JINDAL

JINDAL SAW LTD.

Fax # 022-2659 8237 / 38

JSL/2015/

January 20, 2015

The Manager
Listing Department
National Stock Exchange of India Limited,
'Exchange Plaza', C-1, Block-G,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051

Re. : Scrip Code : JINDALSAW

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

Dear Sir,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Quarterly Financial Results for the third quarter ended 31st December, 2014. 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.

C.C. : By Courier

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Highlights of Unaudited financial and operational performance (stand-alone) for the 3rd Quarter ended 31th December 2014

20th Jan 2015

Particulars	Q3 FY-15	Q3 FY14	Q2 FY-15	Q1 FY-15
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs in Mio	Rs in Mio	Rs in Mio	Rs in Mio
	Dec 31, 2014	Dec 31, 2013	Sep 30, 2014	June 30, 2014
Net Turnover	**17,753**	**17,094**	**15,895**	**11,451**
Other Operating Income	21	2	18	40
Other Income (*)	347	145	276	274
Total Expenditure:				
(Increase)/Decrease in Stock in trade and WIP	(1,772)	1,909	(2,029)	(1,317)
Consumption of Raw Material and Purchase of traded goods	11,402	9,163	10,644	7,405
Total Raw Material Cost	**9,630**	**11,072**	**8,615**	**6,088**
Staff Cost	901	787	912	860
Other Expenditure	4,858	3,579	4,292	2,924
EBITDA (*)	**2,732**	**1,803**	**2,370**	**1,893**
Interest & Finance Charges	699	692	649	627
Depreciation	621	539	630	621
Exceptional Items - Significant changes in Rupee against foreign Currencies (Net)	400	(28)	50	(105)
PBT	**1,013**	**600**	**1,041**	**750**
Provision for Tax	393	100	295	201
PAT	**619**	**500**	**746**	**549**
RATIOS				
EBITDA to Net Sales	15.39%	10.55%	14.91%	16.53%
RM to Net Sales	54.25%	64.77%	54.20%	53.17%
Finance cost to Net Sales	3.94%	4.05%	4.08%	5.48%
PBT to Net Sales	5.70%	3.51%	6.55%	6.55%
PAT to Net Sales	3.49%	2.93%	4.69%	4.79%
EPS- Fully Diluted (FV- Rs2/-)	2.21	1.81	2.70	1.99
EPS- Basic (FV- Rs2/-)	2.24	1.81	2.70	1.99

Notes:

a) Blended Pipe EBITDA, for the 3rd quarter ended 31st Dec 2014 is app. Rs 8,600 PMT of total sale of pipes & pig iron (Appox.229,600 MT). EBITDA for Pellet for similar period is app. Rs 2200 PMT.

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).

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OPERATIONAL & FINANCIAL HIGHLIGHTS

The sales break up for 3rd Quarter ended 31st Dec 2014 is given hereunder:

Products	Quantity Sold (MT)- app./Rounded off
PIPES	
- Large Dia Pipes	
- L Saw	60,000
- H Saw	41,000
- Ductile Iron Pipes	82,000
- Pig Iron	14,000
- Seamless Tubes	32,600
Total sale of Pipes & Pig Iron	229,600
IRON ORE Etc	
- Pellets	337,000
Total	**566,600**

Geographical Break up	**(of Pipe Sales)**	**(of Total Sales)**
- Sale in India	- 57 %	63%
- Sale outside India	- 43 %	37%

During 3rd quarter ended 31st Dec 2014, company produced (i) Pipes & pig Iron of app. 2,75,700 MT and (ii) Pellets - app. 321,000 MT

Operational performance:

Quarter ended 31th Dec 2014 has witnessed improvement in production and sales levels. The Company expects further improvements in subsequent quarters though in gradual manner. Company is also focusing on various measures to further improve productivity, efficiency and profitability.

During 3rd Quarter ended 31st Dec 2014:

Saw Pipe Strategic Business Unit: Company has maintained good orders book for L Saw and H Saw which currently stands at app. 6.10 lac MT. Company has produced app. 146,000 MT of L Saw & H Saw Pipes (previous quarter app One lac MT) which corresponds to the planned production and delivery schedules. Further, the operations are expected to ramp up in line with the orders in hand.

DI and Pig Iron Strategic Business Unit: Operations have remained stable in this Quarter where the Company has produced app. 85,000 MT DI Pipe and 14,000 MT of pig iron. The order book in Ductile Iron segment remains stronger at app. 4 lac MT.

Seamless Strategic Business Unit: The demand of seamless pipes & tubes is not picking up. Falling oil prices may also have an adverse impact on the OCTG product demand. The Company is focusing on enlarging the product range which shall take care of the changing business environment. The production of seamless pipes in this quarter was app. 30,000 MT.

Iron Ore Mines and Pellet Strategic Business Unit: Operations in Pellet plant have stabilized and Company has produced app. 300,000 MT of Pellets in Q3, which is 100% of the capacity.

Order Book Position

- The current order book (Jindal Saw India only) is exceeding USD One billion, the break up is as under:
    - Large Diameter Pipes - US$ 660 Mio
    - Ductile Iron Pipes - US$ 335 Mio
    - Seamless Pipes - US$ 15 Mio
    - Pellets - US$ 15 Mio

  The orders for Large Diameter Pipes are slated to be executed by June – Sep 2015 and in case of Ductile Iron Pipes the same are slated to be executed over next 12-18 months or more. The Company has participated in various bids and 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.

  The Order book of Ductile Iron Pipes is only for Indian Facilities.

  The Order book of UAE facilities (app. 150K MT – valuing USD 135 Mio) is in addition to the above order book of USD 335 Mio.

