

October 20, 2005

## **MAHARASHTRA SEAMLESS FIRST HALF NET PROFIT UP BY 42%**

**Net Profit for first half increases by 42% to Rs.53 crore**

**Gross Turnover increases by 22% to Rs.463 crore**

**Current Order book position over Rs.300 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 and half year ended September, 2005

### **Q2 FY2005 v/s Q2 FY2004**

The company posted an increase in its turnover for the quarter ended September 2005 at Rs.239 Crore, compared to Rs.222 Crore recorded for the quarter ended September 2004. Profit Before Tax has gone up to Rs.42 Crore as against Rs.29 crore in the corresponding quarter of last fiscal, an increase of 45%. Net profit increased by 41% to Rs.28 Crore as against Rs.20 Crore in the same period last year. Cash profit for the quarter was at Rs.35 Crore as against Rs.24 Crore during the quarter ended September 2004.

### **1<sup>st</sup> HALF FY2005 v/s 1<sup>ST</sup> HALF FY2004**

During the first half ended September 2005 the Company has achieved a Turnover of Rs.463 Crore, compared to Rs.381 crore recorded for the corresponding period ended September 2004. Profit Before Tax has gone up to Rs.79 Crore as against Rs.56 crore in the corresponding period, an increase of 41%. Net profit increased by 42% to Rs.53 Crore as against Rs.37 crore. Cash profit for the period was at Rs.64 Crore as against Rs.47 crore during the period ended September 2004.

For the financial year ended 31<sup>st</sup> March, 2005 the Company posted a turnover of Rs.879 crore, Profit Before Tax and After Tax were Rs.126 crore and Rs.85 crore respectively.

The Company has raised US\$ 75 Million through issue of Foreign Currency Convertible Bonds (FCCB) on July 29, 2005. The bonds, which have a maturity of 5 Years, are convertible at a conversion price of Rs.506.68 per share. The Bonds carry a zero

coupon with a yield to maturity set at 6.20% at the end of 5 years if not converted into shares during this period.

The issue was oversubscribed by approximately 2 times and the bonds are listed on the Singapore Stock Exchange.

The Company had entered into a 50:50 joint venture with US-based Hydril Company LP to manufacture premium threaded connections on OCTG Pipes. The JV - Hydril Jindal International Pvt. Ltd., having an installed capacity of 200,000 connections (approx. 25,000 TPA), which have a wide application in the high-pressure oil & gas wells has started commercial production. While Hydril will provide the joint venture company with threading technology and marketing support for exports as well as the Indian markets, Maharashtra Seamless Limited will exclusively provide JV the full range of its pipes.

The company is having current order book position over Rs.300 crore ranging in all sizes of Seamless and ERW from various customers and various countries such as USA, Middle East, Far-East etc. Globally the market of seamless pipes is continuously growing up on the upsurge of crude oil & gas sector with newer demands for pipes for the new wells.