

November 19, 2025

To,

**Listing Compliance
Department
BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

BSE Scrip Code: 544029

**Listing & Compliance Department
National Stock Exchange of India
Limited**

Exchange Plaza, 5th Floor
Plot No. C/1, “G” Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Symbol: GANDHAR

Subject: Transcript of earnings call

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir(s)/Madam(s),

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), in furtherance to our letter dated November 14, 2025 regarding the audio recording of the Analysts/ Investor’s Earnings Call for the quarter and half year ended September 30, 2025 (Q2 FY 2025-26), please find enclosed herewith the transcript of the said call.

The said transcript is also available on the Company’s website i.e. <https://gandharoil.com/>

This is for your information and records.

Thanking you.

Yours faithfully,

For **Gandhar Oil Refinery (India) Ltd**

Jayshree Soni
Company Secretary & Compliance officer
Mem. No.: FCS 6528

Encl: as above



“Gandhar Oil Refinery (India) Limited
Q2 & H1 FY26 Earnings Conference Call”

November 14, 2025



**MANAGEMENT: MR. ASLESH PAREKH – JOINT MANAGING DIRECTOR -
GANDHAR OIL REFINERY (INDIA) LIMITED
MR. INDRAJIT BHATTACHARYYA – CHIEF FINANCIAL
OFFICER – GANDHAR OIL REFINERY (INDIA) LIMITED
MR. ARYAN SUMRA – INVESTOR RELATION –
GANDHAR OIL REFINERY (INDIA) LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Gandhar Oil Refinery (India) Limited Q2 and H1 FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. 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. Aryan Sumra. Thank you, and over to you, sir.

Aryan Sumra: Thank you. Good morning, everyone. I welcome you all to the Q2 and H1 FY26 Earnings Conference Call for Gandhar Oil Refinery (India) Limited. To discuss this quarter's business and financial performance, we have from the management, Mr. Aslesh Parekh, Joint Managing Director; and Mr. Indrajit Bhattacharyya, CFO.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website and on the stock exchange. Without further ado, I would like to hand over the call to the management for the opening remarks, and then we can open the floor for Q&A. Thank you, and over to you, sir.

Indrajit Bhattacharyya: Good morning, everybody. I am Indrajit Bhattacharyya, CFO, Gandhar Oil. I warmly welcome you all to the Q2 and H1 FY '26 Earnings Call of Gandhar Oil Refinery India Limited. Thank you all for taking the time to join us. Let me begin with the broader industry context. The global white oil market valued at USD 2.2 billion in 2024 is projected to reach USD 3.16 billion by 2032 growing at a CAGR of 4.6%.

This growth is driven by rising demand from pharmaceuticals, personal care, polymer industries, etc., supported by stringent quality standards such as USP and FDA compliance. Key trends, including increasing adoption of high purity and customized white oils and expanding applications in pharma polymers, PVC, thermoplastics, elastomers and premium skin care formulations, etc.

Pharmaceutical grade white oils continues to dominate globally with over 45% share, reflecting its critical role in pharma, health care and personal care products. Asia Pacific remains a high-growth region, supported by industrialization, rising disposable incomes and expanding manufacturing basis.

These dynamics align well with Gandhar's strategic focus on PHPO, that is personal care, health care and performance oils, which accounted for nearly half of our revenues in H1 FY '26. We continue to strengthen our presence in the white oil segment, especially PHPO, which is well aligned with growing consumer needs and regulatory focus on product purity.

With India's white oil market expected to grow steadily and global demand projected to reach USD 3.16 billion by 2032, we believe our strategic positioning in this space remains strong. Turning to our business performance. Domestic demand remained robust, supported by strong manufacturing activity and steady consumption in pharma and personal care sectors.

Our consolidated manufacturing volumes of H1 FY26 stood at 261,524 KL, up approximately 9% from 240,318 KL in H1 FY '25. While international markets continue to face headwinds from global consumption softness, geopolitical issues and logistical challenges, we are mitigating these through a stronger domestic presence and optimized sales mix.

