



ORIENTAL CARBON & CHEMICALS LTD

Providing Solutions...

...Creating Innovations



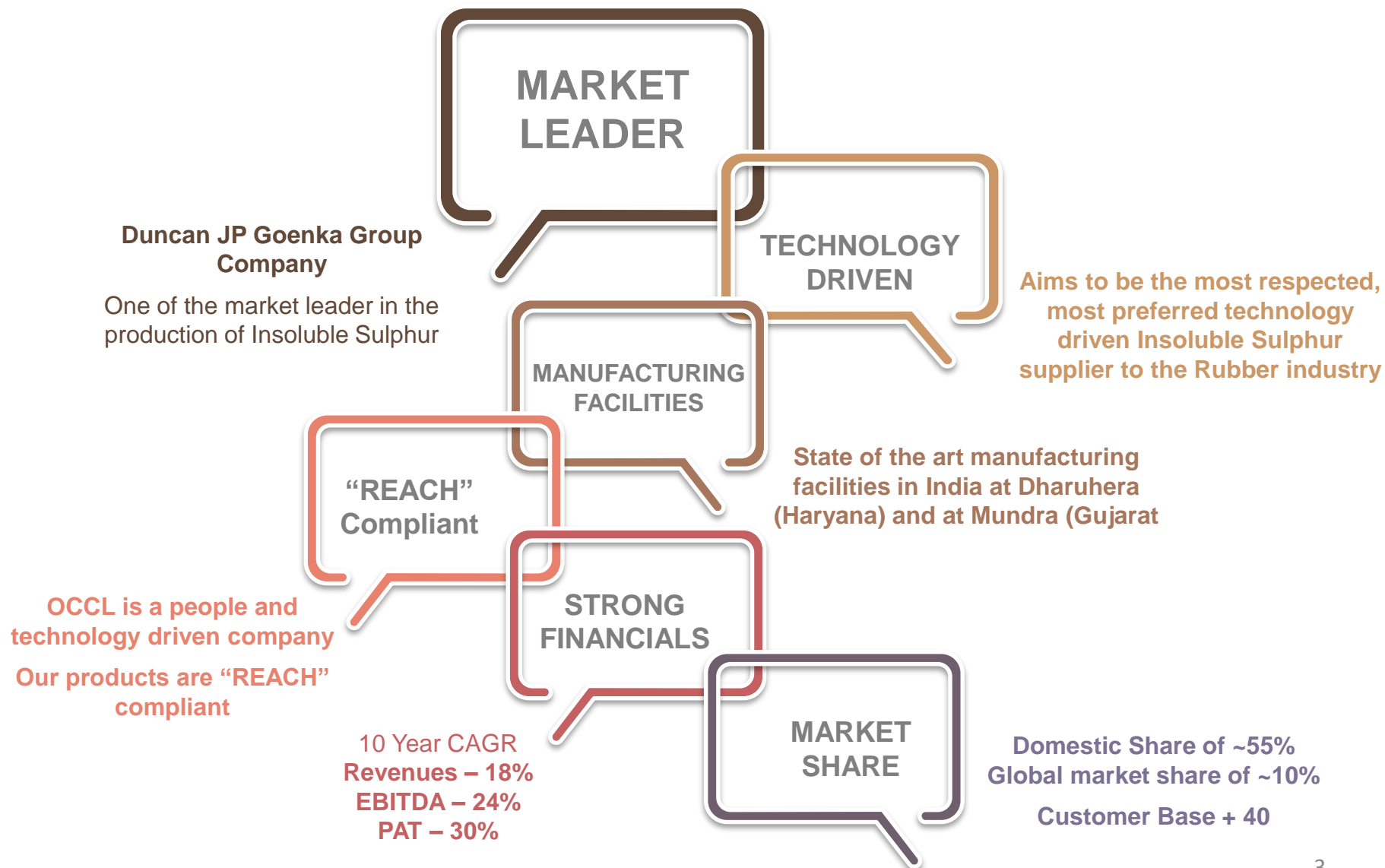
Investor Presentation – July 2017

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Oriental Carbon & Chemicals Limited (the “Company”)**, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

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





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

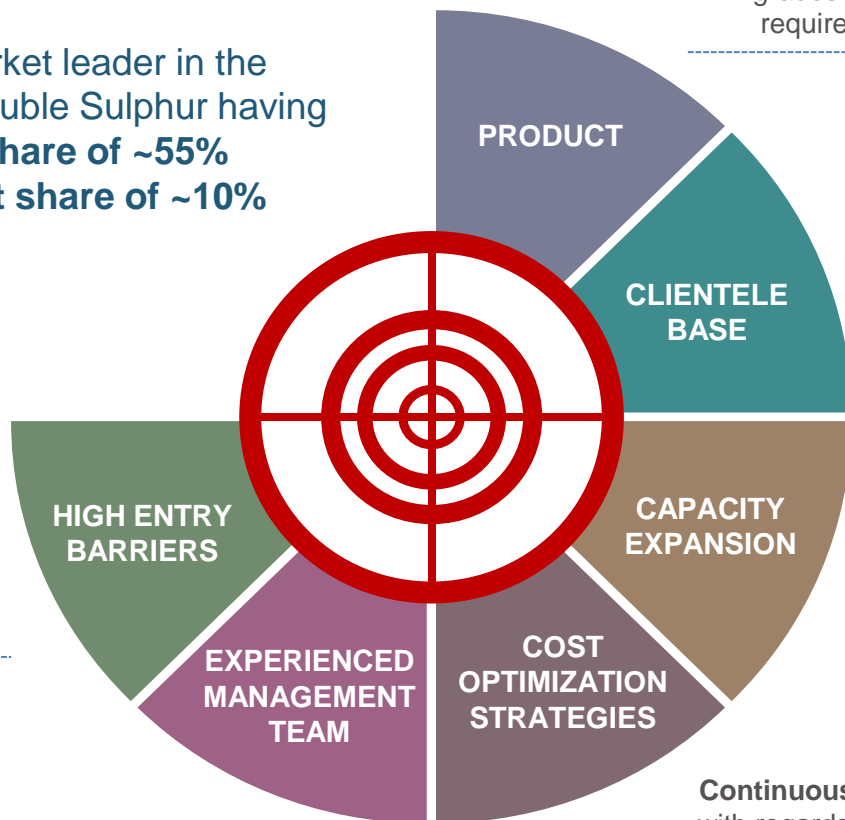
Continuous Expansion of Capacities of Insoluble Sulphur have taken place from 3,000 MT in 1994 to 28,500 MT currently

