

Date: 14th August, 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
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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 8th August, 2025 regarding discussion on the Operational and financial performance of the Company for the quarter ended 30th June, 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: 2025.08.14 14:58:32 +05'30'

Amit K. Vyas
Head-Legal
& Company Secretary



“NOCIL Limited
Q1 FY '26 Earnings Conference Call”
August 08, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 08th August 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 Q1 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantee of future performance and involves risks and uncertainties that are difficult to predict.

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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. V. S. Anand, Managing Director from NOCIL Limited. Thank you, and over to you, sir.

V. S. Anand: Thank you. Thank you, Pari. Thank you, and good afternoon, 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 have all received our investor presentation. If not, please, it's available on both the stock exchange and our company's website.

During the quarter, revenue from operations stood at Rs.336 crores, registering a flattish performance on a sequential basis. Volume in exports continue to show moderate growth. However, in the domestic market, we continue to experience dumping pressure. In such challenging market conditions, we continued with our approach of having a judicious mix of price and volume play.

On the domestic front, to counter this dumping pressure, we have filed antidumping petitions on some of our key products with the Government of India. We are happy to inform that the government, having found merits, has initiated detailed investigations, the outcome of which is expected in the coming months.

On a positive note, our export business continues to demonstrate growth momentum. Growth in this segment continues to be supported by incremental approvals from different locations from our long-standing international customers.

Now, a few lines on the industry and the market environment. For the ongoing year, the Indian tire industry is expected to grow in the mid-single digits on the back of a healthy replacement demand. Increasing spend on infrastructure is expected to support the demand for commercial vehicle tires.

On the non-tire sector front, the domestic auto component industry, one of the drivers for the demand of rubber chemicals in this sector, is expected to continue to grow, albeit at a lower level compared to the previous year. But it also goes without saying that the developing U.S. tariff scenario could have a bearing on these sectors.

In the international tire sector, most markets indicate a slight positive uptick in replacement demand. On the other hand, the latex sector in Southeast Asia has been going through some temporary uncertainty, especially on account of the U.S. tariffs in the last few months. While we continue to operate in an uncertain and fluid market environment with short-term challenges, at NOCIL, we continue to keep our focus on the essentials, critical for long-term business growth.

Our focus will be on intensifying and expanding our presence with our key domestic and international customers, sweating our assets, driving operational excellence, that is delivering best-in-class efficiencies, accelerating the commercialization of new products, and leveraging digitalization and sustainability initiatives that are already underway to give us a competitive advantage in the marketplace.

While the first quarter may have started off a tad slower off the blocks, we remain confident of staying on our volume 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 afternoon to everyone. Let's run through the key highlights of the consolidated financial statements for the quarter ended June '25. On the sales volume front, the volumes for Q1 FY '26 is at 133, taking a base of Q1 FY '20 as 100, virtually a similar number as compared to the previous quarter. Revenue terms, the net revenue from operations for Q1 FY '26 stood at Rs.336 crores as against Rs.340 crores in Q4 FY '25. As I said, volumes for Q1 '26 were stable on a quarter-to-quarter basis.

Coming to the EBITDA parameters, on the operating EBITDA parameters for Q1 FY '26 stood at Rs.31 crores as against Rs.34 crores in Q4 FY '25 with EBITDA margins for the quarter recording at 9.1%. Coming to profit before tax, the profit before tax stood at Rs.23 crores for Q1 FY '26 as compared to Rs.26 crores for Q4 FY '25. On the profit after tax element, PAT for Q1 FY '26 stood at Rs.17 crores as compared to Rs.21 crores in Q4 FY '25.

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

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Nirav Jimudia from the company of Anvil Wealth.

Nirav Jimudia:

Sir, I have a few questions to ask. So first is, when we see our volumes from last 2 years, based on the indexation what we have given in the presentation, it has largely remained flat. You alluded to some of the facts in your opening remarks, but just wanted to understand like even during this period, our EBITDA per kg has also corrected similar to the fall in the gross margins, which is the value addition.

