



Gulf Oil Lubricants India Limited

February 18, 2026

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: 538567

Through: BSE Listing Centre

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051
Scrip symbol: GULFOILLUB

Through: NEAPS

Dear Sir/ Madam,

Sub.: Transcript of Earnings Conference Call with Analysts/Institutional Investors in connection with the Unaudited Financial Results for the third quarter and nine months ended December 31, 2025
Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation to our letter dated February 6, 2026 intimating about the schedule of Earnings Conference Call which was held on Friday, February 13, 2026 with Analysts/ Institutional Investors on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the third quarter and nine months ended December 31, 2025. We enclose herewith the Transcript of the said Earnings Conference Call.

The said Transcript is also uploaded on the website of the Company and can be accessed at <https://india.gulfoilltd.com/investors/financials/transcript-conference-calls>.

Request you to kindly take the same on record.

Thanking you.

For Gulf Oil Lubricants India Limited

Ashish
Pandey

Ashish Pandey
Company Secretary and Compliance Officer

Encl.: as above

Digitally signed by Ashish Pandey
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“Gulf Oil Lubricants India Limited
Q3 & 9M FY26 Earnings Conference Call”

February 13, 2026



MANAGEMENT: **MR. RAVI CHAWLA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – GULF OIL LUBRICANTS
INDIA LIMITED**
**MR. MANISH GANGWAL – WHOLE-TIME DIRECTOR
AND CHIEF FINANCIAL OFFICER— GULF OIL
LUBRICANTS INDIA LIMITED**

MODERATOR: **MR. PROBAL SEN – ICICI SECURITIES LIMITED**



Moderator: Ladies and gentlemen, good day. And welcome to Gulf Oil Lubricants India Limited Q3 FY26 Earnings Conference Call hosted by ICICI Securities Limited. 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. Probal Sen from ICICI Securities Limited. Thank you, and over to you, sir.

Probal Sen: Thank you, operator. Thank you, everyone, for making the time to attend this post Q3 FY26 results call of Gulf Oil Lubricants. We have with us members of the senior management headed by Mr. Ravi Chawla, the Managing Director and CEO; and Mr. Manish Gangwal, the Whole-Time Director and CFO of the company.

The format will be, as always, management will give their opening remarks and outlook on the company, and then we will move into an interactive Q&A round. So without further ado, let me hand it over to the management. Over to you, sir.

Ravi Chawla: Thank you. Good day, good afternoon, everybody. Thank you for joining us on the Q3 call. I'm very delighted to inform you that this quarter has been an all-time high in terms of quarterly volumes at 41,500 KL, which is a record volume for Gulf Oil. It's been a very strong one for us. We've also notched up the highest quarterly revenue and EBITDA which is a good sign in terms of the momentum that we had gathered earlier in the year.

We have seen demand and sales really picking up in the second half of the quarter post the prolonged monsoons and festivities. So that was also aided by the GST and other things that happened. Clearly, for us, the 2x market growth rate has been maintained overall where our lubricants volume have grown by 8% in this quarter, outperforming the industry again by 2x as we have been focusing on that.

Also, we have seen this 2x growth has been supported by double-digit growth in many segments this time. In B2C, we have seen the key segments of passenger car motor oil, which we've been highlighting is an area of higher growth for us. We have seen a good double-digit, mid-double-digit growth. Agriculture, which has done well early in the year, continued to do that, and we also see prospects of that continuing with hopefully good monsoon.

And it's also been the B2B segments of industrial, infrastructure, which have seen double-digit growth. So all around, I think this has been a quarter where the 41,500 happened due to this. And what has also been a very strong performer has been our OEM franchisee workshop, which



has continued to grow. But this quarter, again, they came in with high double-digit growth, strong momentum from a number of our OEM partnerships.

And it was a broad-based growth in OEM franchisee workshops where I think Gulf Oil is clearly the market leader in terms of the tie-ups we have for the franchisee workshops. It's been the PCMO again registering high double-digit growth. And in OEM franchisee also the agri segment, where we have partners like Mahindra and Swaraj, we had recorded double-digit increase.

