

February 03, 2026

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 January 28, 2026 regarding the audio recording of the Analysts/ Investor’s Earnings Call for the quarter and nine months ended December 31, 2025 (Q3 & 9M 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/wp-content/uploads/2026/02/Transcript-Final.pdf>

This is for your information and records.

Thanking you.

Yours faithfully,

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

Binal Shankar Khosla
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Binal Shankar Khosla
Date: 2026.02.03
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Binal Khosla
Company Secretary & Compliance Officer
Mem. No.: A29802



“Gandhar Oil Refinery India Limited
Q3 and nine months FY '26 Earnings Conference Call”
January 28, 2026



MANAGEMENT: **MR. ASLESH PAREKH – JOINT MANAGING DIRECTOR -
- GANDHAR OIL REFINERY INDIA LIMITED**
**MR. INDRAJIT BHATTACHARYYA – CHIEF FINANCIAL
OFFICER – GANDHAR OIL REFINERY INDIA LIMITED**

MODERATOR: **MS. AYUSHI GUPTA – MUFG INTIME PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Gandhar Oil Refinery India Limited Q3 and nine months FY '26 Earnings Conference Call hosted by MUFG Intime Private Limited. As a reminder, all participants' line 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 this conference call, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Ayushi Gupta from MUFG Intime Private Limited. Thank you, and over to you, Ms. Gupta.

Ayushi Gupta: Thank you. Good morning, everyone. I welcome you all to the Q3 and 9 months FY '26 Earnings Conference Call of 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 their opening remarks, and then we can open the floor for Q&A. Thank you, and over to you, sir.

Aslesh Parekh: Thank you. First of all, good morning to everyone who is joining us on this call. I'm Aslesh Parekh, Joint Managing Director of Gandhar Oil Refinery India Limited. I'm joined today by our CFO, Mr. Indrajit Bhattacharyya. We appreciate your time and participation as we discuss our financial performance for the third quarter and the nine months ending 31st December 2025.

I'll begin by sharing our perspective on the operating environment and how our business has performed amidst the dynamic economic landscape. The global white oil market continues to exhibit steady structural driven growth. Based on the recent industry estimates, the market was valued at approximately \$3.6 billion in 2025 and is expected to be around \$4.66 billion expecting a CAGR of about almost 3% over 2025 to 2034 period.

This growth is underpinned by the essential role of white oils in regulated and performance-sensitive applications, while consistently safety and compliance remains very critical. Regionally, Asia Pacific remains the largest contributor to the global white oil demand, accounting to over 40% of the total consumption, supported by industrial expansion, rising health care usage and growing personal care adoption.

At the same time, developed markets continues to demand higher quality grades due to tighter regulations. This dynamic aligns well with Gandhar's policy and operating strength and reinforces our position within the global white oil value chain. During the third quarter of FY '26, Gandhar recorded a consolidated revenue of INR1,167 crores, reflecting a healthy year-on-year improvement of 16% and quarter-on-quarter growth of 10%.

For the nine-month period ended FY '26, the total revenue stood at around INR3,130 crores demonstrating stable performance despite the challenging macroeconomic environment marked by pricing volatility and logistical disruptions. International market continues to play a very important role in our overall performance with overseas sale contributing to around 45% of the consolidated revenue during the nine-month period.

This sustained contribution from global markets underscores the strength of our international customer base and reflects a steady progress we are making in expanding and deepening our global footprint across key geographies.

With this, I would now like to hand over this call to our CFO, Mr. Indrajit Bhattacharyya, who will take you through the financials in detail. Thank you, once again, and over to you, Indrajit.

Indrajit Bhattacharyya: Thank you, Aslesh, and good afternoon to all participants. Let me take you through the financial highlights for the third quarter and nine months ended FY '26.

On a consolidated basis, revenue for Q3 FY '26 stood at INR1,167 crores, reflecting a sequential increase over Q2 FY '26 and healthy year-on-year growth of 16% compared to Q3 FY '25. For the nine months ended FY '26, consolidated revenue stood at INR3,130 crores supported by steady volumes and consistent demand across markets. EBITDA for Q3 FY '26 was INR59 crores.

While this represents a moderation compared to the strong performance in Q2 FY '26, it remains significantly higher on a year-on-year basis. For the 9 months period ended FY '26, EBITDA stood at INR171 crores, underscoring the resilience of our operational performance. Profit after tax for Q3 FY '26 was INR34 crores compared to INR40 crores in Q2 FY '26 and INR20 crores in Q3 FY '25.

