



## NOCIL LIMITED

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CIN: L99999MH1961PLC012003 Email: [investorcare@nocil.com](mailto:investorcare@nocil.com)

30<sup>th</sup> July 2019

SEC/122B

The Secretary The Bombay Stock Exchange Limited "P.J. Towers" Dalal Street Mumbai-400 001 Scrip Code: 500730	The National Stock Exchange of India Ltd. Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai-400 051 Symbol: NOCIL
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Dear Sir,

### **Sub: Investor Presentation**

Pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith Investors Presentation on the Financial Highlights for the quarter ended 30<sup>th</sup> June 2019.

The aforementioned Presentation has been uploaded on the Company's website viz., [www.nocil.com](http://www.nocil.com).

We request you to take the above on your records and acknowledge receipt.

Thanking you,

Yours faithfully,  
**For NOCIL Limited**

**V. K. Gupte**  
**Company Secretary**

Encl: as above



Investor Presentation – July 2019



NOCIL LIMITED



ARVIND MAFATLAL GROUP  
The ethics of excellence



NOCIL LIMITED





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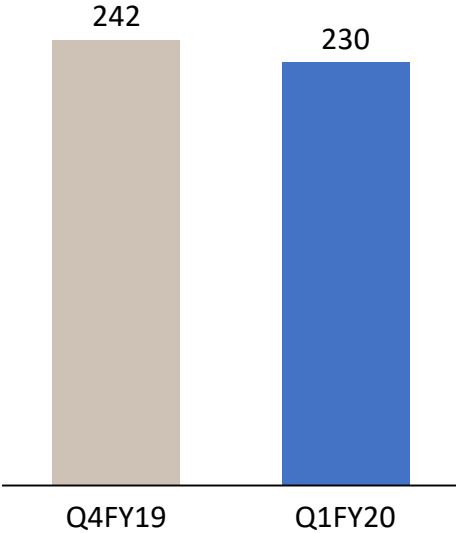


# Quarterly Performance: Sequential



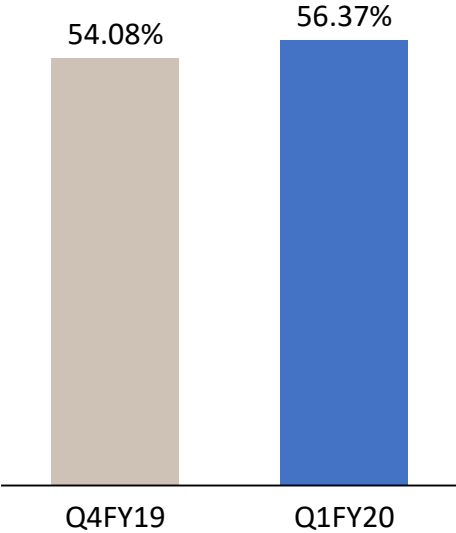
### Revenue from Operation (Rs. In crores)

Impact of slowdown in Auto Industry



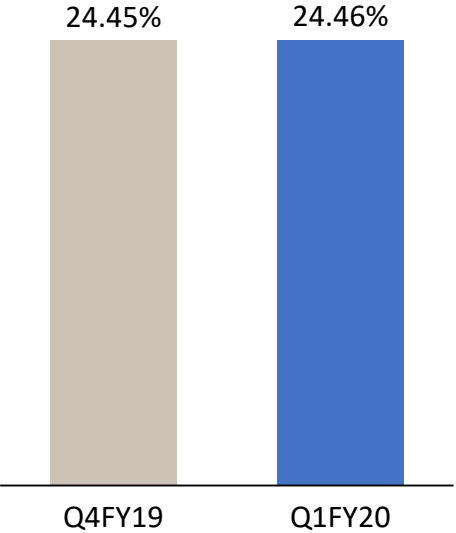
### Value Addition (%)

Better Product mix and softening in raw material prices



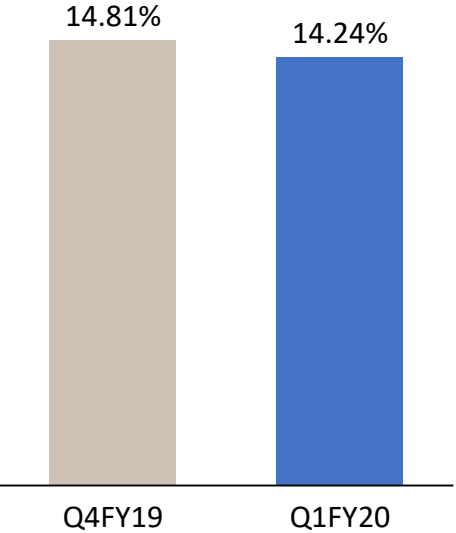
### Operating EBITDA (%)

