

# Phillips Carbon savings propel PAT by 280%

## Corporate Bureau

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Phillips Carbon Black Ltd, the world's ninth-largest carbon black manufacturer, has effected savings of Rs 140 crore during 2007-08 through operational efficiencies to report a profit after tax of Rs 89.30 crore, 3.8 times the figure of Rs 23.53 crore for the previous year.

Sanjiv Goenka, chairman, reporting the "very dramatic" improvement in profitability, pointed out that carbon black feedstock prices had gone up sharply from \$41 a barrel a year

ago to \$70 a barrel in March 2008 while revenues have hardly gone up.

"We have fundamentally saved Rs 140 crore through operational efficiencies in 2007-08, including conversion costs, procurement costs, product mix and internal cost savings," Goenka said.

Profit after tax for the year to March 31, 2008, was Rs 89.30 crore on a total turnover of Rs 1039.31 crore, against a Pat of Rs 23.53 crore on turnover of Rs 1002.71 crore for the preceding year.

Interest costs were cut to Rs

19.45 crore from Rs 32.60 crore. The company has proposed a dividend of 40% in the current year against 20% the previous year.

"We have to expand more," said Goenka, pointing out that it is adding new locations in India and expanding existing plants to take domestic capacity to 4.1 lakh tonne. Its plant in Vietnam will add 5 lakh tonne.

Once this expansion is complete, Phillips Carbon will become the sixth largest in the world.

"We want to get into the top five," Goenka said.