So the question here is that, let's say, if we consider ex of China and ex of India market, has the remaining market expanded in last 2 years in terms of the volumes in an absolute basis? And if yes, by how much? Along with it, if you can also share your views with respect to the engagement with the customers, which we have alluded in the annual report.

So based on your customer engagements and fructifying with some of the customers, when can we see -- or let's say, from which of the quarters we would start seeing these discussions into the

incremental volumes for NOCIL? And also, if you can share like based on these interactions and discussions with the customers, which geography you feel that this could help us to gain those incremental volumes?

V. S. Anand:

Yes. Thanks, Nirav. I'll take the second one first, and then I'd probably request you to go back to the first one because it was not completely clear to me. So the first one, I think, yes, so customer engagements, clearly, we see that there is traction. And what is also happening on the volume, alluding to the earlier part of the first question, was, I think one way or the other with all the geopolitical situation.

Also we see in some product lines, there's a bit of an offsetting, so in some quarters, we had a bit of a latex impact, so our export business didn't really gain traction, while the non-latex part of the business continued to grow in quite a planned and structured manner, which is what we continue to see on that front.

Engagement with customers, I think -- and like we have mentioned in the past, it's clearly strategic and long term. So we see a gradual expansion with each of these customers, primarily beginning first with Asia, and then Europe, and then parts of North and South America. That's the way it's actually playing out. Because of also geographical proximity, it works out from that point of view.

And it is moving along quite well. I must say that in spite of challenges that we had in between, both in terms of demand and in terms of approval, because the speed of approval is completely not the same always. So, that -- but I must say, it is moving along quite well. So, that was the second part, if I was able to answer that. On the first part, can you just come again, Nirav, just to be sure...

Nirav Jimudia:

So my question was, let's say, if we consider the 2 broad categories of accelerators and antioxidants, ex of China and ex of India, let's say, if we exclude both these markets, whether the rest of the market has expanded in terms of the absolute volumes in last 2 years? And if yes, by how much? Some understanding over here.

P. Srinivasan:

Nirav, basically, this can be derived from -- Srinivas here, sorry. Nirav, if you look at China per se from the IRSG data in the last 2 years, one gets a feeling that -- we're just looking at -- just a second -- has grown up by almost 1.9% in the last year, and India is growing up by 3.1%. This is from the IRSG data. But if you go to the Europe and U.S.A., or Japan for that matter, Europe in last -- '23, de-grew by 7%.

And in '24, it has grown marginally by 5%. If you go to U.S.A. -- coming to U.S.A., we see it's de-grown by 5% this year, '24, as against 2.7% marginal growth in '23. So, on the whole, what we are seeing in the rubber chemicals space, we are seeing a growth of hardly 2%. Given China and India are growing and other markets degrowing, if you see from our performance, in the last 2 years, your export performance has clocked double-digit growth.

That means there is some traction, the discussions, and those discussions are yielding some traction very evidently visible. I hope I'm able to answer some of your questions.

