

7<sup>th</sup> February, 2019

The Manager,  
Listing Department,  
National Stock Exchange of India Ltd,  
Exchange Plaza,  
Plot No. – C – 1, G Block,  
Bandra – Kurla Complex,  
Bandra (East),  
Mumbai – 400051

The General Manager,  
Department of Corporate Services,  
BSE Ltd.,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
P.J. Towers,  
Dalal Street, Fort,  
Mumbai – 400001

The Secretary,  
The Calcutta Stock Exchange Ltd,  
7, Lyons Range,  
Kolkata – 700001

Dear Sir,

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Investors' Meetings**

This is to inform you that the Company intends to attend the following investors' conference:

<b>Date of Conference</b>	<b>Particulars</b>	<b>Place</b>
12 <sup>th</sup> February, 2019	Antique's Investor Conference	Mumbai

With regard to the same, we are attaching herewith the Investors' Presentation to be circulated by the Company in the upcoming Investors' Meets.

Kindly take the above information on record.

Thanking you,

Yours faithfully,  
For **Phillips Carbon Black Limited**

  
K. Mukherjee  
Company Secretary and Chief Legal Officer



**RP - Sanjiv Goenka  
Group**

Growing Legacies



**Phillips Carbon Black Limited**

**I n v e s t o r   P r e s e n t a t i o n**

## Disclaimer

The views expressed here may contain information derived from publicly available sources that have not been independently verified, and no representation or warranty is made as to the accuracy, completeness, reasonableness or reliability of this information. This presentation also includes certain industry data and projections that have been obtained from industry publications and surveys. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance that the information is accurate or complete. Neither the Company nor any of its advisors or representatives have independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. All industry data and projections contained in this presentation are based on data obtained from the sources cited and involve significant elements of subjective judgment and analysis, which may or may not be correct. For the reasons mentioned above, you should not rely in any way on any of the projections contained in this presentation for any purpose. This presentation should also not be relied upon as a recommendation or forecast by Phillips Carbon Black Limited and any of their subsidiaries and cannot be relied upon as a guide to future performance. Viewers are advised to use the information contained herein at their own risk.

This presentation contains 'forward-looking statements' – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Any forward looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements. We caution you that reliance on any forward-looking statement involves risk and uncertainties, and that, although we believe that the assumption on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statement based on those assumptions could be materially incorrect.

In no event shall the Company or its directors be responsible to any person or entity for any loss or damage, whether direct, indirect, incidental, consequential or otherwise, arising out of access or use or dissemination of information contained in this presentation, including, but not limited to, loss of profits. No representation, warranty, guarantee or undertaking (express or implied) is made as to, and no reliance should be placed on, the accuracy, completeness or correctness of any information, including any estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein and, accordingly, none of the Company, its advisors and representative and any of its or their affiliates, officers, directors, employees or agents, and anyone acting on behalf of such persons accepts any responsibility or liability whatsoever, in negligence or otherwise, arising directly or indirectly from this presentation or its contents or otherwise arising in connection therewith. Individual situations and local practices and standards may vary, so viewers and others utilizing information contained within a presentation are free to adopt differing standards and approaches as they see fit.

You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent analysis as you may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice and past performance is not indicative of future results. By attending this presentation, you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

Phillips Carbon Black Limited provides a wide array of presentations and reports. Such presentations and reports should not be reproduced, re-circulated, published in any media, website or otherwise, in any form or manner, in part or as a whole. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited. The information in this presentation has been prepared for use in presentations by Company for information purposes only and does not constitute, or should be regarded as, or form part of any issue, invitation, inducement or advertisement to sell or issue, or any solicitation or any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, including the United States and India, nor shall it, or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment to purchase or subscribe for any securities of the Company in any jurisdiction, including the United States and India. This presentation does not constitute a recommendation by the Company or any other party to sell or buy any securities of the Company. This presentation and its contents are not and should not be construed as a prospectus or an offer document, including as defined under the Companies Act, 2013, to the extent notified and in force or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.

By accessing this presentation, you accept this disclaimer and any claims arising out of the use of the information from this presentation shall be governed by the laws of India and only the courts in Kolkata, and no other courts, shall have jurisdiction over the same.

The presentation is dated January 2019.

# PCBL: A part of RP-Sanjiv Goenka Group



Power & Natural Resources

Carbon Black

Retail & FMCG

Media & Entertainment

Infrastructure

IT, Education & Sports





## Touching Lives in more ways than one



# Carbon Black and its Applications

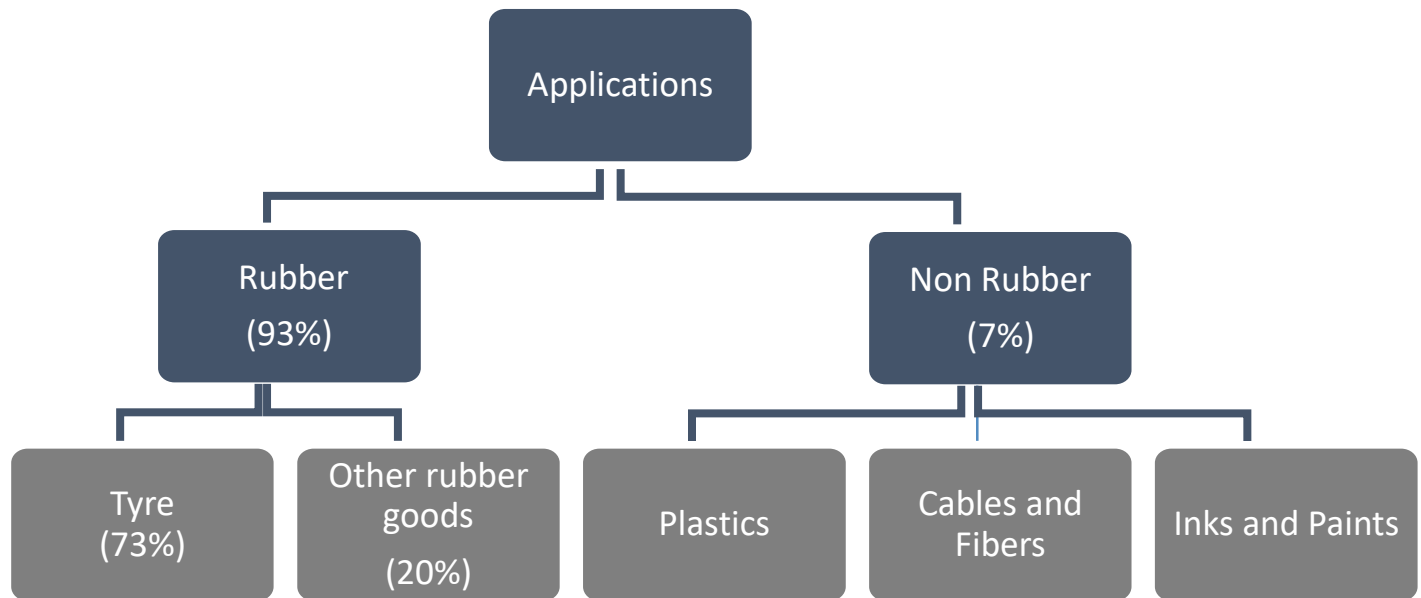
## Carbon Black



- Pure elemental carbon in the form of black powder
- Produced by thermal decomposition of gaseous or liquid hydrocarbons under controlled conditions
- Primary application - Reinforcement agent in tyres
- Its unique properties make it useful for pigmentation, UV stabilization and also as a conductive agent
- Performance is related to properties of specific surface area, particle size and structure, conductivity and colour

