

May 21, 2019

<b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 <b>Security Code No. : 532286</b>	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C-1, Block G Bandra - Kurla Complex, Bandra (E) Mumbai - 400 051 <b>Security Code No. : JINDALSTEL</b>
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**SUBJECT: INDUSTRY UPDATES AND KEY PERFORMANCE HIGHLIGHTS**

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Dear Sir / Madam,

Attached please find herewith the Industry updates and Key Performance Highlights of the Company for the Qtr.-4 and year ended March 31, 2019.

The above information is also being made available on the website of the Company at [www.jindalsteelpower.com](http://www.jindalsteelpower.com).

This is for your information and record.

Thanking You.

Sincerely,  
For Jindal Steel & Power Limited

  
  
**Jagadish Patra**  
Vice President and Company Secretary

**Jindal Steel & Power Limited**

**Corporate Office** Jindal Centre, 12 Bhikaiji Cama Place, New Delhi 110 066 **CIN:** L27105HR1979PLC009913

**T** +91 11 4146 2000 **F** +91 11 2616 1271 **W** [www.jindalsteelpower.com](http://www.jindalsteelpower.com), **E:** [jsplinfo@jindalsteel.com](mailto:jsplinfo@jindalsteel.com)

**Registered Office** O. P. Jindal Marg, Hisar, 125 005, Haryana

Q4 FY'19

Industry Update &  
Key Performance  
Highlights



JINDAL  
STEEL & POWER

21<sup>st</sup> May, 2019

This presentation may contain certain forward looking statements concerning Steel & power sector , Economy and 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. We do not undertake to update our forward-looking statements.

This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in JSPL or any of it's subsidiary undertakings or any other invitation or inducement to engage in investment activities, neither shall this presentation nor the fact of it's distribution form the basis of, or be relied on in connection with, any contract or investment decision. Few numbers in this presentation are purely indicative & provisional and could change later. Estimates regarding economy, steel & power sector , company and related areas are purely indicative and could change with market conditions and host of other factors.

Q4 FY'19

*Highlights*

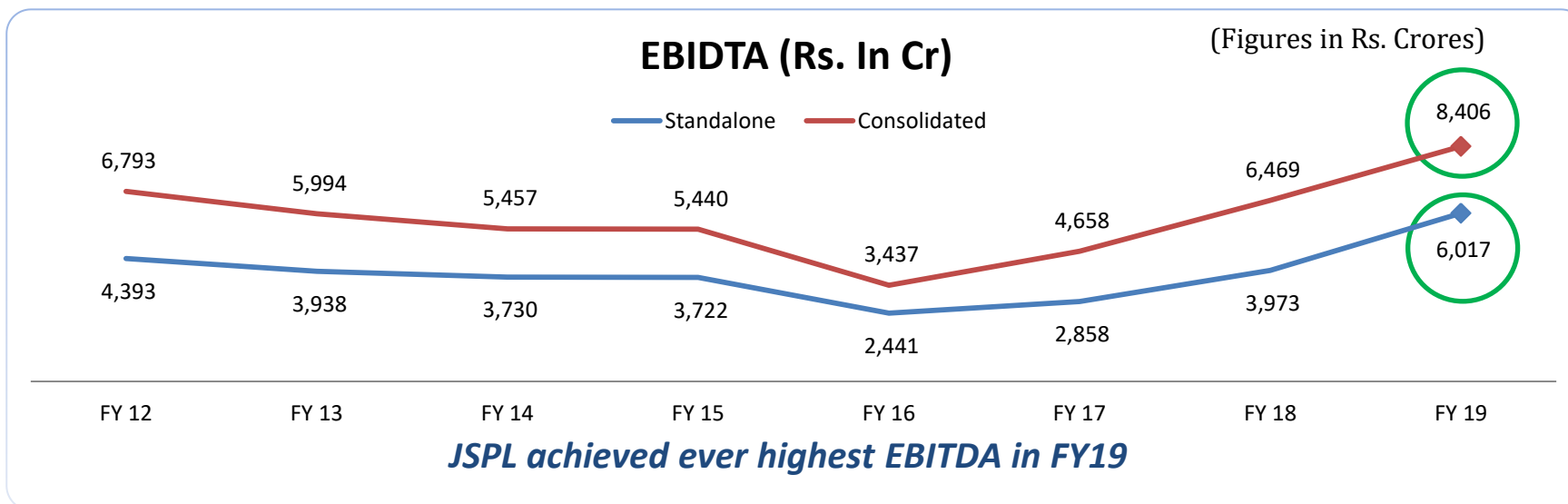
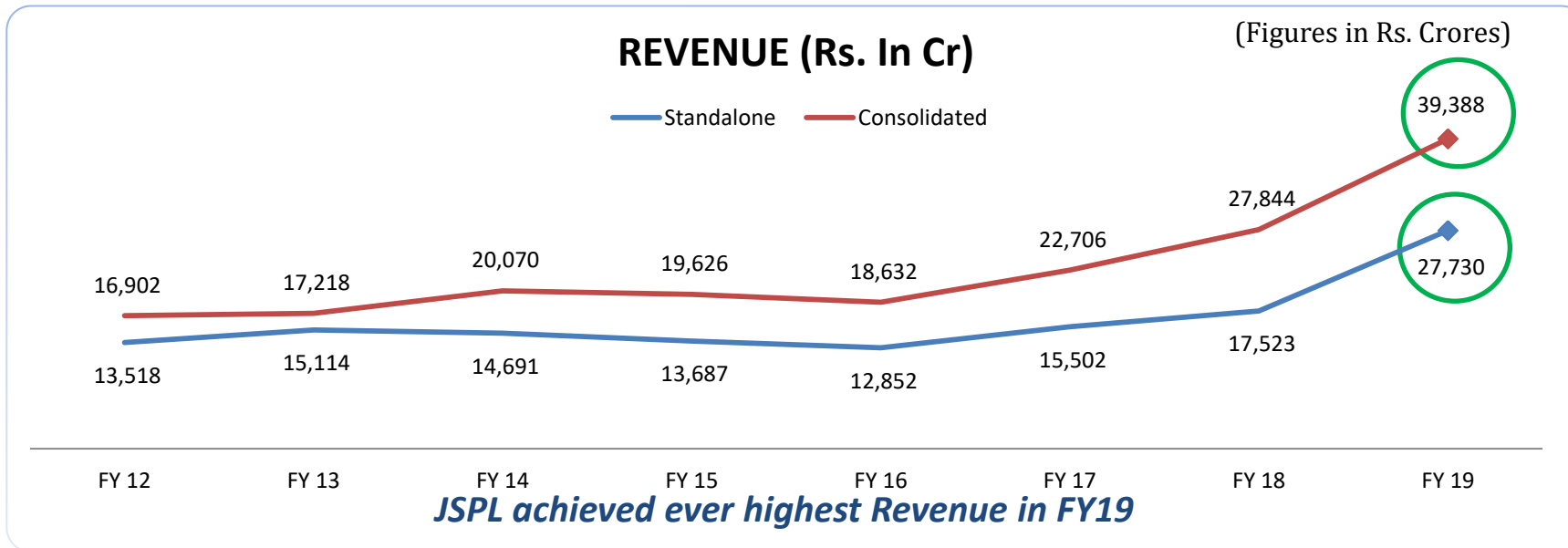
INDUSTRY UPDATE

