



**FIRM STEPS.
FOCUSED APPROACH.**



NOCIL LIMITED

Investor Presentation
August 2020

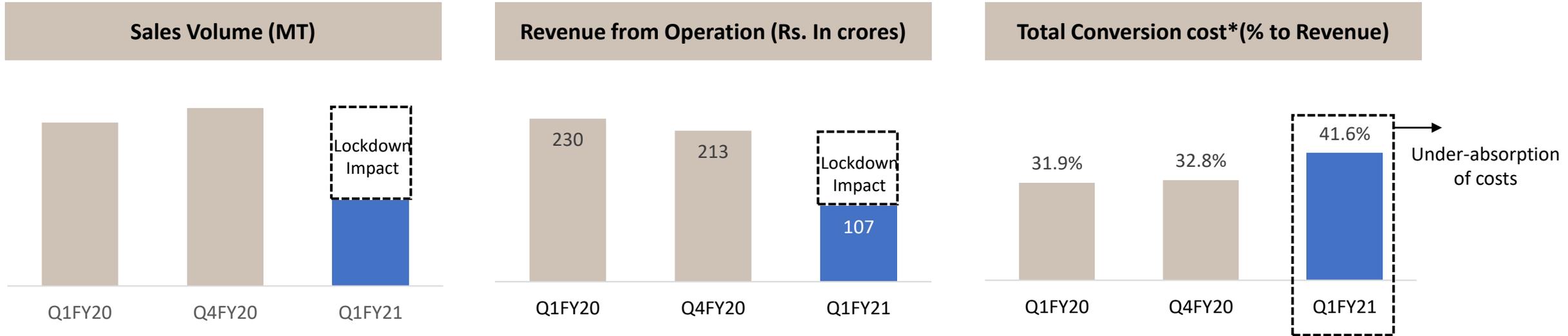
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Quarterly Performance: Impacted due to lockdown



- On account of COVID-19 led nationwide lockdown, our manufacturing facilities were shut for the month of April 2020 and early May 2020
- With ease in lockdown restrictions, manufacturing operations resumed from 8th May 2020 with strict safety and hygiene protocols
- Production was ramped up month to month basis; pace of de-growth reducing, and we are currently running at higher levels from July 2020 onwards.
- Utilization levels have increased from July 2020 and are showing signs of sustainable operating levels.

- Revenue from operations impacted due to COVID-led nationwide plant shutdown both at the customers end and suppliers side
- Tyre majors started their operations at sub-optimal levels
- Lower revenue resulted into lower absorption of fixed costs leading to subdued EBITDA
- As revenues scale up, we are confident to improve the EBITDA margin of the company

The Performance of Q1FY21 does not represent normal quarter/operations and is not strictly comparable with previous periods

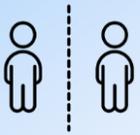


**(Employee Expense + Other Expenditure)/(Revenue from Operations)*



Work from Home

- Implemented work from home during the nationwide lockdown
- On receipt of approvals from government authorities started operation at facilities
- From 10th June started Corporate offices with limited workforce



Sanitization & Social Distancing at workplaces

- Regular sanitization undertaken at offices & factory for safety of employees
- Workplace area sanitization before every shift and staff bus and car sanitization before every use



Employee Screening & adhering to safety protocols

- Regular thermal screening of employees at our factory and Mumbai office on daily basis to ensure safety of employees



Mask & Sanitization distribution & compulsion

- Compulsion for the use of mask and hand sanitization every 2 hours and following all the protocols and guidelines



Business Operations:

- From mid-April 2020 started dispatch operation to meet export commitments
- Currently operating in all 3 shifts
- We have sufficient coverage of Raw Materials.

Liquidity position:

- Company continues to be debt free.
- Company has sufficient liquidity to take care of its working capital requirements.



Standalone Profit & Loss Statement

Rs. In Crores	Q1 FY21	Q4 FY20	Q1 FY20	Remark
Net Revenue from Operations	107	213	230	Performance of Q1FY21 does not represent normal quarter/operations and is not strictly comparable with previous periods or with same period last year
Raw Material	55	107	100	
Value Addition *	52	106	130	
Value Addition %	48.8%	50.0%	56.4%	
Employee Expenses	16	17	20	
Other Operating Expenses	28	53	54	
Operating EBITDA	8	37	56	
Operating EBITDA Margin	7.5%	17.3%	24.5%	
Depreciation	9	9	8	
Interest	0^	0^	0^	
Other Income	11	3	3	
Profit Before Tax	9	31	51	
Tax	-3	8	18	
Net Profit	12	22	33	
Net Profit Margin	11.2%	10.5%	14.2%	

