

Date: 11th November, 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 3rd November, 2025 regarding discussion on the Operational and financial performance of the Company for the quarter and half year ended on 30th September, 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 K. Vyas
Head-Legal
& Company Secretary



NOCIL LIMITED

“NOCIL Limited

Q2 FY '26 Earnings Conference Call”

November 03, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 03rd November 2025 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 Q2 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 date of this call. These statements are not the guarantees of future performance and 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 touchtone 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, and good morning, everyone. Joining me are Mr. P. Srinivasan, our Chief Financial Officer and our Investor Relations Advisors from SGA. I hope you've all received our investor presentation. If not, it's available on both the stock exchanges and on our company's website. We appreciate your continued interest and support as we navigate a complex and evolving global market environment.

The quarter under review was marked by multiple external shifts, including the impact of the revised U.S. tariff structures, the rollout of GST 2.0 in India and intensified dumping pressure from international producers. Despite these macroeconomic disruptions, the company navigated the volatility, recording a 4% quarter-on-quarter growth in sales volumes.

Quarterly revenue stood at Rs.321 crores, reflecting a sequential decline due to softer price realizations, partially in line with easing raw material costs, but largely due to heightened competitive pricing pressure from imports.

On the domestic front, we recorded a sequential volume growth during the quarter. However, pricing continues to remain under pressure due to the continued dumping. To address this challenge, as stated earlier, we have already filed antidumping petitions on select key products with the Government of India. We are pleased to share that the authorities have found merit in our submissions, have initiated detailed investigation and we expect the outcome of these proceedings in the coming months.

On the export front, volumes for the quarter witnessed a decline, primarily impacted by the tariff situation from the United States, which led to a ripple effect across global trade flows, leading to uncertainties in international markets. Consequently, customer sentiment remained cautious and overall demand in key export geographies continued to be challenging.

Now coming to the industry environment. The Indian tire industry continues to remain robust on the back of government's continued infra push and demand side interventions. The reduction in GST rates is expected to stimulate demand for vehicles and tires. The revised tax structure is

also likely to provide a positive drive to the replacement market, further supporting overall industry volumes.

On the international front, the global tire industry delivered a mixed performance across geographies. Established markets in the West remains subdued. Europe remains subdued due to weak demand and lower exports but witnessed a mild rebound from increased imports ahead of potential anti-dumping measures. The United States market was impacted by softer OE demand, though replacement demand remained stable. Additionally, tariff-related uncertainties weighed on the overall industry performance.

In this evolving global environment, we remain focused on our strategic priorities to deliver sustainable growth. While the market environment continues to remain challenging, we are actively managing margin pressure through a judicious mix of price and volume strategies, operational efficiencies and various cost optimization initiatives that will generate meaningful savings in the near term.

On the external front, while our exports push in the U.S. has been impacted by the recent tariffs, we view this more as a speed breaker and are positive of a workable way forward. We continue to push with our long-term engagement with customers.

Our ongoing TDQ capacity investment at Dahej remains on track and we anticipate commissioning and trial production in H1 calendar year 2026. Looking ahead, while near-term challenges persist, we remain optimistic about the long-term growth trajectory and value creation for our shareholders through our strategic levers and disciplined execution.

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. Now let's run through the consolidated financial highlights. On the sales volume front, the volume for Q2 FY '26 was 138 on an index basis of 100, which was Q1 FY '20. Net revenue from operations for Q2 FY '26 stood at Rs.321 crores as against Rs.336 crores in Q1 FY '26.

The reasons already explained by Anand in terms of price reductions. On a half yearly basis, the net revenue from operations stood at Rs.657 crores vis-a-vis Rs.735 crores in H1 FY '25. Volumes for Q2 FY '24 witnessed a 4% growth on quarter-to-quarter basis.

Coming to operating EBITDA parameters. Operating EBITDA for Q2 FY '26 stood at Rs.22 crores as against Rs.31 crores recorded in Q1 FY '26 with EBITDA margin at 7% for Q2 FY '26. Operating EBITDA for H1 FY '26 stood at Rs.53 crores as against Rs.79 crores in H1 FY '25 with EBITDA margin ranging around 8.1% in H1 FY '26.

