



# MAHARASHTRA SEAMLESS LIMITED

INTERIM CORPORATE OFFICE : Plot No.106, Institutional Sector-44, Gurgaon-122 002 Haryana (India)  
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CIN No: L99999MH1988PLC080545  
CORPORATE OFFICE : Plot No. 30, Institutional Sector-44, Gurgaon-122 002 Haryana (India)

## E-Communication

**MSL/SEC/SE/2022-23**

**01 August 2023**

**BSE Limited**  
25th Floor, P.J. Towers,  
Dalal Street, Mumbai-400001

**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G,  
Bandra - Kurla Complex  
Bandra (E), Mumbai-400051

**Stock Code: 500265**

**Scrip Code: MAHSEAMLES**

**Sub: Earnings Presentation**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed Earnings Presentation for the quarter ended 30<sup>th</sup> June 2023 issued by the Company.

You are requested to kindly take the same on record.

Thanking you,  
**For Maharashtra Seamless Limited**

**Ram Ji Nigam**  
**Company Secretary**

Encl: As above

**JINDAL**  
D.F. JINDAL GROUP

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**HEAD OFFICE** : 5, Pusa Road, 2nd Floor, New Delhi-110005 Phones : 011-28752862, 28756631 Email : [jpdelhi@bol.net.in](mailto:jpdelhi@bol.net.in)  
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**MAHARASHTRA  
SEAMLESS LIMITED**

## **Earnings Presentation**

**Quarter & year ending 30 June 2023**

**01 August 2023**





This document contains “forward-looking statements” about our business, financial performance, skills and prospects. Statements about our plans, intentions, expectation, beliefs, estimates, prediction or similar expression for the future are forward-looking statements.

Forward looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. These risks include but are not limited to risks arising from uncertainties as to future oil and gas prices and their impact on investment programs by oil and gas companies, steel prices worldwide and domestic, economic & political conditions. We can not assure that outcome of these forward-looking statements will be realised.

The Company disclaims any duty to update the information presented here. The material presented can not be used for any other purpose in any form without our express written consent.



Seamless Pipes	ERW Pipes	Renewable Energy	Rig
<ul style="list-style-type: none"><li>• <u>Maharashtra</u></li><li>• 450,000 mt/annum</li><li>• <u>Telangana</u></li><li>• 200,000 mt/annum</li></ul>	<ul style="list-style-type: none"><li>• API certified</li><li>• High frequency</li><li>• PSL 2</li><li>• 125,000 mt/annum</li></ul>	<ul style="list-style-type: none"><li>• <u>Solar</u></li><li>• 52.50 MW AC at Maharashtra &amp; Rajasthan</li><li>• <u>Wind</u></li><li>• 7 MW at Maharashtra</li></ul>	<ul style="list-style-type: none"><li>• New generation offshore jack up rig</li><li>• Operating with 98% efficiency on 3 year contract with ONGC at day rate of USD 38,656 from May 2022</li></ul>

- Market share of 55% in seamless pipes segment with manufacturing facilities at Nagothane & Mangaon in Maharashtra and Narketpally in Telangana.
- Market share of 18% in the API certified, high frequency ERW pipes segment with manufacturing facility at Nagothane in Maharashtra.
- On installation of finishing facilities at Telangana in FY24, existing capacity of 100,000 mt/annum will be activated.

