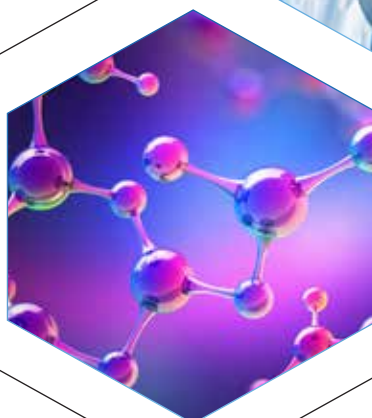
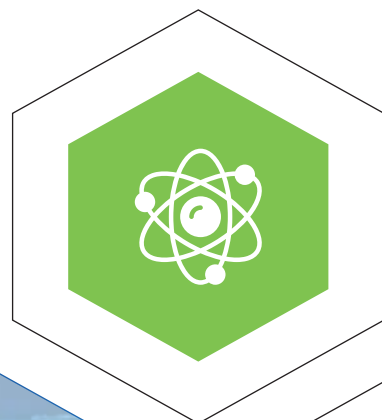


# EVOLVING HORIZONS

Touching lives in more ways than one

PCBL Limited | Annual Report 2022-23



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AT PCBL, WE BELIEVE IN EARNING THE RIGHT TO GROW THROUGH EFFICIENCY, VALUES AND INTEGRITY. WE LEAD FROM THE FRONT IN THOUGHT AND ACTION. WE FOLLOW THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE AND ARE VERY MINDFUL OF THE ENVIRONMENT

## Evolving Horizons



## Corporate Identity



2

22

## Investment Case



6

Market Cap	₹ 4,382 Crores as on 31 March, 2023
CIN	L23109WB1960PLC024602
BSE Code	506590
NSE Symbol	PCBL
Dividend Declared (Interim)	₹ 5.50/- share (on face value of Re. 1/- each)
AGM Date	11 <sup>th</sup> July, 2023
AGM Mode	Video Conferencing/ Other Audio Visual means

### Disclaimer

This document contains statements about expected future events and financials of PCBL Limited which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



# EVOLVING HORIZONS

Change is the only constant. And change when pointed at a particular desired direction by aligning it with a vision and a purpose is called evolution. Our Annual Report for FY 2021-22 highlighted our resolve to evolve and our endeavour to grow, transform, and explore new possibilities in the world of chemicals. This report summarises the key initiatives that will fuel this journey of evolving horizons.

Businesses operate within a large global ecosystem, and various macroeconomic, social, geopolitical, environmental factors trigger, disrupt, or both, an organisation's approach, and strategy. Highly competitive market conditions and disruptive technologies are changing the face of traditional business models and revolutionising employee and consumer expectations. As a result, businesses actively seek ways to be agile and adapt to the continuous flux effectively. In this VUCA landscape (Volatility, Uncertainty, Complexity and Ambiguity), the ability to adapt and evolve is crucial for businesses that want a competitive advantage.

AT PCBL, WE WHOLEHEARTEDLY EMBRACE THE PATH OF EVOLUTION AND HAVE DEPLOYED SEVERAL ENABLERS IN ALIGNMENT WITH IT. IT INCLUDES EXPANDING CAPACITY, STRENGTHENING GLOBAL FOOTPRINT, EXPANDING PRODUCT PORTFOLIO WITH RESEARCH AND INNOVATION, DIGITALISATION, BUSINESS DIVERSIFICATION, PEOPLE LEADERSHIP, AND EMBRACING ESG STEWARDSHIP. THIS WILL SET THE STAGE FOR THE NEXT PHASE OF OUR EVOLUTION IN OUR QUEST TO BE A TRUSTED GLOBAL PLAYER PROVIDING CUTTING EDGE SOLUTIONS TO OUR PARTNERS AND AN EXCITING WORKPLACE TO OUR PEOPLE.