Some of these OEM tie-ups are also doing very well in terms of their own stature and market share. So that appears as well for us. As mentioned, the GST rationalization for ICE vehicles has improved, and this is really providing a renewed sense of optimism amongst the consumers, also creating additional growth opportunities, while EV also grows, which is an area of our entry and growth.

We've continued to focus on rural and agri markets, which are remaining key drivers for sustaining our growth trajectory and increasing market share. To mention a few other highlights on the 9-monthly basis, we'd just like to share, obviously, that with the 2x growth in the quarter, our overall 9 months is growing 9.3% in the lubricant area, which is again a very good sign in terms of our overall growth trajectory.

Volume has been 123,000 KL for 9 months. And of course, we are progressing very well towards the strategic objectives where the growth is really delivering that. AdBlue also has grown for us by close to 8% at 111,000 KL volume 9 months. We've recorded a revenue of INR2,951 crores, which is a good double-digit growth of 11.8% for revenue, which shows that it is above our volume growth, so definitely improved segment and market and product mix has happened.

In addition, our EV subsidiary, Tirex is charging ahead in a way, obviously, acquiring new marquee customers. We have customers like Mahindra and MG, VinFast and a number of other bus OEMs, delivering strong financial performance also in this. The business is on track to close the year in line with whatever we have planned and obviously looking at the environment around and remains well aligned to our long-term strategy to scale and strengthen the EV segment as a core pillar.

Tirex actually closed quarter 3 with a top line growth of 83%. And if you take the 9-month period, it's close to 78% to be exact in terms of revenue growth in the 9-month period. That's all for me. I'd like to now ask Manish to take you through some of the other highlights and obviously, the financial figures also. Thank you.

Manish Gangwal:

Thank you, Ravi. Good evening, everyone. So as Ravi mentioned, yes, it's been a very good quarter for us from all perspectives, all-time high top line volume and EBITDA. And what is also very good sign in spite of cost pressures coming mainly from rupee depreciation during the quarter, we have been able to expand our EBITDA margins sequentially by nearly 67 basis points because of the cost management and timely selective price actions we have taken.

So overall, we are back to 13% plus EBITDA margin this quarter. Last 2 quarters before these were slightly lower side. So that's a good sign. And overall, we continue to remain net debt free.



And also, as we have announced, the Board has been happy to increase the interim dividend to INR21 per share. That's 1,050% on the face value of INR 2. So overall, yes, the Board has shown confidence in the way business is tracking.

One thing I also want to add is that the quarter -- last year, December quarter had a onetime income of -- from sale of one surplus land near our Silvassa plant. So that is INR12 crores was sitting in the base, and as we all know, every company has announced there was a onetime effect of new labor code provisioning, which has been there in the quarter. So if we exclude these one-times, the PAT growth also is in line with EBITDA, slightly better than that, in fact, to nearly 7.4%. So overall, a very good quarter from all perspective, and we would be happy to take questions. Thank you.

Moderator: Our first question comes from the line of Sabri Hazarika from Emkay Global.

Sabri Hazarika: Congratulations on good numbers. So I have 2 questions. First is, you mentioned segmentally most of the segments grew double-digit. But overall, our lubricant sales grew by around 8%. So is it the DEO and factory fill where there is a slowdown? And can you give some more color on how it is currently doing? And what is the outlook?

Manish Gangwal: Yes. I think you picked up right. Basically, some of our other segments, exports have been slightly slower and marine segment has been slightly slower. But when it comes to other domestic segments, all have done very well. CVO is, of course, single-digit, but many of them are at a good double-digit growth.

Sabri Hazarika: Okay. And when do you see these segments also picking up?

Manish Gangwal: You're talking of commercial vehicle segment?

Sabri Hazarika: Yes, yes.

Manish Gangwal: So it's been growing. In fact, factory fill, as we all know, the commercial vehicle cycle has really turned around from November onwards. So we are really looking at a very, very robust CV cycle revival on the back of our strong OEM relationships in the CV segment, which is with multiple OEM partners. And based on that, we believe that the coming quarters and years will be very strong from CV point of view.

