



Investor Presentation – November 2019



NOCIL LIMITED



ARVIND MAFATLAL GROUP
The ethics of excellence



NOCIL LIMITED





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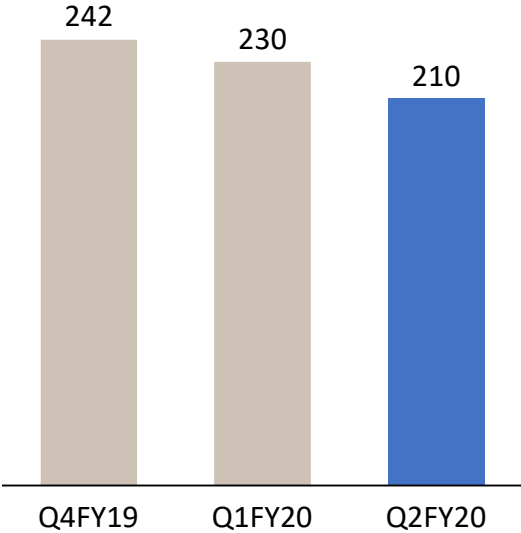
Quarterly Performance



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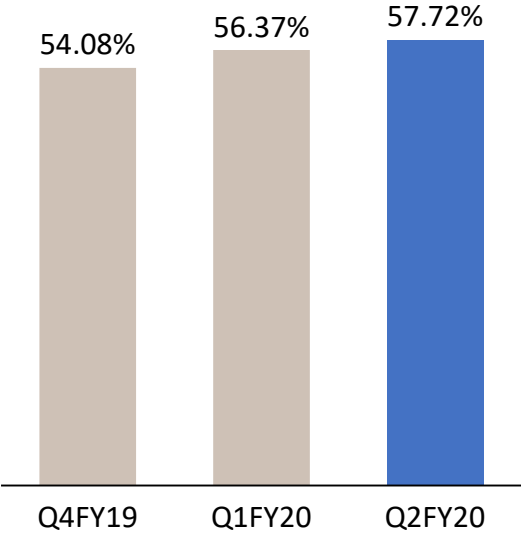
Revenue from Operation (Rs. In crores)

Slowdown in Auto Industry



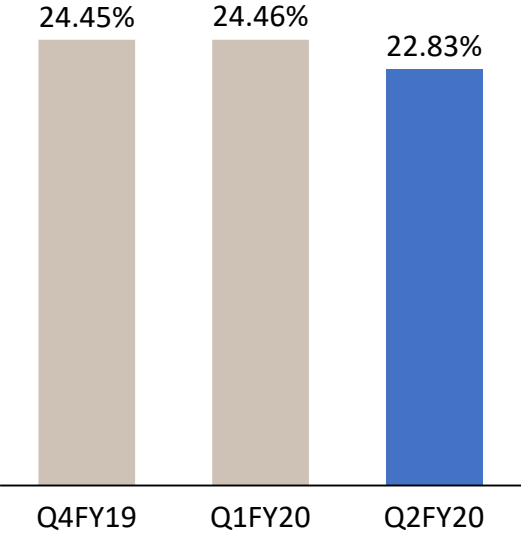
Value Addition (%)

Better Product mix



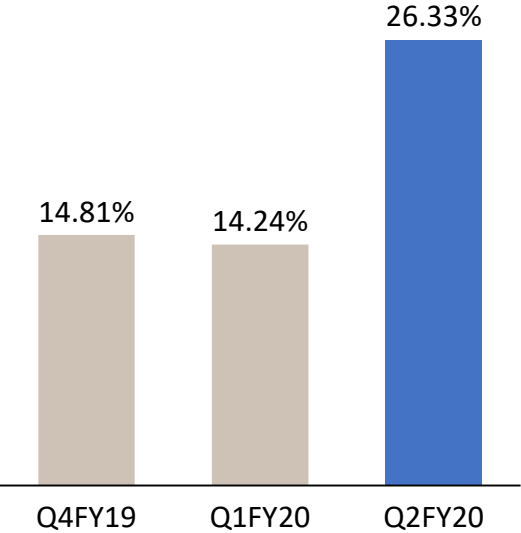
Operating EBITDA (%)

Relatively lower capacity utilisation



PAT (%)

One time impact of reduction in tax rate



Standalone Profit & Loss Statement



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Rs. In Crores	Q2 FY20	Q2 FY19	Y-o-Y	Q1 FY20	Q-o-Q	H1 FY20	H1 FY19	Y-o-Y
Net Revenue from Operations	210	272	-22.9%	230	-8.7%	439	540	-18.7%
Raw Material	89	119		100		189	238	
Value Addition *	121	153		129		250	302	
Value Addition %	57.7%	56.1%		56.4%		57.0%	55.9%	
Employee Expenses	18	16		20		38	34	
Other Operating Expenses	55	57		54		109	109	
Operating EBITDA	48	79	-39.3%	56	-14.7%	104	159	-34.4%
Operating EBITDA Margin	22.8%	29.0%		24.5%		23.7%	29.4%	
Depreciation	8	6		8		15	11	
Other Income	2	3		2		5	6	
EBIT	43	77	-44.2%	51	-16.3%	94	153	-39.0%
EBIT Margin	20.3%	28.1%		22.2%		21.3%	28.4%	
Interest	0	0		0		1	0	
Profit Before Tax	42	76		51		93	153	
Tax	-13**	24		18		5	49	
Net Profit	55	53	4.5%	33	69%	88	104	-15.2%
Net Profit Margin	26.3%	19.4%		14.2%		20.0%	19.2%	



