



ARVIND MAFATLAL GROUP



# NOCIL LIMITED

## Investor Presentation

August 2017





# Safe Harbor



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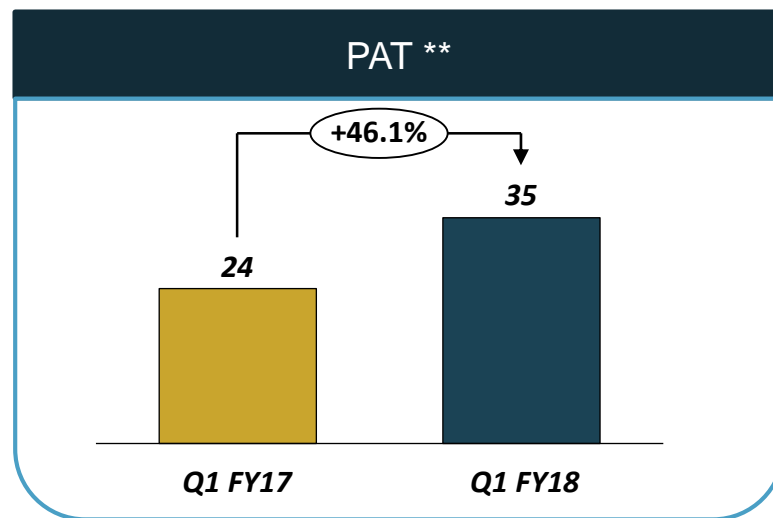
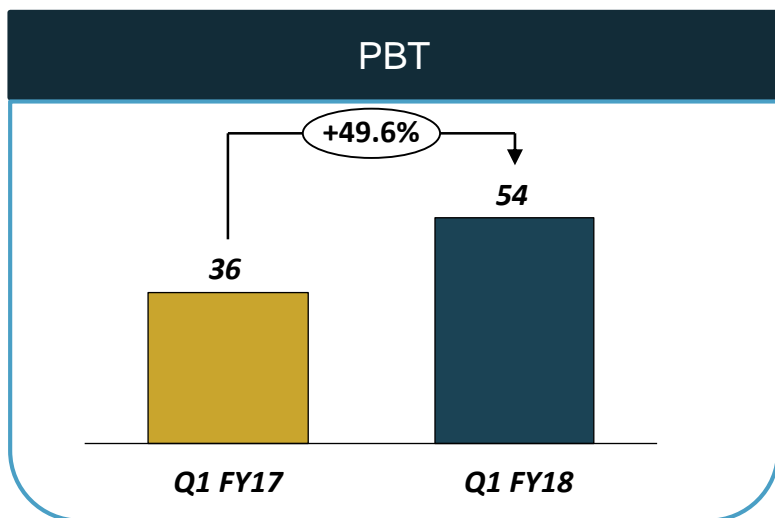
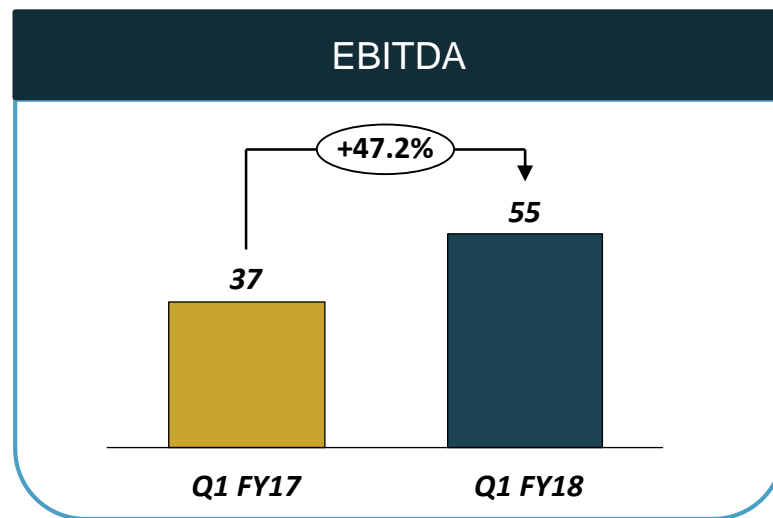
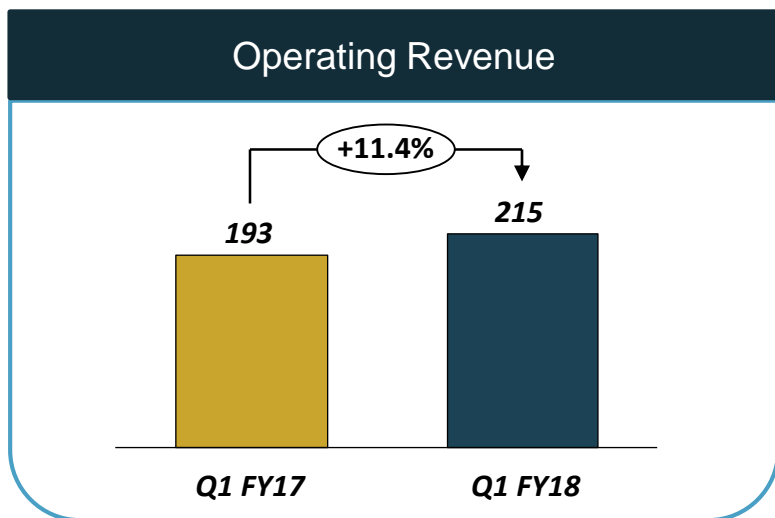
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# Financial Highlights