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

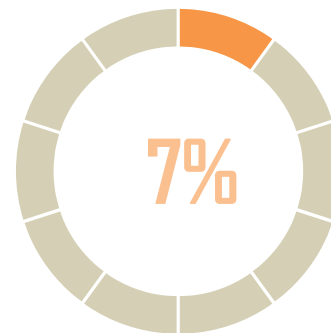


We deliver a Niche Product Portfolio...



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...

OCCL

apollo **Continental**  **BRIDGESTONE**
Your Journey, Our Passion

CEAT

JK TYRE
TOTAL CONTROL

GOODYEAR


COOPERTIRES

BIRLA
TYRES
Unbeatable!

MRF

 **SUMITOMO**
RUBBER INDUSTRIES

 **NOKIAN**
TYRES

...Having Presence in 21 Countries...



...across the globe

We have Continuously Expanded...

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

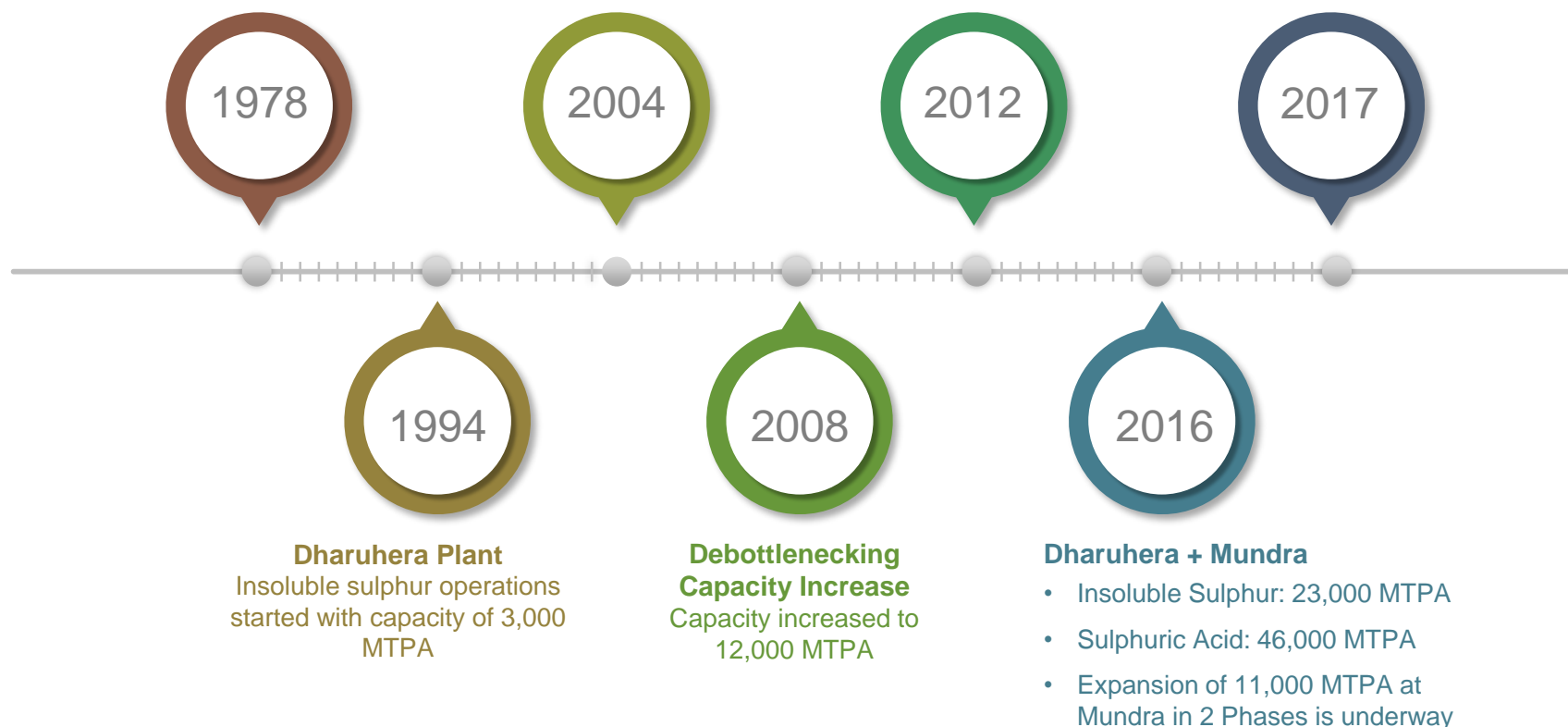
Dharuhera Plant – EOU
Set up 2nd line of Insoluble Sulphur with capacity of 4,000 MTPA

