ORIENTAL CARBON & CHEMICALS LIMITED

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February 01, 2019

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 ended 31st December, 2018

Pursuant to the provision of the Listing Regulations, 2015 enclosed please find herewith a copy of the Investor Presentation for the quarter ended 31st December, 2018.

Thanking you,

Yours Faithfully,
ORIENTAL CARBON & CHEMICALS LTD.

Pranab Kumar Maity
Company Secretary

Encl: a/a

Oriental Carbon & Chemicals Limited

Providing Solutions...

...Creating Innovations

Investor Presentation – January 2019

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

"REACH" Compliant

OCCL is a people and technology driven company

Our products are "REACH" compliant

TECHNOLOGY DRIVEN

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

STRONG FINANCIALS

10 Year CAGR

Revenues – 18%

EBITDA – 24%

PAT – 30%

MANUFACTURING FACILITIES

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

MARKET SHARE

Domestic Share of 55% - 60%

Global market share of ~10%

Customer Base + 40

KEY STRENGTHS

Key Strengths

PRODUCT

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

HIGH ENTRY BARRIERS

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

CLIENTELE BASE

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

EXPERIENCED MANAGEMENT TEAM

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

CAPACITY EXPANSION

Continuous Expansion of Capacities of Insoluble Sulphur have taken place from 3,000 MT in 1994 to 34,000 MT currently

COST OPTIMIZATION STRATEGIES

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

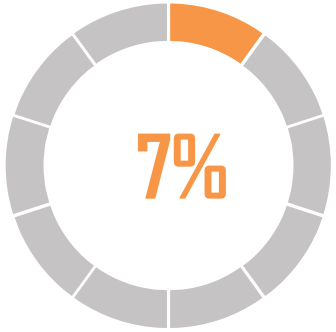
One of the market leader in the production of Insoluble Sulphur

Domestic Share of 55% - 60%
Global market share of ~10%

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 Relationships…

apollo

Continental

BRIDGESTONE
Your Journey, Our Passion

MRF

GOODYEAR

BIRLA TYRES
Unbeatable!

JK TYRE
TOTAL CONTROL

nokian TYRES

CEAT

SUMITOMO
RUBBER INDUSTRIES

COOPERTIRES

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

2014

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

2018

Mundra Plant
Phase II – 5,500MT – Commenced Production in July 2018

Having State of Art Manufacturing Facilities…

Product name	Annual Capacity (MT)	Location	No. Of Lines
Insoluble Sulphur	12,000	Dharuhera (Haryana)	2
Insoluble Sulphur	22,000	SEZ Mundra (Gujarat)	4
Sulphuric Acid / Oleum	46,000	Dharuhera (Haryana)	1

We use Cost Optimization Strategies

KEY RAW MATERIAL

Sulphur available easily due to ample supply

Naphthenic Oil is procured from domestic as well as international players

LOGISTICAL ADVANTAGE

Presence at the Port gives Location Advantage of reduced Logistic & Freight Cost

~67% of the sales constitutes Exports

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

POWER COST OPTIMIZATION

Self-Sufficiency of steam for Plant at Dharuhera

Benefits from Lower Power Cost in SEZ Gujarat

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 marketing of Insoluble Sulphur & increasing market share of Diamond Sulf overseas

