ORIENTAL CARBON & CHEMICALS LIMITED

14th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida - 201301, UP
Phone : 91-120-2446850 Website : www.occlindia.com

May 31, 2018

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 March, 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 March, 2018.

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 2018

Safe Harbor

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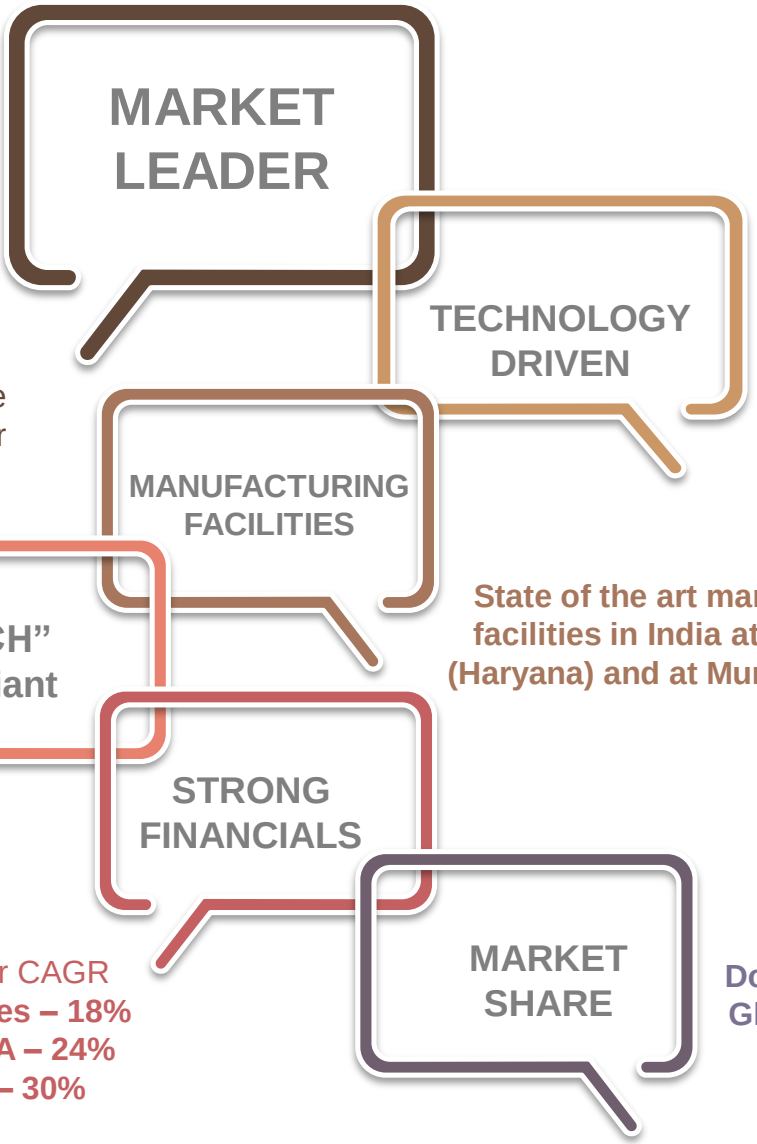
Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Company Overview



