



ARVIND MAFATLAL GROUP



# NOCIL LIMITED

## Investor Presentation

May 2017





# Safe Harbor



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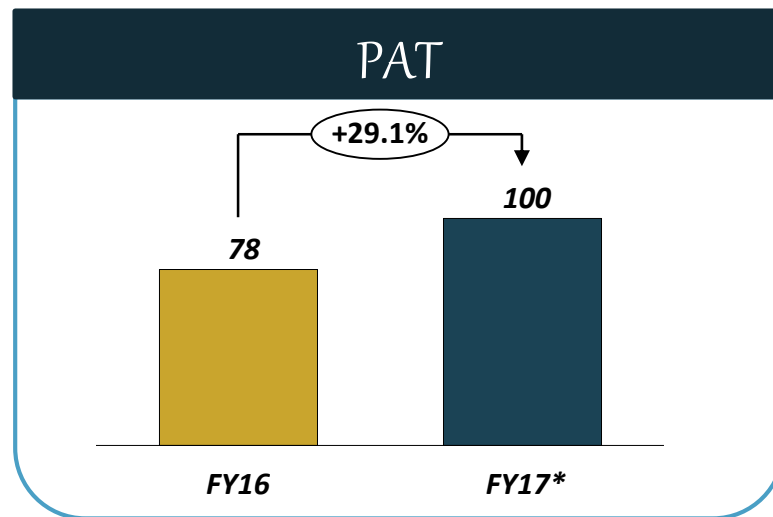
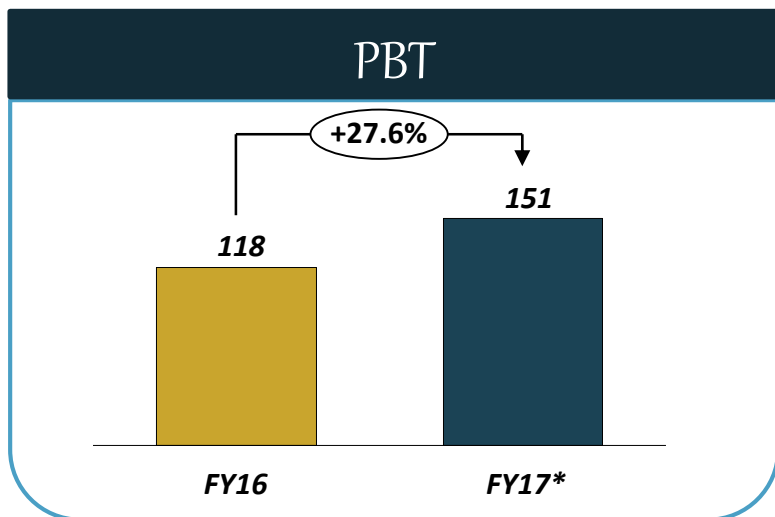
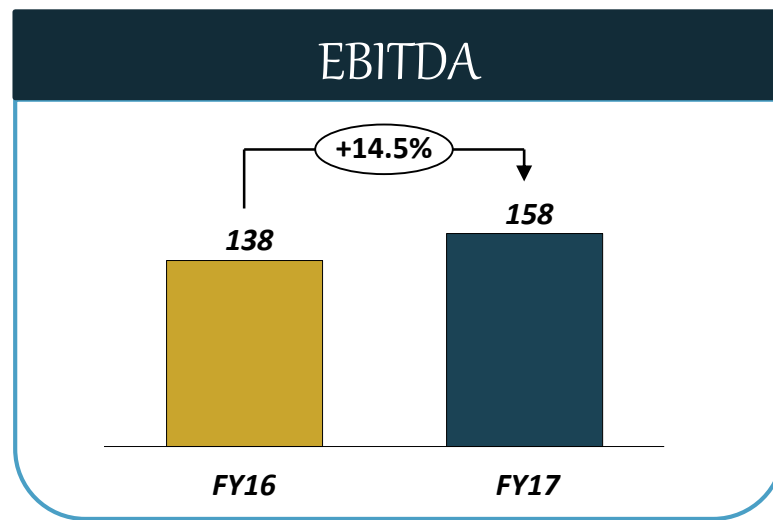
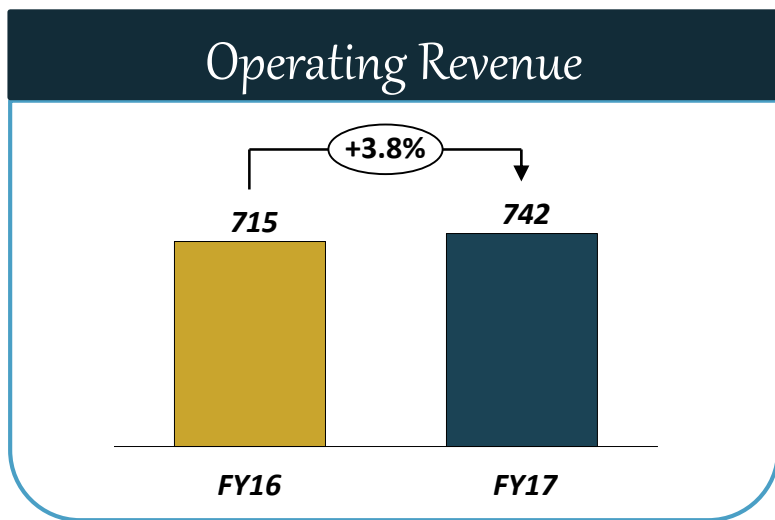
NOCIL LIMITED

