



MAHARASHTRA SEAMLESS LIMITED

INTERIM CORPORATE OFFICE : Plot No.106, Institutional Sector-44, Gurgaon-122 002 Haryana (India)
Phone No. : 91-124-4624000, 2574326, 2574325, 2574728 • Fax : 91-124-2574327
E-mail : contact@mahaseam.com Website : www.jindal.com
CIN No: L99999MH1988PLC080545
CORPORATE OFFICE : Plot No. 30, Institutional Sector-44, Gurgaon-122 002 Haryana (India)

MSL/SEC/SE/2022-23

May 27, 2022

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

Stock 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 and year ended 31st March, 2022 issued by the Company.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For Maharashtra Seamless Limited

Ram Ji Nigam
Company Secretary

Encl.: As stated above

JINDAL
D.F. JINDAL GROUP

REGD. OFF. & WORKS : Pipe Nagar, Village, Sukeli, N.H.17, B.K.G. Road, Taluka-Roha, Distt. Raigad-402 126 (Maharashtra)
Phone : 02194-238511, 238512, 238567, 238569 • Fax : 02194-238513
MUMBAI OFFICE : 402, Sarjan Plaza, 100 Dr. Annie Besant Road, Opp. Telco Showroom, Worli, Mumbai-400 018
Phones : 022-2490 2570 /72 /74 • Fax : 022-2492 5473
HEAD OFFICE : 5, Pusa Road, 2nd Floor, New Delhi-110005 Phones : 011-28752862, 28756631 Email : jpldelhi@bol.net.in
KOLKATA OFFICE : Sukhsagar Apartment, Flat No. 8A, 8th Floor, 2/5, Sarat Bose Road, Kolkata - 700 020
Phone : 033-2455 9982, 2454 0053, 2454 0056 • Fax : 033 - 2474 2290 E-mail : msl@cal.vsnl.net.in
CHENNAI OFFICE : 3A, Royal Court. 41, Venkatnarayana Road, T. Nagar Chennai-600017
Phone : 044-2434 2231 • Fax : 044-2434 7990



**MAHARASHTRA
SEAMLESS LIMITED**

Earnings Presentation

Quarter & year ending 31 March 2022

27 May 2022





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 & gas companies, steel prices worldwide and domestic, economic & political conditions. We can not assure that outcome of this 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

- MSL
- 450,000 mt/annum
- USTPL
- 100% subsidiary
- 200,000 mt/annum
- Total
- 650,000 mt/annum

ERW Pipes

- API certified
- High frequency
- PSL 2
- 125,000 mt/annum

Rig

- New generation offshore jack up rig
- Operating with 98% efficiency on 3 year contract with ONGC at day rate of USD 38,656 from May 2022

Renewable Energy

- Wind
- 7 MW at Maharashtra
- Solar
- 52.50 MW AC at Maharashtra & Rajasthan

- Market share of 55% in seamless pipes segment with manufacturing facilities at Nagothane & Mangaon in Maharashtra and Narketpally in Telangana
- Market share of 25% in the API certified, high frequency ERW pipes segment with manufacturing facility at Nagothane in Maharashtra
- Capacity utilisation of pipe segments are currently @ 70% and will improve in FY 2022-23