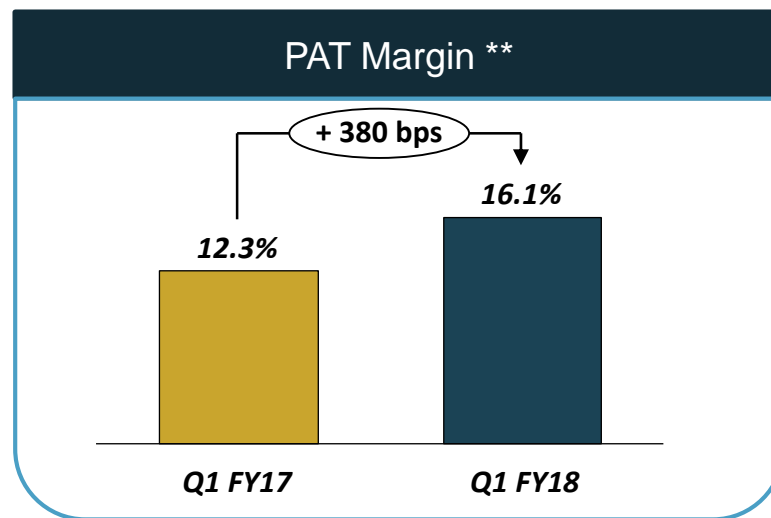
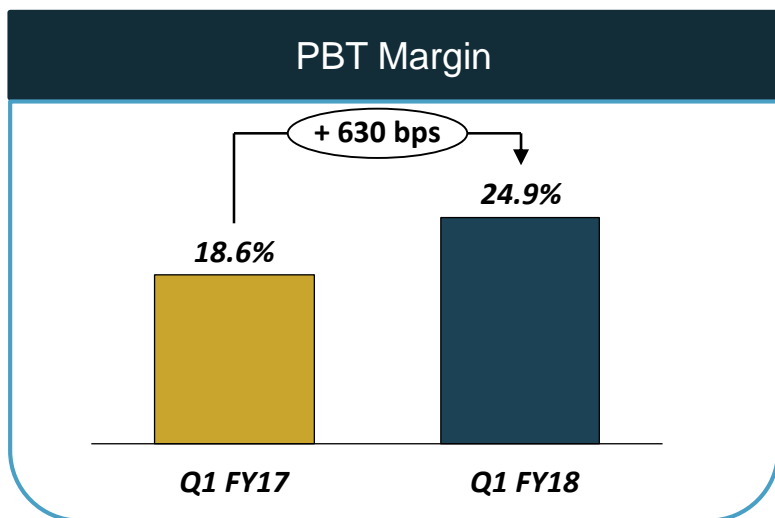
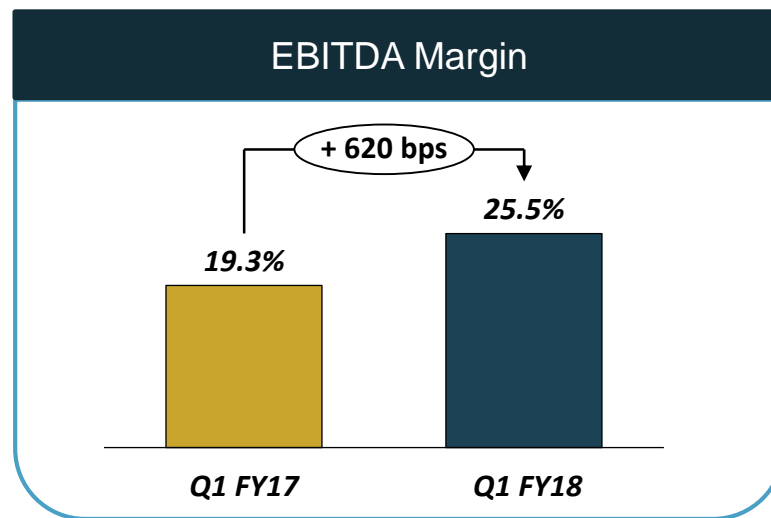
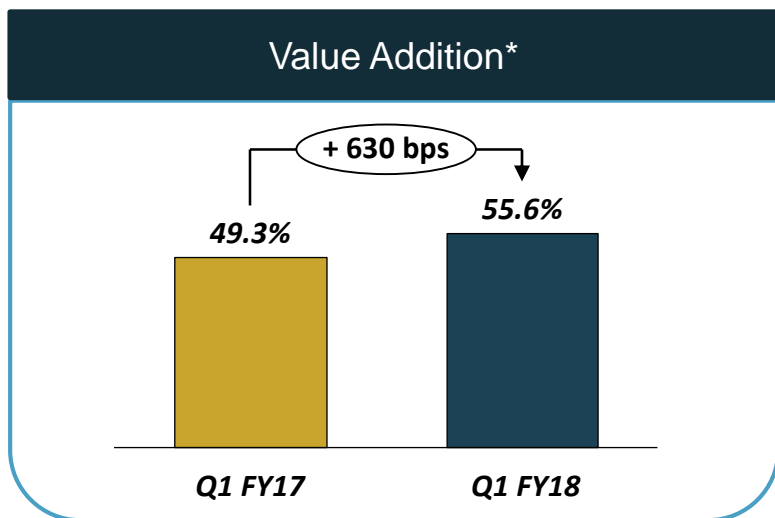