*Source: Company*

## Carbon Black Applications





**Company Overview**

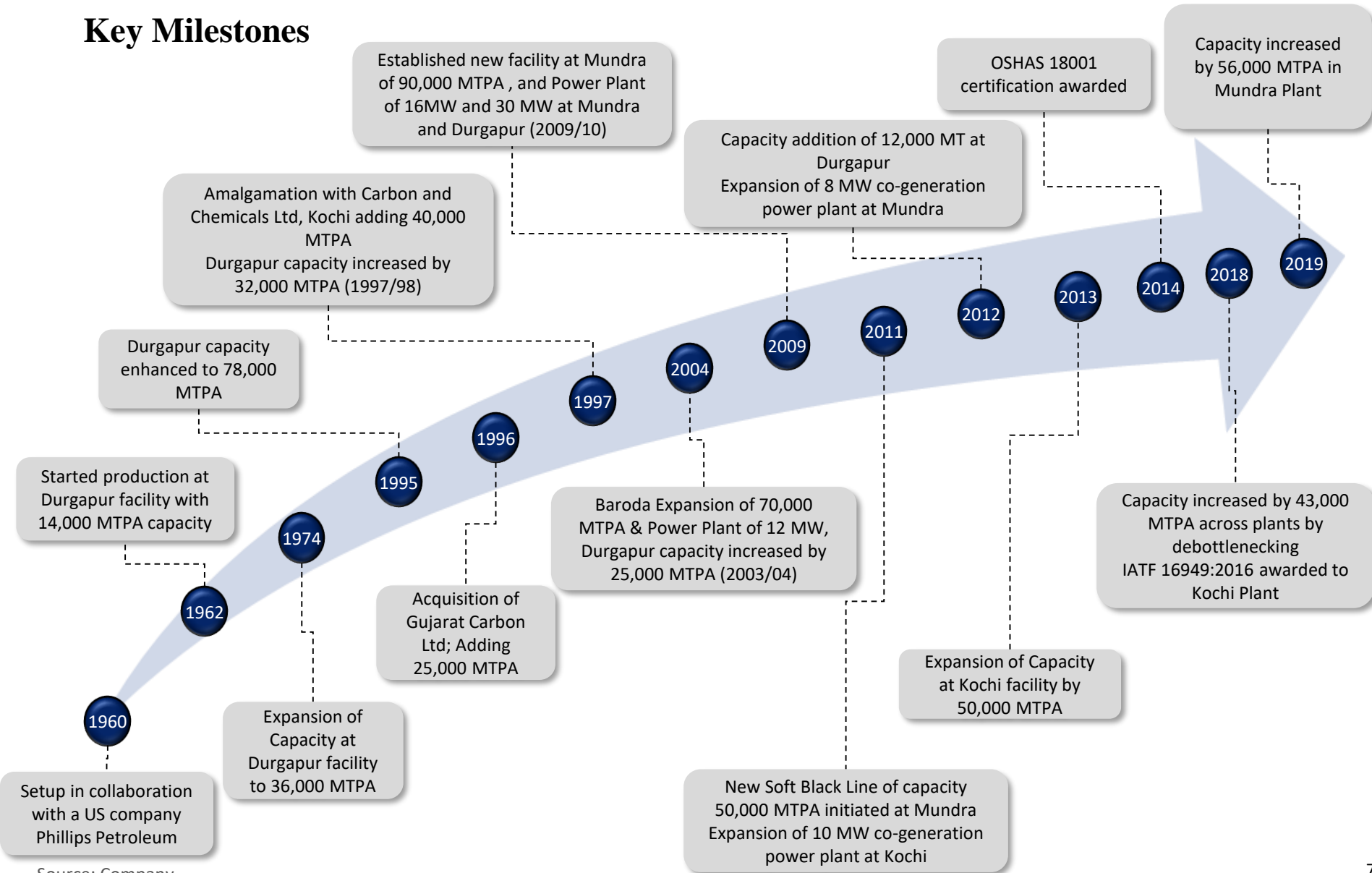
**Key Investment Highlights**

**Growth Strategies**

**Industry Overview**

**Appendix**

# Key Milestones



Source: Company



**Company Overview**

**Key Investment Highlights**

**Growth Strategies**

**Industry Overview**

**Appendix**

## Key Investment Highlights

1

• **Leadership position in carbon black in India, with a strong global footprint**

- *Largest carbon black company in India by capacity and 7<sup>th</sup> largest carbon black company globally by sales in 2016*
- *Presence in 37 countries*

2

• **Strategically located manufacturing facilities**

- *All plants are located in proximity to tyre plants as well as ports*
- *Seamless capability to switch between alternative feedstocks*

3

• **Co-generation of power using tail gas**

- *Self reliance for power consumption*
- *Significant amount of power generated is sold externally – stable sources of revenue and profits*

4

• **Strong focus on R&D for expansion of specialty portfolio**

- *Over 50 grades of rubber carbon black and specialty carbon black*
- *Increasing volumes of specialty grades*

5

• **Strong customer relationship**

- *Key customers include major tyre companies, both Indian and Global*
- *Long term relationships with key tyre and non-tyre customers*

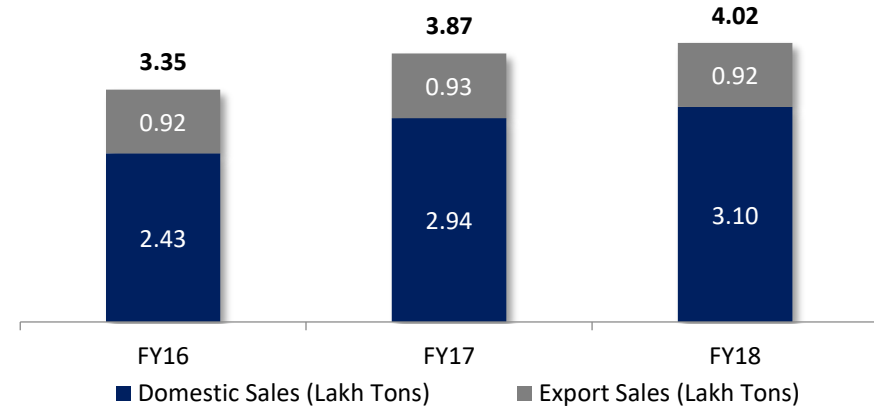
6

• **Robust financial performance with a strong balance sheet**

# 1 Leadership Position in Carbon Black in India, With a Strong Global Footprint

## Largest carbon black company in India

Company	Capacity (KTPA)
Phillips Carbon Black	571
Birla Carbon (SKI Carbon)	314
Himadri Specialty Chemicals	120
Continental Carbon	85
Ralson Carbon	40



