ORIENTAL CARBON & CHEMICALS LIMITED

[Corporate Identity Number (CIN) - L24297WB1978PLC031539]
Regd. Office : "Duncan House", 31, Netaji Subhas Road, Kolkata - 700 001
☎ : 091-033-2230-6831/6832, Fax No. : 091-033-22434772
E-mail : occl@cal2.vsnl.net.in, occlkol@gmail.com, Website : www.occlindia.com

November 07, 2016

The Manager
BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalal Street
Mumbai – 400 001
Fax No. 022-2272-3121/1278/1557/3354
Email: corp.relations@bseindia.com

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051
Fax No. 022-2659-8237/8238/8347/8348
Email: cmlist@nse.co.in

Scrip Code: NSE – OCCL, BSE-506579 and CSE-25065

Dear Sir/Madam,

Re: Investor Presentation for the half year ended 30th September, 2016

Pursuant to the provision of the Listing Regulations, 2015 enclosed please find herewith a copy of the Investor Presentation for the half year ended 30th September, 2016.

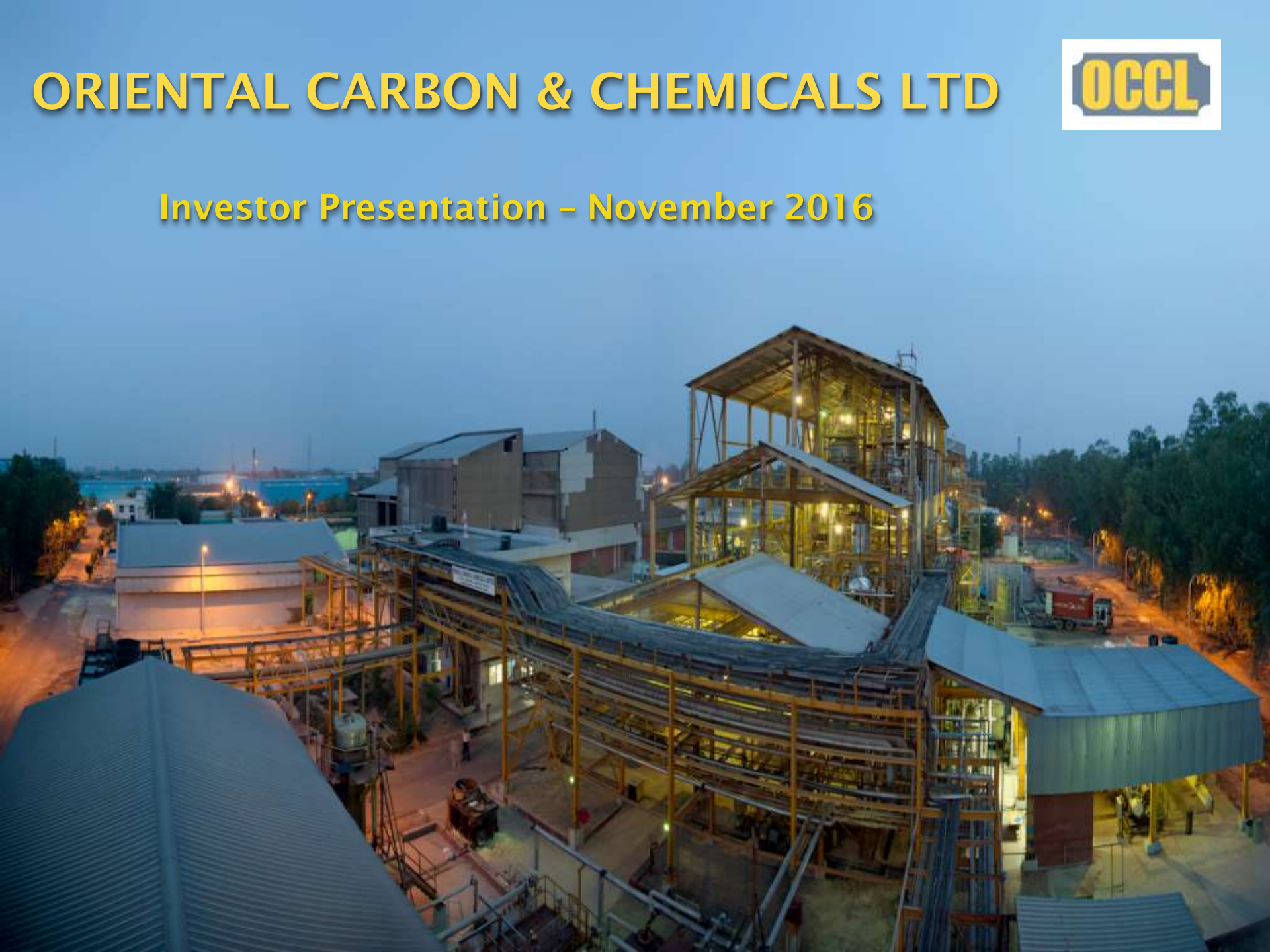
Thanking you,

Yours Faithfully,
ORIENTAL CARBON & CHEMICALS LTD.

Pranab Kumar Maity
Senior Manager Legal & Company Secretary
Encl: a/a

ORIENTAL CARBON & CHEMICALS LTD

Investor Presentation – November 2016



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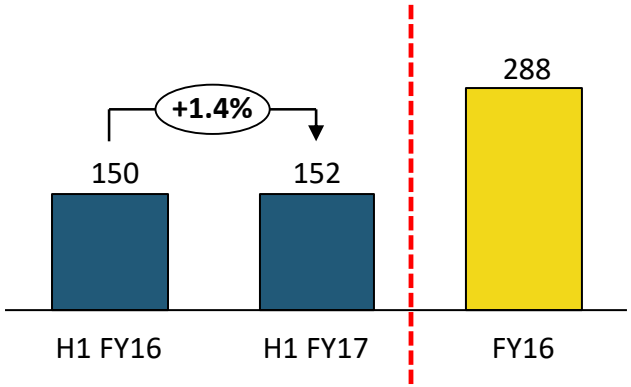
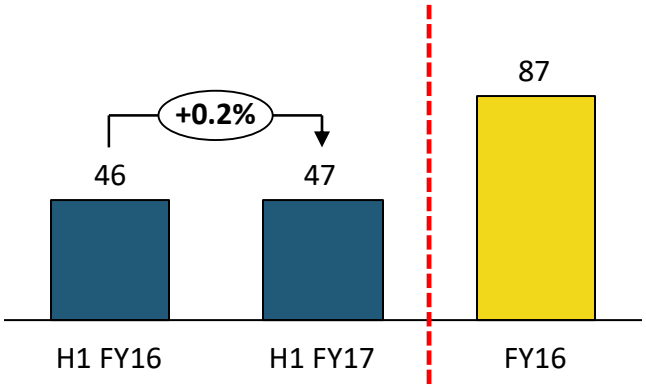
Result Highlights: Y-o-Y Performance

