



January 16, 2024

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Stock code: 500378

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Stock code: JINDALSAW

Sub. : Financial / Operational Highlights – 3rd Quarter/9 months Results – Regulation 30 SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs/Madam,

The Board of Directors of Jindal Saw Limited has approved the Unaudited (Standalone and Consolidated) Financial Results for the 3rd Quarter/9 months ended 31st December, 2023. A copy of the highlights of financial and operational performance which will be circulated to the investors' community and other stakeholders is being sent to you for your reference and record.

Please take this on record.

Thanking you,

Yours faithfully,
for JINDAL SAW LTD.,

SUNIL K. JAIN
COMPANY SECRETARY
FCS : 3056

Encl. : As above

New Delhi, 16th January 2024:

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe, pipe- accessories and pellets, with manufacturing facilities in India, Abu Dhabi (United Arab Emirates) and USA, today announced its financial results for Q3 FY24 and 9M FY-24.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q3 FY24 (Rs in Million)	Q3 FY23 (Rs in Million)	9M FY24 (Rs in Million)	9M FY23 (Rs in Million)	FY23 (Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income (#)	47,857	46,409	1,32,282	1,10,268	1,57,031*
Total Expenditure:					
Total Raw Material Cost	28,141	29,335	77,382	69,078	98,213
Staff Cost	2,861	2,192	8,378	6,175	8,771
Other Expenses (#)	7,956	8,897	23,962	23,477	31,774
EBITDA	8,899	5,985	22,560	11,538	18,273
Financial Costs (#)	1,491	1,379	4,412	3,948	5,291
Depreciation	1,219	937	3,472	2,747	3,737
Profit before Tax (PBT with exceptional items)	6,189	3,669	14,676	4,843	9,245
Exceptional Items	-	-	-	-	-
Profit before Tax (PBT after exceptional items)	6,189	3,669	14,676	4,843	9,245
Provision for Tax	1,666	1,013	3,902	1,296	2,152
Profit after Tax	4,523	2,656	10,774	3,547	7,093
RATIOS					
EBITDA to total income	18.59%	12.90%	17.05%	10.46%	11.64%
PBT to total income	12.93%	7.90%	11.09%	4.39%	5.89%
PAT to total income	9.45%	5.72%	8.14%	3.22%	4.52%

Notes:

(#) 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.

(*) The Company had previously invested Rs. 2,010 million in redeemable preference shares of Jindal ITF Limited (its subsidiary). On due date, the terms of the preference shares have been modified resulting into recognition of Rs 1,978 million as other income for FY 2023 only.

JINDAL SAW: CONSOLIDATED FINANCIALS

Particulars (Consolidated financials)	Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
	(Rs in Million)	(Rs in Million)	(Rs in Million)	(Rs in Million)	(Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	56,968	52,022	1,56,336	1,27,795	1,80,464
EBITDA	10,298	5,394	25,025	11,648	18,439
Financial Costs	1,812	1,688	5,294	4,768	6,376
Depreciation	1,486	1,181	4,243	3,451	4,708
Profit before Tax (PBT)	7,000	2,525	15,488	3,429	7,355
Exceptional Items	-	-	-	(250)	(250)
Share of profit/(loss) of JV and associate	(11)	(1)	(15)	(3)	(5)
Profit before Tax (PBT) after exceptional Items & share of profit/(loss) of JV/ associate	6,989	2524	15,473	3,176	7,100
Provision for Tax	1,872	1,092	4,366	1,690	2,674
Profit after Tax	5,117	1,432	11,107	1,486	4,426

OPERATIONAL & FINANCIAL HIGHLIGHTS

For the nine-month period and Q3 in FY24, the Company reported growth in volumes due to strong execution resulting in improved turnover and margins. Higher exports, improved volumes and range bound raw material prices have contributed towards margin improvement.

The Company's product mix comprises of Iron & Steel Pipes and Pellets which provides a natural hedge to its business model against volatile commodity market conditions.