Having High Entry Barriers

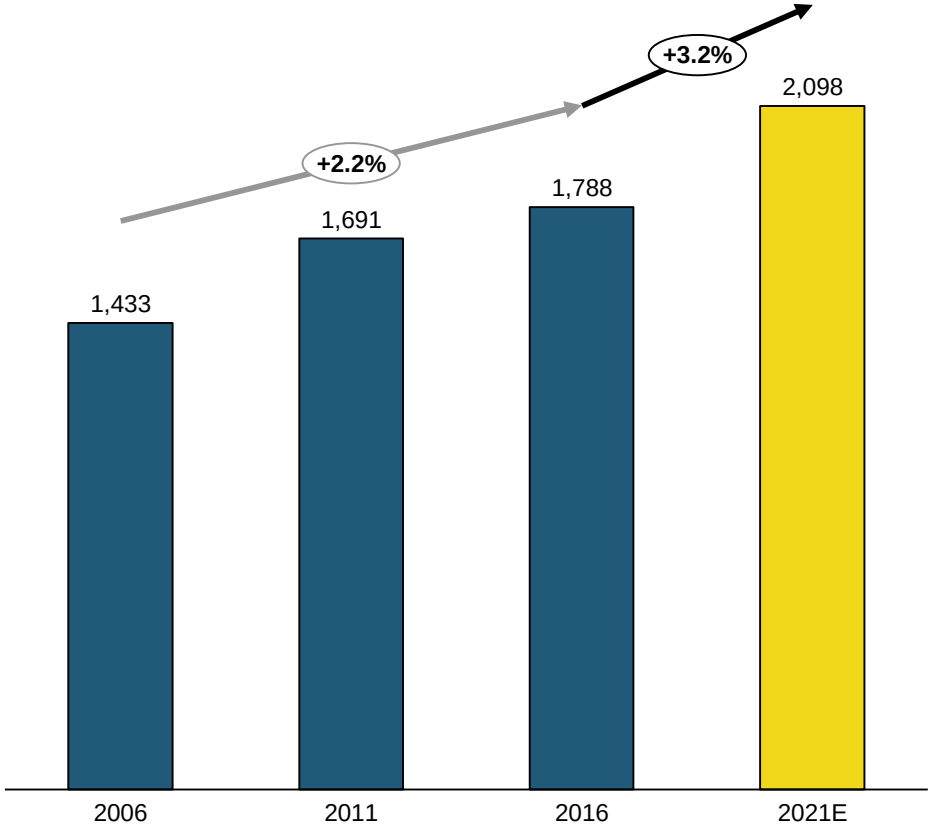
Product Portfolio	• Various grades to satisfy diverse compounding requirements of leading tire manufacturers • Ongoing development of New Grades to meet Customer requirements
Customer Approvals	• Minimum 24 months required by Customers to approve & validate product from new supplier • Widely accepted around the world as a preferred vendor by leading tire manufacturers
Capital Intensive	• Edge over the others - Proven Track Record In-house Technology
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