Duncan JP Goenka Group Company

One of the market leader in the production of Insoluble Sulphur

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

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

OCCL is a people and technology driven company

Our products are "REACH" compliant

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

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

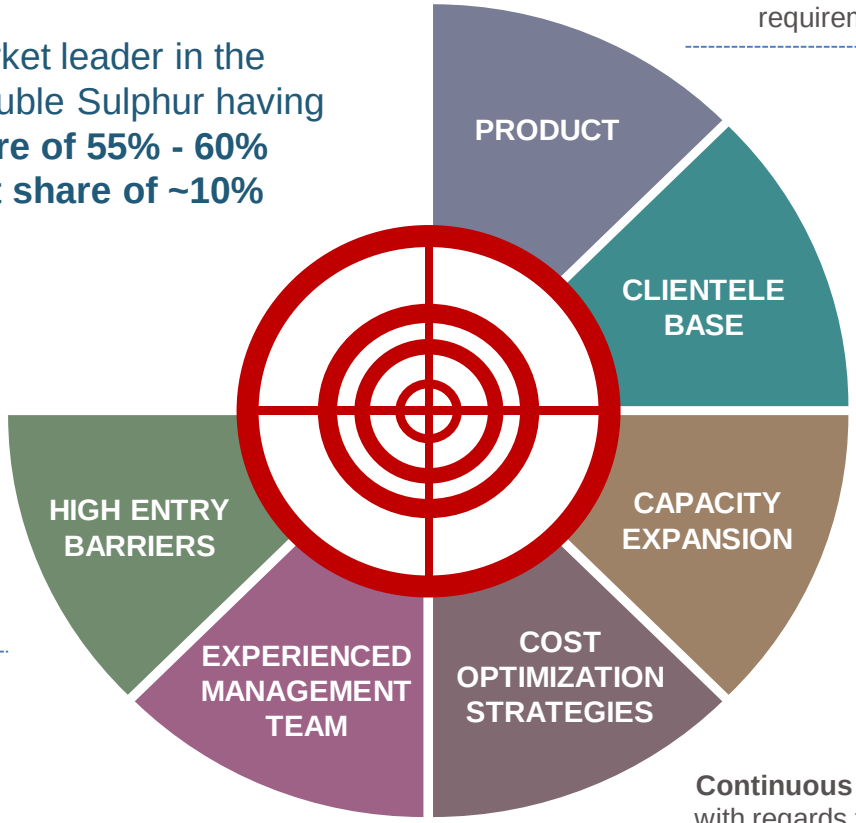
Customer Base + 40

KEY STRENGTHS

Key Strengths

One of the market leader in the production of Insoluble Sulphur having
Domestic Share of 55% - 60%
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

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

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

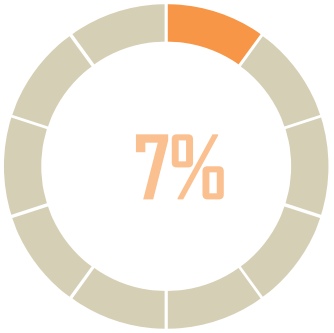
Have an Experienced Management Team with over **3 decades of experience in this field**

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

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

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

- 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

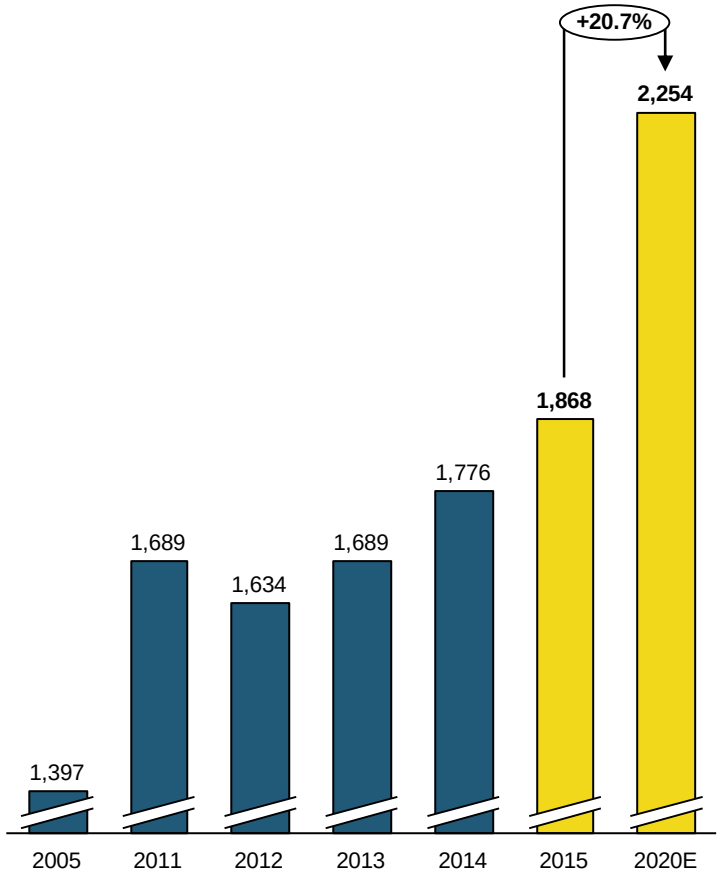
- In house R&D team works on a continuous basis to improve Quality of product and its Properties
- In house technology team to maintain the technical and quality edge at each production stage