Now coming to the operating PBT parameters or profit before tax. On operating PBT for Q2 FY '26 stood at Rs.19 crores as compared to Rs.23 crores in Q1 FY '26. -Operating PBT for H1 FY '26 stood at Rs.42 crores as compared to Rs.69 crores in H1 FY '25.

On the taxation front, the deferred tax for H1 FY '25 was on account of LTCG long-term capital gain structure revision on certain assets and which was reduced to 14.3% from 23.3%. Accordingly, the company remeasured its deferred tax liability, recognized a credit of Rs.15 crores under deferred tax expense in the previous year and other comprehensive income.

Coming to profit after tax parameters or PAT. The profit after tax for Q2 FY '26 stood at Rs.12 crores as compared to Rs.17 crores in Q1 FY '26. Profit after tax for H1 FY '26 stood at Rs.29 crores as compared to Rs.69 crores in H1 FY '25, largely impacted by the business slump as well as the taxation credit of H1 FY '25. Operating cash flow improved during the period, reflecting management's focused efforts on improving working capital efficiency.

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

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Nirav Haresh Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia: Sir, I have a few questions to ask. Sir, first is on -- you mentioned that despite of all those challenging environments, we were able to grow our volumes sequentially by 4%. So just wanted to understand from you that now how are you seeing the things going forward from here in terms of the volumes part predominantly.

The measures what you mentioned in terms of the cut in GST on tires in the domestic market and also from the viewpoint of exports where U.S. tariffs and other global factors are impacting the volumes on the export side. So if you can just touch upon both the aspects and help us understand from which of the quarters possibly, we could start seeing the meaningful growth in the volumes?

V.S. Anand: Yes. Thank you, Nirav. Yes, you're right about the growth in the domestic volumes. I think -- so I see that there should be a consistent trend on the domestic volume growth. There could be a bit up and down from one quarter to the other. But from a medium to long-term point of view, we see that we should be able to maintain and slightly creep up our market share as we go along in the next few quarters. Demand side, I'm quite positive that it should stay quite robust on that front.

As far as exports are concerned, I see it to be a bit choppy at least for the next few months. But then clearly, medium-term growth will be there. Maybe one quarter or the other, we could see some seasonal trends playing out. But otherwise, based on the engagement with customers, I'm quite positive that the long-term trajectory will continue to stay.

Coming to the U.S., yes, we were positively growing in the U.S., and this has kind of been a bit of a holdback for the time being. I look at it from that point of view. But then we're also looking then to increase our focus in some of the other markets and also talking to see how we can increase volumes in some of the other geographies. So that's how I see the overall domestic and international market volume situation.



Nirav Jimudia:

Sir, just to touch upon the point you mentioned that we are in continuous engagement with the customers. And this we have been saying probably from last 3, 4 quarters that our engagement with the customers have been continuously growing up. So when we see ourselves with the other players in the industry and probably China, from the engagement point of view?

Is pricing the foremost thing based on which they take their decisions in terms of shifting the volumes to probably NOCIL or any other player or is there any strategic point also where they look upon where they start giving us those incremental volumes and we start seeing those capacities build up for us?

V.S. Anand:

Yes. The good part is over the years, also with these customers, we have had this long-term trust and engagement, which kind of gives us a good place at the table. While I think to specifically answer the question on how do we get whether a price or a volume advantage, again, it will depend from customer to customer.

But clearly, from a price point of view, some customers don't expect us to be the cheapest always, but at least you have to be in the competitive range. And where we have lower volumes, there is clearly an opportunity to keep pushing up the volumes. So it's a combination of both, Nirav.

Nirav Jimudia:

Got it. Sir, second question is on the market for rubber chemicals in India. So if you can just help us understand what is the domestic market today for rubber chemicals? And how much are the imports coming to India? And if possible, if you can just differentiate between the countries from where the majority of the imports are coming to India?

P. Srinivasan:

Yes. Nirav, as we understand when we are looking at the domestic rubber chemicals market, we generally look at barometer of natural and synthetic rubber consumption as the reference point to arrive at a possible demand because there is no direct data on rubber chemicals demand. But per se, we are looking at 80,000 to 85,000 tons of demand per annum, in which NOCIL share is about -- we normally target about 40% as a market share.

