



*Investor Communique  
for  
Audited (Standalone) Financial  
Results for the Quarter & Year  
Ended 31<sup>st</sup> March, 2018*

*May 24<sup>th</sup>, 2018*





## **Forward Looking & Disclaimer Statement**

**This Investor Communique contains “forward-looking statements” about our business, financial performance, skills and prospects. Statements about our plans, intentions, expectations, 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 & Gas Prices and their impact on investment programs by Oil & Gas Companies, Steel Prices worldwide & domestic, economic & political conditions. We can not assure that outcome of this forward-looking statements will be realized.**

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## **HIGHLIGHTS OF MAHARASHTRA SEAMLESS LIMITED**

- **5,50,000 MT p.a. of Seamless Pipes & Tubes (upto 20")**
- **2,00,000 MT p.a. of ERW Pipes (upto 21")**
- **7 MW wind power mill at Satara, Maharashtra for captive use.**
- **5 MW solar power plant at Pokhran, Rajasthan**
- **20MW Solar Power Plant in Rajasthan**
- **1MW Solar Power "Roof Top" at our factory for captive use.**
- **14 MW Solar Power Plant in Maharashtra for captive use.**
- **History of regular dividend payouts**
- **'MAHA' is a globally recognized brand for seamless pipe and 'Jindal Star' enjoys brand leadership in the ERW segment.**