## Strong Global Footprints | Presence in 37 countries



**7<sup>th</sup> Largest** Carbon black company globally<sup>1</sup>

**10% market** share in carbon black in Asia (ex China)<sup>1</sup>

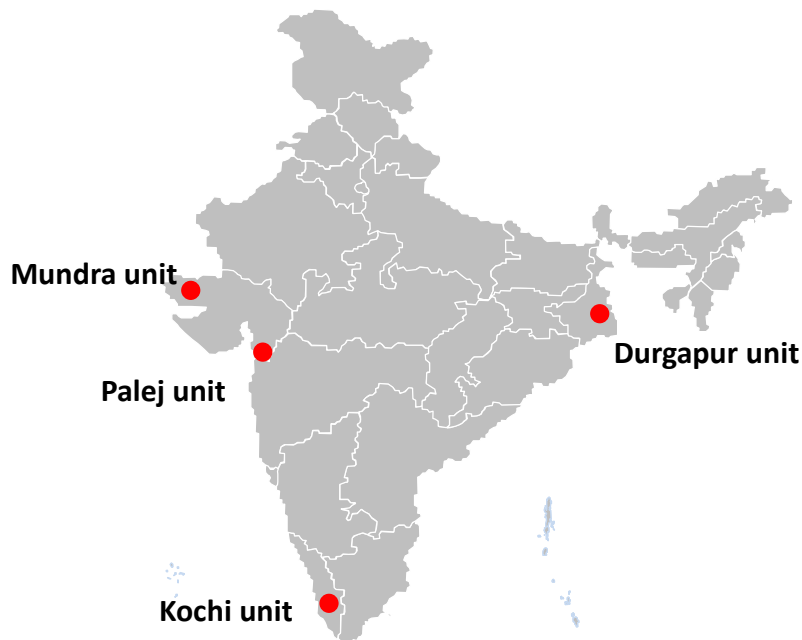
Presence across **37 countries**

Largest Indian exporter of carbon black

Source: Company, Crisil; Note: <sup>1</sup>Based on 2016 sales

## 2 Strategically Located Manufacturing Facilities

Strategically located manufacturing facilities across India



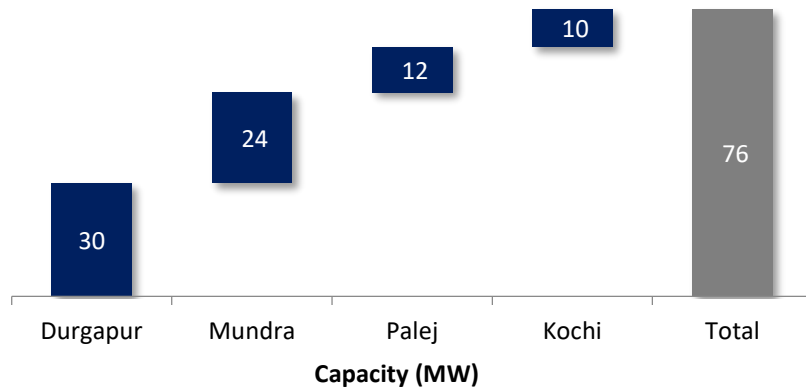
Plant	Carbon Black (MTPA)
Durgapur	1,63,500
Mundra	2,04,750
Palej	1,10,250
Kochi	92,500
<b>Total</b>	<b>5,71,000</b>

Benefits of plant locations

- 1 Easy access to raw materials and international customers with proximity to ports
- 2 Lower logistics cost on account of well spread manufacturing facilities and proximity to customers
- 3 Lower risk of business interruption with multiple manufacturing location spread across India
- 4 Easy grid connectivity for sale of surplus power
- 5 Seamless capability to switch between alternative feedstocks

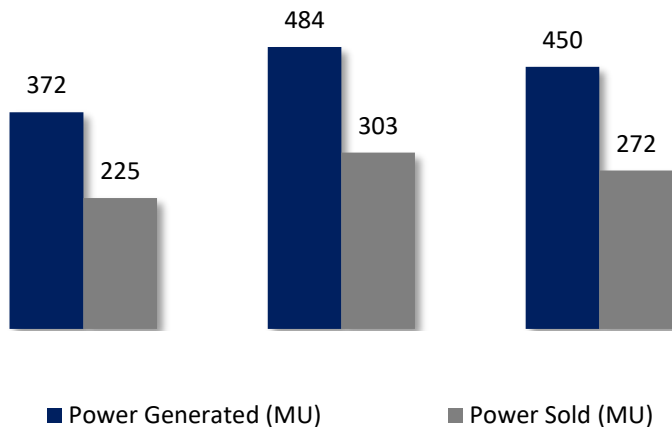
### 3 Co-generation of Power Using Tail Gas

Co-generation power plants at all manufacturing facilities

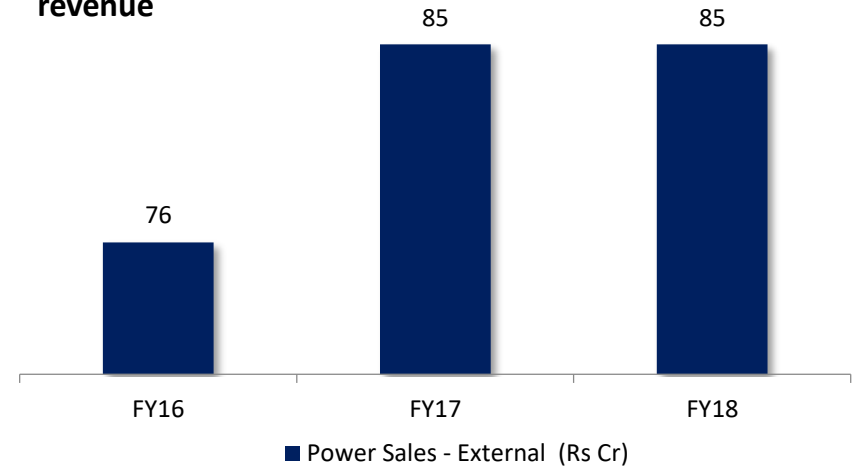


- Co-generation of power from tail gas
- Power capacity is sufficient for captive consumption, 60% of the power generated was sold to third parties in Fiscal 2018
- Co-gen power plant at Palej is registered under the CDM<sup>1</sup> mechanism of UNFCCC<sup>2</sup>

Significant amount of power generated is sold externally



Increasing efficiency of power plants and increasing volume of carbon black driving the growth of power revenue



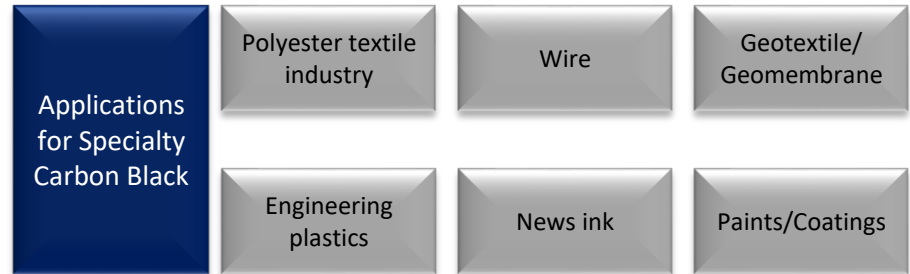
Source: Company; Note: <sup>1</sup>Clean Development Mechanism; <sup>2</sup>United Nations Framework Convention on Climate Change

