
Graphite India reports INR 193 crore net profit

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ET reported that graphite India reported a 44.83 % growth in net profit at INR 193.57 crore for the year ended March 31st 2009, compared to INR 133.65 crore net in the previous year. The company's profitability follows a 2.32 % rise in graphite India's April to March gross sales revenue at INR 1182.73 crore.

The KK Bangur group flagship with interests in graphite electrodes, a Graphite India statement said that the performance of the company's electrode division during the year was subdued due to global recession which hit the steel industry quite severely.

The company official said "Our sector's performance is linked to the performance of the steel industry as graphite electrodes are required in the EAF route of steel production. The Q1 of 2009 has further witnessed quarter on quarter decline in world steel production of 23% with planned production cuts and closure of steel plants by global steel majors. This, in turn, adversely impacted the demand for graphite electrodes. We are, however, expecting an increased consumer demand from the housing, infrastructure, white goods & automobile sectors after countries announced an economic stimulus package. With demand for steel expected to revive, the demand for graphite electrodes is also expected to improve during the H2 of 2009-10."

Segment wise details of the annual results indicate profit before tax and interest from the company's graphite and carbon division rose to INR 237.25 crore while that from power dipped to INR 17.09 crore.

While net sales for the year under review was up by 2.44 % to INR 1125.88 crore, interest outgo dipped to INR 25.94 crore. Depreciation costs remained more or less constant at INR 34.35 crore.

The official said generation of power at the company's hydel plant at Karnataka was still not satisfactory due to poor water flow in the river. Performance of impervious graphite equipment division and glass reinforced plastic pipes and tanks division improved during the year.

Meanwhile, graphite India produces 60,000 tonne of graphite electrodes in India and another 18,000 tonne in Germany. It exports nearly 60 % of its graphite electrode production.

(Sourced from Economic Times)

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