NOCIL LIMITED
Regd. Office : Mafatlal House, 3rd Floor, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020, India.
Tel.: +91 22 6657 6100, 6636 4062 Fax +91 22 6636 4060
Website: www.nocil.com CIN : L99999MH1961PLC012003
Email: investorcare@nocil.com
ARVIND MAFATLAL GROUP
The ethics of excellence

Date: 23rd May, 2025

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

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Call.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of Company's Earnings call held on 16th May, 2025 regarding discussion on the Operational and financial performance of the Company for the quarter and year ended 31st March, 2025 is enclosed herewith.

This intimation is also being made available on the Company's website viz., https://www.nocil.com/overview/#investor_presentation

This is for your information and record.

Thanking you,

Yours faithfully,
For NOCIL Limited

AMIT KUNDAN VYAS
Digitally signed by AMIT KUNDAN VYAS
Date: 2025.05.23 11:12:25 +05'30'

Amit K. Vyas
Head-Legal
& Company Secretary

"NOCIL Limited

Q4 FY '25 Earnings Conference Call"

May 16, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 16th May 2025 will prevail.

MANAGEMENT: **MR. V.S. ANAND – MANAGING DIRECTOR – NOCIL LIMITED**
MR. P. SRINIVASAN – CHIEF FINANCIAL OFFICER – NOCIL LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to NOCIL Limited Q4 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes.

This conference may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to the management. Thank you, and over to you, sir.

V. S. Anand: Thank you Avirath, and good morning, everyone. I'd like to start by expressing my appreciation for your presence today. Joining me are Mr. P. Srinivasan, our Chief Financial Officer; and our Investor Relations Advisors from SGA. I hope you've all received our investor presentation. If not, it's available on both the stock exchanges and our company's website.

Before we delve into the financial performance, I want to start by providing an update on the previously announced Rs.250 crores rubber chemical's capital expenditure at our Dahej facility. This project is presently on track and is primarily aimed at enhancing production capabilities of our TDQ antioxidant product portfolio. The new plant with expanded capacity at Dahej will leverage our years of R&D and technology expertise to produce TDQ through a more advanced and greener process.

Now coming to the company's financial performance for Q4FY25. During this period, revenue from operations stood at Rs. 340 crores, reflecting a 7% sequential growth. Volume also saw a 4% growth compared to the previous quarter with growth in the domestic and export markets.

On the annual performance front, the domestic business saw a flattish growth held back by low-priced imports. However, on the international business front, for the second consecutive year, our international business clocked double-digit growth. The current macroeconomic landscape is quite dynamic, particularly with the evolving tariff situation in the U.S.A., which adds uncertainty to assessing its potential impact. While the initial assessment does indicate opportunities, we need to be cautious under the current environment.

During the quarter, our pricing remained largely in line with raw material cost movements. However, we continue to experience pricing pressure due to aggressive dumping by rubber chemical manufacturers from China, Korea and the European Union. In response, we have filed a petition for the imposition of antidumping duties and the authorities are assessing the situation. Imposition of antidumping duty along the lines of our filed petition accounts for around 40% of our overall business.

Turning to the Indian tire industry, the outlook remains positive over the medium to long term with a projected CAGR of 4% to 6%. This growth is driven by replacement demand and a robust automotive sector, supported by increased government infrastructure spending and other favourable policies. Additionally, in the current year, favourable monsoon forecast, along with rising export demand is expected to support the overall demand.

Our continued focus on sustainability-driven operational excellence through various initiatives across the organization is enhancing our efficiency, and we expect this to gain traction in the coming year. We are also quite positive about the progress being made in our R&D regarding our new products.

On the market front, amid ongoing challenges, our focus remains on strengthening our core, expanding customer approvals and growing our market presence. We continue to focus on our strategic priorities of enhancing global reach, deepening customer relationships, leveraging our wide portfolio and establishing supply reliability for long-term success. We recognize that our recent performance has not met our own aspirations. However, with all the initiatives, both internal and external that are underway, we are confident to build on our growth path. That's it from my side.