Looking ahead, we expect demand momentum in India to remain firm, while global conditions should gradually stabilize. Our focus remains on operational excellence, customer service and leveraging growth opportunities in high purity and sustainable product segments. With this, I will now take you over to the financial performance and financial highlights for Q2 and H1 FY '26.

On a consolidated basis, revenue for Q2 FY '26 stood at INR10,599 million, up 17% sequentially from INR 9,030 million in Q1 FY '26 and higher than INR 9,351 million in Q2 FY '25. For H1 FY '26, revenue was INR 19,629 million compared to INR 19,299 million in H1 FY '25.

EBITDA for Q2 FY '26 came in at INR 658 million, a strong 43% increase over INR 460 million in Q1 FY '26 and significantly higher than INR 403 million in Q2 FY '25. For H1 FY '26, EBITDA stood at INR 1,118 million versus INR 1,005 million last year. EBITDA margin improvement reflects our disciplined cost management and judicious product mix.

Profit after tax for Q2 FY '26 was INR 397 million, up 52% from INR 261 million in Q1 FY '26 and more than double that of INR 184 million in Q2 FY '25. For H1 FY '26, PAT stood at INR 658 million compared to INR 508 million in H1 FY '25. Our segmental revenue mix for H1 FY '26 was led by PHPO at 49%, followed by lubricants at 28%, process and insulating oils by 9.6% and channel partners at 13%.

Manufacturing gross margin spread for Q2 FY '26 stood at INR 8,662 per KL. On the balance sheet front, working capital days increased to 85 from 77 as of March '25, primarily due to higher inventory days at 58 and receivables at 68, reflecting longer lead times in exports. Creditors days improved to 41, providing some offset.

Despite these changes, our current ratio remains healthy and our debt-to-equity ratio continues to be negligible, ensuring strong liquidity and financial flexibility. We remain focused on prudent cash flow management and operational efficiency as we navigate global uncertainties. With this, I conclude the financial review and open the floor for any questions you may have. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Richa Shah from SRP Associates.

Richa Shah: Sir, how the crude oil price fluctuations and freight costs impact your pricing and profitability?

Indrajit Bhattacharyya: Okay. Ma'am, base oils are a product of the crude refining process, but there is a relationship between the crude oil prices and base oil prices. But it is not a one-to-one correspondence. There is a delayed, say, generally a movement in crude price takes about 45 to 60 days to take effect in the base oil prices. And it's not to the entire, say about 45% to again, 50% of the increase or

decrease happens in the case of base oil. So there is a lead time and there is a lag period also and which is generally taken care of by way of inventory, which we have for about 35 to 40 days.

Richa Shah: Okay. So does this price pass-through contracts mitigating these risks effectively?

Indrajit Bhattacharyya: Yes. So with the major marquee customers of ours, we have price pass-through contracts, and they do mitigate the risks.

Richa Shah: Okay. Also, I wanted to ask like consolidated manufacturing volumes for the H1 FY '26 stood at 261,524, I think, so like up by 9% Y-o-Y. So what is your volume growth outlook for H2 FY '26?

Indrajit Bhattacharyya: In the same lines, ma'am, we expect we are optimistic of growing in the same basis as we've grown in Q2 over Q1, and we expect Q3 and Q4 to be slightly better.

Richa Shah: Okay. And like what is the current capacity utilization of Silvassa and Texol UAE branch?

Indrajit Bhattacharyya: So Silvassa is practically around 85% to 90%. UAE is around 70% to 72% utilization.

Richa Shah: And what about Taloja?

Indrajit Bhattacharyya: Taloja is close to 95%.

Richa Shah: Okay. And when do you expect Texol to reach full utilization, the UAE branch.

Indrajit Bhattacharyya: Texol, it will still take about 1.5 years to 2 years to reach full capacity utilization.

Moderator: The next question is from the line of Vrudhi Vora from SAS Capital.

