

RESOLVE TO EVOLVE

Touching lives in more ways than one



CHANGE is the only CONSTANT.

And change when pointed at a particular desired direction by aligning it to a vision and a purpose is called evolution.

At PCBL, we have been innovating, transforming, and evolving for more than six decades, making us a trusted global player and a pioneer in the industry.

Today, we are dynamic, young, futuristic, digitally driven and committed to sustainability.

As the next step of our evolution, we aim to explore new possibilities in the world of chemicals.

This we believe will further empower us in providing cutting-edge solutions to our partners, an exciting workplace to our people, and grow in harmony with the environment.



VISION

A trusted **Global** player providing cutting edge solutions to our **Partners** and an exciting workplace to our **People**


Phillips Carbon Black Limited

is now



The elephant, which has been the Company's icon since inception and has become synonymous with the brand, **has evolved to reflect the current organisational vision and outlook.**


The lines and dots that create the elephant are inspired from chemical bonds, the domain in which PCBL operates, and symbolises the organisation's digital approach. The stance captures **dynamism, agility and moving forward with a future-facing outlook.** The raised trunk reflects PCBL's respect towards customers and stakeholders, and echoes the philosophy of nurturing relationships. The green hexagon, inspired from carbon's molecular structure, and the elephant reaching out for it, embodies PCBL's commitment towards sustainability.

The new identity's modern custom typeface personifies the **company's strength and dynamism.** The bold typeface resonates the organisation's stability and leadership. The rounds and curves are a manifestation of the Company's caring and empathetic approach, while the sharp corners, especially the bottom stem of L, echoes PCBL's approach of providing cutting edge solutions and being technologically-driven.

The purple colour of the logo is arrived at by mixing the energy of red and the stability of blue. **It mirrors the fine balance of PCBL's rich legacy and future-facing outlook.** The colour also takes inspiration from the palette of the mother brand RP-Sanjiv Goenka Group.

The green represents sustainability and resonates the Company's philosophy of pursuing growth in harmony with the environment.

Robust performance across parameters



Financial

4,446

Net sales (₹ crores)

660

EBITDA (₹ crores)

427


Profit after tax (₹ crores)

15

EBITDA margin (%)

10

(@ 500%)
Dividend per share on
face value of ₹2/- each (₹)



Environment

91 MW

Green power
generating capacity

8,01,564

Total GHG emissions
(Scope 1, 2 and 3) (tCO₂e)

19,57,437

Green energy produced
(GJ)

2,53,872.8


(tCO₂e)
GHG offset during FY21-22

1.76

Carbon black GHG emission
intensity (tCO₂/MT)

7,000+

Saplings planted



Social

8.66


CSR spend (₹ crores)

12,002

Employee training hours

14+

Villages reached through
our CSR programmes



Governance

15+ YEARS

Average experience of
Board of Directors

6/10

Independent Directors
(two women directors)

1,60,000+

Shareholders

For FY21-22

ABOUT RP-SANJIV GOENKA GROUP

With ₹51,000 crores of asset base and consolidated revenue of ₹30,700 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, performance and specialty chemicals, 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 10,00,000+ 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



Sustainability

Be equally responsible for people, planet, profits

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Listing	
• BSE Limited (Scrip: 506590)	
• National Stock Exchange of India Ltd. (Scrip: PCBL)	
• Market Cap: ₹4,316 crores (as on 31 st March 2022)	

Corporate identity

Advancing with rigour

With a legacy of more than six decades, PCBL Limited (erstwhile Phillips Carbon Black Limited) is a global player with a wide product portfolio having customised offerings for applications in tyres, performance chemicals and specialty chemicals. Our pride-enhancing clientele includes major tyre manufacturers and chemical customers, spread across 45+ countries.

