ORIENTAL CARBON & CHEMICALS LIMITED

[Corporate Identity Number (CIN) - L24297WB1978PLC031539]
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May 25, 2017

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 Symbol/Code: NSE – OCCL & BSE-506579

Dear Sir/Madam,

Re: Investor Presentation for the quarter and year ended 31st March, 2017

Pursuant to the provision of the Listing Regulations, 2015 enclosed please find herewith a copy of the Investor Presentation for the quarter and year ended 31st March, 2017.

Thanking you,

Yours Faithfully,
ORIENTAL CARBON & CHEMICALS LTD.

Pranab Kumar Maity
Company Secretary

Encl: a/a

ORIENTAL CARBON & CHEMICALS LTD

Providing Solutions…

…Creating Innovations

Investor Presentation – May 2017

Safe Harbor

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Company Overview

MARKET LEADER

Duncan JP Goenka Group Company

One of the market leader in the production of Insoluble Sulphur

TECHNOLOGY DRIVEN

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

MANUFACTURING FACILITIES

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

"REACH" Compliant

OCCL is a people and technology driven company

Our products are "REACH" compliant

STRONG FINANCIALS

10 Year CAGR
Revenues – 18%
EBITDA – 24%
PAT – 30%

MARKET SHARE

Domestic Share of ~55%
Global market share of ~10%

Customer Base + 40

KEY STRENGTHS

Key Strengths

One of the market leader in the production of Insoluble Sulphur having
Domestic Share of ~55%
Global market share of ~10%

Niche Product Portfolio of Insoluble Sulphur, Sulphuric Acid & Olems offered in various grades to satisfy diverse compounding requirements majorly for Tire industry

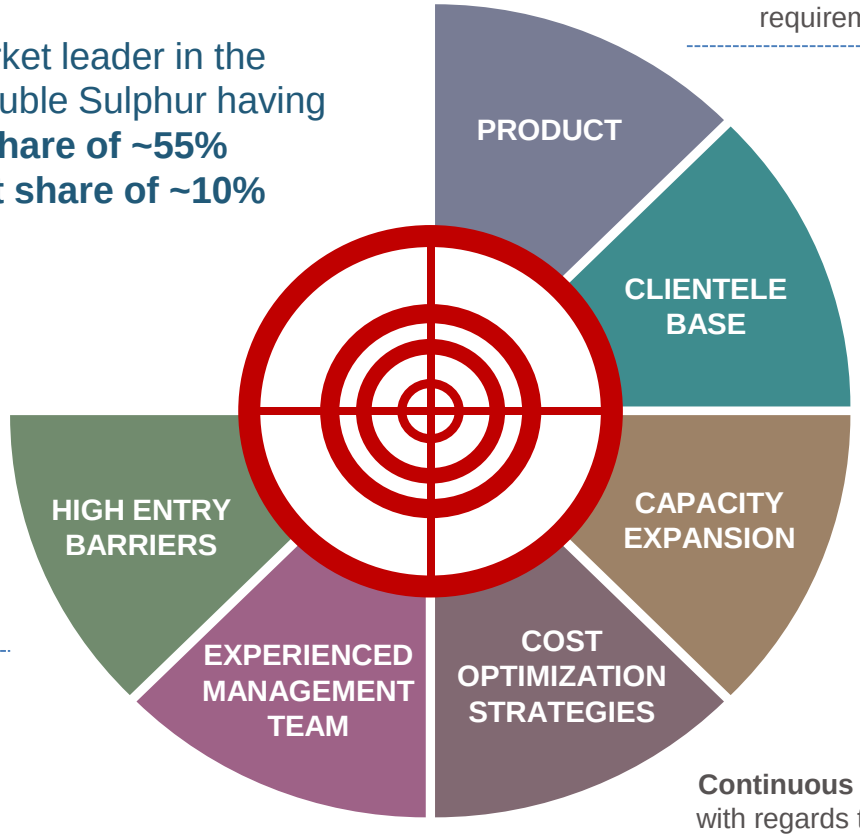
The Company has **Strong Relationships with over 40+ Customers** having presence in 21 countries across the globe

Continuous Expansion of Capacities of Insoluble Sulphur have taken place from 3,000 MT in 1994 to 28,500 MT currently

Continuous Focus on Cost Optimizations with regards to Raw Material, Freight, Power and other Fixed Costs

Have an Experienced Management Team with over **3 decades of experience in this field**

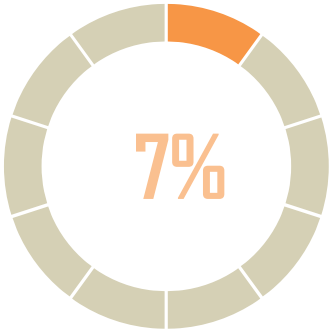
High Entry Barriers with regards to
- Customer Approvals
- Technology
- Capital Intensive



We deliver a Niche Product Portfolio...

