

Date: 15<sup>th</sup> May, 2026

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 8<sup>th</sup> May, 2026 regarding discussion on the Operational and financial performance of the Company for the quarter and year ended on 31<sup>st</sup> March, 2026 is enclosed herewith.

This intimation is also being made available on the Company’s website viz.,  
[https://www.nocil.com/overview/#investor\\_presentation](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: 2026.05.15  
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**Amit K. Vyas**  
**Head-Legal**  
**& Company Secretary**



NOCIL LIMITED

“NOCIL Limited  
Q4 FY '26 Conference Call”  
May 08, 2026

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 08<sup>th</sup> May 2026 will prevail.



NOCIL LIMITED



**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 the NOCIL Limited Q4 FY '26 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 do not guarantee the future performance of the company, and it may involve 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, Iqra, and good morning to 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, it's available on both the stock exchanges and our company's website. Let me begin by providing an overview of the company's performance for Q4FY26.

During the quarter, revenue from operations stood at Rs.330 crores, reflecting a sequential growth of 5%. Volumes continued their upward trajectory, registering a 7% sequential increase. Domestic volumes witnessed a single-digit growth, primarily driven by improved demand following the implementation of GST 2.0. Volumes in international markets also posted a steady single-digit growth, underpinned by our ability to convert our long-standing engagements into concrete business gains while further deepening and strengthening customer partnerships.

Moving on to the full year performance. FY'26 can broadly be divided into 2 distinct halves. On a year-on-year basis, the first half saw a volume degrowth of 5%. However, the second half witnessed a strong 12% volume growth, supported by a GST 2.0 led demand uptick. This helped the company deliver an overall volume growth of 3% for the full year. We expect this positive momentum to sustain in the coming quarters.

On the pricing front, realizations continued to be under pressure in the quarter due to the ongoing dumping of lower-priced imports. In this evolving global environment, we remain focused, maintaining an optimal balance between price and volume. With respect to the antidumping petitions filed with the Government of India, the Director General of Trade Remedies (DGTR), recommended positive final findings in respect of the antioxidant TDQ and Sulphenamides covering CBS and NS in March 2026. The same is subject to central government approvals.

I would like to provide an update on the capex front. The TDQ capex at Dahej, which was announced on 26th March 2024 has been completed, and we have commenced trial production. After trial run, samples will be sent to customers for approval. As mentioned earlier, the total capex incurred will be less than Rs.250 crores. Additionally, in line with our overall growth plans, capacity utilization and market demand, we announced another capex of Rs.130 crores on

16th March 2026, which is expected to be completed by H1'FY28. This capex is for setting up a comprehensive integrated facility in the specialty portion of our rubber chemicals business.

During the year, I would like to acknowledge the efforts of our teams in driving initiatives across our 8 strategic levers, which are aimed at strengthening resilience and building sustainable long-term growth for the company. As an example, under our excellence lever, we continue to implement a series of operational and efficiency improvement initiatives across the organization, which has started yielding positive results. We believe there remains further scope to build on these improvements, and this will continue to be an important area of focus in the coming year.

As we speak today, the geopolitical developments in the Middle East continue to create uncertainty across global energy, feedstock and logistics markets. For the chemical industry globally, the impact is being felt primarily through volatility in crude-linked raw materials, freight costs, shipping availability and transit time lines.

While the situation remains dynamic, we have been proactively monitoring developments and working closely with our suppliers, logistics partners and customers to ensure continuity and reliability of supply. Our teams have responded with agility through calibrated inventory planning, diversified sourcing wherever feasible and tighter coordination across the supply chain.

In response to the significant increase in raw material prices, during the quarter, we revised our price upwards for the non-contractual part of our business and from the present quarter for the contractual business. At this stage, we see this more as a volatility and cost management challenge rather than a structural demand issue. The global tire and rubber value chain continues to remain operational and resilient, although near-term fluctuations in input costs, logistics may continue depending on how the geopolitical situation evolves.

Over the last few years, including through the pandemic and subsequent global supply disruptions, we have built stronger operational resilience and customer engagement capabilities. We believe these capabilities position us relatively well to navigate the current environment in a balanced and disciplined manner.

Our teams are closely monitoring developments and working proactively with suppliers, logistics partners and customers to ensure dependable servicing and continuity. At NOCIL, our approach remains balanced and disciplined, focusing on safe operations, customer reliability, prudent cost management, agility in execution and calibrated price actions to ensure continuity of supply and operational stability. We do this while continuing to advance our long-term growth and value creation plans. 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 me run through the consolidated financial highlights. On the index parameters, volumes for Q4 FY '26 stood at 150, considering a base of 100, which was Q1 FY '20. The 150, I think this is the second time in history we have achieved this is after 4 years, after 10 or 12 quarters. So we are happy to be in that level, and we hope to build on this.

Net revenue from operations for Q4 FY'26 stood at Rs.330 crores as against Rs.316 crores in Q3 FY '26. As far as the revenue from operations for the whole year under review for FY '26, it was at Rs.1,303 crores as against Rs.1,393 crores in FY '25. For the quarter, we recorded a 7% volume growth as compared to Q3 FY '26. And for the full year, the growth was 3% as compared to FY '25.

