



Q3 Performance Highlights – FY 14

Jindal Steel and Power Ltd

28th January, 2014

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JINDAL STEEL & POWER LTD.
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This presentation contains certain forward looking statements concerning JSPL's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance.

The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

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- ❑ JSPL barring the challenge of virtual nil growth in steel industry; sagging power demand & merchant rates and additional burden of depreciation & interest costs caused by major capacity expansion projects undertaken during 2013-14, put up an impressive performance during Q3 FY14.

- ❑ JSPL Consolidated turnover during Q3FY14 grew by 8% and 12% compared to Q2FY14 and Q3FY13 respectively. The company's Profit after Tax (PAT) recorded an increase of 23% over the previous quarter but was lower by 36% compared to the same quarter last year. EBITDA levels in Q3 FY14 increased to 31.6% compared to 29.2% in Q2 FY14.

- ❑ JSPL (Standalone) saw its volume grow by 4% over Q3 FY13, while in value terms its turnover marginally dropped by 1% due to a changed product mix. Steel Business's Net Price Realization increased by 2.5% and 4% over Q3 FY13 and Q2 FY14 respectively. The Q3 FY14 PAT of JSPL (Standalone) increased by 42% compared to the previous quarter this year but it fell short of the same quarter in FY13 by 30% due to increased burden of interest & depreciation of the recently commissioned Angul Steel Plant.

- ❑ The Company maintained its tempo of growth in both exports and retail business. While exports in Q3 FY14 grew by 9% in volume terms, retail business grew by a whopping 78% compared to the previous quarter. The Company by the end of December 2013 has spread its distributor network to cover the entire country and had appointed 41 distributors & 875 dealers.
- ❑ During Q3 FY14 JSPL further commissioned new downstream units and introduced several new product lines. The Company intends to take capital upgradation work at its Raigarh facility during Q4 FY14. Production and dispatches from the Steel Melt Shop (SMS) and Plate Mill in Angul also witnessed major growth. The Company's continued focus on "Capital Efficiency" programme saw impressive reduction in inventories which dropped to all time low and debtors decline by 20% compared to Q2 FY14.
- ❑ Jindal Power Ltd (JPL), JSPL Group's subsidiary saw another quarter of high operational performance with PLF at 95.8% compared to 81% of Q3FY13. JPL's turnover and PAT increased by 9% and 4% respectively over Q3 FY13. It also completed the second 600 MW unit of Tamnar Phase II and is all set to complete the third unit before March 31, 2014.

- ❑ JSPL acquired a majority stake in NRE – Gujarat (GNRE), a company based in Australia producing Prime Quality Hard Coking coal, which will further enhance JSPL's input material security. Integration of GNRE however negatively impacted JSPL's PAT by Rs 69 Crores
- ❑ JSPL Global Ventures with the exception of Gujarat NRE, performed well with revenue in Q3 growing by 71% compared to the same quarter in FY13. Company's Oman unit sold a record quantity of nearly 500,000 MT of HBI which was 48% higher than the volume sold in Q3 FY13. Oman operations' turnover in Q3 FY14 at US\$ 171 million was 45% higher than Q3 FY13. Production volume of Anthracite (ROM) in JSPL's South African mines increased by 21% on Q3 to Q3 basis.
- ❑ JSPL's Angul Steel project remains on track, although small delays were caused due to external interference with the execution of water supply works. 1st Phase of Angul Project will be fully ready before the end of Feb 2014. New Pelletization plant of 4.5 MPTA is progressing well and will go into commercial production by the end of Feb 2014.



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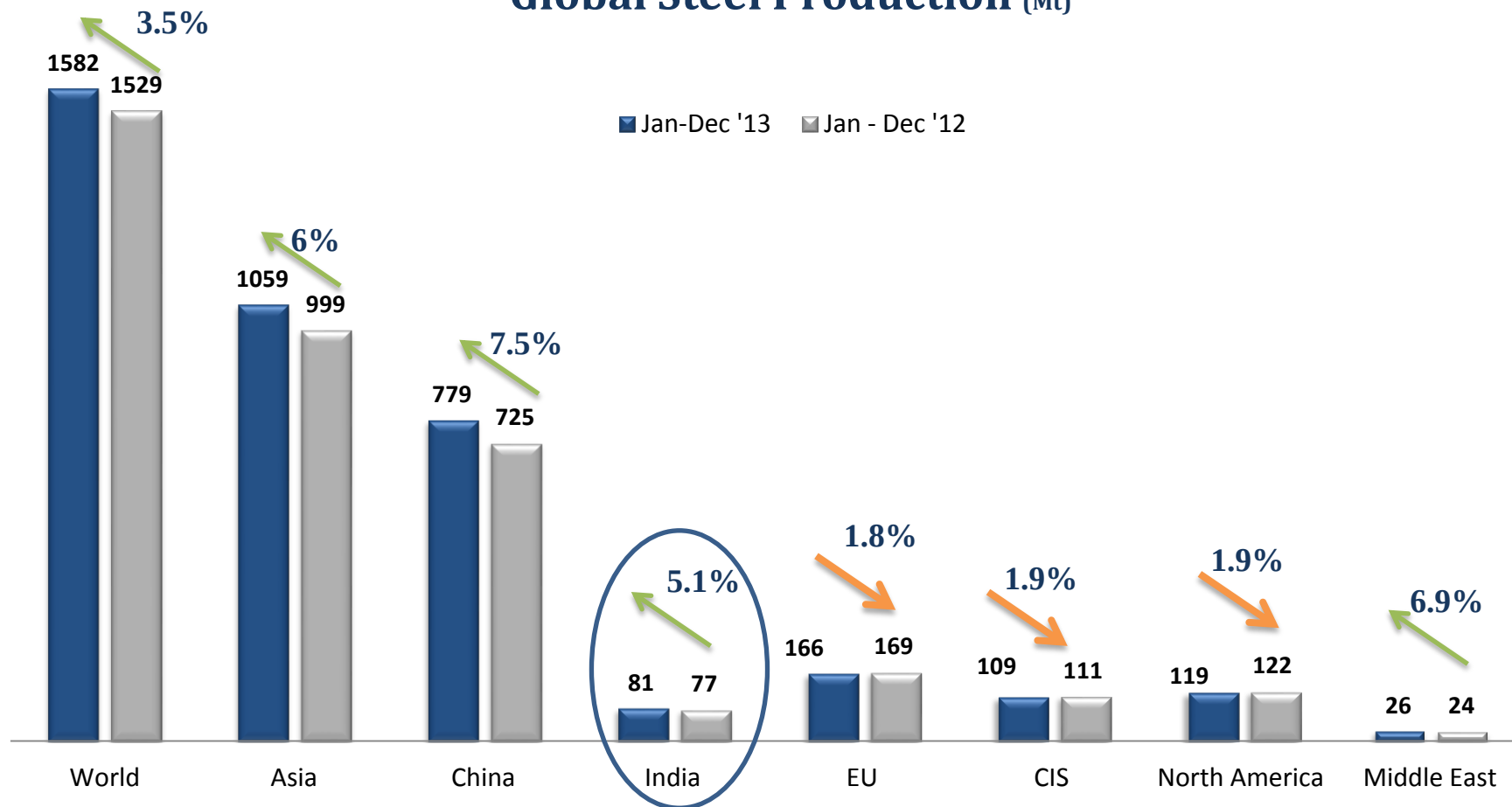
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Global Steel Production (Mt)