Maybe we're hovering around 1-odd-percent here and there depending on the quarter-to-quarter and the pricing parameters and competition. While we say there is other domestic producers who are also occupying the space, but in their case, they penultimate intermediate raw material is sourced from imports.

So per se, if you plug that also as import because they are also influenced by the intermediate pricing of the competition supplied by China or European Union, whichever source. So if I look at it, there is a 60%. But if we exclude that, maybe it oscillates between 20%, to 35% depending on quarter-to-quarter situation to situation.

Nirav Jimudia:

Got it. Got it, sir. Sir, also, you touched upon the several anti-dumping measures or the petitions being filed by the company at various levels with the government authorities. Sir, most recently, we have also filed an anti-dumping duty for one of the intermediates for the rubber chemicals. So is it possible to share that how much of those intermediates would be coming to India because

possibly that would be going for the finished products? So if you can just touch upon that part, that would be very helpful?

P. Srinivasan: So that intermediate, when we examined the situation for a particular injury period, I think the finished product made out of that intermediate was constituting 30% of the Indian demand. So hence, we thought it fit to look at that piece also.

Nirav Jimudia: Okay. So if I understood it correctly, let's say, out of the 80,000, 85,000 tons of market, that finished product is close to around 30% of Indian demand, right?

P. Srinivasan: when we say the intermediate which we filed for, of that particular finished product, in that suppose the finished product demand is 100, let's for assuming sake, so the competition we're sourcing the penultimate intermediate, the domestic competition we're importing the penultimate intermediate from China and EU and then we're converting into the finished product and that accounted for 30% of the demand. That's what I meant.

Nirav Jimudia: Got it sir. Thank you so much, sir. And will join back in the queue, if I have any further questions.

Moderator: Thank you. The next question comes from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.

Rehan Saiyyed: Thanks for giving the opportunity. I have two questions. First on the Dahej expansion and capex time line side. So I just wanted an update regarding the time line. Could you please share an update on the Rs.250 crores Dahej brownfield expansion? So what portion of the capex has been incurred so far and when you expect the incremental capacities to start kicking in the commercial production?

And just continuing with the second one. I want to ask regarding the inventory and working capital efficiency regarding the cash flow side. The cash flow indicates a strong working capital release this quarter. So could you elaborate on the specific operational improvements and market factors that drove this and whether such efficiency is sustainable going ahead?

P. Srinivasan: So Rehan, this is Srinivasan here. So on the Dahej capex, when we are speaking, I think we have already committed a lot of orders. The work, in my view, 75% to 80% work is already completed. So as we go in this quarter, that is October to December, maybe in January to March, we should be getting into -- I think Anand mentioned briefly that the trial production should commence during H1 CY '26, which means January to June. We are targeting somewhere during the middle of that period to target the trial production. That's number one. Second piece -- so that's where the capex stands at.

Now coming to the second question, what was your -- the working capital...?

Rehan Saiyyed: Regarding the working capital?

P. Srinivasan: Yes. The working capital improvement consists of two factors. I think one is there is an efficiency by -- if I may say, in terms of sales number of days, I would say, by 20%. That is

definitely there because we have taken some corrective measures in terms of inventory management, better production planning, better forecasting and raw materials, etcetera.

Secondly, the -- generally, the activity level of the pricing parameters coming down, there is also a proportionate working capital reduction. So it is a combination of two. One is a 20% improvement in working capital parameters per se. And second is the combination of the prices and the cost coming down as compared to the previous year.

Rehan Saiyyed: Okay. And is it sustainable going forward for second half?

P. Srinivasan: Just repeat, please, I'll just hear it.

Rehan Saiyyed: Like can I repeat my question again?

V.S. Anand: Please can you repeat yourself? You're not clear enough.

Rehan Saiyyed: I'm saying that is it sustainable for second half?

P. Srinivasan: Yes, yes. The efficiency will be maintained or we'll strive to improve further, but at least it will be sustained.