## Quantitative & Financial Information

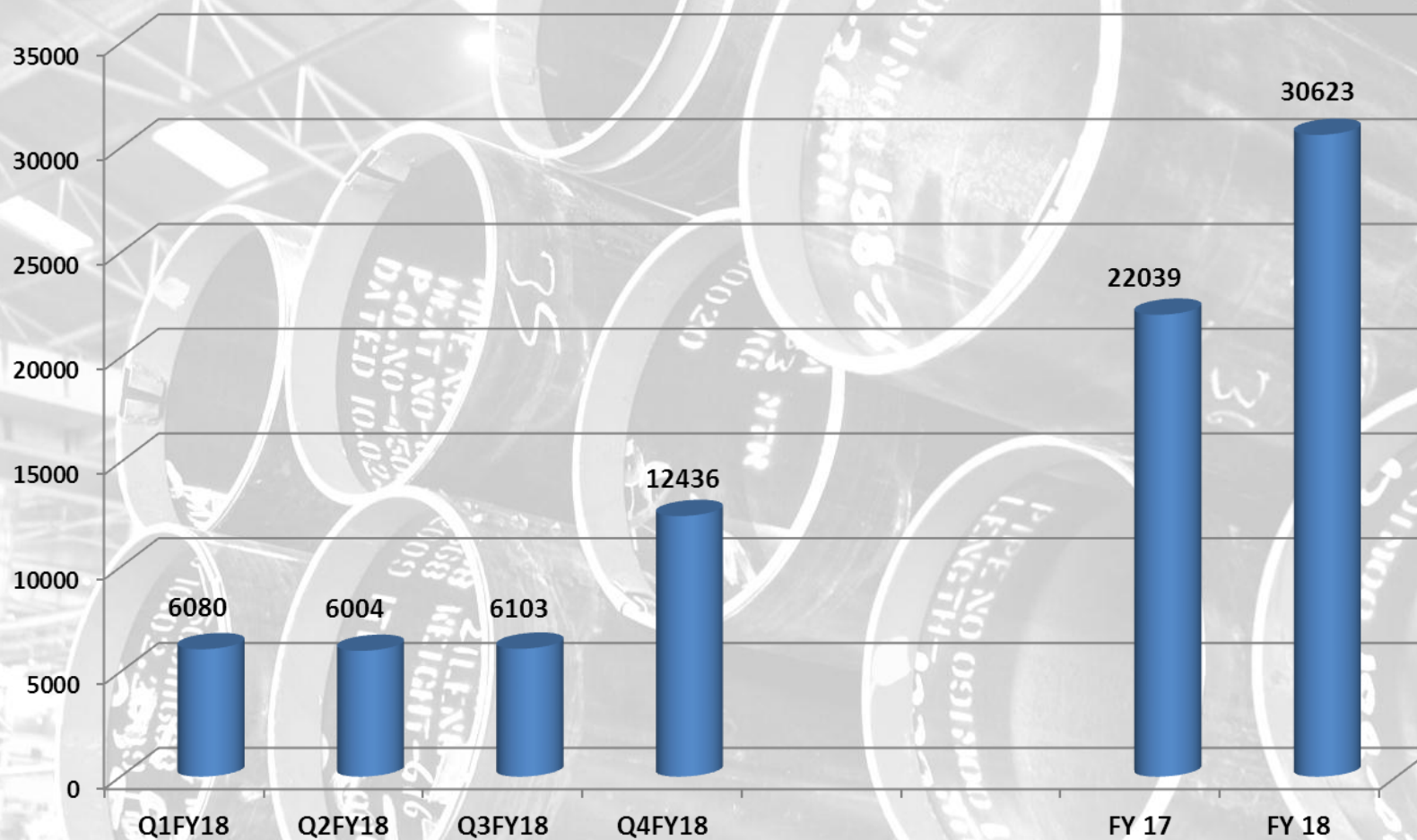
S.No.	Particulars	Q1 FY 18	Q 2 FY 18	Q 3 FY 18	Q 4 FY 18	FY 18	Q1 17	Q2 17	Q3 17	Q4 17	FY 17
1	<b>Production (MT)</b>										
	- Seamless	70,184	72,228	78,074	73,549	2,94,035	47,206	41,352	54,508	66,145	2,09,211
	- ERW	11,647	14,388	16,104	15,516	57,655	15,960	22,920	18,551	14,002	71,433
2	<b>Dispatch (MT)</b>										
	- Seamless	71,772	69,152	81,782	71,876	2,94,582	44,434	43,264	55,453	66,595	2,09,746
	- ERW	11,960	14,935	14,353	14,496	55,744	13,775	17,591	21,735	19,230	72,331
3	<b>Income from operations (Rs. Lacs)</b>	47,971	48,269	56,219	63,012	2,15,471	31,693	33,655	41,958	49,166	1,56,472
4	<b>Other Operating Income (Rs. Lacs)</b>	181	128	147	122	578	71	89	144	215	519
	<b>Income From Operations (Rs. Lacs)</b>	48,152	48,397	56,366	63,134	2,16,049	31,764	33,744	42,102	49,381	1,56,991
5	<b>EBIDTA (Rs. Lacs)</b>										
	- Seamless	5,064	5,163	4,957	11,892	27,076	1,675	4,530	5,111	5,823	17,139
	- ERW	591	181	583	206	1,561	760	860	552	1,151	3,323
	-Solar Power	319	507	555	681	2,062	219	301	235	242	997
	- Wind Power	106	153	8	(343)	(76)	269	251	55	5	580
	<b>Total</b>	6,080	6,004	6,103	12,436	30,623	2,923	5,942	5,953	7,221	22,039
6	<b>EBIDTA (%)</b>	12.63%	12.4%	10.8%	19.7%	14.2%	9.2%	17.6%	14.1%	14.6%	14.0%
7	<b>Other Income</b>	1,756	1,507	1,906	1,561	6,730	2,427	1,931	2,539	1,604	8,501
8	<b>PBT (Rs. Lacs)</b>	5,831	5,426	5,684	12,098	29,039	3,502	6,003	6,524	6,542	22,571
9	<b>Total Tax Expenses</b>	2,106	2,028	1,807	3,256	9,197	1,112	2,121	2,159	2,627	8,019
10	<b>Net Profit (Rs. Lacs)</b>	3,725	3,398	3,877	8,842	19,842	2,390	3,882	4,365	3,915	14,552
11	<b>Basic EPS(Rs.)</b>	5.56	5.07	5.79	13.20	29.62	3.57	5.79	6.51	5.84	21.72
12	<b>Net Sales Realisation (Rs. Per MT)</b>										
	- Seamless	53,525	58,000	57,405	75,369	60,466	52,252	53,321	52,629	53,400	52,940
	- ERW	44,211	46,586	54,265	60,114	52,232	40,278	37,037	38,991	44,207	40,107
13	<b>EBIDTA (Rs. Per MT)</b>										
	- Seamless	7,056	7,466	6,061	16,545	9,191	3,770	10,471	9,217	8,744	8,171
	- ERW	4,941	1,212	4,062	1,421	2,800	5,517	4,889	2,540	5,985	4,594