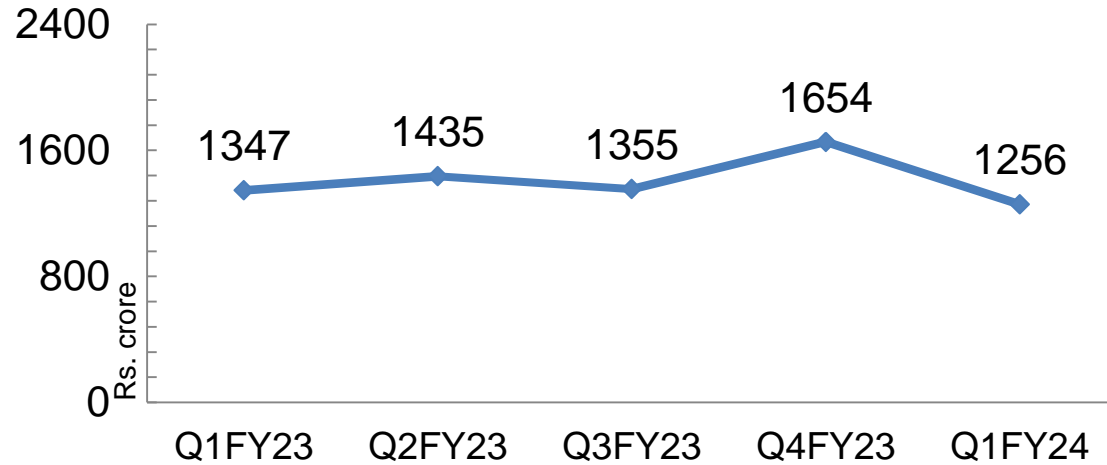




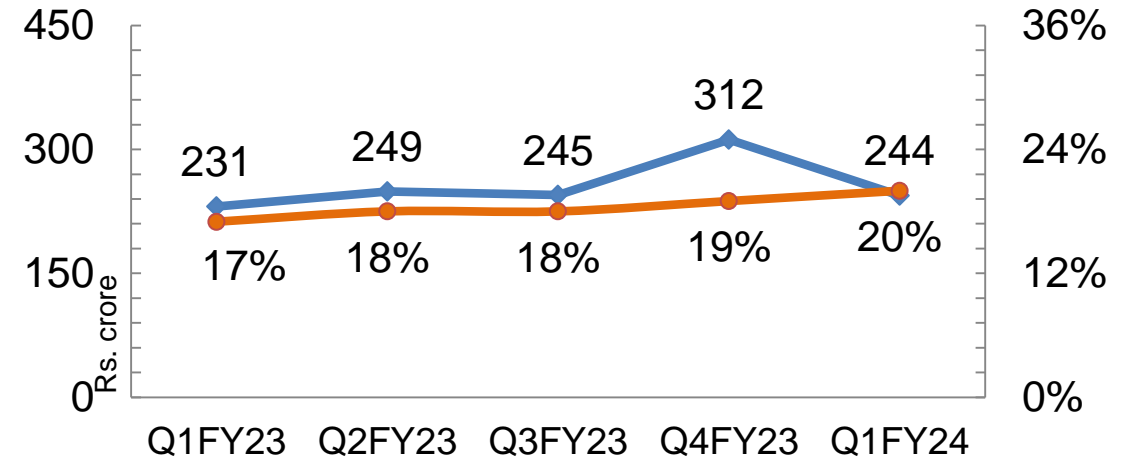
Industries Served	Seamless Pipes	ERW Pipes	Others (Coated & Premium Connections, Pipe Fittings)	
Agriculture		✓		
Automotive	✓			
Bearing	✓			
Chemical	✓	✓		
Drinking Water		✓		
Engineering	✓			
Fertilizers		✓		
Housing		✓		
Irrigation		✓		
Mechanical	✓			
Oil and Gas	✓	✓		✓
Petrochemical	✓	✓		
Power	✓	✓		
Types	<ul style="list-style-type: none"> <li>• Hot Finished Pipes &amp; Tubes</li> <li>• Cold Pilgered / Cold Drawn Tubes</li> <li>• Boiler Tubes</li> <li>• API Line Pipes</li> <li>• OCTG Drill Pipes</li> </ul>	<ul style="list-style-type: none"> <li>• OCTG Casing and Tubing</li> <li>• Cylinder Pipes</li> <li>• Subsea Sour Service Seamless Pipes</li> </ul>	<ul style="list-style-type: none"> <li>• MS &amp; GI Pipes</li> <li>• API Line Pipes</li> <li>• OCTG Pipes and Casing</li> <li>• Tubing</li> </ul>	<ul style="list-style-type: none"> <li>• 3LPE, 3LPP and FBE Coated Pipes</li> <li>• Internal Coating Pipes</li> <li>• Pipe Fittings</li> <li>• Premium Connection Pipes</li> </ul>