Ravi Chawla: Yes. So just to add, Sabri, to what Manish is mentioning, CVO segment is a very high market share for us also. And we've been growing ahead of the industry in that also, but this normally grows single-digit in terms of low single-digit. So I think also there is a lot of long drain oils and other better performance oils, which is part of our strength also. So both these things, I think, obviously, CVO is a large segment. As you know, diesel engine oil is more than 40%. And exports also depends on how the various products are there. So those goes through also cyclical, but it has always been growing for us. So these are some of the segments which have impacted the growth. Otherwise, you're right, double-digit growth in most of the segments and these 2, 3 segments this quarter has been obviously single-digit.



- Probal Sen:** Right. Second question is on this labour code. So this 226 million, so this is like an exceptional, but is there a recurring impact to it? And is it there in that employee cost right now?
- Manish Gangwal:** The recurring impact will not be very significant as we understand from the current provisioning because it's a company which was many of the employees are more than 15, 20 years with the company, and we started our plant in Silvassa way back in 1993. So the longevity in Gulf is a key thing we are proud of. That leads to accumulated provisioning, but recurring impact, there will be marginal impact, but not significant.
- Sabri Hazarika:** Right. And do you reiterate your guidance of 8%, 9% lubricant volume growth and 12% to 14% EBITDA margin?
- Manish Gangwal:** I think our guidance is 2 to 3x the volume growth, which continues. And we are seeing market is also picking up. So that continues. And considering that there is a rupee headwind, which continues in January and the quarter ending December also, we have to wait for rupee to stabilize. And we will currently be only talking about a 12% to 14% margin band, which we have been always guiding about. We have to take certain pricing actions for margin management whenever needed. But overall, yes, 12% to 14% guidance for now. And eventually, we have been highlighting in the past that we have to move to the next trajectory of 14% to 16% over medium term.
- Sabri Hazarika:** Right, sir. So no pricing actions have been taken recently, right?
- Ravi Chawla:** Yes, yes. So as I had mentioned in some of my interactions, we are seeing that the pricing actions are happening. We have also taken a few, and that's a good sign. So I think that we are hoping that we get that. Obviously, some of our OEM customers and all there is a quarterly PVC, so that takes a bit of time. But it's on the positive that pricing actions are coming.
- Moderator:** Our next question comes from the line of Dhaval Popat from Choice International Limited.
- Dhaval Popat:** Congrats on good set of numbers. My question was primarily to do with the plant expansion, both in Silvassa and Chennai. So last time you called that the machinery for the Chennai plant was on the way or maybe already there. So my point was more on when can we start to see incrementally more volumes basically from both these plants?
- And the second question I had was more on the cash that the company has on the books. So is targeting certain M&As -- I understand more into the battery side of things or in the EV space, particularly. So if there is any development or any particular area where the company is looking out for acquisitions? That's from my end.
- Manish Gangwal:** So Mr. Dhaval, basically, we have announced a INR55 crores of CapEx for expansion of our Silvassa and Chennai capacities. The work is in progress. It's going to take maybe in Chennai, it will be coming sooner, but in quarter 1 of next financial year. And Silvassa will be ready by the end of third quarter.
- Now having said that, we always have maintained that we can produce based on the market demand by running third shift, extra shift in the current plant and current setup with some



incremental balancing equipment. So there is no challenge for fulfilling the current demand. And there's no direct correlation between the capacity and market demand and volume growth.

We are preparing ourselves for future because we are growing 2 to 3x the industry, and we need to have sufficient capacity going forward. So the entire CapEx is towards that. But all our current demands and the future growth for the next 6 months to 1 year can be fulfilled from the current setup itself. It's not a challenge. Coming to the second question of cash, and we keep looking at acquisition opportunities.

We have been vocal about it that we want to do more acquisitions in the EV space. Also in the lubricant space itself, some of the niche products, including in industrials, other categories. So as we speak, we keep evaluating many proposals. And obviously, it has to have a right fit and synergy. So as and when something is crystallized, we'll definitely make some announcements.

Dhaval Popat:

If I can just follow up one thing. So primarily in the annual report, it has mentioned about 12-plus OEMs were already approved by them. So if there is any other OEMs onboarded, that is one. And second, I also wanted to ask about 1 in 4 buses, I understand were being charged by the charges that are provided by Gulf Oil. So some more penetration or any further color that you can provide on these? Is there some development around these areas?

