

4<sup>th</sup> November 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 half year ended 30<sup>th</sup> September 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 – November 2019



NOCIL LIMITED



ARVIND MAFATLAL GROUP  
The ethics of excellence



NOCIL LIMITED





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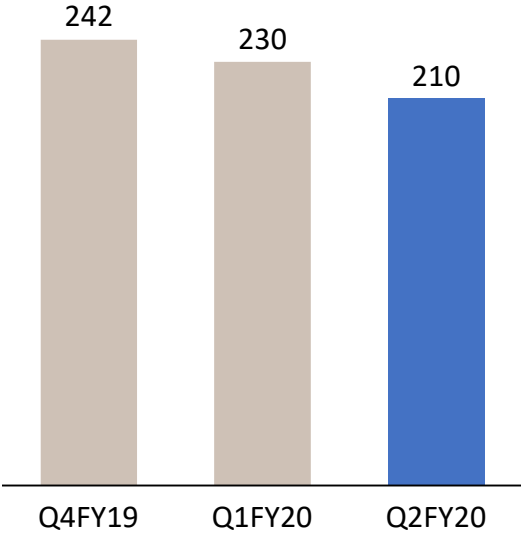
# Quarterly Performance



ARVIND MAFATLAL GROUP NOCIL LIMITED  
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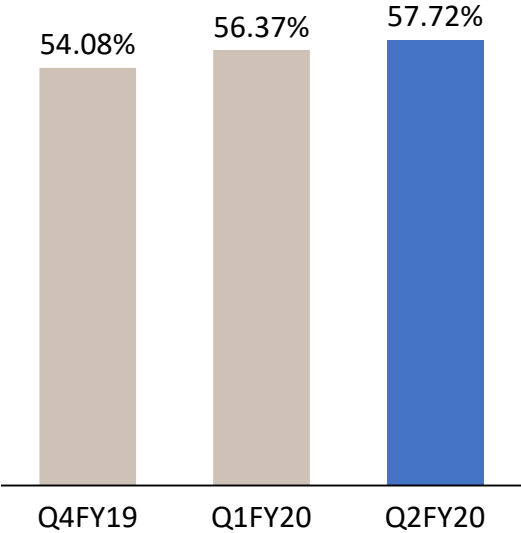
### Revenue from Operation (Rs. In crores)

Slowdown in Auto Industry



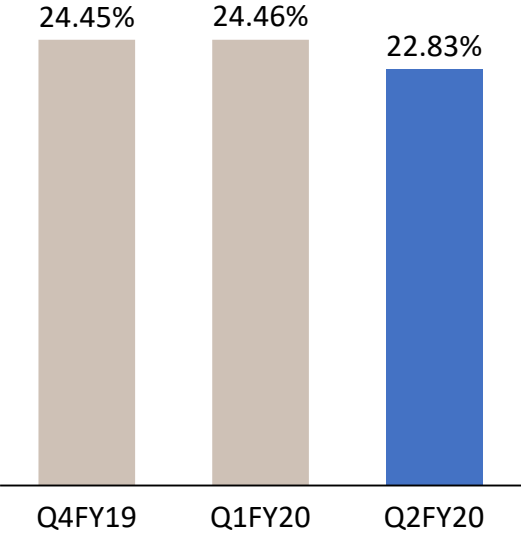
### Value Addition (%)

Better Product mix



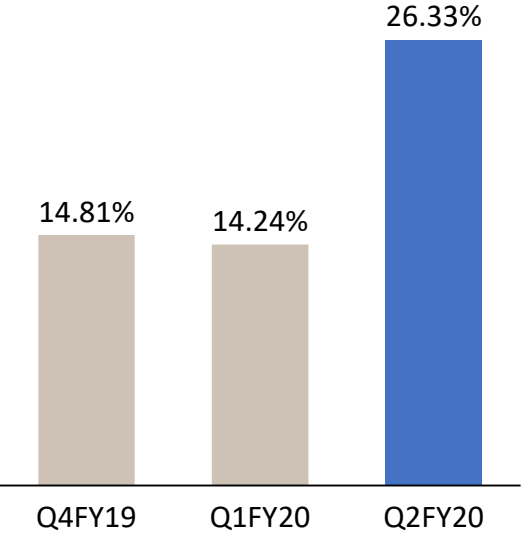
### Operating EBITDA (%)

Relatively lower capacity utilisation



### PAT (%)

One time impact of reduction in tax rate



# Standalone Profit & Loss Statement



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



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



# Standalone Balance Sheet



ARVIND MAFATLAL GROUP NOCIL LIMITED  
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Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>966</b>	<b>852</b>
Property, Plant and Equipment	625	626
Capital work-in-progress	236	131
Investment Property	0	0
Intangible Assets	2	2
<b>Financial Assets</b>		
(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
<b>Current assets</b>	<b>476</b>	<b>576</b>
Inventories	154	170
<b>Financial Assets</b>		
(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
<b>TOTAL</b>	<b>1,441</b>	<b>1,428</b>

Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>1,186</b>	<b>1,153</b>
Equity Share Capital	166	165
Other Equity	1,020	988
<b>Non-Current Liabilities</b>	<b>109</b>	<b>120</b>
<b>Financial Liabilities</b>		
(i) Financial Lease Liability	8	0
Provisions	15	15
Deferred Tax Liabilities (Net)	87	105
Other non-current liabilities	0	0
<b>Current liabilities</b>	<b>146</b>	<b>155</b>
<b>Financial Liabilities</b>		
(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
<b>TOTAL</b>	<b>1,441</b>	<b>1,428</b>



# Consolidated Balance Sheet



ARVIND MAFATLAL GROUP NOCIL LIMITED  
The ethics of excellence

Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>972</b>	<b>858</b>
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
<b>Current assets</b>	<b>483</b>	<b>584</b>
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
<b>TOTAL</b>	<b>1,455</b>	<b>1,442</b>

Particulars (Rs. Crs.)	30-Sep-19	31-Mar-19
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>1,195</b>	<b>1,163</b>
Equity Share Capital	166	165
Other Equity	1,030	998
<b>Non-Current Liabilities</b>	<b>114</b>	<b>124</b>
Financial Liabilities		
(i) Financial Lease Liability	8	0
Provisions	15	15
Deferred Tax Liabilities (Net)	91	109
Other non-current liabilities	0	0
<b>Current liabilities</b>	<b>145</b>	<b>155</b>
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
<b>TOTAL</b>	<b>1,455</b>	<b>1,442</b>





# Cashflow Statement



ARVIND MAFATLAL GROUP NOCIL LIMITED  
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Particulars (Rs. In Crores)	Standalone		Consolidated	
	Six Months Ended 30 <sup>th</sup> Sep 19	Year Ended 31 <sup>st</sup> Mar 19	Six Months Ended 30 <sup>th</sup> Sep 19	Year Ended 31 <sup>st</sup> Mar 19
<b>Cash flow from operating activities</b>				
<b>Profit before tax</b>	<b>93</b>	<b>277</b>	<b>93</b>	<b>278</b>
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)
<b>Cash flows generated from operating activities</b>	<b>160</b>	<b>252</b>	<b>160</b>	<b>252</b>
Income tax paid (Net of Refund)	28	88	28	88
<b>Net Cash flows generated from operating activities (A)</b>	<b>132</b>	<b>164</b>	<b>132</b>	<b>164</b>
<b>Net Cash flows generated from investing activities (B)</b>	<b>(88)</b>	<b>(102)</b>	<b>(87)</b>	<b>(101)</b>
<b>Net Cash flows generated from financing activities (C)</b>	<b>(49)</b>	<b>(50)</b>	<b>(49)</b>	<b>(50)</b>
<b>Net Cash Increase / (Decrease)</b>	<b>(6)</b>	<b>12</b>	<b>(5)</b>	<b>13</b>