Mundra Plant – Phase I & II

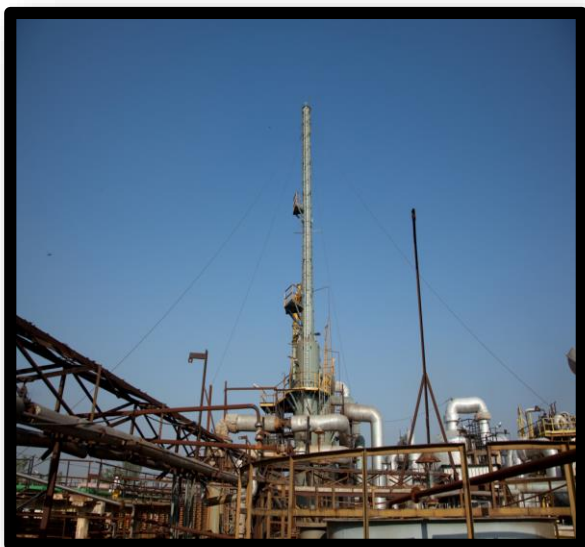
- Set up Insoluble Sulphur Capacity of 11000 MTPA
- Acquired 50% Equity shares of Schrader Duncan Ltd.

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

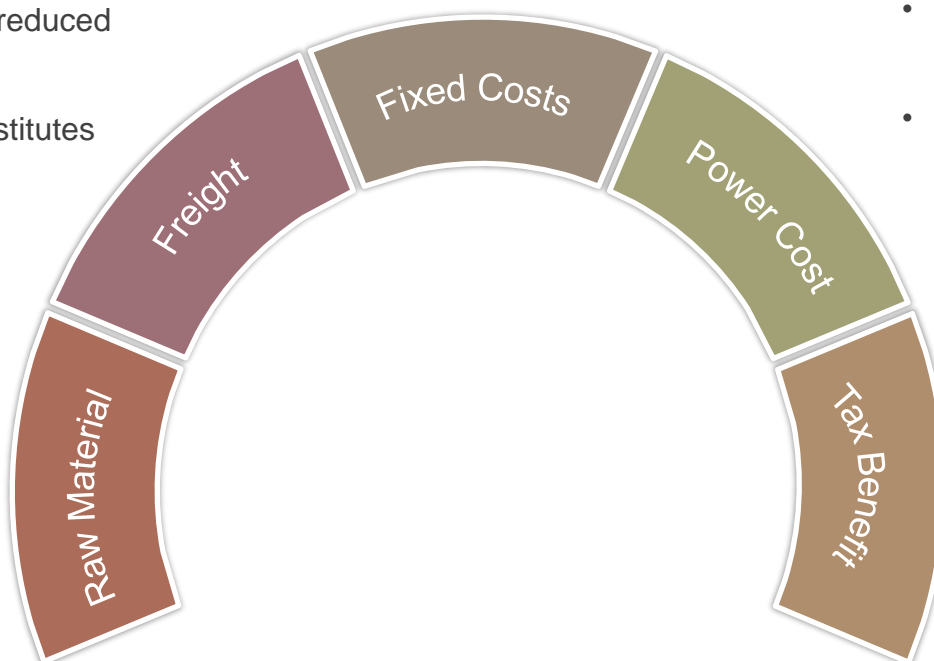
- Presence at the Port gives Location Advantage of reduced Logistic & Freight Cost
- ~71 % of the sales constitutes Exports

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

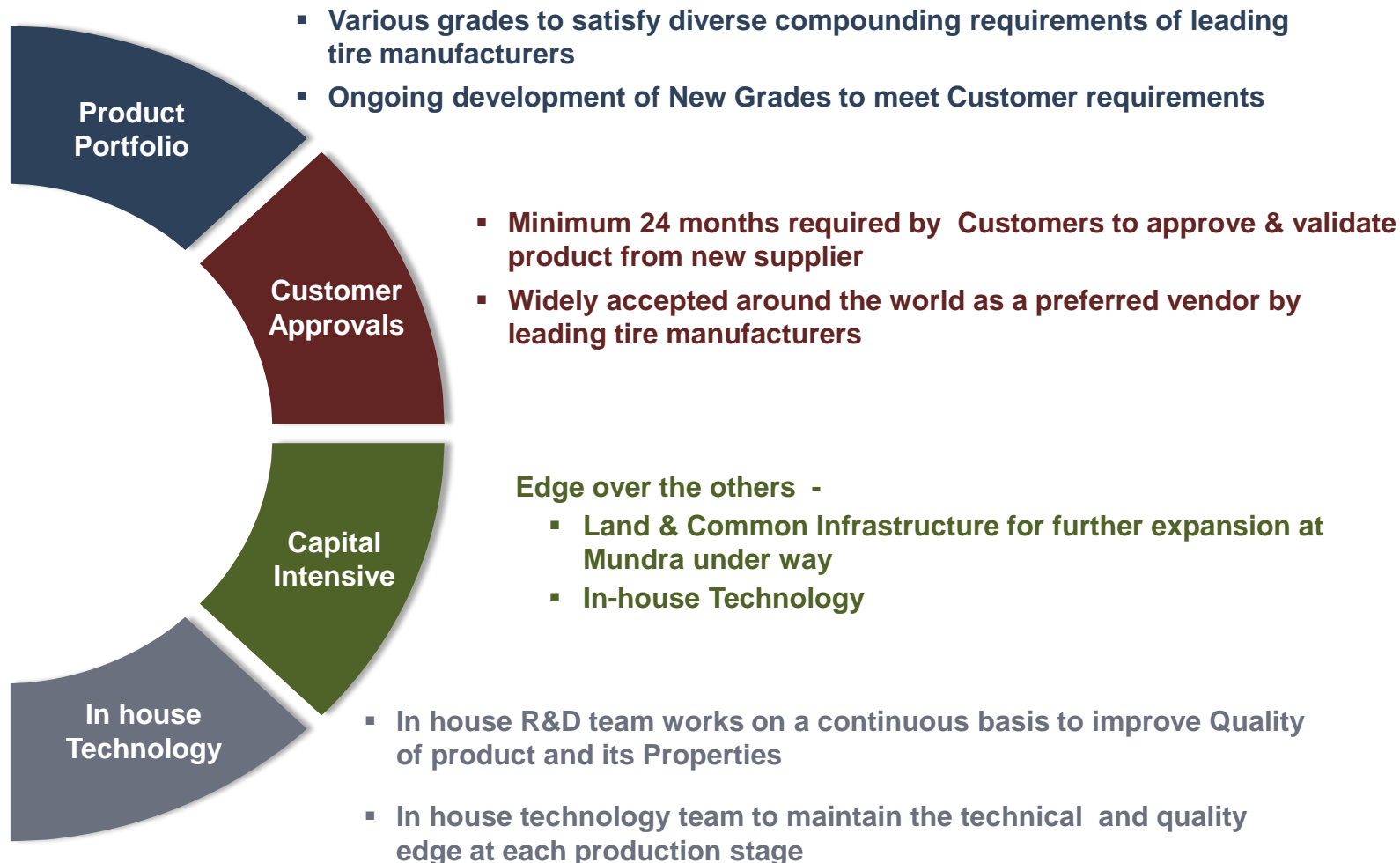
Mr. Vijay Sabbarwal: President (Operations)