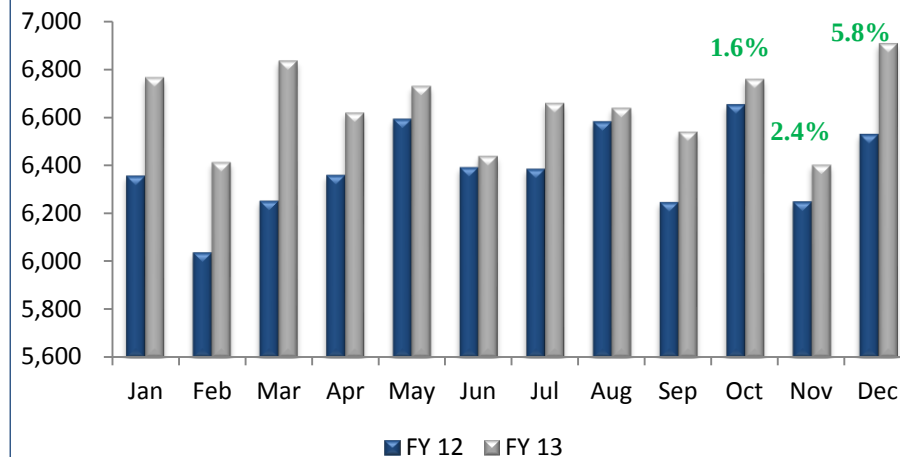


Source: WSA

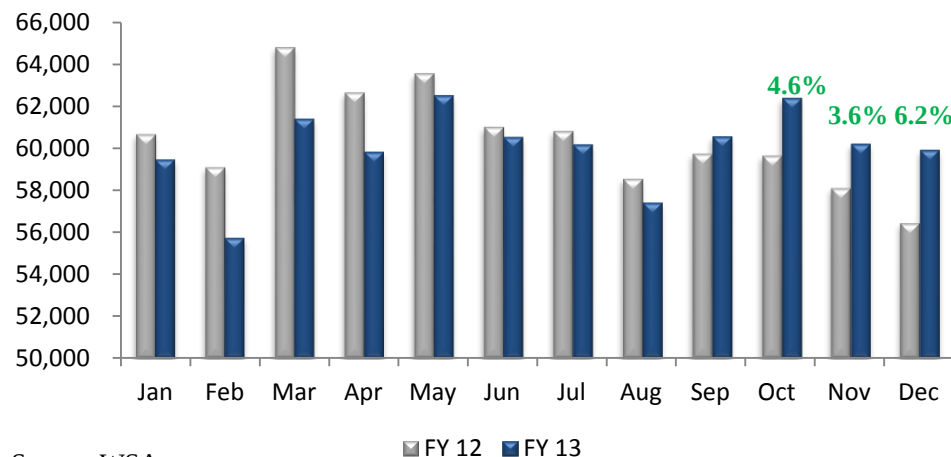
India's steel production (Jan-Dec'13) up by 5.1% (y-o-y)

India's Production in Q3 FY'14 (Oct-Dec'13) up by 3.3% (vs Q3 12-13)

India ('000 MT)



Rest of the World ('000 MT)



Rest of the World (other than China & India) Steel Production (Jan – Dec'13) down by 0.7% (y-o-y)

For H1 (Jan-Jun'13), Rest of World's production down by 3.3% (vs H1 12), while for H2 (Jul-Dec'13) production up by 2.1% (vs H2 Jul-Dec '12)

Indian Steel Scene: April – Dec'13		
	Qty (MT)	% Change*
Crude Steel Production	59.33	1.8
Import	4.09	(29.20)
Export	4.14	9.5
Real Consumption	53.79	0.5

* over same period of last year

- ❑ **Crude Production:** During April-Dec '13, crude steel production was 59.332 million tonnes (mt), a growth of 1.8% year-on-year (y-o-y).
- ❑ **Imports:** Import of total finished steel showed a southward trend, declining by 29.2% yoy in April- Dec'13 (y-o-y)..
- ❑ **Exports:** Export of total finished steel was up by 9.5% during April-Dec '13 (y-o-y)
- ❑ **India emerged as a net exporter of total finished steel in December 2013 as well as April- December 2013**
- ❑ **Steel Demand:** India's real consumption of total finished steel was up by 0.5% in April-Dec' 13 (y-o-y), impacted by the slowdown in the domestic economy (as reflected in the poor performance of the IIP and infrastructure index, both)
- ❑ *Steel Industry impacted by factors like slowdown in domestic economy, exchange rate volatility, relative prices, global downswing and bilateral agreements among others*

Amending Mega Power Policy 2009 for provisional mega power projects

- Developer has to tie up 65% of installed capacity through competitive bidding and upto 35% under regulated tariff as per specific host state policy
- It would be one time and limited to 15 projects which are located in the States having mandatory host State power tie up policy of PPAs under regulated tariff
- Max time period is 60 months instead of 36 months from date of import for furnishing the final mega certificates to tax authorities

CCEA has approved the supply of coal to 9 out of 24 units for the delay in development of coal blocks due to Go No-Go by MoEF

- 9 units out of 24 TPPs with Tapering linkages within 78000 MW to get coal supplies for a period of 3 years (Till 30.09.2016) or for the period they were affected by the Go No-go Policy thru FSA