# Financial Highlights – Q1 FY18





# Margin Profile – Q1 FY18



\* Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories

\*\* Excludes Other Comprehensive Income



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# Company Overview





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# NOCIL in a Snapshot



NOCIL LIMITED

*Part of Arvind Mafatlal Group*

*Largest Rubber Chemicals Manufacturer in India*

*Expertise in Rubber Chemical Business over 4 decades*

*State of the Art, Innovative, Sustainable & Competitive Technologies*

*Wide range of Rubber Chemicals to suit customer needs*

*Long Term Business Relationships with Tyre Majors*

*Strong Marketing & Distribution Service Network*

*Certified for Quality and Health/Safety/Environment.*

*Environment Friendly Processes*



# Management Team



## Mr. Hrishikesh . A. Mafatlal – Promoter & Chairman

- Chairman and Promoter Director of NOCIL Ltd
- B.Com. (Hons.) & has attended the Advanced Management Programme at the Harvard Business School, USA
- Vice-Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL)

## Mr. S. R. Deo – Managing Director

- M. Tech. in Chemical Engineering from IIT Kanpur
- Associated with the company for nearly 38 years in various technical capacities

## Mr. R. M. Gadgil - President - Marketing

- B Tech in Chemical Engineering from IIT Mumbai
- Associated with the Company in various marketing capacities for nearly 35 years

## Mr. P. Srinivasan – Chief Financial Officer

- Chartered Accountant with over 28 years of experience
- Associated with the Company since 2005

## Dr. Chinmoy Nandi - Vice President (Research & Development)

- Post Graduate & Ph.D. in Science
- Associated with the company for nearly 33 years in various R&D capacities

## Dr. Narendra Gangal – Vice President (QA, Analytical & Outsourced Research)

- Ph.D. in Analytical Chemistry with 25 years of experience
- Associated with the company since 2007

## Mr. Rajendra Desai – Vice President (Operations, Corporate HR & Personnel)

- Chemical Engineer with Diploma in Management Studies
- Associated with the company for nearly 32 years





# Manufacturing facilities

## Navi Mumbai Plant

Set up in 1976

Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai

State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



## Dahej Plant

Commercialized operation in March 2013

Located about 45 kms from Bharuch, Gujarat

Location has synergistic Chemicals & Petrochemicals industry and excellent connectivity with Dahej & Hazira Port

Fully automated continuous process plant developed completely with in-house technology





# Products & their Usage

1

## ACCELERATORS

Increase the speed of vulcanization to improve productivity

2

## ANTI-DEGRADANTS

An anti-degradant is an ingredient in rubber compounds which deters the ageing of rubber products thereby enhancing service life

3

## ANTI-OXIDANTS

Chemical compound that inhibits degradation due to oxygen attack thereby enhancing service life of rubber products

4

## PRE VULCANIZATION INHIBITOR

Prevents premature vulcanization of synthetic & natural rubbers during processing thus reducing scrap

5

## POST VULCANIZATION STABILIZER

Improves Thermal Stability of cross links in rubber products

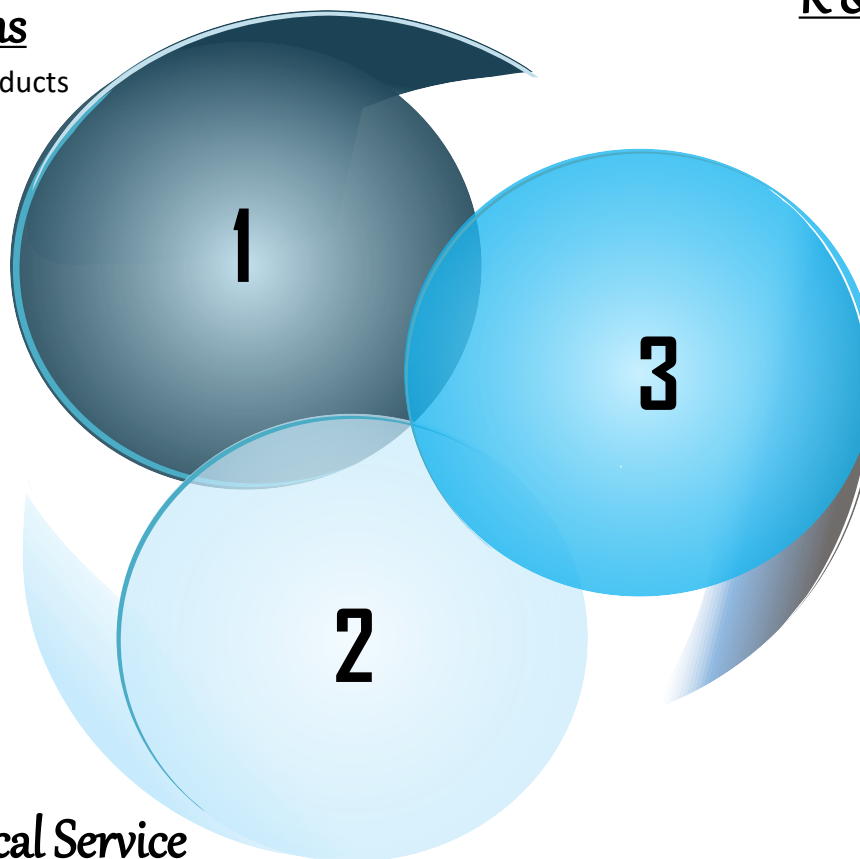
**One Stop Shop with Wide Range to suit Market Requirements**