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

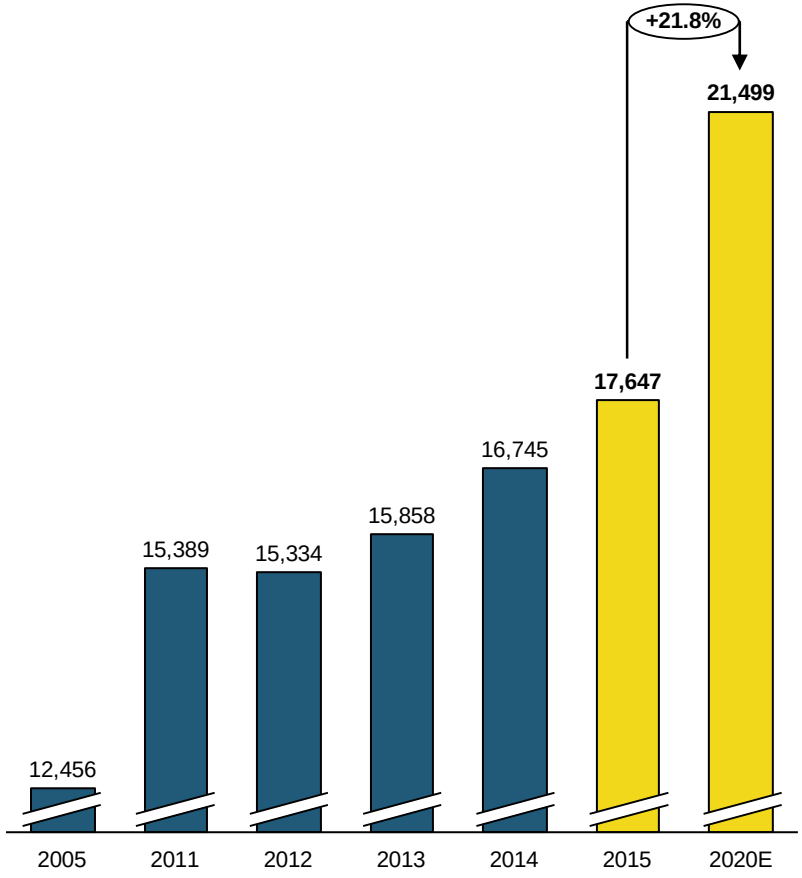
KEY GROWTH OPPORTUNITIES

Global Tire Industry

Tire Production
(mn units)



Tire Rubber Consumption
('000 tonnes)

