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# Jindal Drilling Expects Jump in Profit

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By [RAKESH SHARMA](#)

NEW DELHI -- India's Jindal Drilling & Industries Ltd. expects profit and sales to jump 70% to 80% in the current financial year, helped by the recent addition of two jack-up rigs, its managing director said.

"Our two rigs started operations in the last quarter" ended March 31, Naresh Kumar told Dow Jones Newswires by telephone late Monday.

The drilling contractor posted a net profit of 364.7 million rupees on sales of 7.78 billion rupees in the financial year ended March 31.

In the financial fourth quarter - when the new rigs were added - its profit rose more than 40% from the October to December period to 151.50 million rupees (\$3 million) and revenue jumped more than 60% to 3.34 billion rupees.

It currently operates five jack-up rigs under contracts from state-owned Oil & Natural Gas Corp. Two of these rigs were chartered in January.

Jindal Drilling's joint ventures in Singapore owns two of the jack-up rigs, while the rest are on lease from U.S.-based [Noble Corp.](#)

Day rates on jack-up rigs are softening, Mr. Kumar said, but added, it may not hurt the company as the contract on only one rig will come up for renewal in the current calendar year - in October.

Crude oil's slide to about \$50 a barrel from \$147 last summer has led oil majors globally to scale back spending, leading to a fall in demand for rigs.

"Worldwide, operators have postponed their requirement... and more new rigs are being added to fleet," Mr. Kumar said. "People are expecting prices to come down."

Demand for rigs in India is, however, expected to rise as the country, which imports nearly three quarters of its crude oil requirement and is facing declining output at its aging fields, is stepping up exploration activities.

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