



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)

E-Communication

MSL/SEC/SE/2022-23

29 January 2024

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 31st December 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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Phone : 02194-238511, 238512, 238567, 238569 • Fax : 02194-238513
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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 : mst@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 ending 31 December 2023

29 January 2024





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">• <u>Maharashtra</u>• 450,000 mt/annum• <u>Telangana</u>• 200,000 mt/annum	<ul style="list-style-type: none">• API certified• High frequency• PSL 2• 125,000 mt/annum	<ul style="list-style-type: none">• <u>Solar</u>• 52.50 MW AC at Maharashtra & Rajasthan• <u>Wind</u>• 7 MW at Maharashtra	<ul style="list-style-type: none">• New generation offshore jack up rig• Operating with 98% efficiency on 3 year contract with ONGC at ODR of USD 38,790 from May 2022

- 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, existing capacity of 100,000 mt/annum will be activated.

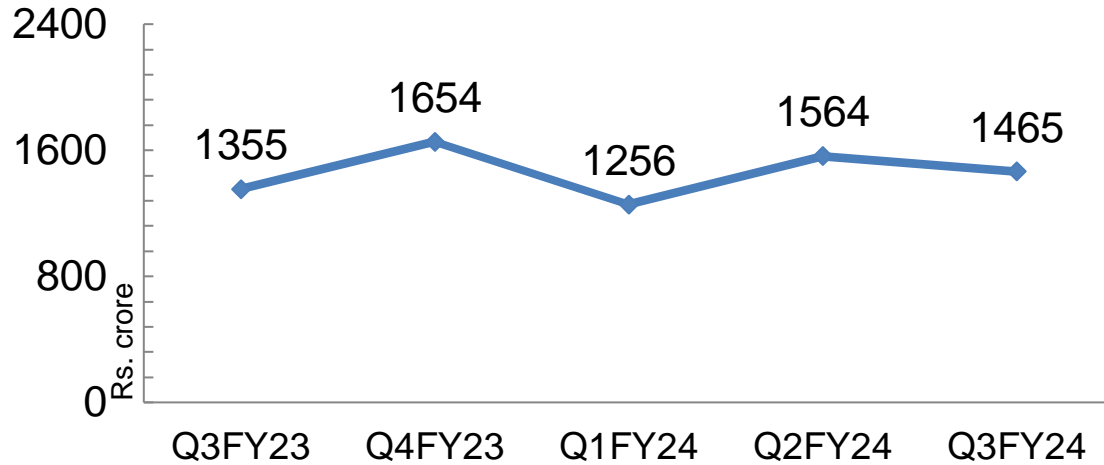




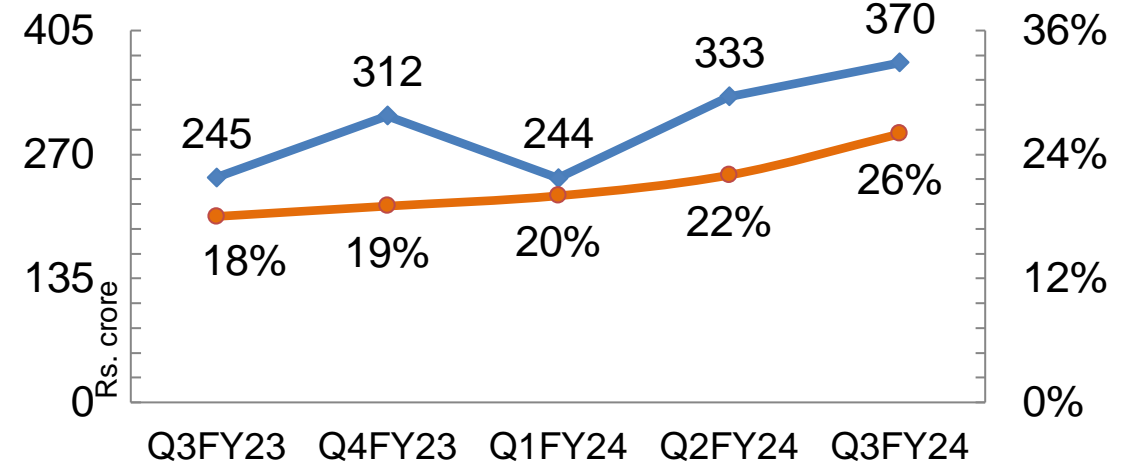
Industries Served	Seamless Pipes	ERW Pipes	Others (Coated & Premium Connections, Pipe Fittings)	
Agriculture		✓		
Automotive	✓			
Bearing	✓			
Chemical	✓	✓		
Drinking Water		✓		
Engineering	✓			
Fertilizers		✓		
Housing		✓		
Irrigation		✓		
Mechanical	✓			
Oil and Gas	✓	✓		✓
Petrochemical	✓	✓		
Power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