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

** includes deferred tax credit of Rs. 24 crores on account of reduction in tax rate

Consolidated Profit & Loss Statement



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Rs. In Crores	Q2 FY20	Q2 FY19	Y-o-Y	Q1 FY20	Q-o-Q	H1 FY20	H1 FY19	Y-o-Y
Net Revenue from Operations	210	272	-22.9%	230	-8.7%	439	540	-18.7%
Raw Material	89	119		100		189	238	
Value Addition *	121	153		129		250	302	
Value Addition %	57.7%	56.1%		56.4%		57.0%	55.9%	
Employee Expenses	19	17		20		39	36	
Other Operating Expenses	54	56		53		106	106	
Operating EBITDA	48	80	-39.3%	57	-14.3%	105	160	-34.3%
Operating EBITDA Margin	23.1%	29.3%		24.6%		23.9%	29.6%	
Depreciation	8	6		8		16	12	
Other Income	2	3		3		5	5	
EBIT	43	77	-44.6%	51	-17.0%	94	154	-39.0%
EBIT Margin	20.3%	28.2%		22.3%		21.3%	28.4%	
Interest	0	0		0		1	0	
Profit Before Tax	42	77		51		93	153	
Tax	-13	24		18		5	49	
Net Profit	55	53	3.9%	33	67.1%	88	104	-15.4%
Net Profit Margin	26.2%	19.4%		14.3%		20.0%	19.2%	



Standalone Balance Sheet



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Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
ASSETS		
Non-current assets	966	852
Property, Plant and Equipment	625	626
Capital work-in-progress	236	131
Investment Property	0	0
Intangible Assets	2	2
Financial Assets		
(i) Investments in Wholly owned subsidiary	25	25
(ii) Other Investments	26	22
(iii) Other financial assets	6	6
Non-current tax assets	12	5
Other non-current assets	33	34
Current assets	476	576
Inventories	154	170
Financial Assets		
(i) Investments	53	101
(ii) Trade receivables	197	232
(iii) Cash and cash equivalents	30	36
(iv) Bank balances other than cash and cash equivalents	3	3
(v) Other Financial Assets	1	0
Other Current Assets	38	33
TOTAL	1,441	1,428

Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
EQUITY AND LIABILITIES		
EQUITY	1,186	1,153
Equity Share Capital	166	165
Other Equity	1,020	988
Non-Current Liabilities	109	120
Financial Liabilities		
(i) Financial Lease Liability	8	0
Provisions	15	15
Deferred Tax Liabilities (Net)	87	105
Other non-current liabilities	0	0
Current liabilities	146	155
Financial Liabilities		
(i) Trade Payables	97	99
(ii) Other Financial Liabilities	35	47
Provisions	7	6
Current Income Tax Liabilities (Net)	4	1
Other Current Liabilities	3	2
TOTAL	1,441	1,428



Consolidated Balance Sheet



ARVIND MAFATLAL GROUP NOCIL LIMITED
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Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
ASSETS		
Non-current assets	972	858
Property, Plant and Equipment	654	654
Capital work-in-progress	236	131
Investment Property	0	0
Intangible Assets	2	2
Financial Assets		
(i) Investments in Wholly owned subsidiary	0	
(ii) Other Investments	27	23
(iii) Other financial assets	7	7
Non-current tax assets	13	7
Other non-current assets	33	34
Current assets	483	584
Inventories	154	171
Financial Assets		
(i) Investments	55	104
(ii) Trade receivables	197	232
(iii) Cash and cash equivalents	32	37
(iv) Bank balances other than cash and cash equivalents	6	5
(v) Other Financial Assets	1	0
Other Current Assets	38	34
TOTAL	1,455	1,442

Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
EQUITY AND LIABILITIES		
EQUITY	1,195	1,163
Equity Share Capital	166	165
Other Equity	1,030	998
Non-Current Liabilities	114	124
Financial Liabilities		
(i) Financial Lease Liability	8	0
Provisions	15	15
Deferred Tax Liabilities (Net)	91	109
Other non-current liabilities	0	0
Current liabilities	145	155
Financial Liabilities		
(i) Trade Payables	96	98
(ii) Other Financial Liabilities	35	47
Provisions	8	6
Current Income Tax Liabilities (Net)	4	1
Other Current Liabilities	3	2
TOTAL	1,455	1,442



Cashflow Statement



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Particulars (Rs. In Crores)	Standalone		Consolidated	
	Six Months Ended 30 th Sep 19	Year Ended 31 st Mar 19	Six Months Ended 30 th Sep 19	Year Ended 31 st Mar 19
Cash flow from operating activities				
Profit before tax	93	277	93	278
Adjustments for noncash items / non operating items	13	15	13	16
Operating profit before working capital changes	106	292	106	294
Working capital adjustments	54	(40)	53	(42)
Cash flows generated from operating activities	160	252	160	252
Income tax paid (Net of Refund)	28	88	28	88
Net Cash flows generated from operating activities (A)	132	164	132	164
Net Cash flows generated from investing activities (B)	(88)	(102)	(87)	(101)
Net Cash flows generated from financing activities (C)	(49)	(50)	(49)	(50)
Net Cash Increase / (Decrease)	(6)	12	(5)	13



