

# ORIENTAL CARBON & CHEMICALS LIMITED

[Corporate Identity Number (CIN) - L24297WB1978PLC031539]

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

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July 30, 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](mailto: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](mailto:cmlist@nse.co.in)

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

Dear Sir/Madam,

**Re: Investor Presentation for the quarter ended 30<sup>th</sup> June, 2018**

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



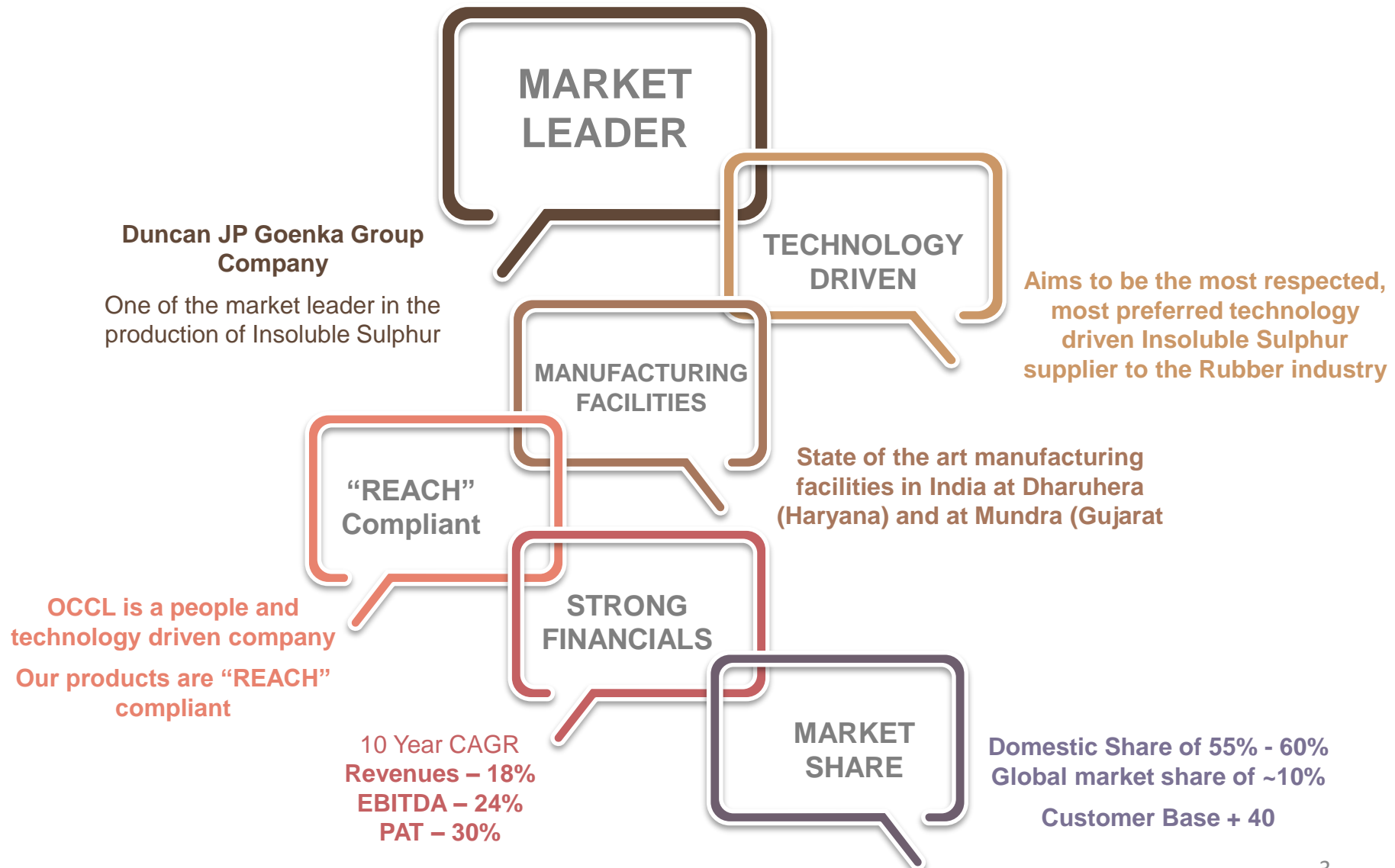
**Investor Presentation – July 2018**

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# Company Overview





# **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

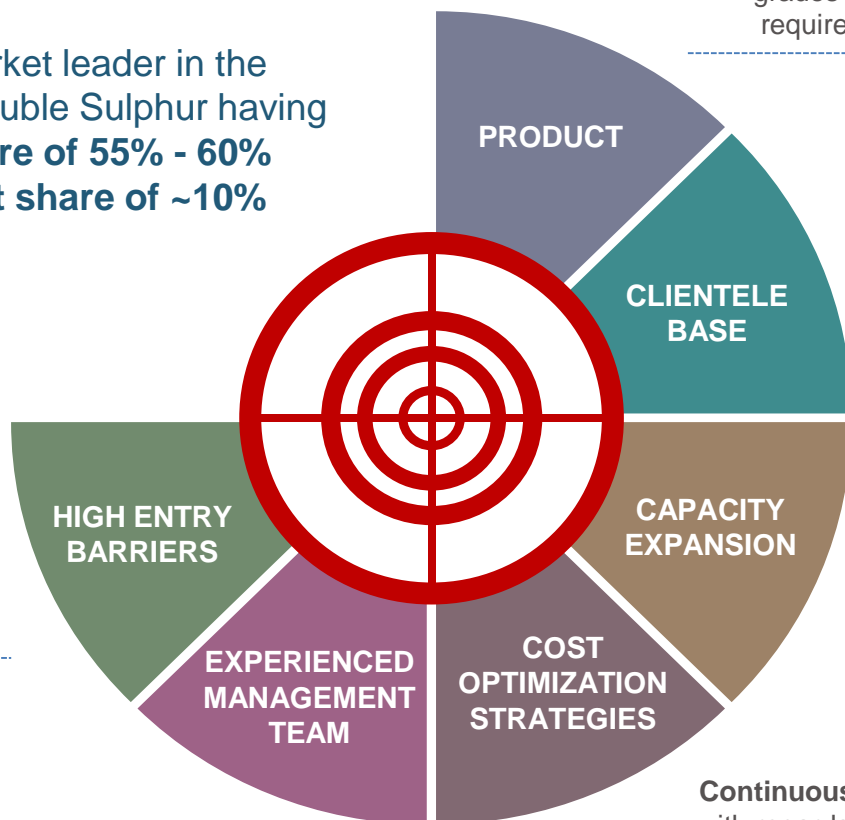
**Continuous Expansion of Capacities** of Insoluble Sulphur have taken place from 3,000 MT in 1994 to 34,000 MT currently