Financing and Liquidity

As at 31st December 2014, net debt of Jindal Saw Limited (standalone) stands at app. Rs 40,000 mio (app. USD 640 mio.) including ECB/ long term loans and fund based working capital and other unsecured loans. The break- up of the same is as follows:

a. Total working capital (including buyer's credit of Rs. 9100 million) was app. 21000 million. The Working capital is marginally higher in line with the increased operations and higher order book.

b. Total Term Loans (Rupee loan/ Rupee NCD/ ECB etc.) outstanding were app. Rs 19000 mio.

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, as per Accounting Standard, 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.

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STATUS OF MAJOR SUBSIDIRIES / OTHER MATERS

Additional Projects/ new capital expenditures

The Company has not undertaken any new project initiative during the quarter ended 31st Dec 2014.We are now in the process of improvising the productivity of the various facilities, debottlenecking and introducing value added products especially in Seamless segment. Capacity of Beneficiation and other processes is being enhanced to efficiently process the low quality of the iron ore and thereby increasing the production of Pellet with full reliance on the internally beneficiated iron ore concentrate. Thus, besides the normal capex, the Company may incur capital expenditure for the above referred items etc.

Jindal Tubular USA LLC- H Saw Facility in USA

On 29th Aug 2014, the Company through its offshore subsidiary namely Jindal Tubular USA LLC has acquired substantially all assets of PSL North America LLC at a value of app. US dollar 105 Million through an order passed by the United States Bankruptcy Court for the District of Delaware on August 15, 2014. This is a H Saw facility capable to produce hydrocarbon and water pipes with a name plate capacity of app. 375000 MTPA.

The Company has already started taking all the steps necessary to revive the facility including providing full managerial and operational support. Jindal Tubular has received few orders and also started participating in various business opportunities in USA. Few orders will be executed in FY 15 which shall help the Company in participating in more bids. There are no loan repayments in next 4-5 years.

DI Pipe facility in Abu Dhabi (UAE)

Jindal Saw has set up the largest facility in Abu Dhabi (UAE) to produce Ductile Iron ('DI') Pipes of various sizes and focuses on providing high quality techno-economic products and solutions for water transportation and sewage systems in the wider MENA region. The factory has capability to produce DI pipes with size range from DN 200 to 2200. The plant is now fully operational and has an order book of app. 150K MT. the facility has already been approved by various MENA region countries for supply of its DI pipes.

During the quarter ended 31st Dec 2014, the Company has also closed a new financing transaction with a club of four banks in the region, to take care of the expanding business needs of the business. These banks have joined hands to provide long term and working capital support to the company.

Issue of shares to Promoters on Preferential basis

During the quarter ended 31st Dec 2014, the Board of Directors of Jindal Saw Limited and the shareholders had approved issuance of 43.53 million Compulsorily Convertible Debentures (CCD) on preferential basis to one of the promoter's group company. Each CCD shall be converted into one equity share of the face value of Rs 2/- of the Company at a minimum price of Rs 81.10 (Including a premium of Rs 79.10) per equity share in accordance with the SEBI ICDR regulations ("Issue price").

The entire amount (Rs3530.30 million) was received within stipulated timeframe and CCD were allotted in time. The amount has been utilized for the approved purposes.

The induction of capital will facilitate the built up of long term capital of the company which shall be helpful for supporting various business requirements.

Company Overview

The Company is India's most diversified manufacturer and supplier of pipe products for the energy, water sector and other industrial applications. Our customers include most of the world's leading oil and gas companies, municipal corporations as well as engineering companies engaged in constructing oil and gas gathering, water transportation system, power and automobiles facilities. Our principal products include (a) large diameter SAW pipes (Longitudinal Submerged Arc Welded (LSAW) and Helically Submerged Arc Welded (Spiral/ HSAW), (b) Seamless Tubes, and (c) Ductile Iron (DI) pipes. Our manufacturing facilities are located in various parts in western, northern and southern part of India. Our Indian production facilities produce pipes to meet global specifications and standards.

We are one of the largest global producers of Ductile Iron pipes with manufacturing facilities in India, UAE and Europe.

With the pipe producing capacities in India, USA, UAE and Europe, the Company is one of the largest global manufacturers of pipes.

The company has developed iron ore mine complex at Bhilwara (Rajasthan) with fully integrated facilities for ore extraction, beneficiation and Pellet production, at the mine head. Iron Ore Pellets are currently in demand for manufacture of Sponge Iron and other products. The Pellet plant is running at 100% capacity.

OUTLOOK

The Company's product portfolio includes LSAW and HSAW pipes, Seamless tubes & pipes, DI pipes of various grades and dimensions and Pellets.

The Company generates its revenues from Oil & Gas, Water and Steel industry. At present, the Company generates app.30% of sale from Oil& Gas Sector, 50% from Water Sector and balance 20% from sale of Pellets.

The diversified revenue profile insulates the Company's business model from the factors impacting the global business environment. For example, sharp decline in the global oil prices may not impact the Company's overall order book, revenue and resultant profitability in a significant way. The company is also focusing its efforts to make its business model more robust which can weather it from the volatile business environment.

We are experiencing gradual improvement in demand and its major drivers in medium to long term. Last few months witnessed correction in global prices of oil, iron ore, coal and other products which may have an impact on sale prices of Pellet and other products. Despite the prevailing conditions, potential opportunities are expected primarily from the implementation of new pipeline projects in the upcoming years, resurgent growth of the US economy, and increased demand from natural gas exploration operations.

Specific and renewed focus of Government of India on the Infrastructure sector including Hydrocarbon pipeline as well as urbanization would accelerate the demand of our products in near future. We expect that India would also need more pipelines for Oil& Gas, Water and Industrial applications.

Due to improvement in the overall scenario, we expect that the Pellet demand would also improve in the country including west region.

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.