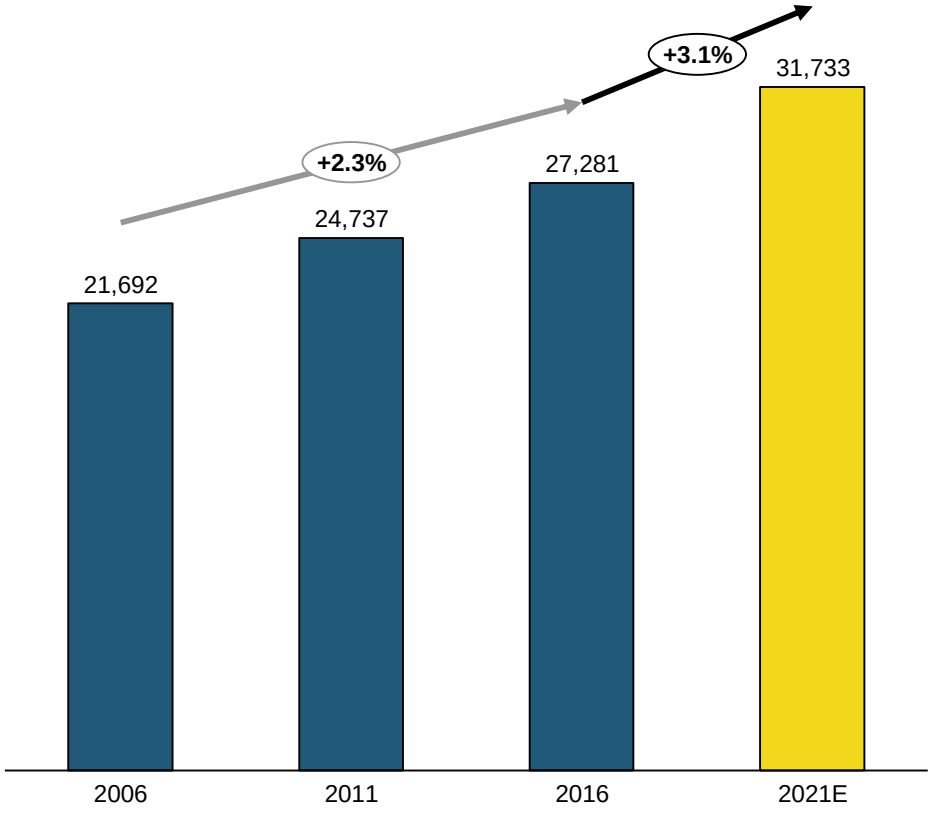
KEY GROWTH OPPORTUNITIES

Global Tyre Industry

Tire Production
(mn units)



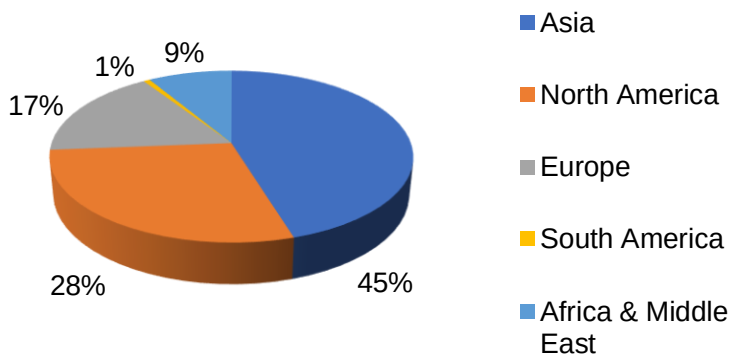
Tire Rubber Consumption
('000 tonnes)



