



## NOCIL LIMITED

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

5<sup>th</sup> February 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 and nine months ended 31<sup>st</sup> December 2018.

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



ARVIND MAFATLAL GROUP  
The ethics of excellence



Investor Presentation – Feb 2019



NOCIL LIMITED



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NOCIL LIMITED





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# 9MFY19 - Consistent Financial Performance

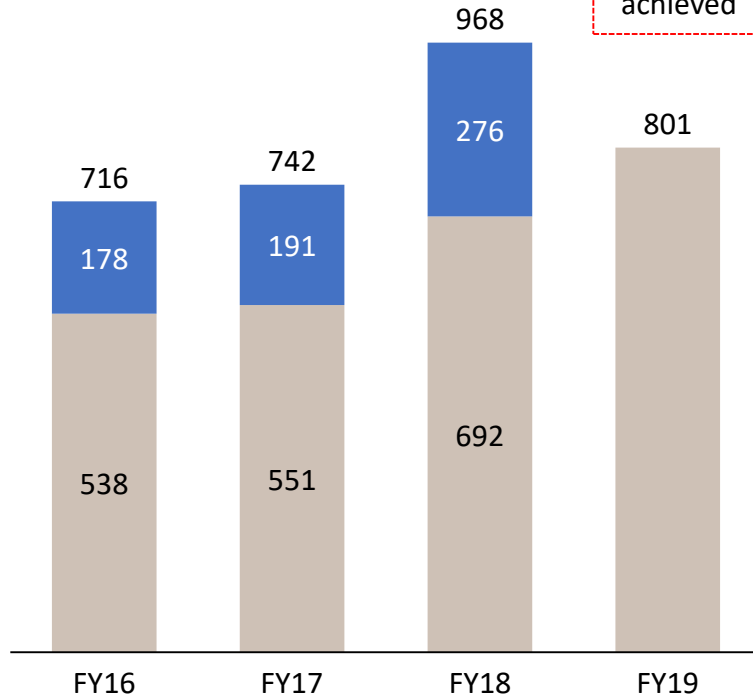


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## Revenue from Operations\*