Beginning our journey with a manufacturing capacity of 14,000 MT per annum, we have evolved over the years to a current capacity of 6,03,000 MT annually across four strategically located plants in India. Our plants at Durgapur (West Bengal), Palej & Mundra (Gujarat) and Kochi (Kerala) are backed by cutting-edge technology that helps switch seamlessly between alternative feedstock, make efficient use of resources, deliver a wide selection of grades, and accomplish high-quality standards. We are further enhancing our capacity through a greenfield project in Chennai (through our wholly-owned subsidiary) and a brownfield expansion in Mundra.

In an effort to continuously achieve product and process excellence, we have invested in the state-of-the-art research and development centre in India and Innovation Centre in Belgium.

We are a responsible corporate citizen and caring for the environment and society is at the core of whatever we do. We have invested in captive green power generation facility with the cumulative capacity of 91 MW. **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 robust policies help us uphold highest level of corporate governance in the organisation.

KEY NUMBERS



4

Manufacturing units
(One upcoming in Chennai)



7th

Global position



6,03,000

Manufacturing capacity (MTPA)
(Projected after expansion: 7,90,000 MTPA)



91MW

Green power generating capacity
(Projected after expansion: 122 MW)



200+

Strategic supply chain partners



1,135+

Employees



45+

Countries of presence



75+

Grades of tyre, performance and specialty chemicals produced



1,60,000+

Number of shareholders

CREDIBLE CERTIFICATIONS

Our plant operations are certified with the following certifications:



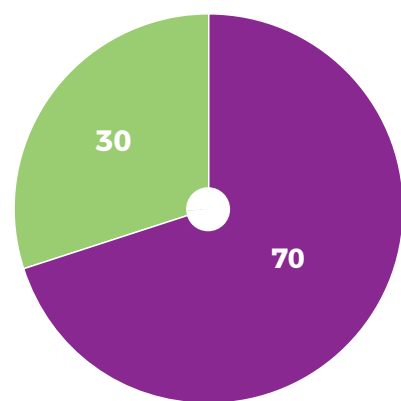
Presence

Strategically located

Our four state-of-the-art manufacturing units are located in close proximity to ports and key national markets. On one hand, it gives us the advantage to source imported raw materials, and on the other hand, it helps to cater to both national and international markets with ease.

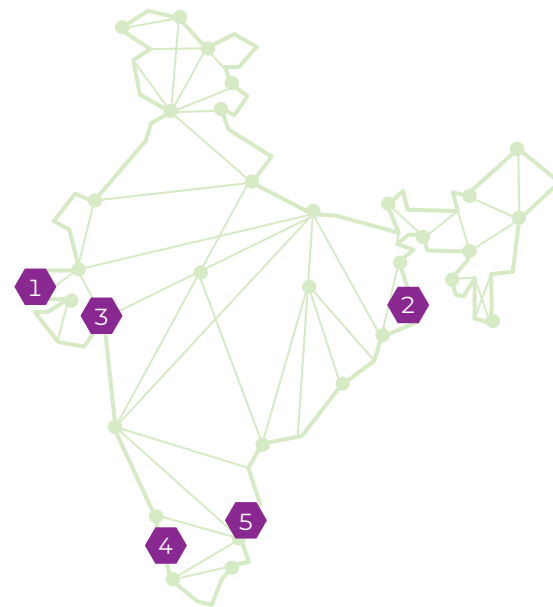
Besides, our diversified presence also reduces the risk of overdependence on any single manufacturing unit at a given point of time.

REVENUE SPLIT BY GEOGRAPHY FY21-22 (%)



● National ● International

MANUFACTURING CAPACITIES



1 Mundra, Gujarat 205 Carbon black (KT) 32 Green power (MW) (Brownfield expansion of 40 KTPA is in progress)	2 Durgapur, West Bengal 163 Carbon black (KT) 30 Green power (MW)
3 Palej, Gujarat 142 Carbon black (KT) 19 Green power (MW)	4 Kochi, Kerala 93 Carbon black (KT) 10 Green power (MW) (Additional green power capacity of 7MW in progress)
5 Greenfield Project, Chennai, Tamil Nadu 147 Carbon black (KT) 24 Green power (MW) In progress through our wholly owned subsidiary PCBL (TN) Limited	



