**May 27, 2025**

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| **Listing Compliance Department**<br>**BSE Limited**<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400001<br>**BSE Scrip Code: 544029** | **Listing & Compliance Department**<br>**National Stock Exchange of India Limited**<br>Exchange Plaza, 5th Floor<br>Plot No. C/1, "G" Block<br>Bandra-Kurla Complex<br>Bandra (E), Mumbai – 400 051<br>**Symbol: GANDHAR** |

Dear Sir(s)/Madam(s),

**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")**

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 May 23, 2025 regarding the audio recording of the Analysts/Investor's Earnings Call for the Quarter and Financial Year ended March 31, 2025 (Q4 FY2024-25), please find enclosed herewith the transcript of the said call. The said transcript is also available on the Company's website i.e. www.gandharoil.com

Request you to take note of the same.

Thanking you.

Yours Faithfully,

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

JAYSHREE DEEPAK SONI
Digitally signed by JAYSHREE DEEPAK SONI
Date: 2025.05.27 14:19:30 +05'30'

**Jayshree Soni**
**Compliance Officer and Company Secretary**
**Mem. No.: FCS 6528**

**Encl: As above**

"Gandhar Oil Refinery India Limited Q4 FY '25 Earnings Conference Call"

**May 23, 2025**

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

**MODERATOR:** **MR. VIRAL SANKLECHA – MUFG INTIME**

**Moderator:** Ladies and gentlemen, good day and welcome to Q4 FY '25 Earnings Conference Call of Gandhar Oil Refinery India 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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Viral Sanklecha from MUFG Intime. Thank you and over to you, sir.

**Viral Sanklecha:** Thank you. Good afternoon, ladies and gentlemen. I welcome you to the Q4 and FY '25 Earnings Conference Call of Gandhar Oil Refinery India Limited.

To discuss the Q4 and FY '25 business performance, we have from the Management Mr. Aslesh Parekh – Joint Managing Director and Mr. Indrajit Bhattacharyya – CFO.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainty. For more details, kindly refer to the investor presentation and other findings that can be found on the company's website and stock exchanges.

Without further ado, I would like to hand over the call to the management for the opening remarks and then we will open the floor for Q&A. Thank you and over to you, sir.

**Aslesh Parekh:** Thank you very much. Good afternoon, everyone who is present on this conference call. I, Aslesh Parekh - Joint Managing Director of Gandhar Oil Refinery India Limited, I am joined by my CFO – Mr. Indrajit Bhattacharyya. We appreciate your time and interest as we review our financial performance for the 4th Quarter and the full year of FY '25.

Today, I will provide an overview of our business performance amidst a dynamic economic landscape.

During the Quarter 4 ended FY '25, we recorded a revenue of Rs. 9,617 million. For the full year ending FY '25, our revenues stood at INR 38,969 million. In volume terms, we saw a healthy increase of around 3% FY '24 to FY '25, a clear sign of stable operational throughput. However, revenues from operations were affected primarily due to a reduction in average realization from INR 82,824 per KL in FY '24 to 76,223 per KL in FY '25. The contraction was mainly driven by softening prices, reduced demand in FMCG and pharma segments and a broader impact of global geopolitical challenges that we have been facing.

Our international business remains a cornerstone of our strategy. Our overseas sales still contribute to around 40.2% of the total sales both in Q4 FY '25 and for the full financial year. However, export revenue decreased from INR 24,028 million in FY '24 to INR 15,656 million in FY '25, largely due to shipping disruptions in the Red Sea, the ongoing conflicts such as the Russia-Ukraine war. Despite this, we successfully mitigated the impact by strengthening our domestic market presence leading to a compensatory rise in the domestic sales. This shift in sales mix is part of our deliberate and agile approach to market dynamics, showing our ability to adapt quickly and to protect our overall top-line performance.

On the operational front, our consolidated manufacturing volumes remain stable while standalone manufacturing volume grew to 99,934 KL in Quarter 4 ended FY '25. While pricing headwinds affected our top-line, we maintained cost discipline with reduction in both finance cost and our employee cost in absolute and percentage terms, demonstrating our focus on efficiency. There has been a slight increase in other expenses, mainly due to the higher shipping freight rates arising from the global disruptions. However, these are expected to stabilize in the coming quarters. We remain firmly committed and focused through our long-term growth strategy.

Our focus continues to be on expanding our presence in the White Oil segment particularly in the PHPO that is the Personal Care, Healthcare and Performance Oil segment. We are driving product diversification, geographic expansion and even deeper customer management with positioning us for sustainable growth and amid an evolving macroscopic landscape. While shipment delays and freight cost escalations have presented near-term challenges, we view this as very one-off and temporary disruptions. We are confident in gradual improvement in the quarter side as global chains are stabilizing.

