



**RP - Sanjiv Goenka
Group**
Growing Legacies



Phillips Carbon Black Limited

25th March, 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.,
1st 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:

Date of Conference	Particulars	Place
26th March 2019	Motilal Oswal Annual India Ideation 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

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The presentation is dated February 2019.

PCBL: A part of RP-Sanjiv Goenka Group



Power & Natural
Resources

Carbon Black

Retail & FMCG

Media &
Entertainment

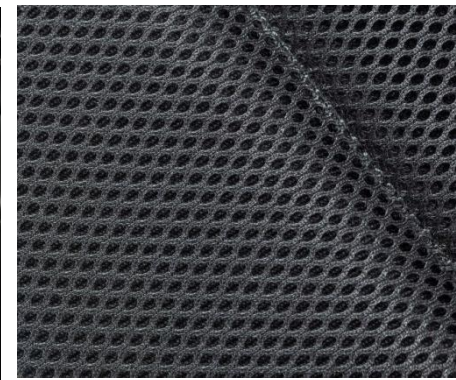
Infrastructure

IT, Education &
Sports





Touching Lives in more ways than one



Carbon Black and its Applications

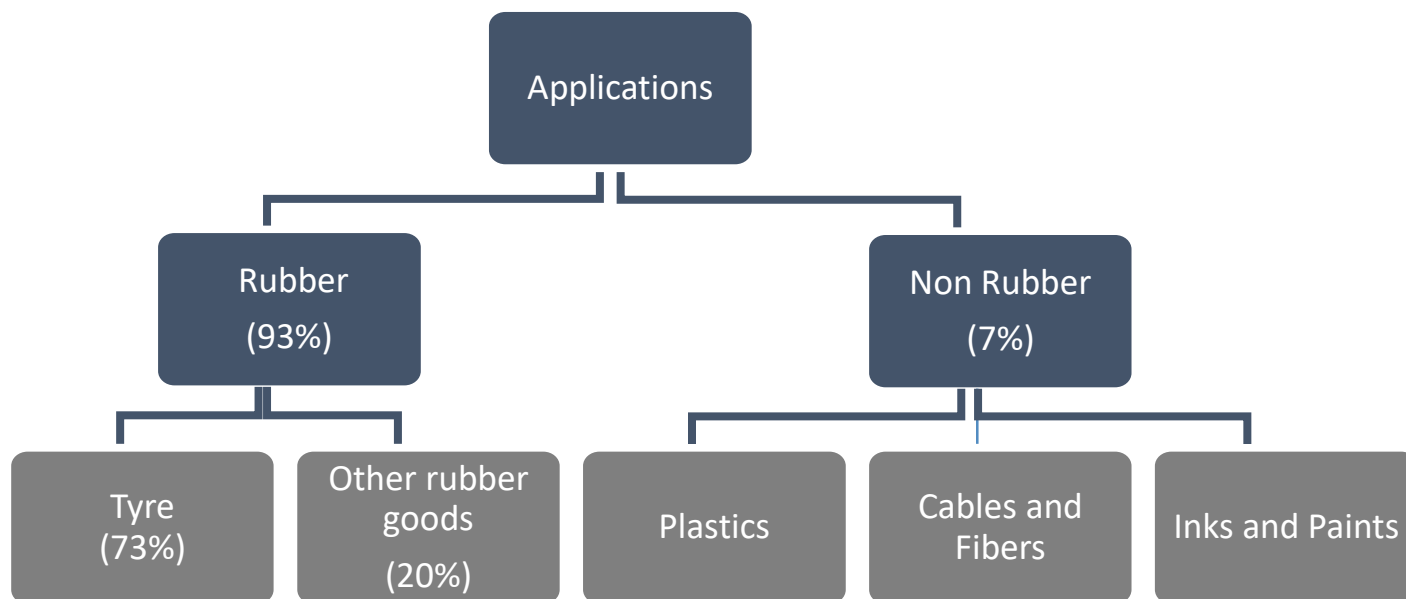
Carbon Black



- 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

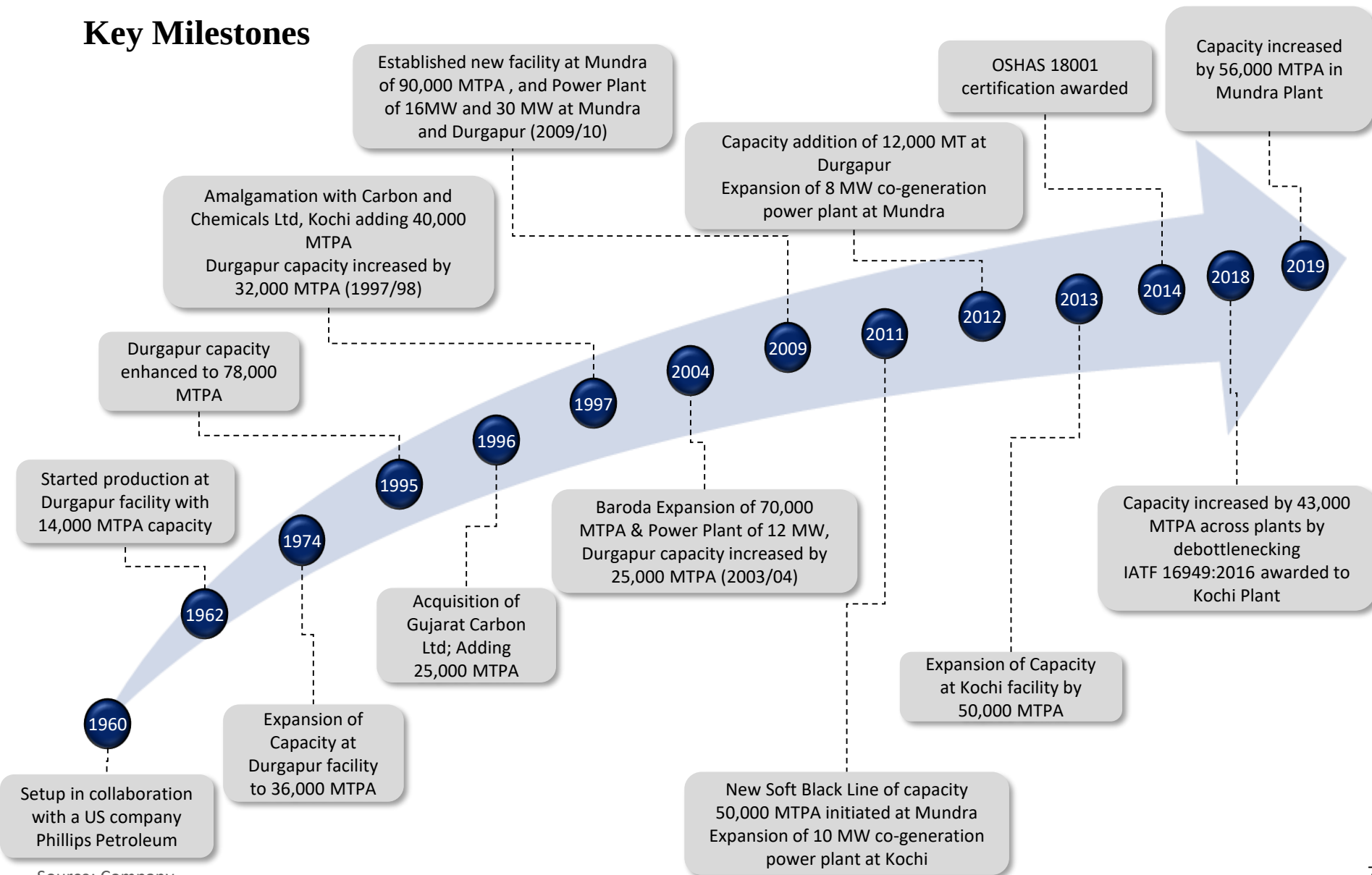
Key Investment Highlights

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 7th 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*

