



*Investor Communique  
for  
Audited (Standalone) Financial  
Results for the Quarter & half  
Year Ended 30<sup>th</sup> September, 2017*

**November 9th, 2017**





## **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.**

**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.**





## **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**
- **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.**
- **History of regular dividend payouts**
- **‘MAHA’ is a globally recognized brand for seamless pipe and ‘Jindal Star’ enjoys brand leadership in the ERW segment.**
- **Setting up 15MW Solar Power Plant in Maharashtra to be used as captive power plant.**





## Quantitative & Financial Information

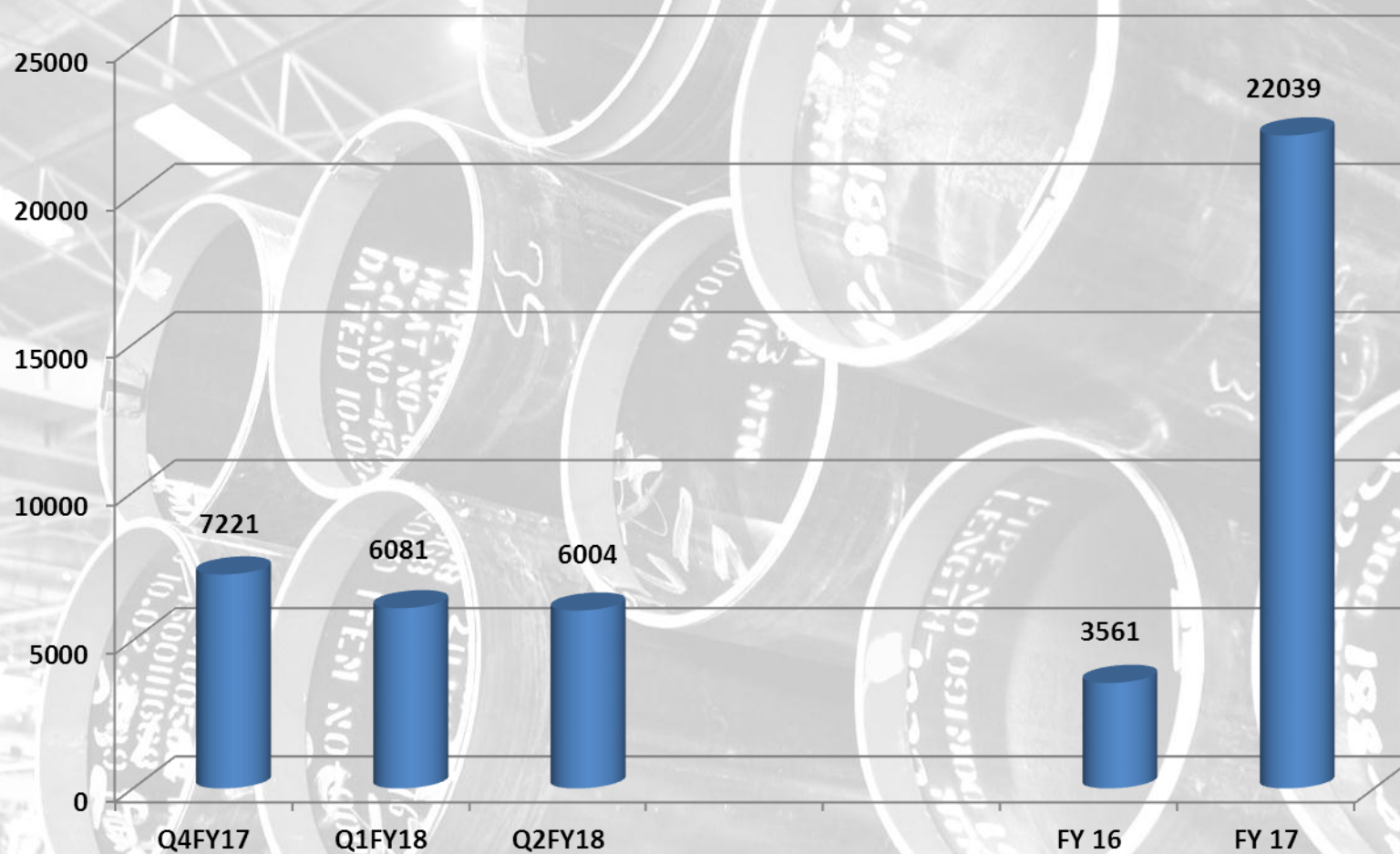
S.No.	Particulars	Q2 FY 18	Q1 FY 18	Q1 17	Q2 17	Q3 17	Q4 17	FY 17
1	<b>Production (MT)</b>							
	- Seamless	72,228	70,184	47,206	41,352	54,508	66,145	2,09,211
	- ERW	14,388	11,647	15,960	22,920	18,551	14,002	71,433
2	<b>Dispatch (MT)</b>							
	- Seamless	69,152	71,772	44,434	43,264	55,453	66,595	2,09,746
	- ERW	14,935	11,960	13,775	17,591	21,735	19,230	72,331
3	<b>Income from operations (Rs. Lacs)</b>	48,269	47,971	31,693	33,655	41,958	49,166	1,56,472