Rehan Saiyyed: Okay. Fair enough and thank you. Good luck for your coming quarter.

Moderator: Thank you. The next question comes from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

Aditya Khetan: Thank you for the opportunity. So just a couple of questions. Sir, first, excluding this U.S. tariff, the figure of 138 base figure, how much would that have been?

V.S. Anand: So Aditya, if I were to understand your question, in case -- if the U.S. tariff had not happened, what would this 138 number would that have been, right? Is that right?

Aditya Khetan: Correct.

V.S. Anand: Okay. So I -- yes, I think I'm just kind of calculating through this. But yes, I think it would be about 140 to 142, yes.

P. Srinivasan: 141, 142 basically.

Aditya Khetan: 141, 142. Okay. Sir, like you mentioned in your opening comments regarding the heightened pressure from imports, most of the pricing decline has been factored in now or like you see more pain or there is left to like more factor in, in the coming quarters?

V.S. Anand: So I think, yes, I did -- I stuck my neck out a few quarters ago and said I think it's bottomed out and then I was wrong. So I'm going to be cautious again because -- okay, again, I feel it's kind of bottoming out because I'm looking at upstream raw material trends and assume that further

deflation should not happen. But yes, I'm kind of, let's say, cautious optimism that it's kind of bottoming out, let's say that.

Aditya Khetan:

Okay. The current quarter numbers, when we look like -- so we are standing at a 10-year low, most of the operating leverage benefits. Second, on the lower cost, which we earlier highlighted like your lower power and fuel, lower conversion cost, nothing has been flown as on date. How do you see like things moving ahead? Is there a structural change in the business?

Will this competition will remain like this only? And how should we look like -- is this a structural change or you see still like it is only a temporary and we could get back to that earlier spreads and volume figure?

P. Srinivasan:

Aditya, the basic challenge which we have been facing is, I think what is very important is we have been operating around 65% capacity utilization. When you have set up a plant for much higher capacity, you're not able to load the volumes. What is happening is we are seeing competition coming in different forms and different ways to outsmart each other. And this is one.

The second challenge which we are seeing is the Western world also is seeing some sort of -- not a positive growth is generally a negative sentiment. So a lot of uncertainties is there. And therefore, I mean, it opens the door for very, very situational pricing or opportunistic situations, which some competitors are trying to take advantage. It still remains a mystery how they are able to manage it.

Probably -- possibly -- I mean this is something -- it's not an allegation, it's a guess that there is some element of support from their end or from their government and that is enabling them to stay afloat. Whereas with these sort of benchmarks, what has been offered in the market, it looks highly unrealistic to survive so long and so deep in the market.

But nonetheless, therefore, we were forced to get into these anti-dumping measures because the way things were going for the last maybe 8 quarters, we are forced, but we try to manage ourselves. But I think at a particular stage when the competition is so acute, you need to take some corrective actions, and that's why we took the corrective actions.

V.S. Anand:

Let me just build partially to also continue on what you had asked, building on what Srini said. There is still scope for more operating leverages to come in. And I see that as the volumes improve, we will see that kicking in. But having said that, already quite a few of the measures are already showing up. We are seeing it in quite a few of the efficiency improvements.

So you see it in some of the numbers. You must have noticed it, there is an improvement. So we are also seeing it on a per kilo basis that there is an improvement on account of these operational efficiency measures. And quite a lot of measures which had longer lead times and time to come on stream, we expect that to start also coming on stream by the last quarter of this year. And I'm hopeful that we'll see more of it.