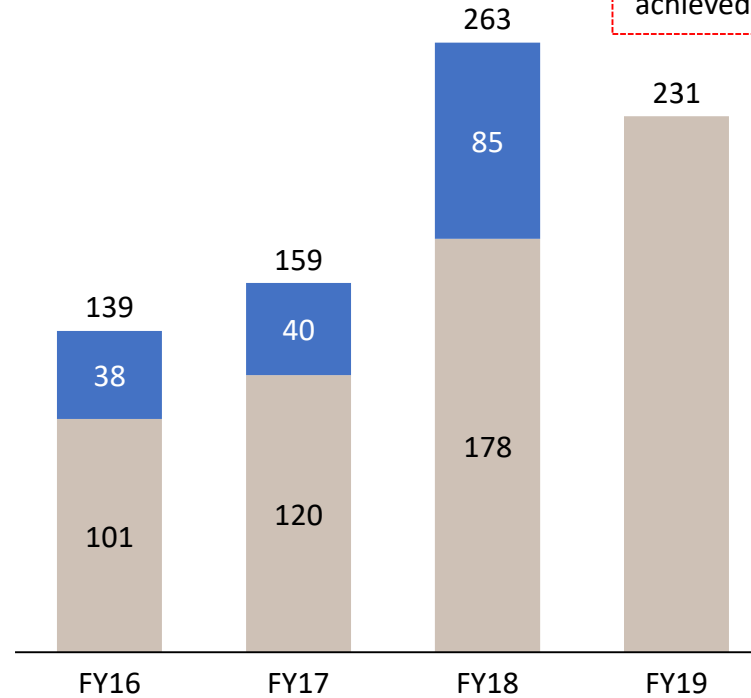
Rs. In Crores

**83%**  
of FY18  
Revenue  
achieved



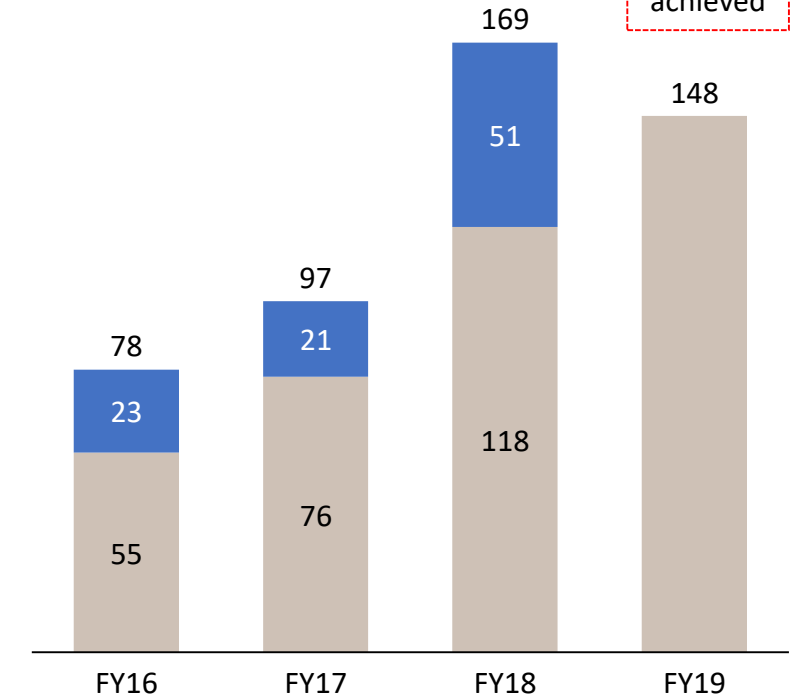
## Operating EBITDA

**88%**  
of FY18  
EBITDA  
achieved



## Profit after Tax

**88%**  
of FY18  
PAT  
achieved



■ Q4 ■ 9M



Responsible Care®

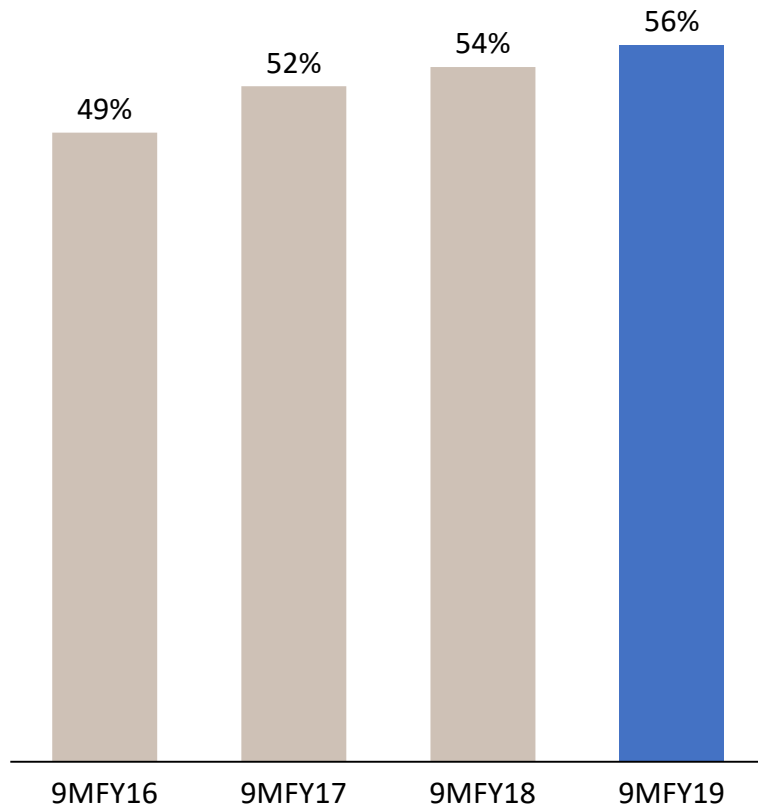
\* Revenue from operations is net of GST/Excise duty

