



JINDAL SAW LTD.

Fax # 022-2659 8237 / 38

JSL/2014/

May 17, 2014

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

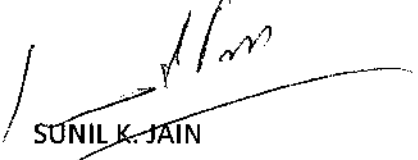
Sub. : Financial / Operational Highlights – Year / 4th Quarter Results

Dear Sir,

The Board of Directors of Jindal Saw Limited has approved the Audited Financial Results for the Year / fourth quarter ended 31st March, 2014. 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

Encl. : As above.

C.C. : By Courier



JINDAL SAW LTD

Highlights of Audited financial and operational performance (stand alone) for the Financial Year ended 31st March 2014

17th May 2014

Given below are the financial highlights of the Audited financial results for the 4th quarter ended 31st March 2014 and financial Year ended 31st March 2014:

Particulars	Q4 FY-13-14 (Unaudited) Rs in Mio Mar 31, 2014	Q4 FY12-13 (Unaudited) Rs in Mio Mar 31, 2013	Q3 FY-13-14 (Unaudited) Rs in Mio Dec 31, 2013	Full Year FY 13-14 (Audited) Rs in Mio Mar 31, 2014	Full Year FY-12-13 (Audited) Rs in Mio Mar 31, 2013
Net Turnover	13,631	9,790	17,094	55,030	56,129
Other Operating Income	5	10	2	66	38
Other Income (*)	306	190	145	846	824
Total Expenditure:					
(Increase)/Decrease in Stock in trade and WIP	934	(570)	1909	2,426	2,308
Consumption of Raw Material and Purchase of traded goods	6,240	6,822	9,163	31,405	35,981
Total Raw Material Cost	7,174	6,252	11,072	33,831	38,289
Staff Cost	767	634	787	3,002	2,522
Other Expenditure	4,068	1,885	3,579	12,073	9,328
EBITDA (*)	1,933	1,219	1,803	7,036	6,852
Interest & Finance Charges	594	383	692	2,262	1,501
Depreciation	622	360	539	2,127	1,550
Exceptional Items - Significant changes in Rupee against foreign Currencies (Net)	(85)	8	(28)	739	1,142
PBT	802	468	600	1,908	2,659
Provision for Tax	231	97	100	465	725
PAT	571	371	500	1,443	1,934
RATIOS					
EBITDA to Net Sales	14.18%	12.45%	10.55%	12.79%	12.21%
RM to Net Sales	52.63%	63.86%	64.77%	61.48%	68.22%
Finance cost to Net Sales	4.36%	3.91%	4.05%	4.11%	2.67%
Other Expenditure to Net Sales	29.84%	19.25%	20.93%	21.94%	16.62%
PBT to Net Sales	5.88%	4.78%	3.51%	3.47%	4.74%
PAT to Net Sales	4.19%	3.79%	2.93%	2.63%	3.45%
EPS- Fully Diluted (FV- Rs2/-)	2.07	1.34	1.81	6.10	6.98
EPS- Basic (FV- Rs2/-)	2.07	1.34	1.81	6.10	6.98

(*) EBITDA includes Other Income as these are incidental to the main business of the Company but has been shown separately as per accounting standards.



JINDAL SAW LTD

Following are the summarized consolidated Financials of Jindal Saw Limited including all subsidiaries.