For the nine months ended FY '26, PAT stood at INR100 crores, reflecting a strong improvement over the corresponding period last year. Our segmental revenue mix for nine months FY '26 remained well diversified with PHPO contributing 50% followed by lubricants at 26.8% and PIO at 9.5%.

The manufacturing gross margin spread for Q3 FY '26 stood at INR7,271 per kL, underscoring the strength of our manufacturing efficiency and disciplined operating execution. We remain focused on a prudent cash flow management and operational efficiency as we navigate a volatile global environment.

With this, I conclude the financial review, and we would now be happy to take your questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohit from i-thought PMS.

Rohit: So sir, just 2, 3 questions. One was, so if I look at the history of our company over the last 7, 8 years, operating margins are over between 2%, 3% to about 7%, 8%. And right now, we had about 5% in this quarter. So just to understand our gross margins are pretty low. So I mean when

you look at your business, what is the general operating margin that you would sort of say that this is a normal operating margin for our business.

I know it can fluctuate a quarter here and there. But I'm just trying to understand on a normalized basis, how do you see?

Indrajit Bhattacharyya: So by operating margins, since we're talking about EBITDA, we're looking at EBITDA in excess of about 5%, 5.5% annually. And we expect it to keep going up from now. I mean all of the circumstances remaining the same.

Rohit: Okay. I mean, some of your peers were also listed, and I was trying to sort of compare. So we are more focused on the personal care and health care segment. So any specific reason for that? I mean also if you can sort of comment on where the margins are better, where the sort of customers are more sticky and there are other segments like transformer oil is there, paraffin is there.

So if you can maybe just give an overview about these other segments and why we've chosen on the personal care segment.

Aslesh Parekh: Sure. See, Gandhar Oil is not only focused on PHPO products, but we also are having other products in our portfolio, including the transformer oil, including the rubber processing oils, including the lubricants. The value share across the value chain, if we discuss, is around 50% of the total contribution is still from the PHPO sector, which is the personal care, health care, performance oil segment.

The other businesses are also growing. PHPO as a business, if you see last one and a half to two years, obviously, the cosmetics and the pharmaceutical industry has not been doing so well because of the domestic consumption. We anticipate the consumption to move up. I mean after discussion with our various FMCG customers, they are also anticipating the pickup in demand post GST rate cuts, post increasing liquidity in the system.

So we are highly hopeful that the FMCG sector will turn around very soon. Having said that, most sticky customers are in the PHPO business where the entry to a customer is more than like 7 to 8 years of time frame. And once you are there with the customer, we grow with the customer. That's what we have even experienced.

So if you see the other businesses, it's more of a price-sensitive, price-driven business, for example, transformer oil, it's purely a price-driven business. It's a tender business. The margins are pretty low. And even the debtors, from this segment is pretty high compared to the PHPO segment. So the focus will still be on the PHPO segment.

Having said that, we are also not only dependent on our domestic customers, we are also dependent on our overseas business, which is also contributing around 35%, 40% of the total revenue of the company. We are on verge of adding some new products also to the pipeline, and we are very hopeful that our EBITDA margins in the near future will definitely go up.

- Rohit:** Got it. So just on this question on the volatility of raw materials. So how does it work, sir because these are all crude oil derivatives. So base oil pricing, how does it work with your customers?
- Aslesh Parekh:** So see, base oil is the KRM for any of our product mix, where in Europe, we have some contracts with our suppliers for annual offtake of our base oil to service our customers. So with suppliers, we do have pricing formulas in place. With few of our select customers, we do have price pass-through mechanism wherein changes in the raw material price, changes in the forex price are passed on to our customers.
- Only a few of our spot customers, we have pricing on every 15 days, every fortnight mechanism wherein any change in the price is passed on to the customer on a fortnight basis. Having said that, we have more than 4,000 plus set of customers. So the repeat orders from these customers is more than 75%..
- Indrajit Bhattacharyya:** So Rohit, like sticky customers, we have a history of about 70% of repeat customers for the last three to four years.
- Rohit:** So you're saying with few customers, we have pricing contracts and with few customers, we have like a 15-day price change that happened before we change the price?
- Indrajit Bhattacharyya:** Yes.
- Rohit:** So what share would be where we will have these pricing contracts, where we will have a formula and any change will sort of automatically get accommodative. What percentage of our revenue would be coming from these customers?
- Indrajit Bhattacharyya:** Around 35% of the business is on that price pass-through mechanism. The residual are on the other mechanism.
- Rohit:** Got it. And sir, just last question before I fall back in the queue. So if I look at your EBITDA this quarter, it improved both sequentially and Y-o-Y as well, which you explained. But in your presentation, you have given the per kiloliter EBITDA also that has been broadly in the same range, but the improvement in EBITDA has been much more. So what has led to that? I mean I see that other expenses are significantly reduced both sequentially and Y-o-Y. So just if you can just explain what was that?
- Aslesh Parekh:** So obviously, expense is one part of it, we've been able to handle our finance cost effectively well year-on-year, quarter-on-quarter. Over and above that, obviously, we've been in a position to better sell our products and also efficient buying from our suppliers. So this has been a combination of various factors which has led to it.
- Indrajit Bhattacharyya:** The main driver for any change in EBITDA or even PAT is the gross margin of our products because this represents practically 75% to 80% of the gross. So in 1% move here or there has an impact on the bottom line. So that is why we one of the main reasons is that we've done better on the gross margins.