Flat  
Inspite of challenging period



### PAT (%)

Flat  
Inspite of challenging period



Revenue from operations is net of GST

# Standalone Profit & Loss Statement



ARVIND MAFATLAL GROUP NOCIL LIMITED  
The ethics of excellence

Rs. In Crores	Q1 FY20	Q1 FY19	Y-o-Y	Q4 FY19	Q-o-Q	FY19
<b>Net Revenue from Operations *</b>	<b>230</b>	<b>268</b>	<b>-14.4%</b>	<b>242</b>	<b>-5.0%</b>	<b>1,043</b>
Raw Material	100	119		111		467
<b>Value Addition **</b>	<b>129</b>	<b>149</b>	<b>-13.2%</b>	<b>131</b>	<b>-0.9%</b>	<b>576</b>
<b>Value Addition %</b>	<b>56.4%</b>	<b>55.6%</b>		<b>54.1%</b>		<b>55.2%</b>
Employee Expenses	20	18		18		68
Other Operating Expenses	54	51		54		218
<b>Operating EBITDA</b>	<b>56</b>	<b>80</b>	<b>-29.6%</b>	<b>59</b>	<b>-4.9%</b>	<b>290</b>
<b>EBITDA Margin</b>	<b>24.5%</b>	<b>29.8%</b>		<b>24.5%</b>		<b>27.8%</b>
Depreciation	8	5		6		23
Other Income	2	3		2		10
<b>EBIT</b>	<b>51</b>	<b>77</b>	<b>-33.7%</b>	<b>55</b>	<b>-7.3%</b>	<b>277</b>
<b>EBIT Margin</b>	<b>22.2%</b>	<b>28.7%</b>		<b>22.8%</b>		<b>26.6%</b>
Interest	0	0		0		1
<b>Profit Before Tax</b>	<b>51</b>	<b>77</b>	<b>-33.9%</b>	<b>55</b>	<b>-7.7%</b>	<b>277</b>
Tax	18	26		19		93
<b>Net Profit</b>	<b>33</b>	<b>51</b>	<b>-35.6%</b>	<b>36</b>	<b>-8.6%</b>	<b>184</b>
<b>Net Profit Margin</b>	<b>14.2%</b>	<b>18.9%</b>		<b>14.8%</b>		<b>17.7%</b>



# Consolidated Profit & Loss Statement



ARVIND MAFATLAL GROUP NOCIL LIMITED  
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Rs. In Crores	Q1 FY20	Q1 FY19	Y-o-Y	Q4 FY19	Q-o-Q	FY19
<b>Net Revenue from Operations *</b>	<b>230</b>	<b>268</b>	<b>-14.4%</b>	<b>242</b>	<b>-5.0%</b>	<b>1,043</b>
Raw Material	100	119		111		467
<b>Value Addition **</b>	<b>129</b>	<b>149</b>	<b>-13.2%</b>	<b>131</b>	<b>-0.9%</b>	<b>576</b>
<b>Value Addition %</b>	<b>56.4%</b>	<b>55.6%</b>		<b>54.1%</b>		<b>55.2%</b>
Employee Expenses	20	19		19		70
Other Operating Expenses	53	50		52		213
<b>Operating EBITDA</b>	<b>57</b>	<b>80</b>	<b>-29.3%</b>	<b>60</b>	<b>-5.6%</b>	<b>293</b>
<b>EBITDA Margin</b>	<b>24.6%</b>	<b>29.8%</b>		<b>24.8%</b>		<b>28.1%</b>
Depreciation	8	6		7		24
Other Income	3	3		2		10
<b>EBIT</b>	<b>51</b>	<b>77</b>	<b>-33.4%</b>	<b>56</b>	<b>-7.9%</b>	<b>278</b>
<b>EBIT Margin</b>	<b>22.3%</b>	<b>28.7%</b>		<b>23.0%</b>		<b>26.7%</b>
Interest	0	0		0		1
<b>Profit Before Tax</b>	<b>51</b>	<b>77</b>	<b>-33.6%</b>	<b>55</b>	<b>-8.2%</b>	<b>278</b>
Tax	18	26		19		93
<b>Net Profit</b>	<b>33</b>	<b>51</b>	<b>-35.4%</b>	<b>36</b>	<b>-9.1%</b>	<b>185</b>
<b>Net Profit Margin</b>	<b>14.3%</b>	<b>19.0%</b>		<b>15.0%</b>		<b>17.7%</b>



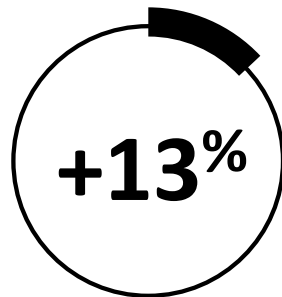
# Business Overview



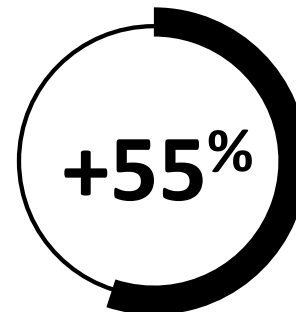


- *Part of Arvind Mafatlal Group*
- *Expertise in Rubber Chemical Business over 4 decades*
- *Largest Rubber Chemicals Manufacturer in India*
- *Long Term Business Relationships with Tyre Majors (Both Domestic & International)*
- *Awarded Responsible Care Logo by Indian Chemical Council*