Southern Grid synchronously connected with the National Power Grid

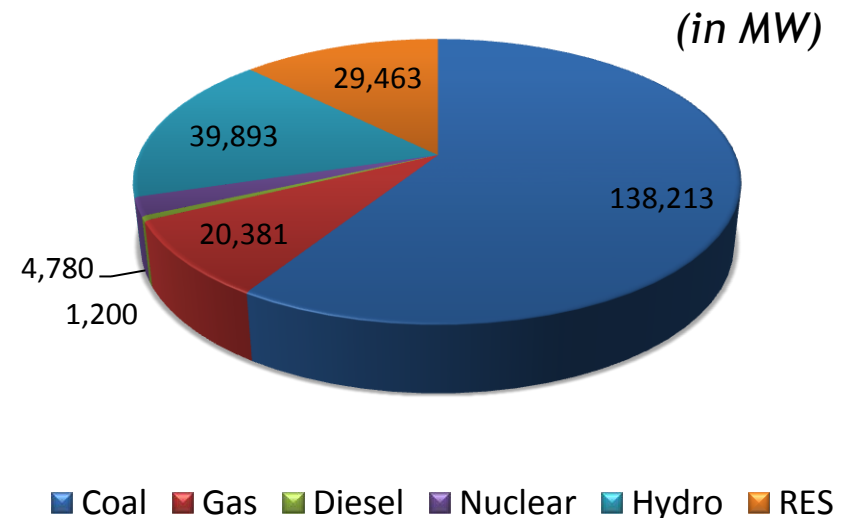
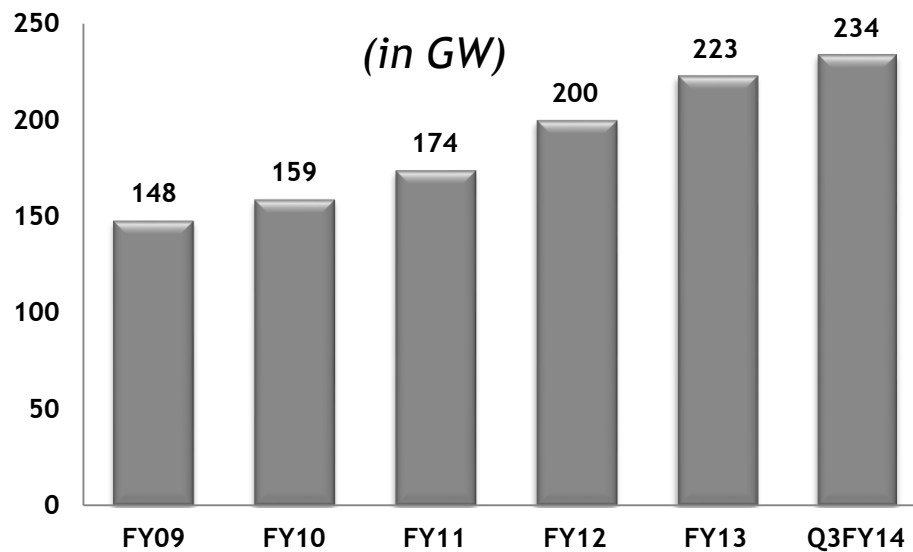
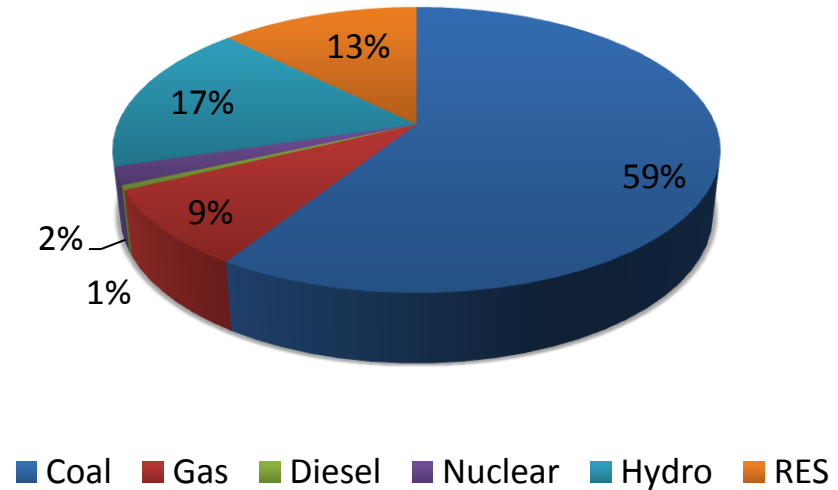
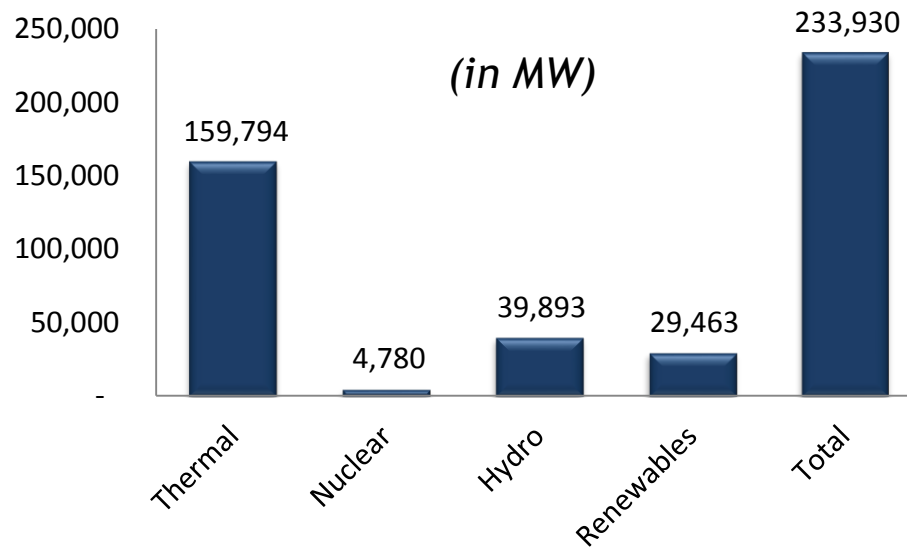
- Southern grid connectivity was achieved 3 months ahead of schedule with the commissioning of 765 Kv Raichur-Sholapur Transmission line on 31st December, 2013
- Indian power system becomes one of the largest operating synchronous grids in the world

PFC has started the bidding process for 2 UMPPs in Odisha & Tamil Nadu, ending the 5 year of uncertainty.