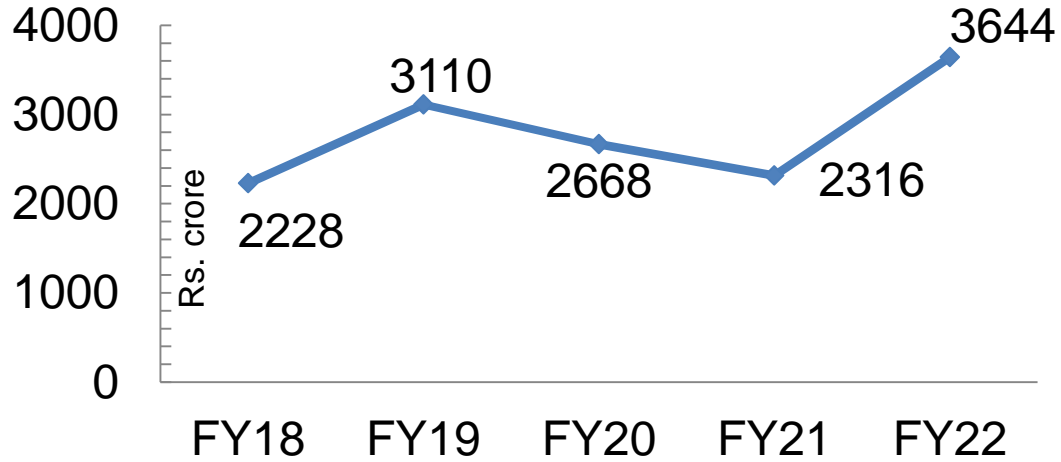




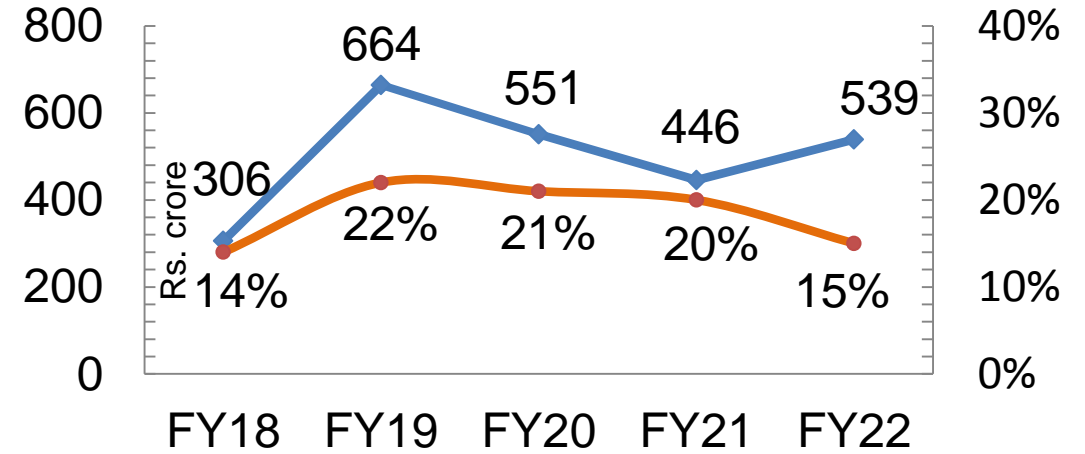
Industries Served	Seamless Pipes	ERW Pipes	Others (Coated & Premium Connections, Pipe Fittings)	
Agriculture		✓		
Automotive	✓			
Bearing	✓			
Chemical	✓	✓		
Engineering	✓			
Fertilizers		✓		
Housing		✓		
Irrigation		✓		
Mechanical	✓			
Oil and Gas	✓	✓		✓
Petrochemical	✓	✓		
Power	✓	✓		
Drinking Water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



