

**Highlights of Unaudited financial and operational performance (stand alone) of
Jindal Saw Limited for the 5th Quarter ended March 31, 2010**

April 20, 2010

Particulars	5 th Quarter FY 09-10	1 st Quarter FY 2009	Cumulative for Fifteen months period FY 09-10
	(Unaudited)	(Audited)	(Unaudited)
	Rs/ Mio	Rs/ Mio	Rs/ Mio
Period ended as at	Mar 31, 2010	Mar 31, 2009	(1/1/09-31/3/10)
Gross Turnover	11,395.80	14,912.70	69,842.60
Less: Excise Duty	533.10	276.40	1,926.50
Net Turnover	10,862.70	14,636.30	67,916.10
Total Expenditure:			
(Increase)/Decrease in Stock in trade and WIP	(1,631.90)	328.60	2,600.50
Raw Material Consumption & Goods traded in	8,065.50	10,014.50	41,464.50
Total Raw Material Cost	6,433.60	10,343.10	44,065.00
Staff Cost	468.60	387.30	2,034.30
Other Expenditure	1,080.40	2,060.30	9,263.00
EBITDA	2,880.10	1,845.60	12,553.80
Other Income	45.90	21.70	154.80
Financial Charges	217.80	370.80	1,678.40
Depreciation	339.10	205.20	1,339.60
PBT	2,369.10	1,291.30	9,690.60
Provision for Tax	566.40	312.80	2,384.20
PAT	1,802.70	978.50	7,306.40
Blended EBITDA- Rs/ MT	13,000	9,616	12,276
Blended EBITDA- US\$/ MT	288	213	272
RATIOS & EPS			
EBITDA to Net Sales	26.51%	12.61%	18.48%
RM to Net Sales	59.23%	70.67%	64.88%
Finance cost to Net Sales	2.01%	2.53%	2.47%
PBT to Net Sales	21.81%	8.82%	14.27%
PAT to Net Sales	16.60%	6.69%	10.76%
Face Value of Equity Share	Rs 2/-	Rs 2/-	Rs/2-
EPS (Rs.)- Basic	6.69	3.67	27.02
EPS (Rs.)- FD	6.50	3.63	26.65

Notes:

Blended EBITDA /MT for the 5th and last quarter ended March 2010 is app. Rs 13,000 PMT (app. US\$ 288 PMT) of total pipes sold which is higher by app. 35% if compared with the blended EBITDA of Rs 9616 (app. US\$ 213) for the quarter ended March 31, 2009. The EBITDA for 15 months period from 1/1/2009- 31/3/2010 is reported at Rs 12,276 PMT (US\$ 272).

The face value of equity shares of Rs 10/- each has been subdivided into the face value of Rs 2 per equity share with effect from 11th December 2009. Accordingly the EPS for the current quarter and previous periods has been stated/ restated taking into account the sub division of shares.

Financial Performance and Profitability

Net sales for the 5th and last quarter March 31, 2010 was lower by app. 25.78 % as compared to the net sales for the corresponding quarter ended as at March 31, 2009 due to (a) lower sale prices (b) Gradual Rupee appreciation (c) More domestic sales driven by H Saw pipes and DI pipes. It is worth to note that the net sale prices in last quarters have gradually reduced backed by the lower raw material prices.

The PAT for the 5th Quarter ended March 2010 shown increase of app. 84 % if compared with the PAT for the quarter ended March 2009. The company has reported a PAT for the 15 months period ended March 31, 2010 at Rs 7306.40 million and for the 5th and last quarter ended March 31, 2010 at Rs 1802.70 million which is 84% higher then the corresponding quarter ended March 31, 2009 as well as in line with the immediately preceding quarter ended as at December 31, 2009.