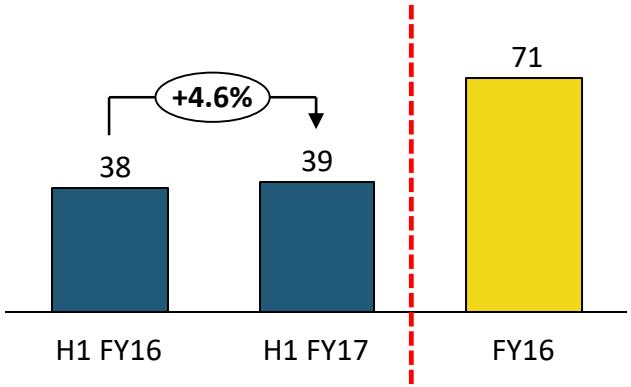
Revenue (Rs. Crs)



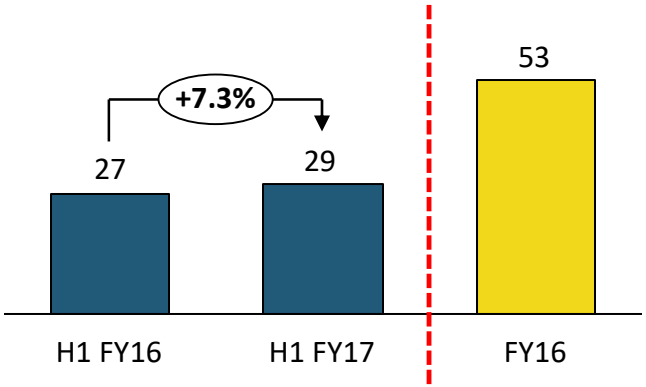
EBITDA* (Rs. Crs)



EBIT (Rs. Crs)



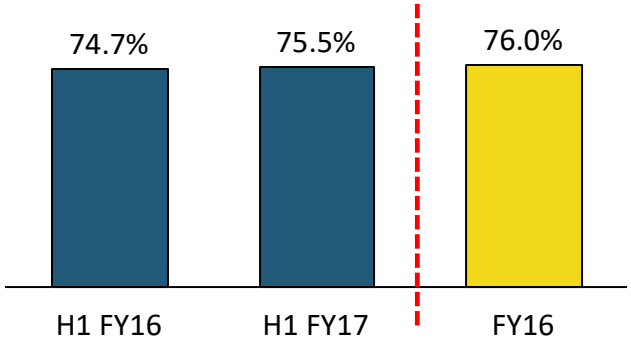
PAT (Rs. Crs)



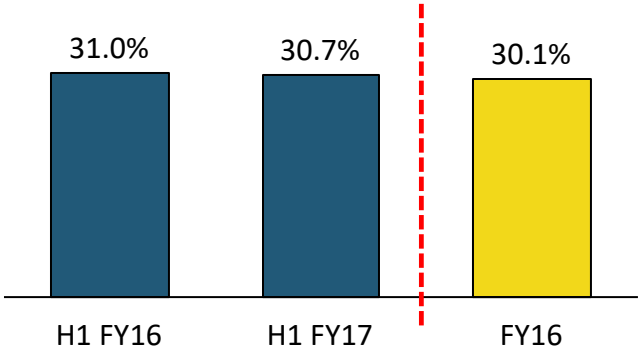
*incl. Other Income

Margin Profile

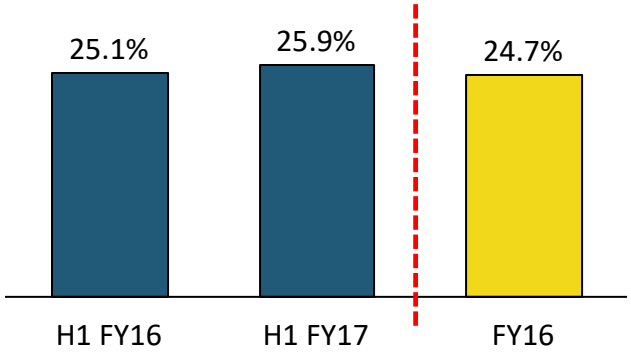
Gross Profit (%)



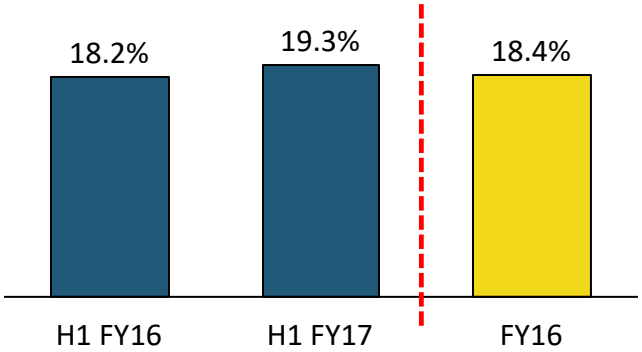
EBITDA* (%)



EBIT (%)



PAT (%)



Board declared Interim Dividend of Rs. 3/- per equity share (i.e. 30% of FV of Rs. 10)