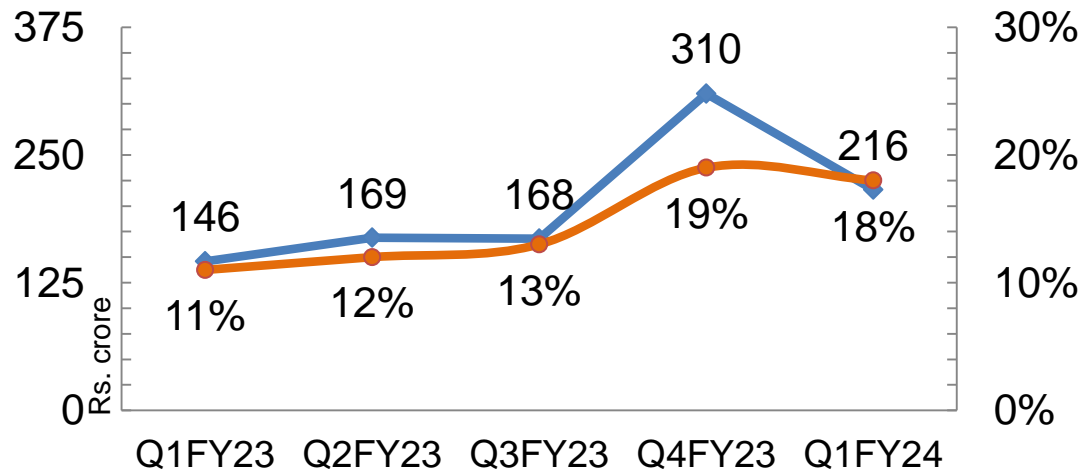
### Total revenue



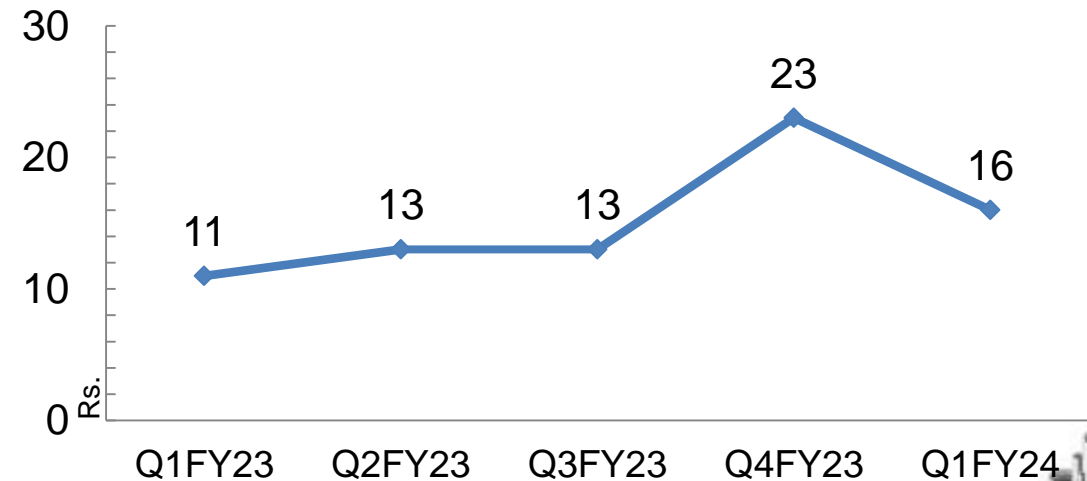
### EBIDTA & EBIDTA margin



### PAT & PAT margin



### EPS (on ex-bonus basis)



# Profit & Loss – Quarterly comparison



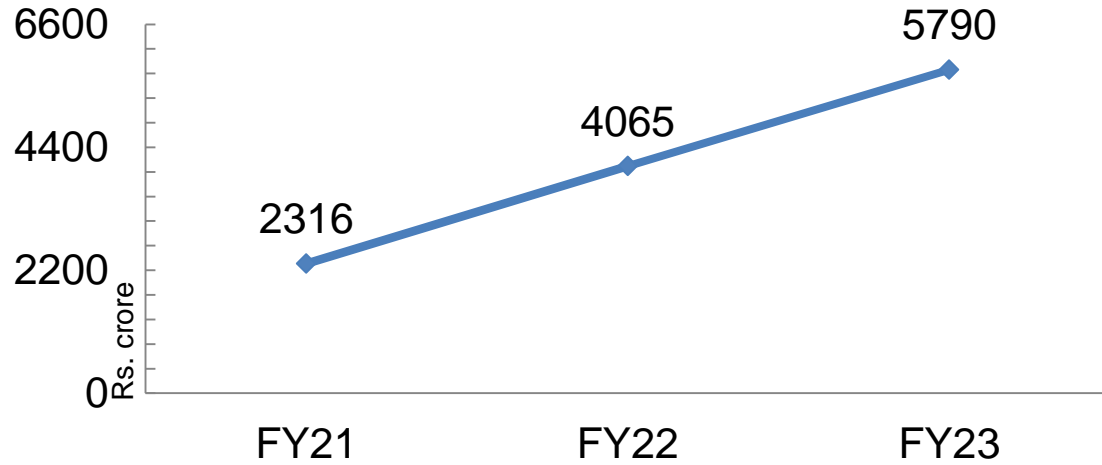
Rs. crore

Particulars	MSL		
	Q1 FY24	Q4 FY23	Q1 FY23
Revenue from operations	1223	1623	1334
<u>Add:</u> Other income	33	31	13
Total revenue	1256	1654	1347
<u>Less:</u> Expenses			
Cost of materials consumed	(795)	(1120)	(848)
Change of inventories (FG + WIP)	28	81	(28)
Employees benefit expenses	(27)	(24)	(21)
Finance cost	(7)	(5)	(10)
Depreciation	(34)	(34)	(34)
Other expenses	(184)	(248)	(206)
Total expenses	(1019)	(1350)	(1147)
Profit before tax	237	304	199
<u>Less:</u> Tax	(21)	6	(53)
Profit after tax	216	310	146