Rs in Millions

Particulars	FY-13-14	FY-12-13
Total Income from Operations (Net)	66,558	67,647
Other income (*)	953	828
Total Income	67,511	68,475
EBITDA	7,353	6,864
Interest & Finance Charges	3,920	2,356
Depreciation	3,213	2,190
Exceptional Items - Significant changes in Rupee against foreign Currencies (Net)	677	1,142
PBT	(455)	1,176
Provision for Tax	547	513
Extraordinary items	-	862
Minority Interest	147	10
PAT	(855)	(189)

* EBITDA includes Other Income as these are incidental to the main business of the Company but has been shown separately as per accounting standards

As shown above, there is a Net Loss of Rs.855 million at consolidated level which is on account of:

- Abu Dhabi operations started commercial sales in FY 13-14 and reported net loss largely on account of interest and depreciation. However, the operations are now ramping up and Company is expected to improve its financials significantly in FY 14-15. The current order book is in excess of 105000 MT. In DI segment, Italy operations also reported net loss due to unabsorbed fixed overheads however the operations are expected to improve in FY 14-15.
- JITF Limited being an infrastructure focused company has reported losses at EBITDA levels and as well as on net basis. However, with changing political and business environment, businesses like coal handling for NTPC power project at Farakka, water infrastructure, railways wagon manufacturing and waste to power are expected to improve significantly.

OPERATIONAL & FINANCIAL HIGHLIGHTS

The sales break up for Financial Year 2013-14 (full year) is given hereunder:

Products	Quantity Sold (MT)- app.
PIPES	
- Large Dia Pipes	
- L Saw	1,83,900
- H Saw	1,16,000
- Ductile Iron Pipes	2,67,000
- Seamless Tubes	1,31,300
TOTAL PIPES SOLD	6,98,200
- Pig Iron	1,15,700
IRON ORE Etc	
- Pellets	6,95,600

Geographical Break up (Including Pallets)

- Sale in India - 68%
- Sale outside India (exports) - 32%

The Production for Financial year 2013-14 are given hereunder:

Product	Production MT (App.)
Pipes	6,92,700
Pig Iron	1,05,200
Pellets	7,18,600

Operational performance:

During 4th Quarter ended 31st March 2014 and Financial Year 2013-14:

Saw Pipe (Large Dia) Strategic Business Unit: The segment witnessed lower production and sales in 4th quarter ended 31st March 2014 due to lower order book and customer' delivery schedules. Financial Year 2013-14 has remained weaker in terms of order book, production, sales and thus profitability. The year also witnessed lower capacity utilization. However, the Company expects improvement in business and operations in FY 14-15 onwards. The order book is seeing a positive momentum with current order book at app. USD 475 million with a mix of exports and domestic orders from hydrocarbon and water sector.

DI and Pig Iron Strategic Business Unit: 4th Quarter ended 31st March 2014 has seen some improvement in production and sale of DI pipes DI Pipes. The Company produced and sold app 80,000 MT of DI pipes and app. 21000 MT of Pig Iron. The production and sales of DI pipes is expected to improve further in FY 14-15. The Company has an order book of app. USD 325 Million excluding demand of company' offshore subsidiaries. In FY 14-15, it will be the effort of the company to use maximum quantity of available hot metal for production of DI pipes as against Pig Iron. During FY 13-14, company' exports in DI pipe segment were at 14%.



Seamless Strategic Business Unit: The activities in seamless pipes & tubes segment remained weak in the 4th quarter as well. We expect the situation to improve gradually. The production of seamless pipes in 4th quarter was approx. 35,000 MT and sales was approx. 32,000 MT and exports sale was approx. 39%. During FY 13-14, Company exported 51% of its seamless pipe production. We expect the domestic sale of DI pipes to improve along with better profitability as Government of India may introduce safeguard duty on Chinese imports of Seamless pipe.

Iron Ore Mines and Pellet Strategic Business Unit: In Q4, the Company has achieved 100% capacity utilization in Pallet plant. The production and sales of Pallet in Q4 was app. 300,000 MT. We expect to operate the Pallet plant at app. 100% capacity during FY14-15 as well.

