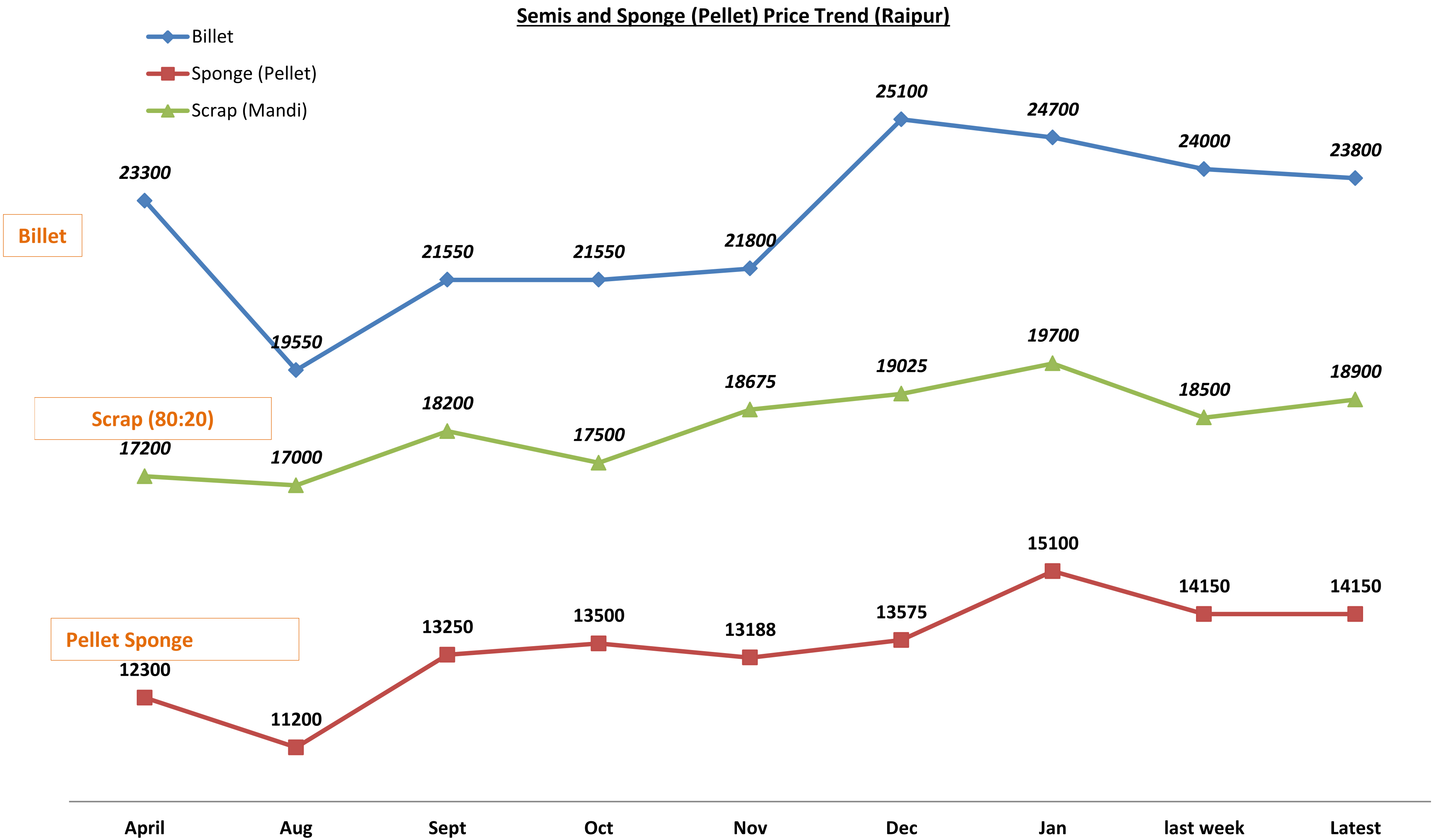


INDUSTRY DEVELOPMENTS

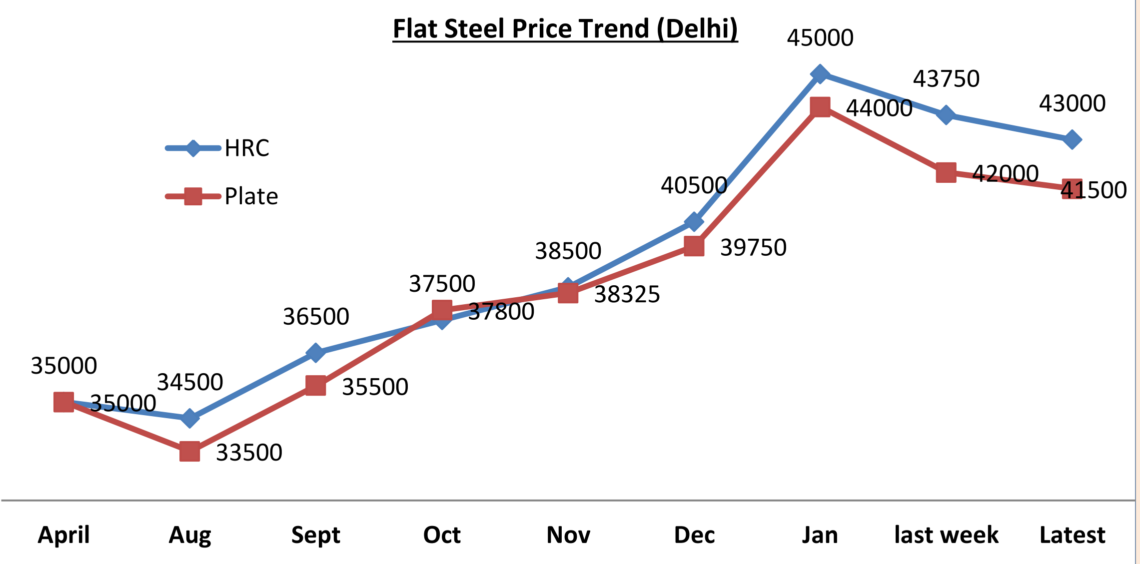
INDUSTRY UPDATE
STEEL SECTOR

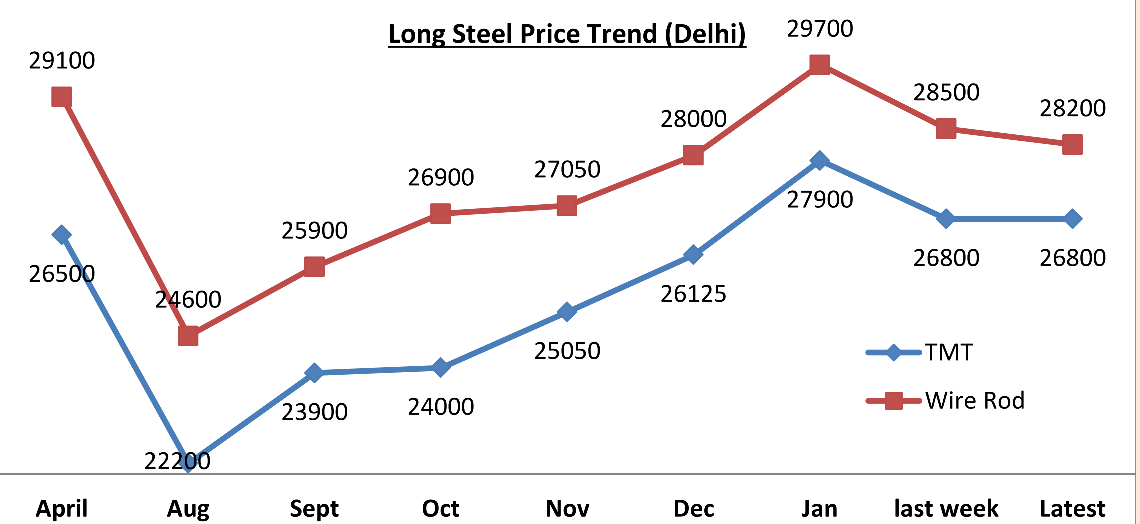
Domestic Semis and steel Intermediary price trend



Source: Steel Mint

Domestic Finished steel price trend





Trade Flat Steel:

- HRC & Plate prices continue to increase in domestic market due to RM cost push
- HRC & Plate prices increased by 19-23% (April to till date)