COMPANY UPDATE



# HIGHLIGHTS

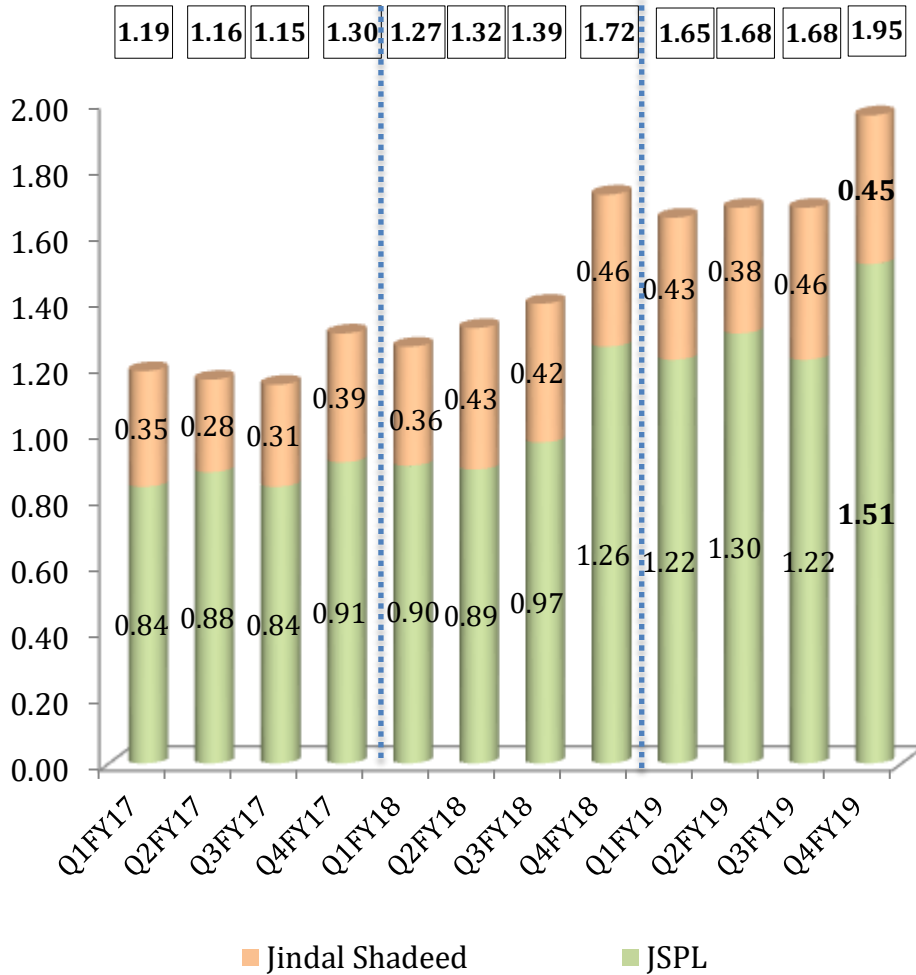




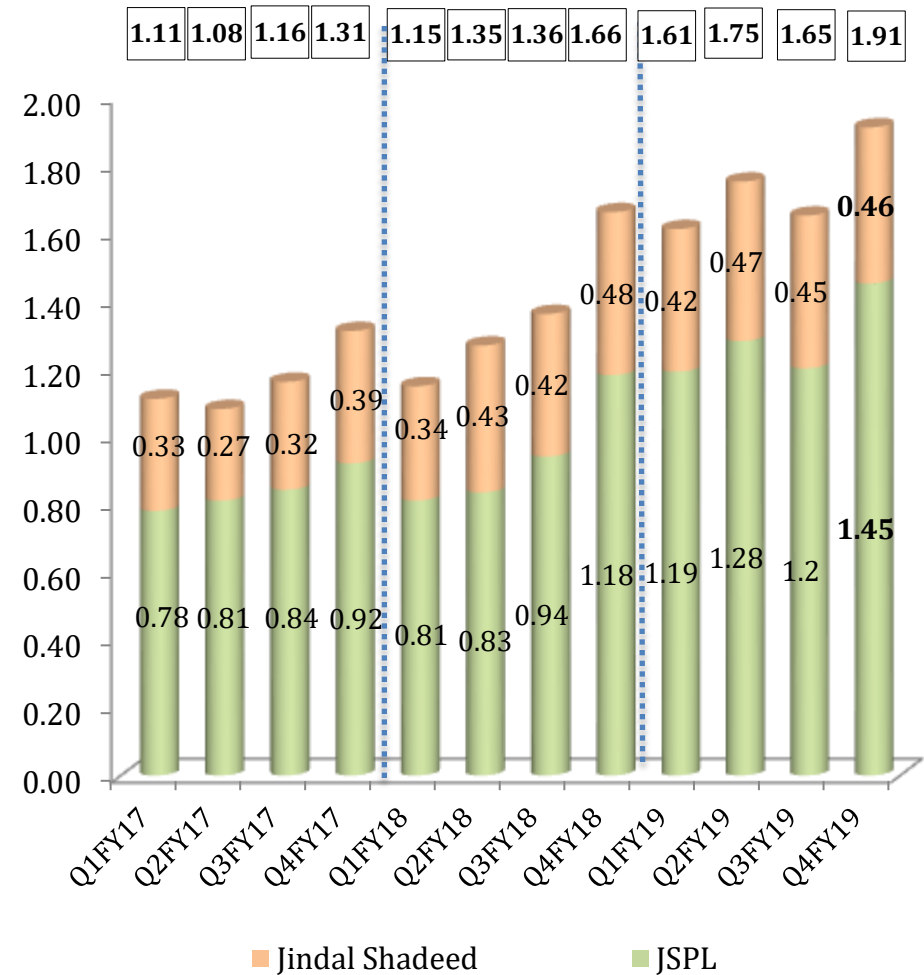
# Operational Performance

## Highest Ever Production & Sales

### Consolidated Steel Production



### Consolidated Steel Sales



Q4 FY'19

HIGHLIGHTS

*INDUSTRY UPDATE*

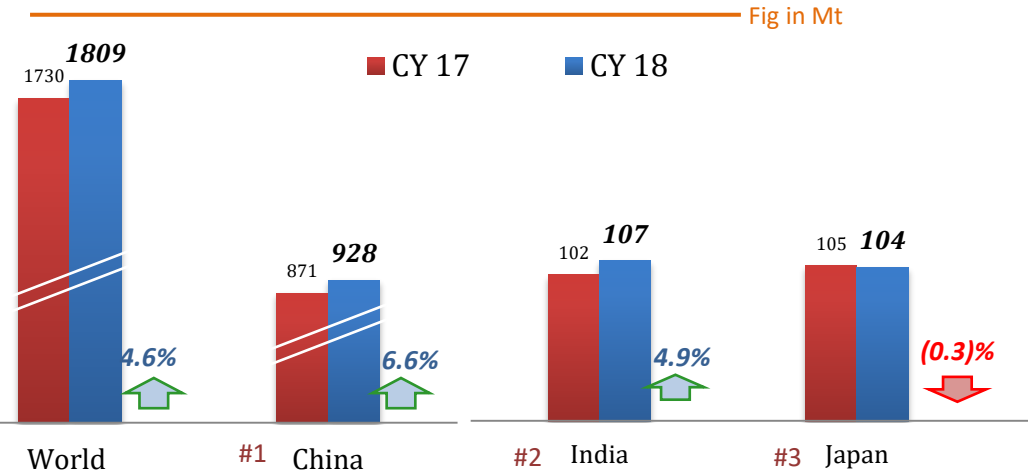
COMPANY UPDATE



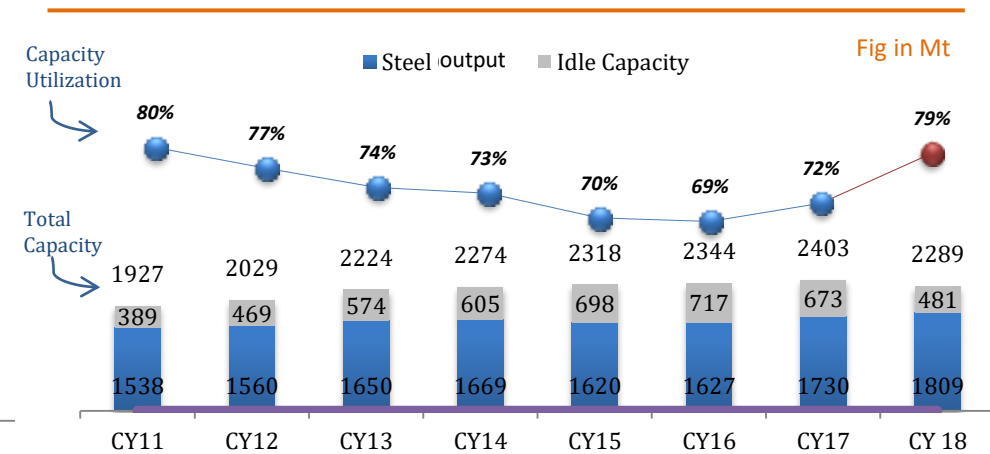
INDUSTRY  
UPDATE

# Global Steel Production increased amid moderate demand outlook

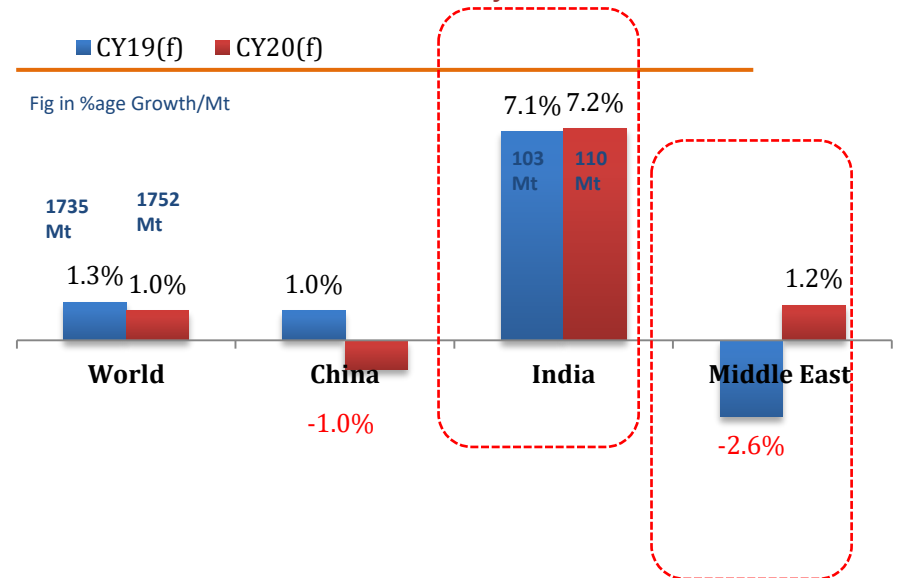
## > Global Steel Production improved significantly



## > Global Capacity Utilization improved, but persistent Idle Capacity



## > Global Steel Demand Growth likely to be muted



> Following a **good demand cycle in CY 17**, steel producers ramp up steel output in CY 18.

