

Kanoria Chemicals announces 56% higher Net Profit for FY08

Sales revenue for FY08 stood at Rs 432 crore EBIDTA for FY08 up 15% v/s FY07 at Rs 97 crore

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Kanoria Chemicals & Industries Limited (KCI), India's leading manufacturer of chemical intermediates, registered good performance for the financial year ended March 31, 2008. KCI reported Sales Revenue of Rs432 crore. The Net Profit for FY08 was Rs 31 crore, up by 56% from last year.

EBIDTA for the fiscal stood at Rs 97 crore as against Rs 84 crore in the previous fiscal, registering a growth of 15%. For FY08, the EBITDA margin stood at 22.4% as against 19.6% in the previous year. The Basic EPS was recorded at Rs5.47.

The board of directors has recommended a dividend of 30% for FY08 on the post Bonus enlarged equity capital.

Commenting on the strong numbers posted for this fiscal, Mr. R.V. Kanoria, CMD, Kanoria Chemicals & Industries Limited said, 'We are pleased to report an operationally good financial year. Even though we faced difficult market conditions during the year, our operating margins have improved indicating efficient operations. We were also able to maintain our interest costs despite rising rates in the last quarter of FY08. The net profit for the year increased by 56% in spite of higher incidence of deferred tax and depreciation.'

Editor's Synopsis

Financial Highlights (FY08) Sales revenue at Rs 432 crore Net Profit at Rs 31 crore up 56% EBIDTA at Rs 97 crore, up 15% Operating margins up at 22.4% compared to 19.6% in FY07

Other Highlights KCI commissions expanded Caustic Soda Capacity

Operational Highlights

Capacity Expansion:

Kanoria Chemicals & Industries Limited (KCI), during the financial year announced commissioning of its second 110 TPD capacity Caustic Soda plant using the environment-friendly membrane cell technology. The company's total manufacturing capacity of Caustic Soda now stands at 130,000 TPA.

The expansion of the membrane cell plant was the primary area of KCI's expansion plan with an initial planned outlay of Rs150 crore. This expansion will also result in the increase in capacities of co-products -Liquid Chlorine and Hydrochloric Acid.

KCI is also setting up a Greenfield project at Vizag for manufacturing Pentaerythritol and other alcohol based intermediates. Land for the project has already been acquired and construction work is expected to begin during the first quarter of FY09.

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About Kanoria Chemicals

Kanoria Chemicals & Industries Limited (KCI) (BSE:506525; NSE:KANORICHEM) is a leading manufacturer of chemical intermediates in India. KCI has two manufacturing facilities, one at Renukoot in Uttar Pradesh, which manufactures Caustic Soda, Chlorine and Chlorine derivatives including water treatment chemicals; and the second at Ankleshwar in Gujarat, which manufactures Alcohol based intermediates. KCI operates two 25MW thermal power plants in Renukoot, and enjoys cost advantage as a result of backward and forward integration. The company's portfolio comprises of over twenty products, with a market leadership in six and substantial shares in all others. The company is recognized for its environment management practices. More information about the company is available at www.kanoriachem.com.

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