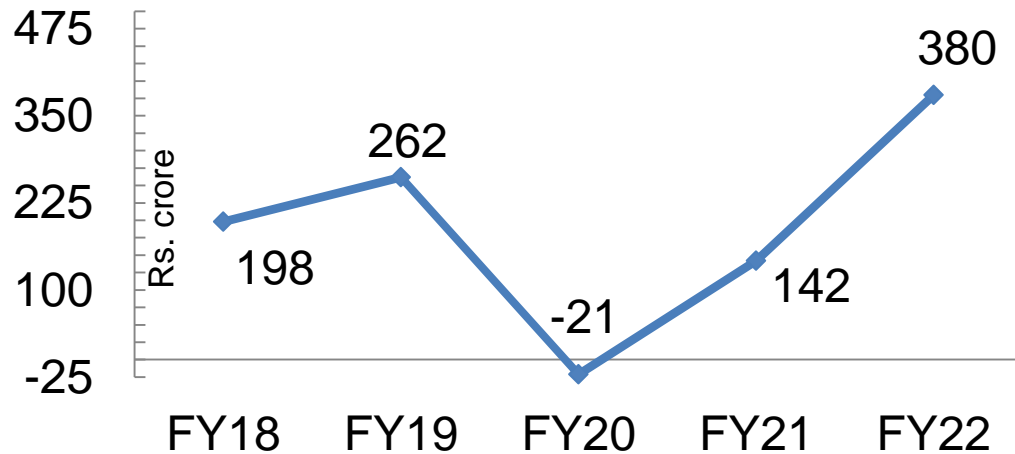
Total revenue



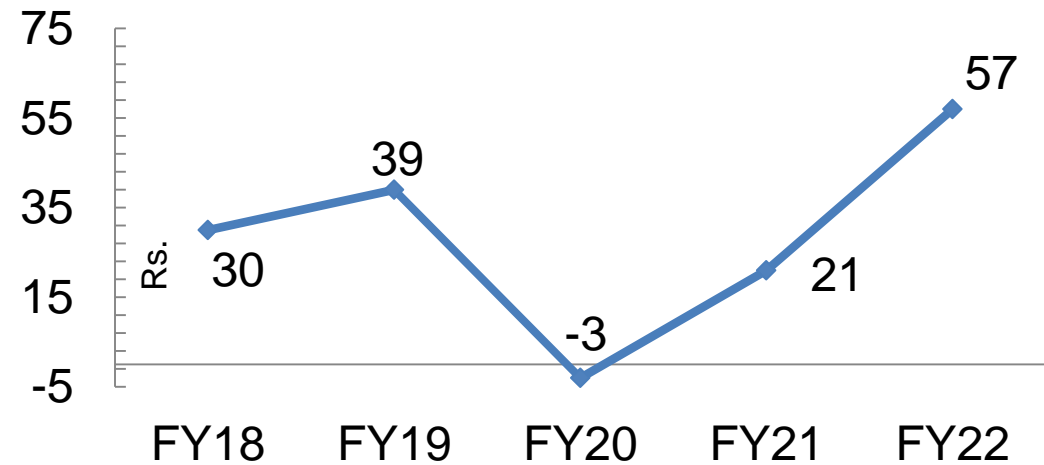
EBIDTA & EBIDTA margin



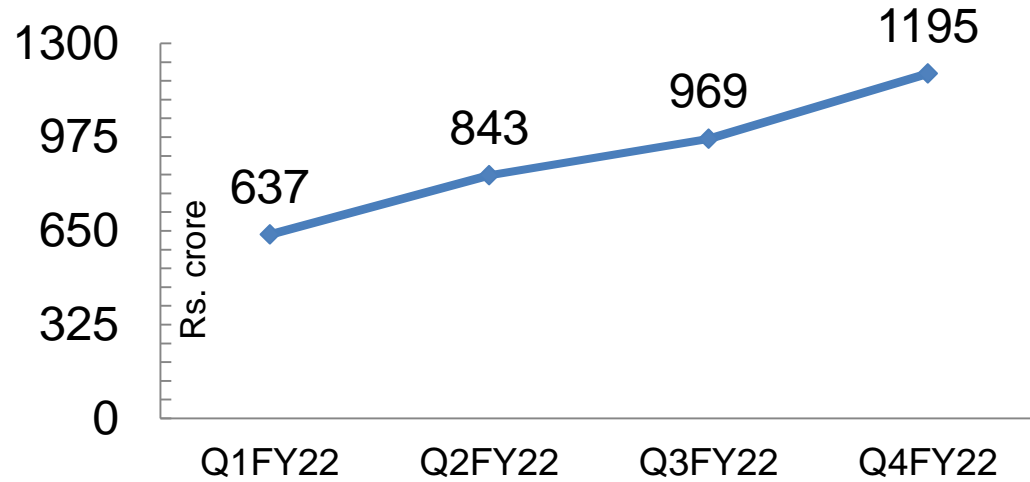
Profit after tax



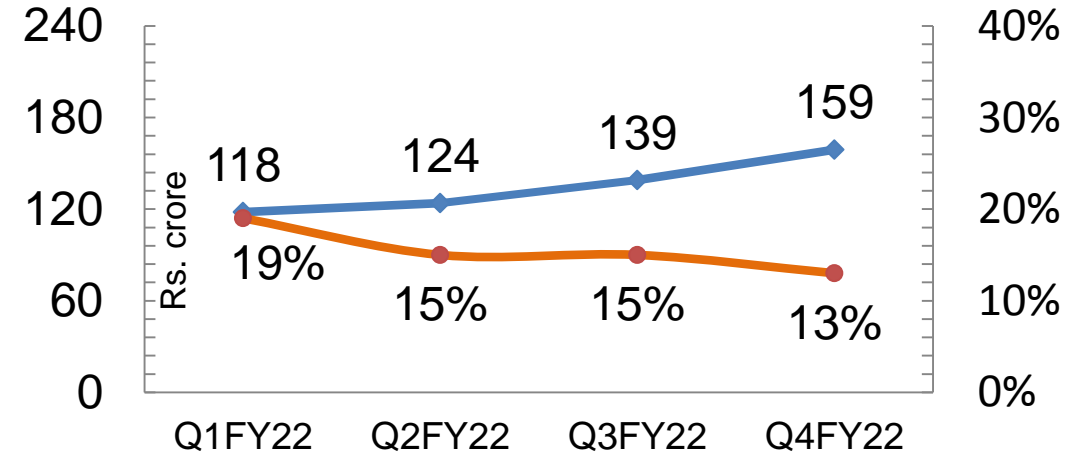
Earnings per share



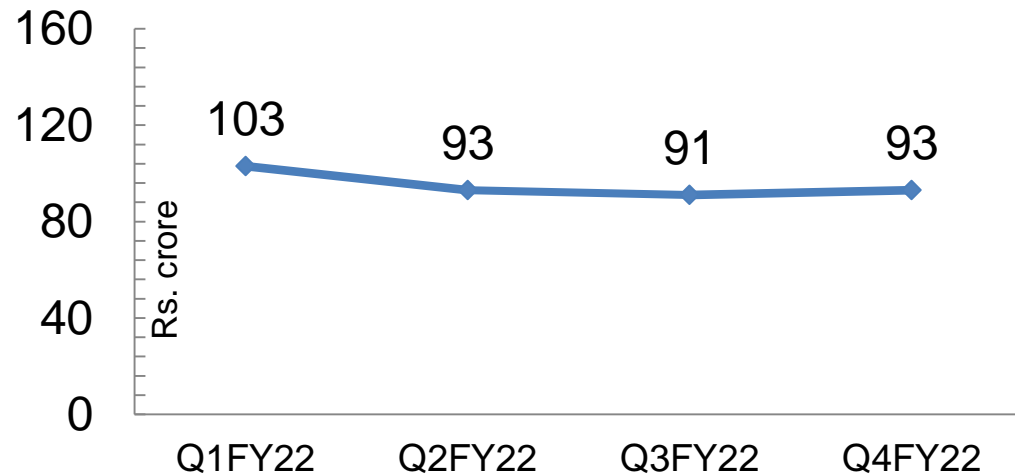
Total revenue