# 9MFY19 - Improving Operational Performance

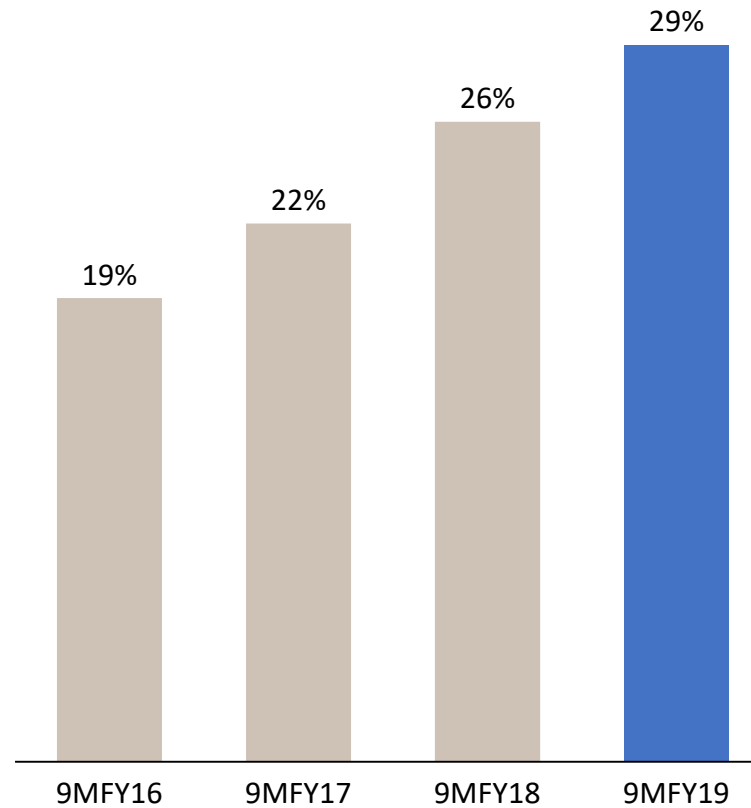


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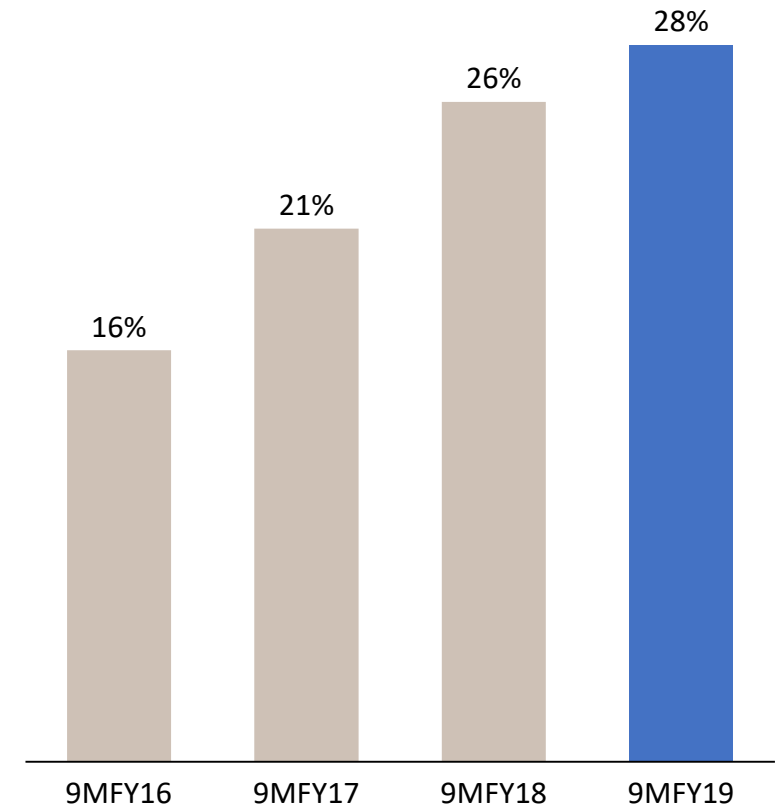
## Value Additions\*\*



## Operating EBITDA Margins



## PBT Margins



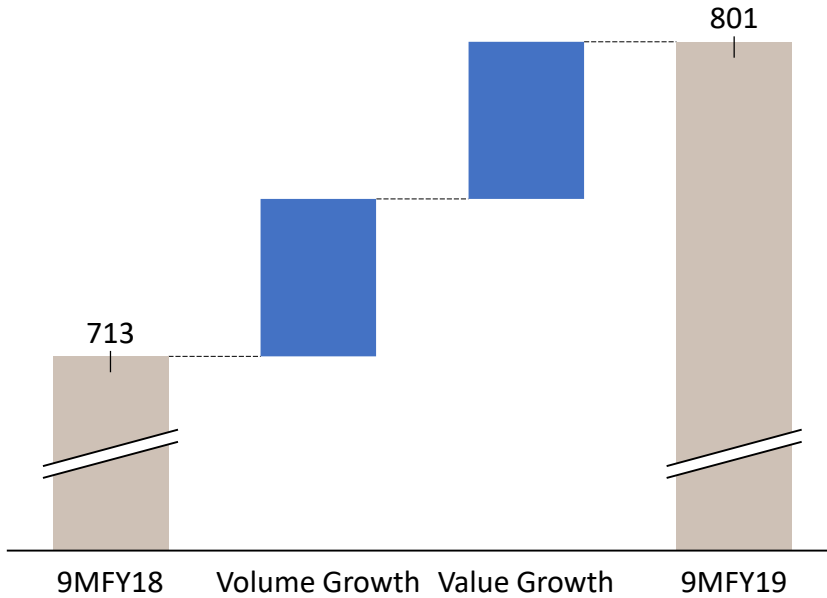
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\*\* $(\text{Revenue} - \text{cost of raw materials consumed} - \text{cost of traded goods} - \text{change in inventories}) / \text{Revenue}$



