

**Investors**

This section has been designed to meet your needs.

*Investor Communique  
for  
1<sup>st</sup> Quarter Financial Results  
(as on 30<sup>th</sup> June 2010)*

**26<sup>th</sup> July 2010**



## **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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## Extract of Quarterly Financial Results (Company as a whole)

(Rs. in Lacs)

PARTICULARS		Q1FY11	Q1FY10	% Change	FY10 (Unaudited)	FY09 (Audited)	% Change
1 (a)	Sales & Income from Operations	42,398	44,441	-4.6%	169,016	218,351	-22.6%
	Less : Excise Duty	2,599	2,190	18.7%	9,893	14,464	-31.6%
	<b>Net Sales &amp; Income from Operations</b>	<b>39,799</b>	<b>42,251</b>	<b>-5.8%</b>	<b>159,123</b>	<b>203,887</b>	<b>-22.0%</b>
(b)	Other Operating Income	366	55	565.5%	2,000	2,528	-20.9%
	<b>Net Income from Operations</b>	<b>40,165</b>	<b>42,306</b>	<b>-5.1%</b>	<b>161,123</b>	<b>206,415</b>	<b>-21.9%</b>
2	Total Expenditure (excl. Depreciation, Interest & FX Translation Loss)	30,393	32,374	-6.1%	119,090	169,644	-29.8%
3	Operating Profit (EBIDTA)	9,772	9,932	-1.6%	42,033	36,771	14.3%
4	Other Income	3,173	509	523.4%	3,208	4,681	-31.5%
5	<b>PBIDT</b>	<b>12,945</b>	<b>10,441</b>	<b>24.0%</b>	<b>45,241</b>	<b>41,452</b>	<b>9.1%</b>
6	Interest	77	118	-34.7%	332	1,156	-71.3%
7	Depreciation	519	459	13.1%	1,899	1,793	5.9%
8	<b>PBT</b>	<b>12,349</b>	<b>9,864</b>	<b>25.2%</b>	<b>43,010</b>	<b>38,503</b>	<b>11.7%</b>
9	Taxes	2,303	3,342	-31.1%	14,647	12,512	17.1%
10	<b>PAT</b>	<b>10,046</b>	<b>6,522</b>	<b>54.0%</b>	<b>28,363</b>	<b>25,991</b>	<b>9.1%</b>
11	<b>Cash Profit</b>	<b>9,742</b>	<b>6,959</b>	<b>40.0%</b>	<b>30,254</b>	<b>27,860</b>	<b>8.6%</b>
12	Equity Share Capital	3,527	3,527	0.0%	3,527	3,527	0.0%
13	Net Worth	242,593	143,996	17.6%	159,361	130,998	21.7%
14	Basic EPS (Annualised)	14.24	9.25	53.9%	40.21	36.56	10.0%
15	Book Value Per Equity Share	240	204	17.6%	226	186	21.5%