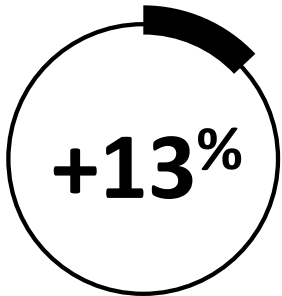
Business Overview



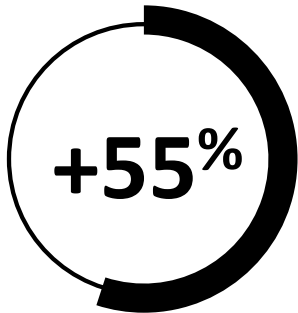


- *Part of Arvind Mafatlal Group*
- *Expertise in Rubber Chemical Business over 4 decades*
- *Largest Rubber Chemicals Manufacturer in India*
- *Long Term Business Relationships with Tyre Majors (Both Domestic & International)*
- *Awarded Responsible Care Logo by Indian Chemical Council*

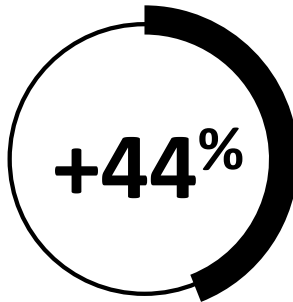
Revenue*



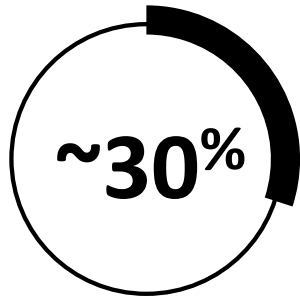
EBITDA*



Operating PBT*



Dividend Payout
more than 5 years



* CAGR growth from (FY13-FY19)





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. R. M. Gadgil - President - Marketing

- B Tech in Chemical Engineering from IIT Mumbai
- Associated with the Company in various marketing capacities for nearly 37 years

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

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

Mr. P. Srinivasan – Chief Financial Officer

- Chartered Accountant with over 30 years of experience
- Associated with the Company since 2005

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

- Ph.D. in Analytical Chemistry with 27 years of experience
- Associated with the company since 2007





Navi Mumbai Plant

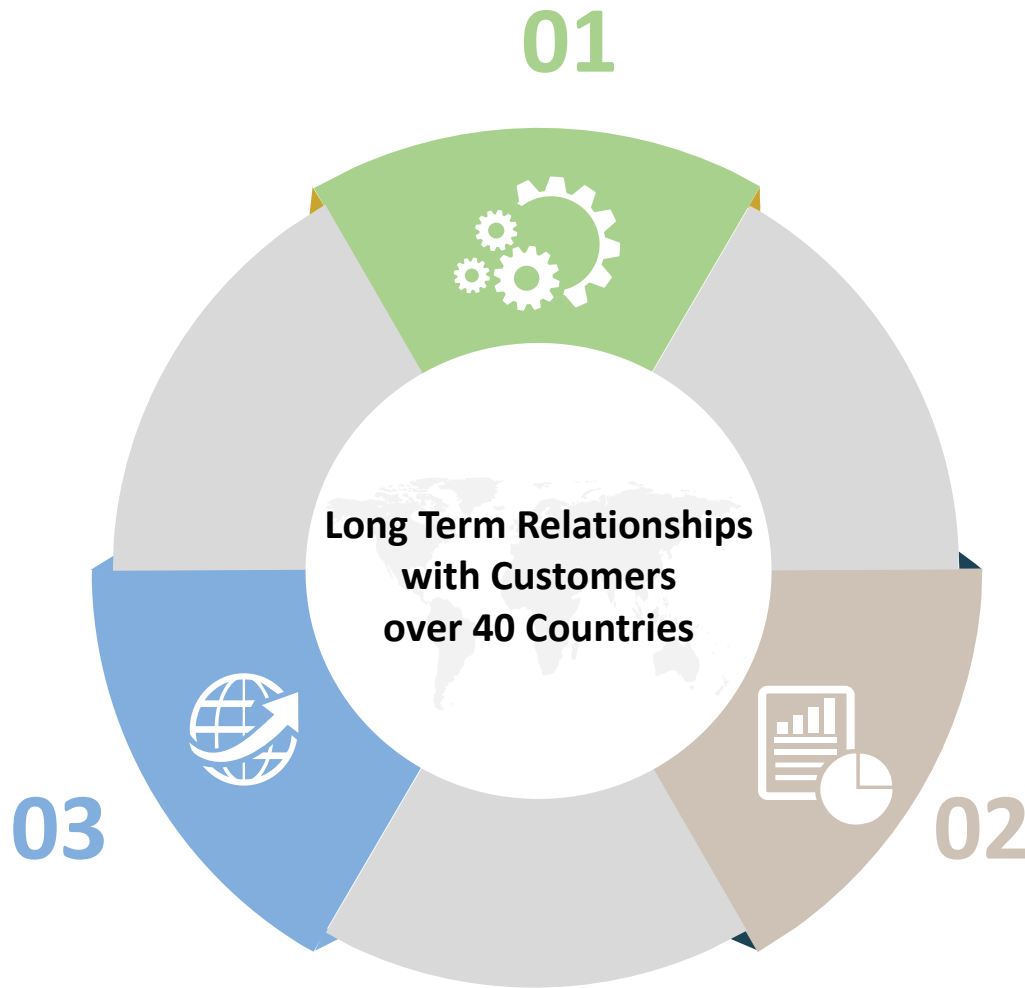
- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