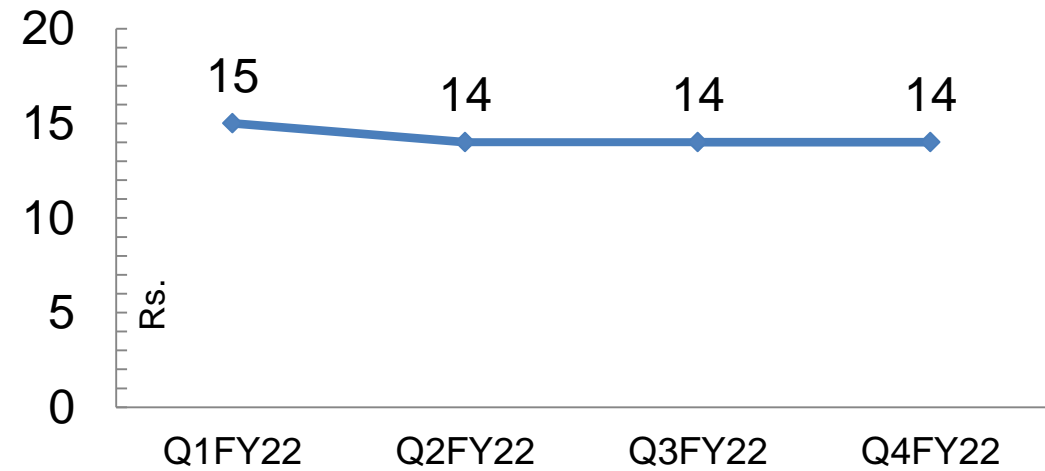
EBIDTA & EBIDTA margin



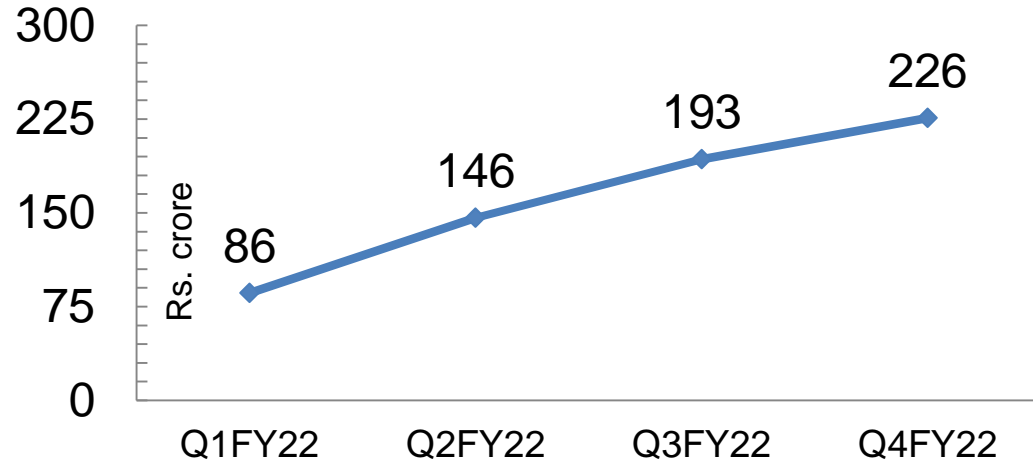
Profit after tax



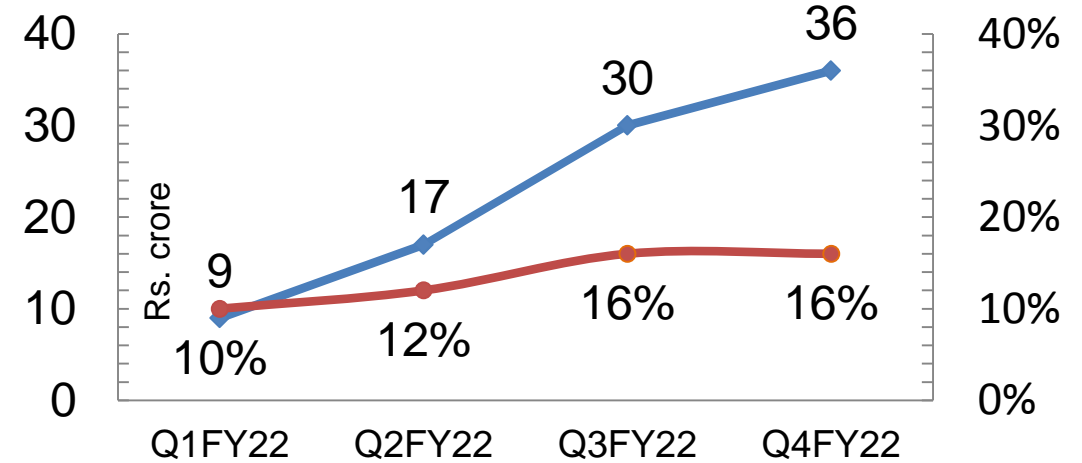
Earnings per share



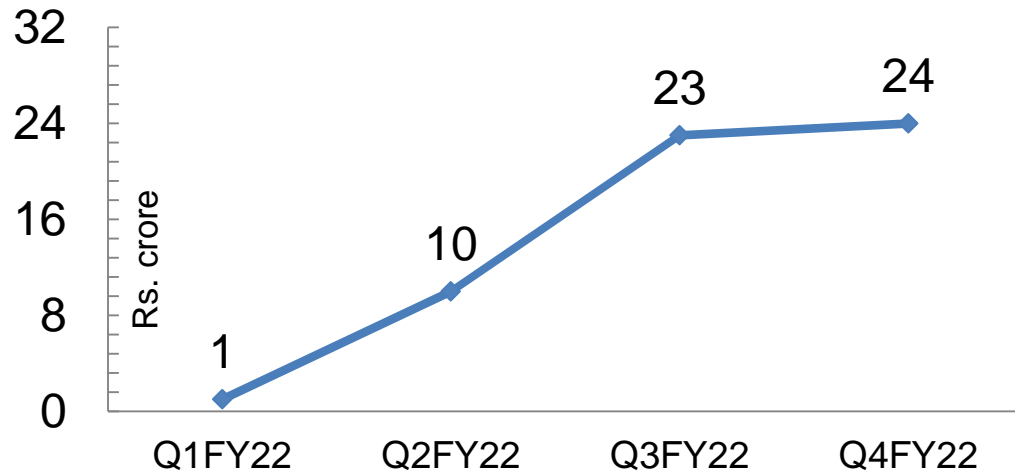
Total revenue



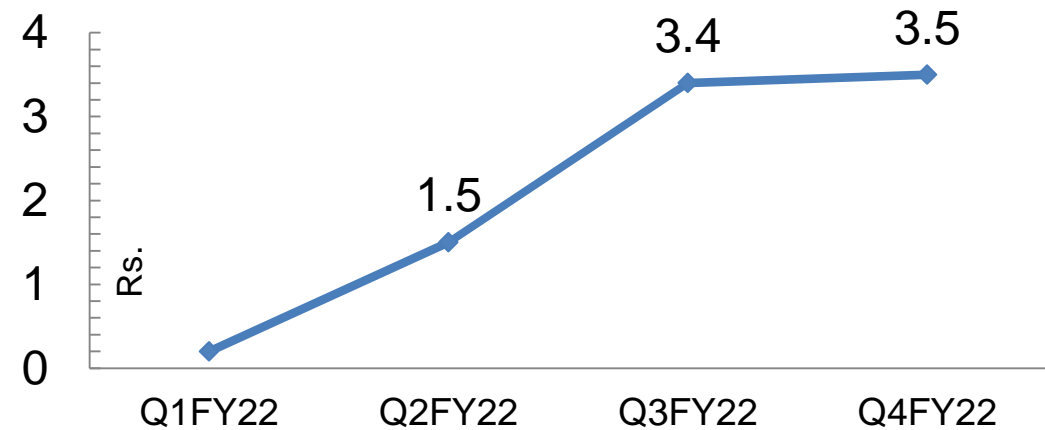