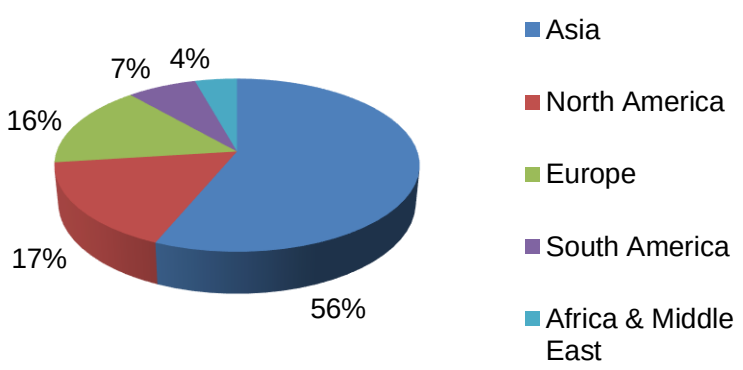


Source: Notch Report

Insoluble Sulphur - Demand Forecast

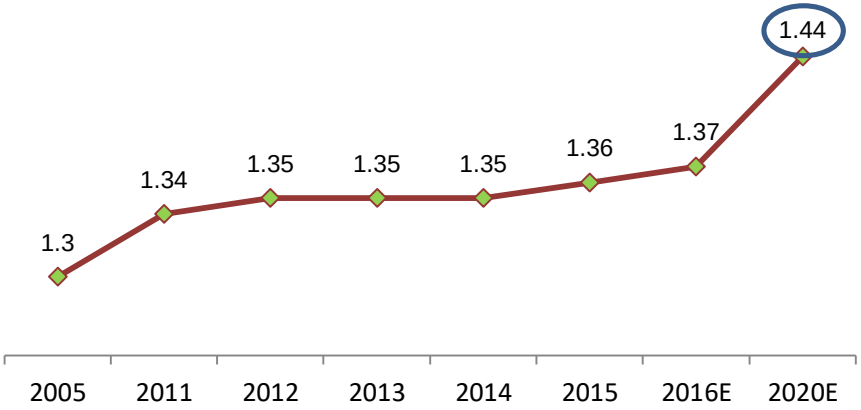
Geographical Breakup

$28 bn Investment

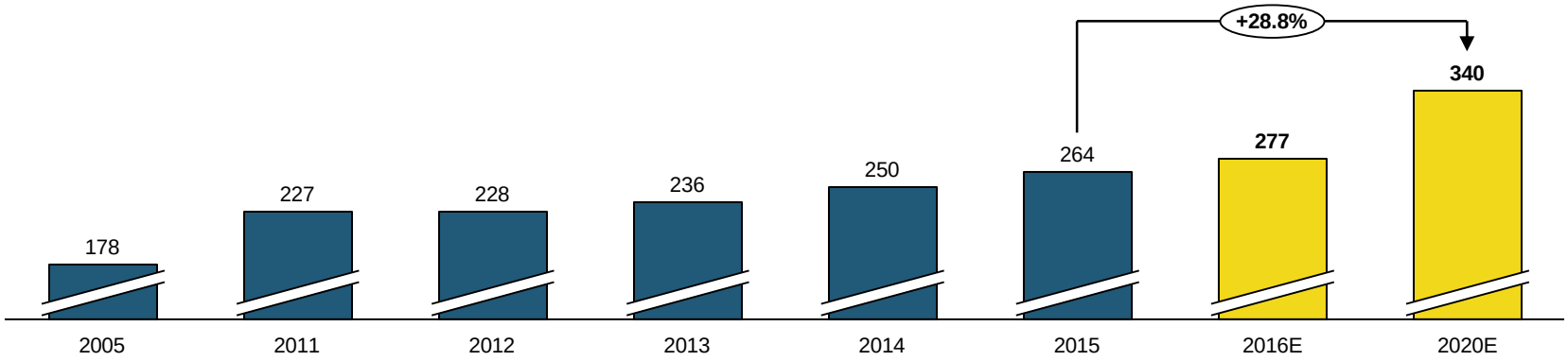


Radialisation Effect

Insoluble Sulphur to Tire Rubber Ratio



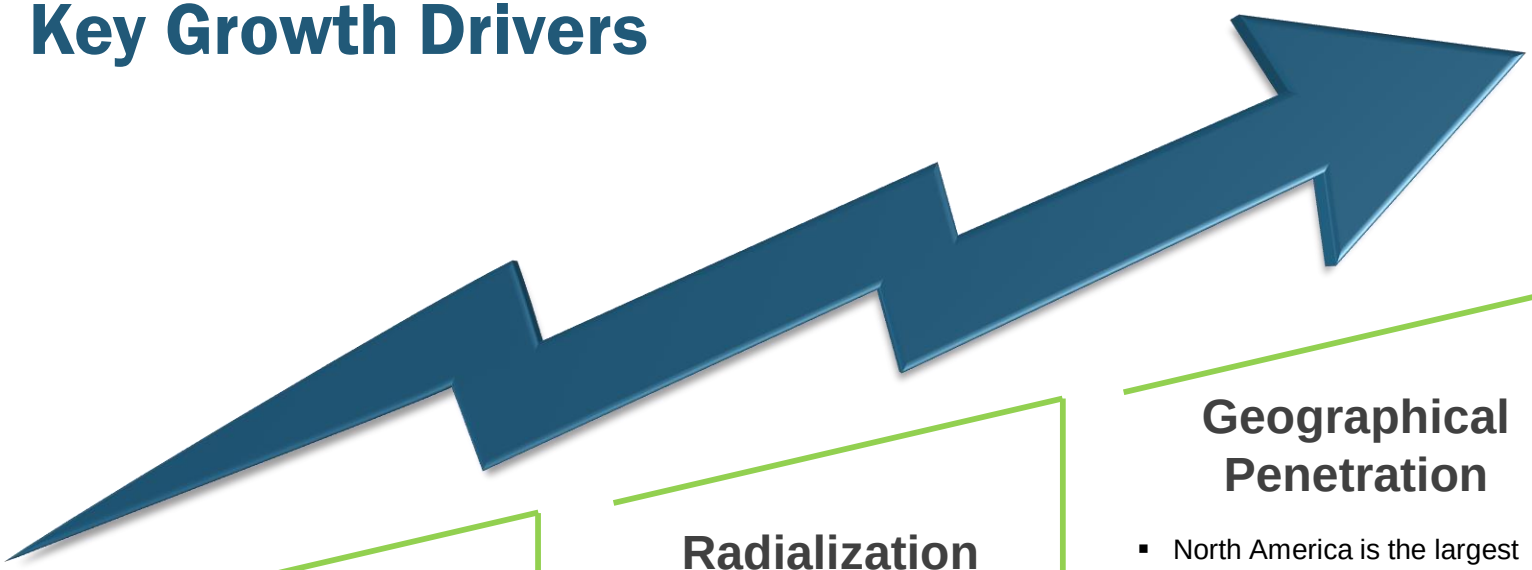
*Insoluble Sulphur Demand ('000 tonnes)