Ravi Chawla:

So Dhaval, just to clarify, the first question you're asking is on 12 OEMs for chargers.

Dhaval Popat:

12 OEMs for chargers, yes. For the Tires chargers.

Ravi Chawla:

So Tires is working with a number of bus OEMs which we have. I think major part of -- they cover about 60%, 70% of the bus OEMs. Also, some of the bus OEMs operate through charge point companies, etcetera. So we are catering to that. So most of the market we are covering, we have got our chargers accepted by them. And we have named a few like we've got Olectra, we have got Switch, some of those names you know, and we are working with them.

The other is we are working also for the AC chargers with MG and VinFast. And we also work with Mahindra for the charging. So that is there. And regarding buses, -- as you know, the EV buses is an area where the penetration of EV is going up because of also the emission requirements of various cities.

There, our Tires chargers are there. And I would say, right now, every 4 to 3 buses, we would have our charger going into the Indian market, but this is a very early stage. So this market will grow, and we'll obviously be expecting that we're able to grow in that in terms of our DC charging business.

Dhaval Popat:

But just if I got it correctly, you are also supplying those AC chargers to Mahindra as well now. Is that correct?

Ravi Chawla:

No, we are supplying the AC chargers to MG and VinFast. And Mahindra is putting up the DC chargers, -- they're setting up in their dealerships and also in some of the outside charging facilities, which Mahindra has embarked upon.



Moderator: Our next question comes from the line of Nitin Tiwari from PhillipCapital India Limited.

Nitin Tiwari: Sir, I assume that you've basically indicated your thoughts on this question in the past as well, but I'm just reiterating this question. So there's a lot of basically noise around data centers in the country. In fact, the recent budget also indicated a tax holiday, and there are a number of announcements which are coming in from hyperscalers and other companies as well for setting up data centers.

So are you like reassessing this segment from a demand perspective? And if you can give us a fresh perspective about what you're thinking in terms of demand as well as product development for catering to this particular segment? And what would actually be your peers or competitors also when it comes to data center cooling?

Ravi Chawla: Yes. So as we have mentioned, see, data center cooling currently, there's a lot of air cooling. Now it is moving to liquid cool because of the speed and requirement. Now a lot of the data centers coming up, they have to obviously invest in this liquid cool infrastructure. So we have got 2 products which we have made with our global team in terms of technology. These products, we will be testing them and validating them in terms of specifications.

So we will have to work with the companies setting up the data centers, including the technology guys putting up the hardware and other things. And overall, these products are there. And as we have mentioned many times, the market is globally also, these are coming up in India also, but the conversion to liquid cooling, which is there is going to happen. And it's going to be a small volume, but we still see it growing in this.

So we are getting ourselves ready to get our product validated and working with some of these hardware and there are also some organizations which do the testing. So there are certain testing procedures which we need to follow. So the products are ready now. So it is the next stage of testing and validation.

Nitin Tiwari: Sure, sir. That's why I had asked this question because I remember in the past as well, you had indicated that this segment per se is expected to be a very small one. But the reason I ask for a reassess perspective is that today, I mean, there's a lot of stress on high compute and like denser sort of data centers as such, which could primarily be liquid cool. So that's why I thought let me have your perspective if there's any change in terms of assessment of demand as such?

The second part of the question was like would your peers and competition in this space be only lubricant manufacturers? Or would it also be other chemical companies? If you can just like help us understand that as well?

Ravi Chawla: Yes. So there are products available. There are others also specialized companies globally, whatever knowledge we have they're making the product. But definitely, lubricant companies are also well positioned to test this because it is a similar product made from the similar raw materials, base oil and synthetic grades. So both the materials we use also. But there are some other players who would have this product.



And the key would be to see how this is getting how they are being set up and then have products ready which can cater to it. And you're right, the need for computing is becoming higher. So we are monitoring the trend, and we'll be ready with the products to be able to position ourselves.

Nitin Tiwari:

Right, sir. And sir, my second question was with respect to your EBITDA margin. So you've indicated a broad percentage range, but I was wondering if you can help us understand basically the contribution at EBITDA level from a rupees per liter perspective as well as what is the kind of number if we have like in terms of our targeted number over there?