Insoluble Sulphur – Demand Forecast

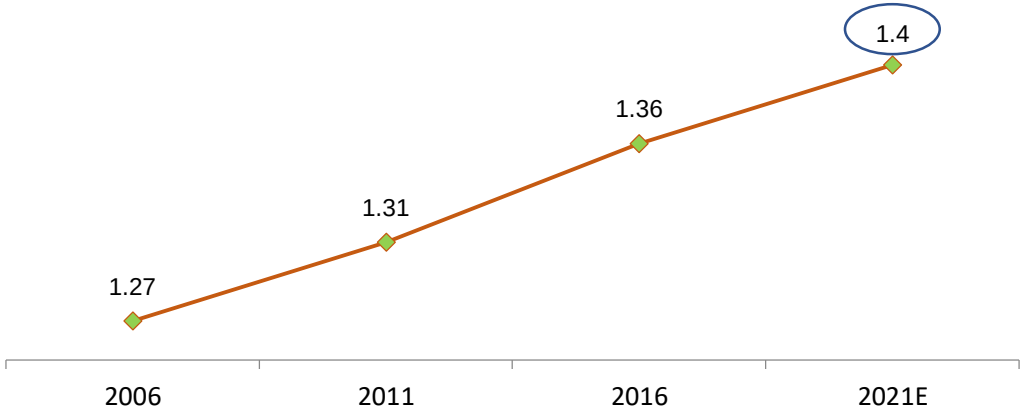
Geographical Breakup

$22 bn Investment

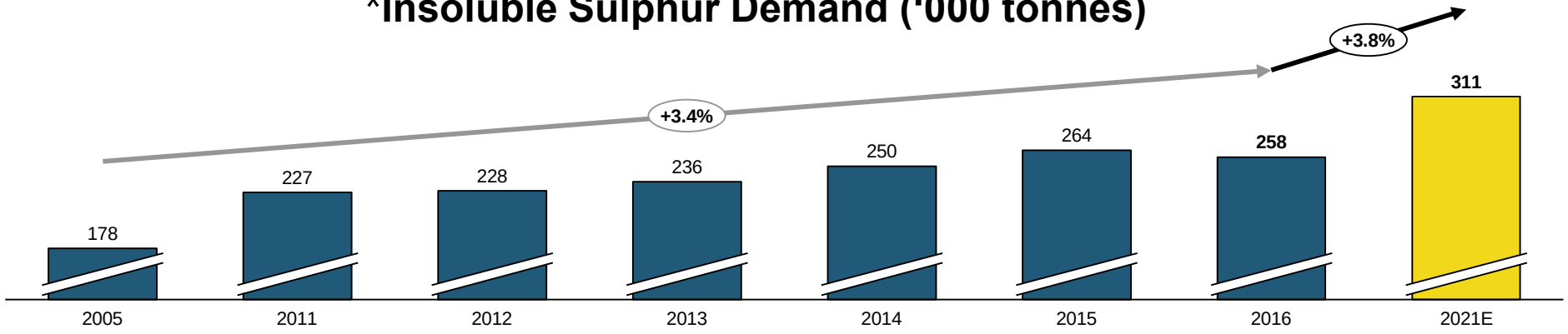


Radialisation Effect

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

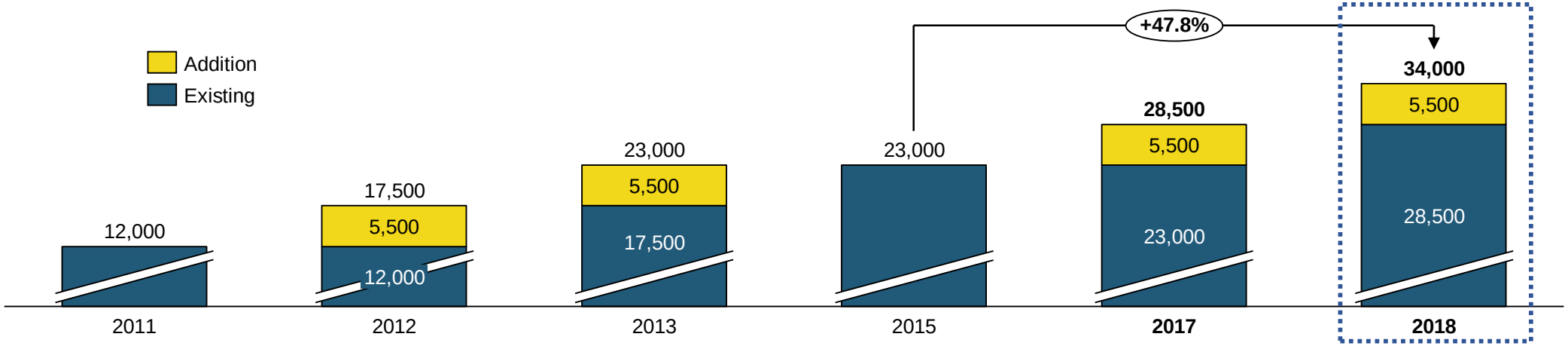
An increase in rate of Radialization in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

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

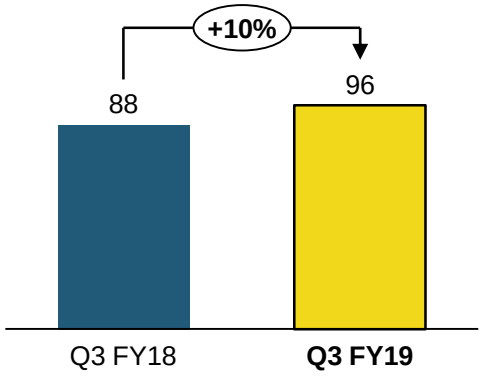
To cater to the Growth in Insoluble Sulphur Demand

