



January 25, 2023

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. : **Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Financial / Operational Highlights – Quarter/9 Months Results**

Dear Sir/Madam,

The Board of Directors of the Company has approved the Unaudited (Standalone and Consolidated) Financial Results for the quarter/9 Months ended 31st December, 2022. 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.

Thanking you.

Yours faithfully,
For Jindal Saw Limited,

Sunil K. Jain
Company Secretary
FCS- 3056

New Delhi, 25th January, 2023:

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe products, pipe-accessories and pellets, with manufacturing facilities in India, USA and Abu Dhabi (United Arab Emirates), today announced its financial results for the quarter ended December 31, 2022.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q3 FY23	Q3 FY22	9M FY23	9M FY22	FY22
	(Rs in Million)	(Rs in Million)	(Rs in Million)	(Rs in Million)	(Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income (#) (*)	46,409	28,507	1,10,268	78,987	1,12,434
Total Expenditure:					
Total Raw Material Cost (@)	29,334	18,130	69,078	45,294	66,004
Staff Cost	2,192	1,970	6,174	5,796	7,703
Other Expenses (#)	8,897	6,386	23,477	17,961	24,876
EBITDA	5,984	2,021	11,538	9,937	13,851
Financial Costs (#)	1,379	861	3,948	2,720	3,692
Depreciation	937	954	2,747	2,785	3,718
Profit before Tax (PBT with exceptional items)	3,668	206	4,844	4,432	6,442
Exceptional Items	-	-	-	-	71
Profit before Tax (PBT after exceptional items)	3,668	206	4,844	4,432	6,371
Provision for Tax(*)	1,013	58	1,296	1,527	2,316
PAT	2,655	148	3,548	2,905	4,055
RATIOS					
EBITDA to total income	12.90%	7.09%	10.46%	12.58%	12.32%
PBT to total income	7.90%	0.72%	4.39%	5.61%	5.67%
PAT to total income	5.72%	0.52%	3.22%	3.68%	3.61%

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 with respect to its foreign exchange exposures.

(*) The Company had previously invested Rs. 2,010 Mio in redeemable preference shares of subsidiary Jindal ITF Limited. On due date, the terms of the preference shares have been modified resulting into recognition of Rs. 1,134 Mio as other income and Rs. 379.4 Mio. deferred tax expense during the quarter and nine months ended December 31, 2022. Respective values are included in Total Income and Provision of Tax.

(@) Total Raw Material Cost includes goods traded in Q3 FY23 which is NIL and Q3 FY22 was Rs. 46 Million.

JINDAL SAW: CONSOLIDATED FINANCIALS

Particulars (Consolidated financials)	Q3 FY23 (Rs in Million)	Q3 FY22 (Rs in Million)	9M FY23 (Rs in Million)	9M FY22 (Rs in Million)	FY22 (Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	52,022	35,088	1,27,795	94,393	1,34,510
EBITDA	5,394	2,424	11,648	11,122	15,546
Financial Costs	1,688	1,079	4,768	3,407	4,601
Depreciation	1,181	1,222	3,451	3,545	4,730
Profit before Tax (PBT with exceptional items)	2,525	123	3,429	4,170	6,215
Exceptional Items & Profit/(Loss) of JVs & Associates	-1	-	-253	-	-
Profit before Tax (PBT with exceptional items)	2,524	123	3,176	4,170	6,215
Provision for Tax	1092	116	1,690	1,629	2,456
PAT	1,432	7	1,486	2,541	3,759
Other Comprehensive Income	189	40	713	166	324
Total Comprehensive Income	1,621	47	2,199	2,707	4,083

OPERATIONAL & FINANCIAL HIGHLIGHTS (STANDALONE)

During the quarter ended Dec 31, 2022, the profitability of the Company improved significantly as compared to the previous quarter ended September 2022 on account of positive demand off take and superior execution across key pipe categories. However, the extreme volatility in foreign exchange rates (INR to US DOLLAR) continued to impact the net profit of the Company for Q3 of the current financial year. The current order book includes approx. 35% export orders which will result in the Company turning net foreign exchange gainer in near term.