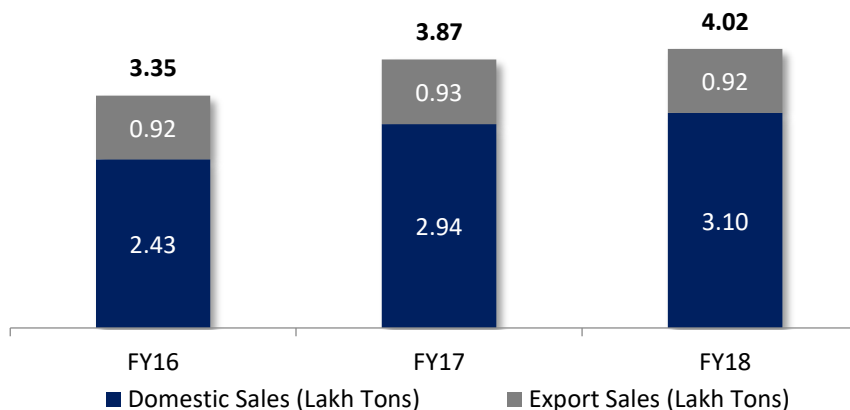
6

- **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



7th Largest Carbon black company globally¹

10% market share in carbon black in Asia (ex China)¹

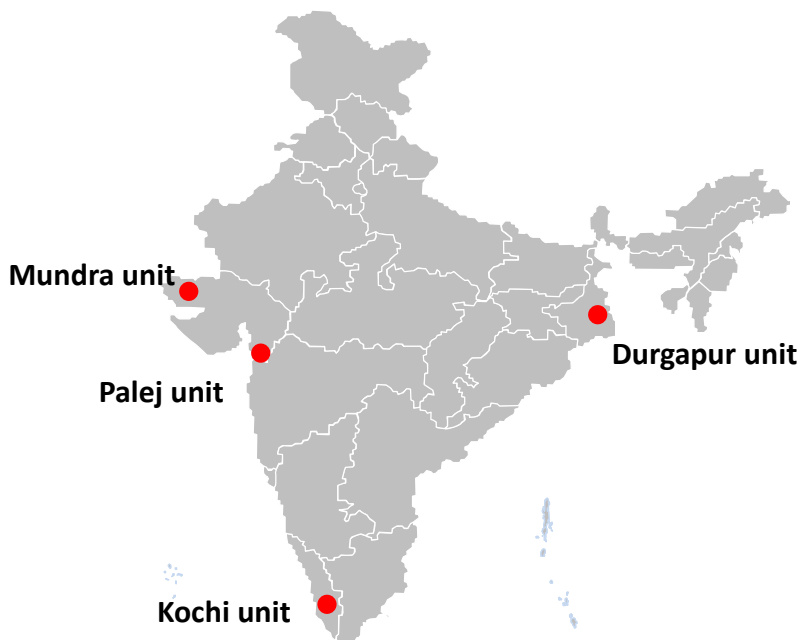
Presence across **37 countries**

Largest Indian exporter of carbon black

Source: Company, Crisil; Note: ¹Based on 2016 sales

2 Strategically Located Manufacturing Facilities

Strategically located manufacturing facilities across India



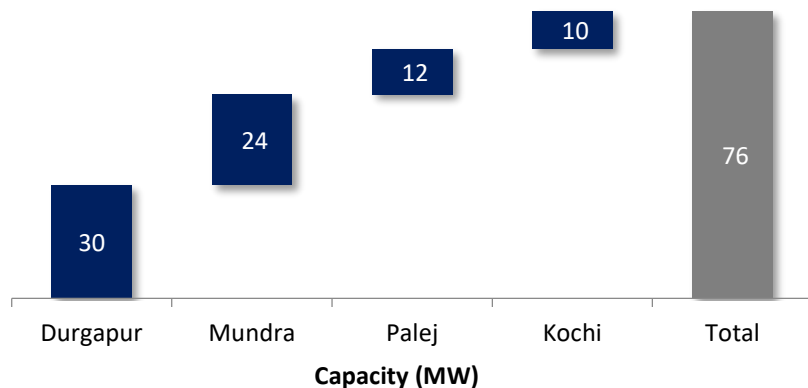
Plant	Carbon Black (MTPA)
Durgapur	1,63,500
Mundra	2,04,750
Palej	1,10,250
Kochi	92,500
Total	5,71,000

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

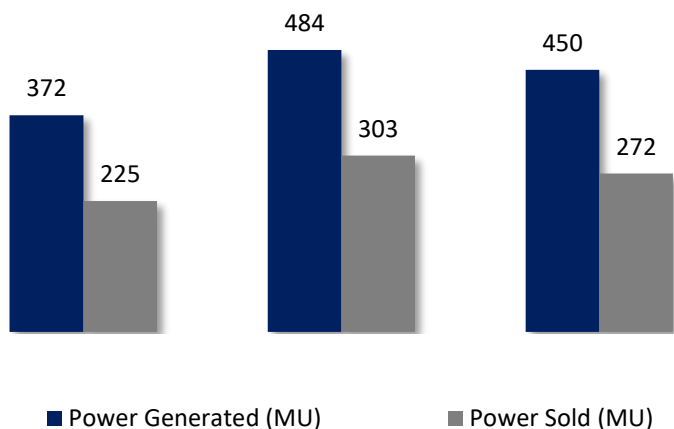
3 Co-generation of Power Using Tail Gas

Co-generation power plants at all manufacturing facilities

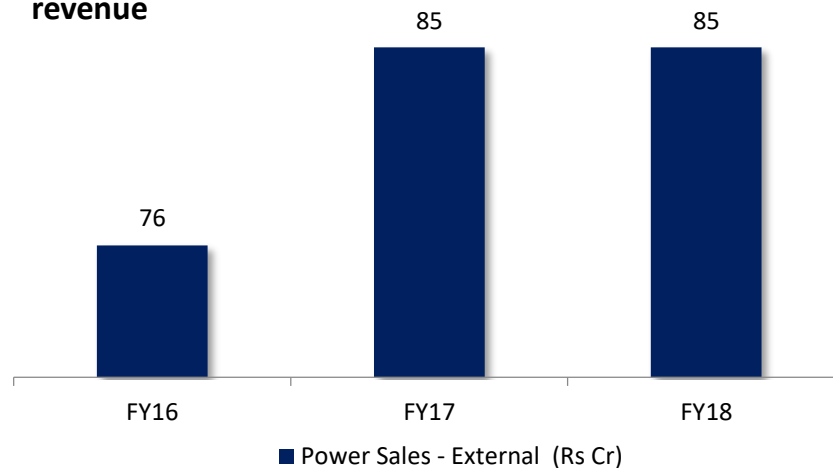


- Co-generation of power from tail gas
- Power capacity is sufficient for captive consumption, 60% of the power generated was sold to third parties in Fiscal 2018
- Co-gen power plant at Palej is registered under the CDM¹ mechanism of UNFCCC²

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



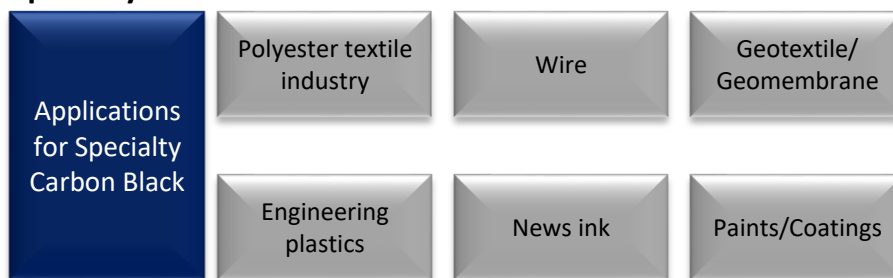
4

Strong Focus on R&D for Expansion of Specialty Portfolio

Strong focus on R&D

- Setup a new state of the art R&D facility at Palej
- 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

