

January 31, 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 – Quarter/9 Months Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Standalone and Consolidated Financial Results for the quarter/9 months ended 31<sup>st</sup> December, 2021. 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, 31<sup>st</sup> January 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 UAE (MENA), today announced its financial results for the third quarter ended December 31, 2021.

**THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:**

Particulars (Standalone financials)	Q3 FY22 (Rs in Million)	Q3 FY21 (Rs in Million)	9M FY22 (Rs in Million)	9M FY21 (Rs in Million)	FY21 (Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Total Income (#)</b>	28,507	22,247	78,987	56,736	89,110
<b>Total Expenditure:</b>					
<b>Total Raw Material Cost (@)</b>	18,116	13,101	45,259	31,659	51,096
Staff Cost	1,970	1,750	5,796	5,114	6,854
Other Expenses (#)	6,400	4,477	17,995	11,987	18,590
<b>EBITDA</b>	2,021	2,919	9,937	7,976	12,570
Financial Costs (#)	861	1,004	2,720	3,141	4,043
Depreciation	954	861	2,785	2,509	3,460
Profit before Tax (PBT)	206	1,054	4,432	2,326	5,067
Provision for Tax	58	373	1,527	800	1,777
<b>PAT</b>	148	681	2,905	1,526	3,290
<b>RATIOS</b>					
EBITDA to total income	7.09%	13.12%	12.58%	14.06%	14.11%
PBT to total income	0.72%	4.74%	5.61%	4.10%	5.69%
PAT to total income	0.52%	3.06%	3.68%	2.69%	3.69%

**Notes:**

(#) Total Income, Other Expenses and Finance Costs includes 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 Q3 FY22 is Rs. 46 million and Nil for Q3 FY21.

**Jindal Saw: Consolidated Financials**

Particulars	Q3 FY22	Q3 FY21	FY21
	(Rs in Million)	(Rs in Million)	(Rs in Million)
	Unaudited	Unaudited	Audited
<b>Total Income</b>	<b>35,088</b>	<b>29,116</b>	<b>1,08,732</b>
<b>EBITDA</b>	<b>2,424</b>	<b>3,553</b>	<b>14,509</b>
Financial Costs	1,079	1,255	4,928
Depreciation	1,222	1,134	4,589
Profit before Tax (PBT)	123	1,164	4,992
Provision for Tax	116	283	1,715
<b>PAT</b>	<b>7</b>	<b>881</b>	<b>3,277</b>

**OPERATIONAL & FINANCIAL HIGHLIGHTS**

The quantitative Sales break up for the third quarter ended 31<sup>st</sup> December 2021 are given here:

Products	Q3 FY22	Q3 FY21
	(~) MT	(~) MT
<b>Pipes</b>		
- Large Diameter Saw Pipes		
- L Saw	20,300	38,700
- H Saw	71,500	77,800
- Ductile Iron Pipes	1,14,400	1,20,300
- Pig Iron	2,100	5,500
- Seamless & Stainless Tubes	53,700	40,900
<b>Total – Pipes &amp; Pig Iron</b>	<b>2,62,000</b>	<b>2,83,200</b>
<b>Pellets</b>	<b>3,97,500</b>	<b>3,32,600</b>

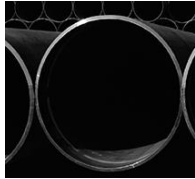
**OPERATIONAL PERFORMANCE: OVERALL PRODUCTIVITY**

- **During the third quarter ended 31<sup>st</sup> December 2021:**
  - **The Company produced:**
    - ~2,42,000 MT of pipes & pig iron
    - ~3,95,000 MT pellets
  - **Due to continuing sharp volatility in raw material prices, the Company continues to stay cautious in booking new orders.**
  - **New orders to the tune of ~Rs. 22,000 million have been received primarily from the water and industrial sector.**

A detailed segment-wise review is presented below.

**IRON & STEEL PIPE SEGMENT PERFORMANCE – Q3 FY22:**

**SAW Pipe Strategic Business Unit:**



In Q3 FY2022, the Company produced ~0.69 lac MT SAW pipes based on the delivery schedule of the current orders as compared to ~1.23 lac MT of SAW Pipes in Q3 FY2021, primarily due to moderated demand from LSAW pipe segment.

Demand in the SAW Pipes segment remained sluggish on account of continued higher raw material prices and other costs. However, with the beginning of the new year, we expect positive momentum due to new and pent-up demand. The demand for HSAW Pipes from water sector remained buoyant in the domestic market.