Rohit: Got it. And one thing was that rising crude base oil price is beneficial for you or a falling base oil pricing environment is beneficial to you? On a rule of thumb basis, whatever you've seen in the last seven, eight years.

Aslesh Parekh: Yes. I mean, it's difficult for me to give you a specific comment because we don't play on the raw material price. Our focus is purely customer-driven attitude, wherein we focus on customers and their requirement. And we have a lean inventory of around 40, 45 days at the most. And whatever buying is, I mean, 80% of the product is presold. So really, I mean unless in a very exceptional situation, like crude oil goes up from \$30 to \$200 a barrel or vice versa, it may impact. Otherwise, everybody is range bound, it's not a problem.

Moderator: The next question is from the line of Mr. Ritesh Poladia from Girik Capital.

Ritesh Poladia: My question is your manufacturing gross margin from your own presentation, it's like 12-quarter low. So the improvement would not be from this gross margin spread, it would be from other expenses. So if you can elaborate on what has led to fall in the other expenses, that would be very helpful for us.

Indrajit Bhattacharyya: So if you see quarter-on-quarter or you are going to see year-on-year, the major improvement has happened on other expenses, which has reduced from INR52 crores in 31/12/24 to INR37 crores this year. Even finance cost has slightly improved, employee cost has gone up, but the major improvement is on account of other expenses where the major component would be freight.

Ritesh Poladia: And where do you see freight now? Is it stable? Or again, it's inching up from this geopolitical situation?

Aslesh Parekh: Currently, the freight rates are pretty stable and there is no such unexpected high debt we experienced previous quarters. And just to add the gross margin in quarter 3, in number terms, on a stand-alone basis, for example, has improved from INR17 crores in FY '25 quarter 3 to INR36.3 crores in FY '26 quarter 3.

So obviously, there has been an increase in the overall performance of the company. It's just not only the expense reduction, but obviously, including on the performance as well.

Ritesh Poladia: Yes. But your per kiloliter gross margin is about 12 quarters low. In fact, if we see from IPO times, it used to be hovering at INR10,000 per kiloliter. Now it's about INR7,200. So is it because of the range bound oil prices? Or is there any other reason like increased competition or anything you can elaborate on that?

Aslesh Parekh: It's not an increased competition. Yes. I mean if you see pre-IPO, around IPO, obviously these are all post-COVID numbers and all that stuff. But post that, if you see last 2 years, majority of chemical, specialty chemicals. I mean, across the industry, there has been a revision in the profitability quarter-on-quarter, I mean, we have been also part of the same cycle.

But we tried to level to maneuver around and ensure that the margins of the company are protected and in fact, now we have started improving. If you see last three quarters compared to

previous year, our profitability has increased. Our gross margin also have substantially increased.

Ritesh Poladia: Sir, if you can guide us on our current ruling white oil prices and where do you see this going?

Aslesh Parekh: So can you repeat your question? You're talking about?

Ritesh Poladia: If you can comment on the current ruling white oil prices during the month of January and where do you see it going?

Aslesh Parekh: January. So I mean it's a range bound around INR70,000 to INR80,000 per metric ton. So we anticipate the price to be a little bit going up. I mean, based on the raw material increase and the forex increase as well.

