

March 02, 2026

Maharashtra Seamless Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]AA+(Stable); Reaffirmed
Long-term - Fund-based - Cash credit	136.00	106.00	[ICRA]AA+(Stable); Reaffirmed
Long-term - Fund-based - Term loan	250.00	250.00	[ICRA]AA+(Stable); Reaffirmed
Long-term/Short-term - Non-fund based - Others	1,219.00	1,219.00	[ICRA]AA+(Stable) /[ICRA]A1+; Reaffirmed
Unallocated limits	95.00	125.00	[ICRA]AA+(Stable) /[ICRA]A1+; Reaffirmed
Total	1,700.00	1,700.00	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation factors in the expectation of a sustained comfortable financial risk profile of Maharashtra Seamless Limited (MSL), supported by its strong balance sheet and healthy liquidity, despite a moderation in operating performance in recent quarters. The company experienced a slowdown in order booking during late FY2025 and H1 FY2026, driven by weaker oil & gas capex and increased competitive pressure from Chinese dumping. Notwithstanding these near-term challenges, MSL continues to maintain a healthy order book of ~Rs.1,302 crore as of January 2026, with meaningful exposure to the oil and gas sector, supporting revenue visibility. The company remains largely debt-free (only Rs. 10 crore term loan outstanding as on December 31, 2025), has sizeable liquid investments along with phased capex rollout without materially affecting its liquidity or capital structure.

The ratings continue to consider MSL's leadership position in the domestic seamless pipes sector, supported by its sizeable capacity, presence in high value-added large diameter pipe segment, which faces relatively lower competition, and its status as a registered vendor for major domestic oil producers and refiners. MSL continues to benefit from the preference given by Indian public sector undertakings (PSUs) to domestic manufacturers in line with Atmanirbhar Bharat policy which has supported the operating performance of the entity in recent years. However, ICRA notes that despite the anti-dumping duty (ADD) on the imports of seamless pipes, imposed till October 2026, company continues to face competitive pressure from continued dumping by Chinese suppliers.

While reaffirming the ratings, ICRA has taken note of the ongoing capital expenditure of ~Rs. 852 crore to be concluded over the next three years. The actual deployment has been delayed as projects have been initiated selectively (e.g., cold-drawn pipe units, Telangana finishing line), while other projects are unfolding gradually in response to the prevalent market conditions. The capex is towards increasing the downstream capacities, upgrading hot mill and other process improvement initiatives, which is expected to improve the revenues and operating profitability of the entity, post commissioning and ramp up. Given the healthy liquidity and cash generation, the capex is expected to be primarily funded through internal accruals.

The ratings, however, remain constrained by the cyclical nature of the industry, driven by MSL's high dependence on the oil and gas sector and the susceptibility of its profitability to volatility in input prices. MSL stocks raw material inventory, earmarked against each order to mitigate the risk of volatility of input prices.. Also, ICRA has noted the company's stated intent to solely focus on its core operations (seamless pipes, ERW pipes and renewable energy) and not extend any incremental support to any company. Any sizeable investment which adversely impacts the company's liquidity and/ or credit metrics would remain a key rating monitorable.

The Stable outlook reflects ICRA' expectation that MSL's margins are expected to remain steady over the medium term and its credit profile will continue to benefit from its strong market position in the seamless pipe segment and the healthy debt-coverage indicators and liquidity position.

Key rating drivers and their description

Credit strengths

Leading position in domestic seamless pipes sector – MSL is the leading domestic manufacturer of seamless pipes with an estimated production capacity of 6,50,000 tonnes per annum (TPA) and a strong presence in the high value-added, large-diameter seamless pipes segment (outer diameter or OD >10 inch), which sees relatively lower competition. In the seamless pipes segment, MSL primarily caters to companies in the oil and gas sector, where it is a registered vendor for major domestic oil producers and refiners. In addition, it caters to other sectors, including power plants, boilers, general engineering, etc., and undertakes exports as well. The company's capacity share in the domestic seamless pipe market was enhanced after the acquisition of United Seamless Tubular Private Limited (USTPL; having an installed production capacity of 2,00,000 TPA) and its subsequent amalgamation with the company. At present, the company is estimated to have a market share of more than 50% in the domestic seamless pipes industry.

