

NOCIL LIMITED

Investor Presentation

July 2018



Safe Harbor



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ARVIND MAFATLAL GROUP



NOCIL LIMITED

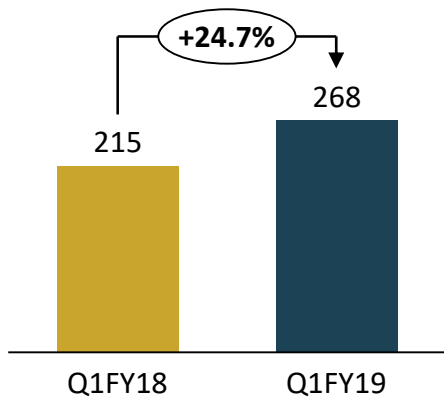
Results Highlights



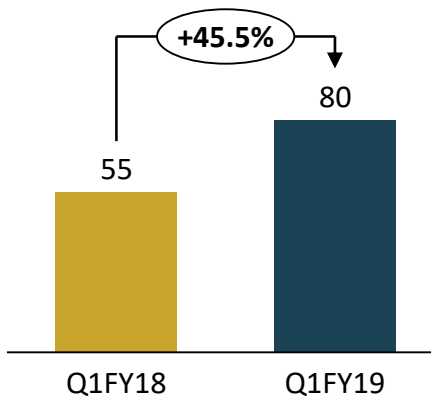


Quarterly Performance

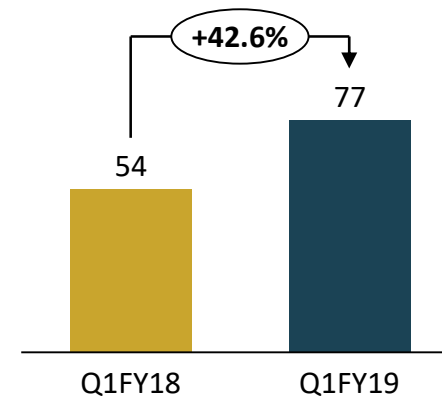
Revenue from Operations*



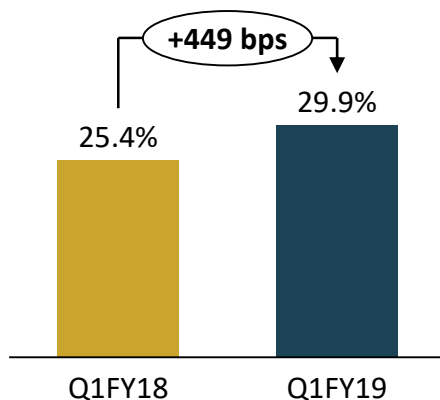
Operating EBITDA



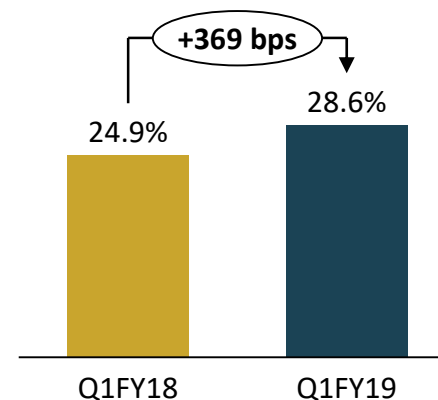
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Operating EBITDA Margins



PBT Margins



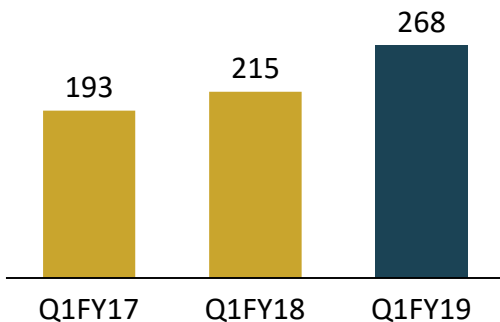
* Revenue from operations is net of GST/Excise duty