# Financial Highlights



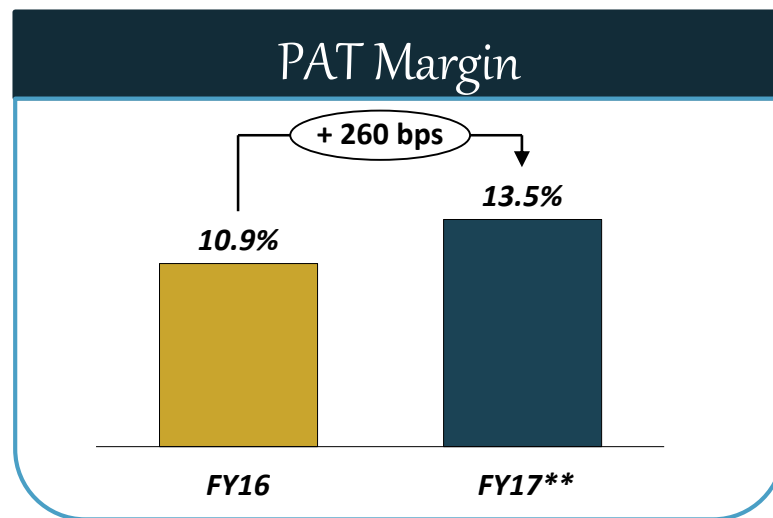
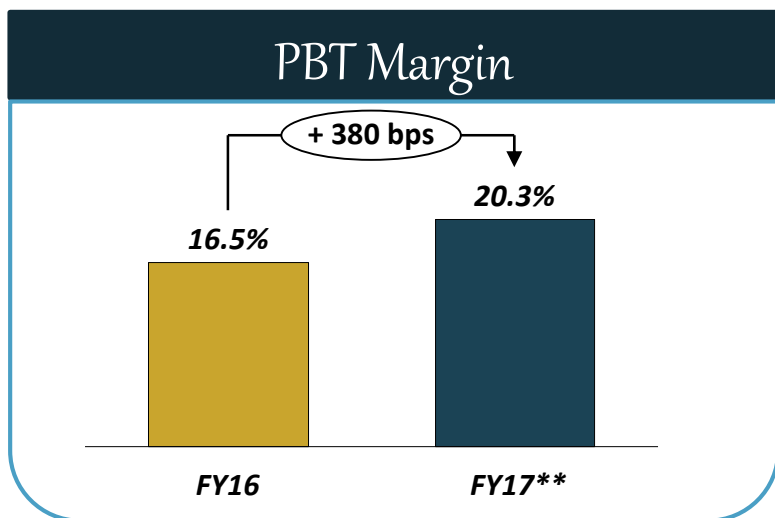
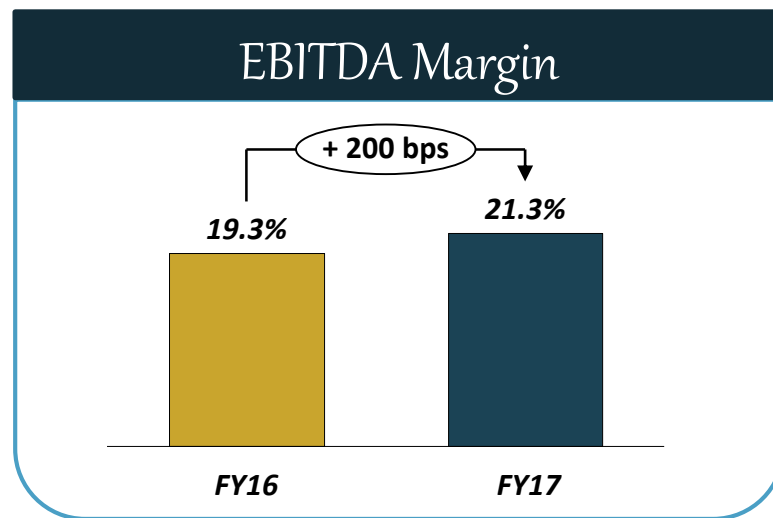
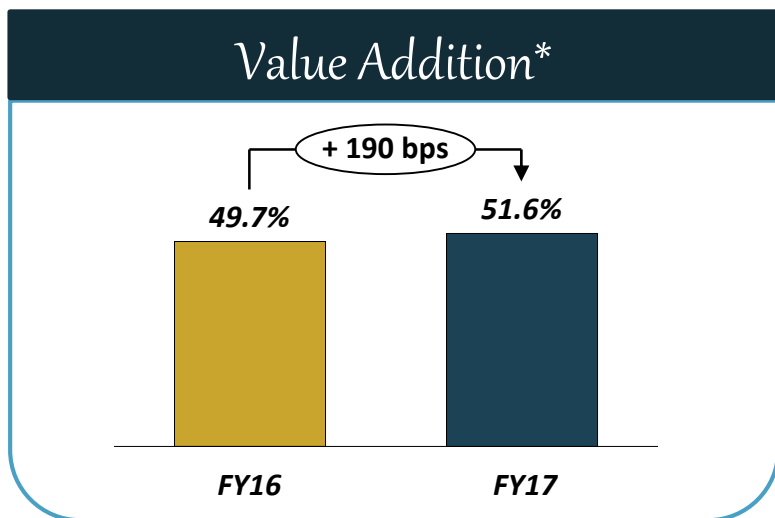