Coming to the operating EBITDA parameters. Operating EBITDA for Q4 FY '26 stood at Rs.21 crores as against Rs.27 crores in Q3 FY '26 with EBITDA margins shrinking marginally to 6.4% in Q4 FY '26, partially due to moderately higher utility costs (due to gas), some maintenance costs on account of shutdown activities and also some inventory depletion effect, which is reflected in the stock change effect.

Operating EBITDA for the year under review stood at Rs.101 crores as against Rs.137 crores in FY '25 with EBITDA margin at 7.7%. Coming to PBT. PBT for Q4 FY '26 stood at Rs.21 crores as against Rs.13 crores for Q3 FY '26. PBT for the year stood at Rs.76 crores as against Rs.114 crores for FY '25.

Coming to profit after tax PAT for Q4 FY '26 stood at Rs.17 crores as compared to Rs.9 crores in Q3 FY '26. And PAT for the year under review stood at Rs.56 crores as compared to Rs.103 crores in FY '25. One of the reasons for lower tax in previous year was because of the change in the long-term capital gains tax structure as announced during last year's budget, which impacted previous year's tax credits, whereas in this year, everything is in the normal tax rate.

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

**Moderator:**

Thank you very much. The first question is from the line of Nirav Jimudia from Anvil Research Please go ahead.

**Nirav Jimudia:**

I have a few questions. Sir, first is on the current situation, like you touched upon the raw material cost increases and on the contractual and non-contractual part. So if you can help us understand like what's the current situation in terms of imports of rubber chemicals coming to India?

And based on your interactions with the customers, are the customers currently negotiating on the prices or they are more concerned about the volumes which they want to secure for their production. So that is a. And b, you said that we have increased the prices immediately for the non-contractual customers. So like typically, how our volumes are based in terms of the percentages between the contractual and the non-contractual part?

**V. S. Anand:**

Yes. Thank you, Nirav. So yes, so coming to imports, the first part of your question, yes, we also see that there have been price revisions in the imports. So that's one sign that we are seeing due to cost increases that have gone up across the value chain. So coming to our own price increases, like I mentioned, the discussions with customers are positive, but it's always a combination of supply reliability and price.

So given the current situation, the focus is also ensuring supply reliability because across the value chain, there are continual disruptions. And so that's the response on that. The last part,

which was on what's the kind of ratio, I would put it somewhere around 65% to 70% is contractual and the rest is usually non-contractual.

**Nirav Jimudia:** Sir, you touched upon the price revisions on the imports, but what is on the volume side? So has those volumes seen a dip, which could give us an opportunity to increase our volumes? How has been the situation in last 1, 1.5 months?

**V. S. Anand:** It's still early days on that. But I would say we are continuing to see our volume positive development, especially since -- also importantly, to be able to manage the supply chain to ensure that we can produce and deliver to our customers. So we're still seeing positively.

**Nirav Jimudia:** All right. And Mr. Srinivasan said in his opening remarks that we are seeing -- so like last Q1 of FY '23, we have seen this sort of volumes, which now have been achieved. So given the kind of volume run rate we have achieved in Q4 and taking, let's say, FY '26 as a year, we are already at 10% volume growth based on Q4 run rate. So if you can help us understand or let's say, is there a sense of confidence within NOCIL that Q4 volumes can now become a base volumes given the spare capacity what we have and the expansions which we have undertaken. How are you seeing these volumes getting built up on Q4 run rate volumes?

**V. S. Anand:** Yes. I think if you may recall, at the last call, we had mentioned that we expect to be able to complete the year on a positive note in spite of the first half not going entirely along the lines we had expected. And that did happen, and that means that has been a momentum in the second half, especially on the volumes front. And we expect this to continue going forward. So we are quite positive that we will be able to build on this into the next quarter.

**Nirav Jimudia:** All right. So can one assume Q4 volumes can now become a base given the kind of confidence we have in terms of customer approvals and the expansions, what we have done?

**V. S. Anand:** Yes, yes. We can.

**Nirav Jimudia:** Perfect. Sir, second question is on the realization part. Like if I see last 17, 18 quarters, this was probably the lowest one. So a, when we had touched that peak volumes in Q1 FY '23, that was an abnormal period of COVID times, -- and today also seems to be an abnormal time in terms of the lowest prices what we have seen. So where are we seeing our average realizations moving in between those periods, like the best of the periods, what we have seen during COVID and worst of the times because now we have seen the pricing momentum also gaining traction.

And generally, our observation is that during an inflationary trend, we tend to gain more in terms of the gross margins part. So if you can share your thoughts here, where are we in terms of the current realizations? And what one could expect from NOCIL in terms of the expansion on the gross margin side?

**P. Srinivasan:** Nirav, basically, Srinivasan here. So one of the things which has happened in this quarter, April onwards that the input prices went up and market also corrected the finished goods prices in relation to the input price rises. So that was one good point. Second question on your question was on that whether in an inflationary or a high price, high cost regime, we tend to expand. I think it's a very -- maybe you may have judged something based on past track record.

So it moves. But I think typically, in a situation where India is not self-sufficient, any industry which is depending on imports to meet its requirement or the import requirement generally tend to get that advantage for a short period. It's not a big period, but in a shorter period because you need to cover a little earlier because the lead time is much higher as compared to domestic procurement. And to that extent, you may get some marginal benefits.