4	<b>Other Operating Income (Rs. Lacs)</b>	128	181	71	89	144	215	519
	<b>Income From Operations (Rs. Lacs)</b>	48,397	48,152	31,764	33,744	42,102	49,381	1,56,991
5	<b>EBIDTA (Rs. Lacs)</b>							
	- Seamless	5,163	5,064	1,675	4,530	5,111	5,823	17,139
	- ERW	181	591	760	860	552	1,151	3,323
	-Solar Power	507	319	219	301	235	242	997
	- Wind Power	153	107	269	251	55	5	580
	<b>Total</b>	6,004	6,081	2,923	5,942	5,953	7,221	22,039
6	<b>EBIDTA (%)</b>	12.4%	12.6%	9.2%	17.6%	14.1%	14.6%	14.0%
7	<b>Other Income</b>	1,507	1,756	2,427	1,931	2,539	1,604	8,501
8	<b>PBT (Rs. Lacs)</b>	5,426	5,831	3,502	6,003	6,524	6,542	22,571
9	<b>Total Tax Expenses</b>	2,028	2,106	1,112	2,121	2,159	2,627	8,019
10	<b>Net Profit (Rs. Lacs)</b>	3,398	3,725	2,390	3,882	4,365	3,915	14,552
11	<b>Basic EPS(Rs.)</b>	5.07	5.56	3.57	5.79	6.51	5.84	21.72
12	<b>Net Sales Realisation (Rs. Per MT)</b>							
	- Seamless	53,394	50,054	50,718	52,200	52,068	52,815	52,179
	- ERW	45,085	42,414	38,185	38,167	38,325	43,402	39,667
13	<b>EBIDTA (Rs. Per MT)</b>							
	- Seamless	7,466	7,056	3,770	10,471	9,217	8,744	8,171
	- ERW	1,212	4,941	5,517	4,889	2,540	5,985	4,594