# Financial Highlights – FY17





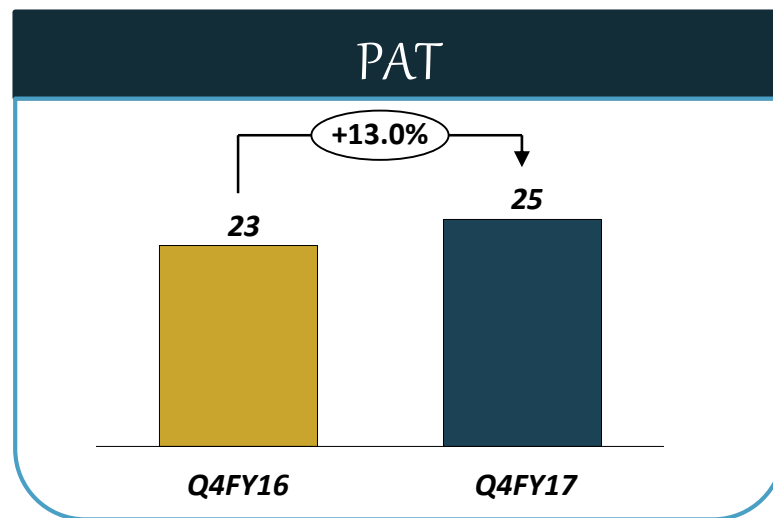
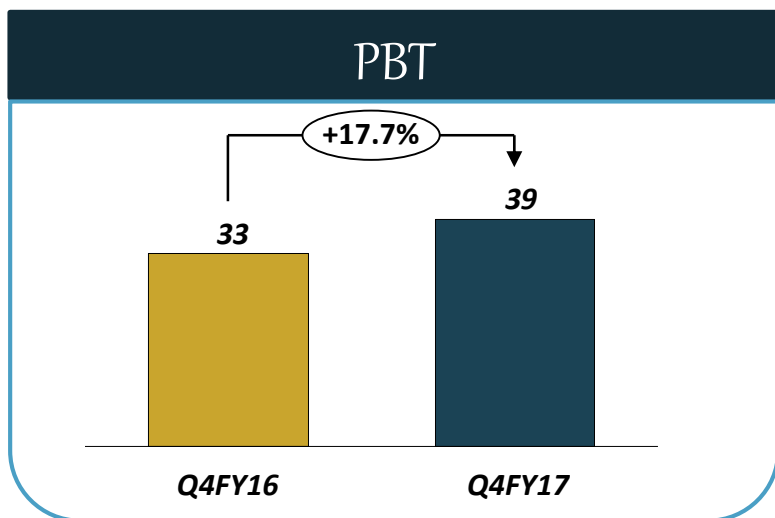
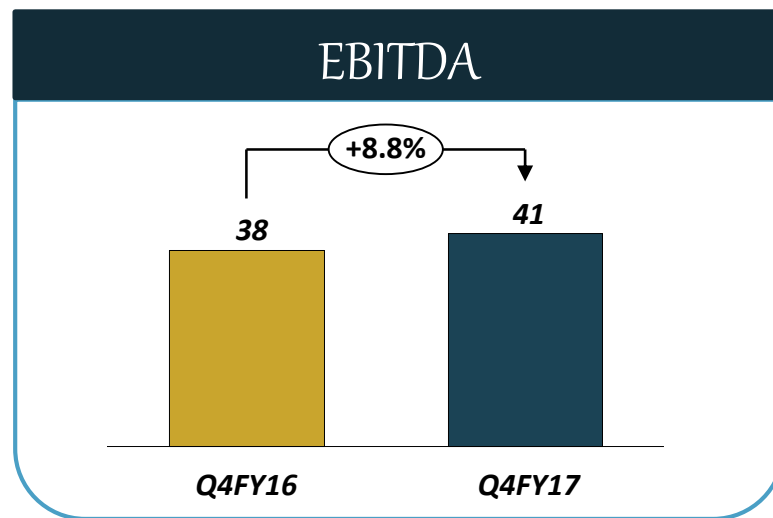
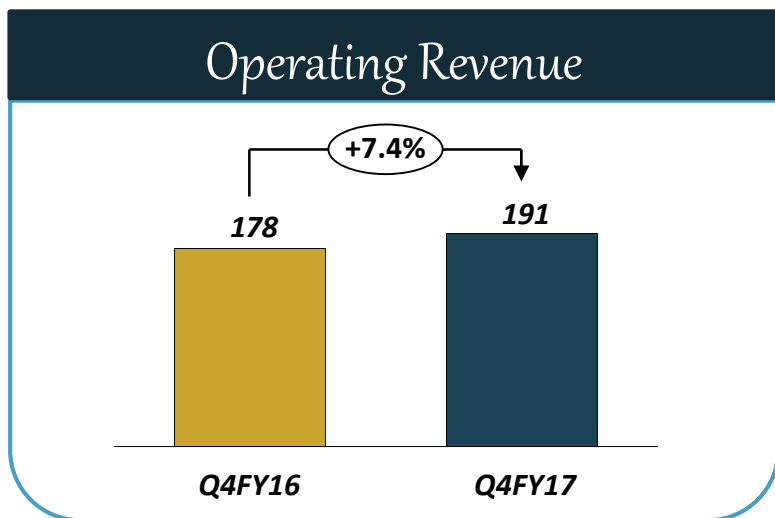
# Margin Profile – FY17



\* Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories \*\* Excl. exceptional gain of Rs.19.7crs

