



**FIRM STEPS.
FOCUSED APPROACH.**



NOCIL LIMITED

Investor Presentation
November 2020

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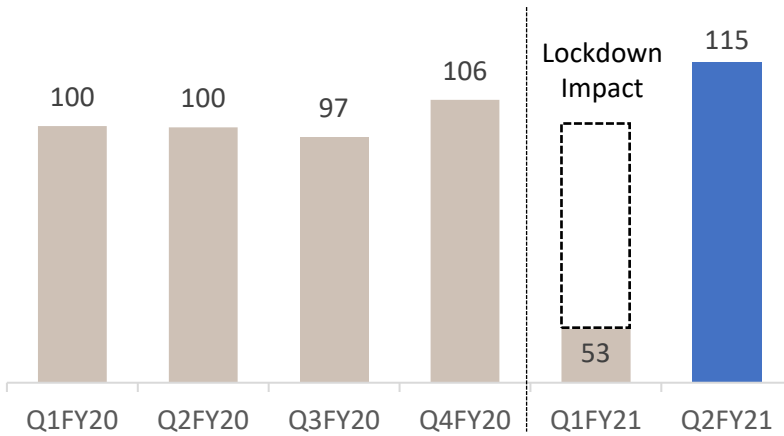
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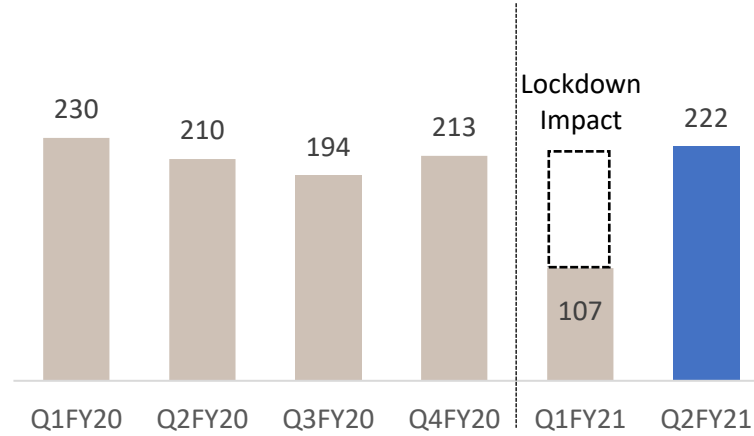


Quarterly Performance: Strong Momentum

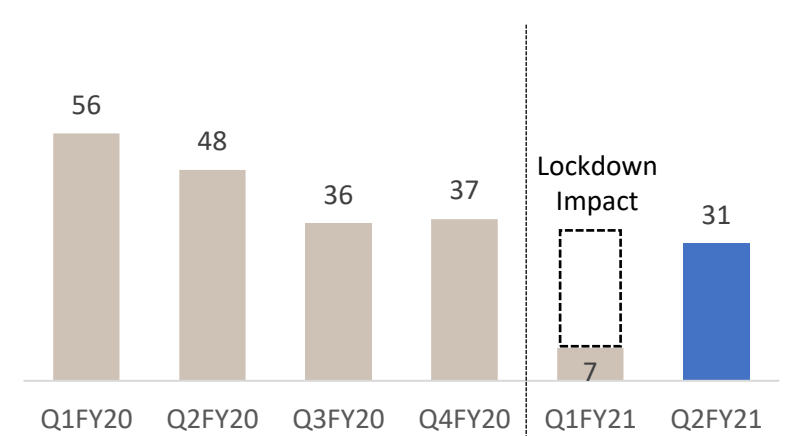
Sales Volume* (MT)



Revenue from Operation (Rs. In crores)



EBITDA (Rs. In crores)



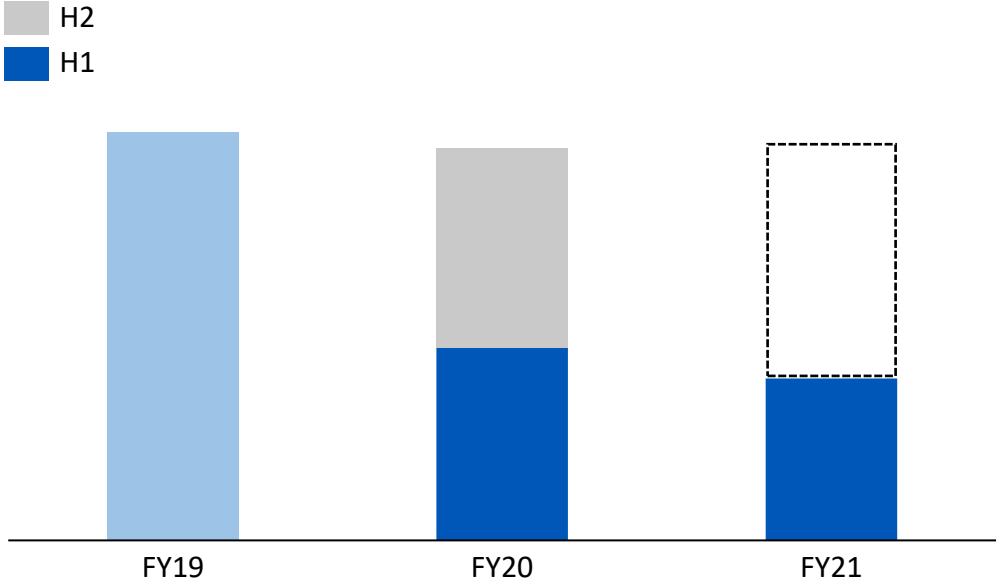
- Operating level at Tyre majors has picked up momentum.
- Global & Domestic commentary on medium-term positive
- Production is ramping up month on month basis from July onwards
- Utilization levels have increased in July 2020 and have crossed pre-COVID levels on monthly run rate basis