Given below is the update on the Business of the Company:

The quantitative Production & Sales break-up for the Q3 FY24 is given below:

Products	Production			Sales		
	Q3-FY24	Q3-FY23	% change (~)Y-o-Y	Q3-FY24	Q3-FY23	% change (~)Y-o-Y
	(~) MT	(~) MT		(~) MT	(~) MT	
Iron & Steel Pipes	4,50,300	3,79,500	19%	4,42,800	3,84,700	15%
Pellets	3,86,900	4,11,200	-6%	3,87,800	3,98,300	-3%

ORDER BOOK POSITION

- The current order book for Iron & Steel pipes and pellets is ~US\$ 1.49 billion (Previous quarter ~ USD 1.44 billion) the break-up is as under:
 - *Iron & Steel Pipes: US\$ 1,474 million*
 - *Pellet: US\$ 14 million*

The order book includes ~35% of orders from global markets, which reflects good opportunities for exports. The Company is geared to meet higher requirements from MENA region where market conditions are thriving in line with respective countries' commitments to infrastructure as per their long-term vision.

Post-acquisition of the Sathavahana Ispat Limited in April 2023, the Company has streamlined the operations of the facilities, and these are now operating at ~ 85%. The plants are in South India, giving us strategic advantage in the region and above order book includes orders for these facilities as well.

The order book gives a visibility of appx. three quarters even though few orders may be executed in the next 9-12 months period. We expect the business scenario to remain positive in the coming quarters despite the volatile geopolitical situation in the MENA and GCC region.

Jindal Saw Gulf LLC (UAE Subsidiary) has an order book of app USD 135 million, additional to the orders mentioned above.

FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 31st December 2023, net institutional debt of the Company (at standalone level) was ~Rs. 39,190 million (~Rs. 42,413 million on 30th September 2023). This includes Net working capital borrowings (short term) of ~Rs. 20,450 million on 31st December 2023 (~Rs. 23,347 million on 30th September 2023) and Long-term Rupee Loans / Rupee NCDs of ~Rs. 18,740 million on 31st December 2023 (~Rs. 19,066 million on 30th September 2023).

Particulars (Rs. in Million)	As on December 31, 2023	As on September 30, 2023
Standalone Debt	39,190	42,413
- Long Term Debt	18,740	19,066
- Net Short Term/ Working Capital Debt	20,450	23,347
Consolidated Debt	47,475	49,940
- Long Term Debt	22,532	23,319
- Net Short Term/ Working Capital Debt	24,943	26,621

The above table demonstrates a reduction in the short-term debt at standalone as well as at consolidated level. The long-term debt shall be paid as per the repayment profile of respective loans. The company has sufficient liquidity and banking lines to execute the orders in hand.

Credit Ratings:

- I. In September 2023, CARE Ratings has reaffirmed “CARE A1+ (A One Plus)” for Short-term debt facilities including commercial papers and revised the Long-term debt facilities rating from “CARE AA- (Outlook “Stable”)” to “CARE AA (Outlook “Stable”)”.
- II. In October 2023, Brickwork Ratings has reaffirmed “BWR AA with Stable Outlook” for Non-Convertible Debentures of Rs. 5 billion.

After the above, there is no change in the ratings of the Company.

OTHER HIGHLIGHTS:**Jindal Hunting Energy Services Limited (Joint Venture):**

To establish India's first "state-of-the-art" premium Oil Country Tubular Goods (OCTG) threading facility, Jindal SAW entered a Joint Venture with Hunting Energy Services Pte Limited Singapore (where JSAW holds 51% shareholding and balance 49% is held by Hunting). With the help of this JV, Hunting will offer its patented premium connection technology, which will be used to thread premium connections on seamless casing and tubing primarily used for deep drilling operations in the oil and gas industry. It will also become the first company to have such a manufacturing facility in India which shall offer premium connections for OCTG from India to different regions of the world. It would also serve as a substitute for imports thereby enabling India to become self-reliant in this market. The JV is in line with the goal of the nation to become ‘Aatmanirbhar Bharat’.

The JV company is in the process of seeking necessary approvals including API etc., following which commercial operations will commence.

UAE operations:

Jindal Saw Gulf LLC (UAE subsidiary) in Abu Dhabi (UAE) has witnessed an improvement in execution of orders resulting in higher sales of DI Pipes at ~ 63,000 MT in Q3-FY24 (~ 59,000 MT in Q2-FY24). The UAE subsidiary has an order book of ~ USD 135 million which gives a visibility of two quarters.

Jindal ITF Ltd. v/s NTPC:

Jindal ITF Limited (JITF), a 51 per cent subsidiary of Jindal SAW Limited, is in the business of trans-shipment and waterborne transportation. In the matter of the dispute on contractual terms with NTPC Limited, on 27th January 2019, the final arbitration award was pronounced by the Hon’ble Arbitral Tribunal in favor of JITF, allowing various claims to the tune of Rs. 1,891 crores plus interest and applicable taxes. At present, NTPC and Jindal ITF have filed petitions which are being heard by the Hon’ble High Court of Delhi. In a hearing on 20th Dec 2023, substantial arguments have been completed by NTPC. The next hearing is scheduled for 14th and 15th February, 2024.

