

Q3 profit of Phillips Carbon Black soars 92% to ₹109 crore

KOLKATA: Phillips Carbon Black Ltd (PCBL) on Wednesday reported a 92-per cent on-year jump in net profit to Rs 108.58 crore in the December quarter, riding on higher realisations from specialised and value-added products.

The company clocked robust net sales, too, for the reporting quarter at Rs 950 crore, as compared to Rs 618 crore in the corresponding period a year ago.

Following the sharp improvement in earnings, PCBL has dropped equity raising plans for the Rs 600-crore greenfield expansion in south India.

“We will not raise any equity to fund the expansion, as there is sufficient internal cash flow to fund the project,” Chairman Sanjiv Goenka said.

The company had earlier said some capital raising was on the cards to restructure existing loans and fund expansion.

The carbon black major's debt currently stands at about Rs 700 crore, down from Rs 1,200 crore two years ago, despite pumping an additional Rs 500 crore in brown-field expansions in Palej and Mundra in Gujarat.

PCBL has not yet announced the location of its 1.5-lakh-tonne greenfield



Chairman Sanjiv Goenka

plant.

“The project is well on track. We will finalise the location of our project by March. Our existing plants are capable to feed the demand growth,” Goenka said.

The company's total capacity after the Palej expansion will be 6.25 lakh tonne by the third quarter of 2020, he said.

The earnings are a reflection of efforts towards cost measures since the last two years, Goenka said, laying emphasis on specialised and value-added carbon black, the share of which has risen to 7-8 per cent of the total volume.

“We are targeting to double this percentage in the next two years, as margins are higher,” Goenka said.

The company also announced 175 per cent interim dividend of Rs 3.5 per equity share of Rs 2 each.