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

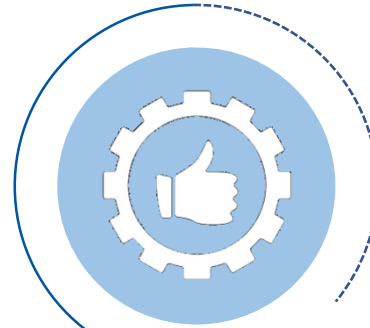
MARKET REQUIREMENTS





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

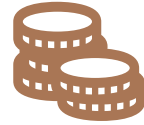


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Key Factors



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



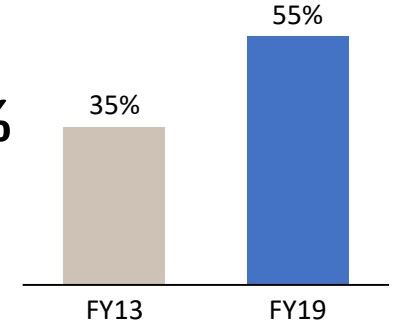
Anti-dumping duty



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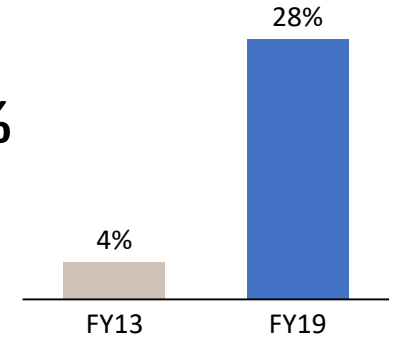
Value Addition