> Global **Estimated Idle capacity of 480 Mt in CY 18**

> Global **Demand outlook remains moderate**

a) **Indian Demand Outlook likely to remain robust**

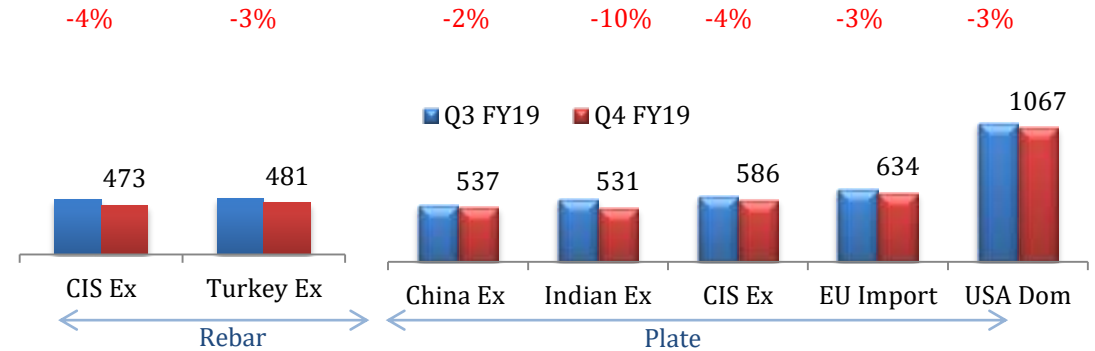
b) **Middle East Demand likely to shrink.**



# Steel Prices and Spread was marginally softer in Q4 FY 19

> Steel Prices decreased in Q4 FY19 (Q-o-Q)

(Fig in \$/MT)



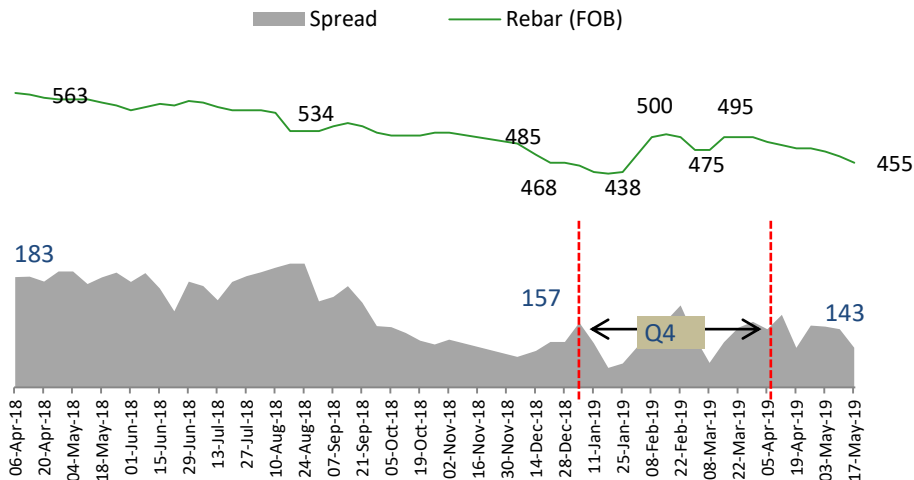
> Steel Prices weakened during Q4 (q-o-q), despite fairly higher consumption in Feb+March

> Asian Steel Spreads have narrowed during Q4 due to Raw Material Price Rally.

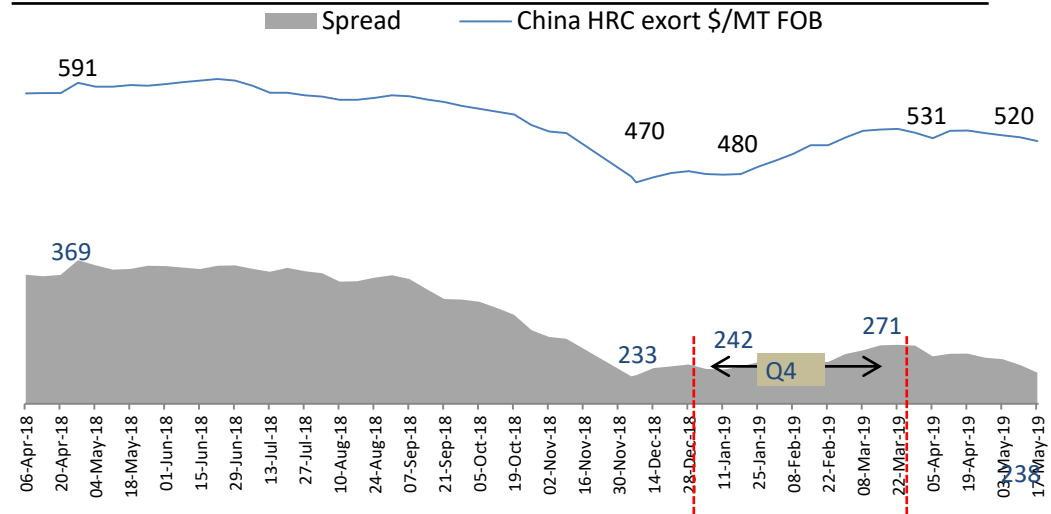
- Spread hovered in \$240-270/MT range in Q4
- Similarly Turkish Spread hovered in \$135-160/MT in Q4

> Middle East Steel Spreads was adversely affected due to aggressive Iranian Offers.