**V. S. Anand:** Just to add, I think Srinu mentioned it in the initial part, and I just kind of build on that. In this particular quarter, there were some impact that actually is reflecting a lower EBITDA. That is on account of some local inputs, gas where we saw immediate costs hike, but correspondingly ours being largely quarterly contract driven, we could not get the immediate benefit in selling prices other than spot customers from whom we got some hike during the last fortnight during quarter ended March 2026.

**P. Srinivasan:** Inventory change. So basically, Nirav, one of the thing which is very important is in the inventory change, the inventory as per the accounting standard is valued at raw materials plus overheads. So you have a situation in a quarter where there's a stock change debit, which means that debit includes some portion of raw materials and some portion of overheads of the previous legacy quarters that may come in.

So typically, if you maintain the inventory, that particular debit of Rs.7. crores extra -maybe in this Rs.34 crores there, maybe that would not be there. So had we maintained the similar inventory because in March, we had to face some production cuts, etc, because of this energy prices, et cetera. Had we not had those issues, we would have actually improved our EBITDA also.

**Nirav Jimudia:** Perfect. And sir, last question from my side before I join back. How are we placed in terms of some of the critical raw materials, specifically on the amines and MIBK because some of the amines are available locally, which were also facing disruption due to ammonia shortage, while some are imported in India and also on the MIBK, which is totally an imported product. So are we getting -- or are we sufficiently stocked up for our targeted production or, let's say, the committed production, which we have anticipated? How has been the situation there?

**V. S. Anand:** Yes. I think, you're right. There is -- like I mentioned, there is the supply chain disruptions on account of multiple factors. But until this point, we have been able to secure supplies so that we can reliably deliver to our customers. At least for the next few weeks and horizon, we see, we are still in a good position for that, Nirav.

**Nirav Jimudia:** Perfect. And sir, lastly, congratulations on an excellent working capital management because when I see our cash flow statement, we have been able to save close to around Rs.170 crores, Rs.180 crores on the working capital, which is taken care of the capex is what we have done in FY '26. So congratulations to the team.

**Moderator:** Next question is from the line of Nilesh from HDFC Securities.

**Nilesh:** Sir, the first question is on the strategy. You mentioned in the opening remarks, the company is optimizing between volumes and margin, but volumes are going steadily up for the company,

the margins are falling since Q3 FY '25. Is company changing volume and compromising on margin your thought on this will be helpful to understand the company strategy, sir?

**V. S. Anand:** Yes. Thank you, Nilesh. So clearly, intention is not to compromise on the margins, but to look at improving the overall consolidated -- and there has been that positive uptick, which we have seen. But I think, like I said, Q4, which Srini just explained, is also due to some specific instance in the quarter.

So -- but I don't see that, so -- we are still in line with -- when we say it's a mix between price and volume. Very clearly, the intention is while the specific margin might drop because we have to get some additional volumes, the absolute overall number is what we are looking to increase with our available capacity. That is clearly the direction and the strategy.

**Nilesh:** Okay, sir, in Q4 volume growth, is there an element of volume increase as customers want to keep some inventory level at their end so that their production remains steady. So is there any volume growth that will happen?

**V. S. Anand:** No. So we don't see any significant overstocking that will spill into Q1. I'm kind of reading between the lines of your question and trying to answer it, yes.

**Nilesh:** Okay. And just one question on this expansion. So on brownfield expansion project at Dahej that you announced a couple of months back. So what percentage of this Rs.130 crores capex will be spent on debottlenecking of capacity? And how much volume you will add with this?

**V. S. Anand:** So this is largely additional capacities, not much of debottlenecking.

**Nilesh:** Okay. And whatever volume you are going to add will be internally consumed or it will be the merchant sales?

**V. S. Anand:** It's merchant sales.

**Nilesh:** Merchant...

**V. S. Anand:** It's a growth capex.

**Nilesh:** Okay. And sir, on this -- lastly, on this Rs.250 crores capex at Dahej, the overall capacity will be increased by about roughly, say, 20% -- and when you are saying 20% volume increase, is it the merchant sales volume or again, it is internally consumed?

**V. S. Anand:** You're referring to the 20%, which we the Rs.250 crores, the one, right? So that's all merchant sales. But let me just clarify some part of the earlier -- the Rs.130 crores we have announced has got a bit of intermediates also included. But largely, it is captive sales on that one. But your second question, it's completely merchant.

**Nilesh:** Okay. So 130, just for my understanding, Rs.130 largely the captively consumed. -- largely 50.

**V. S. Anand:** No, no, not largely. So it is related to part of the finished goods that will be coming out. For that, whatever is required, there is a part of it which will go into that, the intermediate.