- Revenues has seen substantial growth
- Fixed cost absorption improved
- Volumes picking up and pricing improvement is expected in coming quarters
- EBITDA margins will improve gradually

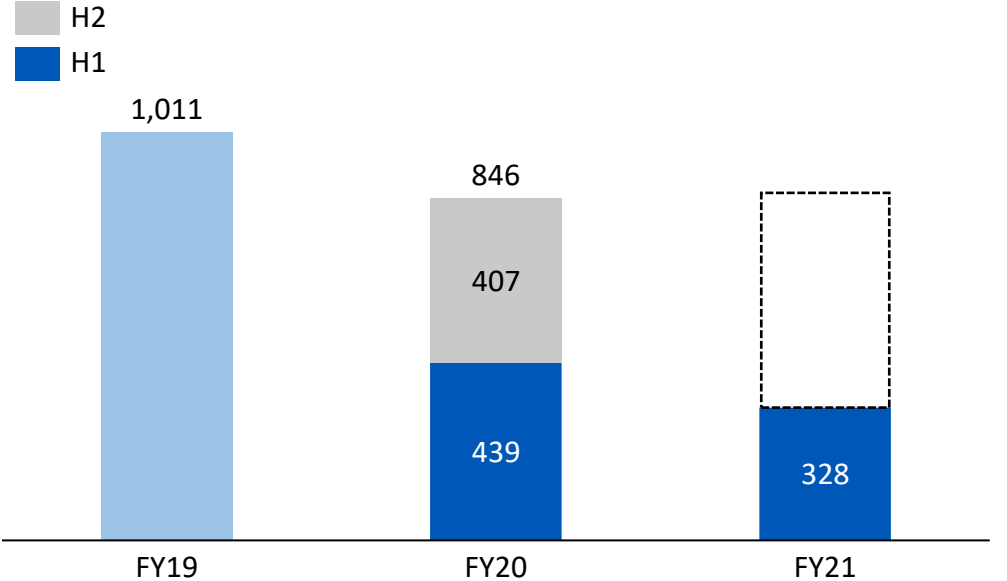


Expected Annual Performance

Sales Volume (MT)

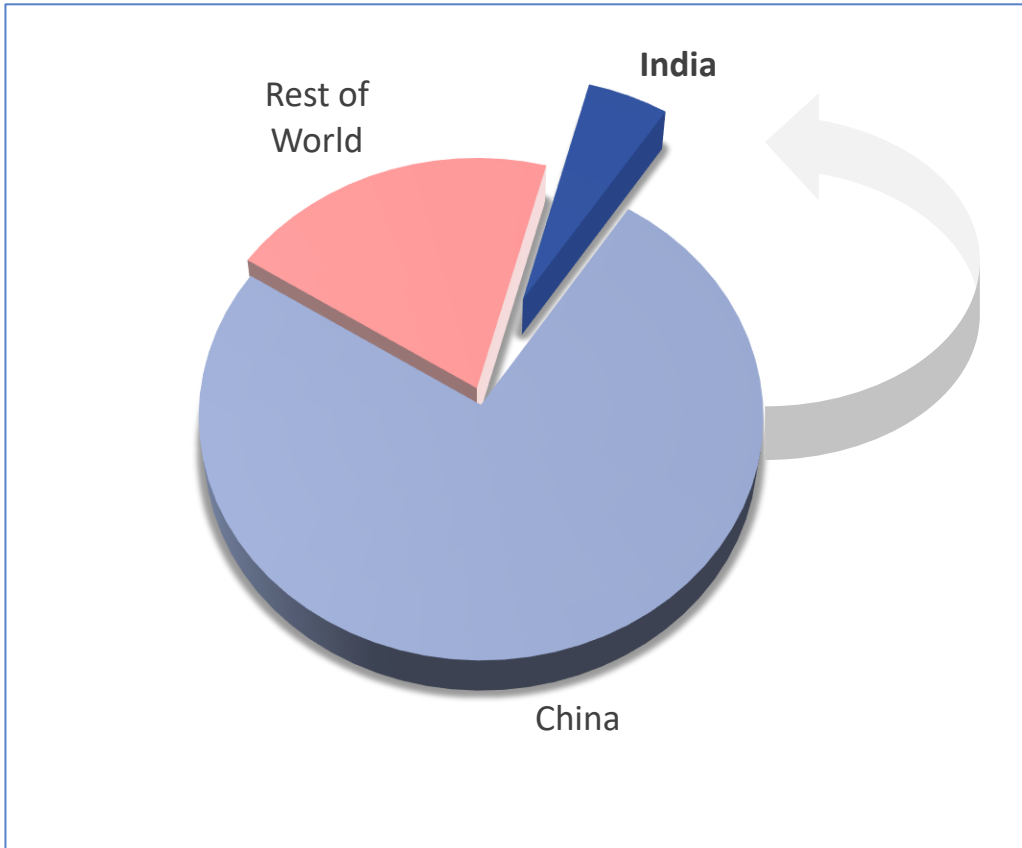


Revenue from Operation (Rs. In crores)