+20%



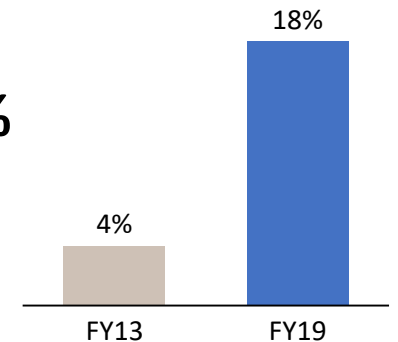
Operating EBITDA

+24%



PAT

+14%





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

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

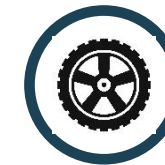


Rising Income Levels



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

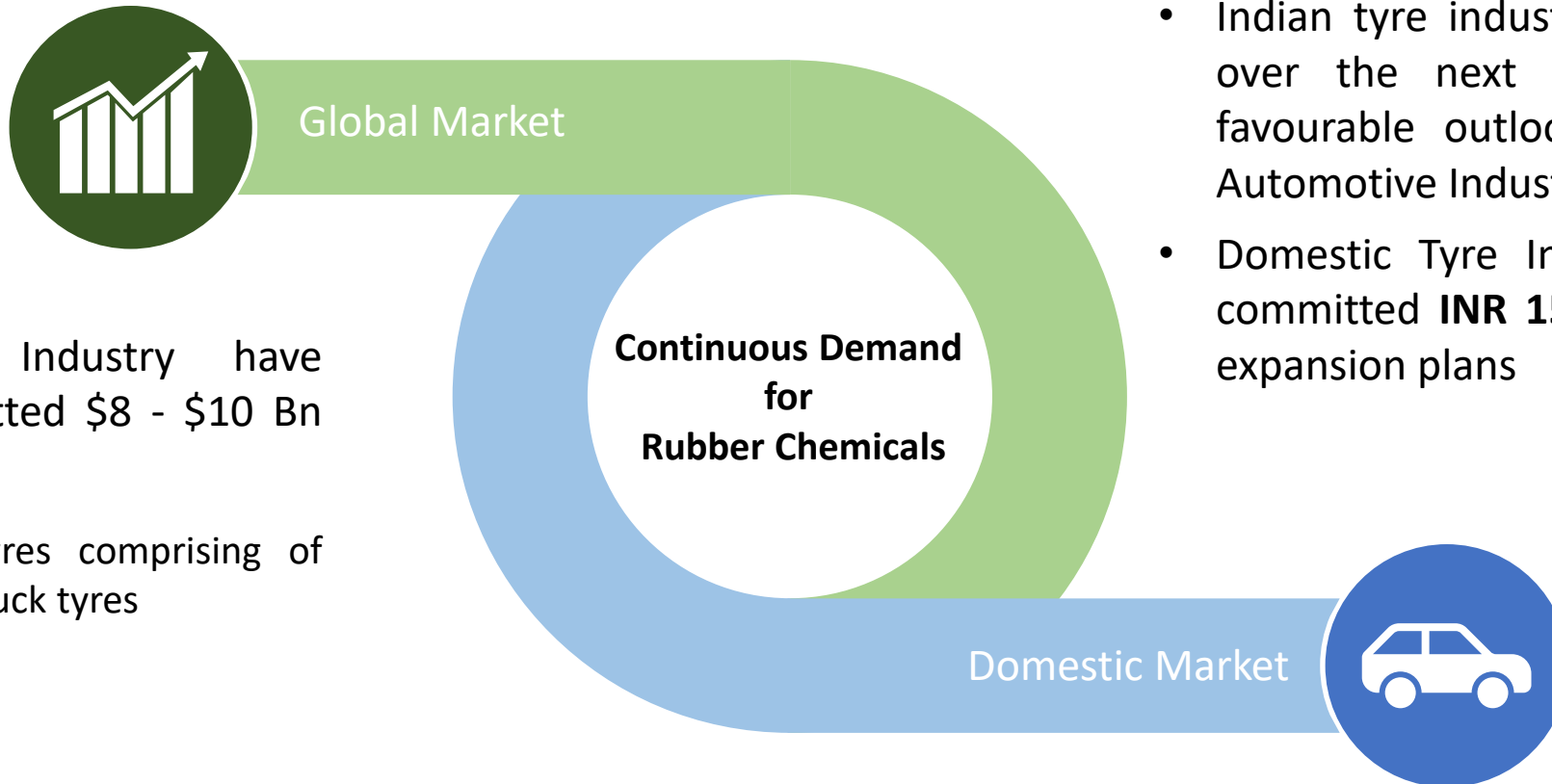
Global Demand*



For Rubber processing chemicals continue to forecasted to grow around 4% - 5% for next 10 years

*Source : Freedonia Report





- Global Tyre Industry have already committed \$8 - \$10 Bn comprising of:
 - 100 Mn tyres comprising of Car/ bus/ truck tyres

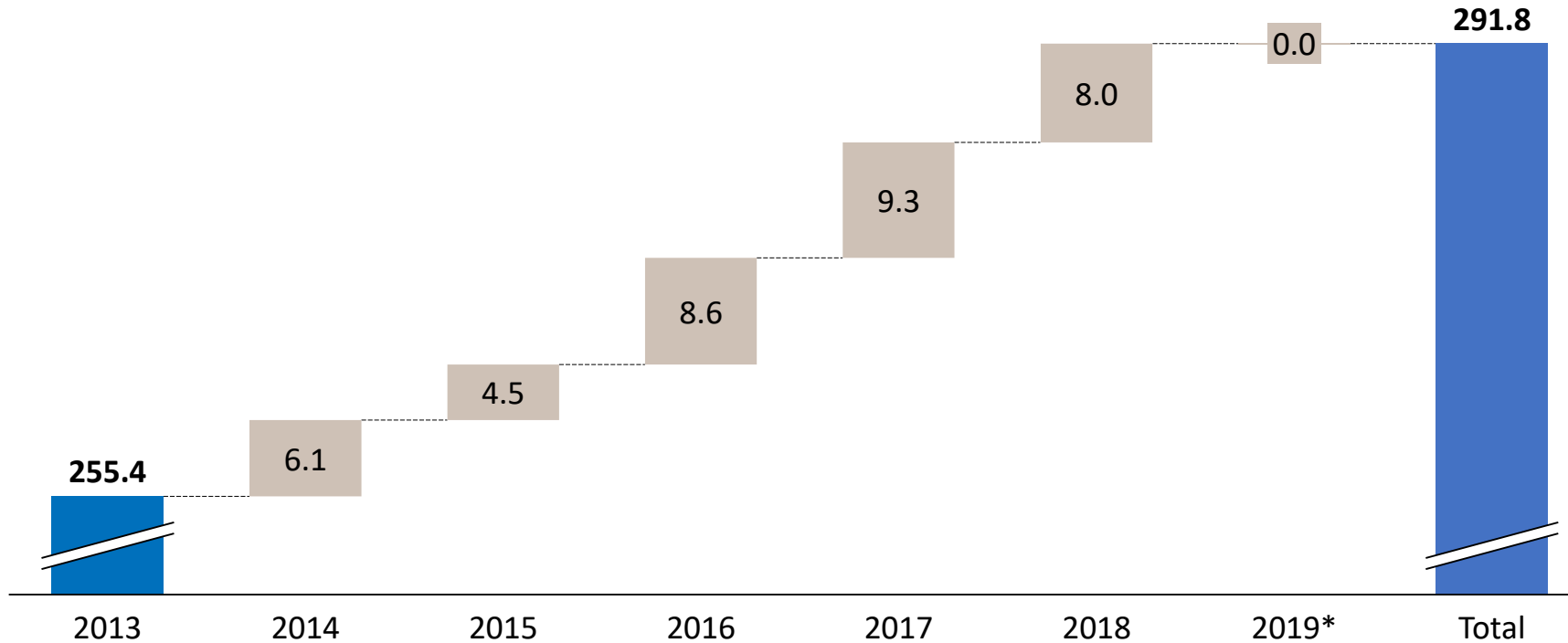
- Indian tyre industry may grow 7%-9% over the next 5 years backed by favourable outlook for the domestic Automotive Industry
- Domestic Tyre Industry have already committed **INR 150 – 180 Bn** towards expansion plans





Global Rubber Consumption (Natural + Synthetic)

In Lakh tonnes



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

Normally every year **~35k additional demand** for Rubber chemicals is created

Major markets have shown a de-growth in 2019

Source : Rubber Statistical Bulletin, Jul - September 2019 edition

*Annualised based on H1CY19 data





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. 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)
- Mechanical Completion
- Trial Production

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

Total Capex of Rs. 425 crores - Entire project will be 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”



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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