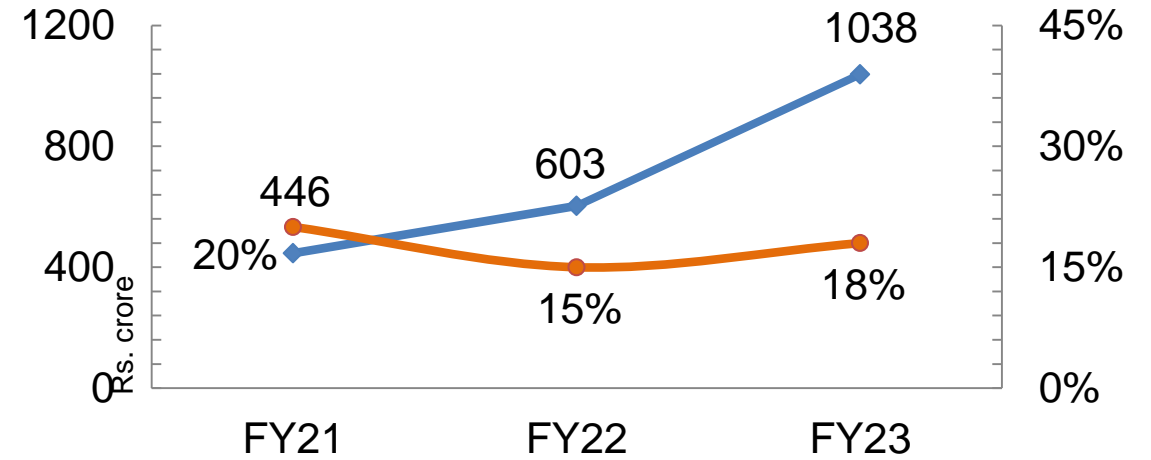
- United Seamless Tubular Pvt. Ltd. (USTPL) had been amalgamated with MSL vide order of National Company Law Tribunal, Mumbai dated 03 March 2023.
- This amalgamation was made effective from 01 October 2021 which is the approved appointed date.
- Figures of previous periods of FY 2022 & FY 2023 have been recast to give effect of amalgamation of USTPL with MSL.