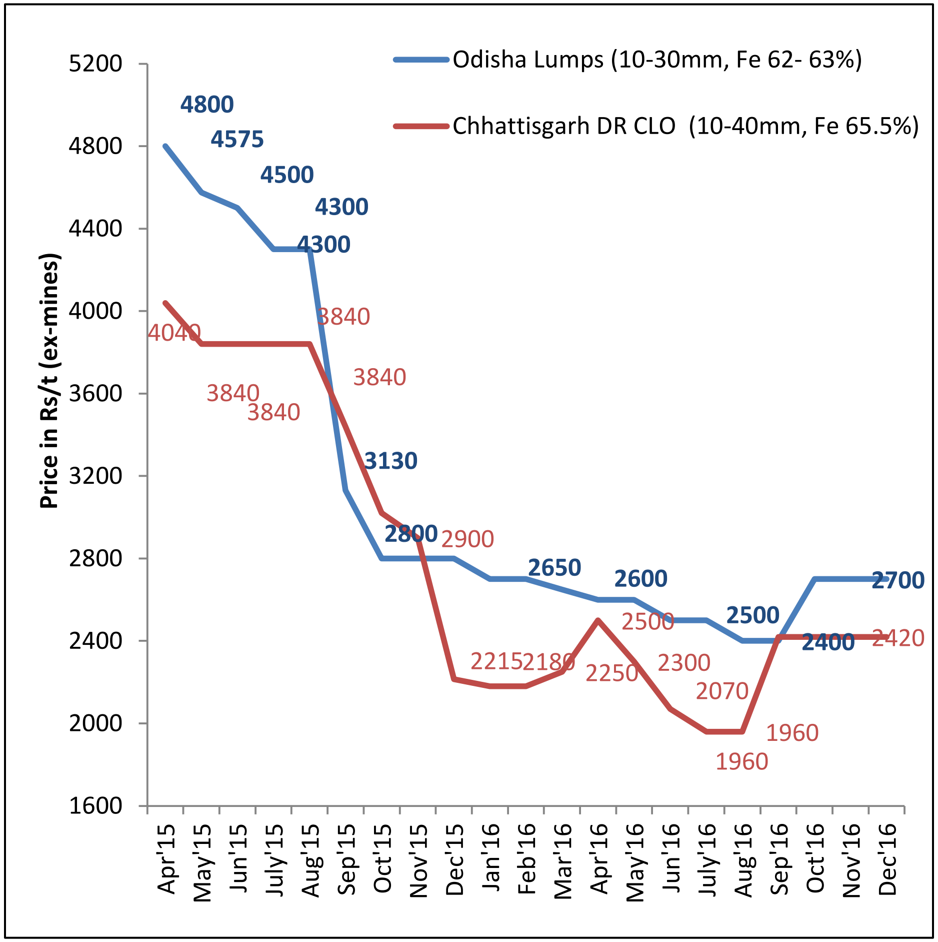
Trade Long Steel:

- Post Aug '16 TMT & Wire Rod prices increased by 16-21% (April to till date) .

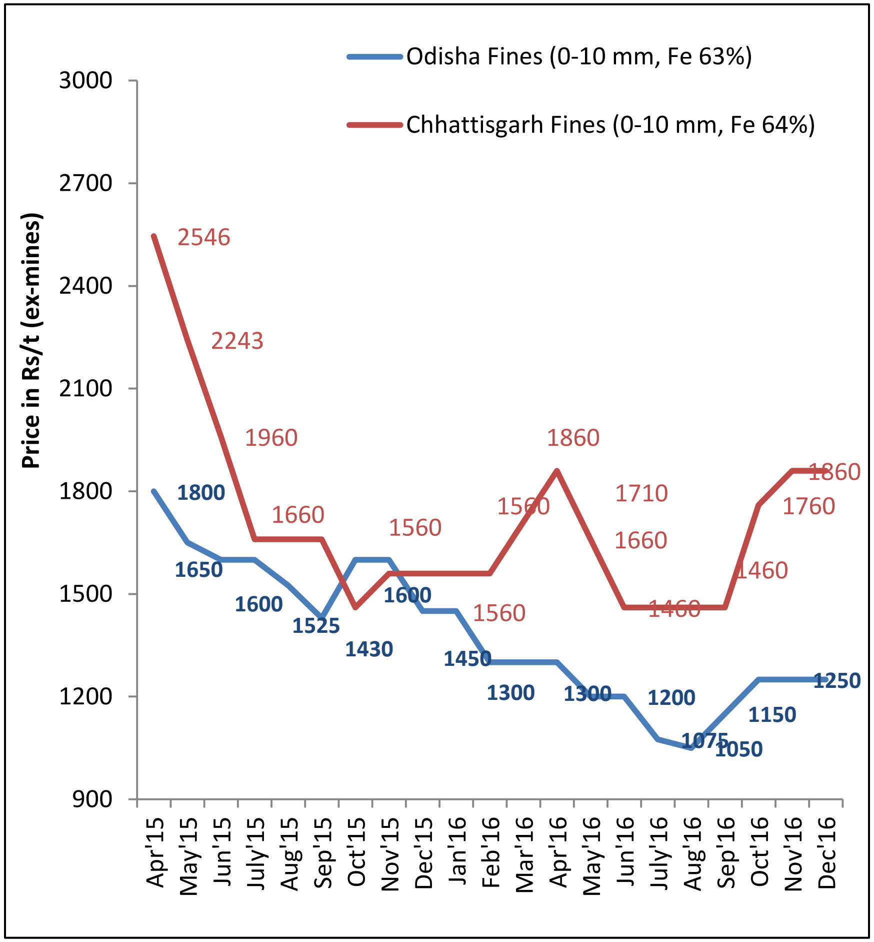
Source: Steel Mint

Domestic Iron Ore prices on the upswing

Iron Ore Lump Prices



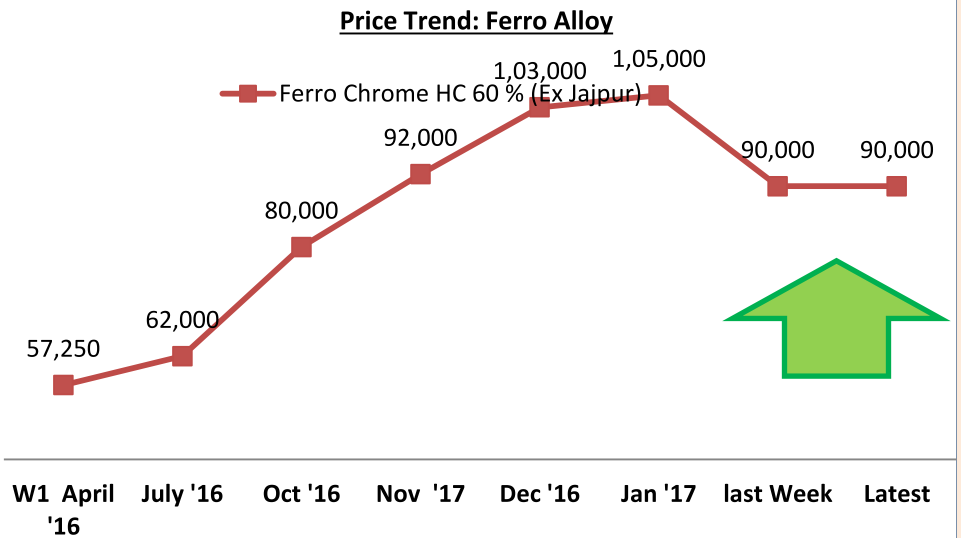
Iron Ore Fines Prices



Source: Steel Mint

Odisha's prices include royalty, Chhattisgarh's prices exclude royalty

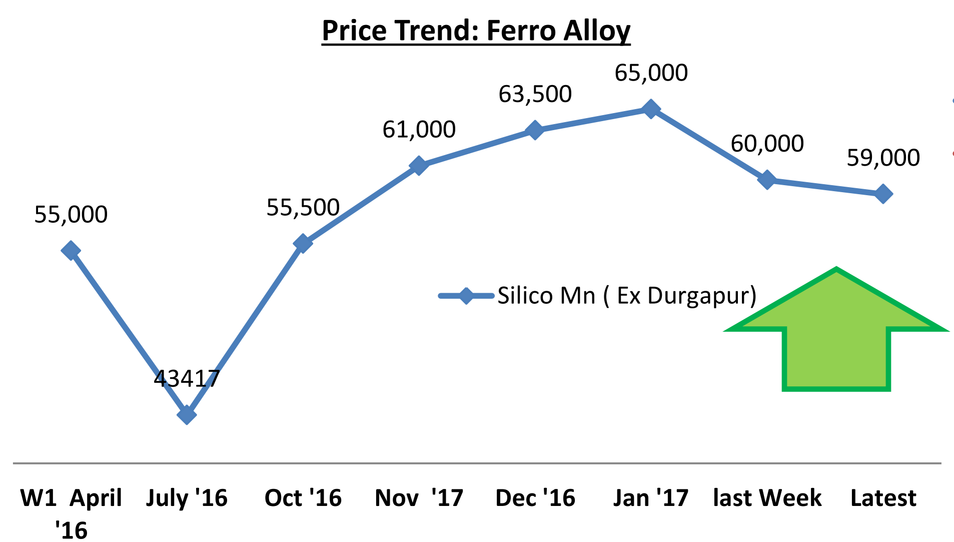
Domestic Ferro Alloy and other ore price firmed up:

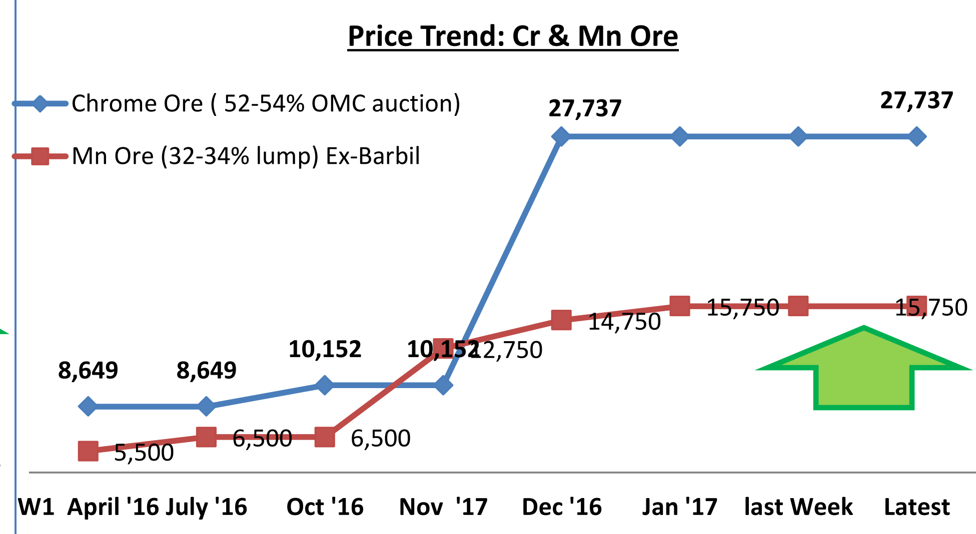


Since April '16 - till date:

Some benchmark prices follow the following trend:

- Ferro Silicon : Up by 6%
- Ferro Chrome : Up by 57%
- Silico Mn : Up by 7%
- Mn Ore : Up by 186%
- Chrome Ore : Up by 221%





Source: Steel Mint

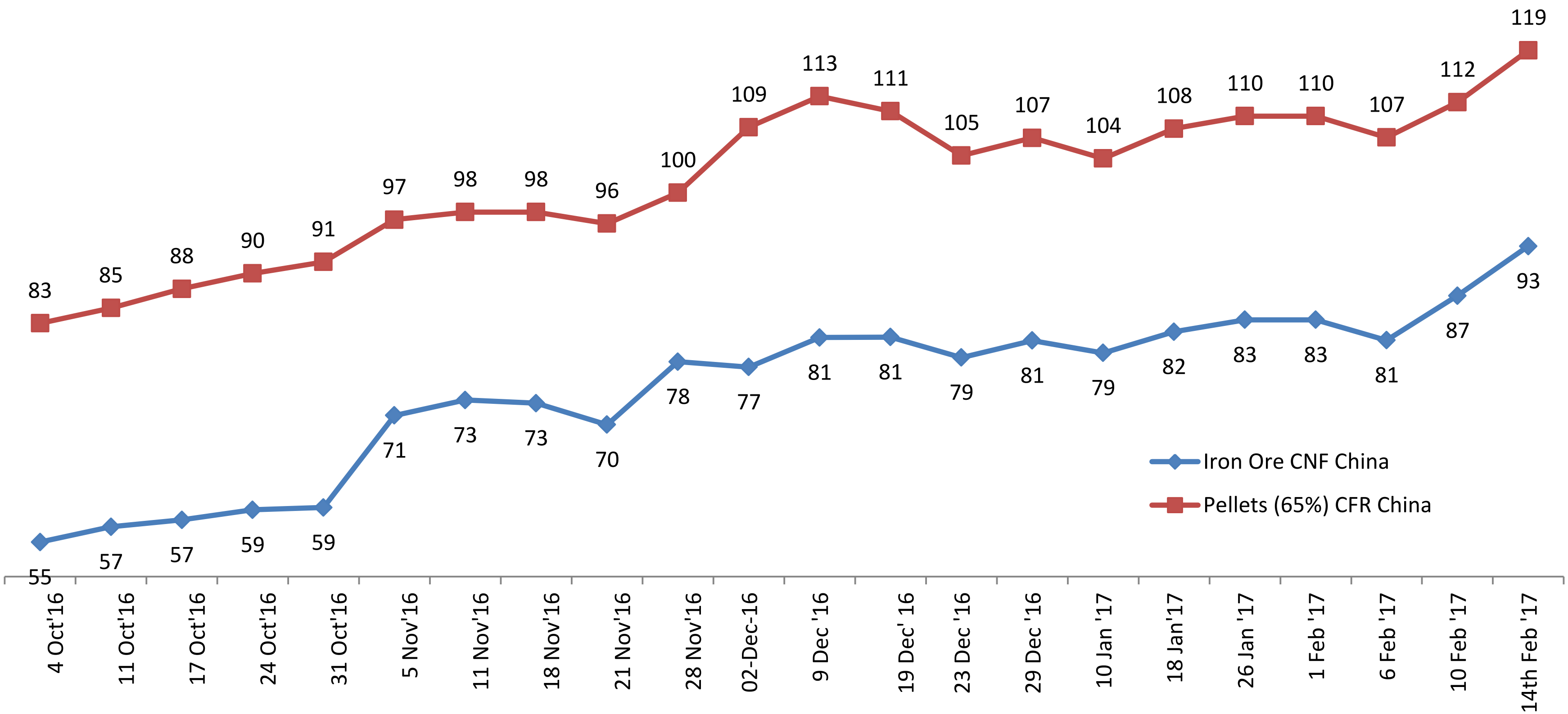
International Iron Ore & Pellet Prices trend (CFR China - $/MT)

International Pellet Prices:

- **increased by 43%**
  (Oct'16 to till date)

International Iron Ore Fines (Fe 62%)

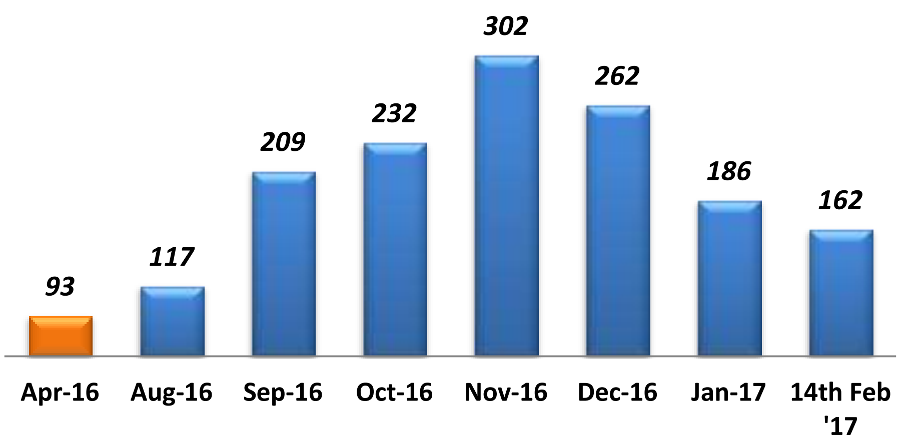
- **Increased by 71 %**
  (Oct '16 to till date)



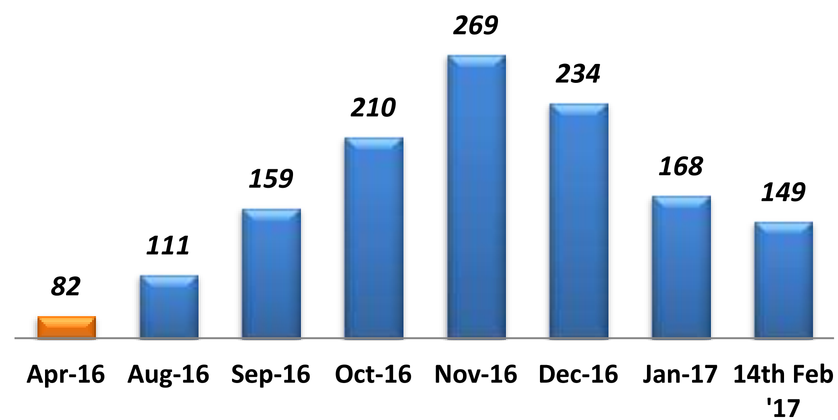
Source: Platts

International Coal : Price Trend

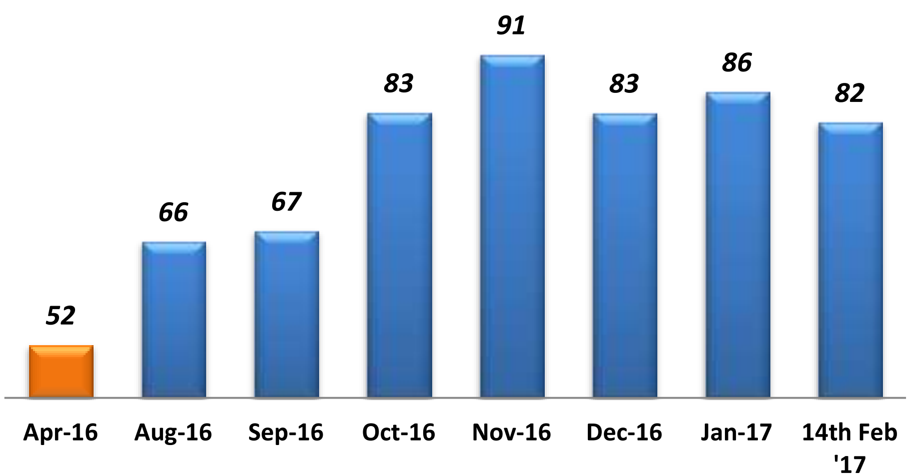
Prime Hard Coking Coal ($/MT FOB Australia)



Semi Hard Coking Coal ($/MT FOB Australia)



Steam Coal RB1 ($/MT FOB S Africa)



From April '16 till date:

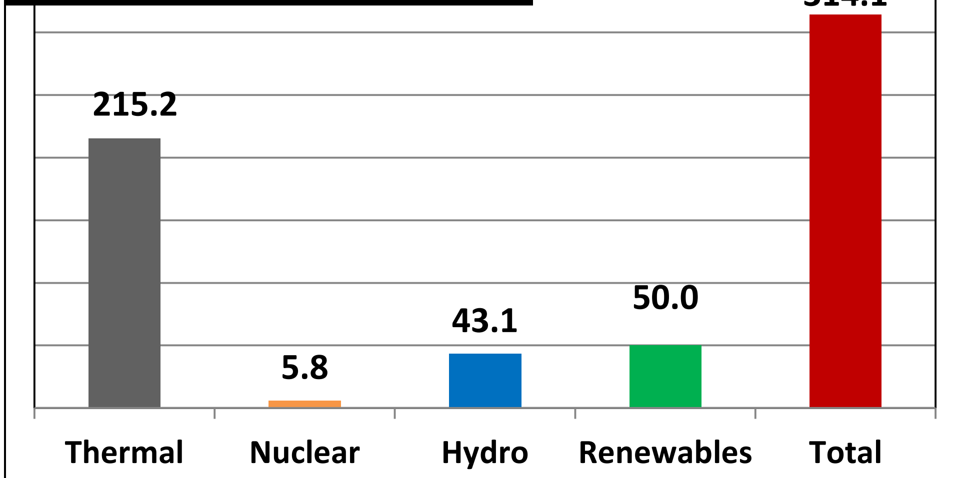
- Prime Hard Coking Coal: Up by $69/MT (FOB Australia)
- Semi Hard Coking Coal : Up by $67/MT (FOB Australia)
- Steam Coal RB1 Coal : Up by $30/MT (FOB S. Africa

Source: Platts, Argus

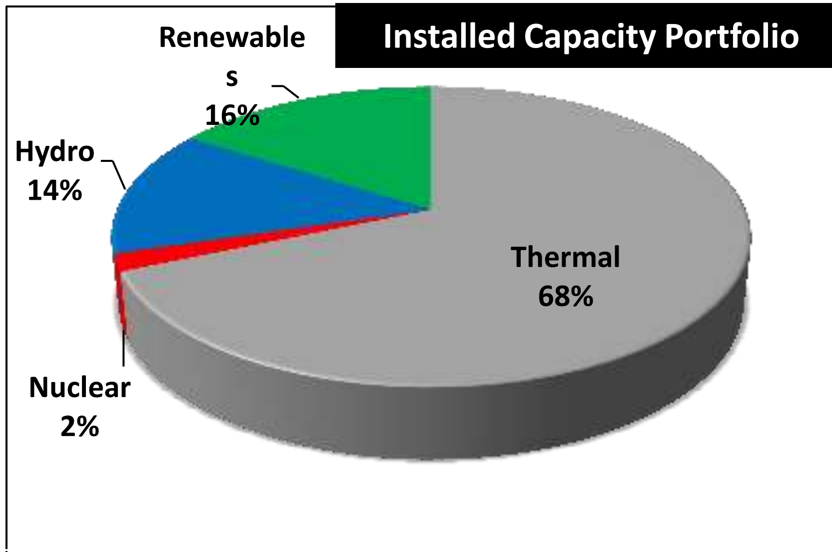
INDUSTRY UPDATE
POWER SECTOR

Installed Capacity in India *(Dec 2016)*

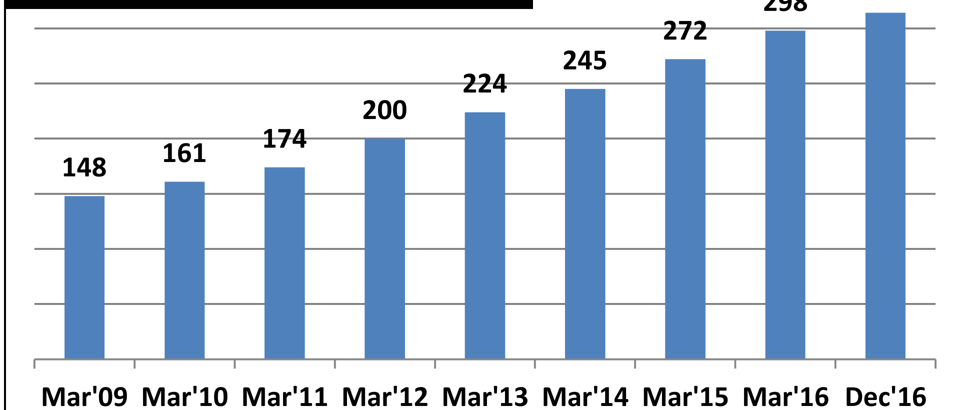
Installed Capacity (GW) in India



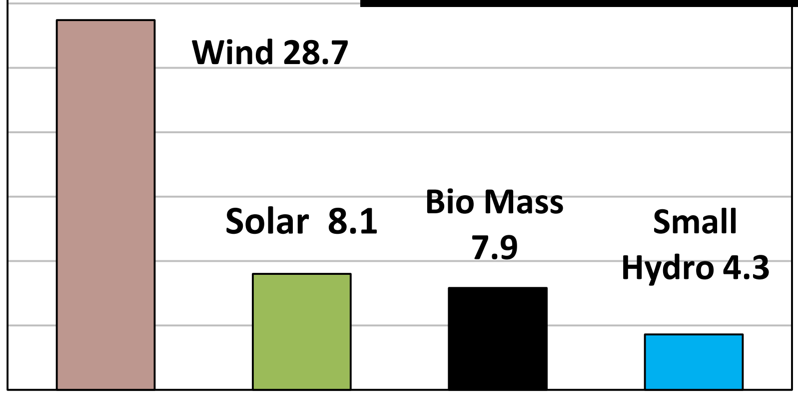
Installed Capacity Portfolio



Installed Capacity (GW) Growth

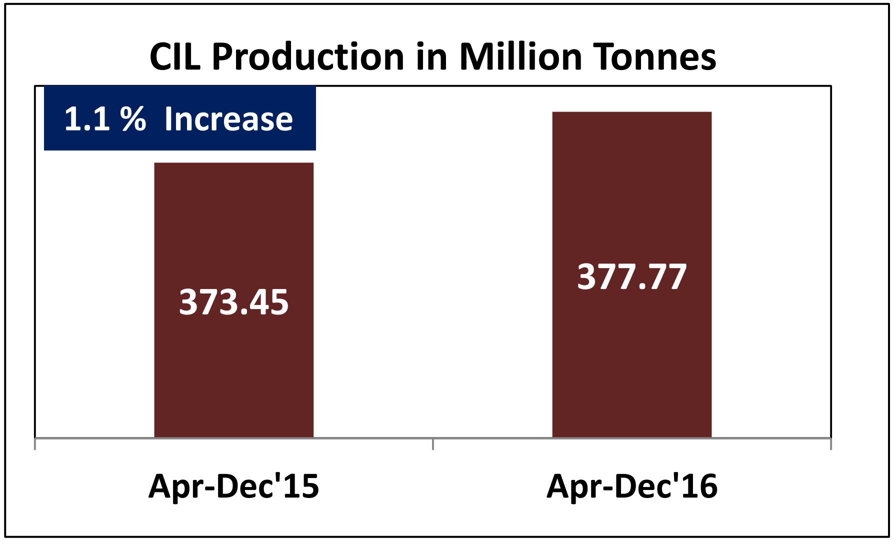


Renewables (GW) Portfolio



Source: CEA

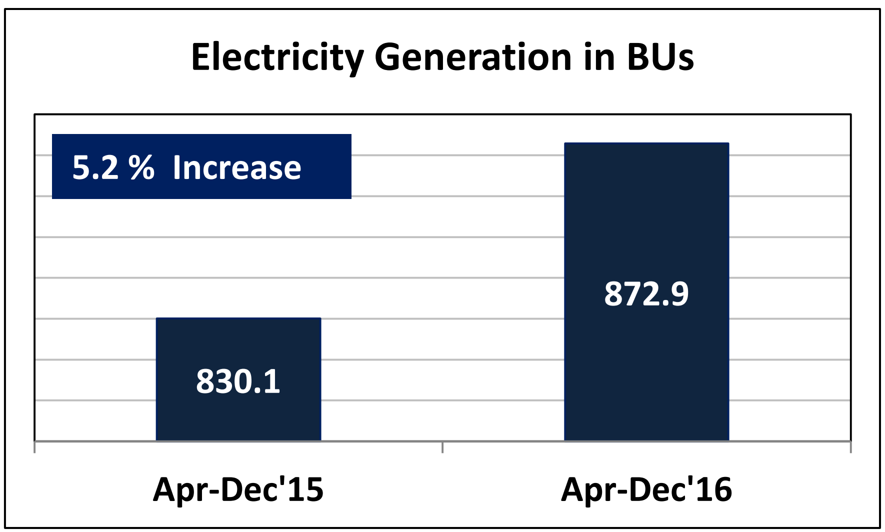
Major Highlights *(Dec 2016)*

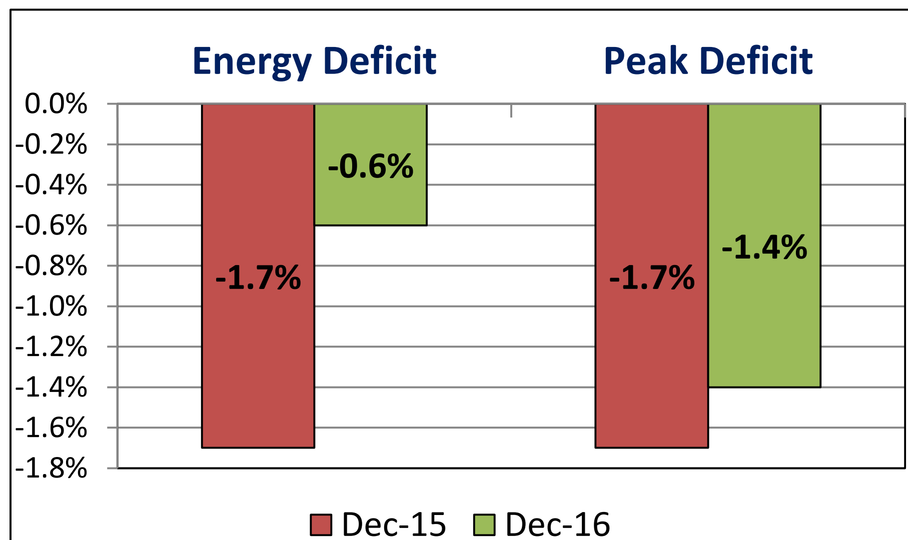


Imported Coal as % of Total Requirement

Coking Coal-27MT
Non-Coking Coal-102MT

	Apr-Dec'16
A. Imported (MT)	129
B. Domestic (MT)	378
% Ratio - A/(A+B)	25 %





Source: CEA, CIL

PRESENTATION OUTLINE

Q3'FY17

OUTLOOK | INDUSTRY DEVELOPMENTS | BRIEF BACKGROUND | OPERATIONAL PERFORMANCE | FINANCIAL PERFORMANCE

Business Segments

Steel	Power	Mines & Minerals	Global Ventures	Construction Material & Solution

Current Capacities – Domestic & Global

Steel	Power	Mines & Minerals	Global Ventures	Construction Material & Solution
5.1 MTPA Steel*	IPP – 3400 MW CPP – 1634 MW Renewable – 24 MW**	3.11 MTPA*	2 MTPA Steel Mines	Cement Road solutions LGS