I now invite Mr. P. Srinivasan to provide an overview of our financial performance.

P. Srinivasan: Thank you, Mr. Anand, and good morning to everyone. So let's run through the consolidated financial highlights. On the sales volume, the sales volume for Q4 FY '25 is at 132, taking a base of Q1 FY '20 at 100.

Coming to the revenue, as Anand said, the revenue from operations for Q4 FY '25 stood at Rs. 340 crores as against Rs. 318 crores in Q3 FY '25. For the annual performance of FY '25, the net revenue from operations stood at Rs. 1,393 crores as against Rs. 1,445 crores recorded in FY '24. Volumes for Q4 FY '25 grew by 4% on a quarter-to-quarter basis. For FY '25, volumes on an annual basis grew by 4% as compared to FY '24.

Coming to the operating EBITDA parameters. The operating EBITDA parameters for Q4 FY '25 stood at Rs.34 crores as against Rs.24 crores in Q3 FY '25 with EBITDA margins at about 10.1%. The annual performance of operating EBITDA stood at Rs.137 crores as against Rs.195 crores in FY '24 with margin standing at 9.9% in FY '25. On the PBT parameters, the PBT for Q4 FY '25 stood at Rs.26 crores as compared to Rs.19 crores in Q3 FY '25. For the financial year FY '25, the PBT stood at Rs.114 crores as against Rs.180 crores in FY '24.

Profit after tax for Q4 FY '25 stood at Rs.21 crores as compared to Rs.13 crores in Q3 FY '25. For the financial year, the profit after tax stood at Rs.103 crores as against Rs.133 crores. On this particular aspect, during this year, as we have seen from September quarter, there is a deferred tax credit on account of a change in the LTCG or long-term capital gain tax structure post budget announcements of revision of LTCG rates, an appropriate note has been reflected in the financial results.

With this, we would like to open the floor for questions.

Moderator: The first question is from the line of Nitesh Dhoot from Anand Rathi.

Nitesh Dhoot: So my first question is that in FY '25, the single-digit volume growth is despite the double-digit export volume increase. So what is the issue on the domestic market volumes there? Because I believe on an overall basis, the import numbers into India are increasing. So have we lost any market share? Or I mean, do we have any capacity constraints in any of the key growth products there? So if you could just give some color around this.

V. S. Anand: Yes. Thank you. Thank you, Nitesh. First, the last point that you made, there isn't any capacity constraint on any of the products that we have because we continue to debottleneck and expand once we have exploited the debottlenecking element.

Coming to the first part, like we have mentioned, it's been more flattish growth. So, it's slightly on the positive, but I would consider this as flattish from a domestic point of view. Quarter-to-quarter, this situation tends to change.

Maybe there could be a shift in market share, plus or minus here and there, but I see it more as a transitionary effect rather than something kind of a more set market share issue. But like we have mentioned, the domestic market, and you also pointed out that there has been increasing imports, especially with demand and restrictions on some of the other market segment.

Nitesh Dhoot: Right. So because volumes continue to be muted at low single-digit numbers overall despite the multiple customer engagement initiatives that we've highlighted in the past. Even on a 3-year basis, if you see, we are at negligible overall volume CAGR and a negative 3% revenue growth given the price decline. So just trying to understand how to look forward, maybe the next couple of years, how can it look like?

V. S. Anand: Yes. So, from a market outlook, we still expect the demand to continue being robust enough. So at least at the domestic level, there's no reason to really feel any negative outlook. But the international market, again, is kind of going through a bit of uncertainty. So, we'll have to see how that plays out a bit. But we are quite positive, like I had mentioned, we see that there is a pricing pressure that continues because with impact on raw materials, especially in the last few quarters, it seems to be kind of a moving piece, but the volume growth should come back.