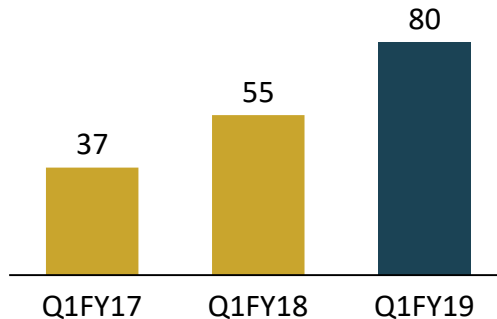


Consistent Performance

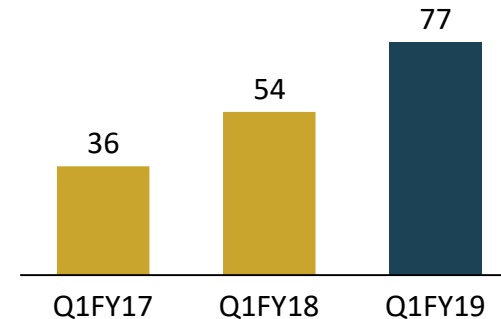
Revenue from Operations*



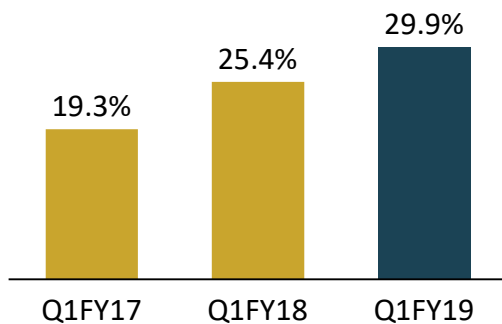
Operating EBITDA



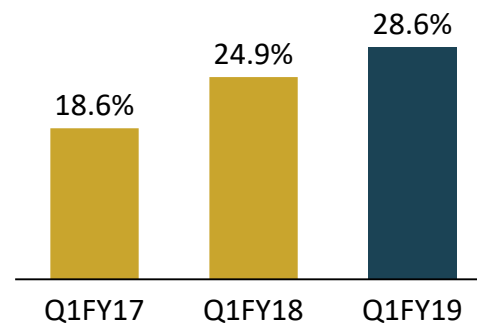
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Operating EBITDA Margins



PBT Margins



* Revenue from operations is net of GST/Excise duty



CAPEX – Key Growth Driver



To capitalize on growth opportunities, Company has Capex

Phase I – Rs. 170 crores

Announced in March'17

- **Phase I (a)** - Expansion at Navi Mumbai has been commissioned and the commercial production have started from Q1 FY18-19
- **Phase I (b)** – Expansion at Dahej is expected to commence the commercial production during Q3 FY2018-19

Phase II – Total Capex of Rs. 255 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)**
- The above capex is expected to commence the commercial production by the end of H1 FY2019-20

Total Capex of Rs. 425 crores - Significant portion will be funded by Internal Accruals

Expansion is expected to give an Asset Turnover of 2X





Statement of Profit & Loss - Quarterly



Rs. In Crores	Q1 FY19	Q1 FY18	Y-o-Y	Q4 FY18	Q-o-Q
Revenue from Operations*	268	215	24.7%	276	-2.8%
Total Raw Material cost	119	96		122	
Value Addition**	149	119		154	
Value Addition (%)	55.6%	55.6%		55.8%	
Employee Expenses	18	19		17	
Other Operating Expenses	51	46		52	
EBITDA	80	55	46.8%	85	-5.1%
EBITDA (%)	29.9%	25.4%		30.7%	
Depreciation	5	4		11	
Other Income	2	3		3	
EBIT	77	54	42.7%	77	0.3%
EBIT (%)	28.7%	25.1%		27.8%	
Interest	0	0		0	
Profit Before Tax	77	54	43.2%	76	0.3%
Tax	26	19		25	
Net Profit	51	35	46.7%	51	-0.3%
Net Profit (%)	19.0%	16.1%		18.5%	
Other Comprehensive Income	-6	-9		-6	
Total Comprehensive Income	45	25	75.0%	45	0.1%
EPS	3.08	2.11		3.1	

*Revenue from operations is net of GST/Excise duty **Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories





ARVIND MAFATLAL GROUP



NOCIL LIMITED

Company Overview





NOCIL in a Snapshot



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 (Both Domestic & International)

Strong Marketing & Distribution Service Network

Certified for Quality and Health/Safety/Environment.

Environment Friendly Processes

Awarded Responsible Care Logo by Indian Chemical Council





Management Team



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. S. R. Deo – Managing Director

- M. Tech. in Chemical Engineering from IIT Kanpur
- Associated with the company for nearly 39 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 36 years

Mr. P. Srinivasan – Chief Financial Officer

- Chartered Accountant with over 29 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 34 years in various R&D capacities

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

- Ph.D. in Analytical Chemistry with 26 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 33 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/ ANTI-OXIDANTS

An ingredient in rubber compounds which deters the ageing or inhibits degradation due to oxygen attack of rubber products thereby enhancing service life