In terms of forward-looking developments, we are excited to share that your company has signed a non-binding agreement with the Jawaharlal Nehru Port Authority that is the JNPA for the proposed Vadhavan Port Project, a Greenfield deep draft major port being developed in Palghar district of Maharashtra in collaboration with the Maharashtra Maritime Board. The port is expected to have its completion by FY '30 is designed to handle a significant cargo volume including 23 million tons of container per annum. It will host multiple terminals including Container, Liquid Cargo and Coast Cargo, all the three. We intend to set up a terminal for the storage of our base oils, chemicals and other liquids, along with blending plant in the jetty. The Envisat investment stands at around Rs. 1,000 crores, subject to necessary regulatory clearance and successful bidding outcomes. We believe this project has the potential to significantly enhance our logistics efficiency and strengthen our long-term supply chain capabilities.

With this, I hand over my call to Mr. Indrajit Bhattacharyya, who is the CFO who will take you through the financial in detail. Thank you once again. Over to you, Mr. Bhattacharyya.

**Indrajit Bhattacharyya:** Thank you, Aslesh bhai and everyone who has joined us on this call. I shall now take you through the financial performance of Gandhar Oil Refinery for the 4th Quarter and the full year of FY '24-25. In Q4 FY '25, carrying on for the full year ending on FY '25, consolidated revenue stood at INR 38,969 million. On a consolidated basis, EBITDA for Q4 FY '25 stood at INR 336 million.

For the full year ended FY '25 EBITDA totaled at INR 1,756 million. Consolidated profit after tax for Q4 FY '25 was INR 123 million and for full year ended FY '25 stood at Rs. 835 million. On a consolidated basis, there has been marginal increase in inventory and debtors and the reduction in creditor days. The current ratio remains healthy. The debt equity ratio stays at nominal levels.

Thank you for all your attention. This concludes my summarization and with that we will open the floor for any questions that you may have.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Viraj Mehta from Enigma. Please go ahead.

**Viraj Mehta:** Hi, sir. Sir, if I look at the presentation, gross profit has actually increased this quarter. This is in spite of our raw material prices correcting which would have led to inventory losses. So can you explain how did this happen and what is the quantum of inventory losses we had in Q4 and what will be the inventory losses we are already having in Q1 till now?

**Indrajit Bhattacharyya:** As far as inventory losses are concerned, like to point out that we hardly carry any significant inventory. So the question of inventory losses practically is minimum. And yes, the gross margin did improve because it also had led to an improvement in the procurement basis in the procurement terms.

**Viraj Mehta:** So this 1,130 kind of gross margins in your view, is it kind of sustainable?

**Aslesh Parekh:** The endeavor is to have increased gross margin. So obviously these are not the reflection of the gross fund that would like to keep. Obviously, internally, we have a benchmark of what gross margins we would like to achieve. Being a forward-looking statement, I would differ in giving you a forward-looking statement, but yes we would like to definitely improve the gross margin from where we are today in Quarter 4.

**Viraj Mehta:** Right. And for post our IPO, if I see and again I am probably new to your company, so please pardon me if my question is not correct, but if I look at post-IPO from FY '23, our sales have essentially remained constant or fallen a little bit because of decreasing realization, but our EBITDA from Rs. 320 odd crores have fallen off the cliff to Rs. 175 crores. In your view, once the gross margins are stabilized and you will not see any temporary issues like freight, what is the sustainable gross margins you think you can do in EBITDA margins?

**Aslesh Parekh:** Yes, sure. See, although the revenue has been constant or a slight increase or decrease, but if you see the volume, if you compare it vis-a-vis volume, we have shown volume growth even in the last year ended FY '25. So there has been an increase in the volume basis. So that would be a real indicator in terms of the performance of the company because the revenue is a component of the raw material that we use which is subject to changes in the price because of the fluctuation. So there has been an increment in the volume terms which we already highlighted during my speech. Can you just repeat your second question?

**Viraj Mehta:** Sir, EBITDA margins has significantly fallen since our IPO days. So, as an outside investor, I don't know what is the sustainable EBITDA margins because like are they what you were doing earlier as in high single digits or are they today 5%-6% is the real reflection of our numbers. So I don't know, so I am asking?

**Aslesh Parekh:** See, as you are well aware that across the board including all the specialty chemical industries, there was COVID related incremental margins, which was there by all the companies which was even reported by us. So obviously, we would ensure that we would like to, obviously, the endeavor is to have high single digit or double digit of gross margins going forward, EBITDA margins going forward. That is the endeavor we would like to benchmark ourselves against. And we are trying our level best by optimizing our inventory, adding new products as well to achieve these gross margins.

**Indrajit Bhattacharyya:** Just to take off from there, we are in the process of getting into higher value addition products, which will contribute to higher EBITDA.