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

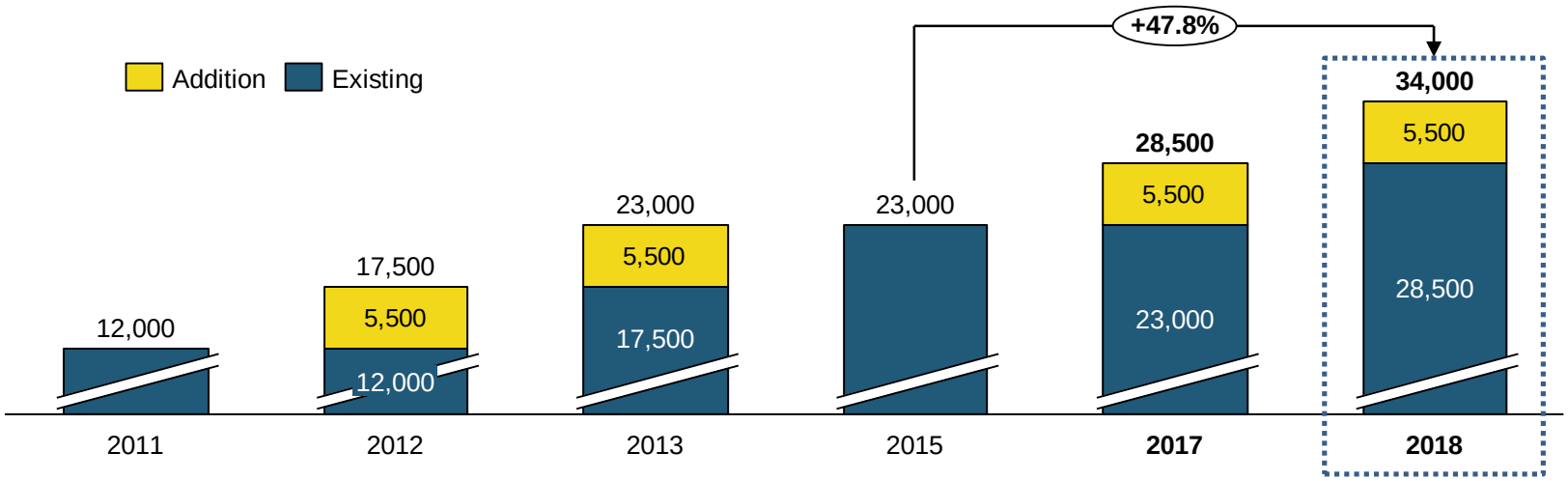
An increase in rate of Radialisation in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

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

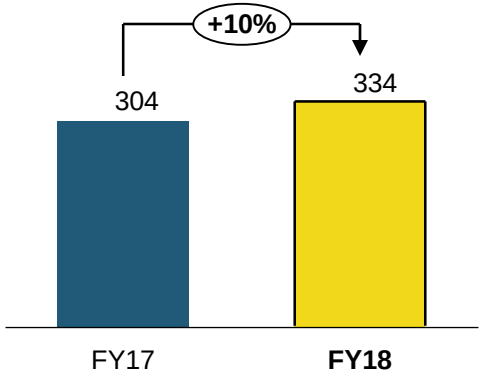
Capital investment would be of ~Rs. 63 crs funded with debt equity ratio of 2:1. It includes