- Nirav Jimudia:** Yes. Sir, just to add a bit here. So if I understand it correctly, on a base of, let's say, 10 lakh tons of market globally, you mean to say that possibly, ex of China and India, if we exclude both these markets, which is like close to around 4.50 lakhs, or let's say, 5 lakhs...
- P. Srinivasan:** Much more.
- Nirav Jimudia:** Yes. So rest of the market has grown by just 2%. So close to around 8,000 to 10,000 tons of volumes would have been added to this base of rest of the geographies, where possibly, we would have grown double digit. Is this the right assumption to make?
- P. Srinivasan:** Yes, you can say that.
- Nirav Jimudia:** Correct. And sir, when can we see -- so like just to add here one more thing is, based on the interactions and various stages of discussions with the customers, when -- or let's say, from which of the quarters we could see actually these volumes flowing to us?
- V. S. Anand:** So it is -- again, it is flowing. Even currently, there are products and projects at different stages of approval, right from sampling to commercial volumes, from the initial to the final stages. And it's not only limited to just 1 or 2 products, but a wider basket of products that is also happening as a change. So all at multiple stages, I would say there.
- Nirav Jimudia:** Got it. Sir, just to reframe my question further, like what we have been saying is that in the presentation I'm talking about, our Dahej expansion has been seeing strong demand visibility. So possibly, if you can elaborate a bit here. And what I could make out from is that possibly, that product, we are quite stronger in the market.
- And based on that, possibly once that production starts, the capacities could be filled up much faster, and that could help us to get some volume growth next year is the right assumption to make. Your thoughts here based on the presentation statements what you have made.
- V. S. Anand:** Yes. So yes, so clearly, that's a product which is used across the rubber sector, both in the tire, as well as in the non-tire space. And we see that given that we are already quite full on utilization on that product, we're already debottlenecked over the past years. It was critical that we looked at expanding the volumes.
- And very clearly, I think, there is clear positivity and optimism that we will be looking to start ramping it up. So it will go through the same approval process. We will have to be patient through that process. Customers will have to approve the product because it is a new site again. But then, we are quite positive of pushing up the volumes.
- Nirav Jimudia:** Sir, last from my side is, one of the statement in the presentation also mentioned that we have been working on 8 strategic levers of growth. If you can elaborate what it means to NOCIL and how can we see or when can we see the benefits of these strategic levers into the P&L and volumes part?
- V. S. Anand:** Yes. Thank you. Thanks, Nirav. So we have elaborated a bit on those strategic levers in our annual report. You will see a bit more on that. So it's actually a combination of talking about

what's extremely critical for the business, both in terms of -- in multiple areas of the market, which is geographical expansion, investments ahead of the demand growth.

It talks about innovation in terms of looking at new products beyond process efficiency improvements and products that we have created in the past. It speaks about operational excellence in terms of our efficiency measures, digitalization and sustainability, which cuts across, and last but not the least, the people element, which is quite important. We've already a lot of measures under each of those strategic levers. We keep tracking them.

We keep a watch on the progress with regard to that. Quite a few of it. We already see bearing fruit as we go along. So even the expansion that we had announced was also in line with that, as well as quite a bit of our R&D efforts, which is also in the direction of looking at new products. So quite a few of the actions are already underway. And slowly, as time goes by, we see that accelerating in terms of showing up in the results.

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

Aditya Khetan: Sir, just a couple of questions. Sir, in this quarter, sir, when we look, although the gross has been maintained, we see that EBITDA spreads have declined. Earlier, sir, what -- I think the management has clearly alluded the fact that in the coming quarters, so the conversion cost would be lower, which we have alluded, I think, so 2 to 3 quarters back.

But still like it is not visible in the numbers that the conversion cost is coming down. Any idea, sir, you can provide why these numbers are still higher?

P. Srinivasan: Yes. Srinivas here. So basically, when you are looking at the conversion cost, you have to look at the activity for the quarter vis-a-vis the previous quarter. And per se, the activity for the quarter was on the higher side, and therefore, that conversion cost reflects that. And it is not proportionate to the activity. It is much lower than that.

If I may say, the activity has increased by about 15% -- 20% thereabout in the production of intermediates and finished goods as compared to the sequential -- if you look at the sequential quarter, the conversion cost is reflecting that.

And secondly, and also, in the overall CSR commitment for the annual commitment as per the statutory compliance, we have front-loaded about 60% of the CSR expenses in the first quarter. So these are the 2 major reasons one can attribute to.

Aditya Khetan: Got it, sir. Sir, just you mentioned to the fact that activity has been higher. So actually, the sales volume on Y-o-Y basis, so that looks to be lower, but you are stating the fact that the production volume is higher.

P. Srinivasan: Yes. Production was higher. What you will not see is, the stock change effect is not -- ideally speaking, they should have been reflected a higher stock change credit. But because the prices of the raw materials are coming down, you are seeing a lower component.