INSOLUBLE SULPHUR

- **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



SULPHURIC ACID & OLEUMS

- **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**
    - Grades of exact purity : Storage battery, rayon, dye, Detergent and pharmaceutical industries
    - Grades of less specifications :Steel, heavy chemical and superphosphate industries

...With Strong Customer Relationship...

...Having Presence in 21 Countries...

...across the globe

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

We have Continuously Expanded...

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
Capacity increased to 12,000 MTPA

2012

Mundra Plant – Phase I & II

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

2016

Dharuhera + Mundra

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

2017

Mundra Plant

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

...Having State-of-the-Art...

Product name	Annual Capacity (MT)	Location	No. Of Lines
Insoluble Sulphur	12,000	Dharuhera (Haryana)	2
Insoluble Sulphur	16,500	SEZ Mundra (Gujarat)	3
Sulphuric Acid / Oleum	46,000	Dharuhera (Haryana)	1

...Manufacturing Facilities

We use Cost Optimization Strategies

Low Fixed Costs

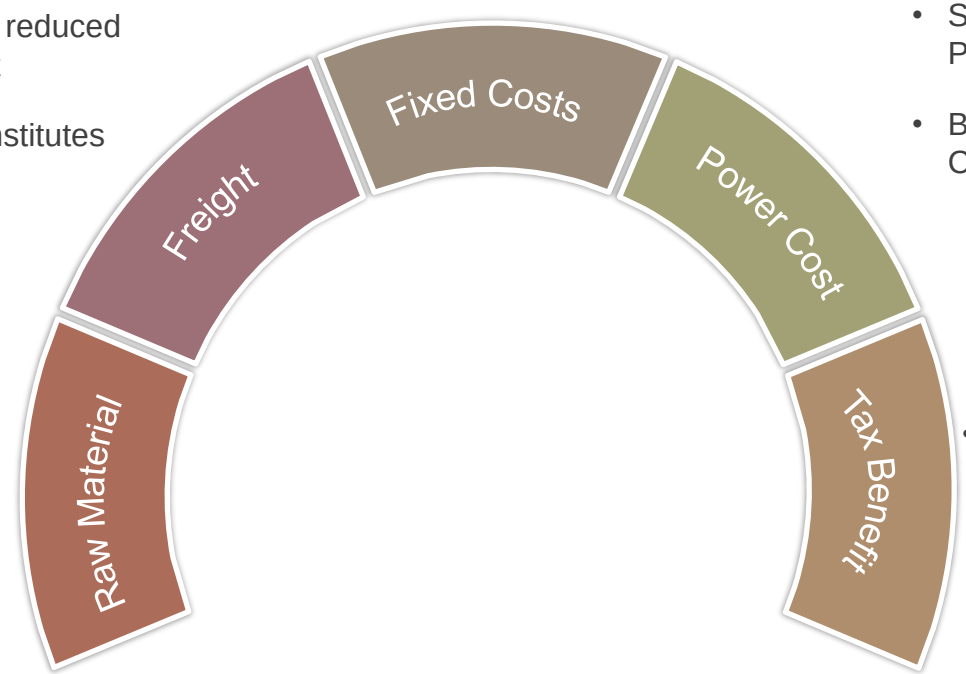
- With increase production at the plants Operating Leverage to play out
- Future Expansion will result in reduced Fixed cost/ Overheads per MT as R&D and Utilities will be shared

Logistical Advantage

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

Savings in Power Cost

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



Key Raw Materials

- Sulphur available easily due to ample supply
- Naphthenic Oil is procured from domestic as well as international players

Tax Benefit

- SEZ location of Mundra Plant - Income Tax Exemption benefit

Experienced 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 26 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

