

Phillips Carbon net touches Rs 90cr

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Calcutta, April 28: Phillips Carbon Black Ltd (PCBL) has come out with its best ever financial result today.

The RPG group-owned company reported a 3.8 times increase in net profit at Rs 89.30 crore in 2007-08 against Rs 23.53 crore in the previous year. However, turnover grew only by 3.6 per cent during the comparable period to Rs 1039.31 crore in last fiscal from Rs 1002.71 crore in 2006-07.

"This is a complete re-invention of the company. What we had done three years ago at CESC has been done in PCBL now," Sanjiv Goenka, vice chairman of RPG Enterprises, said. The stellar performance comes at a time when domestic demand for carbon black, mainly used in tyre industry, outstripped supply.

While demand grew by 11 per cent, domestic production rose by 7 per cent. Incidentally, carbon black feedstock price rose sharply to \$70 per barrel in March 2008 compared with \$41 a year ago. But PCBL managed to mitigate the rise in input cost by transferring the burden on to consumers.

PCBL is now investing Rs 350 crore in its fourth plant at Mundra in Gujarat. It also plans to expand its Cochin plant. The funds will come from internal accruals only. Following the expansion in 2009-10, PCBL will become the sixth largest producer with 410,000-tonne capacity, up from 270,000 tonnes at present.