

August 12, 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 – 1<sup>st</sup> Quarter Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Standalone and consolidated Financial Results for the 1<sup>st</sup> quarter ended 30<sup>th</sup> June, 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 Q1 FY20 RESULTS

**Demonstrates healthy performance backed by focus on target segments**

**New Delhi, August 12, 2019**

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe products and accessories with manufacturing facilities in India, USA, Europe and UAE (MENA), today announced its financial results for the quarter ended June 30, 2019.

Particulars	Q1 FY20 (Rs in Million) Unaudited	Q1 FY19 (Rs in Million) Unaudited	Q4 FY19 (Rs in Million) Unaudited	FY19 (Rs in Million) Audited	YoY Growth (%)
<b>Total Income</b>	<b>26,289</b>	<b>23,460</b>	<b>29,042</b>	<b>100,506</b>	<b>~12%</b>
<b>Total Expenditure:</b>					
<b>Total Raw Material Cost</b>	<b>16,274</b>	<b>14,812</b>	<b>18,568</b>	<b>62,707</b>	
Staff Cost	1,588	1,438	1,410	5,772	
Other Expenses (\$)	4,396	3,706	4,740	16,862	
<b>EBITDA</b>	<b>4,031</b>	<b>3,504</b>	<b>4,324</b>	<b>15,165</b>	<b>~15%</b>
Financial Costs (\$)	1,179	1,479	1,225	4,961	
Depreciation	688	653	711	2,814	
Profit before extra-ord. items, discontinued ops. and Tax	<b>2,164</b>	<b>1,372</b>	<b>2,388</b>	<b>7,390</b>	<b>~58%</b>
Exceptional Items – (Exp.)/income	-	-	-	-	-
Discontinued ops-profit/(loss)-Net of Tax	<b>0</b>	<b>3</b>	<b>1</b>	<b>20</b>	
Profit before Tax (PBT)	<b>2,164</b>	<b>1,375</b>	<b>2,389</b>	<b>7,410</b>	<b>~58%</b>
Provision for Tax	708	421	863	2,409	
<b>PAT</b>	<b>1,456</b>	<b>954</b>	<b>1,526</b>	<b>5,001</b>	<b>~53%</b>
<b>RATIOS</b>					
EBITDA to total income	15.33%	14.93%	14.89%	15.09%	
PBT to total income	8.23%	5.86%	8.22%	7.37%	
PAT to total income	5.53%	4.07%	5.25%	4.98%	

**Notes:**

(@) Total Raw Material Cost includes goods traded in for Rs 1,751 Mio for Q1 2020 and Rs 2495 Mio for Q4 2019.