- Aditya Khetan:** Got it. Sir, on to the raw materials, like for the last 3 to 4 months, aniline prices have corrected by roughly 25% to 30%. So just wanted to know, have we factored in the complete effect? And in the coming quarters, can we see some component of inventory loss also?
- P. Srinivasan:** No, I think most of those things have happened in the Q1. Some portion, maybe some small portion is pending in Q2 in the form of finished goods. Otherwise, on an overall basis, they are procured at the latest competitive rates -- consumed at latest competitive rates.
- Aditya Khetan:** Okay. Sir, coming to the third question, sir, in the presentation, like you have mentioned the fact that NOCIL has a favorable positioning. Sir, just wanted to know, are we talking of some technological positioning or better product positioning or the client positioning like which is helping us? Because sir, on the numbers, it is not visible as of now. So just wanted to know what are we alluding this to.
- V. S. Anand:** Yes, Aditya. I think you're right. Not completely reflected in the numbers, absolutely right. I would say, the favorable position is contributed by multiple factors. It's not only the fact that we have certain economies of scale in terms of the ability to supply key products sizable volumes.
- We are kind of also backward-integrated in the key products in terms of accelerators, as well as antioxidants, unlike many other players, and also, coming to the fact about being the China Plus One element in terms of being a non-Chinese player.
- These are some of the factors. So technology plays in, in terms of the backward-integration, as well as then the capacities, as well as the position of non-Chinese player in certain products. In certain products, we are the only non-Chinese player. So I think these things kind of put us into a favorable position.
- Aditya Khetan:** Got it. Sir, just one last question. As you mentioned in your presentation that -- so there has been positive activity towards the antidumping duty. If suppose the antidumping duty is imposed, how much incremental EBITDA should we factor in?
- P. Srinivasan:** I think it's too premature to comment on it because it is under investigation process, and the government will study and make their own calculations and then come out. So I think it's too premature to even quantify any impact effect on that.
- Aditya Khetan:** Sir, just to add on to this, this antidumping duty is on the similar products like which has been imposed in 2014?
- P. Srinivasan:** No, it's not on all the 6 products. It's on 3 of the old products and 1 -- I would say, it is -- if you see the notification, it's on the main antioxidants, Pilflex 13 and TDQ, and a set of Sulphenamides.
- Moderator:** The next question is from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund.
- Renjith Sivaram:** Yes. Sir, basically, I just wanted to check with you the volume growth, when do you see this will turn around, overall volume growth?

- V. S. Anand:** Yes. So if I understood you, Renjit, right, I think your question was the volume turnaround, right?
- Renjith Sivaram:** Yes.
- V. S. Anand:** Okay. Yes. So, like I mentioned in my opening statement, while we aspire to keep the volume growth in double digits, the last financial year, we had about 4% volume growth. There is still volume positive on a sequential basis. But like I said in my statement -- there is a bit of a disturbance in the background. So -- but let me keep it short. So we are positive that there will be volume growth in this year, too. Renjit, were you able to hear me?
- Renjith Sivaram:** So will it be a double-digit volume growth? Or you feel that still it is time to get into that kind of growth rate? Hello?
- V. S. Anand:** Yes. So, the aspiration and the plans are clearly to look at double-digit volume growth, but it will be difficult to put my finger on to say how much -- where will it be precisely in this calendar year.
- Renjith Sivaram:** Okay. And amongst your 2 major products, which is the one which you are seeing more challenge in terms of growth?
- V. S. Anand:** Amongst the 2 products, is it? Sorry.
- Renjith Sivaram:** Yes. One is that accelerators and the antioxidants. So in that, which one is a challenging one in terms of growth? Where -- in which of these, you are seeing more challenges?
- V. S. Anand:** So both are -- so we not only have antioxidants and accelerators, we also have pre-vulcanization inhibitor, which is another additive, a few other products. There is not a challenge to grow. I would say, it is also dependent on the consumption. So each of these products go in different consumption. So the growth will be in proportion to that.
- Renjith Sivaram:** Okay. And there was some expectation regarding Japanese players opening up to our product, moving out of China. So what is the situation there? Have they done with their trial of our products? And where do they stand? Are they standing in a place of giving us orders? Or are they still doing the trial?
- V.S. Anand:** Yes. So it is -- so these are multiple products, multiple sites. I kind of referred to this to one of the earlier questions. So they are at different stages. It's part of the supply chain derisking that typical large customers do. And so, we are at different stages. And there are already volumes which are commercialized. We're also selling in, and they are also at different stages at this point in time.
- Renjith Sivaram:** Okay. So we have started supplying to these Japanese tire companies. Is that right understanding?
- V. S. Anand:** Yes.