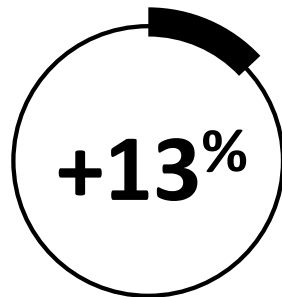
# Business Overview





- *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\*



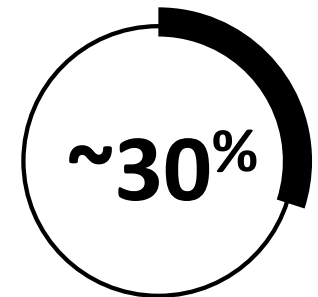
EBITDA\*



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

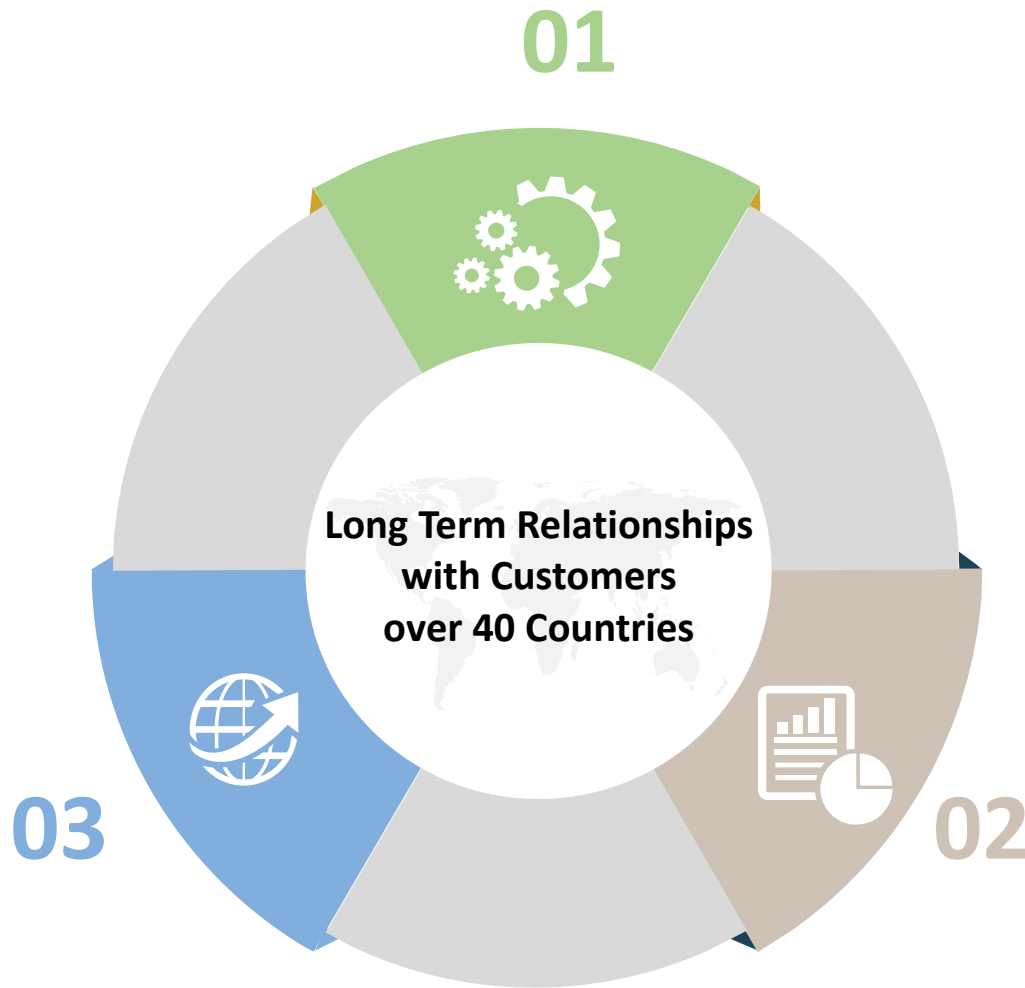
- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



