JSL/2017/

May 29, 2017

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 – Year / 4th Quarter Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Audited Financial Results for the Year/fourth quarter ended 31st March, 2017. 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.,

JINDAL SAW LIMITED NEW DELHI

SUNIL K. JAIN
COMPANY SECRETARY
FCS : 3056

Encl. : As above.

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JINDAL

JINDAL SAW LTD

Highlights of Financial and Operational performance for the Fourth Quarter and Financial Year ended 31st March 2017

29th May 2017

Announcement of financial results

Jindal Saw Limited ("JSAW" or "the Company") today reported its audited financial results for the fourth quarter and financial year ended 31st March 2017 which has been approved in today' meeting of the Board of Directors.

Financial & Operational Highlights – Standalone

- **For Financial Year ended 31st March 2017**

Head	Unit		~ Change YOY
Total income from operations	Rs/ Mn	59,330	⇓ 6.4%
Reported EBITDA	Rs/ Mn	11,212	⇑ by 75 BPs
Reported EBITDA to Income from Operations	%	18.9%	⇑ by 130 BPs
Profit before tax & exceptional items	Rs/ Mn.	5,019	⇑ 28%
Profit before tax	Rs/ Mn.	4,707	⇑ 83%
Profit after Tax	Rs/Mn.	3,077	⇑ 39%
PAT (%)	%	5.2%	⇑ 1.70%
Production- Pipes & Pig Iron (**)	MT	~10,51,000	⇑12%
Sale- Pipes & Pig Iron (**)	MT	~10,40,000	⇑ 8.47%

(**) Including job work of 156,500 MT

- **For the 4th Quarter ended 31st March 2017**

Head	Unit		~ Change compared to Q4 FY16
Total income from operations	Rs/ Mn	17,772	⇓ 4.4%
Reported EBITDA	Rs/ Mn	3,149	⇓ 12%
Reported EBITDA to Income from Operations	%	17.7%	⇓ by160 BPs
Profit before tax and exceptional items	Rs/ Mn	1,738	⇓2.13%
Profit before tax	Rs/ Mn.	1,772	⇑73%
Profit after Tax	Rs/Mn	1,139	⇑ 69%
Production- Pipes & Pig Iron	MT	~266,000	
Sale- Pipes & Pig Iron	MT	~ 3,24,000	

(**) Including job work of 68,000 MT

For the FY 2017, "Total Income from Operations" has been reported at Rs. 59,330 million which is lower by ~6.4% if compared with FY 2016. The same is largely on account of (a) execution of job work orders of 156,000 MT of Saw Pipes and (b) lower sale prices backed by lower steel prices. The Company has however registered an increase of ~ 12% and ~8.47% in production and sales of Pipes and pig Iron respectively. The Company has reported all around improvement in profitability.

Dividend:
The Board of Directors has, subject to approval of the shareholders at the ensuing Annual General meeting, recommended payment of dividend @ Re 1 per equity share of Rs. 2 each for the year ended 31st March 2017, on pro-rata basis.

Operational performance:

The quantitative Sales break up for Financial Year and fourth quarter ended 31st March 2017 are given hereunder:

Products	**FY 2017**	**Q4 – FY 17**
	(~)MT	**(~)MT**
PIPES		
- Large Diameter Saw Pipes		
- L Saw	2,71,800	75,800
- H Saw	1,07,000	38,900
- H Saw (job Work)	1,56,500	68,500
- Ductile Iron Pipes	374,000	95,300
- Pig Iron	32,500	14,000
- Seamless Tubes	98,200	31,500
Total – Pipes & Pig Iron	**10,40,000**	**324,000**
- **Pellets**	**12,49,000**	**263,500**
Exports (Total T/o)	**27%**	**18%**
Exports (pipes T/o)	**31%**	**20%**

During FY 2016, the Company had sold ~ 958,000 MT of pipes and pig iron (incl. job work of 39,000 MT) and thus has recorded ~ 9% growth in volumes in FY 2017.