Revenue\*



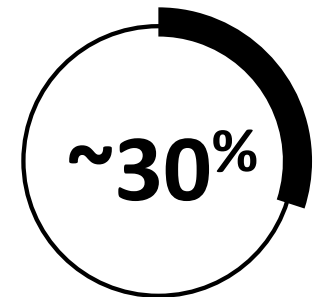
EBITDA\*



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

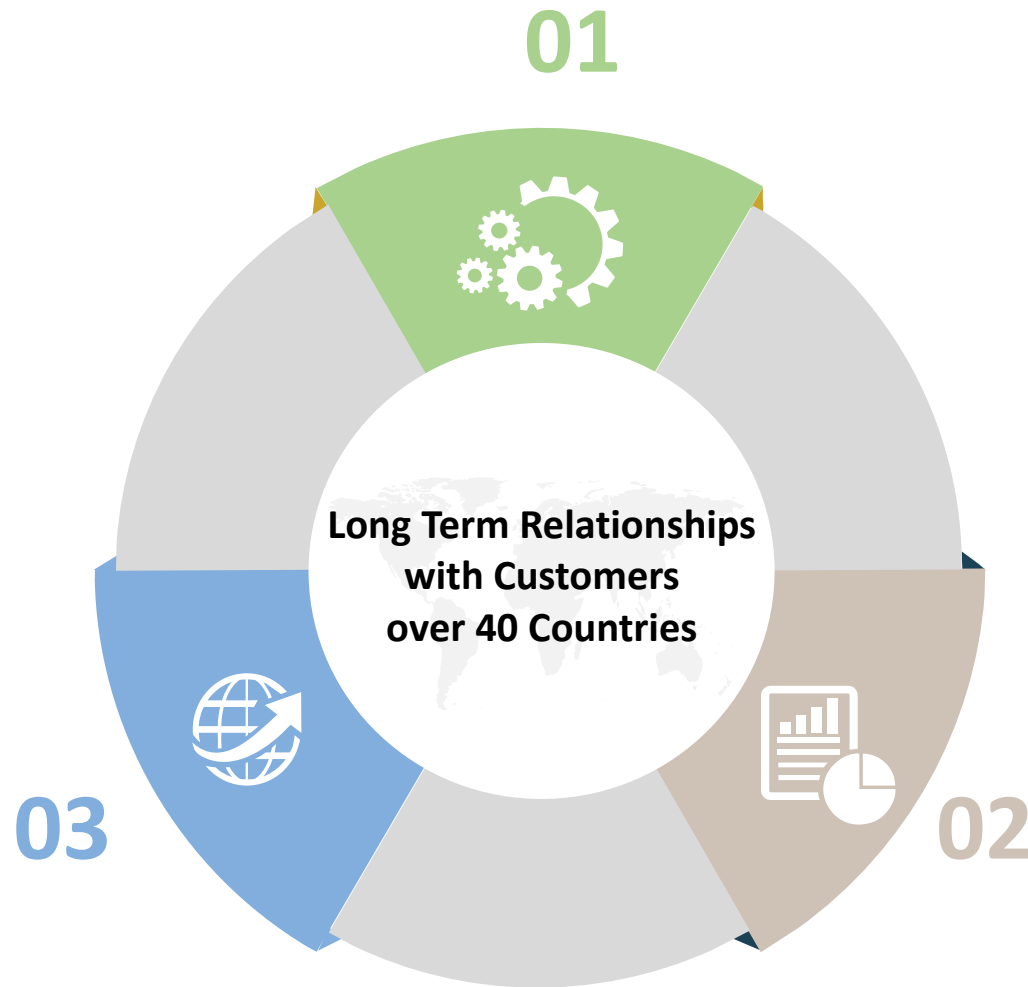
- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