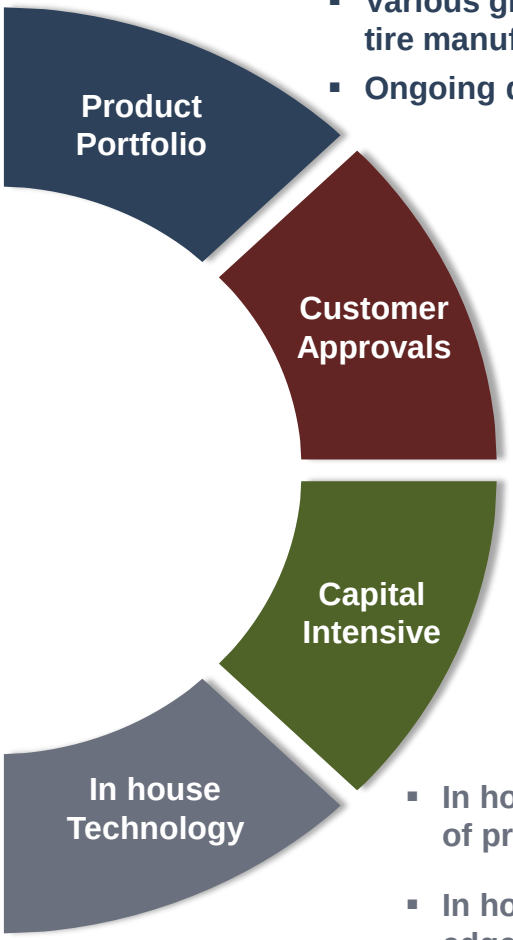
Mr. Vijay Sabbarwal: President (Operations)

- 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 20 years of experience in International business
- Responsible for international marketing of Insoluble Sulphur & increasing market share of Diamond Sulf overseas

Having High Entry Barriers



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

- 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

Edge over the others -

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

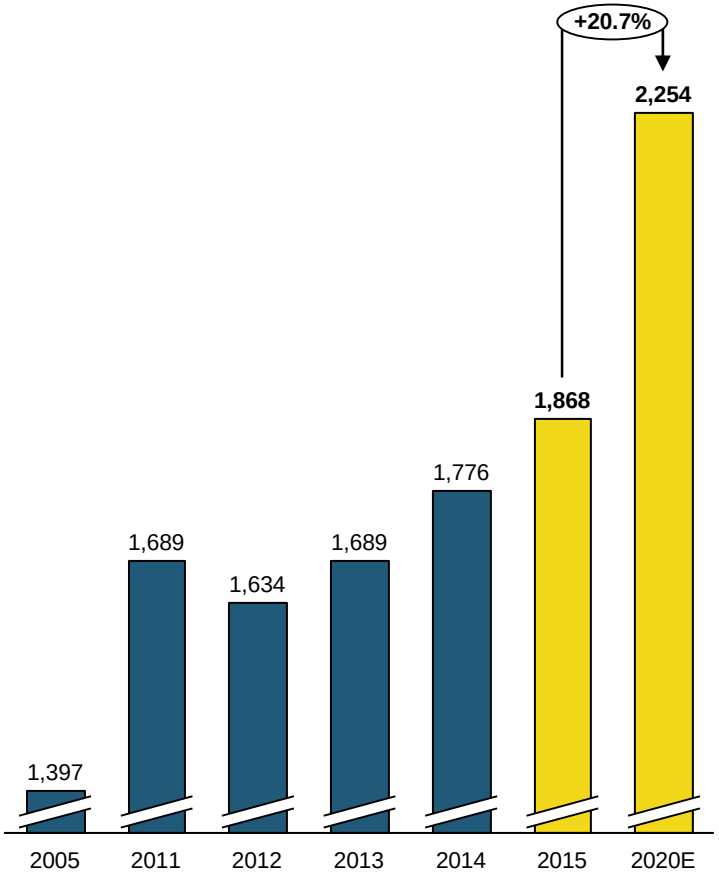
- In house R&D team works on a continuous basis to improve Quality of product and its Properties
- In house technology team to maintain the technical and quality edge at each production stage

OCCL has successfully implemented its In-house Technology which has been approved by all our Customers across the globe

