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PRESS RELEASE

MAHARASHTRA SEAMLESS PBT ZOOMS TO Rs. 90 CRORE

- **Net Profit for first quarter increases by 143% to Rs. 60 Crore.**
- **Operating Margin increases to 26% from 20%.**
- **Gross Turnover (including other income) increases by 60% to Rs. 374 Crore.**
- **Planning to increase installed capacity of higher Dia 14” plant to 3 lac MT in view of robust demand**
- **Current Order Book Position over Rs. 510 Crore**

Maharashtra Seamless Limited, the flagship company of Rs.2000 crore D.P. Jindal Group, market leader in seamless & higher Dia ERW Pipes in India today announced its results for Quarter for Q1 FY 2007 / Financial Year 2007. The Company has created a niche for itself in the Oil Services Sector. More than 60%-70% of the revenues of the Company come from supply of Pipes to Oil & Gas Sector and the balance comes from Boiler, Automobile, Heat Exchanger, Refineries, Hydrocarbon and Process Industry

Q1 FY 2007 v/s Q1 FY 2006

The Company has posted an increase in its turnover for the Quarter Ended June 30, 2006 at Rs.368.06 crore, compared to Rs.222.81 crore recorded for the quarter ended June 30, 2005 showing an increase of 65%. Profit Before Tax has gone up to Rs. 90.53 crore as against Rs. 37.27 crore in the corresponding quarter of last fiscal, an increase of 143%. Net Profit increased by 143% to Rs.60.03 crore as against Rs.24.75 crore in the corresponding quarter of the last fiscal. Cash Profit for the quarter was at Rs.65.08 crore as against Rs.28.51 crore during the quarter ended June 30, 2005. Operating Profit margin has improved to 26.56% from 20.12% in the corresponding quarter of last fiscal owing to volume growth, change in product mix, value added products and economies of scale in seamless division.

Mr. Saket Jindal, Managing Director, Maharashtra Seamless Limited said, “With the Boom in Oil & Gas Sector both in Domestic & International market, the Oil Services sector and pipes & tubes industry in turn is going to witness a demand growth of 20-25% in the coming years. The company has visualized this opportunity ahead and accordingly emphasized on production of both higher Dia Seamless and ERW Pipes”. MSL with its newly expanded capacity is the only company in the country

manufacturing beyond 10-3/4" and upto 14" OD Seamless Pipes and upto 21" Dia ERW Pipes. This emphasis has resulted in improvement of margins for both its Seamless and ERW pipes division.

During the quarter, the newly established 14' OD seamless plant has been operating currently at 80% capacity utilization of its present capacity of 1 lac MT. Further, the company is planning to triple the installed capacity to 3 lac MT in phased manner by installation of balancing equipment and process balancing etc. in view of robust demand of seamless pipes both locally and globally across the sector primarily driven by Oil & Gas and Boiler sector. The company has become the first Indian supplier for higher Dia seamless pipes, as it has affected supplies of seamless casing pipes to ONGC, British Gas Exploration India, Cairn Energy India & Oil India etc. during the quarter. These pipes were lowered and cemented perfectly in both offshore and onshore wells of ONGC. With this the company is now gearing up itself for the bigger requirements of Oil and Gas sector in higher Dia seamless pipes

In international market as well, the company has made very significant inroads. It has successfully executed contract for supply of line pipes to AFPC, a joint venture of Shell and Syrian Petroleum Corporation. With this, MSL has approached SHELL GLOBAL for their entire global requirement. Recently, Energy Tubular, USA, Arabian Gulf Oil Company, Libya and Kuwait Oil company (KOC) has approved MSL as a competent source of Seamless pipes.

KOC is the largest Oil Company in the Middle East and has approved MSL as supplier of seamless casing, tubing and linepipes for all the requirements of KOC. This would generate a sizable business for MSL in the international market. Some other major international companies, viz. Exxon Mobile for their Nigeria Project and Petronas Mitco, Japan requiring seamless pipes are also in the process of due diligence of the plant and the manufacturing facilities of the company.

Thus, this continuing robust demand pattern and the potential of Oil and Gas sector would translate into an excellent business opportunity to Oil Services sector and the company like MSL who has positioned itself very timely is likely to benefit more with the trend. Globally, the Market of Seamless Pipes is continuously growing up on the upsurge of Crude Oil with newer demands for pipes for the new oil and gas wells. The Company has also benefited with the increase in export quantities compared to last year with better realization.

The Company is having current Order Book Position over Rs.450 crore for Seamless pipes and Rs. 60 crore for ERW pipes from various customers ranging across Domestic and International Market.