Vrudhi Vora: Sir, my question is the presentation mentioned that the total installed capacity of 597,000 kL. But at current utilization level, when do you foresee the need for additional capacity expansion?

Indrajit Bhattacharyya: Ma'am, we've just enhanced capacity towards the end of last year. I don't see us enhancing capacity for the next 2 to 3 years at least. We have to catch up with the capacity utilization, and then we will be doing the capex for the capacity.

Vrudhi Vora: Okay. And what is the status of our Silvassa capex? And how will it impact the production and margins once operational?

Indrajit Bhattacharyya: Ma'am, Silvassa capex is mostly for automobile lubricants. Once it comes on stream, it is expected to increase automobile lubricants volumes by close to 19,000 kL per annum and automobile lubricants has the highest gross margins. So it will have a significant impact on the EBITDA and profitability and PAT.

Vrudhi Vora: Okay. And the freight cost and the Red Sea disruptions, which have impacted the margins earlier. So what contingency measures are in place if this geopolitical risk persists in future?

- Indrajit Bhattacharyya:** Ma'am, the Red Sea issues have more or less stabilized. Freight costs are still high, but we have been able to pass on this enhanced freight cost to most of our customers. We are talking about outward freight, okay? And things are looking up on that front in terms of the Red Sea issues.
- Moderator:** The next question is from the line of Mohamad Farooq from Pearl Capital.
- Mohamad Farooq:** During the IPO, Gandhar Oil spoke about building a global specialty oil plant, expanding capacity at Silvassa, driving margin growth through high-value specialty products and using Texol Lubricant in UAE as a key export hub to capture international markets. Over the last 4 to 5 quarters since listing, the company's performance has been unsatisfactory.
- Revenue growth has held up, margins have been squeezed. My question is, do you believe the major headwinds are now behind us? Or do you still see near-term pressure on demand or input cost? And most importantly, when can investors expect to see the next leg of growth, value creation that was envisioned during the IPO?
- Indrajit Bhattacharyya:** Farooq ji, We are hopeful that the headwinds that we were facing, the industry was facing is behind us. Things are looking up on the global geopolitical issues also. The currently completed quarter results are much better than the previous quarter results and year-on-year. So we expect going forward, we will have an upward trend in the capacity utilization and in the profitability margins. We expect things to look up from now onwards.
- Moderator:** The next question is from the line of Rajesh Agarwal from Moneyore.
- Rajesh Agarwal:** Sir, the base oil is a derivative of crude oil. Crude oil has come down this quarter. So have we faced the inventory loss or how the margins have improved? What is the reason for the margin?
- Indrajit Bhattacharyya:** Contrary to most of our peers, we don't carry significant inventories. Our inventories are more or less on just-in-time basis, okay? So in spite of the reduction in prices of base oil, we have not had any significant inventory losses.
- Rajesh Agarwal:** Okay. And what is the reason for the margins improving?
- Indrajit Bhattacharyya:** The main reasons are reduction in finance cost, reduction in other expenses. The finance cost reduction is basically because our finance cost is mostly represented by way of discounting for import LCs, which we do from Indian branches of foreign banks. We have been able to convert a lot of our overseas suppliers into non-LC suppliers.
- So that has reduced the cost, both for the discounting interest and for the LC cost. Second, SOFR also has come down in this quarter, it has come down to sub-5% levels. So finance cost has improved on that account. And the improvement in other expenses, the various other heads also, we have been able to keep a tight discipline on the expenses.
- Rajesh Agarwal:** There is still a scope of EBITDA margin improvement?
- Indrajit Bhattacharyya:** We're definitely looking forward to it.
- Rajesh Agarwal:** By how much, sir? Maybe 1%, 2%?