## OUR 7 Business Themes DRIVING EVOLUTION



BUSINESS LEADERSHIP



R&D AND INNOVATION



DIGITAL TRANSFORMATION



BUILDING CAPABILITY



CUSTOMER CENTRICITY



ENVIRONMENT, SOCIETY  
AND GOVERNANCE



FINANCIAL PERFORMANCE



# ABOUT RP-SANJIV GOENKA GROUP

WITH OVER TWO CENTURIES OF GROWING LEGACIES, THE RPSG GROUP HAS ESTABLISHED ITSELF AS A RESPECTED CONGLOMERATE IN THE INDIAN BUSINESS REALM, WITH A SIGNIFICANT GLOBAL PRESENCE.

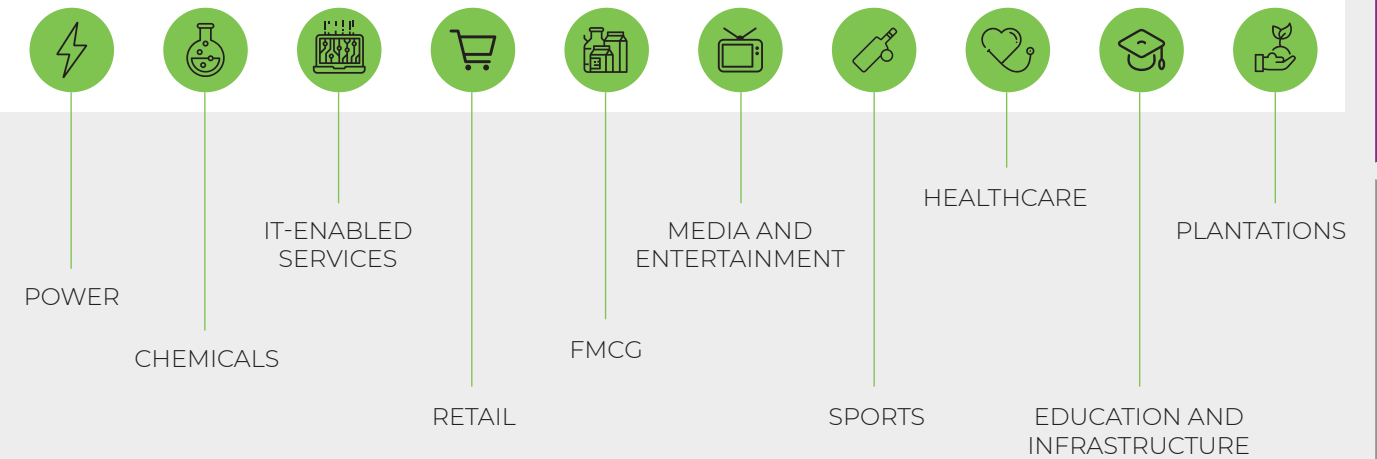


Our Corporate Office, the RPSG House is a Certified Green Building by the Indian Green Building Council (IGBC)

The RPSG Group is revered for its unwavering commitment to cutting-edge technology and efficient business practices. Today, the Group is a force to reckon with in India's corporate landscape, boasting an impressive asset base of ₹ 52,800 Crores and consolidated revenue of ₹ 34,500 Crores.

What sets the organisation apart is its continued focus on excellence, as evidenced by the Group's stellar performance across our various business sectors. With a team of over 45,000+ employees and 10,00,000+ shareholders, the RPSG Group is a shining example of what can be achieved through determination, innovation, and a commitment to success.

## THE RPSG GROUP'S DIVERSE BUSINESS PORTFOLIO COMPRISES



### RPSG 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



## CORPORATE IDENTITY

# ROBUST PERFORMANCE ACROSS PARAMETERS

## FINANCIAL

(₹ Crores)	(₹ Crores)	(₹ Crores)
<b>5,873.89</b>	<b>774.84</b>	<b>444.09</b>
NET SALES	EBITDA	PROFIT AFTER TAX
(%)	(₹)	
<b>13</b>	<b>5.5</b> (@550%)	
EBITDA MARGIN	DIVIDEND PER SHARE ON FACE VALUE OF Re. 1/- EACH	