Ritesh Poladia: Sure. Also, if you can comment on your capex, I think there is some delay from the whatever you are envisaging the IPO? Or is it on a time frame, if you can quickly take us through that.

Indrajit Bhattacharyya: Delay in the capex?

Ritesh Poladia: I think in the IPO, whatever their plans, is there any delay or all your capital expenditure...

Indrajit Bhattacharyya: It's all done. All the money has been expended and all the capex has been put into place. All the other objects have been met.

Ritesh Poladia: Okay. So 6 lakh kiloliter is your capacity which will be there for some time now, right?

Indrajit Bhattacharyya: In the three plants, yes.

Ritesh Poladia: Okay. And what will be the utilization for the Sharjah?

Indrajit Bhattacharyya: Sharjah is currently around 70%-72%.

Ritesh Poladia: Sir, India has about almost optimal utilization, but Sharjah is a bit low.

Indrajit Bhattacharyya: I will tell you why. So Sharjah is basically a new plant. I mean, it got operationalized sometime in 2017 or 2018, okay? Now as Aslesh had explained, getting onboarded with these marquee names or the big players takes nothing less than six to seven years. So that process is on.

Second is even the raw material supplies for Sharjah, is also in the process of being set up. So it will take another two, two and half years for Sharjah to come on line or close to 90%, 95%. Till then, this is the normal course of business, the customer accreditation I mean, accreditation by the customers is happening, and the raw material lines are being set up.

Ritesh Poladia: Sure, sir. Also, is there any other expansion plans you are currently going through? Or right now, it's a status quo?

Aslesh Parekh: It's difficult for us to comment. But obviously, as you have seen during the Board meeting, the resolutions are now available publicly. We we are planning to purchase some additional piece of land in both our facilities for expansion. So maybe we'll be in a position to give you more

clarity in maybe a quarter to come as well with the amount of expansion plan and the quantity and the value of capex plan.

Indrajit Bhattacharyya: And in the capex, you will have the regular maintenance capex, debottling capex, that will happen. And some additional tanks have been put up. For storage.

Aslesh Parekh: But the new capex will definitely be coming by maybe end of this year or next year at the most.

Ritesh Poladia: Sure. And final last question. What's the status of this Vadhvan port project for you? There was like a nonbinding MOU, but if you can give us some idea of what's happening on that side?

Aslesh Parekh: See, the tenders have still not been floated by the government as yet. So we are persuading them and as soon as we have some information, which we need to pass on to our shareholders definitely we will be doing so.

Ritesh Poladia: And what kind of investments would be that? Is it for the chemical storage side? Or is it from your own existing operations side?

Aslesh Parekh: It will be a combination of both.

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

Bhavesh Patel: Congratulations on great set of numbers. The turnaround is visible and hoping for better numbers going ahead. Also felt great to get the dividend of INR0.75. Appreciate especially the comment in terms of continuity of quarterly conference call based on the input in last call. So thank you, Aslesh bhai on that. And I like the details provided by both Aslesh as well as Indrajit.

I have following a couple of questions. Number one, our company reported record-breaking revenue this quarter. So congratulations on that. Yet the manufacturing gross margin spread, which is INR per kiloliter, contracted from INR8,662 to INR7,271. Can you please explain this? And do we expect this situation to be continued?

Indrajit Bhattacharyya: So this is basically an impact of the raw material prices also and the fact that what Aslesh mentioned that FMCG and Pharma with our regular customers, we've not been able to get the prices which we were getting earlier. So this is the main reason why the gross margins has been slightly impacted. Going forward, yes, the whole of this year, we've been getting in excess of INR7-INR7.5 per liter. Going forward, we would like it to be close to INR8, but it should stay on INR7.8-INR7.9 per liter.

Bhavesh Patel: All right. Thank you, Indrajit, on that. The next question is the the meeting came out, right, in terms of minutes. It said approved the purchase of 453 decimals of land adjacent to your current factory. Now I really don't understand what is this 453 decimals. Is it in terms of like acres or square meters? And where have you purchased this land? At Taloja, Silvassa, I mean, which place?

Indrajit Bhattacharyya: So these are lands being purchased at both of our units at Silvassa and Taloja adjacent to our existing factory. Now as regards to decimals, we'll get back to you in the course of this call itself, what does decimal mean. I don't know if that's guntas I'll just get back to you on that.