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

^ less than 1 crore



Consolidated Profit & Loss Statement

Rs. In Crores	Q1 FY21	Q4 FY20	Q1 FY20	Remark
Net Revenue from Operations	107	213	230	Performance of Q1FY21 does not represent normal quarter/operations and is not strictly comparable with previous periods or with same period last year
Raw Material	55	107	100	
Value Addition *	52	106	130	
Value Addition %	48.8%	50.0%	56.4%	
Employee Expenses	16	17	20	
Other Operating Expenses	28	52	53	
Operating EBITDA	8	37	57	
Operating EBITDA Margin	7.5%	17.2%	24.6%	
Depreciation	9	9	8	
Interest	0^	0^	0^	
Other Income	11	3	3	
Profit Before Tax	9	30	51	
Tax	-3	8	18	
Net Profit	12	22	33	
Net Profit Margin	11.2%	10.3%	14.3%	

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

^ less than 1 crore



Standalone Balance Sheet

Particulars (Rs. Crs.)	31-Mar-20	31-Mar-19
ASSETS		
Non-current assets	1,011	856
Property, Plant and Equipment	768	626
Capital work-in-progress	156	131
Investment Property	0	0
Intangible Assets	1	2
Financial Assets		
(i) Investments in Wholly owned subsidiary	25	25
(ii) Other Investments	24	26
(iii) Other financial assets	6	6
Non-current tax assets	16	5
Other non-current assets	14	34
Current assets	417	572
Inventories	136	170
Financial Assets		
(i) Investments	23	97
(ii) Trade receivables	203	232
(iii) Cash and cash equivalents	8	36
(iv) Bank balances other than cash and cash equivalents	4	3
(v) Other Financial Assets	1	0
Other Current Assets	40	33
TOTAL	1,428	1,428

Particulars (Rs. Crs.)	31-Mar-20	31-Mar-19
EQUITY AND LIABILITIES		
EQUITY	1,176	1,153
Equity Share Capital	166	165
Other Equity	1,010	988
Non-Current Liabilities	112	120
Financial Liabilities		
(i) Financial Lease Liability	7	0
Provisions	16	15
Deferred Tax Liabilities (Net)	89	105
Other non-current liabilities	0	0
Current liabilities	140	155
Financial Liabilities		
(i) Trade Payables	89	99
(ii) Other Financial Liabilities	40	47
Provisions	7	6
Current Income Tax Liabilities (Net)	0	1
Other Current Liabilities	4	2
TOTAL	1,428	1,428



Consolidated Balance Sheet

Particulars (Rs. Crs.)	31-Mar-20	31-Mar-19
ASSETS		
Non-current assets	1,017	863
Property, Plant and Equipment	796	654
Capital work-in-progress	156	131
Investment Property	0	0
Intangible Assets	1	2
Financial Assets		
(i) Investments in Wholly owned subsidiary	0	
(ii) Other Investments	24	27
(iii) Other financial assets	7	7
Non-current tax assets	18	7
Other non-current assets	14	34
Current assets	426	580
Inventories	136	171
Financial Assets		
(i) Investments	30	103
(ii) Trade receivables	203	232
(iii) Cash and cash equivalents	9	37
(iv) Bank balances other than cash and cash equivalents	4	3
(v) Other Financial Assets	1	0
Other Current Assets	41	34
TOTAL	1,442	1,442

Particulars (Rs. Crs.)	31-Mar-20	31-Mar-19
EQUITY AND LIABILITIES		
EQUITY	1,185	1,163
Equity Share Capital	166	165
Other Equity	1,020	998
Non-Current Liabilities	116	124
Financial Liabilities		
(i) Financial Lease Liability	7	0
Provisions	17	15
Deferred Tax Liabilities (Net)	93	109
Other non-current liabilities	0	0
Current liabilities	141	155
Financial Liabilities		
(i) Trade Payables	90	98
(ii) Other Financial Liabilities	40	47
Provisions	7	6
Current Income Tax Liabilities (Net)	0	1
Other Current Liabilities	4	2
TOTAL	1,442	1,442



Cashflow Statement



ARVIND MAFATLAL GROUP
The ethics of excellence



NOCIL LIMITED

Particulars (Rs. In Crores)	Standalone		Consolidated	
	Year Ended 31 st Mar 20	Year Ended 31 st Mar 19	Year Ended 31 st Mar 20	Year Ended 31 st Mar 19
Cash flow from operating activities				
Profit before tax	152	277	152	278
Adjustments for noncash items / non operating items	24	15	26	16
Operating profit before working capital changes	177	292	178	294
Working capital reductions/(increases)	52	(40)	52	(42)
Cash flows generated from operating activities	228	252	231	252
Income tax paid (Net of Refund)	51	88	51	88
Net Cash flows generated from operating activities (A)	177	164	179	164
Capex Investments	(179)	(235)	(180)	(237)
Net redemption from Investments	75	133	74	136
Net Cash flows generated from investing activities (B)	(104)	(102)	(106)	(101)
Dividend Paid	(98)	(49)	(98)	(50)
Interest & Other Payments	(3)	(1)	(3)	(1)
Net Cash flows generated from financing activities (C)	(101)	(50)	(101)	(50)
Net Cash Increase / (Decrease)	(28)	12	(28)	13