FY21 will be flat inspite of Covid impact in Q1FY21

Rubber Chemicals Industry



Currently, China is a dominant player in the Rubber Chemical Industry vis a vis India



Global sourcing strategy expected to undergo a change to include China +1



India will play an important role as a supplier



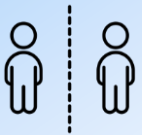
NOCIL is expected to benefit in view of available capacities





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: Update for H1

- With ease in lockdown restrictions, manufacturing operations resumed with strict safety and hygiene protocols
- Production is ramping up month on month basis from July onwards and Utilization levels have crossed pre-COVID levels on monthly run rate basis
- Demand showing encouraging sign

Liquidity position:

- Company has comfortable liquidity position
- Company is debt free and are taking care of its working capital requirements through internal accruals

Standalone Profit & Loss Statement

Rs. In Crores	Q2FY21	Q2FY20	Y-o-Y	Q1 FY21	Q-o-Q	H1FY21	H1FY20	Remarks
Net Revenue from Operations	222	210	5.7%	107	108.0%	328	439	Performance is not comparable with same period last year as Q1FY21 performance was impacted due to lockdown
Raw Material	115	89		55		170	189	
Value Addition *	107	121		52		158	250	
Value Addition %	48.1%	57.7%		48.6%		48.3%	57.0%	
Employee Expenses	17	19		16		33	39	
Other Operating Expenses	58	54		28		87	108	
Operating EBITDA	31	48	-34.9%	7	317.0%	39	104	
Operating EBITDA Margin	14.1%	22.8%		7.0%		11.8%	23.7%	
Depreciation	9	8		9		18	15	
Interest	0^	0^		0^		1	1	
Other Income	1	2		11		12	5	
Profit Before Tax	23	42	-45.5%	9	154.2%	32	93	
Tax	6	(13)		(3)		4	5	
Net Profit	17	55	-69.9%	12	83.5%	28	88	
Net Profit Margin	7.5%	26.3%		11.2%		8.7%	20.0%	

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

^ less than 1 crore



Consolidated Profit & Loss Statement



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NOCIL LIMITED

Rs. In Crores	Q2FY21	Q2FY20	Y-o-Y	Q1 FY21	Q-o-Q	H1FY21	H1FY20	Remarks
Net Revenue from Operations	222	210	5.7%	107	108.0%	328	439	Performance is not comparable with same period last year as Q1FY21 performance was impacted due to lockdown
Raw Material	115	89		55		170	189	
Value Addition *	107	121		52		158	250	
Value Addition %	48.1%	57.7%		48.8%		48.3%	57.0%	
Employee Expenses	18	19		16		35	40	
Other Operating Expenses	57	54		28		84	106	
Operating EBITDA	32	48.5	-34.7%	8	296.9%	40	105	
Operating EBITDA Margin	14.3%	23.1%		7.5%		12.1%	23.9%	
Depreciation	9	8		9		18	16	
Interest	0^	0^		0^		1	1	
Other Income	1	2		11		12	5	
Profit Before Tax	23	42	-44.8%	9	150.0%	33	93	
Tax	6	(13)		(3)		4	5	
Net Profit	17	55	-69.4%	12	40.8%	29	88	
Net Profit Margin	7.6%	26.2%		11.2%		8.8%	20.0%	

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

^ less than 1 crore



Standalone Balance Sheet

Particulars (Rs. Crs.)	30-Sep-20	31-Mar-20
ASSETS		
Non-current assets	994	1,011
Property, Plant and Equipment	753	768
Capital work-in-progress	158	156
Investment Property	0 [^]	0 [^]
Intangible Assets	1	2
Financial Assets		
(i) Investments in Wholly owned subsidiary	25	25
(ii) Other Investments	28	24
(iii) Other financial assets	6	6
Non-current tax assets	10	16
Other non-current assets	13	14
Current assets	466	417
Inventories	134	136
Financial Assets		
(i) Investments	28	23
(ii) Trade receivables	213	203
(iii) Cash and cash equivalents	61	8
(iv) Bank balances other than cash and cash equivalents	4	4
(v) Other Financial Assets	1	1
Other Current Assets	26	40
TOTAL	1,460	1,428

Particulars (Rs. Crs.)	30-Sep-20	31-Mar-20
EQUITY AND LIABILITIES		
EQUITY	1,210	1,176
Equity Share Capital	166	166
Other Equity	1,044	1,010
Non-Current Liabilities	113	112
Financial Liabilities		
(i) Financial Lease Liability	6	7
Provisions	16	16
Deferred Tax Liabilities (Net)	91	89
Other non-current liabilities	0 [^]	0 [^]
Current liabilities	137	140
Financial Liabilities		
(i) Trade Payables	100	89
(ii) Other Financial Liabilities	29	40
Provisions	5	7
Current Income Tax Liabilities (Net)	0 [^]	0 [^]
Other Current Liabilities	4	4
TOTAL	1,460	1,428

[^] less than 1 crore



Consolidated Balance Sheet

Particulars (Rs. Crs.)	30-Sep-20	31-Mar-20
ASSETS		
Non-current assets	999	1,017
Property, Plant and Equipment	780	796
Capital work-in-progress	158	156
Investment Property	0 [^]	0 [^]
Intangible Assets	1	1
Financial Assets		
(i) Investments in Wholly owned subsidiary	-	-
(ii) Other Investments	28	24
(iii) Other financial assets	7	7
Non-current tax assets	12	18
Other non-current assets	13	14
Current assets	476	426
Inventories	134	136
Financial Assets		
(i) Investments	35	30
(ii) Trade receivables	213	203
(iii) Cash and cash equivalents	62	9
(iv) Bank balances other than cash and cash equivalents	4	4
(v) Other Financial Assets	1	1
Other Current Assets	26	41
TOTAL	1,474	1,442