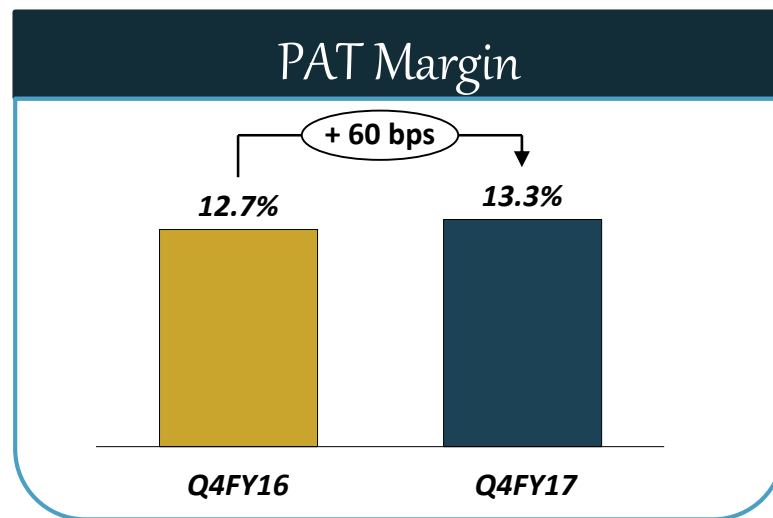
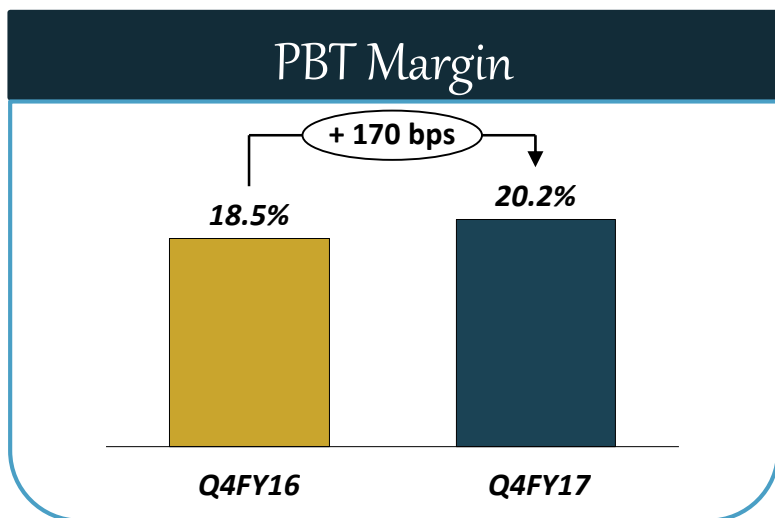
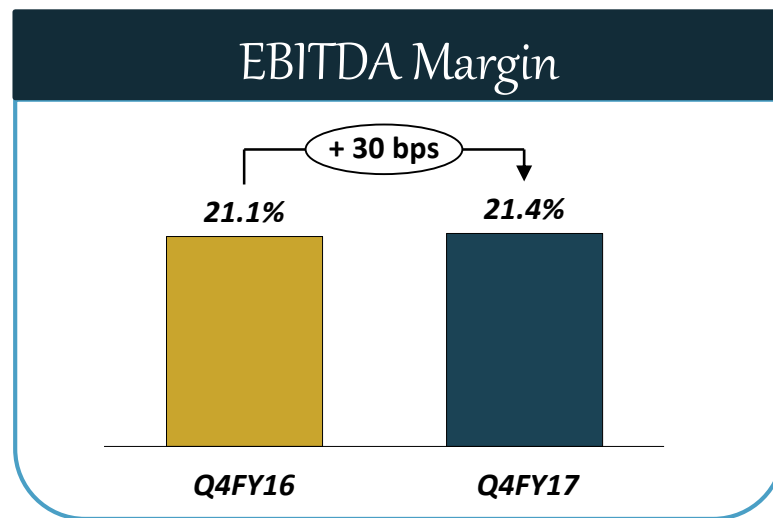
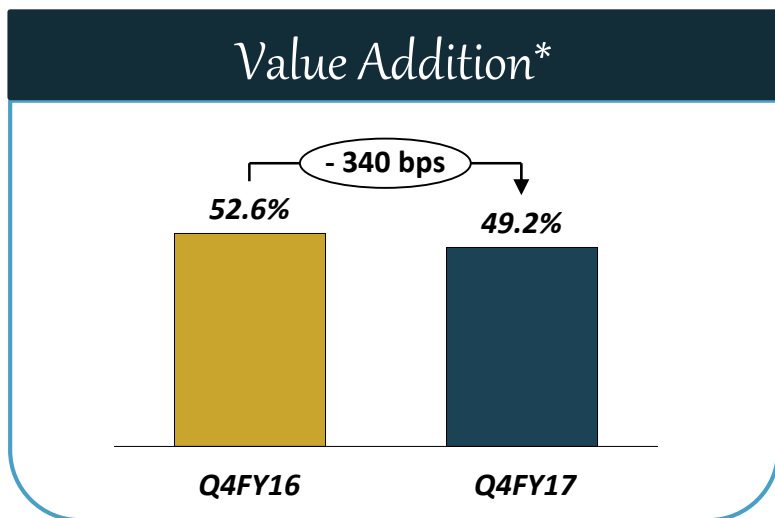