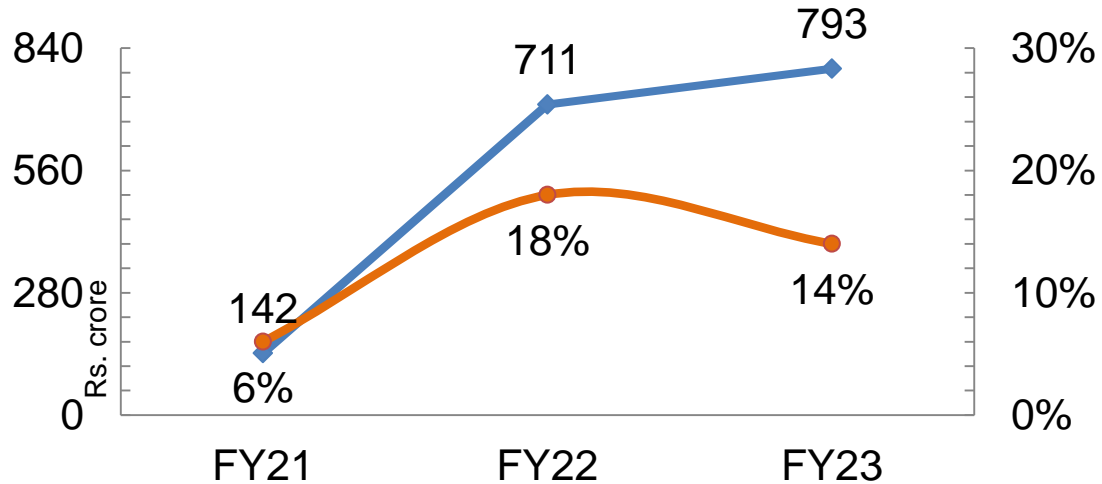
### Total revenue



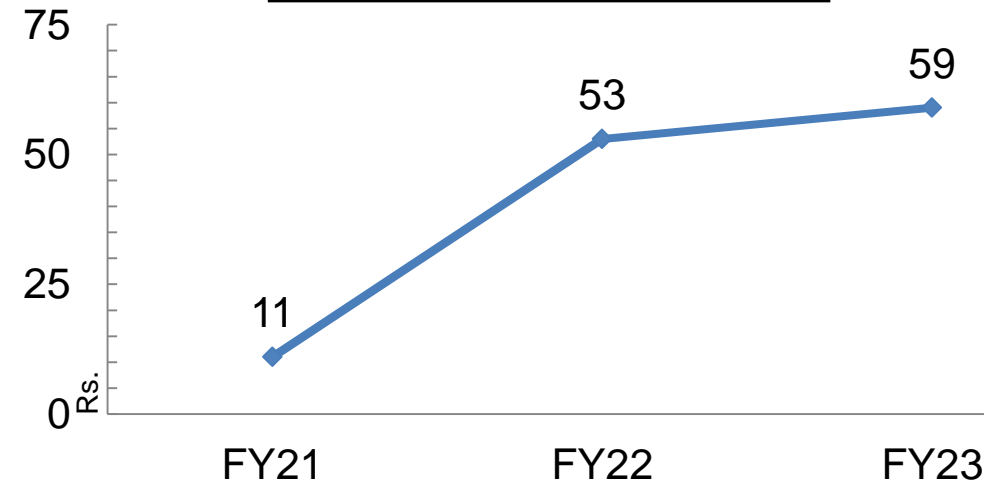
### EBIDTA & EBIDTA margin



### PAT & PAT margin



### EPS (on ex-bonus basis)





Particulars	Q1 FY24*		Q4 FY23		Q1 FY23		FY23		FY22	
	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW
Production (kMT)	<b>94</b>	<b>21</b>	119	32	106	18	<b>431</b>	<b>85</b>	356	74
Sales (kMT)	<b>90</b>	<b>21</b>	117	28	107	17	<b>436</b>	<b>82</b>	358	80
EBITDA (Rs. Cr)	<b>204</b>	<b>11</b>	258	25	205	19	<b>895</b>	<b>69</b>	456	73
EBITDA/tonne (Rs.)	<b>22,758</b>	<b>4,982</b>	21,947	8,746	19,120	11,447	<b>20,528</b>	<b>8,413</b>	12,712	9,098

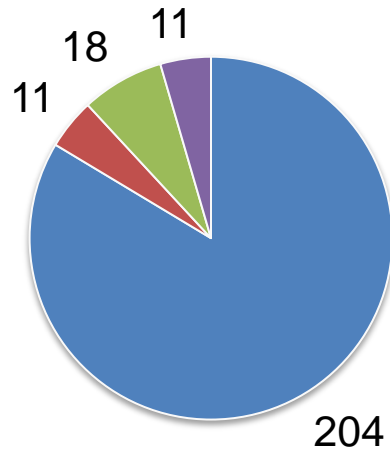
- In Q1 FY24, maintenance shutdown of one seamless pipes manufacturing mill at Telangana was taken leading to lower production and dispatches.