## Revenue Growth Bridge

Rs. In Crores

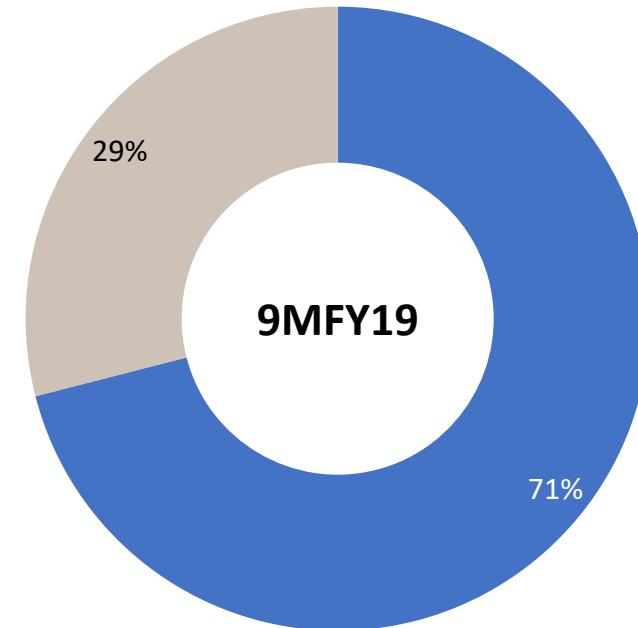


**Growth in Revenue was equally contributed by Volume & Value growth:**

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

## Geography-wise Revenue mix

Domestic Exports



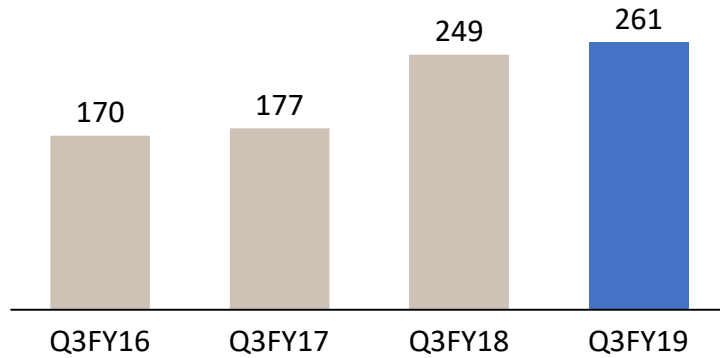
# Q3FY19 – Continued uptrend in Performance



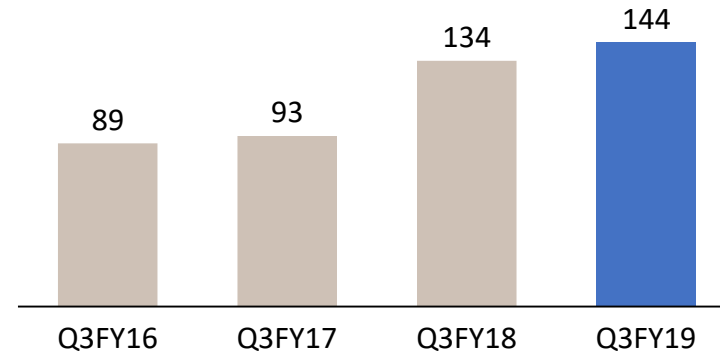
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## Revenue from Operations\*

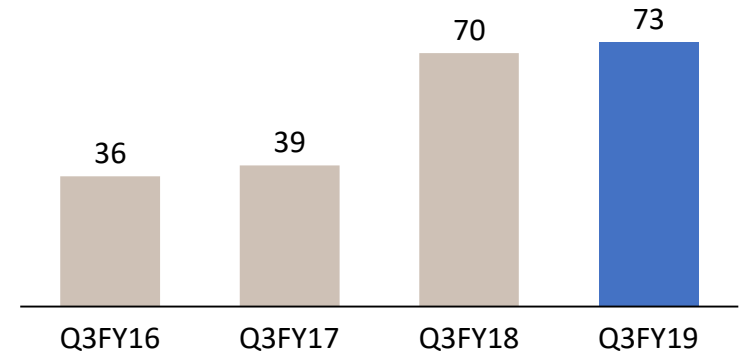
Rs. In Crores



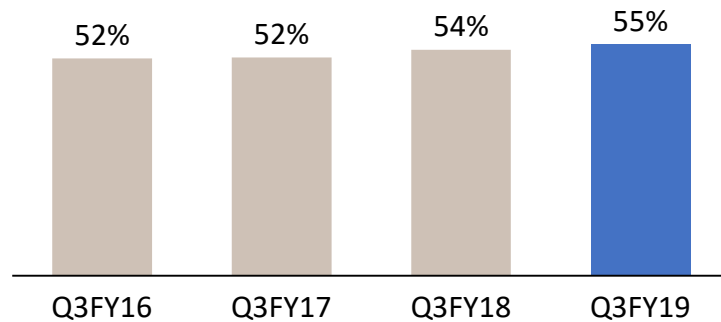
## Value Additions\*\*



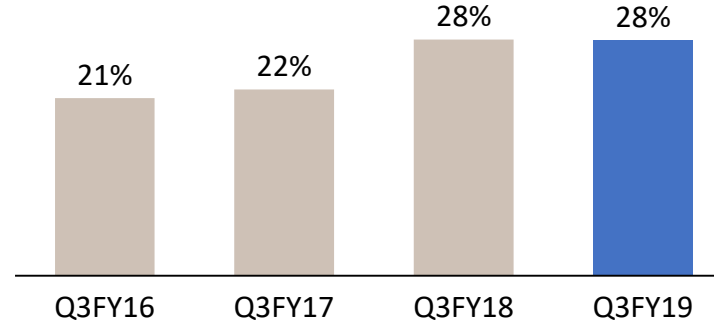
## Operating EBITDA



## Value Additions\*\*



## Operating EBITDA Margins



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

# Business Overview

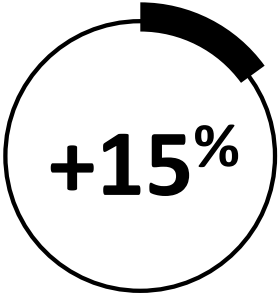




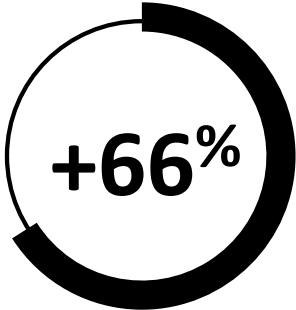


- Part of Arvind Mafatlal Group Expertise in Rubber Chemical Business over 4 decades
- Largest Rubber Chemicals Manufacturer in India
- Long Term Business Relationships with Tyre Majors (Both Domestic & International)
- Awarded Responsible Care Logo by Indian Chemical Council