## **EBIDTA of last four Quarters & a Year Ended**

**Rs. in Lacs**

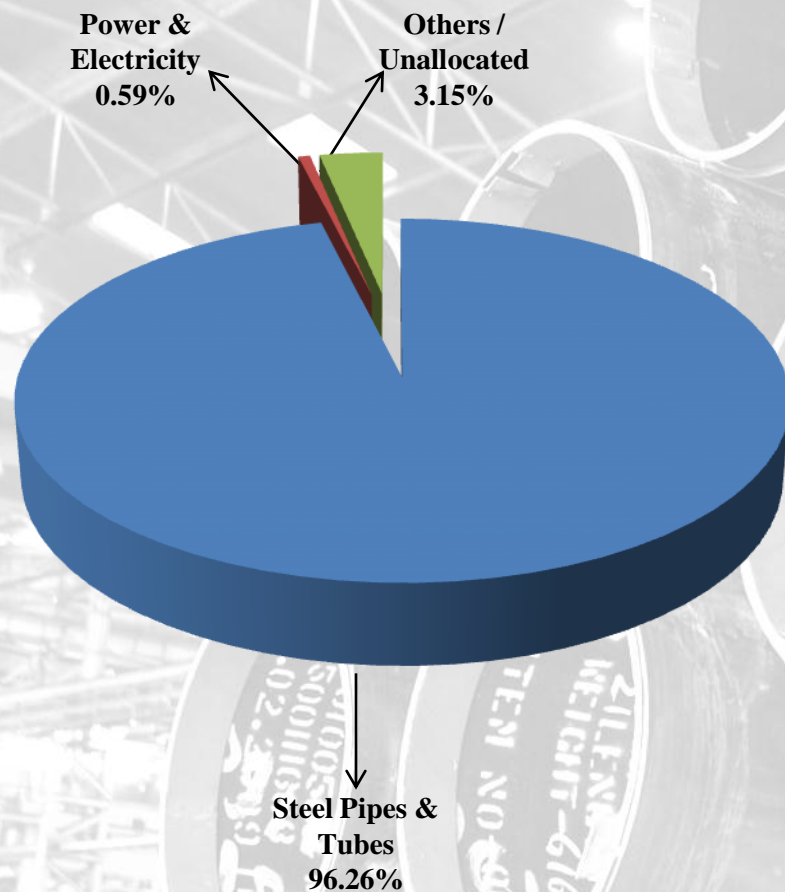




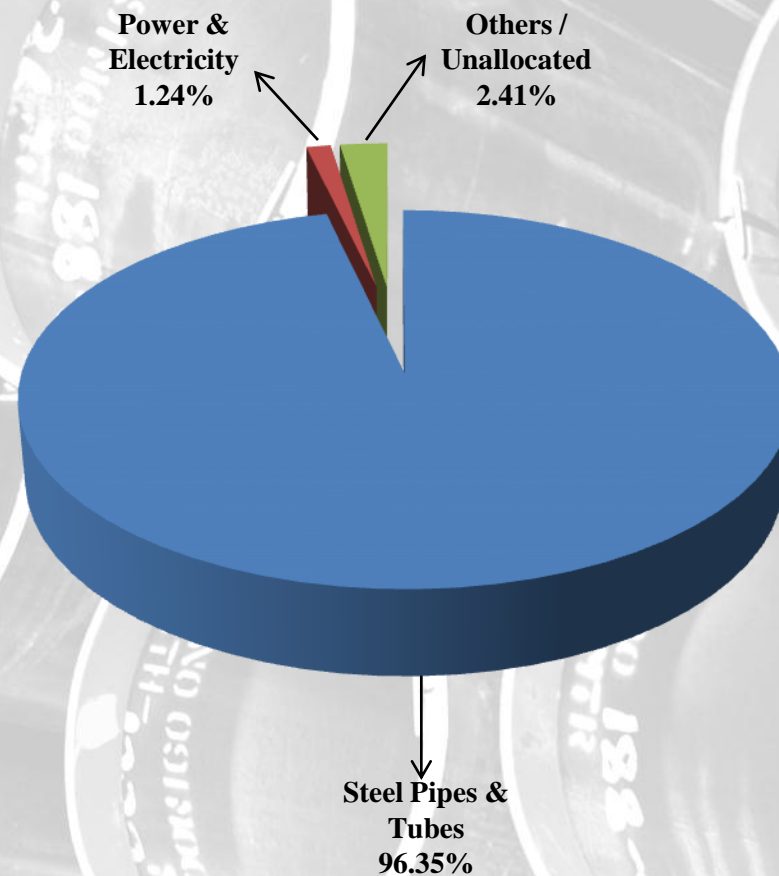


## Segment Revenue Mix –Q4FY18 V/s Q4FY17

### Revenue Mix for Q4FY17



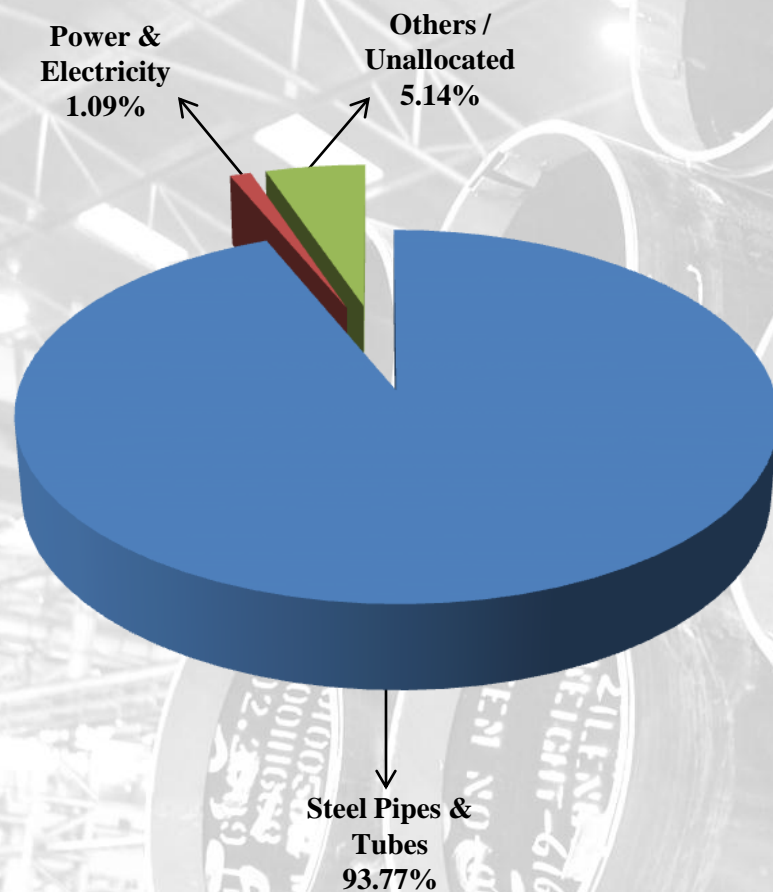
