

ORIENTAL CARBON & CHEMICALS LIMITED

[Corporate Identity Number (CIN) - L24297WB1978PLC031539]

Regd. Office : "Duncan House", 31, Netaji Subhas Road, Kolkata - 700 001

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E-mail : occl@cal2.vsnl.net.in, occlkol@gmail.com, Website : www.occlindia.com

October 24, 2019

The Manager

BSE Limited

Department of Corporate Services

Floor 25, P. J. Towers, Dalal Street

Mumbai – 400 001

The Manager

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex

Bandra (E)

Mumbai – 400 051

Scrip Symbol/Code: NSE – OCCL & BSE-506579

Dear Sir/Madam,

Re: Investor Presentation for the quarter and half year ended 30th September, 2019

Pursuant to the provision of the Listing Regulations, 2015 enclosed please find herewith a copy of the Investor Presentation for the quarter ended 30th September, 2019.

Thanking you,

Yours Faithfully,

ORIENTAL CARBON & CHEMICALS LTD.



Pranab Kumar Maity

Company Secretary

Encl: a/a

The background of the slide is a scenic landscape. A dark asphalt road with a white dashed center line curves from the foreground into the distance. On the right side of the road, a large, realistic-looking black tire is positioned vertically, as if it has rolled off a vehicle. The landscape beyond the road features rolling hills with sparse vegetation and a range of large, rugged mountains in the background under a hazy, overcast sky.

Oriental Carbon & Chemicals Limited

Providing Solutions...

...Creating Innovations

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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