Global
Offices across Europe and Asia

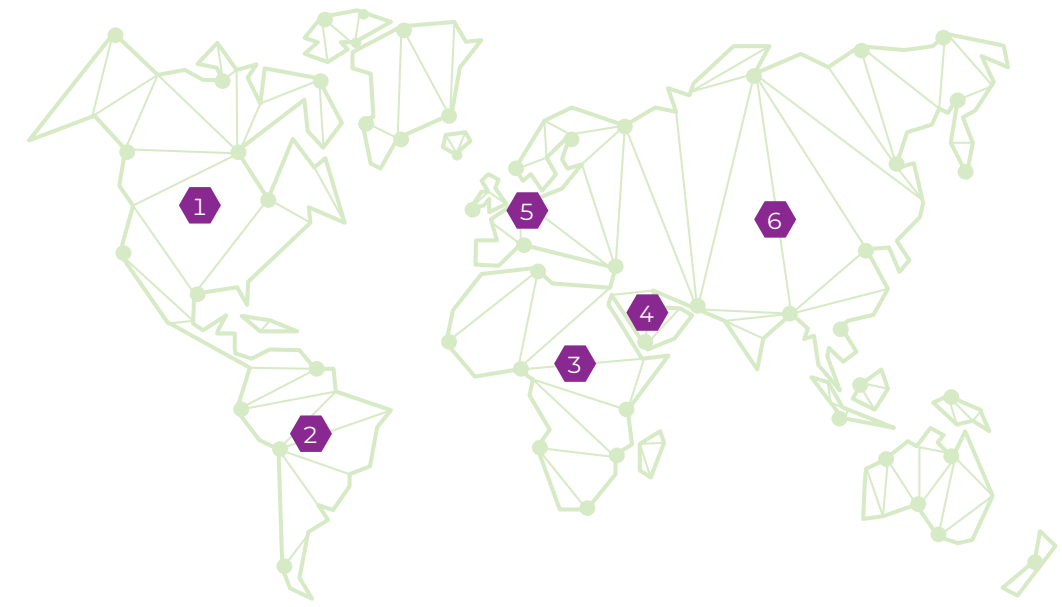


Decanting
Stations across USA, Europe and Asia



Innovation
Centre in Belgium and R&D Centre in India

GLOBAL FOOTPRINT



<div>1</div> <div>North America</div> <div><ul style="list-style-type: none">• Canada• USA• Mexico</div>	<div>2</div> <div>South America</div> <div><ul style="list-style-type: none">• Argentina• Brazil• Peru• Columbia• Chile</div>	<div>3</div> <div>Africa</div> <div><ul style="list-style-type: none">• Kenya• South Africa• Tunisia• Egypt</div>	<div>4</div> <div>Middle East</div> <div><ul style="list-style-type: none">• Saudi Arabia• UAE• Oman• Kuwait</div>
<div>5</div> <div>Europe</div> <div><div><ul style="list-style-type: none">• Belgium• France• Greece• Germany• Spain• UK</div><div><ul style="list-style-type: none">• Poland• Czech Republic• Italy• San Marino• Portugal</div><div><ul style="list-style-type: none">• Netherlands• Slovakia• Romania• Croatia• Turkey</div></div>		<div>6</div> <div>Asia Pacific</div> <div><div><ul style="list-style-type: none">• Australia• Bangladesh• China• India• Indonesia• Japan</div><div><ul style="list-style-type: none">• Nepal• Philippines• Singapore• S. Korea• Sri Lanka• Malaysia</div><div><ul style="list-style-type: none">• Taiwan• Thailand• Vietnam</div></div>	

SERVICING 45+ COUNTRIES ACROSS THE WORLD

Product applications

Tyre and performance chemicals

Under the brand names 'Orient Black' and 'CarboNext', this versatile material is used in rubber compounds as reinforcing fillers to optimise the properties of compounded materials to meet the specific performance requirements. The enhancement of rubber properties are mainly facilitated by the physical and chemical characteristics of carbon black covering Aggregate Size Distribution (ASD), structure, particle size (surface area), surface activity and porosity among others.