- Bhavesh Patel:** Yes, please, that would be appreciated. So we are saying we are buying at both the plant in terms of adjacent land for expansion. Now I know Aslesh mentioned about strategic plans for the time line as well as amount for the further capacity addition. But my question is, without the upcoming capacity expansion with the land that we purchased, are we still continuing with our increasing volume by 10%, 15% over the next two, three years on a yearly basis?
- Indrajit Bhattacharyya:** Yes. Next one and a half to two years we will definitely be increasing our volumes quarter-on-quarter even without the existing land.
- Bhavesh Patel:** Perfect. Perfect. The next question final question, in fact, and I really appreciate the way Aslesh, you and as well as promoter picked up at around all-time low price of INR120 onwards all the way up to INR155 plus, now are you still looking at increasing your stake? Or it was just to support and give confidence to all of us?
- Indrajit Bhattacharyya:** No, no, no. This is skin in the game, sir. The promoters feels the potential of the company to take it further.
- Bhavesh Patel:** Perfect. Perfect. No really appreciate, and that's a great thing giving us confidence to be in together for a longer period. So appreciate. All the very best.
- Moderator:** The next question is from the line of Mr. Rahil S. from Sapphire Capital.
- Rahil S:** So firstly, the other segments in the lubricants and PIO, what is the outlook there? I mean, what is the current market scenario where you said transformer oil is not doing as well as expected in the market. So any reason for that?
- Aslesh Parekh:** I never said transformer is not doing well in the market. I told there are delinquencies in debtor collection in terms of the transformer business because of the power sector, it is associated with. And for the lubricant obviously, it is growing at a stable pace. I mean with the advent of EVs, automotive lubricant demand obviously would come down over the years, but for initial lubricant, obviously, the demand will keep on rising with increasing economy.
- Indrajit Bhattacharyya:** Just to clarify what Aslesh bhai meant that transformer oil is a growing segment with the increase in electrification, with the electricity around. It is something which blocks a lot of working capital.
- Rahil S:** Okay, sir. And you said other expenses were much lower this quarter, which is a good sign. But the major component, which led to that was the changes in freight rate, correct, which you say are pretty stable as of now. But let's say they turn volatile given the geopolitical conditions. So how do you still expect to maintain or improve your gross margin?
- Aslesh Parekh:** See, post this issue, we have been in a position to pass on the increase in freight rates to our customers. And currently, we are doing lots of shipments on FOB. So freight is being arranged by the customers. This has helped us in navigating the sudden freight hikes if any, going forward.
- Rahil S:** And you have that sort of arrangement with all your customers?

- Aslesh Parekh:** Majority of the customers. I cannot say all of the customers, but majority of the customers.
- Rahil S:** Okay. So by and large, you will be able to keep your gross margin at the range of double digit at least. Can we expect that from the next quarter itself, from quarter 4?
- Aslesh Parekh:** We are very optimistic about it.
- Rahil S:** Okay. And finally, sir, if you can guide on revenue front, any specific guidance you have? Or do you expect like a growth CAGR for the next two to three years, you expect to achieve?
- Aslesh Parekh:** Our annual budgeting for the next year is on the way, it is in February. Hopefully, maybe next call, it will be easier to give you much more clarity on the guidance number for the year coming ahead.
- Moderator:** The next question is from the line of Mr. Pratik Shah from Investing Alfa.
- Pratik Shah:** So my first question is the PHPO continues to be the largest contributor to the finished goods revenue. So how should we think about the growth trajectory at this segment over the medium term?
- Aslesh Parekh:** As you are aware, PHPO is a combination. We are dependent on our customers to grow. I mean that's a very basic line. But obviously, the FMCG industry has not been growing so well over the last 2 years. But , with the liquidity in the system, can you hear me?
- Pratik Shah:** Yes, we can hear you.
- Aslesh Parekh:** Okay. Yes. So with the GST reform that has been there in the country by the honorable prime minister, we are very hopeful that FMCG and the consumption demand, specifically in the rural areas and the urban areas will start coming up from this quarter. We are very hopeful and with the discussions that we have with our customers, they are also pretty optimistic that things will turn around earlier than expected.
- So we are very hopeful that the PHPO and the cosmetic industry will continue growing at a way in the near future in at least high single digits, plus we are also dependent on our exports for our PHPO business as well. So not only on domestic front, but also export front, we are anticipating to increase our revenue from our overseas customers.
- Pratik Shah:** Okay. So are we seeing a higher growth from existing customer itself or any incremental contribution from newer accounts or any specific geographies that we are targeting?
- Aslesh Parekh:** See, it's a combination of both the things. I mean, obviously, our existing customers are showing some growth plus we are penetrating with our existing customers. So with some of our multinational companies, currently, we're only supplying to India market. Now we are supplying these multinational customers to our overseas market as well. So that's why we are penetrating with these customers and growing internally.
- Pratik Shah:** Okay. So one last question. So exports now form a meaningful share of our overall revenue. So which regions are you currently driving this growth?