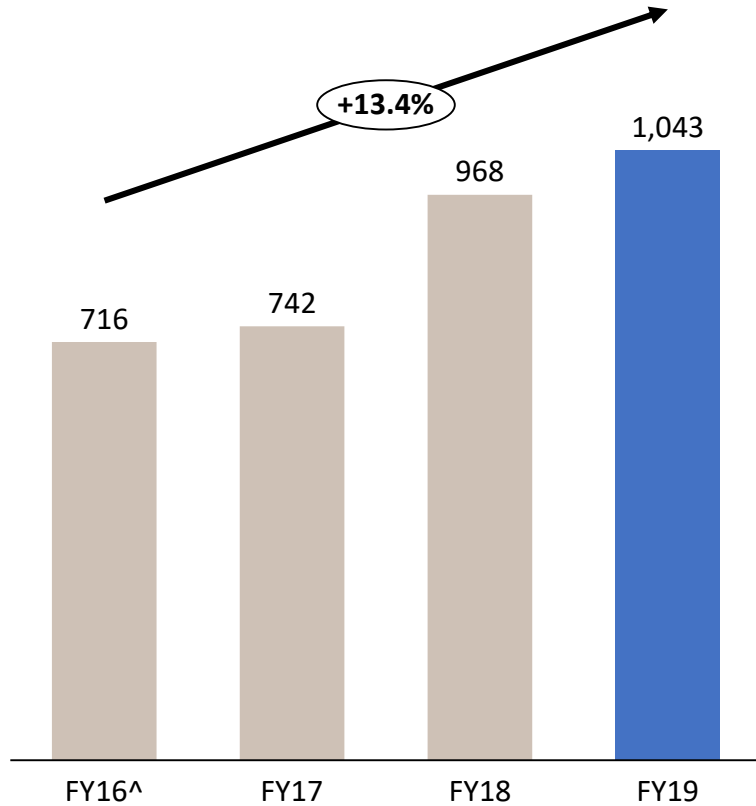
Annual Performance Trend



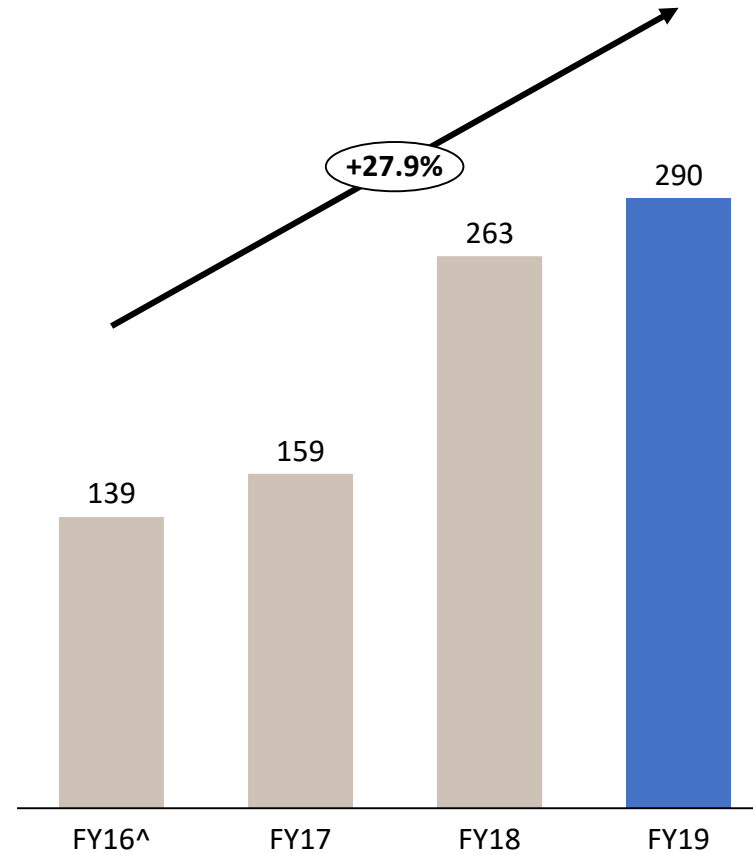
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Revenue from Operations*