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

Having High Entry Barriers



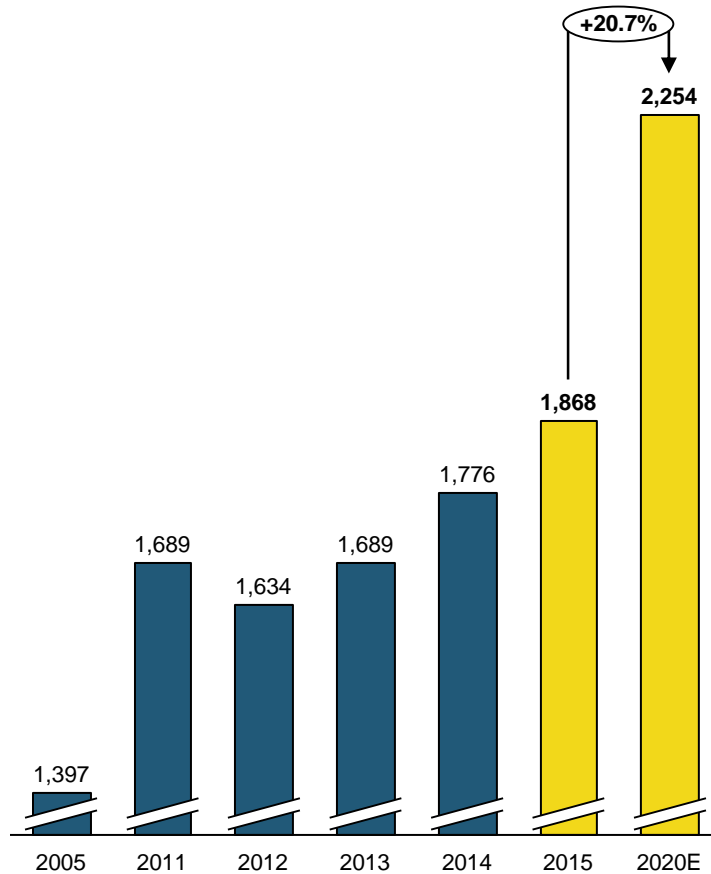
OCCL has successfully implemented its In-house Technology which has been approved by all our Customers across the globe

The background of the slide is a grayscale, high-magnification photograph of a microchip. The image shows the intricate patterns of the chip's surface, including various lines, pads, and small components. The lighting creates a bokeh effect with many bright, out-of-focus spots. Overlaid on this background is the text "KEY GROWTH OPPORTUNITIES" in a large, bold, black, sans-serif font.