## 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

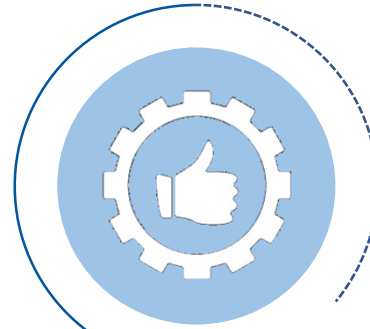
**MARKET REQUIREMENTS**





## 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

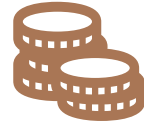


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## Key Factors



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



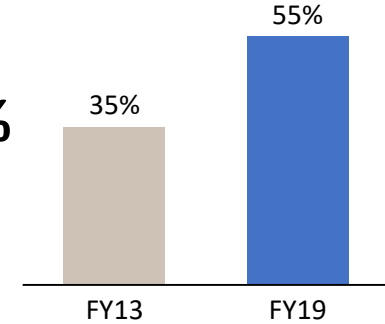
Favourable Positioning



Anti-dumping duty

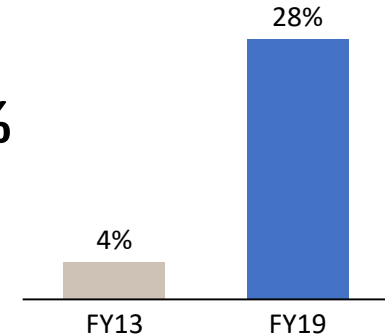
Value Addition

**+20%**



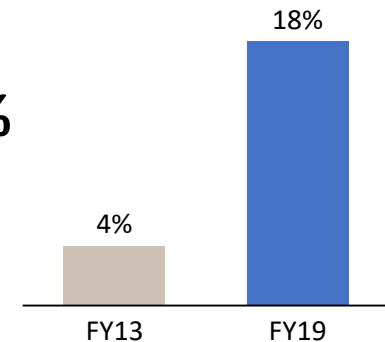
Operating EBITDA

**+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

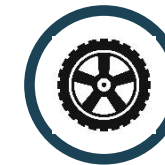


## Rising Income Levels



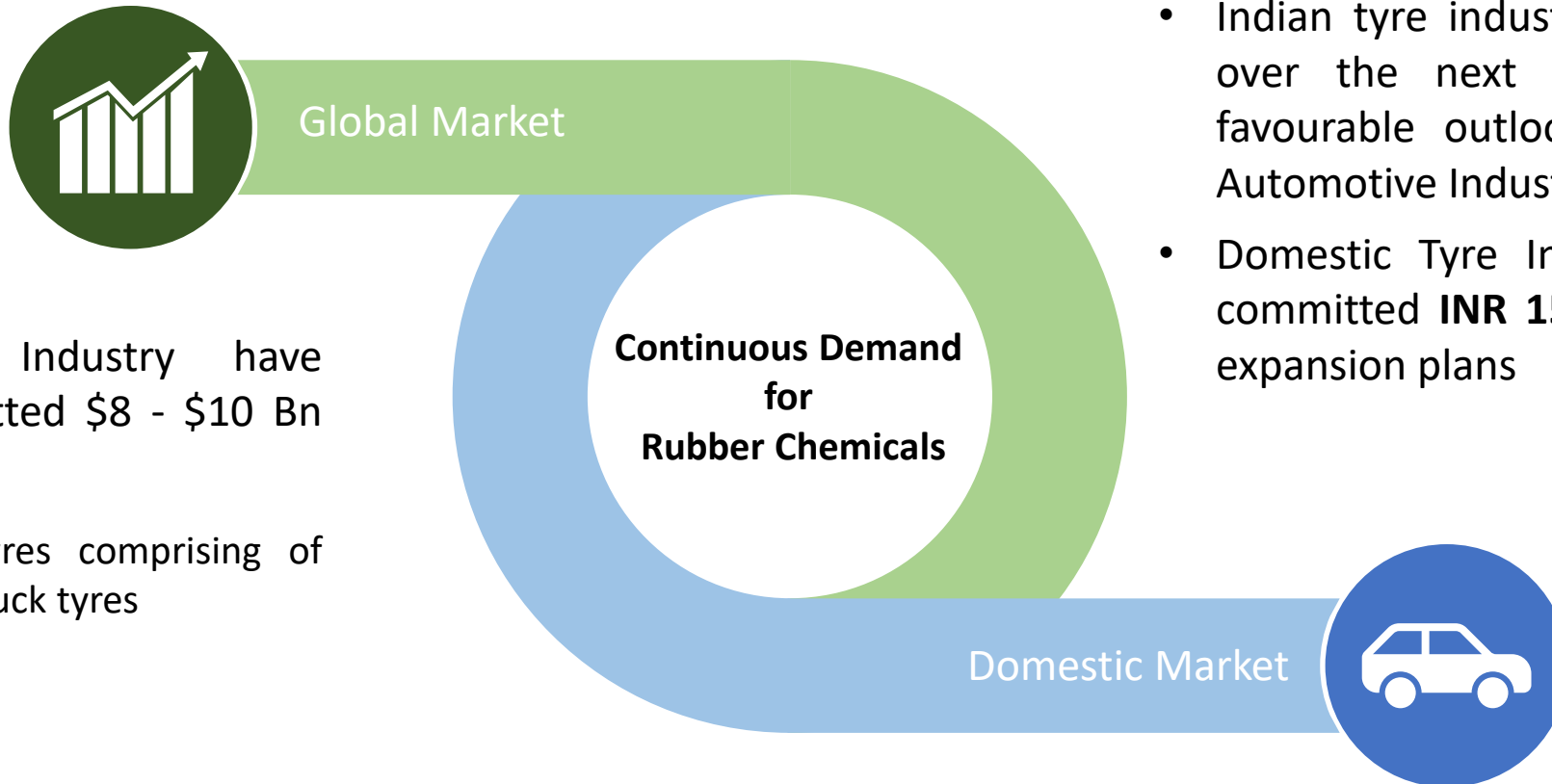
Increase in Motor vehicle ownership rates, especially in developing nations would need additional consumption of rubber processing chemicals

