



October 31, 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 – 2<sup>nd</sup> Quarter/half year Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Standalone and consolidated Financial Results for the 2<sup>nd</sup> quarter/half year ended 30<sup>th</sup> September, 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 Q2 AND H1 FY20 RESULTS

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

**New Delhi, October 31, 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 2<sup>nd</sup> Quarter and Half Year ended September 30, 2019 for FY 2020.

Particulars	Q2 FY20 (Rs in Million) Unaudited	Q2 FY19 (Rs in Million) Unaudited	H1 FY20 (Rs in Million) Unaudited	H1 FY19 (Rs in Million) Unaudited	FY19 (Rs in Million) Audited
<b>Total Income</b>	<b>23,990</b>	<b>24,016</b>	<b>50,280</b>	<b>47,476</b>	<b>100,506</b>
<b>Total Expenditure:</b>					
<b>Total Raw Material Cost</b>	<b>14,233</b>	<b>14,984</b>	<b>30,507</b>	<b>29,796</b>	<b>62,707</b>
Staff Cost	1,630	1,476	3,218	2,915	5,772
Other Expenses (\$)	4,512	3,922	8,909	7,628	16,862
<b>EBITDA</b>	<b>3,615</b>	<b>3,634</b>	<b>7,646</b>	<b>7,137</b>	<b>15,165</b>
Financial Costs (\$)	1,311	1,442	2,490	2,921	4,961
Depreciation	714	724	1,402	1,377	2,814
Profit before extra-ord. items, discontinued ops. and Tax	<b>1,590</b>	<b>1,468</b>	<b>3,754</b>	<b>2,839</b>	<b>7,390</b>
Exceptional Items – Exp./ (Income)	536	-	536	-	-
Discontinued ops-profit/(loss)-Net of Tax	-	14	-	18	20
Profit before Tax (PBT)	<b>1,054</b>	<b>1,482</b>	<b>3,218</b>	<b>2,857</b>	<b>7,410</b>
Provision for Tax	(1,980)	464	(1,272)	885	2,409
<b>PAT</b>	<b>3,034</b>	<b>1,018</b>	<b>4,490</b>	<b>1,972</b>	<b>5,001</b>
<b>RATIOS</b>					
EBITDA to total income	15.07%	15.13%	15.21%	15.03%	15.09%
PBT to total income	4.39%	6.17%	6.40%	6.02%	7.37%
PAT to total income	12.65%	4.24%	8.93%	4.16%	4.98%

### Notes:

((@) Total Raw Material Cost includes goods traded in for Rs 367 Mio for Q2 2020 and Rs 1751 Mio for Q1 2020.

(\$) 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	Q2 FY20 (Rs in Million) Unaudited	Q2 FY19 (Rs in Million) Unaudited	H1 FY20 (Rs in Million) Unaudited	H1 FY19 (Rs in Million) Unaudited	FY19 (Rs in Million) Audited
<b>Total Income</b>	<b>27,110</b>	<b>29,966</b>	<b>57,926</b>	<b>57,931</b>	<b>1,22,632</b>
<b>EBITDA</b>	<b>3,710</b>	<b>3,816</b>	<b>7,926</b>	<b>7,722</b>	<b>16,212</b>
Financial Costs	1,553	1,704	3,014	3,535	6,152
Depreciation	1,007	1,005	2,009	1,937	3,963
Profit before extra-ord. items and Tax	<b>1,150</b>	<b>1,107</b>	<b>2,903</b>	<b>2,250</b>	<b>6,097</b>
Exceptional Items – Exp./ (Income)	245	-	245	-	3,779
Profit before Tax (PBT)	<b>905</b>	<b>1,107</b>	<b>2,658</b>	<b>2,250</b>	<b>9,876</b>
Provision for Tax	(1,675)	370	(1032)	730	2,116
<b>PAT from continuing Ops.</b>	<b>2,580</b>	<b>737</b>	<b>3,690</b>	<b>1,520</b>	<b>7,760</b>

## Operational & Financial Highlights

Production and Sales Tonnage (MT) break up for the quarter ended 30th September 2019.



## Operational performance: Overall Productivity (Revenue Profile)

During the second quarter ended September 30, 2019, Company produced:

- Pipes & pig Iron of ~ 330,000 MT and
- Pellets - ~ 365,000 MT

Pipes production was consistent in Q2 FY2020 (~330,000 MT) if compared with Q2 FY2019 (~332,000 MT). Pellet production has increased in Q2 FY2020 (~365,000 MT) as against Q2 FY2019 (~352,000MT).

## Iron & Steel Segment performance – Q2 FY2020:

**Saw Pipe Strategic Business Unit:** The current order book stands at ~ 6.22 lac MT. The order book comprises of ~2.87 lac MT of L Saw and balance ~3.35 lac for H Saw (H Saw orders are largely from the domestic water sector). During Q2 FY2020, Company has executed higher SAW pipes orders where Company produced ~1.67 lacs MT pipe as compared to ~1.62 Lac MT of Pipes (including pipes for job work) in Q2 FY2019.

