JSL/2016/

February 1, 2016

The Manager
Listing Department
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block-G,
Bandra-Kurla Complex,
Bandra (E)
Mumbai – 400 051
Scrip Code : JINDALSAW

BSE Limited
P. J. Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code : 500378

Sub. : Financial / Operational Highlights – 3rd Quarter Results

Dear Sir,

The Board of Directors of the Company has approved the Unaudited Financial Results for the third quarter ended 31st December, 2015. A copy of the highlights of financial and operational performance for this quarter 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.

Highlights of Unaudited financial and operational performance (standalone) for 3rd Quarter ended 31st December, 2015

01st February 2016

Particulars	Q3 FY-15-16	Q2 FY 15-16	Q3 FY14-15	Nine Months FY-15-16	Nine Months FY-14-15
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio
	31-Dec-15	30-Sep-15	31-Dec-14	31-Dec-15	31-Dec-14
Net Turnover	**10,554**	**13,177**	**17,753**	**42,813**	**45,100**
Other Operating Income	216	272	21	529	79
Other Income (*)	554	438	347	1,382	897
Total Expenditure:					
Increase/(Decrease) in Stock in trade and WIP	1,780	144	1,772	180	5,117
Total Raw Material Cost	**6,742**	**7,825**	**11,402**	**24,434**	**29,451**
Staff Cost	1,059	1,084	901	3,198	2,673
Other Expenditure	2,952	2,798	4,858	9,680	12,074
EBITDA	**2,351**	**2,324**	**2,732**	**7,592**	**6,994**
Financial Charges	845	827	699	2,502	1,975
Depreciation	599	602	621	1,786	1,872
Exceptional Items - Significant changes in Rupee against USD (Net)	102	179	400	235	344
PBT	**804**	**717**	**1,013**	**3,068**	**2,803**
Provision for Tax	258	(294)	393	469	889
PAT	**546**	**1,011**	**619**	**2,599**	**1,914**
Extra Ordinary Items (Net of Tax Exp.)	154	-	-	154	-
PAT	**392**	**1,011**	**619**	**2,445**	**1,914**
RATIOS					
EBITDA to Net Sales	22.28%	17.64%	15.39%	17.73%	15.51%
RM to Net Sales	47.02%	58.29%	54.24%	56.65%	53.96%
Finance cost to Net Sales	8.01%	6.28%	3.94%	5.84%	4.38%
PBT to Net Sales	7.62%	5.44%	5.71%	7.17%	6.22%
PAT to Net Sales	5.18%	7.67%	3.49%	6.07%	4.24%
EPS- Basic (FV- Rs2/-)	1.81	3.35	2.24	8.59	6.93
EPS- Fully Diluted (FV- Rs2/-)	1.71	3.16	2.21	8.13	6.82

Notes:

a) Blended Pipe EBITDA, for the 3rd quarter ended 31st Dec 2015 is app. Rs 14,500/-(Q2-Sept 2015 10,133 PMT) of sale of total pipes & pig Iron 1,50036 MT (Q2-Sept 2015 - 213,341 MT). This also includes the impact of job work business done by the company during the quarter. EBIDTA for Pellet was app. Rs 750 per MT.

b) Other Income has been shown separately for classification purposes but majority of the items are in the nature of operations and hence added to EBITDA.

c) Exceptional items primarily represent net result of amounts on account of reinstatement of foreign exchange denominated assets and liabilities (other than long term foreign exchange denominated loans).

d) Extra Ordinary Items (Net of Tax Exp.) represents diminution in the value of investments in overseas subsidiaries.

OPERATIONAL & FINANCIAL HIGHLIGHTS

The sales break up for 3rd Quarter ended 31st Dec 2015 are given hereunder:

Products	Quantity Sold (MT)- app.
PIPES	
- Large Dia Pipes	
- L Saw	10,485
- H Saw	42,891
- Ductile Iron Pipes	69,628
- Pig Iron	4,463
- Seamless Tubes	22,569
Total – Pipes & Pig Iron	**150,036**
- Pellets	226,729
Grand Total	**376,765**

Geographical Break up

- Sale in India - 94 %
- Sale outside India - 6 %

Operational performance:

Overall performance:

In terms of production and sales, 3rd Quarter ended 31st December 2015 has performed marginally softer as compared to 2nd Quarter ended 30th September 2015.

During 9 months period ended 31st December 2015, company sold (i) Pipes & pig Iron of app. 6,24,000 MT and (ii) Pellets - app. 7,61,000 MT as compared to the sales of (i) Pipes & pig Iron of app. 5,79,000 MT and (ii) Pellets - app. 9,25,000 MT for the 9 months period ended December 2014 in FY 15.

During 3rd Quarter ended 31st Dec 2015:

Saw Pipe Strategic Business Unit: The current order book stands at app. 5.50 lakh MT. Company produced app. 54,000 MT of Pipes which corresponds to the planned production and delivery schedules. The production and dispatches were also lower on account of pressure on liquidity primarily on the domestic buyers. The situation is improving and we expect to ramp up the operations in coming quarters. The company has also participated in good amount of tenders for water and oil & gas segments and expect additional orders in next few months.