*incl. Other Income

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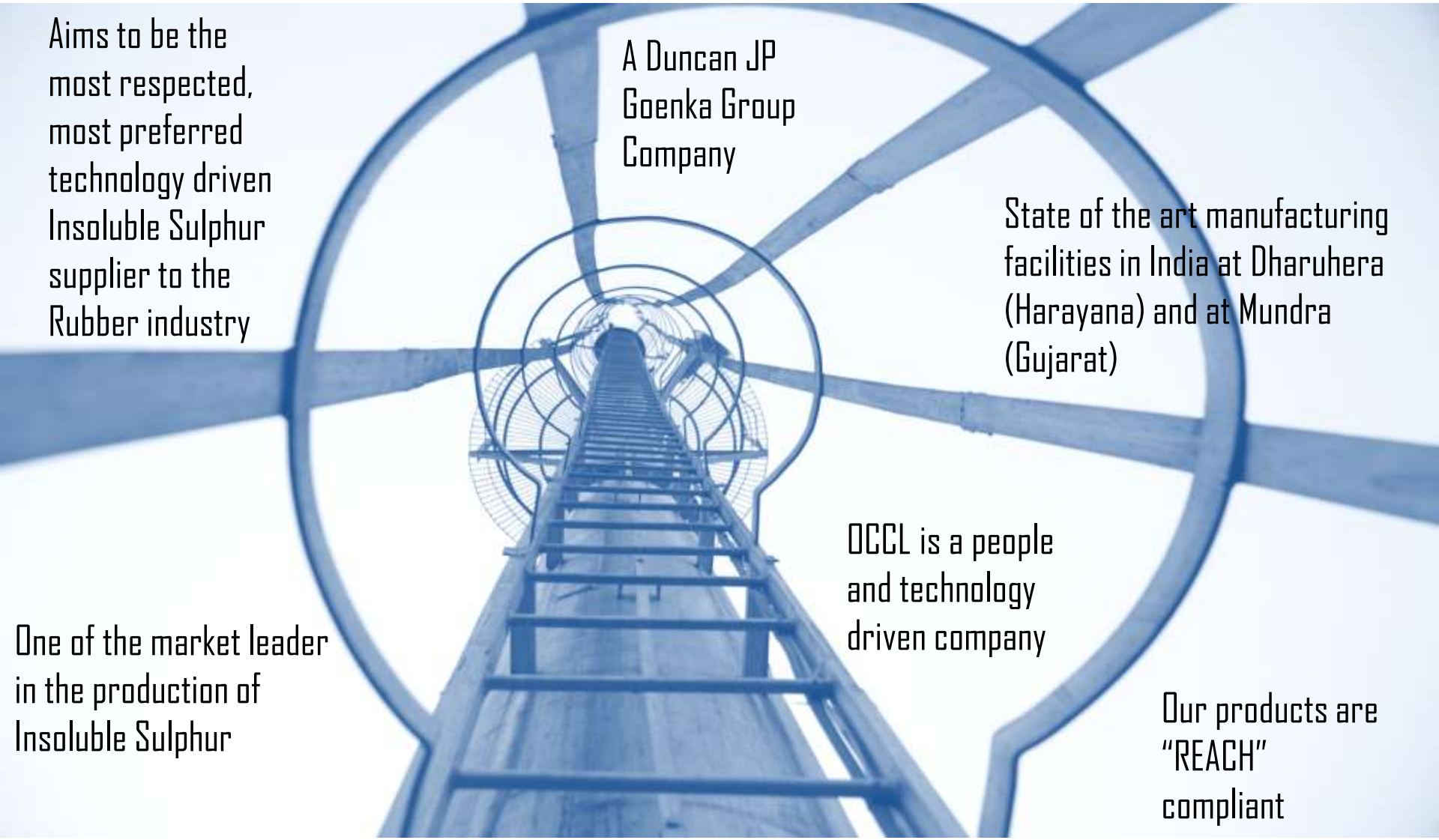


Aims to be the most respected, most preferred technology driven Insoluble Sulphur supplier to the Rubber industry

A Duncan JP Goenka Group Company

State of the art manufacturing facilities in India at Dharuhera (Harayana) and at Mundra (Gujarat)

OCCL is a people and technology driven company

One of the market leader in the production of Insoluble Sulphur

Our products are "REACH" compliant

OCCL - A Duncan JP Goenka Group Company

MARKET SHARE
10 %

CAPACITY NCREASE
7.5x

CUSTOMER BASE
+40

REVENUE - 10 Years CAGR
+18 %

EBITDA - 10 Years CAGR
+24 %

PAT - 10 Years CAGR
+30 %

Management Team

Mr. J. P. Goenka: Promoter & Chairman

- Graduate from Kolkata University – An Industrialist associated with the renowned multi-Industry group name Duncan
- Having 55 years of Experience in the industries of diverse business interests such as Jute & Cotton Textiles, Wool-Tops, Industrial Explosives, Rubber Chemicals & Engineering products

Mr. Arvind Goenka: Promoter & Managing Director

- Commerce Graduate from Kolkata University with 30 years of Experience in managing jute, lubricants and carbon black industry with expertise in finance & international marketing
- Responsible for the Long-term Goal Setting & Monitoring the progress of the Company

Mr. Akshat Goenka: Promoter & Jt. Managing Director

- Graduate in Economics & International Relations from University of Pennsylvania, USA
- Lead the team for setting up new Plant for manufacturing Insoluble Sulphur at SEZ Mundra, Gujarat

Mr. Anurag Jain: Chief Financial Officer (CFO)

- Part of the company from last 24 years
- He brings dynamism to the Financial & Commercial Operations of the company & has played a key role in the Growth and Restructuring of the company over the years

Mr. Vijay Sabbarwal: President (Operations)

- He is an IIT graduate & heading the Operations of the company from 2014
- Has over 25 years of experience in divers Industrial segments like Chemicals, FMCG, Consumer Durables, Auto etc

Mr. Muneesh Batta: Vice President (Marketing)

- An M.B.A (International Business) with over 14 years of experience in International business
- Responsible for international marketing of Insoluble Sulfur & increasing market share of Diamond Sulf overseas

Manufacturing Facilities

Product name	Annual Capacity (MT)	Location	No. Of Lines
Insoluble Sulphur	12,000	Dharuhera (Haryana)	2
Insoluble Sulphur	11,000	SEZ Mundra (Gujarat)	2
Sulphuric Acid / Oleum	46,000	Dharuhera (Haryana)	1

Ongoing Capacity Expansion

1978

Dharuhera Plant

Incorporated as Dharuhera Chemicals Ltd to manufacture Sulphuric Acid of 30,000 MTPA

1994

Dharuhera Plant

Insoluble sulphur operations started with capacity of 3,000 MTPA

2004

Dharuhera Plant – EOU

Set up 2nd line of Insoluble Sulphur with capacity of 4,000 MTPA

2008

Debottlenecking: Capacity Increase

Debottlenecking: Capacity increased to 12,000 MTPA

2011-2012

Mundra Plant – Phase I & II

- Set up Insoluble Sulphur Capacity of 11000 MTPA
- Acquired 50% Equity shares of Schrader Ducan Ltd.