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

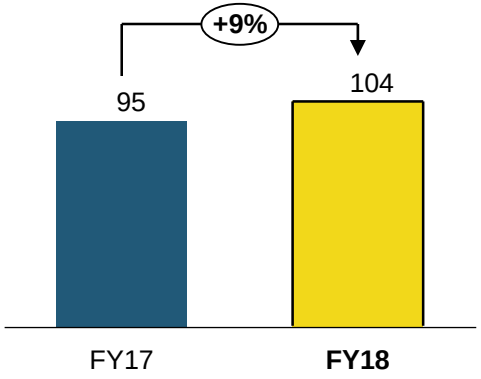
FINANCIALS

Result Highlights: FY18

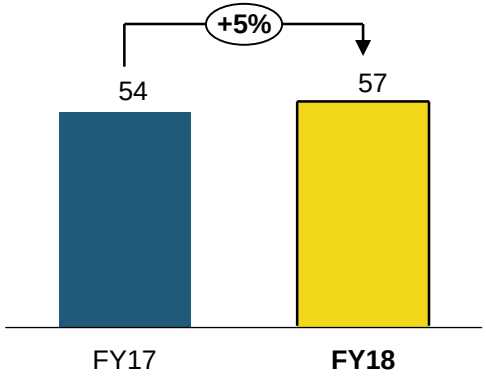
Revenues^ (Rs. Crs)



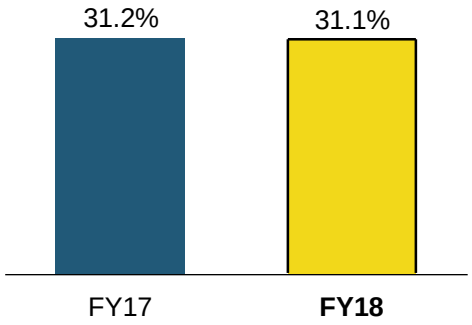
EBITDA^ (Rs. Crs)



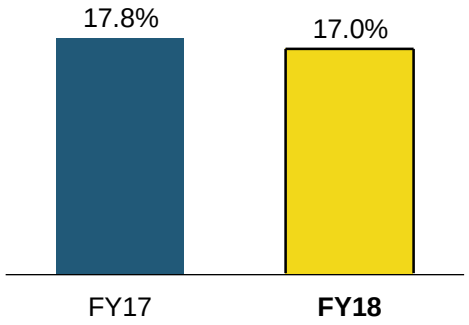
PAT (Rs. Crs)



EBITDA^ (%)



PAT (%)

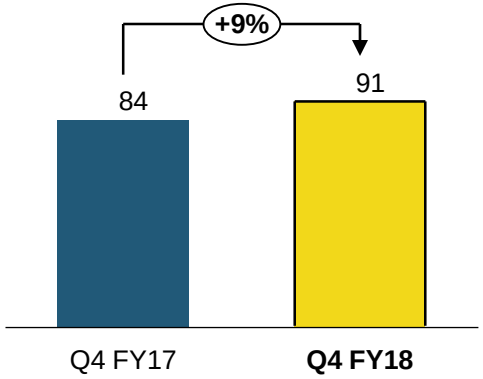


^incl. Other Income, net of excise

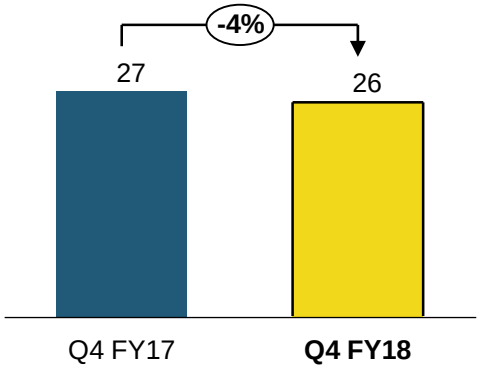
The Financial Results have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Result Highlights: Q4 FY18

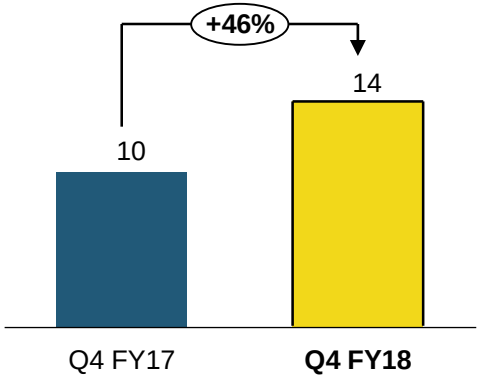
Revenues^ (Rs. Crs)



