

## Graphite India Sales up 28%, Net Profit up 37%

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For the quarter ended 31st March 2008, the company has recorded Sales/Income from operation of Rs.360.20 crore as against Rs.256.67 crore during the corresponding quarter of the previous year. The Net Profit for the quarter is higher at Rs.34.27 crore as compared with Rs.24.06 crore earned in the same quarter of preceding year, showing a growth of 42%

On a consolidated basis, the Sales/Income from operations during the year has been Rs.1388.36 crore as compared with Rs.1170.94 crore in the preceding year. The consolidated Net Profit excluding exceptional income is higher at Rs.142.34 crore as against Rs.126.12 crore in the previous year. The improvement in the operating performance despite significant appreciation of the Indian currency against other major global currencies has been made possible by increased volumes, better realization, cost reduction and higher Plant productivity.

The performance of the Electrode division of the Company during the year has been satisfactory led by firm demand and realization. The performance of the sector is linked to the performance of the steel industry as graphite electrodes are required in the EAF route of steel production. The Steel industry has shown phenomenal growth in the recent times and it is expected that the global steel demand will rise by about 4.9% upto 2010. The National Steel Policy has set a target of 60 Mn Metric tons of steel production by 2010 and to further increase it to a level of 110 Mn Metric tons by 2020. The major steel producers in India have already announced plans to expand their capacity in line with the National Steel Policy. Furthermore, as a percentage of total steel production, the production of steel through the EAF route is estimated to rise from the current levels of 34% to about 38% by 2010. With growing global steel production and strong consumption levels, the demand for graphite electrode is expected to remain buoyant in the coming years. Barring unforeseen circumstances, the prospects of the Electrode Division of the company looks promising.

The company has the distinction of being the largest manufacturer of graphite electrode in South Asia with a combined capacity of 60,000 MT in India and 18,000 MT in Germany. It exports almost 70% of its graphite electrode production and continues to have a healthy order book position at substantially higher prices.

The performance of the company's Hydrel Plant at Karnataka has been satisfactory with adequate rains in the catchment area. The Impervious Graphite Equipment (IGE) Division and Glass

Reinforced Plastic Pipes/Tanks (GRP) division have also performed well during the year with significant improvement in turnover.

The Board of Directors of the Company in their meeting held today, have approved expansion of Graphite Electrode manufacturing capacity at the Durgapur Plant in West Bengal by 10,500MT at an estimated cost of Rs.187.50 crore. The expansion would be funded through a mix of Debt and internal accruals. The Board of Directors of the Company has also recommended a Dividend of Rs.3/- per share (150%) [Last year Rs.3/- per share including special dividend of Rs.1/- per share]

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**For more information, Please contact:**

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