3

PRE VULCANIZATION INHIBITOR

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

4

POST VULCANIZATION STABILIZER

Improves Thermal Stability of cross links in rubber products

One Stop Shop with Wide Range to suit Market Requirements

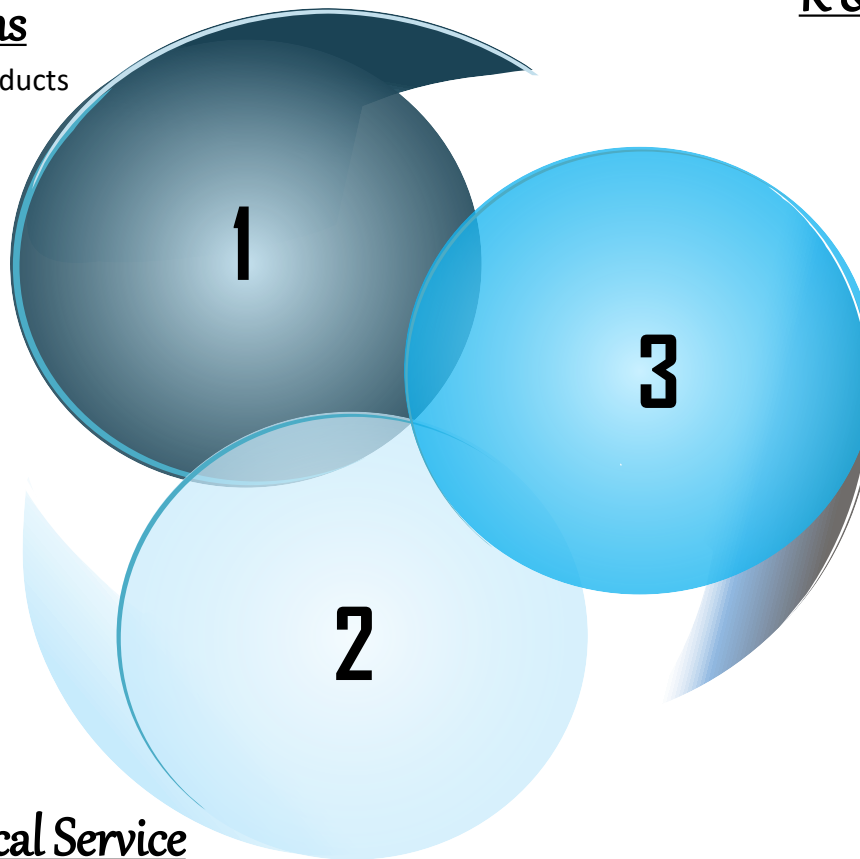




Our Value Proposition

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





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
- Responsible Care by Indian Chemical Council