**Domestic*
***Divestment Announced*

Steel Capacities across Life Cycle

Iron Making

(6.75 MTPA)

DRI 3.12 MTPA

BF 2.13 MTPA

HBI 1.50 MTPA

Liquid Steel

(7.10 MTPA)

SMS 7.10 MTPA

Finished Steel

(6.55 MTPA)

WRM 0.60 MTPA

RUBM 0.75 MTPA

MLSM 0.60 MTPA

Plate Mill 2.20 MTPA

BRM 2.4 MTPA

BRM in Angul 1.4* - Commissioning in FY17 → Effective Finished Steel 7.95 MTPA

Detailed plant wise capacities

Raigarh (Chhattisgarh)

- BF 2.125 MTPA
- DRI 1.32 MTPA
- SMS 3.6MTPA
- Plate Mill 1.00 MTPA
- RUBM 0.75 MTPA
- MLSM 0.60 MTPA
- CPP 839 MW

Angul (Odisha)

- CGP 225,000 Nm3/Hr
- DRI 1.8 MTPA
- SMS 1.5 MTPA
- Plate Mill 1.2 MTPA
- CPP 810 MW

Barbil (Odisha)

- Pellet Plant 9 MTPA

Patratu (Jharkhand)

- WRM 0.60 MTPA
- Rebar Mill 1.0 MTPA

Oman

- SMS 2.0 MTPA
- HBI 1.5 MTPA
- BRM 1.4 MTPA

JPL

- Tamnar 3400 MW

Mining

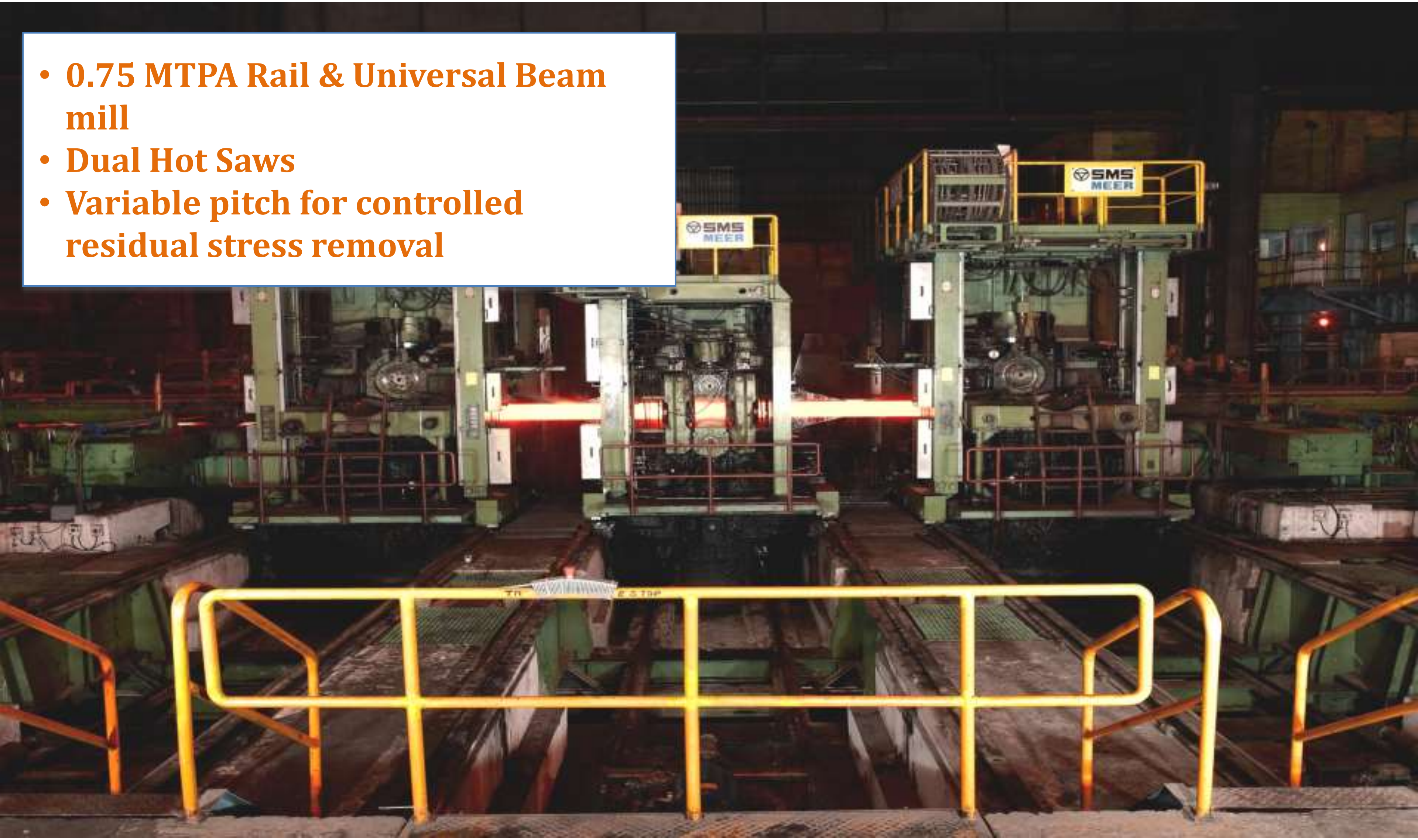
- Iron Ore 3.11 MTPA
- Coal Overseas 6.20 MTPA

Power | Hot Metal | Liquid Steel | Finished Steel

Steel
Insights into few products…

India's first manufacturer of Parallel Flange Beams

- **0.75 MTPA Rail & Universal Beam mill**
- **Dual Hot Saws**
- **Variable pitch for controlled residual stress removal**



Plates – Making Steel Stronger

- 1.2 MTPA 5m wide Plate Mill in Angul
- India’s widest Plate Mill
- Can roll up to 5m wide Plates
- 1.4 KM long shop

India's largest Blast Furnace all set to Commission in March

Sinter Plant – Angul Phase 1B




Coke Oven – Angul Phase 1B

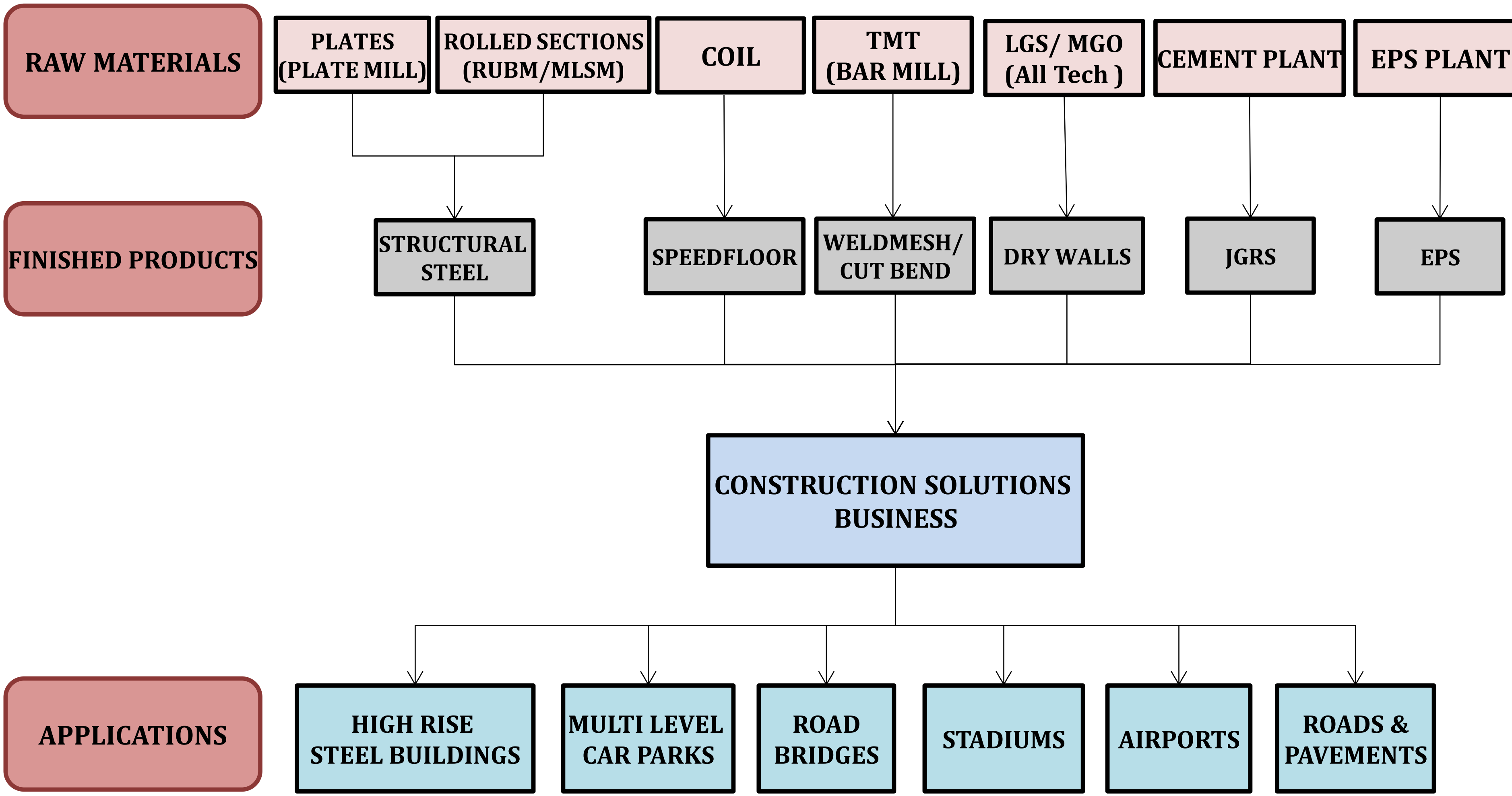
Prefabricated Steel – India's biggest & most versatile prefab facility

