



JSL/2019/

May 22, 2019

BSE Ltd.
P. J. Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code : 500378

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code : JINDALSAW

Sub. : Financial / Operational Highlights – Year / 4th Quarter Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Audited Financial Results for the Year/fourth quarter ended 31st March, 2019. A copy of the highlights of financial and operational performance which will be circulated to the investor's community and other stakeholders is being sent to you for your reference and record.

Thanking you,

Yours faithfully,
for JINDAL SAW LTD.,


SUNIL K. JAIN
COMPANY SECRETARY
FCS : 3056



Encl. : As above.



JINDAL SAW ANNOUNCES Q4 & FY19 RESULTS

Demonstrates healthy performance backed by focus on target segments

Witnessed successful arbitration outcome in Jindal ITF

New Delhi, May 22, 2019

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe products and accessories with manufacturing facilities in India, USA and UAE (MENA), today announced its financial results for the quarter and full year ended March 31, 2019.

The financial highlights (standalone) are as follows

Particulars (Standalone financials)	Q4 FY19 (Rs in Million)	Q4 FY18 (Rs in Million)	FY19 (Rs in Million)	FY18 (Rs in Million)	Growth ~ (%)
	Unaudited	Unaudited	Audited	Audited	Y-O-Y
Total Income (\$)	29,042	24,887	100,506	75,558	~33%
Total Expenditure:					
Total Raw Material Cost (@)	18,568	14,849	62,707	42,798	
Staff Cost	1,410	1,351	5,772	5,134	
Other Expenses (\$)	4,740	4,327	16,862	15,030	
EBITDA	4,324	4,360	15,165	12,596	~20%
Financial Costs (\$)	1,225	1,253	4,961	4,151	
Depreciation	711	659	2,814	2,561	
Profit before extra-ord. items, discontinued ops. and Tax	2,388	2,448	7,390	5,884	~26%
Exceptional Items – (Exp.)/income	-	-	-	-	
Discontinued ops-profit/(loss)-Net of Tax	1	71	20	(85)	
Profit before Tax (PBT)	2,389	2,519	7,410	5,799	
Provision for Tax	863	865	2,409	1,941	
PAT	1,526	1,654	5,001	3,858	~30%
RATIOS					
EBITDA to total income	14.89%	17.52%	15.09%	16.67%	
PBT to total income	8.22%	10.12%	7.37%	7.67%	
PAT to total income	5.25%	6.65%	4.98%	5.11%	

Notes:

(@) Total Raw Material Cost includes goods traded in for Rs 2,495 Mio for Q4 2019 and Rs 4,698 Mio. for FY 2019.

(\$) Total Income, Other Expenses and Finance Costs are net of the impact of foreign exchange fluctuations. The Company follows a policy and strategy of natural hedging of foreign exchange exposures.