Particulars (Rs. Crs.)	30-Sep-20	31-Mar-20
EQUITY AND LIABILITIES		
EQUITY	1,220	1,185
Equity Share Capital	166	166
Other Equity	1,054	1,020
Non-Current Liabilities	117	116
Financial Liabilities		
(i) Financial Lease Liability	6	7
Provisions	16	17
Deferred Tax Liabilities (Net)	95	93
Other non-current liabilities	0 [^]	0 [^]
Current liabilities	137	141
Financial Liabilities		
(i) Trade Payables	99	90
(ii) Other Financial Liabilities	29	40
Provisions	5	7
Current Income Tax Liabilities (Net)	0 [^]	0 [^]
Other Current Liabilities	4	4
TOTAL	1,474	1,442

[^] less than 1 crore



Cashflow Statement



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Particulars (Rs. In Crores)	Standalone		Consolidated	
	Half Year Ended 30th Sep 20	Half Year Ended 30th Sep 19	Half Year Ended 30th Sep 20	Half Year Ended 30th Sep 19
Cash flow from operating activities				
Profit before tax	32	93	33	93
Adjustments for noncash items / non operating items	7	13	7	13
Operating profit before working capital changes	39	106	40	106
Working capital reductions/(increases)	12	54	11	53
Cash flows generated from operating activities	51	160	51	160
(Income taxes paid) / Refund (net)	14	(28)	14	(28)
Net Cash flows generated from operating activities (A)	65	132	65	132
Net Cash flows generated from investing activities (B)	(13)	(88)	(13)	(87)
Net Cash flows generated from financing activities (C)	0[^]	(49)	0[^]	(49)
Net Cash Increase / (Decrease)	52	(6)	52	(5)

[^] less than 1 crore



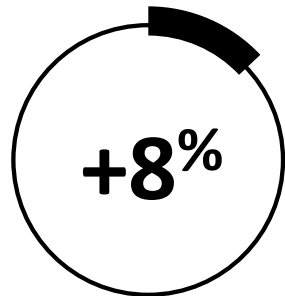
Business Overview





- *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*

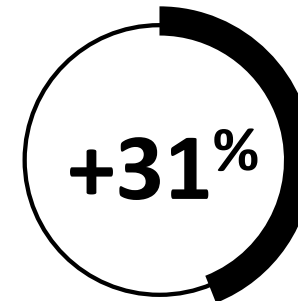
Revenue*



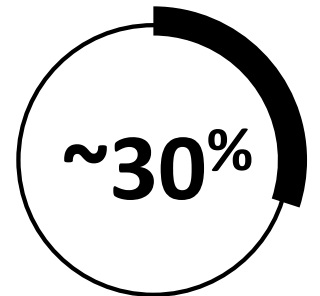
EBITDA*



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

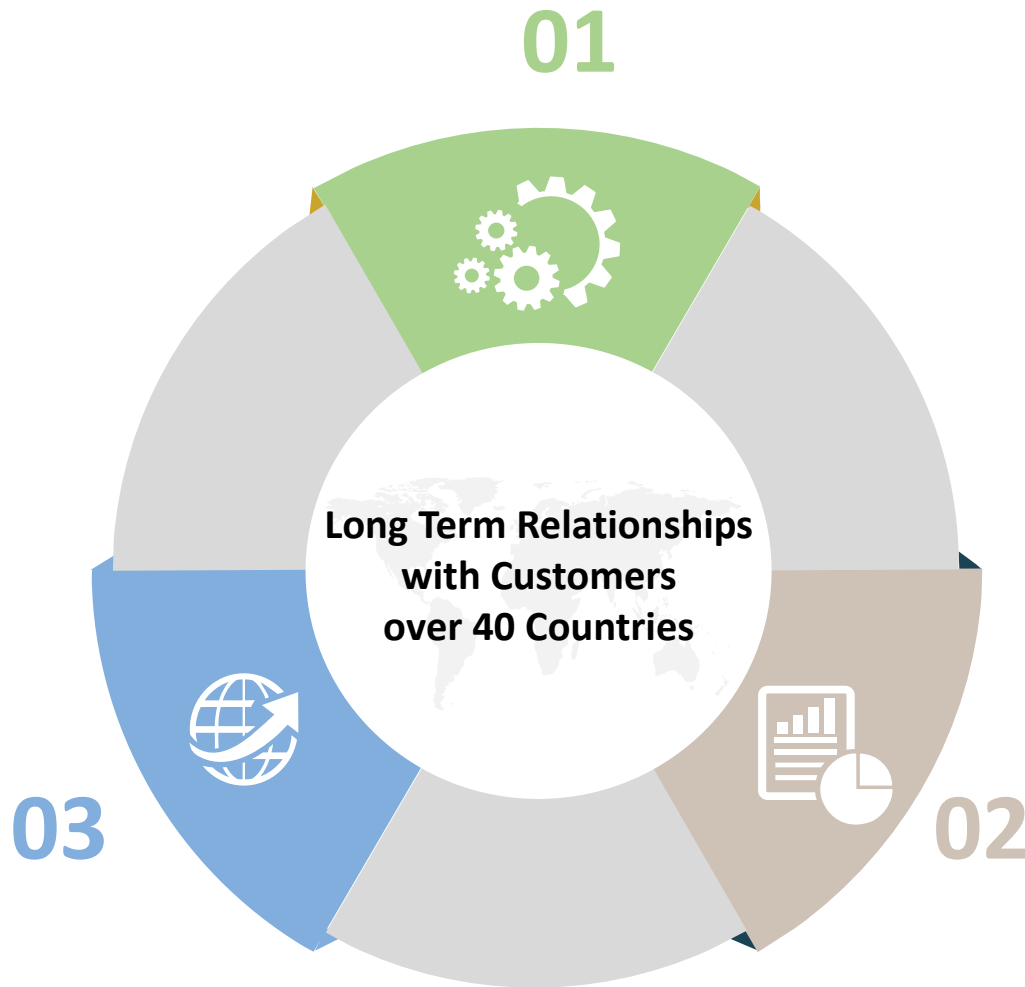
- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