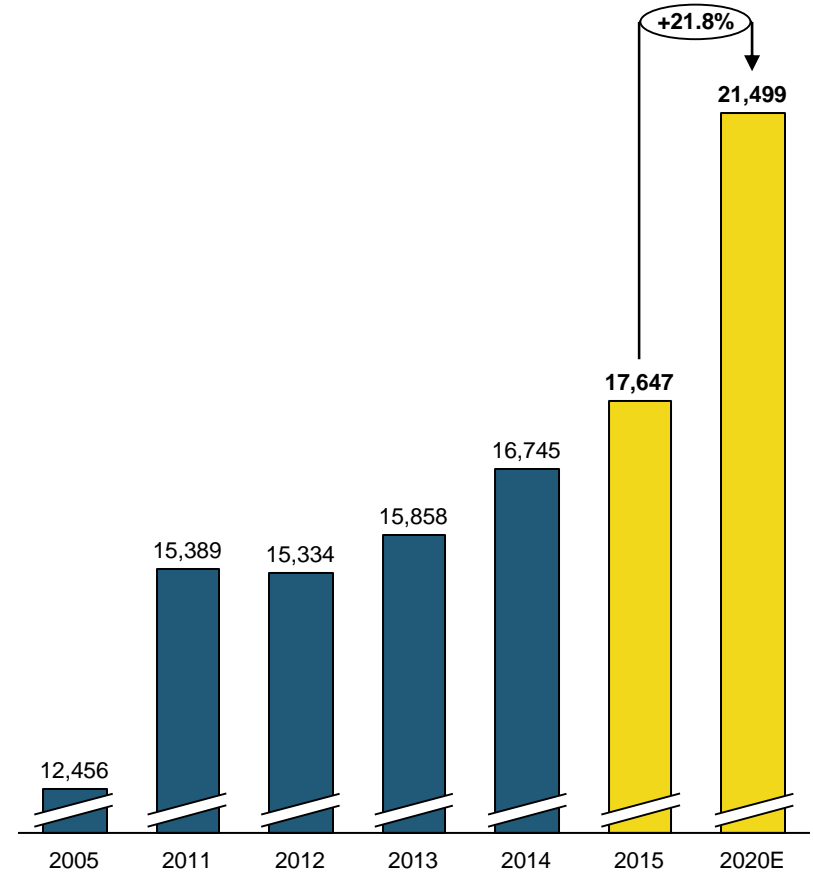
KEY GROWTH OPPORTUNITIES

Global Tire Industry

Tire Production (mn units)



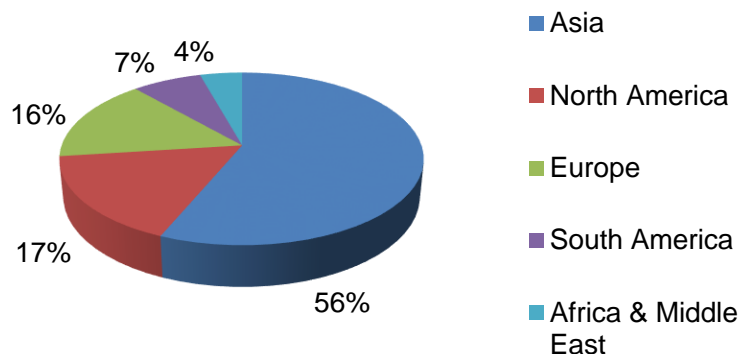
Tire Rubber Consumption (‘000 tonnes)