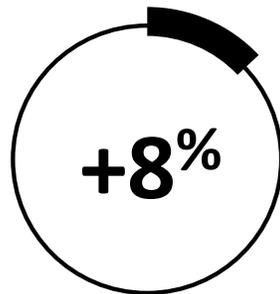
Business Overview





- *Part of Arvind Mafatlal Group*
- *Expertise in Rubber Chemical Business over 4 decades*
- *Largest Rubber Chemicals Manufacturer in India*
- *Long Term Business Relationships with Tyre Majors (Both Domestic & International)*
- *Awarded Responsible Care Logo by Indian Chemical Council*

Revenue*



EBITDA*



Operating PBT*



Dividend Payout
more than 5 years



* CAGR growth from (FY13-FY20)



Mr. Hrishikesh . A. Mafatlal – Promoter & Chairman

- Executive Chairman and Promoter Director of NOCIL Ltd
- B.Com. (Hons.) & has attended the Advanced Management Programme at the Harvard Business School, USA

Mr. P. Srinivasan – Chief Financial Officer

- Chartered Accountant with over 31 years of experience
- Associated with the Company for nearly 15 years

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

- Ph.D. in Analytical Chemistry with 27 years of experience
- Associated with the Company for nearly 13 years

Mr. Milind Shevte – Vice President (Marketing)

- B.E. Chemical Engineering
- Associated with the Company for nearly 15 years

Mr. S. R. Deo – Managing Director

- M. Tech. in Chemical Engineering from IIT Kanpur
- Associated with the company for nearly 40 years in various technical capacities

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

- Post Graduate & Ph.D. in Science
- Associated with the company for nearly 35 years in various R&D capacities

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

- Chemical Engineer with Diploma in Management Studies
- Associated with the company for nearly 34 years





Navi Mumbai Plant

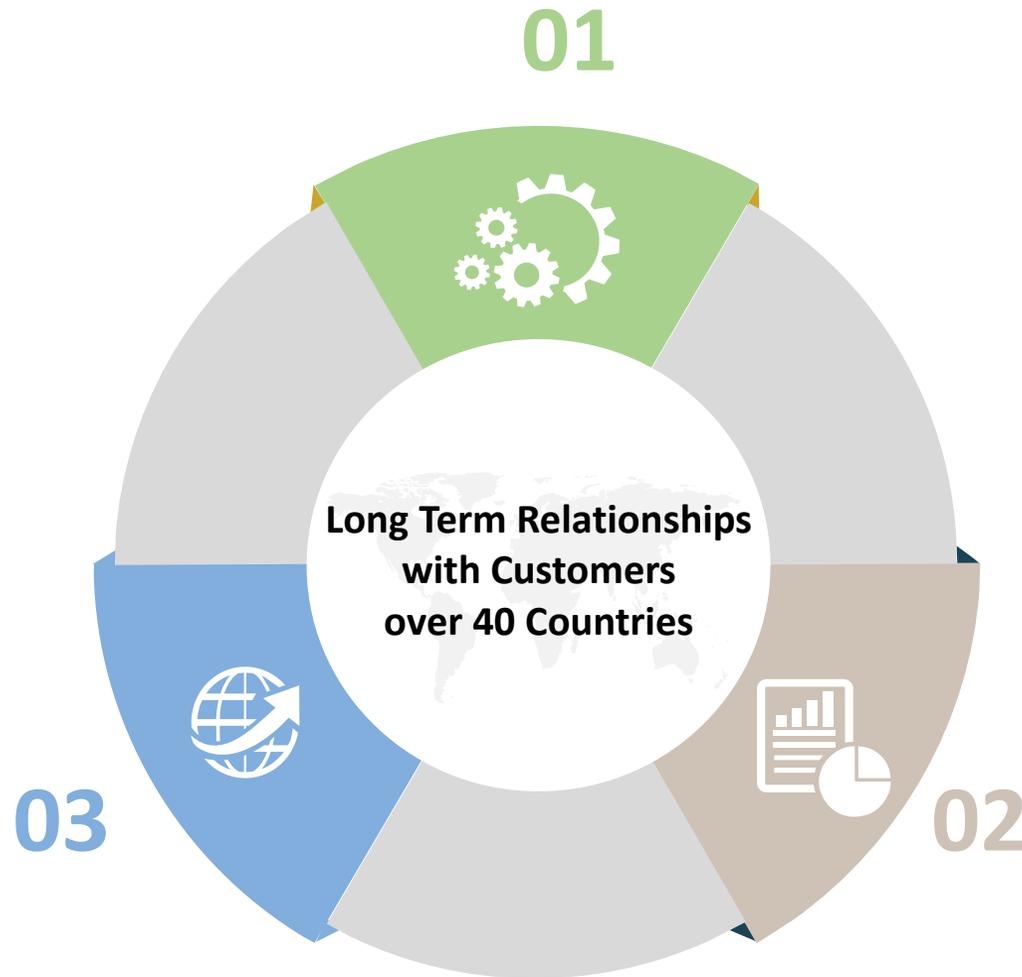
- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