12 Year CAGR
Revenues – 16%
EBITDA – 22%
PAT – 31%

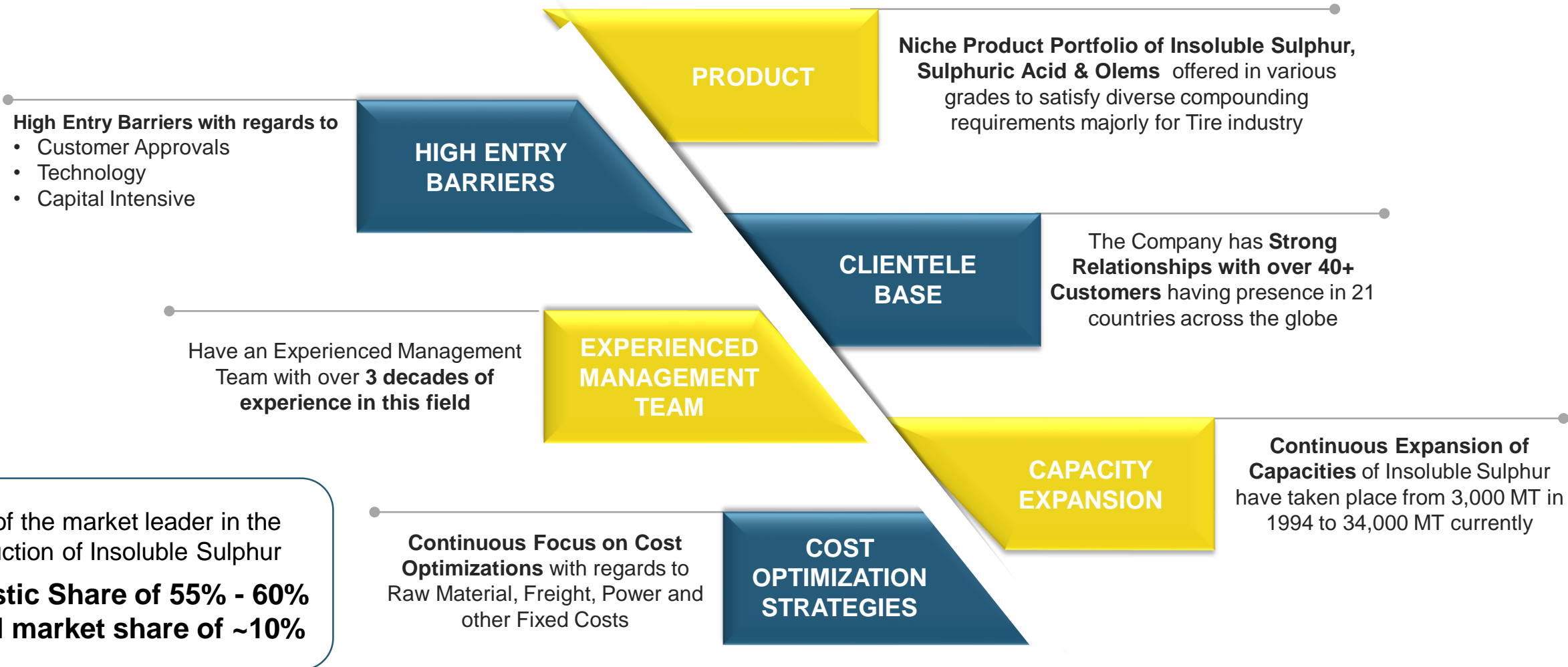
MARKET SHARE

Domestic Share of 55% - 60%
Global market share of ~10%
Customer Base + 40



KEY STRENGTHS

Key Strengths

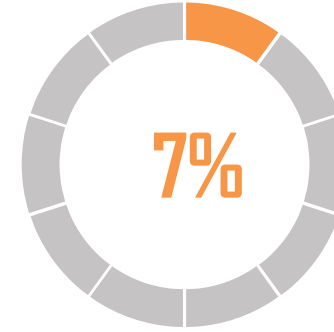


We deliver a Niche Product Portfolio...



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

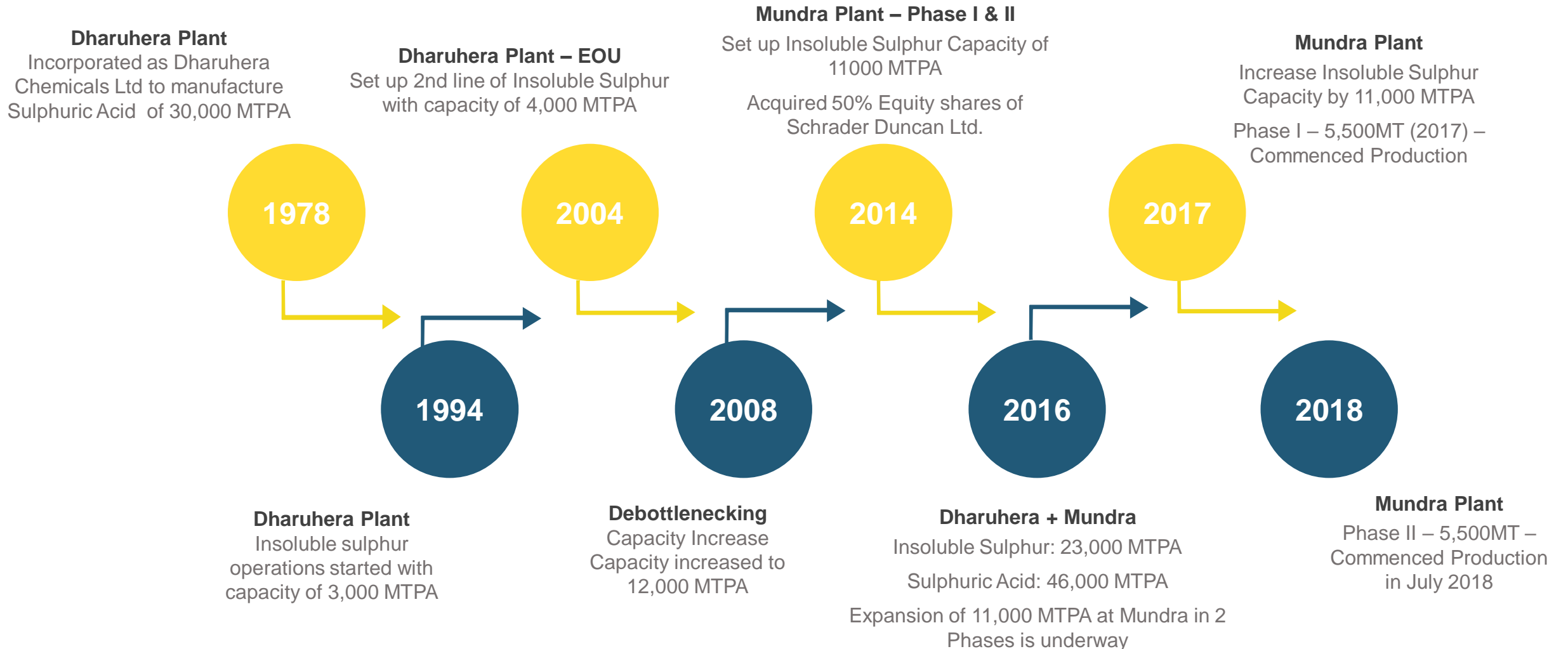
Having Presence in 21 Countries



...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...