## 4 Strong Focus on R&D for Expansion of Specialty Portfolio

### Strong focus on R&D

- State of the art R&D facility at Palej – another large facility nearing completion
- Focus on improvement of Process and Machine Technology, Yield Improvement, Feedstock Efficiency, Customization of Grades and New Product Development.
- **Commercialization of 14 new grades** of carbon black in the last three fiscals

### 50+ grades of carbon black, out of which 24 are specialty carbon black

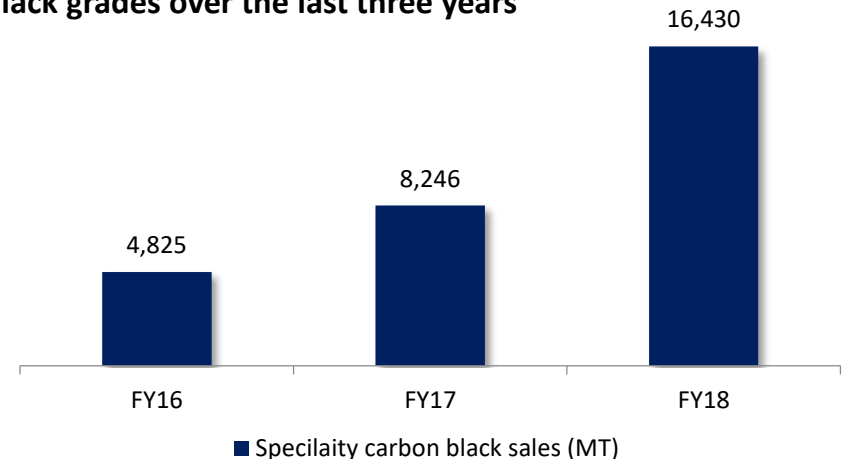


Amongst select few global companies with Specialty Carbon Black portfolio - used in fibers, pressure pipes, paints, inks, coatings, wire & cables, food contact plastics and engineering plastics

### Increasing focus on specialty carbon black...

- Dedicated lines for the manufacturing of specialty carbon black
- Strong portfolio of 24 Specialty grades
- Launched high end MCF grades under brand name 'Bluemina' in 2017-18
- One of the few companies in the world to meet US FDA requirements for **direct/indirect food contact applications** like plastics food trays and cutleries

### ...Leading to a significant increase in sales of specialty carbon black grades over the last three years





4 **Upcoming R&D Centre**



## 5 Strong Customer Relationship

Key customers include major tyre and non rubber companies - both Indian and Global



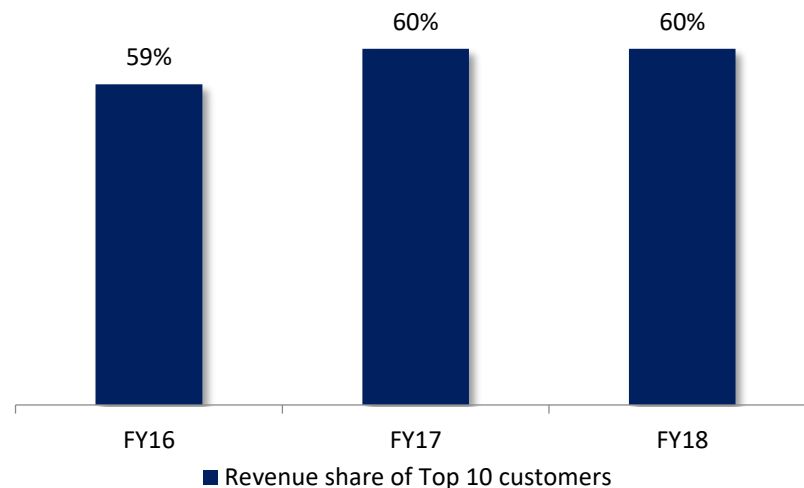
### Long term relationships with key customers

Product portfolio strategically aligned with business needs of customers

Joint product development for customized requirements

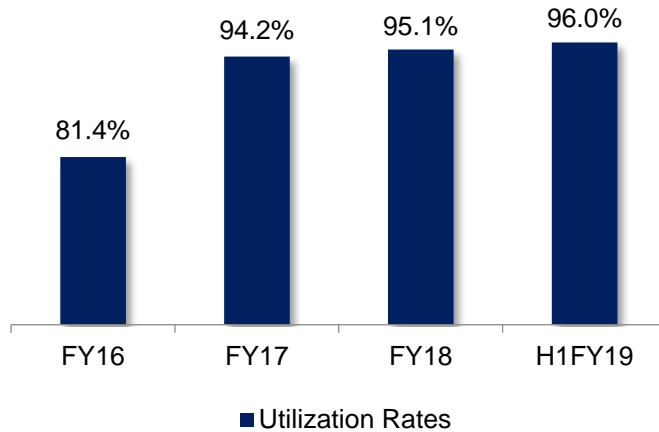
Well diversified portfolio of tyre and non-tyre customers

### Consistently high revenue share from Top 10 customers

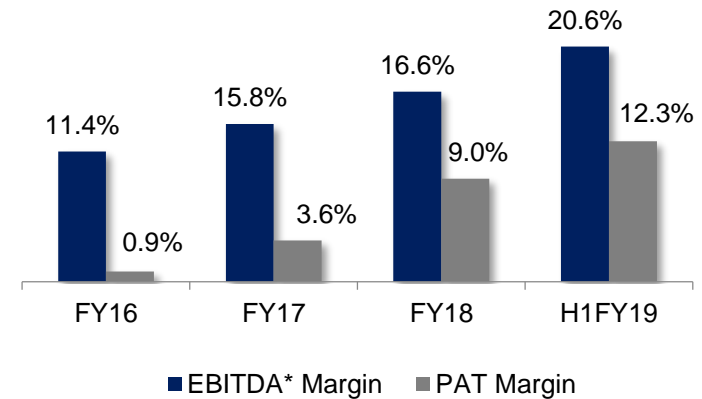


## 6 Robust Financial Performance With A Strong Balance Sheet

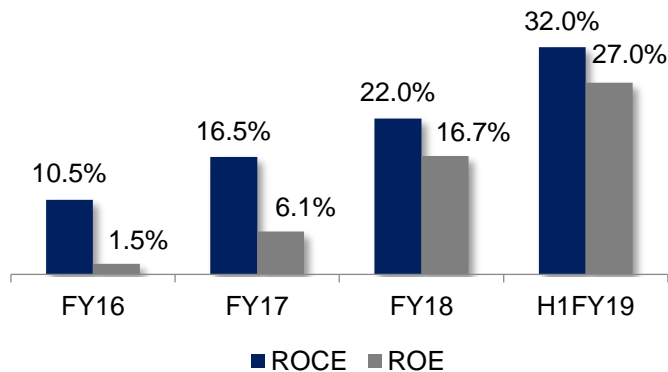
**Improving Utilization rates**



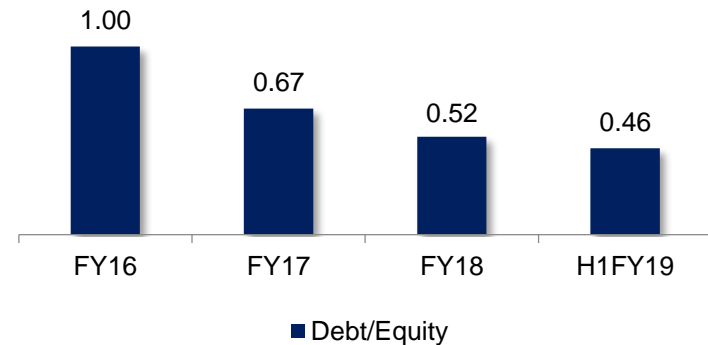
**Improving Margin Profile**



**Improving Return Profile**



**Coupled with reducing Leverage**



Source: Company: Note:\*Adjusted for Forex/hedging; ROCE = EBIT/Capital Employed (Avg of Opening & Closing of the FY); ROE = PAT/Shareholders Fund; Debt/Equity = Gross Debt/(Equity Capital + Reserves)