## ENVIRONMENT

(MW)	(tCO2e)	(Gj)
<b>98</b>	<b>8,68,545</b>	<b>21,48,223</b>
GREEN POWER GENERATING CAPACITY	TOTAL GHG EMISSIONS (SCOPE 1, 2 AND 3)	GREEN ENERGY PRODUCED
(tCO2e)	(tCO2e/MT)	
<b>2,98,233.5</b>	<b>1.94</b>	<b>2,675+</b>
GHG OFFSET DURING FY 2022-23	CARBON BLACK GHG EMISSION INTENSITY	SAPLINGS PLANTED

## SOCIAL

(₹ Crores)	(Man Hours)	
<b>8.50</b>	<b>71,899</b>	<b>43,900+</b>
ALLOCATED TOWARDS CSR INITIATIVES	EMPLOYEE TRAINING	LIVES IMPACTED THROUGH OUR CSR PROGRAMMES

## GOVERNANCE

<b>9+ YEARS</b>	<b>7/11</b>	<b>1,65,000+</b>
AVERAGE EXPERIENCE OF DIRECTORS IN THE COMPANY	INDEPENDENT DIRECTORS (two women Directors and a lead Independent Director)	SHAREHOLDERS



# PCBL – A NATIONAL PIONEER AND GLOBAL PLAYER

We, at PCBL Limited, formerly known as Phillips Carbon Black Limited (hereinafter referred to as 'PCBL', 'We', and 'Our Company'), and a part of RP-Sanjiv Goenka Group, have been playing a pioneering role in the carbon black segment for over six decades, with a current production capacity of 6,66,000 MTPA and generating 98 MW of green power.

Today, we are the largest carbon black manufacturer in India and a strong global player with a significant customer base in 50+ countries. Apart from five strategically located state-of-the-art plants in India, we have also set up R&D Centre at Palej (Gujarat) and an Innovation Centre at Ghislenghien (Belgium).

We are driven by our Vision of providing cutting edge solutions to our Partners and offer a robust product portfolio to meet special requirements across industries such as tyres, rubber, plastics, inks, coatings, engineering plastics, batteries, and conductives, among others. Additionally, our service and strong technical support ensures long-term relationships with our customer partners. . We are in the process of transforming our DNA, with the objective of being a leading chemical manufacturer, and subsequently exploring new horizons in the material science domain.



## Our Vision

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

Our strategically located state-of-the-art plants in Durgapur (West Bengal), Palej & Mundra (Gujarat), Kochi (Kerala) and Chennai (Tamil Nadu) are equipped with cutting-edge technology. This enables us to seamlessly switch between alternative feedstocks, deliver a wide selection of grades, and maintain the highest quality standards.

To strengthen our capabilities further, we have embarked on two expansion projects. The first is a greenfield project in Chennai through our wholly owned subsidiary, PCBL (TN) Limited. We have successfully commissioned the first phase (i.e, 63,000 MTPA), and upon completion, the plant will add 1,47,000 MTPA of carbon black capacity and 24 MW of green power. The second is a brownfield project which is coming up at Mundra, Gujarat. The estimated capacity of the plant is 40,000 MTPA and will be completed in two phases. With this, our total manufacturing capacity is projected to be 7,90,000 MTPA and 122 MW of green power.

To ensure that our product portfolio and processes are always ahead of the curve, we are investing in our state-of-the-art R&D Centre in India and Innovation Centre in Belgium. Further, we are adopting digitalisation initiatives across functions for higher efficiency, optimisation and data monitoring.

We are committed to grow in harmony with the environment and the ecosystem, with sustainability as a core value. At PCBL, we maintain the highest level of ESG stewardship and corporate governance.