## 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

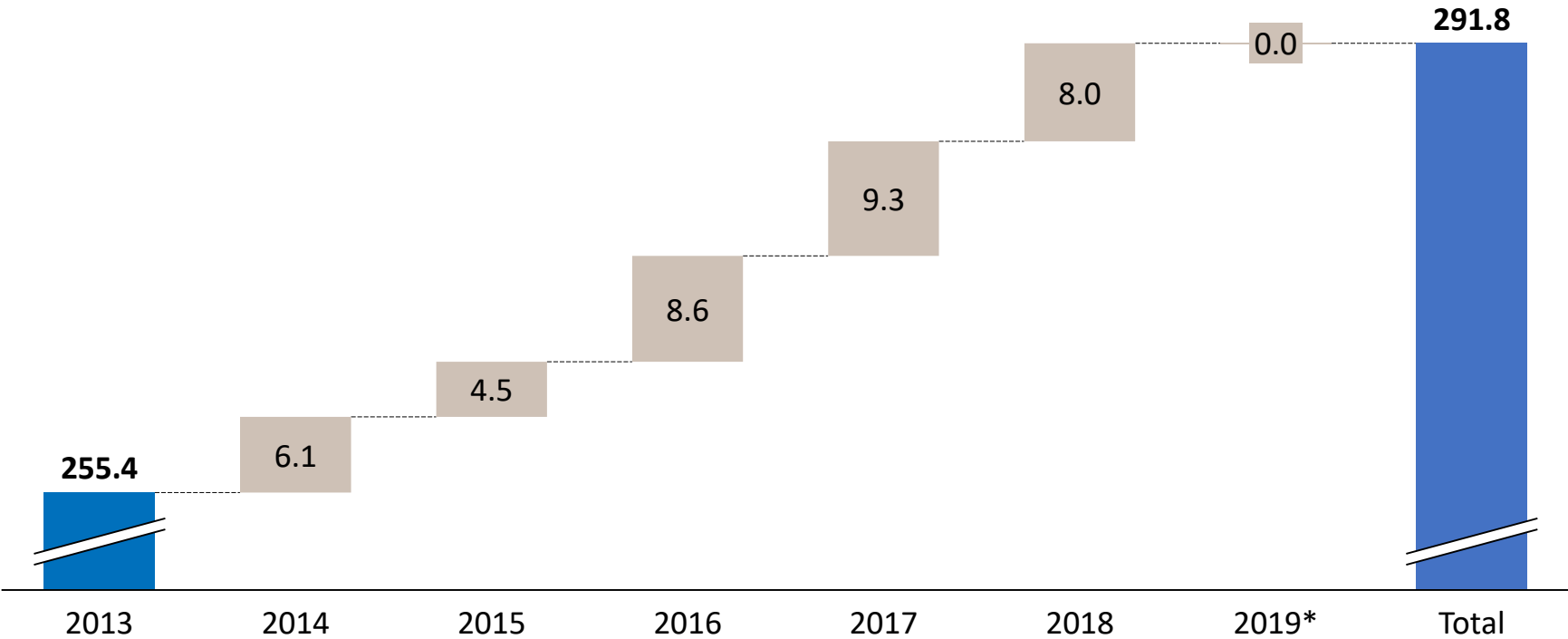
- Indian tyre industry may grow 7%-9% over the next 5 years backed by favourable outlook for the domestic Automotive Industry
- Domestic Tyre Industry have already committed **INR 150 – 180 Bn** towards expansion plans





## 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**

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



# Why NOCIL is a “Supplier of Choice”



ARVIND MAFATLAL GROUP NOCIL LIMITED  
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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