Stability in key raw material prices helped the Company to maintain its order book position despite higher shipments reported in Q3 FY23. Similar momentum is expected to continue in the coming quarters as well, across all segments driven by better demand visibility.

The quantitative Sales break-up for the Q3 of FY2023 is given below:

Products	Q3 FY23 (~) MT	Q3 FY22 (~) MT
Pipes		
- Large Diameter Saw Pipes		
- L Saw	60,000	20,300
- H Saw	1,27,300	71,500
- Ductile Iron Pipes	1,31,500	1,14,400
- Pig Iron	3,900	2,100
- Seamless & Stainless Tubes	62,000	53,700
Total – Pipes & Pig Iron	3,84,700	2,62,000
Pellets	3,98,300	3,97,500

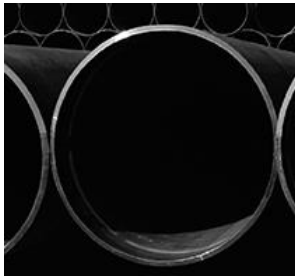
Given below is the update on Strategic Business Units of the Company:

- **During Q3 of FY2023.**
 - **The Company produced:**
 - ~ 3,79,500 MT of pipes and pig Iron
 - ~ 4,11,200 MT of pellets

A DETAILED SEGMENT-WISE REVIEW IS PRESENTED BELOW.

IRON & STEEL PIPE SEGMENT PERFORMANCE – Q3 FY23:

Saw Pipe Strategic Business Unit:



During Q3 FY23, the Company produced ~1.91 lac MT of SAW pipes which was higher as compared to ~0.69 lac MT in Q3 FY22 and ~1.03 lac MT in Q2 FY23, of SAW Pipes. The production is higher on account of higher execution of orders in hand

primarily in Oil and Gas as well as the Water sector. In addition, pent up as well as new demand across oil & gas and water segments is expected to add incremental orders in future.

The Govt.'s continuous focus on infrastructure for Oil, Gas and Water sectors remains a key positive which will drive strong demand in SAW pipes in the domestic market.

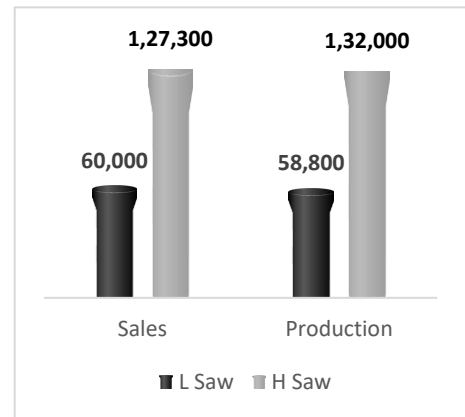
Higher oil prices as well as geopolitical situation is also leading to higher demand in overseas business primarily from MENA region. Apart from oil & gas within the overseas region, new demand is expected to emerge from water sector (overseas) due to urbanization and smart cities' focus in gulf countries.

- Market leader with total capacity of ~1.50 million metric tons per annum between LSAW and HSAW pipes
- 6 Pipe Mills in India

Customer Segment
Oil & Gas Transportation, Slurry and Water

Focus on growth:

With increased demand from domestic and export market, as well as stability in raw material prices has aided the order book momentum. The Current order book has increased to ~6.15 lac MT in this quarter compared to ~5.99 lac MT as on 30th Sep, 2022. Order book comprises of mix of orders – ~5.07 lac MT of H Saw and ~1.08 lac MT L Saw.



DI Pipes and Pig iron Strategic Business Unit:

During Q3 of FY23, the Company has produced ~1.25 lac MT DI Pipe and pig iron as compared to ~1.15 lac MT in Q3 of FY22 and ~1.18 lac MT in Q2 of FY 23.

Execution of some old orders continued to have a bearing on the profitability of this segment. However, with stability in the

Focus on growth:

There is a strong demand visibility in water sector given Govt.'s focus on 'Nal Se Jal Yojana' that will help the Company to maintain the growth momentum in DI segment.

