Q1 FY'17

Industry Update & Key Performance Highlights

JINDAL STEEL & POWER

8th September, 2016

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PRESENTATION OUTLINE

Q1 FY'17

OUTLOOK

INDUSTRY DEVELOPMENTS

BRIEF BACKGROUND

OPERATIONAL PERFORMANCE

FINANCIAL PERFORMANCE

Summary of Current Indian Economy:

Economic Activity:

- ***GDP Growth Rate: 7.6% (in FY16) & in the range of 7.6 to 7.7% in FY17 (as per RBI & World Bank)***
- ***IIP for Jun'16: 2.1%***
  - ***Manufacturing : 0.9%***
  - ***Mining: 4.7%***
  - ***Electricity: 8.3%***
  - ***IIP for the Core Sector of 8 industries which comprises 38% weight of the Overall IIP has shown a rise of 3.2% for July'16 in the recently released data by Ministry & Commerce & Industry. The overall IIP is expected by Sep 2nd week.***
- ***Forex Reserve: stood at $367.2 Billion as on August 19***
- ***Falling Interest rate: RBI kept Repo Rate unchanged at 6.5% in August***
- ***Inflation Rate: CPI inflation has risen to 6.1% in July'16 from 5.7% in May'16***

Repo Rate:

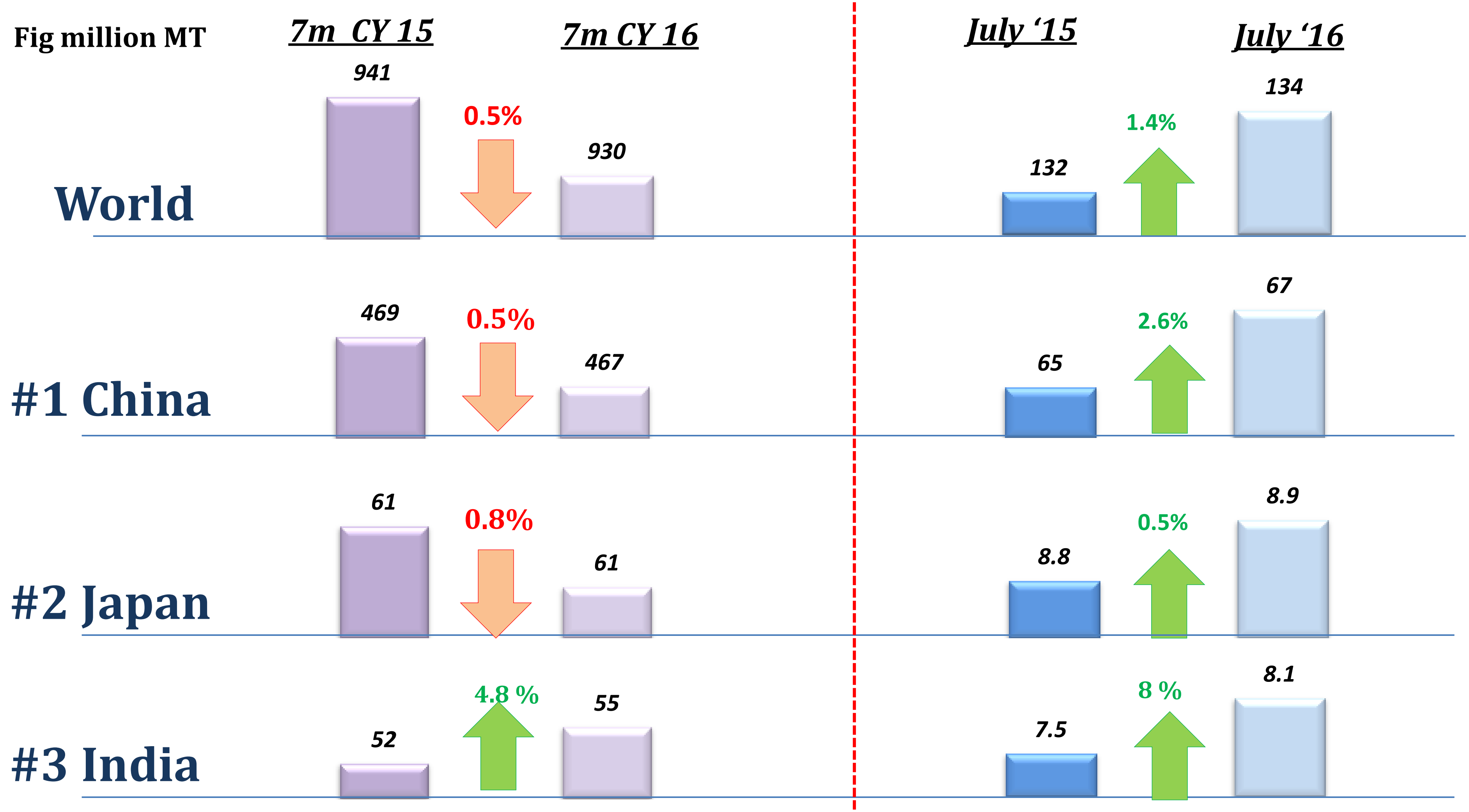
- ***RBI kept Repo Rate unchanged in its latest Bi-monthly policy review meeting at 6.50% because of the significant increase in the retail inflation in the last two months (Jun: 5.7% & July: 6.1%).***

Oil & Gas Prices on a consistent decline since FY16 beginning

- ***Crude Oil prices increased by 12.7% during August 2016 ($46.9/bbl)***
- ***Henry Hub gas price decreased by 7.4% % during August 2016 ($2.75/mill btu)***

Source: Ministry of Finance, CRISIL, Henry Hub, investing.com

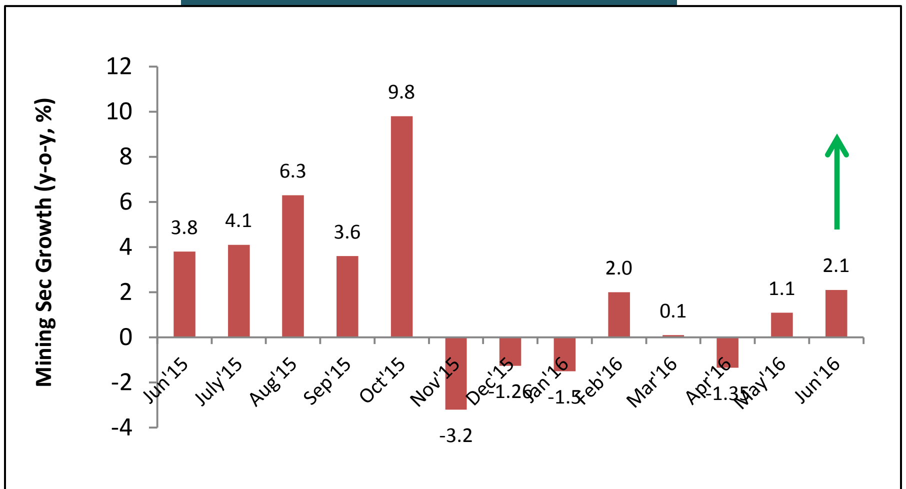
World Crude Steel Production recovered in July '16: India has shown the highest growth of Crude Production