Rs. crore

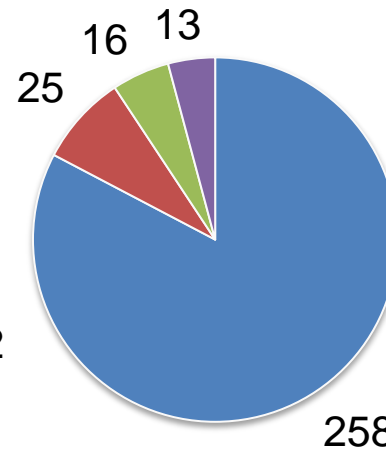
**Q1 FY24**

Total  
EBIDTA - 244



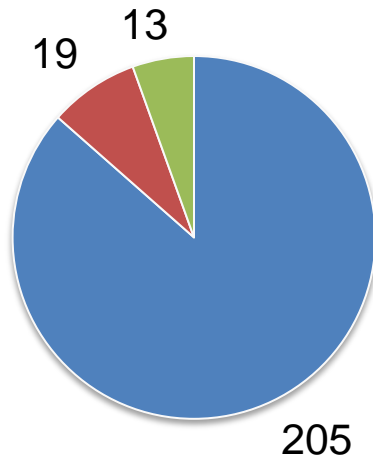
**Q4 FY23**

Total  
EBIDTA - 312



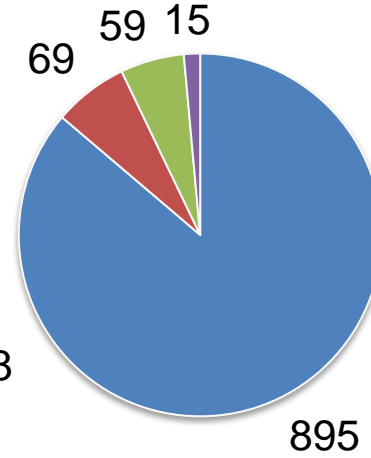
**Q1 FY23**

Total  
EBIDTA - 205



**FY23**

Total  
EBIDTA - 1038



- Seamless
- ERW
- Renewable Energy
- Rig



## Unquoted Equity/Preference Share investments & ICDs given

Rs. crore

Particulars	June 23		March 23		March 22	
	Equity	Preference / ICD	Equity	Preference / ICD	Equity	Preference / ICD
<u>Investments</u>						
Jindal Premium Connections	4	3	4	3	4	3
MSL Finance	3	-	3	-	3	-
Maharashtra Seamless (Singapore)	17	215	17	215	17	130
Jindal Pipes (Singapore)	22	-	22	-	22	-
<u>ICDs @ 8% p.a.</u>						
Unrelated Parties	-	72	-	78	-	144
<b>Total</b>	<b>46</b>	<b>290</b>	<b>46</b>	<b>296</b>	<b>46</b>	<b>277</b>

- ICDs remain on a declining trend and will be fully realised by March 2024.



## Liquid investments – Long term & short term

Rs. crore

Particulars	June 23	March 23	March 22
<u>Long duration</u>			
Bonds (PSU) & Debentures	291	291	307
Listed Equity Investments	15	8	16
(A)	<b>306</b>	299	323
<u>Short duration</u>			
Mutual Funds (Liquid schemes)	638	561	49
Fixed Deposits (SBI & HDFC)	15	42	126
Cash & Bank Balances	59	48	64
(B)	<b>712</b>	651	239
Total liquid investments (A) + (B)	<b>1018</b>	950	562

- Investments in bonds are sub-divided into tax free bonds (40%) and perpetual bonds (60%).

- The investment in bonds because of inherent risk and yield advantage was made to be held to maturity.

- Investments in liquid schemes of mutual funds and in fixed deposits are undertaken to maintain liquidity whilst keeping risk to a minimum.



## Borrowings – Gross & Net Debt

Rs. crore

Particulars	June 23	March 23	March 22
Loan for Telangana plant acquisition	-	-	334
Loan for rig acquisition	-	244	299
Gross Debt (A)	-	244	633
<u>Less:</u>			
Liquid investments (refer slide 11)	(1018)	(950)	(562)
ICDs given (refer slide 10)	(72)	(78)	(144)
Liquidity available (B)	(1090)	(1028)	(706)
Net Debt (A) + (B)	<b>(1090)</b>	<b>(784)</b>	<b>(73)</b>

- In view of sufficient internal accruals and rising interest rates, loans taken for Telangana plant acquisition and rig acquisition were prepaid in full in October 2022 and June 2023 respectively.



## Corporate Guarantee reduction schedule

Rs. crore

Particulars	Actual			Projected		
	March 22	March 23	<b>June 23</b>	September 23	March 24	September 24
Discovery Drilling	218	181	<b>166</b>	152	117	-

- Corporate guarantee outstanding of Rs. 166 crore (~ USD 20.25 mn) is for bank loan availed by Discovery Drilling against rig Jindal Pioneer. There will be no cash outflow from MSL on account of this corporate guarantee as cash flows from long term contract of Discovery Drilling are more than sufficient to service bank obligations timely. This corporate guarantee continues to reduce on monthly basis and will fall off on 30 September 2024.



# Capital Allocation – From FY 24 to FY 26

Sl.	Particulars	Rs. crore	Location	Estimated annual turnover increase
1	Heat treatment, finishing facilities & EMI for capacity enhancement	184	Narketpally (USTPL)	By Rs. 800 crores
2	Solar plant (captive) to enhance annual cost savings by Rs. 20 crore	80		
3	Complete line for cold drawn pipes including pilger & drawbench	100	Mangaon (MSL)	By Rs. 50 crores
4	OCTG line & billet pre-heating surface	95		
5	Hot mill upgrade - Hot mill to PQF (14")	350	Nagothane (MSL)	By Rs. 1000 crores
6	EMI machine (14"), 3 Roll sizing mill (14")	22		Normal replacement expenditure
7	Flying saw & Ultrasonic Testing Machine (7")	10		
8	Mill upgrade including annealer, hydro, Ultrasonic Testing (ERW)	6		
9	Electronic upgrade of EMI & Ultrasonic Testing Machine (OCTG)	5		
	Total capital expenditure	852		
	<b>Financing through internal accruals</b>			
	Net cash as on 30 June 2023 (refer slide 12)	1090		

- In pursuance of increased focus on value addition products in pipe and renewable energy segments, above capital expenditure will be fully met from accumulated cash and internal accruals. There will be additional working capital requirement of Rs. 300 crores in USTPL and Rs. 250 crores in MSL which will also be funded from internal accruals.
- There will be no requirement of any debt to fund above capital expenditure and working capital requirements.