Manish Gangwal:

So Nitin, usually, we've given guidance on a percentage basis only. While we have been very clearly saying that 12% to 14% band we want to maintain and while growing volumes. So that is our objective, which we have been actually delivering, in fact, in last many years and quarters that we have been 2-3x the volume, keeping our margin band intact in the band of 12% to 14%.

Per liter is something which we internally track because that's important from passing on the cost increases, etcetera, in different segments and with different OEMs as well. But as a guidance, we keep giving the guidance of percentage 12% to 14% band. Also, in good quarters, it should be towards the upper end of this band -- and in some of the quarters where we have seen in June quarter and September quarter, it was towards the lower end.

But as we see, things have been picking up, 67 basis point increase in the EBITDA margins sequentially is a good indication in spite of rupee I mentioned in my opening remarks. Overall, we see that market is also looking at more pricing actions, which is going to be helpful because rupee continues to behave very erratic.

And the good sign is that crude has been stable. So that's a positive because it is in that band of \$65, \$70. And as long as it remains in this band, our input cost should be stable. So that's what we are looking at.

Moderator:

Our next question comes from the line of Mahesh Madhusudhan from Kantilal Chhaganlal Securities Private Limited.

Mahesh Madhusudhan:

First of all, congratulations for a good result and healthy dividend. Sir, I'd like to ask you one question about price hike. If any specific strategy followed for price hike or any other ideology?

Manish Gangwal:

See, price hike and margin management is a perpetual exercise, which the company has to do. It depends on various factors, our input cost, competitive scenario in the market, segment-wise demand and supply conditions. So there are many factors which play in taking pricing decisions. There is a proper, obviously, monitoring and controls to ensure that the price management process is robust. And we are seeing that we have been in spite of such pressures, we have been able to actually sequentially increase our gross margins and EBITDA margin.

Mahesh Madhusudhan:

Okay. Overall, any margin specific numbers if you can give?

Manish Gangwal:

We have mentioned in this call that we have a guidance of 12% to 14% EBITDA margin band we want to maintain.



- Moderator:** Our next question comes from the line of Kirtan Mehta from Baroda BNP Paribas Mutual Fund.
- Kirtan Mehta:** I wanted to understand the increase in the competitive intensity in the market. Last year, I think one of our biggest competitors has been able to double the volume growth as well as we are also hearing from OMC competitor that they are also planning to sort of increase the focus on the lube segment as well. So which are the specific segments where we are seeing the competitive intensity increasing? And what are the specific responses from our side to hold on to our position?
- Ravi Chawla:** Well, we have been building our 2 to 3x growth for the last decade and even more. So I think our business model, and we also see that we have got scope to grow because our market shares are overall in some segments, 9% to 10%, mainly diesel engine oil and motorcycle. The others, we are 6%, 7% and sometimes less than 5%. So for us, our model continues to be focusing on our strengths, our approach.
- Competitive intensity has always been there in this market. As you know, there are 16, 17 players, which are the PSUs and multinationals and local brands. So I think that is something which continues to be there. We are also increasing capacity, as you said, others also increasing capacity. So I think each brand has its own position. We are very happy to share with you that today, Gulf is the top 2 brand in certain segments, top 3 brand overall in all the segments.
- As we have invested in the brand, our distribution is also number 2 in the private sector, and we are there. So we have the competition. So we do change our strategy based on segments and of course, competitive analysis happens. So this is an ongoing process, like Manish mentioned on the pricing. So this is part of our DNA.
- And I think our position, which has been built up on the brand and our OEM partnerships, our B2C business, our industrial infrastructure segments and the other segments which we look at. These have been our strength, and we have been able to demonstrate that. And the competition is there, plus the market is growing 3% to 4%.
- So most of the players who are there will look at market growth. And definitely, the players who can do better will be in more. We have been consistent. In fact, this year also, we continue to grow and 8% this quarter, 9.3% in the year. So we are focused on that and also keeping ourselves looking at market share across segments where we are present.
- Kirtan Mehta:** Sure, sir. One more question was about the market growth itself. So with the GST sort of cuts, there has been some bit of additional growth that we are seeing in the auto market. Do you think that this can change the market growth trajectory from 3% to 4% to an upward range? I mean are there any initial signs?
- Ravi Chawla:** You see this market, lubricants is sold for the factory fill when new caves are made. So definitely, if the auto industry and all sell more, all the industries sell more construction equipment, the factory fill will go up because that's a good sign. Most of them are growing 6%, 7%. And then you also have the EV penetration coming. So to that extent, the new vehicle, some EV is coming in certain segments. 5%, 6%, 4%, you know the data.