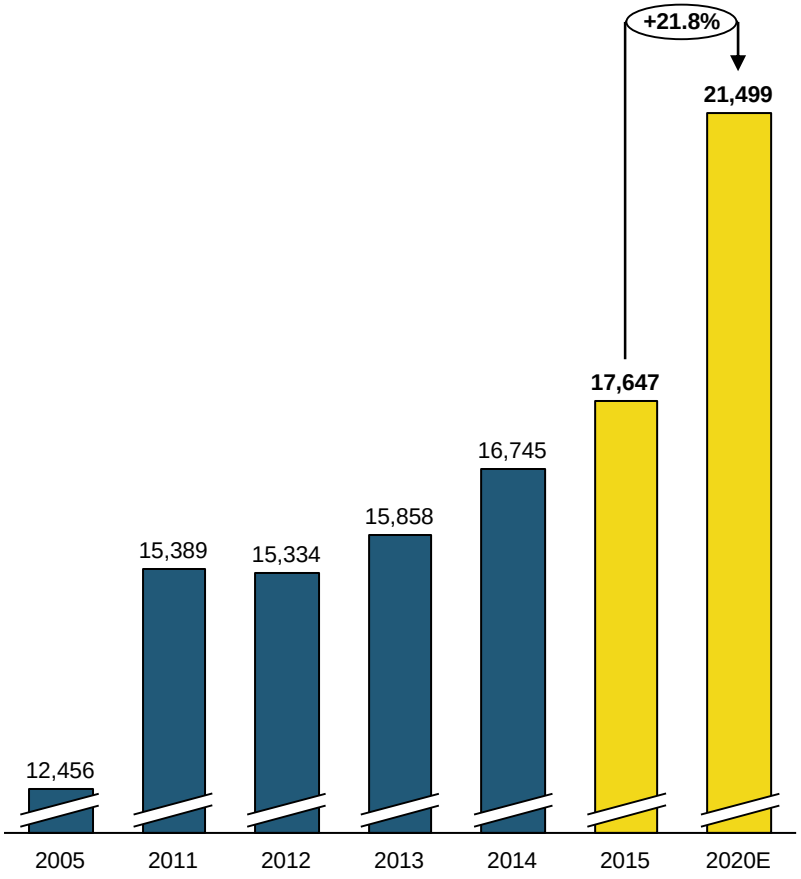
KEY GROWTH OPPORTUNITIES

Global Tire Industry

Tire Production
(mn units)



Tire Rubber Consumption
(‘000 tonnes)