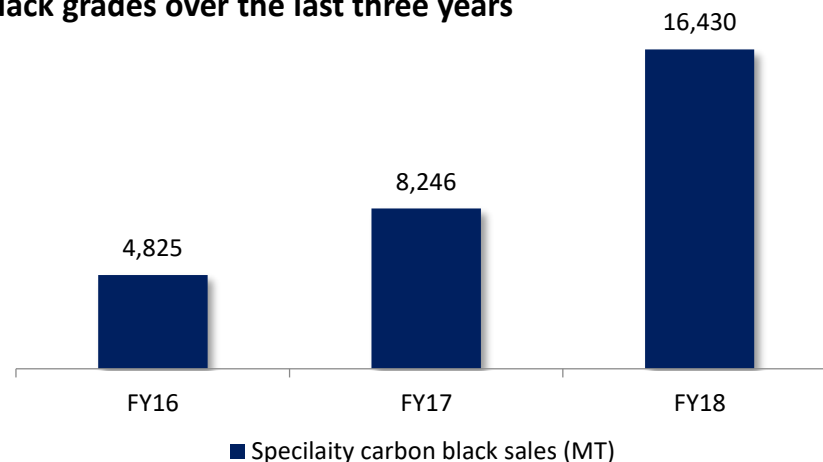


Amongst select few global companies with Specialty Carbon Black portfolio - used in fibers, pressure pipes, paints, inks, coatings, wire & cables, food contact plastics and engineering plastics

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 R&D Centre at Palej



5 Strong Customer Relationship

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



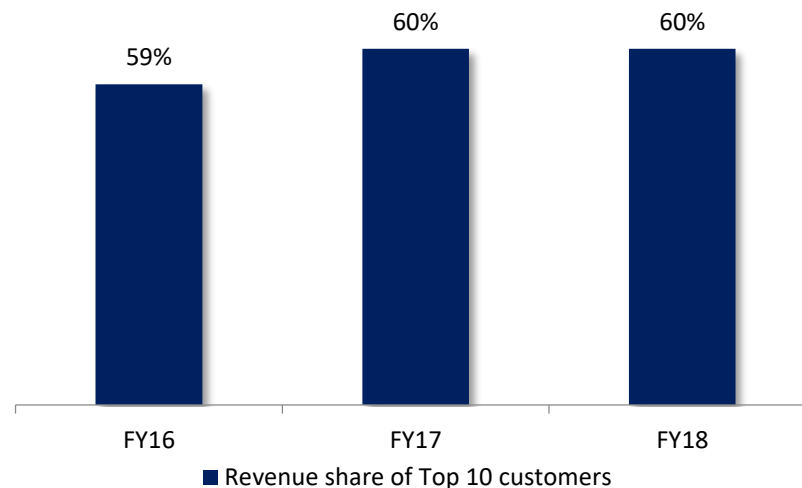
Long term relationships with key customers

Product portfolio strategically aligned with business needs of customers

Joint product development for customized requirements

Well diversified portfolio of tyre and non-tyre customers

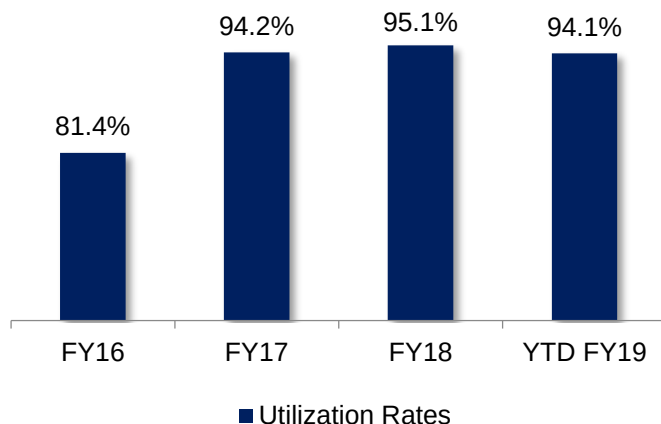
Consistently high revenue share from Top 10 customers