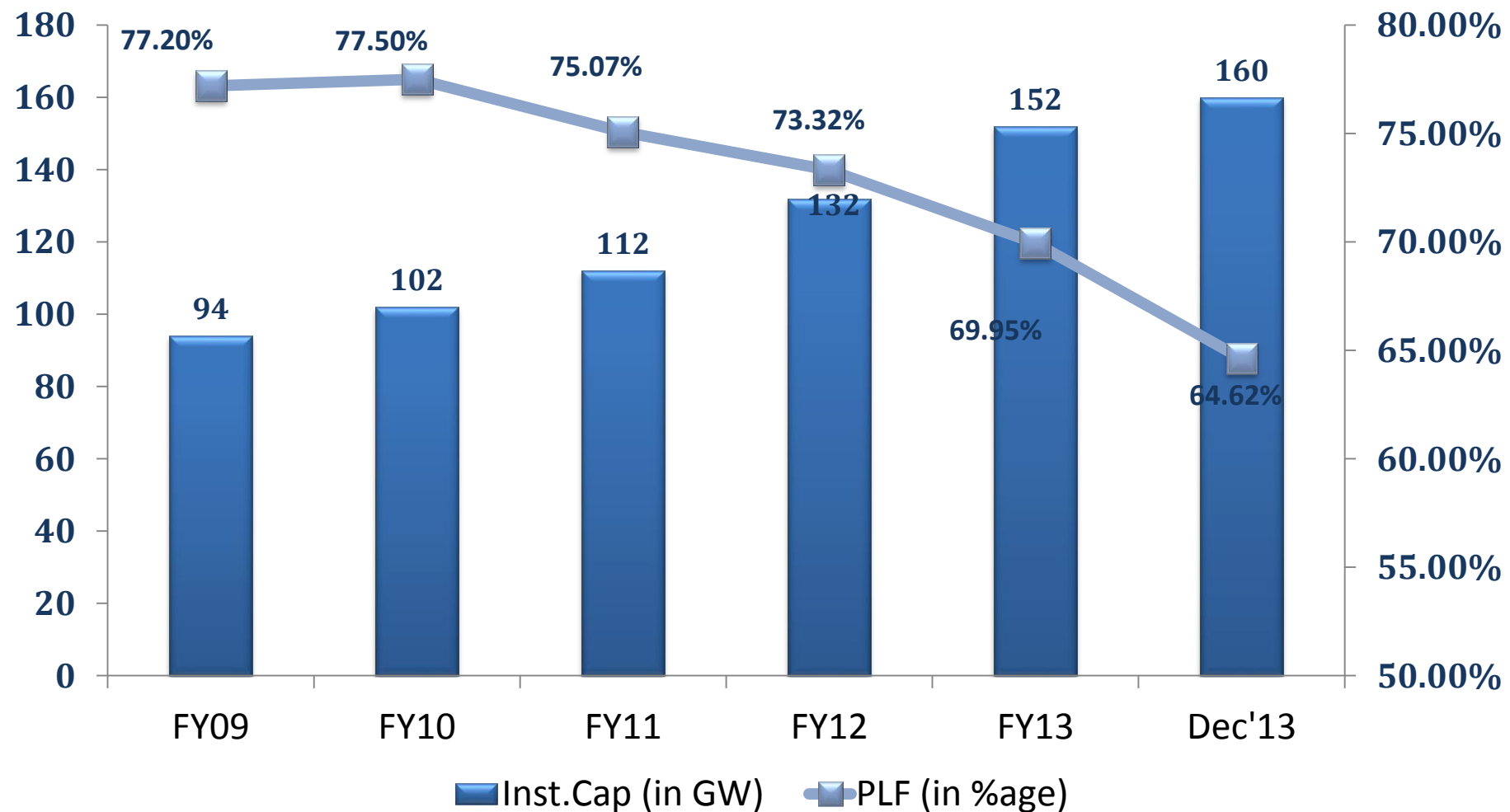
- 9 applications have been received for Odisha UMPP and 8 for Cheyyur (Tamil Nadu), the bids for which will be opened on 26th February, 2014
- These projects are also being seen as a test case for the new design, build, finance, operate and transfer (DBFOT) model; unlike the earlier build, own, operate (BOO) model. It will create a lot of financing problems.

Power Scenario – Installed Capacity

(as on 31st Dec'2013)



Growth in Thermal Capacity Vs PLF%





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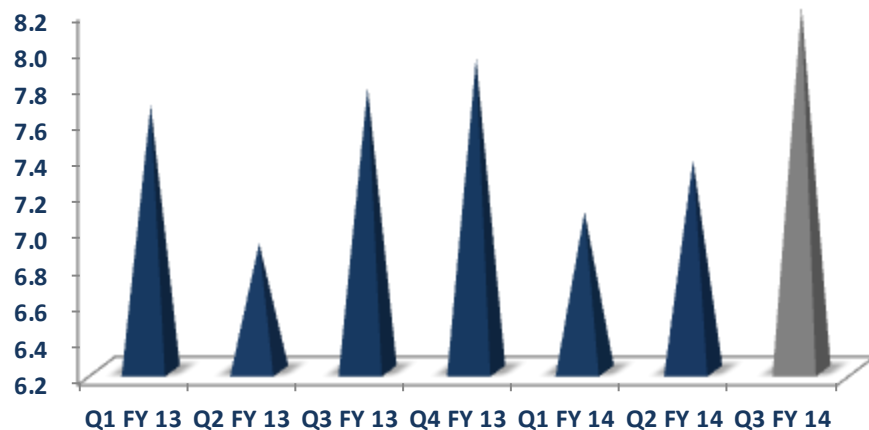
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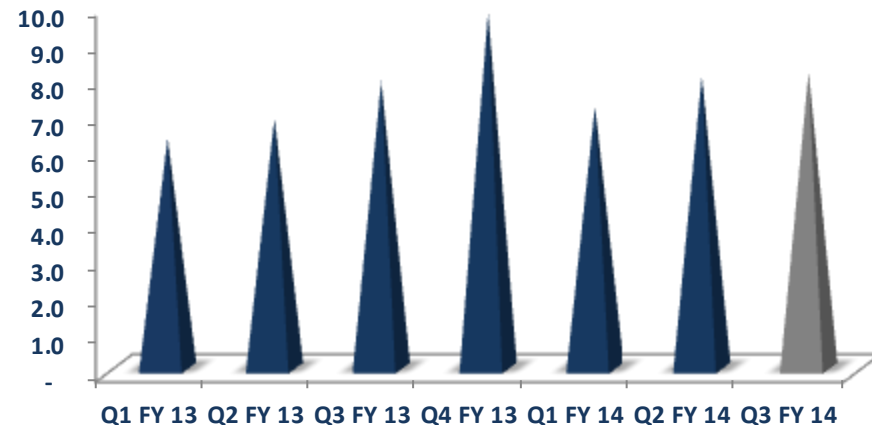
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Production of Crude Steel (in Lakh, MT)

