



Expanding Horizons. Responsibly.

Touching lives in more ways than one

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ABOUT RP-SANJIV GOENKA GROUP

With ₹48,500 crores of asset base and consolidated revenue of ₹26,400 crores, the RP-Sanjiv Goenka Group is among India's fastest growing conglomerates with a significant global presence. The Group companies have always embraced state-of-the-art and efficient technologies and have become leaders in the sectors that they operate in. The Group's businesses comprise power, carbon black, IT-enabled services, consumer and retail, media and entertainment, sports, education and infrastructure and plantations. The Group has an employee strength of 50,000+ and 500,000+ shareholders.

GROUP'S VISION

To be a dynamic conglomerate driven by sustainable growth, efficiency and innovation

CORE VALUES



Customer First

Keep customer at the core of every action



Execution Excellence

Strive to be the best in everything we do



Credibility

Instill trust, confidence and accountability with our actions



Agility

Move ahead of time quickly



Risk-Taking

Dare to go beyond



Humaneness

Be fair, respectful, transparent and sensitive

Expanding Horizons. Responsibly.

Over the past six decades, Phillips Carbon Black Limited has emerged as one of the key global players in the carbon black industry. As we move ahead, we are laying the foundation for the next decade of growth.

We are moving forward to emerge as a value-added products player aided by our research and innovation centres in Asia and Europe, helping us develop product solutions to meet the evolving needs of our global customers.

We are also investing in expanding our capacities which will help us in addressing the growing demands in the sector and reinforce our industry leadership.

While we continue to innovate and scale up, we are working relentlessly towards optimising our environmental footprint and adding value to the communities around us. We have built an organisation that is trusted for its ethics, transparency and empathetic outlook.

**As we go forward, we
will continue to expand our
horizon, responsibly.**

CORPORATE IDENTITY

Scale and innovation help us grow responsibly

Established in 1960, Phillips Carbon Black Limited (PCBL) is an integral part of RP-Sanjiv Goenka Group.

We commenced production at Durgapur with 14,000 MT of annual production capacity. Over the decades, we have built scale, expanded global footprint and set up world-class R&D facilities to address diverse customer requirements.

Today, we are the largest carbon black manufacturer in India (603,000 MT of annual production capacity) and a strong global player with a significant customer base in 45+ countries.



VISION

A trusted **G**lobal player providing cutting edge solutions to our **P**artners and an exciting workplace to our **P**eople

We have four strategically located state-of-the-art plants at Durgapur (West Bengal), Palej & Mundra (Gujarat) and Kochi (Kerala) along with R&D Centre in Asia and Innovation Centre in Europe. Our plant operations are accredited with the following certifications: IATF 16949:2016, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and 'WASH' (Work Place Assessment For Safety & Hygiene) linked with COVID-19 preparedness as an additional part of ISO 45001:2018 standard requirement. Our plant laboratories at Palej and Kochi are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) for Research and Quality Control. Our products are REACH compliant.

We possess a production capacity of 603,000 MT per annum with a dedicated capacity for specialty black of 72,000 MT. We generate 76 MW of green power as a part of our commitment to responsible and sustainable growth.

We are an environmentally responsible company and take sustained efforts in optimising our environmental footprint. We are the world's first carbon black company to be awarded Carbon Credit under Kyoto Protocol of United Nations Framework Convention on Climate Change (UNFCCC).

Our future-facing technology adoption makes it possible to switch seamlessly between alternative feedstocks, make efficient use of resources, deliver a wide

selection of grades, and accomplish high-quality standards. Our IT infrastructure is on the cloud and that helped business continuity during lockdowns. Disaster recovery is also on the cloud based out of Singapore (different seismic zones). Moreover, our contemporary IT platforms such as SAP S4HANA ERP and related Fiori apps, SAP SuccessFactors app and portal provide advantages of speed, accessibility, data integrity and security. In accordance with ISMS: ISO 27001 – Data Confidentiality, Integrity Availability guidelines, we introduced the SAP Document Management System.