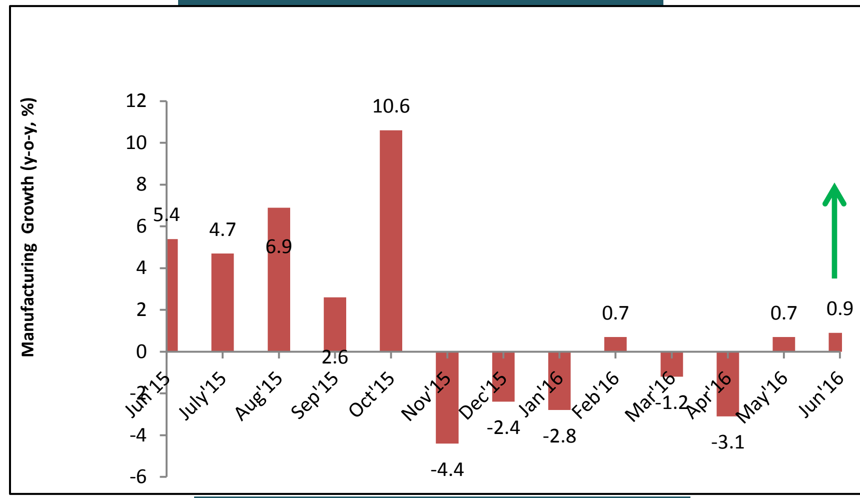
Source: WSA

The Industrial Health

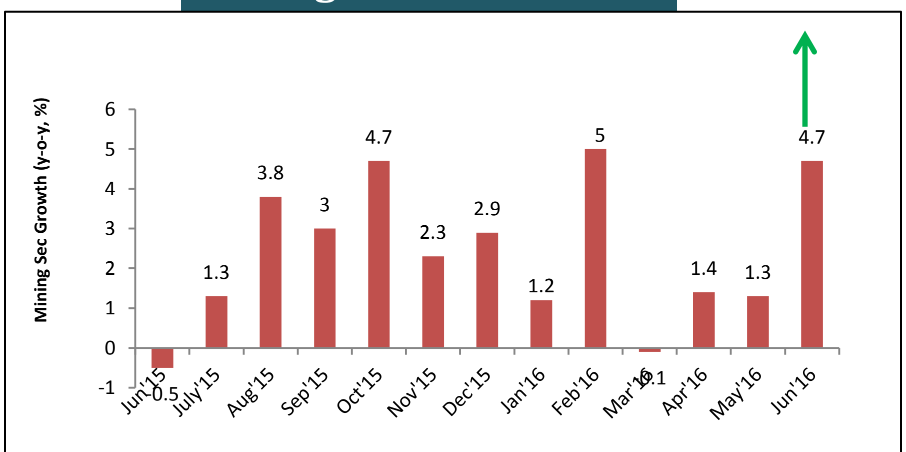
Overall IIP Trend



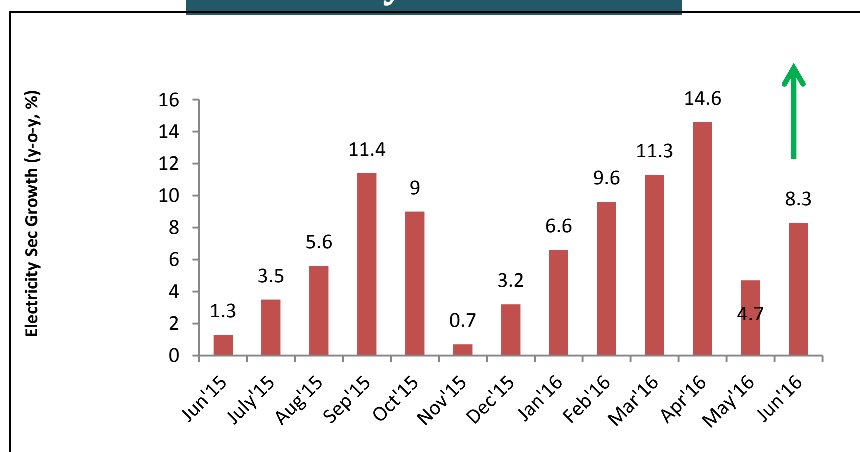
Manufacturing



Mining



Electricity



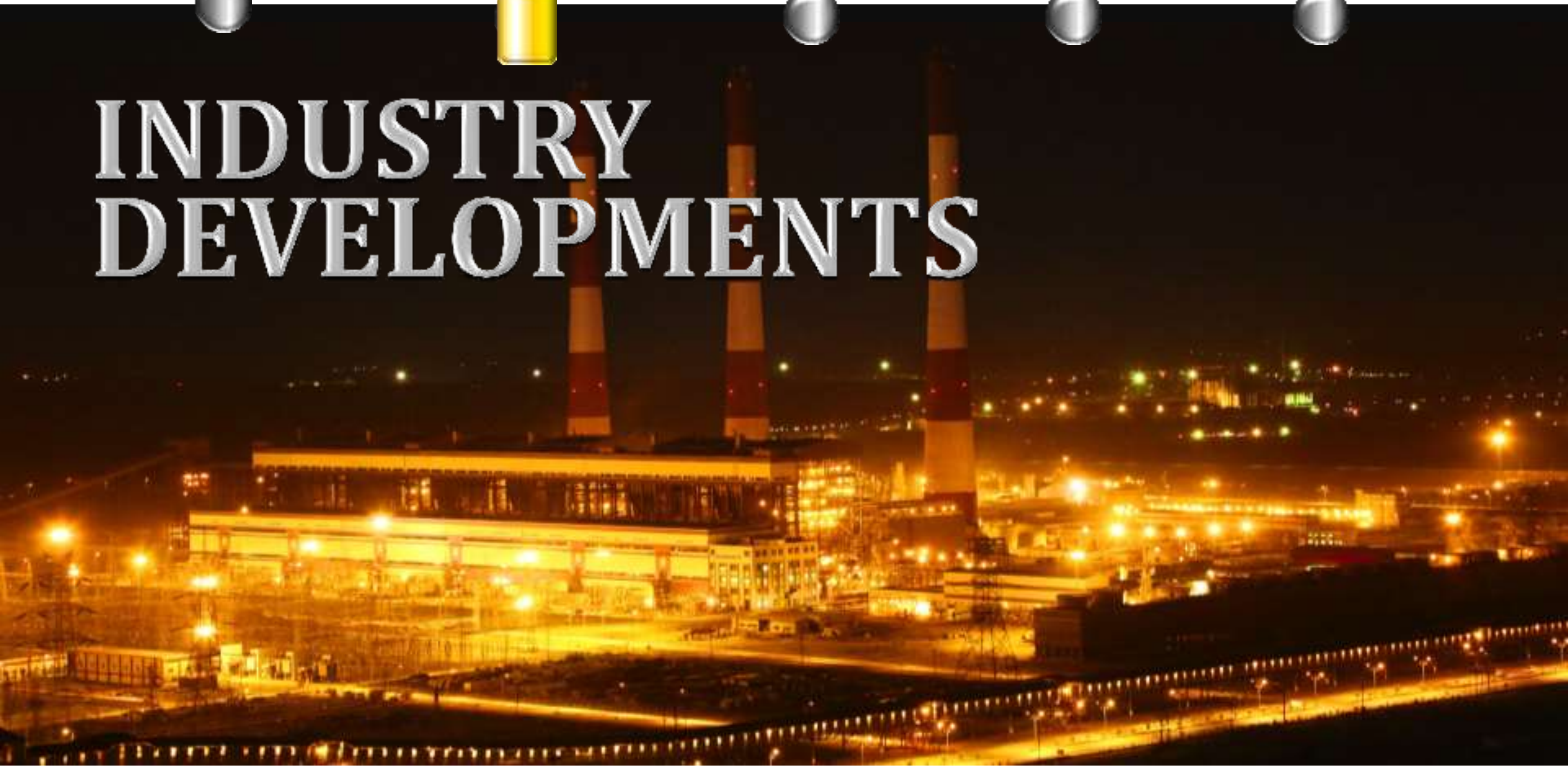
Source: Ministry of Finance

PRESENTATION OUTLINE

Q1 FY'17

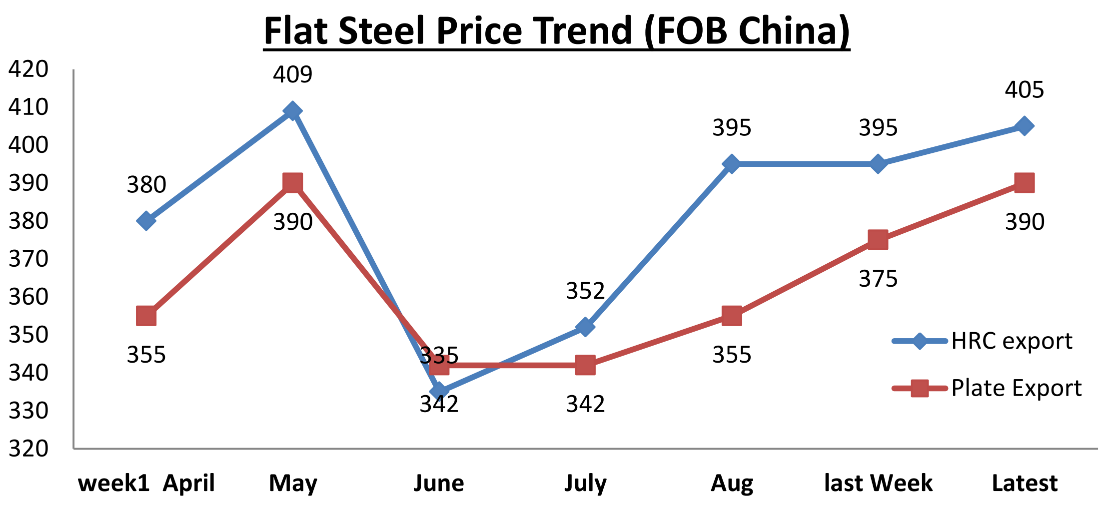
- OUTLOOK
- INDUSTRY DEVELOPMENTS
- BRIEF BACKGROUND
- OPERATIONAL PERFORMANCE
- FINANCIAL PERFORMANCE

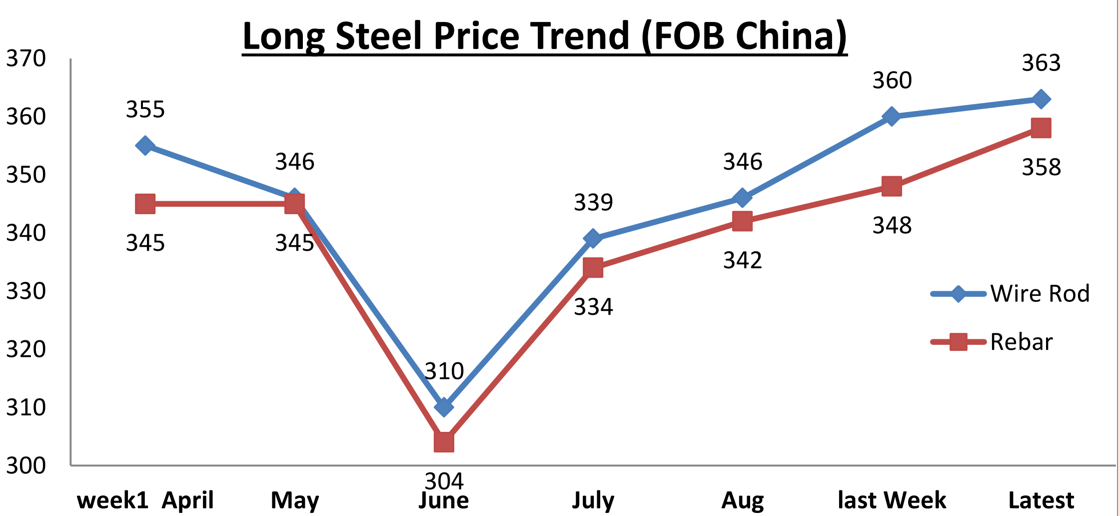
INDUSTRY DEVELOPMENTS



INDUSTRY UPDATE
STEEL SECTOR

Global Long Steel price trend





- Global Steel prices on remains volatile during Q1
- However Export prices firmed up from June '16 onward
  - HRC (FOB China) : Up by ~ $70/MT
  - Plate (FOB China) : Up by ~ $50/MT
  - Wire Rod (FOB China) : Up by ~$53/MT
  - Rebar P (FOB China) : Up by $54/MT

Source: MB

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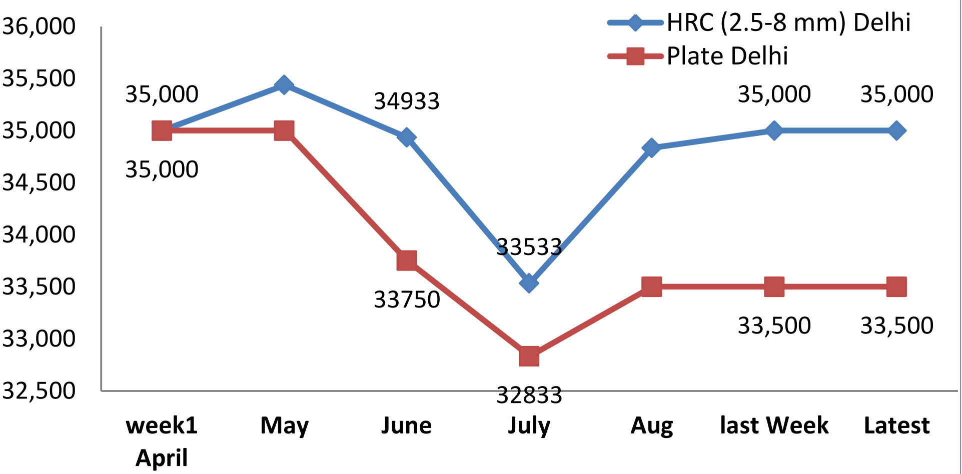
Domestic Finished steel price trend

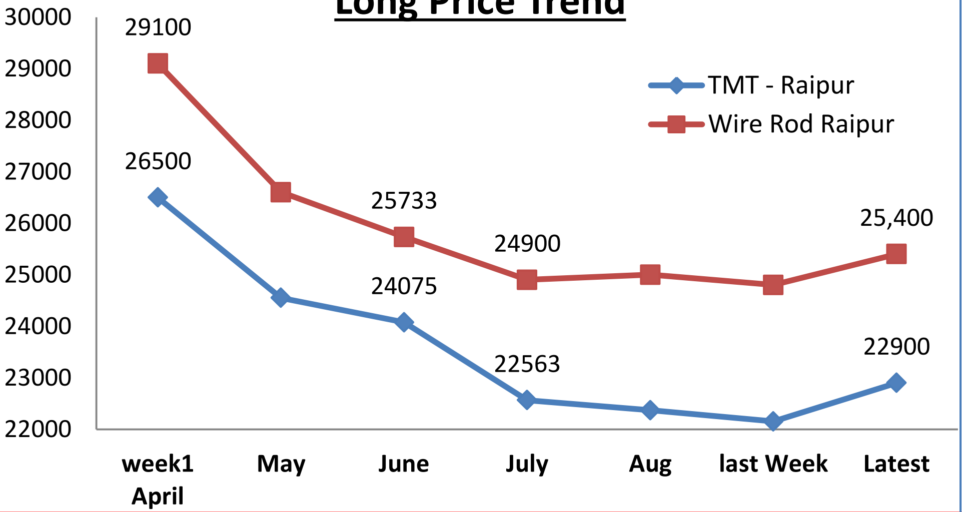
Flat Steel Price Trend



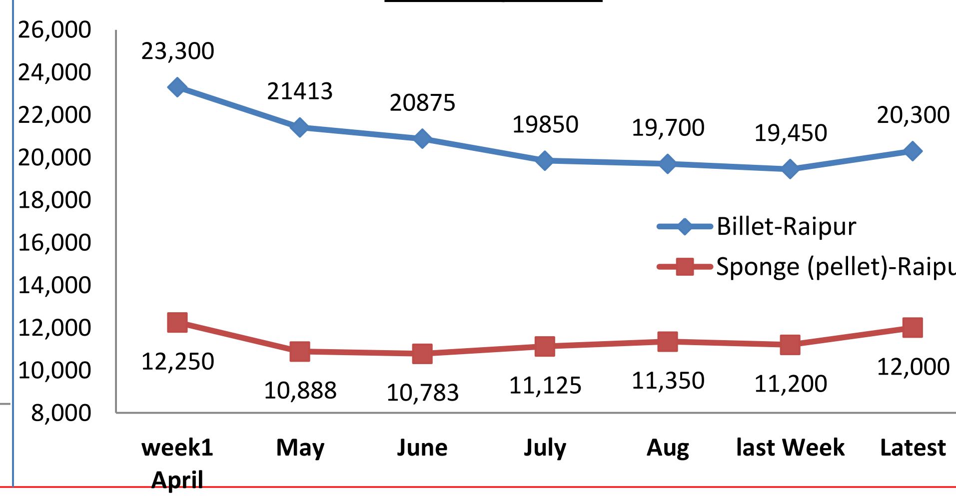
- <u>During Q1, trade spot prices of steel products decreases.</u>
  - Plate prices decreased by 4%
  - HRC prices decreases by 0.2%
  - TMT prices decreased by 9%
  - Wire Rod prices decreased by 11%