## **EBIDTA of last three Quarter & two Year Ended**

**Rs. in Lacs**

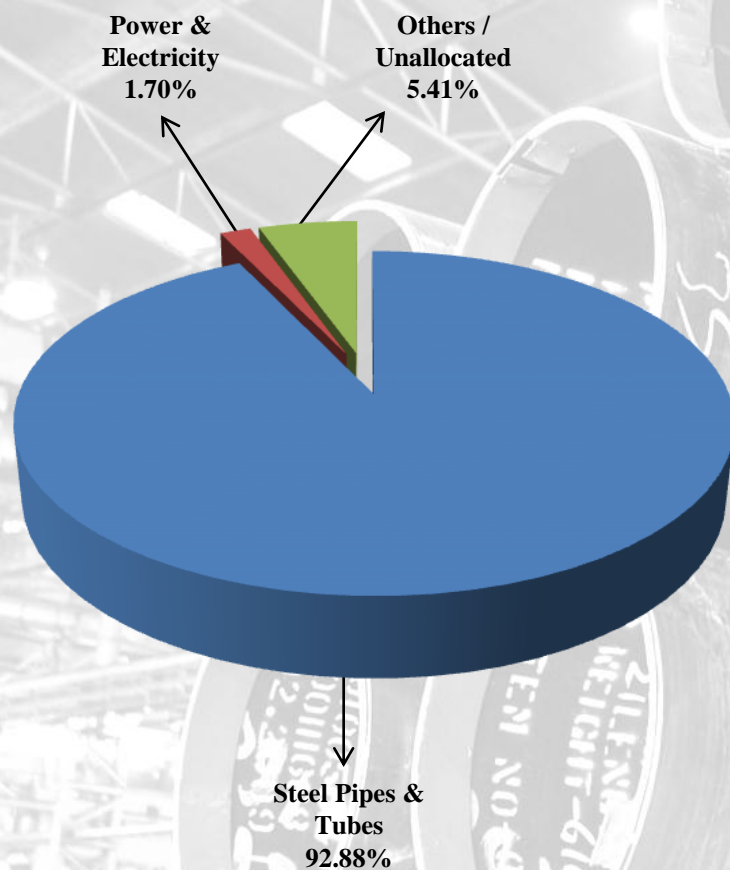




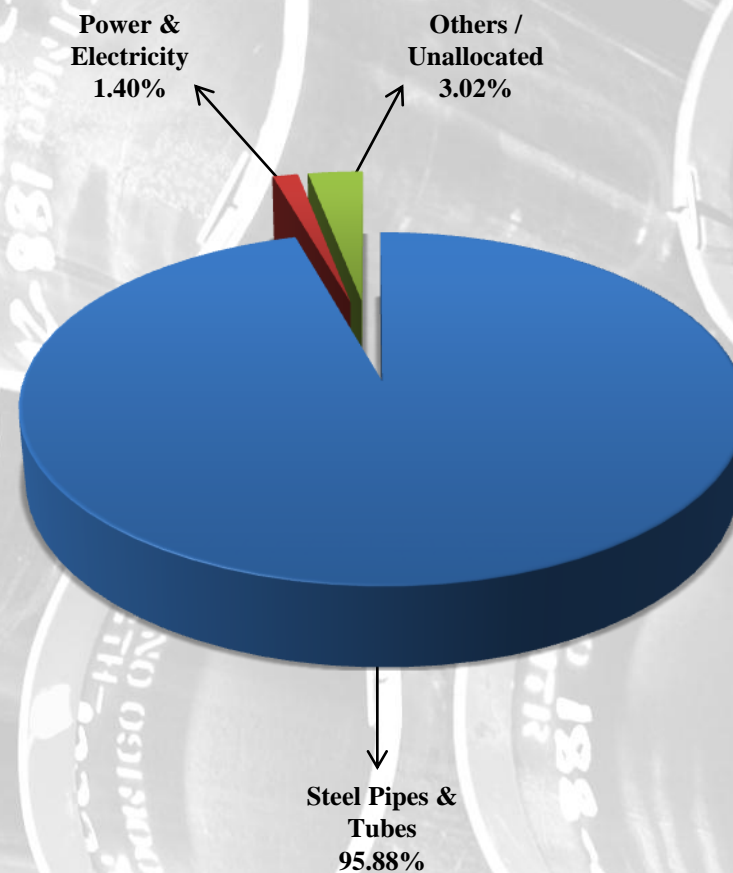


## Segment Revenue Mix –Q2FY18 V/s Q2FY17

### Revenue Mix for Q2FY17



### Revenue Mix for Q2FY18





## Summary of Financials

(Rs. in Crs.)

Particulars	FY15	FY16	FY17
Income from Operations (Net)	1,355	1,015	1,428
EBIDTA	102	36	220
EBIDTA (%)	7.5%	3.5%	15.4%
Other Income	83	95	85
PBT	160	54	226
PAT	123	31	146







## **OTHER HIGHLIGHTS**

- Investments, Inter Company Deposits & FDs etc. as on 30<sup>th</sup> September, 2017 is Rs. 482 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)**

<b>DESCRIPTION</b>	<b>SEAMLESS</b>	<b>ERW</b>	<b>TOTAL</b>
Domestic	291	144	435
Export	132	-	132
<b>TOTAL</b>	423	144	<b>567</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.
- 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.







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## **Market Background & Current Outlook**

- 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 27% power through renewable energy sources (Wind Power & Solar Power) equivalent to its total electricity consumption of 2016-17.







# **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