- V. S. Anand:** And the other Rs.250 crores is completely merchant.
- Moderator:** Next question is from the line of Aditya Khetan from SMIFS Limited
- Aditya Khetan:** A couple of questions. Sir, just wanted to give you one perspective. When we look at the aniline prices history from July 2025 to around December '25, that period, anilines has been ranged quite well between Rs.100 to around Rs.112 per kg. Thereafter, for the last 3 months, we have seen that Rs.110 becoming Rs.190 per kg
- So ideally, any company which has around 15, 20 days of inventory, keeping of raw materials would have benefited from the inventory gains. But on the contrary, we have not seen that benefit even after adjusting for the Rs.7 crores, Rs.8 crores, which you mentioned on the legacy cost, the numbers still look on the lower side. So what should we judge like the inventory management is not proper of RM, what has actually happened.
- P. Srinivasan:** I think, Aditya, there are 2 challenges in the beginning of the year, I think we mentioned. We had a legacy cost inventories at the higher cost in the previous year, where we had a plan of higher sales volume, which didn't happen. So that spilled over into the first half of this year. So that affected our costing in the first half. In the second half, we got more of market cost, etc.
- The larger challenge which has been for us in this the spread got narrowed down because one of our products was imported largely from FTA regime, where the protection which was there earlier in the form of basic duty got wiped out. And that impacted the bigger on the profitability. So that is one of the key factors in this year which happened. And that was very, very significant in that sense.
- V. S. Anand:** But also coming to more recent quarters, that should play out, Aditya. So I think surely whatever is in the pipeline should play out.
- Aditya Khetan:** This is a structural thing, sir, like because that FTA has been now wiped out and that will remain, obviously. So in terms of cost-wise and do we see at a disadvantage?
- V. S. Anand:** No, it's not at a disadvantage. I would say it's just been a certain correction, but there has been a certain normalization also in the last few quarters.
- Aditya Khetan:** Sir, coming to ADD, we know that so DGTR has announced some Rs.40 per kg duty. And sir, this is applicable on roughly any sort of a percentage number, sir, can you give on to how much product basket and coming to products also like there also we are pending on antidumping duty -- any thoughts like on these 3 products, how much is the duty and these 2 products upcoming, what duty could be there? And when the Finance Ministry would give the final call? Any time lines on that?
- P. Srinivasan:** So first of all, this is a recommendation from the DGTR after doing a thorough investigation, which is a quasi judicial body. That's number one. Number two, so far, they have announced for TDQ and Sulphenamides. They are yet to announce their findings for Pilflex 13 and 4ADPA, which we are expecting any time in the few months. I think Pilflex 13 should come in the next month or 2 -- month or so.

That's a deadline which they have an internal deadline, which is already announced on the website. Now coming to the impact, I think what we have shared with the investors at large is that overall, we had about 40% of revenue getting impacted by antidumping products. So the quantum of duty, how much is approved by finance ministry, that's a bit premature. And the second very important factor is generally what we have seen historically, I mean, you can even refer to insoluble sulfur case very specifically.

Where you propose the duty, the exporters has absorbed it. Then again, you have to see what is the net effect to the industry. So those are all subsequent event which we will analyze and we will take a call, then only we can derive. The approval time for the central government is about generally 90 days. So we expect somewhere around middle of June, their viewpoint.

**Aditya Khetan:** Sir, coming to when we look at the antidumping duty history from 2014 to '19, sir, at that time, we have seen like NOCIL spreads have peaked out around Rs.65 per kg. Into this cycle, suppose if the spreads are -- suppose if this antidumping duty is imposed, what sort of a number, sir, we can look at the peak and considering a 5 to 6 year -- considering a 5 year from now from today, how you see numbers of NOCIL and spreads and volumes moving out, considering if ADD is imposed?

**P. Srinivasan:** Aditya, it's premature to comment on that. I think let's the final decision come, then we can and see the reaction how the foreign competitors adopt, then we will take a call.

**Aditya Khetan:** Sir, one last question. Sir, coming to this quarter, so obviously, like sir, taking a history of the last 2 years, this quarter numbers looks quite poor. And Anand sir has also reiterated since last 4, 5 quarters, like every quarter, we have stated like this is the bottom. This quarter, sir, any thoughts like you see -- so this pain will be continuing or again, like we are saying like this could be the bottom here?

**V. S. Anand:** So like I mentioned, there is an uptick in pricing, and we should see this playing out in the coming quarter. And, I think the -- clearly, there is a strategy and a long-term view in terms of how we want to scale the business. So there are also many other measures that we are taking internally in terms of our competitive intensity and what we need to do on our efficiency. So there are several other measures. So it's not only dependent on one of the external measures.

**Moderator:** Next question is from the line of Harshil Parekh from Acuitas Capital.

**Harshil Parekh:** Sir, I think in the last 2, 3 years, EU and the U.S. were planning to ban 6PPD rubber antioxidants due to its toxicity on aquatic life and has started some investigation on that. So can you throw some color on this investigation?

**V. S. Anand:** Yes. This has been a finding which started in California. And so there is a discussion in terms of the aqua toxicity of this largely used product, which is the largest rubber chemical used, the most reliable rubber chemical from a safety point of view. So there are discussions and all players are looking to find an alternative, including us, and we are working on it.

But it is still some time away. There have been some new alternatives that have been announced, but they're still in trial and testing stages. You must remember, it's a very large volume product.

So the time will also be required, will be large because apart from the testing and the assurance on safety, the execution of these products also will take time. But that is an ongoing topic.