EBIDTA & EBIDTA margin



Profit after tax



Earnings per share (assuming 100% addition to MSL's EPS)



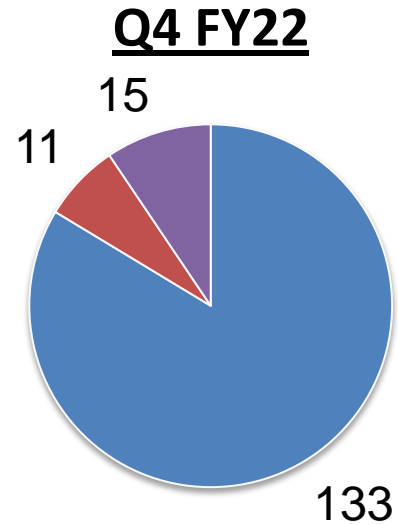
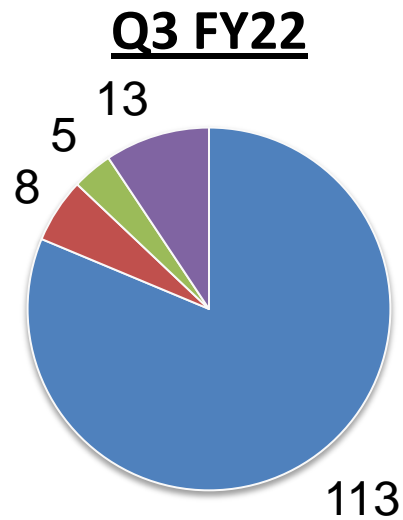
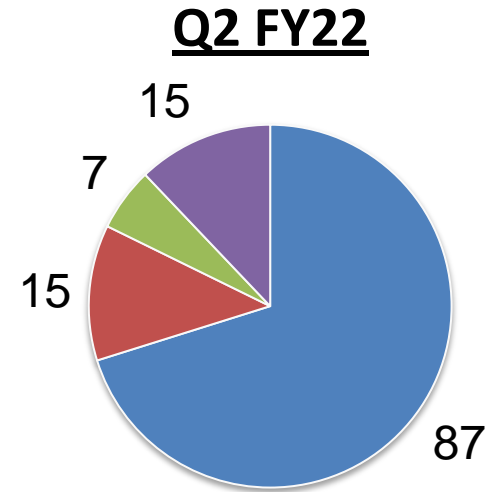
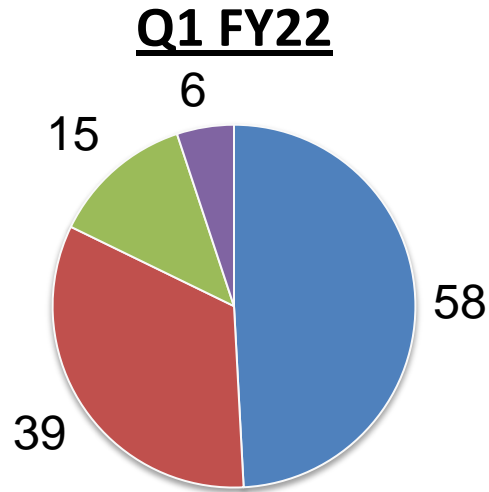
Maharashtra Seamless Limited (MSL)

