

January 24, 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 – 3<sup>rd</sup> Quarter Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Financial Results for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December, 2018. 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 Q3 & 9M FY19 RESULTS

**Demonstrates strong all-round performance during the quarter**

**New Delhi, January 24, 2019**

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & Steel pipe products and accessories with manufacturing facilities in India, USA, UAE (MENA) and Europe, today announced its financial results for the quarter and nine-months ended December 31, 2018.

Particulars	Q3 FY19 Rs in Million	Q3 FY18 Rs in Million	9M FY19 Rs in Million	9M FY18 Rs in Million
<b>Total Income</b>	<b>23,988</b>	<b>21,810</b>	<b>71,464</b>	<b>50,671</b>
<b>Total Expenditure:</b>				
Total Raw Material Cost	14,343	13,155	44,138	27,950
Staff Cost	1,448	1,294	4,362	3,783
Other Expenses (\$)	4,493	4,173	12,122	10,702
<b>EBITDA</b>	<b>3,704</b>	<b>3,188</b>	<b>10,842</b>	<b>8,236</b>
Financial Costs (\$)	815	863	3,736	2,898
Depreciation	727	616	2,104	1,903
Profit before extra-ord. items, discontinued ops. and Tax	<b>2,162</b>	<b>1,709</b>	<b>5,002</b>	<b>3,435</b>
Exceptional Items – (Exp.)/income	-	-	-	-
Discontinued ops-profit/(loss)-Net of Tax	<b>2</b>	<b>(138)</b>	<b>19</b>	<b>(156)</b>
Profit before Tax (PBT)	<b>2,164</b>	<b>1,571</b>	<b>5,021</b>	<b>3,279</b>
Provision for Tax	661	609	1,546	1,076
<b>PAT</b>	<b>1,503</b>	<b>962</b>	<b>3,475</b>	<b>2,203</b>
<b>RATIOS</b>				
EBITDA to total income	15.44%	14.62%	15.17%	16.25%
PBT to total income	9.02%	7.20%	7.02%	6.47%
PAT to total income	6.26%	4.41%	4.86%	4.34%

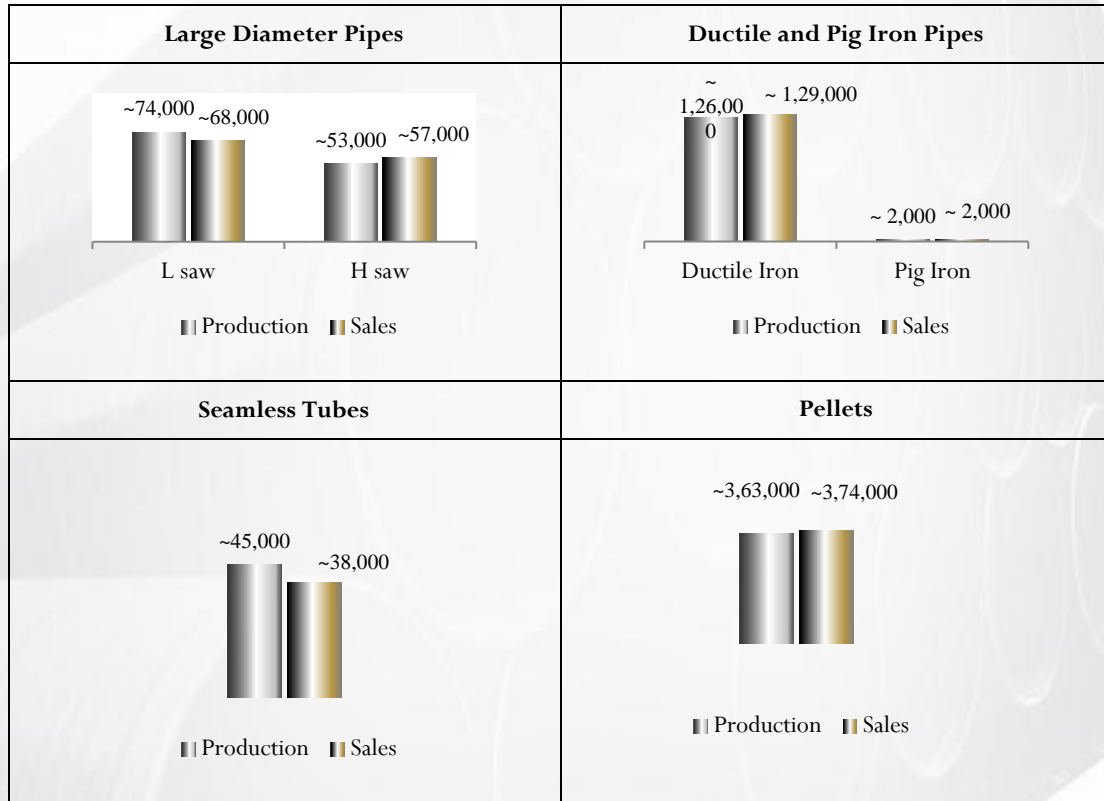
**Notes:**

(\$) Q3 of FY 2019 has seen appreciation of Indian rupee against USD. Other Expenses and Finance Costs are net of the impact of Foreign exchange fluctuations because of foreign exchange denominated items (borrowings, assets and liabilities).

The Company follows a policy and strategy of natural hedging of foreign exchange exposures.