Nitesh Dhoot: Sure. So coming on to the opex side. So what I see is there is an improvement quarter-on-quarter. So maybe if you could just elaborate a bit more there. And also, I see the per kg operating expenses getting normalized to where it was, say, in FY '24 or the earlier part of FY '25, while it increased significantly in the last 2 quarters for reasons that were given out previously. So is Q4 number just getting back to the normal per kg opex? Or is there more improvement likely in the upcoming quarters?

P. Srinivasan: So, we are making conscious effort to improve the per kg optimization or efficiency parameters. Our effort will be always on. It's not that we should see this as the end of the story. We will make a conscious effort to improve further quarter-over-quarter. There have been initiatives taken by the management internally to look at every aspect of operational cost and to see how to maximize our potential. So that endeavor or that will always be perpetual in nature. It will not be a stop gap arrangement. It's an ongoing thing.

Nitesh Dhoot: Right, sir. Sir, and on the prices of the key raw materials like Aneline, nitrobenzene, etc. now those have reduced during Q4. That doesn't seem to reflect on the raw material cost per kg. Is it because we were sitting on higher cost inventory that the gross margins were under pressure even in Q4?

P Srinivasan: Yes. In a way, you're partially right. There is some element of legacy cost, which is kicking in, and that can be seen if you see the financials, a stock change debit this quarter. So, definitely previous quarter's element has kicked in. And what has happened in Q4 was a very sharp drop, which was not witnessed before. So given that -- and we had some plans to perform at a particular operating rate. Unfortunately, the demand didn't pick up the way we envisaged, and therefore, there is a legacy cost kicked in, in this quarter.

Nitesh Dhoot: Right. Got it. Sir, just one last before I get into the queue. So on the gross spreads, so in the absence of any antidumping duties or any protectionist measures in the domestic market, will the current gross spread possibly be the way forward? Or do we see a meaningful improvement over the next couple of years? If yes, what could be driving this improvement going forward?

V. S. Anand: Yes. So given the current circumstance, we still see that there could be a minimal improvement going forward, especially with some of the legacy costs as well as some of the operational efficiency measures that we are taking. In the current environment, there should be a slight improvement.

Moderator: The next question is from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Sir, my first question is, sir, you mentioned to the earlier participant regarding the domestic demand remained robust. But sir, when we look at the outlook for the next 2 years for the tire sector in the domestic market, that continues to remain subdued only, around 4%, 5% level growth, it is anticipated, which is lower as compared to the last 2 years in FY '24 and '25.

So what is the confidence, sir, we are getting, like we could outperform the industry? Is there any sense like -- so the Chinese players would reduce the dumping? Is there any sort of such indications you are getting, which is why you're saying like the domestic would remain robust?

V. S. Anand: So Aditya, so domestic, you're right, is expected to be around the 4-ish type of growth is what some of the outlook figures that we hear. We don't expect that the domestic, given our current market share we have, we are quite in a dominant market share position. Our growth should somewhere be around the market growth. So domestic growth is always around that -- assumed at that level. The stronger growth will come from the export markets.

Aditya Khetan: Sir, on the export market also, so we were targeting geographies like the U.S., Japan, Malaysia, Thailand. Any sort of a geography you're expecting like to outperform in the next 1 to 2 years, which has been subdued over the last 1 to 2 years?

V. S. Anand: No, it's a mix in all the markets. We are in different stages in all the markets. And we expect traction going into this year also in those markets. Nothing specific. Only there will be opportunities depending on how the tariff plays out, but that's something we will have to wait and watch here.

Aditya Khetan: Got it. Sir, this quarter, sir, with the reduction in gross margins and with the improvement in volume, sir, it seems like the product mix has declined. So earlier, sir, we used to say that it has been around 15%. Sir, what is the level now the product mix for the value-added segment?

P. Srinivasan: Yes. Aditya, Srinivas here. I think on the product mix, yes, there were some challenges, and the specialty chemicals, which we normally expect a 15% range. This quarter, there was a slight dip. So that changed the whole equation differently. But in the coming years, we will see some corrections happening.

Aditya Khetan: Got it. Sir, any indication on the Chinese and the Korean market, how much is the surplus today and till when this can continue to dump in Indian markets?