- <u>However later the trade prices recovered:</u>
  - Flat Steel: recovered July '16 onward
  - Long Steel: recovered Aug '16 onward
  - Sponge : recovered Aug' 16 onward

Long Price Trend



Semis prices



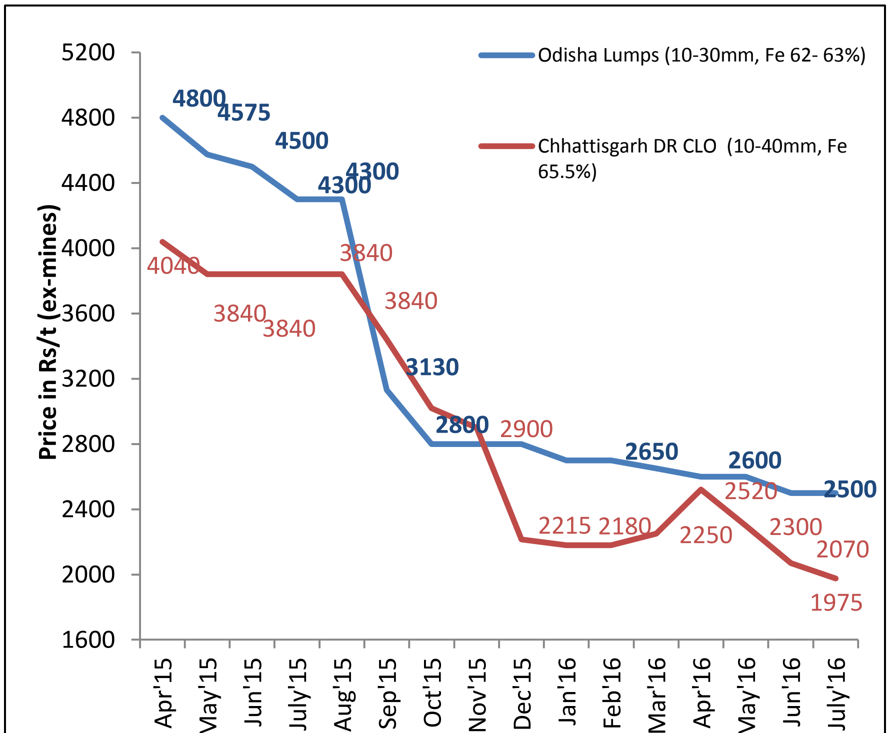
Source: Steel Guru

Domestic Iron Ore prices depicted a declining trend in Q1 FY16-17

Iron Ore Lump Prices

Odisha's iron ore lumps prices decreased by
- ***7.7% since Apr'15***

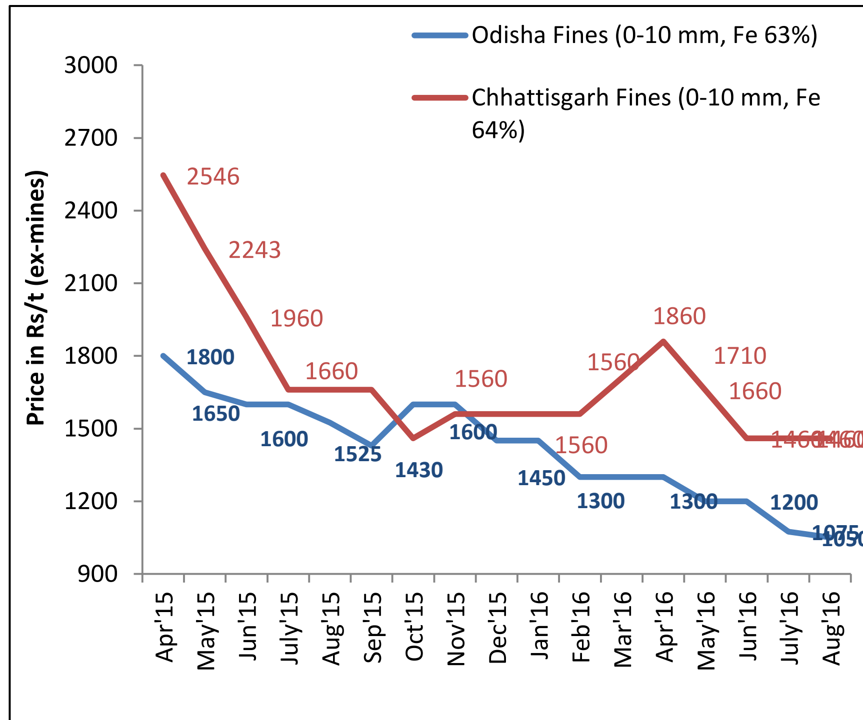
Chhattisgarh's iron ore lumps prices decreased by
- ***19.2% since Apr'15***



Iron Ore Fines Prices

Odisha's iron ore fines prices decreased by
- ***19.2% since Apr'15***

Chhattisgarh's iron ore fines prices decreased by
- 21.2% since Apr'15



Source: Steel Mint

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

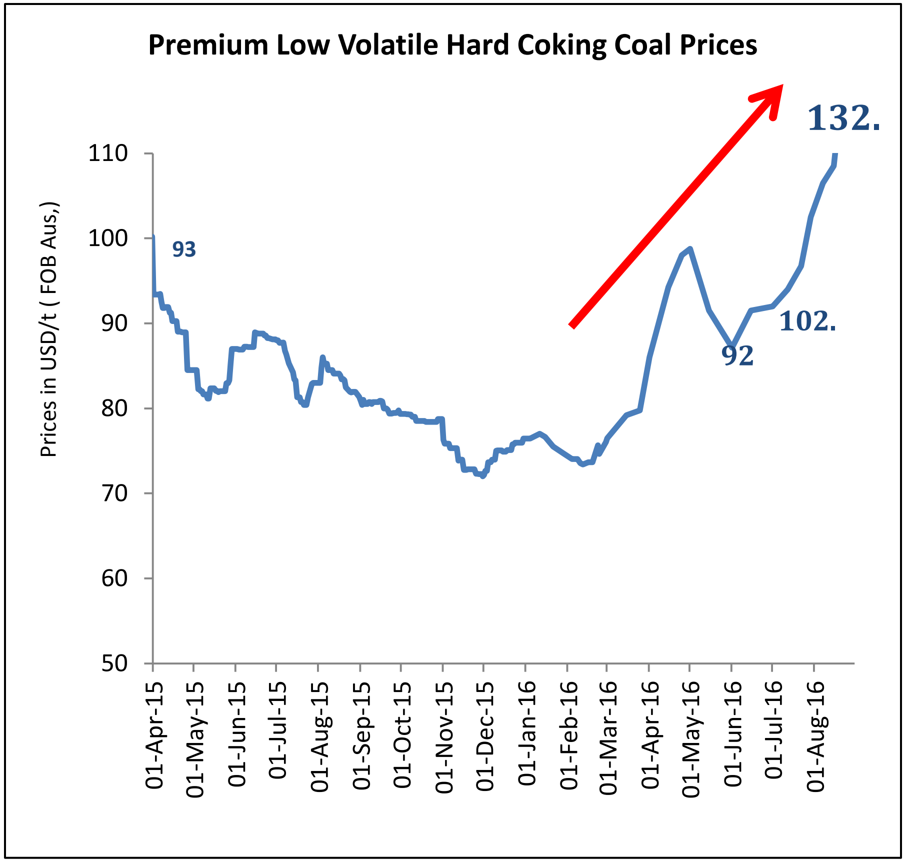
International Raw Material Prices ($ / MT)

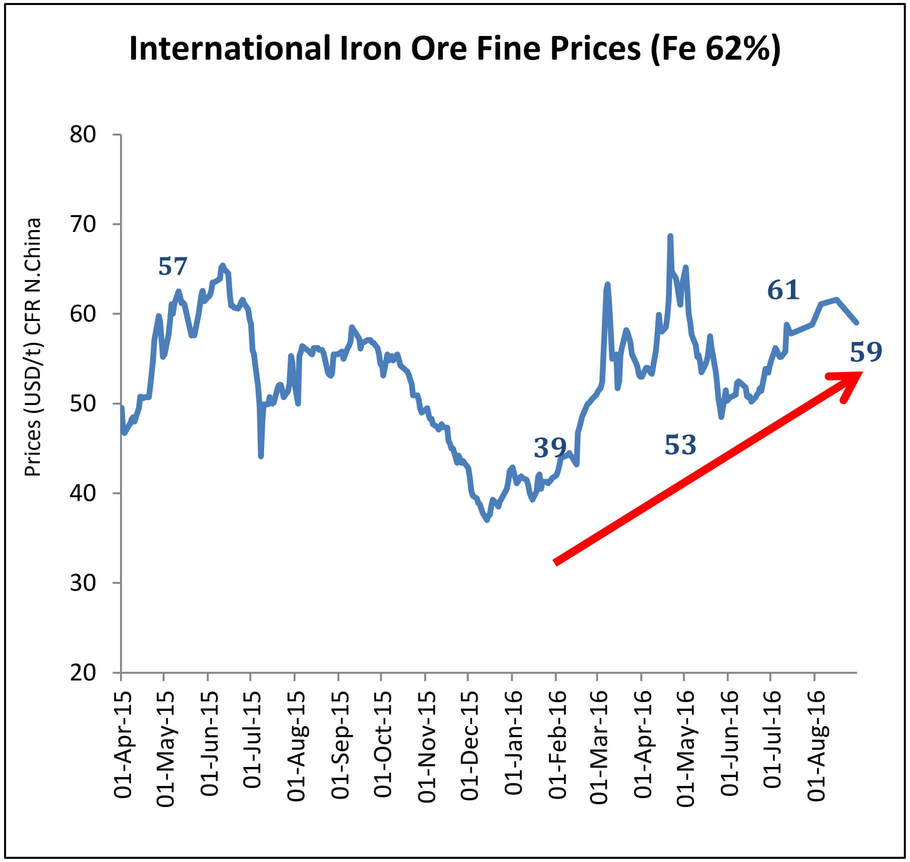
International Coking Coal Prices

- Rose by 54% since Apr, 2016 from $ 86$ to $132

Iron Ore Fines (Fe 62% CFR China)