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NOCIL LIMITED

Industry Potential

Our Positioning



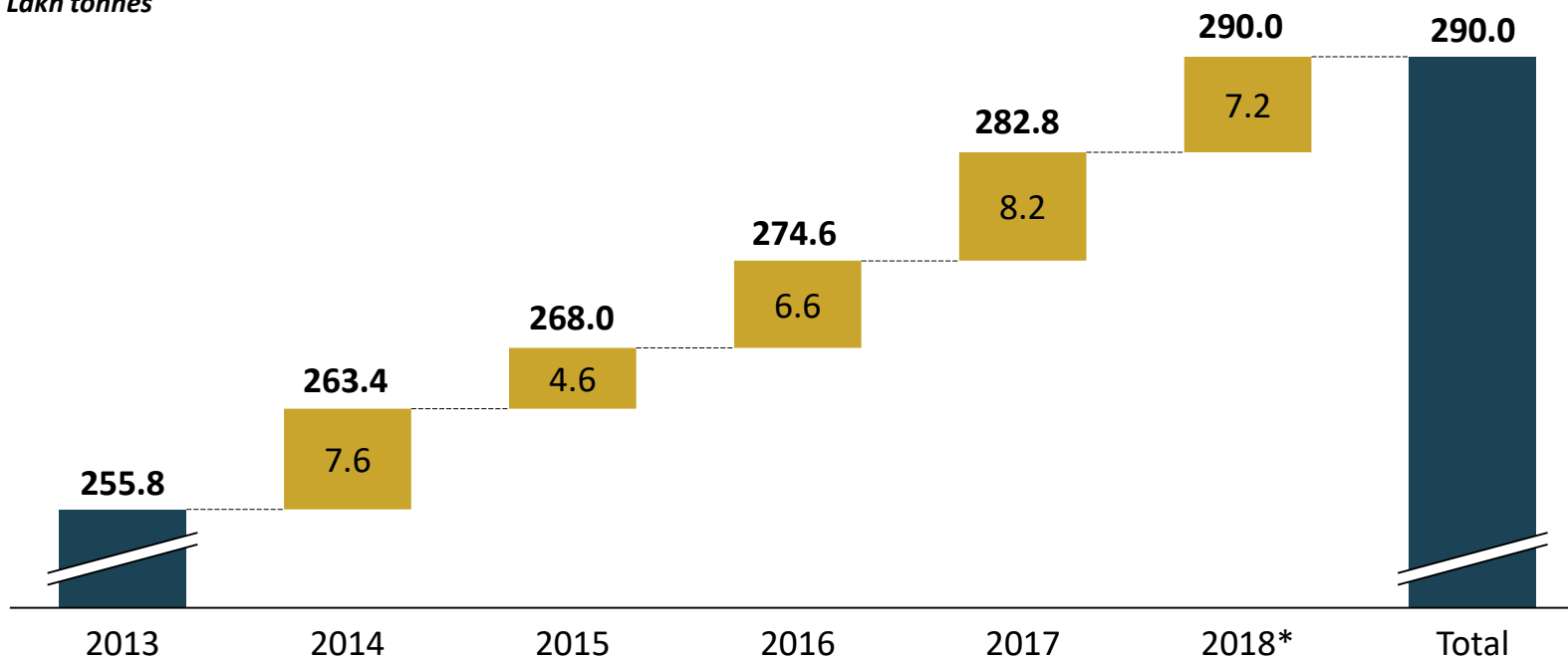


Positive Outlook



Global Rubber Consumption (Natural + Synthetic)

In Lakh tonnes



Rubber Chemicals constitute ~3% - ~4% of the Rubber Consumption
Every year ~40k additional demand for Rubber chemicals is created

*Annualised data

Source : Rubber Statistical Bulletin, April - June 2018 edition



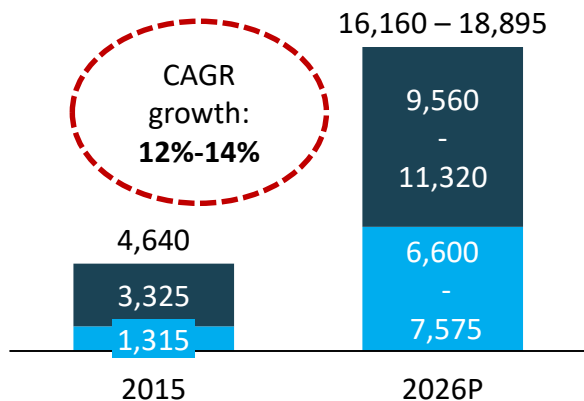


Huge Growth Opportunities

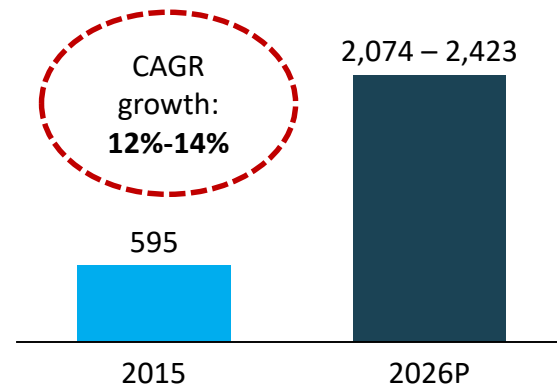


Growth Expectations (Rs. Bn)

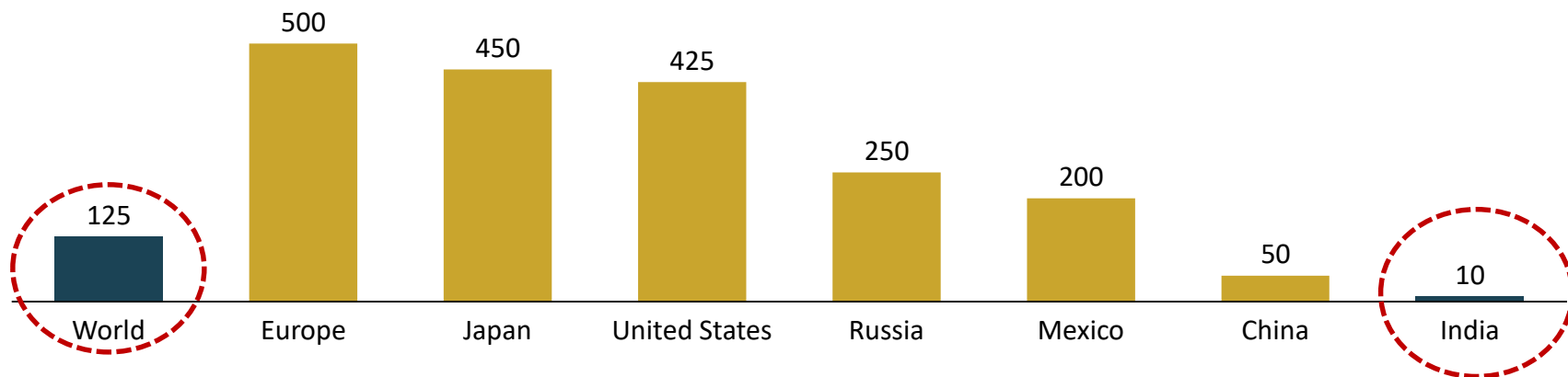
Automotive Industry



Tyre Industry



PV Car Penetration Levels Per 1,000 Population





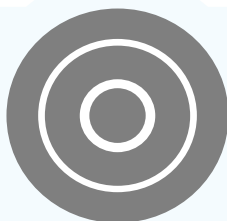
Growth Drivers

01



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

02



Stringent environmental compliance and cost increase in China leading to Better level playing field