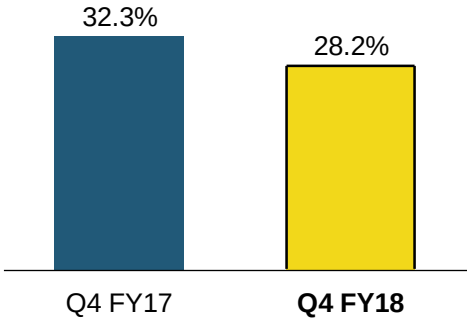
EBITDA^ (Rs. Crs)



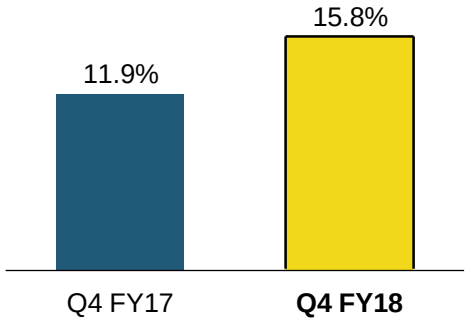
PAT (Rs. Crs)



EBITDA^ (%)



PAT (%)



^incl. Other Income, net of excise

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

Profit & Loss Statement – Standalone

Particulars (Rs. Crs)	Q4 FY18	Q4 FY17	Y-o-Y	FY18	FY17	Y-o-Y
Total Income from Operations	**91.5**	**83.6**	**9%**	**333.8**	**304.2**	**10%**
Raw Material*	**24.2**	**16.0**		**76.1**	**70.0**	
Employee Expenses	10.0	10.8		39.3	37.4	
Other Expenses	31.5	29.8		114.4	102.0	
EBITDA	**25.8**	**27.0**	**-4%**	**103.8**	**94.9**	**10%**
EBITDA Margin (%)	**28.2%**	**32.3%**		**31.1%**	**31.2%**	
Depreciation	4.1	4.5		16.3	15.2	
EBIT	**21.7**	**22.5**	**-3%**	**87.5**	**79.7**	**10%**
EBIT Margin (%)	**23.7%**	**26.9%**		**26.2%**	**26.2%**	
Finance Cost	1.9	2.0		7.9	5.0	
Profit before Tax	**19.9**	**20.5**	**-2%**	**79.6**	**74.7**	**7%**
Tax	5.4	10.6		22.9	20.5	
Profit After Tax	**14.5**	**9.9**	**47%**	**56.7**	**54.2**	**5%**
PAT Margin (%)	**15.8%**	**11.9%**		**17.0%**	**17.8%**	
Other Comprehensive Income	-1.0	0.9		0.6	2.2	
TOTAL INCOME	**13.5**	**10.9**		**57.3**	**56.4**	
EPS	14.07	9.65		55.12	52.62	