Strong financial risk profile, underpinned by low financial leverage – MSL's established market position in the seamless pipes business has led to a large scale of operations, healthy profitability and accumulation of sizeable net worth over the years. Further, the company's financial risk profile has remained strong with minimal outstanding term debt (Rs. 10 crore outstanding as on December 31, 2025), minimal dependence on working capital debt and the funding of capital outlays and investments from internal accruals. While MSL's revenues and profitability moderated in 9M FY2026, resulting in an operating margin (OPM) of ~13%, the debt coverage indicators remained strong as corroborated from an interest cover of 256x in 9M FY2026, and these are expected to remain healthy in the near to medium term.

Operational support from anti-dumping duty (ADD) and preference given by PSUs to domestic seamless pipe manufacturers – India imposed ADD for five years, starting May 2016, to address the issue of dumping from China. The ADD was extended for another five years in October 2021. The operating environment for domestic seamless pipe manufacturers has been favourable, backed by the PSUs' preference for domestic manufacturers for procurement and other domestic-industry friendly measures of the Government, such as the minimum quantum of value addition to be undertaken in the country under the Atmanirbhar Bharat drive, thereby supporting their performance in recent years. However, ICRA notes that despite the anti-dumping duty (ADD) on the imports of seamless pipes, imposed till October 2026, company continues to face competitive pressure from continued dumping from Chinese suppliers in certain segments of seamless pipes.

Credit challenges

Vulnerability to cyclicity in oil and gas industry – Most of the demand for seamless pipes comes from exploration and production (E&P) activities in the oil and gas sector, which is cyclical in nature and depends on oil prices. The company's exposure to the cyclicity in the oil and gas sector is also evident from the presence of an oil drilling rig, as the timely renewal of charter as well as the charter rates depend on the sector's prevailing scenario. In 9M FY2026, the OPBITDA/tonne from the pipes segment was impacted by the drop in realisations, causing the operating profitability (OPM) to contract to 13% in 9M FY2026 vis-a-vis ~16% in 9M FY2025. ICRA also notes the vulnerability of MSL's profitability to the volatility in input prices i.e. steel billets. MSL stocks raw material inventory, earmarked against each order to mitigate the risk of volatility of input prices. While this results in higher working capital requirements, the entity's debt-free status and strong liquidity position provides comfort.

Risks associated with inorganic growth through acquisitions – MSL has a track record of inorganic growth through acquisitions in the pipes as well as other segments, such as mines and oil rigs. The company's last major investments were the acquisition of USTPL and an oil rig from its associate company. In this context, ICRA has factored in the management's stated stance to not provide any incremental credit support to any entity in the form of investments or corporate guarantees, going forward. Further, ICRA has noted the company's intent to focus only on core operations under the seamless/ERW pipes and renewable energy segments. Any sizeable investments which adversely impact the company's liquidity and/or credit metrics would remain a key rating monitorable.

Environment and social risks

MSL has a relatively low exposure to environmental risk because the company's principal operations include manufacturing seamless steel pipes, which have a significantly lower environmental impact than steelmaking. The primary environmental impact for the company arises from its dependence on the oil and gas sector. While the company has diversified presence across segments, it derives a sizeable proportion of its revenues from the oil & gas sector. Oil companies face high carbon

transition risk and are subject to environmental regulations for emissions and water shortages. Global efforts towards a transition to low-carbon energy will gradually lower the demand for petroleum products in the coming decades. While a meaningful product substitution is not expected in the medium term, carbon emission related challenges could favour alternative energy products. Accordingly, the demand for oil may dampen in the long term, directly impacting the demand for MSL's products.

Additionally, environmental risk arises for the company from its use of electricity to power its plants and the use of water resources for processing and other purposes. In order to mitigate the risk emerging out of its reliance on power usage, the company has set up captive renewable (solar and wind) power capacities, which can fulfill most of its power requirements. Casualties/accidents at operating units due to gaps in safety practices may not only result in production outages, but also invite penal actions from regulatory bodies. Further, the company is exposed to labour related risks and risks of protests/social issues with local communities, which might impact the expansion/modernisation plans.