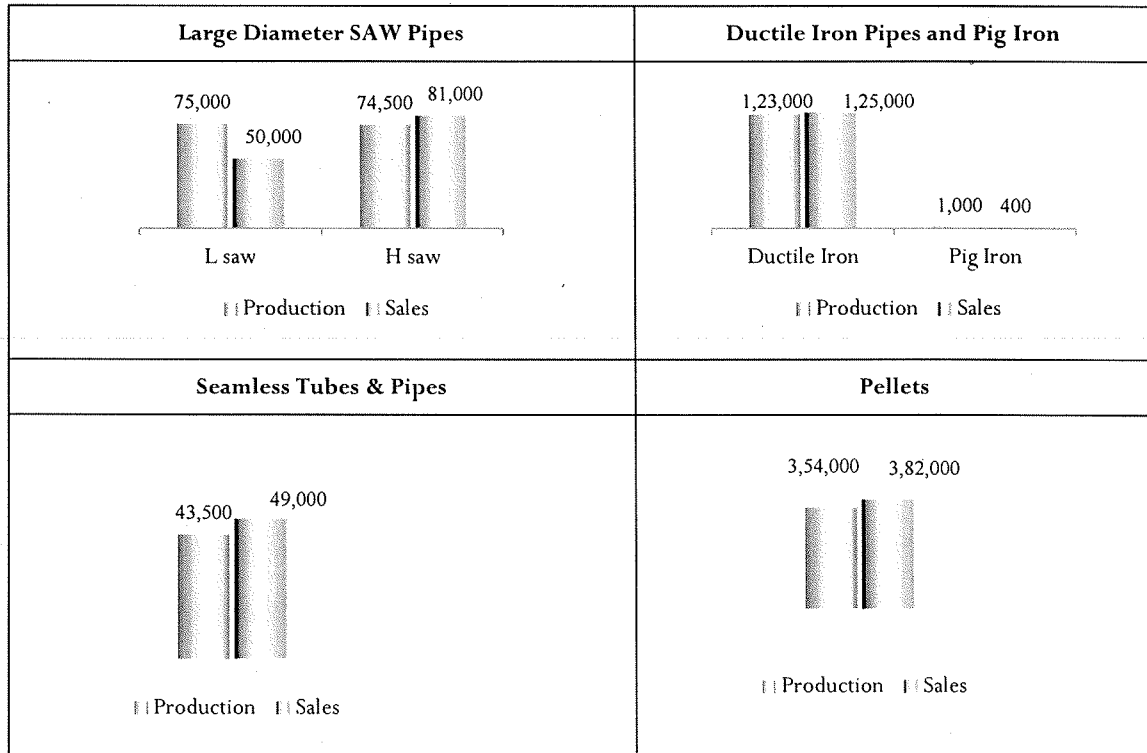
Operational & Financial Highlights

The quantitative Sales break up for Financial Year and fourth quarter ended 31st March 2019 are given hereunder:

Products	FY 2019 (~) MT	FY 2018 (~) MT
PIPES		
- Large Diameter Saw Pipes		
- L Saw	260,000	1,77,000
- H Saw	340,000	2,74,000
- H Saw (job Work)	--	84,000
- Ductile Iron Pipes	469,000	4,15,000
- Pig Iron	23,000	58,000
- Seamless Tubes	168,000	1,68,000
Total – Pipes & Pig Iron	12,60,000	11,76,000
- Pellets	14,25,000	13,87,000

Analysis of Q4 FY 2019

Production and Sales Tonnage (MT) break up for the 4th quarter ended 31st March, 2019.



Operational performance: Overall Productivity

During the 4th quarter ended 31st March, 2019, Company produced:

- Pipes & pig Iron of app. 317,000 MT and
- Pellets - app. 354,000 MT

Pipes production in Q4 FY2019 was (316,000 MT) as compared to Q4 FY2018 (3,66,000 MT). The same was in line of production and delivery schedule. Pellet production has increased in Q4 FY2019 (354,000 MT) as against Q4 FY2018 (205,000MT).

Iron & Steel Segment performance – Q4 FY2019:

Saw Pipe Strategic Business Unit: The current order book stands at app. 6 lac MT. The order book comprises of 3.65 lac MT of L Saw and balance 2,35 lac for H Saw (H Saw orders are largely from the domestic water sector). During Q4 FY2019, Company produced app. 1.5 lac MT pipes as compared to 2.13 Lac MT of Pipes (including pipes for job work) in Q4 FY2018 which corresponds to the planned production and delivery schedules.

With improved visibility in oil & gas sector and water sector, Company expects to receive additional orders in the next few quarters.

DI Pipes and Pig Iron Strategic Business Unit: Operations were in line with the planned production in this Quarter, where company has produced more than 1.23 lac MT DI Pipe as compared to 1.10 lac MT in Q4 of FY 2018. Current order book stands at app. 5 lac MT of DI pipes which gives visibility for more than one year.

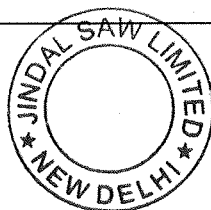
Considering the demand in this segment and upcoming water projects in the Country, company is working on capacity optimization and de bottlenecking of DI facilities which will enable it to increase the production beyond the existing production level.