## 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

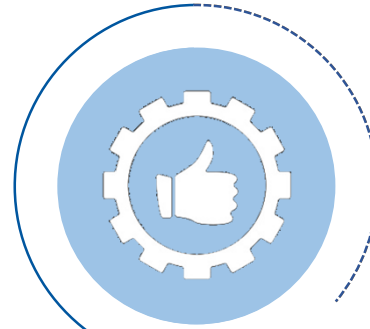
**MARKET REQUIREMENTS**





## 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

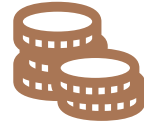


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## Key Factors



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



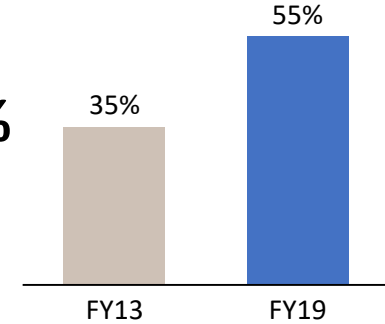
Anti-dumping duty



Responsible Care®

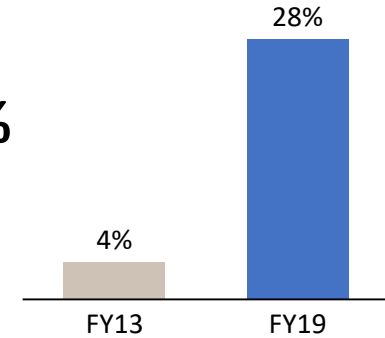
Value Addition

**+20%**



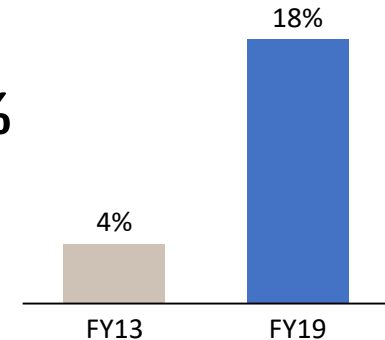
Operating EBITDA

**+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

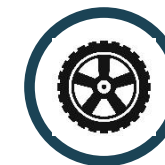


## Rising Income Levels



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

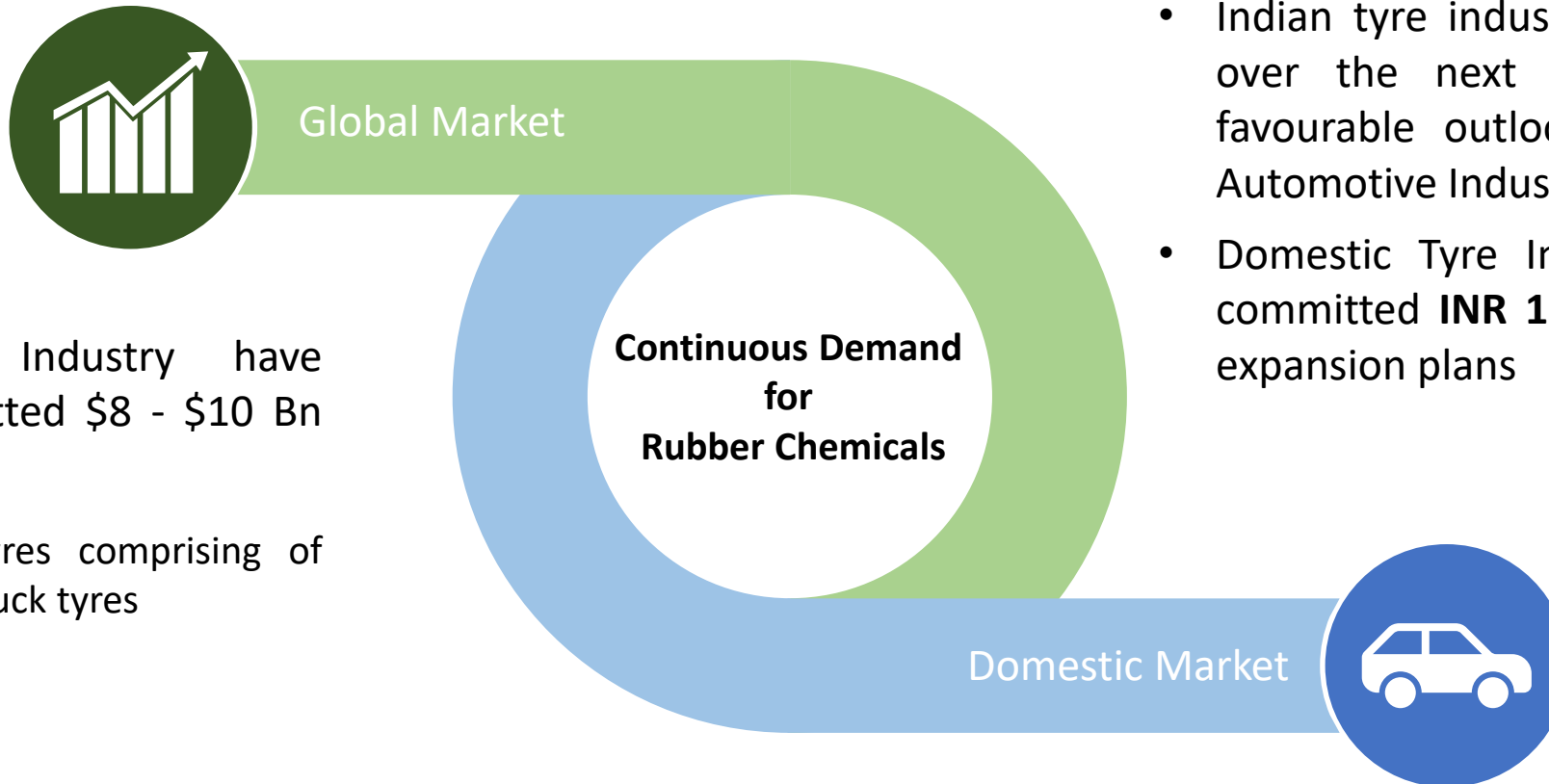
## Global Demand\*



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

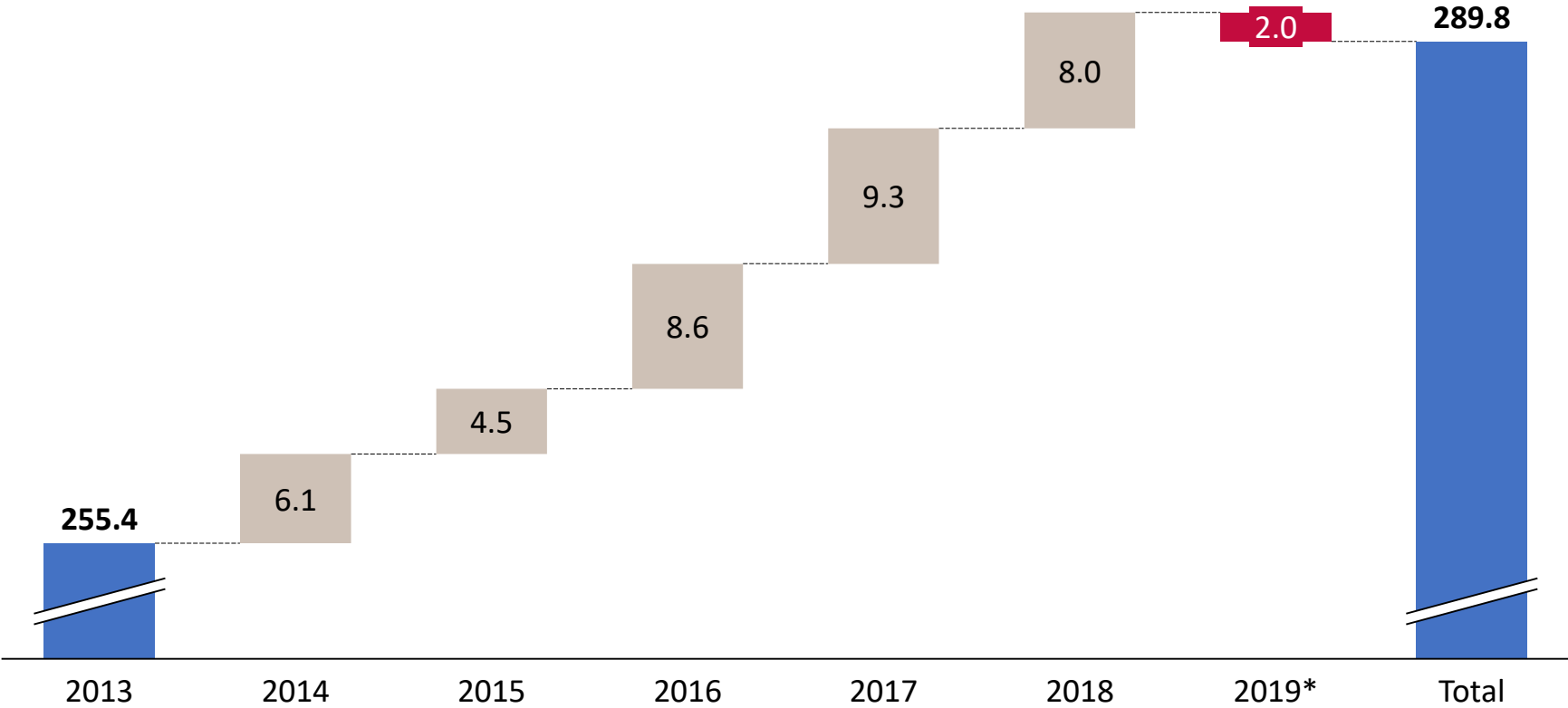






## Global Rubber Consumption (Natural + Synthetic)

In Lakh tonnes



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

Every year **~30k additional demand** for Rubber chemicals is created

Source : Rubber Statistical Bulletin, Apr - Jun 2019 edition  
\*Annualised based on Q1CY19 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 Q1 FY18-19
- **Phase I (b)** – Expansion at Dahej is has been commissioned in Jan'19

## 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)
- The above capex is expected to commence the commercial production by the end of H2FY20

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**

Capex done to capitalize on growth opportunities...