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

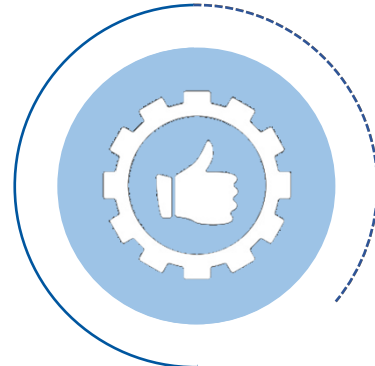
MARKET REQUIREMENTS





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

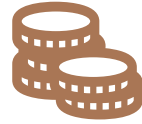


Technology & Speciality Chemicals – Moving up the curve

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



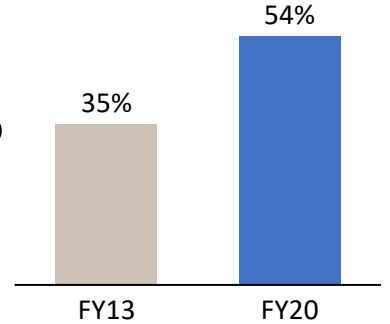
Operating leverage due to scaling-up of business



Favourable Positioning

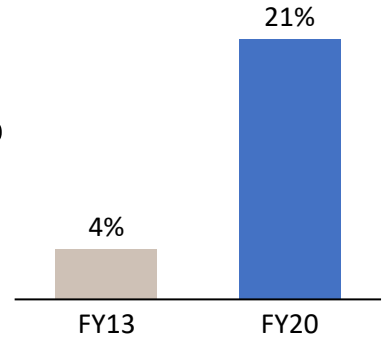
Value Addition

+19%



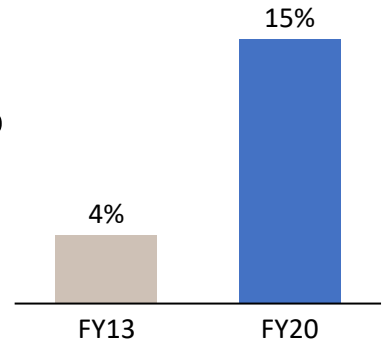
Operating EBITDA

+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



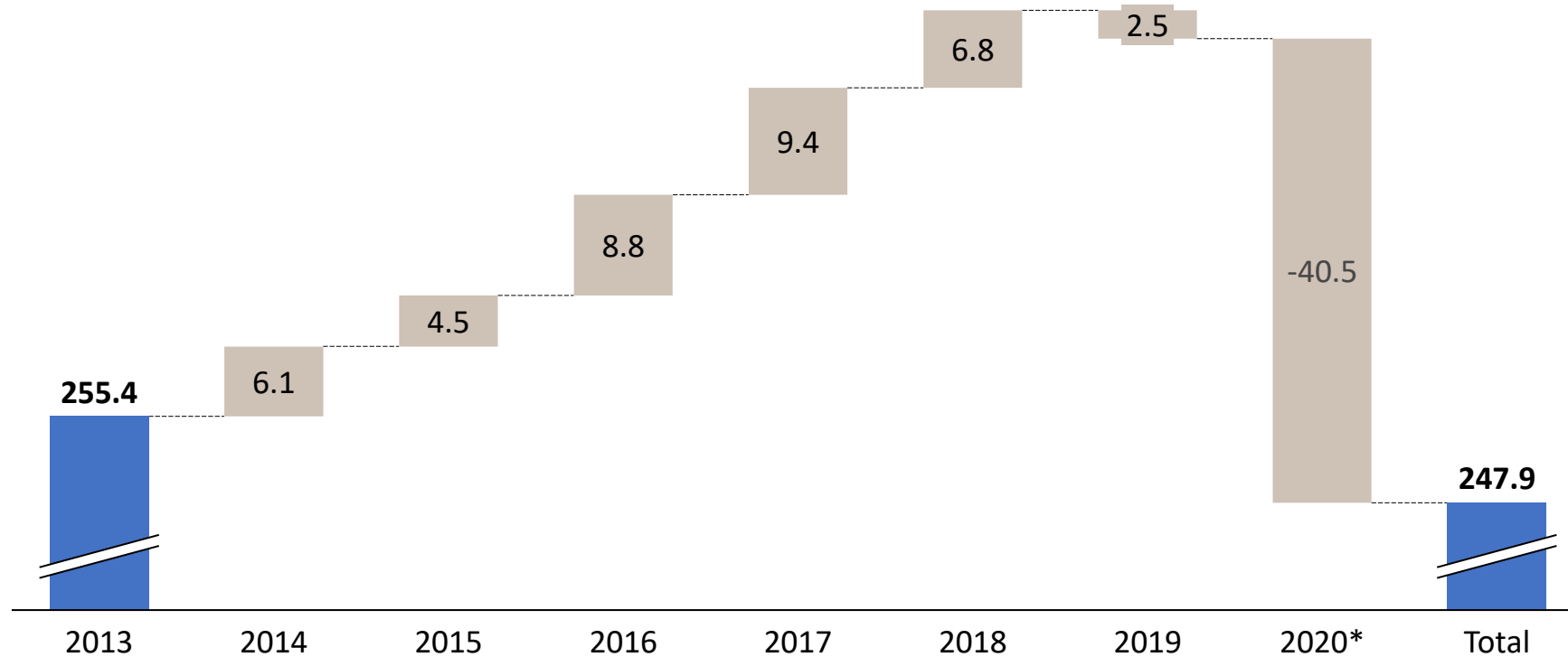
Increase in Motor vehicle ownership rates, especially in developing nations would need additional consumption of rubber processing chemicals

