



August 5, 2022

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.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Financial / Operational Highlights—Quarterly Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June, 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 LTD.,

SUNIL K JAIN
COMPANY SECRETARY
FCS: 3056

Encl. : As above.

New Delhi, 5th August 2022:

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 June 30, 2022.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q1 FY23	Q1 FY22	~Growth (%)	FY22
	(Rs in Million)	(Rs in Million)		(Rs in Million)
	Unaudited	Unaudited	Y-o-Y	Audited
Total Income (#)	30,190	24,775	21.86%	1,12,434
Total Expenditure:				
Total Raw Material Cost (@)	18,592	12,912		66,004
Staff Cost	1,957	1,878		7,703
Other Expenses (#)	7,093	5,870		24,876
EBITDA	2,548	4,115	-38.07%	13,851
Financial Costs (#)	1,305	970		3,692
Depreciation	876	877		3,718
Profit before Tax (PBT with exceptional items)	367	2,268		6,441
Exceptional Items	-	-		70
Profit before Tax (PBT after exceptional items)	367	2,268		6,371
Provision for Tax	86	785		2,316
PAT	281	1,483	-81.06%	4,055
RATIOS				
EBITDA to total income	8.44%	16.61%		12.32%
PBT to total income	1.22%	9.15%		5.67%
PAT to total income	0.93%	5.99%		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 of foreign exchange exposures.

(@) Total Raw Material Cost includes goods traded in for Q1 FY 23 is nil and Rs. 81 Mio for Q1 FY 22.

JINDAL SAW: CONSOLIDATED FINANCIALS

Particulars (Consolidated financials)	Q1 FY23	Q1 FY22	FY22
	(Rs in Million)	(Rs in Million)	(Rs in Million)
	Unaudited	Unaudited	Audited
Total Income	35,105	29,255	1,34,510
EBITDA	2,706	4,596	15,546
Financial Costs	1,600	1,213	4,601
Depreciation	1,098	1,122	4,730
Profit before Tax (PBT with exceptional items)	9	2,261	6,215
Exceptional Items	-2	-	-
Profit before Tax (PBT with exceptional items)	7	2,261	6,215
Provision for Tax	164	803	2,456
PAT	-157	1,457	3,759
Total Other Comprehensive Income	294	106	324
Total Comprehensive Income	138	1,563	4,083

OPERATIONAL & FINANCIAL HIGHLIGHTS (STANDALONE)

In last few quarters, the business has witnessed significant and unprecedented volatilities in the prices of major raw materials including coking coal, iron ore, steel etc. While during the previous year ended on 31st March 2022, the prices were following an upward trend however during the current financial year, the prices of these raw materials have started correcting significantly. For example, while the coking coal has seen the high of ~USD 600 per MT in FY22, however in a span of 4-6 months, the same has dropped to a level of ~ USD 200 per MT. Similarly, the iron ore prices have corrected and consequently the prices of steel and other commodities have also corrected.

The Company has a distinguished business model that is built to hedge the organization against various risks and vagaries which allows it to operate and perform in difficult economic and geopolitical circumstances. Most of the products contribute between 10% to ~30% of total revenue, thus providing diversification to the cash flows and hedge against market volatility related to any single product. In FY22, due to steep rise in the Iron Ore prices, the performance of Pipe segments got impacted, however on the other hand, pellet segment performed exceedingly well.

Due to this volatile environment with respect to price uncertainty of key raw materials, the Company's performance for Q1 FY23 was impacted. In such a scenario, there tends to be some lag impact before normalization is restored in the business and profitability follows. However, the inflow of the new orders in last few months from the oil, gas and water sectors have bolstered the pent-up demand and new demand in the SAW pipe and DI pipe segments.