> Middle East Steel Spread : (Turkey Rebar Export Vs Scrap Import)

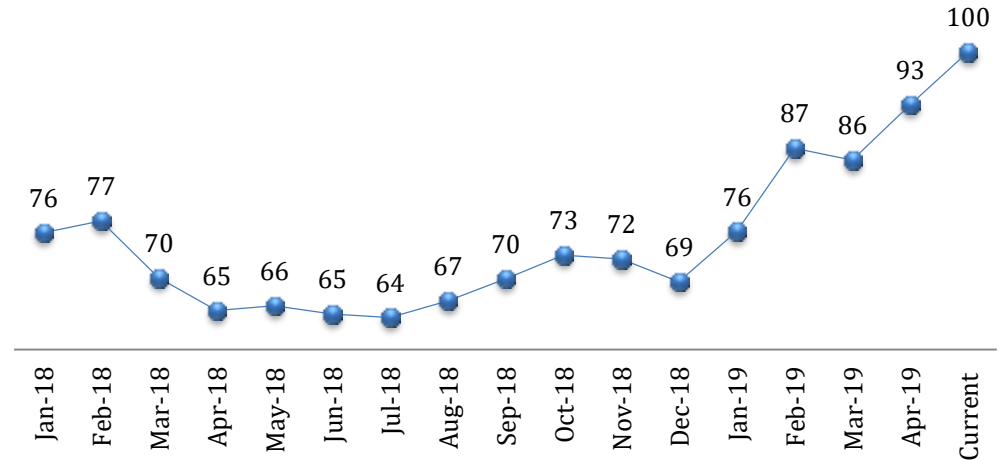


> Asian Steel Spread : (Chinese HRC Export Vs RM Imports)

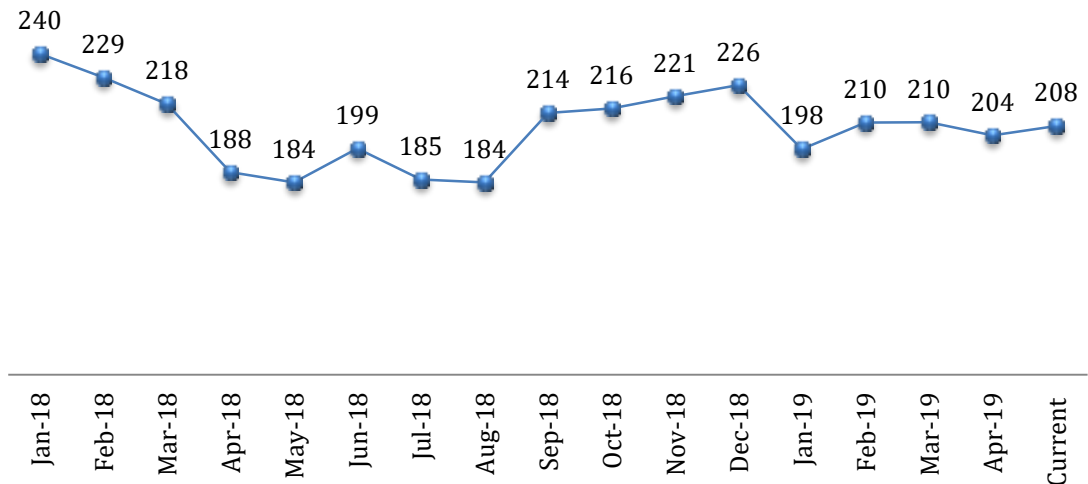


## Global Iron Ore Supply Concern : Prices likely to remain stronger in FY 20

### > Iron Ore Prices 62% CFR China (\$/MT)



### > PLV Price Trend - FOB Australia (\$/MT)



### Iron Ore :

- Seaborne Iron ore prices remain strong due to **disrupted supply from Brazil and Australia;**
- Vale ore production loss since accident double of initial estimates.
- Loss of Iron ore Fines output of 92.8 MTPA, about 6% of the total Seaborne global supply
- Vales' pellet feed supply will also be affected by around 10MTPA
- During End March, Rio Tinto declared force majeure as Cyclone Veronica damaged the Cape Lambert

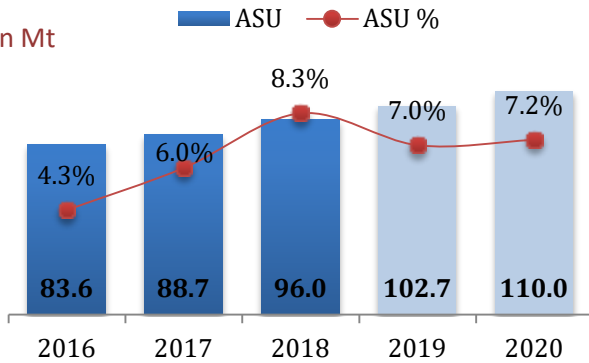
### Coking coal

- Prices remains firm and traded above \$200/MT due to healthy demand from China & India.

# Indian Steel Demand likely to remain robust supported by construction growth

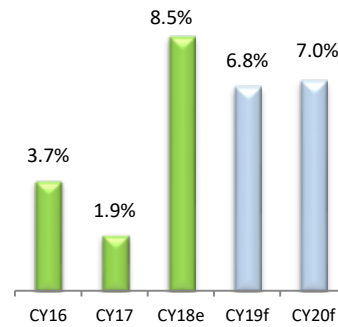
## > Indian Steel Demand likely to remain Robust

Fig in Mt



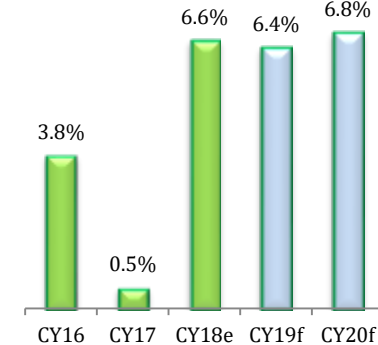
## > Construction Growth

SWIP Weight: 62%



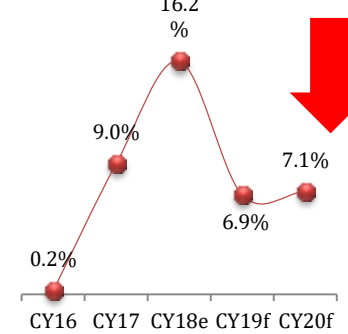
## > Capital Goods Growth

SWIP Weight: 15%



## > Automobile Growth

SWIP Weight: 9%



SWIP: Steel Weighted Industrial Production  
ASU: Apparent Steel Use (Steel Demand)

## Steel Demand :

### ✓ Demand growth was primarily driven by **booming infrastructure sector**

- Construction sector has witnessed a consistent revival during 2018 mainly supported by government spending on infrastructure.
- Construction sector likely to maintain current momentum with gradual rise in investment

