



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

01 November 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 30th September 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

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 : jpdelhi@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 : 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 30 September 2023

01 November 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">• <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 day rate of USD 38,656 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.

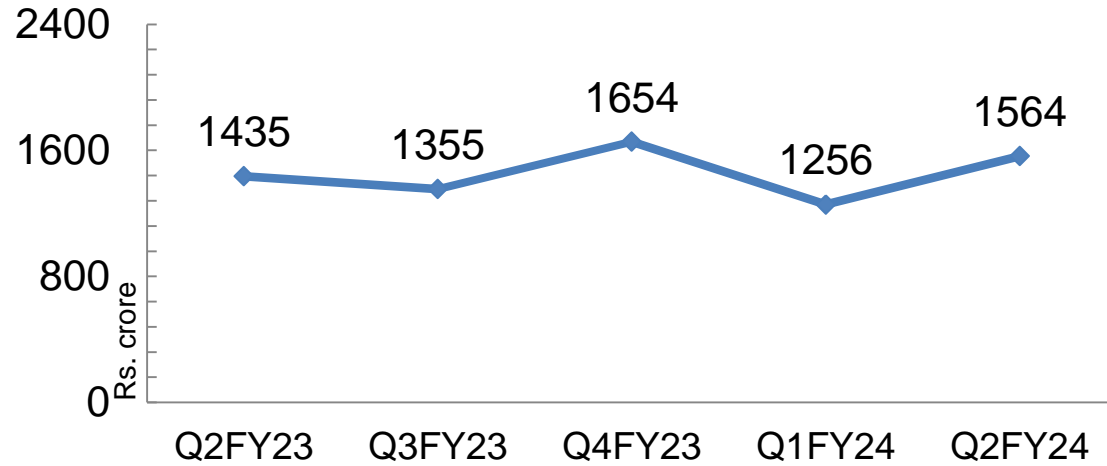




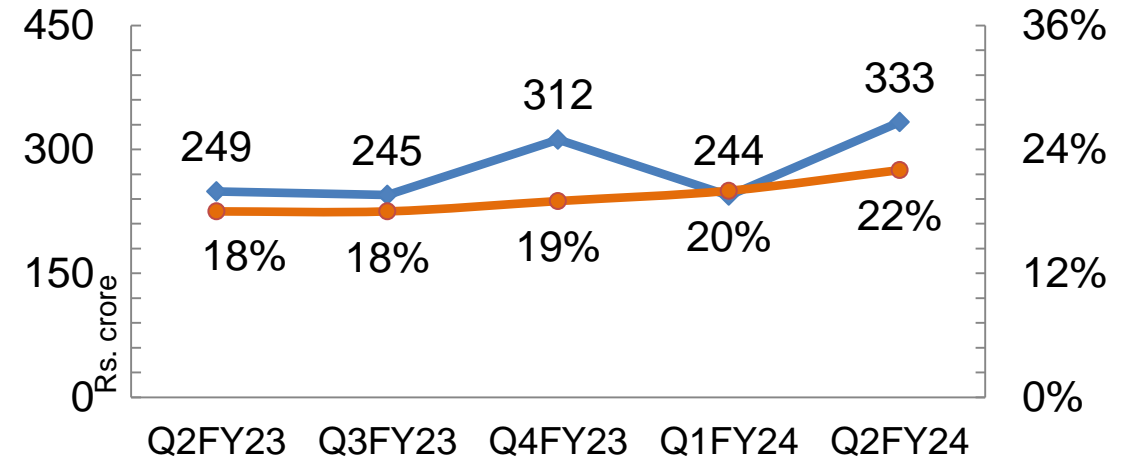
Industries Served	Seamless Pipes	ERW Pipes	Others (Coated & Premium Connections, Pipe Fittings)	
Agriculture		✓		
Automotive	✓			
Bearing	✓			
Chemical	✓	✓		
Drinking Water		✓		
Engineering	✓			
Fertilizers		✓		
Housing		✓		
Irrigation		✓		
Mechanical	✓			
Oil and Gas	✓	✓		✓
Petrochemical	✓	✓		
Power	✓	✓		
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