...Further scope of multiple expansion possible

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

<sup>^</sup> as per FY18 prices



# Why NOCIL is a “Supplier of Choice”



ARVIND MAFATLAL GROUP NOCIL LIMITED  
The ethics of excellence

## 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



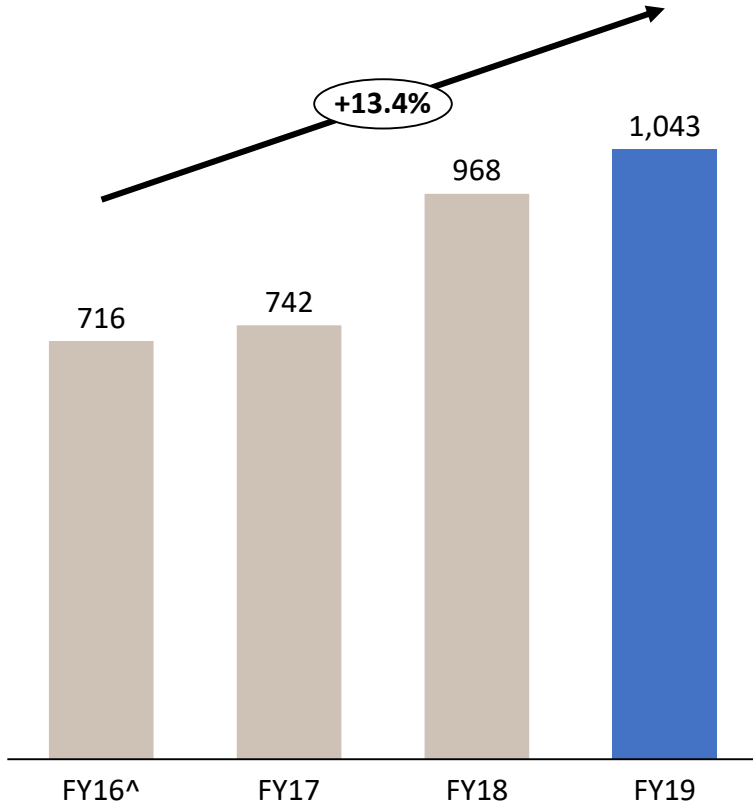
# Performance Trend



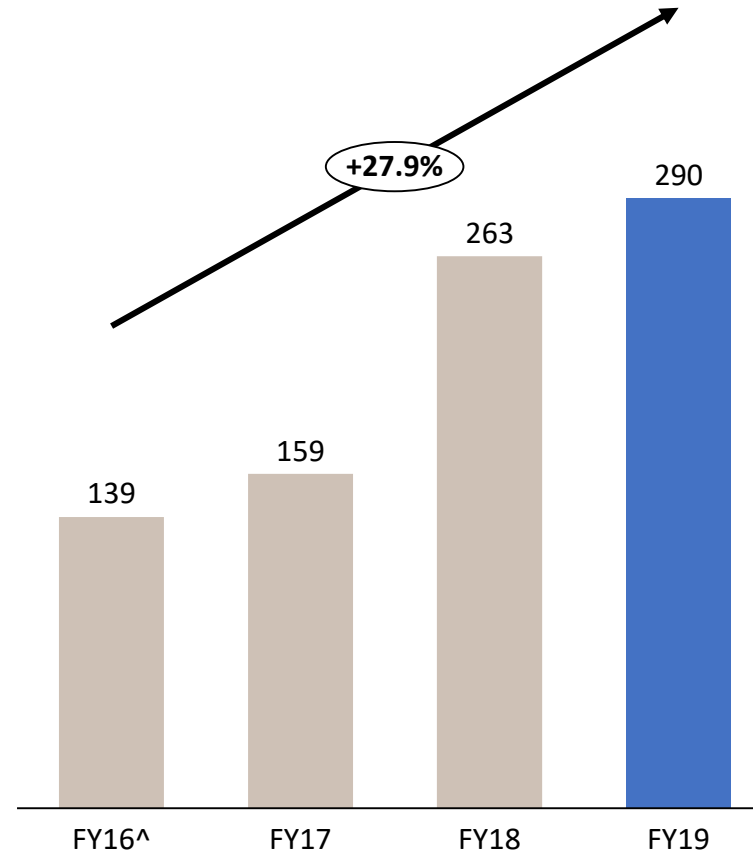
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## Revenue from Operations\*