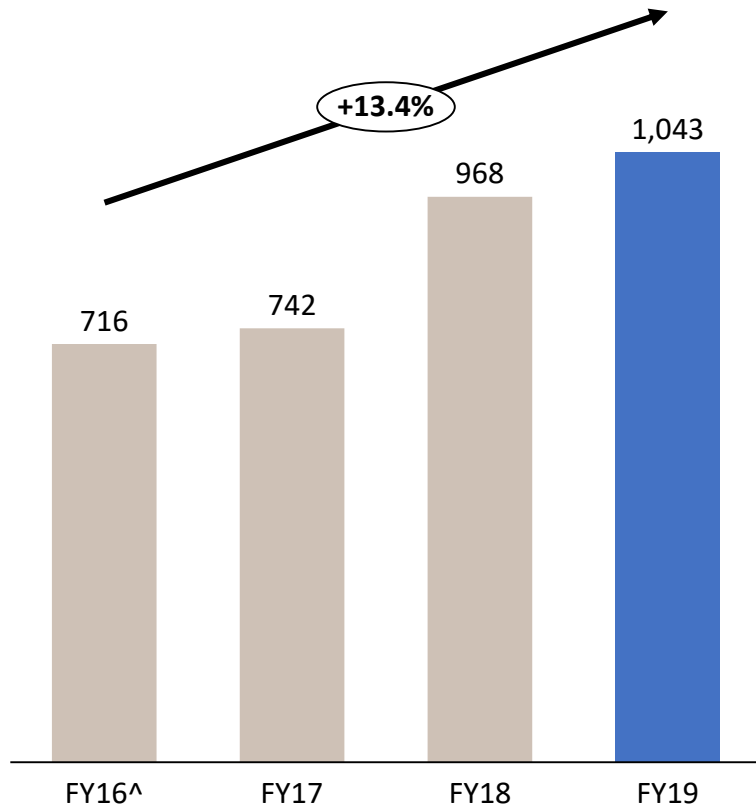
# Annual Performance Trend



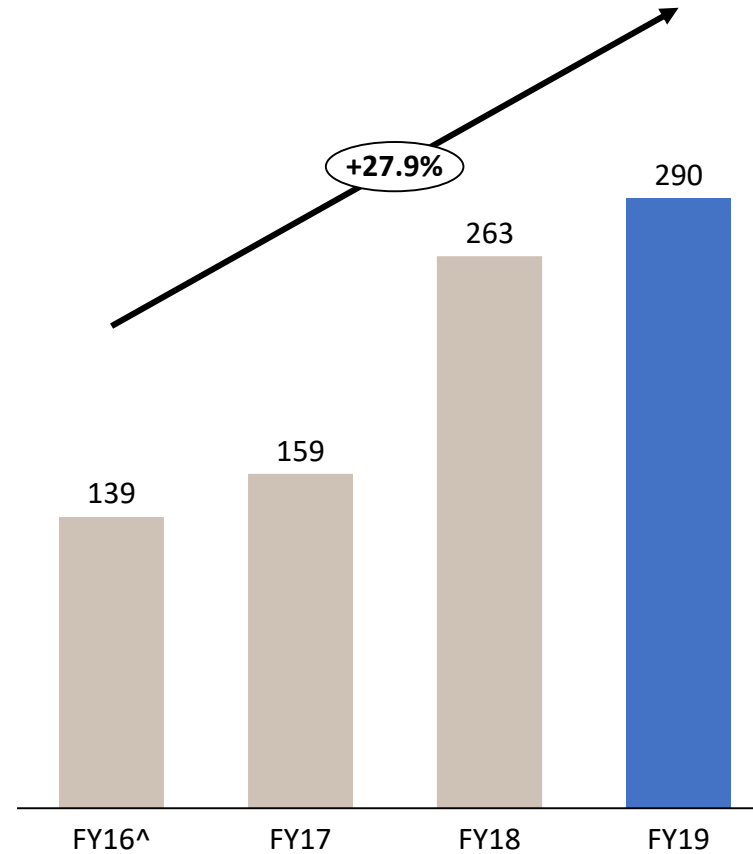
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## Revenue from Operations\*