- Indrajit Bhattacharyya:** Yes, we'll try our best to reach as much as possible.
- Rajesh Agarwal:** Sir, the next question is demand is looking out in which segment, transformer oil or lubricant oil or other personal care?
- Indrajit Bhattacharyya:** So PHPO is our niche area and PHPO is the fastest-growing segment in this. The next segment where the demand is higher is automobile lubricants and automobile lubricants also has higher gross margins. Transformer oil is the biggest among the growing segments in the country because of DISCOMs and electricity transmission. So that is also a huge growth driver for us.
- Rajesh Agarwal:** But the highest margin, sir, which segment...
- Indrajit Bhattacharyya:** Automobile lubricants.
- Rajesh Agarwal:** Okay. And the personal care also will grow or no?
- Indrajit Bhattacharyya:** Yes, it is growing. See, pharma, personal care, health care, these sectors are bound to grow. There will not be any stagnation in these sectors. So they'll keep growing.
- Moderator:** The next question is from the line of Vivek Gupta from Star Investment.
- Vivek Gupta:** Sir, could you elaborate on the BHEL contract for transformer oil supply? Like what is the expected contribution and strategic importance of the same?
- Indrajit Bhattacharyya:** So I will not be able to give you details about how much in terms of contribution. But this is a very important contract for us because it has allowed us to break into that BHEL's transformer oil requirements. And going forward, we expect our supplies to them also. Of course, this is a tender-based business, but we expect that business to grow ahead. And yes, it is among the better margin products of ours.
- Vivek Gupta:** Okay. So are there any other large contracts or partnerships that are in pipeline for the FY '26?
- Indrajit Bhattacharyya:** Yes. So we've bid for various tenders of transformer oils. We are looking out for additional geographies for our PHPO and other products. Even automobile lubricants are growing. So yes, things will work out, partnerships will break in and hopefully, the tariff issue will also get resolved. So we'll go back to even keel over there.
- Vivek Gupta:** Okay. Sir, the PHPO contributed 49.29% of the revenues in H1 FY '26. So like how do you plan to further strengthen this particular segment and possibly also improve the margins?
- Indrajit Bhattacharyya:** Yes. So basically, there are 3 or 4 initiatives which we're looking over there. One is, like I mentioned, new geographies. Second is additional products to existing customers. Third is newer customers in this field. And fourth is increasing our wallet share with them. So these are the 4 major endeavors that we are engaging into to increase this.
- Vivek Gupta:** Okay. Sir, are there any like value-added solutions or new product launches in PHPO or like any other segments right now?

- Indrajit Bhattacharyya:** Yes, too premature to tell you right now, but it is a continuous process. Our R&D department is in constant engagement with the buyers' R&D department and newer products are definitely in the pipeline, and they will be announced as and when they happen.
- Moderator:** The next question is from the line of Surabhi from NV Alpha.
- Surabhi:** So my first question is you mentioned that you don't look at capacity expanding in the next couple of years. But if I annualize these volumes, you will be at 85%, 88% utilization already. So the next level of growth will come from the realization increase in the lubricant and the PHPO segment? And how will the growth come up if it's not volume growth?
- Indrajit Bhattacharyya:** So like I mentioned, the volume growth are expected in all the segments that we have. PHPO is the greatest driver for volume growth along with transformer oils. So we expect these to be growing faster than the other segments. Like I mentioned, by the time we meet up, we utilize our existing unutilized capacity, it will be about 1.5 years to 2. By then we will probably have to get into future capex.
- Surabhi:** But so you will already be at 90% utilization, right, by the end of this year, if I just annualize the volumes that you're like...
- Indrajit Bhattacharyya:** Hopefully. Yes, yes, yes.
- Surabhi:** So for FY '27, assuming it will be the same volume and your average realization would be INR76, INR78 and EBITDA per ton then inches up INR5, INR6. Is my math correct? Is it what you are looking at?
- Indrajit Bhattacharyya:** Perfect. EBITDA per ton only, let me check. Yes, it will go up to INR5, INR6, per litre.
- Surabhi:** And is there scope to increase this further by doing some of the value add because historically, it has been in the INR4, INR5 range. Is there scope to get it higher just by adding a new segment or penetrating more in health care or consumer?
- Indrajit Bhattacharyya:** If you're talking about absolutely new segment, we are open to it.
- Surabhi:** No, within this segment, is there a high-value segment that we are currently not tapping, but there is scope to...
- Indrajit Bhattacharyya:** Yes. There are certain suppliers and certain products which are not being tapped by us right now. If we tap into that, which we are hopeful of, we shall be getting higher margins in the PHPO sector.
- Surabhi:** Got it. And just one last question. In this business, does it matter which geography are you selling at? And are certain geographies which offer you better realization? Or because it's a crude derivative, your realizations are pretty much set by the underlying commodity?
- Indrajit Bhattacharyya:** Geographies, are basically for additional businesses. Yes, there is a bit of element of freight into that, which makes a difference. But yes, let's put it this way, there are certain markets which are very lucrative, but then cracking into them is also difficult. It takes time. More or less,