# Our Value Proposition

## Products & Product Forms

- Wide Range of Rubber Chemical Products
- Varied Product Forms



## R & D and Quality Assurance

- Experienced, capable & innovative team of R & D scientists.
- Ultra Modern Laboratories & Pilot Plant Facilities
- Latest Analytical Instruments



## Sales, Marketing & Technical Service

- Market Responsive Approach
- Strong MTS Team to offer Technical Services

**Long Term Relationships with Customers over 40 Countries**

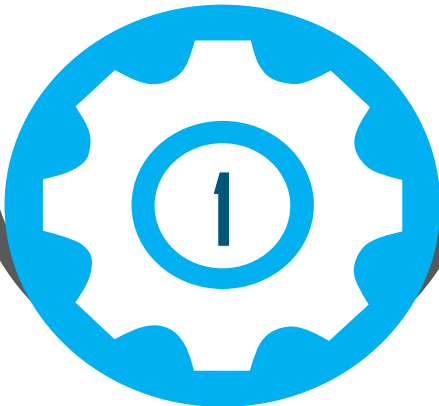


# R&D and Total Quality Management



## Research & Technology Development

- NOCIL's Research Centre is recognized by Ministry of Science and Technology, Government of India
- Key Areas Focussed upon
  - Process Development, scale up, commercial implementation
  - Environmental strategies for sustainable growth
  - Research initiatives as per customers' perceived needs



## Quality Assurance

- Quality Management System with a focus on Quality of Raw materials, Finished Products as well as in Process Sample Analysis
- The Quality Control Laboratory operates round the clock and is equipped with the latest Analytical Instruments & Equipment's