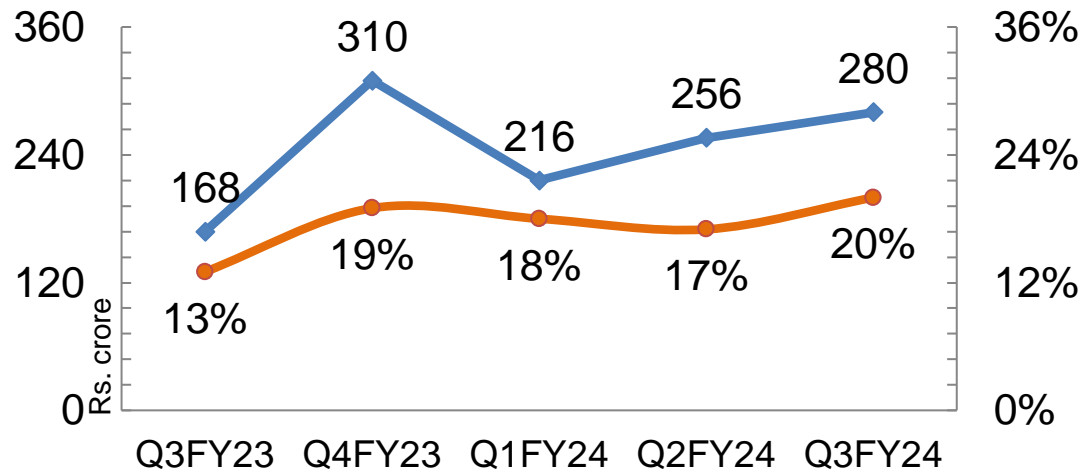
Total revenue



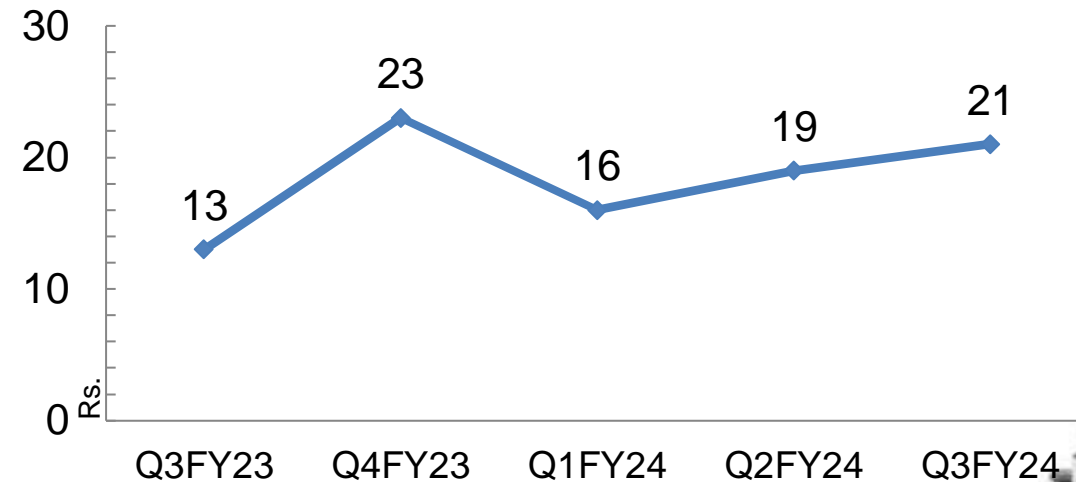
EBIDTA & EBIDTA margin



PAT & PAT margin



EPS (on ex-bonus basis)



