



November 12, 2018

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 Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Financial Results for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September, 2018. 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 & H1 FY19 RESULTS

**Demonstrates strong all-round performance during the quarter**

**New Delhi, November 12, 2018**

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 quarter and half-year ended September 30, 2018.

Particulars	Q2 FY19 Rs in Million	Q2 FY18 Rs in Million	H1 FY19 Rs in Million	H1 FY18 Rs in Million
<b>Total Income</b>	<b>24,016</b>	<b>13,734</b>	<b>47,476</b>	<b>28,860</b>
<b>Total Expenditure:</b>				
<b>Total Raw Material Cost</b>	<b>14,984</b>	<b>6,526</b>	<b>29,796</b>	<b>14,795</b>
Staff Cost	1,476	1,260	2,915	2,489
Other Expenses (\$)	3,922	3,222	7,628	6,529
<b>EBITDA</b>	<b>3,634</b>	<b>2,726</b>	<b>7,137</b>	<b>5,047</b>
Financial Costs (\$)	1,442	1,161	2,921	2,034
Depreciation	724	678	1,377	1,287
Profit before extra-ord. items, discontinued ops. and Tax	<b>1,468</b>	<b>887</b>	<b>2,839</b>	<b>1,726</b>
Exceptional Items – (Exp.)/income	-	-	-	-
Discontinued ops-profit/(loss)-Net of Tax	<b>14</b>	<b>(22)</b>	<b>18</b>	<b>(18)</b>
Profit before Tax (PBT)	<b>1,482</b>	<b>865</b>	<b>2,857</b>	<b>1,708</b>
Provision for Tax	464	264	885	468
<b>PAT</b>	<b>1,018</b>	<b>601</b>	<b>1,972</b>	<b>1,240</b>
<b>RATIOS</b>				
EBITDA to total income	15.13%	19.85%	15.03%	17.49%
PBT to total income	6.17%	6.30%	6.02%	5.92%
PAT to total income	4.24%	4.38%	4.16%	4.30%

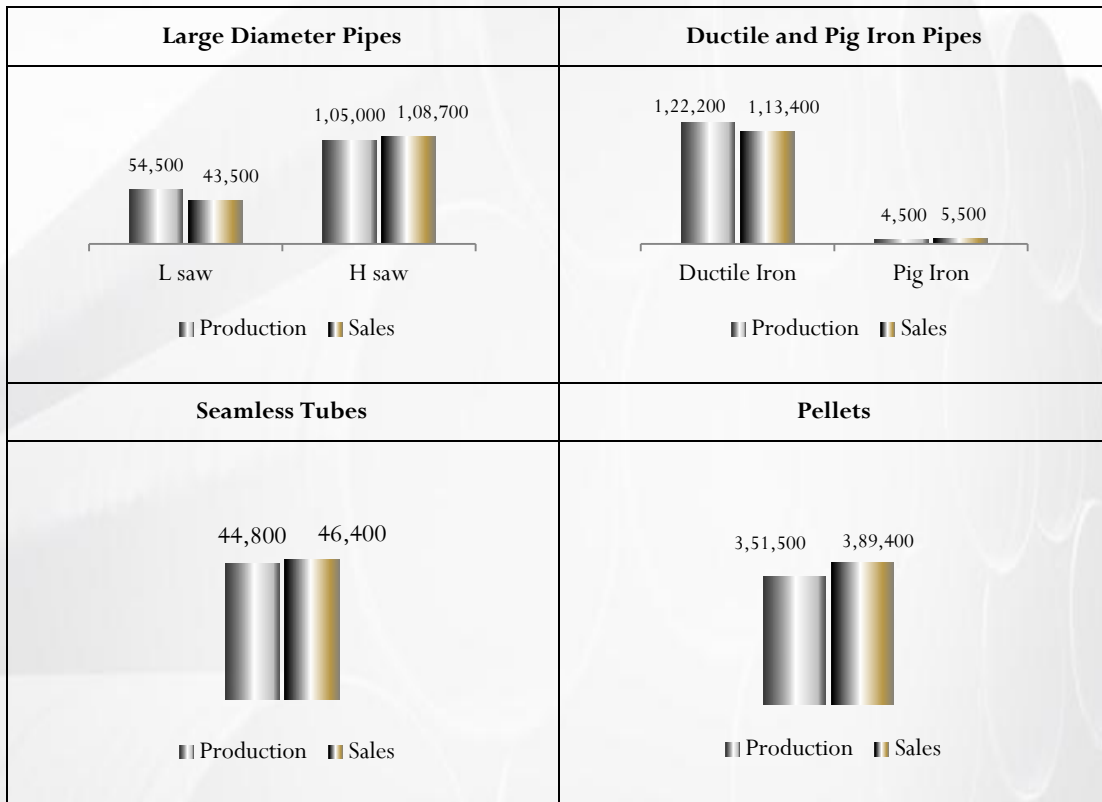
**Notes:**

(\$) Q2 of FY 2019 has seen sharp movement and depreciation of Indian rupee against USD. Other Expenses and Finance Costs are net of the impact of Foreign exchange fluctuations because of foreign exchange denominated items (borrowings, assets and liabilities).

The Company follows a policy and strategy of natural hedging of foreign exchange exposures.

## Operational & Financial Highlights

Production and Sales Tonnage (MT) break up for the quarter ended 30th September 2018



### Operational performance: Overall Productivity (Revenue Profile)

During the quarter ended 30th September 2018, Company produced:

- Pipes & pig Iron of app. 3,32,000 MT and
- Pellets - app. 3,52,000 MT

Pipes production is higher in Q2 FY2019 (332,000 MT) as compared to Q2 FY2018 (200,000 MT) however pellet production is marginally lower in Q2 FY2019 (352,000 MT) as compared to Q2 FY2018 (372,000 MT).