## **Key Highlights on Financial Results for the Q1 Ended 30-06-2010**

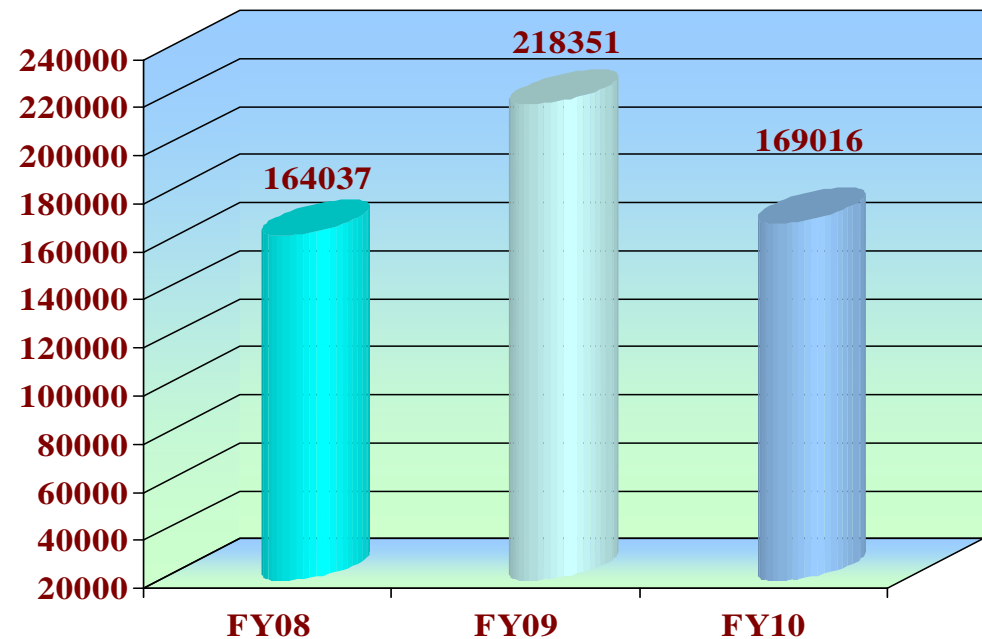
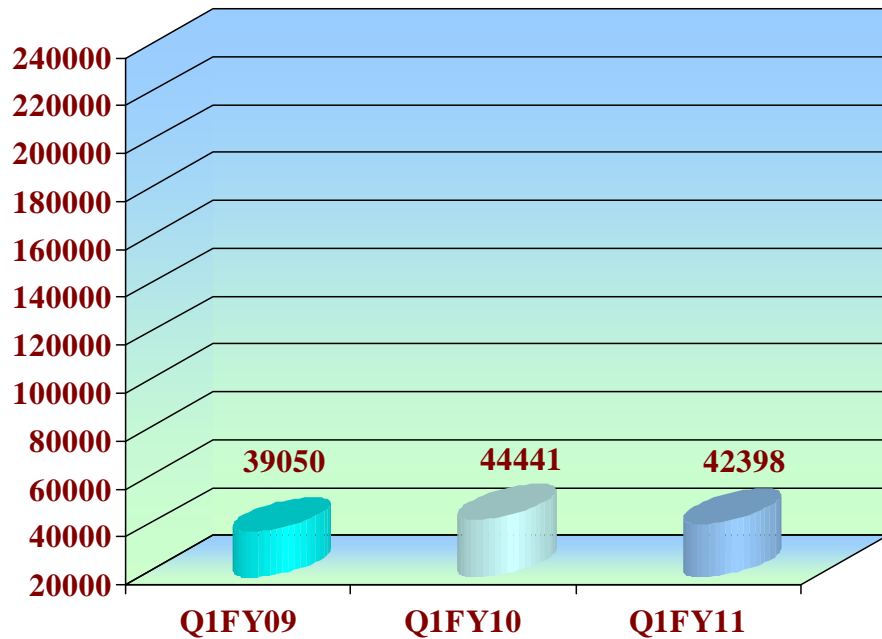
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- Net Sales & Income from operations in Q1 FY11 declined by 5.8% in comparison to Q1 FY10 due to lower sales prices, which is due to on account of passing of lower input cost.
- Operating margins in Q1 FY11 is 24.33% as compared to 23.48% in the corresponding previous Q1 FY10 owing to decline in raw material cost & conversion cost.
- Seamless Pipe: EBIDTA Margin/MT decreased from Rs.18,677/- to Rs.15,596/- & Margin (in %) increased from 27.76% to 28.20%. This is mainly on account of fall in input cost.
- ERW Pipe: EBIDTA Margin/MT increased from Rs.2,399/- to Rs.6.147/- partly on account of some good orders in Oil Sector and partly on account of Inventory gains & Margin (in %) has increased from 7.06% to 13.34%.
- The company witnesses an increase in Net Profit by 54.03% over the previous Q1 FY10 mainly on account of improvement in operating margin.
- Other income mainly includes net gain on sale of non trade investments.