2015-2016

Dharuhera + Mundra

- Insoluble Sulphur: 23,000 MTPA
- Sulphuric Acid: 46,000
- Expansion of 11,000MTPA at Mundra in 2 Phases is underway

2017 - 2018

Mundra Plant

- Increase Insoluble Sulphur Capacity by 11,000 MTPA
- Phase I – 5,500MT (2017)
- Phase II – 5,500 MT (2018)

Product Profile

1

Insoluble Sulphur (IS)

- Insoluble Sulphur is sold under the brand "DIAMOND SULF"
- Application : Used as vulcanising agent in application where sulphur loading levels are required above the sulphur solubility rating of particular elastomers
- DIAMOND SULF is offered in various grades to satisfy diverse compounding requirements majorly for Tire industry
    1. High Dispersion Grades
    2. High Stability Grades
    3. Special Grades

2

Sulphuric Acid

- Manufactures both Commercial Grade and Battery Grade Sulphuric Acid and Oleums
- Application : Dehydrating agent, catalyst, active reactant in chemical processes , solvent , detergents and absorbent
- Offered in following Grades
    1. Grades of exact purity : Storage battery ,rayon, dye, Detergent and pharmaceutical industries
    2. Grades of less specifications :Steel, heavy chemical and superphosphate industries

Cost Optimization Strategy

01 Raw Material

- Key Raw Materials :

  - Sulphur available easily due to ample supply

  - Naphthenic Oil is procured from domestic as well as international players

02 Freight

- Presence at the Port gives Location Advantage of reduced Logistic & Freight Cost
- ~71 % of the sales constitutes Exports

03 Fixed Costs

- With increase production at the plants Operating Leverage to play out
- Future Expansion will result in reduced Fixed cost/ Overheads per MT as R&D and Utilities will be shared

04 Power Cost

- Self-Sufficiency of steam for Plant at Dharuhera
- Benefits from Lower Power Cost in SEZ Gujarat