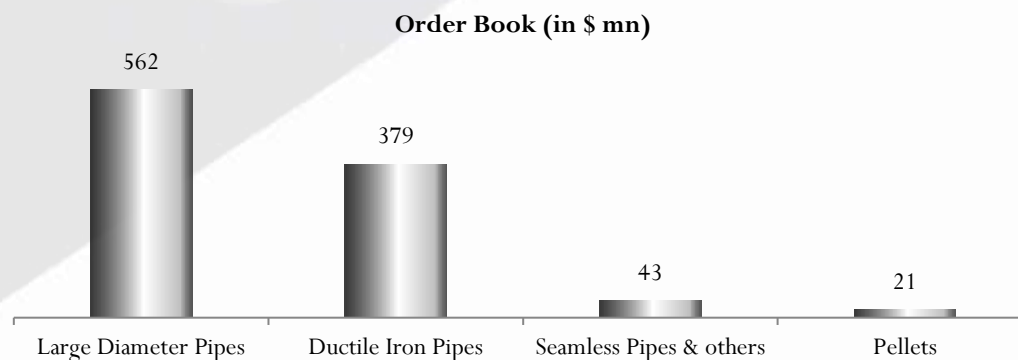
**DI Pipes and Pig Iron Strategic Business Unit:** Current order book stands at ~ 4.63 lac MT of DI pipes which is close to the current capacity of DI pipes. Operations were in line with the planned production in this Quarter, where company has produced more than ~1.26 lac MT DI Pipe as compared to ~1.22 Lac MT in Q2 FY 2019.

**Seamless Pipes Strategic Business Unit:** Current order book stands at ~ 34,000 MT. The performance of Seamless segment remained subdued as we produced ~37,000 MT pipes as compared to ~44,800 MT pipes in Q2 FY2019. Due to slowdown in auto sector and power sector, execution was lower however Company is working to make up the production schedule in the coming quarters of current financial year.

**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 Q2 FY 20 was ~ 365,000 MT from ~352,000 MT in Q2 FY 19.

## Order Book Position

- The current order book for pipes and pellets is ~ US\$ 1 Billion, the break up is as under:



With volume of ~1.30 Million MT (Pipes & Pellets), Order Book has a visibility of next 9-12 months. Orders for Large Diameter Pipes (SAW 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 ~25%.

### Financing and Liquidity

As at 30th September 2019, net institutional debt of the Company (at standalone level) was ~INR 41,154 Million (~INR 42,471 Million at 30th June 2019) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) at 30<sup>th</sup> September 2019 of ~INR 23,783 Million (~ INR 24,175 Million at 30<sup>th</sup> June 2019) and Rupee denominated Long-term Loans / NCDs of ~INR17,371 Million (~ Rs. 18,296 Million at 30<sup>th</sup> June 2019). Company has sufficient working capital facilities to manage increasing operations.

### External Credit Ratings

**The Company's debt instruments are rated by CARE Ratings which, on 1<sup>st</sup> October,2019, has been reaffirmed to AA (with Stable outlook) for long term debt facilities and 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 18,911 million 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 3,563.11 million 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. The Hon'ble Delhi High Court in its interim order asked the NTPC to further deposit Rs 5,000 million with Registrar within six weeks from the date of order (23.09.2019) which can be released to JITF by Registrar on submission of Bank Guarantee and handing over the infrastructure, as per terms of contract. This order is appealable.

### Impact of Tax Ordinance issued by GOI on 20th Sept.,2019

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Government of India on September 20, 2019 which is effective April 1, 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilization of minimum alternative tax (MAT) asset. However, in accordance with the accounting standards, the Company has also evaluated the outstanding deferred tax liability, and written back liability amounting to Rs 2311.30 million.

## 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.

## Outlook

As per CRISIL Ratings, Demand growth for steel pipes overall is expected to accelerate to 7-8% over the next five fiscals, compared with 4.5% in the last five. The demand is expected to be driven by investment in water supply and sanitation projects, irrigation and increased usage of steel pipes in urban infrastructure projects. Further, the oil& gas sector is also expected to be the main growth driver for steel pipes. The investment in this sector will depend largely on the overall economic scenario and crude oil prices.

Similarly, the demand for the Ductile Iron Pipes are also expected to remain strong on account of investments in the water sector.

One of the 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:**

**Vinay Gupta / Rajeev Goyal**

**Jindal Saw Limited**

Tel: +91 11 41462200 / +91 11 41462330

Email: [Vinay.gupta@jindalsaw.com/](mailto:Vinay.gupta@jindalsaw.com/)

[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.*