- **2 lakh MT per annum capacity**

Segments Served

- Power plant
- High rise Buildings
- Bridges
- Stadiums / Airports
- Industrial Buildings

Construction Solutions Business Offerings

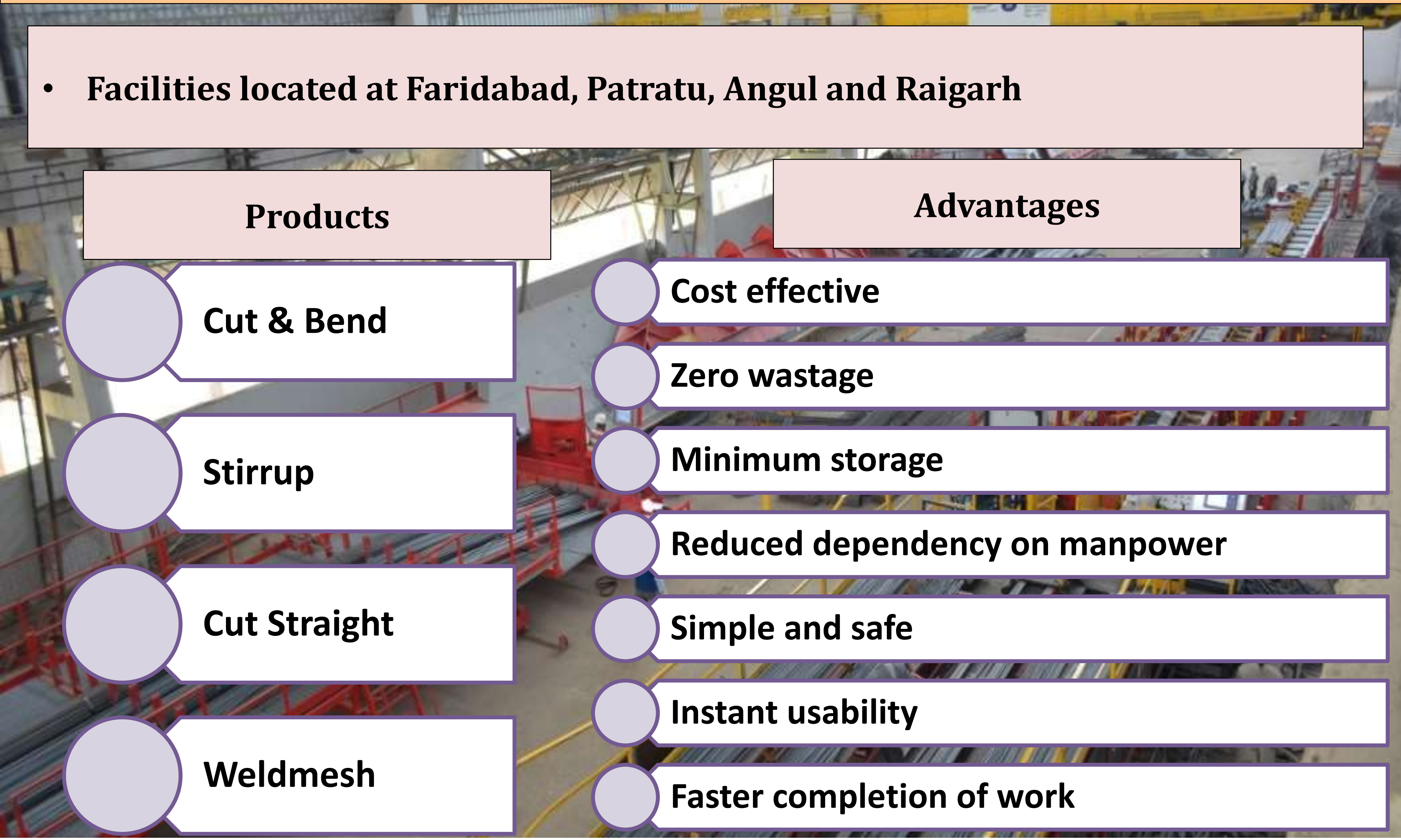


Vijayawada Airport : Inaugurated on 12th Jan 2017

Vijayawada Airport : (Interior)




Ready to Use Steel



- **Facilities located at Faridabad, Patratu, Angul and Raigarh**

Products

- **Cut & Bend**
- **Stirrup**
- **Cut Straight**
- **Weldmesh**

Advantages

- **Cost effective**
- **Zero wastage**
- **Minimum storage**
- **Reduced dependency on manpower**
- **Simple and safe**
- **Instant usability**
- **Faster completion of work**

JSPL - Power Capacities

Independent Power Projects (IPP)

Project	Capacity (MW)	Fuel	Configuration	Status
Tamnar 1[(a)*]	1,000	Coal	4x250 MW	Operational
Tamnar 2[(a)]	2,400	Coal	4x600 MW	Operational
Satara [(b)*]	24	Wind	18x1.5 MW	Operational

Captive power projects (within JSPL)

Project	Capacity (MW)	Fuel	Configuration	Status
DCPP, Raigarh	540	Coal	4x135 MW	Operational
JSPL, Raigarh	284	Coal & waste heat	2x25 MW & 40 MW (Waste heat) 2x55 MW 3x25 MW 24 MW	Operational
Angul, Odisha	810	Coal	6 x135 MW	Operational

One of the largest thermal portfolios in India

(a) Within JPL; (b)Within JSPL *Divestment announced*

JINDAL POWER LIMITED

96.43% subsidiary of JSPL

EUP -I
1000MW (4 X 250)

EUP -II
1200MW (2 X 600)

EUP -III
1200MW (2 X 600)

PPA Arrangements

Project	Buyer	Type	Period From	Period To	Quantum (MW)
Tamnar II (Phase 1)	Tamil Nadu	Long Term	Feb-14	Sep-28	400
Tamnar II (Phase 1)	KSEB	Long Term	Jun-16	May-41	200
Tamnar II (Phase 1)		Long Term	Oct-17	Sep-42	150
Tamnar II (Phase 1)	Chhattisgarh	Long Term	After commercial operation of Unit and for complete life of plant		60
Tamnar II (Phase 2)		Long Term	After commercial operation of Unit and for complete life of plant		60