**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



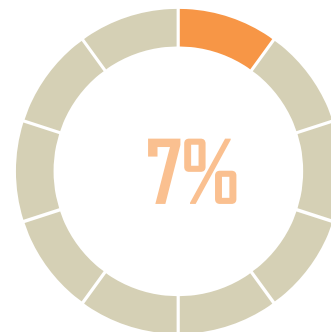


# We deliver a Niche Product Portfolio...



## 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**

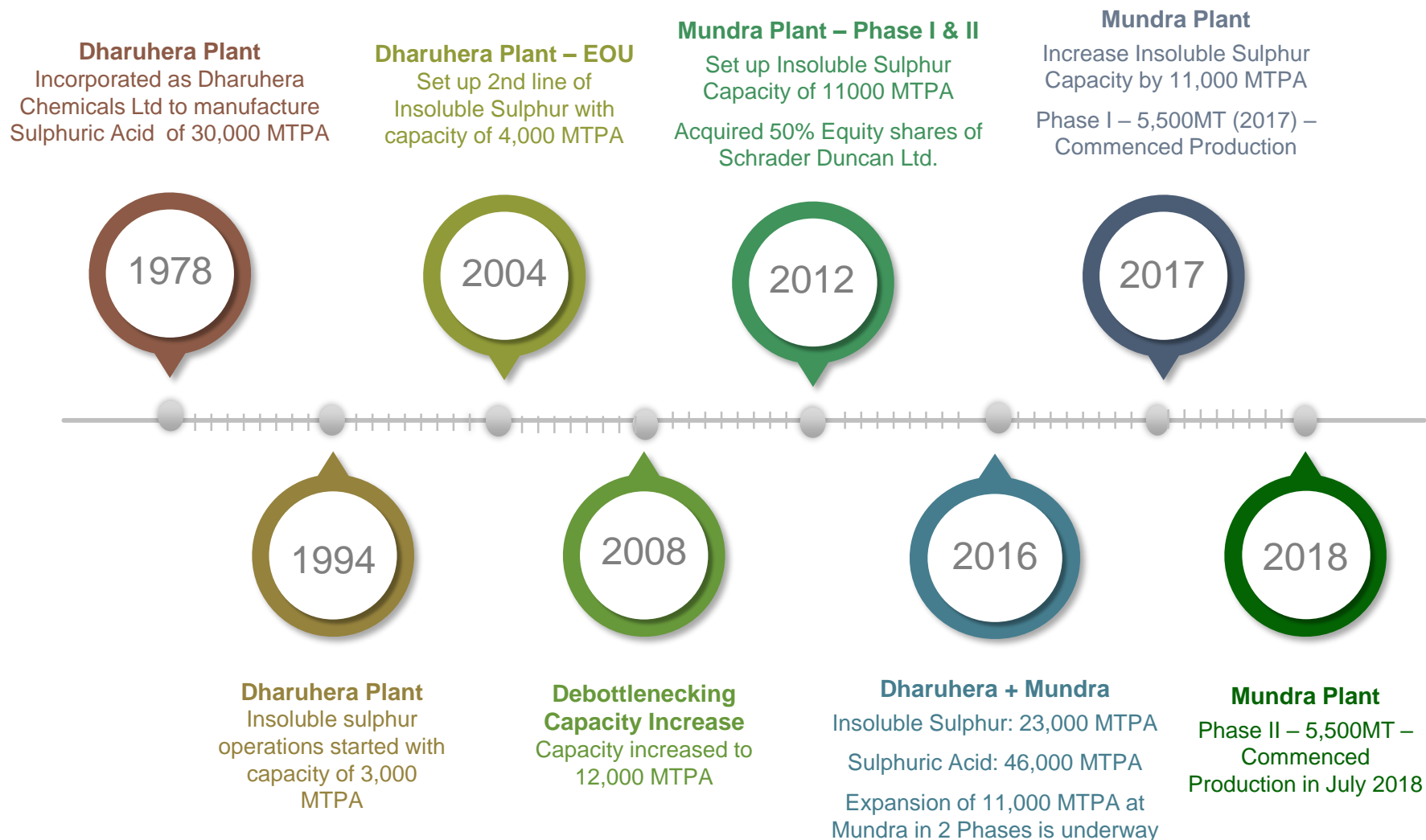


# ...Having Presence in 21 Countries...

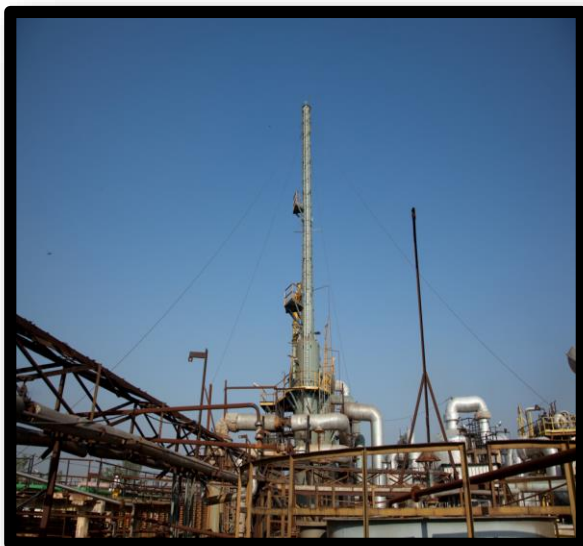


...across the globe

# We have Continuously Expanded...



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



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

## ...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

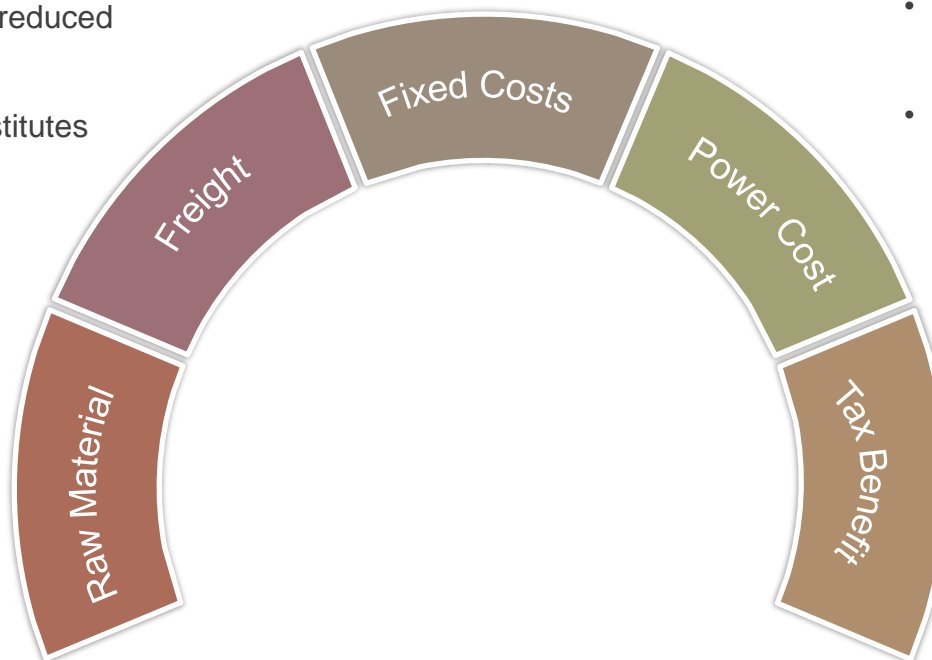
- Presence at the Port gives Location Advantage of reduced Logistic & Freight Cost
- ~67% of the sales constitutes Exports