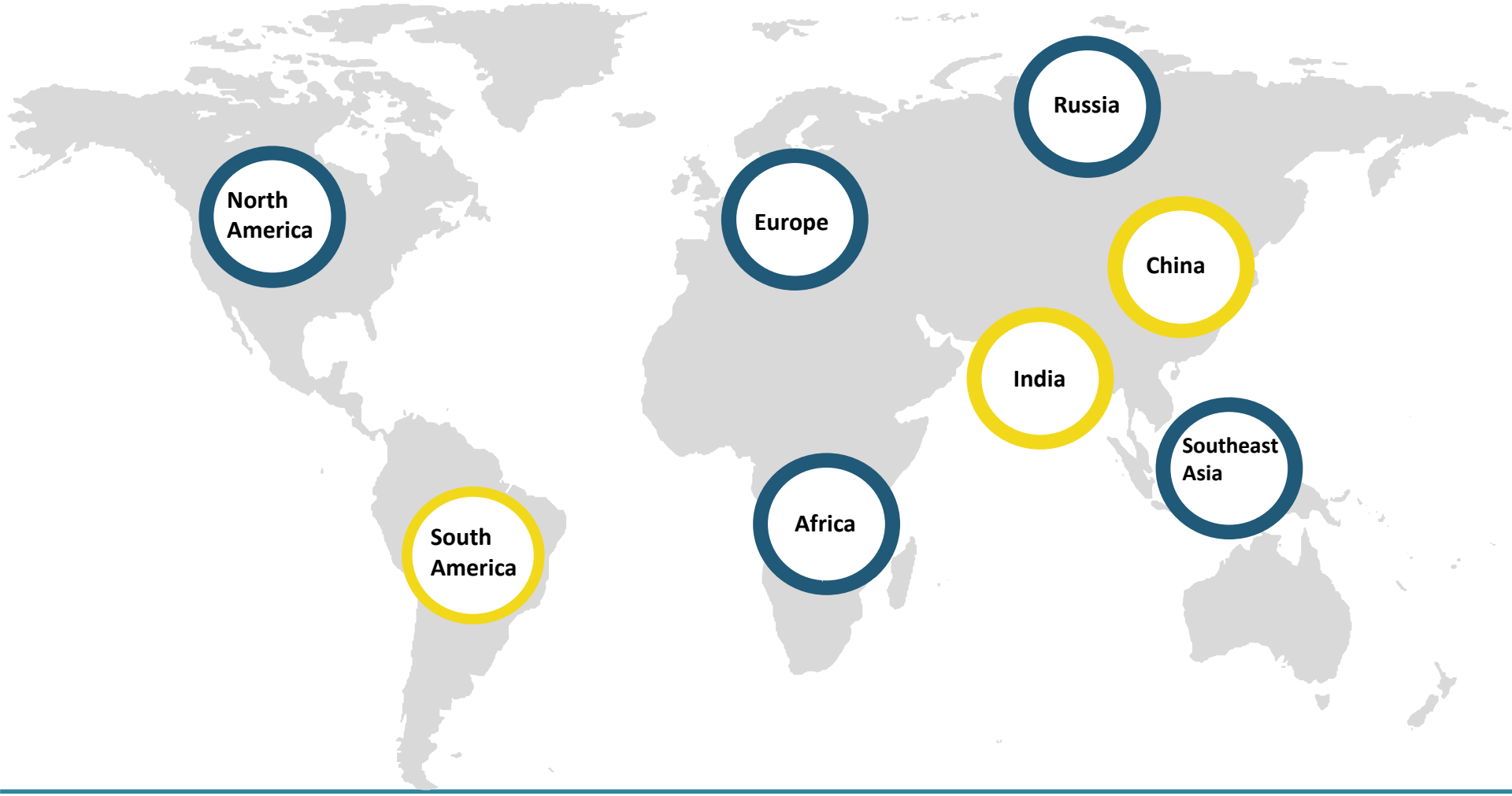
05 Tax Exemption

- SEZ location of Mundra Plant - Income Tax Exemption benefit

Global Customer Relationships

Global Sales Network

Presence in 21 Countries across the World



Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

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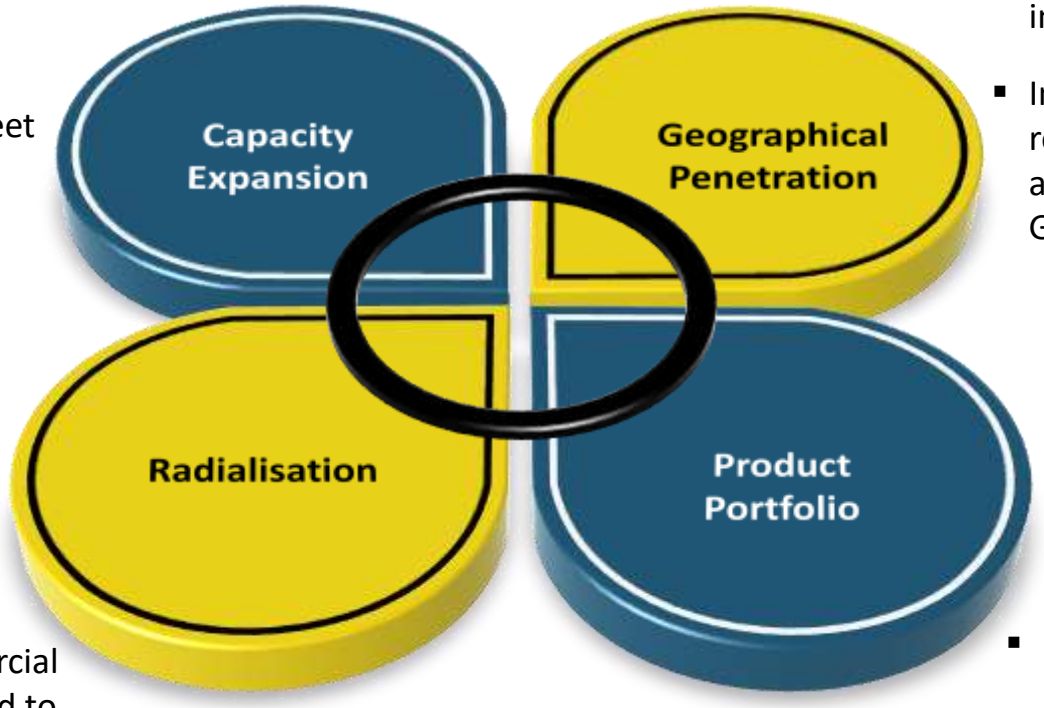
Key Growth Drivers

- Capacity expansion at Mundra
- In-house technology and Common Infrastructure available
- Strategic Location to meet Exports demand
- Approval from all Large Global Tire Companies

- North America is the largest market for Insoluble sulphur with potential for growth to increase share
- Insoluble sulphur requirement increasing at a fast pace in Asia – High Growth Market



- An increase in rate of Radialisation in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

- 100% Production of High Stability, High Dispersion & Special grades of Insoluble Sulphur

Trends driving Insoluble Sulphur Demand

01

Increase in Automation in Tire Industry

02

Higher Performance Expectation from Tires

03

Radial Revolution:

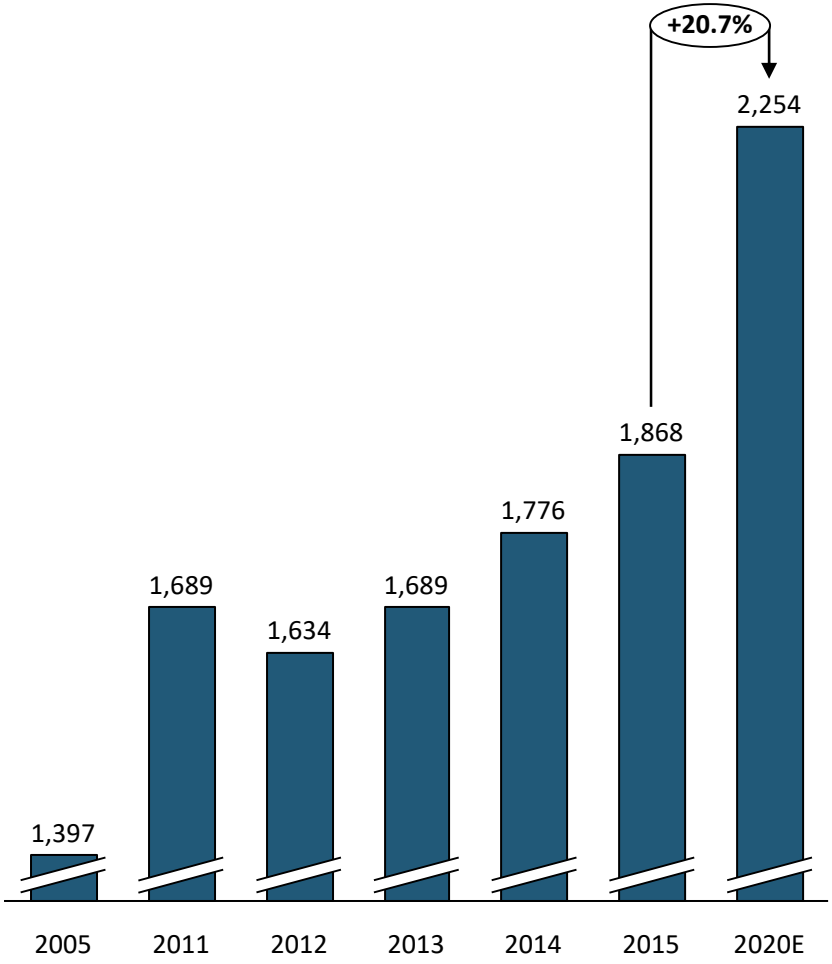
Radialization in Asia

Fast Growing Market

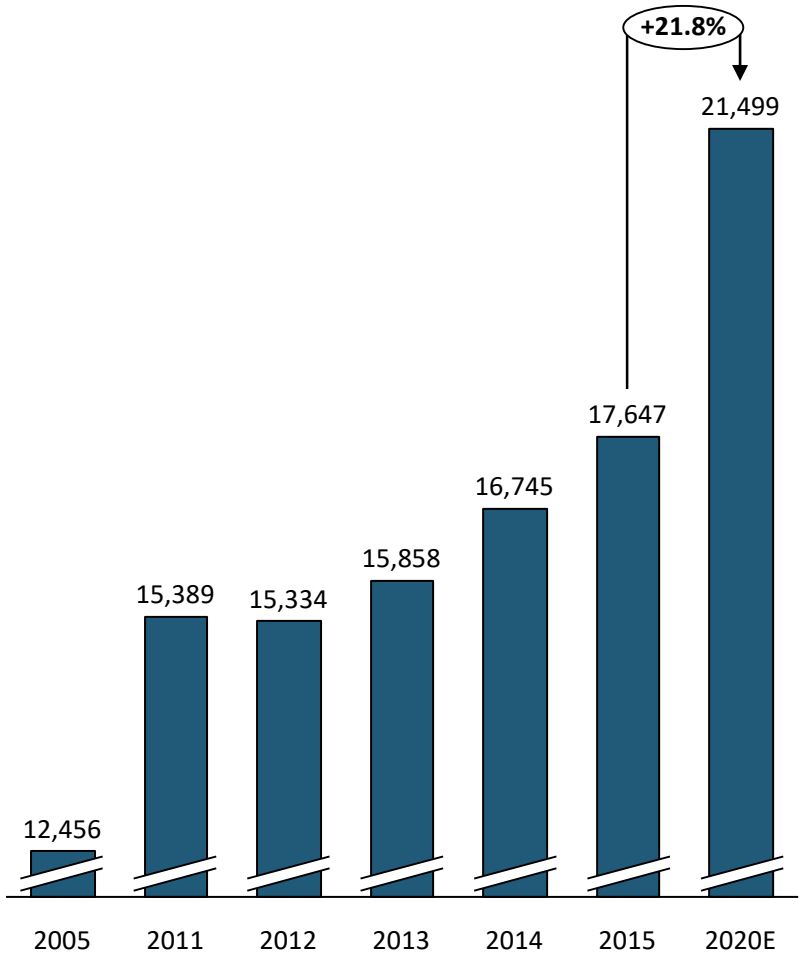
Source: Notch Report

Global Tire Industry – Growth Projections

Tire Production (mn units)



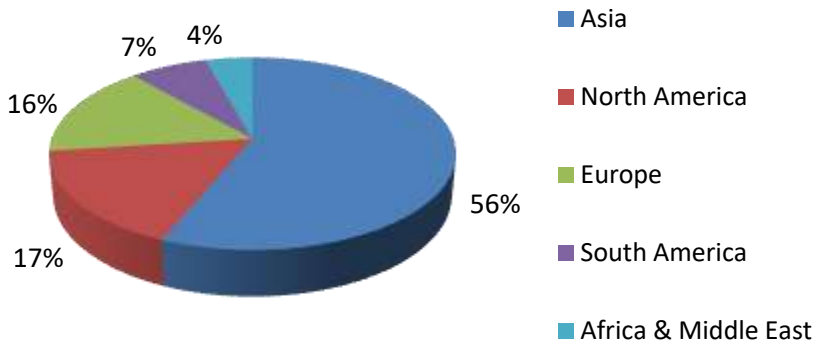
Tire Rubber Consumption ('000 tonnes)



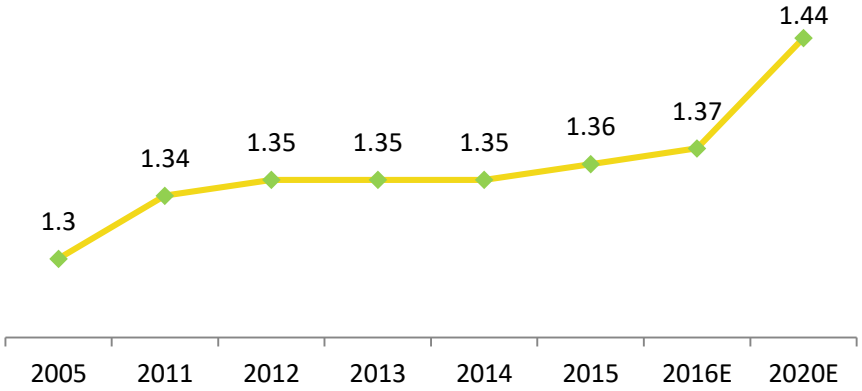
Source: Notch Report

Insoluble Sulphur - Demand Forecast

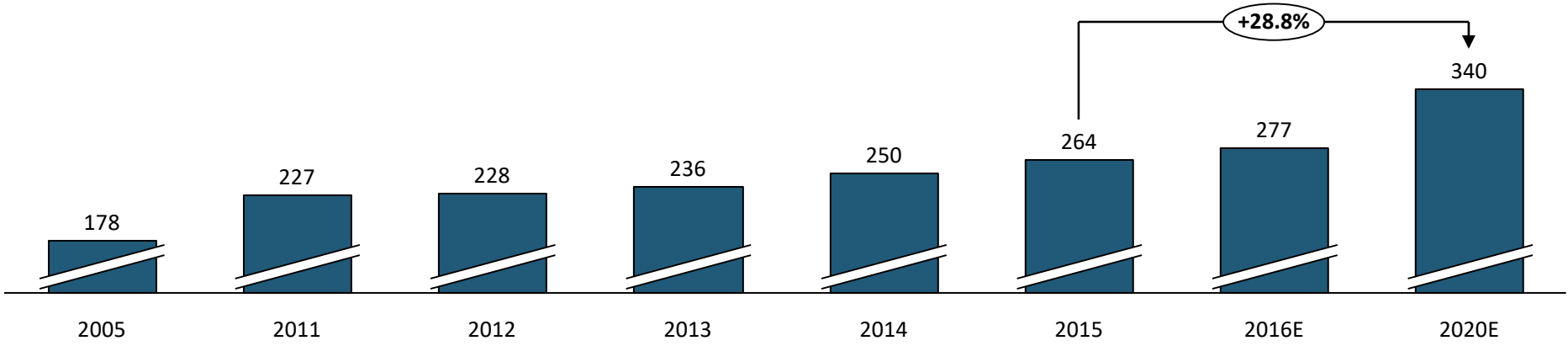
Geographical Breakup - $28 bn Investment