**Harshil Parekh:** But sir, on a worst-case scenario basis, are we ready with the alternative products as such?

**V. S. Anand:** We are also in advanced stages, and we have got full teams dedicated working on this.

**Harshil Parekh:** Sure, sir. Sir, the next question would be on the quantum of price hikes that we have taken in March due to RM inflation. So can you just throw a tentative quantum of price hikes?

**V. S. Anand:** It's kind of -- it's a dynamic situation, Harshil, yes. But like I've given a direction, that's the way it is.

**Harshil Parekh:** Okay. And sir, the last question is, can you just give the volume and value mix between domestic and export for this year?

**P. Srinivasan:** In terms of volume, 70% is domestic, 30% is exports. In terms of value, it could be 67-33.

**Moderator:** Next question is from the line of Nitesh Dhoot from Anand Rathi Institutional Equity.

**Nitesh Dhoot:** My question is on the demand uptick in the domestic market that would have been on the back of GST and the tire growth, as you mentioned. But there would be an element of higher sourcing with respect to the ADD that's likely to be implemented. I mean do you see the customers raising the level in anticipation? And is it likely to slow down the volumes after the ADD actually gets implemented? So while I do understand that there may not be overstocking on account of West Asia crisis, but anything in anticipation of ADD is what I wanted to know.

**V. S. Anand:** No, Nitesh, we haven't observed such a situation, not that yes. We do not see that. And I think the -- like you rightly said, the current situation has also not kind of been very conducive for that.

**Nitesh Dhoot:** Right. Sir, can you clarify on how much has been the domestic industry volume growth and how much has our market share moved in the last quarter?

**V. S. Anand:** Yes. So I think surely by -- so clearly, the volume growth, we should have at least by close to 100 to 150 basis points improvement should have been there.

**Nitesh Dhoot:** Okay. Okay. And sir, on the price increases that you mentioned for the non-contractual position, which month did we exactly take this price hike? Because when you see the blended realization that shows a decline of 2% sequentially. So which month did we take it in March or probably that would have happened in April?

**V. S. Anand:** No, you will not see it so much in just the quarter gone by because a lot of it started playing out -- that was not in the early part of March, and it was more towards the second half of March. So very few days in the quarter and in the year, but more it's in the upcoming quarter.

**Nitesh Dhoot:** Understood. And just one last, maybe on the Dahej expansion. That was -- so when the capex was announced, the margins were in the 13%, 15% range. Currently, we are at around 6%, 7%

EBITDA margin, probably I understand that this is not a sustainable number. I mean we probably will be moving higher. And there's a Rs.250 crores incremental capacity. So your internal IRR assumptions and the investment thesis, has there been any change around that?

**V. S. Anand:** Not significantly. We are quite positive, like we said also that we are looking to improve the EBITDA numbers through different measures. And also with the production from Dahej, we should see further improvement and better operating leverages there.

**Moderator:** Next question is from the line of Sajal Kapoor from Antifragile Thinking.

**Sajal Kapoor:** I got 2 questions. First is, as approvals and customer qualifications are becoming increasingly important, right? I mean, how do you measure the stickiness of your customer relationships today versus, let's say, 3 to 5 years ago?

**V. S. Anand:** Yes. So if you look at our presence, Sajal, we have always been present with all tire companies, not only domestic, but also internationally for many years. What I would say in the last 3 to 5 years is it's been more a deeper penetration with our international customers, especially with the additional capacities that we have brought on stream in the last few years. And with all the approvals and the increased volumes that we have got with also the ability to prove our supply reliability and with the trust that we have gained, it's significantly -- the stickiness needle has significantly moved over the last 3 to 5 years.

**Sajal Kapoor:** So price alone is not the only criteria. There are other factors that customers consider before deciding on the sustainability of the relationship. Is that understanding correct?

**V. S. Anand:** Absolutely. While price is critical, but it is not everything. That's why we need to prove our capability, our ability to supply reliably in quality and also during difficult times. So I think that -- these are also other criteria that our customers look at.

**Sajal Kapoor:** And then second question is, if this antidumping protection does not materially improve industry pricing, can NOCIL still structurally improve margins through a combination of mix, efficiency and specialty growth alone?

**V. S. Anand:** Yes, yes. So I was just alluding to it a little while ago in the sense that we have to be prepared for all scenarios, and we have to work towards that. And we are building on that. So there is both internal measures to enhance, at the same time, consolidate and see what we can do. At the same time, on the product portfolio front, also, we're looking at how do we enhance the product mix. So it's a combination of both as well as geographical expansion at a quicker pace.

**P. Srinivasan:** So some of it is already getting reflected in the financials for FY '26 in terms of the other expenditure, if you see there is a reduction of Rs.18 crores or Rs.20 crores. So these were the efforts which we undertook to optimize cost to control costs very differently, look at various aspects of business operations and critically and try to see how best we can optimize it. So those efforts are seen in the results in terms of, I would say, this controlling cost.

Second is the working capital management. We try to make an improvement in working capital management, and that also is reflected in the non-operating other income. So these were some

initiatives which we undertook, which is already reflected in FY '26 results. Going forward, we have several other such initiatives to work on that.

**Moderator:**

Next question is from the line of Sailesh Raja from 360 One Capital.