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

Expansion has resulted in reduced Fixed cost/ Overheads per MT as R&D and Utilities have been 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 diverse 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	<ul style="list-style-type: none"> • Various grades to satisfy diverse compounding requirements of leading tire manufacturers • Ongoing development of New Grades to meet Customer requirements
Customer Approvals	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Edge over the others - Proven Track Record In-house Technology
In house Technology	<ul style="list-style-type: none"> • 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

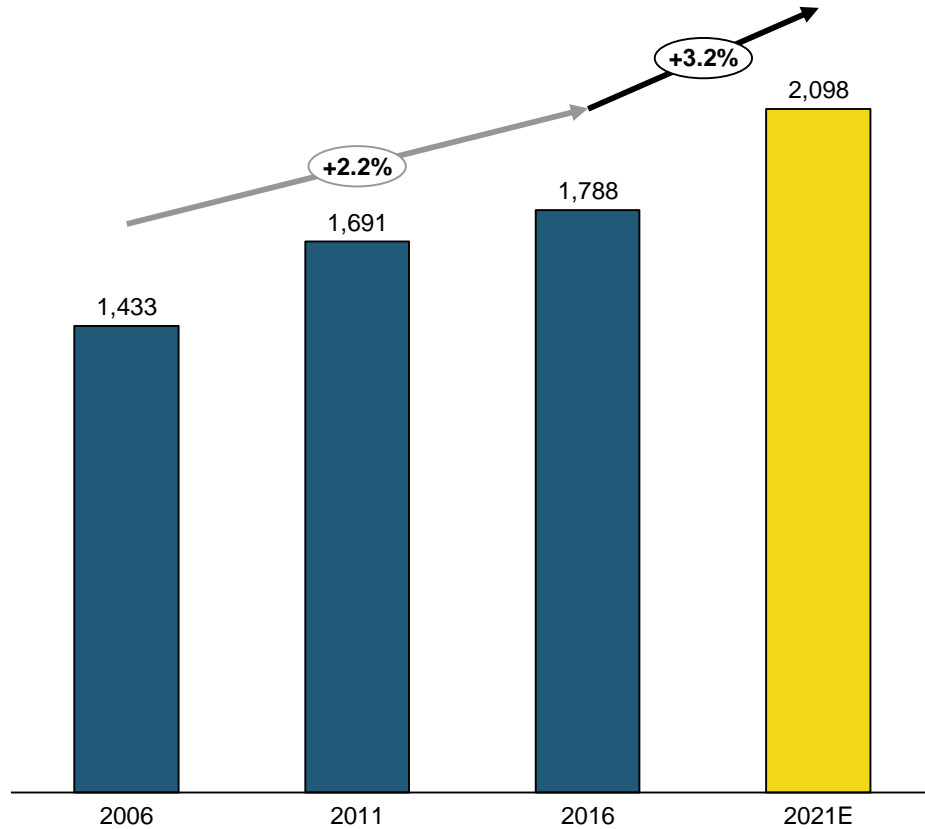
OCCL has successfully implemented its In-house Technology which has been approved by all our Customers across the globe

The background of the slide is a grayscale, high-magnification photograph of a microchip. It shows intricate circuit patterns, including concentric circular tracks and various small, rectangular components mounted on the surface. The lighting creates a bokeh effect with many bright, out-of-focus spots.

KEY GROWTH OPPORTUNITIES

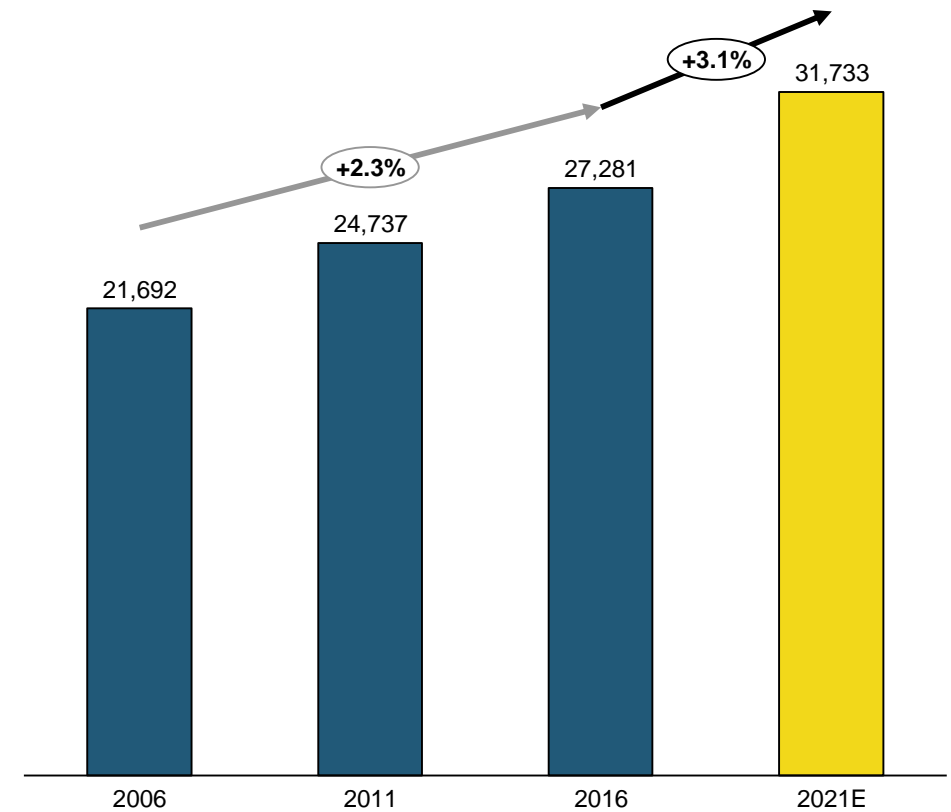
Tire Production

(mn units)