P. Srinivasan: So, to address it very differently, today, what is happening is if you see the last 2 years, IRSG, the International Rubber Study Group consumption pattern, China used to be about 35% of the global rubber consumption. But now what we are seeing it's about 40%, 42%. So the exportable surplus per se has marginally reduced is what we believe.

However, there is a slowdown in the growth aspect. That's the reason the availability came up. But having said that, we personally believe, yes, the surplus will be there, but it will not further deepen. Maybe it will be around the same level is what we expect.

Aditya Khetan: Okay. Okay. Sir, just one last question. Sir, in terms of the EBITDA spread when we look, so the levels today, so which have been reported, it is like the 2014 numbers. Sir, that time, antidumping duty was there. Sir, this time, the duty is not there. So any indication that this can improve or this could be the new normal in terms of numbers?

P. Srinivasan: I think if you look at FY13-14 or FY12-13, if you look at that, at that time, I think our operating EBITDA was about 4%. So compared to that, we are now at around 10% or 10.5%, which means there is definitely improvement on the technological front that is playing out. But however, the challenges this quarter cannot be seen only on an isolated quarter basis. It's a trend which is happening.

And this quarter got also to an extent impacted by the legacy cost also. So to that extent, the EBITDA reported number was much lower. Maybe if you are having a current cost thing, probably it will be improving better.

Moderator: The next question is from the line of Praveen Kumar from Equitas Capital Advisors.

Praveen Kumar: I had a couple of questions. The first one was on the data that you had presented on rubber consumption, right? If I look at the last 3 years in terms of the overall global rubber consumption data, it has gone up from 29.9% to 31.5%, which is roughly a 5.3% kind of an increase, whereas your own volumes during the last 3 years, they have increased by around 2.2%.

So, I'm referring to the earlier comment by the management on saying that market share gains or losses could be transitioning in nature, and we don't see anything structural. But if I look at a 3-year story, right, even the global rubber consumption has gone up by as much as 5.3%, whereas your volumes have grown at much slower rate. So could you provide some color on this? Why do you think that despite this difference that it is transition in nature and not some structural change that has happened to you?

P. Srinivasan: So actually, if you look at -- I think you are looking at a 3-year horizon. I think the last 3 years has been a very, very challenging period in terms of a falling pricing market situation. So that's number one. But I think if you look at the last 6 years data, that is more representative. I think what the index is showing is about 108, maybe 29% or 27% or maybe -- yes, about 28% growth in absolute terms in rubber consumption, whereas we have grown in those periods 34%. So that's more representative.

V. S. Anand: And just to add, Praveen, I think the details are not on that slide. But if you look at the details of rubber consumption, the growth is driven by rubber consumption in China. So outside of China, the growth is much lower. And the fact that -- so that's also one of the contributing factors there.

Praveen Kumar: That's useful to know. So are you suggesting that while rubber consumption in China drove the global growth, the supply from there increased at a much faster pace, and that's been one of the reasons?

V. S. Anand: Yes. So yes, so clearly, exports from China with all the excess capacity has been overflowing into multiple markets. So that's also playing out in the Indian market.

Praveen Kumar: So actually, just to -- one caveat to the earlier question was that, see, the reason to also look at the last 3 years rather than the last 6 years is that you have added capacity during this time, right, which came on stream about 3 to 4 years ago, right? So this last 3 to 4 years might be more useful to look at once you have added the capacity because 6 years ago, you were operating at a much lower capacity, right?

V. S. Anand: Yes, yes. Six years ago, we were at a lower capacity.

P Srinivasan: Yes. We were just building the capacity.

Praveen Kumar: No. So the real question is that you added capacity, but did you find it harder given the changing environment to be able to actually place that capacity? That's the real question, right?