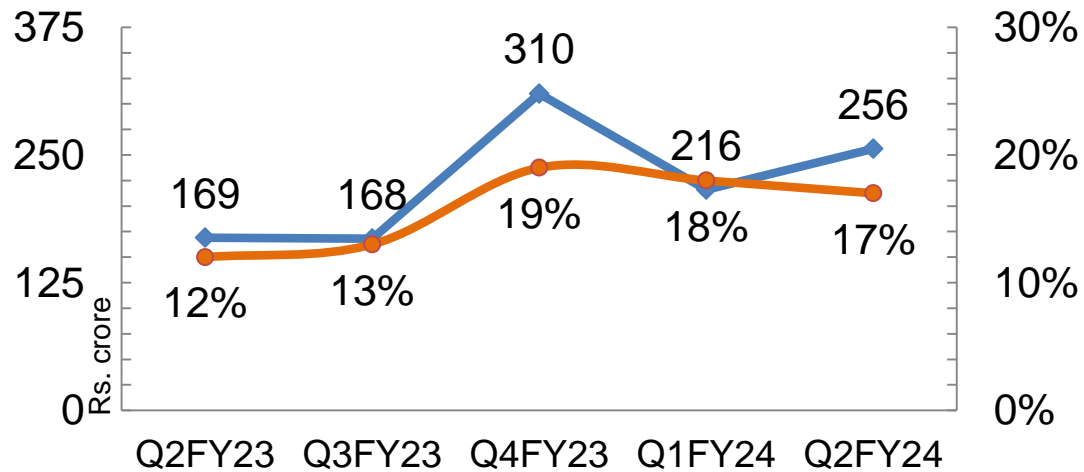
Total revenue



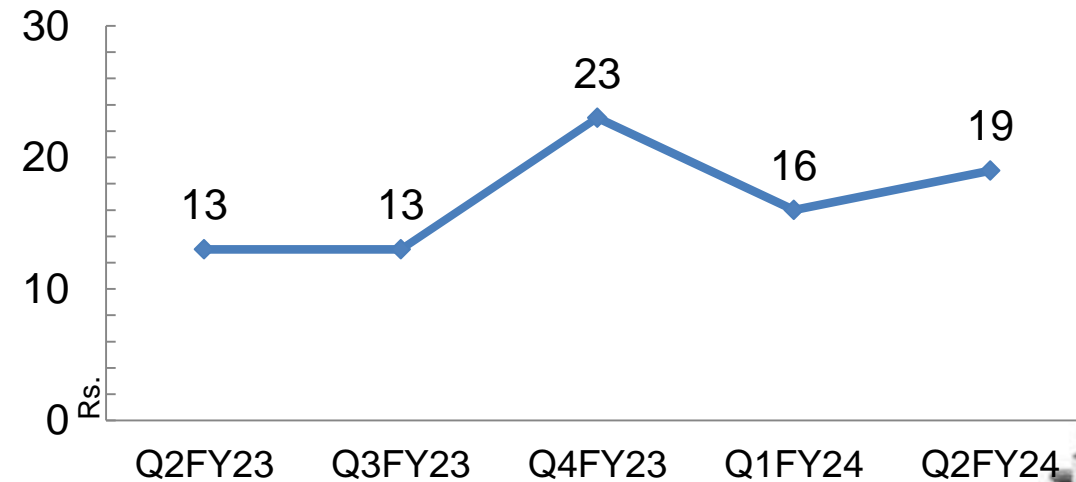
EBIDTA & EBIDTA margin



PAT & PAT margin



EPS (on ex-bonus basis)