Insoluble Sulphur - Demand Forecast

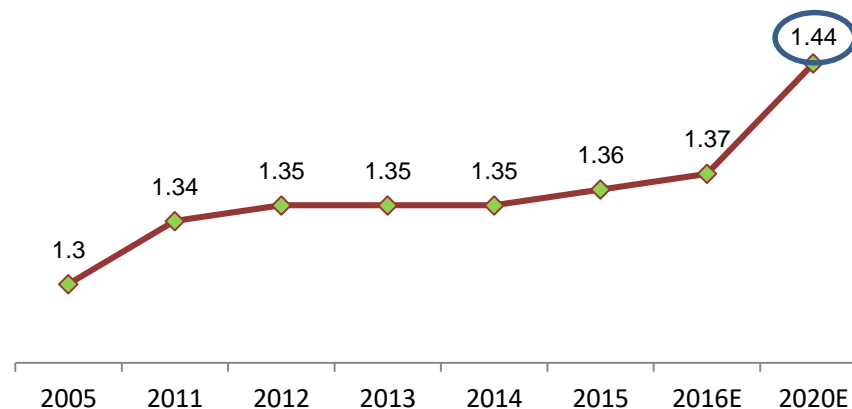
Geographical Breakup

\$28 bn Investment

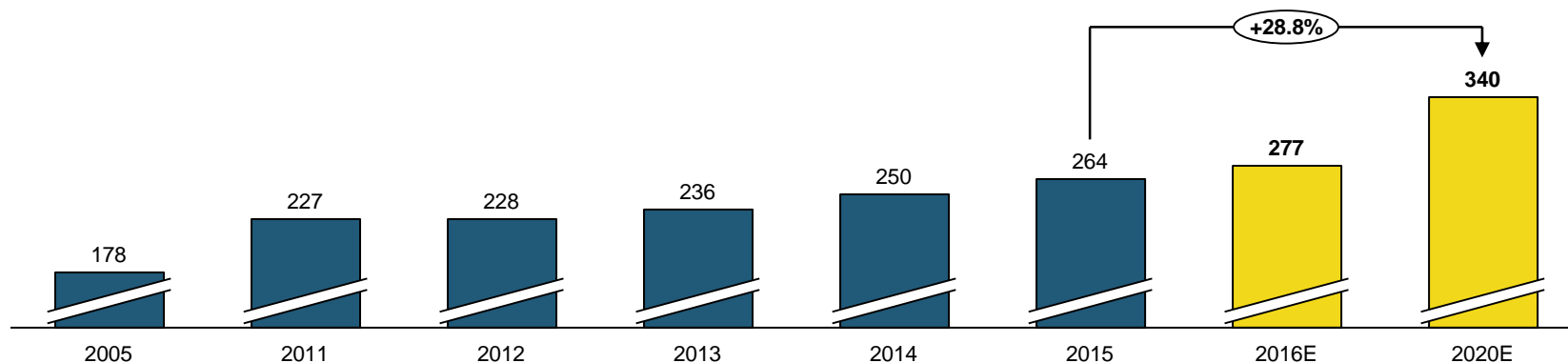


Radialisation Effect

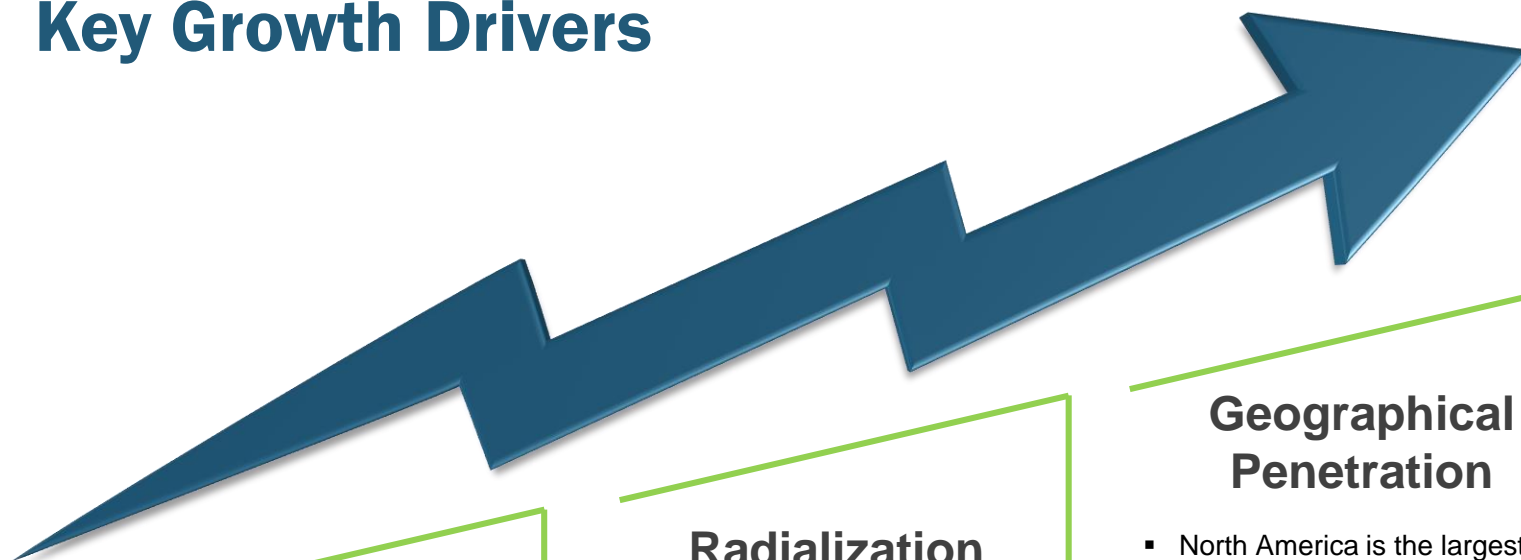
Insoluble Sulphur to Tire Rubber Ratio



*Insoluble Sulphur Demand ('000 tonnes)



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

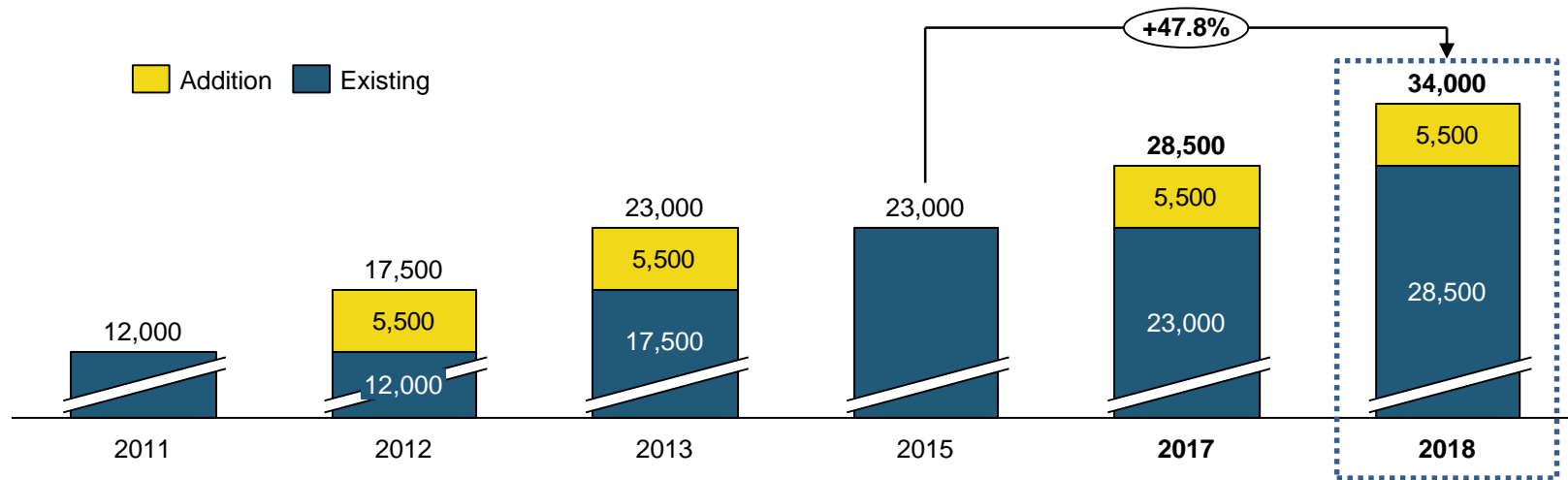
An increase in rate of Radialisation in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

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

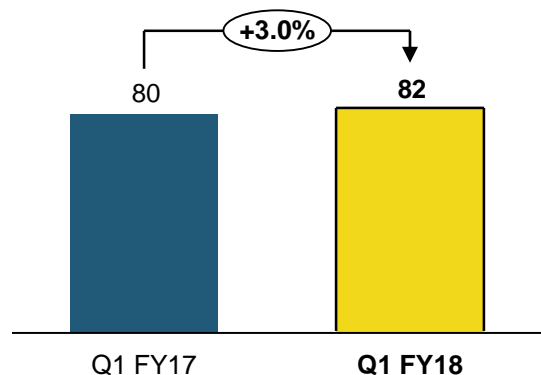
- Working capital margin
- Expected Project IRR is in excess of 25% and projected payback ~4 years

The background of the slide is a grayscale, high-magnification photograph of a microchip. The image shows the intricate patterns of the chip's surface, including various lines, grooves, and small, reflective components. The lighting creates a bokeh effect with many bright, out-of-focus spots.

