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## Adhunik Metaliks Ltd announces 2008-09 results

Monday, 27 Jul, 2009

Adhunik Metaliks Limited reported its Q4 and 2008-09 results pushed down due to weak product realizations and inventory write down:

1. Net sales for Q4 FY 1009 went down by 26.3% at INR 229.90 crore as compared to INR 311.92 crore in Q4 FY 2008 and were almost flat at INR 229.57 crore in Q3 FY 2009.
2. EBITDA decreased by 29.2% to INR 35.57 crore in Q4 FY 2009 compared to INR 50.27 crore in Q4 FY 2008 and increased by 62.6% from INR 21.87 crore in Q3 FY 2009.
4. Net profit for Q4 FY 2009 went down by 95.2% to INR 1.04 crore as compared to INR 21.90 crore in Q4 FY 2008 and increased from a negative of INR 18.06 crore in Q3 FY 2009.
5. It reported EBITDA margin of 15.5% in Q4 FY 2009, lower by 60 basis points as compared to 16.10% in the Q4 FY 2008 and up by 600 bps as compared to 9.5% in Q3 FY 2009. The fall in the EBIDTA was because of the huge correction in Steel prices, inventory write downs and mark to market loss due to currency fluctuation.
6. There was a decrease in total expenditure by 24.5% to INR 199.57 crore in Q4 FY 2009 as compared to INR 264.22 crore in Q4 FY 2008. The fall in total expenditure was attributed to the fall in the raw material costs as the company's Captive iron ore and coal mines which are the major raw material for them, became fully operational in the current quarter.
7. Adhunik reported a PAT margin of 0.5% in Q4 FY 2009, as compared to 7.0% in Q4 FY 2008 and negative 7.9% in Q3 FY 2009 due to sudden jump in interest and depreciation cost.

FY 2009 consolidated result analysis

1. The net sales increased by 22.8% to INR 1270.25 crore in FY 2009 from INR 1034.51 crore in FY 2008.
2. The EBIDTA increased by 29.6% to INR 233.18 crore in FY 2009 as against INR 179.86 crore in FY 2008.
3. During FY 2009, the net profit was down by 43.1% to INR 46.69 crore from INR 82.01 crore due to foreign exchange loss to the tune of INR 31.20 crore.
4. The EBIDTA margin for FY 2009 stood at 18.4% as against 17.4% in FY 2008, an increase of 100 basis point.
5. The PAT margin also declined in FY 2009 to 3.7% in FY 2009 as against 7.9% in FY 2008. The main reason for fall in PAT margin was sudden jump in interest and depreciation cost.

Adhunik Metaliks Limited is the flagship company of Adhunik Group of industries and represents on integrated Steel Plant located at Rourkela, Orissa engaged in the production of value Added Steel, Alloy Steel and stainless steel products catering to the automobile, construction engineering and household industry. Adhunik Metaliks is in the business of manufacturing sponge iron, special grade high carbon and low carbon steel billets along with different grades of alloy steel billets.

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