Dahej Plant

- Commenced operations 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





01 Products & Product Forms

- Wide Range of Rubber Chemical Products
- Varied Product Forms

02 Sales, Marketing & Technical Service

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

03 R & D and Quality Assurance

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



1

ANTI-DEGRADANTS/ ANTI-OXIDANTS

- These are ingredients in rubber compounds which deter the ageing and inhibit degradation due to oxygen attack of rubber products, thereby enhancing service life

2

ACCELERATORS

- Increase the speed of vulcanization
- Permit vulcanization to proceed at lower temperature & with greater efficiency

3

OTHER APPLICATIONS

- Pre vulcanization inhibition, Post vulcanization stabilization, Latex based applications etc.
- Improving Thermal Stability of cross links in rubber products

ONE STOP SHOP

With

WIDE RANGE

to suit

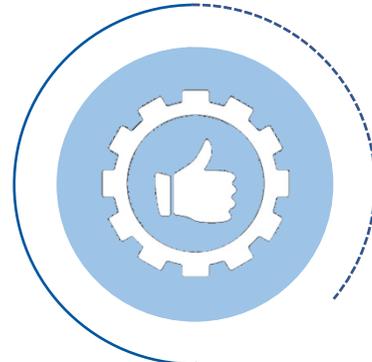
MARKET REQUIREMENTS





Research & Technology Development

- NOCIL's Research Centre at Navi Mumbai recognized by Ministry of Science and Technology, Govt. 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
- Responsible Care by Indian Chemical Council



Technology & Speciality Chemicals – Moving up the curve

Key Factors



Continual Technological Improvement in Product & Processes



Strong position in High-value added products



R&D Capabilities leading to significant reduction in cost of production



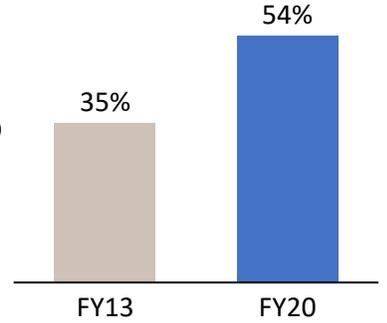
Operating leverage due to scaling-up of business



Favourable Positioning

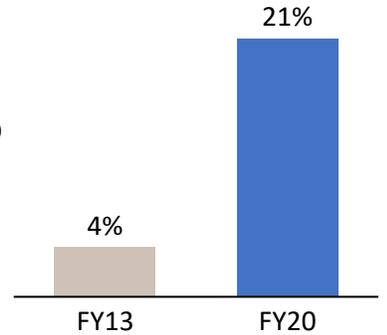
Value Addition

+19%



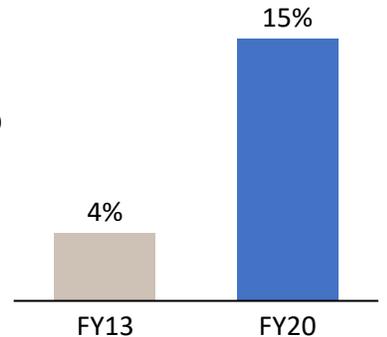
Operating EBITDA

+17%



PAT

+12%



High Performance Tyres



Extended life, Automotive & Industrial products will increase rubber processing chemical loadings