## Certifications

- ISO 9001:2008
- ISO 14001:2004
- BS OHSAS 18001:2007
- ISO/IEC 17025:2005
- ISO/TS16949:2009
- IATF
- NABL





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# Industry Potential

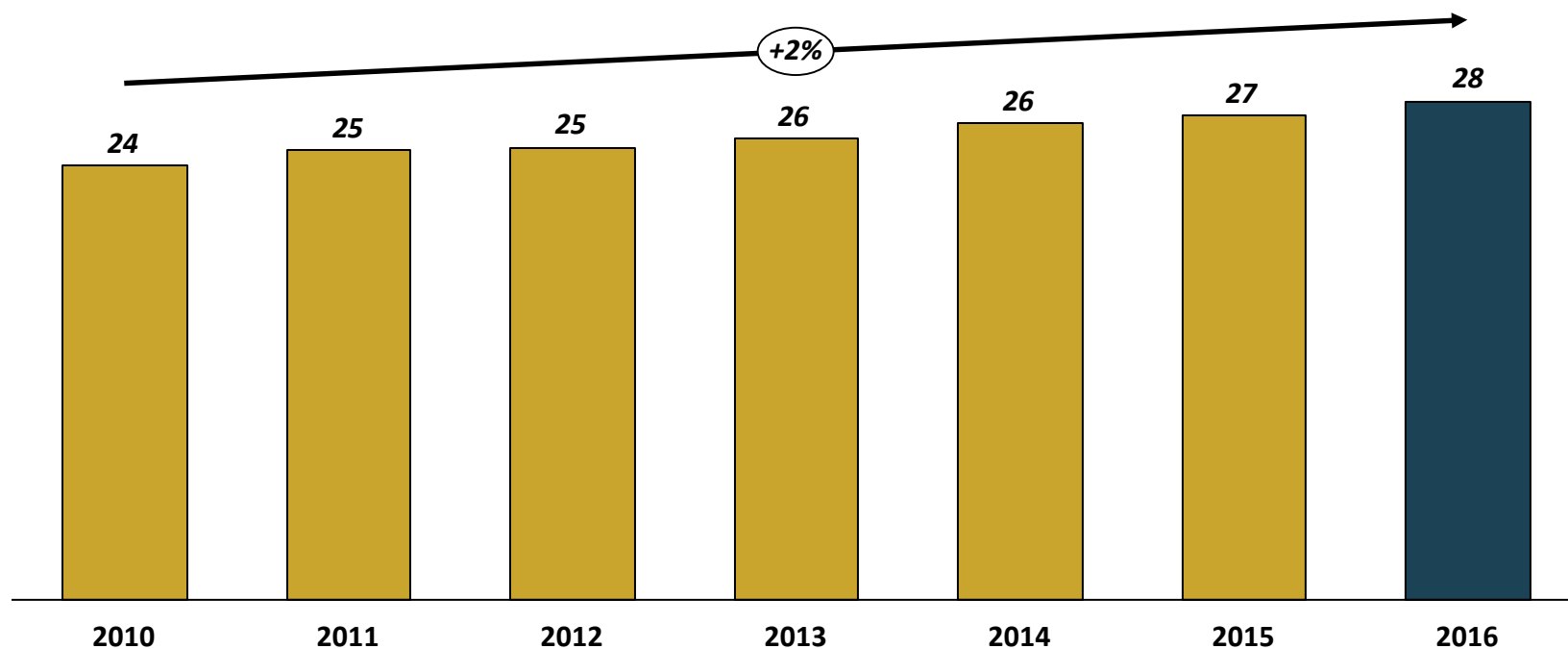
Our Positioning





## Global Rubber Consumption (Natural + Synthetic)

Million MT



**Rubber Chemicals constitute ~3% - ~4% of the Rubber Consumption**



# Growth Drivers

01



**High performance tyres & extended life, Automotive & Industrial products will increase rubber processing chemical loadings**

02



**Increased environmental compliance in China curbs polluting capacities**

03



**Rising Income levels & increase in Motor vehicle ownership rates, especially in developing nations would need additional consumption of rubber processing chemicals**