### ✓ **Automotive demand estimated to decline**

### ✓ SME and other Industrial sectors witnessed sluggish growth;

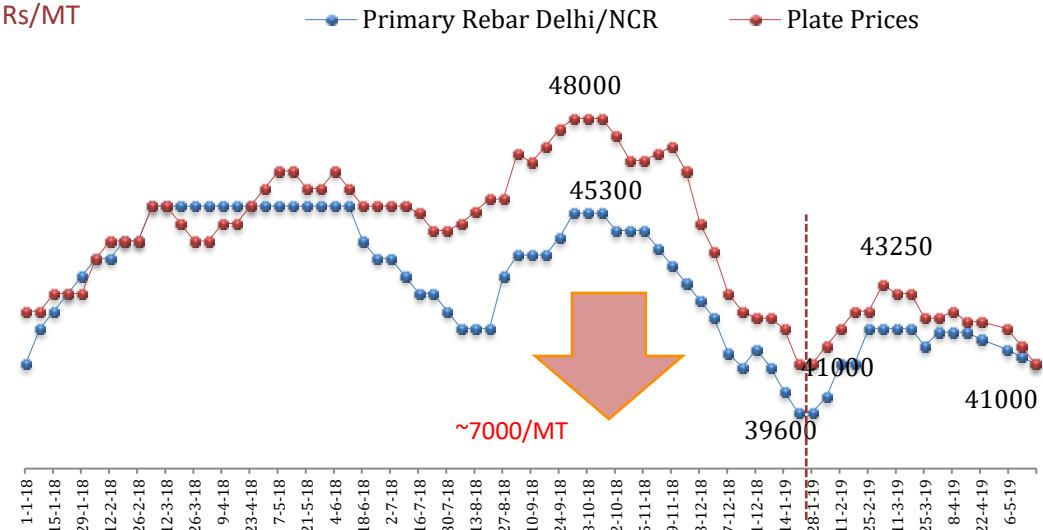
## Margin Pressure in Q3/Q4

### ✓ **Average Industry price realizations fell sharply** during the quarter as domestic steel prices fell until Jan'19 before witnessing a modest recovery

### ✓ **Steel margins** were under pressure with decline in average realization and higher input costs

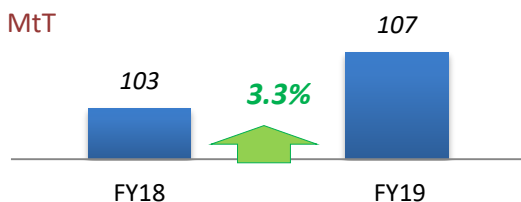
## Finished Steel Prices (Ex Delhi)

Rs/MT



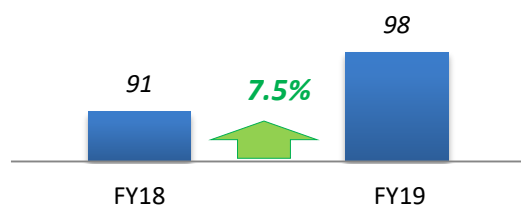
## Indian Steel Industry : FY '19 Major Highlights

Fig in MtT



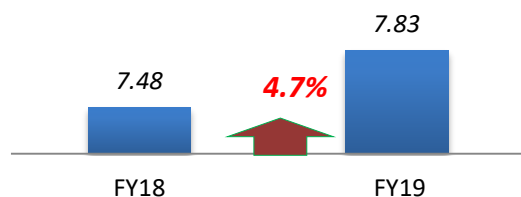
### Crude Production

- ✓ The **Crude steel production** grew by 3.3% during FY '19 (y-o-y)
- ✓ The **Primary producers** grew by 7.1% (63.6Mt) while **Other Producers** production **declined** by 1.8% (42.96 MT)
- ✓ At 138 MT, crude steel capacity indicated a utilization of 77% compared to 75% of last year.



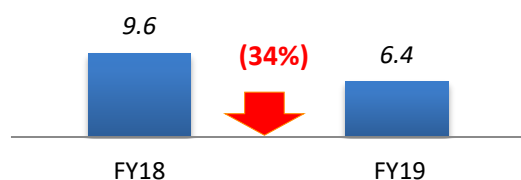
### Finished Steel Consumption

- ✓ Finished **Steel Consumption Grew** by 7.5 % during same period
- ✓ **Carbon Steel** Consumption increased by 5.8%
- ✓ Alloy Steel Consumption increased by 25%



### Imports

- ✓ Imports increased by 5%
- ✓ Korea (34%), China (18%), Japan (15%) & Indonesia (3%) remains the biggest exporters to India



### Exports

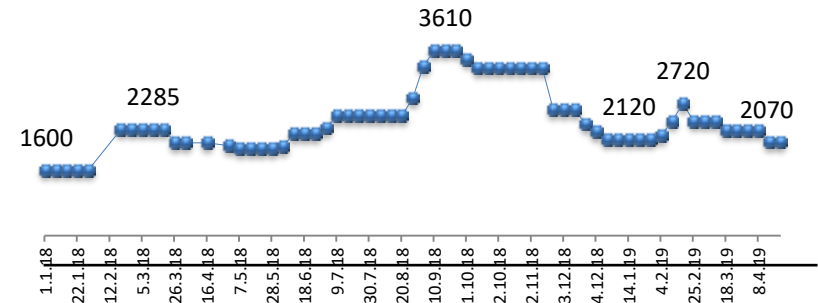
- ✓ **Exports decreased by 34%** mainly due to **better Domestic Prices.**
- ✓ India **Became Net Importer** during FY 19

# Raw Material Supply Volatility

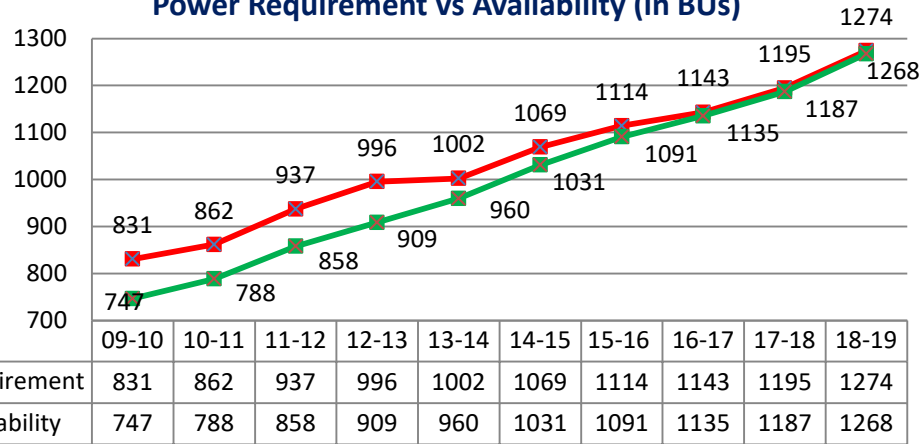
## Raw Material Supply Volatility:

- **Supply volatility** in domestic iron ore led to price volatility in contrast with international IO Prices trend
- Future domestic iron ore supplies bit **uncertain**.
- **Likely shortage of Iron ore, post 2020** as major non-captive mining leases are due to lapse on 31<sup>st</sup> March '20.
- Out of 169mtpa non-captive iron ore mine capacity in States of Odisha, CG and Jharkhand, 87mtpa (51%) is going to lapse on 31<sup>st</sup> March '20
- **Lapsing of large mine capacity is bound to create large demand- supply imbalance** in iron ore