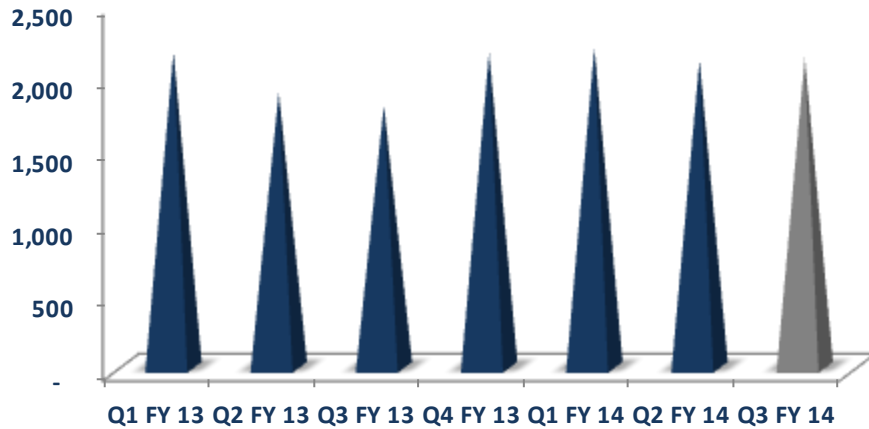


Sales (in Lakh, MT)

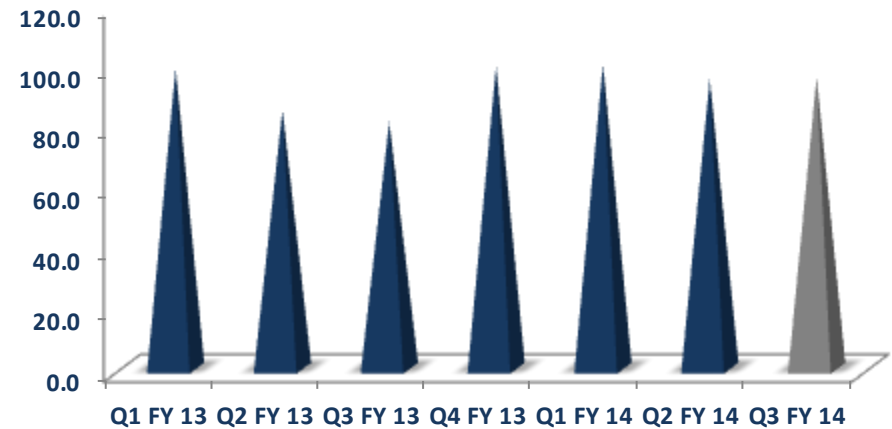


- 6.5% growth in Production volume of Q3 last year
- 10.8% growth in Production volume over Q2 FY14
- 2.5% growth in Sales volume over Q3 last year
- 2% growth in NSR over Q3 last year
- 4% growth in NSR over previous quarter

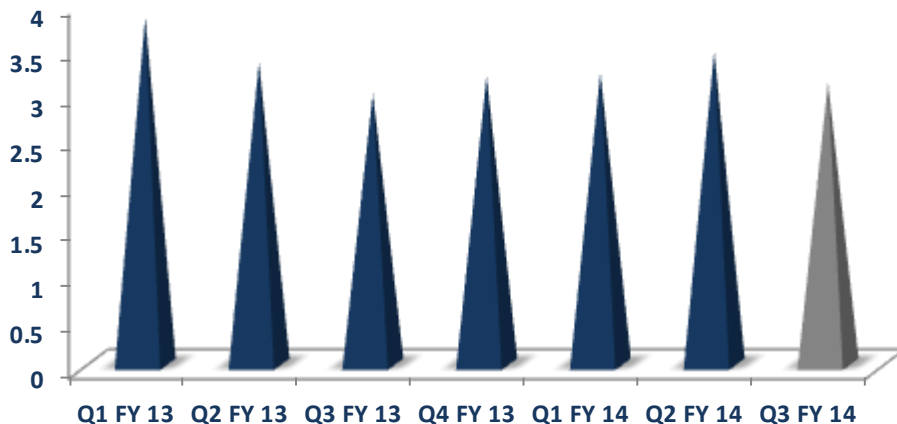
Generation (MU)