Radialisation: Insoluble Sulphur to Tire Rubber Ratio

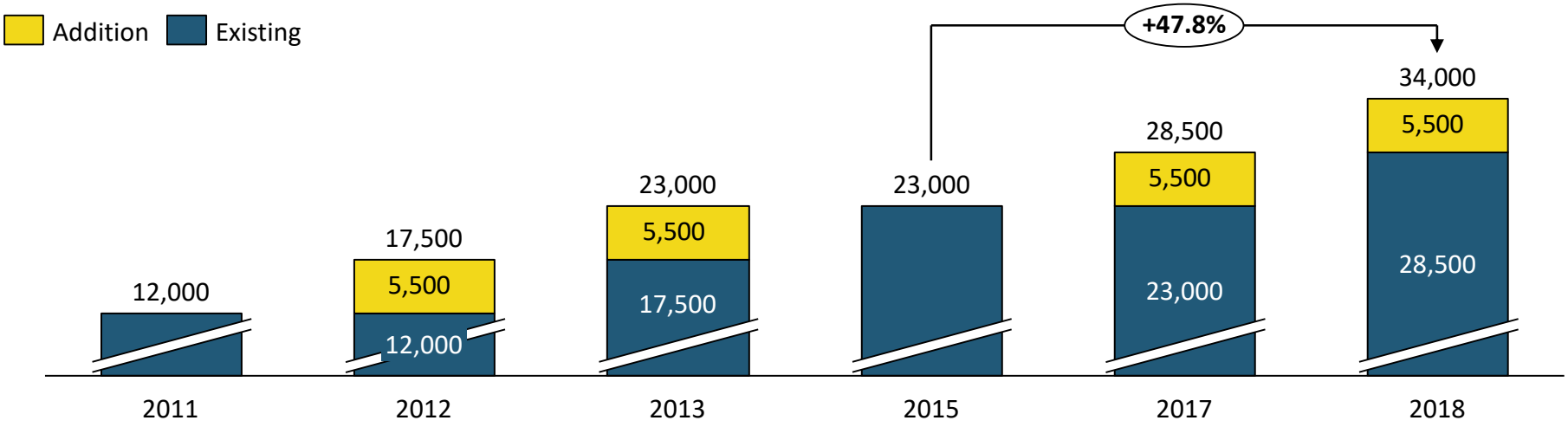


*Insoluble Sulphur Demand ('000 tonnes)



Source: Notch Report
* Also incl. Insoluble Sulphur used for Non-Tire Goods

Planned Capacity Expansion



Brownfield Expansion – To cater to the Growth in Insoluble Sulphur Demand

- ✓ Large Tire manufacturers expanding their business in Asia – High Growth Market
- ✓ Grabbing opportunities of increasing Radialisation in India
- ✓ Strong R&D and in house Technology to support future expansion
- ✓ Increase in market share in the Domestic & International market
- ✓ Increase presence in North American Market
- ✓ Increase from Natural Growth of Existing Customers

Capital Investment till 2018

- ✓ Capital investment would be of ~Rs.159 crs : funded with debt equity ratio of 2:1. It includes
  - Working capital margin
  - Coal Fired Boiler at Mundra Plant which was was commissioned in April-16
  - Expected Project IRR is in excess of 25% and projected payback ~4 years

Entry Barriers: An Advantage

Product Portfolio

- Various grades to satisfy diverse compounding requirements of leading tire manufacturers
- Ongoing development of New Grades to meet Customer requirements

Customer Approvals

- Minimum 24 months required by Customers to approve & validate product from new supplier
- Widely accepted around the world as a preferred vendor by leading tire manufacturers

In house Technology

- In house R&D team works on a continuous basis to improve Quality of product and its Properties
- In house technology team to maintain the technical and quality edge at each production stage

Capital Intensive

Edge over the others -

- Land & Common Infrastructure available for further expansion at Mundra
- In-house Technology

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Profit & Loss Statement – Standalone

Particulars (Rs. In Crs)	Q2 FY17	Q2 FY16	Y-o-Y	H1 FY17	H1 FY16	Y-o-Y	FY16
Sales from Operations	72.1	73.2		149.4	148.0		284.7
Other Operating Income	0.8	0.9		2.4	1.7		3.4
Total Income from Operations	**73.0**	**74.1**	**-1.6%**	**151.7**	**149.7**	**1.4%**	**288.2**
Other Income	1.8	0.8		3.3	2.2		5.7
Total Income	**74.8**	**74.9**		**155.1**	**151.9**		**293.9**
Total Raw material*	14.4	17.1		37.2	37.9		69.2
Power & Fuel Cost	8.5	9.0		16.5	18.4		34.0
Employee Cost	9.5	7.7		18.4	15.0		32.8
Excise Duty	3.3	3.4		6.6	6.9		13.5
Other Expenses	16.1	13.8		29.9	27.3		57.6
EBITDA	**22.9**	**23.7**	**-3.3%**	**46.5**	**46.5**	**0.1%**	**86.8**
EBITDA (%)	***31.4%***	***32.0%***		***30.7%***	***31.0%***		***30.1%***
Depreciation	3.5	4.2		7.3	8.9		15.7
EBIT	**19.4**	**19.6**	**-0.7%**	**39.3**	**37.6**	**4.6%**	**71.1**
EBIT (%)	***26.6%***	***26.4%***		***25.9%***	***25.1%***		***24.7%***
Interest	1.0	1.4		2.3	3.0		6.3
Profit Before Tax	**18.4**	**18.1**	**1.5%**	**37.0**	**34.6**	**7.0%**	**64.8**
Provision for Tax	3.7	5.2		7.7	7.3		11.8
PAT	**14.7**	**12.9**	**13.5%**	**29.3**	**27.3**	**7.2%**	**53.0**
PAT (%)	***20.1%***	***17.5%***		***19.3%***	***18.2%***		***18.4%***
EPS	14.3	12.6		28.4	26.5		51.5