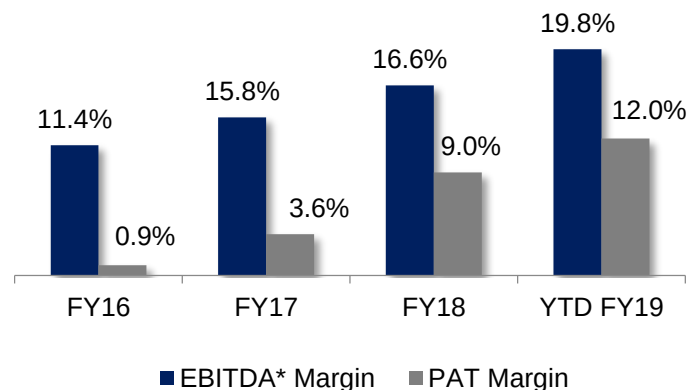
6

Robust Financial Performance With A Strong Balance Sheet

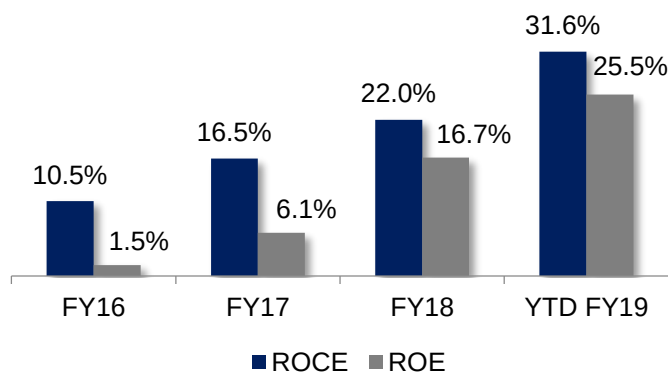
Improving Utilization rates



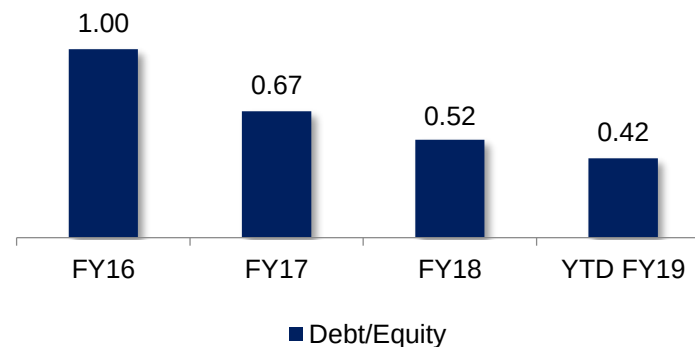
Improving Margin Profile



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

- 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

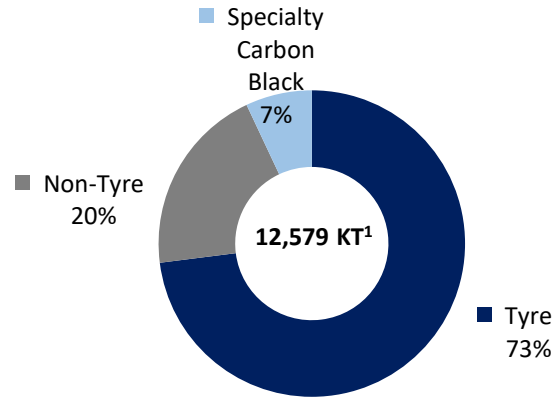
Growth Strategies

Industry Overview

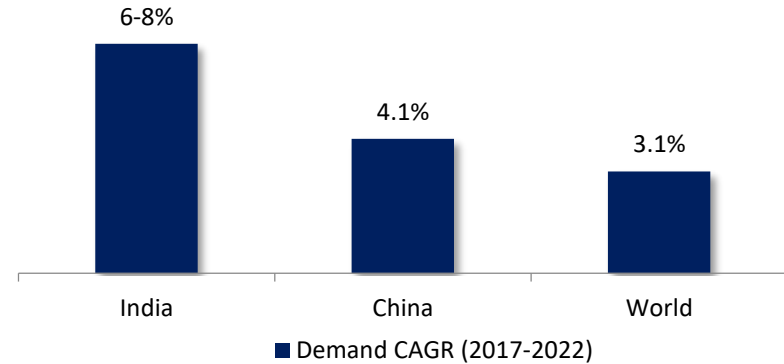
Appendix

Carbon Black – Global (1/3)

Tyres are the largest end usage

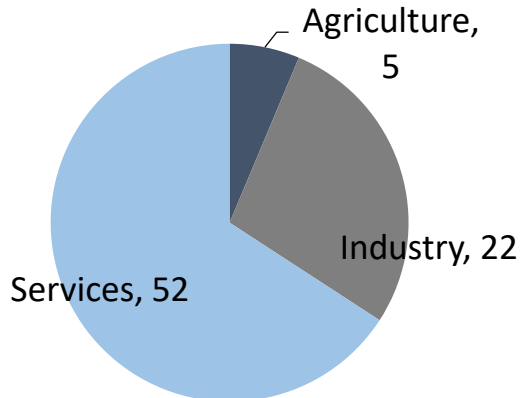


India is one of the fastest growing end markets



Sectoral Composition in World GDP

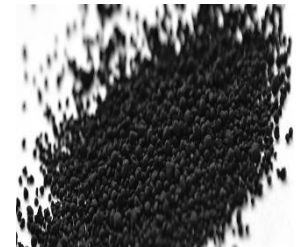
Global GDP composition (\$ Tn)