## Turnover of last Three Quarters & Years Ended

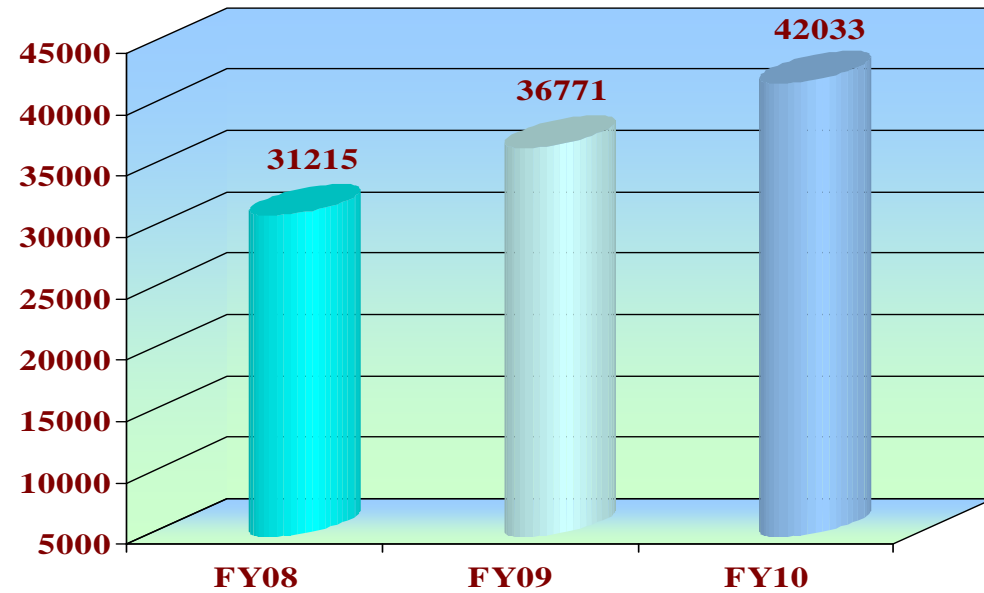
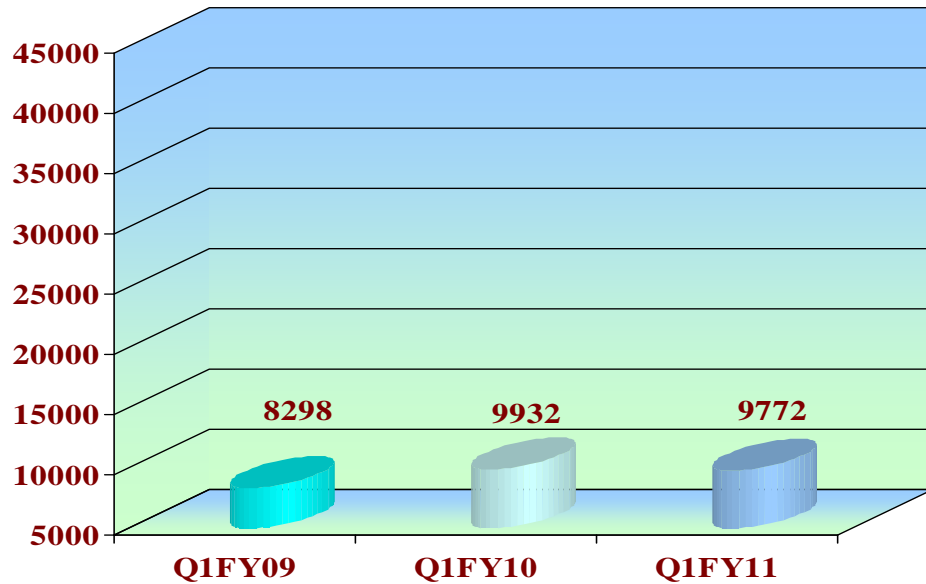
Rs. in Lacs