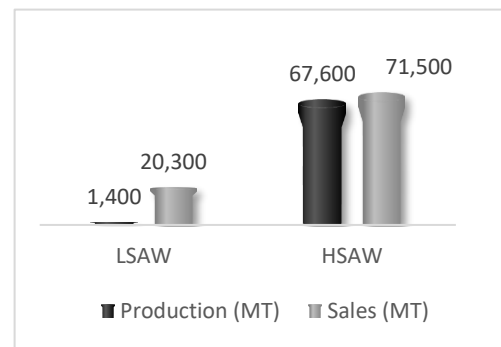
Higher input prices have not only impacted the business but also profitability and disrupted healthy order booking for Q3 of FY22. Moving forward, the Company expects that prices may remain in a range and the overall business scenario could improve in Domestic and Global markets.

- 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:**

Raw materials along with other key input prices have emerged as chief determinants driving business, profitability and order booking. Current order book stands at ~1.61 lac MT. This comprises ~1.06 lac MT of H-Saw and ~0.55 lac MT of LSAW pipes. Majority of H-Saw orders cater to domestic water sector demand.



**DI Pipes and Pig iron Strategic Business Unit:**



In 3<sup>rd</sup> quarter of FY2022, the Company produced ~1.15 lac MT DI Pipe as compared to ~1.20 lac MT in Q3 of FY2021. However, steep rise in raw material prices (primarily of Iron Ore and Coking Coal) in last few months have impaired profitability in this segment, whereas the demand from water sector remained stable.

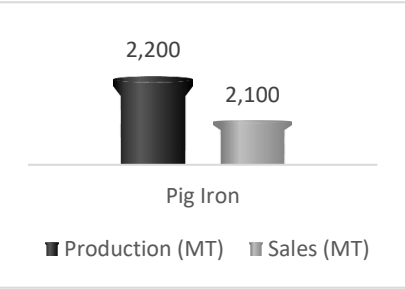
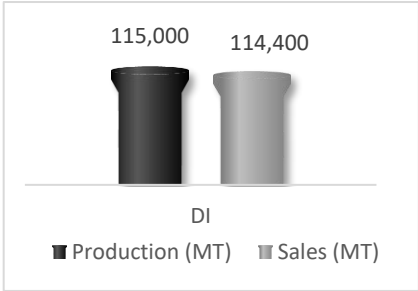
As the Company has a large order book primarily for government clients, it has been honoring its delivery commitments which may have short term impact on its profitability.

**Focus on growth:**

Business visibility in water segment is vibrant. The Company, however, remained cautious in booking new orders due to continued high volatility alternating with firmness, in raw material prices. Present order book stood at ~3.98 lac MT of DI pipes (~4.51 lac MT as at 30<sup>th</sup> Sep 2021). Sharper focus from Government on clean water mission for every household by 2024, will drive future demand in this segment.

- One of the largest Ductile Iron Pipe producers in India with presence in UAE and Europe. Total capacity (Global) of ~ 0.8 million metric tons per annum
- Integrated Greenfield plant with largest capacity of DI pipes manufactured at a single location
- 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



**Seamless Pipes Strategic Business Unit:**



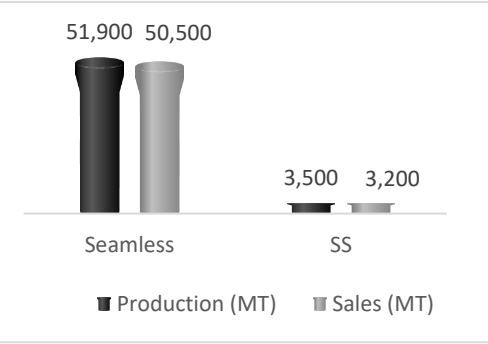
Seamless Pipe segment continues to show stable performance. With the firmness in oil & gas prices, increase in the rig counts and upward sentiment in auto and industrial sector, the demand in seamless pipes has increased. The Company produced ~0.52 lac MT pipes in Q3 FY2022 which is ~27% higher as compared to ~0.41 lac MT pipes in Q3 FY2021.

- One of the leading manufacturers of Seamless Tubes and Pipes with installed capacity of ~3.5 Lakh MT per annum of carbon & alloy steel pipes and stainless steel
- Plant equipped with modern manufacturing machinery and boasts a state-of-the-art PQF Mill from SMS MEER, Germany

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

**Focus on growth:**

Buoyed by rising trend in oil prices globally and focus on transportation of oil and gas, as a part of infrastructure creation by Central Govt; PSUs and private oil companies are looking for investments in gas grid and oil pipeline infrastructure. These factors are expected to drive market growth in the coming quarters. The present order book stands at ~0.74 lac MT. This is expected to enhance in the coming quarters.



