



June 27, 2020

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 – Regulation 30 SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Audited Financial Results for the Year/fourth quarter ended 31st March, 2020. 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 Q4 & FY20 RESULTS

Demonstrates consistent performance despite some impact due to COVID-19

New Delhi, June 27, 2020

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe products and accessories with manufacturing facilities in India, USA and UAE (MENA), today announced its financial results for the quarter and full year ended March 31, 2020.

The financial highlights (standalone) are as follows:

Particulars (Standalone financials)	Q4 FY20 (Rs in Million)	Q4 FY19 (Rs in Million)	FY20 (Rs in Million)	FY19 (Rs in Million)	Growth ~(%)
	Unaudited	Unaudited	Audited	Audited	Y-O-Y
Total Income (#)	25,511	29,042	103,274	100,506	~2.75%
Total Expenditure:					
Total Raw Material Cost (@)	15,267	18,568	62,766	62,707	
Staff Cost	1,718	1,410	6,563	5,772	
Other Expenses (#)	4,785	4,740	18,421	16,862	
EBITDA	3,741	4,324	15,524	15,165	~2.37%
Financial Costs (#)	1,382	1,225	5,156	4,961	
Depreciation	957	711	3,104	2,814	
Profit before extra-ord. items, discontinued ops. and Tax	1,402	2,388	7,264	7,390	
Exceptional Items – (Exp.)/income (**)	468	-	1,348	-	
Discontinued ops-profit/(loss)-Net of Tax	-	1	-	19	
Profit before Tax (PBT)	934	2,389	5,916	7,409	
Provision for Tax (%%)	676	863	(29)	2,409	
PAT	258	1,526	5,945	5,000	~18.88%
RATIOS					
EBITDA to total income	14.66%	14.88%	15.03%	15.09%	
PBT to total income	3.66%	8.23%	5.73%	7.37%	
PAT to total income	1.01%	5.25%	5.76%	4.98%	

Notes:

(#) Total 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.

(@) Total Raw Material Cost includes goods traded in for Rs 236 Mio for Q4 2020 and Rs 2,935 Mio. for FY 2020.

(**) **Exceptional items**- Rs 1,348 million (non- cash) - includes the impairment / write off of the investments (including loans etc.) given by the Company to its subsidiaries and associates in India and Offshore (for Europe operations), in accordance with the applicable accounting norms.

(%%) **Provision for tax:** Net of (i) the deferred tax liability written back pursuant to the Taxation laws (Amendment) ordinance 2019 (ordinance) issued by the Government of India on September 20, 2019 and (ii) Adjustments of prior period.

Jindal Saw Consolidated Financials

Particulars	Q4 FY20 (Rs in Million) Unaudited	Q4 FY19 (Rs in Million) Unaudited	FY20 (Rs in Million) Unaudited	FY19 (Rs in Million) Unaudited
Total Income	29,337	34,784	1,17,362	1,22,632
EBITDA	4,374	4,489	16,316	16,212
Financial Costs	1,638	1,460	6,176	6,152
Depreciation	1,185	997	4,216	3,963
Profit before extra-ord. items and Tax	1,551	2,032	5,924	6,097
Exceptional Items – (Exp.)/income	(487)	3,780	(1,121)	3,779
Profit before Tax (PBT)	1,064	5,812	4,803	9,876
Provision for Tax	650	789	53	2,116
PAT from continuing Ops.	414	5,023	4,750	7,760

COVID-19

The world has changed dramatically since Jan 2020.

The COVID-19 pandemic is an unprecedented global health crisis, and its impact is likely to dominate global markets in the near to medium term. Until February 2020, India was relatively less affected by COVID-19 than other countries. After the World Health Organization declared it as a pandemic, the Indian government imposed several restrictions and subsequently announced a nationwide lockdown on March 24, 2020 that ended on May 3, 2020. Manufacturing facilities were allowed to start operations from April 20, 2020 subject to taking necessary approvals from the concerned authorities.

Due to the announcement of national lockdown by Indian Government, the financials of the Company (at standalone and consolidated level) also got impacted for a few days.