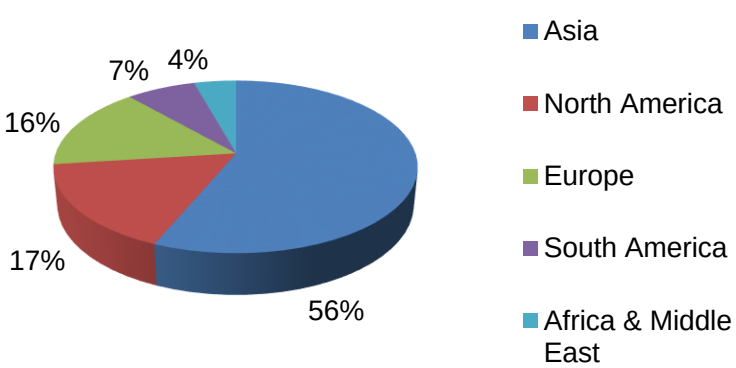


Source: Notch Report

Insoluble Sulphur - Demand Forecast

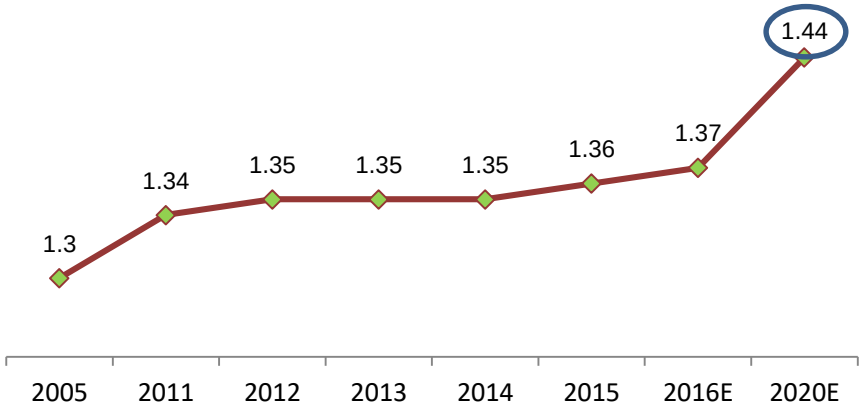
Geographical Breakup

$28 bn Investment

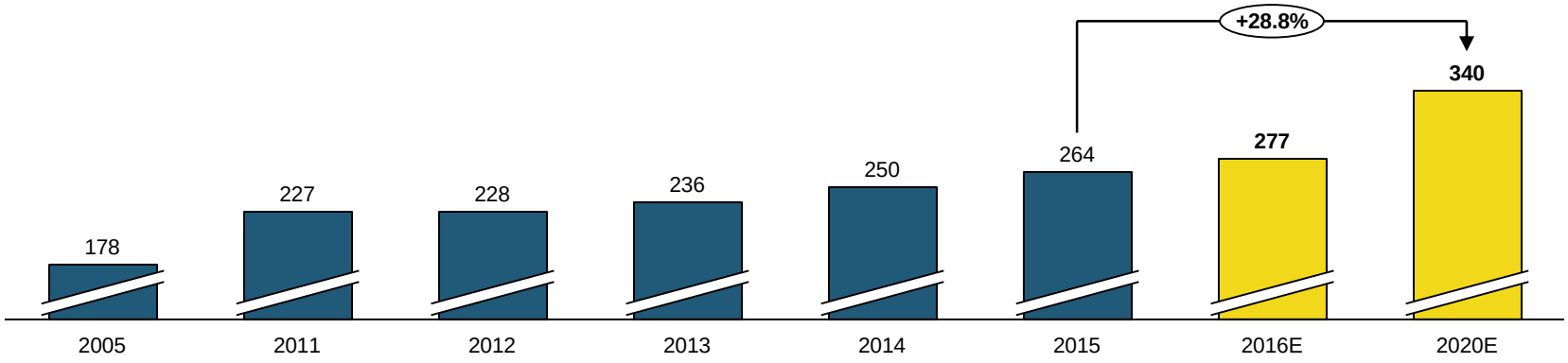


Radialisation Effect

Insoluble Sulphur to Tire Rubber Ratio



*Insoluble Sulphur Demand ('000 tonnes)



Source: Notch Report

* Also incl. Insoluble Sulphur used for Non-Tire Goods

Key Growth Drivers

Capacity Expansion

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

Radialization

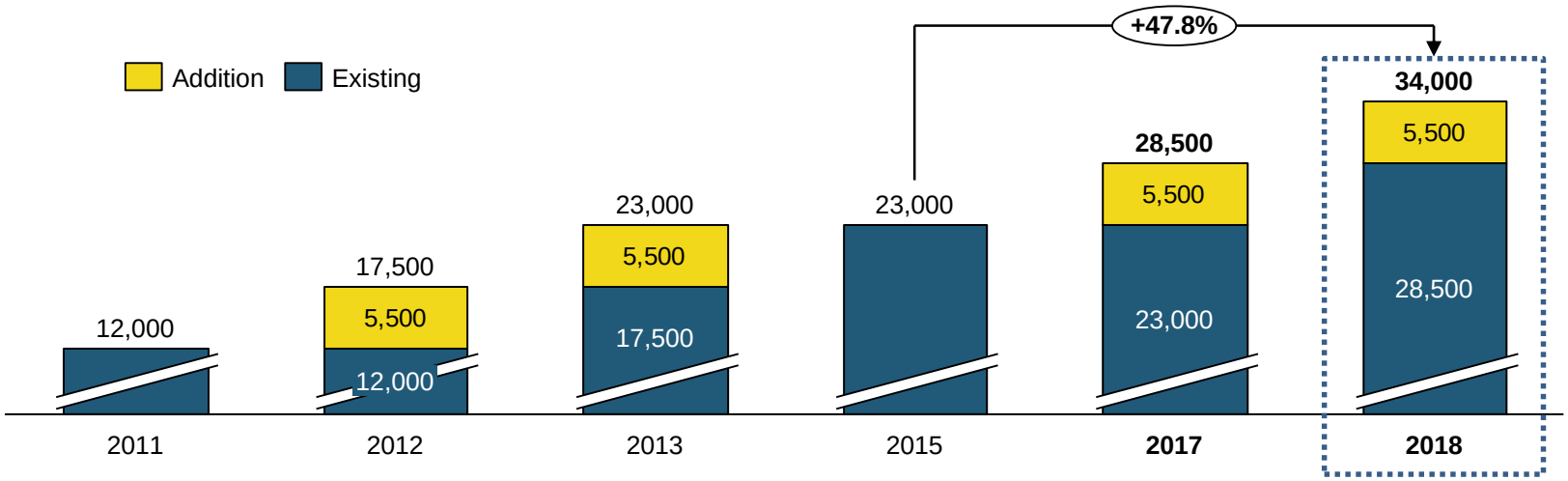
An increase in rate of Radialisation in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

Geographical Penetration

- 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

Increase in Automation in Tire Industry and Higher Performance Expectation from Tires will also drive the demand of Insoluble Sulphur