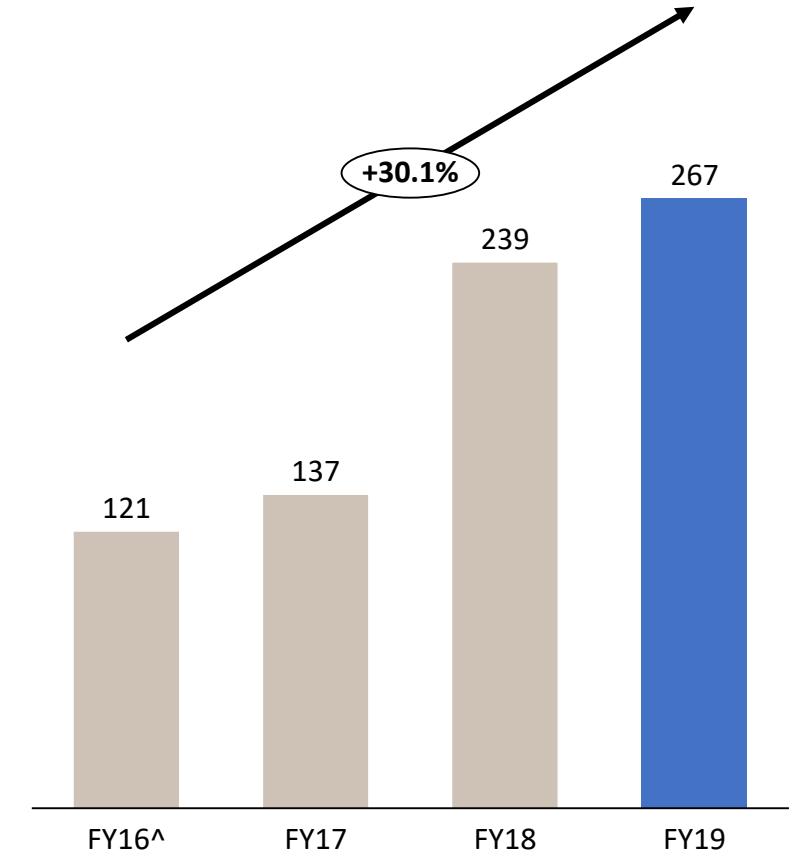
Rs. In Crores



## Operating EBITDA



## Operating PBT\*\*



Responsible Care<sup>®</sup>

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

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

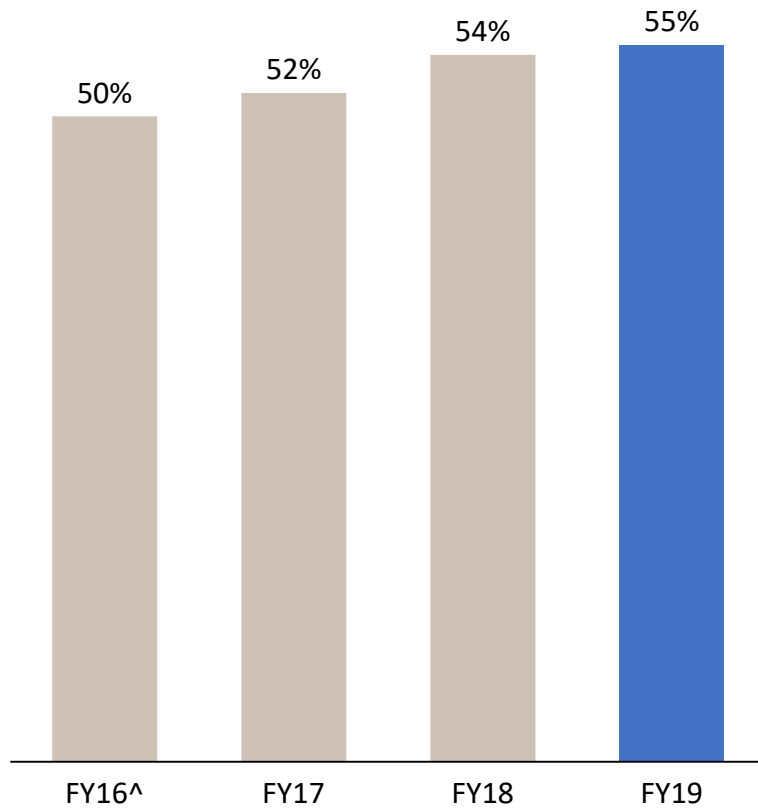
<sup>^</sup> IGAAP

# Annual Operating Performance

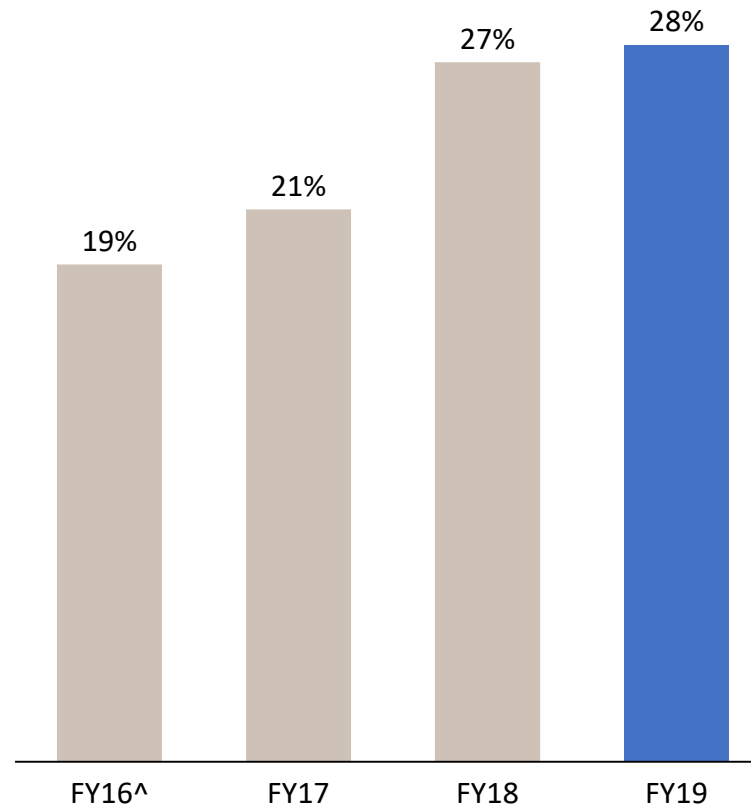


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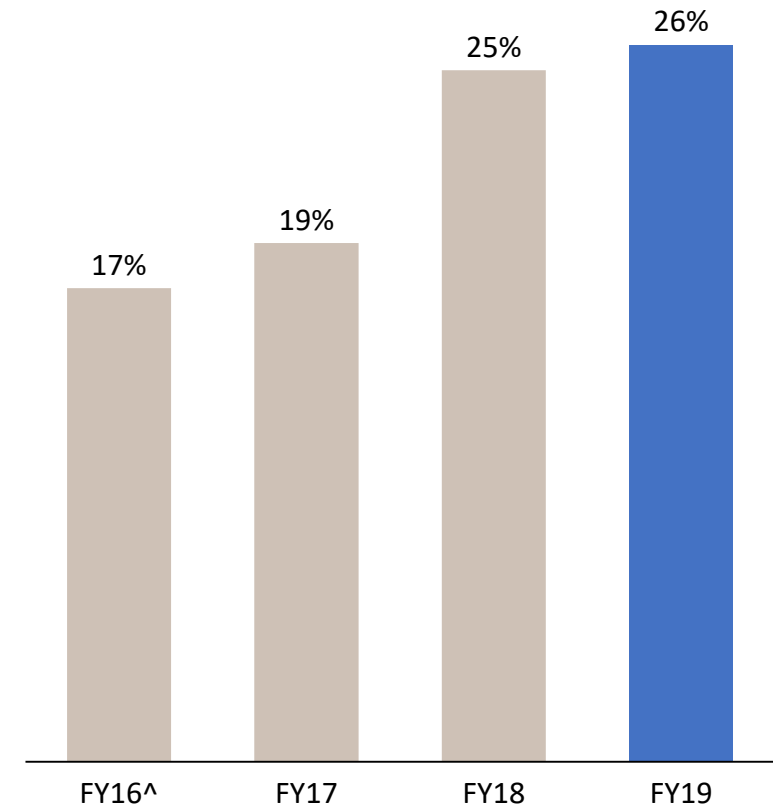