**Viraj Mehta:** Thank you. Best of luck.

**Moderator:** Thank you. The next question is from the line of Isha Murthy from IM Capital. Please go ahead.

**Isha Murthy:** Sir, as you mentioned that you target high EBITDA, so like considering the stabilization in the global supply chain you have also mentioned that so what is your outlook in the Financial Year '26?

**Indrajit Bhattacharyya:** So Financial Year ‘26 on a volume basis, we are projecting increased increment of about 10%-12% and we anticipate that the realizations which are currently around at Rs. 76,000 per KL will also improve. Further, there is a big component of cost increase on account of the Red Sea issue. We are hopeful that should get stabilized. If that happens, the freight costs also will come down substantially. So yes, we are looking positive towards the next year.

**Isha Murthy:** And my second question would be like how do you expect your product mix to evolve in like Financial Year ‘26 especially with PHPO currently contributing about 47.27%?

**Aslesh Parekh:** We have been trying to optimize our product mix by focusing more on value added products which are primarily in the PHPO segment. So our endeavor is to further strengthen our PHPO revenues and also further increase our PHPO revenues from where we are today.

**Isha Murthy:** Thank you.

**Moderator:** Thank you. The next question is from the line of Rajeev Roy from RR Investment. Please go ahead.

**Rajeev Roy:** Sir, thank you for the opportunity. I have a couple of questions. So first is, sir, how are we managing our raw material procurement and the pricing volatility, especially in lubricant and PIO segments? Second question is what is our current utilization rate across our manufacturing facilities and do we see any foresee in capacity constraints?

**Indrajit Bhattacharyya:** Taking your last question first, no capacity constraints at all because we have enhanced capacity at our Taloja plant last year itself and we have not yet reached that peak capacity utilization of the Taloja plant. So capacity is not a problem. Raw material is mostly procured from refineries across the globe. And this is index-based procurement and the entire pricing is index based and even with the movement in the price of crude, it gives us enough time to anticipate that movement and work it out. So it is a pretty tried and tested method which has worked out for us.

**Rajeev Roy:** Sir, I have one more question. Sir, could you give me some color on any international markets which are driving our growth as of today?

**Indrajit Bhattacharyya:** Which are driving out?

**Rajeev Roy:** Yes, which are helping us in driving the growth?

**Aslesh Parekh:** See, Gandhar is exporting its product to 100 plus countries across the globe. The exports are almost evenly spread out across various regions, including Asia Pacific, America, Africa. But if you look at the skewness, the majority of the sales are still coming in from Africa and South America. But we are trying to still strengthen our existing PHPO base of customers, including our multinational customers, like Unilever or Procter & Gamble and our local multinationals where we are adding new products and we are growing in terms of volume with the existing customers.

**Rajeev Roy:** Thank you for answering the question. That is it from my side.

**Aslesh Parekh:** Thank you so much.

**Moderator:** Thank you. The next question is from the line of Ankita Agarwal from RK Securities. Please go ahead.

**Ankita Agarwal:** Sir, my question is regarding PHPO segment, which continues to lead the revenue. So are there any plans to expand the capacity or launch new products in this segment?

**Aslesh Parekh:** We had undertaken a capacity expansion, which has just come to stream from I think late last year or early this year. So obviously there is no current requirement of capacity enhancement to be frank. But we are covered enough for at least next couple of years for the CAPEX as far as the capacities goes, but in case if we are able to sell our products quickly and if there be a need of doing a capacity expansion, we have enough strength in our balance sheet to take care of the future capacity expansion. Coming to your second question in terms of the PHPO, we are working on product line, we are planning to add new products as well. We will soon come back to you with what all the products we are adding in the near future which will further strengthen our margins. It is a little bit too early for me to discuss on what products we will be coming up with.

**Ankita Agarwal:** Thank you. And also what factor contributed to this strong 19% year-on-year growth in standalone manufacturing volume?

**Aslesh Parekh:** As informed in the call we had a drop in the export volume. So our sales team was capable enough in terms of distributing the product to domestic customers. So obviously there have been incremental new customers which have been added across the various categories plus we had because of the global disruption in exports, the team was versatile enough to focus on the domestic sales.

**Ankita Agarwal:** Thank you. Thank you so much for answering.

**Moderator:** Thank you. The next question is on the line of Kevin Mehta from Star Investment. Please go ahead.

**Kevin Mehta:** Yes. Thank you for the opportunity. So sir, I have two broadly questions. So first is, can you elaborate on the strategic rationale or expected benefits of Rs. 1,000 crores MoU with JNPA for the Vadhavan port project?