V. S. Anand Yes, yes. So Praveen, I think we have also in one of the earlier calls, we had actually -- maybe if you go back a few quarters, we had actually mentioned that within a certain time frame, we wanted to really see that these capacities are utilized fully. But given the uncertain environment and all the environment that's changed in the last few quarters, we were not able to really clearly put a finger on when we can really even forecast this utilization of the capacity. So that has played out as you rightly said, yes.

Praveen Kumar: Understood. Understood. And in addition to the earlier question was, I think earlier in this call as well as one of the earlier calls, you had referred to dumping from China, Korea as well as EU, right? What surprised us in particular was the reference to EU because in earlier years, we hadn't heard much of this, right?

And I mean, in multiple meetings with the management and multiple calls, you had mentioned that our cost structure is competitive even vis-a-vis the Chinese players, right? So it was a bit surprising to learn that even EU manufacturers who we perceived them to be at a weaker cost structure compared to us, they are able to dump in India and actually impact us. So could you give some color on that?

P. Srinivasan: So, to clarify, see, the whole idea is in this player who is a leading supplier, he set the pricing benchmark. Others do get influenced and they also follow a similar benchmark. And what we have seen today is EU has also followed the similar benchmark and hence, we have no other option.

As per the rules we have to initiate that because if someone is selling at X price say by China and EU is also following at around X plus something and if it is attracting as per antidumping rules, then they get initiated. That's what the case is.

Praveen Kumar: Understood. Last question was on -- again, I know that we have given all the uncertainties, we have stayed away from guidance. And we are also adding capacity to -- in some of the products where we were -- we had capacity constraints earlier, right, I understand that. But just from a broader capacity utilization perspective as well as -- I think both are interlinked, right? Also the EBITDA per ton kind of a perspective. I mean, we seem to be very subdued compared to many of the earlier years, right?

So just wanted to get a broad sense that where do you see -- I mean, I'm not asking for the next 2 or 3 quarters or something. I'm talking about the next 3 to 5 years or more maybe, right? What I wanted to understand that how do you see this playing out? How do you see us emerging from this and getting to maybe the levels of some of the earlier years, right?

So -- and just wanted to add to that -- and is that going to be more at the mercy of the largest Chinese players? Or we are -- we have some actions which we are taking to kind of counter that?

V. S. Anand: Yes. So Praveen, so there are multiple perspectives to this. So one is really -- and I think your question is also more defined from a medium to long-term view. Clearly, from a domestic market point of view, with our supply reliability and the many years of connect and engagement with customers, we are quite positive that we will continue to grow the market and have even craven growth in market share as we go from year-to-year. That's one part of it.

The other is there is -- there continues to be a very positive reception for NOCIL in the international markets, a combination of our past history, supply reliability that tends to help us and being one of the sizable large players outside of China, outside of Europe. So that will continue to play out.

And because we see that the demand per se for some of these products will continue to grow, that is also the reason that we take a call that we can expand and do it by working on technology, working on efficiencies, do all these initiatives internally to be able to be stronger to compete in the global marketplace. So it's a combination.

There's also work being done on the innovation and sustainability piece. That will possibly give us a competitive edge going forward. So these are the multiple factors that we are working on. So outlook medium to long term continues to remain positive, and that's why we placed the trust in that direction, yes.

Moderator: The next question is from the line of Muskan Rastogi from B&K Securities.

Muskan Rastogi: Sir, my first question is you mentioned in the presentation that there is an improvement in product mix. So this pertains fully to the Latex segment?

V. S. Anand: Sorry, can you just repeat your last part? Sorry, what was that?

Muskan Rastogi: You mentioned in Latex segment, the non-tire segment...

P. Srinivasan: No, no. Actually, one of the participants raised the question why the overall spread also came down as what they were concerned. So we had a product mix change. And what we want to clarify is the 15%, generally the Specialty Chemicals business, which is the portfolio. In this quarter, we saw some slight correction modification come down and that's why the overall things changed a bit. That's why the gross margin spread also came down a bit.

Muskan Rastogi: Okay. What did the latex mix this quarter? And how do we see it improving in the coming years?