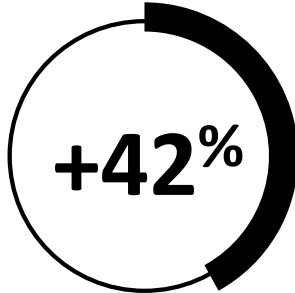
Revenue\*



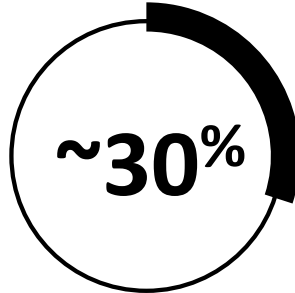
EBITDA\*



PBT\*



Dividend Payout  
more than 5 years



\* CAGR growth from (FY13-FY18)





## 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

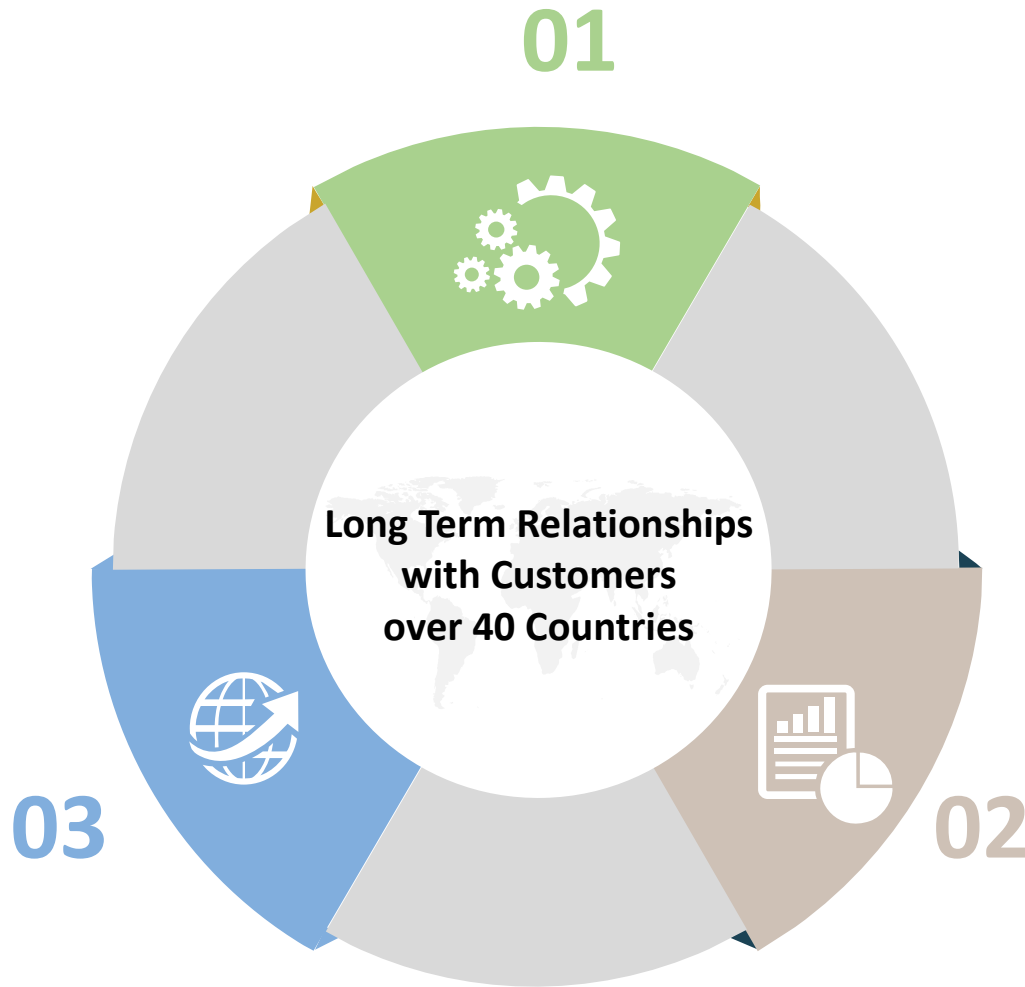
- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



## Dahej Plant

- 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





## 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

## ACCELERATORS

- Increase the speed of vulcanization
- Permit vulcanization to proceed at lower temperature & with greater efficiency

2

## ANTI-DEGRADANTS/ ANTI-OXIDANTS

- This An ingredient in rubber compounds which deters the ageing or inhibits degradation due to oxygen attack of rubber products thereby enhancing service life
- Chemical compound can be used as a stabilizer in rubbers, etc.