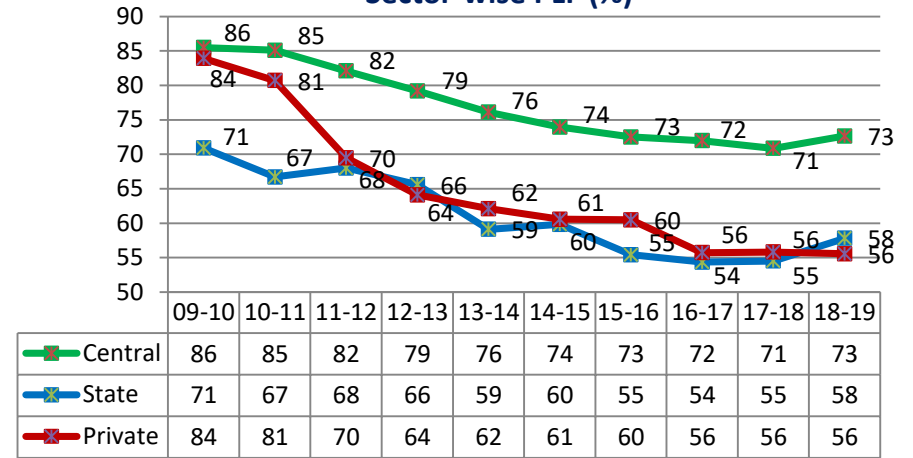
> Domestic IO Price (62% fine Odisha Rs/MT)



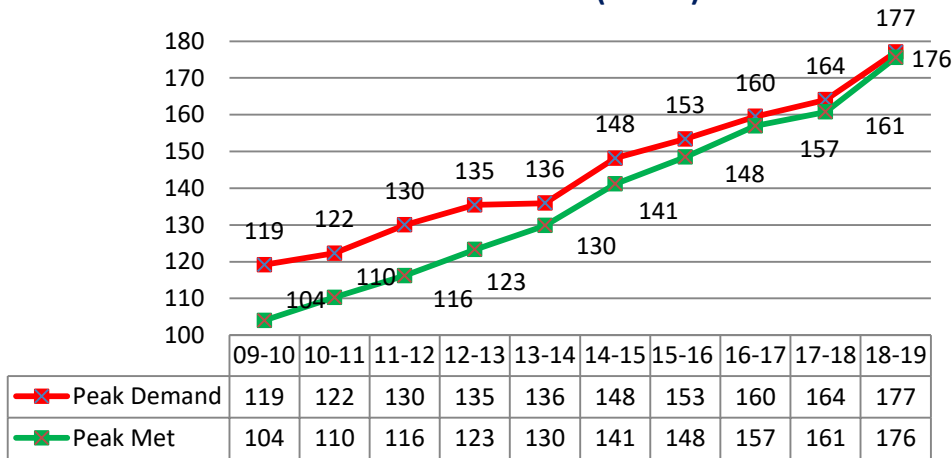
### Power Requirement vs Availability (in BUs)



### Sector-wise PLF (%)



### Peak Demand vs Peak Met (in GW)



*PLF for Private Sector decreased by 28% during last decade*

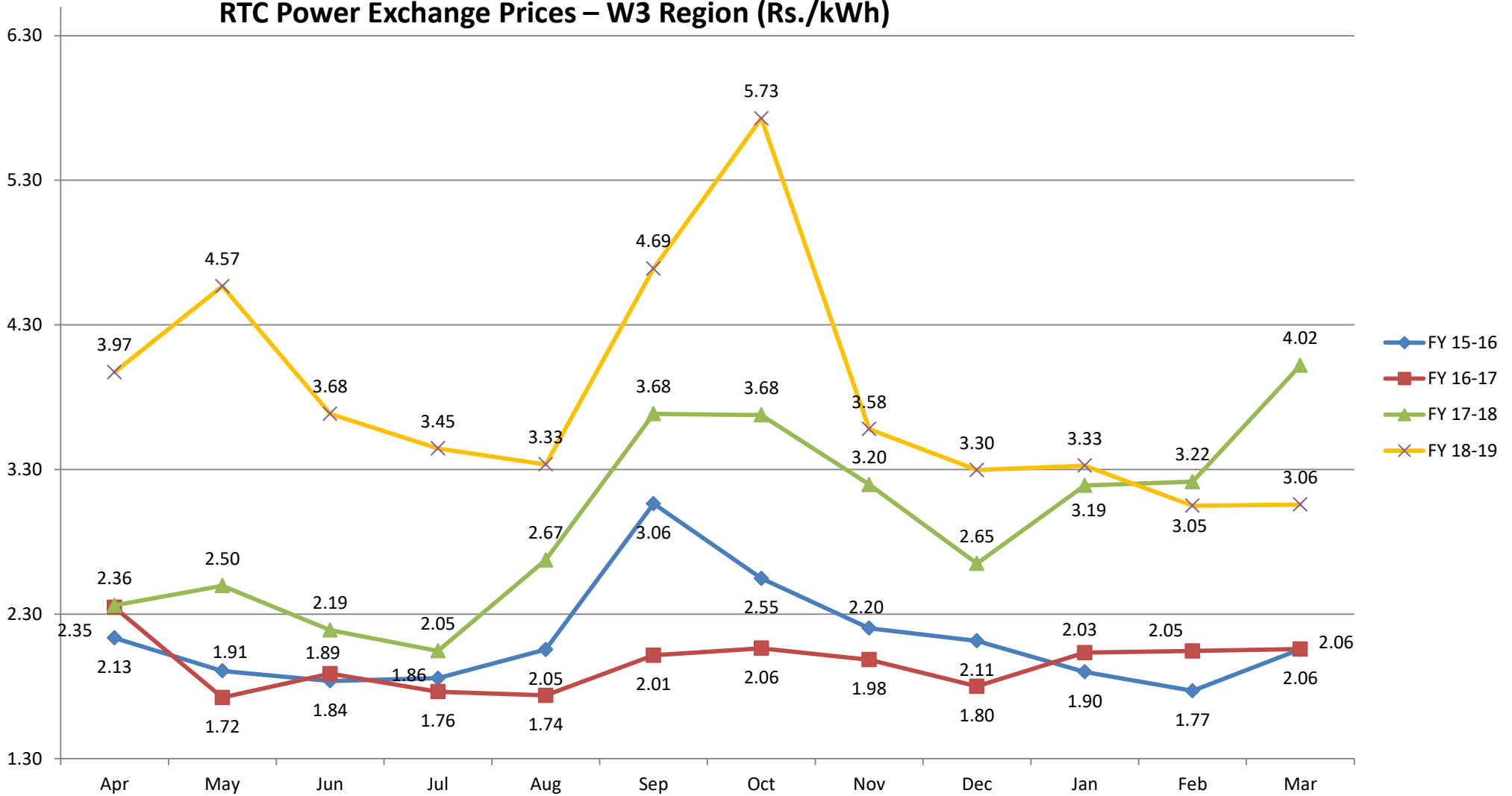
*While Demand is increasing by ~6.6%, the fall in PLF of IPPs is due to coal shortage and rapid addition of conventional & renewable capacities.*

*Gap between Energy Requirement and Availability reduced to 0.5% in FY 18-19 as compared to 0.7% in FY 17-18.*

*Gap between Peak Demand and Availability reduced to 0.5% in FY 18-19 as compared to 2% in FY 17-18.*

# IEX Clearing Price Trend

## RTC Power Exchange Prices – W3 Region (Rs./kWh)



Q4 FY'19

HIGHLIGHTS

INDUSTRY UPDATE

COMPANY UPDATE



COMPANY  
UPDATE



## Steel



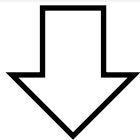
## Power



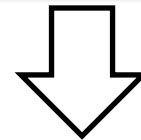
## Global Ventures



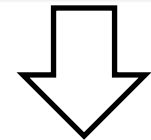
### Current Capacities – Domestic & Global



