JINDAL

JINDAL SAW LTD.

JSL/2016/

November 4, 2016

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 / 2nd Quarter Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Financial Results for the second quarter/half year ended 30th September, 2016. 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.

Highlights of Financial and Operational performance for the Second Quarter ended 30th September 2016

4th November 2016

Announcement of financial results

Jindal Saw Limited ("JSAW" or "the Company") reported its un-audited financial results for the Second quarter ended 30th September 2016 which has been approved in the meeting of the Board of Directors held on 4th November 2016.

Particulars	H-1	H-1	Q2	Q2	Q1	
	FY-17	FY-16	FY-17	FY-16	FY-17	FY-16
	Unaudited					(Audited)
	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio
	Sep 30,2016	Sep 30, 2015	Sep 30,2016	Sep 30, 2015	June 30, 2016	Mar 31, 2016
Gross Turnover	**27,280**	**33,621**	**14,011**	**13,753**	**13,269**	**63,242**
Other Operating Income	122	326	100	272	21	595
Other Income (*)	681	748	312	393	369	1,605
Total Expenditure:						
Increase/(Decrease) in Stock in trade and WIP	(2,678)	1,600	(669)	(144)	(2,010)	643
Total Raw Material Cost	**13,670**	**19,292**	**7,318**	**7,681**	**6,352**	**34,938**
Staff Cost	2,333	2,150	1,166	1,090	1,166	4,269
Other Expenditure	6,767	7,982	3,468	3,574	3,299	15,110
EBITDA	**5,313**	**5,272**	**2,471**	**2,073**	**2,842**	**11,125**
Financial Charges	2,091	2,379	832	1,207	1,259	4,945
Depreciation	1,163	1,104	585	563	579	2,272
Profit before extra-ordinary items and Tax	2,059	1,789	1,055	305	1,004	3,908
Exceptional Items – Exp./(income)	347	-	347	1	-	1,332
PBT	**1,712**	**1,789**	**708**	**304**	**1,004**	**2,576**
Provision for Tax	581	91	235	(422)	346	362
PAT	**1,131**	**1,698**	**473**	**726**	**658**	**2,213**
Other Comprehensive (Income)/Exp.	9	18	5	9	4	21
PAT	**1,121**	**1,680**	**468**	**717**	**653**	**2,193**
RATIOS						
EBITDA to Sales	18.92%	15.20%	17.13%	14.39%	20.81%	17.00%
RM to Sales	48.68%	55.60%	50.74%	53.27%	46.51%	53.39%
Finance cost to Sales	7.45%	6.86%	5.77%	8.37%	9.22%	7.56%
PBT to Sales	6.10%	5.16%	4.91%	2.11%	7.35%	3.94%
PAT to Sales	4.00%	4.84%	3.25%	4.97%	4.78%	3.35%

Notes:

(a) Company has adopted IND AS effective 1st April 2015. The above financials are based on the IND AS

(b) Pursuant to the approval of the Composite Scheme of Arrangement (Scheme) by the Hon'ble High Court of Judicature at Allahabad on 8th July 2016, the impact of the Scheme has been given from 1st April 2015 (Appointed date). The above financials have considered the impact of the Scheme.

(c) Financial Charges are lower in Q2 FY 17 (Rs 832 Million) as compared to Q1 FY 17 (Rs 1259 million) due to (i) lower debt in the Q2 FY 17 and (ii) gain on account of positive movement in USD INR pair as at 30th Sep 2016 as compared to the rates as at 30th June 2016.

(d) Exceptional Items representing loss of sale of ship in Ocean waterways business.

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 Infra-logistics 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 Infra-logistics Limited for every 622 shares of Jindal Saw Limited, held by them on the record date. The Listing of JITF Infra-logistics Limited is expected in next few months.

OPERATIONAL & FINANCIAL HIGHLIGHTS

Sales break up for 1st and 2nd Quarter in FY 17 are given hereunder:

Products	**Q1 – FY 17**	**Q2- FY 17**
	MT	**MT**
PIPES		
- Large Diameter Saw Pipes		
- L Saw	44,225	77,160
- H Saw (*)	42,225	12,130
- Ductile Iron Pipes	103,000	91,825
- Pig Iron	5,500	7,600
- Seamless Tubes	22,450	20,200
Total – Pipes & Pig Iron	**217,400**	**208,915**
- **Pellets**	**260,000**	**428,475**
Exports (To Turnover)	**22%**	**31%**

(*) Note- Above sale of H Saw pipes does not include for production H Saw pipes on Job Work.

Operational performance:

Overall Productivity

During 2nd quarter ended 30th Sept., 2016, Company produced (i) Pipes & pig Iron of app. 256,000 MT (excluding Job work) and (ii) Pellets - app. 315,000 MT. The same are more or less at the same level if compared with Q1 FY 16.

Iron & Steel Segment performance – 2nd Quarter ended 30th Sept 2016:

Saw Pipe Strategic Business Unit: The current order book stands at app. 4.18 lakh MT (Including- 1.51 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. 1.15 Lac MT of Pipes (excluding pipes for job work) which corresponds to the planned production and delivery schedules. We expect additional business opportunities in domestic water sector and overseas oil and gas 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 1.13 lakh MT DI Pipe and 6500 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. 5.50 lac MT of DI pipes. Off take of Pipes in this sector was slightly slow than the previous quarter and is likely to be pick up in the coming quarters in FY 2017.

Seamless Strategic Business Unit: The production of seamless pipes in 2nd quarter was app. 19,500 MT as compared to app. 24,800 MT in the quarter ended June 2016.The demand of seamless pipes has taken time to show improvement mainly in commodity segment and company is continuously working on diversification in the product portfolio. Company expects the improvement in domestic segment in next few months.

Iron Ore Mines and Pellet Strategic Business Unit: Company produced ap. 3.17 Lac MT of Pellets in Q2 FY 17. The demand visibility is improving gradually which should get reflected in the sale prices as well. Sale of Pellets in Q2 FY 17 has improved considerably. Company is putting its best efforts for cost reduction.

Order Book Position

- The current order book for pipes and pellets is app. US$ 700 million, the break up is as under:
    - Large Diameter Pipes – US$ 302 Mio
    - Ductile Iron Pipes – US$ 370 Mio
    - Seamless Pipes & others – US$ 20 Mio
    - Pellets – US$ 8 Mio

Order Book position in terms of volume is over 1.08 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 28%. Major exports orders are from Middle East, Gulf region and South East Asia and Far East.

Financing and Liquidity

As at 30th Sept. 2016, net institutional debt of the Company (at standalone level) was app. Rs 41,830 Mio (app. USD 625 mio.) (As at 30th June 2016 - 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 19,822 mio (App. USD 296 mio) and Long term loans (ECB/ Rupee Loans / Rupee NCD) of Rs 22,008 mio (app. USD 329 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 domestic Credit Ratings for Long Term Debt/ Facilities/NCDs by CARE ratings has been by CARE at CARE A(+) and the Short Term Debt/ Facilities have been rated at highest level of A1(+).

STATUS OF NEW PROJECTS/ CAPITAL EXPENDITURES

Additional Projects/ new capital expenditures: Company is not undertaking any additional major 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

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.

Company has 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.

As the Company is not producing steel rather commodities like steel, iron ore and cocking coal are raw materials for its products. Last few months have seen increase in commodity prices including cocking coal which is expected to impact the finished goods sale prices.

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: Even though Pellet prices have remained stable during Q2 FY 17 however there was a pick-up in demand of the Pellets. Improvement in the iron ore and lumps price will lead to increase in Pellet prices which would be beneficial for Company.

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.