geographies have the same level of gross margins on EBITDA, but they do get us additional revenue.

Moderator: The next question is from the line of Disha Chordia from Sapphire Capital.

Disha Chordia: I just wanted to know what is the -- because you said like all our sectors we're expecting to grow. So what is the total overall volume growth you see for this year? And what sort of realizations do we expect?

Indrajit Bhattacharyya: Ma'am, historically, we have been growing at 10% to 12% on volume terms. That will definitely be achieved during this year. What was the next part of your question? One was the volume and what is the next part?

Disha Chordia: The realizations.

Indrajit Bhattacharyya: See, ultimately, the price of base oil does have an impact on this. But sticking my neck out, it should go up from the current levels.

Disha Chordia: How much improvement are we expecting? Any number?

Indrajit Bhattacharyya: No, no, no, I can't give you a number right now, ma'am.

Disha Chordia: But you do expect it to improve going ahead?

Indrajit Bhattacharyya: Yes.

Disha Chordia: Yes. And also, sir, you mentioned that PHPO currently is the dominant product in our mix. So within PHPO also, we are adding a lot of high-value products. So how do you see the product mix changing within PHPO? And how much can these products add to our EBITDA margin?

Indrajit Bhattacharyya: I'll give you an example, about 1.5 years back or 2 years back, there was this premium brand of glycerin, which was launched by Unilever. And that was done in conjunction with our R&D and their R&D and that was a premium brand. Now it is a function of how many of such these things are launched by us along with the ultimate the buyers.

And it's also a question of how do they take off. See, it has to be newer products. It will not be among the existing products. And that is one. Second is there are products which we are still not being able to supply. We've not tapped into those buyers. If that does happen, there will also be a significant increase in the PHPO margins.

Disha Chordia: So like what sort of areas are we targeting? Like you mentioned that you want to tap into newer products. So like could you give any light on what sort of these products and what sort of markets you're trying to enter?

Indrajit Bhattacharyya: Ma'am, I'll be giving out confidential information, which I don't want to do on open line.

Disha Chordia: All right. But anything that you could just help us out with? Any color?

Indrajit Bhattacharyya: There are certain areas which we are looking at. There are certain products which we are looking at. And we hope to give you that news as soon as we can. But don't press me on that because I don't want to give you information which is confidential.

Moderator: The next question is from the line of Pratik Shah from Investing Alpha.

Pratik Shah: Sir, my question is in Q2, revenue grew 17% sequentially. So what were the key drivers behind this growth?

Indrajit Bhattacharyya: Volumes. Volumes has definitely grown from the Q1 to Q2. There has been substantially better realizations also. These are the 2 main reasons which has grown, which has contributed toward the growth.

Pratik Shah: Okay. And how sustainable is this trend?

Indrajit Bhattacharyya: Q3 is definitely sustainable and historically, H2 has been always better than H1. So we are hopeful of this trend continuing for the rest of this year.

Pratik Shah: Okay. And sir, my another question is EBITDA margins improved significantly in Q2. What factors contributed to this improvement? And do you expect similar margin in H2 as well.

Indrajit Bhattacharyya: Yes. So like I said, there has been improvement in realization per kL, which has contributed towards the gross margins. There has been improvement and there has been monitoring and disciplining of costs. These are the main reasons why EBITDA has improved. And yes, we are definitely looking at continuing the same EBITDA improvement in the next 2 quarters.