- 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

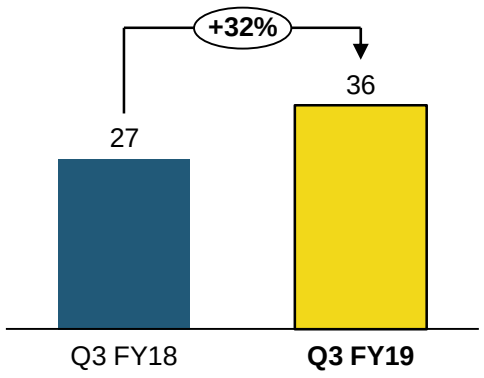
FINANCIALS

Result Highlights: Q3 FY19

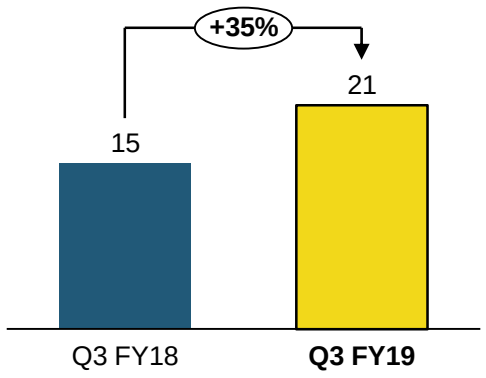
Revenues^ (Rs. Crs)



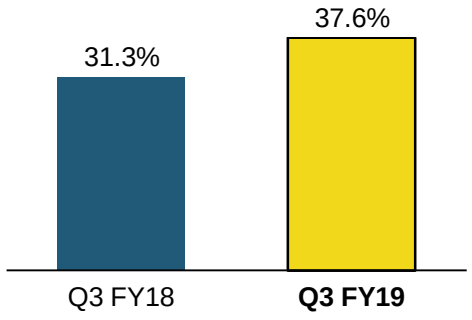
EBITDA^* (Rs. Crs)



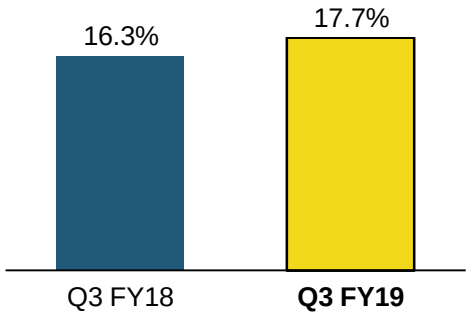
PAT (Rs. Crs)



EBITDA^* (%)



PAT (%)



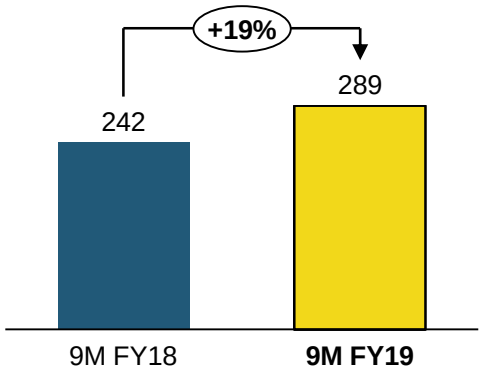
^incl. Other Income, net of excise

* EBITDA includes Mark to Market Gain / Loss

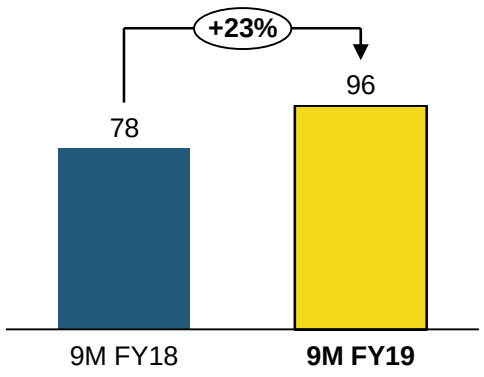
The Financial Results have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Result Highlights: 9M FY19

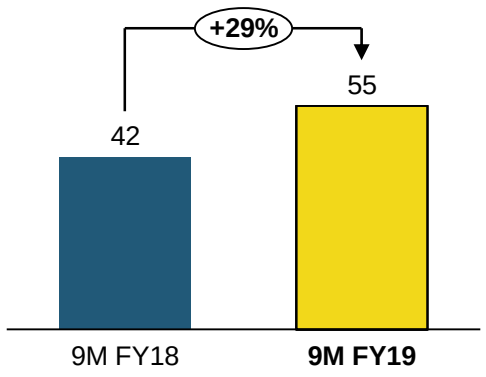
Revenues^ (Rs. Crs)