But overall lubricants is going to continue to be consumed. And we see that also lubricants are getting better quality. So normally, we take 3%, 4% because that's how we are seeing the market in the next decade or so. And in the case of industrial, it will be slightly higher, maybe a percentage higher.

So this is the trajectory predicted by experts like Kline, and we also are confident that this will grow. Of course, we want to look at our market share going up. So we will continue to grow 2 to 3x this growth rate.

Moderator: Our next question comes from the line of Bharat Gulati from Dalal & Broacha.

Bharat Gulati: I just had a question regarding our EV segment, Tires. Just wanted to understand what is our future path to growing over there? And do we see margins going up in that business? And just how do we kind of understand the trajectory in which we are trying to take it from a strategy point of view and as well from a market point of view?

Manish Gangwal: So you see EV as a potential, we know that while we have been very clearly saying that lubricants will continue to grow for the foreseeable future because the ICE vehicle growth will continue. We also believe that there will be an EV penetration in certain segments in certain proportion. And that is where we wanted to use that opportunity, primarily because of 4 things. We have a very strong brand within the automotive segment, which consumer knows, Gulf as a brand.

The automotive users today, they are using ICE vehicle. Tomorrow, they may use EV vehicles. They know Gulf as a brand. Second strong point we have is that we have a significant presence in the automotive OEMs, which we are in touch with for lubricants. And when the incumbent vehicle manufacturers will launch EV vehicles or EV models, we should be servicing them in terms of their requirement for chargers, EV fluids, etcetera.

That was a very strong point we have. And then third point is that we have a lot of B2B customers, infrastructure customers who will require chargers. And our distribution, which is more than 80,000 touch points, we have more than 10,000 of Gulf branded bike stops, car stops. So these 4, 5 strengths we have got as a lubricant company, and it was a logical progression to look at EV as an additional opportunity rather, while continuing to focus on lubricant to grow 2 to 3x.

So with that thought process, we have been making this as a very strong pillar. When we acquired Tires 51% stake, which we have now increased during the quarter to 65% in the December quarter. We obviously had a previous audited turnover of INR12 crores. And last year, we clocked INR80 crores nearly. And this year, we are already growing 70% to 80% in terms of our growth.

So overall, we believe that EV charger business and the other investments we have done in EV will make a very, very strong pillar for us going forward. Our first aim is to have a INR300 crores to INR400 crores top line from this business in the next 3 years to 4 years' time, and then we'll build on that.



Bharat Gulati:

Got it, sir. And sir, just to understand that the new capacity that we're adding, like you said that it doesn't necessarily mean that volumes will go up. It will mean that efficiencies will come into our manufacturing instead of overutilizing our current facilities. So could this mean that this can somewhat improve our margins?

I understand that we've given a guidance between the 12% to 14% margin range. But does this mean that with this better efficiencies can help us get to the higher band of that margin range? Or just because currently, our capacities are running way beyond that 100% utilization mark.

Manish Gangwal:

So more than cost, I think it will bring operational efficiencies and will make us ready for future. Obviously, running a third shift in a plant is very, very cumbersome process. In lubricant industry, the processing cost or the manufacturing cost is not that significant part of the overall cost component. So from that perspective, it's a very, very small component of the cost sheet. But having said that, we have to be ready because we make every product in-house.

We don't make any of our lubricant outside, and we need to have capacity because our quality is the most important thing. And you can only have a solid control on quality when you make your products in-house. So that is why we are building this capacity of future. Obviously, our volume growth will be in line with the market demand and 2 to 3x of that what we want to grow.

Bharat Gulati:

So that would mean that there wouldn't be any significant cost benefit by adding this capacity. It would just be an operational benefit overall.

Manish Gangwal:

Yes, because in lubricant industry, the operational cost or manufacturing cost is very insignificant portion of the overall cost.

Moderator:

Our next question is from the line of Arya Patel from Emkay Global.