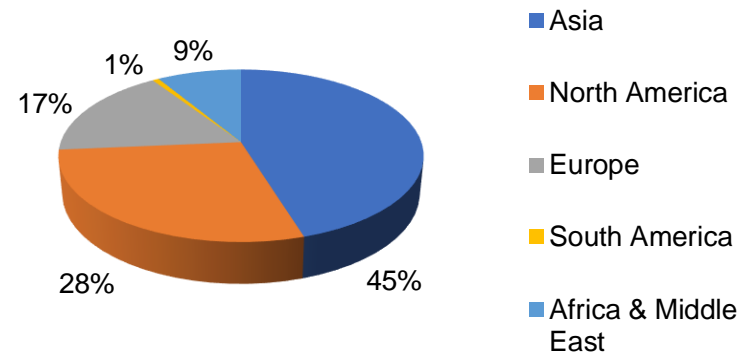
Tire Rubber Consumption

('000 tonnes)

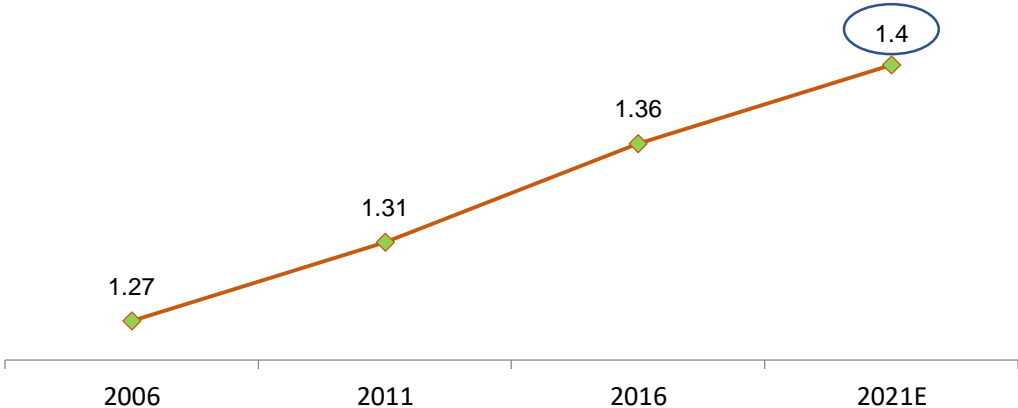


Insoluble Sulphur – Demand Forecast

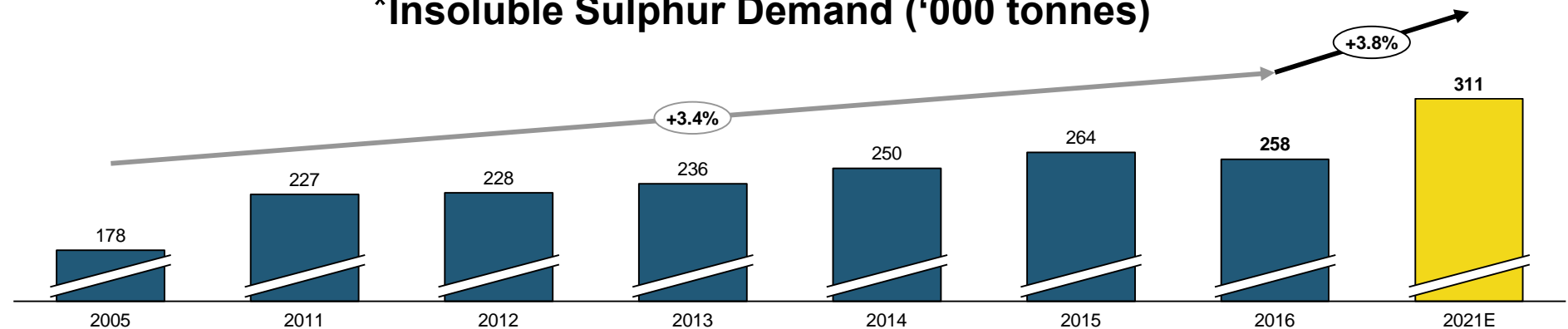
Geographical Breakup
\$22 bn Investment



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 Export demand
- Approval from all Large Global Tire Companies