Profit & Loss – Quarterly comparison



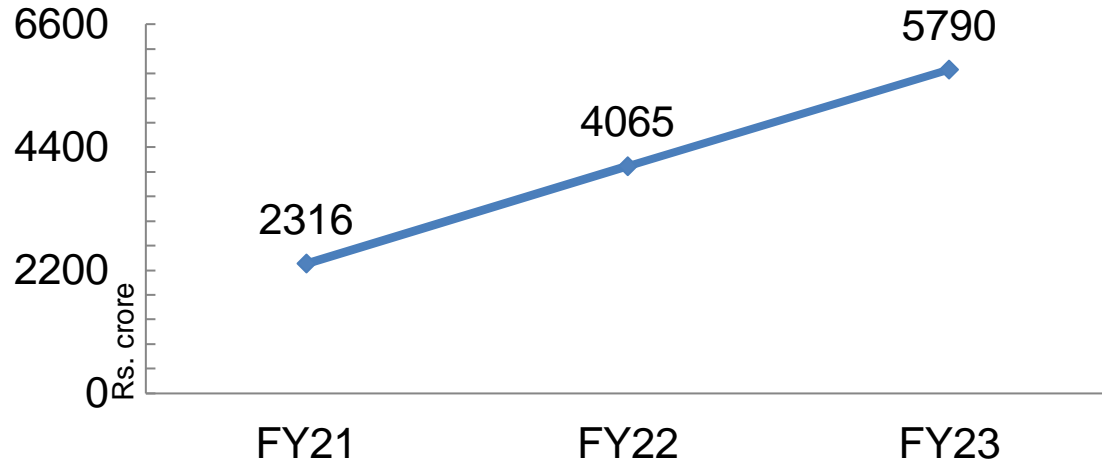
Rs. crore

Particulars	MSL		
	Q3 FY24	Q2 FY24	Q3 FY23
Revenue from operations	1430	1535	1337
<u>Add:</u> Other income	35	29	18
Total revenue	1465	1564	1355
<u>Less:</u> Expenses			
Cost of materials consumed	(729)	(946)	(807)
Change of inventories (FG + WIP)	(126)	9	(75)
Employees benefit expenses	(27)	(27)	(24)
Finance cost	(1)	(1)	(9)
Depreciation	(25)	(25)	(34)
Other expenses	(179)	(238)	(185)
Total expenses	(1087)	(1228)	(1134)
Profit before tax	378	336	221
<u>Less:</u> Tax	(98)	(81)	(53)
Profit after tax	280	256	168

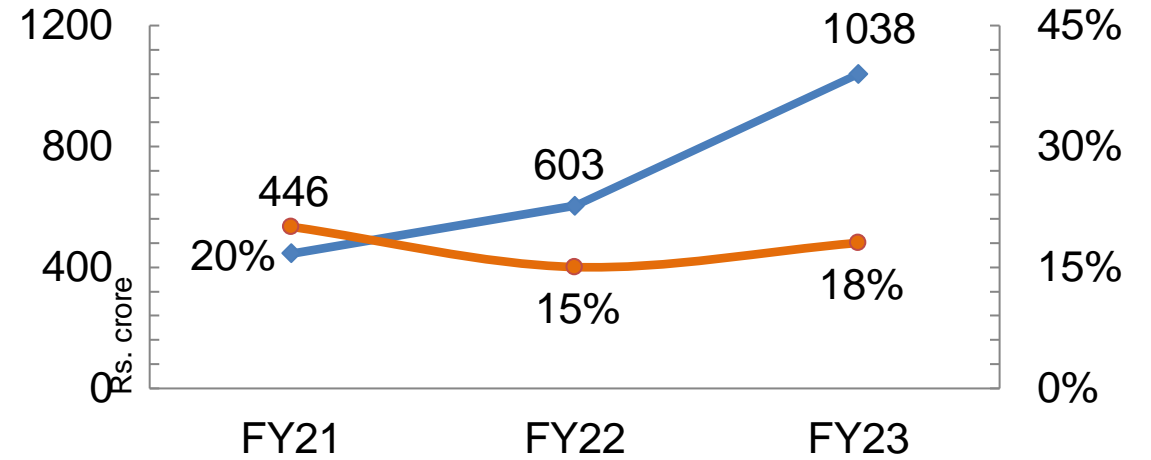
- United Seamless Tubular Pvt. Ltd. (USTPL) had been amalgamated with Maharashtra Seamless Ltd. (MSL) vide order of National Company Law Tribunal, Mumbai dated 03 March 2023.
- This amalgamation was made effective from 01 October 2021 which is the approved appointed date.
- Figures of FY 2023 have been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