Over 30% of total capacity tied up *

*** Out of 3400 MW (IPP)**

New PPA Opportunities

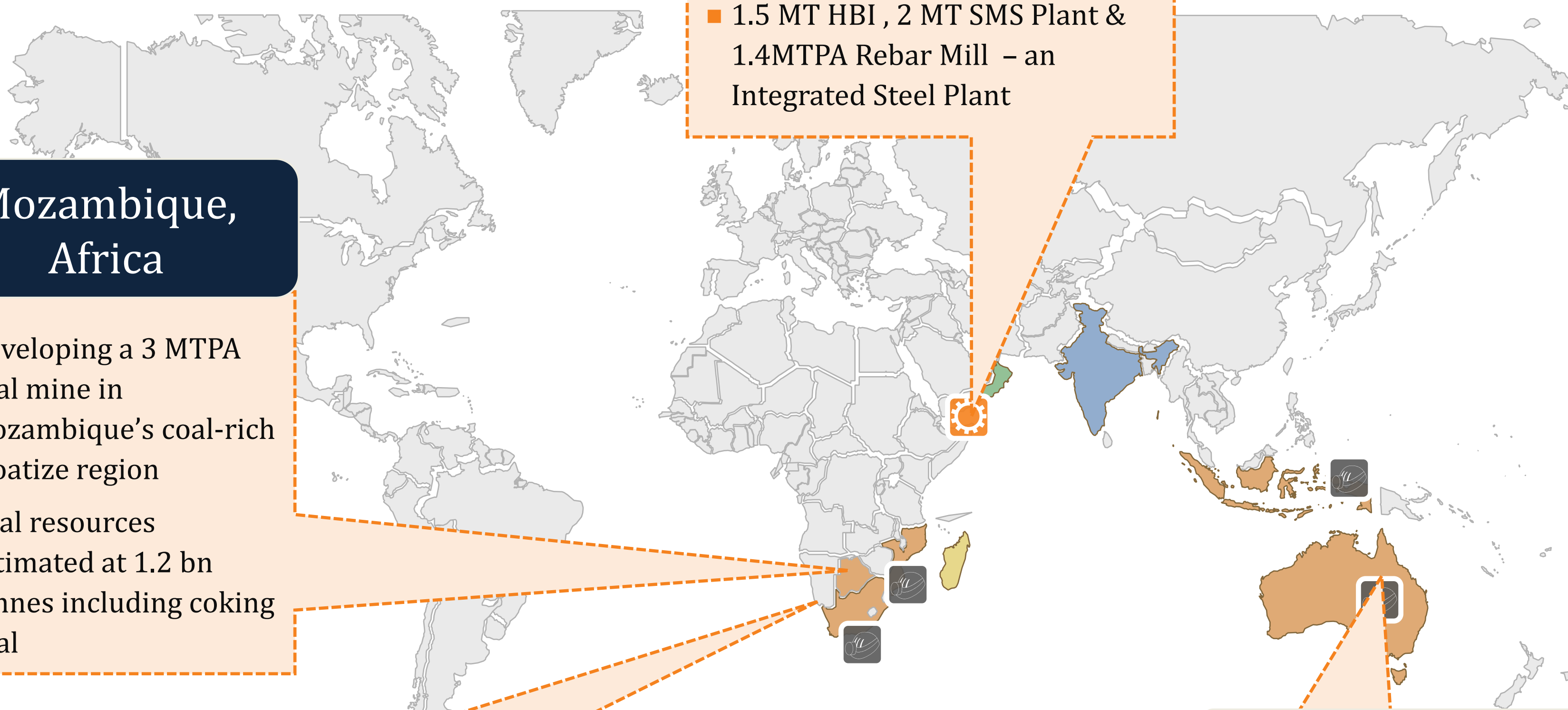
Buyer	Type	Quantum (MW)
UP	Long Term	2800
Jharkhand	Long Term	100
Bangladesh - BPDB	Long Term	500
Railway - WR	Medium Term	210
Railway - ER	Medium Term	100
Railway	Long Term	180

Key Contractual Arrangements for JPL

	Tamnar-I, 1,000 MW (EUP I)	Tamnar-II - 1,200 MW (EUP II)	Tamnar-II - 1,200 MW (EUP III)
FSA 	▪ Awaiting clarity on Tara Coal Block ▪ In the interim, coal sourced through – market purchase and e-auction	▪ Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL)	▪ Awaiting clarity on Gare Palma IV/2 & 3 Coal mine ▪ Market purchase and e-auction
PPA 	▪ Bilateral/short term/ merchant	▪ TNEB – 400MW ▪ CSEB – 60MW ▪ KSEB – 200MW ▪ KSEB – 150MW	▪ CSEB – 60MW
Evacuation 	▪ 258km transmission line from plant to national grid	▪ Full Open access for 400MW TNEB PPA commenced from Oct 2015	▪ Open access to be finalised against PPAs

Raw materials, transmission & PPAs in place for achieving higher PLF

Summary of International Operations



Shadeed, Oman

- 1.5 MT HBI , 2 MT SMS Plant & 1.4MTPA Rebar Mill – an Integrated Steel Plant

Mozambique, Africa

- Developing a 3 MTPA coal mine in Mozambique's coal-rich Moatize region
- Coal resources estimated at 1.2 bn tonnes including coking coal

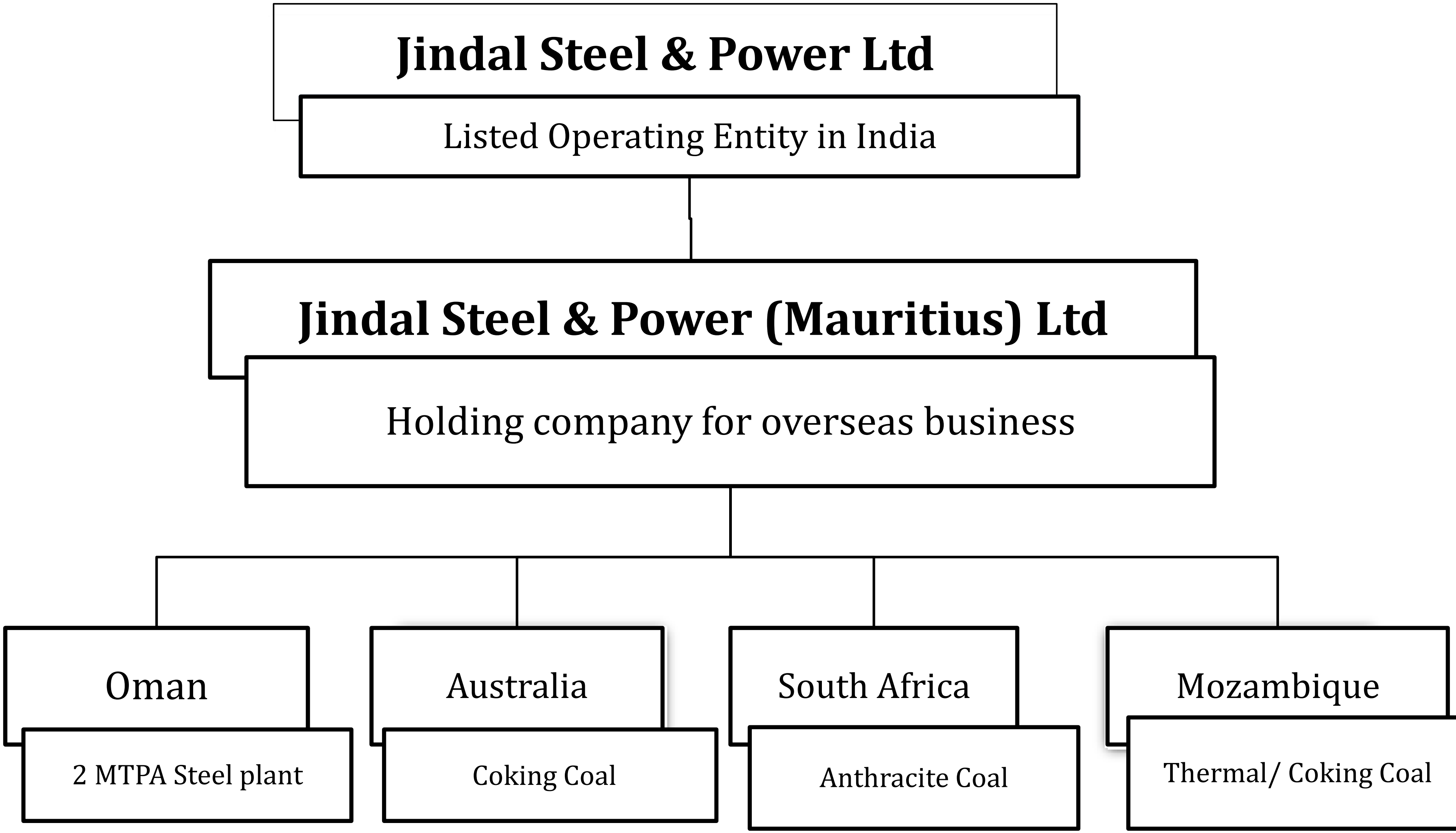
South Africa, Africa

- JSPL's Kiepersol Colliery produces Anthracite coal, sold domestically and internationally Plans to ramp up capacity