Arya Patel:

Congratulations on the good set of numbers.

Arya Patel:

So I just wanted to ask about how the base oil prices have moved along with the Brent prices. So what we have observed or what we believe is the correction that we've seen in the Brent prices equivalent has not been seen in the base oil prices. So how do we look into this? And what is our expectations going ahead for the price?

Manish Gangwal:

No. So you're right. While there is a long-term correlation between the crude oil prices and the base oil prices, if you plot a chart of 5 years or 3 years, you'll find it sort of symmetric. But in a short to medium term, demand supply for each grade of base oil also plays a role. And this time around, what we have seen also, as you rightly observed is that the fall of crude from \$75 to \$80 or around \$75 to \$65 not translated into the similar kind of fall on base oil side of various demand-supply situations and many of the major refiners of base oil taking maintenance shutdowns, etcetera. But some perspective, you're right, it has to have a sort of correlation with the crude prices. But in short term, demand supply also plays.

Moderator:

Next, we have a follow-up question from Dhaval Popat from Choice International Limited.



Dhaval Popat:

I wanted to ask 2 things. One, regarding the M-Rangers or the M-Power program that you have been running. So if you can probably provide some color on how this has panned out or the number of M-Rangers already on the ground? And second question I have is more from a base oil perspective; so there are a few refineries who have commissioned these base oil plants recently. And so if possible, can you comment on whether Gulf Oil will increase its share of domestic procurement of base oil from what it is currently, if possible, if you can comment on this?

Manish Gangwal:

Sorry, what was your first question?

Dhaval Popat:

First question was on the M-Power, the mechanics program that Gulf Oil has launched in August 2025. So I wanted to understand if the number of M-Rangers already on the ground or how the program has been panning out? Like I understand it is close to about 100,000 mechanics is what Gulf Oil is targeting. But how has this program panned out so far? And second question is more on base oil. So first question, I just wanted to know some more color on M-Power program, if you have.

Ravi Chawla:

Yes, yes. So this is an initiative normally, the mechanics, the big influencer at times, obviously, has a very key role to talk about. The influencer has a very key role to play. And this has been part of our marketing mix for ages. But M-Power is now an initiative which is taken by the marketing team to basically have a dedicated team across to look at mechanics, and it is going very well. So I think we are on course as you have also put some numbers.

But basically, they cover mechanics and talk to them about our product. And obviously, we are able to have an exchange with the mechanics in these forums. And this helps us to convert people and also increase consumption of Gulf. And that is where the program is, and it's going in the right direction and right steps as planned. Could you hear me? Sorry, there's some sound disturbance where we are sitting. Can you hear us?

Dhaval Popat:

Yes, yes. I'm able to hear you. It was quite clear.

Ravi Chawla:

The second thing you see today, India is importing a lot of the base oil, okay? The local capacity that the current PSUs have, that is only meeting less than half the requirement in terms of the requirement for the base oil in India. So now you have various countries like Korea, Singapore, UAE, all countries are exporting the base oil.

So the capacity increase that the 3 PSUs have planned is going to take up this current capacity by at least, I would say, whatever numbers we are seeing in the market that this would go up to at least 50% to 60%, 70% more than what it is currently. But that is all plated capacity. We don't know what will come. So if that comes in, then we will have base oil available here.

We are anyway buying from the local supplies, and we will be happy if that happens and becomes more competitive. So that becomes good for the country also where we can have base oil available here. And the people who are exporting into India, I think the overall capacity coming up will still require some imports as we look at.

Moderator:

Our next question comes from the line of Probal Sen from ICICI Securities Limited.



Probal Sen:

I just had a couple of brief questions. Firstly, I think one participant did ask about the competitive intensity. Just wanted to sort of maybe follow up on that in terms of how you see, given that everybody is focusing on this business again after maybe a lull over the last 2, 3 years, do you see the overall industry growth of maybe picking up over the next 3 to 5 years? I mean, everybody is pushing for it maybe have an influence on overall growth itself?

Ravi Chawla:

I think the industry size, what we are seeing is that 3% to 4% growth and maybe slightly higher industrial. Obviously, if the penetration of vehicles is more and the economy does even better, the usage goes up, whether it's mining, infrastructure, all that appears well for the country, as we know, is today in the third largest market. As an economy also, we are going we're going to be a huge economy going up.