## Value Additions\*



## Operating EBITDA Margins



## Operating PBT Margins

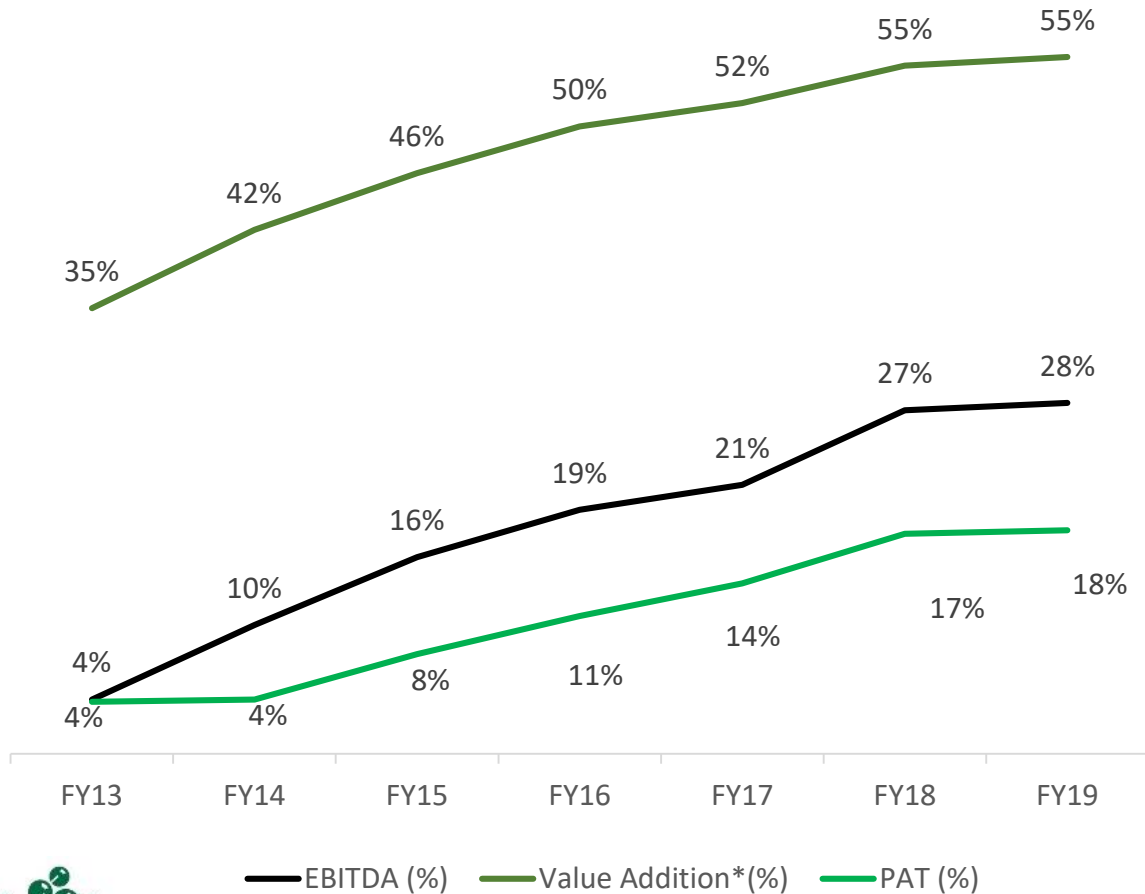


Responsible Care®

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



## 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](mailto:finance@nocil.com)

[www.nocil.com](http://www.nocil.com)

**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Ms. Neha Shroff

[payal.dave@sgapl.net](mailto:payal.dave@sgapl.net) / [neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net)

+91 9819916314 / +91 7738073466

[www.sgapl.net](http://www.sgapl.net)