KEY NUMBERS

No.1

Exporter of carbon black from India

1st

Carbon black company to be awarded Carbon Credit under the Kyoto Protocol of United Nations Framework Convention on Climate Change (UNFCCC) in the world

7th

Global position among carbon black companies

60+

Years of experience

603,000 MTPA

Total carbon black manufacturing capacity

76 MW

Green power generating capacity

60+

Carbon black grades produced (rubber to specialty blacks)

100,000+

Number of shareholders

29+ years

Average industry experience of the leadership team

PRESENCE

Addressing the needs of a large customer fraternity

We have offices in Japan, Germany, Belgium, China, South Korea and Vietnam among others. Our strong distribution network enables us to address the needs of a large customer fraternity worldwide.

MANUFACTURING CAPACITIES

Mundra, Gujarat

Carbon black (MTPA)
204,750

Power (MW)
24

Durgapur, West Bengal

Carbon black (MTPA)
163,500

Power (MW)
30

Palej, Gujarat

Carbon black (MTPA)
142,250

Power (MW)
12

Kochi, Kerala

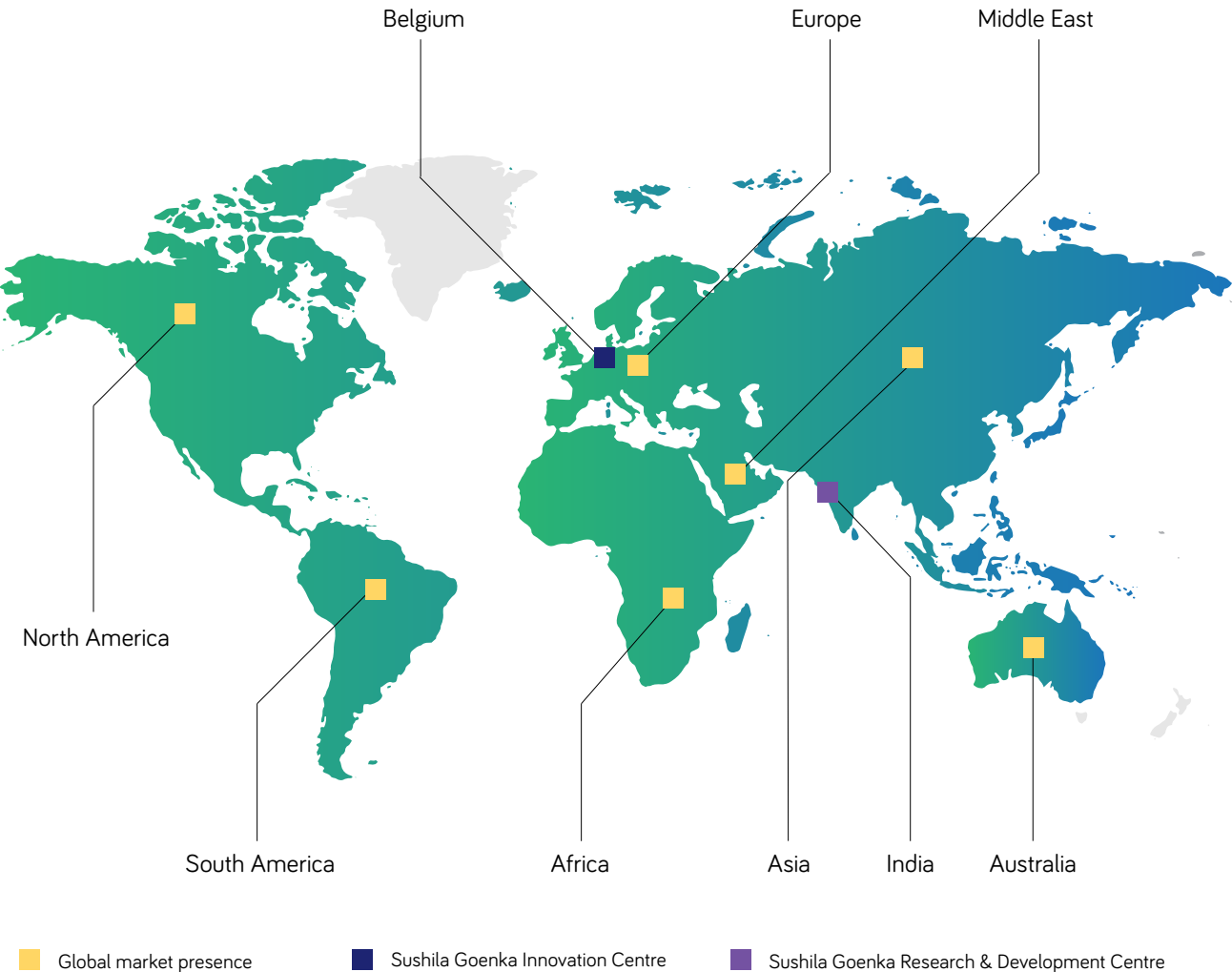
Carbon black (MTPA)
92,500

Power (MW)
10

Note: Installation of green power plants at Mundra (8 MW), Palej (7 MW) and Kochi (7 MW) are in progress.

- Rubber black manufacturing facility
- Specialty black manufacturing facility
- Sushila Goenka Research & Development Centre

GLOBAL FOOTPRINT



BIG NUMBERS

45+ countries
Where we are present

26%
Share of revenue from exports

6
Global offices

200+
Strategic supply chain partners

PRODUCT APPLICATIONS

Touching lives in more ways than one

RUBBER BLACK

We offer our rubber grades carbon black under the 'Orient Black' brand, which are manufactured in furnace process. Orient black is a prominent class of carbon black grade that is used in rubber compounds as reinforcing fillers in order to provide the rubber compound the utmost solution in tailoring specific rubber compound requirements. The enhancement in rubber properties is a function of the major physicochemical properties of carbon black, covering particle size, structure, aggregate distribution and surface characteristics.

Orient Black is the volume driver in our business and contributes almost 90% to the total sales volume.

OUR BRAND

We offer a comprehensive portfolio spanning multiple grades of rubber black as classified by the American Society for Testing and Materials (ASTM) standards, alongside customised high-performance products to cater to next generation business needs.