Order Book Position

- The current order book is app USD 820 Million or app. Rs 5000 Cr (previous quarter 560 million or app. Rs 3,500 Crores), the break up is as under:
 - Large Diameter Pipes – US\$ 475 Mio
 - Ductile Iron Pipes – US\$ 325 Mio
 - Seamless Pipes – US\$ 20 Mio

The orders for Large Diameter Pipes are slated to be in next 12 – 15 months and in case of Ductile Iron Pipes the same are slated to be executed over next 12-18 months depending on the delivery schedule of the customers. Company has participated in various bids and likely to get orders in phases. The current order book includes export of app 30%. Major export orders are from Middle East, Gulf region, Latin America etc.

Financing and Liquidity

- a) As at 30th April 2014, net debt in the Company (standalone) was app. Rs 33,780 mio (app. USD 563 mio.) including ECB/ long term loans and fund based working capital and other unsecured loans. The loan includes buyer's credit of app. Rs 5530 mio (app. USD 92 Mio).
- b) To meet the long term funds requirements, the Company has raised additional long term funds.

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.



STATUS OF PROJECTS/ CAPITAL EXPENDITURES

- a) **Small Dia DI Pipe Plant:** Ductile Iron Plant (small dia DI pipe plant) with blast furnace capacity of app. 200,000 MTPA was put to commercial operation in the quarter ended 31st March 2013. Production has started and now stabilized to a larger extent. The Coke Oven facility and the incremental captive power generation facility related to the Ductile Iron Plant have also stabilized. The Company expects to increase the production of Ductile Iron Pipes during FY 14-15.
- b) **Greenfield Ductile Iron pipe facility in United Arab Emirates:** The Greenfield Ductile Iron Pipe facility in UAE is now commercially operational. The facility has received necessary product and quality approvals. With the concerted efforts its product has been approved in few countries in the region including Dubai, Abu Dhabi, Oman, Saudi Arab and the efforts to get pre approval in other countries are on way. The current book exceeds. 105,000 MT and company expects the same to improve gradually.
- c) **Iron Ore Concentrate and Pellets:** The Pallet plant in Bhilwara has stabilized and achieved 100% capacity utilization during Q4 (FY 13-14). The product is well accepted in the market.
- d) **Additional Projects/ new capital expenditures:** To meet the requirements of the Lease agreement as well as for maximum utilization of iron ore concentrate, Company is working on Steel facility in Rajasthan.

Company Overview

The Company is India's most diversified manufacturer and supplier of pipe products for the energy, water industry 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.

The company has secured Iron Ore Mines in Rajasthan on a 30 year lease and has set up facilities at the mine head for preparation of Iron Ore concentrate and production of Iron Ore pellets. Iron Ore Pellets are currently in demand for manufacture of Sponge Iron and other products.

OUTLOOK

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

We have witnessed a weaker market in welded (Saw Pipe) pipe and seam less pipe segment in last few quarters. We expect a gradual improvement in the demand and market conditions which is likely to improve the capacity utilization, production and profitability of the tubular industry and the Company.



JINDAL SAW LTD

Potential opportunities are expected primarily from the implementation of new pipeline projects in the upcoming years in India, resurgent growth of the US economy, and increased demand from natural gas exploration operations. Also, overcapacity conditions are expected to fade away in the coming years, as several megaprojects are set to be taken up across the world, particularly in regions such as Southeast Asia, Middle East, Africa, and Latin America etc. The company has seen a surge in demand from water sector not only in India but also in different parts of the globe.

The company has also seen improvement in the market conditions for Ductile Iron Pipes. The domestic market has also seen impairment in the capability of few domestic producers which has benefited the Company. We expect that with increase in production, the company would be able to service domestic and international DI markets more efficiently.

Seamless pipes & tubes demand remained weaker and expected to remain weaker for some more time however we are seeing some improvements in the domestic market due to expected imposition of safeguard duty on Chinese imports. The Company has also started catering to the drill pipe market also though the size of such supplies remained smaller.

We expect that the Company will start getting the benefits of the investments made/ to be made in various projects including Iron Ore and Pallet plant which would add to the turnover and profitability of the company in the time to come.

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.