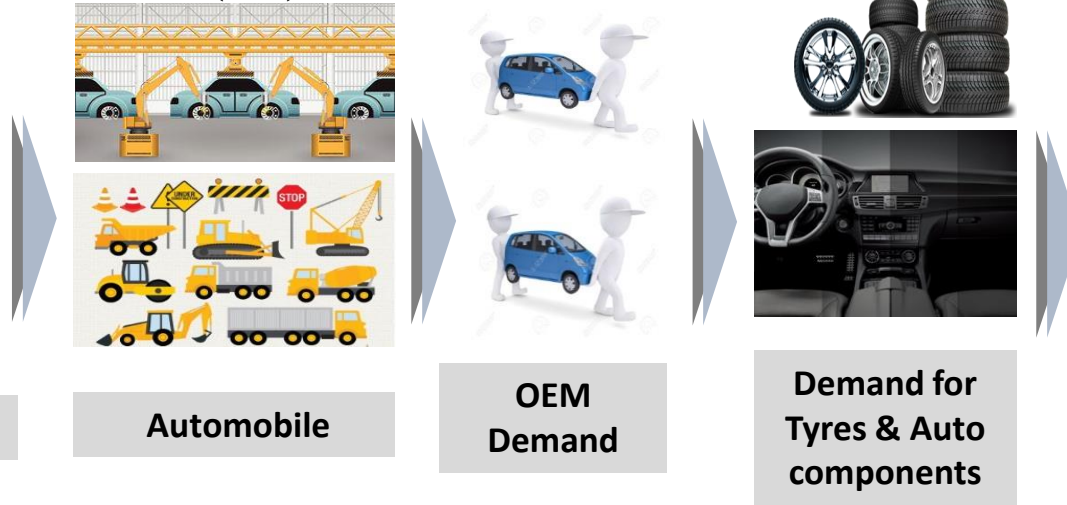
\$ 2.7 trillion



\$ 200 billion



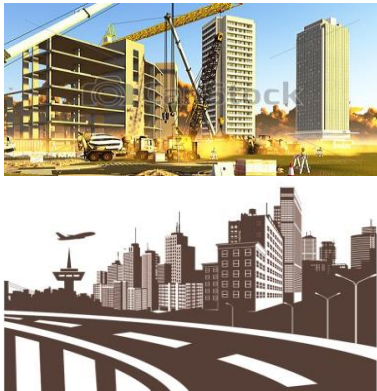
\$ 13.8 billion

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Carbon Black demand



Carbon Black demand



Construction, Electronics and other Industrial Applications

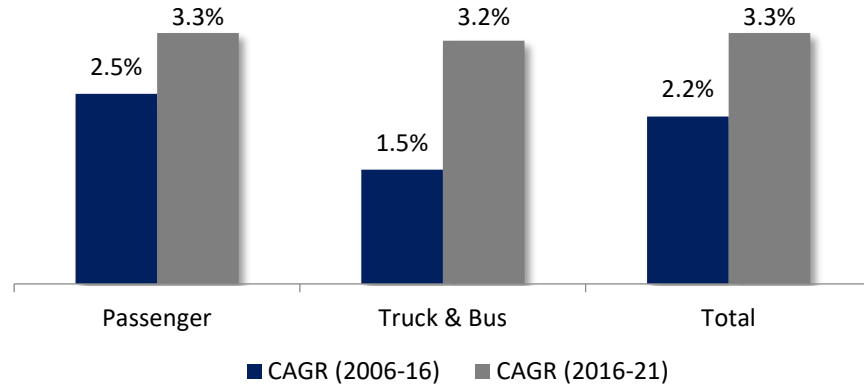


Demand for other goods like cables, pipes , conductive etc



Carbon Black – Global (3/3)

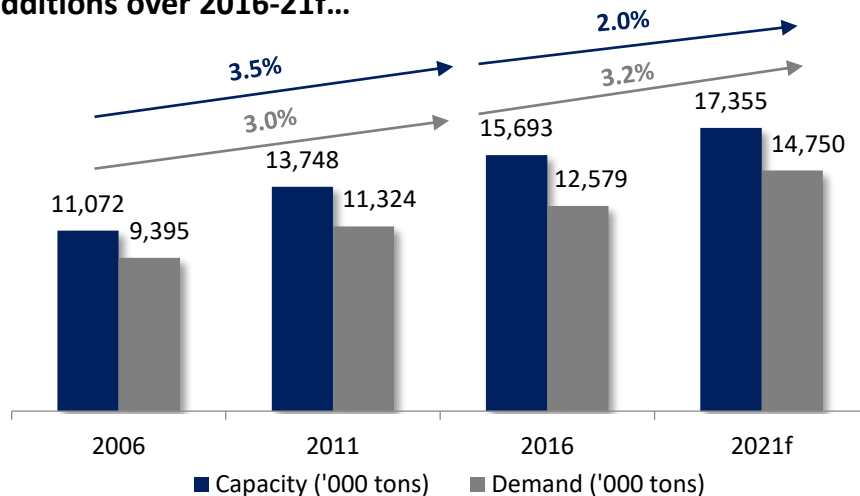
Tyre production is expected to accelerate across segments



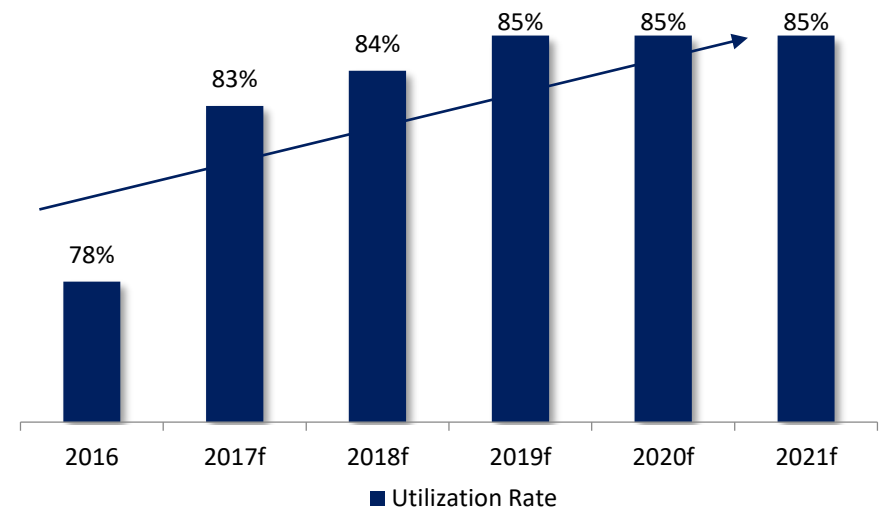
Significant capex is planned in the tyre sector in view of demand growth

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...