PCBL offers a comprehensive portfolio spanning multiple grades of carbon 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.

Our furnace grades of carbon black encompass various series from N100 (super abrasion furnace black) to N700 (semi-reinforcing furnace black). These are characterised by a diverse range of surface area and structure. By conferring specific requirements to rubber products, this range provides value addition to a wide variety of tyres and high-performance rubber goods. This range is the volume driver in our business.

Tyre and performance chemicals find the following downstream applications under two primary utilities:

Technical and high performance rubber goods

- Conveyor belts
- Construction
- Extrusions and profiles
- Damping elements
- Hoses and ducting
- Power transmission belts (V belts)
- Rubber mats and shoe soles
- Rubber pads and caps
- Anti-vibration grommets
- Moulded rubber goods
- Seals and gaskets
- Rubber-to-metal bonded goods
- Unvulcanised sheets
- Adhesives
- Tubing

Tyres

- Passenger vehicle tyres
- Truck and bus tyres
- Off-the-road tyres
- Agricultural tyres
- Forestry tyres
- Two-wheeler tyres
- Three-wheeler tyres
- Cycle tyres
- Tyre re-treading materials



Specialty chemicals

We offer a wide range of specialty chemical grades to cater various application needs including films, fibres, pipes, wires & cables, food contact plastics, conductive, engineering plastics, inks, paints, coatings, adhesives, sealants, and batteries.

OUR BRAND

We market our specialty grades in brand name of 'Royale Black' with two premium segments, *Bleumina* for engineering plastics and *Ni.TONE* for inks, paints, and coatings application.

Bleumina, a series of medium colour furnace black, offers distinctive jetness, impeccable aesthetics, superior surface smoothness, gloss, and high durability in the final products. It is designed to be compatible with a wide range of polymers including engineering plastics such as PC, ABS, SAN, ASA, Nylon, POM, PBT, PS, PET, PPS, PMMA and other polymers like PP, PE, PVC, TPO, TPE etc. Key application areas include automobile interiors & exteriors, consumer electronics, home appliances, coatings, and many other value-added applications.

Ni.TONE, a series of powder carbon black is globally popular for its various specific features that offer excellent gloss, superior colour, good dispersion, and better rheological properties. Each grade is specifically designed to meet the market demand and customer needs to support various ink applications. Additionally, it is also recommended for different adhesive and sealant applications.

Most of our specialty grades are compliant with various stringent food contact norms like EU 10/2011, AP89 (1), Swiss ordinance and few grades are conforming US FDA.

Specialty chemicals find the following downstream applications:

- Food contact plastic
- Synthetic fibre and textile fabric
- Wire and cable
- Film and sheet application
- Geo-textile/geo-membrane
- Pressure pipe
- Drip irrigation pipe system
- ESD and Conductive
- Plastics molded parts
- Engineering plastics
- Inks
- Paints
- Coatings
- Adhesives
- Sealants
- Batteries



Investment case

Driving sustainable value creation

Our investment case focuses on delivering long-term and sustainable value for our larger universe of stakeholders.

POSITIONING

- Largest carbon black manufacturer in India
- Strategically located manufacturing capacities servicing both domestic and international markets
- Wide product portfolio with established presence in more than 45 countries across continents
- Efficient processes with sustainability deeply imbibed in operations

STRENGTHENING MANUFACTURING CAPABILITIES

- Planned expansion projects to strengthen capacities
- Smart manufacturing unit in alignment with Industry 4.0 standards to ensure highest level of process efficiency

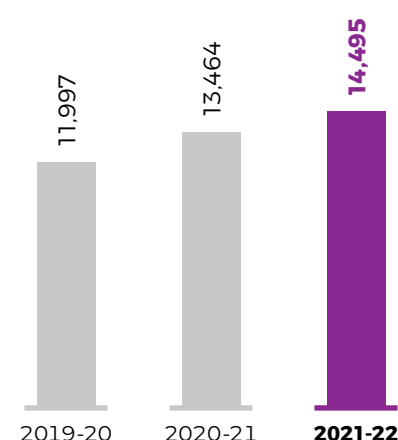
DIVERSE PRODUCT PORTFOLIO

- Our wide portfolio of trusted brands finds diverse applications
- Extended the portfolio to include other sustainable and innovative products