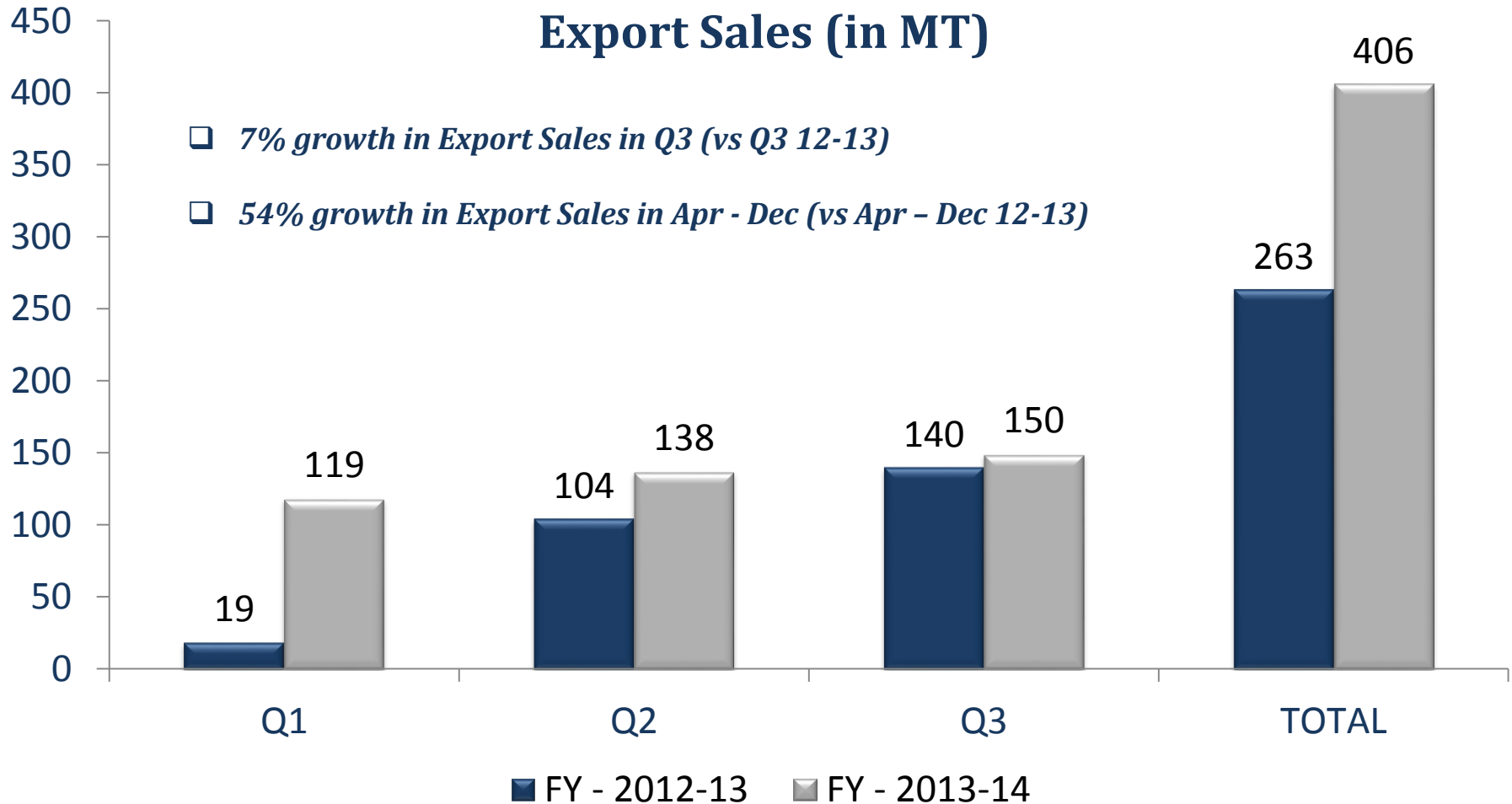
PLF in %age



NSR (Rs/Unit)



- 18% increase in Generation (Q3 FY14 Vs Q3 FY13)
- 4% increase in Realization (Q3 FY14 Vs Q3 FY13)



Oman

- ❑ Production HBI (MT): 377,468
- ❑ Sales (MT): 498,749

South Africa

- ❑ Production HBI (MT): 220,634
- ❑ Sales (MT): 182,199

Mozambique

- ❑ Production Coal (MT): 95,334
- ❑ Sales (MT): 99,411

Gujrat NRE – Coke

- ❑ Production Coal (MT): 217,000
- ❑ Sales (MT): 187,000



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Standalone Financials – Q3 & 9 months

Particulars (Rupees in Cr.)	For the Quarter ending			%	
	31.12.2013	30.09.2013	31.12.2012	Y ON Y	Q ON Q
Turnover-Total	3,777	3,656	3,821	-1%	3%
-Export	896	930	595	50%	-4%
EBITDA	1,210	983	1,278		
PBT	546	352	740	-26%	55%
Profit after Tax	366	257	520	-30%	42%
Cash Profit	730	582	814	-10%	25%
CAPEX	1,614	1,571	1,411		

Particulars (Rupees in Cr.)	For the 9 Month ending		FY	%
	31.12.2013	31.12.2012	2012-13	Y ON Y
Turnover-Total	10,858	10,741	14,955	1%
-Export	2,489	1,260	1,928	98%
EBITDA	3,041	3,576	4,613	
PBT	1,216	1,601	2,098	-24%
Profit after Tax	861	1,115	1,462	-23%
Cash Profit	1,867	1,971	2,658	-5%
CAPEX	4,413	3,847	4,667	

Consolidated Financials – Q3 & 9 months

Particulars (Rupees in Cr.)	For the Quarter ending			%	
	31.12.2013	30.09.2013	31.12.2012	Y ON Y	Q ON Q
Turnover-Total	5,377	4,984	4,802	12%	8%
EBITDA	1,701	1,457	1,790		
PBT	819	627	1,147	-29%	31%
Profit after Tax	559	455	870	-36%	23%
Cash Profit	1,093	907	1,285	-15%	20%
CAPEX	2,548	3,571	2,660		

Particulars (Rupees in Cr.)	For the 9 Month ending		FY	%
	31.12.2013	31.12.2012	2012-13	Y ON Y
Turnover	14,901	14,158	19,807	5%
EBITDA	4,463	5,079	6,669	
PBT	2,116	2,892	3,833	-27%
Profit after Tax	1,515	2,159	2,912	-30%
Cash Profit	2,929	3,367	4,593	-13%
CAPEX	8,688	7,496	8,983	

Standalone Ratio (%)	2013-14 Q3	2013-14 Q2	2012-13 Q3	2012-13 Annual
EBITDA to turnover	32.03	26.90	33.45	31.04
Profit before tax to turnover	14.45	9.62	19.37	14.03
Profit after tax to turnover	9.68	7.02	13.62	9.78
Debt Equity Ratio	1.74	1.72	1.65	1.66
Net Debt (Rs. in Cr.)	22,296	21,806	19,562	20,440

Consolidated Ratios (%)	2013-14 Q3	2013-14 Q2	2012-13 Q3	2012-13 Annual
EBITDA to turnover	31.63	29.23	37.27	33.67
Profit before tax to turnover	15.23	12.59	23.89	19.35
Profit after tax to turnover	10.40	9.13	18.12	14.70
Debt Equity Ratio	1.52	1.30	1.15	1.15
Net Debt (Rs. in Cr.)	31,602	29,947	23,435	24,418

*Net Debt as on 31st December, 2013 excludes debt of Rs. 2530 Cr. on the Balance sheet of Gujarat NRE Australia