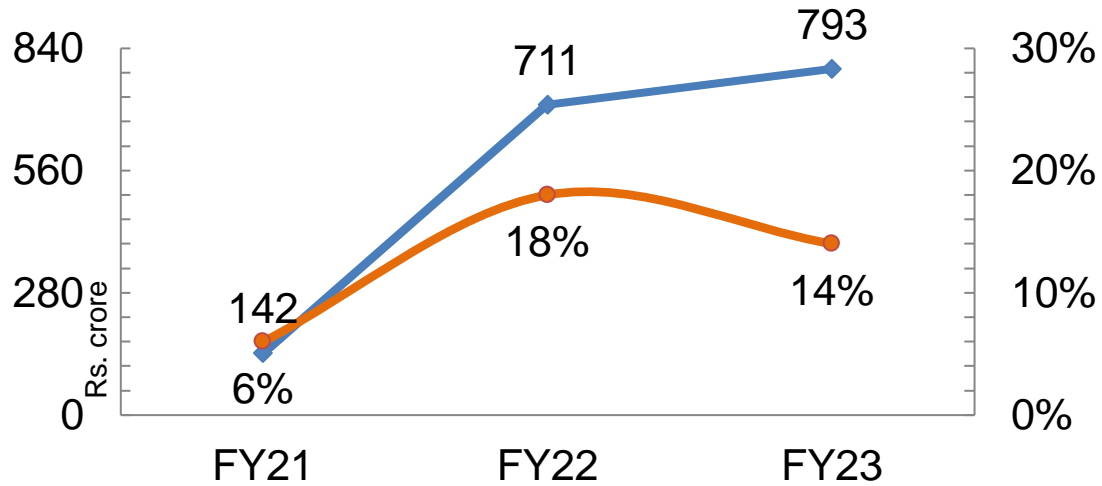
Total revenue



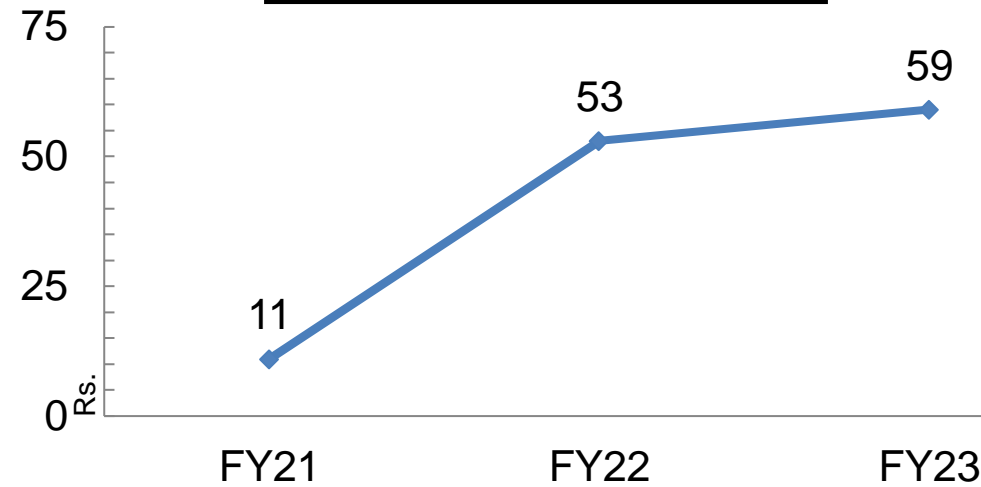
EBIDTA & EBIDTA margin



PAT & PAT margin



EPS (on ex-bonus basis)