### Revenue Mix for Q4FY18



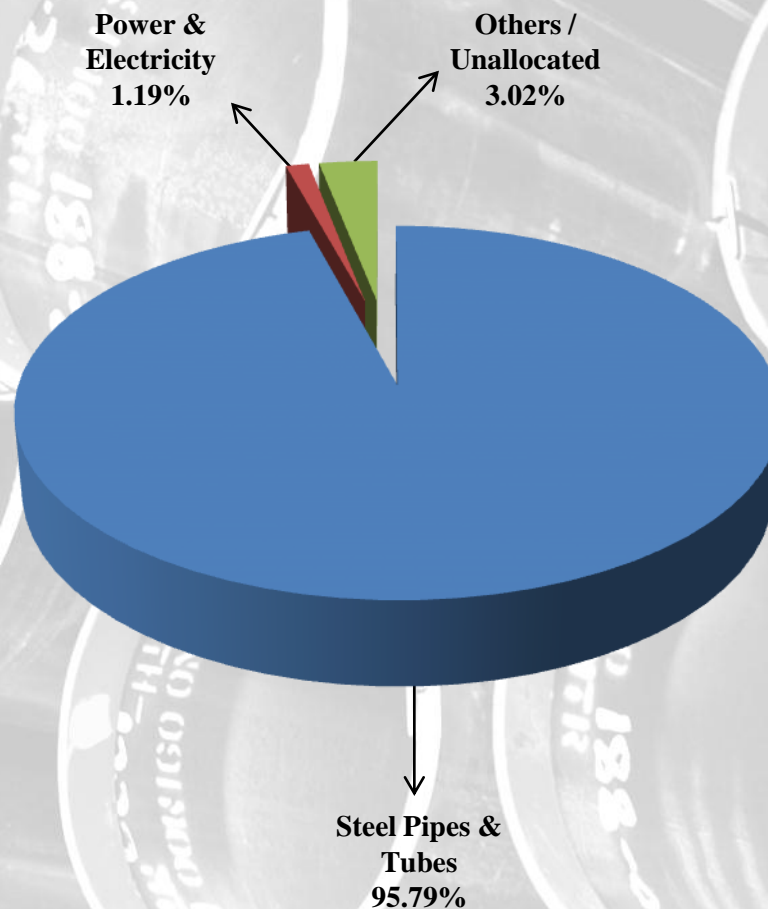


## Segment Revenue Mix –FY18 V/s FY17

### Revenue Mix for FY17



### Revenue Mix for FY18







## Summary of Financials

(Rs. in Crs.)