## PRODUCT APPLICATION CATEGORIES



TYRES



PERFORMANCE  
CHEMICALS



SPECIALTY  
CHEMICALS





## KEY METRICS

5

**MANUFACTURING UNITS**  
(including Greenfield Project at Chennai, Tamil Nadu through Wholly Owned Subsidiary (WOS) PCBL (TN) Limited)

(MTPA)

6,66,000\*

**MANUFACTURING CAPACITY**

\*Including commissioning of 1st phase with 63,000 MTPA of Greenfield Project at Chennai (Tamil Nadu) (Projected after expansion - 7,90,000 MTPA)

(MW)

98

**OF GREEN POWER GENERATION CAPACITY**

(Projected after expansion - 122 MW)

7<sup>th</sup>

**GLOBAL POSITION**

1<sup>st</sup>

**CARBON BLACK COMPANY TO BE AWARDED CARBON CREDIT UNDER THE KYOTO PROTOCOL OF THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC) IN THE WORLD**

Presence in

50+

**COUNTRIES**

2

**R&D CENTRE IN INDIA & INNOVATION CENTRE IN BELGIUM**

85+

**GRADES OF TYRE, PERFORMANCE, AND SPECIALTY CHEMICALS PRODUCED**

50+

**GRADES OF SPECIALTY CHEMICALS**

1,178+

**EMPLOYEES**

1,65,000+

**NUMBER OF SHAREHOLDERS**

200+

**STRATEGIC SUPPLY CHAIN PARTNERS**

\*Commencement of commercial production 1st phase 63,000 MTPA of Greenfield project at Chennai, Tamil Nadu w.e.f 14th April, 2023



