

**Highlights of Financial and Operational performance for the First Quarter ended
30th June 2016**

12th August 2016

Announcement of financial results

Jindal Saw Limited (“JSAW” or “the Company”) reported its un-audited financial results for the First quarter ended 30th June 2016 which has been approved in the meeting of the Board of Directors held on 12th August 2016.

Particulars	Q1	Q1	Q4	
	FY-16-17	FY15-16	FY-15-16	FY-15-16
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio
	June 30,2016	June 30, 2015	March 31, 2016	March 31, 2016
Turnover	13,269	19,868	18,551	63,242
Other Operating Income	21	54	53	595
Other Income (*)	369	356	418	1,605
Total Expenditure:				
Increase/(Decrease) in Stock in trade and WIP	(2,010)	1,744	823	643
Total Raw Material Cost	8,362	9,867	9,862	34,295
Staff Cost	1,166	1,060	1,057	4,269
Other Expenditure	3,299	4,409	3,696	15,110
EBITDA	2,842	3,198	3,583	11,124
Financial Charges	1,260	1,172	1,209	4,945
Depreciation	579	542	599	2,272
Exceptional Items			749	1,332
PBT	1,004	1,485	1,027	2,576
Provision for Tax	346	513	355	362
PAT	658	972	673	2,213
Other Comprehensive Income	4	10	21	21
PAT	653	962	652	2,193
RATIOS				
EBITDA to Sales	21.42%	16.10%	19.32%	17.59%
RM to Sales	47.87%	58.44%	57.60%	55.25%
Finance cost to Sales	9.49%	5.90%	6.52%	7.82%
PBT to Sales	7.57%	7.47%	5.54%	4.07%
PAT to Sales	4.92%	4.84%	3.51%	3.47%
EPS- Basic (FV- Rs2/-)	2.06	3.04	2.1	6.79
EPS- Fully Diluted (FV- Rs2/-)	2.06	3.04	2.1	6.79

Composite Scheme of Arrangement

The Hon^{ble} High Court of Judicature at Allahabad has approved the Composite Scheme of Arrangement (“Scheme”) among Jindal Saw Limited and its three wholly owned subsidiaries namely JITF Infralogistics Limited, JITF Shipyards Limited and JITF Waterways Limited and their respective shareholders and creditors vide Order dated July 08, 2016. The certified copy of the above Order has also been filed with the Registrar of Companies, Uttar Pradesh on August 05, 2016 under the provision of section 394(3) of the Companies Act, 1956. The appointed date of the Scheme is 1st April, 2015. In view of this, the financial statements of the Company for the quarter and year ended 31st March 2016 have been revised to give effect to the provisions of the Scheme.

As per the Scheme, shareholders of Jindal Saw Limited shall get 50 shares of JITF Infralogistics Limited for every 622 shares of Jindal Saw Limited, held by them on the record date.

OPERATIONAL & FINANCIAL HIGHLIGHTS

Sales break up for 1st Quarter ended 30th June 2016 is given hereunder:

Products	Q1 – FY 17
	MT
PIPES	
- Large Diameter Saw Pipes	
- L Saw	44,225
- H Saw	42,225
- Ductile Iron Pipes	103,000
- Pig Iron	5,500
- Seamless Tubes	22,450
Total – Pipes & Pig Iron	217,400
- Pellets	260,000
Exports (To Turnover)	22%

Operational performance:

Overall Productivity

During 1st quarter ended 30th June 2016, company produced (i) Pipes & pig Iron of app. 255,000 MT (excluding Job work) and (ii) Pellets - app. 330,000 MT. The same is comparatively better than the production of pipes in Q1 FY 16.

Iron & Steel Segment performance - 1st Quarter ended 30th June 2016:

Saw Pipe Strategic Business Unit: The current order book stands at app. 5.56 lakh MT (Including- 2.51 lac MT orders on job work). The order book is almost equally divided for L Saw and H Saw (H Saw orders are largely from the domestic water sector). Company produced app. 1.20 Lac MT of Pipes (excluding pipes for job work) which corresponds to the planned production and delivery schedules. We expect additional business opportunities primarily in domestic water sector.

DI and Pig Iron Strategic Business Unit: Operations were in line with the planned production in this Quarter where company has produced more than 1.04 lakh MT DI Pipe and 6800 MT of pig iron. The company has maintained the production level at more than one lakh MT of DI pipe in this quarter also. Current order book stands at app. 5.45 lac MT of DI pipes. Due to increase in the demand in water sector and improvement in the commodity prices in last quarter, we expect improvement in the sale prices also.

Seamless Strategic Business Unit: The demand of seamless pipes has shown some improvement mainly on account of diversification in the product portfolio and domestic market conditions (Anti-dumping duty on seamless products). The trend is likely to continue for the coming quarters in the FY 2017. The production of seamless pipes in 1st quarter was app. 24,800 MT as compared to app. 22,300 MT in the quarter ended March 2016.

Iron Ore Mines and Pellet Strategic Business Unit: Due to marginal improvement in the iron ore prices and steel demand in the market, operations in Pellet plant were stable and the Company produced app. 3.30 lac MT of Pellets in Q1 FY 16. Profitability was marginally better on account of improvement in sale price and cost control measures taken in this segment.

Order Book Position

- The current order book for pipes and pellets is app. US\$ 725 million, the break up is as under:
 - Large Diameter Pipes – US\$ 330 Mio
 - Ductile Iron Pipes – US\$ 375 Mio
 - Seamless Pipes & others – US\$ 15 Mio
 - Pellets – US\$ 5 Mio

Order Book position in terms of volume is over 1.15 Mio MT. The orders for Large Diameter Pipes are expected to be executed in next 12-18 months and in case of Ductile Iron Pipes the same are slated to be executed over next 15-18 months or more. Company is working on new business opportunities and expects to get additional orders in phases. The current order book includes export of app 25%. Major exports orders are from Middle East, Gulf region and South East Asia and Far East.

Financing and Liquidity

As at 30th June 2016, net institutional debt of the Company (at standalone level) was app. Rs 47,780 Mio (app. USD 707 mio.) including ECB/ long term loans and fund based working capital.

This includes Net working capital borrowings (short term) of Rs 24,910 mio (App. USD 370 mio) and Long term loans (ECB/ Rupee Loans / Rupee NCD) of Rs 22,873 mio (app. USD 338 mio). Working capital borrowing remains high on account of higher order book. Company is working towards debt re-profiling to have the long dated debt.

Credit Ratings

The company enjoys short term (A1 Plus) and long term credit (AA Minus) ratings from CARE Ratings.

STATUS OF NEW PROJECTS/ CAPITAL EXPENDITURES

Additional Projects/ new capital expenditures: Company is not undertaking any additional major capex/projects other than the normal/maintenance capex.

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

Company Overview

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

As the Company is not producing steel rather commodities like steel, iron ore and coking coal are raw materials for its products. A drop in the commodity prices is generally beneficial for Company and the pipe industry.

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 India has seen dumping of seamless pipes by countries like China which has impacted the domestic demand. To provide a level playing field, India has imposed anti-dumping duties on import of seamless pipes from China which has supported the Indian Seamless pipe industry for some time.

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, opening of new markets like Iran would provide additional business opportunities to Indian pipe companies, in time to come.

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 has impacted the demand and sale prices of pellets. A stable and firming of iron ore prices would also increase 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.