

Phillips Carbon Black plans to set up 1,50k-tonne plant in South

FE BUREAU

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PHILLIPS CARBON BLACK (PCBL), a RP Sanjiv Goenka Group firm, is in talks with three state governments — Tamil Nadu, Andhra Pradesh and Telangana — to zero in on a location for setting up its proposed 1,50,000-tonne new carbon black plant with an investment of ₹600-620 crore.

Sanjiv Goenka, chairman, RP Sanjiv Goenka group, said, “We will finalise the location by March this year.” The negotiations, he said, were on about the incentives that the respective state governments are offering. PCBL wants to build its new plant in South India since the tyre industry was coming up in a big way in that part of the country.

Goenka said an additional 56,000-tonne capacity at Mundra in Gujarat had been commissioned at an investment of ₹350 crore and the 30,000-tonne capacity expansion at Palej in Gujarat would be completed by the third quarter of FY20. PCBL has already set up a research & development (R&D) centre at Palej with an investment of ₹30 crore.

The firm plans to build an international R&D centre, for which it is looking for a suitable location in Europe. The location would be decided by July-September quarter, Goenka said.

The projects, he said, would be funded through internal accruals and the company wouldn't go for raising any equity. In the past two years, the company has reduced its debts to ₹700 crore from ₹1,200 crore.

PCBL on Wednesday reported a 92% year-on-year jump in its net profit to ₹108.58 crore in the quarter ended December 31, 2018, from ₹56.59 crore in the corresponding period last fiscal. Revenue was ₹949.99 crore in the December quarter, up by 54% from ₹618.56 crore in the year-ago period. Goenka said the improvement in net profit was on account of a shift in product mix to more value-added premium grades and improved efficiency in operations.