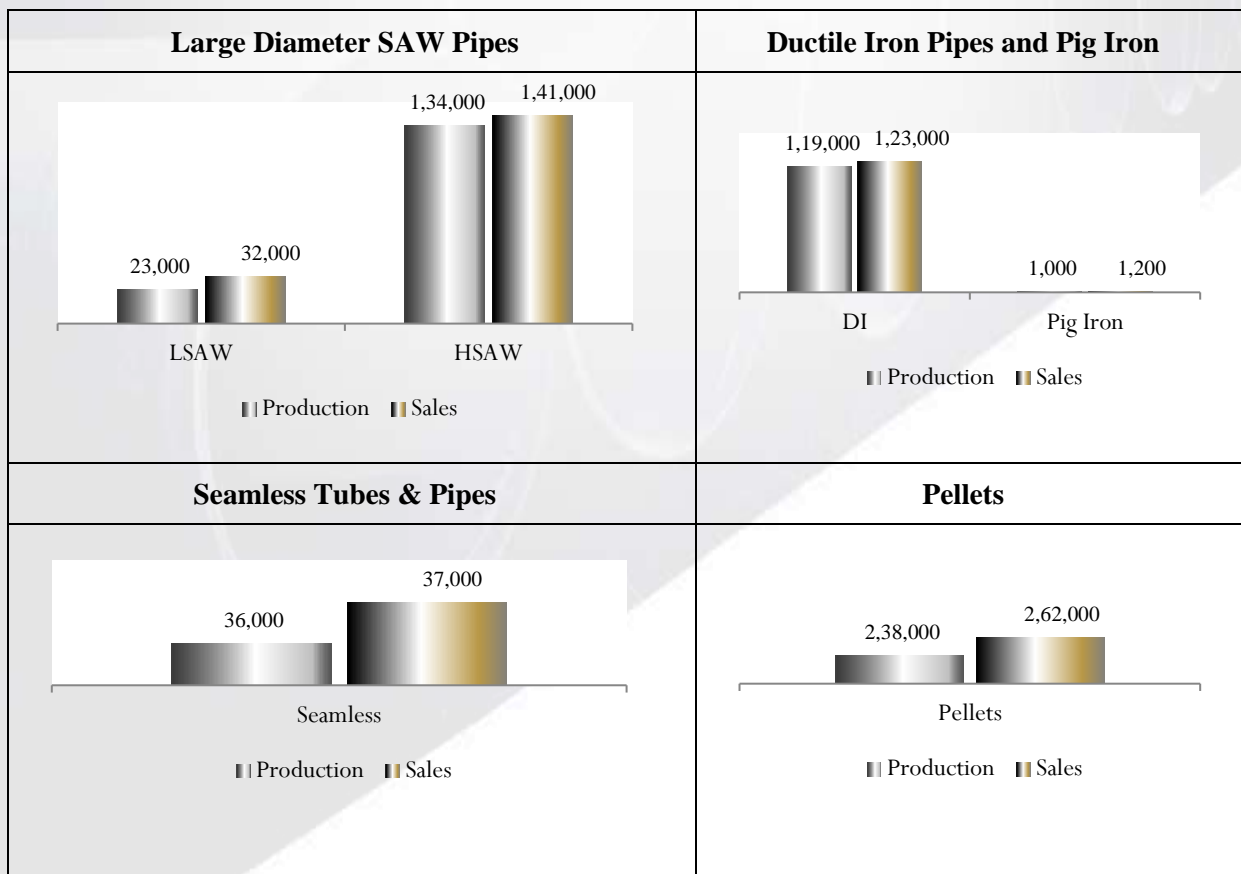
Operational & Financial Highlights

The quantitative Sales break up for the Financial Year ended 31st March 2020 are given hereunder:

Products	FY 2020	FY 2019
	(~) MT	(~) MT
PIPES		
- Large Diameter Saw Pipes		
- L Saw	263,000	260,000
- H Saw	369,000	340,000
- H Saw (job Work)		--
- Ductile Iron Pipes	473,000	469,000
- Pig Iron	2,000	23,000
- Seamless Tubes	145,000	168,000
Total – Pipes & Pig Iron	12,52,000	12,60,000
- Pellets	13,32,000	14,25,000

Analysis of Q4 FY 2020

Production and Sales Tonnage (MT) break up for the 4th quarter ended 31st March 2020.