- Aditya Khetan:** Okay. Sir, also on your anti-dumping duty, like you had mentioned you expect positive traction. Just, sir, reconfirming some numbers. So is it on 4 or 5 products on anti-dumping duty, which we have filed? And any quantum or percentage figure you can give like how much incremental EBITDA we can add if this anti-dumping duty is imposed? Like how it was imposed in 2014, you mentioned some figures. Is that a similar figure or the quantum would be lower?
- P. Srinivasan:** It's a little premature, matter is sub judice. Basically, investigation is going on. So we don't know what is the quantum of investigation and etc. However, one thing we can say, the interactions what we have been having and we had the other processes, which is going as per the anti-dumping rules, we find the response from the -- I mean the interaction has been positive. We are reasonably confident that we will get a favourable finding. But the quantum of finding, I don't think so -- I mean, I cannot predict today.
- Maybe we expect those findings to come out in the next two, three months and following which the notification will come a little later. So this is where we stand. And as far as the number of products, which is two antioxidants and sulphonamides, two products of sulphonamides will be covered under this investigation.
- Aditya Khetan:** Got it. Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Nitesh Dhoot from Anand Rathi Institutional Equity. Please go ahead.
- Nitesh Dhoot:** So I wanted to check on the inventory situation. I mean, it looks like we've been able to exhaust our high-cost inventory. In Q1, you had indicated that a small portion of the higher cost inventory would potentially hit Q2. Are we now done with the inventory issues and procuring at competitive rates?
- P. Srinivasan:** I think 90% or more than 95% is over. Maybe some small thing will be there. It's an ongoing thing. In a falling market, what happens is because of the structure of the industry, we need some time to procure because India is import dependent on some of the raw materials. Therefore, we need to cover maybe 60, 70 days in advance, whereas if you have a situation of captive domestic production is equal to the demand, in which case, you can cover very late, just in time. So that's an inevitable structure.
- And in case the prices remain flat, I think we are already through. But in case the price falls further, which is unlikely, this is what we believe, then there could be some legacy perpetual -- small legacy. It will not be big, it will be a small quantum.
- Nitesh Dhoot:** Right. So my second question is basically, if you could just break up the Q2 volumes between domestic and exports?
- P. Srinivasan:** Yes. I think maybe, I would say, about two-third, one-third, you can say, take a ratio. Two-third domestic, one-third exports.



- Nitesh Dhoot:** All right. And just on the volume outlook, maybe slightly repetitive there. But given the fact that we are minus 5% in H1, would we be able to close in at a positive volume number for the full year with the benefits led by GST, etcetera, coming in the domestic market? Any guidance that you can offer there?
- V.S. Anand:** Yes. I think clearly the plan was to grow much more stronger in the year. And -- but I'm quite positive that we should stay positive by the end of the financial year.
- Nitesh Dhoot:** Sure. And sir, just lastly, on the anti-dumping duty. So I mean, assuming that these duties come through, so will this also have -- other than the pricing, of course, I mean, will this also have a benefit in terms of our volumes improving as some of the Chinese goods might find it more expensive to enter through. So will it also help volume growth in any way?
- V.S. Anand:** Yes, it should support volume growth also, Nitesh.
- Nitesh Dhoot:** Right. Sure, that's all from my side. Thank you so much and all the best.
- Moderator:** Thank you. The next question comes from the line of Harshil Parekh from Acuitas Capital. Please go ahead.
- Harshil Parekh:** Thanks for the opportunity. Sir, my question was on the imports from Korean players. Basically, based on the EXIM data, in H1, there was a lot of dumping from Korean players in antioxidants at a price which is even below Chinese players. So is it temporary or far more structural in nature? So your inputs on the same would be very useful.
- V.S. Anand:** So yes, you're right. In a couple of the quarters, there has been pricing by Koreans who have -- actually players have been pricing it below Chinese also. And volumes have gone up on account of that. There has also been some benefit on the FTA that's playing out we see. So I think it's a combination of this, that is playing out with the Korean imports.
- Harshil Parekh:** But sir, our assumption was that we are the largest non-Chinese suppliers for these rubber chemicals. So does the Korean players have enough capacities to undercut us or even Chinese in terms of pricing?
- V.S. Anand:** So they are a single product, which they offer for the rubber chemicals is only this single product, which is an antioxidant. They're not into the entire basket of products. So actually, if you -- so compared to others, the portfolio of ours is offering much more, right, not only limited to one single antioxidant. And that's the difference between what we offer to tire customers compared to this single product that's being offered.
- Harshil Parekh:** Understood. And sir, since it's a part of FTA, the anti-dumping investigations won't be applicable for Korean players. Is my assumption correct?
- P. Srinivasan:** No, no. That's a separate -- antidumping duty is a separate duty besides the basic customs duty, whereas FTA is part of the basic customs duty.