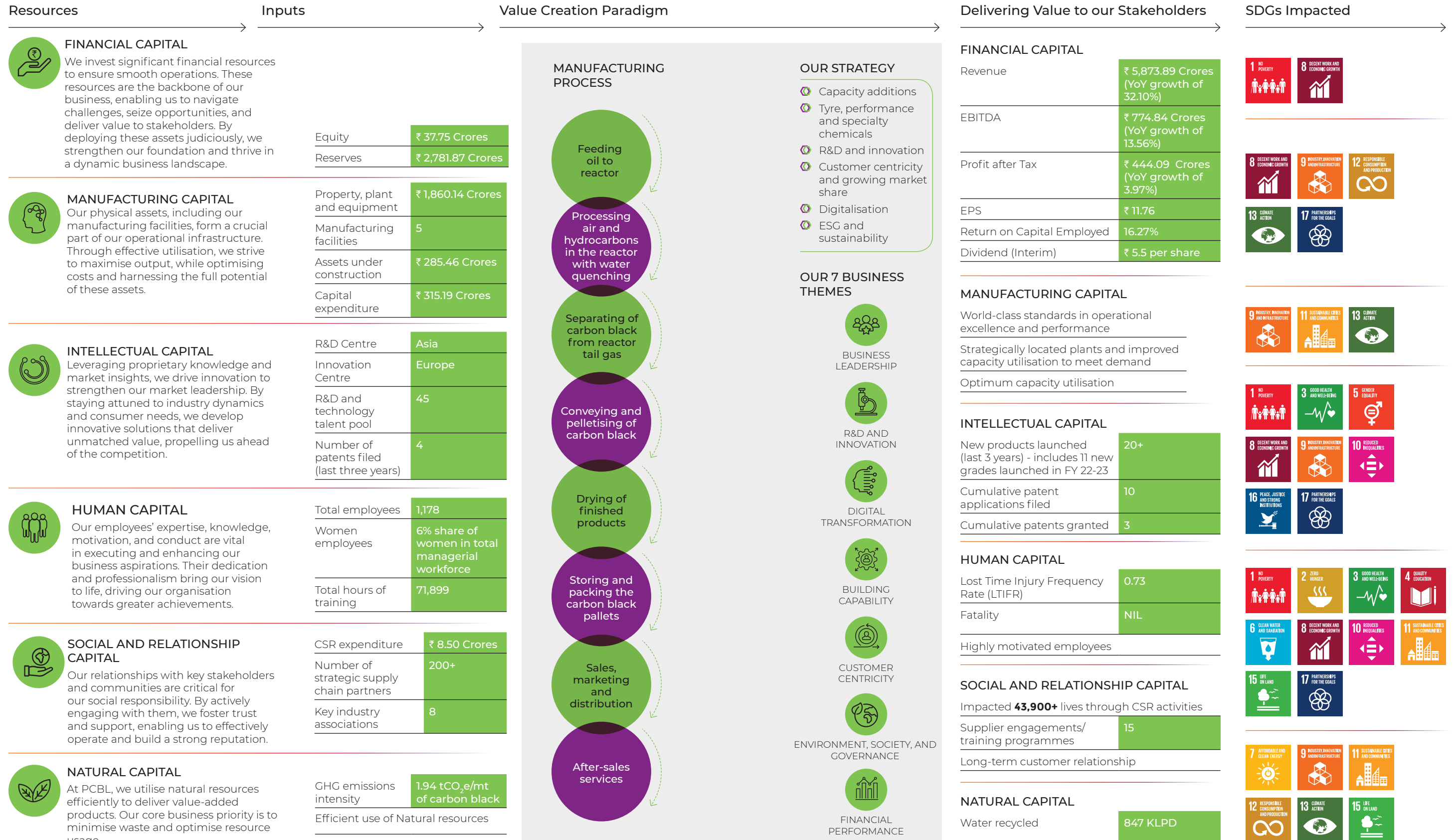
## CREDIBILITY CERTIFICATES

Our plant operations have received the following certifications:



# BUSINESS MODEL

## BUILDING VALUE WITH A LONG-TERM PERSPECTIVE





# CHAIRMAN'S COMMUNIQUE



AT PCBL, WE ARE COMMITTED TO CONSISTENTLY SCALING UP THE VALUE CHAIN THROUGH R&D INITIATIVES. OUR R&D TEAM IS DEDICATED TO ENHANCING VARIOUS ASPECTS OF OUR OPERATIONS SUCH AS IMPROVING PROCESSES, MAXIMISING YIELD, OPTIMISING FEEDSTOCK EFFICIENCY, TAILORING GRADES TO SPECIFIC REQUIREMENTS, AND EXPLORING NEW AVENUES FOR PRODUCT DEVELOPMENT.



## Dear Shareholders,

I am proud and delighted to announce that our performance in FY 2022-23 has set new benchmarks and has achieved an impressive revenue growth of 32% to ₹ 5,874 Crores, compared to the previous FY while EBITDA increased by 14% YoY to ₹ 775 Crores. This remarkable progress can be attributed to several key initiatives. Our planned capacity expansions, strong focus on research and development to build a diverse product portfolio and strengthening footprint in the global market have been key catalysts of this performance.

However, FY 2022-23 came with new challenges as the global economy faces several setbacks such as rising inflation, climate challenges, disruptions to the supply chains caused by the war in Ukraine, and the re-emergence of COVID-19 in China. Consequently, the global economic growth rate slowed down. However, it is truly encouraging that India maintained its position as the fastest-growing

major economy worldwide. This remarkable feat has been made achievable due to a convergence of favourable factors and opportunities. These include the presence of a youthful and expanding population, the steady rise in middle-class incomes, the rapid growth of the service sector, and proactive Government initiatives aimed at promoting domestic investments. This, in turn, has propelled the Indian economy to emerge as the fifth-largest globally.

Critical focus areas of our strategy to tackle the effects of economic slowdown are optimising operational cost, stricter controls on all capital expenditure, and maintaining efficiency across all functions. Agility in implementing actions aligned with the adopted strategy will be the key to success in the upcoming time.

PCBL Limited has a rich legacy of over six decades. Having started as a carbon black manufacturer in 1960, we are now in the process of evolving

horizons to emerge as a prominent chemical manufacturer, and subsequently embark on a journey towards material science. Furthermore, we have deployed dedicated production lines for our specialty chemicals portfolio comprising more than 40 grades. This enables us to cater to the evolving requirements of our customer partners worldwide across various segments such as rubber, engineering plastics, inks & coatings, conductives, batteries, and so on. During FY 2022-23, we reported our best financial performance ever.