# Financial Highlights –Q4 FY17





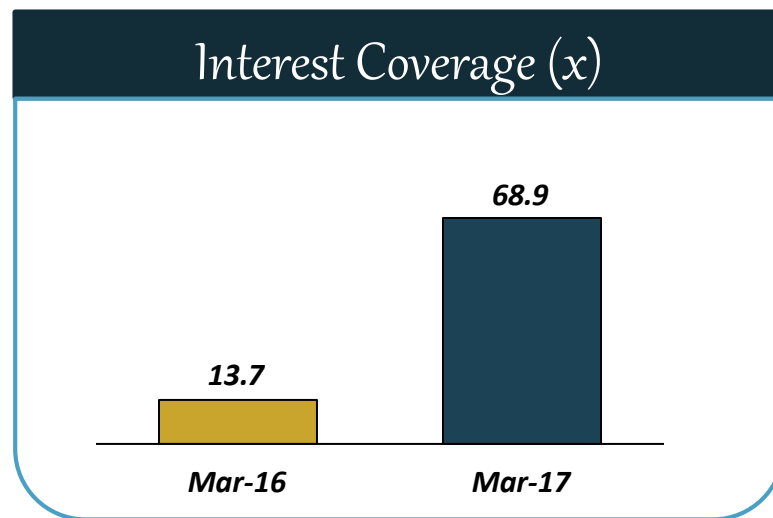
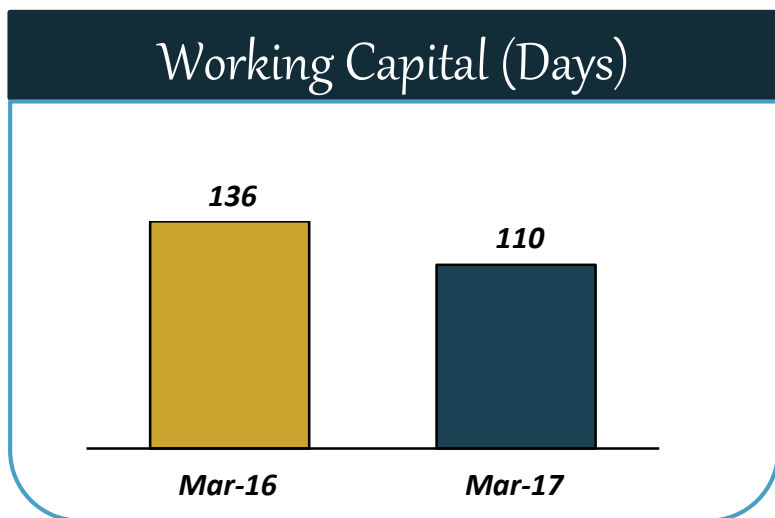
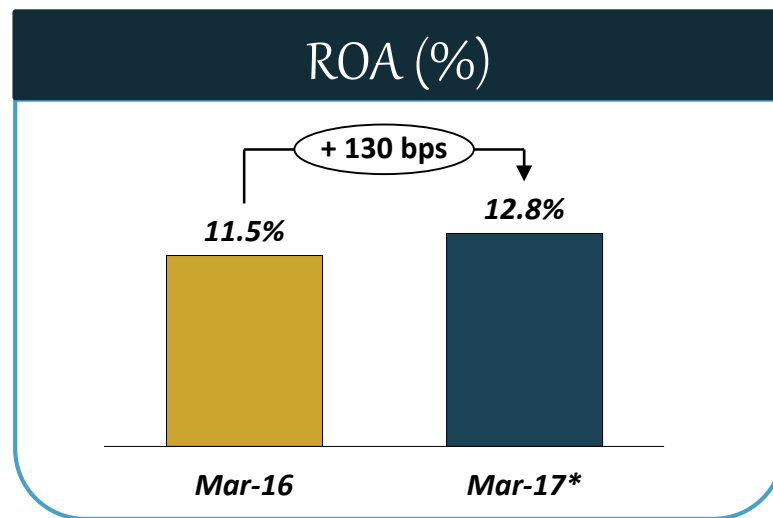
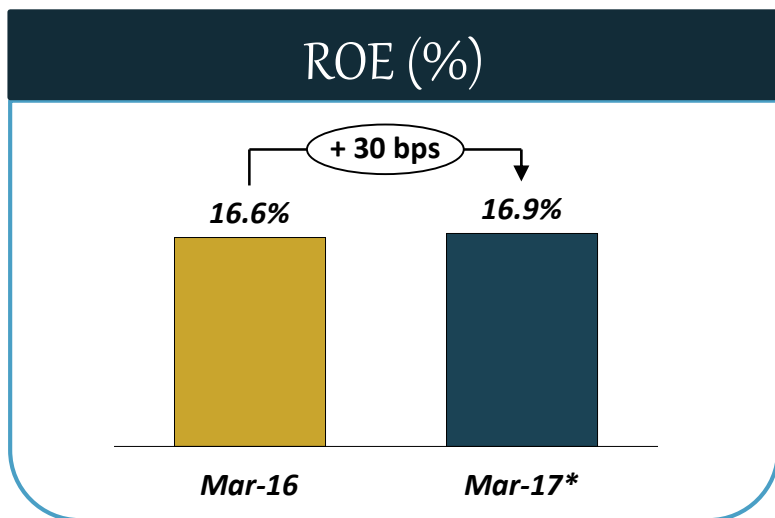
# Margin Profile – Q4 FY17



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



# Improved Ratios



\* Excl. exceptional gain of Rs.19.7crs



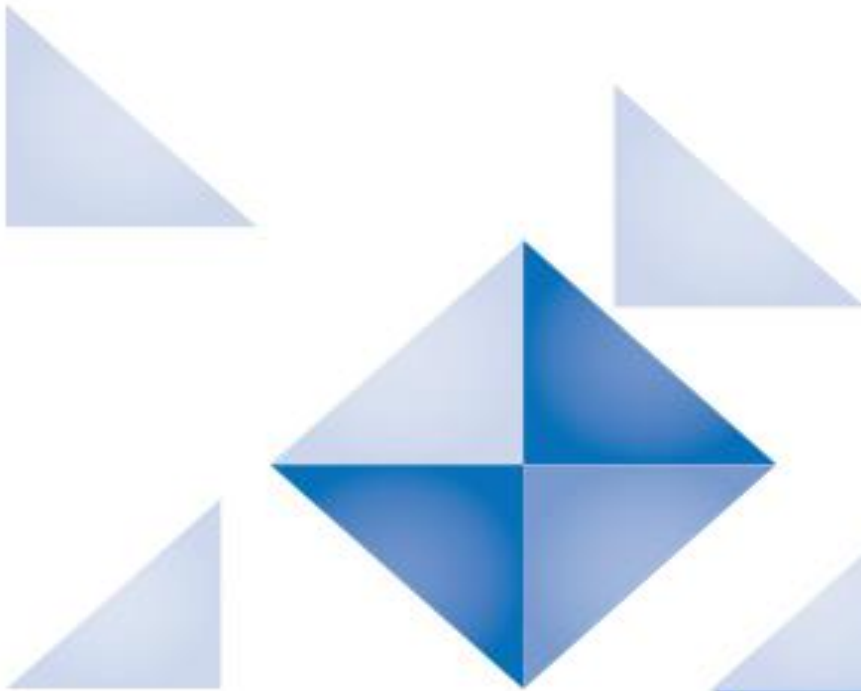


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NOCIL LIMITED

# 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. C. R. Gupte - Managing Director

- Graduate in Chemistry and a Chartered Accountant
- Heading the Rubber Chemicals business from 1995
- Associated with the Company in various senior positions for more than 40 years