04



**Global demand for rubber processing chemicals forecasted to increase by 50% to 1.5 million MT in next 3-5 years**



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*FUTURE Ready*







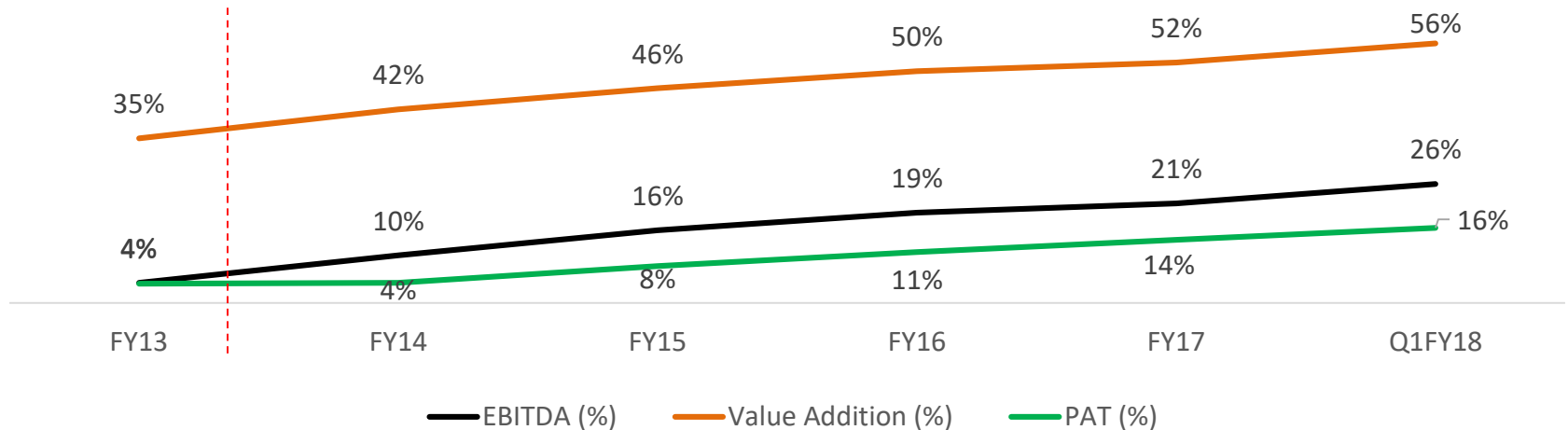
# Dahej Plant – A Game Changer



- ✓ Strong R&D Capabilities
  - **Process R&D** : Significant reduction in cost of production
  - **Product R&D** : Strong pipeline of new products
- ✓ It is a zero wastage plant, resulting in significant cost reduction
- ✓ Strong position in High-value added products
- ✓ Operating Leverage playing out
- ✓ Further scope of multiple expansion possible at Dahej