**Sailesh Raja:**

In this quarter, excluding raw material cost, there has been a healthy improvement in the conversion cost. So could you please elaborate on which area where we have seen there is a good cost saving? Additionally, for FY '27, which specific area that we are being targeted under the cost reduction initiatives? Also further company had announced performance-linked ESOP allocation. So could you highlight the area that we are still lagging versus its initial targets? And what are the measures that we are taking to improve the performance?

**V. S. Anand:**

So I'll request Srini to take the first part, and then I'll come to the last question on this.

**P. Srinivasan:**

I think, Sailesh, we looked at -- I think I just said to the previous participant who raised the question. So there are some measures which we took on utilities, which improved the overall expenditure or reduced the overall expenditure by Rs.10 crores, Rs.11 crores. There were some expenses on maintenance, which we work on hard and try to see how best we can structure that we incurred and that also we reduced during the year.

So I think on utilities and operational other expenses, etc, we try to control it. That's one. There are other administrative aspects also, which we need. It's a small, small item aggregating the significant amount, but there was every team task force are formed to look into the areas and to see how best we can optimize. At the same time, on a capital employed for the business, that was the working capital management.

If you see the large part of working capital management happened in inventory. So that we could get something. Of course, some inventory went further more than what we expected. So some corrections will happen. But nonetheless, we made a fundamental shift in terms of how to serve the customer with the least amount of capital employed is what we were looking at.

So this releases the cash and this enables us -- so to an extent, the entire capex this year was largely financed out of internal working capital efficiency more than the -- so thus the investments of course, which was there at the beginning of the year, largely retained on the contrary it has been increased. So that enabled us to manage the things better efficiently.

**Sailesh Raja:**

Sir, what about the next year, sir, how much we are planning to reduce it? Say, with the similar volume, 55,000 tons, say, today, the conversion cost is 100. So how much are we think able to bring it down?

**V. S. Anand:**

Yes. So there are quite a few initiatives which are underway and they should start coming on stream. We expect it to improve further on the absolute conversion per kg. So that we see it to go down further. No, there's not a specific number that I can give you at this point in time, Sailesh. There were other initiatives also in the S&D area, which is also reflected in the other expenses. So that's also something that has given us positive.

Coming back to the last part, which you mentioned, yes, so we had -- clearly, our metrics were along the lines of profitability and volume growth. So we are a bit behind as far as what we have set out to do. There are significant measures internally, which we had taken. So a combination of external environment has also played a role, but we are kind of really creating a road map to see how we can get back on track on that front.

**Sailesh Raja:** Okay. Sir, one last question. We had installed capacity of 1,15,000 metric tons. So that time, our effective capacity was 80,000 tons. Now the installed capacity has increased to 1,38,000, 1,39,000 tons. So what is our effective capacity? And also we have announced that Rs.130 crores of capex -- so what is the number that you are looking at, both installed as well as the effective capacity?

**P. Srinivasan:** So the -- first of all, the new capacity trial production is on. So let it become commercial. As far as 1,15,000 we have never said 80 or 75 anywhere. There is a ballpark of 65%, 35% is what we do. We don't give the specific numbers for business sensitivity. As far as the Rs.130 crores project is concerned, we will let you know as we get into the advanced stage of project completion.

**Sailesh Raja:** Okay. Sir, with the commissioning of new capacity, incremental capacity, do you see the fixed cost absorption would be low in this year? Or do you think the ramp-up of capacity will happen faster?

**V. S. Anand:** So there could be some initial uptick in the stabilization. But overall, it will as the plant stabilizes, enhance our operating leverage on the...

**V. S. Anand:** Because we only have the other utilities and everything else on the side.

**Moderator:** Next question is from the line of Nirav Jimudia from Anvil Wealth.

**Nirav Jimudia:** Sir, one question on the export market, like specifically on the Europe and the other parts of Asia where we are currently exporting. How has been the situation there in terms of the disruptions at the plant in Europe and other parts of the Asia, which could provide us some opportunity in the short term to export our volumes there? Are we seeing any traction in terms of the improved sales volumes to these geographies?

**V. S. Anand:** We're not seeing any significant deviation. It's not too much positive or on the negative side. It's pretty much quite stable. There are those ongoing interruption due to transit time lines and things like this and freight costs, yes. But I would say from a volume metric requirement point of view, there has not been any significant difference that's playing out.

**Nirav Jimudia:** Right. And sir, last quarter, you informed us that U.S.A., where the duties were on a higher side, which were then subsequently reduced, our volumes were affected by close to around 50%. How has been the situation there in terms of those improvement in U.S.A. volumes?

**V. S. Anand:** Yes. So that is moving up, like we had mentioned also. So that's a positive development. And we are seeing that -- so I think it normally takes some time before supply chains can kind of

adjust to any change of this sort. But we are seeing it in the positive direction, and we should see it gain traction in this coming year.

**Nirav Jimudia:** Got it. Sir, also your thoughts on the latex market, -- like has those volumes to the latex market improved in Q4? Or how do you see FY '27 panning out so far as the latex volumes are concerned?

**V. S. Anand:** Latex volume last year, there was a bit of disruption due to all the tariff back and forth that happened in the initial part of the year. But it has been quite stable in terms of production. There is increased competitive intensity from Chinese players in that market. But I expect for this year, it should be stable, barring any significant disruption.