**Company Overview**

**Key Investment Highlights**

**Growth Strategies**

**Industry Overview**

**Appendix**



## Growth Strategies

1

Enhance capacity to meet rising demand

- **Brownfield Expansion**
  - Mundra: 56,000 MTPA of Carbon Black recently added
  - Palej: 32,000 MTPA of Specialty Carbon Black
- **Greenfield Expansion**
  - 150,000 MTPA Carbon Black project in South India
- **Total capacity would increase to 753,000 MTPA by 2021**

2

Increasing share of value added products

- Developing new grades - specialty applications to cater to automotive, consumer electronics and home appliances market
- Moving up the value chain in rubber grades
- Customization of grades based on customer requirements

3

Grow market share in existing geographies and expand operations to new geographies

- Penetrating new geographies and increasing customer base
- Increasing portfolio of carbon black grades supported by strong R&D
- Continue to focus on quality, execution and timely delivery of products and efficient after sale services

4

Continue to focus on research and development

- Investing in new R&D centre of Global Standards to strengthen functional capability
- Continued focus on R & D for product development, customized solutions, and yield efficiency by deploying latest technology and equipments.

**Company Overview**

**Key Investment Highlights**

**Growth Strategies**

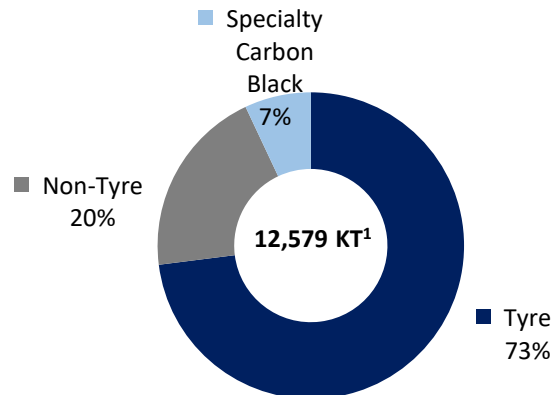
**Industry Overview**

**Appendix**

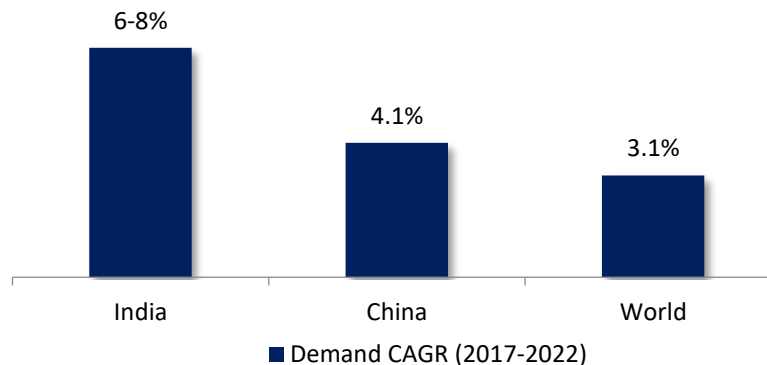


## Carbon Black – Global (1/3)

Tyres are the largest end usage

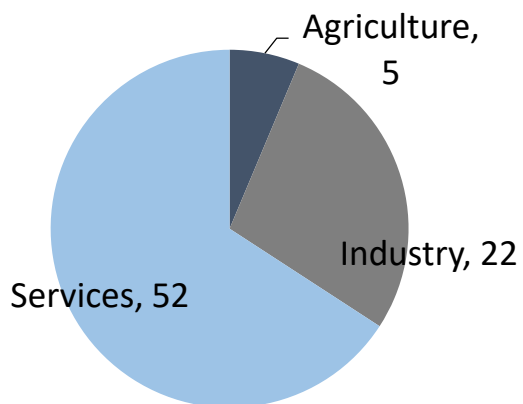


India is one of the fastest growing end markets



Sectoral Composition in World GDP

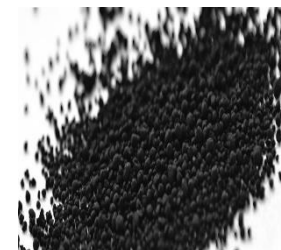
Global GDP composition (\$ Tn)



\$ 2.7 trillion



\$ 200 billion



\$ 13.8 billion

# Carbon Black – Global (2/3) – Demand Drivers



**Economy**



**Automobile**



**OEM Demand**



**Demand for Tyres & Auto components**

**Carbon Black demand**



**Carbon Black demand**



**Construction, Electronics and other Industrial Applications**

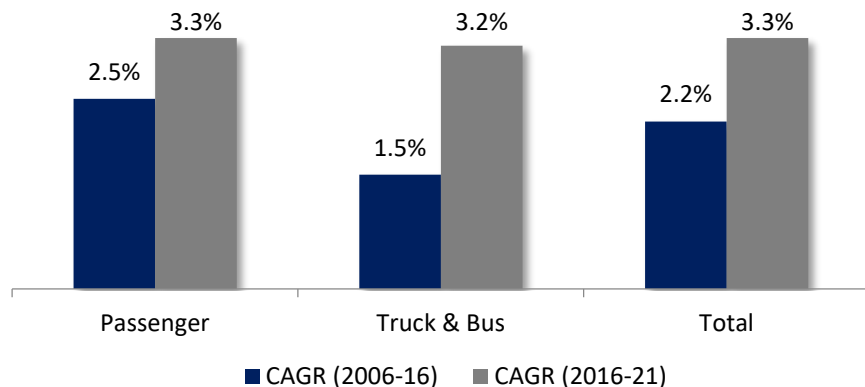


**Demand for other goods like cables, pipes, conductive etc**



## Carbon Black – Global (3/3)

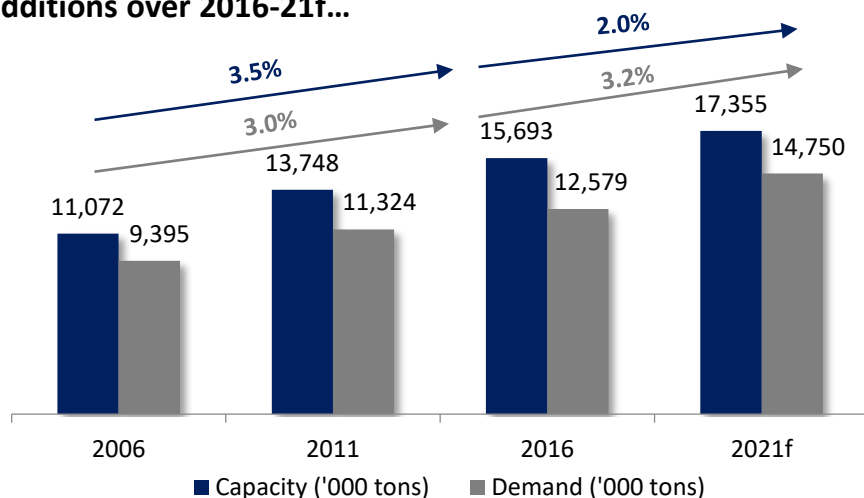
Tyre production is expected to accelerate across segments