Stringent Environmental compliance



Cost increase in China leading to Better level playing field



Rising Income Levels



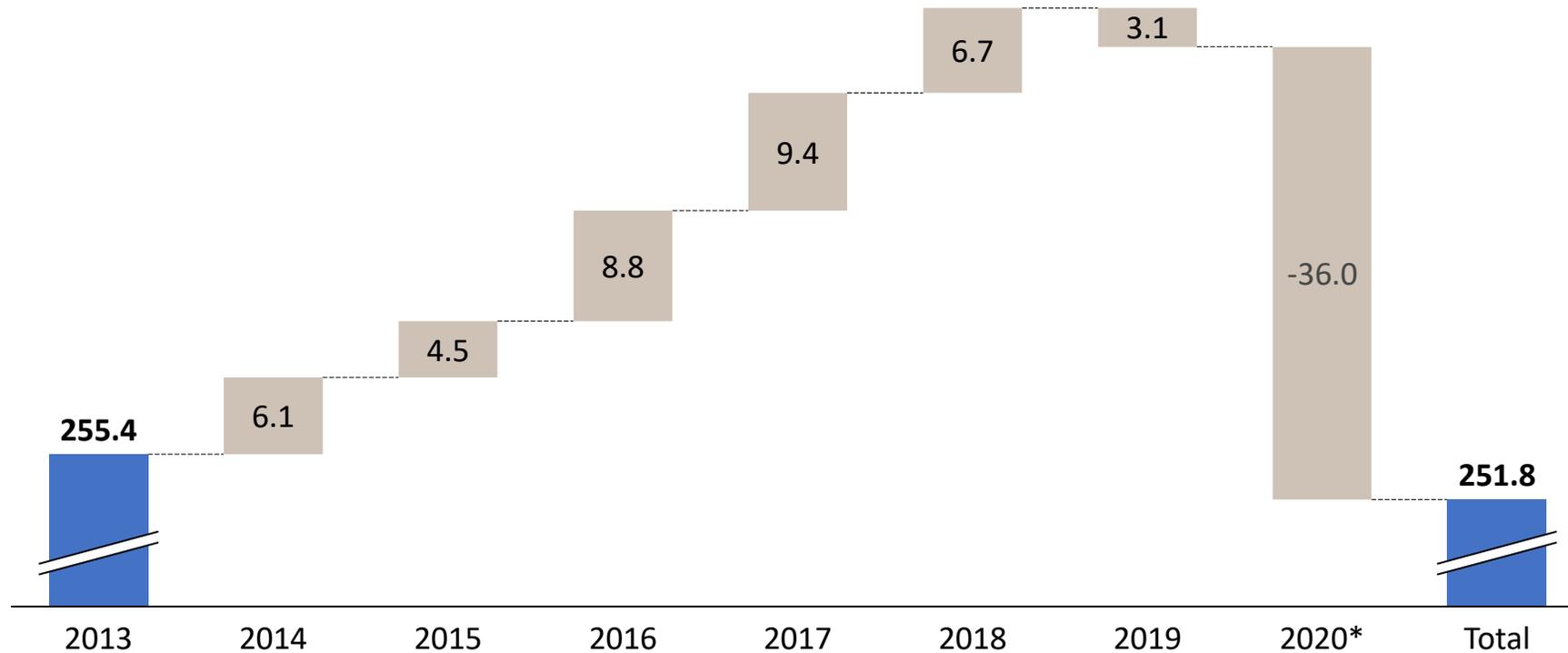
Increase in Motor vehicle ownership rates, especially in developing nations would need additional consumption of rubber processing chemicals

NOCIL has been awarded by ICC for **“Excellence in Management of Environment”** under the large chemical industry



Global Rubber Consumption (Natural + Synthetic)

In Lakh tonnes



- Rubber Chemicals constitute **~4% of the Rubber Consumption**
- For Q1CY2020, Global Rubber consumption was down by 13%
- Major markets have shown a **de-growth after 6 years**





Phase I

Phase I – Rs. 170 crores ^

- **Phase I (a)** - Expansion at Navi Mumbai has been commissioned and the commercial production have started from Jun'18
- **Phase I (b)** – Expansion at Dahej is has been commissioned in Jan'19
- Mechanical Completion
- Trial Production
- Commercial Production

Phase II

Phase II – Total Capex of Rs. 280 crores ^

- For expansion of its production facilities for Rubber Chemicals (including intermediates captively consumed towards manufacture of rubber chemicals) at Dahej/Navi Mumbai – (Announced in Dec'17)
- For expansion of its production facilities for Rubber Chemicals at Dahej/Navi Mumbai - (Announced in Jan'18)
- Mechanical Completion
- Trial Production
- Capitalise Rs. 140 crores and remaining Rs. 140 crores by October 2020

Expansion is expected to give an Asset Turnover of ~2X at FY18 prices

Total Capex of Rs. 450 crores - Entire project funded through Internal Accruals

**100% Implementation by in-house team
without any technical collaborations**

[^] as per FY18 prices



Why NOCIL is a “Supplier of Choice”

Non-Chinese Dependable Player

Non-Chinese Dependable & Quality Player with Committed Plans for future growth



Wide Range of Product

Presence across the entire range of Rubber chemicals i.e. 22 product basket

Environment Friendly Processes

Continuous investments done to adopt various innovative environmental technologies for long-term sustainability



Product Testing & Validation

Approved & registered vendor with the Major Domestic & International Tyre Players offering Technical Support to customers for Rubber Products / Process Development

Pipeline of New Generation of Rubber Chemicals

Development of Niche products using innovative technologies & Green chemistry concepts and new generation environmentally sustainable processes for growth