## Mr. S. R. Deo – Deputy 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

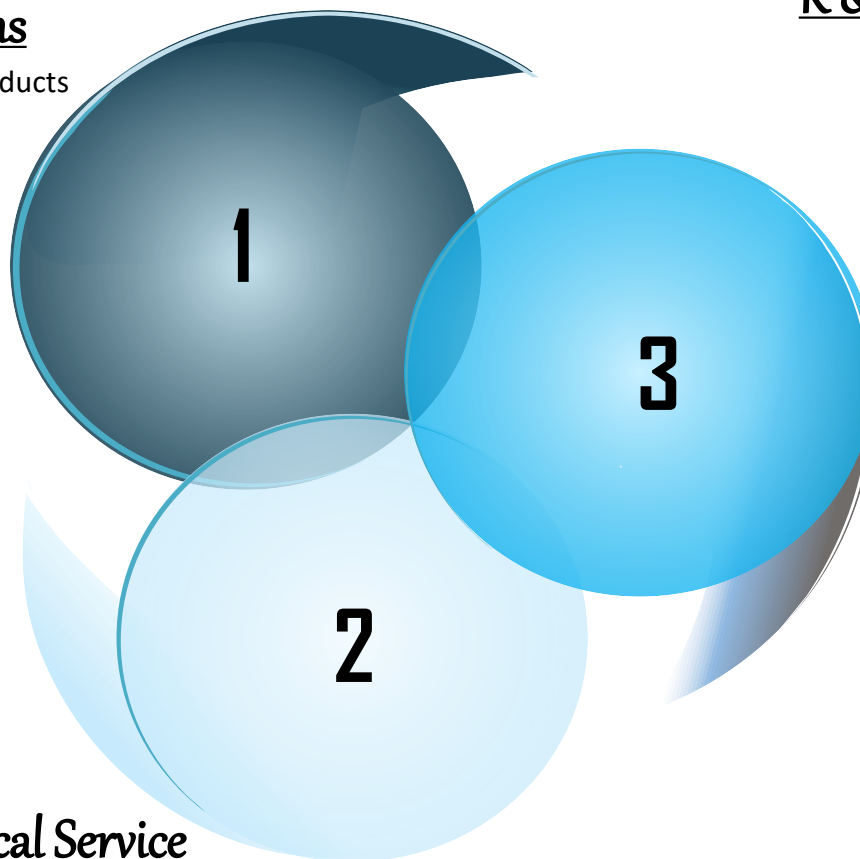
**One Stop Shop with Wide Range to suit Market Requirements**