## Overall Improvement in Margin Profile of the Company

Dahej plant established





# CAPEX

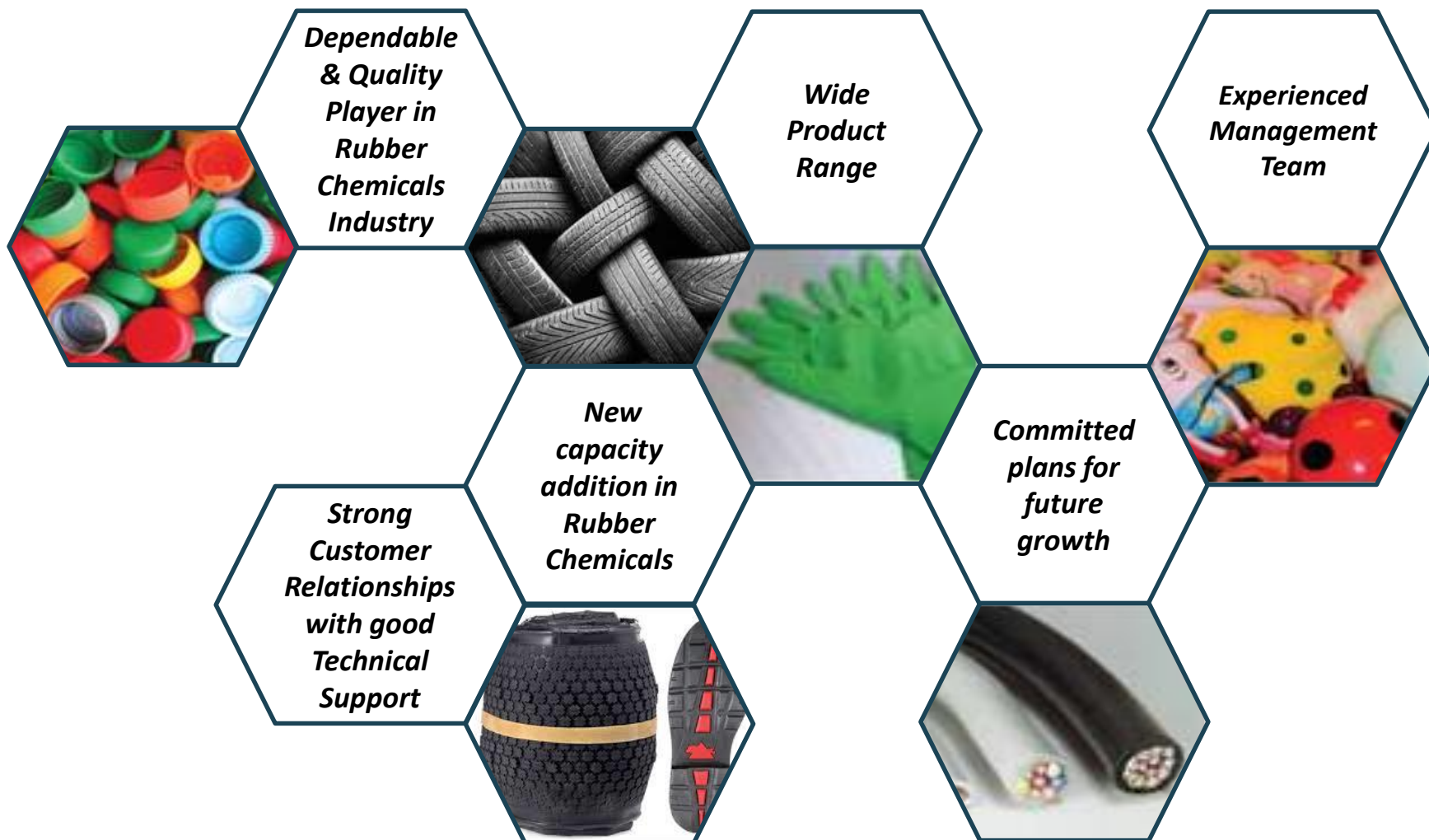


- ✓ To capitalize on growth opportunities, our Company has recently planned Capex of Rs. 170 crores
- ✓ The Capex is expected to be commissioned by Quarter 2 of FY19
- ✓ Expansion will significantly augment and complete the current product portfolio
- ✓ The capital expenditure will be largely funded by Internal Accruals

**The Expansion is expected to give an Asset Turnover of 2X**



# Key Strengths





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# Financials





## Statement of Profit &amp; Loss



Particulars (Rs. In Crores)	Q1 FY18	Q1 FY17	Y-o-Y
<b>Revenue from Operations</b>	<b>214.8</b>	<b>192.8</b>	<b>11%</b>
Cost of Material Consumed	110.2	80.3	
Purchase of Stock-in-trade	0.8	0.9	
Changes in Inventories	-15.6	16.5	
<b>Value Addition *</b>	<b>119.3</b>	<b>95.1</b>	