## 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

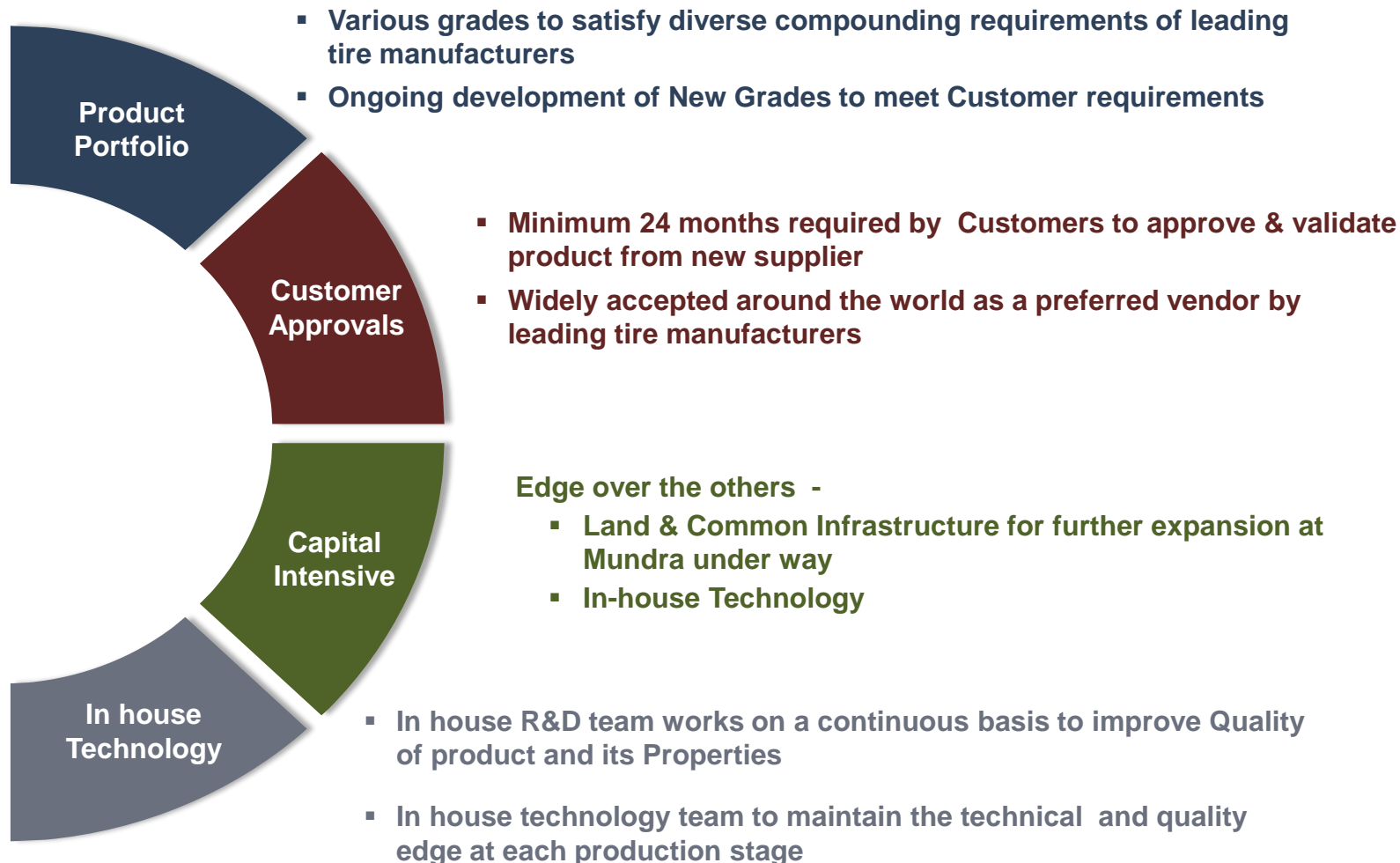
## Mr. Vijay Sabbarwal: President (Operations)

- 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**

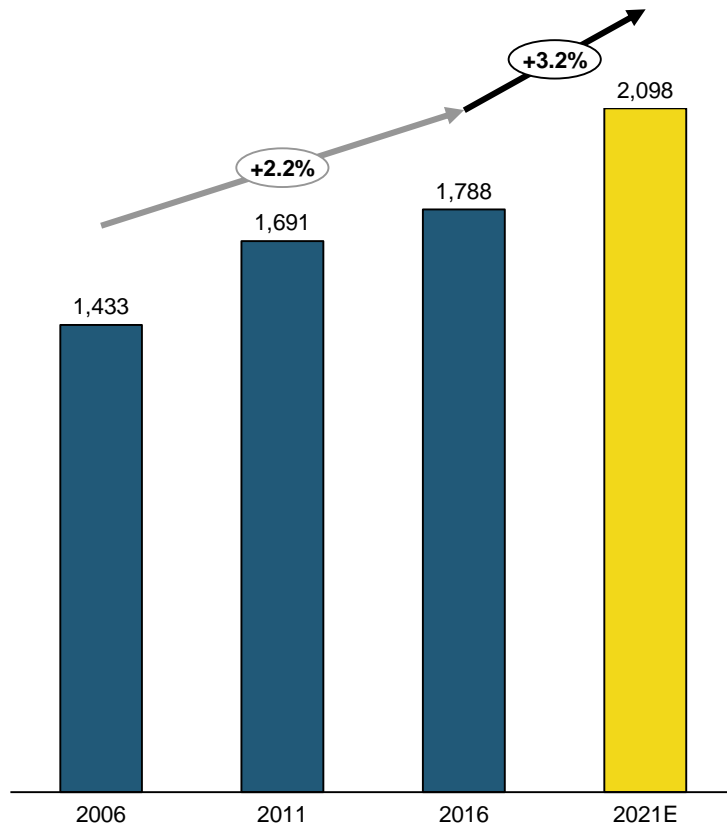


The background of the slide is a grayscale, high-magnification photograph of a microchip. The image shows the intricate patterns of the chip's surface, including various lines, pads, and small components, creating a complex, textured appearance.