## Operational & Financial Highlights

Production and Sales Tonnage (MT) break up for the quarter ended 31st December 2018



### Operational performance: Overall Productivity (Revenue Profile)

During the quarter ended 31st December 2018, Company produced:

- Pipes & pig Iron of app. 3,00,000 MT and
- Pellets - app. 3,63,000 MT

Pipes & Pig Iron production marginally lower in Q3 FY2019 (3,00,000 MT) from Q3 FY2018 (3,29,000 MT). Pellet production is higher in Q3 FY2019 (3,63,000 MT) as against Q3 FY2018 (3,37,000 MT).

### Performance of Iron & Steel Pipe Segment– Q3 FY2019:-

**Saw Pipe Strategic Business Unit:** The current order book stands at app. 5.17 lakh MT. The order book comprises of 3.74 lakh MT of L Saw and balance of 1.43 lakh for H Saw (H Saw orders are largely from the domestic water sector). During Q3 FY2019, Company produced app. 1.27 lacs MT pipe as compared to 1.68 Lac MT of Pipes (including pipes for job work) in Q3 FY2018 which corresponds to the planned production and delivery schedules.

**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 1.28 lakh MT DI Pipe as compared to 1.19 Lakh MT in Q3 of FY 2018. Current order book stands at app. 5.55 lac MT of DI pipes which is higher than the current capacity of the DI plants.

**Seamless Pipes Strategic Business Unit:** The performance of Seamless segment remained consistent where we produced 45,000 MT pipes as compared to 41,000 MT pipes in Q3 FY2018. With current order book at app. 69,000 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.

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

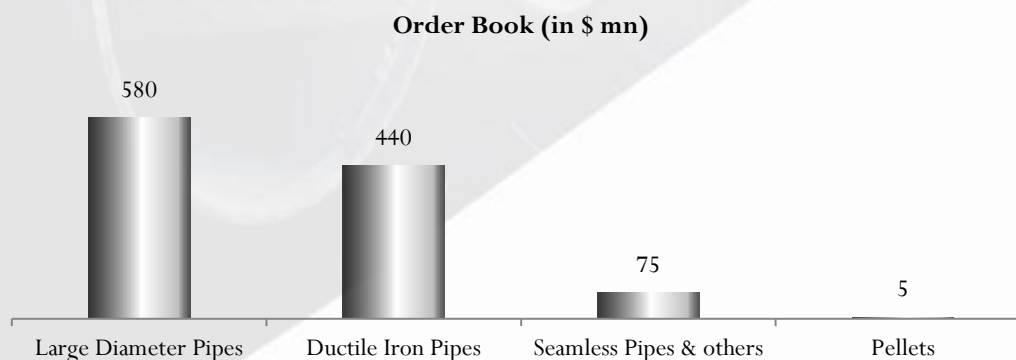
We are one of the unique companies which has wide range of products in stainless and carbon steel with facilities for seamless and welded segments. Our products offered import substitution. We are serving almost all industries including oil & gas, pulp & paper, food, pharmaceuticals, water and sanitation, 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. Company has also started exporting pellets to Japan and Korea. The production in Q3 FY 19 was app. 3,63,000 MT from app. 3,37,000 MT in Q3 FY 18.

**Order Book Position**

- The current order book for pipes and pellets is app. US\$ 1100 million, the break up is as under:



With volume of app. 1.18 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. 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 December 2018, net institutional debt of the Company (at standalone level) was app. Rs. 39,840 Million (~ Rs 38,240 Million in September 2018) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) at 31<sup>st</sup> December 2018 of Rs 20,330 Million (~ Rs. 18,950 Million at 30th September 2018) and Long-term Rupee Loans / Rupee NCDs of Rs. 19,510 Million (~ Rs. 19,290 Million at 30th September 2018). Company is having sufficient working capital facilities to take care of increased business opportunities.

## External Credit Ratings

The Company's debt instruments are rated by CARE Ratings which has issued A1(+) rating for short term debt facilities and AA (-) with "Positive Outlook" rating for long term debt facilities.

## De-subsidization of Jindal Saw Italia

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

JSI operations are also getting impacted due to various trade restrictions and moreover the European market is not improving, it has been decided to de-subsidize the same to insulate Jindal Saw Limited. Thereafter, Jindal Saw Limited will have only 19% shareholding.

## Status of New Projects / Capital Expenditures

**Additional Projects/ new capital expenditures:** Company is incurring few capital expenditures for de-bottlenecking and for enhancement of the product range, quality and profitability etc. In light of the revival of steel industry, the Company is examining the viability of a Mini Steel Plant at Bhilwara (Rajasthan). However, no decision has yet been taken.

## Outlook

Demand for steel pipes used in oil and natural gas production is recovering backed by the stable energy prices. 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, sending oil prices down 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 Limited

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, UAE (MENA) and Europe. 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:**

**Rajeev Goyal**  
**Jindal Saw Limited**  
+91 11 41462330  
Email: [Rajeev.goyal@jindalsaw.com](mailto:Rajeev.goyal@jindalsaw.com)

**Siddharth Rangnekar / Nishid Solanki**  
**CDR India**  
Tel: +91 22 6645 1209 / 1221  
Fax: +91 22 6645 1213  
Email: [siddharth@cdr-india.com](mailto:siddharth@cdr-india.com)  
[nishid@cdr-india.com](mailto:nishid@cdr-india.com)

### **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.*