Update on Merger of Subsidiaries and Affiliates:

JSAW has filed the Scheme of amalgamation of Jindal Quality Tubular Limited (“JQTL”), Jindal Tubular (India) Limited (“JTIL”) and Jindal Fittings Limited (“JFL”) with NCLT, Allahabad bench for their approval. Shareholders and creditors of Jindal Saw Limited and all the merging entities have already approved the Scheme. The same is subject to the approval of Hon’ble NCLT Allahabad Bench. The next hearing is scheduled for 1st February, 2024.

Outlook:

The steel tubes market is significantly driven by the rapid pace of industrial growth and urbanization worldwide. The expansion of industries such as construction, automotive, and oil and gas, is escalating the demand for steel tubes, given their strength, durability, and versatility. Additionally, the rise in urbanization has led to increased infrastructure development, particularly in emerging economies, where large-scale construction projects are underway. These projects require substantial quantities of steel tubes for building frameworks, piping systems, and other structural elements. The ongoing urbanization trend, especially in Asia-Pacific and Middle Eastern countries, is positively influencing the market.

Governments in the region (including India) are investing heavily in infrastructure projects, which include transportation networks, urban development including water and wastewater network, and energy projects, fueling the demand for iron and steel tubes and pipes. The market in the Middle East and Africa is influenced largely by the oil and gas sector, especially in countries such as Saudi Arabia, UAE etc. The geopolitical adversities in the Gulf region, which tend to impact the day-to-day pricing of oil/gas, are not expected to change the longer-term growth outlook for the region.

The demand for steel tubes in the Middle East region is primarily driven by the need for pipelines and infrastructure in the oil and gas industry. Moreover, the Middle East is witnessing significant investments in infrastructure and construction projects, including smart city developments and transportation networks, which are further stimulating the demand for steel tubes. Saudi Arabia's vision 2030 initiative, with the USD 500 bn NEOM smart city is a case in point. Abu Dhabi and Dubai in the UAE are said to be strengthening their efforts in this direction as well.

India is poised to expand area under oil & gas exploration from 10% of the Indian sedimentary basin to 16% once Open Acreage Licensing Program (OALP) rounds 9 & 10 are awarded. PSU and private investment in the sector are expected to sustain consequently. The Government's water projects have accelerated the supply of drinking water to rural households. Whereas several milestones have been crossed, the demand from this segment continues to create opportunities for pipe-makers. Additionally, the Government is spearheading work to make villages open defecation free plus by end of 2024.

-ENDS-

ABOUT JINDAL SAW LTD.

Jindal Saw (NSE – JINDALSAW, BSE - 500378) has a business model that is well diversified in terms of strategic locations, markets, products, industries, and customers. The business model is designed to create a hedge against simultaneous risks and adverse macros, which allows it to operate and perform in difficult economic and geopolitical circumstances. The Company's domestic and exports markets are well balanced, and its businesses profile includes the manufacturing of iron & steel pipes and pellets.

Its offerings include the widest product range of pipes and tubes made of iron and steel, across the globe. The product range includes helically submerged arc-welded pipes ("HSAW"), longitudinally submerged arc-welded pipes ("LSAW"), ductile iron pipes, HDPE Pipes, seamless pipes, and tubes made of carbon, alloy and stainless steel. The Company also has all varieties of anti-corrosion and protective coating facilities along with the necessary ancillaries like fittings, bends, flanges etc. to make it a total pipe solution provider in the world.

JSAW has geographically diversified operations spread across Kosi Kalan (Uttar Pradesh), Mundra (Gujarat), Nashik (Maharashtra), Indore (Madhya Pradesh), Haresamudram (Andhra Pradesh) and Bellary, (Karnataka). The Company also has its presence in Bhilwara (Rajasthan), where, apart from having low grade iron ore mine, it also has an iron ore beneficiation and a pellet plant at the mine head.

JSAW has strong presence in overseas market and most of the exports take place with Latin American countries and MENA region. Substantial contribution to revenue is coming from drinking water supply and sanitation (WSS) which is growing rapidly in India and globally. The company's exposure to the Oil & Gas sector accounts for only one fourth of the total revenue. JSAW has government as well as private sector clients in sectors and has strong domestic and international presence across brands.

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.