- Rose by 11% since Apr 2016 from $53 to $ 59

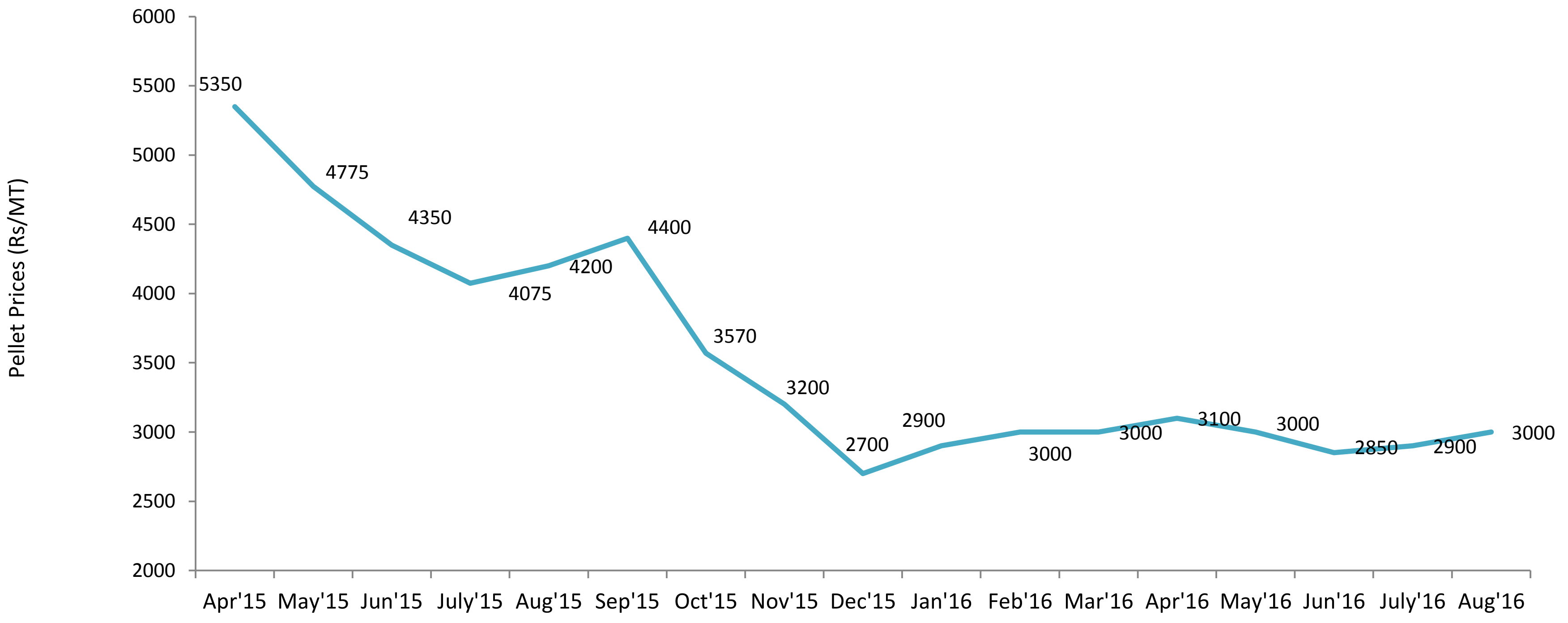




Source: Platts

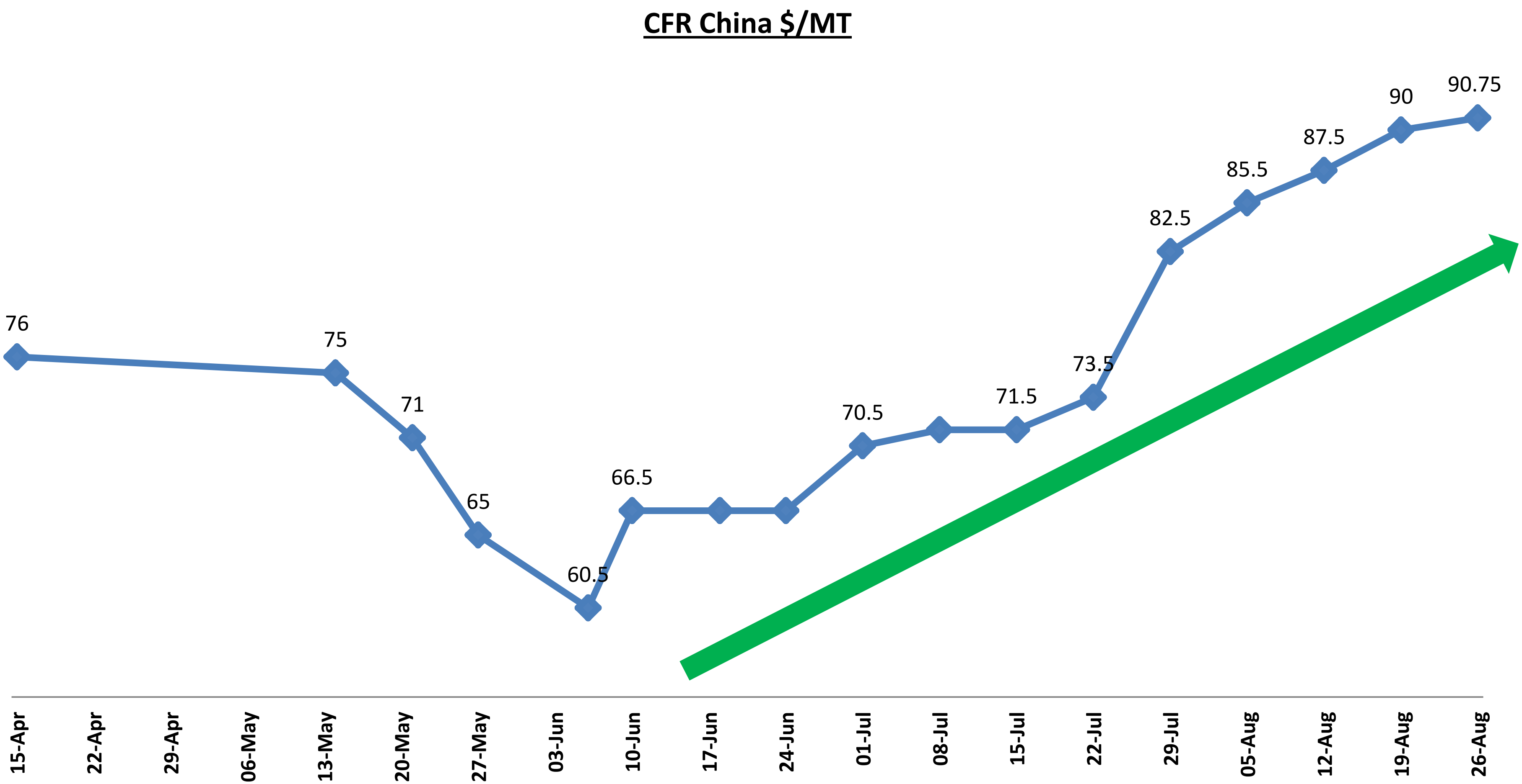
Domestic Pellet Prices stable due to low domestic demand

Due to heavy exports demand for pellets, there is hardly anyone who is offering pellets in the Barbil-Keonjhar region. The prices have firmed up to Rs 3,000/MT (FOR)



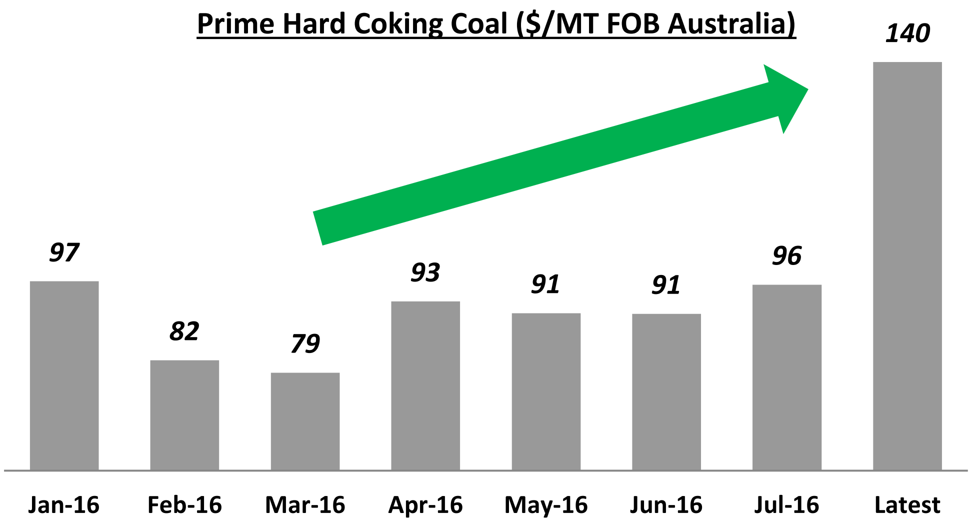
Source: Market Sources

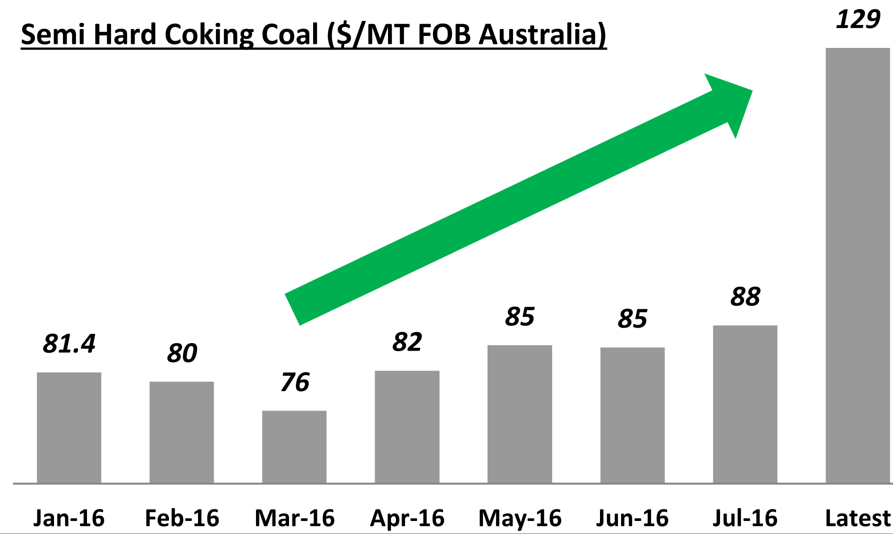
International Pellet Prices firming up since June '16

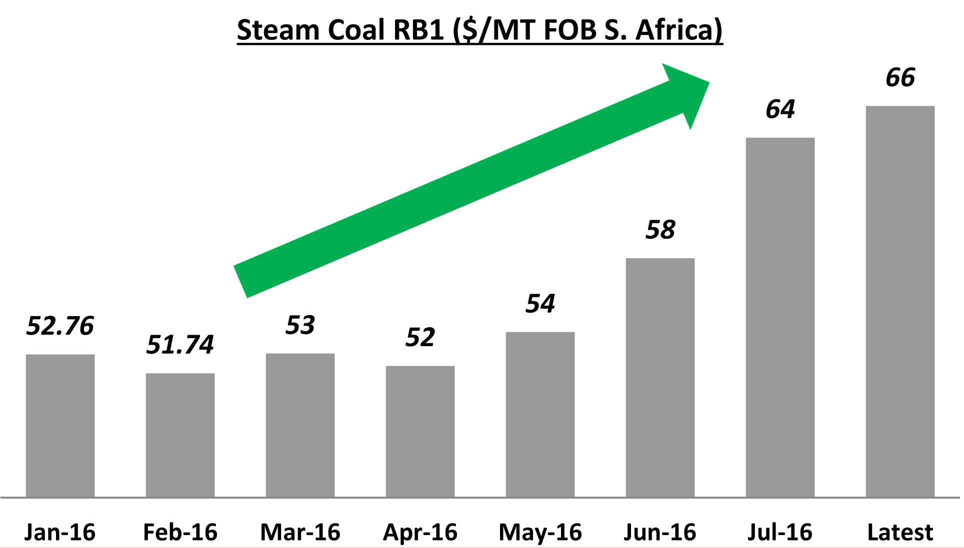


Source: Platts

International Coal : Price Trend







International Coal Prices firming day by day :

(From March '16 till date:)

- Prime Hard Coking Coal: Up by $61/MT (FOB Australia)
- Semi Hard Coking Coal : Up by $53/MT (FOB Australia)
- Steam Coal RB1 Coal : Up by $13/MT (FOB S. Africa)