Particulars	Q4 FY22		Q3 FY22		Q4 FY21		FY22		FY21	
	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW
Production (kMT)	98	19	79	19	84	15	315	74	244	64
Sales (kMT)	100	24	80	23	71	13	315	80	235	63
EBITDA (Rs. Cr)	133	11	113	8	79	29	392	73	287	84
EBITDA/tonne (Rs.)	13,382	4,788	14,134	3,368	11,116	21,215	12,424	9,098	12,186	13,425

United Seamless Tubular Private Limited (USTPL)

Particulars	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	FY22
Production (kMT)	22	21	18	11	72
Sales (kMT)	24	21	17	11	73
EBITDA (Rs. Cr)	36	30	17	9	93
EBITDA/tonne (Rs.)	15,171	14,348	10,398	7,702	12,674





Rs. crore

■ Seamless

■ ERW

■ Rig

■ Renewable Energy

In Q4 FY22, rig Jindal Explorer was under refurbishment. After refurbishment, rig was re-deployed under new contract in May 22.



Unquoted Equity/Preference Share investments & ICDs given

Rs. crore

Particulars	March 22		March 21	
	Equity	Preference / ICD	Equity	Preference / ICD
<u>Indian Entities</u>				
Jindal Premium Connections	4	3	4	3
MSL Finance	3	-	3	-
<u>Overseas Entities</u>				
Maharashtra Seamless (Singapore)	17	130	17	371
Jindal Pipes (Singapore)	22	-	22	-
<u>Others (ICDs @ 7% p.a.)</u>				
Unrelated Parties	-	144	-	232
Total	46	277	46	606

- Preference shares of Rs. 500 crore & ICD of Rs. 50.51 crore in USTPL not considered.

- By March 2024, ICDs of Rs. 144 crore will reduce fully.

- By March 2023, preference shares of MS(S)PL will increase by Rs. 80 crore with corresponding reduction in SBLC exposure.



Liquid investments – Long term & short term Rs. crore

Particulars	March 22	March 21
<u>Long term</u>		
Bonds & Debentures	307	283
Listed Equity Investments	16	14
(A)	323	297
<u>Short term</u>		
Mutual Funds (Liquid schemes)	47	168
Fixed Deposits (SBI & HDFC)	126	118
Cash & Bank Balances	37	48
(B)	210	334
Total liquid investments (A) + (B)	533	631

- Investments in bonds are sub-divided into tax free bonds (40%) and perpetual bonds (60%) both of which have a high yield.
- These bonds have low risk as they are issued by PSUs. Hence, these investments have been undertaken from a long term perspective and therefore, we don't expect any mark-to-market losses in current market scenario.
- Investments in liquid schemes of mutual funds and in fixed deposits are undertaken to maintain liquidity whilst keeping risk to a minimum.
- This liquidity is often leveraged to strategically manage working capital and other short term requirements.



Borrowings – Gross & Net Debt

Rs. crore

Particulars	March 22	March 21
Loan for USTPL acquisition @ 6.40% p.a.	336	375
Loan for rig acquisition @ 3.10% p.a.	304	352
Gross Debt (A)	640	727
<u>Less:</u>		
Liquid investments (refer slide 11)	(533)	(631)
ICDs given (refer slide 10)	(144)	(232)
Liquidity available (B)	(677)	(863)
Net Debt (A) + (B)	(37)	(136)

- Loan taken for USTPL acquisition has total annual repayment of Rs. 42 crore till March 2025 and thereafter, total annual repayment of Rs. 52.50 crore till February 2029.
- Subject to approval of the Board and the Lender, pre-payment of this loan may be considered.
- ECB loan taken for rig acquisition is in USD and has total annual repayment of Rs. 76 crore till March 2026.
- As cash flows from the rig are also in USD, a natural hedge is created thereby granting protection against USD/INR fluctuation.
- Entire debt on books of MSL is self-liquidating. Further, there is no short term debt as on 31 March 2022.