# Order book of MSL as on 25 July 2023

Rs. crore

Segment	Maharashtra	Telangana	ERW	Total	%	Remarks
ONGC & OIL	849*	-	34	883	51%	*Includes drill pipes orders of Rs. 142 crore
Exports & Others	569	91**	182	842	49%	**Includes cylinder pipes orders of Rs. 64 crore
<b>Total</b>	<b>1418</b>	<b>91</b>	<b>216</b>	<b>1725</b>	<b>100%</b>	

We expect margins to remain steady based on current trend of seamless pipes prices. This is because our order book is supported by back-to-back booking of raw material leading to locking of margins and negating impact of fluctuating raw material prices.





## Anti-Dumping Duty:

- The Ministry of Finance, on recommendation of Directorate General of Trade Remedies (DGTR), has extended anti-dumping duty by way of a minimum import price for a further period of 5 years from 28 October 2021 on various types of seamless pipes from China.

## Atma Nirbhar Bharat Policy Implementation:

- Domestic manufacturers are encouraged and preferred for development of import substitution products.
- The seamless & ERW pipes sector is getting a major boost from Make in India and Atma Nirbhar Bharat policy. Under this policy, for any purchases made by PSUs, there must be a minimum 35% local value addition in supply of pipes which benefits domestic manufacturers.
- For requirements of upto Rs. 200 crores, only domestic tenders are floated which excludes foreign players.

## Export Policy:

- There has been removal of rebate of 13% by China to its domestic industry.



Large orders from ONGC have been received which will be executed over next 2-3 quarters. As domestic demand is robust and new oil blocks 'Amrit' and 'Moonga' have been recently discovered in Mumbai offshore, fresh orders are expected considering our offering of entire range of products to oil exploration companies. Other notable findings have also been discovered by ONGC in OALP-I and OALP-III rounds.

Existing orders for drill pipes (value addition & import substitution product) are being dispatched. Fresh tenders for drill pipes are expected in FY24 as domestic market size is 10,000 mt. Our drill pipes have been accepted after years of persistent efforts towards developing, testing and marketing.

We have successfully dispatched entire order of subsea sour service seamless pipes (another value addition & import substitution product). More orders are expected as domestic market size is 35,000 mt. Export market for these pipes have also been penetrated and active efforts are being made to penetrate new regions.

EPC contractors such as EIL, L&T, Technip, McDermott are using our pipes for their greenfield refinery and refinery expansion contracts in Tamil Nadu, Rajasthan, Gujarat and North-East India. Over past 3 quarters, there has been sharp increase in demand as PSU projects have reactivated.

Large tenders for ERW pipes have been floated by BPCL, Indraprastha Gas, HPCL and Assam Gas for oil and gas applications. More tenders are expected for Irugur Devangonhi Petroleum Pipeline, Tinsukia to Doom Dooma Pipeline, City Gas Distribution projects in Bihar, Tamil Nadu, West Bengal, Haryana and Rajasthan.

MSL continues to focus on getting license for premium connections which will immediately enable it to bid in premium connection tenders where there is limited competition.

## Market Trends – Huge Potential

OPEC sees global oil demand hitting 101.8 mn barrels per day in 2023, up from 99.55 mn barrels per day in 2022 with increased requirement being met from non-OPEC countries such as USA, Norway & Canada. Global oil demand will exceed supplies by an average of roughly 1.5 million barrels a day in the second half of the year.

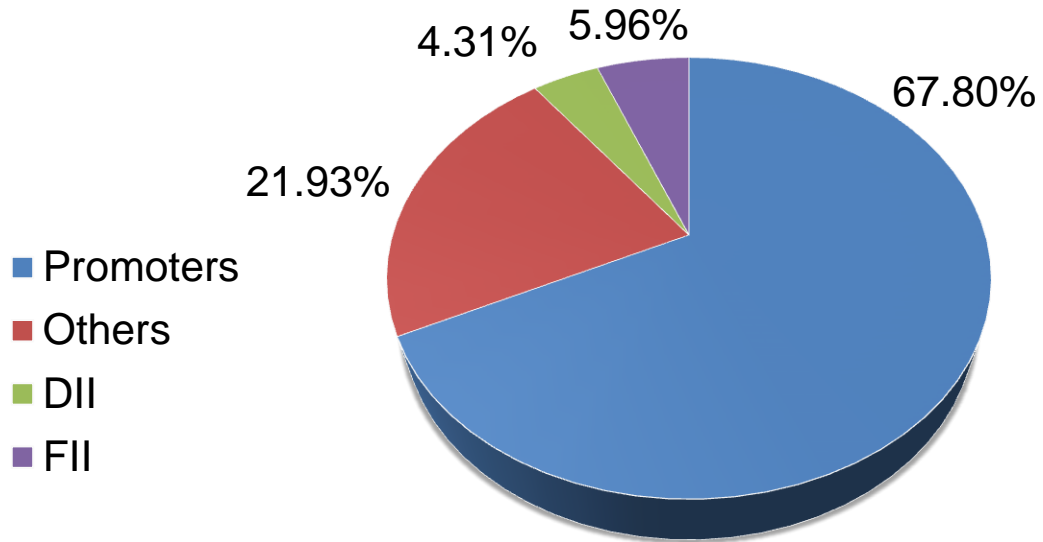
Strategic Petroleum Reserve (SPR) in USA is at its lowest level since 1983 on account of frequent draws authorised to contain inflation. Current level of 346 mn barrels is significantly lower than last decade average of 650 mn barrels. Refilling the SPR to such a degree will create an artificial floor in the crude oil market.