Radialization

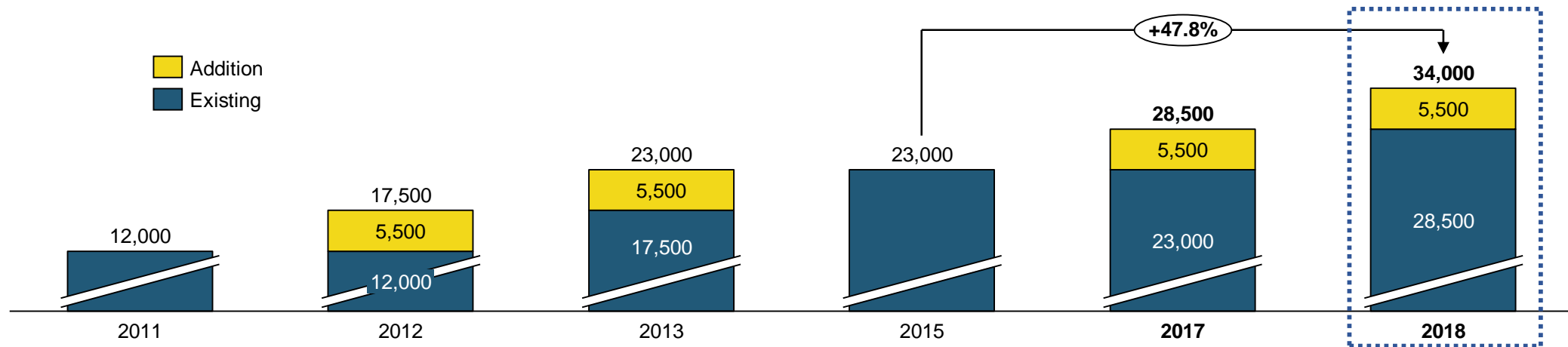
An increase in rate of Radialization in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

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

New Project Announced...



INSOLUBLE SULPHUR

Expansion of Insoluble Sulphur Capacity
by **11,000 MT**

Expansion in **2 phases of 5,500 MT** each

SULPHURIC ACID

Expansion of Sulphuric Acid Capacity
by **42,000 MT**

Total Capacity of Sulphuric Acid would become **88,000 MT**



- Capital investment would be of ~Rs.216 crores including Working Capital of Rs. 7.5 crores
- The Project is proposed to be funded by a mix of Loans and Internal accruals with a debt equity ratio of 2:1

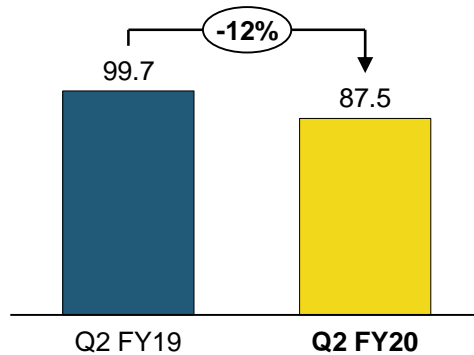
The background of the slide is a grayscale, high-magnification photograph of a microchip. It shows a complex array of curved, parallel lines and numerous small, dark, rectangular components (likely transistors or capacitors) arranged in a regular pattern across the surface.

FINANCIALS

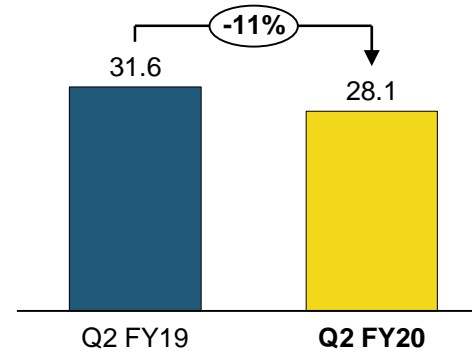
Standalone Highlights: Q2 FY20



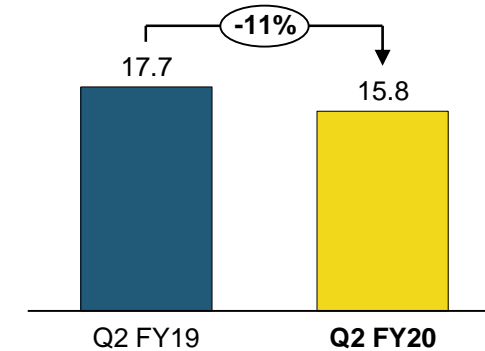
Revenues^ (Rs. Crs)