Operational performance: Overall Productivity

- a) During the year ended 31st March 2020, the Company produced 12,41,000 MT of Pipes & Pig Iron and 13,80,000 MT of Pellets.
- b) During the 4th quarter ended 31st March, 2020, Company produced:
 - Pipes & pig Iron of app. 3,13,000 MT and
 - Pellets - app. 2,38,000 MT

Pipes production in Q4 FY2020 was (~3,13,000 MT) as compared to Q4 FY2019 (~3,17,000 MT). The same was in line of production and delivery schedule. Production was marginally lower, as compared with Q4 FY2019, due to the nationwide lockdown in March 2020 on account of COVID-19.

Pellet production has decreased in Q4 FY2020 (~2,38,000 MT) as against Q4 FY2019 (~3,54,000 MT). The production was lower due to planned maintenance shutdown during the Q4 as well as nationwide lockdown in March 2020 on account of COVID-19.

Iron & Steel Pipe Segment performance – Q4 FY2020:

Saw Pipe Strategic Business Unit: The current order book stands at ~5.40 lac MT. The order book comprises of ~3 lac MT of H Saw and balance ~2.4 lac for L Saw (H Saw orders are largely from the domestic water sector). During Q4 FY2020, Company produced app. 1.57 lac MT pipes as compared to 1.5 Lac MT of Pipes (including pipes for job work) in Q4 FY2019 which corresponds to the planned production and delivery schedules.

Geopolitical situation and COVID-19 have created imbalances and uncertainties. However, based on the ongoing enquires in domestic and export markets for oil & gas sector and further the increased focus of the government on the water sector, we expect to receive orders in the next few quarters.

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 1.20 lac MT DI Pipe as compared to 1.23 lac MT in Q4 of FY 2019. Current order book stands at app. 4.65 lac MT of DI pipes which gives visibility for more than one year.

There is already good visibility for this business as the Company has orders of app. 4.65 lac MT. Further we expect the increased focus of the central and state governments on the water sector which shall give additional boost to the business. Company is exploring all possible options to increase the presence & production in this segment.

Seamless Pipes Strategic Business Unit: On account of downward trend in the oil & gas sector and the industry in general, the performance of Seamless pipes segment was subdued where we produced ~36,000 MT pipes in Q4 FY 2019 as compared to ~43,500 MT pipes in Q4 FY2019. The current order book in this segment is app. 35,000 MT.

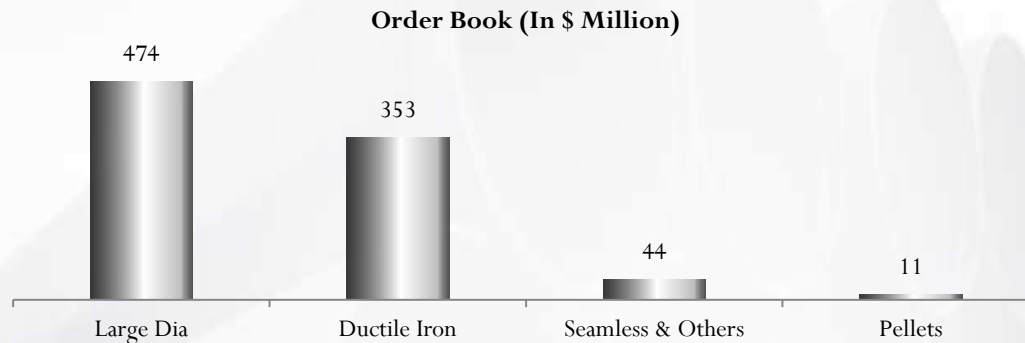
We are one of the unique companies which has wide range of products in stainless and carbon steel with facilities for seamless and welded segments. Our products offered import substitution. We are serving almost all industries including oil & gas, pulp & paper, food, pharmaceuticals, water and sanitation,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

This gives the Company a unscalable unique advantage in market space.

Iron Ore Mines and Pellet Strategic Business Unit: The Company produced app. 238,000 MT in Q4 FY 20 as against app. 354,000 MT in Q4 FY 19. The production was lower due to planned maintenance shutdown during the Q4 as well as nationwide lockdown in March 2020 on account of COVID-19.