We continued witnessing positive demand for specialty black from various geographical regions, driven by a mix of new customer acquisitions. Our Company's power segment revenue in FY 2022-23 was at ₹ 142 Crores as compared to ₹ 93 Crores in FY 2021-22, due to higher sales volume as well as higher realisation. In line with our vision of becoming a trusted global player, we have strategically positioned all our manufacturing facilities near ports, thus allowing for convenient access to raw materials and effective service to international clients, all while minimising logistics costs.

To further enhance our capabilities, we have embarked on two capacity expansions. The first is greenfield expansion in Chennai (Tamil Nadu) through our wholly owned subsidiary PCBL (TN) Limited. The first phase with 63,000 MTPA capacity has been successfully commissioned, and upon completion, the plant will add 1,47,000 MTPA of carbon black capacity and 24 MW of green power. The second is a brownfield expansion at our Mundra plant in Gujarat, with an estimated specialty chemical capacity of 40,000 MTPA. This expansion is divided into two phases, and the first phase of the specialty chemical line is projected to be commissioned by Q1 FY 2023-24. With accelerated capacity augmentation plans in place, PCBL is well-equipped for the next phase of growth, ready to cater to national as well as international markets.

At PCBL, we are committed to consistently scaling up the value chain through R&D initiatives. Our R&D team is dedicated to enhancing various aspects of our operations such as improving processes, maximising yield, optimising feedstock efficiency, tailoring grades to specific requirements, and exploring new avenues for product development.

One of our key business themes is digital transformation, and we have initiated multiple endeavours across our entire network of manufacturing facilities. These initiatives aim to

facilitate a seamless transition to an enhanced system and improve processes across all domains. We have effectively collaborated with various departments and have implemented various digitalisation initiatives across all functions. Further, our greenfield project in Chennai is being set up as per Industry 4.0 standards.

Recognising our role as a socially and environmentally responsible corporate citizen, we acknowledge our commitment to the well-being of the environment and society. We have undertaken multiple initiatives aligned with our sustainability goals and UNSDGs, such as ensuring zero liquid discharge, recycling wastewater, managing energy and water consumption, mitigating emissions, harvesting rainwater, and undertaking plantation drives, among other things. As part of our vision of giving back to society, we have also been proactively working towards empowering the underprivileged communities in spheres such as education, health and sanitation, sports, environmental sustainability, and holistic community development.

As a testament to our unwavering commitment to our esteemed shareholders, an interim dividend of ₹ 207.60 Crores (₹ 5.50/- per Equity Share on the face value of Re. 1/- per equity share) was declared on 31 January, 2023, and paid during the quarter ended 31 March, 2023.

As I reflect upon yet another incredible milestone, I would like to sincerely express my gratitude for your unwavering support and steadfast commitment to our organisational vision. Through the synergies forged by this support, we have exceeded expectations and embarked on an exhilarating journey of exploring new horizons and generating value for all involved. With immense pride, I applaud our collective efforts, as PCBLites have unified talent, passion, and resilience to reach new heights. As we bid farewell to a rewarding and transformative year, let us embrace the dawn of a new era, pioneer innovation, and make a lasting impact. With gratitude and unity, we shall face challenges and craft a legacy that endures. Thank you for your unwavering commitment to our shared vision, and here's to an extraordinary journey ahead, where every success resonates with the spirit of PCBLites and our esteemed stakeholders.

Yours sincerely,

**Dr. Sanjiv Goenka**  
Chairman

# MANAGING DIRECTOR'S PERSPECTIVE



OUR R&D CENTRE IN INDIA AND INNOVATION CENTRE AT BELGIUM, IN TANDEM WITH THE PROCESS TECHNOLOGY TEAM, IS ENABLING US TO EXPAND OUR PRODUCT PORTFOLIO AS WELL AS UNDERTAKE PROCESS INNOVATIONS TO CATER TO THE EVOLVING NEEDS OF OUR CUSTOMERS. AS A RESULT, WE HAVE BEEN ABLE TO DEVELOP NEW AND IMPROVED GRADES OF PERFORMANCE AND SPECIALTY CHEMICALS FOR VARIOUS SEGMENTS SUCH AS TYRES, INKS & COATINGS, ENGINEERING PLASTICS, FIBRES, CONDUCTIVES, AND BATTERIES, AMONG OTHERS. 