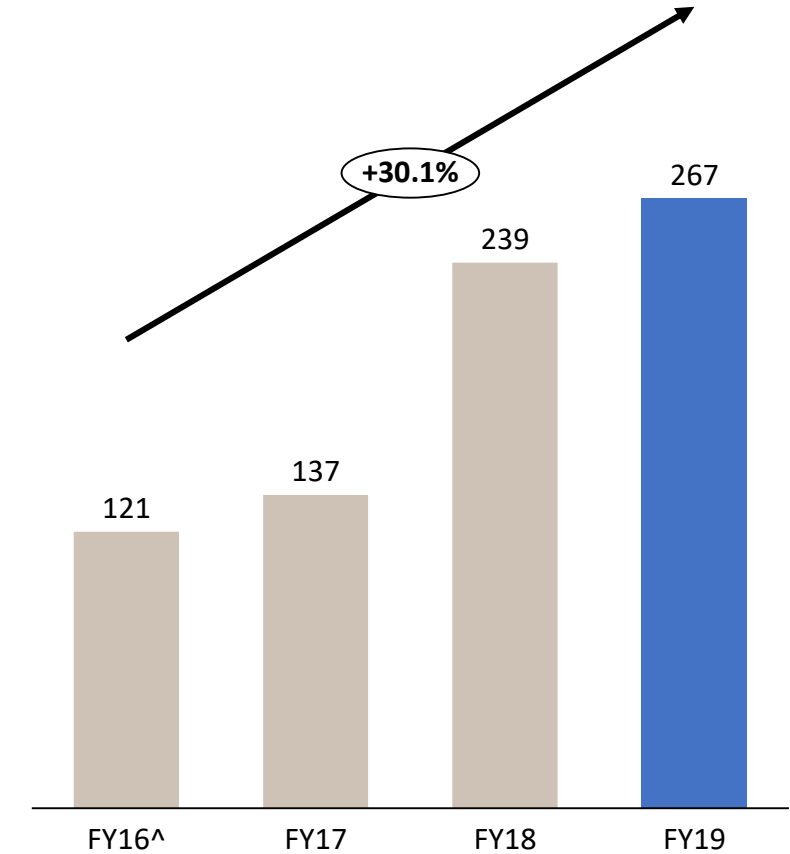
Rs. In Crores



## Operating EBITDA



## Operating PBT\*\*



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\* Revenue from operations is net of GST/Excise duty

\*\* Operating PBT (PBT - Other Income)