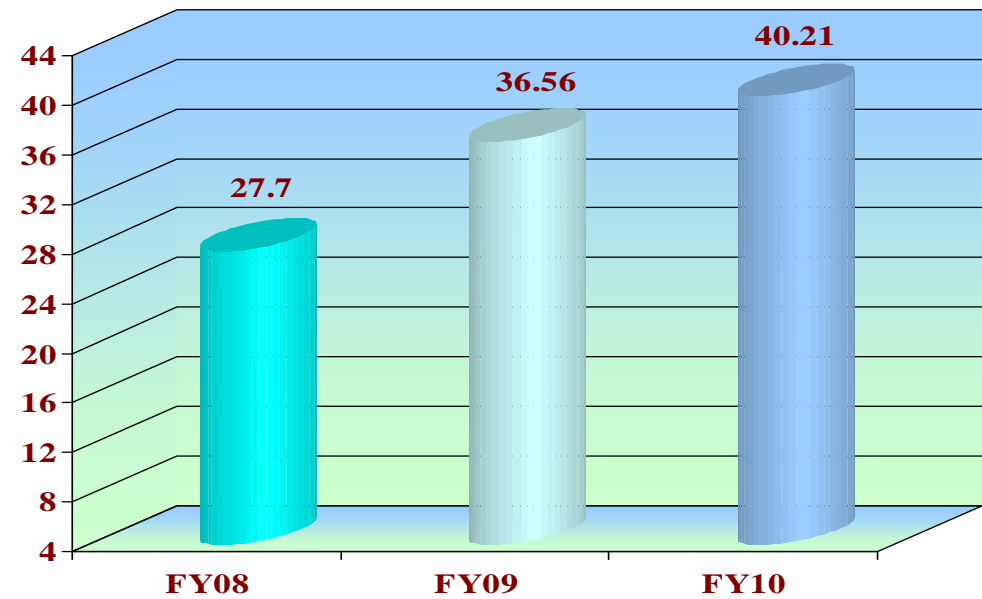
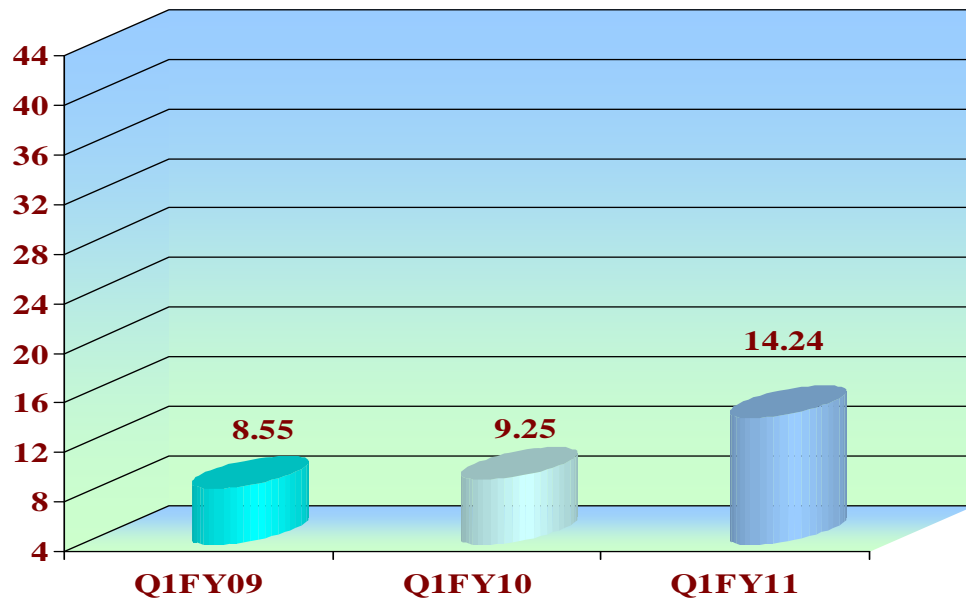
## EBIDTA of last Three Quarters & Years Ended

