

Phillips Carbon Black net down 14%

Our Bureau

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RP-Sanjiv Goenka Group outfit Phillips Carbon Black Ltd (PCBL) today reported a 14 per cent drop in net profit to Rs 21 crore for the July-September 2011 quarter, compared to the same period last year.

This is irrespective of a 36 per cent increase in net sales to Rs 559 crore.

The profit decline was largely attributed to a 46 per cent increase in raw material cost leading to squeeze of margins; so much so that the profit (before interest and tax) from carbon black production came down by nearly 38 per cent to Rs 24 crore.

In fact, profits of the country's largest carbon black producer could have been seriously impacted had PCBL not reported higher

realisation from sale of captive power.

Profit before interest and tax from power sales have increased by 50 per cent to Rs 21 crore during the quarter.

The shares of PCBL closed 1.39 per cent lower at Rs 128.15 at the BSE on Monday.

According to a company press release, the expansion plans at Mundra in Gujarat, Cochin in Kerala and debottlenecking at Durgapur in West Bengal are on schedule and will be commissioned in this fiscal.

Together, the two projects would increase carbon black production to 472,000 tonnes a year and 78.5 MW captive generation.

PCBL reported a turnover of Rs 1,900 crore in 2010-11.