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 continue to forecasted to grow around 4% - 5% for next 10 years





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FUTURE Ready

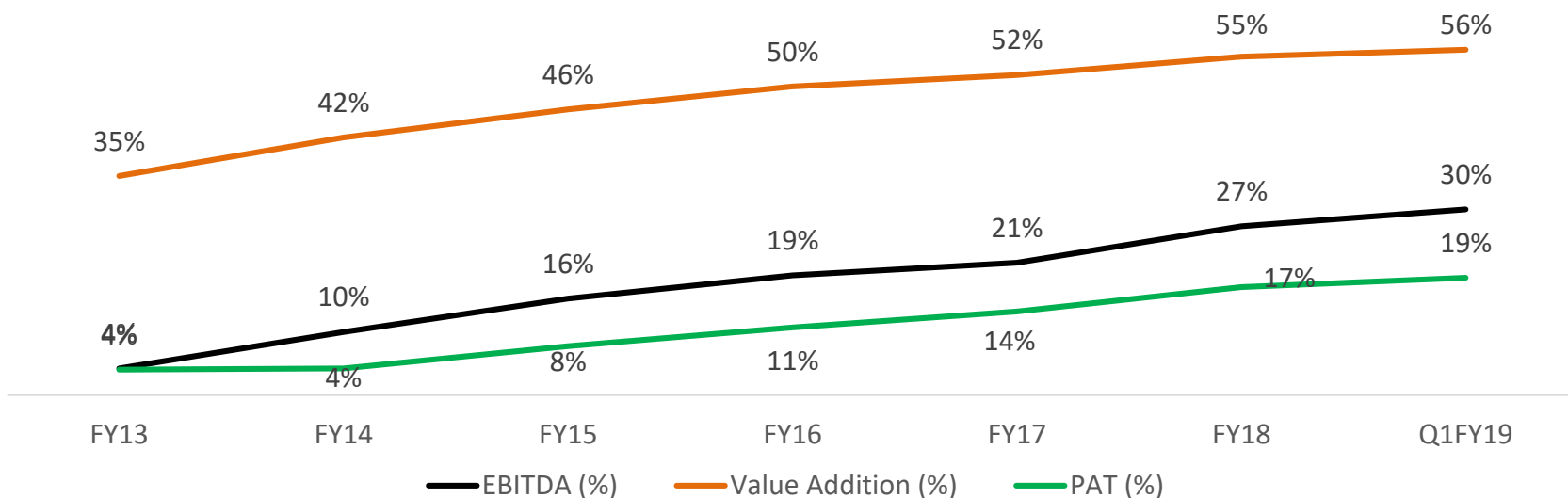




Technology & Speciality Chemicals – Moving up the curve



Overall Improvement in Margin Profile of the Company



- ✓ Strong Process R&D Capabilities leading to significant reduction in cost of production
- ✓ State of the art in-house technology
- ✓ Focused attention on environmental issue
- ✓ Strong position in High-value added products
- ✓ Operating Leverage playing out
- ✓ Further scope of multiple expansion possible