- Harshil Parekh:** Understood. Thanks.
- Moderator:** Thank you. The next question comes from the line of Sani Vishe from Axis Securities. Please go ahead.
- Sani Vishe:** So I'm trying to understand, sir, what if the antidumping duty doesn't come or what if the pricing pressure persists, what are our action plan to deal with this? What are our other growth strategies assuming that the competition remains?
- V.S. Anand:** So clearly, irrespective of ADD support or not, as a company, we need to have our own long-term strategy, and that's to penetrate customers, our existing customers, penetrate with them, expand to newer markets. That's ongoing irrespective of ADD.
- At the same time, continued work on our efficiency improvement measures, be it on cost-saving initiatives, which have already, like I said, started kicking in -- and we hope that this will further give us the impetus to keep building the volumes. So irrespective of ADD, there is clearly a plan on how we want to grow the volumes.
- Sani Vishe:** So what I'm trying to understand is even if the pricing stays, are we hopeful of some growth in FY '27, I mean better growth in FY '27 if the scenario that we see?
- V.S. Anand:** Yes, yes. I think we'll have to consider this as a normal and take this as the operating environment. And we are positive that there will be growth in FY '27, too.
- Sani Vishe:** Okay. And similarly on the international market, most of the Indian companies which are export-oriented have started assuming that at least 20%, 25% tariff will remain and they have started negotiating the tariff sharing with their customers in the U.S. or other geographies. So how do you see that happening? Are there any developments on that front?
- Because the dumping -- whoever players are dumping here, they will be present there also. So how do they stand in the U.S. market against us? And how do you plan to work out if the 20%, 25% tariff stays?
- V.S. Anand:** Yes, it's early to comment. We are working and discussing. It's not that our exports have completely come to a standstill to the U.S. We still have volumes going in there. There are specific products for which we are discussing and working out ways to see as and when the situation is getting resolved, how do we keep our plans that we have put together on track. So those discussions are happening.
- Sani Vishe:** And sir, finally, another strategic question. So are there any other ways that we are working on where we can create a niche for us so that even the pricing is lower, customers will try to stick with NOCIL. So are there any things that we are working on to create a niche for us?
- V.S. Anand:** Yes. So one is -- for our existing portfolio, one of the elements that we see is clearly supply reliability. And for some of our international markets, we're also looking at potential stock points that can actually enhance our supply reliability. That is one part.

The other which is quite an important buying factor. The other is the fact that we have the volumes to cater to the demand of the larger customers. So that is another positive element. And we continue to work on sustainability and innovation, which we think can give us the competitive edge. So for example, addition of new products and looking at newer areas from the medium to long term.

Sani Vishe: Okay. Thank you. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Dhaval Shah from Girik Capital. Please go ahead.

Dhaval Shah: Thank you for the opportunity. Sir, I have one question. Now with respect to Chinese dumping, since we have seen that there are a couple of recommendations which have been given by DGTR, but the Finance Ministry has not -- the application of the duty is pending from the Finance Ministry. Now given you're trying to improve the relation with China, do you think the things could get further delayed or any thoughts on that?

P. Srinivasan: Dhaval, I think this is a little sub judice. I think we should not comment. Let's first get the recommendations completed by the DGTR, then we'll think about how to address that.

Moderator: Thank you. The next question comes from the line of Radha from B&K Securities. Please go ahead.

Radha: So sir, despite these challenges, the company has kept the balance sheet in a net cash position and also reduced the working capital cycle. So that is very good. But on the P&L side, I wanted to understand that if demand is weak as the North America CV OEMs are speaking about softer demand till mid-2026 and pricing pressure continues in the near term, then what are the initiatives that we are taking to reduce cost and perform better? By when can we start seeing sequential improvement in profits?

V.S. Anand: So there are several measures that are underway. For example, -- let me just give you a flavor of 2, 3 of them so that you get -- this is a long list here. So for example, there are products where we are -- and I've explained this before, that not all our products are at different -- at the same utilization levels, they are at different utilization levels.