Liquidity position: Strong

MSL's liquidity position is expected to remain strong, backed by its portfolio of liquid investments and healthy surplus cash flow generation from the core businesses. The company's strong liquidity position is corroborated by its cash and bank balances, liquid investments and portfolio of investments in bonds/FDs/mutual funds of ~Rs. 3,414 crore as on December 31, 2025, and nil utilisation against Rs. 106.00-crore sanctioned fund-based working capital limits. ICRA expects the company's free cash flows to be sufficient to fund its capex requirements, in the near to medium term.

Rating sensitivities

Positive factors – ICRA could upgrade the company's rating if it demonstrates a significant growth in its operating income and profitability, along with strong liquidity and coverage metrics.

Negative factors – The ratings could be downgraded in case of a sustained weakening of operating profitability, and/or if there are any aggressive investments/acquisitions (large debt-funded or otherwise), or if there is a significant stretch in the working capital cycle that would weaken the company's liquidity position and increase its leverage. A specific metric for downgrade includes total debt/ OPBDITA of more than 0.75 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MSL. The list of entities considered for consolidation are enlisted in Annexure II

About the company

Maharashtra Seamless Ltd (MSL), incorporated in 1988, belongs to the D. P. Jindal Group, which also has Jindal Pipes Limited and Jindal Drilling & Industries Limited. The company primarily manufactures seamless and electric resistance welded (ERW) pipes with an installed capacity of 650,000 tonnes per annum (TPA) of seamless pipes, and 125,000 TPA of ERW pipes across its manufacturing facilities at Raigad in Maharashtra. It has the capacity to manufacture seamless pipes with outside diameter (OD) up to 20 inches. MSL had acquired USTPL, having a seamless pipe manufacturing unit of 200,000 TPA in Telangana, under IBC proceedings. USTPL was amalgamated with MSL under the Corporate Insolvency Resolution Process (CIRP) as ordered by the National Company Law Tribunal (NCLT), on March 03, 2023. Apart from the seamless and ERW pipes business, MSL has developed a renewable power portfolio aggregating 57.5 MW capacity across Maharashtra and Rajasthan.

Key financial indicators (audited)

Maharashtra Seamless Limited (Consolidated)	FY2024	FY2025
Operating income	5404.1	5268.7
PAT	974.3	791.0
OPBDITA/OI	22.6%	17.5%

PAT/OI	18.0%	15.0%
Total outside liabilities/tangible net worth (times)	0.1	0.1
Total debt/OPBDITA (times)	0.0	0.0
Interest coverage (times)	144.4	333.8

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 02, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer	Issuer	-	[ICRA]AA+(Stable)	December 10, 2024	[ICRA]AA+ (Stable)	December 11, 2023	[ICRA]AA (Positive)	September 12, 2022	[ICRA]AA (Stable)
Fund-based - Term loan	Long-term	250.00	[ICRA]AA+(Stable)	December 10, 2024	[ICRA]AA+ (Stable)	-	-	September 12, 2022	[ICRA]AA (Stable)
Unallocated limits	Long-term/Short-term	125.00	[ICRA]AA+(Stable)/[ICRA]A1+	December 10, 2024	[ICRA]AA+(Stable)/[ICRA]A1+	December 11, 2023	[ICRA]AA (Positive)/[ICRA]A1+	September 12, 2022	[ICRA]AA (Stable)/[ICRA]A1+
Non-fund based - Others	Long-term/Short-term	1219.00	[ICRA]AA+(Stable)/[ICRA]A1+	December 10, 2024	[ICRA]AA+(Stable)/[ICRA]A1+	December 11, 2023	[ICRA]AA (Positive)/[ICRA]A1+	September 12, 2022	[ICRA]AA (Stable)/[ICRA]A1+
Fund-based - Cash credit	Long-term	106.00	[ICRA]AA+(Stable)	December 10, 2024	[ICRA]AA+ (Stable)	December 11, 2023	[ICRA]AA (Positive)	September 12, 2022	[ICRA]AA (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer	NA
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
Long-term/Short-term - Non-fund based - Others	Simple
Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Cash credit	NA	NA	NA	106.00	[ICRA]AA+ (Stable)
NA	Non-fund based limits	NA	NA	NA	1219.00	[ICRA]AA+ (Stable)/[ICRA]A1+
NA	Unallocated limits	NA	NA	NA	125.00	[ICRA]AA+ (Stable)/[ICRA]A1+
NA	Issuer rating	NA	NA	NA	-	[ICRA]AA+ (Stable)
NA	Term loans	NA	NA	NA	250.0	[ICRA]AA+ (Stable)