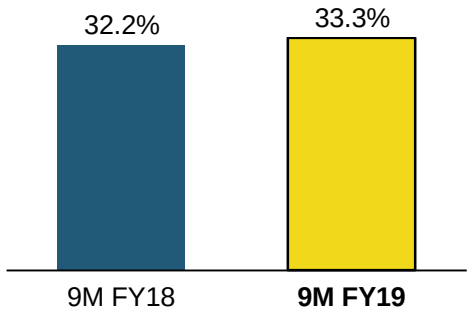
EBITDA^* (Rs. Crs)



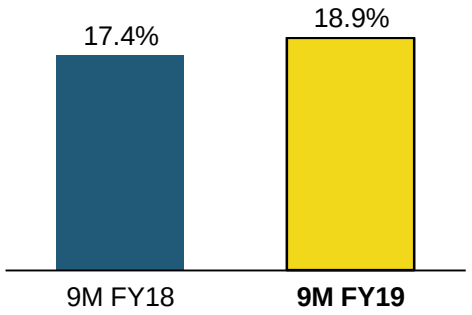
PAT (Rs. Crs)



EBITDA^* (%)



PAT (%)



^incl. Other Income, net of excise

* EBITDA includes Mark to Market Gain / Loss

The Financial Results have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Profit & Loss Statement – Statement

Particulars (Rs. Crs)	Q3 FY19	Q3 FY18	Y-o-Y	9M FY19	9M FY18	Y-o-Y
Total Income from Operations^	**96.1**	**87.6**	**10%**	**289.4**	**242.3**	**19%**
Raw Material*	23.6	23.3		70.7	51.8	
Employee Expenses	11.4	9.8		33.5	29.4	
Other Expenses	25.0	27.1		88.9	83.0	
EBITDA#	**36.1**	**27.5**	**32%**	**96.3**	**78.0**	**23%**
EBITDA Margin (%)	**37.6%**	**31.3%**		**33.3%**	**32.2%**	
Depreciation	4.9	4.1		13.8	12.3	
EBIT	**31.3**	**23.4**	**34%**	**82.5**	**65.8**	**25%**
EBIT Margin (%)	**32.5%**	**26.7%**		**28.5%**	**27.1%**	
Finance Cost	2.0	2.1		5.8	6.0	
Profit before Tax	**29.3**	**21.3**	**37%**	**76.6**	**59.8**	**28%**
Tax	8.6	6.1		21.9	17.5	
Profit After Tax	**20.7**	**15.3**	**35%**	**54.7**	**42.3**	**29%**
PAT Margin (%)	**21.5%**	**17.4%**		**18.9%**	**17.4%**	
Other Comprehensive Income	1.1	0.0		1.0	1.5	
TOTAL INCOME	**21.8**	**15.3**	**43%**	**55.8**	**43.8**	**27%**
EPS	20.15	14.84		53.22	41.05	

*Total Raw material cost incl. change in Inventories
^incl. Other Income, net of excise