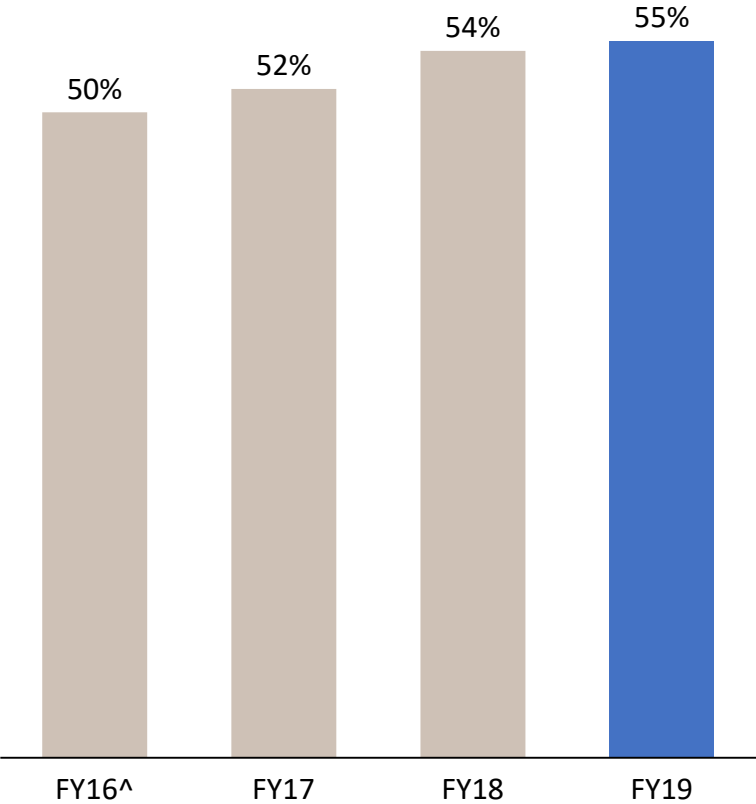
<sup>^</sup> IGAAP

# Improving Operating Performance

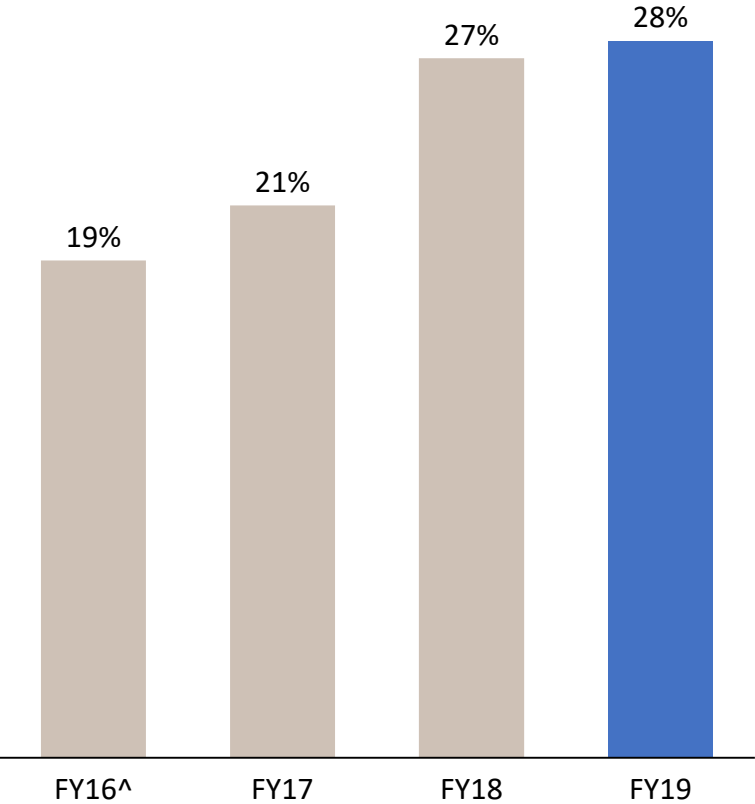


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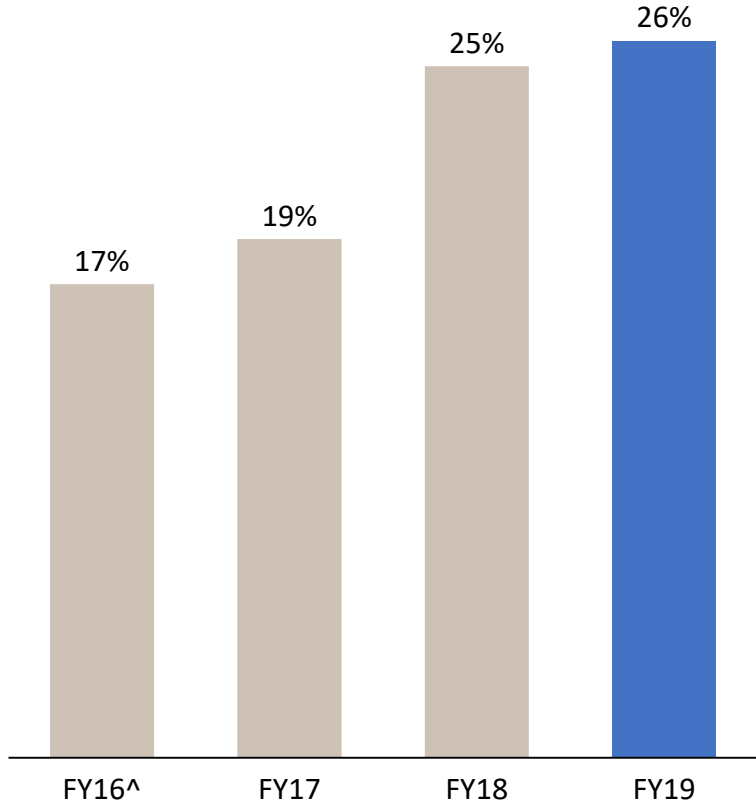
## Value Additions\*



## Operating EBITDA Margins



## Operating PBT Margins

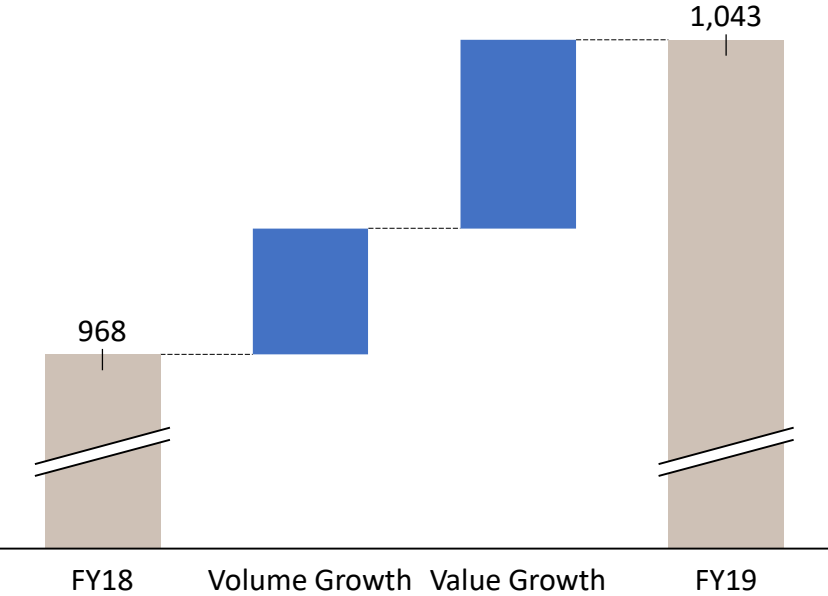


*\*(Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories)/Revenue*



## Revenue Growth Bridge

Rs. In Crores

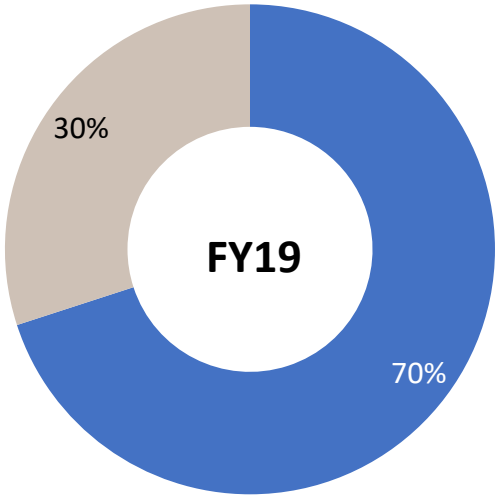
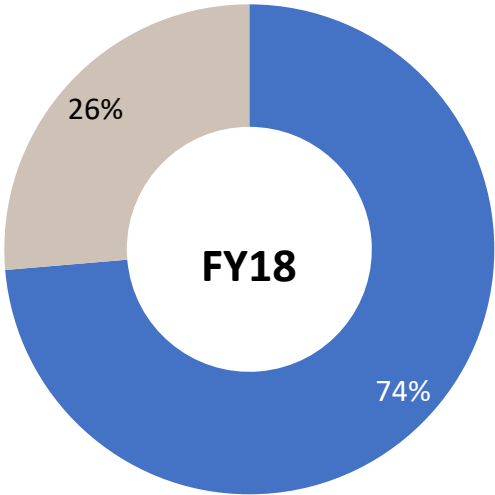