Key Strengths





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Annual Financials



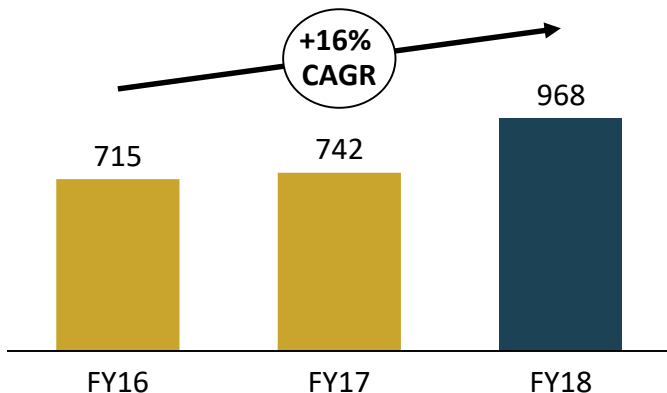


Consistent Annual Performance

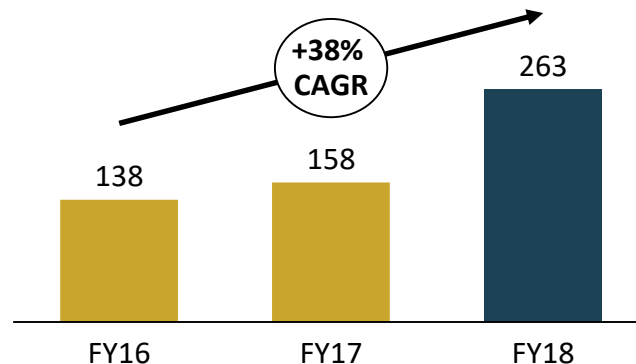


Rs. In Crores

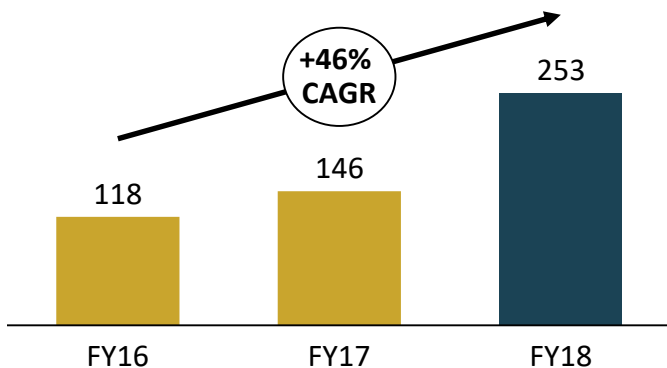
Revenue from Operations*



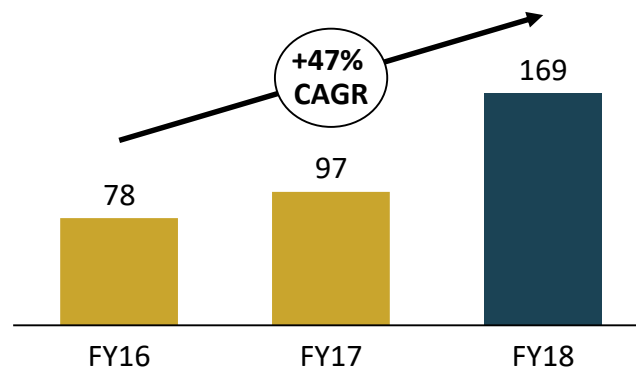
Operating EBITDA



PBT



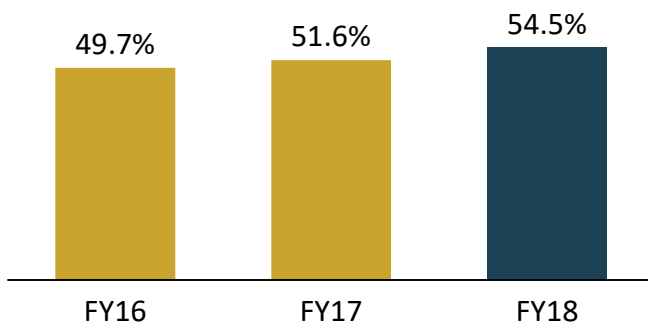
PAT**



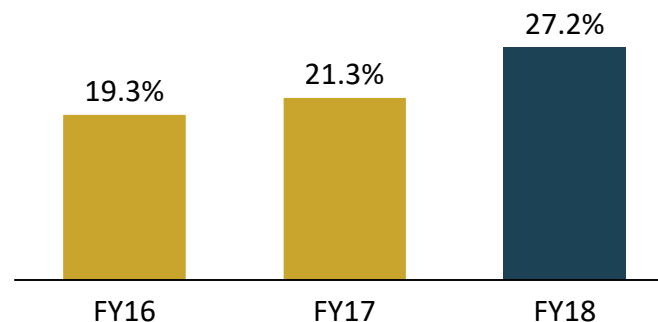


Improving Margin Trend

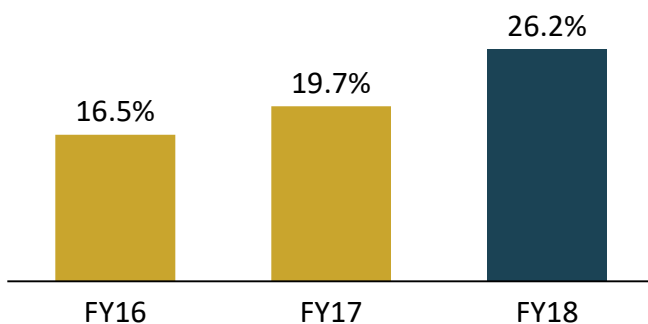
Value Addition*



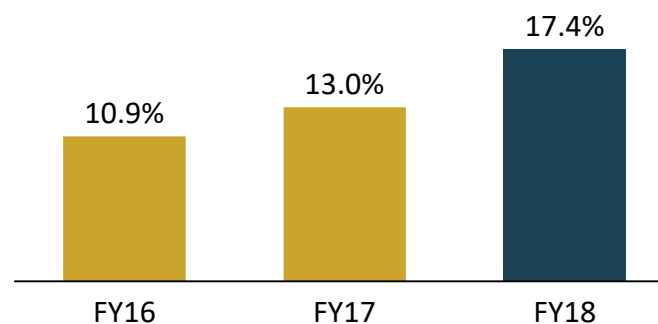
Operating EBITDA Margin



PBT Margin



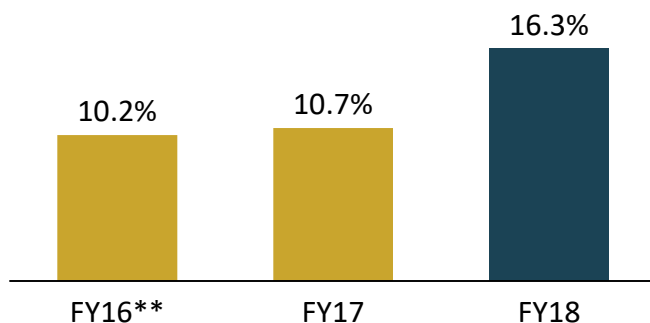
PAT Margin**



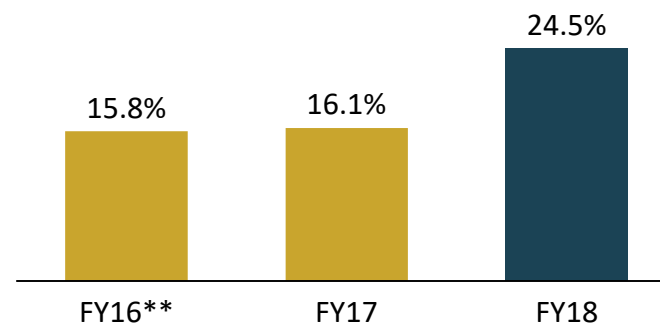


Key Performance Ratios

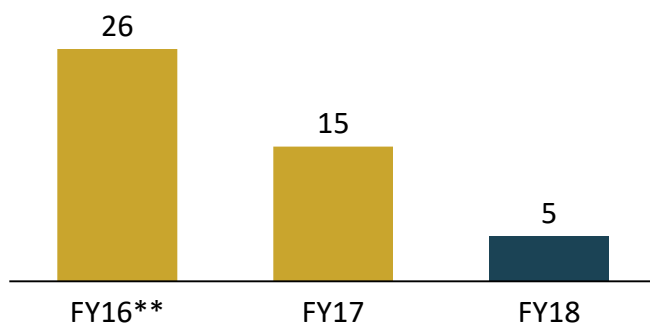
ROE



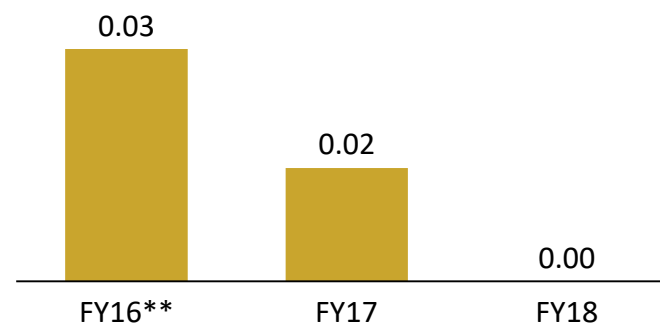
ROCE



Total Debt* (Rs. In Crores)



Total Debt / Equity (x)





Statement of Profit & Loss - Annually



Particulars (Rs. In Crores)	FY18	FY17
Revenue from Operations*	968	742
Cost of Material Consumed	444	330
Purchase of Stock-in-trade	3	3
Changes in Inventories	-7	26
Value Addition**	527	383
Value Addition (%)	54.5%	51.6%
Employee Expenses	67	61
Other Operating Expenses	197	164
EBITDA	263	158
EBITDA (%)	27.2%	21.3%
Other Income	14	9
Depreciation	23	19
EBIT	254	148
EBIT (%)	26.3%	20.0%
Interest	1	2
Profit Before Tax	253	146
Tax	84	49
Net Profit	169	97
Net Profit (%)	17.4%	13.1%
Other Comprehensive Income	-7	63
Total Comprehensive Income	161	160
EPS	10.27	5.98

Revenue from operations is net of GST/Excise duty **Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories
Financials are on Standalone basis and as per Ind AS