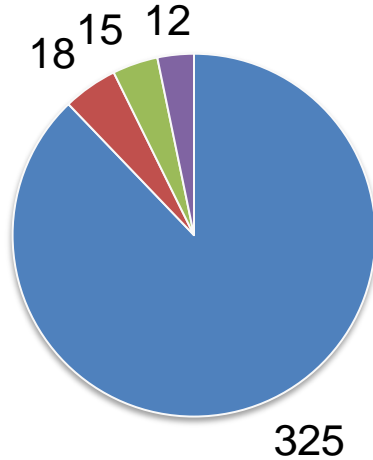
Particulars	Q3 FY24		Q2 FY24		Q3 FY23		9M FY24		9M FY23		FY23	
	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW
Production (kMT)	98	28	107	27	97	21	299	76	313	53	431	85
Sales (kMT)	107	28	105	28	99	24	302	77	319	54	436	82
EBITDA (Rs. Cr)	325	18	290	16	201	24	819	45	637	45	895	69
EBITDA/tonne (Rs.)	30,471	6,381	27,495	5,821	20,294	9,821	27,137	5,795	20,005	8,238	20,528	8,413



Rs. crore

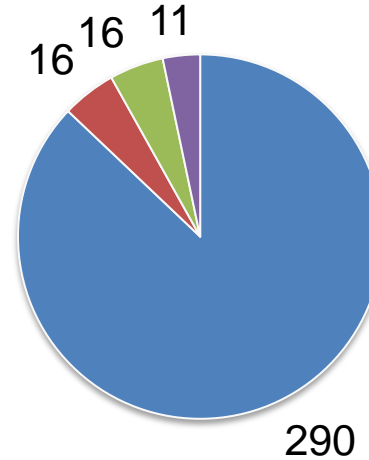
Q3 FY24

Total EBIDTA - 370



Q2 FY24

Total EBIDTA - 333



■ Seamless

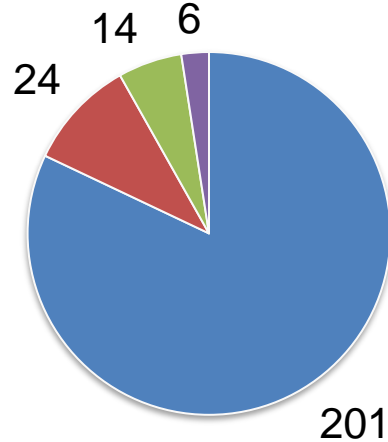
■ ERW

■ Renewable Energy

■ Rig

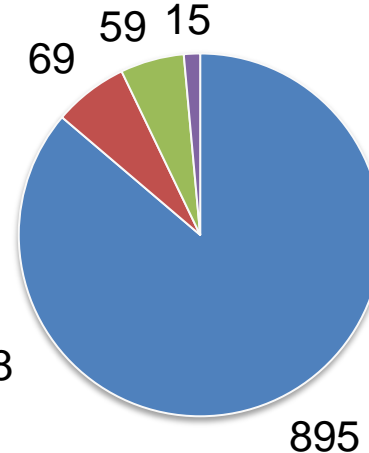
Q3 FY23

Total EBIDTA - 245



FY23

Total EBIDTA - 1038



Unquoted Equity/Preference Share investments & ICDs given

Rs. crore

Particulars	December 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	-	14	-	78	-	144
Total	46	232	46	296	46	277

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



Liquid investments

Rs. crore

Particulars	Dec 23	March 23	March 22
<u>Long duration</u>			
Bonds & NCD	436	291	307
Corporate Deposits (LIC & ICICI)	20	-	-
Listed Equity Investments	21	8	16
(A)	477	299	323
<u>Short duration</u>			
Mutual Funds	915	561	49
Fixed Deposits (SBI & HDFC)	15	42	126
Cash & Bank Balances	58	48	64
(B)	988	651	239
Total liquid investments (A) + (B)	1465	950	562