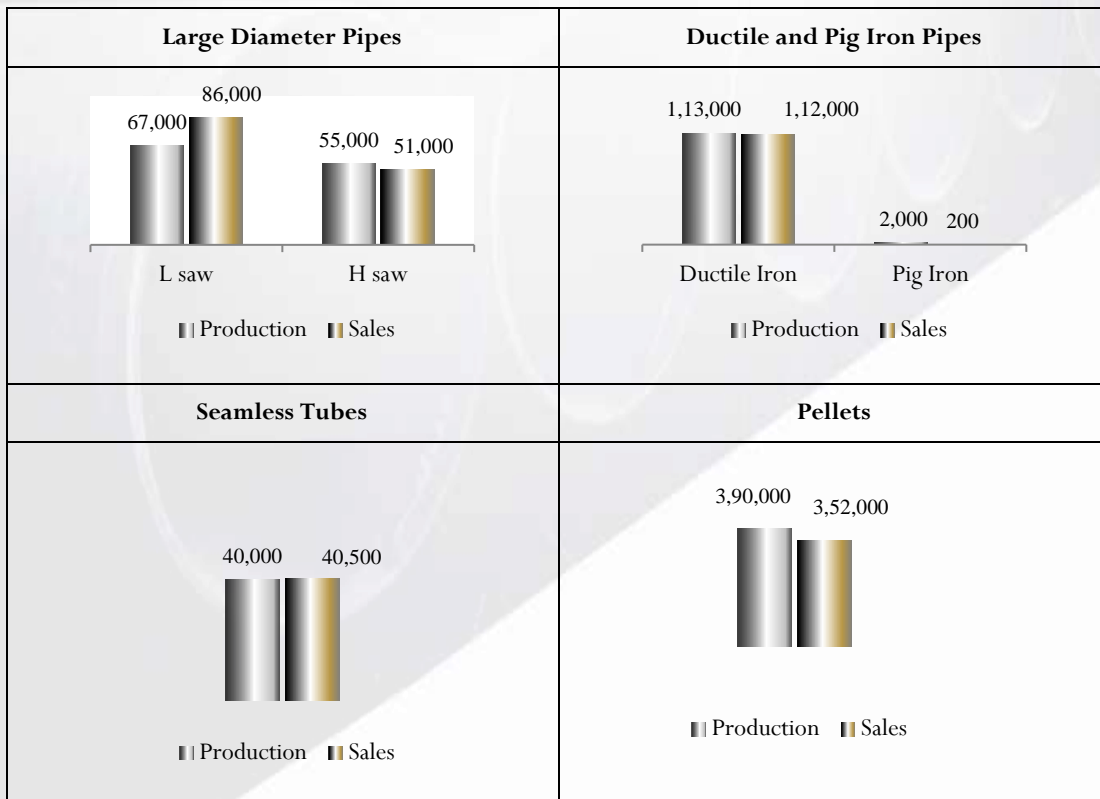
(\$) Other Income, Other Expenses and Finance Costs are net of the impact of foreign exchange fluctuations. The Company follows a policy and strategy of natural hedging of foreign exchange exposures.

## Jindal Saw Consolidated Financials

Particulars	Q1 FY20 (Rs in Million) Unaudited	Q1 FY19 (Rs in Million) Unaudited	Q4 FY19 (Rs in Million) Unaudited	FY19 (Rs in Million) Audited
<b>Total Income</b>	<b>30,816</b>	<b>27,965</b>	<b>34,784</b>	<b>1,22,632</b>
<b>EBITDA</b>	<b>4,216</b>	<b>3,906</b>	<b>4,490</b>	<b>16,212</b>
Financial Costs (\$)	1,461	1,831	1,460	6,152
Depreciation	1,002	932	997	3,963
Profit before extra-ord. items and Tax	<b>1,753</b>	<b>1,143</b>	<b>2,033</b>	<b>6,097</b>
Exceptional Items – (Exp.)/income	-	-	3,779	3,779
Profit before Tax (PBT)	<b>1,753</b>	<b>1,143</b>	<b>5,812</b>	<b>9,876</b>
Provision for Tax	643	360	789	2,116
<b>PAT from continuing Ops.</b>	<b>1,110</b>	<b>783</b>	<b>5,023</b>	<b>7,760</b>

## Operational & Financial Highlights

Production and Sales Tonnage (MT) break up for the 1st quarter ended 30th June, 2019.



## Operational performance: Overall Productivity (Revenue Profile)

During the 1<sup>st</sup> quarter ended 30th June, 2019, Company produced:

- Pipes & pig Iron of ~ 277,000 MT and
- Pellets - ~ 390,000 MT

Pipes production was lower in Q1 FY2020 (~277,000 MT) if compared with Q1 FY2019 (~316,000 MT). Pellet production has increased in Q1 FY2020 (~390,000 MT) as against Q1 FY2019 (~345,000MT).

## Iron & Steel Segment performance – Q1 FY2020:

**Saw Pipe Strategic Business Unit:** The current order book stands at ~ 5.80 lac MT. The order book comprises of ~2.68 lac MT of L Saw and balance ~3.12 lac for H Saw (H Saw orders are largely from the domestic water sector). During Q1 FY2020, Company has witnessed the slower execution of HSAW orders in domestic segment where company produced ~1.2 lacs MT pipe as compared to ~1.7 Lac MT of Pipes (including pipes for job work) in Q1 FY2019. The execution of contracts got impacted on account of general elections in the country.