Profit & Loss – Quarterly comparison



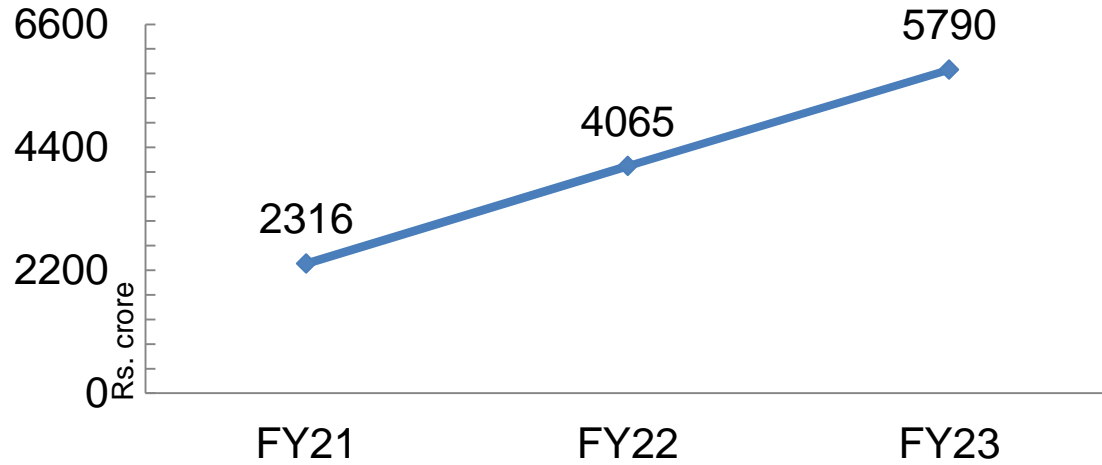
Rs. crore

Particulars	MSL		
	Q2 FY24	Q1 FY24	Q2 FY23
Revenue from operations	1535	1223	1413
<u>Add:</u> Other income	29	33	21
Total revenue	1564	1256	1434
<u>Less:</u> Expenses			
Cost of materials consumed	(946)	(795)	(953)
Change of inventories (FG + WIP)	9	28	25
Employees benefit expenses	(27)	(27)	(26)
Finance cost	(1)	(7)	(12)
Depreciation	(25)	(34)	(34)
Other expenses	(238)	(184)	(209)
Total expenses	(1228)	(1019)	(1209)
Profit before tax	336	237	225
<u>Less:</u> Tax	(81)	(21)	(56)
Profit after tax	256	216	169

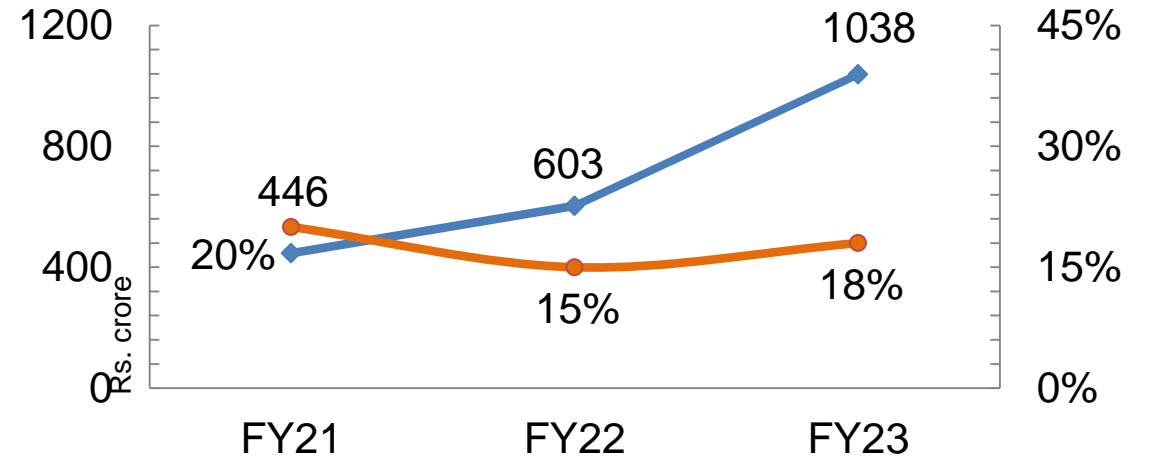
- United Seamless Tubular Pvt. Ltd. (USTPL) had been amalgamated with MSL vide order of National Company Law Tribunal, Mumbai dated 03 March 2023.
- This amalgamation was made effective from 01 October 2021 which is the approved appointed date.
- Figures of FY 2023 have been recast to give effect of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