Order Book Position

- The current order book for pipes and pellets is app. US\$ 882 million, the break-up is as under:



With volume of app. 1.15 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. The 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 31st March 2020, net institutional debt of the Company (at standalone level) was app. Rs. 35,500 Million (~ Rs 41,019 Million at 31st December 2019) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) of Rs 19,216 Million at 31st March 2020 (~ Rs. 23,134 Million at 31st December 2019) and Long-term Rupee Loans / Rupee NCDs of Rs.16,284 Million at 31st March 2020 (~ Rs. 17,885 Million at 31st December 2019). Company has sufficient working capital facilities to manage the increase in operations. Due to the Management' focus on reducing the working capital cycle (by improving the collection and reducing the inventory holding period), the Company could reduce the working capital debt by ~4,000 Mio as compared to FY 2019.

Update on Debt Position

Particulars (Rs. In Million)	As on March 31, 2020	As on March 31, 2019
Standalone Debt	35,500	40,602
Consolidated Debt	44,150	48,962
Break up of consolidated debt:		
Long Term Debt	22,592	24,913
Short Term/ Working Capital Debt	21,558	24,049

○ Key developments in Q4 FY20

Initiatives undertaken against the spread of COVID-19

- All recommended precautions undertaken which includes sanitization and hygiene, temperature checks, maximizing video-conferencing and minimizing contact, closing employee travel, health and social distancing advisories to employees and following all government directions on the subject
- Promulgated BCP which includes working from home using technologies for connectivity and communication
- Setting up the quarantine centres across all plants and corporate office with adequate medical support.

Status of New Projects / Capital Expenditures

- Regular CAPEX expenses are being carried out for increase in production / productivity, enhancement of the product range, quality and profitability

Update on Jindal ITF Arbitration

- Jindal ITF won an arbitral award allowing various claims to the tune of ~Rs. 18,910 million plus interest and applicable taxes
- Till date, Jindal ITF Limited has received ~Rs. 8,560 Million against bank guarantees
- The Company expects favorable outcome which would cover all the investments, loans and advances given to Jindal ITF Limited.

External Credit Ratings

- CARE Ratings has assigned and reaffirmed :
 - CARE A1+ (A OnePlus) for Short term debt facilities including commercial papers.
 - CARE AA with 'Stable Outlook' for Long term debt facilities

Outlook:

Global Scenario (Oil & Gas):

- The global oil and gas industry has been hit hard by the fall in oil and gas prices, demand destruction and a weak global economic outlook, primarily due to the Covid-19 pandemic.
- The oil and gas pipelines segment is no exception, with several major upcoming pipeline projects in the US stalled due to adverse market conditions
- Demand for oil is improving, slowly, but improving after lockdowns started being lifted in Asia, Europe, and North America. China's oil demand, notably, has recovered to 90 percent of pre-Covid levels, and U.S. demand is also on the rise, judging by rising refinery runs as reported by the Energy Information Administration.
- The Global Oil and Gas Engineering, Procurement and Construction (EPC) market accounted for \$41.71 billion in 2018 and is expected to reach \$76.68 billion by 2027 growing at a CAGR of 7.0%.
- The total length of global oil and gas trunk pipelines is expected to increase from 1.89 million km in 2020 to 2.03 million km by 2024, registering a total growth of 7.2 percent. North America will lead the total pipeline length with 849,922 km.

Indian Scenario

- 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.
- India has laid down plans for expansion of national natural gas pipeline network to 27,000 km from the present 16,200 km
- Demand for clean water, rapid industrialization, Government policies and increasing population will remain the key driver for water demand. The Planning Commission, in its 12th Five Year Plan, for the period ending in 2018, has said that an investment of \$26.5 billion is required to provide safe water to all Indians.
- Government of India 'initiatives like **“Make in India”** and **“ATMANIRBHAR”** (Self-reliant) Bharat will help improving the domestic manufacturing and reducing the imports. This will also help the pipe manufacturing sector to get major share of the domestic market.

Jindal Saw Growth Strategy:

As a growth strategy, the Company is making conscious efforts to move towards adding more value-added products, penetration in more markets and increasing the production and productivity.

-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 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.