Balance Sheet



Particulars (Rs. In Crores)	March'18	March'17	Particulars (Rs. In Crores)	March'18	March'17
ASSETS			EQUITY AND LIABILITIES		
Non-Current Assets	652	741	EQUITY	1,037	905
Property, Plant and Equipment	499	514	Equity Share Capital	164	164
Capital work-in-progress	39	3	Other Equity	873	741
Investment Property	0	1			
Intangible Assets	3	4	Non-Current Liabilities	116	124
Investment in Subsidiary			Financial Liabilities		
Financial Assets			(i) Borrowings	-	5
(i) Investments in Wholly owned subsidiary	25	25	Provisions	15	16
(ii) Other Investments	52	176	Deferred Tax Liabilities (Net)	100	103
(ii) Other financial assets	4	4	Other non-current liabilities	0	0
Non-current tax assets	4	6			
Other non-current Assets	25	9	Current Liabilities	179	119
Current Assets	680	407	Financial Liabilities		
Inventories	155	114	(i) Borrowings	-	-
Financial Assets			(ii) Trade Payables	114	81
(i) Investments	225	0	(iii) Other Financial Liabilities	37	26
(ii) Trade receivables	243	167	Other Current Liabilities	21	8
(iii) Cash and cash equivalents	24	105	Provisions	4	4
(iv) Other bank balances other than cash and cash equivalents	4	8	Current Tax Liabilities (Net)	3	0
(v) Other Financial Assets	0	1			
Other Current Assets	30	12	TOTAL	1,332	1,148
TOTAL	1,332	1,148			

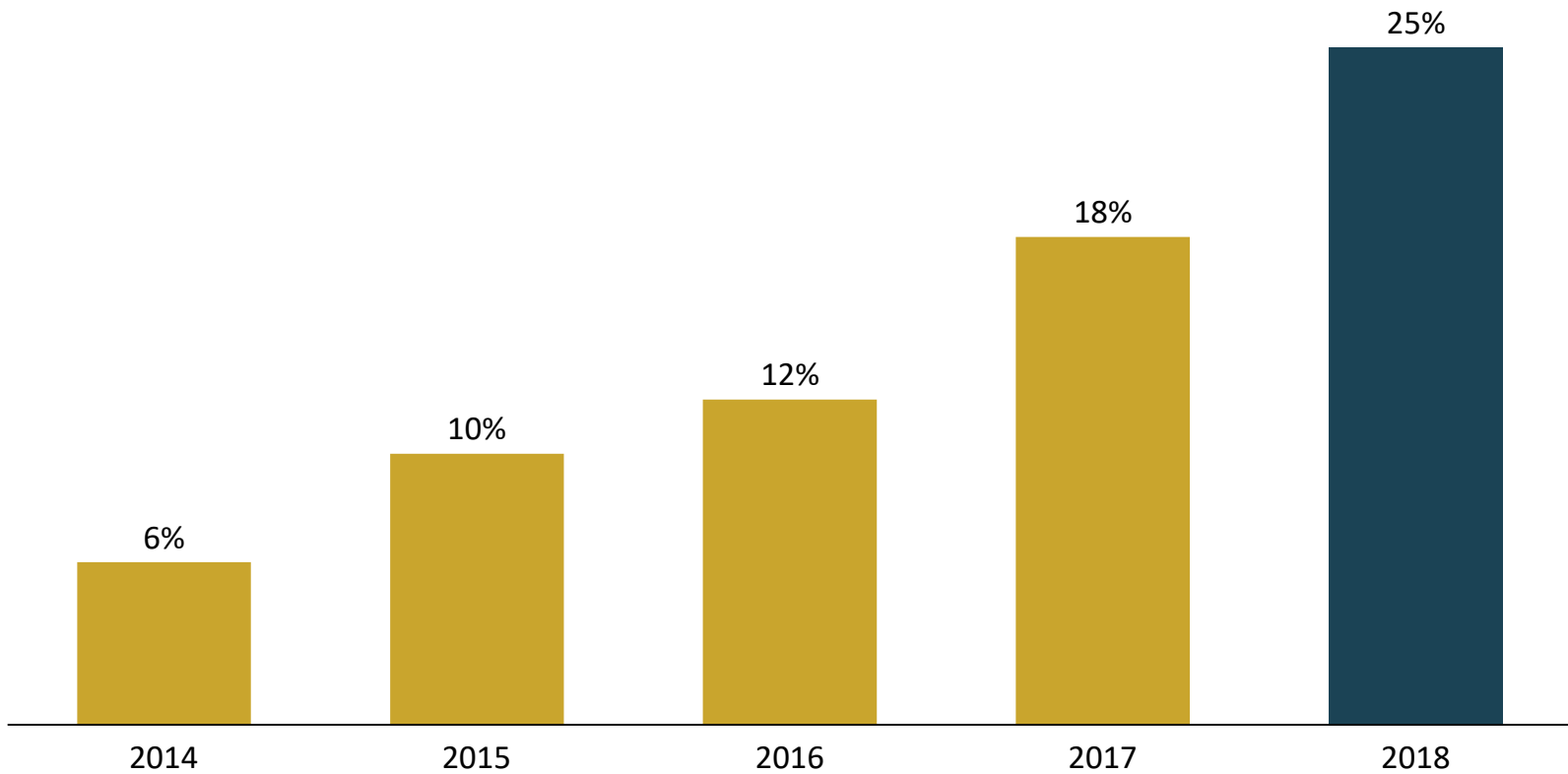




Consistent Dividend Record



As % of Face Value (Rs. 10)





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