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	MSL Ownership	Consolidation Approach
Maharashtra Seamless (Singapore) Pte. Ltd.	100%	Full Consolidation
Maharashtra Seamless Finance Ltd.	100%	Full Consolidation
Discovery Oil and Mines Pte. Ltd. #	100%	Full Consolidation
Jindal Premium Connections Pvt. Ltd.	100%	Full Consolidation
Internovia Natural Resources FZ LLC	56%	Full Consolidation
Zircon Drilling Supplies and Trading FZE #	56%	Full Consolidation
Jindal Pipes (Singapore) Pte. Ltd.	30%	Equity Method
Star Drilling Pte. Ltd. #	25%	Equity Method
Dev Drilling Pte. Ltd. #	25%	Equity Method
Gondkhari Coal Mining Ltd.	30.3%	Equity Method

Source: MSL annual report FY2025

* Internovia Natural Resources FZ LLC is a step subsidiary with direct holding of 5% & holding of 51% through wholly owned subsidiary Discovery Oil And Mines Pte. Ltd.

** Zircon Drilling Supplies and Trading FZE is a 100% subsidiary through step subsidiary Internovia Natural Resources FZ LLC

#Discovery Oil And Mines Pte. Ltd., Zircon Drilling Supplies and Trading FZE, Star Drilling Pte. Ltd. and Dev Drilling Pte. Ltd. have been voluntarily wound up in FY 2025-26.

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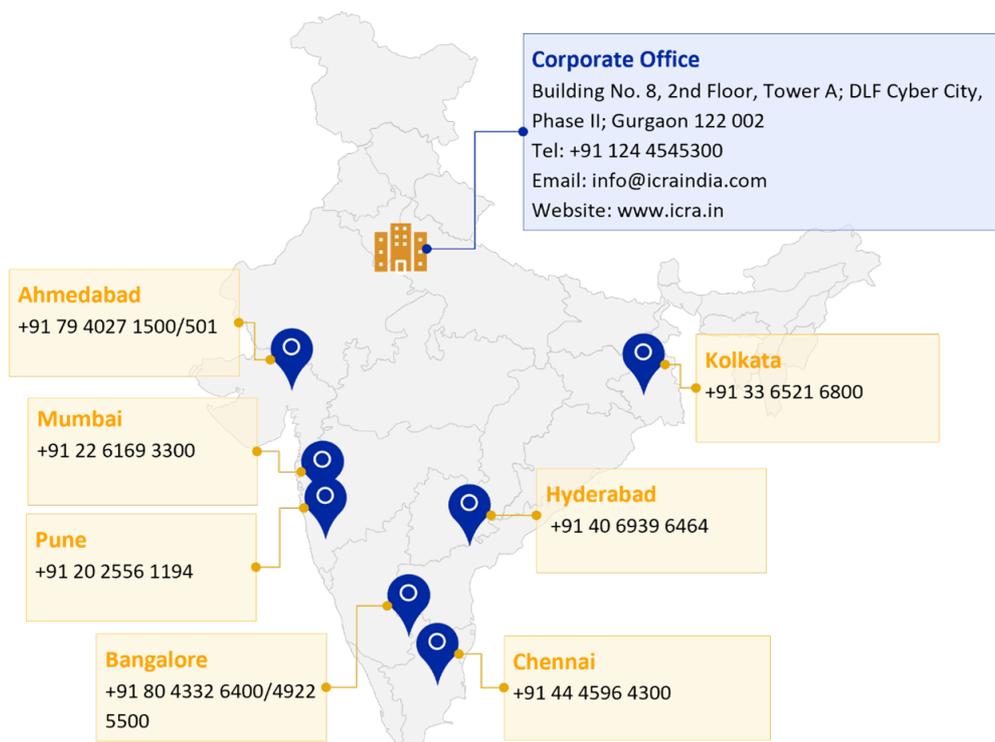


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