ONGC, its joint venture ONGC Petro additions Ltd (OPaL) and its subsidiary Mangalore Refinery and Petrochemicals Ltd (MRPL) will implement expansion plans to double the production of these companies to 8 million metric tonnes per annum by 2030 by spending Rs. 1 lakh crore.

In India, there is a sustained demand from ONGC & Oil India. Market sources indicate that around 500 new onshore and offshore wells are drilled every year. Taking a conservative estimate of seamless pipes requirement of 200 mt per well, we estimate fresh requirement of 100,000 mt per year. This is in addition to the regular requirement generated from development and work over wells.

Further, ONGC has also placed an order to purchase 27 new land rigs which will replace ONGC's ageing fleet all over India thereby indicating increase in drilling operations by ONGC.

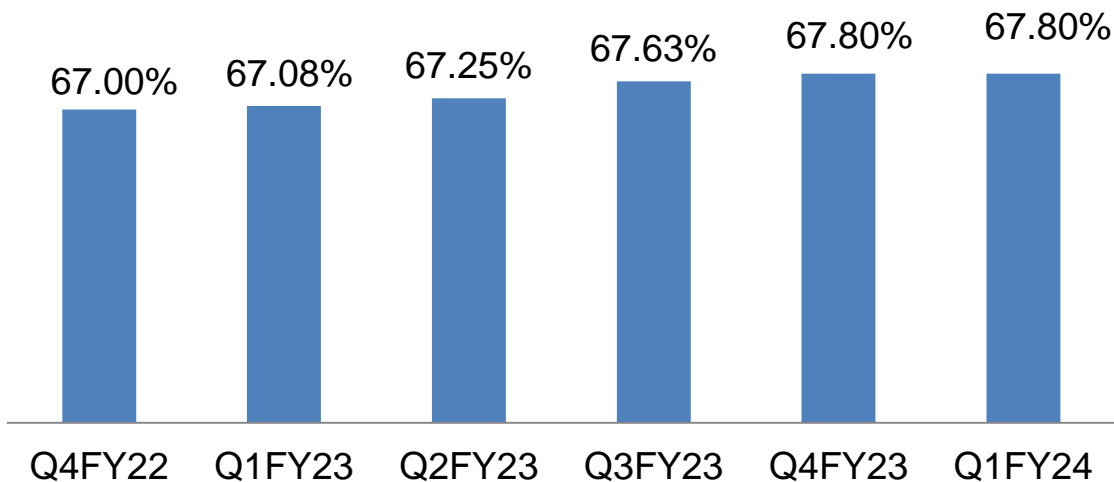
India's oil demand is projected to rise 50% to 7.2 mn barrels per day in 2030 from 4.8 mn barrels per day in 2019 as against a global expansion of 7%. India's natural gas demand is projected to double to 133 BCM in 2030 from 64 BCM in 2019 as against a 12% rise in global gas demand. India plans to almost double its oil refining capacity to 450 MT in the next 10 years to meet rising domestic fuel demand as well as cater to export market.



## Key changes – Q1 FY24 v/s Q4 FY23

- Promoter holding remained unchanged at 67.80%
- FII holding increased from 2.84% to 5.96%
- DII holding increased from 4.05% to 4.31%
- No. of FIIs increased from 94 to 131

## Promoter Holding – Last 6 quarters



## Marquee Investors

- The Nomura Trust and Banking Co., Ltd.
- Nomura Funds Ireland Public Limited.
- HSBC Mutual Fund
- IIFL Turnaround Opportunities Fund
- Aequitas Equity Scheme, Aequitas Investment
- Prescient Wealth Management
- Abakkus Diversified Alpha Fund



## Oil and Gas



## Infrastructure



## **Investor Contact**

Kaushal Bengani

Deputy General Manager

Investor Relations & Finance

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**JINDAL**  
D.P. JINDAL GROUP