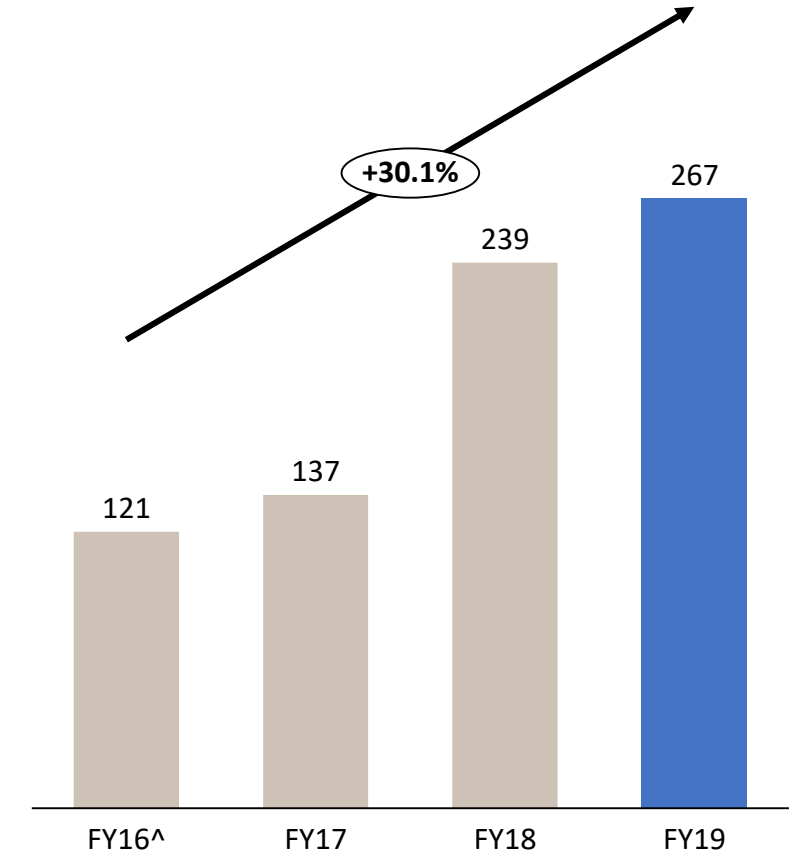
Rs. In Crores



Operating EBITDA



Operating PBT**



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* Revenue from operations is net of GST/Excise duty