# 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**

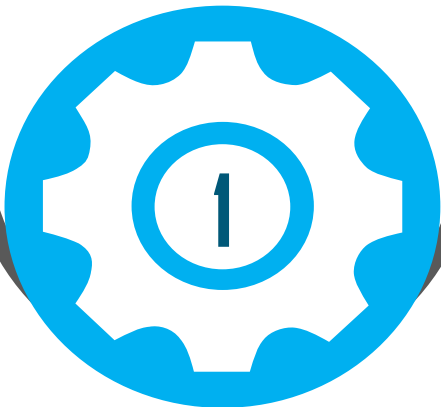


# R&D and Total Quality Management



## 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





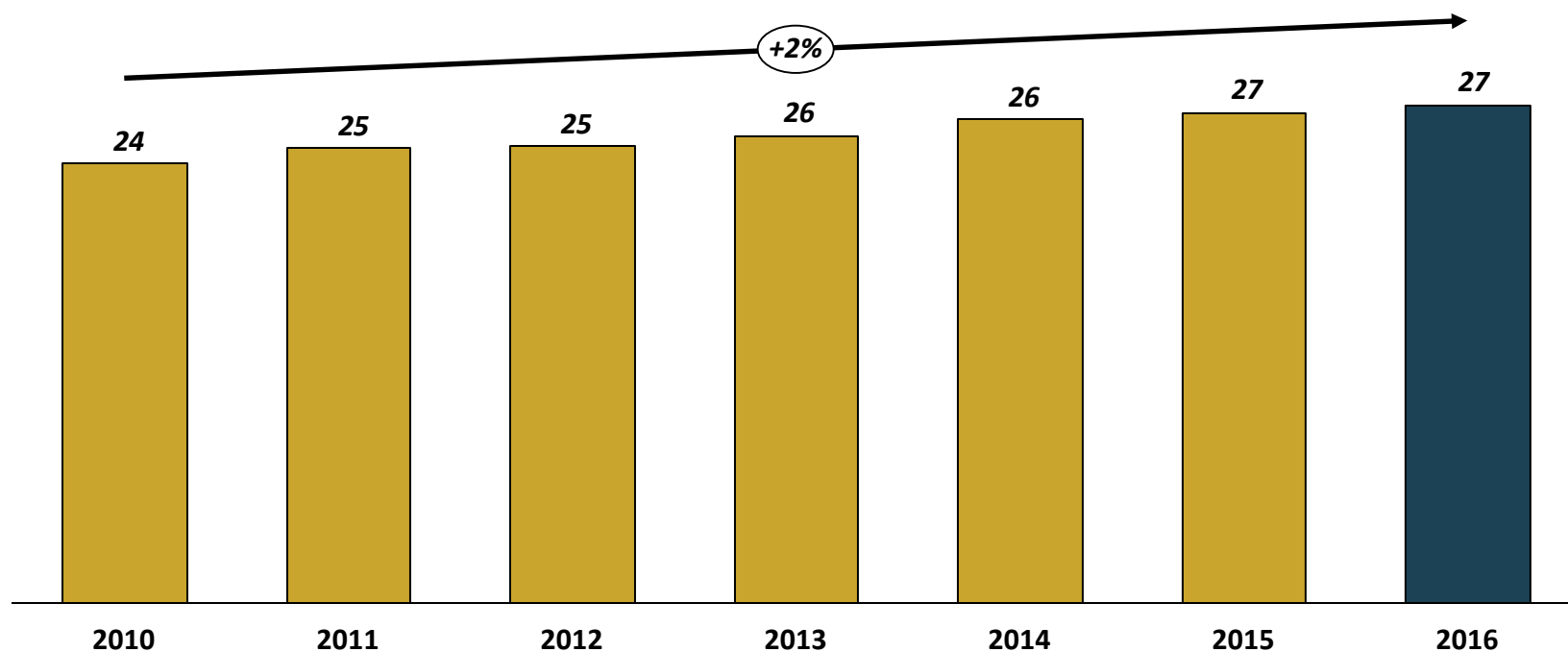


# Positive Outlook



## Global Rubber Consumption (Natural + Synthetic)

Million MT



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



# Growth Drivers



01



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

02



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

03



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

04



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



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*FUTURE Ready*





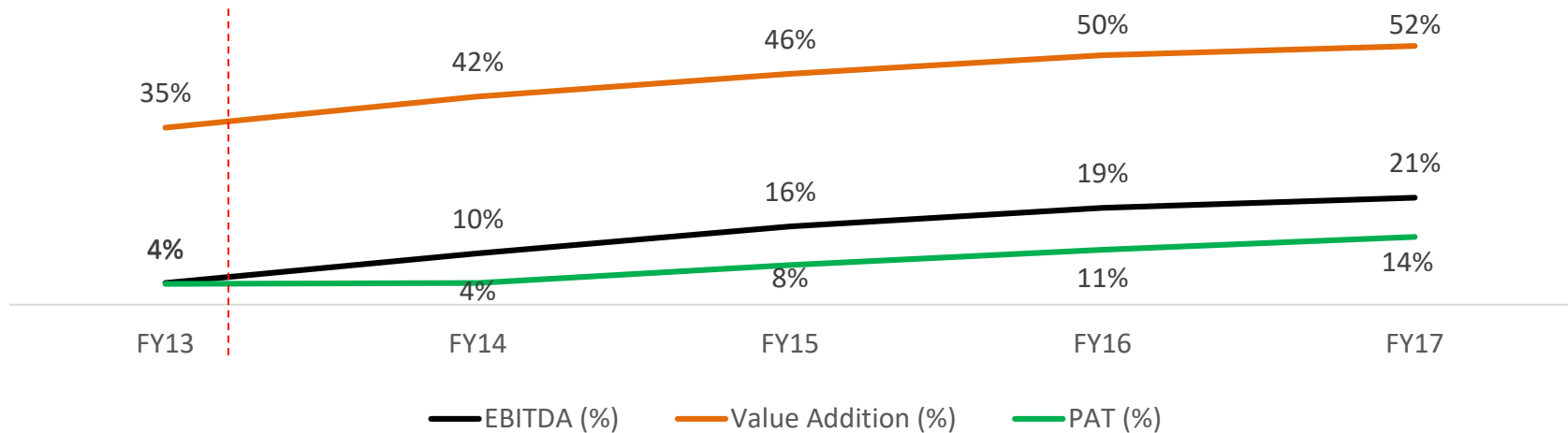
# Dahej Plant – A Game Changer



- ✓ 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)	Q4 FY17	Q4 FY16	Y-o-Y	Q3 FY17	Q-o-Q	FY17	FY16	Y-o-Y
<b>Revenue from Operations</b>	<b>191</b>	<b>178</b>	<b>7.4%</b>	<b>177</b>	<b>7.6%</b>	<b>742</b>	<b>715</b>	<b>3.8%</b>
Cost of Material Consumed	87	73		73		330	312	
Purchase of Stock-in-trade	1	1		1		3	3	
Changes in Inventories	10	11		10		26	44	
<b>Value Addition*</b>	<b>94</b>	<b>93</b>	<b>0.4%</b>	<b>93</b>	<b>1.1%</b>	<b>383</b>	<b>356</b>	<b>7.6%</b>
<b>Value Addition (%)</b>	<b>49.2%</b>	<b>52.6%</b>		<b>52.4%</b>		<b>51.6%</b>	<b>49.7%</b>	
Employee Expenses	13	15		14		61	58	
Other Operating Expenses	40	41		39		164	160	
<b>EBITDA</b>	<b>41</b>	<b>38</b>	<b>8.8%</b>	<b>40</b>	<b>3.1%</b>	<b>158</b>	<b>138</b>	<b>14.5%</b>
<b>EBITDA (%)</b>	<b>21.4%</b>	<b>21.1%</b>		<b>22.3%</b>		<b>21.3%</b>	<b>19.3%</b>	
Depreciation	4	3		4		14	14	
Other Income	2	0		3		9	3	
<b>EBIT</b>	<b>39</b>	<b>34</b>	<b>13.6%</b>	<b>39</b>	<b>1.0%</b>	<b>153</b>	<b>128</b>	<b>20.0%</b>
<b>EBIT (%)</b>	<b>20.4%</b>	<b>19.3%</b>		<b>21.8%</b>		<b>20.6%</b>	<b>17.8%</b>	
Interest	0	2		1		2	9	
<b>Profit Before Tax &amp; Exceptional</b>	<b>39</b>	<b>33</b>	<b>17.7%</b>	<b>38</b>	<b>1.4%</b>	<b>151</b>	<b>118</b>	<b>27.6%</b>
Exceptional Items**	-	-		-		20	-	
<b>Profit Before Tax</b>	<b>39</b>	<b>33</b>	<b>17.7%</b>	<b>38</b>	<b>1.4%</b>	<b>170</b>	<b>118</b>	<b>44.3%</b>
Tax	13	10		13		50	40	
<b>Net Profit</b>	<b>25</b>	<b>23</b>	<b>13.0%</b>	<b>25</b>	<b>0.0%</b>	<b>120</b>	<b>78</b>	<b>54.5%</b>
<b>Net Profit (%)</b>	<b>13.3%</b>	<b>12.7%</b>		<b>14.4%</b>		<b>16.2%</b>	<b>10.9%</b>	
<b>Net Profit excluding exceptional gains</b>	<b>25</b>	<b>23</b>	<b>13.0%</b>	<b>25</b>	<b>0.0%</b>	<b>100</b>	<b>78</b>	<b>29.1%</b>
<b>Net Profit (%) excluding exceptional gains</b>	<b>13.3%</b>	<b>12.7%</b>		<b>14.4%</b>		<b>13.5%</b>	<b>10.9%</b>	