Pratik Shah: Okay. And my last question would be manufacturing gross margins increased to about INR8,660 per kiloliters in Q2. So what drove this improvement? And what is your outlook for margins going forward?

Indrajit Bhattacharyya: This improvement will definitely be carrying forward to the next 2 quarters. We will be selling at improved gross margins for the next 2 quarters as compared to Q1.

Pratik Shah: Okay. Any particular outlook that you're looking forward?

Indrajit Bhattacharyya: No, I can't give you a number.

Moderator: The next question is from the line of Bhavesh Patel from Patel Investments.

Bhavesh Patel: Congratulations on great set of numbers. It's really pleasing to see the progress from last quarter in terms of improvement in overall numbers as well. I have a couple of questions. First is, what is our strategy as well as timing for continuing the higher-margin value-added product, especially you had mentioned about, let's say, the derma grade oil and other jellies so that we have at least 4% to 5% gross margin expansion through premium segment targeting.

And of course, associated with that is in terms of what is our outlook for growth in terms of volume for FY '26 that you have been giving? And do we need any investments to support this

growth? The last question is, what is our cash on hand as on date and plans for any inorganic growth, if suitable?

Indrajit Bhattacharyya: Okay. I hope I remember all your questions. I'll take them one by one. Growth in volume terms, as I've already explained, historically has been and will be in the region of 10% to 12% per annum, and we are confident of achieving that volume growth. What was your first question?

Bhavesh Patel: First question was about the premium product and you had specifically mentioned derma grade oils...

Indrajit Bhattacharyya: Yes. Pharma grade oils and premium white oil, PHPO products is definitely like I've explained earlier during the call that we are looking at such opportunities and customers. We expect them to fructify as soon as possible. I can't give you a time line because onboarding with a new customer is a long drawn process and a time-taking process. And finally, what was the third question?

Bhavesh Patel: Cash on hand and plans for inorganic growth.

Indrajit Bhattacharyya: Cash on hand is somewhere in the range of INR 70 crores to INR 80 crores. This includes the fixed deposits of the bank of the company. But inorganic growth, yes, we are open to it. We have, in the past, evaluated a few options, which have not worked out. We are currently evaluating some options. And hopefully, if one of these things work out, we'll let you all know shortly.

Moderator: The next question is from the line of Suryakant, an individual investor.

Suryakant: Congratulations for the good set of numbers this quarter. My question is relating to the value addition, sir. So basically, the raw material cost is around 87%, right? So there's a huge -- if there is a fluctuation in the crude prices, there is a margin pressure depending on whether the crude is going up or going down, right? So how do you see for the next 2 quarters from that perspective?

Indrajit Bhattacharyya: Sir, I don't know if this was asked also earlier. We have pass-through mechanism with most of our marquee customers, and we are able to pass on the price rise. We are slightly conservative of passing on the price decrease. But price rise, we are able to pass on to our customers. And as regard to the next 2 quarters, we expect same profitability margins to be maintained.

Suryakant: Sir, you've been the market leader in the India for the white oil business, right? But looking at the operating margin, it is quite low actually from a business perspective. Is this still going to be the similar way going forward? Or do you see some opportunity to see the upward trend?

Indrajit Bhattacharyya: Our operating margins in various segments are as per the industry standards. Yes, but we are definitely looking to improve it to the extent possible. We remain optimistic of doing that in the coming quarters.

Suryakant: Sir, one more question about the business expansion plan. I heard the call and you said that there are confidential information, I can fully understand, but there are some potential business expansion plans other than this current line of business?

Indrajit Bhattacharyya: No, I meant there are customers and products in the same line. There are customers whom we have not been able to tap into. There are products which we are still not doing. I meant that. I didn't say any special additional lines.

Suryakant: Okay. Thank you, sir. Clear.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. On the behalf of Gandhar Oil Refinery (India) Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.