8.6 MTPA Steel\*  
3.11 MTPA\* Iron ore  
9 MTPA\* Pellet Plant



IPP – 3400MW\*\*  
CPP – 1634 MW



2.4 MTPA Steel  
Coal & Iron Ore  
Mines

\*Domestic

\*\*1000 MW Divestment announced

# Steel Capacities across Life Cycle

## Iron Making (9.95 MTPA)

DRI 3.12 MTPA

BF 5.33 MTPA

HBI 1.50 MTPA

## Liquid Steel (11.00 MTPA)

SMS 11.00 MTPA

## Finished Steel (7.95 MTPA)

WRM 0.60 MTPA

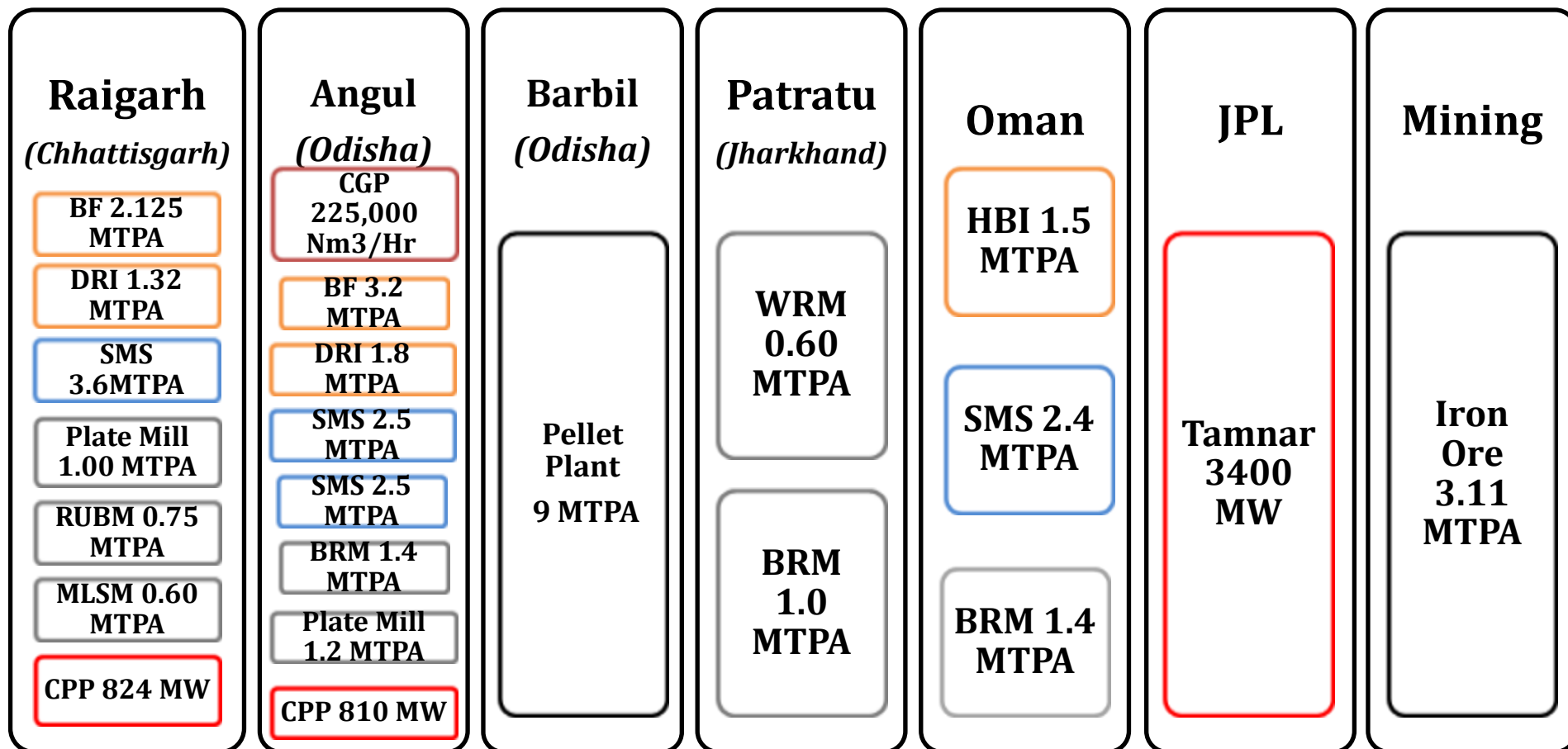
RUBM 0.75 MTPA

MLSM 0.60 MTPA

Plate Mill 2.20 MTPA

BRM 3.80 MTPA

# Detailed plant wise capacities



Power
  Hot Metal
  Liquid Steel
  Finished Steel

# Manifold Growth in the Last 5 Years

	FY '14	FY '19	
Steel - India	3 MTPA	8.6 MTPA	~2.86x
Power	1,000 MW	3400 MW	3.4x
Oman	0 MTPA	2.4 MTPA	Add
Pellet	4.5 MTPA	9 MTPA	~2x

All major capex completed – scale of growth is approx. Three Times

# ..... potential for BIG LEAP

	FY19 Capacity	Production in FY19	Upside Potential
Steel - India Capacity	8.6 MTPA	5.25 MTPA	64%
Steel - Oman Capacity	2.4 MTPA <sup>(1)</sup>	1.71 MTPA	40%
Independent Power Capacity	3,400 MW	1187 MW	186%
Pellet Capacity	9.0 MTPA	7.08 MTPA	27%

Upside potential remains to be exploited

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q4 FY 2018-19	Q3 FY 2018-19	Q4 FY 2017-18	%QoQ	%YoY
Turnover	7,402	6,745	5,752	10%	29%
EBITDA	1,440	1,480	1,519	-3%	-5%
EBITDA %	19%	22%	26%		
Depreciation + Amortization	576	572	468	1%	23%
Interest	980	635	686	54%	43%
PBT (Before Exceptional)	(115)	287	364		
Exceptional	1,654	-	194		
PBT	(1,769)	287	170		
PAT	(1,154)	177	145		

(Figures in Rs. Crores)

Parameter(in Crores of INR)	FY 2018-19	FY 2017-18	%YoY
Turnover	27,730	17,523	58%
EBITDA	6,017	3,973	51%
EBITDA %	22%	23%	
Depreciation + Amortization	2,307	1,910	21%
Interest	2,896	2,391	21%
PBT (Before Exceptional)	829	(328)	
Exceptional	1,398	344	306%
PBT	(570)	(672)	15%
PAT	(263)	(362)	27%

# JSPL - Power Capacities



## Independent Power Projects (IPP)

Project	Capacity (MW)	Fuel	Configuration	Status
Tamnar 1*	1,000	Coal	4x250 MW	Operational
Tamnar 2	2,400	Coal	4x600 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	1x24 MW (Waste heat) 2x55 MW 6x25 MW	Operational
Angul, Odisha	810	Coal	6 x135 MW	Operational

One of the largest thermal portfolios in India

*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		Quantum (MW)
			From	To	
Tamnar II (Phase 1)	Tamil Nadu	Long Term	Feb-14	Sep-28	400
Tamnar I		Medium Term	Sep-17	Aug-19	200
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			60