Meeting specific requirements in rubber products, this brand provides value addition to a wide range of tyres and rubber goods applications.

Rubber black finds different downstream applications in rubber industries under two primary utilities:

Technical and moulded rubber goods

- Conveyor belts
- Extrusions and profiles
- Hoses and ducting
- Power transmission belts (V belts)
- Moulded rubber goods
- Seals and gaskets

Tyres

- Passenger vehicle tyres
- Truck and bus tyres
- Off-the-road tyres
- Two-wheeler and three wheeler tyres





SPECIALTY BLACK

Carbon black products used for non-rubber applications are categorised as specialty blacks. We are consistently moving up the value chain to emerge among the few global companies with an elaborate specialty carbon black portfolio, which is used in fibres, pressure pipes, wire and cables, food contact plastics, engineering plastics, inks, paints and coatings, fertilisers and adhesives & sealants.

To further strengthen our specialty blacks foothold, two new lines of specialty black have been commissioned in FY 2020-21. With these two lines, we will have four dedicated lines for specialty black in Palej, Gujarat.

OUR BRAND

We market our specialty blacks under the brand name 'Royale Black'. To use carbon black in various food contact plastics, the specific grade of carbon black has to comply with stringent norms of the US FDA certification. The broader brand umbrella 'Royale Black' comprises two primary sub-brands,

Bleumina and *NiTon*.

Bleumina, a series of medium and high-coloured carbon black (part of the 'Royale Black' brand umbrella), which is used in car exteriors and interiors to improve the aesthetic appeal and durability of the products.

NiTon is a new range in specialty blacks available in powder form. It is used for printing ink applications such as offset ink, liquid ink and inkjet, owing to its colour strength and gloss. *NiTon* series is also used in coatings, adhesives and sealants due to its low viscosity, good stability and dispersion.

Besides, we are among few of the world's leading companies in our industry that meet the stringent United States Food and Drug Administration (USFDA) requirements for direct/indirect food contact plastics applications such as plastic food trays and cutlery. We started supplying to leading global ink manufacturing companies.