And I think the competitive intensity is showing that the market is attractive. It's showing that there is an attraction of players strengthening their production base as we are also doing. There are strategies where people are coming in. But definitely, for us, the market and the value addition that can happen is basically really helping and manufacturing push by the government, as you look at industrialization will certainly help.

So once we see all these coming, probably that manufacturing push where India can become a larger global supplier or regional supplier, that can help to grow the market. And I think having more competitors, there's always going to be always the competitive intensity. But I think if you are seeing these shoots coming up, the growth could go up in terms of government push, consumption, GDP. So that, in addition to competition coming doesn't mean that the market will go up just because of competition. You need to see the other factors going up.

Probal Sen:

So sir, just as a follow-up, in terms of our strategy, obviously, I think you and Manish sir both have been talking about the fact that there's a concerted attempt and it's playing out as well in terms of premiumization of our product line and pricing differentials with the leading players getting cut and therefore, margin improvement likely?

But if competitive intensity improves, can there be a situation where maybe the margin uptick maybe takes a little bit longer than what we earlier envisaged? Or as of now, we don't see any threat in terms of at least our targets and our plans?

Ravi Chawla:

No, I think if you take the last 2 decades or 1.5 decades, we have been growing, and there has been competition even then. So I think for us, our brand has got built up. So how do we build our distribution faster? How do we get into the segments where we have already made, I would say, entry and a mid-level single-digit share, how do you take it up? And that's what our strategy is, which we call Unlock 2.0, how can we accelerate, how can we premiumize, how can we transform?

We're also looking at core transformation, digitization. We're looking at getting into the EV space. So for us, our strategy is quite clear, and we are very well on that. So we see that the adaptability to competition in market is part of our DNA, and we are continue to strive to make it stronger.



Probal Sen: Understood, sir. One last question, if I may, with respect to Tirex. I'm sorry if I missed this earlier. What is the sort of revenue we are expecting to close this year at? And what sort of EBITDA, if at all, can be shared as of now?

Manish Gangwal: On Tirex, we will not give any guidance in terms of number because the year is yet to end, and it's a business which is still in its nascent stage, I would say. We'll have to see every quarter. But overall, we are looking definitely to close above INR100 crores for sure for this business in this year with a positive EBITDA.

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

Ravi Chawla: Yes. Thank you. I think I've covered some of the outlook in the previous question. But just to highlight, I had two data points to give. We've launched a few next-gen product ranges, which basically we have launched fire-resistant hydraulic oils recently, energy-efficient zinc-free hydraulic oils, mainly for the CE segment. We also launched our new range of Syntroc motorcycle oils and a number of other gear oils, which are synthetic. So I just wanted to share that.

We've also announced strategic tie-ups with the leading construction equipment manufacturers, again, strengthening our presence in construction infrastructure, basically Ammann India, which is a global leader in road building machinery and we are the official lubricants partner for the entire equipment portfolio. Again, high-performance products under the Ammann Genuine Oil range. ACE is another partner we have collaborated to expand with new additions to the genuine oil range of ACE. And XCMG, which is also a key leading player coming up, we have also launched the range. So these are the 3, 4 points I wanted to add. But coming to the outlook, we are continuing with our Unlock 2.0, which I mentioned in the last question. This is basically to focus on accelerating our growth and in the segments where we have lower market share to look at least 3x the market growth rate.

We are increasing our mix of premium, synthetics and value-added products, digital transformation and growth in e-mobility value chain. We will focus on these segments and our core segments to grow. We have been growing 2x the industry, 3x the industry, but that continues to be our focus. And definitely, we've been mentioning our 12% to 14% margin band and with an ambition to go to the higher level. Obviously, we have to monitor the pricing and the exchange rate, but we continue to push our product mix, marketing initiatives, brand building, focusing on margin management efficiency to get the profitable and sustainable growth, which we have. And I think for us, distribution is key to take up double-digit.

We'll continue our investments in the brand, and we are definitely looking at going to the next level and continuing our growth trajectory. So look forward to interact with you on the next call, and thank you so much for your time. Good evening.

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