Rs. in Lacs





## EPS of last Three Quarters & Years Ended



# Maharashtra Seamless Limited



## Quantitative & Financial Information

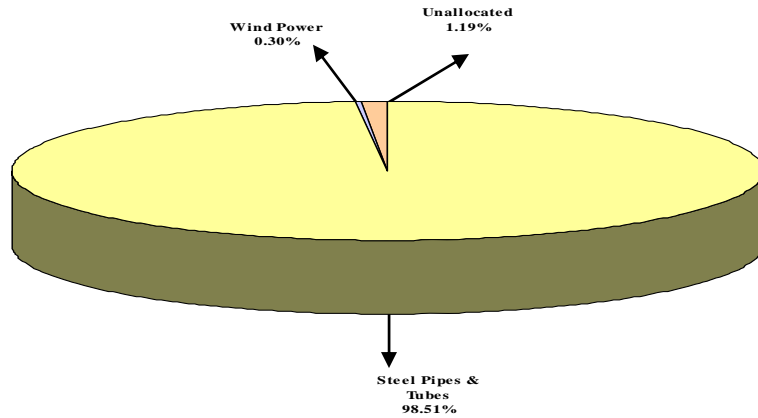
S. No.	Particulars	Q1 09	Q2 09	Q3 09	Q4 09	FY 09	Q1 10	Q2 10	Q3 10	Q4 10	FY 10	Q1 11
		Declared				Audited	Declared					
1	<b>Production (MT)</b> - Seamless - ERW	51178 22416	65524 16580	58963 24463	44739 35881	223012 99140	43976 28466	53491 27152	52454 29794	51116 29798	201037 115210	55869 23435
2	<b>Dispatch (MT)</b> - Seamless - ERW	52056 20838	62028 16840	57457 23660	53191 37870	226096 101666	49129 26843	52358 27101	52337 28439	52285 28000	206109 111383	52436 23832
3	<b>Sales &amp; Income from operations (Rs. Lacs)</b> Less: Excise <b>Net Sales</b>	39,050 3,879 35,171	62,930 4,240 58,690	61,049 3,298 57,751	57,019 2,154 54,865	216,351 14,466 203,886	44,441 2,190 42,251	43,313 2,306 41,007	39,867 2,812 37,055	41,395 2,585 38,810	169,016 9,893 159,123	42,398 2,599 39,799
4	<b>Operating Income (Rs. Lacs)</b>		1,524	1,082	91	2,528	55	20	208	1,719	2,000	366
5	<b>Net Income From Operations (Rs. L)</b>	35,171	60,217	58,813	54,956	206,414	42,306	41,027	37,261	40,529	161,123	40,165
6	<b>EBIT (Rs. Lacs)</b> - Seamless - ERW - Wind Power - Other Income	6,812 1,135 79 1,222	7,566 905 179 1,814	8,490 10 14 1,490	9,571 445 18 115	32,850 2,956 130 4,681	8,965 610 65 509	9,258 1,081 126 581	8,443 1,577 24 1,031	8,758 1,988 100 1,087	35,424 5,256 315 3,208	7,937 1,483 76 3,173
	<b>Total</b>	9,248	10,266	10,004	10,149	40,617	10,149	11,046	11,075	11,933	44,203	12,649
7	<b>EBIDTA (Rs. Lacs)</b> - Seamless - ERW - Wind Power <b>Total</b>	6999 1185 114 8298	7878 955 226 8859	8594 61 58 8713	9649 494 56 10199	33499 2978 294 36771	9,176 644 112 9,932	9,425 1,143 167 10,735	8,606 1,665 68 10,339	8,978 1,905 144 11,027	36,185 5,357 491 42,033	8,178 1,471 123 9,772
8	<b>EBIDTA (%)</b>	23.6%	14.7%	14.8%	18.6%	17.8%	23.5%	26.2%	27.8%	27.2%	26.1%	24.3%
9	<b>PBT (Rs. Lacs)</b> - Seamless - ERW - Wind Power - Other Income - Foreign Currency Translation loss <b>Total</b>	6541 1129 67 1,222 -	6847 897 179 1,814 -	7798 7 12 1,490 -	9159 435 9 115 -	30962 2753 107 4,681 -	8,717 573 65 509 -	8,988 1,084 120 581 -	8,180 1,583 21 1,031 -	8,528 1,836 97 1,087 -	34,423 5,076 303 3,208 -	7,591 1,409 76 3,173 -
10	<b>Net Profit (Rs. Lacs)</b>	6030	6391	6409	6463	25992	6,522	7,116	7,218	7,507	28,363	10,046
11	<b>Basic EPS(Rs.)</b>	8.55	9.08	9.09	9.16	36.56	9.25	10.09	10.23	10.64	40.21	14.24
12	<b>Net Sales Realisation (Rs. Per MT)</b> - Seamless - ERW	47875 42126	74742 63546	80215 44376	75658 36496	68474 41794	65733 33394	54901 41275	48954 37041	50183 39856	54776 37925	52975 45003
13	<b>EBIDTA (Rs. Per MT)</b> - Seamless - ERW	13445 5687	12378 5068	14957 256	18140 1304	14882 2929	18677 2389	18001 4218	16443 5855	17171 6568	17556 4810	15596 6147
14	<b>EBIT (Rs. Per MT)</b> - Seamless - ERW	13086 5447	12201 4804	14776 42	17994 1175	14594 2908	18248 2272	17682 3989	16132 5545	16751 6855	17187 4719	15137 6113