Seamless Pipes Strategic Business Unit: The performance of Seamless pipes segment remained consistent where we produced ~43,500 MT pipes in Q4 FY 2019 as compared to ~42,200 MT pipes in Q4 FY2018. With current order book at app. 41,000 MT, Seamless pipe business is seeing positive outlook.

So far the Company was capable to produce 7" diameter seamless pipes and tubes with anti-corrosion coating. The Company has now successfully commissioned facility to produce carbon steel seamless tubes for 16" diameter also. Now the Company will be able to produce the entire range of carbon steel and alloy steel seamless tubes. With the above, the Company expects to improve the performance in this segment during FY 2020.

The stainless-steel pipes and tubes and welded pipes are already being produced by the Company' subsidiary at Kosi- Kalan, Uttar Pradesh and Samaghoga, Gujarat. The facility has received accreditations and approvals from majority of customers and is now approved by Engineers India Limited.

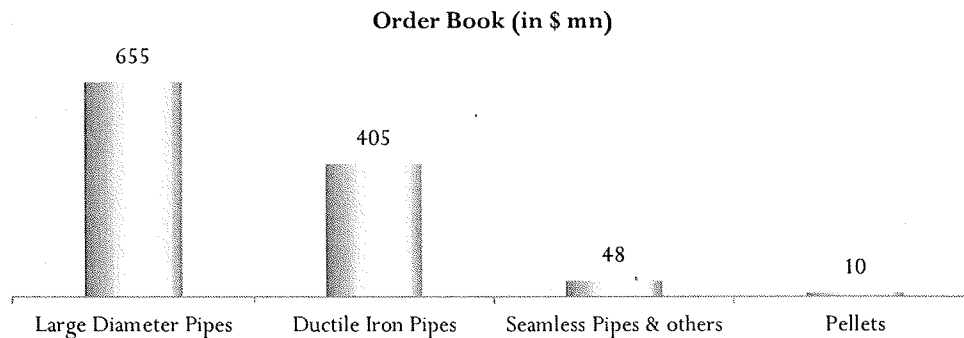
We are one of the unique companies which has wide range of products in stainless and carbon steel with facilities for seamless and welded segments. Our products offered import substitution. We are serving almost all industries including oil & gas, pulp & paper, food, pharmaceuticals, water and sanitation, petrochemical, boiler and heat exchangers as well as general engineering. This gives the Company a unscalable unique advantage in market space.



Iron Ore Mines and Pellet Strategic Business Unit: Due to improvement in the iron ore prices and steel demand in the market, operations in Pellet plant were at optimal level. The production in Q4 FY 19 was app. 354,000 MT from app. 205,000 MT in Q4 FY 18.

Order Book Position

- The current order book for pipes and pellets is app. US\$ 1.2 Billion, the break up is as under:



With volume of app. 1.22 Million MT (Pipes & Pellets), Order Book has a visibility of next 9-12 months. The orders for Large Diameter Pipes are expected to be executed in next 9-12 months and in case of Ductile Iron Pipes the same are slated to be executed over next 12-15 months or more. The Company is working on new business opportunities and expected to get additional orders in phases. Total current order book includes export of app 30%.

Financing and Liquidity

As at 31st March 2019, net institutional debt of the Company (at standalone level) was app. Rs. 40,514 Million (~ Rs 39,840 Million at 31st December 2018) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) at 31st March 2019 of Rs 21,981 Million (~ Rs. 20,330 Million at 31st December 2018) and Long-term Rupee Loans / Rupee NCDs of Rs.18,533 Million (~ Rs. 19,290 Million at 31st December 2018). Company has sufficient working capital facilities to manage the operations.

External Credit Ratings

The Company's debt instruments are rated by CARE Ratings which has been upgraded to CARE AA (Stable outlook) for long term debt facilities and reaffirmed at A1(+) rating for short term facilities.