EBITDA includes Mark to Market Gain / Loss

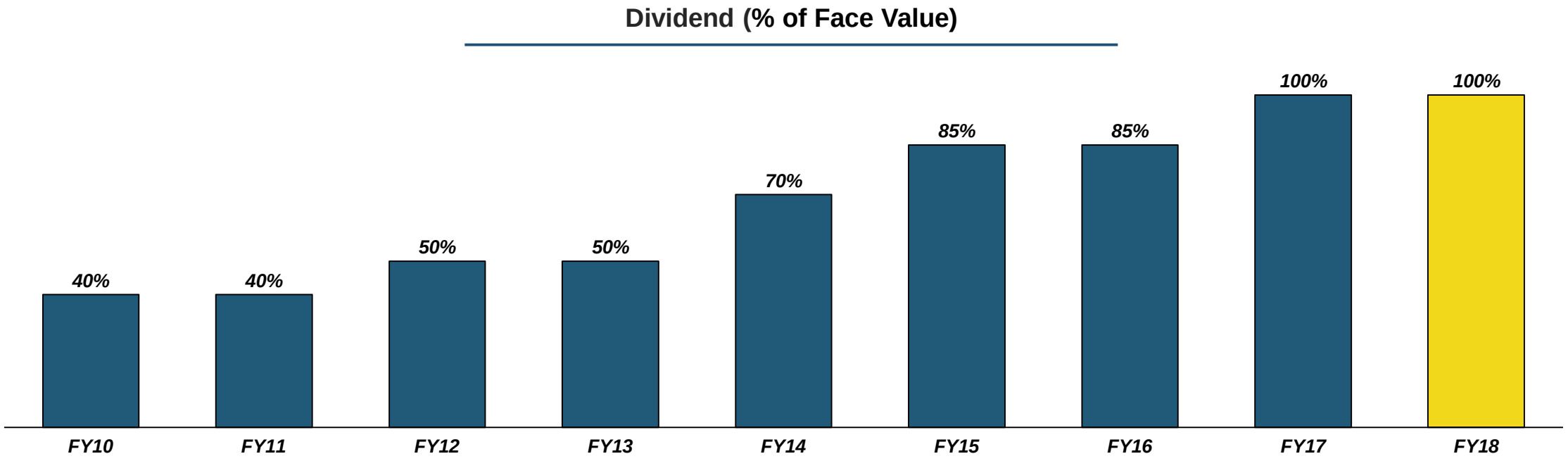
The Financial Results have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Balance Sheet - Standalone

EQUITY & LIABILITIES (Rs. Crs.)	Sept-18	Mar-18
Equity Share Capital	10.3	10.3
Other Equity	402.8	377.5
Total Equity	**413.1**	**387.8**
Financial Liabilities		
Borrowings	71.8	68.7
Other Financial Liabilities	0.3	0.3
Provisions	2.6	2.4
Deferred Tax Liabilities (Net)	23.7	20.6
Total Non-Current Liabilities	**98.3**	**91.9**
Financial Liabilities		
Borrowings	23.7	29.0
Trade Payables	19.6	21.2
Other Financial Liabilities	42.3	38.9
Other Current Liabilities	4.0	2.6
Provisions	1.0	1.3
Total Current Liabilities	**90.5**	**93.0**
Total Equity and Liabilities	**602.0**	**572.8**

ASSETS (Rs. Crs.)	Sept-18	Mar-18
Property, Plant and Equipment	347.9	307.7
Capital Work-in-progress	2.6	40.4
Other Intangible Assets	0.5	0.6
Financial Assets		
Investments	22.9	23.0
Loans	0.3	0.4
Others	2.4	1.8
Total Non-Current Assets	**376.7**	**373.8**
Inventories	46.5	38.6
Financial Assets		
Investments	68.4	52.8
Trade Receivables	79.2	75.6
Cash and Cash Equivalents	7.5	9.6
Bank balances	5.9	6.0
Loans	3.6	5.0
Others Financial Assets	1.4	0.7
Other Current Assets	12.8	10.7
Total Current Assets	**225.3**	**198.9**
Total Assets	**602.0**	**572.8**

Consistent Dividend Record



The Board has approved Interim Dividend for the Financial Year 2018-19 of Rs. 4/- per equity share of Rs. 10/- each (40% of FV)

The Board has approved the buy-back of shares through the open market mechanism to the extent of Rs. 35 crores at a Maximum price of Rs. 1,150/-

For further information, please contact:

Company :	Investor Relations Advisors :
Oriental Carbon & Chemicals Ltd. CIN: L24297WB1978PLC031539 **Mr. Anurag Jain - CFO** anuragjain@occlindia.com	**Strategic Growth Advisors Pvt. Ltd.** CIN: U74140MH2010PTC204285 **Mr. Deven Dhruva / Ms. Neha Shroff** deven.dhruva@sgapl.net / neha.shroff@sgapl.net +91 9833373300 / +91 7738073466
http://www.occlindia.com/	www.sgapl.net