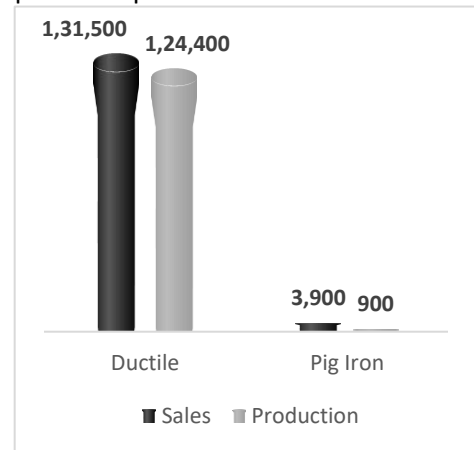
commodity prices including coking coal and iron ore, the Company expects some improvement in margins in the ensuing quarters. The Company is meticulously increasing its order book in this segment with risk mitigation strategy in place through price variation clauses for new contracts.

- One of the largest producers of Ductile Iron Pipes having plants in India and in Abu Dhabi (UAE). Total capacity (Global) of ~ 0.8 million MTPA making the company the 3rd largest producers of DI Pipes globally
- Largest Ductile Iron Fittings plant with size range of DN 80 mm to DN 2200 mm and annual production capacity of 18,000 MT per annum

Customer Segment

Systems transporting potable water, Industrial water, Irrigation water and Pressure sewage

The Company has current order book of ~4.09 lac MT as compared to previous quarter of ~4.05 lac MT.



Seamless Pipes Strategic Business Unit:



During Q3 FY23, the Company produced ~0.63 lac MT pipes as compared to ~0.52 lac MT pipes in Q3 FY22 and ~0.58 lac MT in Q2 FY23. Improvement in overall business sentiments is on account of higher execution and increased demand from oil & gas and industrial sector.

industrial sector.

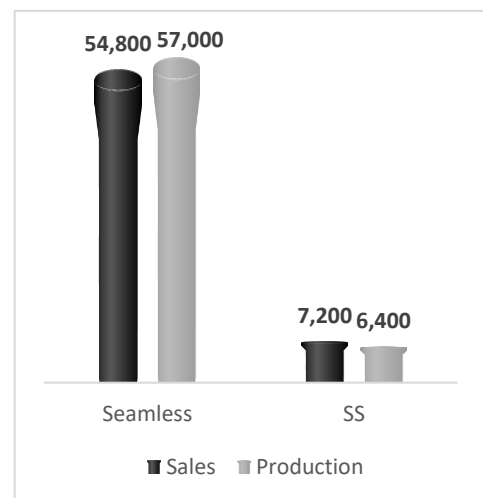
Altered geopolitical environment has created a new market for exports in US and European regions which is expected to continue in the near term.

- One of the leading manufacturers of Seamless Tubes and Pipes with capability to produce carbon & alloy steel pipes and stainless steel (including stainless seamless pipes & Tubes and stainless welded pipes & tubes)
- The Company is focusing on high value-added product range in this segment and in-line with this vision, Jindal Saw has entered into a JV with Hunting Energy Pte. Ltd, Singapore to set up precision machine shop for premium connections
- The JV is expected to start production during FY2023 (update??)

Focus on growth:

Focus on enhancing the product portfolio and better execution in seamless segment was driven by increased demand from upstream, downstream & power sector, auto & bearing sectors.

The current order book in this segment is ~0.92 lac MT.



Iron Ore Mines and Pellet Strategic Business Unit:



The Company has produced ~4.11 lac MT in Q3 FY23 as compared to ~3.95 lac MT in Q3 FY22 and ~2.64 lac MT in Q2 FY23. Production was higher in Q3 FY23 on account of continued healthy demand. Corresponding sale of pellets was ~3.98 lac MT in Q3 FY2023, vis. a vis. ~3.97 lac MT in Q3 FY2022.

Pellets sales remained stable with reasonable delivery of margins during the current quarter. The same is expected to continue in the upcoming quarters as well.