V. S. Anand: The Latex business this year after a couple of years of not doing so well has improved in the current year. We see that it will definitely not go back to those COVID era, but it will continue to develop in a similar manner that it's been doing in this year, yes. So it's positive.

Muskan Rastogi: What per mix? I didn't get the mix for this quarter.

V. S. Anand: Mix in the sense, the latex part of the business, have we given out any mix?

P. Srinivasan: No, no. We have not given out.

V. S. Anand: No, we have not put out any mix, Muskan, on this.

Muskan Rastogi: Okay. Sir, can you please share geography-wise exports mix? Like we were very positive on U.S. market with a lot of uncertainties regarding antidumping duties. So how are the dynamics changing? And do we see enough scope to expand our presence in the U.S.?

V. S. Anand: Yes. So our spread -- well, let me not put any percentage number to it, but we have always had a larger presence in Asia than in Europe and the U.S. I think in one of the previous calls, we have also shared how our volumes had increased in the U.S. compared to the previous year.

So this situation does present an opportunity, but with the -- because we do have approvals, we have customers and they can move their purchase share a bit up and down. So everybody is kind of watching the situation currently because there is still a lot of -- not clarity on exactly what will be the duties charged for different products. So people are waiting for some clarity to come. But like I said, we see there is opportunity, but we will need to be cautious about it, yes.

Muskan Rastogi: Okay, sir. Sir, in this scenario, assuming dumping continues, will it be a better strategy to focus on volume growth so that our fixed costs can be met rather than holding up the volumes and not reduce the realization to some customers?

V. S. Anand: Yes. So we -- it is -- at the end of the day, Muskan, it is a judicious mix, right, or you call it a flexible pricing approach or whatever you would like to term it. That is the approach. The objective is to fill up the volumes for the capacities that we have. And that's clearly something that we see will happen in the -- going forward.

Moderator: The next question is from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Sir, my question was also the new expansion, which we are doing of Rs.250 crores. Sir, considering the current capacity is also underutilized only, we are operating at 65%, 70%. How much time this capacity will take to reach peak utilization? And does this new expansion considering weaker demand scenario make sense to like expand into this business or we should be looking out for new ventures or new businesses wherein there could be high return on capital which we could foresee? Any thoughts on this?

V. S. Anand: So, Aditya, like we had mentioned, so some of these products, while the overall utilization level is at the range of 60 plus, the -- for specific products, we are fully utilized. And that means that there is an opportunity to grow. We have sometimes not pushed hard enough because we -- due to capacity and how much we can supply. But for a product like this, we felt the need that there is a demand. So that's how specifically we take calls to expand capacity. So we're quite positive that this should gain traction going forward.

Aditya Khetan: Sir, the import volumes of accelerators and antioxidants compared to last quarter, import volumes data if you can?

P. Srinivasan: Let me just see that, Aditya. I'll get back to you just now. Just trying to see whether the data is already updated or no. If I see most of the volumes, it's almost -- I would say, similar levels, not increased. It's almost similar levels. In some cases, it has decreased, but many of the cases, it's always same as previous levels.

Aditya Khetan: Got it. Sir, just one last question. Sir, in the presentation, we have mentioned like we have a product basket of 20-plus products. Earlier, sir, we used to mention like we are having a product basket of 23 plus. So why this difference is there?

P. Srinivasan: It's 20 plus. See, we are not specific exactly, we are not saying 23 or 24 or something like that. It's 20 plus. That's what we are saying. See, what we are trying to give a message is compared to other players who are generally offering not more than 10 products at any point of time, we are one of the -- I think probably the only player in the entire world who offers 20 plus.

Moderator: The next question is from the line of Praveen Kumar from Equitas Capital Advisors.

Praveen Kumar: Just a couple of quick follow-up questions. One was on the antidumping duty. See, in the last few years, there was one ADD, which was approved by the DGTR, but I think at the ministry level, it was denied. So this time around, again, there is an investigation ongoing, I guess. So what do you think about the strengths of the current case? And do you think the environment -- operating environment has changed enough for this application to be considered more seriously, both at the directorate level as well as the signing ministry level?