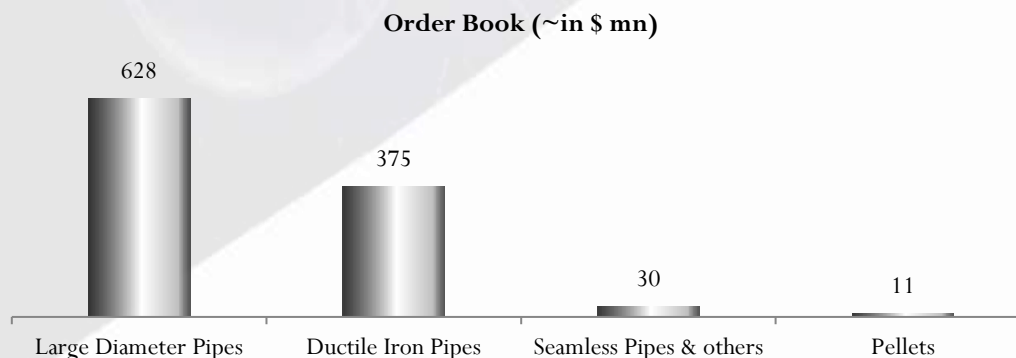
**DI Pipes and Pig Iron Strategic Business Unit:** Operations were in line with the planned production in this Quarter, where company has produced more than ~1.15 lac MT DI Pipe as compared to ~0.92 Lac MT in Q1 of FY 2019. Current order book stands at ~ 4.5 lac MT of DI pipes.

**Seamless Pipes Strategic Business Unit:** The performance of Seamless segment remained consistent where we produced ~40,000 MT pipes as compared to ~37,700 MT pipes in Q1 FY2019. With current order book at ~ 28,000 MT.

**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 Q1 FY 20 was ~ 390,000 MT from ~345,000 MT in Q1 FY 19.

## Order Book Position

- The current order book for pipes and pellets is ~ US\$ 1.04 Billion, the break up is as under:



With volume of ~1.15 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 ~28%.

### Financing and Liquidity

As at 30th June 2019, net institutional debt of the Company (at standalone level) was ~INR 42,471 Million (~INR 40,514 Million at 31<sup>st</sup> March 2019) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) at 30<sup>th</sup> June 2019 of ~INR24,175 Million (~ INR 21,981 Million at 31st March 2019) and Rupee denominated Long-term Loans / NCDs of ~INR 18, 296 Million (~ Rs. 18,533 Million at 31st March 2019). 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 AA with Stable outlook for long term debt facilities and reaffirmed at A1(+) rating for short term facilities.**

### 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 lacs 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 lacs on submission of equivalent amount of bank guarantees pursuant to two earlier interim awards. NTPC and Jindal ITF have their petitions which are being heard by 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 be covered by normal Capital expenditures.

### OMMA Arrangement with Sathavahana Ispat Ltd

The Company has entered into Operation, Maintenance and Management Agreement (OMMA) with Sathavahana Ispat Limited (SIL). SIL is a south based DI Pipe producer having manufacturing facilities in Andhra Pradesh and Karnataka. Under this Agreement, the Company will take over operation, maintenance and management of their plants. SIL has mainly DI Pipe manufacturing facilities of 2,10,000 MT p.a. and Coke production facilities of 4,50,000 MT p.a.

## Outlook

The future of the global steel pipe market looks promising with opportunities in oil and gas, water and wastewater, power generation and other industrial sector. The global steel pipe market is expected to reach an estimated \$68.4 billion by 2024 with a CAGR of 1.6% from 2019 to 2024. The major drivers for this market are increasing construction of new pipelines, replacement of aging pipelines, urbanization rate, and infrastructure development (Refer Market report published by Lucintel).

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 bullish outlook is the escalating trade friction between U.S.A and other countries, which may slow global growth, pressure on oil prices and thereby impacting the growth on new oil and natural gas projects.

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, Europe 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.*