**Iron Ore Mines and Pellet Strategic Business Unit:**



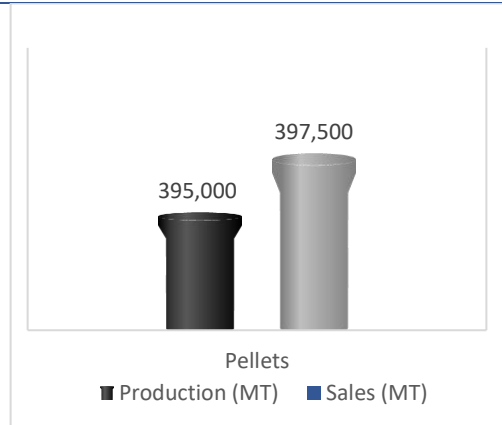
The Company has produced ~3.95 lac MT in Q3 FY2022 as compared to ~3.14 lac MT in Q3 FY2021. Corresponding sale of pellets was ~3.97 MT in Q3 FY2022, vis. a vis. ~3.32 lac MT in Q3 FY2021. The order book stood ~1.72 lac MT.

Q3 FY22 has also seen some correction in sale price as well as profitability in pellets on account of availability of pellets and range bound moment in the iron ore prices. We expect improvement in demand of pellets which may help improve profitability in this segment.

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

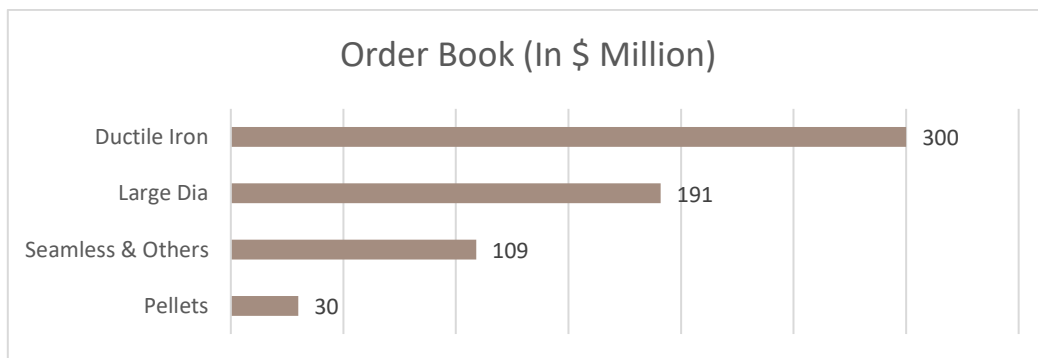
**Customer Segment**

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



**ORDER BOOK POSITION**

- The current order book for pipes and pellets is approx. US\$ 630 million, the break-up is as under:



**Considering the significant volatility in the input prices, the Company is cautious in booking new orders**

- The Company is tracking additional opportunities in domestic and global markets and expect new orders in next few months.
- India’s focus on ‘Nal Se Jal’ mission for 3 crore rural houses by 2024 will help in maintaining the momentum in the order book. The Company continues to have cautious approach in order booking keeping in view the volatility in raw material prices and its impact on profitability.

## FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 31<sup>st</sup> December 2021, net institutional debt of the Company (at standalone level) was ~Rs. 41,907 million (~Rs. 32,435 million as of 30<sup>th</sup> September 2021) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) of ~Rs. 27,182 million (~Rs. 17,220 million as of 30<sup>th</sup> September 2021) and Long-term Rupee Loans / Rupee NCDs of ~Rs. 14,725 million as of 31<sup>st</sup> December 2021 (~Rs. 15,215 million as of 30<sup>th</sup> September 2021). The Net debt, as of 31 December 2021, is comparatively higher on account of increase in inventory and receivables etc. which is expected to moderate in Q4 FY22.

Particulars (Rs. In Millions)	As on Dec. 31, 2021 (Rs. In Million)	As on Sept. 30, 2021 (Rs. In Million)
<b>Standalone Debt</b>	<b>41,907</b>	<b>32,435</b>
- Long Term Debt	14,725	15,215
- Net Short Term/ Working Capital Debt	27,182	17,220
<b>Consolidated Debt</b>	<b>51,391</b>	<b>41,049</b>
- Long Term Debt	19,145	19,693
- Net Short Term/ Working Capital Debt	32,246	21,356