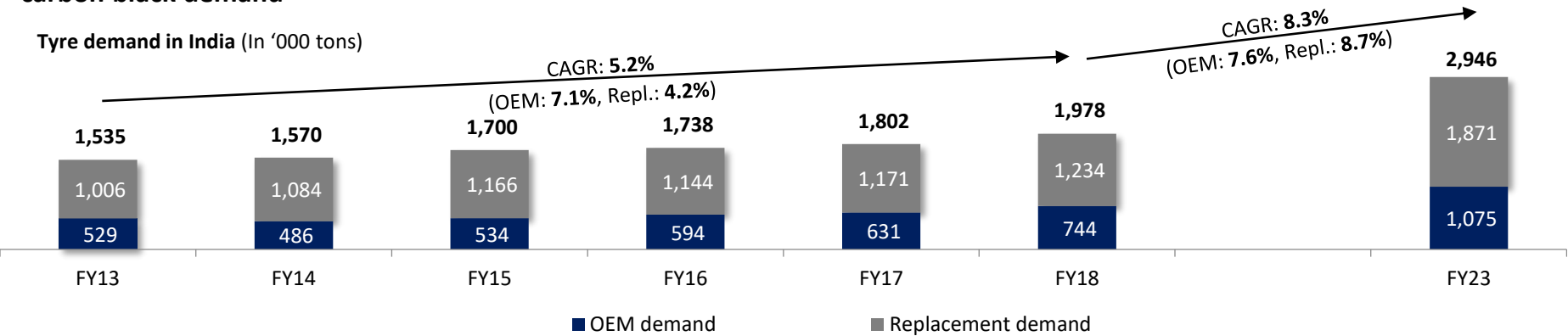
...Leading to a significant uptick in utilization rates



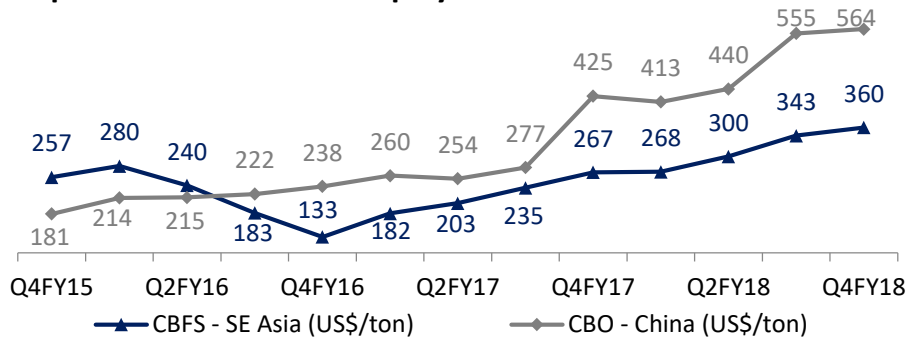
Carbon Black – India

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)

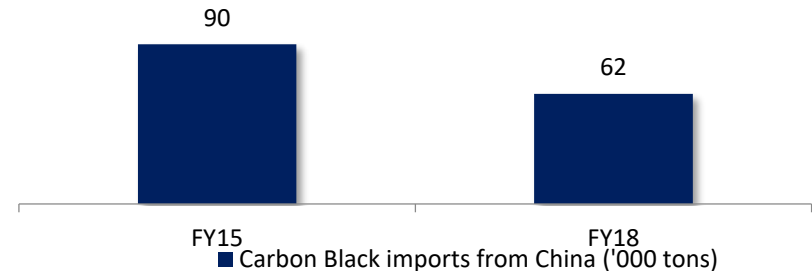


Widening spread between CBO and CBFS has reduced competitiveness of Chinese players



- 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

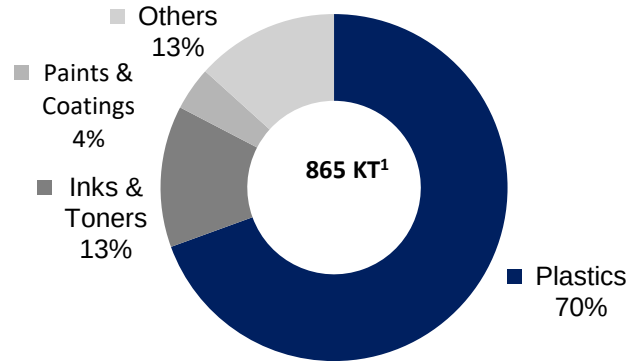


Anti-Dumping Duty (ADD) would continue to protect domestic industry

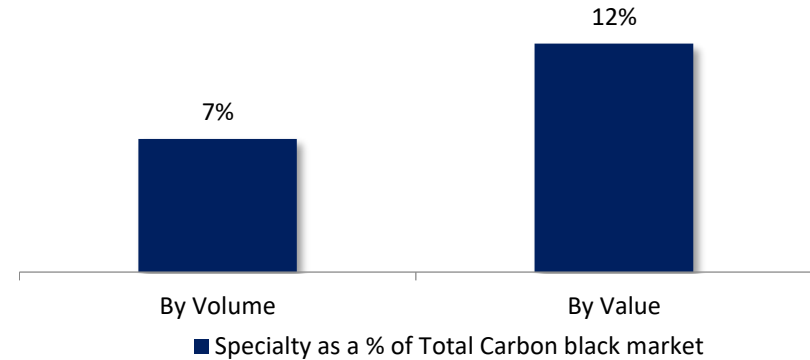
Country	ADD (US\$/ton)	Valid Till
China	397-494	November 2020
Russia	36.17	November 2020