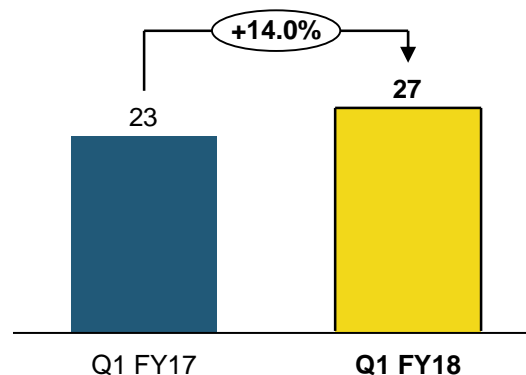
FINANCIALS

Result Highlights: Q1 FY18

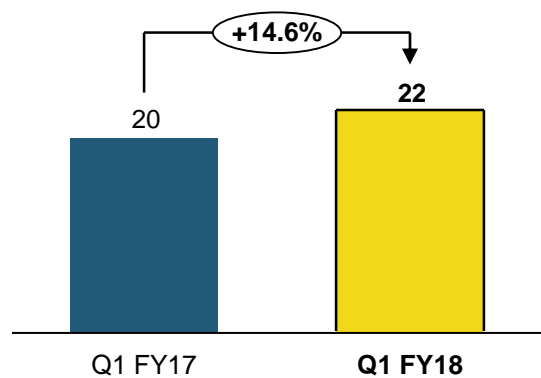
Revenues[^] (Rs. Crs)



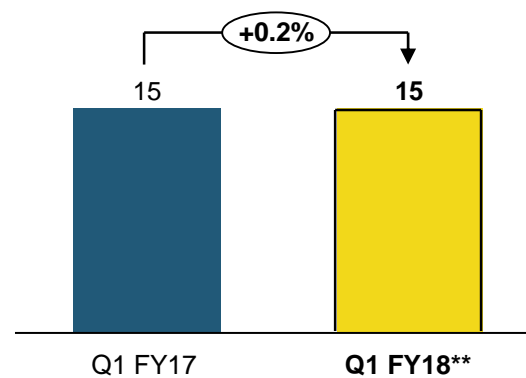
EBITDA[^] (Rs. Crs)



EBIT (Rs. Crs)



PAT* (Rs. Crs)



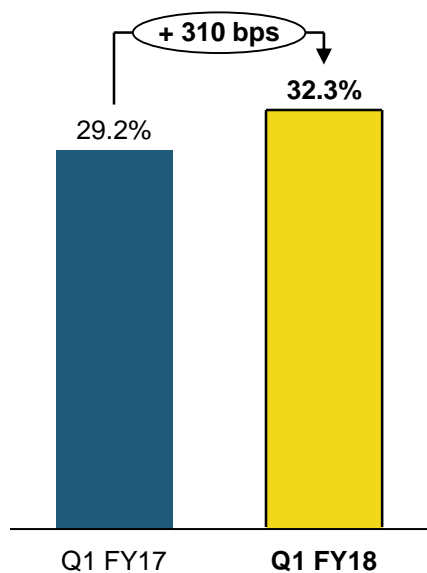
* Excludes Other Comprehensive Income

[^]incl. Other Income

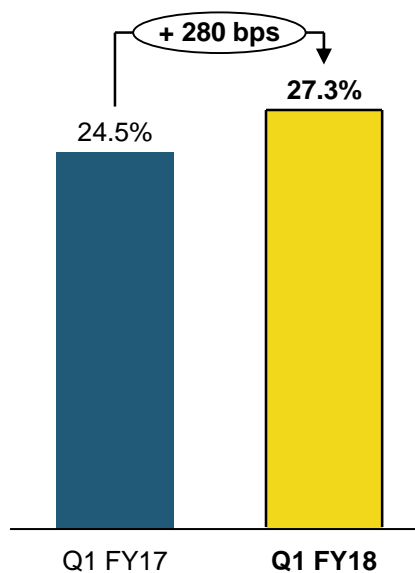
** The taxes were higher on account of increase in deferred tax attributable to the new capacity added

Result Highlights: Q1 FY18

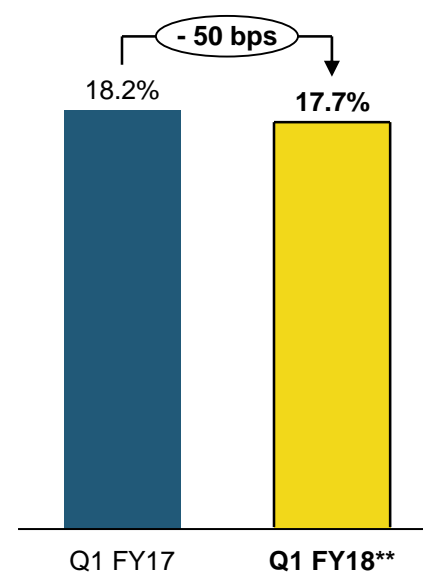
EBITDA^ (%)