**Over 30% of total capacity tied up \***

# 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		<ul style="list-style-type: none"> <li>Coal sourced through – market purchase and e-auction</li> </ul>	<ul style="list-style-type: none"> <li>Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL)</li> </ul>	<ul style="list-style-type: none"> <li>Coal sourced through – market purchase and e-auction</li> </ul>
PPA		<ul style="list-style-type: none"> <li>Bilateral/short term/ exchange</li> <li>TNEB – 200 MW</li> </ul>	<ul style="list-style-type: none"> <li>TNEB – 400MW</li> <li>CSEB – 60MW</li> <li>KSEB – 200MW</li> <li>KSEB – 150MW</li> </ul>	<ul style="list-style-type: none"> <li>CSEB – 60MW</li> </ul>
Evacuation		<ul style="list-style-type: none"> <li>Open access available</li> </ul>	<ul style="list-style-type: none"> <li>Open access available</li> </ul>	<ul style="list-style-type: none"> <li>Open access available</li> </ul>

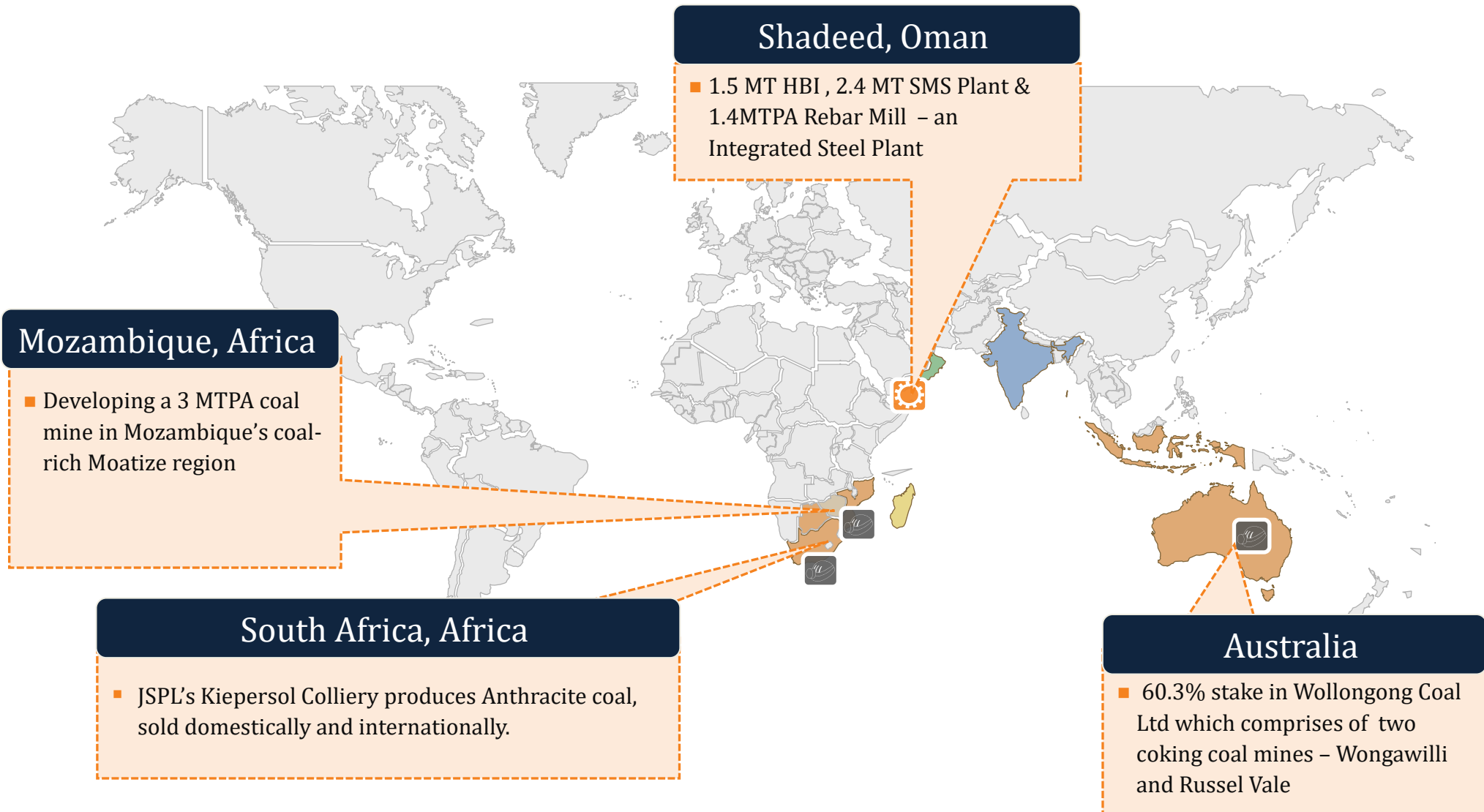
Raw materials, transmission & PPAs in place for achieving higher PLF

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q4 FY 2018-19	Q3 FY 2018-19	Q4 FY 2017-18	%QoQ	%YoY
Turnover	999	990	947	1%	5%
EBITDA	267	273	265	-2%	1%
EBITDA %	27%	28%	28%		
Depreciation + Amortization	324	334	377	-3%	-14%
Interest	236	219	237	8%	0%
PBT (Before Exceptional)	44	(202)	(282)		
Exceptional	81	-	-		
PBT	(37)	-	-		
PAT	13	(160)	(292)	108%	
Cash Profit	368	131	98	180%	277%
Generation (million units)	2,609	2,609	2,310	-	13%

(Figures in Rs. Crores)

Parameter(in Crores of INR)	FY 2018-19	FY 2017-18	%YoY
Turnover	3,858	4,059	-5%
EBITDA	1,155	1,434	-19%
EBITDA %	30%	35%	
Depreciation + Amortization	1,320	1,508	-12%
Interest	893	936	-5%
PBT (Before Exceptional)	(504)	(733)	31%
Exceptional	81	-	
PBT	(585)	-	
PAT	(436)	(673)	35%
Cash Profit	816	778	5%
Generation (million units)	10,396	10,905	-5%



**Jindal Steel & Power Ltd**

Listed Operating Entity in India

**Jindal Steel & Power (Mauritius) Ltd**

Holding company for overseas business

Oman

2.4 MTPA Steel plant

Australia

Coking Coal

South Africa

Anthracite Coal

Mozambique

Thermal/ Coking Coal

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q4 FY 2018-19	Q3 FY 2018-19	Q4 FY 2017-18	%QoQ	%YoY
Turnover	10,159	9,580	8,599	6%	18%
EBITDA	1,845	2,077	2,137	-11%	-14%
EBITDA %	18%	22%	25%		
Depreciation + Amortization	2,373	1,036	960	129%	147%
Interest	1,163	1,042	1,071	12%	9%
PBT (Before Exceptional)	(1,692)	14	106		
Exceptional	1,734	0	438		
PBT	(3,426)	14	(332)		
PAT	(2,713)	(87)	(426)		

(Figures in Rs. Crores)

Parameter(in Crores of INR)	FY 2018-19	FY 2017-18	%YoY
Turnover	39,388	27,844	41%
EBITDA	8,406	6,469	30%
EBITDA %	21%	23%	
Depreciation + Amortization	5,480	3,883	41%
Interest	4,264	3,866	10%
PBT (Before Exceptional)	(1,323)	(1,277)	-4%
Exceptional	1,478	587	152%
PBT	(2,802)	(1,864)	-50%
PAT	(2,412)	(1,624)	-48%











**For any information please contact: -**

Mr. Nishant Baranwal – Head, Investor Relations

Tel : +91 11-41462198

Mobile:+91 8800690255

Email: - [nishant.baranwal@jindalsteel.com](mailto:nishant.baranwal@jindalsteel.com)

Mr. Gourav Sancheti– Asst. Manager, Investor Relations

Tel : +91 0124-6612317

Mobile:+91 9038240683

Email: - [gourav.sancheti@jindalsteel.com](mailto:gourav.sancheti@jindalsteel.com)

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**THANK YOU**