- Investments in bonds are sub-divided into tax free bonds, perpetual bonds and corporate bonds.
- 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	Dec 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)	(1465)	(950)	(562)
ICDs given (refer slide 10)	(14)	(78)	(144)
Liquidity available (B)	(1479)	(1028)	(706)
Net Debt / (Cash) (A) + (B)	(1479)	(784)	(73)

- 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	December 23	March 24	June 24	Sep 24
Discovery Drilling	218	181	136	118	101	-

- Corporate guarantee outstanding of Rs. 136 crore (~ USD 16.35 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 obligation 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		
	Financing through internal accruals			
	Net cash as on 31 December 2023 (refer slide 12)	1479		

- 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 26 January 2024

Rs. crore

Segment	Maharashtra	Telangana	ERW	Total	%	Remarks
ONGC & OIL	528*	2	14	544	35%	*Includes drill pipes orders of Rs. 157 crore
Others	668	117^	234	1019	65%	^Includes cylinder pipes orders of Rs. 98 crore
Total	1196	119	248	1563	100%	

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.



Orders from ONGC & Oil India are being procured and dispatched rapidly as domestic demand is robust. ONGC has made significant natural gas discoveries in the Mahanadi basin. The discoveries were made in the MN-DWHP-2018/1 block, previously classified as a restricted area due to national security interests. New oil blocks 'Amrit' and 'Moonga' have also been recently discovered in Mumbai offshore.

Oil companies are drilling additional wells as E & P activities have increased. This has been driven due to elevated crude oil. Existing orders for drill pipes (value addition & import substitution product) are also being dispatched. Fresh tenders for drill pipes are expected in FY25 as domestic market size is 10,000 mt.

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.

Our cylinder pipes have been approved with all major CNG cylinder manufacturers and consistent demand from our trusted buyers are being received. The in house development of cylinder pipes has reaped dividends and saved precious foreign exchange on account of import substitution.

Large tenders for ERW pipes have been floated by BPCL, GAIL, Indraprastha Gas and Assam Gas for oil and gas applications. More tenders are expected for Gurdaspur to Srinagar pipeline, Tinsukia to Doom Dooma pipeline and City Gas Distribution projects in 10th & 11th rounds in majority of states.

Significant contract from IOCL has been received recently indicating buoyancy of market and sustained expenditure by OMCs and refineries.

Market Trends – Huge Potential

OPEC has revised its global oil demand in 2024 to 104.4 mn barrels per day from 102 mn barrels per day with increased requirement being met from non-OPEC countries such as USA, Norway & Canada. Global oil demand will improve on account of increased air & road travel and infrastructure growth.

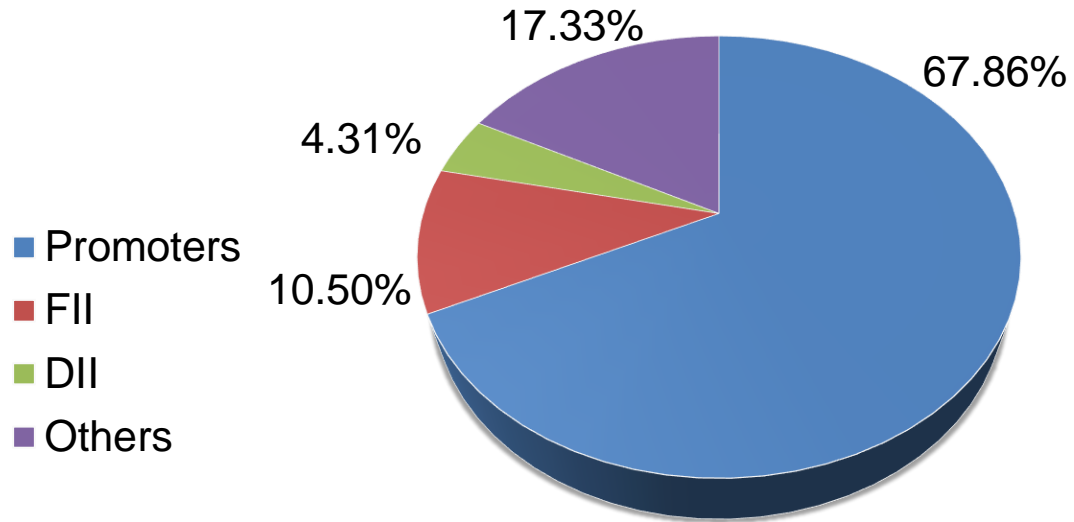
Strategic Petroleum Reserve (SPR) in USA remains at multi decade lows on account of frequent draws to contain inflation. Current level of 357 mn barrels is significantly lower than last decade average of 650 mn barrels. Refilling the SPR has commenced and it is likely to create an artificial floor in the crude oil market.