Order book Position
Current order book (for Pipes and Pellets) stands at ~ 1.04 Million MT which is equivalent to ~. USD 700 million (Rs ~45 billion). This also includes the H Saw Pipe job work orders for ~67,000 MT. The break- up of the order book is given as under:

Product	**Quantity (MT)**	**Value (USD/ Mio)**	**Remarks**
Large Diameter Saw Pipes (L Saw & H Saw)	3,82,000	324	Including job work orders for 67,000 MT.
Ductile Iron Pipes	3,82,000	2,74	
Seamless Tubes & Pipes	75,000	79	
Pellets & Others	1,99,000	22	

The above Order Book is expected to be executed over next 12-18 months or more. Company has participated in various bids and is likely to get additional orders in due course of time.

The current order book includes exports of app 36% to Middle East, Gulf region and South East Asia and Far East.

Segments Performance

Saw Pipe Strategic Business Unit:
During the fourth quarter ended 31st March 2017, the Company produced app. 68,000 MT of Saw pipes as compared to app. 64,000 MT saw pipes in the immediately preceding quarter ended 31st Dec 2016.

In addition to the above, the Company has also executed orders for the job work for ~ 68,500 MT of H Saw Pipes. The Company has also carried out coating job work on the SAW pipes supplied by the customers.

During the FY 2017, the Company produced ~ 527,000 MT pipes (including 156,500 MT pipes produced on job work) as compared to previous year ~455,000 MT (including job work of 39,000 MT) registering a quantitative growth of ~16 % on YoY basis.

Ductile Iron Pipes & Pig Iron Strategic Business Unit:

During the fourth quarter ended 31st March 2017, the Company produced ~ 99,000 MT of Ductile Iron Pipes and Pig Iron as compared to app. 99,000 MT in the immediately preceding quarter ended 31st Dec 2016.

Operations were in line with the planned production in FY 2017 where company has produced ~ 428,000 lac MT of DI Pipe & pig iron as compared to ~438,000 MT in FY 2016 which remain at almost the same level.

Seamless Pipes Strategic Business Unit:

During the fourth quarter ended 31st March 2017, the Company produced ~ 30,700 MT of Seamless Pipes and tubes as compared to 22,300 MT in the immediately preceding quarter ended 31st Dec 2016.

The production of seamless pipes in FY 2017 was app. 97,400 MT as compared to ~83,900 MT in financial year 2016 registering a quantitative growth of 16% on YoY basis.

Introduction of anti-dumping measures have improved the domestic demand of Seamless pipe, as was informed earlier, Company has adopted a strategy of diversification in product portfolio and has started catering to niche/premium segment e.g. T91, 13 chrome and ball bearing industry etc. The strategy has already started yielding results. As mentioned above, current order book stands at ~ 75,000 MT which gives an improved visibility for FY 2018.

Iron Ore Mines and Pellet Strategic Business Unit: After adverse market conditions in steel sector and lower iron ore prices in the first two quarters of FY 2017, last two quarters have shown improvements in demand and prices of pellets. During FY 17, the Company has maintained its production levels at ~ 100% capacity and produced ~ 1.2 mn MT pellet. The Company has worked very hard in terms of cost reduction and improvement in operational efficiency which has resulted in improvement in profitability in pellet segment.

Financing and Liquidity as on 31st March 2017.

As at 31st March 2017, net debt of the Company (at standalone level) was app. Rs 41,072 Mio (~ USD 636 mio.) including ECB/ long term loans and fund based working capital etc. This includes working capital loans of Rs 19,270 mio (App. USD 298 mio). The net debt level as at 31st March 2017 has improved if compared with the level as at 31st December 2016 which was Rs 44,512 Mio (app. USD 690 mio.)