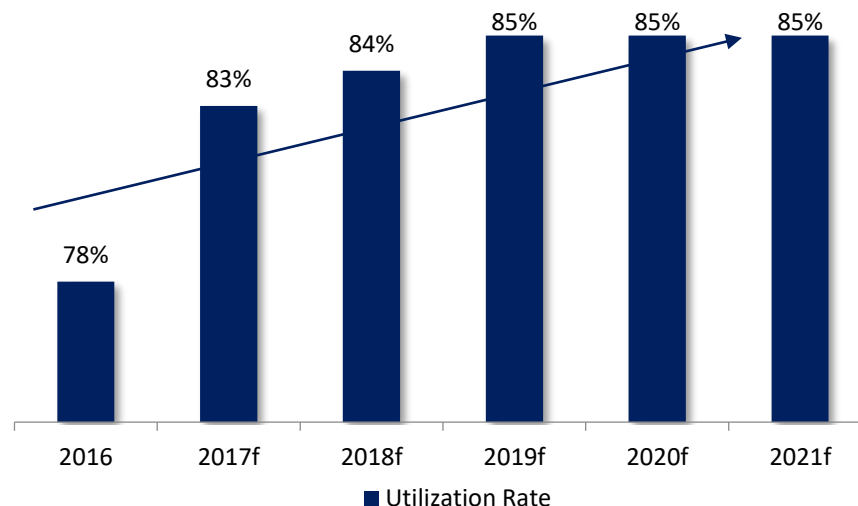
Significant capex is planned in the tyre sector in view of demand growth

New Investments (2017-22)	US\$ mn
Asia	8,738
North America	6,761
Europe	3,730
Africa/Mideast	3,124
South America	460
World	22,813

Demand growth is expected to significantly outpace capacity additions over 2016-21f...



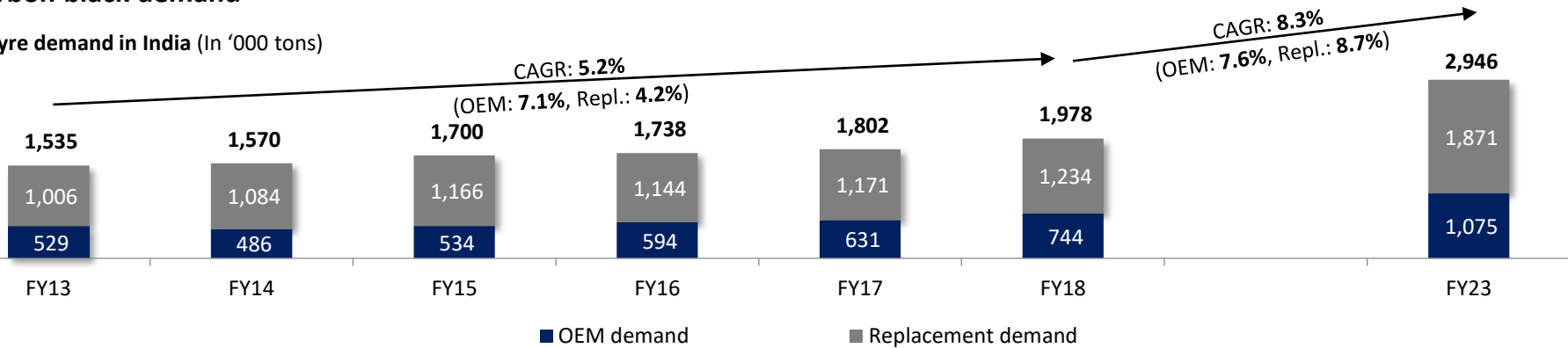
...Leading to a significant uptick in utilization rates



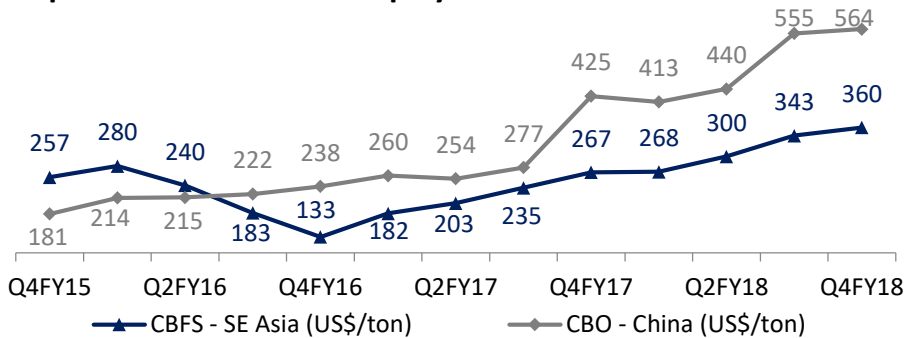
# Carbon Black – India

**Tyre demand is expected to accelerate driven by increase in both OEM & Replacement demand and will provide impetus to carbon black demand**

Tyre demand in India (In '000 tons)

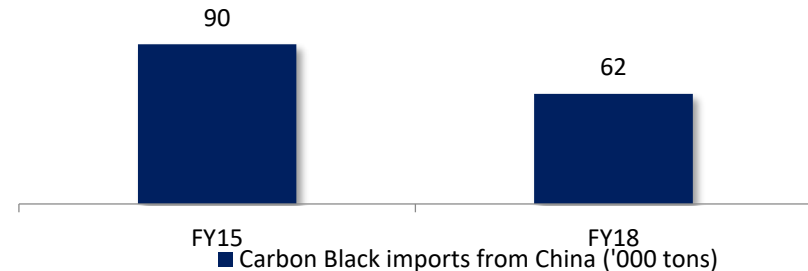


**Widening spread between CBO and CBFS has reduced competitiveness of Chinese players**



- Majority of Chinese manufacturers use the carbon black oil (CBO) route to manufacture carbon black
- Reduction in Chinese steel production has led to shortage of Coal Tar (used to derive CBO), thereby increasing CBO prices