P. Srinivasan: So, Praveen, there is one clarification. In the earlier antidumping recommendations, which was done in '21 and '22, that was for 4 products. And the main ministry, the Director General of Trade Remedies and the Ministry of Commerce approved it. They found merit in the case. But at a higher level at the central government, most of the products were rejected. Almost 75% of the applications were rejected at that point of time. That's the story which is -- that's the past.

What we have seen is the climate has slightly changed this time when we are going for it. Almost most cases are getting approved. That is what we understand today when we see the statistics.

Secondly, when authority is initiating a case, it means it finds prima facie merit in this case on a petition. They find substance in the so-called dumping practices, and therefore, they are initiating the case. So as it stands today, they have initiated the case, which means the investigation process has started. It will take its normal course of time before they conclude.

At the conclusion post thing, they will come out with the final finding, whatever the quantum of duty applicable, not applicable, how much, etc. that's just calculations which they do. And if it is recommended and then the central government through the Ministry of Finance approves in the form of a custom notification.

Praveen Kumar: Understood. So we should expect another 9 to 12 months at least, that kind of time line?

P. Srinivasan: I think something has got initiated in December, something has got initiated in March. So I mean, we hope not more than 9 months -- within 9 months of the time, we should get some findings to come in.

Praveen Kumar: Understood. Understood. Second question was on the newer products, right? So I think we have been logging on to the company's earnings calls for the last several years. While there has been reference to R&D and looking at new products several times it's been mentioned in the presentation as well as in the call, and meetings.

However, we are yet to see any substantial contribution from that in terms of new product introduction. So just wanted to get your thoughts on how do you see that panning out in terms of contribution in the coming years in the medium term, right? And what, if at all, have you changed internally to focus more on that? Do you see the need for that? And how are you planning that?

V. S. Anand: Yes. So Praveen, you're right. So we have been also speaking about our R&D and our R&D capabilities in the last few years. And it pretty much has played a significant role in the development and growth of NOCIL, not only from indigenization of products, patented technologies as well as process efficiencies on the one hand.

What we are also seeing now is in terms of the opportunities for innovation, the opportunities that customers have, the appetite, domestic large players are open to trying new things. That's been a certain pivot. And we are kind of also aligned to this new pivot. And we're quite hopeful that we should have -- given the time line typically in the industry we operate, it takes time because there's a lot of application testing that goes on.

So these things -- and if there is innovation, it takes even longer. So that process is underway. We are quite positive that apart from all the contributions that are happening on indigenization as well as process efficiencies and patents, we will see also newer products that will come about, yes. As I mentioned in the remarks today also in my opening address that we are quite positive with the progress being made here. And hopefully, we'll have something in the near future.

Praveen Kumar: I appreciate that, but just wanted to get a sense of -- see, several larger and other companies have -- in various other segments, they have targets or publicly stated or internal targets on how much contribution they want to see from new products, right, in the next X number of years.

So do you have some internal targets like that in terms of -- because it's useful to understand that R&D contributing to efficiencies and what you have stated, right, newer technology, et cetera. But from an outside and from an investor perspective to see the fruits of that coming to the top line and bottom line, right? So are there any internal targets you can share on what you look at to get the contribution from these newer products?

V. S. Anand: Yes. So, okay, I see the spirit of what you're trying to really ask, and let me try and respond from that point of view. So while we have always stated that our specialties today is around close to 15%, I'm sure this number -- our goals internally is to significantly increase this number. I don't want to put any specific target, but I think there is a scope for significant improvement on that front.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

V. S. Anand: Thank you. Thanks, Avirath, and thank you, everyone, for taking the time and being here with us today. So I hope we've been able to address all your queries. For any further information, please kindly get in touch with me or Strategic Growth Advisors, our Investor Relations Advisors. Thank you for your time once again, and have a nice day. Thank you.

Moderator: Thank you. On behalf of NOCIL Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.