Credit Ratings

CARE Ratings, in Oct 2016, had reaffirmed the credit rating for short term debt/ facilities at the highest level i.e. A1 (Plus) and revised for long term debt/ facilities/NCD's to A(+) from AA (Minus).

Foreign exchange loss on account of differences in foreign exchange transactions:

Given the nature of business, company has foreign currency assets and liabilities in the normal course of business. Generally the Company is a "net exporter" and thus it is the Company's policy to manage these exposure on the net basis, i.e., company hedges only the difference between expected imports plus current liabilities and expected exports plus current assets.

STATUS OF NEW PROJECTS/ CAPITAL EXPENDITURES

Additional Projects/ new capital expenditures: Company has operations at various locations across the country and to keep the manufacturing facilities in best of the operating conditions, it needs to incur normal capital expenditures. However as of now, Company is not implementing any additional capex/new projects.

The Company has deferred its decision to implement Steel Plant at Bhilwara (Rajasthan) for the time being.

Company Overview

We are a leading global manufacturer and supplier of Iron & steel pipe products, fittings and accessories with manufacturing facilities in India, USA, Europe and UAE (MENA). Our customers include world's leading oil and gas companies, engineering companies and authorities dealing in irrigation and water resources, oil and gas exploration, transportation, power generation, supply of water for drinking and irrigation purposes and other industrial applications.

We have a unique business model well diversified in terms of strategic locations, markets, products, industries and customers. This business model is built to hedge the organization against various risks which allows us to operate and perform well in difficult economic and geopolitical circumstances. Our domestic and exports markets are well balanced and our businesses operate through four strategic business divisions including SAW Pipes, DI Pipes & Fittings, Seamless Pipes & tubes and Mining & Pellets.

Being a diversified pipe producer, the Company procures and consumes steel however it is not a steel producer.

OUTLOOK

Company' product portfolio includes SAW Pipes (LSAW and HSAW pipes), Seamless tubes and pipes, DI pipes of various grades and dimensions and Pellets.

FY 17 has seen significant amount of volatility in the commodity prices which determine the prices and demand of the finished products of the Company. We expect that volatility is going to stay for some more time and accordingly Company has put in place strategies to deal with such situations and perform despite the same.

Export of pipes from India has been impacted negatively to countries like USA, Europe and Mexico due to imposition of anti-dumping duties by these countries on Indian Pipes. On the other hand Indian seamless pipe industry suffered on account of dumping of pipes by countries like China and others. To provide a level playing field to the domestic producers, Government of India has imposed anti-dumping duty on export of seamless pipes by China. This measure has already started yielding results.

Further, the Union Cabinet in its meeting held on 24th May 2017 has approved a Public Procurement Policy in to give preference to domestically manufactured goods with a view to promote 'Make in India' initiative. The move would facilitate local manufacturing and boost domestic demand for locally manufactured products. The Company expects that the same would be a significant positive to Indian manufacturing sector including Pipes etc.

Oil & Gas sector- Company's revenues portfolio is well diversified where app. 1/3rd of the revenue is generated from oil and gas sector. Slow-down in exploration and drilling activities, continued weakness in oil prices coupled with the geo political and war like situation in MENA region may still have a negative impact on the new demand for the steel pipes required for this sector and OCTG products etc. However, steps taken by oil producing countries to stabilize the oil prices have started providing some stability to the market and we expect incremental business related to oil & gas pipelines.

Water Sector: Specific and renewed focus of Government of India as well as of various states on the Infrastructure including urbanization is expected to accelerate the demand of H Saw and Ductile Iron Pipes, in near future. We expect that India would also need more pipelines primarily for water and industrial applications.

Pellets: A lower iron ore and lumps price in the first half of FY 2017 had impacted the demand and sale prices of pellets however the same was recovered in the second half of FY 2017. The prices are expected to be volatile in FY 2018. A stable and firming of iron ore prices leads to increase in the sale price and profitability of pellets.

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.