**Levy of ADD has led to reduction in imports from China**



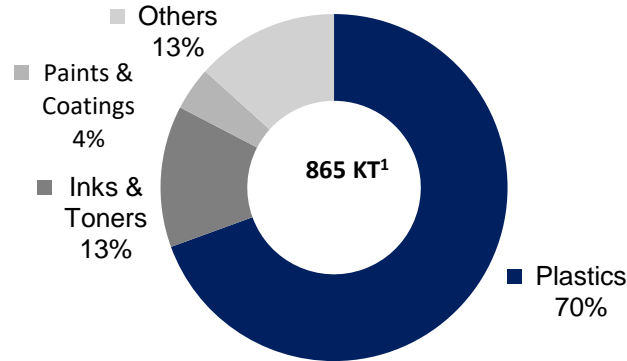
**Anti-Dumping Duty (ADD) would continue to protect domestic industry**

Country	ADD (US\$/ton)	Valid Till
China	397-494	November 2020
Russia	36.17	November 2020

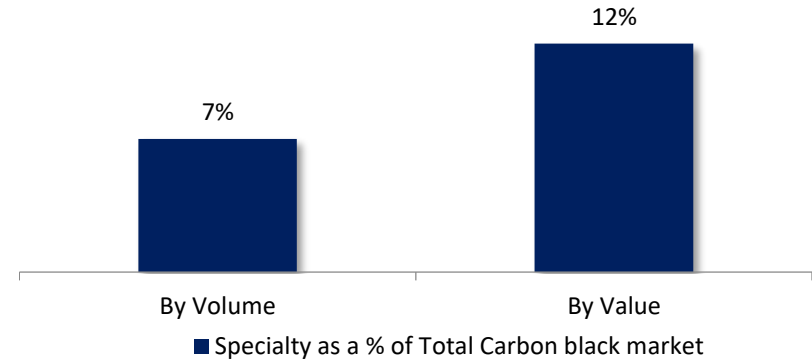
Source: Notch, Crisil, Company

## Specialty Carbon Black - Global

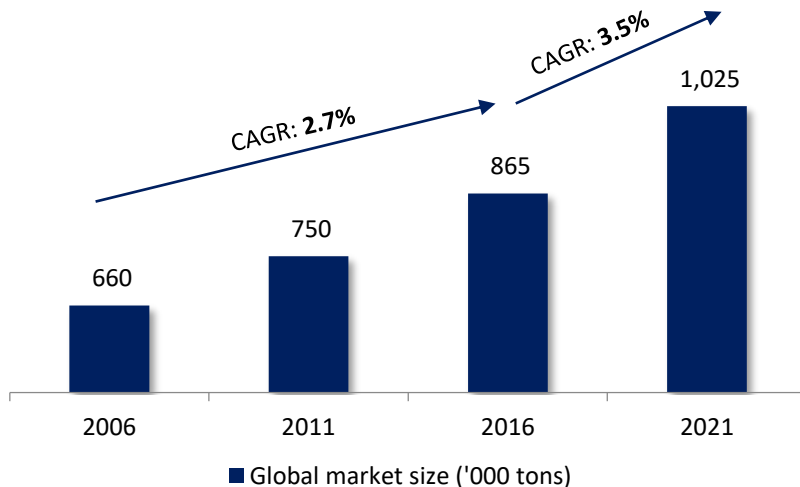
Specialty carbon black grades are used in multiple applications like plastics compounding, printing inks, paints and coatings etc



Specialty grades have higher product quality and purity, resulting in much higher pricing



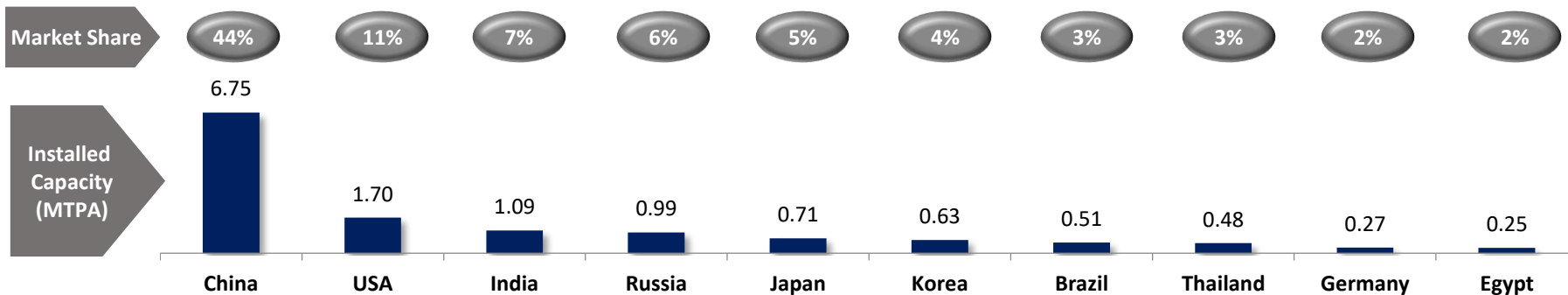
Demand for Specialty Carbon Black is expected to accelerate



- Two major categories: **Highly proprietary customized grades** and **'clean' versions of conventional ASTM rubber grades**, which are engineered to have lower residual levels of sulfur, ash, and other contaminants
- Useful in Non Rubber application because of high tint, UV resistance and conductivity.
- 62% of the specialty carbon black market consisted of customized grades, while 38% consisted of clean rubber grades
- Realization usually linked with purity levels.

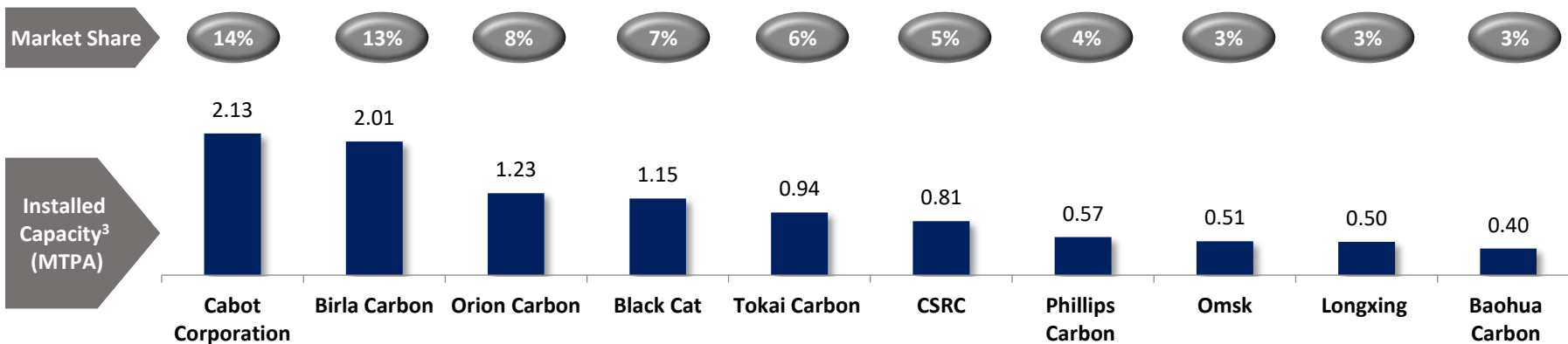
# Carbon Black – Capacity & Competitors

## Country wise installed capacity



Source: Notch 2018, PCBL capacity increased to 571 KTPA as on 30<sup>th</sup> Nov 2018

## Top 10 players have a 67% market share



Headquarter	USA	India	Germany	China	Japan	Taiwan	India	Russia	China	China
-------------	-----	-------	---------	-------	-------	--------	-------	--------	-------	-------

Source: Notch 2018, PCBL capacity increased to 571 KTPA as on 30<sup>th</sup> Nov 2018



**Company Overview**

**Key Investment Highlights**

**Growth Strategies**

**Industry Overview**

**Appendix**

## Senior Leadership Team (1/2)

### Sanjiv Goenka Chairman

- Chairman of PCBL Board and its Director since 1986
- Former member of the Prime Minister's Council on Trade & Industry; Youngest-ever President of Confederation of Indian Industry (CII); Former President of All-India Management Association (AIMA); Chairman of the Board of Governors, Indian Institute of Technology (IIT), Kharagpur; and Chairman of International Management Institute (IMI Delhi, IMI Kolkata and IMI Bhubaneswar)
- Also the Honorary Consul of Canada in Kolkata.