Corporate Guarantee & SBLC

Rs. crore

Particulars	March 22	March 21
Discovery Drilling	218	257
Maharashtra Seamless (Singapore)	76	147
Total	294	404

- Corporate guarantee outstanding of Rs. 218 crore (~ USD 28.80 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 will gradually amortize on monthly basis and will fall off on 30 September 2024.
- SBLC outstanding of Rs. 76 crore (~ USD 10 mn) is for bank loan availed by subsidiary, Maharashtra Seamless (Singapore). The initial SBLC was for USD 30 mn in March 2020 and has reduced to USD 10 mn in March 2022. In FY 2023, SBLC will reduce by USD 5 mn in each of September 2022 & March 2023. Maharashtra Seamless (Singapore) does not have any other debt & therefore, further support is not required from MSL.
- As rig prices have increased, value of equity investments made by MSL in Maharashtra Seamless (Singapore) has increased and opened new vistas of monetising the same.





Order book of MSL

Rs. crore

Segment	Seamless	ERW	Total	%
Domestic	539	34	573	41%
Export	322	35	357	25%
Downstream	72	220	292	21%
ONGC & OIL	191	-	189	13%
Total	1124	289	1413	100%

Order book of USTPL

Rs. crore

Segment	Seamless	%
Cylinder Pipes	123	47%
Export	114	44%
Domestic	25	9%
Total	262	100%

- Total combined order book of MSL + USTPL is Rs. 1675 crore.
- Execution timeline of order book of MSL is 4 months and of USTPL is 2.5 months.
- Order book position has been breaching all-time highs for past 4 quarters.
- Strong demand from the export segment will continue in entire FY 2023 as enquiries from this segment has crossed 15,000 mt per month.





MSL

Segment	FY 2021-22 Actual kMT	FY 2022-23 Projected kMT	% increase projected
Seamless	315	350	11%
ERW	80	88	10%

USTPL

Segment	FY 2021-22 Actual kMT	FY 2022-23 Projected kMT	% increase projected
Seamless	73	120	64%

- We expect margins of domestic and exports segment of both MSL & USTPL to improve going forward based on buoyant seamless pipes prices and lower domestic raw material costs. As exports segment will have greater share in total dispatches, lower domestic raw material costs will also lead to enhancement of overall profitability.
- Rig has commenced operations from 12 May 2022 at higher day rate which will also contribute towards higher EBIDTA.



Export Duty:

- Recent imposition of export duty on iron-ore & certain steel products excludes seamless & ERW pipes.
- This will improve domestic raw material availability and lead to lower raw material costs.

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:

- 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 Demand:

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



Successfully increased market penetration in USA, Canada, Europe & Middle-East on a consistent basis. There was strong demand of casing and tubing pipes as markets had re-opened after COVID-19 impact and demand reached pre-pandemic levels. In Q4 FY22, due to Russia Ukraine war, enquiries and confirmed orders both witnessed a sharp uptake.

Expansionary activities by IOCL, Chennai Petroleum Corporation Ltd., Numaligarh Refinery Ltd., HPCL etc. generated strong demand in the downstream segment. Good demand was also generated for heat recovery boilers for pollution control and also in hydrocarbon segment through private EPMC's and contractors.

We have secured first commercial order from ONGC for drill pipes in the domestic market. We are also working to procure an order of 15000 mt of subsea pipes, which is a new product, from a key customer. Another high margin product in advanced stages are premium and semi-premium connections.

Mumbai – Ahmedabad Bullet train project will have good requirements of high structural grade ERW pipes. The concerned Japanese team has visited and approved our ERW mill.

After oil & gas, power generation is one of the largest end use industries and demand is expected to rise considering the current power shortfall situation in domestic market. The automotive segment is expected to witness rapid growth too due to increasing vehicle production.

In the domestic segment, our pipes have been used for Sardar Ballabh Bhai Patel Sports Enclave, Karnataka Jal Board and various Metro projects in key cities.



Mill has been certified by American Petroleum Institute with API 5CT for Casings & Coupling Stock, API 5L for Line Pipes and API Q1 (Quality Management System) licenses. USTPL has been certified for Indian Boiler Regulations (IBR) and has also been certified by TUV Nord for PED & CE Marking which enhances product profile for customers.

USTPL is registered with Engineers India Limited, various EPC contractors such as L&T ECC Construction, Adani Group, Thermax, ThyssenKrupp, ISGEC, L&T MHI & refineries such as IOCL. ONGC & OIL have successfully completed their mill audit and vendor registration is in final stages.

Cylinder pipes, our premium product, is used for oxygen, industrial gas and CNG cylinders. Tata Motors, EICHER, Bajaj Auto have already started using our cylinder pipes supplied to them through cylinder manufacturers. We are also approved by JBM & Maruti Suzuki for supply of cylinder pipes.

Casing pipes of USTPL have received remarkable feedback regarding quality, tolerance and surface finishing from export customers. These pipes are as per API 5CT and are used in rigs of exploration companies such as Coterra Energy, Aera Energy & Chesapeake Energy Corporation.

Line pipes produced by USTPL have been supplied to Nuclear Power Corporation of India Limited through an EPC contractor and to Bengaluru Metro Rail Corporation through L& T Projects.