## Dear Stakeholders,

The FY 2022-23 will go down as one of the most significant ones in PCBL's history. Our accomplishments during this time have established new benchmarks for our business, both in terms of revenue and volume. Furthermore, our profitability has consistently shown an upward trend, culminating in our strongest financial performance to date.

However, it wasn't a consistently smooth journey throughout the year. The second half of 2022 witnessed disruptions owing to the Russia-Ukraine war, with high oil prices leading to inflation. With the global economic slowdown serving as the backdrop, it is imperative that we adopt flexible strategies based on strong market intelligence and as per the dynamic microeconomic and macroeconomic factors. By remaining agile in our implementation, we can navigate these challenges effectively.

Our expansion projects – greenfield project at Chennai and brownfield project at Mundra – are in full swing and post completion, our total capacity will be 7,90,000 MT and 122 MW of green power. We have successfully commissioned the first phase of our Chennai plant, and it is being set up with cutting-edge technology that includes AI, machine learning, and data analytics. It is a smart manufacturing unit and leverages the full potential of Industry 4.0, offering lean and efficient operations.

Further, in alignment with our business theme of digital transformation, we are driving a transition from digitisation to digitalisation across various functions. This paradigm shift has been facilitated by a multitude of initiatives introduced across all aspects of our organisation. As a result, we have achieved enhanced clarity, improved efficiency, and expedited decision-making processes, leading to faster and more informed outcomes.

Our R&D Centre in India and Innovation Centre at Belgium, in tandem with the Process Technology team, is enabling us to expand our product portfolio as well as undertake process innovations to cater to the evolving needs of our customers. As a result, we have been able to develop new and improved grades of performance and specialty chemicals for various segments such as tyres, inks & coatings, engineering plastics, fibres, conductives and batteries, among others. Further, we have various products in the pipeline, set to be launched in the next three years.

Our commitment to customer centricity and the pursuit of growing our market share involves implementing several key strategies. As we embark on this journey, one of our key focus areas is penetrating new geographies and expanding our global footprint. We aim to accomplish this by exploring the emerging opportunities presented in untapped markets. Hence, it becomes imperative to deliver cutting edge products, impeccable service, and strong technical support, for acquiring new customer partners and nurturing long-term relationships with them. We are also strategically shifting our focus from customer relationship management (CRM) towards a more holistic approach to customer experience management (CEM). The idea is to create exceptional and memorable experiences for our customer partners.

As we advance towards achieving our strategic priorities, we are consistently focussing on

mitigating our carbon footprint and building a sustainable organisation. Key material factors have been sharply defined keeping in mind the context of the business. Even though we are rated as one of the best in ESG parameters among competitors, these are the early stages of our ESG journey, and we are committed to create new benchmarks in the coming years. By integrating good governance practices throughout our operations, we are dedicated to upholding principles of transparency, accountability, fairness, and integrity. These practices form the bedrock of our decision-making processes and govern our interactions with all stakeholders involved.

We firmly believe, investing in our employees skill, knowledge and competency is paramount to our success. Throughout the year, we have implemented comprehensive training and development programme fostering a culture of continuous learning and upskilling. Moreover, our focus on diversity, equity and inclusion has created an environment where every individual feels valued and respected.

Being a responsible corporate citizen, we are actively engaged in community development projects, collaborating with local organisations to support education, healthcare and infrastructure projects. Our employee volunteer programmes have allowed our team members to actively participate in initiatives that makes positive impact on the society.

We are brimming with excitement and confidence as we strive to evolve and expand horizons to achieve business leadership across geographies, technology leadership, and business sustainability. With our current performance serving as the launch pad, we are perfectly poised to embark upon the next chapter of our growth journey and surpass new milestones of our financial performance.

Warm regards,

**Kaushik Roy**  
Managing Director