- Indrajit Bhattacharyya:** It is about 45%, overseas sales is about 45% of total turnover.
- Pratik Shah:** Right. So I'm just asking like which regions are currently driving this growth?
- Aslesh Parekh:** Obviously, it is Asia Pacific and some specific countries in Africa, which are driving this growth.
- Pratik Shah:** Okay. And should we expect the export mix to remain broadly stable? Or do you see certain markets getting faster over the next couple of years?
- Aslesh Parekh:** See, with the announcement of deal coming forward with the U.S., we may anticipate U.S. would accelerate in terms of growth. With the EU trade is just done, we are still working on the numbers and the benefit that our customers will have in the European region, then I mean the landscape would definitely change. And it's difficult for me to give you a number now, but we are anticipating the landscape to be changed very soon.
- Moderator:** The next question is from the line of Mr. Vivek Gupta from Star Investments.
- Vivek Gupta:** The working capital levels appears elevated in recent periods. Is this largely driven by business growth and inventory planning?
- Indrajit Bhattacharyya:** There has been a general increase about 3 or 4 days in inventory and about 4, 5 days in receivables but in the same breath, what was happening earlier was my creditors levels was coming down. This year, we've been able to keep it at normal. So if I take all that, my cash conversion cycle this quarter is slightly better than the previous quarter, and we expect it to be around the same levels as this quarter.
- Vivek Gupta:** Okay. So like should we expect working capital intensity to moderate as volumes stabilize?
- Indrajit Bhattacharyya:** No. So just to answer your question specifically, we are not in the game where we stock inventories. Among the peers, we have the least amount of inventory. Hence, there is no impact of inventory gain or inventory loss. We are not very high on the transformer oil business. So my debtors will still stay within that 65, 70 days. So I don't see any increase in the working capital with the increase in turnover, it will stay around the same days.
- Vivek Gupta:** Okay. Okay. Sir, like you cater to both the large FMCG players and a broad customer base. So like how do you balance scale customers versus the diversification?
- Aslesh Parekh:** There are channels in place to take care of our small customers as well and large size customers as well. With international clients the buying is more specific, there are budgeting in place. There are quarterly forecasting in place, which helps us in planning better. This way, it's easier for us to penetrate with these customers and grow with our customers.
- Vivek Gupta:** Okay, sir, like just a follow-up on this. Like does onboarding large customers typically translates into multiproduct opportunities over time?
- Aslesh Parekh:** Yes, it does.
- Moderator:** The next question is from the line of Mr. Rajesh Agarwal from Moneyore.

- Rajesh Agarwal:** My question is, sequentially we have not done so well quarterly, yearly, we have done well. Is the business seasonal in nature? That is the first question.
- Indrajit Bhattacharyya:** There's a bit of cyclical impact.
- Aslesh Parekh:** A little bit of cyclical impact. I mean if you see our revenue, quarter-on-quarter, it is primarily a range bound. I mean, there is not a huge volatility like say, INR500 crores in one quarter and INR1,000 crores in other quarter, it's not like that, it's still range bound. But yes, I mean, post-monsoon I mean, during monsoon the business is a little bit low, but I mean quarter 3 and quarter 4 are better performing quarters for us historically.
- Rajesh Agarwal:** And the next question, is the demand from FMCG for the clean products like white oil or personal products that is a good demand driver because I was reading a report by NielsenIQ, are our products used in for hair cream and cosmetics?
- Aslesh Parekh:** So what is your question?
- Rajesh Agarwal:** My question is, is our product being used for hair cream, main products and cosmetic products?
- Aslesh Parekh:** I think the application of our white oils is across various industries. For cosmetic industry, yes, it's used in manufacturing of cream, lotions and stuff like that. In pharmaceutical as well it's used in manufacturing of your creams, ointments and so on. And also for various balm manufacturers are there, like say, Tiger or Vicks Vaporub and so on. This is an application of our products.
- Rajesh Agarwal:** Okay. So how is the demand holding there? Are you seeing demand, good demand from there?
- Aslesh Parekh:** I mean, it's not a healthy demand, but demand is at least better than last year.
- Rajesh Agarwal:** And going forward, do you think the demand will come from there?
- Aslesh Parekh:** Yes, yes. We are anticipating demand uptick happening as just highlighted in our previous discussion.
- Moderator:** The next question is from the line of Mr. Rohit from ithoughtpms.
- Rohit:** Sir, just wanted to understand what is the peak revenue that we can do from our current capacity of 6 lakh kiloliter?
- Aslesh Parekh:** Sorry, peak?
- Rohit:** Revenue.
- Indrajit Bhattacharyya:** Yes. So 6 lakh kiloliters. There's another 30% of 2.25 lakh kL, which can be increased when the Sharjah plant comes on to stream and becomes close to about 100%. So that is the highest we can do right now with the existing installed capacity. So that's about another 60,000 kL.
- Rohit:** So you are saying 6.60 lakhs is what you can do at peak? I mean, if you can use in fact, 100%?