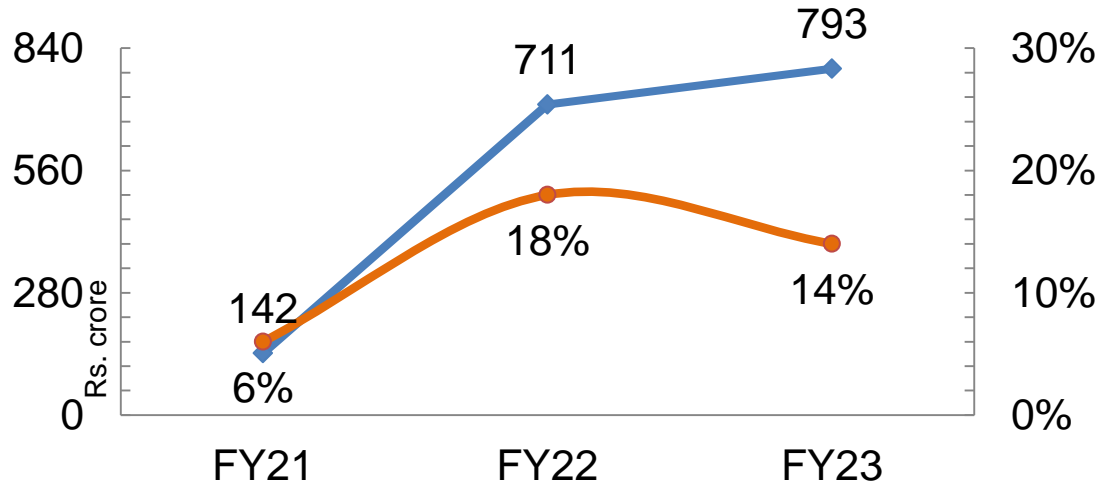
Total revenue



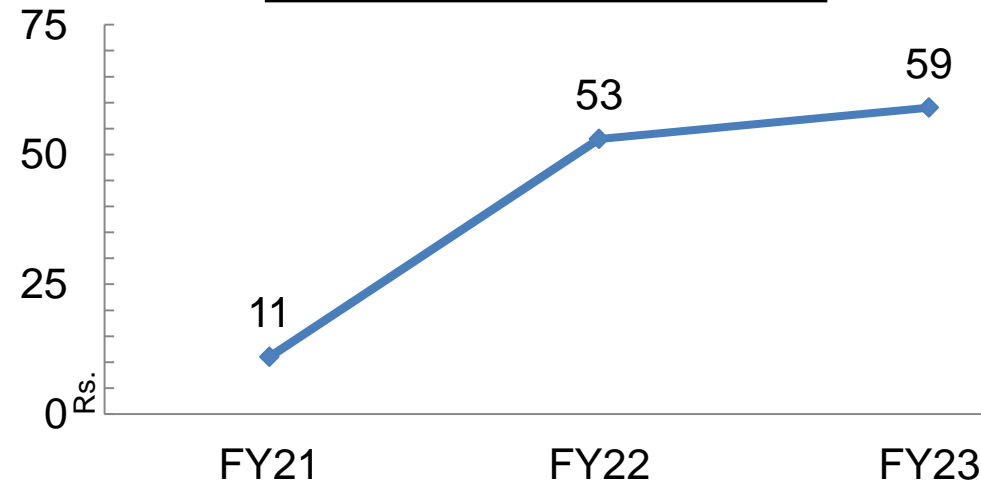
EBIDTA & EBIDTA margin



PAT & PAT margin



EPS (on ex-bonus basis)



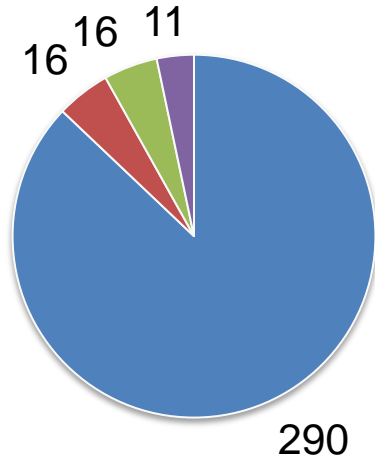
Particulars	Q2 FY24		Q1 FY24		Q2 FY23		H1 FY24		H1 FY23		FY23	
	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW	Seamless	ERW
Production (kMT)	107	27	94	21	110	13	201	48	216	31	431	85
Sales (kMT)	105	28	90	21	113	13	195	49	220	30	436	82
EBITDA (Rs. Cr)	290	16	204	11	232	1	494	27	436	21	895	69
EBITDA/tonne (Rs.)	27,495	5,821	22,758	4,982	20,591	1,006	25,316	5,460	19,874	6,949	20,528	8,413