And wherever there's an opportunity for us to get upside volumes, we're looking at small debottlenecking opportunities of products wherein we can get this additional sales of those products because we see we have a market opportunity there. That's a few initiatives on the market side.

On the internal side of things, we are looking at clearly our efficiency levels, our steam consumption. There are quite a few initiatives that are already underway, are in place so that we really can improve our steam efficiencies, reduce steam consumption on a per unit basis, looking at our electricity consumptions, looking at our hydrogen consumption, for example. So these are

all things which are more or less in advanced stages. We should start seeing them kick in before quarter 4 of this financial year.

Radha: Okay. Sir, secondly, out of the total demand in U.S.A. after the implementation of tariffs and change in trade flows, how much volumes are coming from Europe, China and India to U.S.? And how has this been compared to the past?

V.S. Anand: So are you asking about the general U.S. demand in terms of how the split has moved into the market?

Radha: Yes, sir. How the split has moved in the market in the U.S.

P. Srinivasan: So Radha, by and large, U.S. is about 9% of the rubber chemicals global demand. And largely European Union had two manufacturing entities who are having downstream units in U.S. So it is basically before this tariff, you had a zero tariff duty and they were the one who were selling the most and followed by China a little bit and also India also coming in. Now with this tariff emerging, I don't see the situation changing.

Maybe as we stand today, maybe I would say, Korea is having an entry in one of the products because their duty is on the lower end as compared to China and India. Europe will continue to dominate because it's a market largely supported by supply by Europe.

That has been the core demand, core pattern of structure. That structure doesn't change. Maybe the number 2, number 3 position may undergo a change here marginally. But largely, it is fed by European Union.

Radha: And sir, what is the price difference between India, Europe and China and the U.S. now? Because Europe cost of manufacturing is high, then is our cost competitive -- India's cost competitive as compared to Europe and U.S.

P. Srinivasan: So the question is the consumer looks at what is this cost to him. He is looking at what cost he's procuring, so whichever the source may be. So generally, we should be around the same level. And maybe we have -- someone will have to absorb the tariff if they are ready. Someone will have to shy away from that because if the tariff is significant, then they cannot participate.

That's a situational thing. And typically, what we have seen is even though when China was having a 25% additional duty as compared to India, we were not getting that additional price. We were only competing with Europe and we were actually costlier by Europe -- as compared to Europe by maybe 5%, 6%. So we had to adjust the price accordingly.

Radha: Previously, we were more expensive compared to the Europe pricing, but now it has been adjusted. Is that the right understanding?

V.S. Anand: No. So that's not the understanding. So what Srini was mentioning was that there was a duty difference. We're talking about a duty difference. So the -- while we had 6.5% duty, Europe

didn't have any duty, and that was that difference. Leave alone the freight and all that, which is probably -- but from a cost competitive point of view, surely, we will be quite competitive.

Radha: Okay, sir. Sir, you spoke about conversion costs coming down from 4Q FY '26 onwards. So if you see conversion cost, let's say, is at 100 today and we are doing yearly -- if the volumes remain same, then the conversion cost from 100, how much do you expect it to come down from 4Q onwards?

P. Srinivasan: I think it's a step by step. One cannot definitely quantify any absolute number or a range. We are aiming for a larger piece. I think all the efforts which we are taking, it will be sizable. But I think you may have to give us some time because everything will come in as we'll see the Q4 numbers, then probably we'll be able to comment how much -- we have to look at the reference point and there are other costs as well as an inflationary effect also.

We need to balance it out and work out the net. So give us some time. But yes, there is an effort to control the cost and improve the cost working.

Radha: Sir, last question. Last year, you mentioned that the demand in India for rubber chemicals is 80,000 tons and the market is growing at 5% to 6%. And considering that two-thirds of our volume comes from domestic market. So is it a fair understanding that we have lost market share from earlier 45% to 35% levels now?

P. Srinivasan: I think we have been seeing 40%.

V.S. Anand: Yes. We have not been at those 45% levels. We have been around the 38%, 40%, that range. And so we continue to move in that same band. I wouldn't say the statement of lost market share, but it tends to move within a certain range. And in some quarters, there is also an incremental in the domestic market share. It always operates in that range.