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JSPL Consolidated & Standalone

- ☐ *JSPL Consolidated turnover in Q3FY14 grew by 8% and 12% compared to Q2FY14 and Q3FY13 respectively.*
- ☐ *Consolidated PAT recorded an increase of 23% over the previous quarter*
- ☐ *EBITDA levels in Q3 FY14 increased to 31.6% compared to 29.2% in Q2 FY14.*
- ☐ *JSPL Standalone sales volume grow by 4% over Q3 previous year*
- ☐ *SMS commissioned in Angul*
- ☐ *Improvement in Steel prices (4% growth over previous quarter)*
- ☐ *6.5% growth in Production volume of Q3 last year*
- ☐ *10.8% growth in Production volume over Q2 FY14*
- ☐ *Retail Sales register 78% growth over previous quarter*

Jindal Power Ltd

- ❑ *JPL's turnover and PAT increased by 9% and 4% respectively over Q3 FY13*
- ❑ *PLF at 95.8% compared to 81% of Q3FY13*
- ❑ *Station achieved Generation of 2116 Mus in Q3 FY14 as compared to 1790 Mus in Q3 FY13*
- ❑ *2 x 600 MW units synchronized*

Oman

- ❑ *Oman clocked record sales volume in Q3 FY14 – 498,750 MT (36% increase over Q2 13-14 and 47% increase over Q3 last year)*

Mozambique

- ❑ *Allocation for movement of 2,50,000 Tons per quarter obtained on Sena Line*
- ❑ *JSPL Mozambique's First coal loaded train from Moatize to Beira moved on 07/11/2013*
- ❑ *95334 MT coking coal production in Q3 FY13-14 compared to 67120 MT in Q2 FY13-14*
- ❑ *99400 MT sales achieved in Q3 FY 13-14 (96,900 MT sold in Q2 FY13-14)*