Particulars	FY16	FY17	FY18
Income from Operations (Net)	1,015	1,428	2,129
EBIDTA	36	220	306
EBIDTA (%)	3.55%	15.40%	14.37%
Other Income	95	85	67
PBT	54	226	290
PAT	31	146	198







## **OTHER HIGHLIGHTS**

- Investments, Inter Company Deposits & FDs etc. as on 31<sup>st</sup> March, 2018 is Rs. 638 Crore.
- No Lien / Pledge by Promoters on any of its MSL Shares held.
- MSL has a advantageous position over others having in house 3 LPE and Galvanized coating over both Seamless and ERW steel pipes and tubes in bagging the orders.
- Company's operations during the quarter were positively impacted on account of:-
  - Demand from Oil & Gas sector, Power sector & Projects
  - Focus on cost cutting and productivity





## Order Book Position as on date

(Rs. in Crs)

DESCRIPTION	SEAMLESS	ERW	TOTAL
Domestic	766	74	840
Export	115	-	115
<b>TOTAL</b>	881	74	<b>955</b>







## Market Background & Current Outlook

- Anti-dumping duties levied by Govt. of India has resulted in opportunity for domestic industries in the below mentioned segments which other wise being catered by Chinese mills.
  - Upstream ( ONGC, OIL and Other Pvt. Explorers).
  - Power Sector, Projects of Green Field Process Industries, General Engineering and Dealer Segment.
  - Down stream – Refineries need to go in for expansion of Sulphur recovery plants to meet the BS-6 norms
  - Capacity expansion of many refineries like HPCL-Vizag, IOCL-Mathura, IOCL-Borauni, CPCL-Bina
  - New Grassroots Refineries like HPCL Rajasthan & Barmer, IOCL/HPCL-Ratnagiri & Maharashtra
  - New and Expansion of Petrochem Complexes like MRPL, HMEL, IOCL, Paradip, IOCL and Panipat
  - Oil and Gas Pipelines like IOCL, GAIL, HPCL, Pradhan Mantri Urja Ganga Project
  - City Gas Project – New and Expansion
    - New – Varanasi, Patna, Jamshedpur, Kolkata, Cuttack, Bhubaneswar, Yamuna Nagar, Roop, Nagar etc.
    - Existing – Delhi (NCT), Mumbai, Pune, Bengaluru, Hyderabad, Vijayawada etc.
  - LNG Terminals – New and Expansion
    - New – Dhamra and Vizag etc.
    - Existing – Hazira, Mangalore, Kochi and Encoare





## **Market Background & Current Outlook**

- MSL has successfully defended Antidumping case and Department of Commerce of United States of America has removed the Antidumping duty order on company which means there is no Antidumping duty on OCTG exported to USA.
- USA, Brazil, Latin America, Colombia & Canada have imposed anti-dumping duties on Chinese pipes and Europe considering re-imposition of anti-dumping duty.
- Govt. of India to encourage domestic industry & increase demand for steel pipes & tubes has come out with steel policy 2017 & also released policy for providing preference to domestically manufactured Iron & Steel products in Govt. procurement.

Contin....







## **Market Background & Current Outlook**

Contin...

- Demand for steel pipes & tubes has increased in current year and will continue to increase in future on account of following:
  - With Government emphasis on North-Eastern part of India and PNGR is planning for cross country pipe line connection.
  - Replacement of the old Oil / Gas pipelines in Mumbai high / Gujarat is going on and will continue for a few years.
  - Pan India pipe line connectivity for gas likely to increase in the future as the same is receiving prime importance from the Government.
  - Government has re-started the City-Gas projects in a numbers of Cities, which will give a push to the demand of pipes & tubes mainly in ERW 3 LPE coated pipes.
  - Government's "Make in India" initiative has evinced a lot of interest among both domestic & foreign investors. Large capex investments have been committed by prominent industrial houses. Most of investments to be in infrastructure sectors and will give a boost on demand of Steel Pipes & Tubes.
  - In the 1<sup>st</sup> stage of the "Smart Cities Mission" the Govt. has selected 20 cities for implementation. These cities will have assured water & electricity supply, efficient public transport system, waste management & e-governance. This will give a push to the demand of pipes in these projects.





# **EXPANSION PLANS**

- Foray into renewable energy sector with dual objective – Cost efficiency & Preservation of environment.
- Company generates 52% of its power through renewable energy sources (Wind Power & Solar Power) equivalent to its total electricity consumption of 2017-18.







# **Sustaining Success: Key Points**

**1. Innovation**

**2. Strong Financial Discipline**

**3. Cost competitive manufacturer**

**4. Right move at an early stage of cycle**

**5. Constant Creation/Addition of Value**

**6. Valued Customer Base / Relationships**

**7. Ability to contain both Capital and Operating Cost**





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THANK YOU