** Operating PBT (PBT - Other Income)

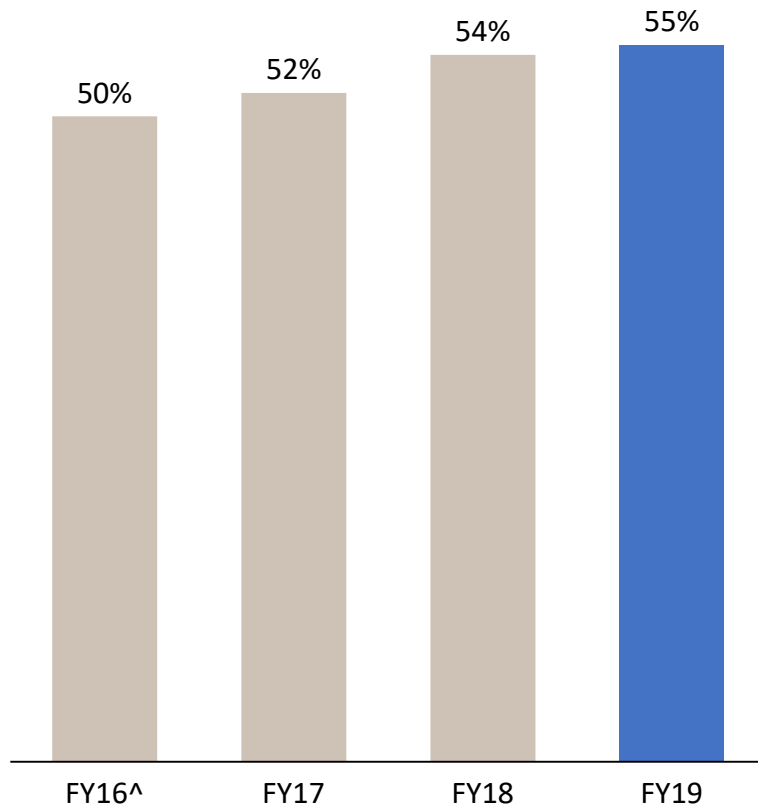
[^] IGAAP

Annual Operating Performance

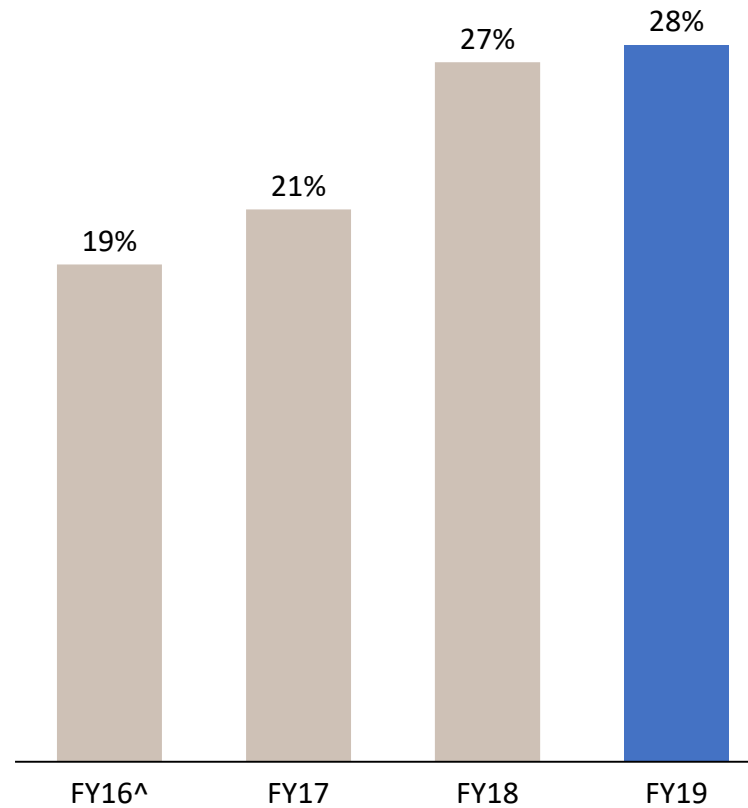


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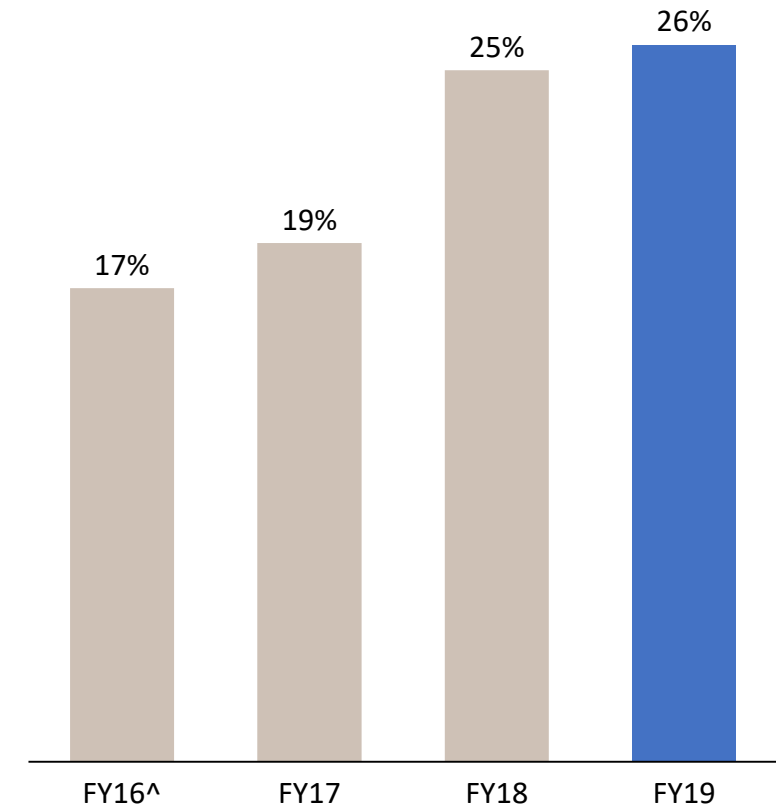
Value Additions*



Operating EBITDA Margins

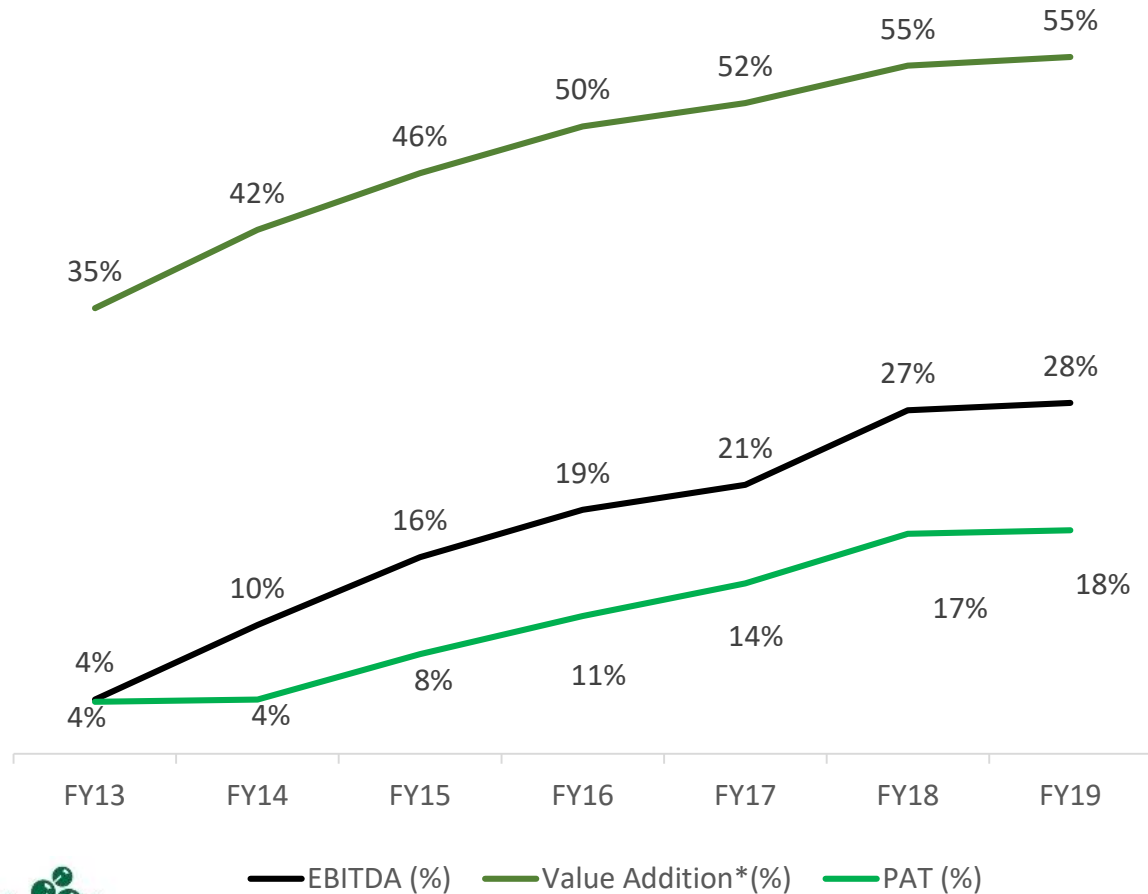


Operating PBT Margins



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

Overall Improvement in Margin Profile of the Company



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
- **Anti-dumping duty**
 - Only on 6 products out of 22



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