Specialty Carbon Black - Global

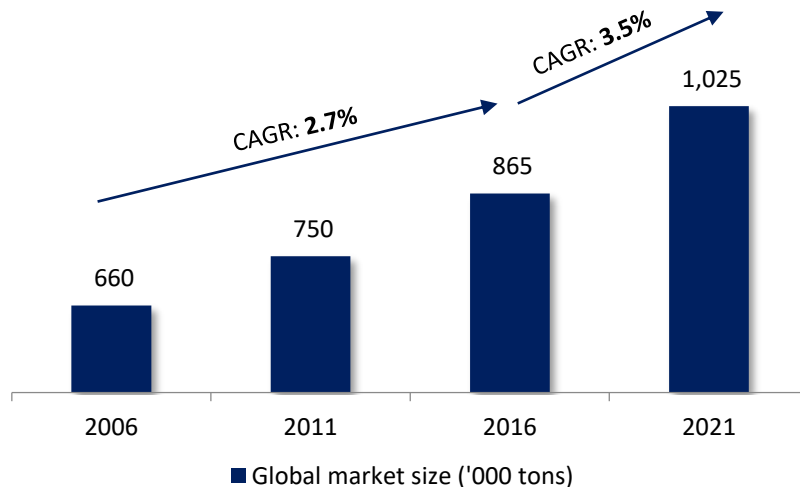
Specialty carbon black grades are used in multiple applications like plastics compounding, printing inks, paints and coatings etc



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



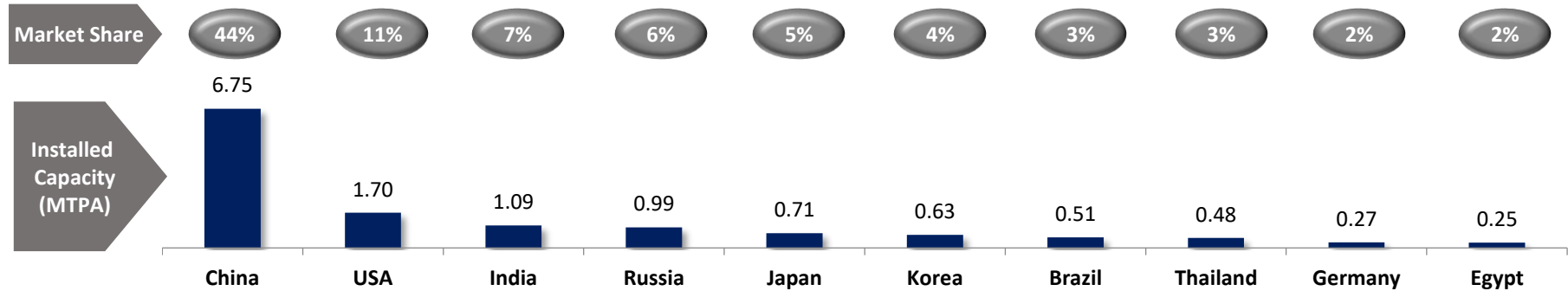
Demand for Specialty Carbon Black is expected to accelerate



- 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.

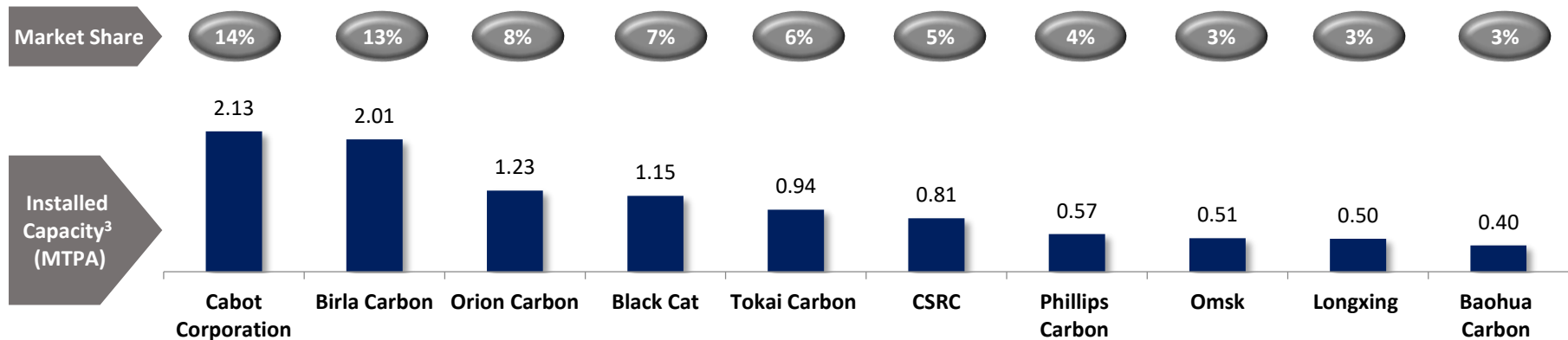
Carbon Black – Capacity & Competitors

Country wise installed capacity



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

Top 10 players have a 67% market share



Headquarter	USA	India	Germany	China	Japan	Taiwan	India	Russia	China	China
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Source: Notch 2018, PCBL capacity increased to 571 KTPA as on 30th Nov 2018

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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.

Shashwat Goenka *Non-Executive Director*

- On the Boards of Directors of the Company w.e.f 1st September, 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 15th 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.

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.

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.

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

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