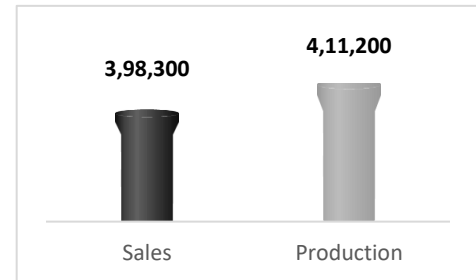
- North India Based Pellet Plant with capacity of 1.5 million metric tons per annum

Customer Segment

Mainly used in Iron making processes like Modern blast furnace process, COREX, sponge iron and DRI making among

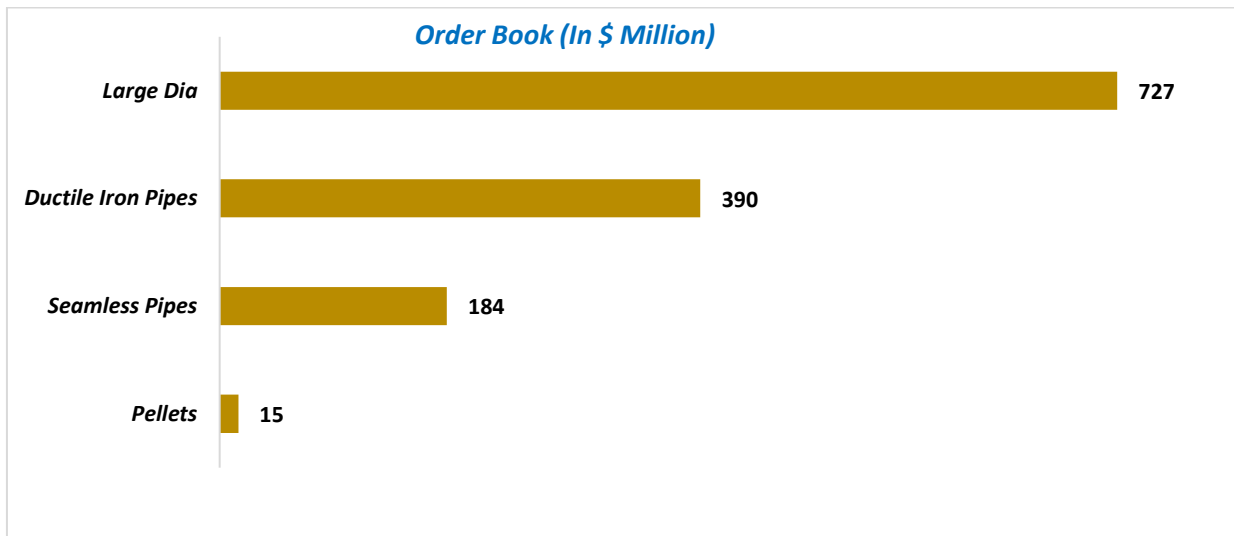
Focus on growth:

Improvement in iron ore pellets market is driven by robust demand which is led by end-usage mainly in automotive, construction, transportation, industrial machinery, oil & gas, appliances, and other processing industries. Demand will remain stable in this segment due to higher focus of Govt. in infrastructure spending.



ORDER BOOK POSITION

- The current order book for pipes and pellets is app. US\$ 1.316 Billion as on Dec 31, 2022 (US\$ 1.364 Million as on Sep 30, 2022), the break-up is as under:



The order book includes 35% orders from global markets which is a reflection of improved market conditions. Further, the orders for Large dia (HSAW and LSAW) pipes are likely to be executed over next 15-18 months whereas the orders for Seamless will be executed over a period of 4-6 months and DI pipes will be executed over 6-9 months.

FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 31st December 2022, net institutional debt of the Company (at standalone level) was ~Rs. 37,732 million (~Rs 41,061 million on 30th September 2022) including long term loans and fund based working capital borrowings. This includes Net working capital borrowings (short term) of ~Rs. 26,369 million on 31st December 2022 (~Rs. 29,114 million on 30th September 2022) and Long-term Rupee Loans / Rupee NCDs of ~Rs. 11,363 million on 31st December, 2022 (~Rs. 11,947 million on 30th September, 2022).