Rs. crore

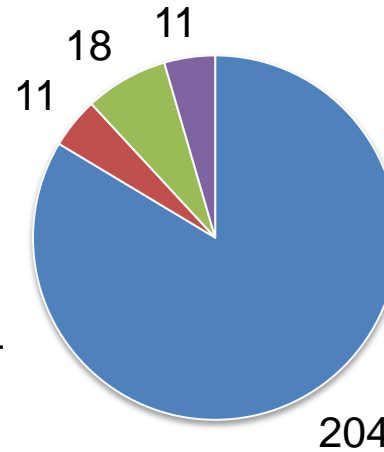
Q2 FY24

Total EBIDTA - 333



Q1 FY24

Total EBIDTA - 244



■ Seamless

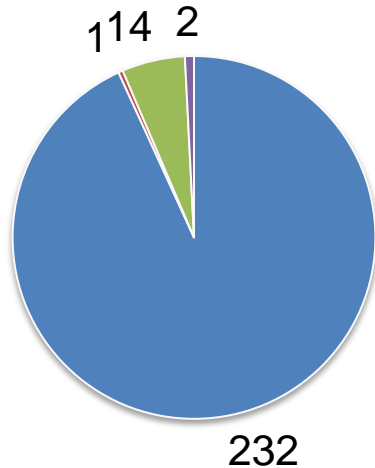
■ ERW

■ Renewable Energy

■ Rig

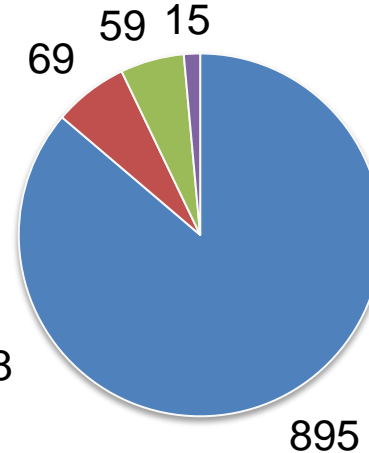
Q2 FY23

Total EBIDTA - 249



FY23

Total EBIDTA - 1038



Unquoted Equity/Preference Share investments & ICDs given

Rs. crore

Particulars	September 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	-	49	-	78	-	144
Total	46	267	46	296	46	277

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



Liquid investments

Rs. crore

Particulars	Sep 23	March 23	March 22
<u>Long duration</u>			
Bonds	326	291	307
Corporate Deposits (LIC & ICICI)	20	-	-
Listed Equity Investments	16	8	16
(A)	362	299	323
<u>Short duration</u>			
Mutual Funds	810	561	49
Fixed Deposits (SBI & HDFC)	15	42	126
Cash & Bank Balances	37	48	64
(B)	862	651	239
Total liquid investments (A) + (B)	1224	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	Sep 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)	(1224)	(950)	(562)
ICDs given (refer slide 10)	(49)	(78)	(144)
Liquidity available (B)	(1273)	(1028)	(706)
Net Debt / (Cash) (A) + (B)	(1273)	(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	Sep 23	December 23	March 24	Sep 24
Discovery Drilling	218	181	153	136	118	-

- Corporate guarantee outstanding of Rs. 153 crore (~ USD 18.45 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		
	Financing through internal accruals			
	Net cash as on 30 September 2023 (refer slide 12)	1273		

- 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 October 2023

Rs. crore

Segment	Maharashtra	Telangana	ERW	Total	%	Remarks
ONGC & OIL	524*	-	10	534	37%	*Includes drill pipes orders of Rs. 134 crore
Exports & Others	477	211^	237	925	63%	^Includes cylinder pipes orders of Rs. 108 crore
Total	1001	211	247	1459	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 have been executed in Q2 and will continue in Q3 & Q4 as well. 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.

Oil companies are likely to drill additional wells as E & P activities will increase. 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 FY24 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 has 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 as a product has reaped dividends and saved precious foreign exchange on account of import substitution.

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.

Significant order for IOCL project has been received from IOCL directly and through our channel partners which will be executed in the next 2 months.

Market Trends – Huge Potential

OPEC sees global oil demand hitting 101.8 mn barrels per day 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.