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.

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.

Offshore jack up rigs operating in India have increased to 34 in January 2024 v/s 27 in March 2022 indicating increased capital expenditure in oil & gas sector.

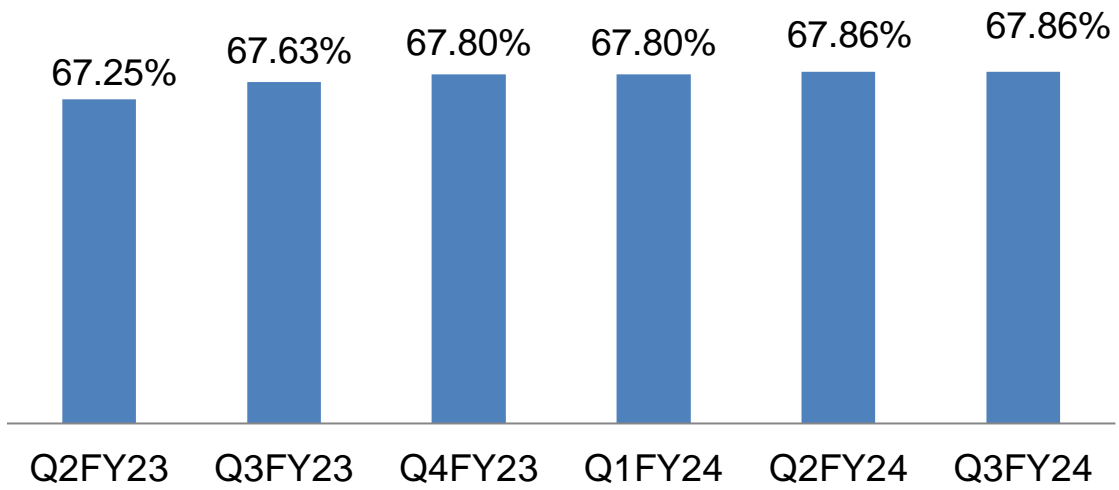
ONGC, its joint venture ONGC Petro additions Ltd (OPaL) and its subsidiary Mangalore Refinery and Petrochemicals Ltd (MRPL) will implement expansion plans to double production of these companies to 8 million metric tonnes per annum by 2030 by spending Rs. 1 lakh crore.



Key changes – Q3 FY24 v/s Q2 FY24

- FII holding increased from 7.98% to 10.50%
- Mutual fund holding increased from 2.72% to 2.75%
- FII + DII holding increased from 12.36% to 14.81%
- No. of FIIs increased from 141 to 175
- No. of mutual fund schemes increased from 2 to 4

Promoter Holding – Last 6 quarters



Marquee Investors

- The Nomura Trust & Banking Co. Ltd. – Stock Mother Fund
- Nomura Funds Ireland Public Ltd. Co. – India Equity Fund
- HSBC Small Cap, HSBC Flexi Cap, HSBC Multi Cap
- Aequitas Equity Scheme, Aequitas Investment
- IIFL Turnaround Opportunities Fund
- Morgan Stanley Asia (Singapore)
- Abakkus Diversified Alpha Fund



Oil and Gas



Infrastructure





Investor Contact

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JINDAL
D.P. JINDAL GROUP