- Renjith Sivaram:** Okay. And another thing, of this Rs.250 crores capex, how much is currently completed and how much is pending? And what kind of asset turns do you expect from this capex?
- P. Srinivasan:** So, as of March '25, Renjith, I think we have spent about 30% of the overall budget. Of course, there are commitments. The large part of the expenditure is expected during this financial year, FY '25-'26. Insofar as the asset turnover ratio, it depends on the ruling prices at a particular point of time. Typically, we look at an asset turnover ratio of 1.8 to 2.2 for our rubber chemicals business.
- Renjith Sivaram:** Okay. So, that 30% of capacity addition there, have we started utilizing those capacities?
- P. Srinivasan:** No. I think 30% of the project is completed, not commissioned. It is the project as we -- if there is a time which involves to complete the project, implement the project and the mechanical completion will be ready, trials will be conducted. What we are talking about, about Rs.250 crore budget, 30% has been expended so far as of March '25. It's in CWIP, in the financial terms, CWIP, capital work in progress.
- Renjith Sivaram:** Okay. So when do we expect the first revenues to start from this additional facility? Will it be this year or next year?
- P. Srinivasan:** We expect the commission -- trial production to start during H1 FY '26-'27. So, post trials and approvals from the customer, hopefully, sometime in H2 FY '27, we should see the revenues kick in.
- Renjith Sivaram:** Okay. So apart from this, what is our capacity utilization of the current facilities which we have?
- P. Srinivasan:** It's about 65% to 67%.
- Renjith Sivaram:** Okay. So we have that runway to grow by taking the 65% to 80% to 90% till that new facility comes?
- V. S. Anand:** Yes. So again, this is -- the 65% -- it's all multiple products. So the 65% is an average of all the products put together. So some of them -- so most of them, we already have the runway to grow further.
- Moderator:** The next question is from the line of Nitesh Dhoot from Anand Rathi Institutional Equity.
- Nitesh Dhoot:** So just a question on the antidumping duties again. So for TDQ and PX13, I believe the investigation is underway, as you said, and the hearing is due in September. So can you just help us with how much TDQ contributes in terms of volumes or revenue -- I mean, to our current numbers, and also PX13 separately, if possible?
- P. Srinivasan:** I think -- Nitesh, Srinivas here. I think we have indicated the antioxidants business in the annual report in the BRSR section. You can pick it up from there. That's about 60%.
- Nitesh Dhoot:** All right. Okay. Sir, my next question is on the MBT. So basically -- and I'm coming from the fact that China Sunshine has been significantly expanding MBT capacity there, almost about 60-odd-thousand tons. I think the second phase is about to come in, in the second half. So do you

see a direct threat to your domestic MBT sales or pricing there? Or I mean, what's your take on that?

V. S. Anand: Nitesh, the market is already kind of operating under that environment and -- because there is an excess supply already of these accelerators. So whatever comes in the next phase is just going to be further incremental. So we are already operating in that environment. So I don't see any significant change, more specific with that additional capacity coming in.

Nitesh Dhoot: And in terms of our current production, I mean, current cost structures, et cetera, I mean, compared with the solvent-based MBT, I mean, how would NOCIL stack up there currently? And if any process upgrades or technology changes you would need to kind of move towards solvent MBTs?

V. S. Anand: Yes. So we are competitive in comparison in terms of product to product. There are other benefits that come from Chinese supplies, especially like the export subsidy, which they get when they export. But otherwise, we are largely on competitive par with them.

Nitesh Dhoot: Sure. Just one last bookkeeping question there. I mean, you mentioned that the export volumes have shown moderate growth in the quarter. I mean, if you could just quantify how much growth we have seen in export volumes? And what has been the domestic export mix for Q1?