Capacity Expansion....
....ready for future growth



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 - 2018

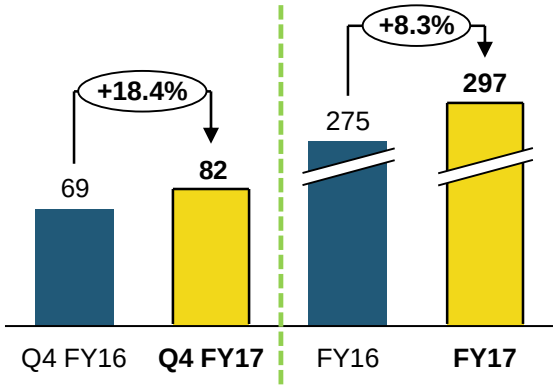
Capital investment would be of ~Rs. 63 crs funded with debt equity ratio of 2:1. It includes

- Working capital margin
- Expected Project IRR is in excess of 25% and projected payback ~4 years

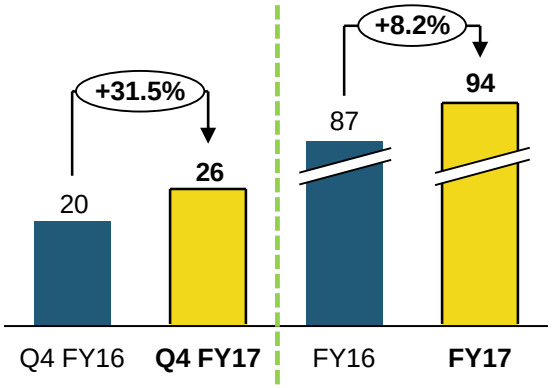
FINANCIALS

Result Highlights: Y-o-Y Performance

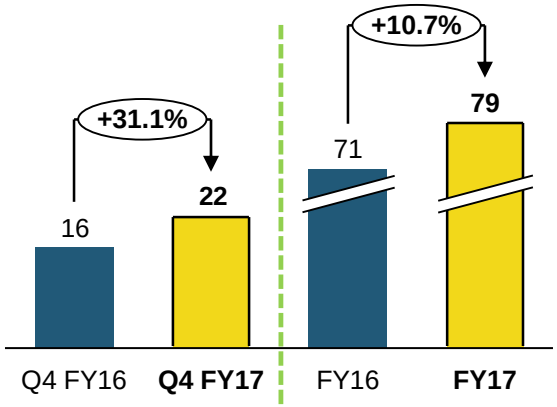
Net Revenue (Rs. Crs)



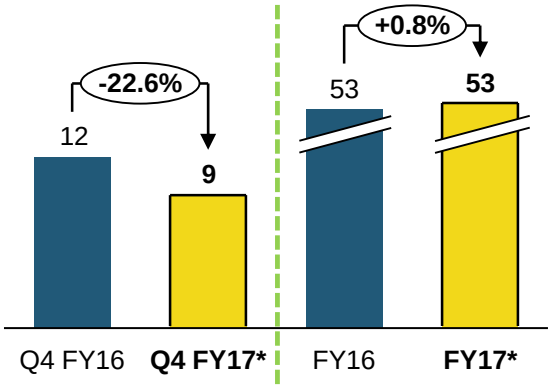
EBITDA^ (Rs. Crs)



EBIT (Rs. Crs)



PAT (Rs. Crs)

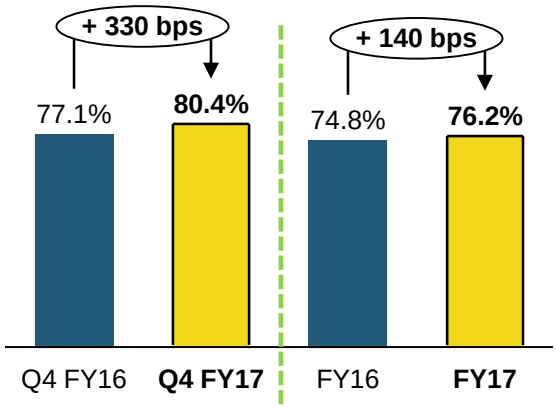


^incl. Other Income

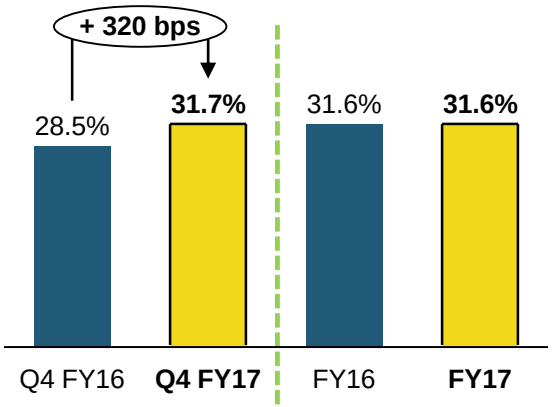
*** The taxes were higher by Rs. 6.5 crores on account of increase in deferred tax attributable to the new capacity added**