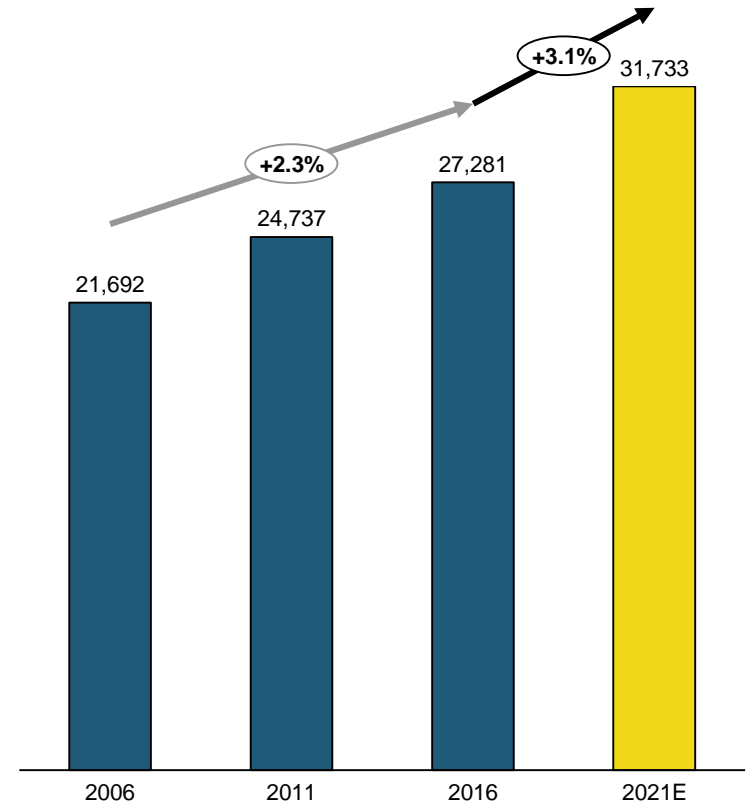
# **KEY GROWTH OPPORTUNITIES**

# Global Tire Industry

## Tire Production (mn units)



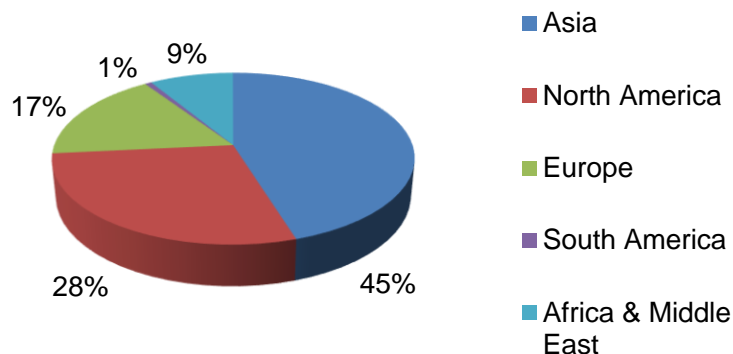
## Tire Rubber Consumption (‘000 tonnes)