- Indrajit Bhattacharyya:** No, not 6.60 lakhs. No, no, no. 6 lakhs is the total installed capacity. So another 30% increase, another 30%, so 60,000 will come up by the next 2 years or so.
- Rohit:** And in terms of revenue, sir, in terms of revenue, how should we look at it? I know prices are fluctuating, but just generally as maybe at current prices, what can we do as a peak revenue?
- Indrajit Bhattacharyya:** INR7,800 or INR7,500 per liter.
- Rohit:** Okay. So got it. And hence, maybe you're looking at expanding the capacity. I mean on the exports, so buying exports are a big contributor in terms of revenue. But I also wanted to just check like over the last three, four years, we have been range-bound around that INR140 crores, INR150 crores, this year, we're probably at around INR170 crores, INR180 crores. But in exports, like what is the, I mean what do you think can be the potential?
- Can this be like 60%, 70% of revenues, let's say, 3, 4 years out? Or it will be more steady and the share of revenue will be around these levels only?
- Indrajit Bhattacharyya:** So, expect exports to grow up by another 5%, 10%. It will not be 60%, 70% of total revenues. So it could be 50%, 55%. That's what we see in the short, medium term.
- Rohit:** And are they better margins and I mean, return on capital wise, they are better or there are similar?
- Indrajit Bhattacharyya:** Slightly better. Exports gets slightly better margins.
- Rohit:** And working capital also is similar there, sir, in terms of your receivables, etc?
- Indrajit Bhattacharyya:** Yes, yes, yes. Receivables is around the 60-odd days. But exports in working capital is slightly better because we work on a lot of advance and against LCs. So debtors is slightly better managed over there.
- Rohit:** Okay. And just last question. I mean, in terms of your product profiling, I mean, is there anything that you're doing to sort of improve product profile to differentiate, let's say, maybe only very specific formulations for your specific customer or a specific suite of products, is there something that you're doing there or you will all talk about something on that line?
- Aslesh Parekh:** Yes. I mean definitely, we are in close interaction with a few of our multinational customers where we are formulating a specific product for them, but these are still under R&D trials because of the NDA, it's difficult for me to give more further information. But yes, there are some new products which are being worked with the customers.
- Rohit:** Okay. And at this point of time, what portion of revenue would be such products?
- Aslesh Parekh:** No, I mean these are the new products which are under development, right? So there will no such revenue generated as of now from these products.
- Rohit:** Okay. So okay. What I wanted to understand was, sir, that I mean, typically, if the products are differentiated or there is a very lot of R&D that we have done with the customer, and we are

closely sort of tied in with them, then we will be probably the sole supplier or part of the sole supplier or one of the key suppliers for them. So right now, do we have such revenue in the system and what would be the share of such?

Aslesh Parekh: Yes, there a number of products that there are a few products, yes, where we are sole suppliers to certain specific customers. The revenue I mean, overall scheme of things would be far minimum, but I mean if you ask on the FMCG point of view, obviously, with some specific products would be in the range of 7%, 8% of the total revenue on the PHPO products.

Moderator: Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Ms. Ayushi Gupta for closing comments.

Ayushi Gupta: I would like to thank the management for taking the time out for the conference call today and also thank all the participants. If you have any queries, please feel free to contact us. We are MUFG Intime Private Limited, Investor Relations Advisers for Gandhar Oil Refinery India Limited. Thank you so much.

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