The quantitative Sales break-up for the Q1 of FY2023 is given below:

Products	Q1 FY23	Q1 FY22
	(~) MT	(~) MT
Pipes		
- Large Diameter Saw Pipes		
- L Saw	29,900	44,200
- H Saw	45,500	51,300
- Ductile Iron Pipes	89,700	1,02,900
- Pig Iron	6,400	12,600
- Seamless & Stainless Tubes	61,700	46,800
Total – Pipes & Pig Iron	2,33,200	2,57,800
Pellets	2,95,200	3,66,200

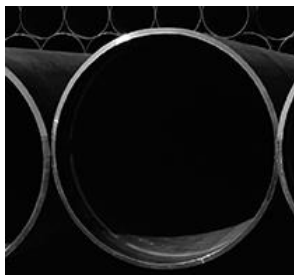
Given below is the update on Strategic Business Units of the Company:

- **During Q1 of FY2023.**
 - **The Company produced:**
 - ~ 2,32,200 MT of pipes and pig Iron
 - ~ 4,25,900 MT of pellets
- **The Company is carefully building its order book position considering the market volatility and geo-political conditions. Increase in order book is primarily from SAW pipes and DI pipe segments due to pent up as well as new demand generation. The order book of the Company is ~US\$ 733 million, this stands higher than US\$ 654 Million for the previous quarter.**

A DETAILED SEGMENT-WISE REVIEW IS PRESENTED BELOW.

IRON & STEEL PIPE SEGMENT PERFORMANCE – Q1 FY23:

Saw Pipe Strategic Business Unit:



During Q1 FY23, the Company produced ~0.67 lac MT of pipes which was lower as compared to ~1.01 lac MT of Pipes in Q1 FY22; lower production was primarily in line with the delivery schedule for Q1 FY23. However, with progress towards softening of steel prices and other raw materials, the Company has received some major orders in this quarter which shall be executed over a period of 6-9 months. Further, the Company is participating in large bids for new businesses in domestic and overseas markets and expects to receive incremental orders from oil & gas and water sector, in next few months.

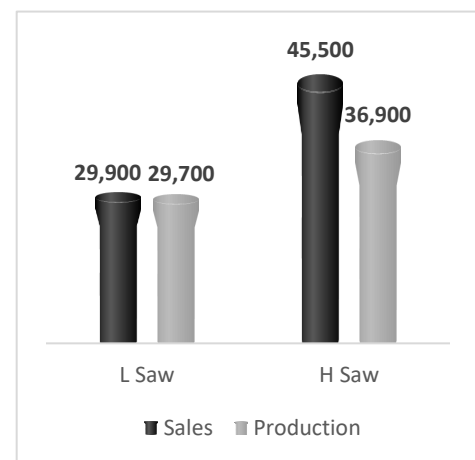
Also, the Govt.'s focus to create strong infrastructure for Oil & Gas and Water sectors is expected to steer the order flow momentum for the industry.

- 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:

On 22nd May, 2022, the Government imposed export tariffs on steel intermediaries and key steel products which resulted in sharp decline of steel and coal prices, thereby improving the order booking for this quarter. The Current order book stands at ~2.88 lac MT (~2.31 lac MT as on 31st May, 2022). Order book comprises of mix of orders ~2.00 lac MT of H Saw and ~0.88 lac MT LSAW.



DI Pipes and Pig iron Strategic Business Unit:



During Q1 of FY23, the Company has produced ~1.08 lac MT DI Pipe and pig iron as compared to ~1.14 lac MT in Q1 of FY22. The production was stable during the current quarter.

The volatility in raw material prices has impacted the profitability of this segment however, sharp decline in coal and iron ore prices will have positive impact on the future profitability of this segment. Demand for creation of water infrastructure is expected to remain robust from the Central and State governments initiatives and therefore the order flow and project execution are expected to accrue consistently in coming quarters.

- 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

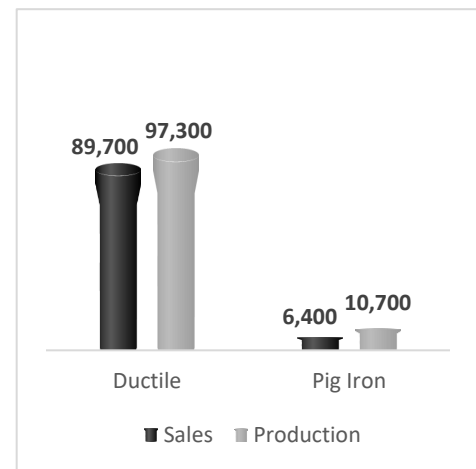
Customer Segment

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

Focus on growth:

With the sharp decline in raw material prices specially coking coal and iron ore, the Company is expected to further build on its order book, in the coming quarters.

The current order book in this segment is ~2.15 lac MT.