# Insoluble Sulphur - Demand Forecast

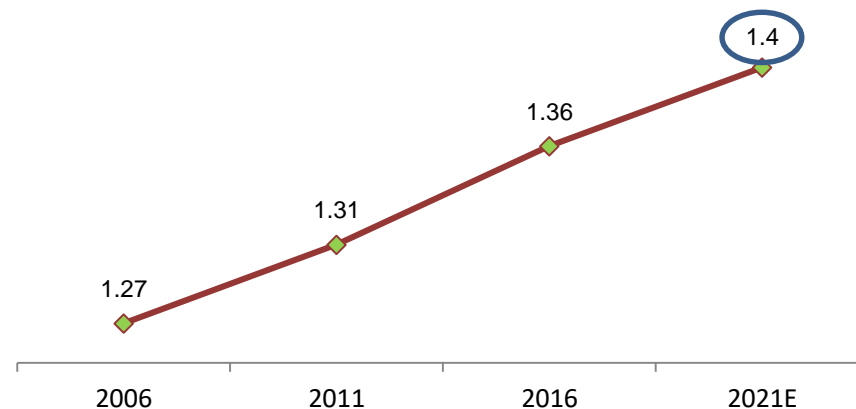
## Geographical Breakup

\$22 bn Investment

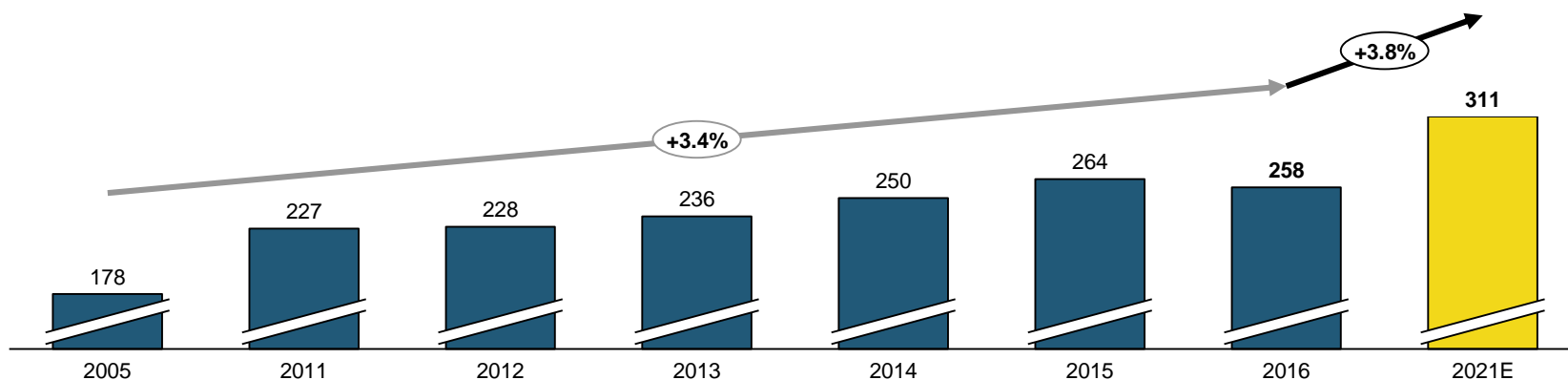


## Radialisation Effect

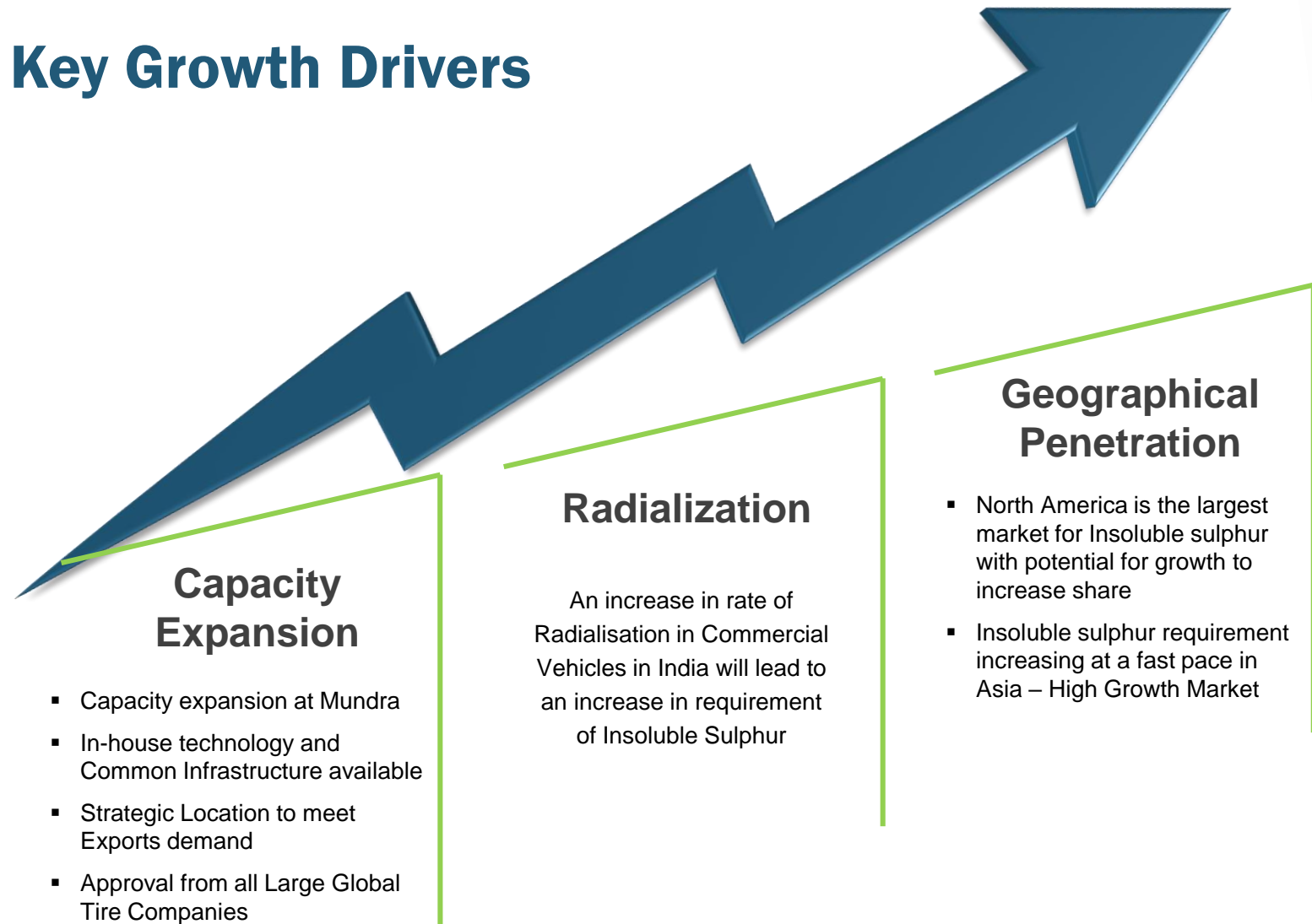
Insoluble Sulphur to Tire Rubber Ratio



## \*Insoluble Sulphur Demand ('000 tonnes)

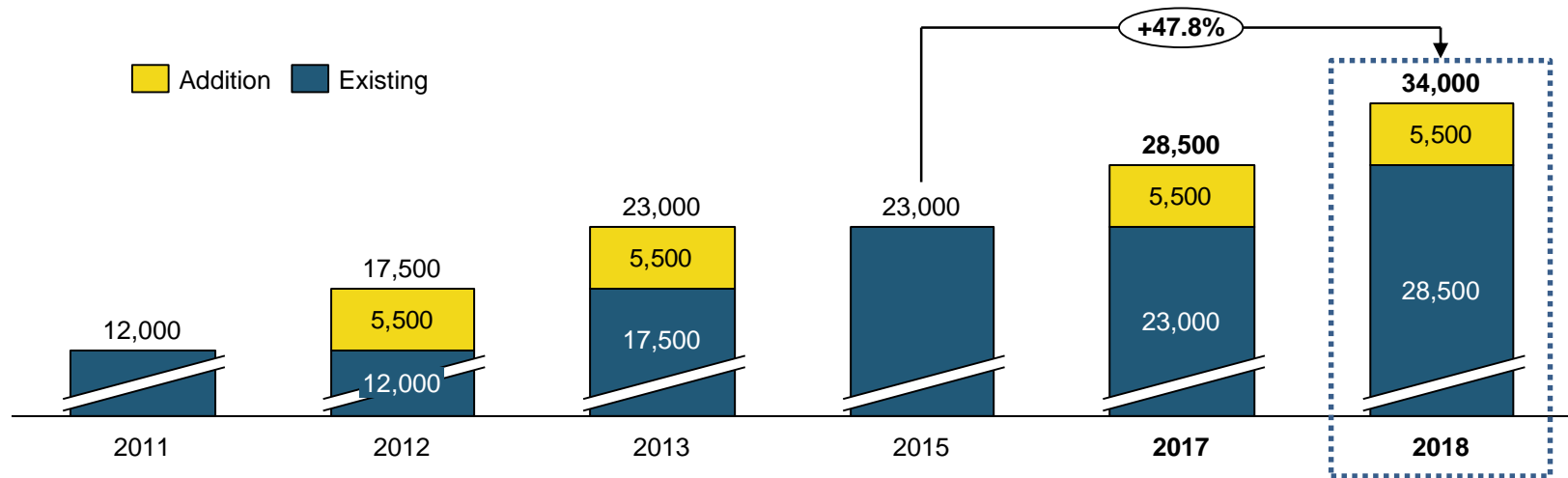


# Key Growth Drivers



**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 Radicalisation 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

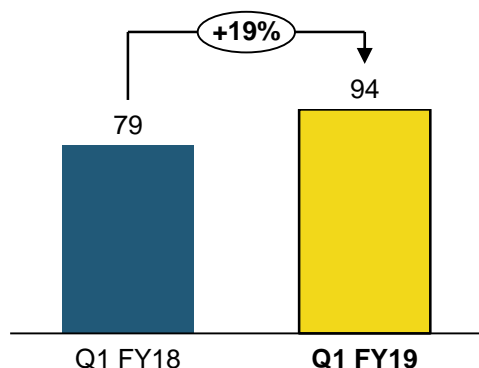


# FINANCIALS

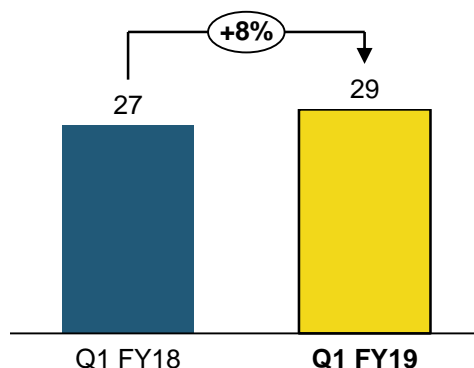