Result Highlights: Y-o-Y Performance

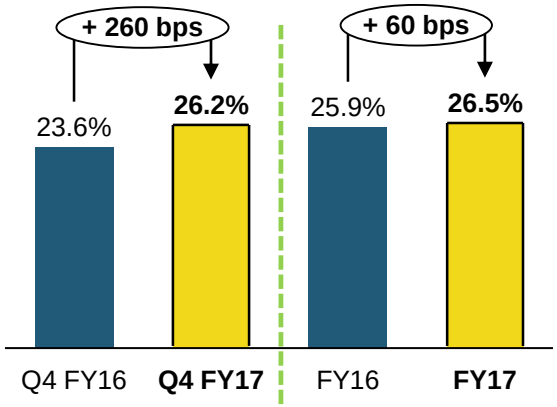
Gross Profit (%)



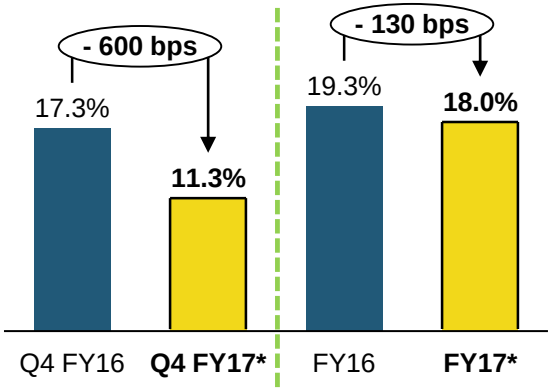
EBITDA^ (Rs. Crs)



EBIT (Rs. Crs)



PAT (Rs. Crs)



^incl. Other Income

*** The taxes were higher by Rs. 6.5 crores on account of increase in deferred tax attributable to the new capacity added**

Profit & Loss Statement – Standalone

Particulars (Rs. Crs)	Q4 FY17	Q4 FY16	Y-o-Y	FY17	FY16	Y-o-Y
Gross Sales	85.6	72.6		310.6	288.2	
Less: Excise Duty	3.5	3.2		13.2	13.5	
Revenue from Operations	**82.1**	**69.4**	**18%**	**297.5**	**274.7**	**8%**
Other Income	1.2	0.7		6.6	5.7	
Total Income	**83.3**	**70.1**	**19%**	**304.1**	**280.4**	**8%**
Raw Material*	16.1	15.9		70.7	69.2	
Employee Expenses	11.4	9.7		38.2	32.8	
Other Expenses	29.8	24.7		101.2	91.6	
EBITDA	**26.0**	**19.8**	**31%**	**93.9**	**86.8**	**8%**
EBITDA Margin (%)	**31.7%**	**28.5%**		**31.6%**	**31.6%**	
Depreciation	4.5	3.4		15.2	15.7	
EBIT	**21.5**	**16.4**	**31%**	**78.7**	**71.1**	**11%**
EBIT Margin (%)	**26.2%**	**23.6%**		**26.5%**	**25.9%**	
Finance Cost	2.0	1.8		5.1	6.3	
Profit before Tax	**19.5**	**14.6**	**33%**	**73.6**	**64.8**	**14%**
Tax	10.2	2.6		20.2	11.8	
Profit After Tax	**9.3**	**12.0**	**-23%**	**53.4**	**53.0**	**1%**
PAT Margin (%)	**11.3%**	**17.3%**		**18.0%**	**19.3%**	
EPS	9.03	11.67		51.90	51.46	