Source: Platts

INDUSTRY UPDATE
POWER SECTOR

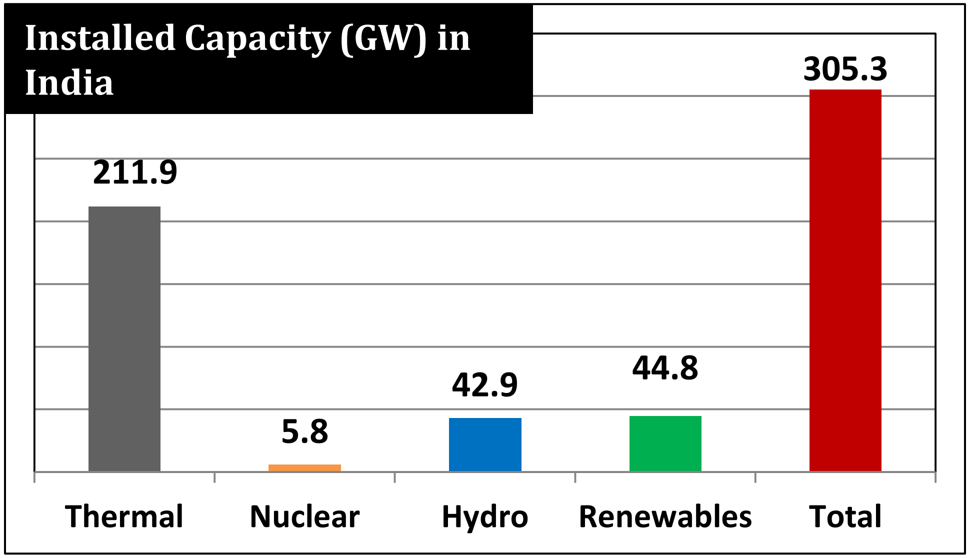
Industry Update - Power

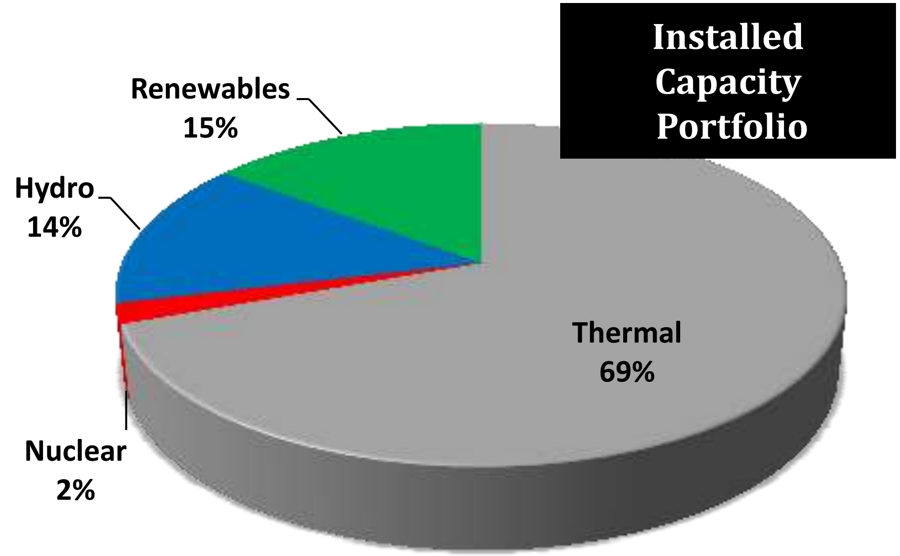
Power

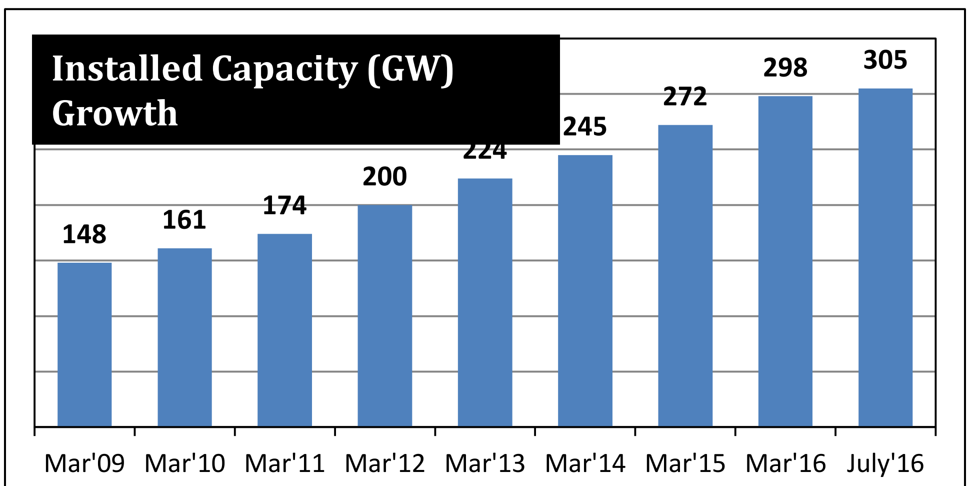
- Power deficit levels continue to decline: The energy deficit at all India level has declined to 0.4% in July 2016 as against 2.0% in July 2015.
- Governments in 16 states (including one union territory) have signed MoUs with Ministry of Power, Government of India for implementation of UDAY
- Supreme Court has upheld the statutory power of SERCs to review tariffs in PPA
- Sustained improvement in domestic coal availability has lowered dependence on imports
- Reverse auction for short term power procurement has benefitted distribution utilities

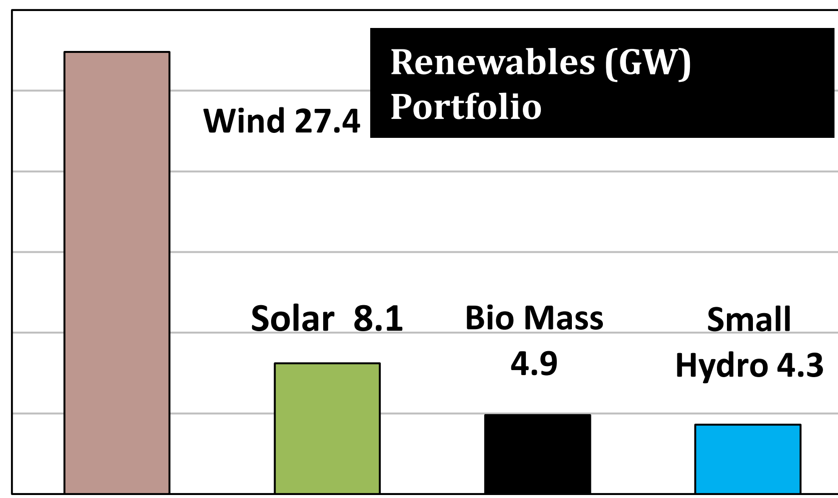
Source: Ministry of Power

Installed Capacity in India *(July 2016)*



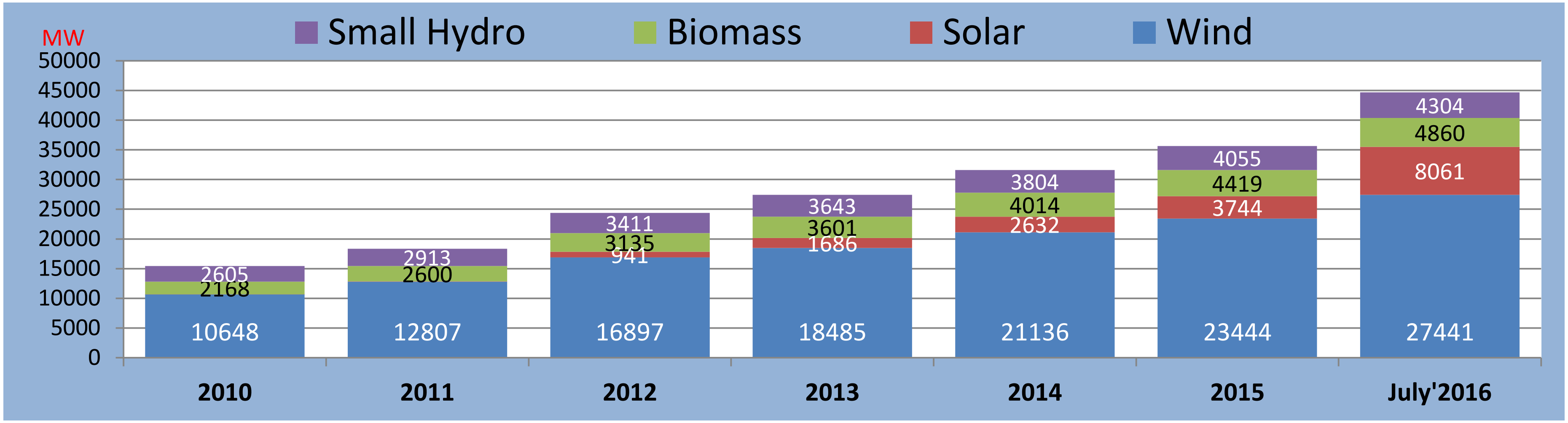






Source: CEA

Growth of Renewables

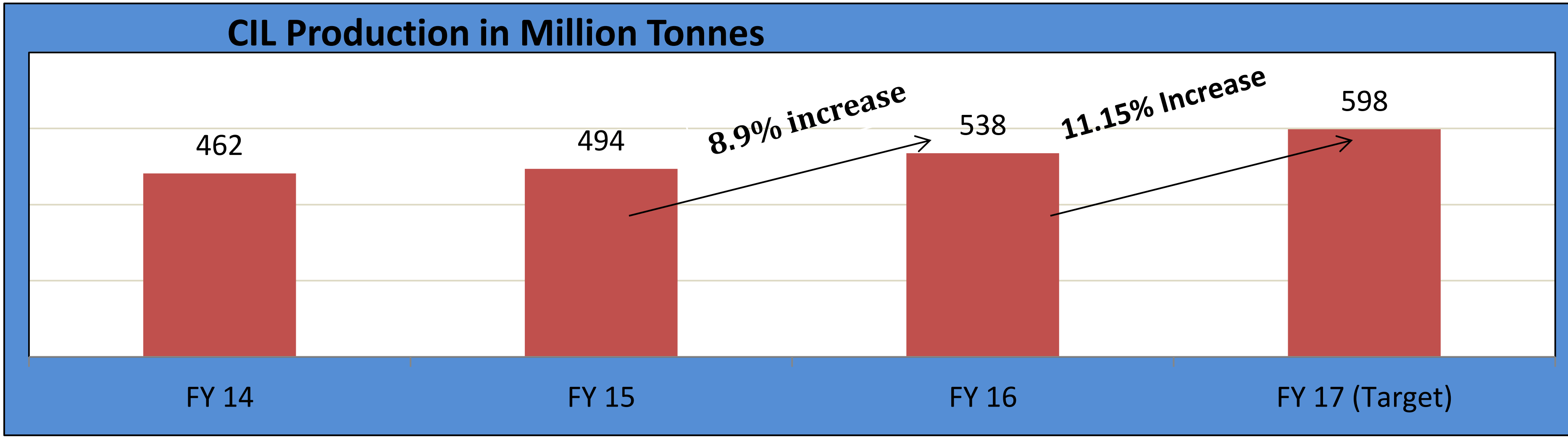


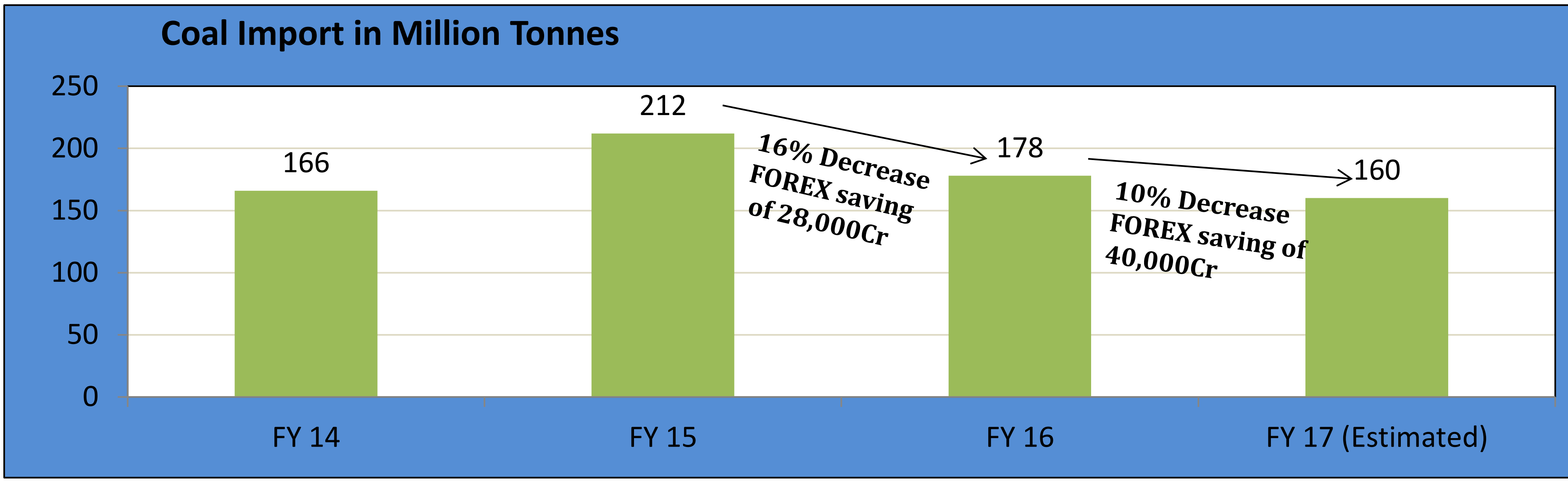
RES Type	% CAGR since 2012
WIND	12.89 %
SOLAR	71.08 %
BIOMASS	11.58 %
SMALL HYDRO	5.99 %