# Balance Sheet

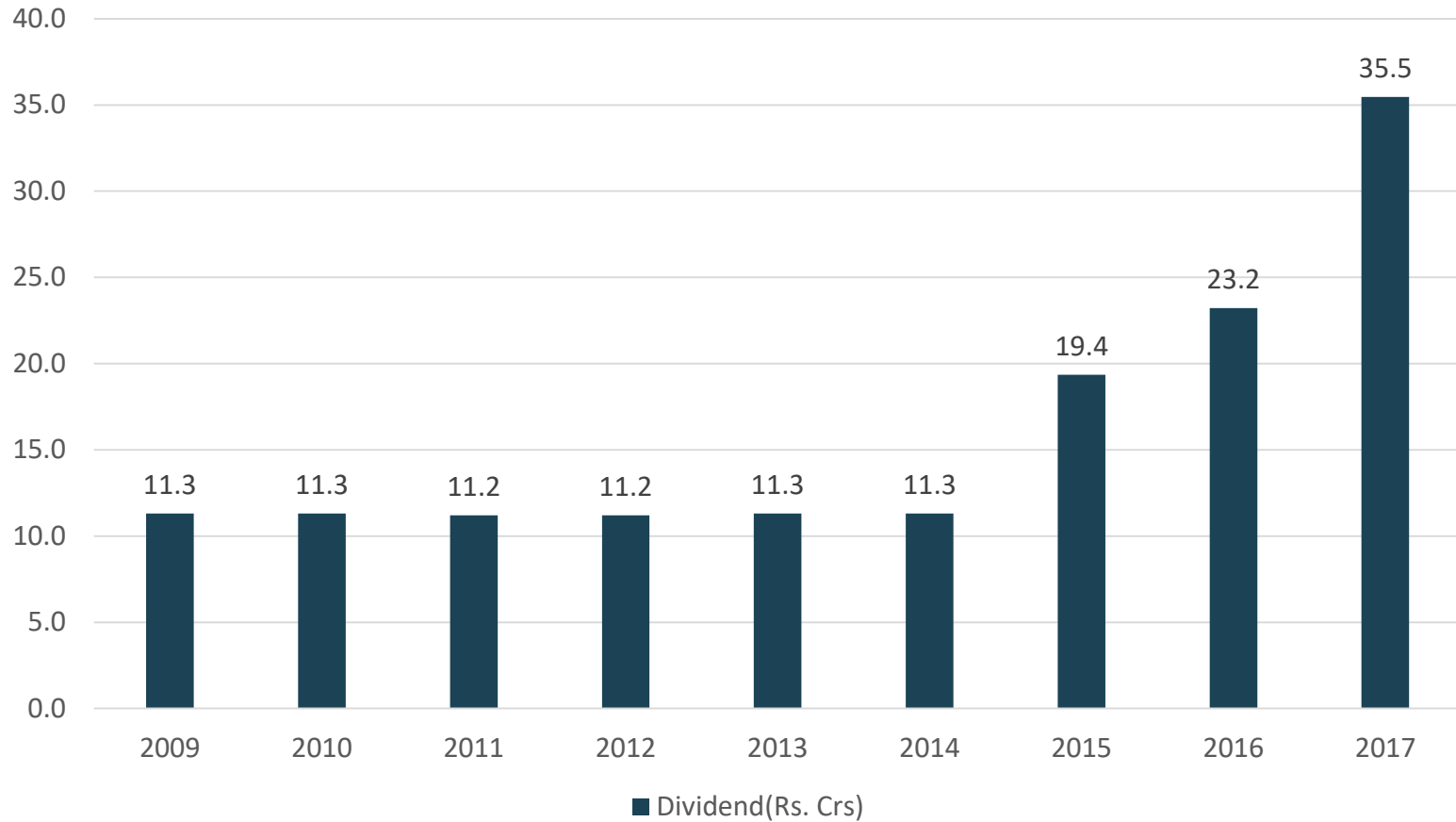


Particulars (Rs. In Crores)	Mar-17	Mar-16
<b>Shareholder's Fund</b>	<b>594</b>	<b>468</b>
Share capital	164	161
Reserves & Surplus	430	307
<b>Non-current liabilities</b>	<b>71</b>	<b>79</b>
Long term borrowings	5	15
Deferred Tax liabilities (net)	49	46
Other Long term liabilities	17	18
<b>Current liabilities</b>	<b>119</b>	<b>132</b>
Short term borrowings	-	1
Trade payables	87	74
Other current liabilities	28	32
Short Term Provisions	4	25
<b>Total Liabilities</b>	<b>783</b>	<b>679</b>

Particulars (Rs. In Crores)	Mar-17	Mar-16
<b>Non-current assets</b>	<b>376</b>	<b>374</b>
Fixed assets (inc. CWIP)	291	296
Non-current Investments	67	47
Other Non-current assets	18	31
<b>Current assets</b>	<b>407</b>	<b>305</b>
Inventories	114	132
Trade receivables	168	152
Cash and bank balances	113	7
Short term loan and advances	12	14
Other current assets	0	0
<b>Total Assets</b>	<b>783</b>	<b>679</b>



# Consistent Dividend Record



*\*Dividend includes Dividend Tax paid*



*For further information, please contact:*

**Company :**

**NOCIL Ltd.**

CIN: L99999MH1961PLC012003

Mr. P. Srinivasan - CFO

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**Investor Relations Advisors :**

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