Despite the net sales have been reported lower, the Company has been able to maintain the profitability as compared to the immediately preceding quarter ended December 31, 2009 due to (i) execution of some better profitable margins orders in L Saw and Seamless segments (ii) The ductile iron segment in general performed better than expectation (iii) realization higher than the prevailing spot price of USD INR for exports receivables due to use of forward covers at better levels and simultaneously better pricing in payment of creditors for imported raw material and input costs (iii) payment of some creditors where material was imported in previous quarters and payment made in the current quarter at better than provided rate of USD INR.

Interest and Finance Charges (Net)

The net cost towards interest and finance charges was comparatively lower due to (i) lower utilization of fund based working capital facility due to availability of liquidity (ii) positive impact of foreign exchange for restatement of assets and liabilities in terms of AS 11

Profitability

Current quarter demonstrated higher margin and profitability in percentage terms since the turnover in value terms is comparatively lower. The same is on account of falling average realizations across all the products.

OPERATIONAL & FINANCIAL HIGHLIGHTS

Revenue Breakup for the Quarter ended March 31, 2010:

For the 5th Quarter ended March 31, 2010, the sales break up was as under:

Products	Quantity Sold (MT)- app.	Value (Rs/ Mio)	%
Indian Operations			
- Large Dia Pipes	120,000	538.50	49.57%
- Ductile Iron Pipes	73,400	371.70	34.22%
- Seamless Tubes	28,200	176.10	16.21%
Total	221,600	1086.3	

Geographical Break up

- Sale in India 84 %
- Sale outside India 16%

For the 15 months period ended March 31, 2010 total exports constitute 40% of the net sales.

The quantity sold was comparatively lower in this quarter to app. 221,600 MT as against 251,000 MT in the immediately preceding quarter ended as at December 31, 2009 as few consignments remained to be dispatched for exports. The same shall be booked as sale in the subsequent quarter.

Order Book Position

- As at March 31, 2010, the order book was app. US\$ 780 millions. The broad break up is as under:

Large Diameter Saw Pipes	USD 530 Million
Ductile Iron Pipes	USD 212Million
Seamless Pipes	USD 38 Million

- The above orders are slated to be executed by end of December 2010. The company has participated in various bids and expects to receive more orders in near future. The current order book includes export orders of app. 50%. The major exports are in Middle East and GCC countries.

Financing and Liquidity

- a) Gross debt, as at March 31, 2010, for Jindal Saw Limited (standalone) was app. Rs 8250 mio (app. USD 182 mio) including FCCB/ ECB / preference capital/ long term loans/ fund based working capital / fixed deposits from public and interest free sales tax loans etc.
- b) The cash in hand was at app. Rs 7000 Million.
- c) Jindal Saw contribution to Jindal ITF Limited is app. Rs 3250 mio.

Foreign Exchange Transactions

The Company has outstanding foreign currency related derivative contracts in form of swap/options etc. for hedging its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contingent/ uncertain events. As such, ascertainment of fair value of these contracts is not feasible, however as at March 31, 2010, banks estimate the mark to market (MTM) of all outstanding contracts at app. USD 90 Million (USD 115 million as at the end of December 31, 2009).

The Company intends to adopt AS30 in due course and pending adoption of AS 30, the MTM is neither charged to Profit and Loss Account nor considered in the Balance Sheet. However, the gain /loss are being accounted for on settlement.

STATUS OF CAPITAL EXPENDITURES

Large Diameter Pipes (L Saw and H Saw)

H Saw- The partial increase in capacity from 40,000 MTPA to 1,50,000 MTPA in Bellary is expected to be operational by June 2010.

Additional Ductile Iron Pipe Facility:

The Company had announced installation of additional Ductile Iron plant of 200,000 TPA at a cost of app. Rs 3500 million (App. USD 75 million). The initial work on project designing has commenced. The project is likely to become operational by June 2011.

The ongoing capital expenditure including new DI pipe facility shall be funded from the available cash funds and internal accruals. However, Company may raise additional debt in due course of time for the project(s), if required.