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 H1CY2020, Global Rubber consumption is down by **~15%**
- Major markets have **de-grown 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
- Capitalised Rs. 140 crores and remaining Rs. 140 crores by March 2021

Phase II Capex of Rs. 280 crores

- Phase II (a) – Rs. 140 crores capitalised
- Phase II (b) – balance Rs. 140 crores
 - Mechanical Completion will be done in Q3FY21
 - Trial production to start from Q4FY21

**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

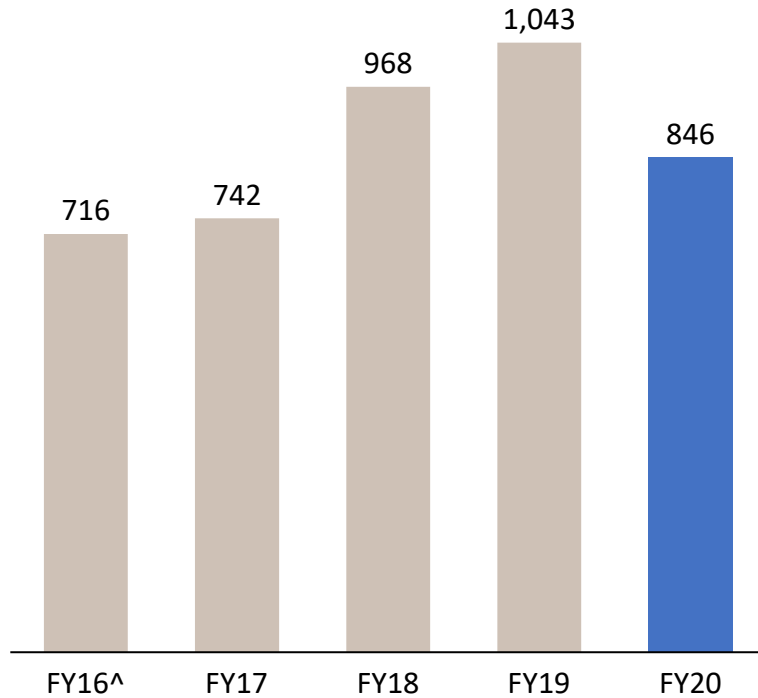
Customers take from 6-18 months to give approval on plant specific basis & same is carried out for various locations globally