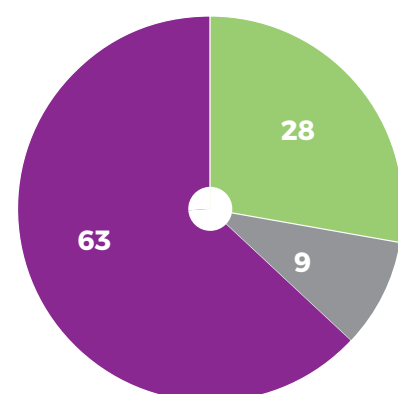
ENHANCING EFFICIENCY

- Enhancing operational efficiency through implementation of digital tools and automation across plants
- Undertaking several cost optimisation initiatives
- Use of technology in logistics helping in optimising operating cost

EBITDA PER MT (₹)



REVENUE SPLIT BY SEGMENT (%)



● Tyre
● Performance Chemicals
● Specialty Chemicals

ROBUST FINANCIALS

- Our superior operating performance has helped us strengthen our financial performance
- Revenue for the year stood at ₹4,446 crores, while EBITDA stood at ₹660 crores
- Reported a strong RoCE of 15%
- Strong balance sheet with cash and liquid investments of ₹404.01 crores
- ₹188.73 crores (@500% i.e, ₹10/- per equity share on the face value of ₹2/- per equity share) paid out as dividend during the year

SUSTAINABILITY LEADERSHIP

- Committed to sustainability principles
- Zero Liquid Discharge (ZLD) compliant plants
- Green power generation capacity of 91 MW

2.92 Mn m³

Water consumed

0.29 Mn m³

Water recycled

Chairman's communique

Fast-tracking our progress



Dear Shareholders,

I am proud that our Company has navigated the tough times with great resilience, ensuring the health and safety of both our co-workers and families. This determined effort from all has set us on a journey towards achieving our future goals.

Our performance too has been significant. Whereas volumes grew by 17%, our revenues grew by 67% reflecting a focus on value addition. EBITDA @26% & PAT @37% also represented healthy growth.

Exports continue to experience a positive groundswell, with our presence in European markets going up. We launched our new brand identity which is modern and also reflects our organisation's future-facing approach. The shift is significant given that more than 35% of our portfolio today comprises performance and specialty chemical applications. Our new brand identity and nomenclature is in alignment with this business evolution.

To enable us to continue on this path, our innovation centres in India and Belgium, are unwaveringly working towards new product development, post-treatment, fundamental research and feedstock engineering related initiatives in the specialty chemicals space.

Environment, Social and Governance (ESG) priorities are at the core of our operations. We have published our sustainability report to capture the concrete steps we are taking towards our commitment to our wider universe of stakeholders. The environment is a key focus area for us, and we are unfailingly particular about it, in addition to GHG, energy and water conservation, and waste management.

We are navigating through difficult times. The pandemic may have subsided, but a lurking threat remains. In addition, the ongoing conflict between Russia and Ukraine is causing market disruptions, especially as it relates to higher fuel prices leading to inflation.

In India, our greenfield expansion in Chennai is making steady progress, which will add an additional 1,47,000 metric tonne to our overall capacity. Despite the execution challenges faced owing to external factors, we expect to commission the plant by Q3 FY22-23.

Additionally, we have also embarked upon a brownfield expansion in Mundra, Gujarat, with specific focus on production of specialty chemicals.

In a bid to reward our shareholders, an interim dividend of ₹188.73 crores (₹10/- per Equity Share on the face value of ₹2/- per share) was declared on January 20, 2022, and paid during the quarter ended March 31, 2022.