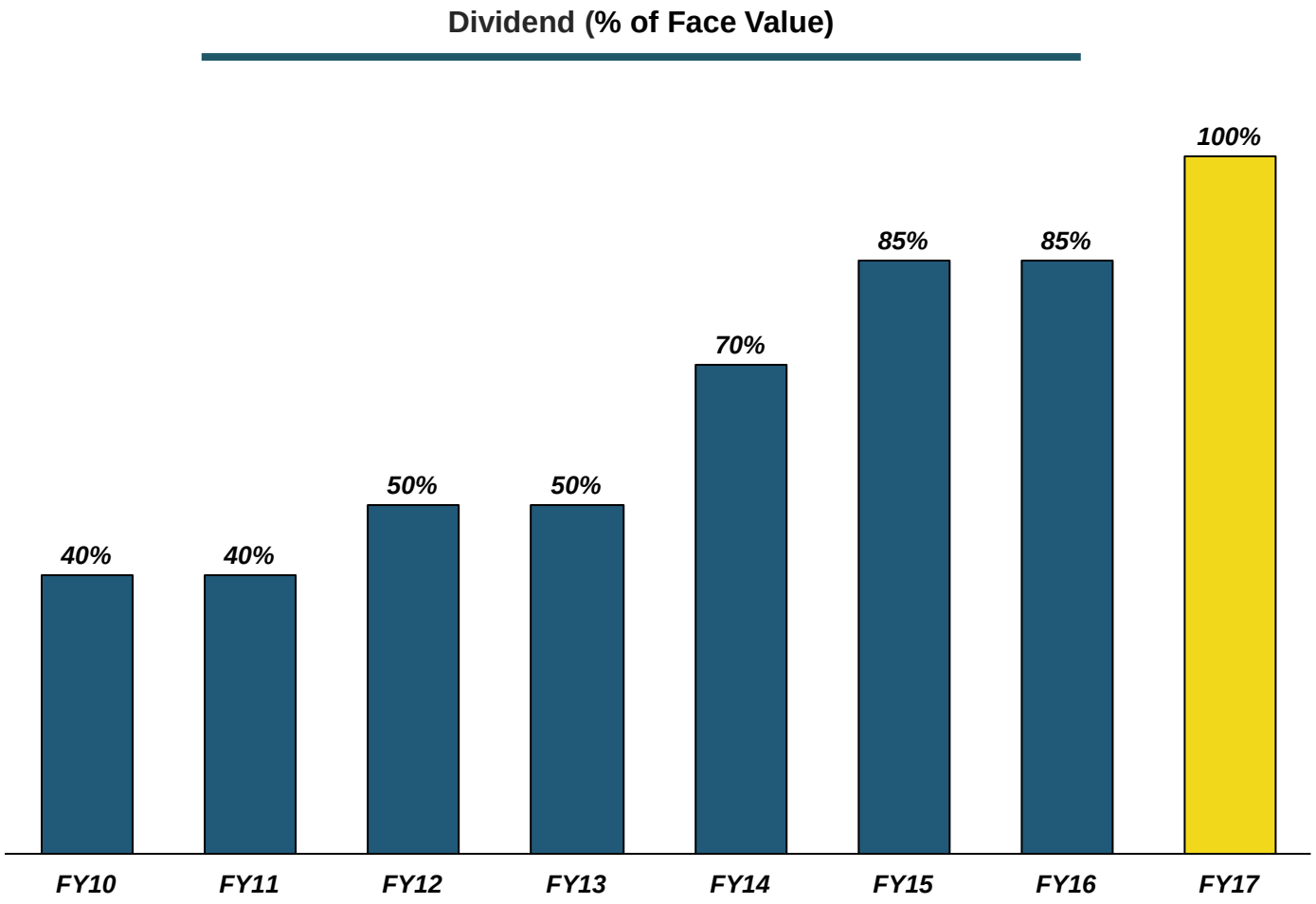
*Total Raw material cost incl. change in Inventories

Balance Sheet - Standalone

Particulars (Rs. Crs)	Mar-17	Mar-16
Shareholder's Fund	**336.4**	**286.6**
Share Capital	10.3	10.3
Reserves & Surplus	326.0	276.3
Non-Current Liabilities	**95.4**	**44.4**
Long-Term Borrowings	63.7	21.4
Deferred Tax Liabilities (net)	29.1	21.1
Other Long-Term Liabilities	0.6	0.3
Long-Term Provisions	2.2	1.6
Current Liabilities	**80.0**	**86.3**
Short-Term Borrowings	18.5	27.7
Trade Payables	18.1	10.2
Other Current Liabilities	43.1	41.3
Short-Term Provisions	0.2	7.0
TOTAL LIABILITIES	**511.8**	**417.3**

Particulars (Rs. Crs)	Mar-17	Mar-16
Non-current assets	**347.0**	**285.3**
Fixed assets (inc. CWIP)	308.6	222.3
Non-current Investments	14.7	14.7
Long Term Loans & Advances	23.7	48.3
Current assets	**164.8**	**132.0**
Current Investments	30.1	15.5
Inventories	32.2	38.7
Trade receivables	72.6	48.0
Cash and bank balances	13.3	10.0
Short term loan and advances	10.6	14.6
Other current assets	6.0	5.2
TOTAL ASSETS	**511.8**	**417.3**

Consistent Dividend Record



For further information, please contact:

Company :	Investor Relations Advisors :
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