## OTHER HIGHLIGHTS:

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

- Jindal SAW, a dominant player in pipe manufacturing has formalized a 51:49 JV with Hunting, Plc, Singapore, a world leading technology company in the OCTG premium segment. The JV will have access to Hunting's patented IP which is backed by a robust R&D establishment.
- The JV is a formidable partnership of entrenched entities with complimentary core values viz., Hunting with its rich patented technology association and Jindal SAW providing access to its global manufacturing and marketing footprint. This would be supplemented by Jindal SAW's consistent operating performance in piping solutions and robust financial strength.
- Expected to be operational during calendar year 2022, the facility aims to produce Coupling and Pipes with Premium Threading Connections. The initial capacity would be 50,000 MT Per Annum spread over 1,30,000 Sq. Ft. and the facility would be co-located with Jindal SAW's Nashik facility for Seamless Pipes and Tubes. It represents first of its kind facility in the country that will cater to industry requirements for premium OCTG offerings and accessories. This would be the solitary facility globally to offer a complete range of products from smaller diameter of 2 7/8" up to 36" in the larger diameter category.
- With this partnership, Jindal SAW seeks to establish greater presence in premium, value added products which would be aligned to the country's initiative of 'ATMANIRBHAR BHARAT' and replace the pipes and couplings with premium connections which are currently being imported. The JV would have a target market of USD 200 million per annum in India and would also open the export market especially in the MENA region due to proximity to the market as well as rest of the world (ROW) based on cost competitiveness.

**(B) Credit Ratings:**

- 1) CARE Ratings has assigned CARE A1+ (A OnePlus) for short term debt facilities including commercial papers and CARE AA (Outlook-Negative) for long term debt facilities and Non-Convertible Debentures.
- 2) Brickwork Ratings has assigned BWR AA (Stable) for NCDs of Rs. 500 crores.

**(C) UAE operations:**

In Abu Dhabi (UAE), the company sold ~1,57,000 MT of DI pipes in 9M FY22 as against ~ 1,38,000 MT in 9M FY21. The current order book is ~ 63,000 MT. High volatility in pig Iron prices is likely to impact the operations/ profitability in the short term, however management is working on various options to protect and improve the margins.

**(D) 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.

**(E) Jindal ITF Ltd. v/s NTPC:**

Case proceedings is being heard by Hon'ble High Court of Delhi. Due to third wave of Covid-19 pandemic and virtual hearings in the Delhi High Court, the regular hearing of the matter has yet not started. The Hon'ble High court is likely to hear the matter in March 2022.

**OUTLOOK:**

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- World over the iron and steel pipe industry is a crucial link in healthy and sustained economic growth. Whereas hitherto the largest consumer of steel, China is tapering down its requirement as it moderates the outsize influence of real estate sector domestically and steers the country towards a reduced carbon future, growth from the US and India, is likely to stay strong on visionary infrastructure spends. Being the key component of metal piping, steel prices thus are expected to stay firm. Along with sharp volatility, a continuing upward movement has hurt prospects of the metal piping industry, at least in the short term.
- Consequently, major growth drivers for the industry in India will include water infrastructure, oil exploration and transportation and creation of gas infrastructure, construction, irrigation besides infrastructure. The twin drivers of higher oil and gas prices, given how the consumption demand globally is normalizing with the ebbing of the Omicron wave and GOIs vision to operate a pan India gas grid, which will bring steady support to demand from this industry. The emphasis concurrently on piped water supplies for all households is driving requirement across water segment.
- Jindal SAW is better placed to deliver growth in such an emerging scenario, where given its sharp accent on margin expansion, the performance in the coming periods is expected to rise upward. Further, the joint venture with Hunting will also help in winning additional business opportunities for the seamless segment. The Company's business operations are highly structured, offering very focused and specialized solutions across SAW Pipes, DI Pipes & Fittings, Seamless and Stainless-Steel Pipes and Tubes and Mining & Pellets. This strategic approach has protected the business, its profitability, and the credit rating of the Company even in the most testing times.



**-ENDS-**

#### **ABOUT JINDAL SAW LTD.**

**Jindal Saw** (NSE – JINDALSAW, BSE - 500378) benefits from strong lineage and credentials in the metal piping space. With multi-locational facilities India, USA and UAE (MENA) it is established as an eminent partner to global industry for Iron & Steel piping solutions. The business counts the foremost international companies in Oil & Gas, Water resources and Engineering as clients with experience in oil and gas gathering, transportation, power generation and other industrial applications. Achievements on quality, customer responsiveness and continuous product innovation distinguish its offerings.

The business is organized along focused SBUs mapped to distinct requirements, covering dedicated operations for SAW Pipes, DI Pipes & Fittings, Seamless and Stainless-Steel Pipes and Tubes and Mining & Pellets. The Company's strategic approach is underlined by risk diversification and value-addition opportunities in business. A disciplined and process-driven approach aligned to industry best-practices has given the model added flexibility to respond and adapt to continuous changes in sector dynamics. The Company also enjoys distinction as one of India's largest exporters of Steel piping.

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For more information, please visit <http://www.jindalsaw.com> OR contact:

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#### **Forward Looking Statements**

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*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.*