Infrastructure Initiatives

The brief status of the projects is given hereunder:

- a) **Jindal Water Infrastructure Limited:** The Company is engaged in providing water management solutions for drinking and industrial water. With an order book of app. Rs 700 Crores, the company is planning to increase its footprint in various parts of the country. To tap the viable business opportunities, the company has entered into a joint venture with Manila Water Company to jointly develop new businesses in the field of water supply, waste water and other environmental services in the states of Maharashtra, Gujarat and Rajasthan.
- b) **Jindal Waterways Limited:** The Company aims to provide low cost logistics services through the coastal route. The company has seven ships and three barges. The business in this segment is improving. The financial closure was achieved for 15 vessels. Company is operating its ships in Indian coastal on various routes including Pipavav, Cochin, Tuticorin, Kandla, Goa, Paradeep, Porbander- Chittagong-Yangon-Mangalore etc.
- c) **Jindal Urban Infrastructure Limited:** The Company is implementing municipal solid waste (MSW) based power plant, in Delhi, with a capacity of 16 MW. MSW shall be collected and delivered free of cost to the company. The financial closure has been achieved. The company expect to commence the operations in next 12 months
- d) **Jindal Rail Infrastructure Limited:** The Company is setting up a rail wagon manufacturing facility in Gujarat. The project implementation has commenced with ground breaking ceremony. The financial closure has been achieved with a total project cost of Rs 1500 million. The project is slated to commence the operations in Last Quarter of 2010.

OUTLOOK

Input cost

The business outlook is improving in all the pipe segments. However, the inputs costs have increased significantly in last few months and the same may have direct or indirect impact on the profitability of the industry. The company follows a strategy of booking the steel against receipt of orders of SAW pipes. The company has booked steel for almost all the orders in hand. The price of the same remains fixed for the entire delivery period.

However, in case of iron ore the company procures the same from the spot market and the significant volatility in the prices can have some impact on the profitability of the segment. Company has long term contract for coking coal where prices are confirmed by the supplier as per international practice. Company works on a hybrid pricing model wherein certain contract observes the fixed price of DI pipes whereas in some of the contracts the price is linked to the pig iron prices which in turn is linked to WPI index of government of India. This allows pass through mechanism on DI pipes.

Oil & Gas Pipe Line Segment:

Pipeline manufacturing business is largely dependent on the demand from its biggest consumer viz the oil and gas sector. Further it is also correlated to the outlook on oil and gas prices. Last year, the demand for pipeline infrastructure was low due to uncertainty over global economic growth, which prompted companies to delay or reduce their capital expenditure. Factors such as increasing demand for clean fuels like natural gas and search for new oil reserves coupled with replacement demand in developed markets is likely to result in strong demand for pipeline infrastructure. We expect that current order book of the company would improve gradually with the improvement in the demand drivers and also the expected increase in the hydrocarbon prices.

Further, the Indian investment in laying pipelines in India is expected to change over the coming years with large capital expenditure lined up by hydrocarbon companies as pipelines emerging as the preferred mode of transportation.

Seamless Pipe Segment

The seamless pipe demand scenario has started improving but is still below the expectation. We expect that with the improvement in drilling activities and also anti dumping duties on Chinese pipes by North America, the demand for Indian pipes can improve.

Water Pipe Segment

The Government of India has planned investments of more than Rs 1.4 trillion in infrastructure relating to water supply and sanitation in the Eleventh Five Year Plan. This investment will be carried out with participation from both public and private institutions. Demand for DI pipes is directly dependent upon the infrastructure spending in water supply and sanitation. Given the huge investment expected in this sector, the Company expects the demand for DI pipes will grow by app. 20% per annum. The growth in this sector will support the water pipe business of the company. In addition to the above, states like UP, J&K, Kerala, Delhi, Uttaranchal etc are undergoing finalization of projects involving participation by foreign multilateral agencies like World Bank, ADB, JICA (Japan) etc.

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.