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Angul – SMS & Slab Caster





Angul – SMS & Slab Caster



Angul – 6x135 MW CPP



Angul – Coal Gasification



Angul – Coal Gasification, Unit 3

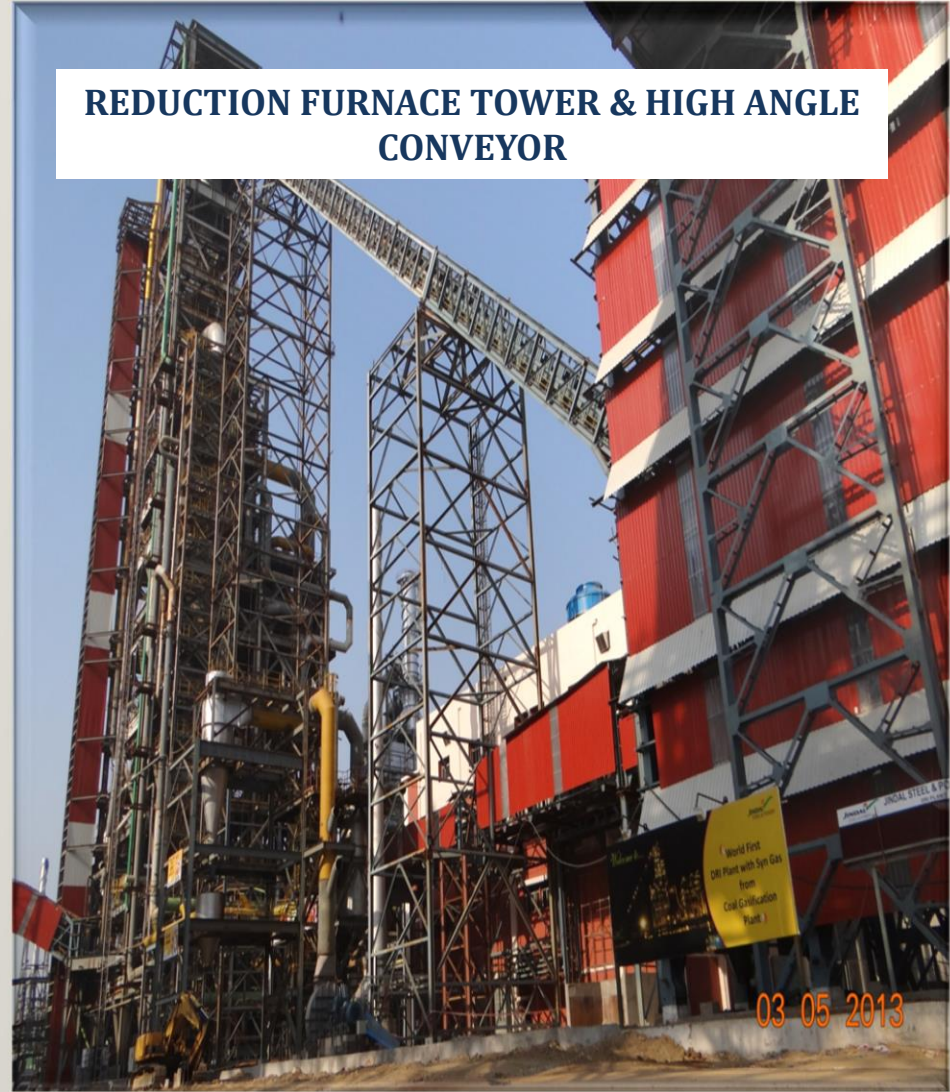


Angul – UNIT 6 – PHENOSOLVAN & STORAGE TANK

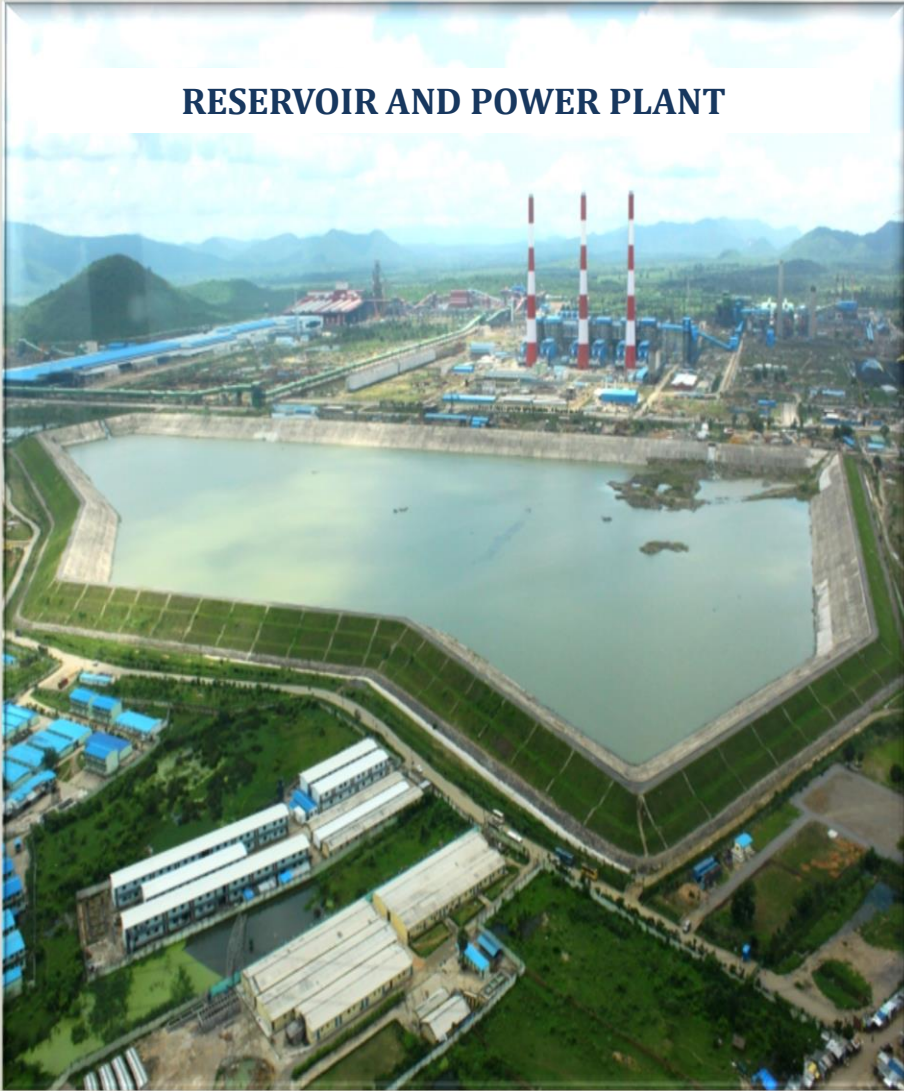




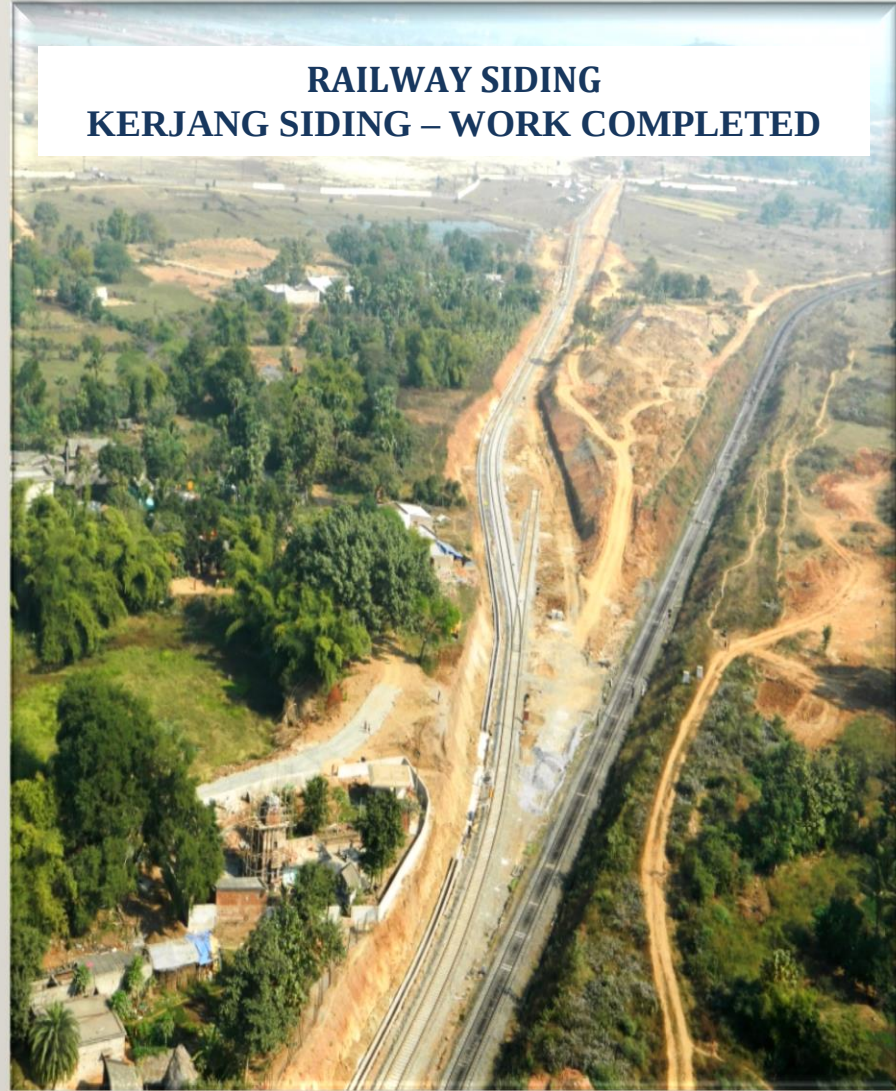
REDUCTION FURNACE TOWER & HIGH ANGLE CONVEYOR



RESERVOIR AND POWER PLANT



RAILWAY SIDING KERJANG SIDING – WORK COMPLETED



JPL - Panoramic View of 4x600 MW



Unit 1 – Boiler Front View



Unit 1 – Boiler to EPS



Unit 1 – EPS Inlet



Unit 1 – Main oil Tank



Unit 2 – Boiler Rear view



Unit 2 – RHS Mill Bay



Unit 2 - TG



Unit 2 - Tipper



U-3 – Boiler Front View



U-3 TG



U-3 Main Oil Tank



U-3 Transformer Yard



U-4 TG Floor



U-4 Boiler



U-4 EPS



U-4 EPS



EAF Area – 9 Meter Platform



Scrap Transfer Car



FTP Area



LRF



Material handling External DE dusting System



WTP



SMS Overall Progress Photo



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THANK YOU