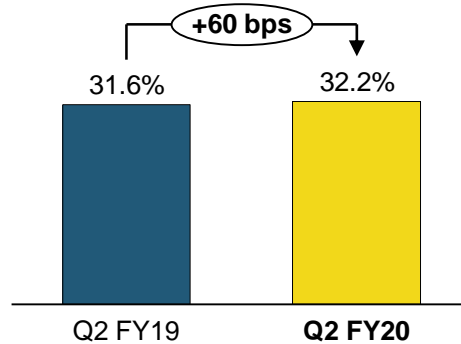
EBITDA^ (Rs. Crs)



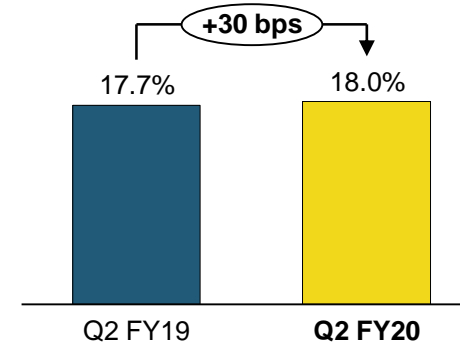
PAT (Rs. Crs)



EBITDA^ (%)



PAT (%)



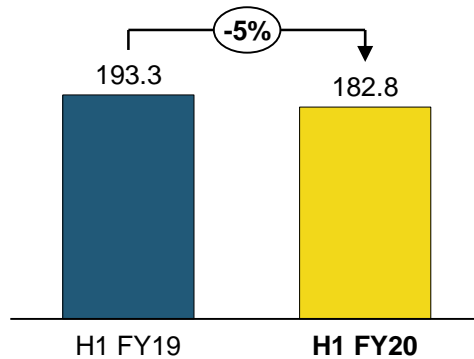
^incl. Other Income

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

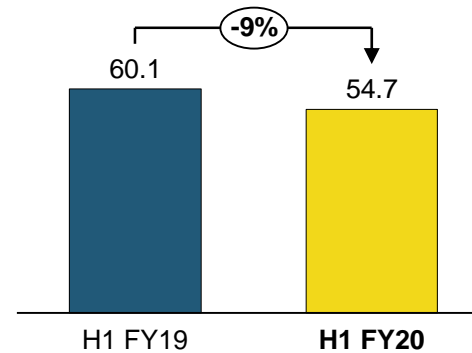
Standalone Highlights: H1 FY20



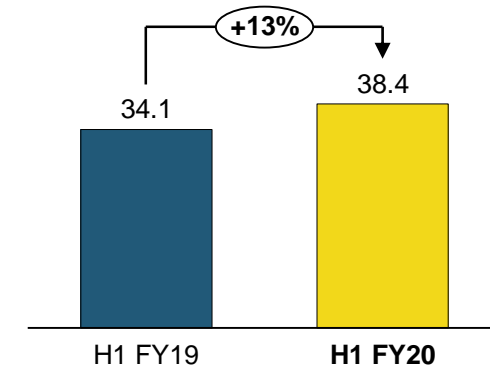
Revenues^ (Rs. Crs)



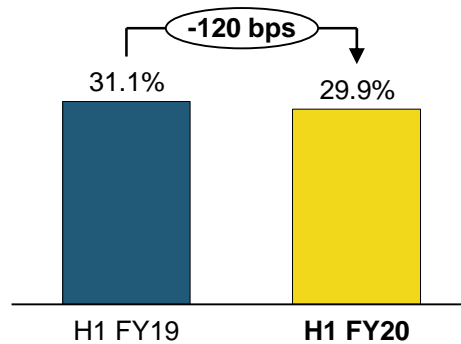
EBITDA^ (Rs. Crs)



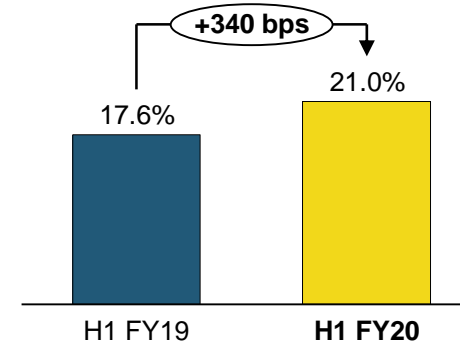
PAT (Rs. Crs)



EBITDA^ (%)



PAT (%)