Entry Barrier

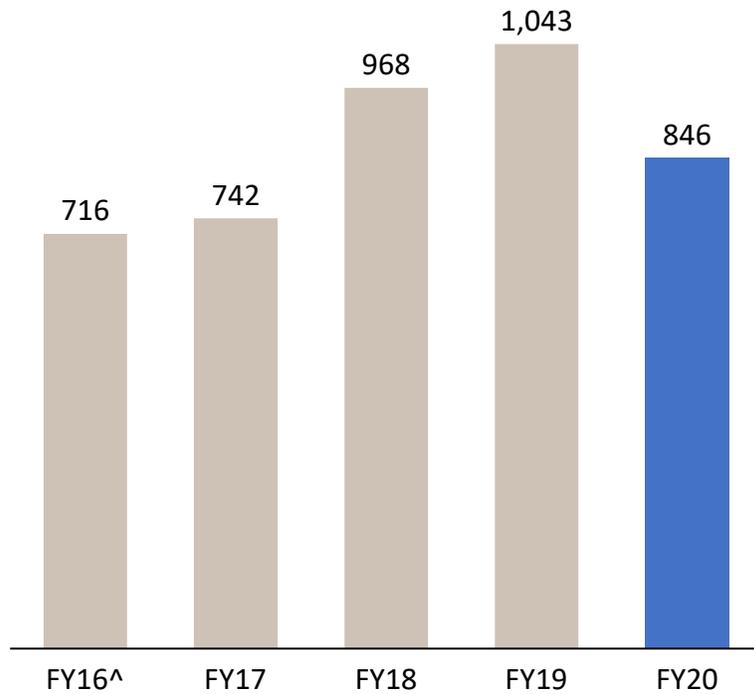
Customers take from 6-18 months to give approval on plant specific basis & same is carried out for various locations globally