3

## SPECIALISED APPLICATIONS

- Pre vulcanization inhibitor, Post vulcanization stabilizer, Zinc based applications etc.
- Improves Thermal Stability of cross links in rubber products

**ONE STOP SHOP**

With

**WIDE RANGE**

to suit

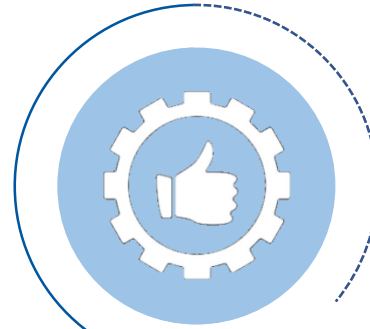
**MARKET REQUIREMENTS**





## Research & Technology Development

- NOCIL's Research Centre 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

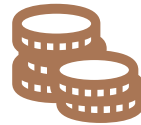




## Key Factors



Technology 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



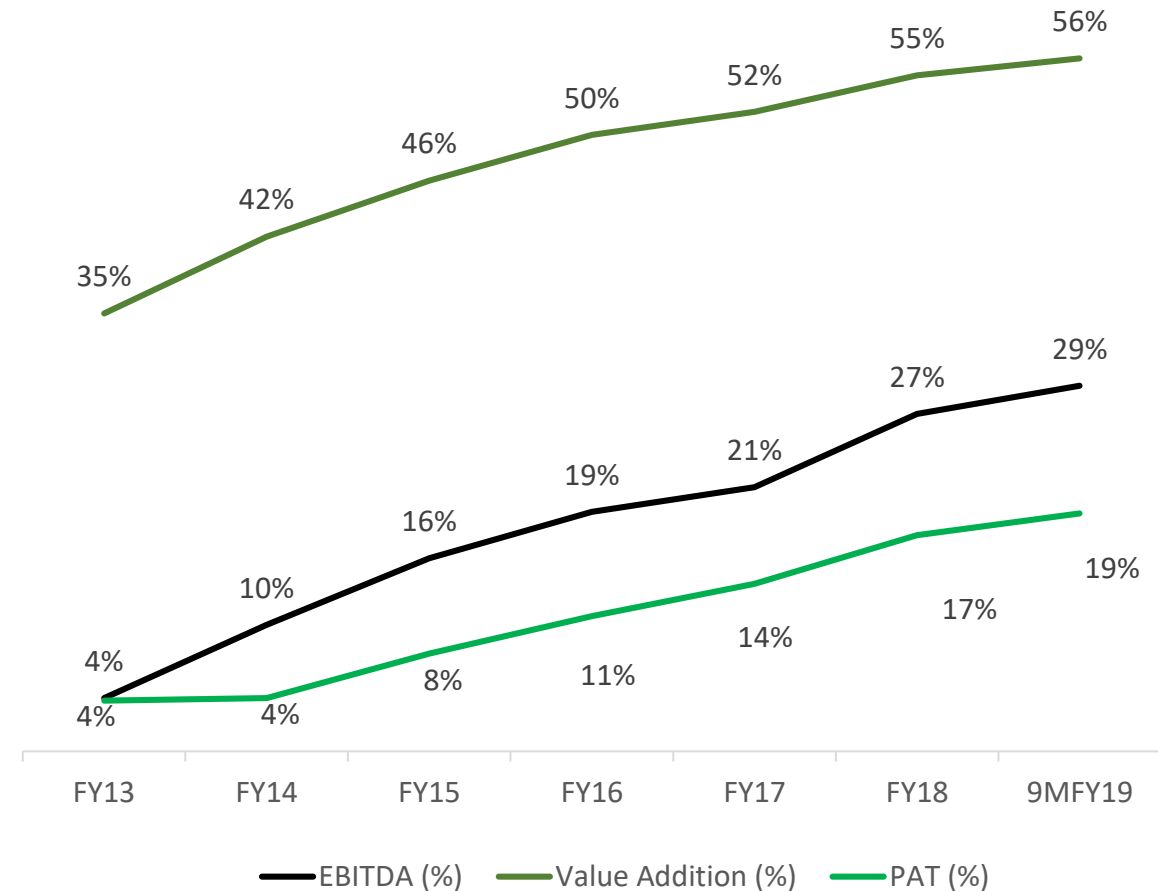
Favourable Business conditions



Anti-dumping duty protection

## Sustainable Initiatives taken over 5 years

## Overall Improvement in Margin Profile of the Company



Financials are on Standalone basis and FY17, FY18 and 9MFY19 are as per Ind AS



## 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



High performance tyres

Rising Income levels

Stringent environmental compliance

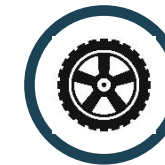
Global Demand

## Rising Income Levels



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

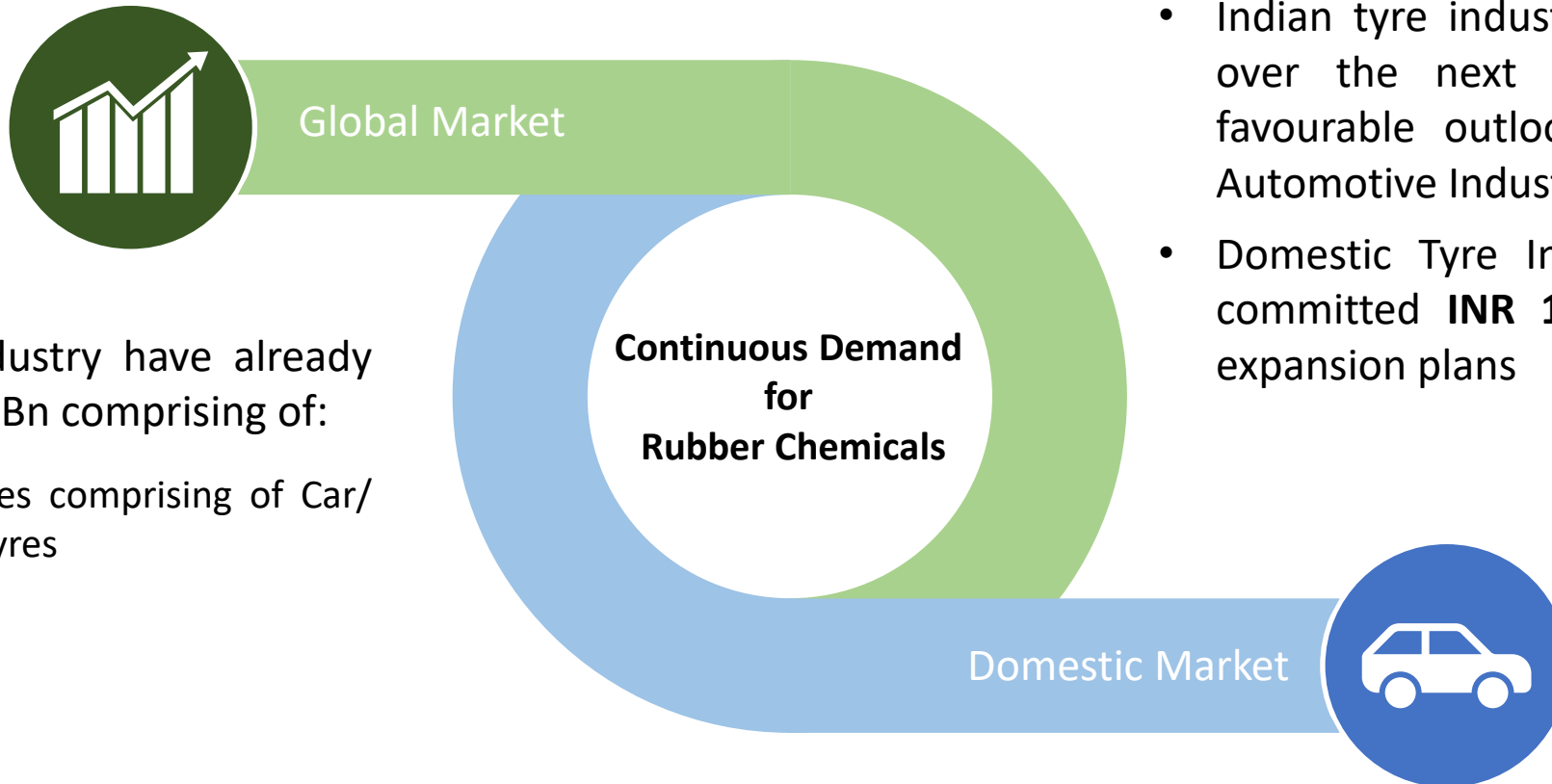
## Global Demand\*



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