EBIT (%)



PAT* (%)



* Excludes Other Comprehensive Income

^incl. Other Income

** The taxes were higher on account of increase in deferred tax attributable to the new capacity added

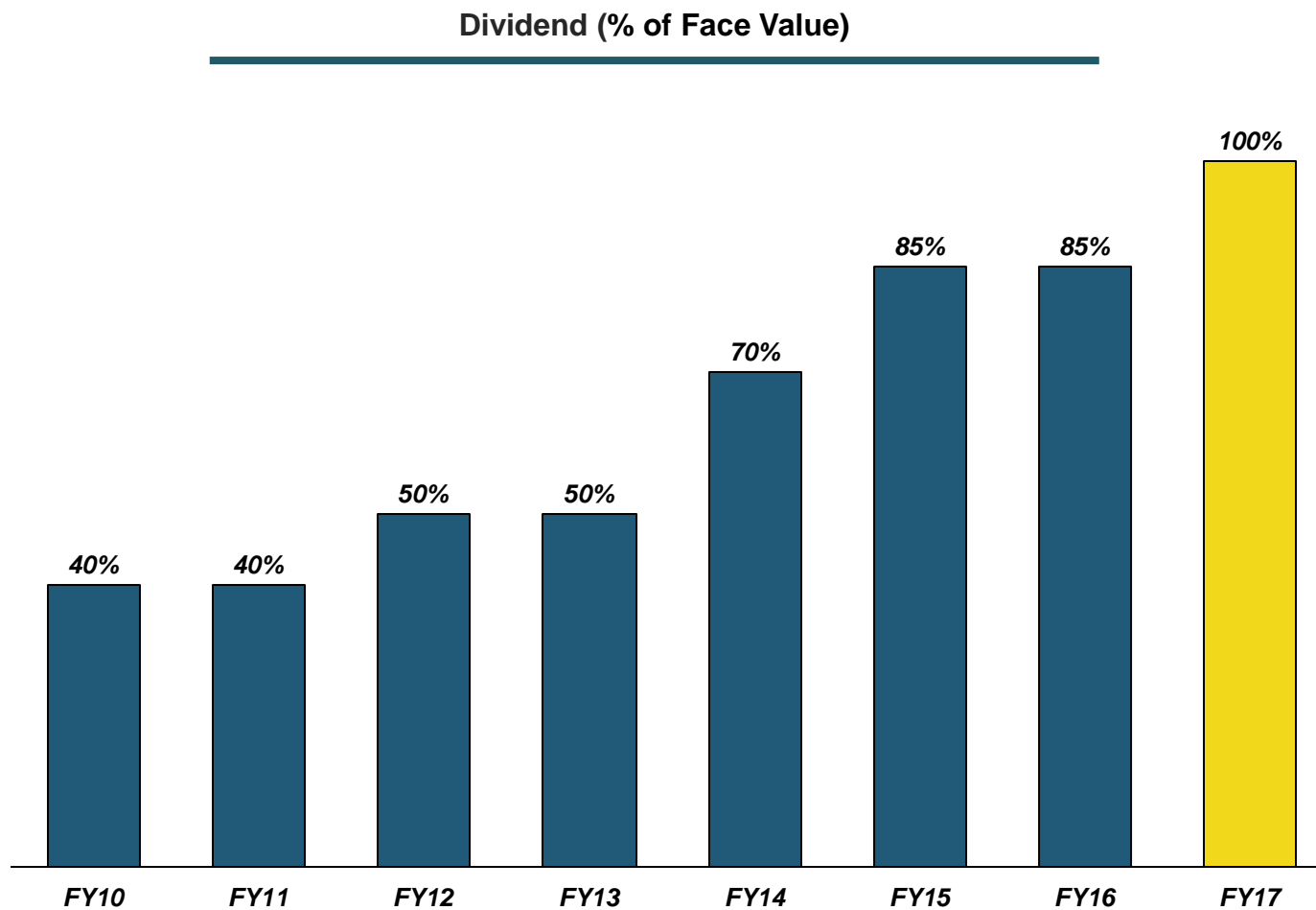
Profit & Loss Statement – Standalone

Particulars (Rs. Crs)	Q1 FY18	Q1 FY17	Y-o-Y
Gross Revenue from Operations	81.2	78.8	
Other Income	1.1	1.2	
Total Income from Operations	82.4	80.0	3.0%
Raw Material*	13.2	22.2	
Employee Expenses	9.8	8.9	
Excise Duty	3.8	3.3	
Other Expenses	29.0	22.3	
EBITDA	26.6	23.3	14.0%
EBITDA Margin (%)	32.3%	29.2%	
Depreciation	4.1	3.7	
EBIT	22.5	19.6	14.6%
EBIT Margin (%)	27.3%	24.5%	
Finance Cost	1.9	1.1	
Profit before Tax	20.5	18.5	10.7%
Tax	6.0	4.0	
Profit After Tax	14.6	14.5	0.2%
PAT Margin (%)	17.7%	18.2%	
Other Comprehensive Income	-0.1	0.0	
TOTAL COMPREHENSIVE INCOME	14.4	14.5	
EPS	14.14	14.11	

The Financial Results for Q1 FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

*Total Raw material cost incl. change in Inventories

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. Neha Shroff / Mr. Deven Dhruva

neha.shroff@sgapl.net / deven.dhruva@sgapl.net

+91 7738073466 / +91 9833373300

www.sgapl.net