Particulars (Rs. In Millions)	As on Dec. 31, 2022 (Rs. In Million)	As on Sep. 30, 2022 (Rs. In Million)
Standalone Debt	37,732	41,061
- Long Term Debt	11,363	11,947
- Net Short Term/ Working Capital Debt	26,369	29,114
Consolidated Debt	45,412	48,369
- Long Term Debt	16,047	16,394
- Net Short Term/ Working Capital Debt	29,365	31,975

OTHER HIGHLIGHTS:

Jindal SAW & Hunting Energy Services Pte Ltd (Hunting) Joint Venture:

The Company had entered into Joint Venture agreement with Hunting Energy Services Pte. Ltd, Singapore which is a global leader in precision technology for premium connections in Oil Country Tubular Goods (OCTG). A joint venture company (“JV”) has been setup where JSAW holds 51% and the balance 49% is held by Hunting. Both shareholders have infused equity aggregating to Rs. 300 Mio., as per their respective shareholding. The project is in advance stage of implementation.

Credit Ratings:

- I. 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 “Negative”)” to “CARE AA- (Outlook “Stable”)”.
- II. Brickwork Ratings has reaffirmed “BWR AA with Stable Outlook” for Non-Convertible Debentures of Rs. 5 billion.

Update on UAE operations:

UAE operations reported sales of 37,362 MT during Q3 FY23 (110,376 MT for the period 9M FY2023 as compared to 156,642 MT for the period 9M FY22) and order book, as at Dec 2022, is app. 86,000 MT.

There is an overall improvement in the business scenario in GCC and MENA region and UAE Company is working on new business opportunities. Therefore, the UAE Company expects improvement in overall performance in the coming quarters.

Update on Sathavahana Ispat Limited:

Jindal Saw (JSAW) is one of the Resolution Applicant for Sathavahana Ispat Limited (SIL) which is going through a CIRP under IBC. The Company has received LOI from Resolution Professional (“RP”) in Oct 2022 as the highest bidder. The RP has recommended the matter to NCLT for final approval. We expect the final NCLT order in next few days. SIL has a capacity of ~200,000 MTPA for producing DI Pipes, which is strategically located in South India. It will be used to cater to the South Indian water pipe requirements. Once successful, this will aid JSAW’s existing DI pipe capacity and significantly improve its market position.

Jindal ITF Ltd. v/s NTPC:

Jindal ITF Ltd. v/s NTPC case proceedings are being heard by Hon'ble High Court of Delhi and the hearings which were scheduled in early November 2022 have been deferred by the Hon'ble Court. The hearings will now take place in 1st week of March 2023.

Outlook:

The future of the global steel pipe market looks promising with opportunities in oil and gas, water and wastewater, power generation, automotive, and other industrial sector. The Pipe Industry in India is doing well on account of improved demand, normalization in the input prices as well as overall increased spending on infrastructure.

The pipe demand is expected to grow. Global demand for more cost-effective transportation will increase. The cost of transporting fluids per unit weight per unit distance drops about by an order of magnitude for each mode of transport: air, surface, ship, and pipe. Furthermore, due to the too-short design life of many underground pipes already in use, robust pipes with longer life will be in demand. To develop the welding pipes market, pipeline design life should be greatly improved.

-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 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 operate through four strategic business divisions including SAW Pipes, DI Pipes & Fittings, Seamless Pipes & Tubes and Mining & Pellets.

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

JSAW has a healthy product portfolio with presence across major segments of the pipe industry viz. LSAW pipes, HSAW pipes, DI pipes, seamless pipes & tubes, anti-corrosion coated pipes, hot-pulled induction bends etc. Company's revenue is well balanced across various products with no single product contributing more than 30% to revenue. Most of the products contribute between 10% to ~30% of total revenue, thus providing diversification to cash flows and mitigation against market volatility related to any single product.

JSAW has strong presence in overseas market and most of the exports take place with Latin American countries and MENA region. ~50% of the Company' revenues come from the water supply and sanitation (WSS) which is growing rapidly in India and globally. The Company's exposure to Oil & Gas sector accounts for only one third of the total revenue. Due to its diversified portfolio, the Company has been able to protect itself from the volatility in the Oil & Gas sector. JSAW has Government as well as private sector clients in sectors and have strong domestic and international presence across various segments of pipes.

For more information, please visit <http://www.jindalsaw.org> 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.