I want to thank all PCBLites and other stakeholders for their continued support in achieving our targets for the year gone by. We believe we are at the cusp of an exciting journey, which is expected to create value for all of us.

Yours sincerely,

Dr Sanjiv Goenka
Chairman



Managing Director's perspective

Evolving with a future-facing outlook



Dear Shareholders,

The resumption of economic activities across the world, driven by favourable fiscal policies created an enabling business environment at the beginning of FY21-22. However, the onset of the second wave of the pandemic, followed by a surge in energy prices and supply chain constraints at the global level, posed fresh challenges.

However, by leveraging our learnings from FY20-21, we achieved two very significant growth targets. A 17% acceleration in volume translated into carbon black revenues of ₹4,332 crores during the year. Our continuous focus on cost optimisation and enhancing realisations led to a 26% improvement in EBITDA to ₹660 crores in FY21-22 – both our highest-ever!

The initiatives undertaken during FY21-22 were in alignment with the new business themes of the Company, which serve as a guiding light in PCBL's journey into the future.

One of the key business themes is digital transformation, where multiple initiatives have been executed across all functions. We have invested in tools and software modules that are supporting us in better market prediction, understanding customer behaviour, ensuring a higher degree of governance and protecting our information systems from potential cyber-attacks. The objective is to create an integrated business value chain and inculcate a digital culture in PCBL. Our upcoming Chennai plant is being built with cutting-edge technology and is a smart manufacturing unit. It leverages the full potential of Industry 4.0, offering lean and efficient operations.

As we advance towards achieving our strategic priorities, we are consistently focusing on mitigating our carbon footprint and building

a sustainable organisation. We are the first carbon black company in the world to receive carbon credits. Further, we have set up green power plants across our manufacturing units to produce power from waste heat. The Chennai plant being set up will be a IGBC platinum-certified green unit with zero-liquid discharge, rainwater harvesting and water conservation, reinforcing our commitment towards lessening our carbon footprint.

In addition, safety and well-being are of paramount importance to us. We are constantly working towards creating a safe and healthy workplace for our employees. We provided vaccination support and stood by the families of colleagues who were affected by the pandemic. Investing in strengthening the capabilities of our people and aligning them with our business themes have been our topmost focus areas in the past year. Building a robust leadership pipeline for the future of PCBL has also been a significant priority.

Our research and innovation centres in India and Belgium have been instrumental in enabling us to expand our product portfolio, as well as undertake process innovations to cater to the evolving needs of our customers in a competitive manner. Our innovation activities comprise fundamental research, feedstock engineering, post treatment, and development of new products. As a result, we now have more than 20 products in the pipeline, set to

launch in the next three years, which will help us in further strengthening our position in the global market.

With all our partners in our supply chain we hold constructive dialogues across the spectrum to improve decision making and accountability of our partnerships.

A landmark initiative in FY21-22 was the transformation in our name to PCBL Limited and introduction of our new brand identity. This will enable us to establish ourselves more firmly as a diversified producer of quality products in the global chemicals space.

We have embedded good governance practices at the heart of our sustainability journey, since it is our responsibility to create long-term value for shareholders by balancing the myriad interests of all stakeholders whose lives we touch.

The pandemic has tested the resilience of our business model, but we were able to successfully navigate these challenges, thanks to our robust human capital, systems, and processes.

We believe that the times ahead are exciting and we are perfectly poised to achieve our next phase of growth.

Warm regards,

Kaushik Roy
Managing Director

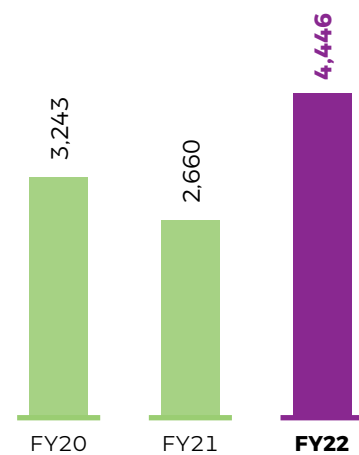
Performance indicators

Our progress in numbers



FINANCIAL

Revenue (₹ in crores)