^incl. Other Income

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

Standalone Profit & Loss Statement

Particulars (Rs. Crs.)	Standalone						
	Q2 FY20	Q2 FY19	Y-o-Y	H1 FY20	H1 FY19	Y-o-Y	FY19
Total Income from Operations^	87.5	99.7	-12%	182.8	193.3	-5%	397.0
Raw Material*	22.1	25.6		46.1	47.1		103.1
Employee Expenses	10.2	11.1		22.6	22.1		45.4
Other Expenses	27.1	31.5		59.4	63.9		119.1
EBITDA^	28.1	31.6	-11%	54.7	60.1	-9%	129.4
EBITDA Margin (%) ^	32.2%	31.6%		29.9%	31.1%		32.6%
Depreciation	5.1	4.7		10.0	8.9		18.6
EBIT	23.0	26.8	-14%	44.7	51.2	-13%	110.8
EBIT Margin (%)	26.3%	26.9%		24.4%	26.5%		27.9%
Finance Cost	2.3	2.1		4.8	3.8		8.2
Profit before Tax	20.7	24.7	-16%	39.8	47.4	-16%	102.6
Tax	4.9	7.1		1.4	13.3		28.8
Profit After Tax	15.8	17.7	-11%	38.4	34.1	13%	73.7
PAT Margin (%)	18.0%	17.7%		21.0%	17.6%		18.6%
Other Comprehensive Income	-0.6	0.2		-0.7	-0.1		0.9
Total Comprehensive Income	15.1	17.9	-15%	37.7	34.0	11%	74.7
EPS	15.77	17.15		38.48	33.07		72.09

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

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

Balance Sheet - Standalone



EQUITY & LIABILITIES (Rs. Crs.)	Sep-19	Mar-19
Equity Share Capital	10.0	10.0
Other Equity	431.6	403.5
Total Equity	441.6	413.5
Financial Liabilities		
Borrowings	68.0	71.7
Lease Liability	5.6	-
Other Financial Liabilities	0.2	0.2
Provisions	2.7	2.8
Deferred Tax Liabilities (Net)	21.9	27.7
Total Non-Current Liabilities	98.4	102.3
Financial Liabilities		
Borrowings	41.0	30.6
Lease Liability	0.0	-
Trade Payables	15.9	17.7
Other Financial Liabilities	30.4	39.9
Other Current Liabilities	5.3	6.2
Income Tax Liability	-	0.9
Provisions	0.9	0.8
Total Current Liabilities	93.4	96.0
Total Equity and Liabilities	633.5	611.9

ASSETS (Rs. Crs.)	Sep-19	Mar-19
Property, Plant and Equipment	346.0	343.9
Capital Work-in-progress	4.1	3.3
Other Intangible Assets	0.5	0.5
Financial Assets		
Investments	23.4	24.3
Loans	0.2	0.3
Others	6.9	6.9
Other Non-Current assets	20.7	1.1
Total Non-Current Assets	401.7	380.3
Inventories	47.0	46.3
Financial Assets		
Investments	93.9	83.5
Trade Receivables	70.0	83.7
Cash and Cash Equivalents	1.1	1.8
Bank balances	6.8	1.9
Loans	0.5	0.5
Others Financial Assets	1.9	2.1
Current Tax Assets (Net)	1.9	-
Other Current Assets	8.6	11.8
Total Current Assets	231.8	231.7
Total Assets	633.5	611.9

Standalone Cashflow Statement

Particulars (Rs. Crs.)	Sep-19	Sep-18
Net Profit Before Tax	39.8	47.4
Adjustments for: Non Cash Items / Other Investment or Financial Items	14.5	15.5
Operating profit before working capital changes	54.3	62.9
Changes in working capital	7.2	-16.9
Cash generated from Operations	61.5	46.0
Direct taxes paid (net of refund)	-9.8	-10.2
Net Cash from Operating Activities	51.7	35.8
Net Cash from Investing Activities	-39.5	-25.7
Net Cash from Financing Activities	-12.8	-12.2
Net Decrease in Cash and Cash equivalents	-0.6	-2.1
Add: Cash & Cash equivalents at the beginning of the period	1.8	9.6
Cash & Cash equivalents at the end of the period	1.1	7.5

Consolidated Profit & Loss Statement

Particulars (Rs. Crs)	Consolidated						
	Q2 FY20	Q2 FY19	Y-o-Y	H1 FY20	H1 FY19	Y-o-Y	FY19
Total Income from Operations^	99.3	110.2	-10%	206.2	214.5	-4%	441.8
Raw Material*	28.3	31.9		58.7	59.9		130.1
Employee Expenses	12.4	13.0		27.3	26.1		53.5
Other Expenses	28.0	32.5		61.3	65.9		123.6
EBITDA^	30.5	32.8	-7%	58.9	62.7	-6%	134.7
EBITDA Margin (%) ^	30.7%	29.8%		28.6%	29.2%		30.5%
Depreciation	5.5	5.2		10.7	9.8		20.3
EBIT	25.1	27.6	-9%	48.2	52.9	-9%	114.4
EBIT Margin (%)	25.2%	25.1%		23.4%	24.7%		25.9%
Finance Cost	2.4	2.2		5.1	4.1		8.7
Profit before Tax	22.6	25.4	-11%	43.1	48.9	-12%	105.7
Tax	4.7	7.1		1.4	13.3		29.2
Profit After Tax	18.0	18.3	-2%	41.7	35.5	17%	76.5
PAT Margin (%)	18.1%	16.6%		20.2%	16.6%		17.3%
Other Comprehensive Income	-0.6	0.3		-0.8	-0.1		0.8
Non-Controlling Interest	1.1	0.3		1.6	0.7		1.4
Total Comprehensive Income	16.2	18.2	-11%	39.3	34.7	13%	76.0
EPS	16.88	17.47		40.12	33.79		73.45