<b>Value Addition (%)</b>	<b>55.6%</b>	<b>49.3%</b>	
Employee Expenses	18.9	16.1	
Other Operating Expenses	45.8	41.9	
<b>EBITDA</b>	<b>54.7</b>	<b>37.1</b>	<b>47%</b>
<b>EBITDA (%)</b>	<b>25.5%</b>	<b>19.3%</b>	
Other Income	2.8	2.8	
Depreciation	3.6	3.5	
<b>EBIT</b>	<b>53.9</b>	<b>36.4</b>	<b>48%</b>
<b>EBIT (%)</b>	<b>25.1%</b>	<b>18.9%</b>	
Interest	0.4	0.7	
<b>Profit Before Tax</b>	<b>53.5</b>	<b>35.8</b>	<b>50%</b>
Tax	18.9	12.1	
<b>Net Profit</b>	<b>34.6</b>	<b>23.7</b>	<b>46%</b>
<b>Net Profit (%)</b>	<b>16.1%</b>	<b>12.3%</b>	
Other Comprehensive Income	-9.2	21.1	
<b>Total Comprehensive Income</b>	<b>25.5</b>	<b>44.8</b>	
<b>EPS</b>	<b>2.11</b>	<b>1.47</b>	

\* Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories



# Consistent Dividend Record



*\*Dividend includes Dividend Tax paid*



*For further information, please contact:*

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**NOCIL Ltd.**

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