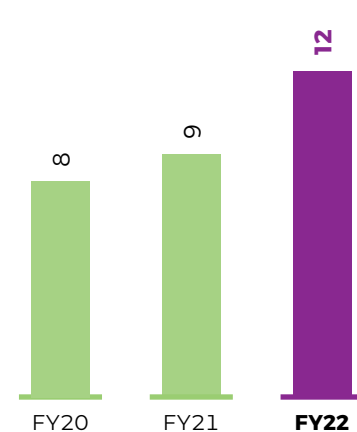
Profit after tax (₹ in crores)



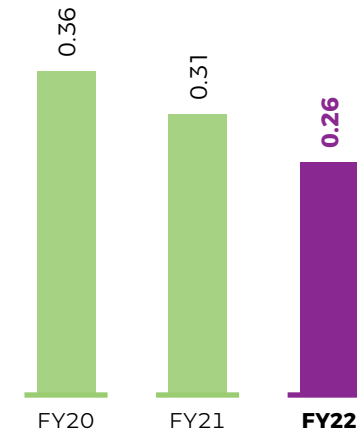
EBITDA (₹ in crores)



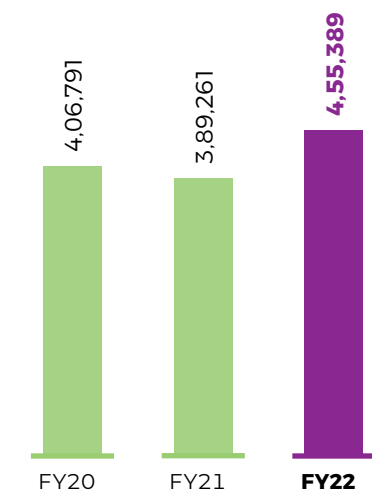
Earnings per share (on the basis of ₹1/- share)



Debt-Equity ratio



Sales volume (MT)



Operating environment

Favourable external environment

Our business is dependent on the growth of the downstream industry, specifically the tyre industry, the growth of which is dependent on the mobility industry. In a world being rapidly disrupted by the impact of the pandemic, technology and innovation will play a critical role in devising sustainable solutions.



GLOBAL CARBON BLACK OPPORTUNITIES

The global carbon black industry is sustained by economic growth, which fuels growth in infrastructure, construction, automobiles and consumer durables, creating demand for carbon black. Product consumption is predominantly driven by tyres, while the performance chemical finds applications in extruded profile, industrial hoses, injection molding, agricultural films and pipes. High-end applications are catered by 'specialty chemicals,' which impart specific characteristics, such as high-quality pigmentation, UV protection, dispersion, viscosity control and electrical conductivity.

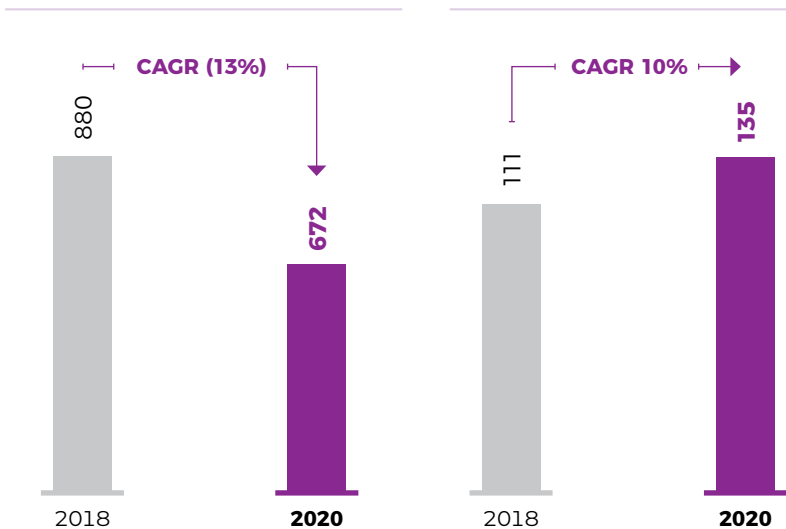
Amid the challenges in the industry, there appears to be a silver lining driven by carbon black supply disruptions, originating from the ongoing consolidation in China's carbon black industry and likelihood of various trade sanctions on Russia because of the ongoing war against Ukraine.