Strong technical team at mill have successfully developed low alloy steel grades such as P11 & P22 which finds application in power generation industry and petro-chemical plants.



Market Trends – Huge Potential

Recent sanctions on Russia have led to revocation of API license from Russian mills by American Petroleum Institute. Additionally, the absence of Ukrainian suppliers in the market has left a huge vacuum in the seamless OCTG market. All European customers are now turning to Indian manufacturers to fill the gap.

Steady increase in crude oil prices has led to increase in exploration & production activities in USA / Canada / Middle-East. As a result, rig counts have gone up by 28% in the past 6 months and by 60% in the past 12 months. This has resulted in sharp increase in demand for casing and tubing pipes in the export segment.

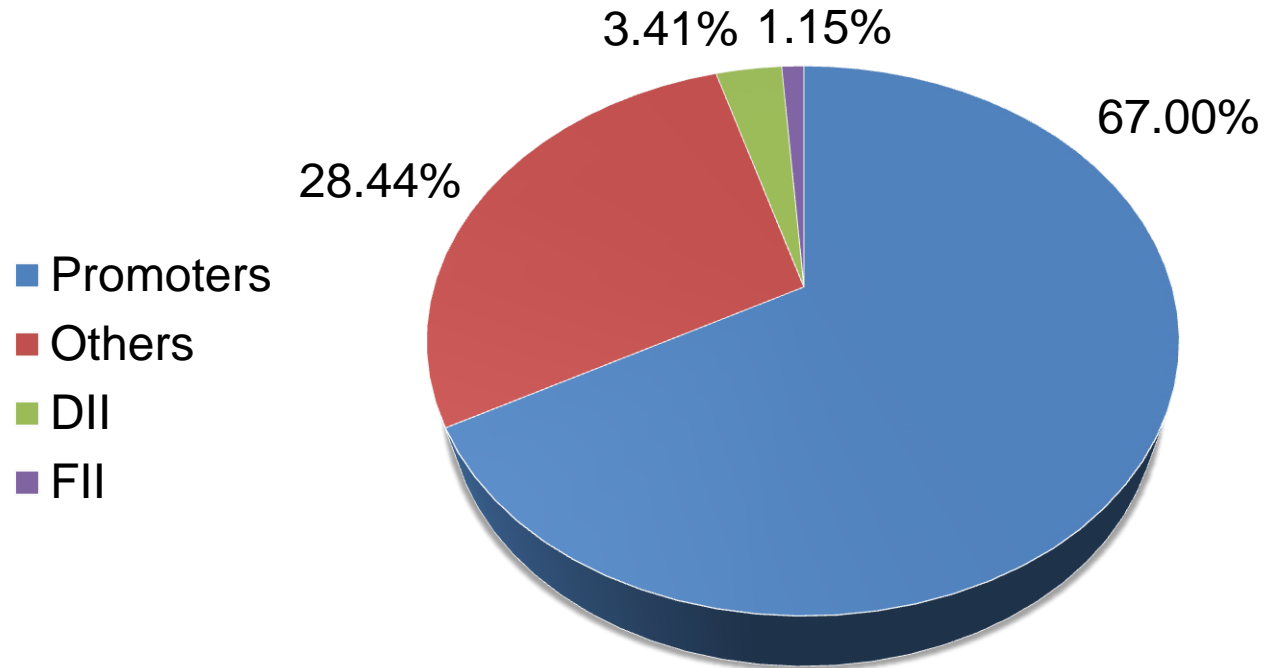
Continuing demand generation for ERW pipes from City Gas Distribution Projects, Smart City Projects, State Government Water & Sewerage Projects and Housing Projects. In the 1st stage of the “Smart Cities Mission”, the Government has selected 20 cities for implementation. These cities will have assured water, electricity supply, waste management etc. which will increase demand for pipes.

Replacement of the old Oil / Gas pipelines in Mumbai High / Gujarat is going on and will continue for a few years. There will be consistent demand of seamless & high frequency ERW pipes in this project.

HPCL has launched their Rajasthan Refinery project in Barmer for 9MM TPA refining capacity with estimated project cost of Rs. 5K crores, which will have around 80k MT of pipes requirement in 2 years.

ONGC is expanding its potential of its first deep-water field. Two additional subsea wells are likely to be tied into existing infrastructure at G-1 and GS-15 east coast asset thereby generating good demand.





Key points – Q4 FY 2022

- Promoters have increased holding from 64.90% to 67.00%.
- DII have increased holding from 3.14% to 3.41%. This also includes mutual funds who have increased holding from 2.82% to 2.89%.
- FII have increased holding from 1.00% to 1.15%.
- Number of mutual funds, DII & FII have increased.

Marquee investors

L & T Mutual Fund
ITI Mutual Fund
Taurus Mutual Fund
Aequitas Equity Scheme
Turnaround Opportunities Fund
DFA Investment Dimensions Group
Dimensional Emerging Markets Value Fund
Societe Generale - ODI
Akash Bhanshali, Lata Bhanshali
Aadi Financial Advisors LLP
Prescient Wealth Management Pvt. Ltd.



Oil and Gas



Infrastructure



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