Note  
1 PBT = EBIDTA - Financial Expenses - Depreciation + Other Income  
2 PBT = EBIT - Unallocable Expenses - Financial Expenses

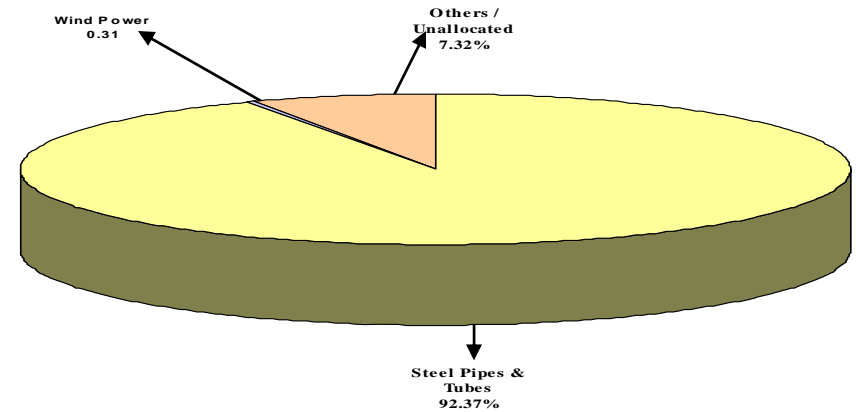


## Segment Performance Mix – Q1FY11 V/s Q1FY10

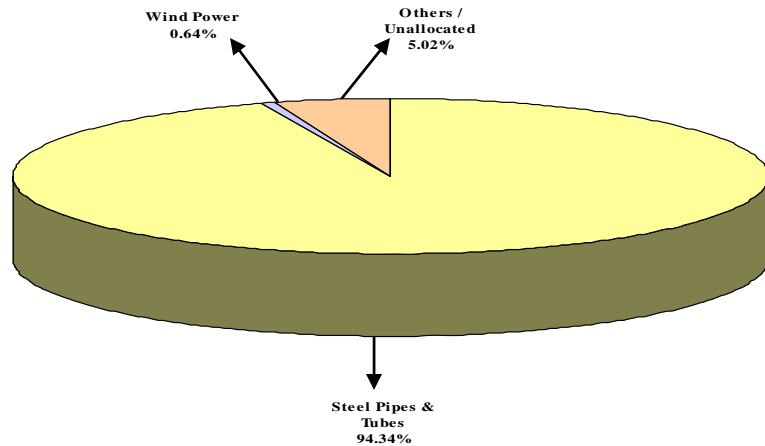
### Revenue Mix for Q1FY10



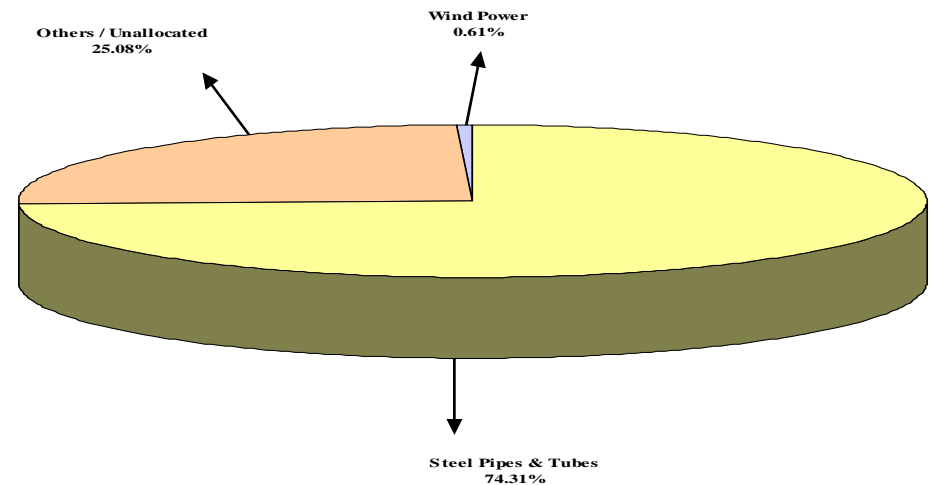
### Revenue Mix for Q1FY11



### EBIT Mix Q1FY10



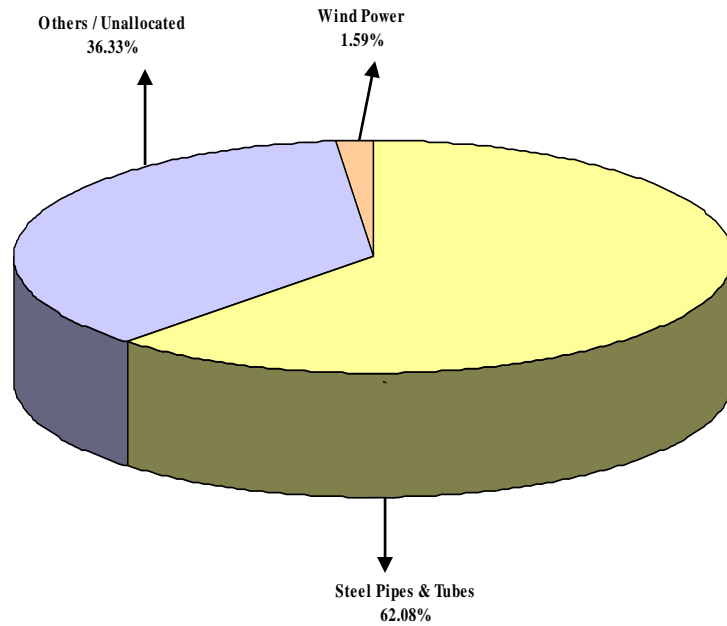
### EBIT Mix Q1FY11



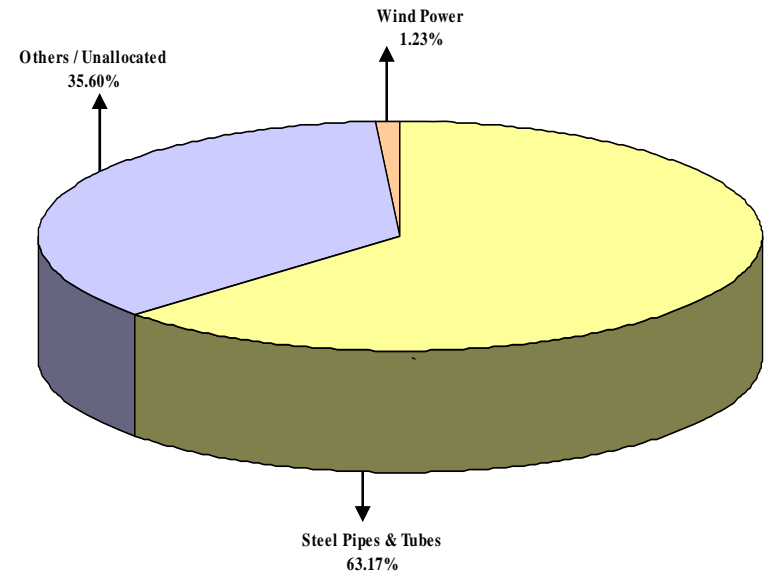


## Capital Employed (in % of Total)

**As on 30-06-2009**



**As on 30-06-2010**





**Order Book Position as on date**

**Rs. in Crores**

<b>DESCRIPTION</b>	<b>SEAMLESS</b>	<b>ERW</b>	<b>TOTAL</b>
Domestic	180	107	287
Export	130	30	160
<b>TOTAL</b>	<b>310</b>	<b>137</b>	<b>447</b>



## Selected Financial Indicators of Last 5 Years

(Rs. in Lacs)

Particulars	FY06 (Audited)	FY07 (Audited)	FY08 (Audited)	FY09 (Audited)	FY10 (Unaudited)	Q1 FY11 (Unaudited)
Gross Turnover	107695	151961	164037	218351	169016	42398
Net Turnover	96618	138897	149766	203887	159123	39799
Other Operating Income	-	-	1452	2528	2000	366
EBIDTA	20801	34101	31215	36771	42033	9772
EBIDTA (%)	21.5%	24.4%	20.6%	17.8%	26.1%	24.3%
Other Income	1823	3145	2919	4681	3208	3173