	WIND	SOLAR
Target for 2022	60 GW	100 GW
Target for FY 17	4 GW	12 GW
Additions in Apr-July'16	0.6 GW	1.3 GW

Source: CEA, MNRE

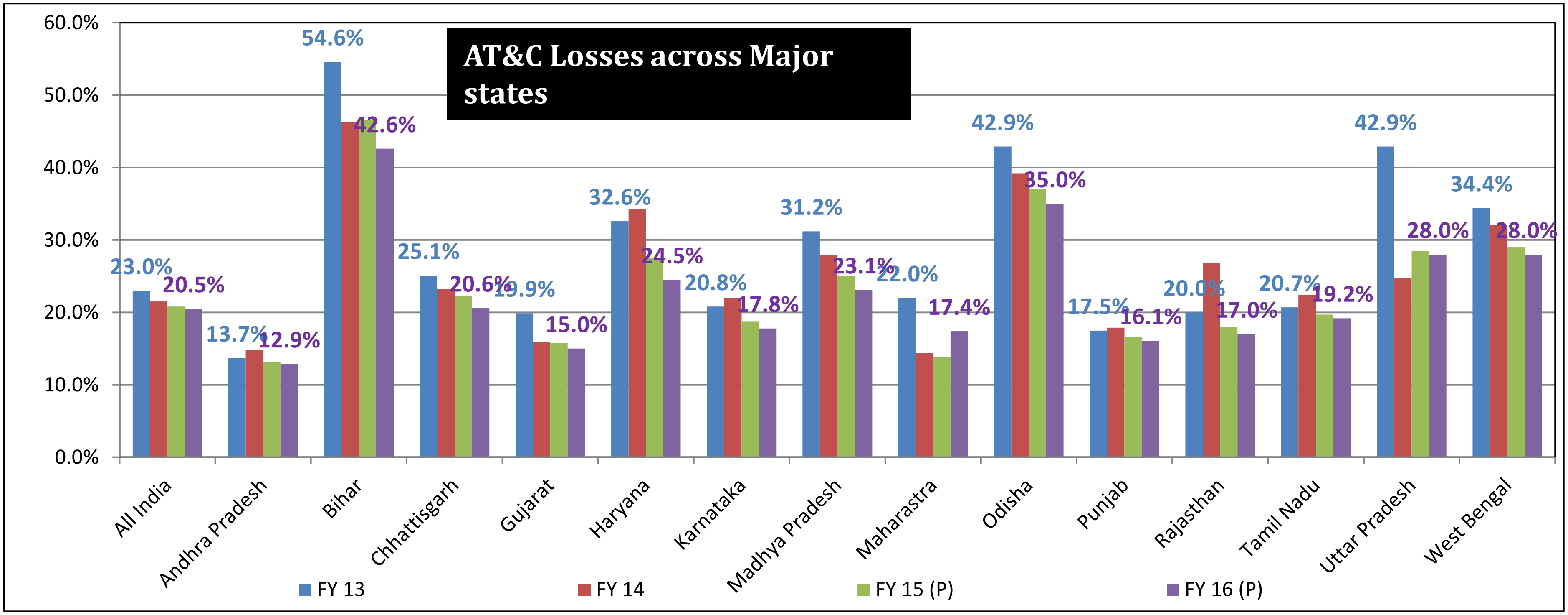
Major Highlights in Coal





Source: Ministry of Coal, CIL

Transmission & Distribution



- AT&C loss levels for DISCOMs vary widely across States, with significantly higher loss levels (>25%) in States such as Bihar, Haryana, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal where a sharp & time-bound improvement in loss level is required
- There is large scope to reduce the AT&C loss levels below 20% across these states. For every 1% reduction in AT&C loss level, the cost of supply would come down by about Rs. 0.08/unit.

Source: PFC, Crisil Research, ICRA Estimates

UDAY Scheme for Financial Turnaround of State Distribution Utilities

Reduction in Interest costs	•Significant state government support mainly in the form of taking over of 75% of discom debt (50% in H2 FY2016 & 25% in FY 2017) by the respective State Governments •Reduction in interest rate for the balance 25% of discom debt which may be issued in the form of discom bonds backed by State Government Guarantee
Lowering Cost of Power	•Steps to reduce cost of power purchase such as improvement in domestic coal supply by Coal India Ltd, rationalization of coal linkages, coal swapping from in-efficient to efficient plants and coal price rationalization based on GCV •This is reflected from the production growth achieved by Coal India Limited during FY2015 (6.9% Y-o-Y) and during 9M -FY2016 (9% Y-o-Y)
Improving Operational Efficiencies of DISCOMs	•Scheme targets to lower the all India AT&C loss level from 22% to 15% for state distribution utilities thereby resulting in savings in cost of supply •The scheme proposes to achieve this through improvements in distribution infrastructure by the way of compulsory smart metering, up gradation of transformers and meters and by promotion of energy efficiency measures
Financial discipline	•Enforcing financial discipline on DISCOMs through an alignment with state finances •States taking over the future losses of discoms from FY 2016-17 onwards in a graded manner

Source: Ministry of Power

PRESENTATION OUTLINE

Q1 '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
4.75 MTPA Steel*	IPP – 3400** MW CPP – 1634 MW Renewable – 24 MW	3.11 MTPA*	2 MTPA Steel 6.25 MTPA Mines	Cement Road solutions LGS

- *Domestic*

***Includes 600 MW - synchronized & will be commissioned in FY16*

Steel Capacities across Life Cycle

Iron Making (6.75 MTPA)	Liquid Steel (6.75 MTPA)	Finished Steel (6.55 MTPA)
DRI 3.12 MTPA	SMS 6.75 MTPA	WRM 0.60 MTPA
BF 2.13 MTPA		RUBM 0.75 MTPA
HBI 1.50 MTPA		MLSM 0.60 MTPA
		Plate Mill 2.20 MTPA
		BRM 2.4 MTPA

BRM in Angul 1.4* - Commissioning in 2QFY17 → Effective Finished Steel 7.95 MTPA

** To be commissioned

Detailed plant wise capacities

Raigarh (Chhattisgarh)
- BF 1.67 MTPA
- DRI 1.32 MTPA
- SMS 3.25MTPA
- 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 2800 MW
- 600 MW*

Mining
- Iron Ore 3.11 MTPA
- Coal Overseas 6.20 MTPA

Power | Hot Metal | Liquid Steel | Finished Steel

** To be commissioned

Steel
Insights into few products…

Head Hardened Rails – India's only Head Hardened Rail Facility

JSPL has commissioned Head Hardened Rail facility at Raigarh Steel facility

HH Rails used for all Metro rails and Western DFCC

HH Rails for High Speed Train Lines

India Currently imports entire requirement

Over 2000 KM Metro rails planned in Tier 1/2/3 cities (e.g. . Delhi / Mumbai / Indore)

Head Hardened Rails – India's only Head Hardened Rail Facility

HH Rail Facility at JSPL Raigarh

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

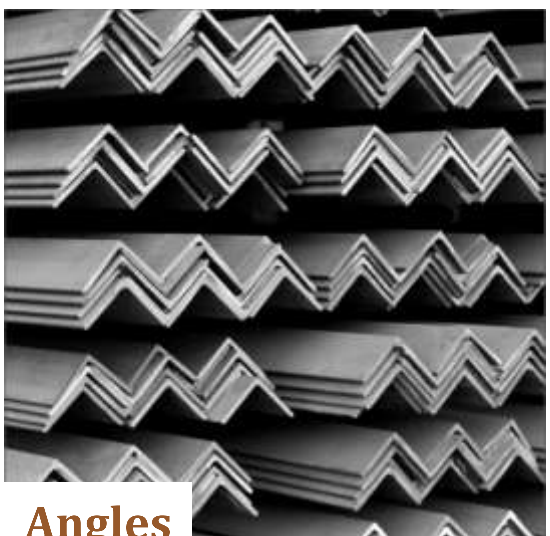
India’s first manufacturer of Parallel Flange Beams

Product Range

Columns

Beams

Channels



Angles

Track & Crane Rails

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

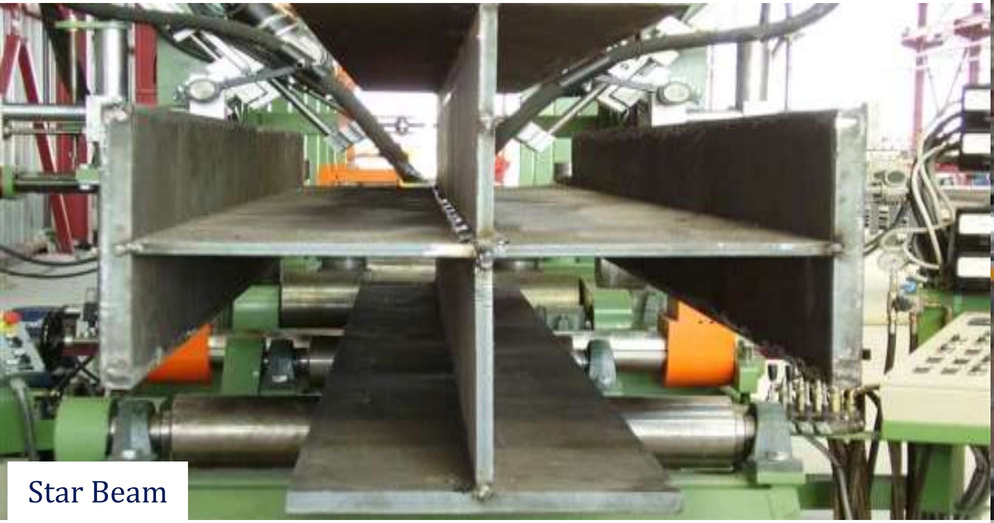
Prefabricated Steel – India's biggest & most versatile prefab facility

