RP - Sanjiv Goenka Group
Growing Legacies

Phillips Carbon Black Limited

22nd July, 2016

The Secretary,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400051

The Secretary,
Bombay Stock Exchange Limited,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

The Secretary,
The Calcutta Stock Exchange Limited,
7, Lyons Range,
Kolkata – 700001

Dear Sir,

Sub:- Press Release

Please find enclosed herewith a copy of Press Release issued today.

This is for your information and record

Yours faithfully,
For **PHILLIPS CARBON BLACK LIMITED**

Kaushik Mukherjee
(Company Secretary)

Enclo: As above.

Phillips Carbon Black raises operating profit through higher capacity utilization

Kolkata, July 22, 2016

Phillips Carbon Black Limited, whose FY'16 operating profit rose to 230.19 crore as against Rs. 210.21 crore in the previous year, expects demand for carbon black in India to grow at the rate 6-7% during the next couple of years. At the Annual General Meeting of the Company held in Kolkata today (July 22, 2016), the Resolution to pay a dividend of Rs. 2.50 per equity share was passed. This will entail a total cash outflow of Rs. 10.37 crore, including dividend distribution tax.

Mr. Kaushik Roy, Managing Director, told shareholders at the Annual General Meeting today that global carbon black industry operates at capacity utilization of 75-80%. Overseas demand is expected to grow at the rate of 4-4.5%. Phillips Carbon Black's success is through establishing an efficient supply chain distribution network aimed at timely delivery and service to customers. Mr. Roy added, "The focus is on `various initiatives to improve operational efficiencies like improving yield, exploring new geographies for feedstock sourcing, as well as investing in technical capabilities for developing new grades, particularly for non-rubber applications.' "

Reviewing the world auto scene, PCBL Managing Director told shareholders, "In FY'16 global automobile industry witnessed a demand increase of only 2%, which is less than the growth of 2.7% in the previous year. Global demand for passenger car tyres grew by 2% with improved demand in Western Europe, North America, China and India. Global truck tyre demand, however, declined by 2%."

In India, the domestic market in passenger vehicle sales rose by 7%, while commercial vehicles sales were up by 11%. According to Mr. Roy, "Indian tyre industry recorded lower production amid exports falling by 13-15% and increased imports by 12-14%. In the current year (FY'17), demand is expected to improve with growing rural demand and increased infrastructural activities.

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