**Nirav Jimudia:** Sir, you mentioned that like we are already in the process of sending the samples for our expanded plant to the customer. So typically, based on your experience with the earlier expansions and the customer approvals time cycle, when can we see a material improvement in or material capacity utilization uptick coming from our newer expansion coming off?

**V. S. Anand:** Yes. So usually, we expect the non-tire-based business to start much earlier, whereas the tire-based customers will take the time of the approval, but we are in engagement to see how we can speed it up. So I should expect that it should take about 6 to 8 months by the time we see real traction from our larger customers.

**Nirav Jimudia:** Got it. And sir, last question from my side is like since on an indexation basis, we have already touched 150 levels. So one, on the operating leverage part, what is your internal assessment in terms of the real benefit of operating leverage coming up? So let's say, can the indexation of 160 a benchmark where we would start seeing some sizable improvement in our conversion cost? What's your internal assessment about the indexation levels where we can start seeing those operating leverage benefits?

**V. S. Anand:** So I think I tried to kind of consolidate it when I mentioned in the last call that we are looking to improve our EBITDA from the base of financial year '26 by another 150 basis points going forward. So this will all kind of kick in into that.

**P. Srinivasan:** So any volume growth is going to have operational leverage benefit definitely there. That's well understood.

**Nirav Jimudia:** And sir, last thing from my side. Sir, on the newer products on which we were working and you have informed us in the earlier calls also that we could see the volumes coming from those newer products in FY '27. So where are we? And out of the volume growth which we are expecting in FY '27, how much of the volume growth could be contributed by these newer products?

**V. S. Anand:** So yes, we do expect to gain higher volumes and traction on those new products. So I would still see that financial year '27, it will still be in a pickup mode; might not make a significant impact on the overall volumes, but gradually moving towards the end of the year, we should start seeing more volume uptick. Not able to give you a specific number, Nirav, at this point.

**Moderator:** Next question is from the line of Praveen Kumar from Acuitas Capital Advisors.



- Praveen Kumar:** I had a couple of questions. The first one was on the imports of antioxidants. If I look at the overall import data, it looks like in the January, February, the first 2 months of the year on a Y-o-Y basis, the volumes of imports and antioxidants picked up significantly. So could you throw some light into what could be the positive factors behind this?
- V. S. Anand:** You're talking about January to Feb of this year?
- Praveen Kumar:** Jan-Feb of this year compared to the Jan-Feb the previous year?
- V. S. Anand:** Yes. So I ~~also~~ see that potentially also, like we said, some of it has come through the Thailand and Korean FTA -- but overall also, there could have been a slight uptick because the overall demand in the market per se is also on the positive side.
- P. Srinivasan:** So basically, what has happened is you have a situation where the domestic demand is expected to grow at 7% as per ICRA estimates. So when you're looking at a 7% consumption in India and rubber, incident India is the second largest consumer of rubber consumption act globally, then we have surpassed U.S.A. So given that background, you could have seen customers importing more from the FTA road because it is coming a cheaper and stuff like that.
- Praveen Kumar:** So do you expect that to persist? Or is there some corrective action or something that can be done on that?
- V. S. Anand:** So on the FTA front, we are kind of highlighting to ensure that the value addition is within the norms of the FTA. And we are highlighting it. And it's been taken up at this point, but no specific outcome at this point in time, yes.
- Praveen Kumar:** Understood. And the second question was on the global rubber consumption chart that you present. So just going through that. So from -- again, if I look at it in 2 parts, right? One is, let's say, 2013 to 2018 kind of a time period. During that time, it went from 25.5% to 29.3%, which is like a roughly 5.7% kind of a CAGR increase, right?
- Now if I shift my focus to, let's say, 2022 till '25, the last 3-odd years, there, the growth rate went from -- it went from 29.4% to 31.9% as per data, which is more like a 2.8% kind of a CAGR growth rate, right? So just wanted to understand what do you think are the reasons for like almost more than halving of the growth rate, which the overall industry was growing at. So could you throw some light into this? And how do you see this panning out?
- V. S. Anand:** Yes. So one, if you really see another layered information on this, more of it is also in Asia. The growth is much more stronger in Asia compared to the Western markets. So while globally, also due to the continual disruptions that we have had in the last few years, -- and that's also played out at a lower growth rate. But I see overall, we typically take about 2% to 2.5% growth that is a safe number to achieve on a medium- to long-term CAGR basis. So anything above that sometimes is really not very realistic.
- Praveen Kumar:** So basically, you are implying that the 2013 to 2018 kind of a growth rate, which happened at a broad level, that was kind of more unusual and this 2.8%, 3% or whatever, 2.5% to 3% is more a realistic growth rate to assume.