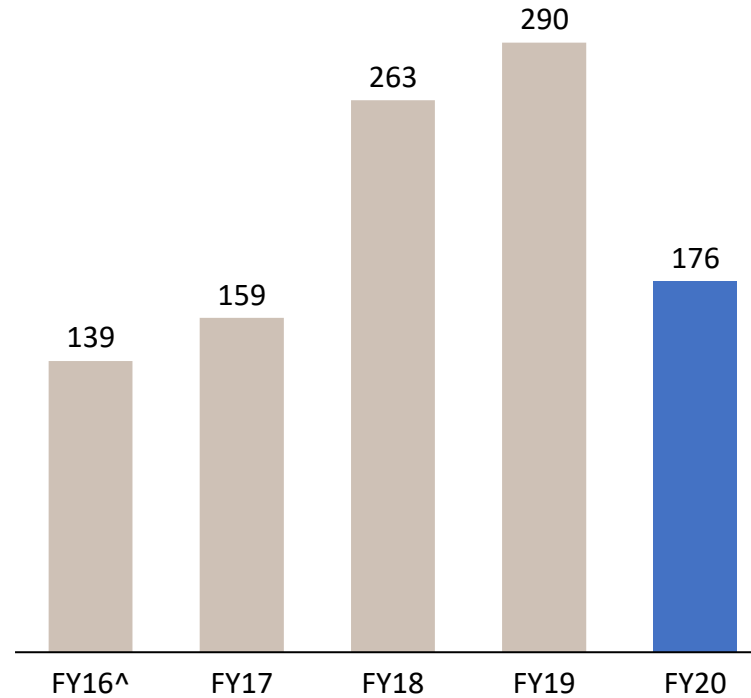
Annual Performance Trend

Revenue from Operations*

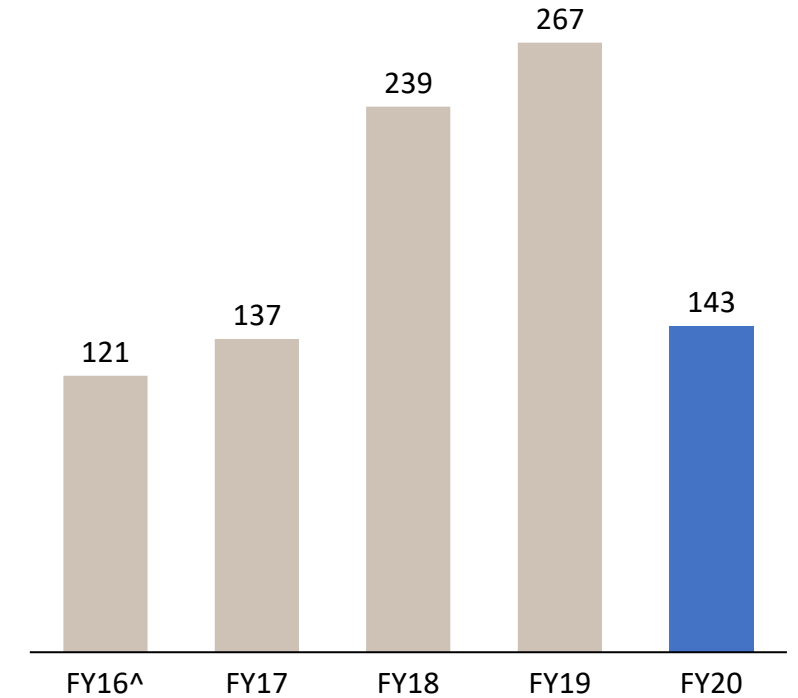
Rs. In Crores



Operating EBITDA



Operating PBT**



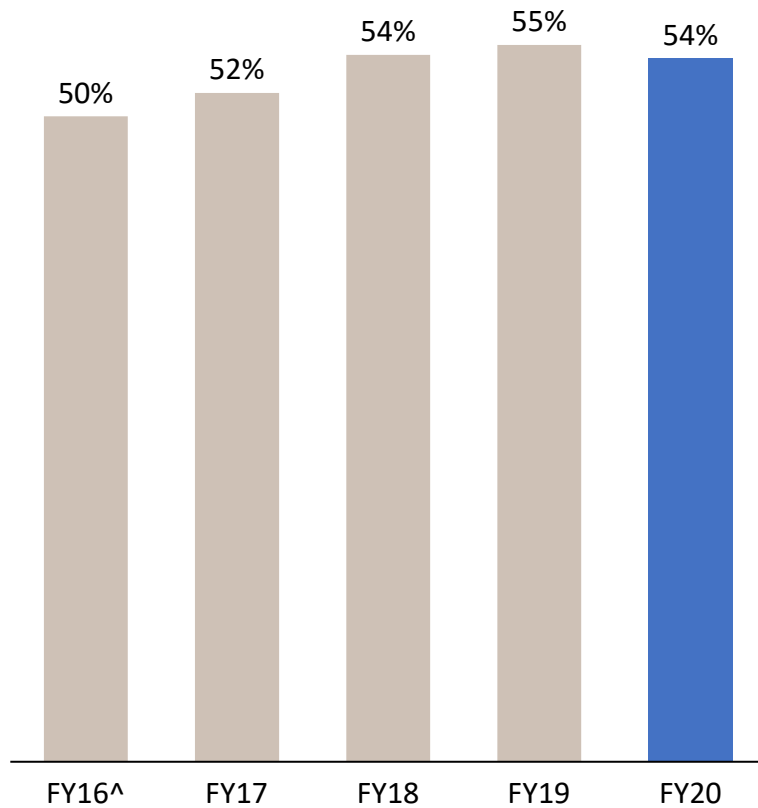
* Revenue from operations is net of GST/Excise duty