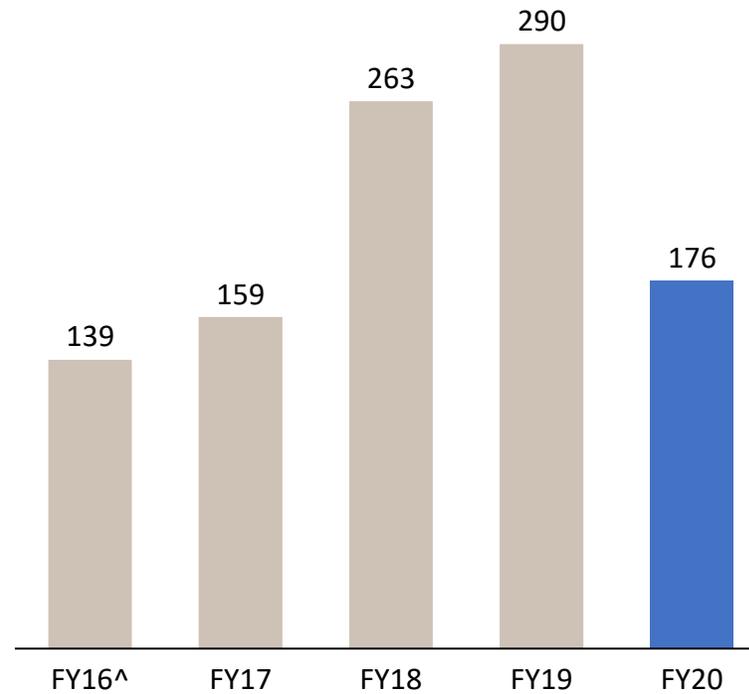
Annual Performance Trend

Revenue from Operations*

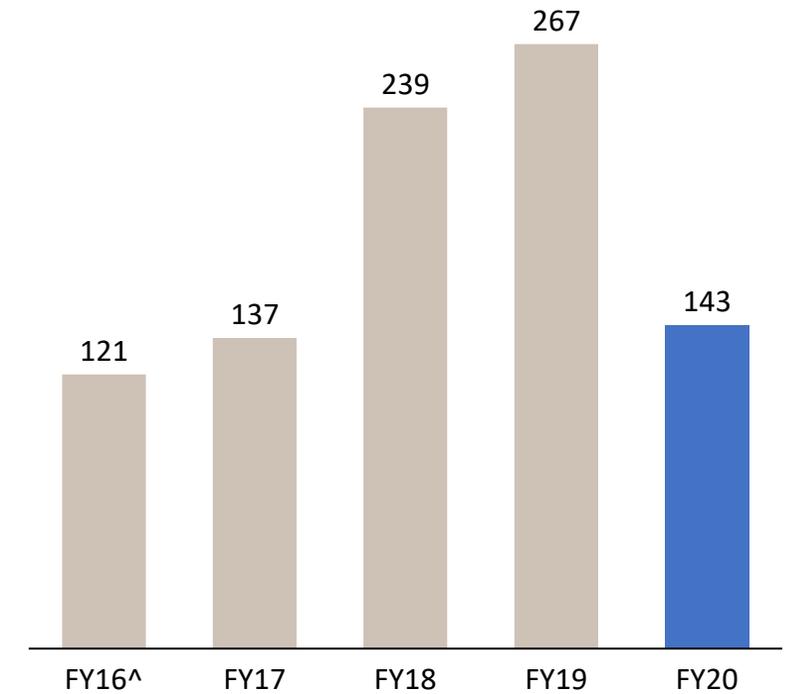
Rs. In Crores



Operating EBITDA



Operating PBT**



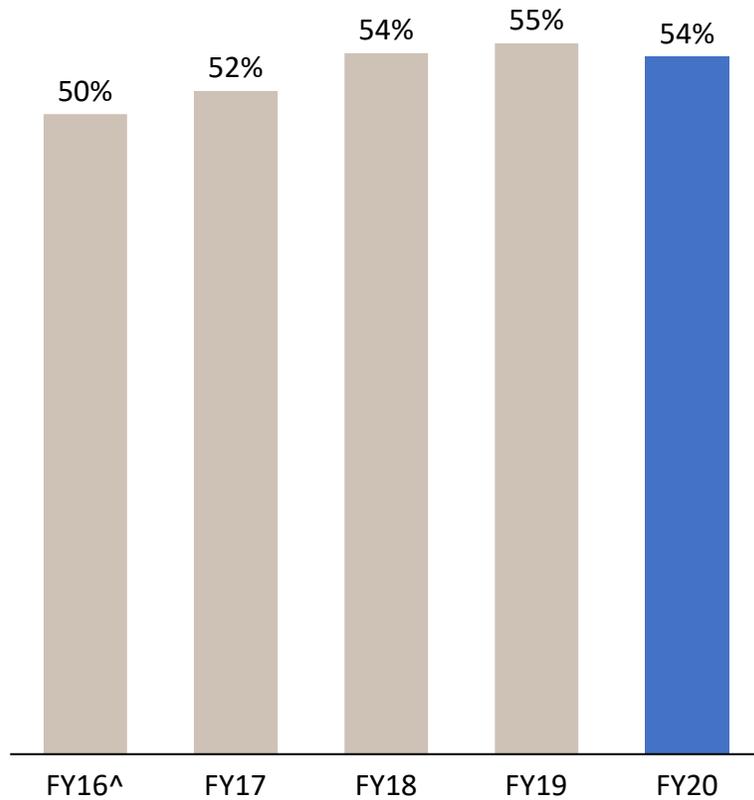
* Revenue from operations is net of GST/Excise duty