- **200+ Acres facility**
- **2 lakh MT per annum capacity**

Segments Served

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

Prefabricated Steel



Star Beam

Drilling & Sawing, FICEP

Heavy Structure Blasting

Paint Booth

MULTIPLEX

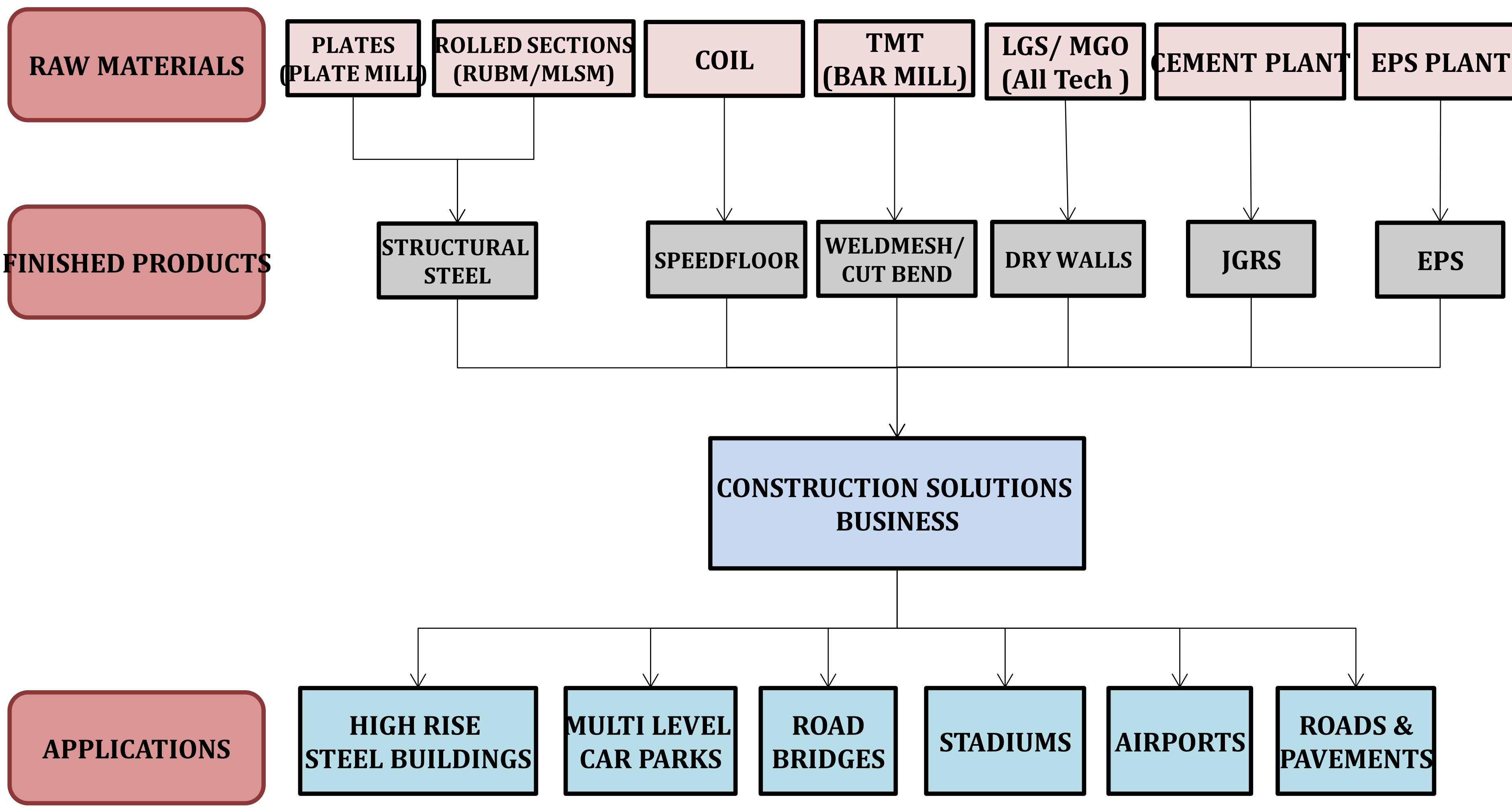
HOSPITAL

CONSTRUCTION SOLUTIONS BUSINESS

High-Rise Building

AIRPORT

CSB offers solution package of all JSPL's products to various target markets



Chenab Bridge

Located between Bakkal and Kauri in J&K,
Will be 1,315m-long with a 480m-trussed arch span
JSPL Steel supplied for this project

Ready to Use Steel

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

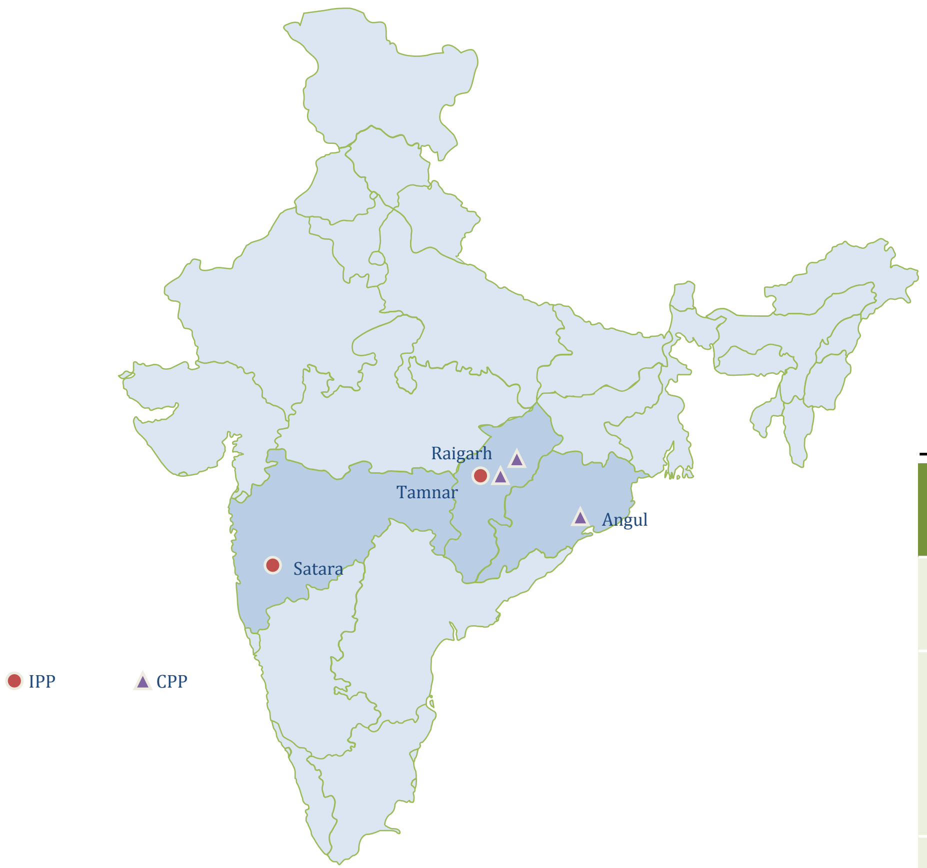
Products

- **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	1,800 MW operational, balance 600 MW synchronized
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

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*)

*600 MW Synchronized, Await Commissioning

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)	KSEB	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)	Chhattisgarh	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)**

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

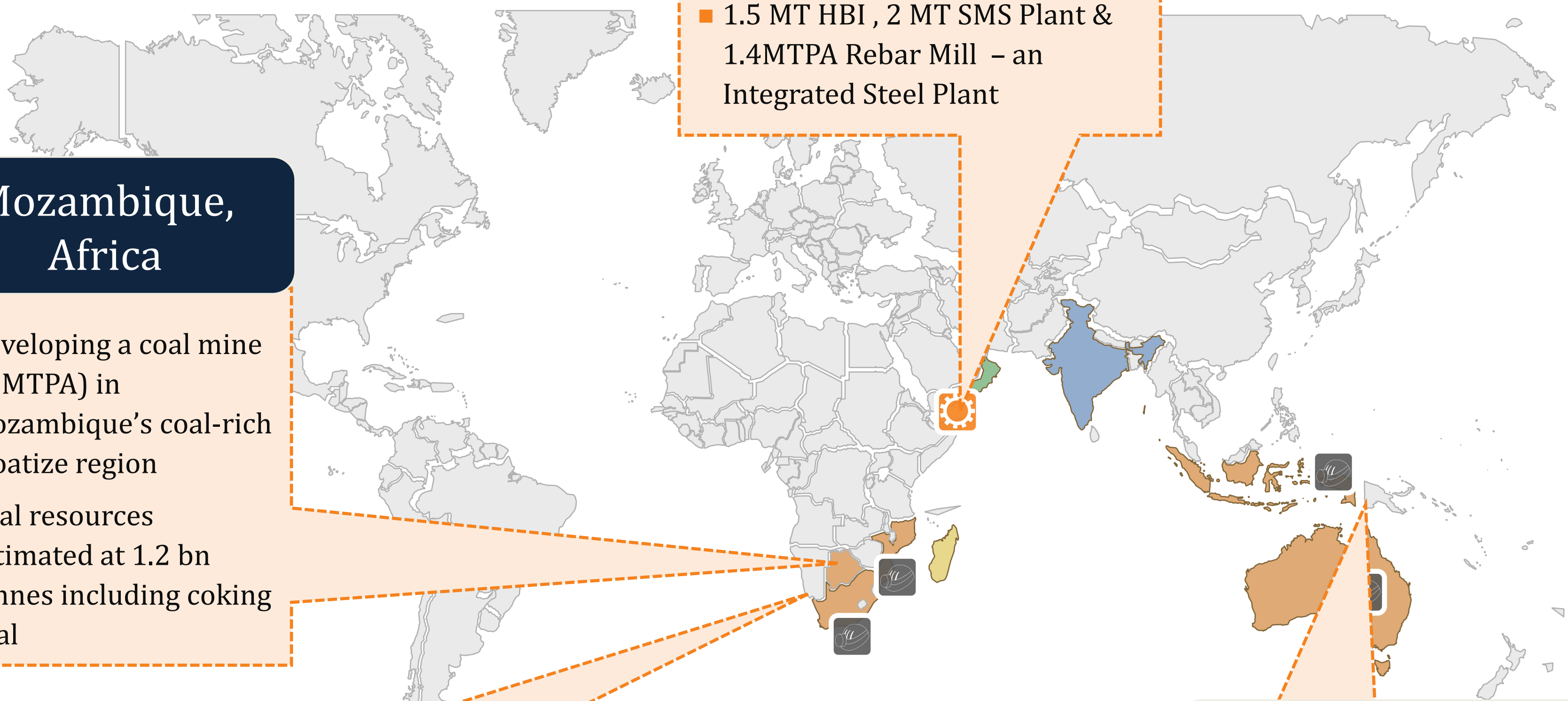
Raw materials, transmission & PPAs in place for achieving higher PLF

Upcoming PPAs

Procurer	Type	Quantum (MW)	Schedule delivery	Tenure (years)
Uttar Pradesh	Long Term	2,800	Oct-16	15
Bihar	Long Term	500	3 year after submission of RFP	NA
Uttar Pradesh	Long Term	1,000	Oct-16	15
Railways	Medium/Long Term	210/180	Apr-17	1/12

JPL - Well placed on account of low capital cost base

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 coal mine (3 MTPA) 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 (Erstwhile Gujarat NRE coking coal Limited)

Holding structure for global operations

- **Jindal Steel & Power Ltd** — Listed Operating Entity in India
  - **Jindal Steel & Power (Mauritius) Ltd** — Holding company for overseas business
    - Oman — 2 MTPA Steel plant
    - Australia — Coking Coal
    - South Africa — Anthracite Coal
    - Mozambique — Thermal/ Coking Coal

Jindal Shadeed Iron & Steel, Oman

Fully Integrated Steel Plant

1.5 HBI → 2 MTPA SMS → 1.4 MTPA Rolling Mill

Salient Features

- First & Largest Integrated steel plant of Oman
- Third largest in Arabian Peninsula
- Port based steel plant
- Largest Arc furnace in Arabian Peninsula, with contracted natural gas
- Worlds Best Performing Midrex plant (category 1.5MTPA)
- Products : TMT Bars , HBI, Blooms & Billets

1.4 MTPA Rebar Mill

- Total Project Cost: Around USD 225 million
- Commercial production started in 1Q FY 2017