# Result Highlights: Q1 FY19

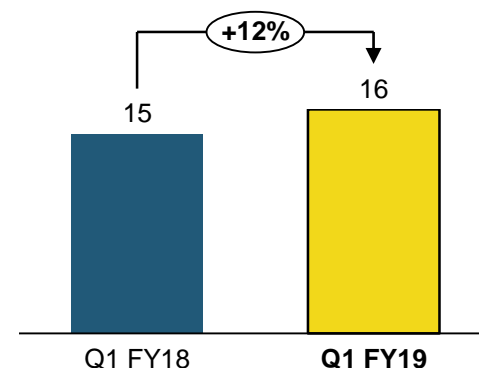
## Revenues^ (Rs. Crs)



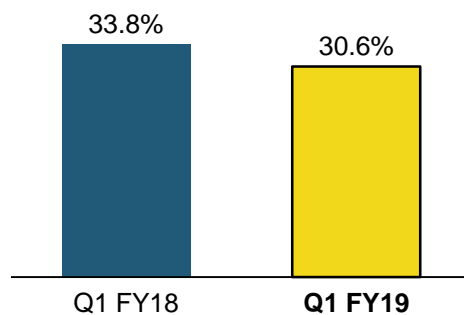
## EBITDA^ (Rs. Crs)



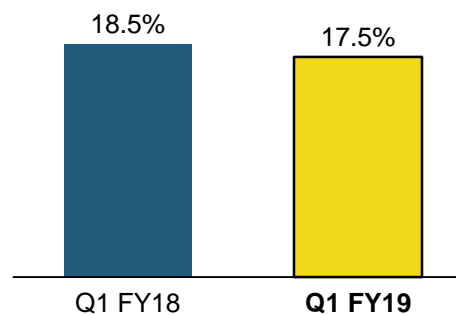
## PAT (Rs. Crs)



## 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)	Q1 FY19	Q1 FY18	Y-o-Y	FY18
<b>Total Income from Operations^</b>	<b>93.6</b>	<b>78.6</b>	<b>19%</b>	<b>333.7</b>
Raw Material*	21.5	13.2		76.1
Employee Expenses	11.1	9.8		39.3
Other Expenses	32.4	29.0		114.4
<b>EBITDA</b>	<b>28.6</b>	<b>26.6</b>	<b>8%</b>	<b>103.8</b>
<b>EBITDA Margin (%)</b>	<b>30.6%</b>	<b>33.8%</b>		<b>31.1%</b>
Depreciation	4.2	4.1		16.3
<b>EBIT</b>	<b>24.4</b>	<b>22.5</b>	<b>9%</b>	<b>87.5</b>
<b>EBIT Margin (%)</b>	<b>26.1%</b>	<b>28.6%</b>		<b>26.2%</b>
Finance Cost	1.8	1.9		7.9
<b>Profit before Tax</b>	<b>22.6</b>	<b>20.5</b>	<b>10%</b>	<b>79.6</b>
Tax	6.2	6.0		22.9
<b>Profit After Tax</b>	<b>16.4</b>	<b>14.6</b>	<b>13%</b>	<b>56.7</b>
<b>PAT Margin (%)</b>	<b>17.5%</b>	<b>18.5%</b>		<b>17.0%</b>
Other Comprehensive Income	-0.3	-0.1		0.6
<b>TOTAL INCOME</b>	<b>16.1</b>	<b>14.4</b>	<b>12%</b>	<b>57.3</b>
EPS	15.93	14.14		55.12