Profit before Tax	20685	35269	30190	38503	43010	12349
Profit After Tax	13960	23384	19523	25991	28363	10046
Net Worth	41391	92410	109340	130998	159361	169378
Gross Block	35303	37416	44321	51441		
Net Block	28075	28579	33746	39064		
EPS (Basic) (Rs.) *	24.23	38.38	27.70	36.56	40.21	14.24
Book Value (Rs.) *	72	132	155	186	226	344
Dividend Per Share (rs.)	7.00	5.50	5.00	5.00		
Dividend Payout Ratio (%)	14.5%	14.3%	18.1%	13.7%		

(\*) Adjusted for stock split of shares from Rs.10/- each to Rs.5/- each for FY08 & onwards.



## **Major Developments / Achievements during the Quarter**

- The project implementation work for imported 6” Seamless Plant located at Vile-Bhagad Industrial Area, Near Mangaon, which is 35 Kms away from existing Nagothane Site, is likely to be commissioned in the current Fiscal Year.
- The Liquid Investments / Cash & Bank Balances as on date is of Rs.638 Crores (implying Rs.90/- Cash Per Share)
- Book Value Per Share as on 30<sup>th</sup> June 2010 is Rs.344/-.
- No Lien / Pledge by MSL on any of its existing share investments.
- No Lien / Pledge by Promoters on any of its MSL Shares held.
- Promoters’ Stake in the Company is 53.91 % as on 30<sup>th</sup> June 2010.
- The Fixed Assets (Land, Shed & Building, Plant & Machinery) of the Company has been Revalued by an Independent Valuer and it has resulted into a Revaluation Reserve of Rs.783.24 Crores in the books of accounts.



## **Market Background & Current Outlook**

- In view of increased Rig Counts and increased E&P activities, the demand outlook in Global Market continues to be robust.
- Global Market Demand for Seamless Pipes from Oil & Gas Industry is likely to remain up in the forthcoming quarters. Domestic market conditions more particularly Boiler Sector, have also improved. Domestic Oil companies are moving on with their ongoing projects including Exploration & Production activities.
- Anti dumping on Seamless Pipe has been effected in USA & Europe against China which is having positive impact on all other Seamless Tubes suppliers including MSL. Govt. of India's probe against Anti Dumping of Seamless Pipes in India by Chinese players, is also being carried out.
- The company is now putting up intensive and aggressive marketing approach by penetrating the domestic as well as international market to increase the market presence.



## Contacts

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*Thanks.....*