PRESENTATION OUTLINE

Q1 FY'17

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

Performance highlights

India's first Head Hardened Rail facility commissioned at Raigarh

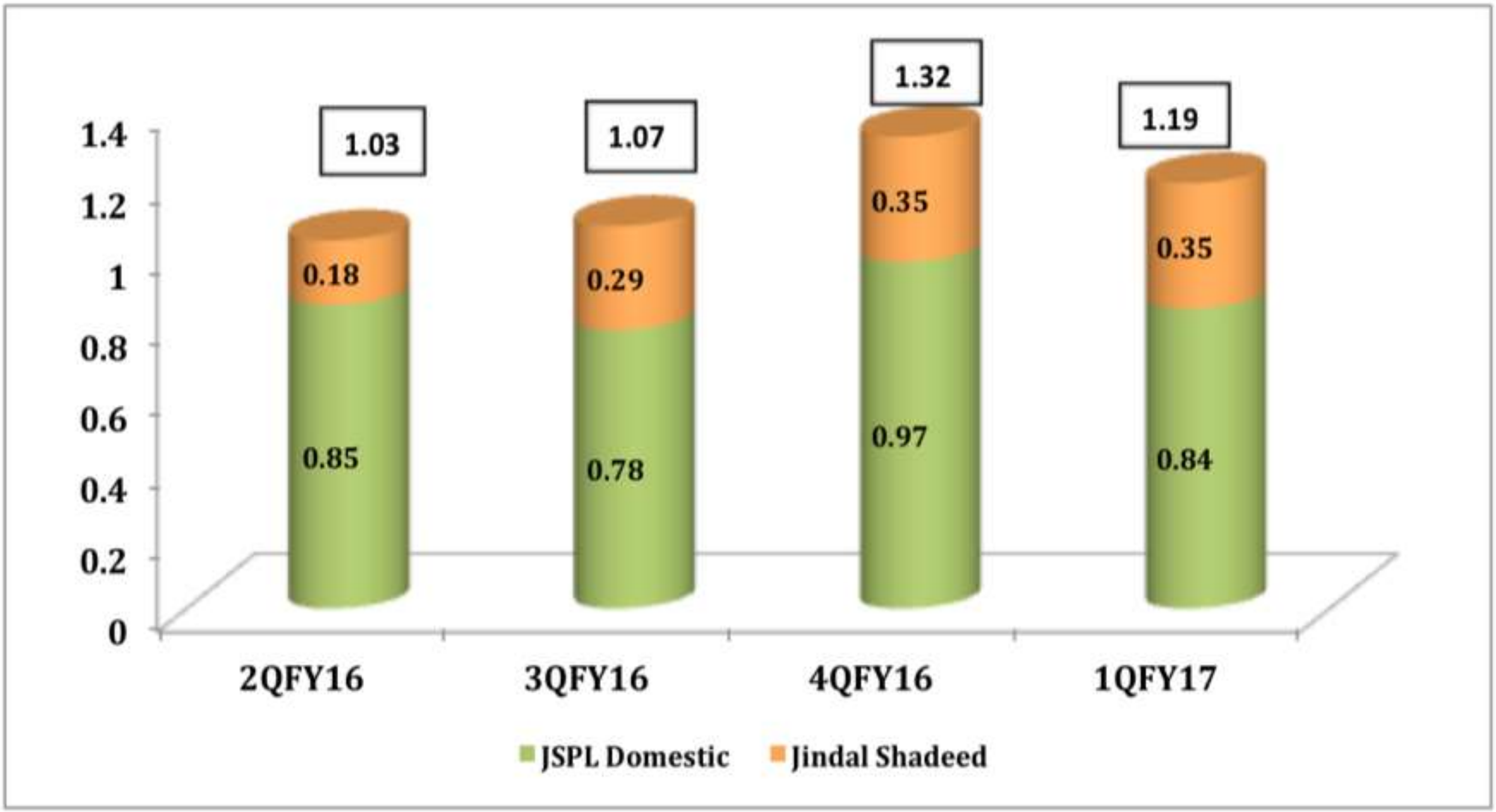
1.4 MTPA Rebar mill commissioned in Angul

JSPL develops Special Steel grades for Automotive, Rails and Defence segments

6X increase in Barbil pellet external sales YoY

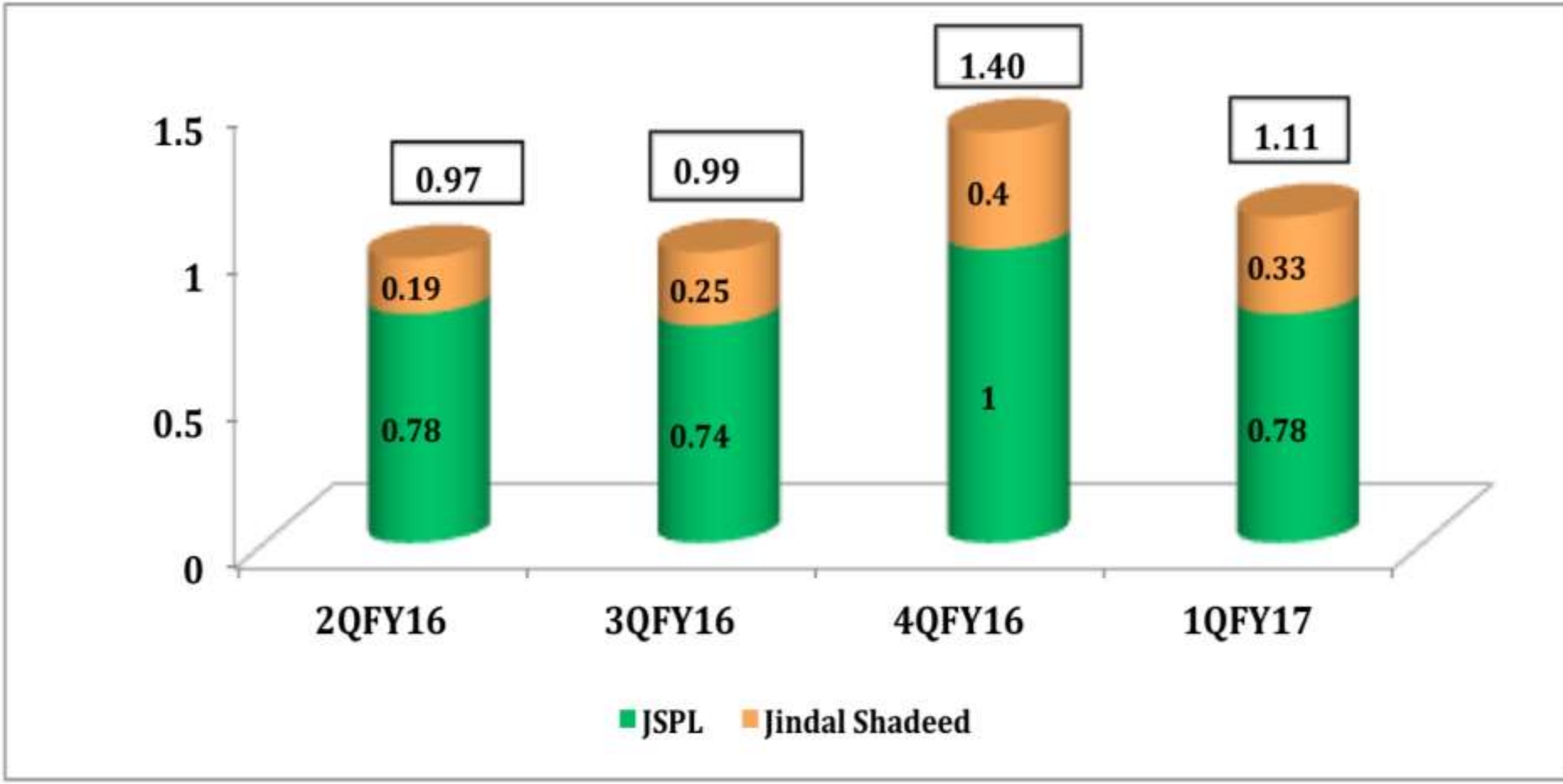
Commencement of 165MW power supply to Kerala under Long Term PPA from 1st June

Consolidated Steel Production



*Quarter on Quarter

Consolidated Steel Sales Volumes



Key Customers & Adding…

CPWD	NPCIL	कोंकण रेलवे कॉर्पोरेशन लिमिटेड KONKAN RAILWAY CORPORATION LTD.
Bureau of Indian Standards	पावरग्रिड	INDIAN RAILWAYS
एनटीपीसी NTPC	इंडियनऑयल IndianOil	रेल विकास निगम लिमिटेड Rail Vikas Nigam Limited (A Government of India Enterprise)
JUSCO A TATA Enterprise		ircon
SIMPLEX INFRASTRUCTURES LTD	ADITYA BIRLA UltraTech	Indiabulls Indiabulls Power Limited.
LARSEN & TOUBRO It's all about Imagineering	vedanta	JSW ISPAT STEEL LIMITED
	SEPCOI Electric Power Construction Corporation	JAYPEE GROUP
नालको NALCO A Navratna Company	बी एण्ड आर B AND R	DG MAP In Pursuit of Excellence

DELHI METRO RAIL CORPORATION LTD.		NHAI
बी एच ई एल BHEL	RELIANCE	IMMA
	LANCO	GL Group
viraj projects	Punj Lloyd	HP
FLSmidth	BANSAL INFRATECH SYNERGIES INDIA LTD (Powered by Professionals)	LODHA BUILDING A BETTER LIFE
ESSAR	MAHARASHTRA SEAMLESS LIMITED	ABG
इंजीनियर्स इंडिया लिमिटेड ENGINEERS INDIA LIMITED Delivering Excellence through People	Indian Boiler Regulations - 1950	mbe McNally Bharat

PRESENTATION OUTLINE

Q1 FY'17

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

FINANCIAL PERFORMANCE

Standalone Q1 FY 17 –Snapshot of Key Financials

Particulars	Q1 FY 17	Q1 FY16	Q4 FY 16	% Y-o-Y	% Q-o-Q
Total Revenue	3,124	3,126	3,436	0%	-9%
EBITDA	659	706	667	-7%	-1%
EBITDA %	21%	23%	19%		
Depreciation	489	636	483	-23%	1%
Finance Cost	601	690	644	-13%	-7%
Profit/(Loss) before tax(PBT)	(431)	(584)	(461)	26%	7%
Tax	(154)	(213)	(222)		
Profit/(Loss) after tax (PAT)	(277)	(371)	(239)	25%	-16%

Consolidated Q1 FY 17 –Snapshot of Key Financials

Particulars	Q1 FY 17	Q1 FY16	Q4 FY 16	% Y-o-Y	% Q-o-Q
Total Revenue	4,655	4,406	4,915	6%	-5%
EBITDA	984	1,009	888	-2%	11%
EBITDA %	21%	23%	18%		
Depreciation	917	996	1,184	-8%	-23%
Finance Cost	853	852	859	0%	-1%
Exceptional Item	(625)		113		
Profit/(Loss) before tax (PBT)	(1,380)	(753)	(972)	-83%	-42%
Tax	(141)	(194)	(376)		
Profit/(Loss) after tax (PAT)	(1,240)	(559)	(596)	-122%	-108%

JPL – Snapshot of Key Financials

Particulars	1QFY17	4QFY16	1QFY16	%YoY	%QoQ
Net Sales	668	692	616	8%	-3%
EBITDA	182	119	180	1%	53%
EBITDA%	*27%*	*17%*	*29%*		
PBT	(217)	(475)	(54)	302%	54%
Profit/(Loss) after Tax	(217)	(332)	(70)	-410%	35%
Depreciation + Amortization	322	647	243	-233%	-50%
Cash Profit	104	204	185	-44%	-49%
Generation (MU)	2171	2358	1875	16%	-8%
PLF (%) - 4X250 MW	51%	61%	45%		
PLF (%) - 3X600 MW	27%	26%	23%		

Focus Areas

- Improvement in NSR and EBITDA
- Continued cost reduction campaign
- Completion of Angul Phase 1B
- Sweat the Assets – Achieve 100% Capacity utilization
- Reduce Debt
- Secure PPA for entire JPL Capacity
- Renewed thrust on exports
- Continued focus on reduction of working capital
- Focus on “Value Added Products”

For any information please contact: -

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THANK YOU