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

\*Total Raw material cost incl. change in Inventories

^incl. Other Income, net of excise

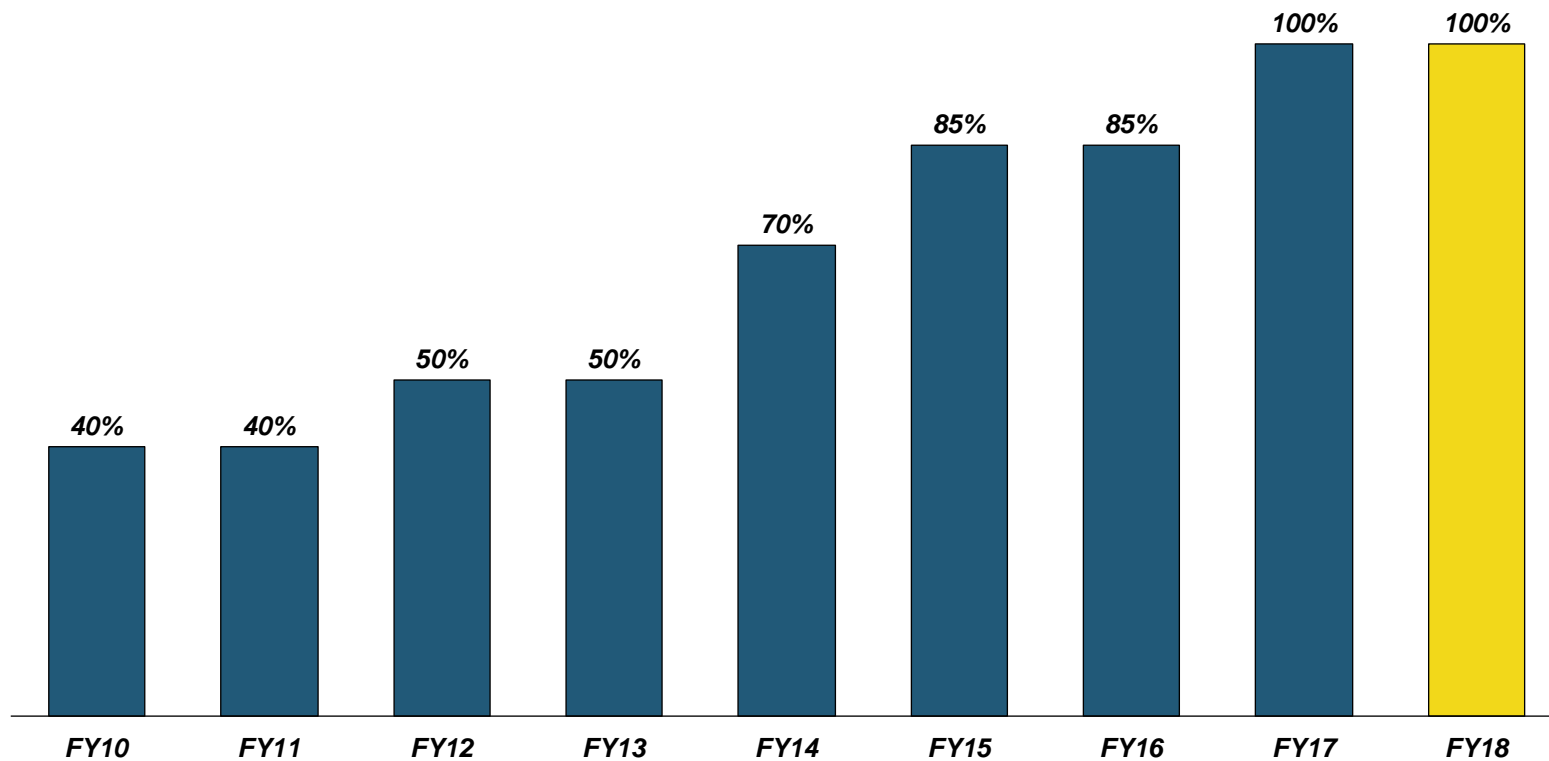
# Balance Sheet– Standalone

EQUITY & LIABILITIES (Rs. Crs.)	Mar-18	Mar-17
Equity Share Capital	10.3	10.3
Other Equity	377.7	332.6
<b>Total Equity</b>	<b>388.0</b>	<b>342.9</b>
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
<b>Total Non-Current Liabilities</b>	<b>91.9</b>	<b>80.6</b>
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
<b>Total Current Liabilities</b>	<b>92.9</b>	<b>83.9</b>
<b>Total Equity and Liabilities</b>	<b>572.8</b>	<b>507.4</b>

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
<b>Total Non-Current Assets</b>	<b>373.8</b>	<b>335.4</b>
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
<b>Total Current Assets</b>	<b>198.9</b>	<b>172.0</b>
<b>Total Assets</b>	<b>572.8</b>	<b>507.4</b>

# Consistent Dividend Record

Dividend (% of Face Value)



## For further information, please contact:

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Company :

Investor Relations Advisors :

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**Oriental Carbon & Chemicals Ltd.**

CIN: L24297WB1978PLC031539

**Mr. Anurag Jain - CFO**

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<http://www.occlindia.com/>

**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

**Mr. Deven Dhruva / Ms. Neha Shroff**

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