### Iron & Steel Segment performance – Q2 FY2019:

**Saw Pipe Strategic Business Unit:** The current order book stands at app. 5.58 lakh MT. The order book comprises of 3.93 lakh MT of L Saw and balance 1.65 lac for H Saw (H Saw orders are largely from the domestic water sector). During Q2 FY2019, Company produced app. 1.62 lacs MT pipe as against 0.86 Lac MT of Pipes (including pipes for job work) in Q2 FY2018 which corresponds to the planned production and delivery schedules.

**DI Pipes and Pig Iron Strategic Business Unit:** Operations were in line with the planned production in this Quarter, where company has produced more than 1.22 lakh MT DI Pipe as compared to 0.78 Lakh MT in Q2 of FY 2018. Current order book stands at app. 4.48 lac MT of DI pipes which is close to the current capacity of the DI plants.

**Seamless Pipes Strategic Business Unit:** The performance of Seamless segment remained consistent where we produced 44,800 MT pipes as compared to 43,600 MT pipes in Q2 FY2018. With current order book at app. 51,000 MT, Seamless pipe business is seeing positive outlook.

Presently, we are capable to produce pipes up to 7” Diameter with anti-corrosion coating however with marginal cost, we are currently working on the plans to expand our production range up to 16” diameter. We expect the impact of such increase in production range in FY2019-20.

The Company has also taken a seamless pipe & tube facility on long term lease in the State of Maharashtra.

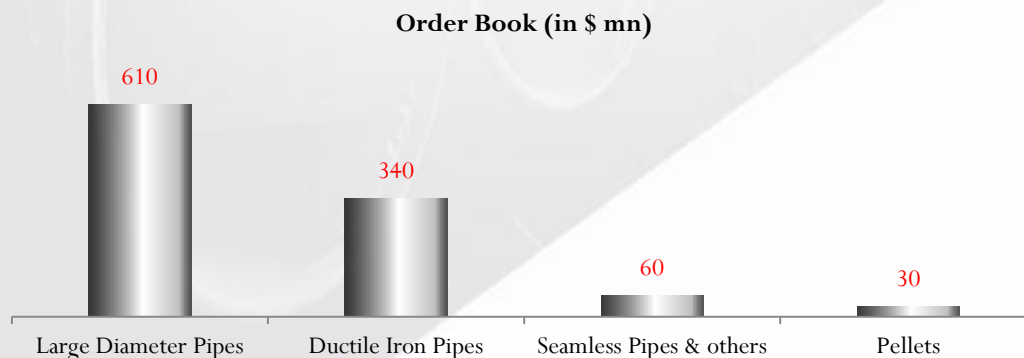
At a marginal cost the Company, through a JV, have set up a Stainless-steel seamless tubes and welded pipe facility at Kosi Kalan, Uttar Pradesh and Samaghogha, Gujarat. The facility commenced commercial operations in FY2018 and have received accreditations and approvals from majority of customers. The Facility has now also been approved by Engineers India Limited.

We are one of the unique companies which has wide range of products in stainless and carbon steel with facilities for seamless and welded segments. Our products offered import substitution. We are serving almost all industries including oil & gas, pulp & paper, food, pharmaceuticals, water and sanitation, petrochemical, boiler and heat exchangers as well as general engineering

**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. Company has also started exporting pellets to Japan and Korea. The production in Q2 FY 19 was app. 352,000 MT as compared to app. 372,000 MT in Q2 FY 18.

### Order Book Position

- The current order book for pipes and pellets is app. US\$ 1040 million, the break up is as under:



With volume of app. 1.31 Million MT (Pipes & Pellets), Order Book has a visibility of next 9-12 months. The orders for Large Diameter 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. Company is working on new business opportunities and expected to get additional orders in phases. Total current order book includes export of app 30%.

## Financing and Liquidity

As at 30th September 2018, net institutional debt of the Company (at standalone level) was app. Rs. 38,240 Million (~ Rs 44,120 Million in March 2018) including long term loans and fund based working capital.

This includes Net working capital borrowings (short term) at 30th September 2018 of Rs 18,950 Million (~ Rs. 23,690 Million at 31st March 2018) and Long-term Loans Rupee Loans / Rupee NCD of Rs. 19,290 Million (~ Rs. 20,430 Million at 31st March 2018). Company is having sufficient working capital facilities to take care of increased business opportunities.

## External Credit Ratings

The Company's debt instruments are rated by CARE Ratings which has issued A1(+) rating for short term facilities and AA (-) with "Positive Outlook" rating for long term debt facilities.

## Status of New Projects / Capital Expenditures

**Additional Projects/ new capital expenditures:** Company is incurring few capital expenditures for de-bottlenecking and for enhancement of the product range, quality and profitability etc. In light of the revival of steel industry, the Company is examining the viability of a Mini Steel Plant at Bhilwara (Rajasthan). However, no decision has yet been taken.

## Outlook

Demand for steel pipes used in oil and natural gas production is recovering as rising energy prices prompt new drilling projects as well as additional transmission pipelines. Oil prices have increased 80% from early 2016 on the back of output cuts by OPEC and other oil producers, and are now being pushed up further on account of various geo-political matters in the Middle East. Natural gas prices also remain high on growing demand from China, which is gradually shifting power generation away from coal as it tries to reduce air pollution.

In India, demand for steel pipes is expected to rise further from several oil and gas pipeline projects and water distribution projects which have been announced and lined up for implementation. Owing to the strong pipeline, order inflows are expected to gain momentum.

One potential risk to the bullish outlook is the escalating trade friction between U.S.A and other countries, which may slow global growth, sending oil prices down 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:**

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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.*