Radha: Understood. Thank you and all the best.

Moderator: Thank you. The next question comes from the line of Nirav Haresh Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia: Sir, I just wanted to understand from you that like in earlier quarters or con calls, you have mentioned that we were supposed to introduce the newer products somewhere in end of FY '26. So where are we currently in terms of launch of those products? A. And B, let's say, whenever they are launched, could they become a substantial part of our volumes in next two to three years? Your thoughts on that.

V.S. Anand: Yes. So you're right. So we have already begun work and it's kind of -- some kind of -- already a soft launch is underway. More an active commercial sales of it should start before the end of this financial year. But coming back to -- but these will be initially limited volumes that we can do until we get more further approvals from customers, then we will need to build the additional capacities for those products given that they are successful and they are wanted by customers.

So that could still take some time, Nirav. And that's the nature of our business, right? It doesn't happen overnight. But once you go through that phase, then it sustains for a longer period of time.

Nirav Jimudia: And sir, are these products totally imported currently in India or are there any other domestic players for those capacities?

V.S. Anand: These are unique products, which serve a certain purpose with our customers. So I would not put it against comparison to any of the other products.

Nirav Jimudia: Got it. Sir, second question is on the specialty side or predominantly the latex part of our business. So how are those volumes moving currently, let's say, in the second quarter, which was just gone by? How were the latex volumes in the second quarter? And if you can just give the perspective on a Y-o-Y basis, how they have moved?

V.S. Anand: So compared to -- so really, I think if I look back, last year was -- last financial year was a better year compared to the previous couple of years when we had a bit of a trough on the latex, especially the fall post the COVID. But this year, again, year-on-year, when we look at the production in those markets and compare our sales, it has -- the production itself has come down mainly because of the tariff uncertainties. But I think it's getting resolved now.

So the last one or two months, we are seeing a bit more stabilization happening. But pricing pressure in those markets also continues from the Chinese. But from a latex production point of view, last one or two months, it seems to be stabilizing post the tariff confusion, which was created prior to that, yes. But year-on-year, it's lower compared to the previous year.

Nirav Jimudia: Right. Sir, is it possible to quantify how much there was a degrowth in the volumes from those particular product profile?

V.S. Anand: I'll need to check this, Nirav, precisely. But I can check, and we'll come back to you on that.

Nirav Jimudia: No worries. Sir, just an add to it, like is it safe to assume that these products forms close to around 20%, 25% of our overall sales volumes?

V.S. Anand: No, no, not that much. What's the...

P. Srinivasan: I think it's maybe...

V.S. Anand: From a volume point of view?

P. Srinivasan: Yes.

Nirav Jimudia: Sir, how much? I didn't -- sorry.

P. Srinivasan: 8%, it is operating.



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- Nirav Jimudia:** 8%, okay. Sir, just a last follow-up on this. When we compare our current volumes from this latex part and when we compare our peak volumes what we have clocked during the COVID time, how much fall we have seen as compared to our peak volumes to the current level?
- P. Srinivasan:** I think we would be probably 30% down.
- Nirav Jimudia:** Got it. Thank you so much and wish you all the best.
- Moderator:** Thank you. The next question comes from the line of Harshil Parekh from Acuitas Capital. Please go ahead.
- Harshil Parekh:** Thanks for the follow up. Sir, can you just give me the volume growth for H1 for domestic as well as exports?
- P. Srinivasan:** I think we don't share generally that number. H1, you're looking at?
- Harshil Parekh:** Yes, H1 Y-o-Y.
- P. Srinivasan:** I think both sectors, we had about a degrowth, equal degrowth.\
- Harshil Parekh:** Okay, understood. Thanks, sir.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. V.S. Anand for closing comments.
- V.S. Anand:** Thank you. Thank you, everybody, for your time. I really appreciate that. I hope we've been able to address all your queries. For any further information, kindly get in touch with any of us or Strategic Growth Advisors, our Investor Relations Advisors. Thank you once again and wishing everyone a happy and prosperous new year. Have a nice day.
- P. Srinivasan:** Thank you. Thank you, everyone.
- Moderator:** On behalf of NOCIL Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.