** Operating PBT (PBT - Other Income)

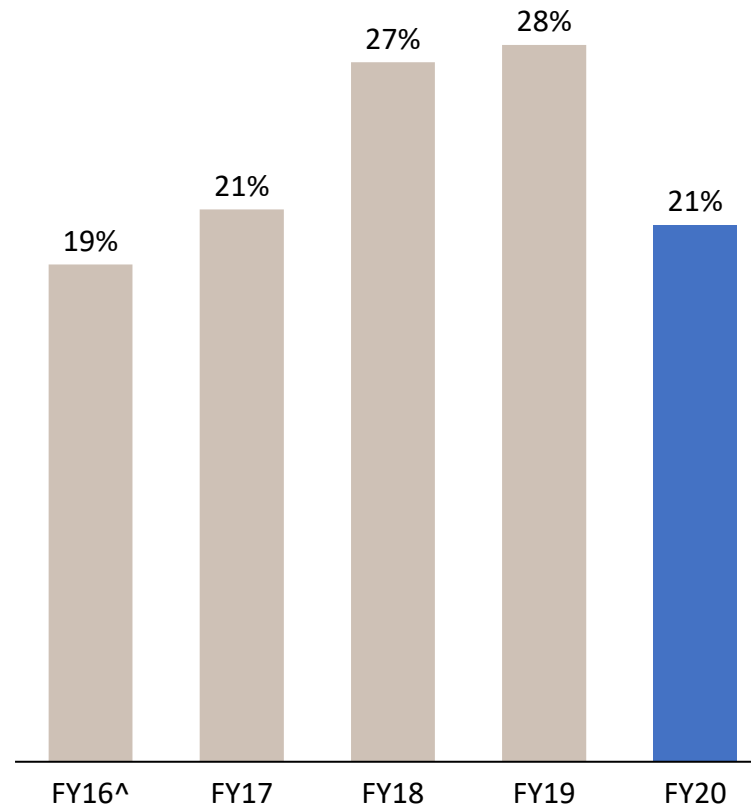
[^] IGAAP

Annual Operating Performance

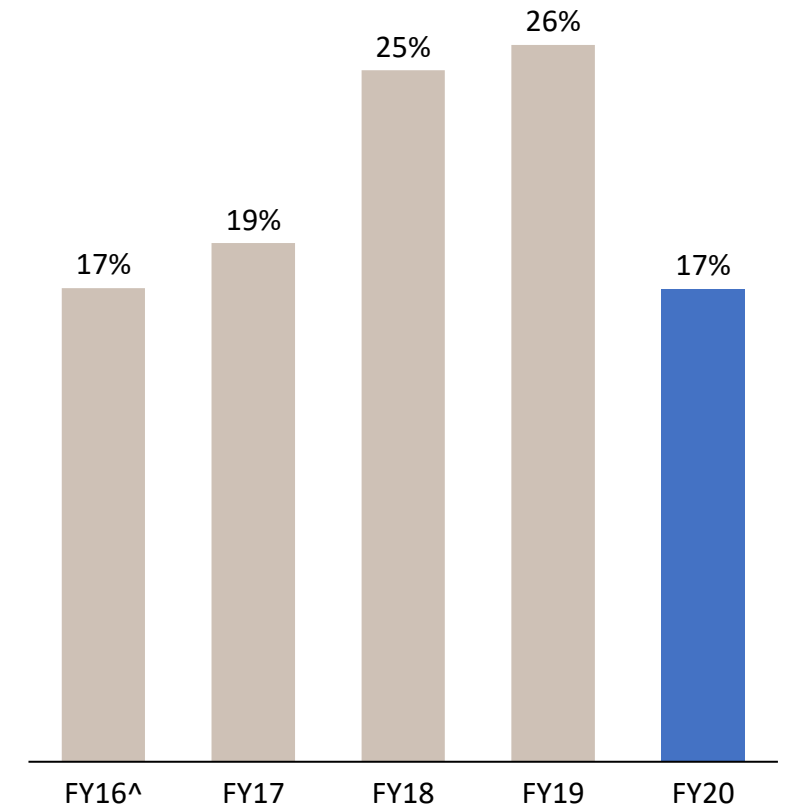
Value Additions*



Operating EBITDA Margins



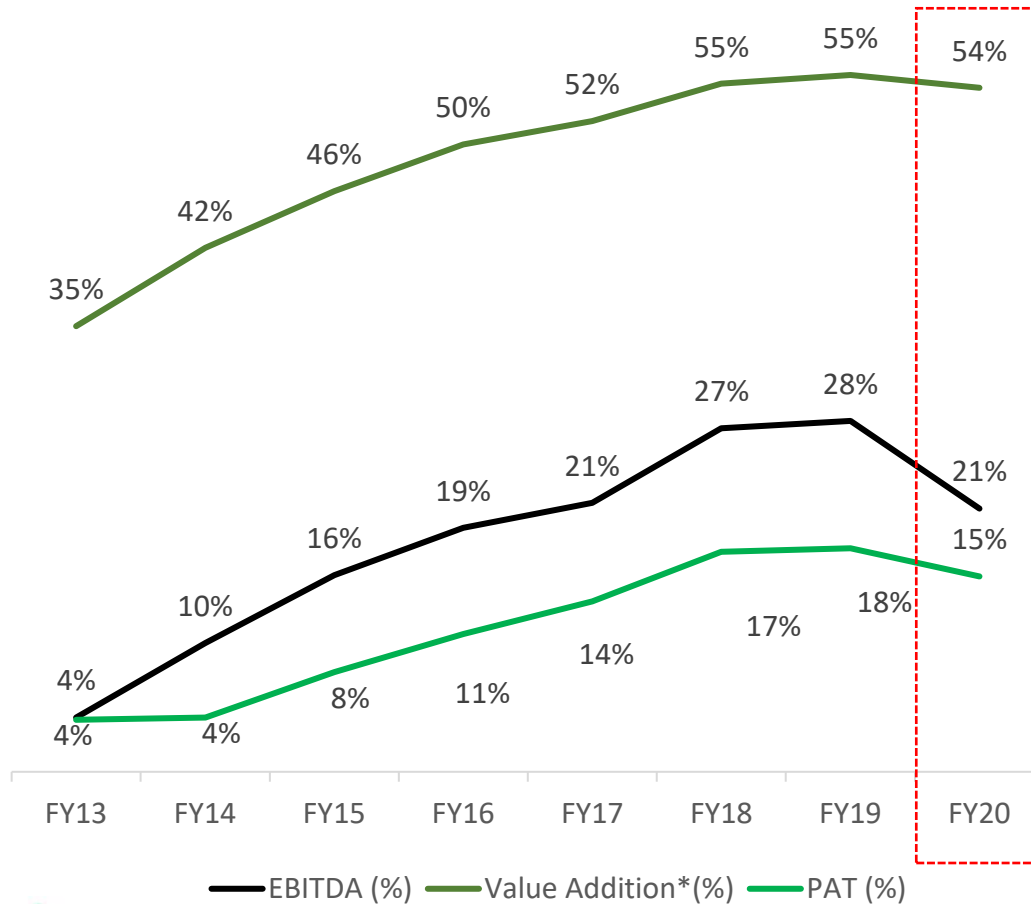
Operating PBT Margins



* (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





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