Australia

- Acquired 82.04% controlling stake in Wollongong Coal

Holding structure for global operations



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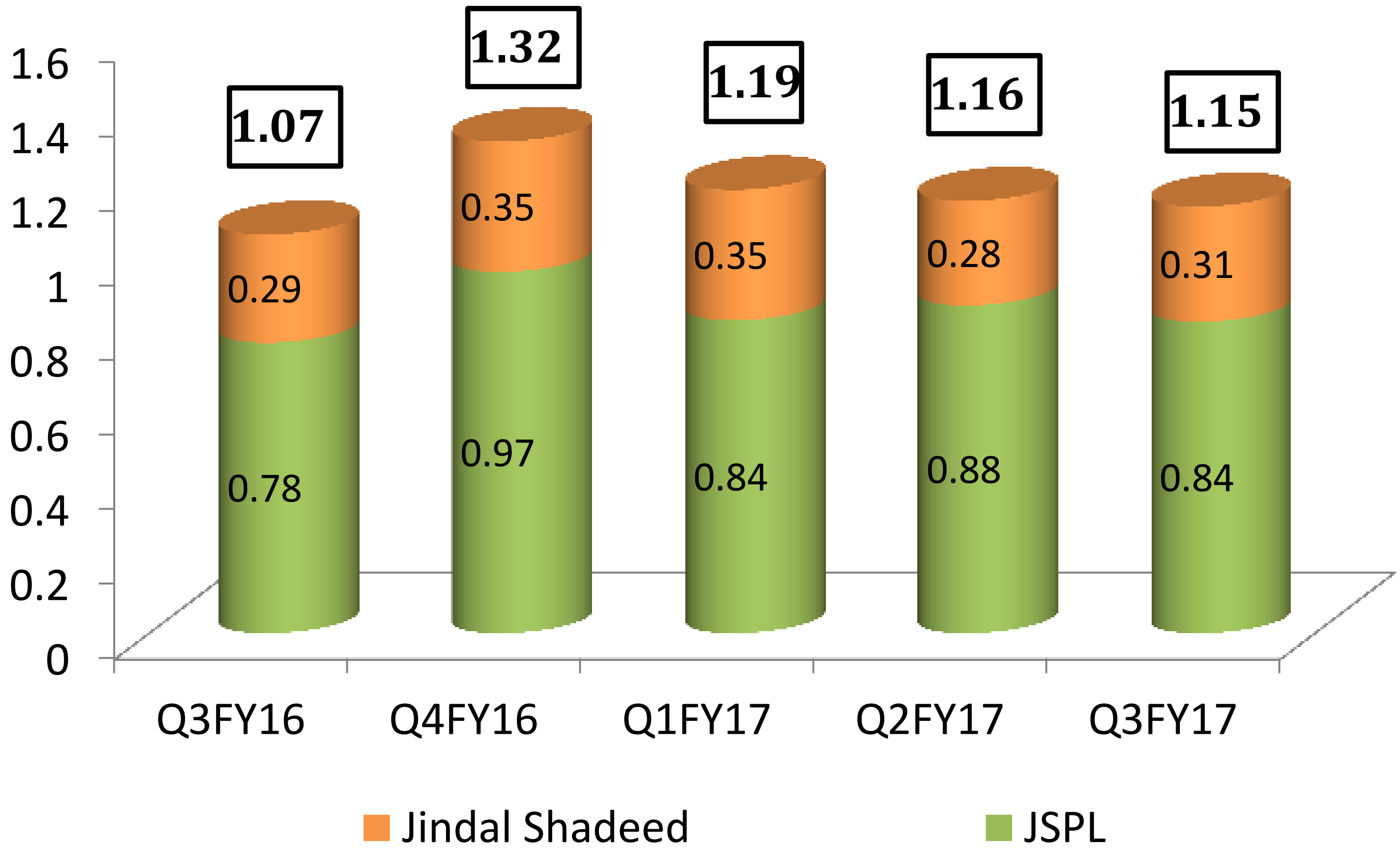
Performance highlights

- *JSPL's Consolidated Steel Sales for Q3FY17 were 1.16MnT up 18% YoY (0.99MnT in Q3FY16)*
- *JSPL's Consolidated Steel Production for Q3FY17 was 1.15MnT up 7% YoY (1.07MnT in Q3FY16)*
- *India's largest Blast Furnace, all set to commission at JSPL Angul by March 2017*
- *Obtained Mining Lease for Chilhati limestone mine, having a cumulative reserve of 21 MnT of lime stone*
- *Barbil records 298% growth in Market sale of pellets (0.71 million tonnes in Q3 FY17 vs 0.18 million tonnes in Q3FY16)*
- *JPL increased its EBITDA by 66% Q-o-Q and Y-o-Y in Q3FY17*
- *Australia and Mozambique mines ramping up steadily*

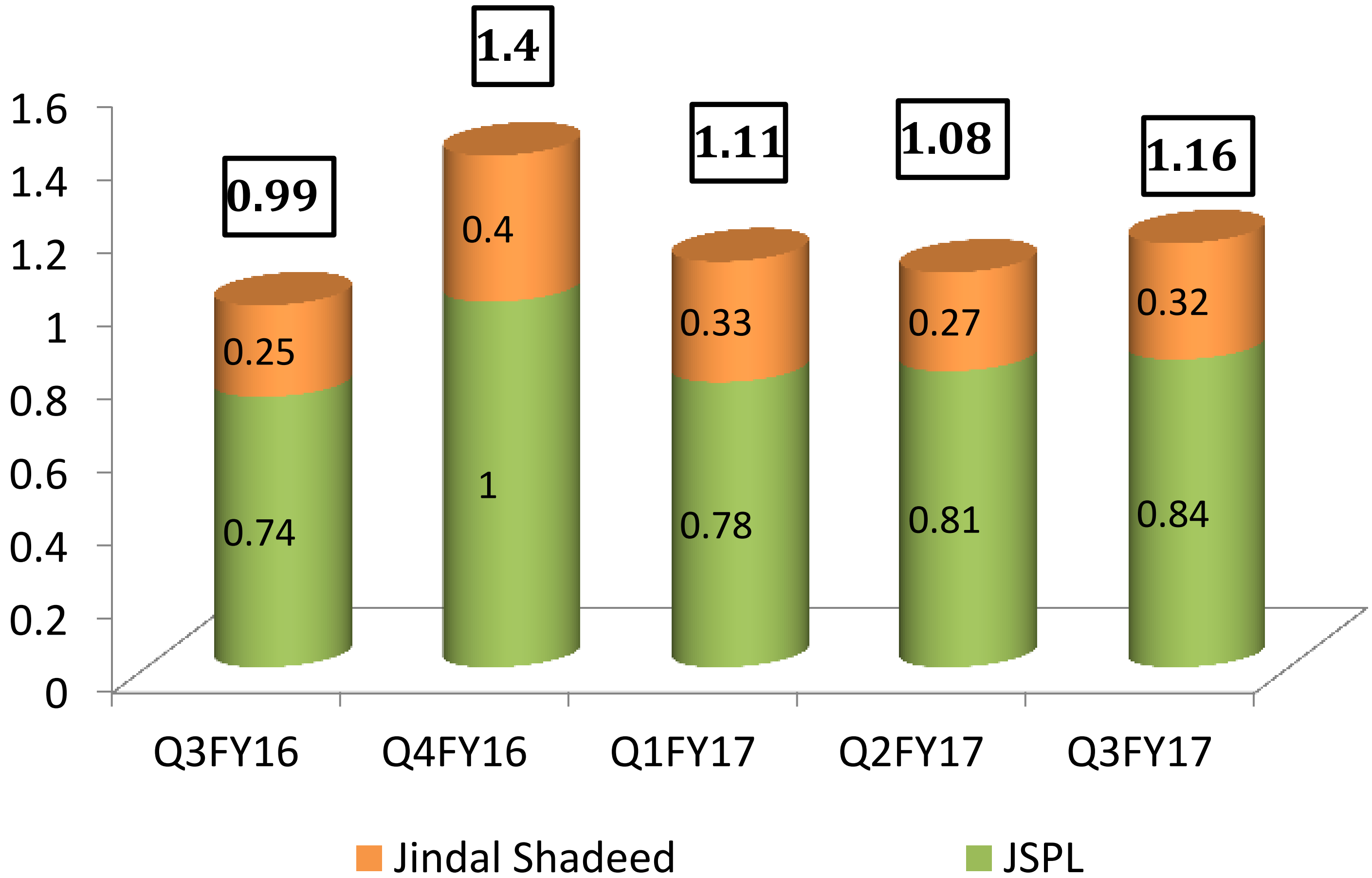
Consolidated Steel Production

(Figures in Million Tonnes)



Consolidated Steel Sales Volumes

(Figures in Million Tonnes)



Key Customers & Adding...

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FINANCIAL PERFORMANCE

Standalone Q3 FY 17 –Snapshot of Key Financials

(Figures in Rs. Crores)

Particulars	Q3FY17	Q3FY16	Q2FY17	%YoY	%QoQ
Total Revenue	3,519	2,919	3,126	+21%	+13%
EBITDA	784	419	531	+87%	+48%
EBITDA %	22%	14%	17%		
Depreciation	542	570	524	-5%	+3%
Finance Cost	540	657	654	-18%	
Profit/(Loss) Before Tax	(298)	(807)	(647)	+63%	+54%
Tax	(111)	(288)	(240)		
Profit/(Loss) After Tax	(187)	(519)	(407)	+64%	+54%

Consolidated Q3 FY 17 –Snapshot of Key Financials

(Figures in Rs. Crores)

Particulars	Q3FY17	Q3FY16	Q2FY17	%YoY	%QoQ
Total Revenue	5,408	4,336	4,666	+25%	+16%
EBITDA	1,277	542	848	+136%	+51%
EBITDA %	24%	12%	18%		
Depreciation	1,027	995	999	+3%	+3%
Finance Cost	835	806	872	+4%	-4%
Exceptional Items	--	91			
Profit/(Loss) Before Tax	(586)	(1164)	(1021)	+50%	+43%
Tax	(131)	(282)	(274)		
Profit/(Loss) After Tax	(455)	(882)	(747)	+48%	+39%

JPL – Snapshot of Key Financials

(Figures in Rs. Crores)

Particulars	Q3FY17	Q3FY16	Q2FY17	%YoY	%QoQ
Net Sales	854	815	734	+5%	+16%
EBITDA	302	182	182	+66%	+66%
EBITDA %	35%	22%	25%		
Profit/(Loss) Before Tax	(182)	(135)	(246)	-35%	+26%
Profit/(Loss) After Tax	(162)	(140)	(205)	-16%	+21%
Depreciation + Amortization	385	312	354	+23%	+9%
Cash Profit	203	169	107	+20%	+90%
Generation (MU)	2,356	2,580	2,313	-9%	+2%
PLF(%) - 4X250 MW	52%	70%	51%		
PLF(%) – 3X600 MW	28%	26%	30%		

Future focus

- Completion of Angul Phase 1B
- Sweat the Assets – Achieve 100% Capacity utilization
- Improvement of NSR and EBITDA.
- Reduce Debt
- Secure PPA for entire JPL Capacity
- Focus on “Value Added Products”
- Foray in Building & Rail infra segment; Defence segment

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THANK YOU