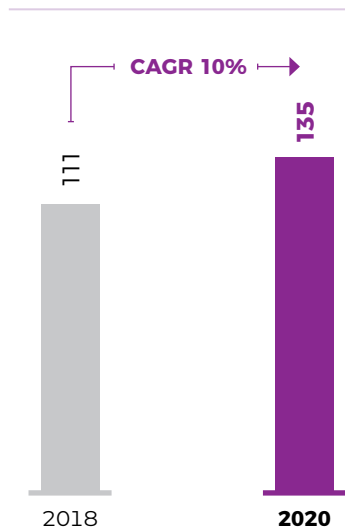
INDIA EMERGING AS A FAVOURABLE MANUFACTURING DESTINATION

Various factors including rising environmental costs, wage inflation, trade conflicts and the spread of COVID-19 have led the global customers to adopt a China+1 strategy. India has emerged as a key substitute owing to its already demonstrated manufacturing capabilities. Moreover, the favourable policies of the government to position the country as the global manufacturing hub is further driving India's emergence as a carbon black manufacturing hub.

Carbon Black Export from China (KT)

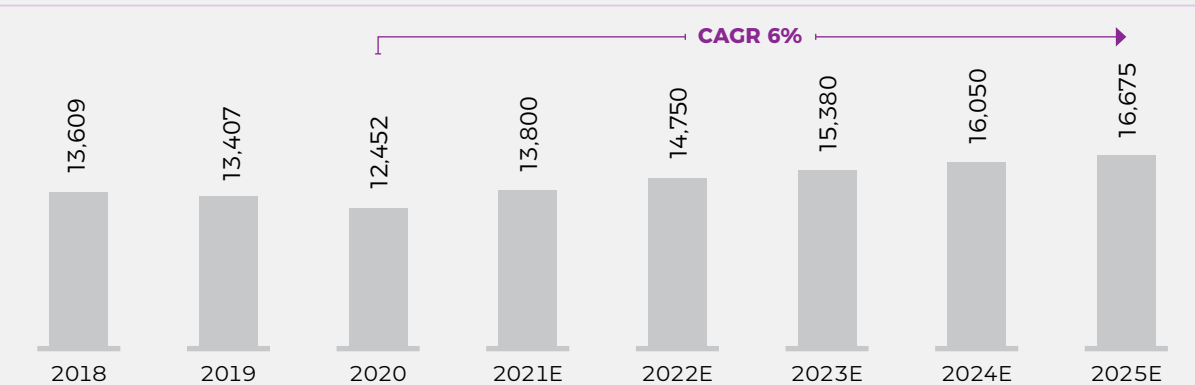


Carbon Black Export from India (KT)



Source: Carbon Black World Data Book - Notch Consulting

World Carbon Black Demand (KT)



Source: Carbon Black World Data Book - Notch Consulting

INDUSTRY 4.0

Digitalisation is impacting corporates across the world. Further, the onset of the pandemic has further accelerated digitalisation adoption as corporates across the board seek to improve productivity, flexibility and responsiveness. Digital simulation, virtual reality, artificial intelligence, the Internet of Things, data-driven management, machine learning and data protection are transforming jobs, and our work.

AUGMENTING PEOPLE CAPABILITIES

The digital transformation is necessitating a people-centric approach, supporting employees in their career development, facilitating up-skilling and cross-functional collaboration.

OUR RESPONSE

- Enhance capacity consistently to capitalise on the downstream growth opportunities
- Enhance digitalisation
- Putting people at the centre of our growth
- Foster a culture of innovation to capture emerging opportunities
- Increasing our ESG quotient