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

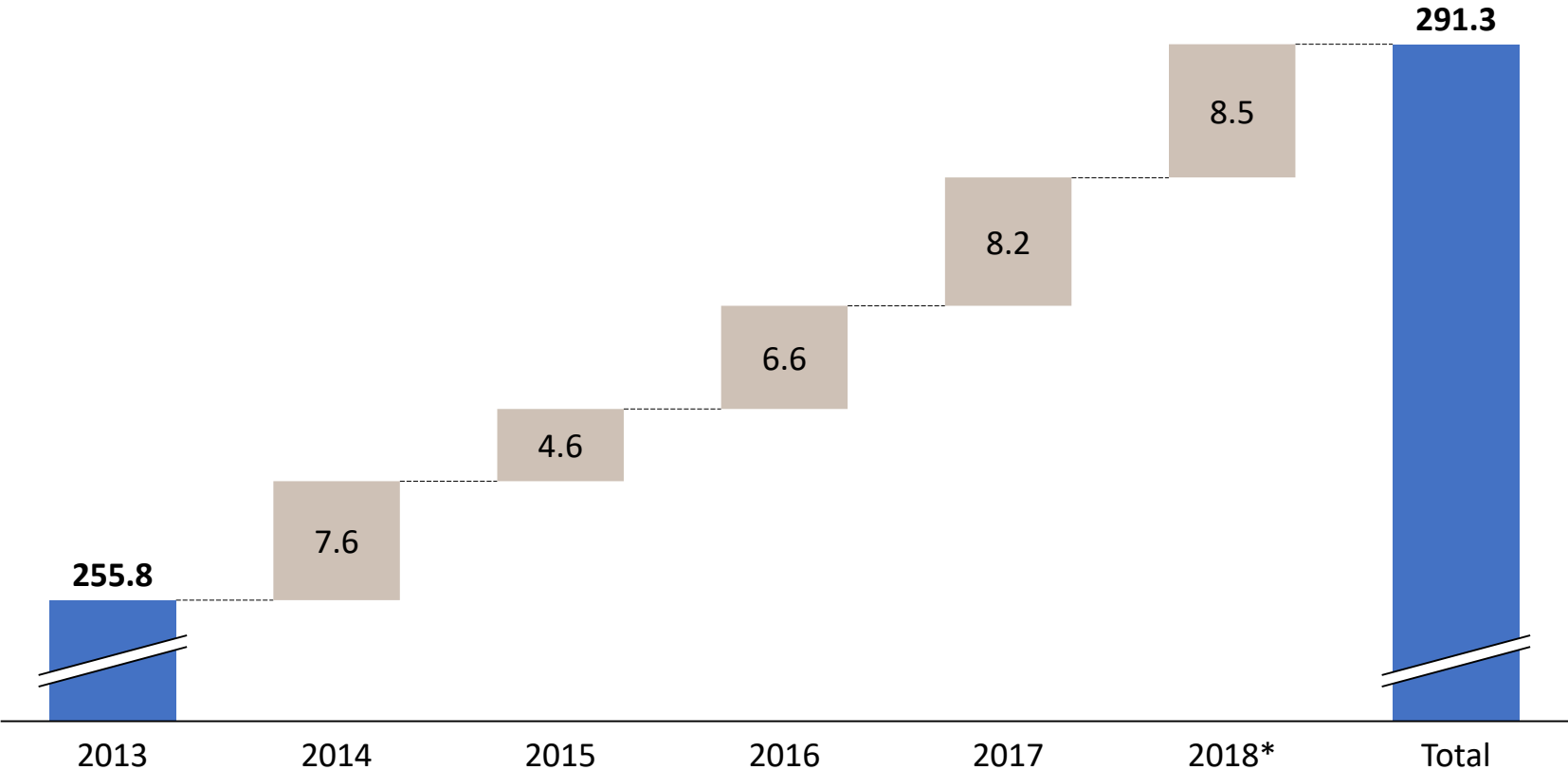
- Indian tyre industry may grow 7%-9% over the next 5 years backed by favourable outlook for the domestic Automotive Industry
- Domestic Tyre Industry have already committed **INR 15 – 18 Bn** towards expansion plans





## 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, Oct - Dec 2018 edition



## 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 after successful trial runs from Dec'18

### Phase II – Total Capex of Rs. 255 crores ^

## Phase II

- 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 Sept-Oct'19

Expansion is expected to give an Asset Turnover of 2X

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

Capex done to capitalize on growth opportunities...

...Further scope of multiple expansion possible



# 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 all 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 for a specific location under specific climatic conditions & same is carried out for various locations globally



# Profit & Loss Statement



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Rs. In Crores	Q3 FY19	Q3 FY18	Y-o-Y	9M FY19	9M FY18	Y-o-Y
<b>Net Revenue from Operations *</b>	<b>261</b>	<b>249</b>	<b>4.8%</b>	<b>801</b>	<b>692</b>	<b>15.8%</b>