Specialty black finds the following downstream applications:

- FDA & food contact plastics
- Fibre
- Wire and cables
- Film
- Engineering plastics
- Pipe
- Printing inks
- Paint/coatings
- Battery

CHAIRMAN'S COMMUNIQUE

Progressing with fortitude and optimism



Dear shareholders,
These are testing times and we need to stay strong and resilient until the impact of the pandemic gradually tapers off.

It is imperative for us to realise that the COVID induced pandemic is the greatest human tragedy in modern history, apart from the economic impact of it. Loss of lives as well as livelihood in the wake of the pandemic are the key challenges that the world is facing today. This is the moment for all of humanity to come together and face this adversity with our cumulative spirit and resilience. Empathy, fortitude and optimism is what the world needs right now.

The grit, determination and agility demonstrated by Team PCBL deserves to be lauded. Considering the constraints in the business environment, the team worked relentlessly to report a spirited performance.

Despite a 18% decline in revenue, from ₹3,243.54 crores in FY20 to ₹2,659.52 crores in FY21, PCBL reported a PBT and PAT of ₹390.36 crores and ₹312.27 crores, compared

to ₹350.84 crores and ₹283.49 crores in FY20, respectively.

In spite of overwhelming business challenges, our esteemed Board has declared an interim dividend of ₹120.64 crores (@350% i.e., ₹7 per equity share of ₹2 each) on 20th January, 2021 for the financial year ended 31st March, 2021 and was paid during the same quarter.

Against the backdrop of a challenging macro environment, bulk orders were cancelled, and the entire industry was severely impacted. Besides, various tyre and rubber manufacturing plants worldwide had to be shut down, as the pandemic raged on. Similarly, the automotive industry's nascent recovery at the beginning of FY21 was derailed due to tepid consumer sentiment and disrupted supply channels.

However, towards the second half of the year under review, the scenario improved significantly. Manufacturing plants started opening up in a phased manner and consumer sentiment improved which helped create new opportunities across the value chain.

Besides, our very own cost rationalisation initiatives, growing share of value-added products and specialty blacks through research and innovation and improved efficiency across all functions were supported by a resurgent automotive market. These facilitated our comeback journey.

We undertook people-centric initiatives to ensure the safety of our entire team and slowly, but steadily, resumed production in all our manufacturing facilities, maintaining the guidelines set by the Government.

Once the ground reality was under control, our operation resumed seamlessly, and the Greenfield and Brownfield projects were fast-tracked. In a bid to widen and strengthen our footprint and to ensure continued service to our international customers, our teams were active in our key international markets such as Japan, Korea, Vietnam, China, and Europe, among others.

During the year, we also took initiatives to further deleverage our balance sheet, and constantly monitored our liquidity position. Our priority was to protect our business and safeguard our stakeholders.

We have always placed great emphasis on research and innovation and have invested extensively in this regard. Our state-of-the-art Sushila Goenka Research & Development Centre in Asia and Sushila Goenka Innovation Centre in Europe, have emerged as the seeding ground

for product and process innovation, coupled with increased efficiencies in all our manufacturing units.

We have embedded sustainability as a part of our broad strategic pillars and place emphasis on sharpening our Environment, Social and Governance (ESG) focus. Guided by our Board of Directors, we are working relentlessly on these strategic pillars and implementation of our sustainability policy. Ensuring the highest standards of corporate governance is our priority. We have received the Corporate Governance rating of CGR2+, reflecting our strong commitment to good governance. We have also put in place targets that are a testimony of our continued commitment to sustainability. As we move through the new normal, our focus on sustainability and ESG remain strongest to the core.

While India battles the second wave of the virus, we, as a responsible corporate citizen, are committed to support our employees, business partners and communities. Our social responsibility goes beyond statutory obligations, it is embedded in our corporate culture. We have initiated several measures to help citizens in this nationwide crisis.

I thank you all for your faith and continued support in PCBL.

Let us put up our best efforts to combat the crisis together.

Yours sincerely,

Dr. Sanjiv Goenka
Chairman