Seamless Pipes Strategic Business Unit:



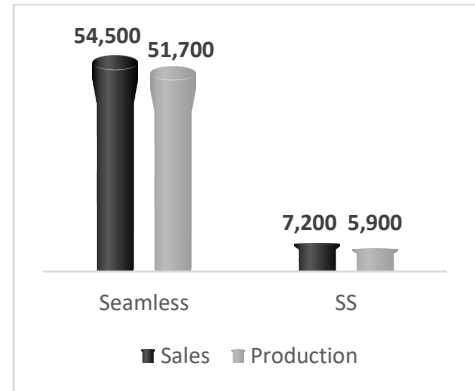
Improved performance in this segment is mainly on account of higher execution and steady demand from oil & gas and industrial sector. The Company had produced ~0.57 lac MT pipes in Q1 FY23 as compared to ~0.49 lac MT pipes in Q1 FY22.

Focus on growth:

Seamless steel pipes hold huge potential in the global piping industry, with a competitive value market share over other pipe categories. Also, increase in demand from Oil & Gas sectors and automobile & power sectors may help in improved order booking and better margins in this segment.

The current order book in this segment is ~0.64 lac MT.

- 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 with the same vision, the Company has entered in 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



Customer Segment
Petroleum, Exploration, General Engineering, Power and Automotive

Iron Ore Mines and Pellet Strategic Business Unit:



The Company has produced ~4.26 lac MT in Q1 FY23 as compared to ~3.61 lac MT in Q1 FY22. Corresponding sale of pellets was ~2.95 lac MT in Q1 FY2023, vis. a vis. ~3.61 lac MT in Q1 FY2022.

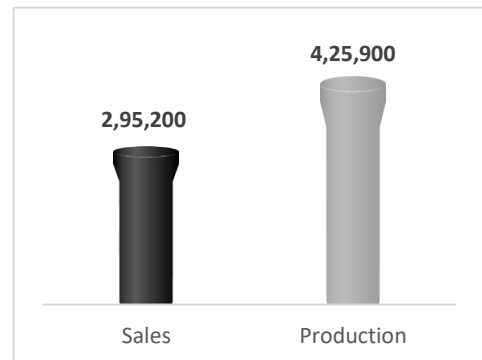
Alongside the drop in the prices of iron-ore and imposition of export tariffs by Govt of India effective 22nd May 2022, the prices of pellets have softened. The demand is expected to remain stable in this segment.

- 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

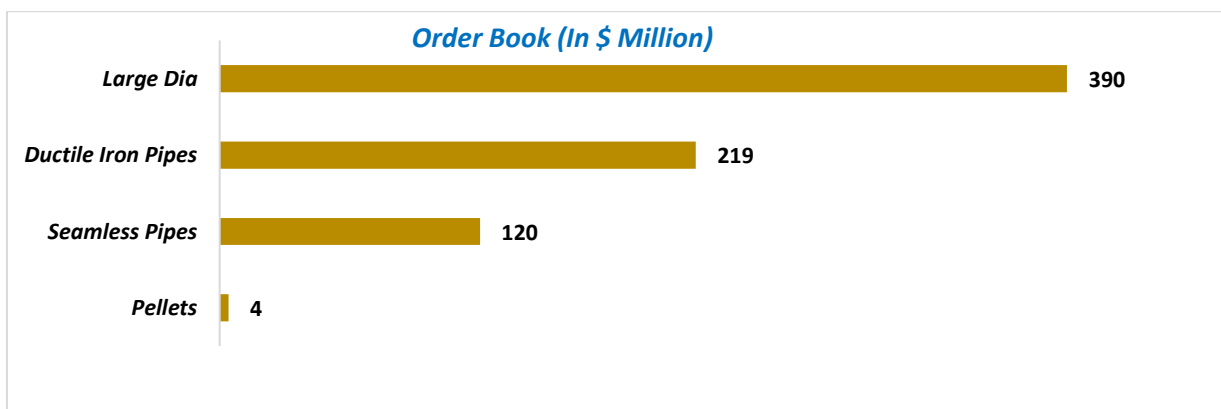
Focus on growth:

Imposition of export duty on pellets has resulted in correction of pellet prices, however due to owned iron ore mines, the Company expects sustainable profit margins in this segment.