**Growth in Revenue was contributed by Volume & Value growth:**

- ✓ Volume growth – Sustainable demand
- ✓ Value growth – Better product mix

## Increasing share of Exports

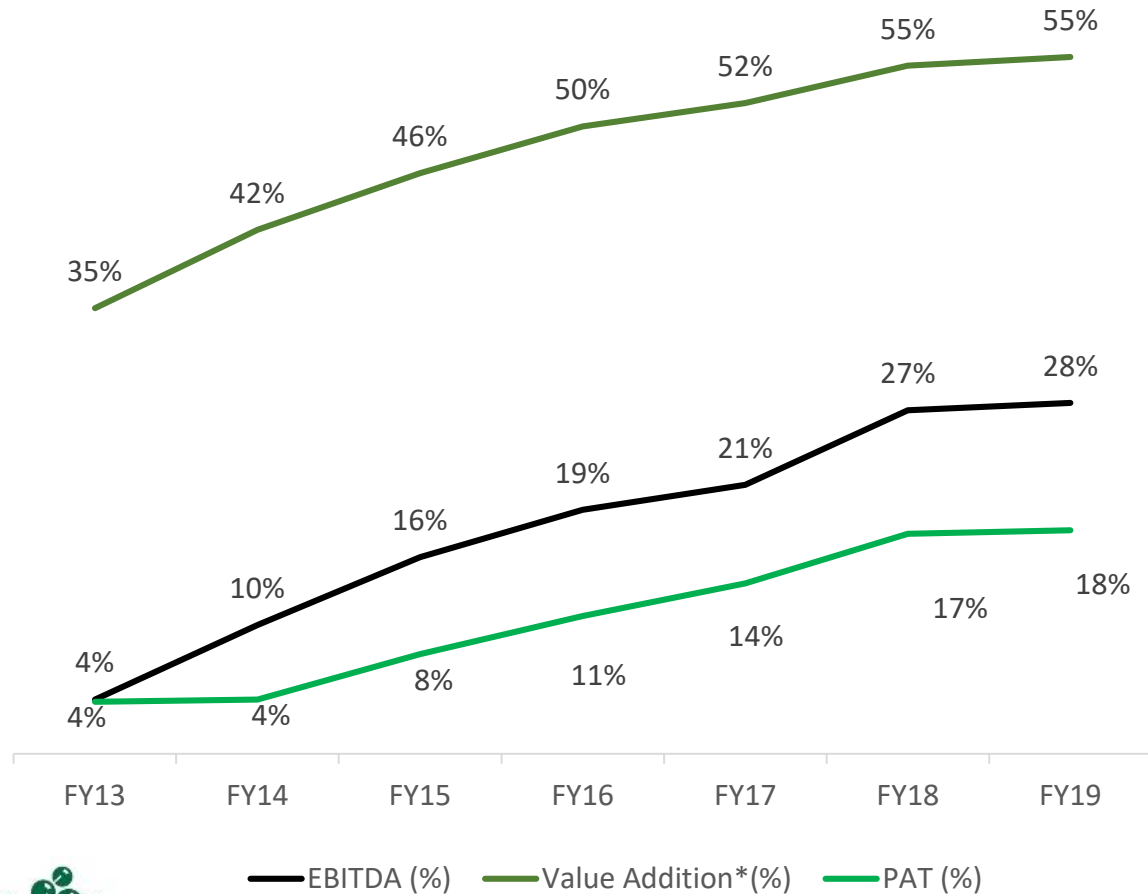
Domestic Exports



**Export business grew by 24%**



## 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



# Profit & Loss Statement



ARVIND MAFATLAL GROUP NOCIL LIMITED  
The ethics of excellence

Rs. In Crores	FY19	FY18	Y-o-Y
<b>Net Revenue from Operations *</b>	<b>1,043</b>	<b>968</b>	<b>7.8%</b>
Raw Material	467	441	
<b>Value Addition **</b>	<b>576</b>	<b>527</b>	<b>9.3%</b>
<b>Value Addition %</b>	<b>55.2%</b>	<b>54.5%</b>	
Employee Expenses	68	67	
Other Operating Expenses	218	197	
<b>Operating EBITDA</b>	<b>290</b>	<b>263</b>	<b>10.4%</b>
<b>EBITDA Margin</b>	<b>27.8%</b>	<b>27.2%</b>	
Depreciation	23	23	
Other Income	10	14	
<b>EBIT</b>	<b>277</b>	<b>254</b>	<b>9.1%</b>
<b>EBIT Margin</b>	<b>26.6%</b>	<b>26.3%</b>	
Interest	1	1	
<b>Profit Before Tax</b>	<b>277</b>	<b>253</b>	<b>9.3%</b>
Tax	93	84	
<b>Net Profit</b>	<b>184</b>	<b>169</b>	<b>9.2%</b>
<b>Net Profit Margin</b>	<b>17.7%</b>	<b>17.4%</b>	





# Balance Sheet



ARVIND MAFATLAL GROUP NOCIL LIMITED  
The ethics of excellence

Particulars (Rs. Crs.)	31-Mar-19	31-Mar-18
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>852</b>	<b>652</b>
Property, Plant and Equipment	626	499
Capital work-in-progress	131	39
Investment Property	0	0
Intangible Assets	2	3
Financial Assets		
(i) Investments in Wholly owned subsidiary	25	25
(ii) Other Investments	22	52
(iii) Other financial assets	6	4
Non-current tax assets	5	4
Other non-current assets	34	25
<b>Current assets</b>	<b>576</b>	<b>664</b>
Inventories	170	155
Financial Assets		
(i) Investments	101	225
(ii) Trade receivables	232	243
(iii) Cash and cash equivalents	36	24
(iv) Bank balances other than cash and cash equivalents	3	4
(v) Other Financial Assets	0	0
Other Current Assets	33	13
<b>TOTAL</b>	<b>1,428</b>	<b>1,316</b>

Particulars (Rs. Crs.)	31-Mar-19	31-Mar-18
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>1,153</b>	<b>1,037</b>
Equity Share Capital	165	164
Other Equity	988	873
<b>Non-Current Liabilities</b>	<b>120</b>	<b>116</b>
Financial Liabilities		
Provisions	15	15
Deferred Tax Liabilities (Net)	105	100
Other non-current liabilities	0	0
<b>Current liabilities</b>	<b>155</b>	<b>163</b>
Financial Liabilities		
(i) Trade Payables	99	114
(ii) Other Financial Liabilities	47	37
Other Current Liabilities	2	5
Provisions	6	4
Current Tax Liabilities (Net)	1	3
<b>TOTAL</b>	<b>1,428</b>	<b>1,316</b>



For further information, please contact:

**Company :**

**NOCIL Ltd.**

CIN: L99999MH1961PLC012003

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**Investor Relations Advisors :**

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