### Kaushik Roy Managing Director

- MTech (Mechanical), IIT Kharagpur; MBA, University of Tokyo; Alumnus of IMD – Switzerland
- Around 30 years spread over Apollo Tyres, a brief stint with Gujrat Ambuja Cement and currently PCBL
- Was Indian Tyre Industry Representative on the Industry Body of International Rubber Study Group, Singapore; and also the Member of Governing Council, RSDC (Rubber Skill Development Centre), India.

### Kaushik Mukherjee Company Secretary & Chief Legal Officer

- He holds a Bachelor's degree in Commerce from St. Xavier's College. He is a qualified Chartered Accountant and a qualified Company Secretary.
- He is also a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.
- He started his career with CESC Limited in 1993 and has since been working with the Group

### Shashwat Goenka Non-Executive Director

- On the Boards of Directors of the Company w.e.f 1<sup>st</sup> Septemeber,2014.
- A Bachelor of Science in Economics, (specialization in Finance, Marketing & Management) from The Wharton School, University of Pennsylvania.
- Appointed as President of Indian Chamber of Commerce (ICC) w.e.f 15<sup>th</sup> July, 2017.
- Has worked in Nestle India Limited and KPMG India. Presently on the Board of Firstsource Solutions Limited, Spencer International Hotels Limited and Retailers Association of India.

### Raj Kumar Gupta CFO

- Joined PCBL in 2015
- Holds a Bachelor's degree in Commerce from St.Xavier's College and a Qualified Chartered Accountant and Cost Accountant
- He started his career with CESC Limited in 1998 as a Management Trainee and has since been working with the Group.

### Sabyasachi Bhattacharya Chief – HR & IT

- BA (Hons), University of Calcutta; MBA, IISWBM
- More than 25 years spread over Reckitt Benckiser, Coates of India, Hutchison, Haldia Petrochemical, Berger Paints, Saregama India Ltd, Sherwin Williams and currently PCBL

## Senior Leadership Team (2/2)

**Sunil Chauhan**  
*Head of  
Manufacturing*

- BTech & MTech in Chemical from IIT and PGDBA
- Has around 23 years of work experience spread over Reliance Industries Ltd, Tata Chemicals Ltd and currently PCBL

**Arun Batra**  
*Head of Specialty  
Carbon Black*

- Holds a degree in BSc from Hindu College, Rohtak and a Masters in Management Studies from NMIMS, Mumbai
- Has ~30 years of work experience and has worked in companies like Air India, Berger Paints India Ltd, Lafarge India Pvt Ltd

**Dr Mosongo  
Moukwa**  
*Chief –  
Global R&D*

- PhD (Chemical Engineering) Universite de Sherbrooke; MBA (Marketing & Finance), Case Western Reserve University
- More than 26 years spread over BASF - Master Builders Technologies, SC Johnson Polymer Division, Reichhold, Innovation Tipping Point, Asian Paints, PolyOne and currently PCBL

**Mainackya  
Ghosh**  
*Head – National  
Markets  
(Rubber Blacks)*

- BCom (Hons), City College, Kolkata; Certificate course in Export, Indian Institute of Foreign Trade; PGDM, International Management Centre, New Delhi
- 18 years spread over ICM (Export House), ITC (Tobacco Division India), Orind Refractories Ltd, Liaoning, Birla Carbon Company Ltd, Qingdao Eastlion I&E Co Ltd, Continental Carbon India Ltd, Himadri Chemicals & Industries Ltd and currently PCBL

**Utpal Saha**  
*Head of Projects  
& Development*

- Holds a B.Tech in Mechanical engineering from IIT Delhi
- Has over 40 years of work experience spread over Phillips India, Mahindra & Mahindra, Molins India Limited, Shriram Bearing Limited and PCBL

**Jiten Keluskar**  
*Chief  
Procurement  
Officer*

- BE, Walchand College of Engineering; ADCSSA, Government Polytechnic Bandra; ICWA; CPM, Institute of Supply Management
- More than 27 years spread over Reliance Industries Ltd, Cummins India Ltd, Mahindra & Mahindra Ltd, Siemens Ltd, Crompton Greaves Ltd, ACC Ltd (Mumbai) and currently PCBL

**Gautam Kalia**  
*Head –  
International  
Markets  
(Rubber Blacks)*

- BTech (Mechanical) - University Topper & Gold Medalist, Rani Durgavati University, Jabalpur; PGDBA, XLRI Jamshedpur
- More than 20 years spread over Larsen & Toubro Ltd and currently PCBL

**Girish Singh**  
*Chief - Projects,  
Specialty Process  
& Technology*

- BTech (Chemical), IT BHU
- Around 40 years spread over Oriental Carbon, Ralson Carbon, Hi- Tech Carbon, Liaoning Birla Carbon and currently PCBL

## Key Awards



# Capacity Details

## Capacities in MTPA

Financial Year	Installed capacity (on equivalent basis)	Effective capacity for carbon black (based on product mix)	Capacity actually produced	Capacity Utilization (%) (as a % of effective capacity)
2017-18	488,000	420,120	399,904	95.1%
2016-17	472,000	406,808	383,316	94.2%
2015-16	472,000	407,869	332,038	81.4%

Note: In any carbon black manufacturing industry, various grades are manufactured in each production line. As per the quality specification, manufacturing process for each grade requires a different process parameter that results in capacity for each grade to be different from the same line. Since each grade has a different output from the same production line, to define the capacity of a line, the grade with the maximum capacity is identified and the production capacity of this grade is defined as the Equivalent Capacity. We have defined the production capacity of tread reactor for grade N330 and for Carcass line, it is defined for grade N660. Subsequently, an equivalent factor is calculated for each grade that defines the actual production that will be achieved from each line for each grade. The Equivalent Capacity is therefore the maximum capacity that any factory can produce if only grade N330 and N660 are being produced. Since our customers require us to produce all the grades, the product mix required to be manufactured keeps on changing. Before debottlenecking, the Equivalent Capacity of our Company was 472,000 MTPA and the actual capacity based on grade mix was 408,000 MTPA. Post debottlenecking, the Equivalent Capacity of our Company is **515,000 MTPA** with Actual Capacity of 440,450 MTPA.



## PCBL Plants



**Thank You**