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

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

Balance Sheet - Consolidated



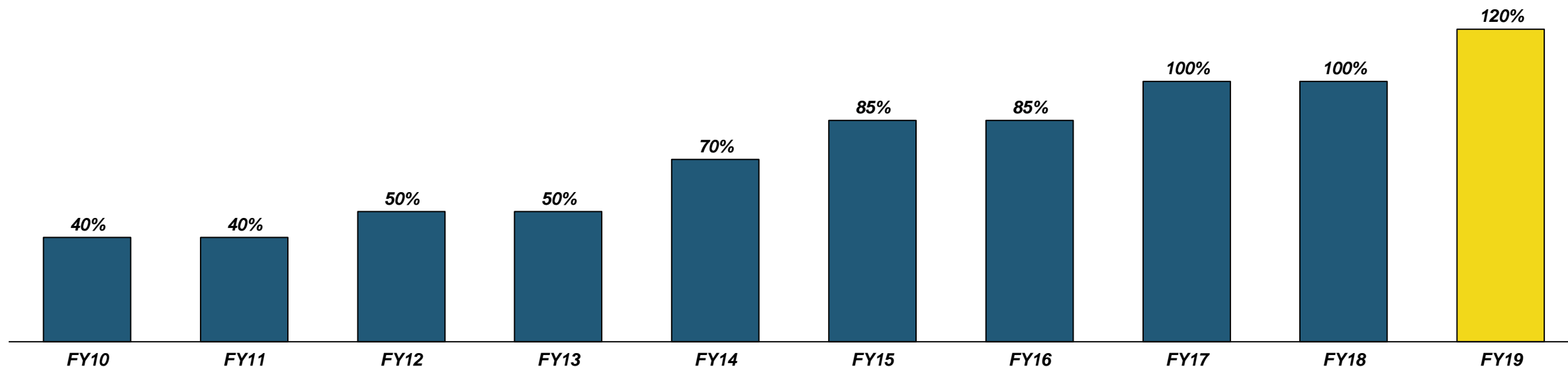
EQUITY & LIABILITIES (Rs. Crs.)	Sep-19	Mar-19
Equity Share Capital	10.0	10.0
Other Equity	428.3	398.6
Total Equity	438.3	408.6
Non-Controlling Interest	11.2	9.6
Financial Liabilities		
Borrowings	68.0	71.7
Lease Liability	5.6	-
Other Financial Liabilities	0.4	0.3
Provisions	3.1	3.1
Deferred Tax Liabilities (Net)	21.9	27.6
Total Non-Current Liabilities	99.0	102.7
Financial Liabilities		
Borrowings	46.0	37.3
Lease Liability	0.0	-
Trade Payables	18.9	22.4
Other Financial Liabilities	31.9	41.4
Other Current Liabilities	6.7	8.4
Provisions	0.9	0.8
Total Current Liabilities	104.5	110.3
Total Equity and Liabilities	653.0	631.2

ASSETS (Rs. Crs.)	Sep-19	Mar-19
Property, Plant and Equipment	361.7	360.1
Capital Work-in-progress	4.1	3.4
Other Intangible Assets	0.6	0.7
Financial Assets		
Investments	8.8	9.7
Loans	0.2	0.3
Others Financial Assets	7.0	6.9
Other Non-Current assets	20.7	1.2
Total Non-Current Assets	403.2	382.4
Inventories	54.6	54.2
Financial Assets		
Investments	93.9	83.5
Trade Receivables	76.1	89.2
Cash and Cash Equivalents	3.2	3.8
Bank balances	7.2	2.0
Loans	0.6	0.6
Others Financial Assets	1.9	2.1
Current Tax Assets (Net)	2.9	0.2
Other Current Assets	9.4	13.2
Total Current Assets	249.8	248.8
Total Assets	653.0	631.2

Consistent Dividend Records



Dividend (% of Face Value)



The Board of Directors has declared an Interim Dividend for the Financial Year 2019-2020 of Rs.4/- per equity share of Rs.10/- each (40% of FV)

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

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