During quarter ended 31st December 2015, company also executed orders in the SAW pipe business segment for the job work with comparatively better profitability. The same is not included in the quantity produced and sold, as reported above.

DI and Pig Iron Strategic Business Unit: Operations were in line with the planned production in this Quarter where company has produced more than 1.01 lakh MT DI Pipe and 3300 MT of pig iron. The company has maintained the production level of more than one lakh MT DI pipe in this quarter also. Dispatches in DI pipe segment also got impacted on account of pressure on liquidity primarily on the domestic buyers. The situation is improving and the sale is expected to ramp up in coming quarters. Current order book stands at app. 6,00,000 MT of DI pipes which is all time high in this segment. Due to fall in the commodity prices, we expect the sale prices to be softer.

Seamless Strategic Business Unit: Seamless pipes segment has shown improvement mainly due to diversification in product portfolio where company has started catering to niche/premium segment e.g. T91, 13 Crome and ball bearing industry etc. The seamless pipe demand in oil & gas segment remained weaker due to dumping of imported material in India mainly from China and imposition of anti-dumping duty by North America and Europe . In general, on account of continued weakness in the oil prices, the demand of OCTG pipes remained much weaker. The trend is likely to continue for some more time. The production of seamless pipes in 3rd quarter was app. 23,000 MT as compared to app.21,000 MT in 2nd quarter ended Sept.,2015.

Iron Ore Mines and Pellet Strategic Business Unit: Due to sharp decline in the iron ore prices and availability of cheaper product in the market, operations in Pellet plant were contained and the Company produced app. 3,08,000 MT of Pellets in Q3 FY 15. We have seen some improvement in prices due to revocation of export duty on Iron Ore which is inching the profitability in pellet unit as compare to 2nd quarter. Company is working on costs control measures to remain competitive.

Order Book Position

- The current order book for pipes and pellets is app. US$ 900 million, the break up is as under:
    - Large Diameter Pipes – US$ 470 Mio
    - Ductile Iron Pipes – US$ 410 Mio
    - Seamless Pipes & others – US$ 10 Mio
    - Pellets – US$ 10 Mio

Order Book position in terms of volume is over 1.2 Mio MT is highest in the last 5 years. The orders for Large Diameter Pipes are slated to be executed by June/ Sep 2016 and in case of

Ductile Iron Pipes the same are slated to be executed over next 12-18 months or more. Company has participated in various bids and is likely to get orders in phases. The current order book includes export of app 35%. The major exports orders are from Middle East, Gulf region and South East Asia and Far East.

Financing and Liquidity

As at 31st December, 2015, net debt of the Company (at standalone level) was app. Rs 48,075 Mio (app. USD 728 mio.) including ECB/ long term loans and fund based working capital and other unsecured loans. This includes working capital loans of Rs 24,343 mio (App. USD 369 mio) which remained at elevated level due to higher order book, inventory and receivables etc.

Credit Ratings

The company has maintained its short term (A1 Plus) and long term credit (AA Minus) ratings. The same are reaffirmed by CARE in Oct 2015.

Exception items - 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. As in the past, company is expected to be a "net exporter" in the current financial year as well. In general, it is 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.

In most cases, in order to match cash flows on net basis, company avails short term foreign currency loans (Buyers credit/ PCFC etc) from the banks to match foreign currency denominated payments to its suppliers with expected foreign currency denominated receivables on the contracts. However, due to Accounting Standard and accounting reasons, while liabilities thus crystallized appear on balance sheet and need to be translated at closing currency rates, expected receivables pending sale of goods are not reflected and reinstated in financial statements. This accounting treatment may result in realized /accounting gains or losses depending upon currency behavior during the period. As per accounting standards, stock of Raw material/ work in progress and finished goods (specially represented by imported material) is reflected at historical costs without adjustments of financial costs and change in foreign currency rates.

On balance, company, because it is a net exporter, is expected to be a net beneficiary in weakening Rupee environment.

STATUS OF NEW PROJECTS/ CAPITAL EXPENDITURES

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

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 engaged in construction of 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.

OUTLOOK

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

Jindal Saw is not a Steel company , rather commodities like steel, iron ore and cocking coal are raw materials for its products. A drop in the commodity prices is generally beneficial for company and the pipe industry.

Oil & Gas sector- Company's product portfolio comprises only 35% from oil and Gas sector and a continued weakness in oil prices on account of oversupplied market conditions coupled with the geo political and war like situation in MENA region may have a negative impact on the new demand for the pipes required for this sector and OCTG products etc. Further, due to fall in commodity prices, the sale prices are expected to weaken. However, the current order book includes more than 300,000 MT pipe orders for Oil& gas sector. In addition to this company has orders for job work for oil & gas industry.

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 our products, in near future. We expect that India would also need more pipelines primarily for water and industrial applications. The Current order book has app. 9,00,000 MT pipe orders (DI and H Saw) for water sector which are primarily catering to domestic market.

Pellets: The weakness in the coal and iron ore prices along-with projections for the further weakness may keep a check on the sale prices of our products and thus profitability including pellets. However, due to revocation of Export duty from Iron Ore, there is improvement in pellet prices in last two months which will further supplement with the changes in commodity prices and resultant sale prices of pellets may have an impact on the production and sale 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.