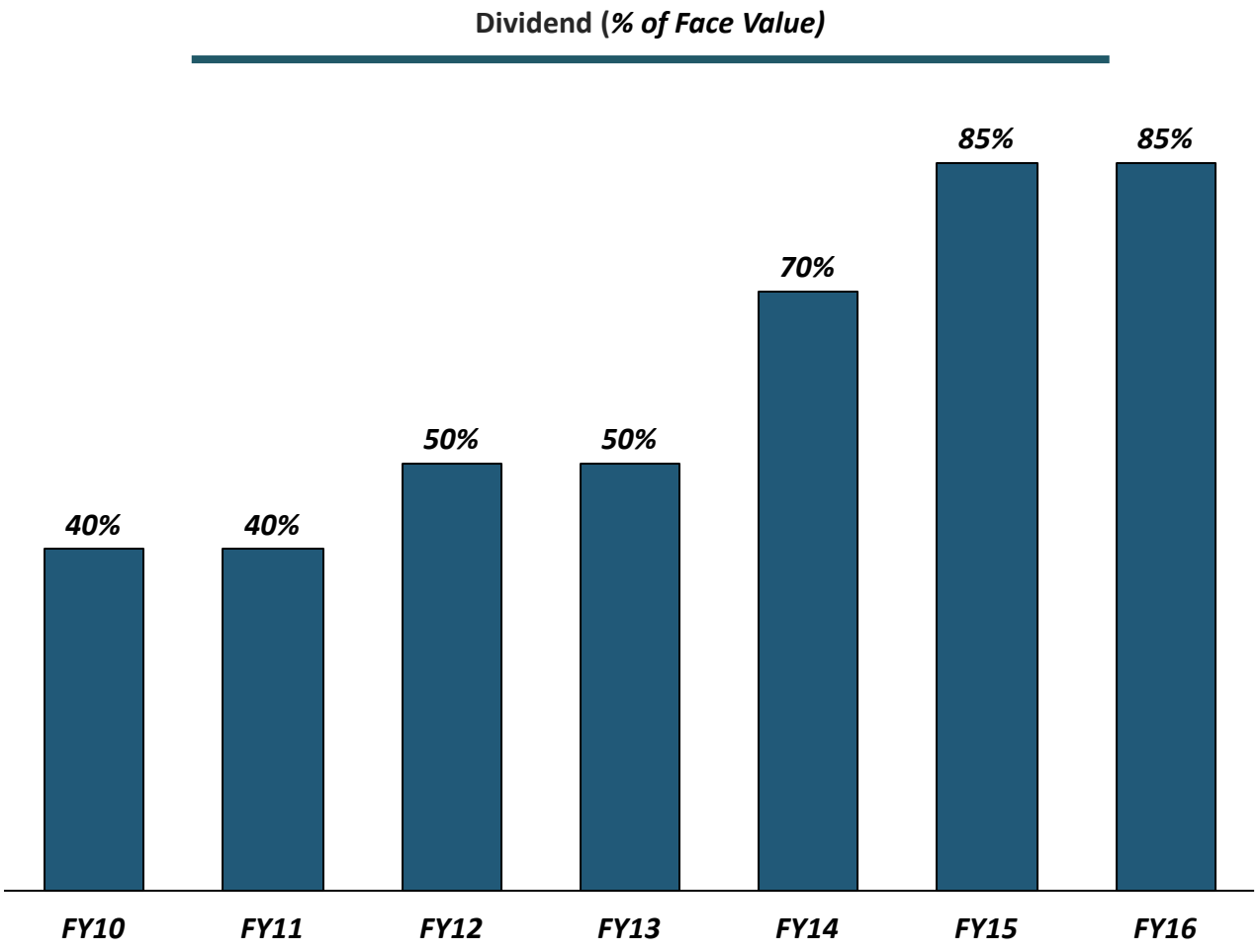
*Total Raw material cost incl. change in Inventories

Balance Sheet - Standalone

Particulars (Rs. Crs)	Sept-16	Mar-16
Shareholder's Fund	**312.2**	**286.6**
Share capital	10.3	10.3
Reserves & Surplus	301.9	276.3
Non-current liabilities	**75.1**	**44.4**
Long term borrowings	51.1	21.4
Deferred Tax liabilities (net)	22.0	21.1
Other Long term liabilities	2.1	1.9
Current liabilities	**70.2**	**86.3**
Short term borrowings	15.2	27.7
Trade payables	12.5	10.2
Other current liabilities	42.5	48.3
Total Liabilities	**457.5**	**417.3**

Particulars (Rs. Crs)	Sept-16	Mar-16
Non-current assets	**327.4**	**285.3**
Fixed assets (inc. CWIP)	267.3	222.3
Non-current Investments	14.7	14.7
Long Term Loans & Advances	45.4	48.3
Current assets	**130.1**	**132.0**
Current Investments	15.8	15.5
Inventories	31.7	38.7
Trade receivables	52.1	48.1
Cash and bank balances	7.4	10.0
Short term loan and advances	15.1	14.6
Other current assets	8.0	5.2
Total Assets	**457.5**	**417.32**

Consistent Dividend Record



For further information, please contact:

Company :	Investor Relations Advisors :
Oriental Carbon & Chemicals Ltd. CIN: L24297WB1978PLC031539 Mr. Anurag Jain - CFO anuragjain@occlindia.com http://www.occlindia.com/	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285 Ms. Payal Dave / Ms. Neha Shroff payal.dave@sgapl.net / neha.shroff@sgapl.net www.sgapl.net