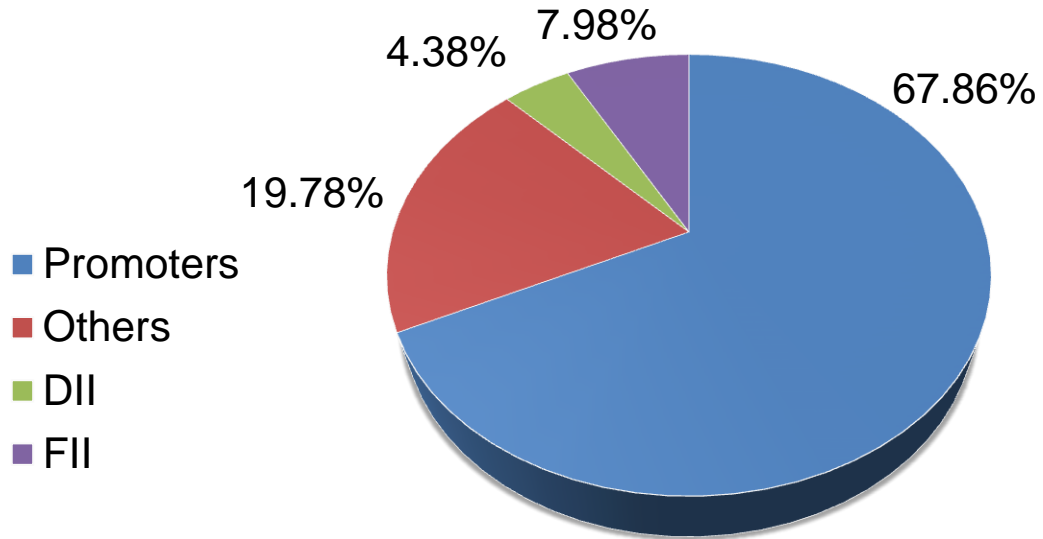
Strategic Petroleum Reserve (SPR) in USA is at its lowest level since 1983 on account of frequent draws authorised to contain inflation. Current level of 351 mn barrels is significantly lower than last decade average of 650 mn barrels. Refilling the SPR to such a degree will create an artificial floor 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.

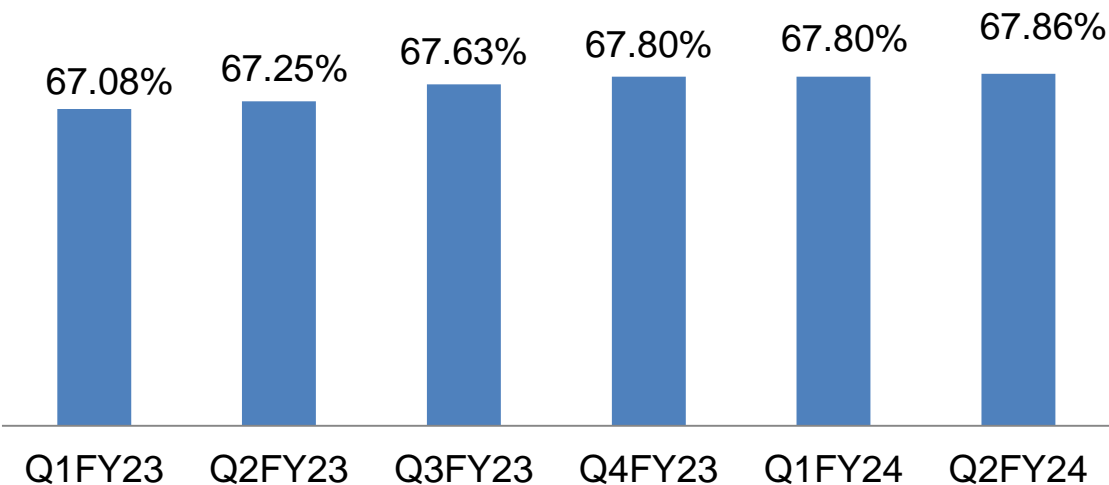
India's oil demand is projected to rise 50% to 7.2 mn barrels per day in 2030 from 4.8 mn barrels per day in 2019 as against a global expansion of 7%. India's natural gas demand is projected to double to 133 BCM in 2030 from 64 BCM in 2019 as against a 12% rise in global gas demand. India plans to almost 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 – Q2 FY24 v/s Q1 FY24

- Promoter holding increased from 67.80% to 67.86%
- FII holding increased from 5.96% to 7.98%
- DII holding increased from 4.31% to 4.38%
- No. of FIIs & DIIs increased

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
- Morgan Stanley Asia (Singapore)
- Abakkus Diversified Alpha Fund



Oil and Gas



Infrastructure



Investor Contact

Kaushal Bengani

Deputy General Manager

Investor Relations & Finance

Tel. No.: +91-124-4624177

E-Mail: kaushal@mahaseam.com

www.jindal.com

CIN: L99999MH1988PLC080545

JINDAL
D.P. JINDAL GROUP