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

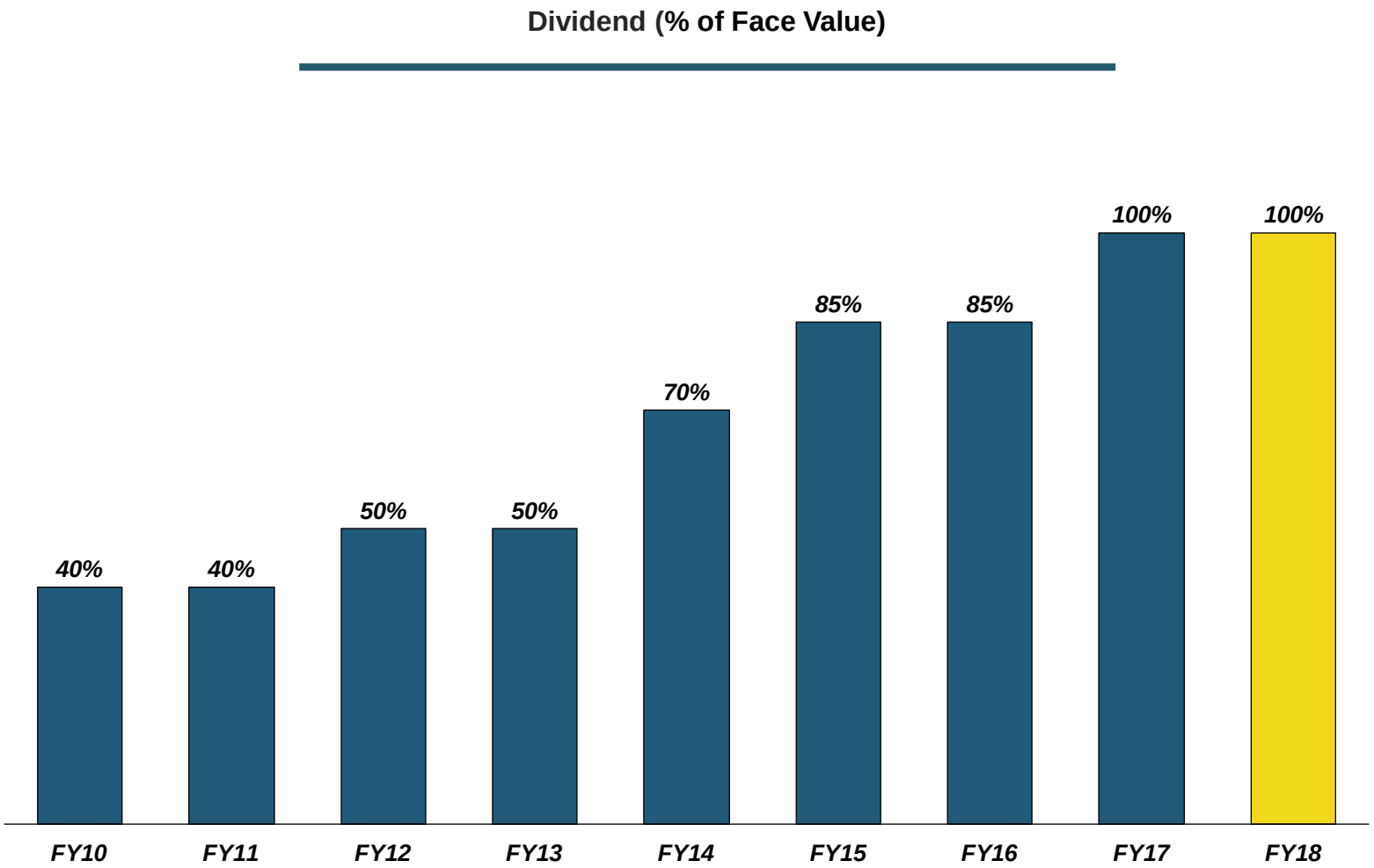
*Total Raw material cost incl. change in Inventories

Balance Sheet– Standalone

EQUITY & LIABILITIES (Rs. Crs.)	Mar-18	Mar-17
Equity Share Capital	10.3	10.3
Other Equity	377.7	332.6
Total Equity	**388.0**	**342.9**
Financial Liabilities		
Borrowings	68.7	63.5
Other Financial Liabilities	0.3	0.6
Provisions	2.4	2.2
Deferred Tax Liabilities (Net)	20.6	14.3
Total Non-Current Liabilities	**91.9**	**80.6**
Financial Liabilities		
Borrowings	29.0	22.5
Trade Payables	21.2	18.1
Other Financial Liabilities	21.7	18.6
Other Current Liabilities	20.3	24.5
Provisions	0.7	0.2
Total Current Liabilities	**92.9**	**83.9**
Total Equity and Liabilities	**572.8**	**507.4**

ASSETS (Rs. Crs.)	Mar-18	Mar-17
Property, Plant and Equipment	307.7	305.6
Capital Work-in-progress	40.4	2.4
Other Intangible Assets	0.6	0.5
Intangible Assets under development	0.0	0.1
Financial Assets		
Investments	23.0	22.4
Loans	0.4	0.3
Others	1.8	1.6
Other Non Current Assets	0.0	2.4
Total Non-Current Assets	**373.8**	**335.4**
Inventories	38.6	32.2
Financial Assets		
Investments	52.8	30.5
Trade Receivables	75.6	76.6
Cash and Cash Equivalents	9.6	1.8
Bank balances	6.0	11.5
Loans	5.0	6.7
Others	0.7	0.9
Current Tax Assets (Net)	0.0	0.3
Other Current Assets	10.7	11.4
Total Current Assets	**198.9**	**172.0**
Total Assets	**572.8**	**507.4**

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 **Mr. Deven Dhruva / Ms. Neha Shroff** deven.dhruva@sgapl.net / neha.shroff@sgapl.net +91 9833373300 / +91 7738073466 www.sgapl.net