De-subsidization of Jindal Saw Italia

Jindal Saw Limited, through its 100% subsidiary namely Ralael Holdings Limited, had investments in Jindal Saw Italia in Italy (hereinafter referred to as "JSI"). JSI was running a leased facility to carry out coating of DI Pipes and sell the same primarily in Europe. The operations of JSI were smaller and due to adverse market conditions, these were not profitable, for last several years.

On 29 January 2019, Ralael Holdings Limited, subsidiary of the Company entered into a share transfer agreement and sold 81% of its shareholding in its subsidiary Jindal Saw Italia S.p.A., to its related company Anbeeco Investments Limited.



Update on the Arbitration matter between Jindal ITF Limited and NTPC Limited

In arbitration proceedings initiated by Jindal ITF Limited ("JITF"), a subsidiary of the Company for disputes with NTPC Limited, the final award has been pronounced by the Hon'ble Arbitral Tribunal in favor of the JITF allowing various claims to the tune of Rs 1,89,108 lakhs plus interest and applicable taxes. The counter claims of customer were disallowed by the Hon'ble Tribunal in entirety. The award amount includes claim for Minimum Guarantee Quantity of 1st year and 2nd year towards which the subsidiary has already received aggregating to Rs 35,631.18 lakhs on submission of equivalent amount of bank guarantees pursuant to two earlier interim awards. The matter is now before the Hon'ble High Court of Delhi.

Status of New Projects / Capital Expenditures

Additional Projects/ new capital expenditures: The Company is carrying out de-bottlenecking for increase in production / productivity, enhancement of the product range, quality and profitability etc. which would require Capital expenditures.

Outlook

Demand for steel pipes used in oil and natural gas production is recovering as rising energy prices prompt new drilling projects as well as additional transmission pipelines. Oil prices have increased 80% from early 2016 on the back of output cuts by OPEC and other oil producers, and are now being pushed up further on account of various geo-political matters in the Middle East. Natural gas prices also remain high on growing demand from China, which is gradually shifting power generation away from coal as it tries to reduce air pollution.

In India, demand for steel pipes is expected to rise further from several oil and gas pipeline projects and water distribution projects which have been announced and lined up for implementation. Owing to the strong pipeline, order inflows are expected to gain momentum.

One potential risk to the outlook is the escalating trade friction between U.S.A and other countries, which may impact the global growth.

Jindal Saw Limited being the only company having a diversified product range with multi-locational manufacturing facilities catering and supporting the growing infrastructure sectors like water, oil & gas as well as other industries like automobile and power, is set to grow with the growth in the Indian and Global economies. As a growth strategy, the Company is making conscious efforts to move towards adding more value-added products.

-ENDS-



About Jindal Saw

Jindal Saw (NSE – JINDALSAW, BSE - 500378) is a leading global manufacturer and supplier of Iron & steel pipe products and accessories with manufacturing facilities in India, USA and UAE (MENA). Their customers include world's leading oil and gas companies, water bodies as well as engineering companies engaged in constructing oil and gas gathering, transportation, power generation and other industrial applications.

The Company has a unique business model which in itself is diversified in terms of location, markets, products, industry and customers. This business model itself hedges various risks and allows the Company to operate and perform in most difficult economic and geopolitical scenarios. It is one of the largest exporters of Steel pipes out of India. Their business operations are highly structured with five strategic business divisions including SAW Pipes, DI Pipes & Fittings, Seamless and Stainless-Steel Pipes and Tubes and Mining & Pellets.

Jindal Saw had interests in various businesses including infrastructure business along with the core business of pipe through subsidiaries in India and overseas. In late 2014, the Company decided to remain in core business of Pipe and Pellets manufacturing and after the implementation of scheme of re-arrangement through a court approved process, they had demerged majority of non-core businesses.

For more information, please visit <http://www.jindalsaw.com> OR contact:

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Forward Looking Statements

This document contains statements that constitute "forward looking statements" including, without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that we have indicated could adversely affect our business and financial performance. Jindal Saw undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