P. Srinivasan: It's about 3% to 3.5% export volume growth. This quarter got impacted. I think Anand, in his opening remarks, made a mention about latex product suffering a degrowth on account of the U.S. tariff temporarily because of which our export growth got moderated at 3.5%.

Nitesh Dhoot: Sure. Sir, I'm sorry, just harping on that antidumping point again. I mean, if you could just -- maybe if possible, how much of our revenues get covered if all the 3 duties come in, if possible to kind of give out that number? I recollect that you had mentioned somewhere closer to 40%, 45% earlier.

P. Srinivasan: You're bang on 40% -- around 40%.

Nitesh Dhoot: So, this is for all the 3 products put together, that is including the set of Sulphenamides?

P. Srinivasan: Yes. All the products which are under an antidumping investigation, we are about 40% of the business -- constitute 40% of the business.

Moderator: The next question is from the line of Harshil Parekh from Acuitas capital.

Harshil Parekh: Sir, I just wanted to understand that how strategically are we positioned with our customers, especially in the domestic market? Since -- my understanding was that our customer relationship is quite sticky in nature, right, I mean, since approvals and validations require some 6 to 18 months.

However, with this aggressive dumping in the last 2 years, it seems that the domestic tire manufacturers can easily switch to Chinese and Korean suppliers, depending on the cost. So just wanted to again understand that how strategic we are for these tire manufacturers?

V. S. Anand: We are one of the long-term strategic suppliers for our tire customers domestically, and that's why in spite of the competition and the heavy weather that tends to happen, we still keep quite a dominant share with most of our tire customers. It comes from the historic products and the product portfolio, as well as the supply reliability that has been built over the years.

You're right. So these Chinese and Korean players, obviously, only after that approval can they begin to supply. So sometimes, it does tend to change a bit here and there in terms of share to a certain extent because of pricing. But by and large, still local producers like us tend to have a good share with our tire customers.

Harshil Parekh: So sir, have we gained any market share in the last 2 years? Or have we lost any market share due to this dumping?

V. S. Anand: So per se, even the overall -- while we do see, value-wise, there has been increase in the turnover of certain businesses in India. I'd say volume-wise, it's in terms of rubber consumption also, it's not been such a sharp growth. More or less, our market share has been pretty much flat over the last 2 to 3 years.

Harshil Parekh: Okay. Sir, another question on the exports market since we have mentioned China Plus One strategy is one of our growth drivers. But on the other hand, we also see these Chinese volumes getting absorbed by companies globally. So just wanted to understand how serious are the tire manufacturers on derisking their supply chains and all?

V. S. Anand: Again, it's a perspective that is taken by certain tire companies. Some tire companies still go by what is critical at that point in time. So, we do see that it's just beyond lip service. Quite a few of them are pretty much acting on it, and they're very consequential about it.

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

Radha: Sir, my first question is, with 50% tariff on India, Europe can become more competitive in terms of catering to U.S. market. So how do you see export volume growth, particularly in U.S., in light of this scenario? And also, any other changes in terms of export market that you are putting?

V. S. Anand: Yes. So we're kind of distributed across the globe, right? A larger share is in Asia, followed by Europe, and then the Americas. So there will be a marginal impact. Like we said yesterday, at the call, also Chairman had mentioned about the U.S. is about 4% to 5%, roughly around that range of our business. And we expect that we'll have to wait and watch in the situation because some of our customers, we do have long-term commitments.

So there are some products which they buy from us only. So, I think it's better to just wait and watch how the situation develops. But at the same time, we do have other avenues that we are working on, both in Europe, as well as in Asia.

Radha: So what other avenues, sir?

V. S. Anand: Sorry?

Radha: What other avenues are you talking about, sir?