** Operating PBT (PBT - Other Income)

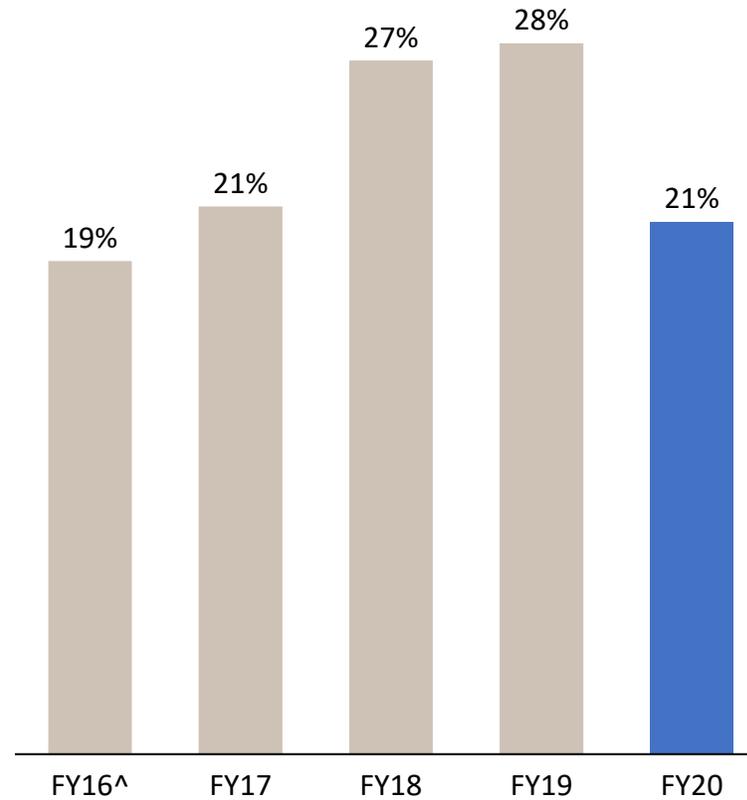
[^] IGAAP

Annual Operating Performance

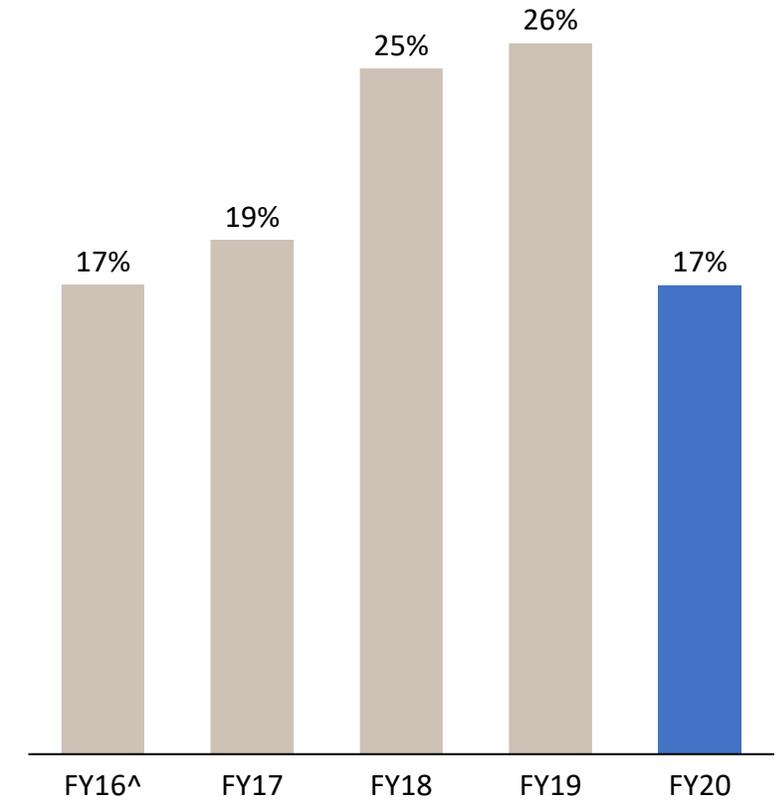
Value Additions*



Operating EBITDA Margins



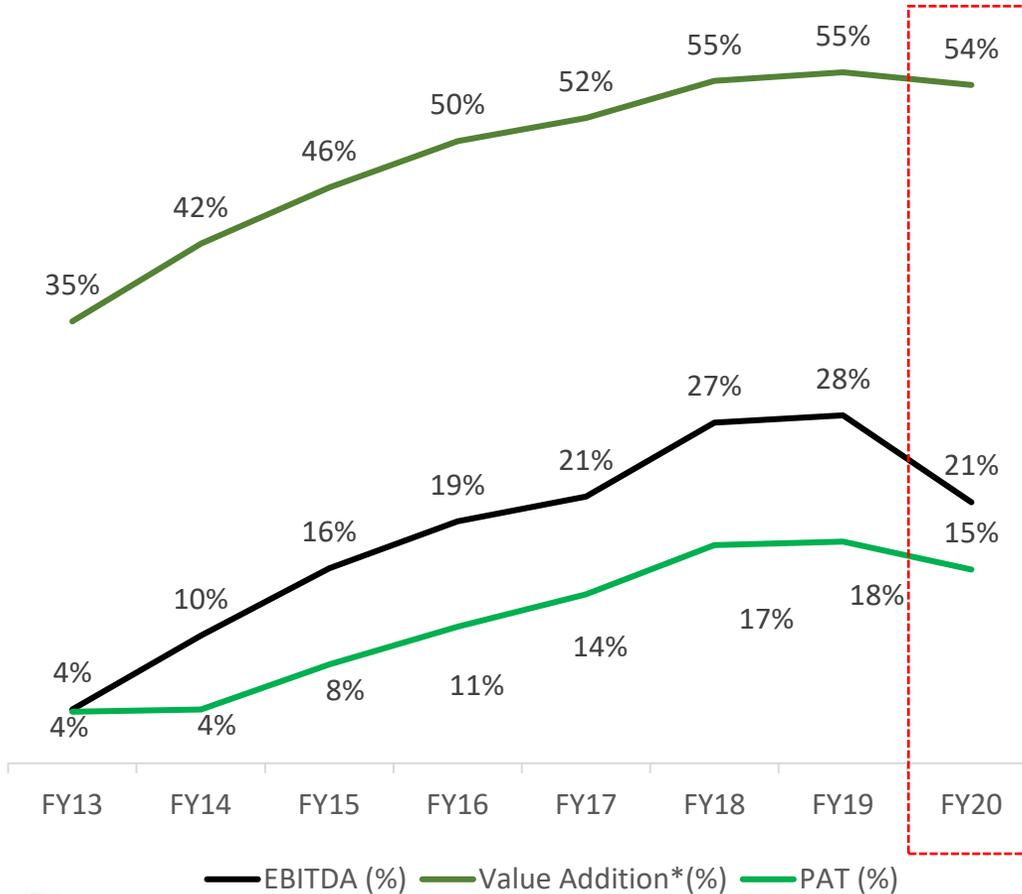
Operating PBT Margins



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

[^] IGAAP

Overall Improvement in Margin Profile of the Company



- **Value addition margin maintained:**
 - Realisations were weak due to Auto slowdown which was offset by some reduction in input prices, Process Efficiency & Better Product mix
- **EBITDA & PAT margins impacted:**
 - Auto Industry Slowdown + NO Anti-dumping duty from August 2019 + Additional Depreciation of Rs. 10 crores

Sustainable Initiatives taken over 5 years

- **Change in Product mix**
 - Share of specialised applications
 - Increased share of export business
- **Technological Improvements**
 - Continual improvement in yield performance
 - Introduction of contemporary technologies
- **Operating leverage**
 - Volume maximisation
 - In-house generation of power at Dahej site

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





For further information, please contact:

Company :

NOCIL Ltd.

CIN: L99999MH1961PLC012003

Mr. P. Srinivasan - CFO

finance@nocil.com

www.nocil.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Ms. Neha Shroff

payal.dave@sgapl.net / neha.shroff@sgapl.net

+91 9819916314 / +91 7738073466

www.sgapl.net