- V. S. Anand:** Correct. That's what we also use.
- P. Srinivasan:** That is the parameter we use for even for our evaluation of future demand scenario.
- Praveen Kumar:** Understood. And just to again, go back to my earlier question on the imports picking up in the first 2 months of this year. I mean, we also noticed that in one of your large Chinese competitors, the largest one, in their -- one of their recent calls, they had alluded to Indian players putting up capex, probably they were referring to you, I guess. So I'm just wondering that is it also maybe -- I mean, given that your most recent capex is the one which is going to come on stream is also for antioxidants. Is there a likelihood Aggressive and before you start commercializing the capacity?
- V. S. Anand:** There is always a certain capacity to hold inventory, right? So so I don't see that as a major impact on account of us coming up with the capex.
- Moderator:** Next question is from the line of Aditya Khetan from SMIFS Institutional Equities.
- Aditya Khetan:** Sir, my question is on to the specialty segment. Sir, you stated that this capex of Rs.130 crores will come largely into the specialty side. Just recalibrating some numbers, if you can throw what is the specialty segment mix as on FY '26? And what are the volumes or utilization level like this segment is working on? And with this capacity coming in by FY '28, I suppose, what sort of capacity addition are we looking at into specialty side? And what is the demand outlook into this segment into the export market, if you can just highlight on this?
- V. S. Anand:** By and large, the -- when we look at the whole -- the sector that we operate, typically, we have a slightly higher skew towards the specialties than what the industry reflects. That is why the industry reflects a single-digit spread on the specialty versus the non-specialty. We would be at about 15%. And I think with this, we should be able to go to 20% is what our expectation is.
- Aditya Khetan:** 20% mix post commissioning of the capacity and reaching peak utilization levels, so we can reach 20%.
- V. S. Anand:** Yes that's right. That's because, again, volumes are not typically very, very high.
- Aditya Khetan:** Got it. Okay. And sir, the specialty segment is like focused on which particular end users and which particular geographies like U.S., Europe, any sort of mature markets versus emerging markets where it is specifically used?
- P. Srinivasan:** It's across all the markets.
- Aditya Khetan:** Okay. Got it. Sir, coming to the question on the higher imports in this quarter. Sir, also, we have seen many times like before any antidumping duty comes in, generally, customers look to stock up inventory right before this announcement and trying to mitigate some of the higher cost, which then post antidumping duty, whatever is there. Are you seeing this trend playing out and this is leading to higher imports or general you see because any sort of a change why imports have suddenly spiked up?



- V. S. Anand:** So yes, there was a question earlier on this also. While I said that there could be a in inclination, we have not seen it so much also due to the fact that the current situation has not been so conducive towards that. So there could be pockets of it here and there. But by and large, due to the environment, it has not played out to that extent because it's still at this point, it's still only a recommendation.
- Aditya Khetan:** Sir one last question on to the volume growth for FY '27 and '28, sir, what sort of numbers are we looking at?
- V. S. Anand:** Sorry, come again, please? I just could not hear you there.
- Aditya Khetan:** On to the volume growth guidance, like what numbers are we looking at for FY '28 and '27 in terms of growth?
- V. S. Anand:** Yes. So we are looking at double-digit growth in terms of volumes, that's the target for the coming years.
- Moderator:** Next question is from the line of Tanvi Warekar from Anand Rathi Institutional Equities.
- Tanvi Warekar:** So we have Rs.220 crores of CWIP in FY '26. So going forward, how much of this comprise of the project debt and what will be the cost of debt in one direction?
- P. Srinivasan:** So as of today, we have not borrowed any debt. We are having some lines above Rs.100 crores from the bank, but we will utilize it when needed. It depends on that. And it is repo-linked interest rates.
- Tanvi Warekar:** So nothing that is in the CWIP, right?
- P. Srinivasan:** No, no. So far, nothing...
- Moderator:** Next question is from the line of Nilesh Ghuge from HDFC Securities.
- Nilesh Ghuge:** My question is on antidumping duty. Sir, what we have observed that in the inflationary scenario, Finance Ministry are reluctant to approve antidumping duty, though there is a recommendation from Commerce Ministry. So if that happen for our products. So what are our plans to expand margins and how we are ready to that?
- V. S. Anand:** Yes, Nilesh. Again, I think one of our earlier people on the call participants did ask this question. And yes, so there are plans. So like I said, we look to -- there's a lot of cost efficiency measure improvements that are ongoing within the organization at our manufacturing sites. And we expect that will also positively play. There is also product mix areas that we're looking at as well as the geographical expansion is also another area. So there are multiple actions in play that we are looking at.
- Nilesh Ghuge:** Okay. And secondly, to Mr. Srini, sir, what are the tax rate guidance for FY '27? Any reduction there because of this new plant commissioning and the revenue coming from there?
- P. Srinivasan:** No, there are normal tax rates



**V. S. Anand:** I just wanted to Thank you, -- so I think there were 2 questions again on this improved volumes from both Aditya and Praveen on the increased volumes, which were coming in through the imports. So just one of my colleagues just mentioned that towards the end of the year, typically, you see this where some of the importers tend to use the advanced license, and there is always a chunking up of it during the last quarter. So that's potentially one reason. I just thought I'll add to that question because it came up twice. Thank you.

**Moderator:** As there are no further questions from the participants, I now hand the conference over to Mr. V. S. Anand for closing comments. Over to you. I'm sorry, sir, we are not able to hear you are speaking.

**V. S. Anand:** Thank you. Thank you, everybody, for your time, and we appreciate that you could be here today with us. I hope you've been able to address all your queries. For any further information, kindly get in touch with any one of us or Strategic Growth Advisors, our Investor Relations Advisors. Thank you once again, and wishing you a very pleasant day ahead. Thank you.

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