- V. S. Anand:** I spoke about the other more customers in Europe, as well as in Asia, Latin America, too.
- Radha:** Okay, sir. So with India trying to now have strong relationships with Russia and China, if there is a scenario that the antidumping duty is not implemented, then how do you see, in that scenario, the volumes to grow for the next 2 years?
- V. S. Anand:** Yes. So antidumping duty is only one of the measures. There are many other measures that are also underway. And like we have said, we've been working quite heavily on the operational efficiency front, which is a continual improvement process that we are working on. We're also looking at newer products.
- And I think it's about also extracting the full benefits of our operating leverages with our utilization levels. So we do have other measures which are in place and which are parallelly running, irrespective of the outcome of the antidumping.
- Radha:** Yes, sir. Just continuing with your answer, you mentioned about looking at operating leverage. So, from the current prices, if I believe that if we undercut in terms of pricing to fill the capacity, post which you will see significant improvement in operating leverage benefit, so at this point, does that seem to be the right strategy? And would that be a strategy that you're looking at going ahead?
- V. S. Anand:** Yes. So, on a periodic basis, depending on the market situation, it is a call that we will take, which is a judicious mix between both price and volume. Obviously, that has to overall benefit, and then we take the call accordingly, yes.
- Radha:** Okay. So in previous calls, and this call also, you mentioned that antidumping duty has been filed for products, which contributes about 40% to 45% of your revenue. So what about the balance 60% of the products? Would you be filing antidumping duty for the same as well? And by when do you expect the duty to be implemented?
- P. Srinivasan:** Radha, here, I think on the other 50%, 55%, a sizable portion of that is getting exported. So it's a freely competitive one and where we are very competitive. Further, on all those other products, our margins are quite reasonable.
- Radha:** Okay. And sir, what about some new grades that you were talking about last year, some niche applications for the rubber application for niche products? Any update on that?
- V. S. Anand:** Yes. So there is -- it's quite in advanced stages, I would say, where we are in customer trials. So there are 2, 3 products in the pipeline, one of them which is at customer trials. And we expect some commercialization towards the end of the year. But yes, I think volume ramp-up will take some time, as is the case with all these products because it's not only about customer acceptance, it's also the -- about building the capability to produce.
- So I think all these things will come into play. But that's where we are on at the stage.
- Radha:** So do we need to put extra capital to manufacture these products? Or you can manufacture at the current facility?

- V. S. Anand:** Not initially. It can be manufactured initially at the current facility.
- Moderator:** The next question is from the line of Nirav Jimudia from Anvil Wealth.
- Nirav Jimudia:** Sir, just continuing with the earlier question on operating leverage, so let's say, today, we are at an index of 133. And what we have seen, I think, in between 2016 to '19, when our volume started ramping up, the operating leverage benefit in terms of power was very commendable. So your thoughts here, like at what level of indexation the benefit of operating leverage would start kicking in? And more possibly, if you can highlight, along with the power, that would be very helpful.
- P. Srinivasan:** Nirav, on the power part, we already have commissioned the turbine. There were some challenges in the stabilization of turbine, which we are going to enhance those benefits during the year and which we have already mentioned that this is going to be a significant saver for utility cost per se. That's number one. Number two, in terms of optimization benefits, it's a continual thing. It has to -- every 10% is going to -- in other words, the index which is 130, 135, if it goes to 145, you will get some overheads getting optimized.
- As you go over 150, some more overheads will get optimized. So it's a continuous evolving process. But I think the real benefit, probably we are looking at somewhere around 160 or thereabout, where the real benefits, which will be visible and significant in the operational performance, subject to the key point caveat, we have the -- pricing parameters doesn't change so drastically, or dumping, it doesn't get more intensified. But our belief is that, that should not happen, but just want to keep you aware of that.
- Nirav Jimudia:** Got it, sir. So you mentioned significant savings in the power cost once these turbines are fully stabilized. So let's say, on the volumes we did in FY '25 and commensurate power cost, which was like close to around Rs.146 crores, let's say, if we assume the similar amount of volumes, what sort of savings could accrue to us on an annual basis once these are fully stabilized and operating fully?
- P. Srinivasan:** I think, Nirav, you should appreciate, these are all sensitive data we have to be guarded against. Yes, in a way, it's significant from a utility budget perspective. That's all -- that's the only point we can say at this point of time.
- Nirav Jimudia:** Got it, sir. Sir, second question is on the imports to India. So let's say, one could be coming from China, Europe, what you mentioned earlier also. But I think some of the Chinese companies are also setting up the factories in Thailand and elsewhere. So are we seeing the imports coming from these geographies also, where they have been putting up the secondary plants?
- P. Srinivasan:** Yes, you're right. I think in some of the products, we are getting -- products are coming under the -- imports are coming from Thailand, Korea, China, EU, etc. And the other part which we would like to add is that a couple of these destinations are FTA, free trade agreements. India has entered into that. So basically, Thailand and Korea are coming under the free trade agreement.
- Moderator:** The next question is from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund.