Raw Material	117	115		356	319	
<b>Value Addition **</b>	<b>144</b>	<b>134</b>	<b>6.9%</b>	<b>445</b>	<b>373</b>	<b>19.4%</b>
<b>Value Addition %</b>	<b>55.0%</b>	<b>53.9%</b>		<b>55.6%</b>	<b>53.9%</b>	
Employee Expenses	15	16		50	50	
Other Operating Expenses	56	49		164	144	
<b>Operating EBITDA</b>	<b>73</b>	<b>70</b>	<b>4.2%</b>	<b>231</b>	<b>178</b>	<b>29.7%</b>
<b>EBITDA Margin</b>	<b>27.8%</b>	<b>27.9%</b>		<b>28.9%</b>	<b>25.8%</b>	
Depreciation	6	4		17	12	
Other Income	2	3		8	11	
<b>EBIT</b>	<b>69</b>	<b>69</b>	<b>0.1%</b>	<b>222</b>	<b>178</b>	<b>25.1%</b>
<b>EBIT Margin</b>	<b>26.4%</b>	<b>27.6%</b>		<b>27.7%</b>	<b>25.7%</b>	
Interest	0	0		0	1	
<b>Profit Before Tax</b>	<b>69</b>	<b>69</b>	<b>0.5%</b>	<b>222</b>	<b>177</b>	<b>25.6%</b>
Tax	24	24		74	59	
<b>Net Profit</b>	<b>45</b>	<b>45</b>	<b>-0.7%</b>	<b>148</b>	<b>118</b>	<b>26.1%</b>
<b>Net Profit Margin</b>	<b>17.1%</b>	<b>18.0%</b>		<b>18.5%</b>	<b>17.0%</b>	



For further information, please contact:

**Company :**

**NOCIL Ltd.**

CIN: L99999MH1961PLC012003

Mr. P. Srinivasan - CFO

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**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Ms. Neha Shroff

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