ORDER BOOK POSITION

- The current order book for pipes and pellets is app. US\$ 733 million (US\$ 654 Million in the previous quarter), the break-up is as under:



FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 30th June 2022, net institutional debt of the Company (at standalone level) was ~Rs. 39,647 million (~Rs 36,559 million on 31st March, 2022) including long term loans and fund based working capital borrowings. This includes Net working capital borrowings (short term) of ~Rs. 26,538 million on 30th June, 2022 (~Rs. 22,726 million on 31st March 2022) and Long-term Rupee Loans / Rupee NCDs of ~Rs. 13,109 million on 30th June, 2022 (~Rs. 13,833 million on 31st March, 2022). The Working capital borrowings are higher on account of higher cost of raw material and booking of raw material for new orders. The Company has sufficient working capital facilities to manage its operations efficiently.

Particulars (Rs. In Millions)	As on Jun. 30, 2022 (Rs. In Million)	As on Mar. 31, 2022 (Rs. In Million)
Standalone Debt	39,647	36,559
- Long Term Debt	13,109	13,833
- Net Short Term/ Working Capital Debt	26,538	22,726
Consolidated Debt	47,132	44,573
- Long Term Debt	17,768	17,703
- Net Short Term/ Working Capital Debt	29,364	26,870

OTHER HIGHLIGHTS:

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

- I. 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. 30 crore, as per their respective shareholding
- II. Hunting, a technology leader, will impart its proven, patented premium connection threading license to the JV. This JV will become a leading ‘Centre of Excellence’ with a global strategy and vision. The business will establish, a state-of-the-art precision machine shop (“Centre of Excellence”) to thread premium connections including accessories for Indian and global markets, near the Nashik manufacturing complex of Jindal Saw with a proposed 130,000 sq. ft manufacturing footprint.
- III. Operations in JV company are expected to start during the current year FY23

Credit Ratings:

- I. CARE Ratings has assigned “CARE A1+ (A One Plus)” for Short-term debt facilities including commercial papers and “CARE AA (Outlook Negative)” for Long-term debt facilities
- II. Brickwork Ratings has assigned “BWR AA with Stable Outlook” for Non-Convertible Debenture of Rs 5 billion

Update on UAE operations:

- I. Abu Dhabi (UAE) operations have reported sale of ~0.30 lac MT Ductile Iron Pipes which is lower as compared to sale of ~0.50 lac MT in Q1 FY2022 mainly on account of scheduled maintenance and other seasonal factors. The current order book is ~71,000 MT.
- II. High raw material prices in the previous quarter have impacted the profitability of UAE operations however, recent softening of pig iron prices in international market is expected to keep margins at sustainable levels during the current financial year

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. SIL has a capacity of ~200,000 MTPA for producing DI Pipes, which is strategically located to cater to the South Indian water pipe requirements. If successful, this will add to JSAW's DI pipe capacity and significantly improve its market dominance. The entire process may take a few months for closure.

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 August 2022 have been deferred by the Hon'ble Court at the request of Solicitor General who is representing NTPC. The hearings will now take place in early Sep 2022.

OUTLOOK:

The Indian oil and gas market is expected to register a CAGR of more than 3% in the next 5 years i.e., during 2022-2027. Factors such as the increasing natural gas pipeline capacity and higher demand for petroleum products are expected to drive the Indian oil and gas market. Owing to several major upcoming projects, the downstream sector is expected to witness significant growth in next few years. A pipeline is the most economical way of transporting natural gas, crude oil, and petroleum products over long distances and most feasible given the increasing investments in upcoming pipelines in the country. The midstream segment is expected to contribute a healthy share in the Indian oil and gas market in the coming years. Increasing investment in the midstream sector has driven the Indian oil and gas market. Pipeline coverage is expected to increase substantially in the forecast period, with the petroleum product pipeline expected to increase the most in the segment.

In the water segment, the Government is working on Har Ghar Jal mission to provide tap water supply to every rural household by 2024. This is expected to give a push to the demand for water pipes. Considering the infrastructure requirements in India for oil, gas and water etc., country' existing pipeline infrastructure falls well short of what is required to cater to the upcoming boom in demand from the oil and gas and water segments. It bodes well for the piping industry in India, considering the infrastructure requirements.

-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's revenues come from the water supply and sanitation (WSS) which is growing rapidly in India and globally. 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 downfall of Oil & Gas sector. JSAW has Government as well as private sector clients in sectors and have 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.