- Renjith Sivaram:** Sir, just wanted to understand like what should we read regarding the margins? So from a 14% margin in '24, we have come to 10% in '25. So where do you see this stabilizing? So just to get a color on that.
- P. Srinivasan:** Renjith, It depends on how much volume we are going to pick up in the coming years -- I think in the coming quarters and years. Broadly, if you recollect and recapitulate what Chairman sir said yesterday in the AGM -- at the AGM again, there are some disturbance. Anyway, we will try to improve our competitiveness through a combination of product mix, cost saving measures and a bit of volume consolidation at certain key accounts/relationships.
- Moderator:** Mr. Renjith, will you mute while management can answer your question? Please mute your line.
- Renjith Sivaram:** I'm from my phone, only. I'm not from the hands-free.
- V. S. Anand:** You can just unmute yourself -- you can just mute yourself. We can then answer.
- Renjith Sivaram:** Okay. Sure.
- P. Srinivasan:** Yes. Can I proceed?
- V. S. Anand:** Yes.
- P. Srinivasan:** So, I think if you look at our long-term objective of achieving 10% market share in the global rubber chemical space, then in the medium term to long term, we need to do a performance CAGR of 10%, and that's what we should aim for. And in case we are able to achieve that, I think those operating benefits, optimization benefits, all those leverages will kick in, and you will see a big number changes coming in.
- Moderator:** The next question is from the line of Radha from B&K Securities.
- Radha:** Just one question, sir. According to you, what are the key drivers that will create value to the shareholders from here on? So there is an ESOP scheme announcement by the company based on performance. So considering this, and the global scenario is going to be very volatile, so how are we prepared to beat the global market in this scenario?
- V. S. Anand:** Yes. So I think when we say value, it's value for all stakeholders, right? That includes shareholders and other stakeholders that we're talking about. And for me, value is not only in terms of enhancing our presence and geographical presence in the market, but at the same time, doing it in a profitable manner with innovative products. So that's what the whole thing is structured around, and all our efforts are along those lines.
- Given the environment that we are operating in, which is quite uncertain, I think we'll have to continue to focus on our basics. We will have to continue to focus on what we can do, which is within our control that is best-in-class so that we can be competitive globally and have a plan B and a plan C for every plan that we make.
- So that's what we do as an organization, and that's what we plan. So I think we -- and keep the strong engagement with customers, most important, because these are long-term strategic

engagements. And I think we will have some choppy waters in between, but long-term engagements will always hold us in good stead here. That's the way we see it.

Radha: Sir, what is the current domestic market share?

V. S. Anand: About 40%.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. V. S. Anand for closing comments.

V. S. Anand: Thank you. Thank you, everybody, for taking your time. Just a few things from my side as we bring the call to a close. While the uncertain and fluid environment that we just discussed and we operate in presents -- its set of challenges, it also presents opportunities. As an organization, we are viewing it through the lens of both a microscope and a telescope.

A microscope that enables us to activate actions for the here and the now to steer us through this challenging period. And a telescope that enables us to ensure that we have our measures in place to stay on course towards our long-term goals. I hope we have been able to address, if not all your queries, at least most of them.

As I take this opportunity to thank you for your support, and thank you for investing your valuable time to join us today. Let me also take the opportunity to thank my colleagues at NOCIL for their commitment and passion to adapt and steer the business through these ambiguous times. For any further information, kindly get in touch with me or Strategic Growth Advisors, our Investor Relations Advisors. Thank you once again, and have a nice day.

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