**Aslesh Parekh:** See currently, there has just been a non-binding MoU which has been signed subject to we are getting, we awarding the tender, being awarded in the bidding. Obviously, we will be setting up a state-of-the-art blending facility and also a tank storage terminal over there. It is too early for me to tell you in terms of what could be the run rate because the project itself is getting started by end of 2030, so it is too early for us to give you a ballpark amount of savings that we may have or the sales that we have.

**Indrajit Bhattacharyya:** Incremental income also.

**Kevin Mehta:** Got it, sir. So any sort of planning regarding the funding sources you are considering for this investment?

**Aslesh Parekh:** Obviously, it would be a combination of.

**Indrajit Bhattacharyya:** We have kept our options open over there. Obviously, we will be the major equity partner in that. We will also have available term loan facilities available for this and if required, we could also have set up an SPV with some other partner to get in, strategic and financial help in that matter.

**Aslesh Parekh:** And just to add one more line, even if you see today, we don't have any long-term debt. Our long-term debt is 0. So obviously, we have enough strength in the balance sheet as well to take care of even this specific new project as well.

**Kevin Mehta:** Got it. That was really helpful. And sir, can you help me with any sort of revenue guidance or the volume growth in coming years like FY '26 and beyond?

**Aslesh Parekh:** See, obviously as Mr. Indrajit highlighted, the endeavor is to grow in double digit in terms of volume for FY '26 as well and we would like to keep this as a benchmark not only in top-line but even in bottom-line.

**Kevin Mehta:** That answers my question. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Moksh Ranka from Aurum Capital. Please go ahead.

**Moksh Ranka:** Hello, I would like to know, currently we have Rs. 305 Cr of debt, what is the peak debt which we are anticipating?

**Indrajit Bhattacharyya:** Sorry, we lost in between, can you speak a bit louder?

**Moksh Ranka:** Yes, so we currently have around Rs. 300 Cr of debt. So could you give some color on debt reduction plan or is this the peak debt?

**Indrajit Bhattacharyya:** No, most of the debt that you see over here, there is no debt on this standalone level. The most of the debt that you see over here is on account of our subsidiary at Sharjah. It is expected to reduce as we go ahead because the utilizations, the churning will be quicker. So I don't see us having debt beyond this. It could be incremental slightly. Otherwise, this is the peak debt.

**Moksh Ranka:** And what is the current capacity utilization?

**Indrajit Bhattacharyya:** In the Indian plants, the capacity utilization would be around that 85%-86%. On account of the recently installed capacity at the Indian plants, at the Sharjah plant the capacity is around 60%-65%.

**Moksh Ranka:** And when would we look at CAPEX, at what capacity utilization, we would look at CAPEX if any?

**Indrajit Bhattacharyya:** And see, like Mr. Aslesh just explained right now, we have installed capacity right now which is spare. See what capacity we built up at the end of last year, last year means 24 all that will come, it will take us 2-3 years to catch up to that capacity. So we don't see any capacity enhancement required in the next 2-3 years. After that, we see the CAPEX.

**Moksh Ranka:** And last question, could you give some color on, we are getting into some value-added products. So generally, comparing to our current gross margins, these value-added products, how gross margin improvement we can see in those?

**Indrajit Bhattacharyya:** So these value-added products are mostly in PHPO and lubricants and if and when they do happen, this will generate additional gross margin. We expect the gross margin to go up significantly by 4%-5%.

**Moksh Ranka:** That is it from me now. Thank you.

**Moderator:** Thank you. The next question is from the line of Aditya from Securities Investment Management. Please go ahead.

**Aditya:** Hi, sir. Thanks for the opportunity. Sir, firstly, did we have any FOREX losses in the second-half?

**Indrajit Bhattacharyya:** No, we are FOREX positive.

**Aditya:** And sir now freight costs, we mentioned that it has increased because of Red Sea crisis, sir, from what I understand this issue was in the first half of FY '25, post that the freight cost had reduced. So why has it still affected us in Q4?

**Indrajit Bhattacharyya:** No, the vessels are still not going through the Red Sea. The vessels are still going down, all the way down to Cape of Good Hope to go across, so that is why the freight cost still remains the same. We had expected with the coming of the recent US President that this issue will probably even out, but it has still not happened and the Red Sea still remains an issue.

**Aditya:** Understood. And sir, what would be the rate differential between going from that 2 routes?

**Aslesh Parekh:** Sorry, come again.

**Indrajit Bhattacharyya:** The rate differential between the two routes.

**Aslesh Parekh:** The differential is the difference, the incremental freight that we had incurred.

**Indrajit Bhattacharyya:** So just to give you an indicator, we have additional freight cost during this year of close to Rs. 13 crores which was not there last y

ear.

**Aslesh Parekh:** But as you rightly said, the freight rates have started softening as we see from the end of March, early April. So obviously I think we will not have this additional freight cost in the quarter coming forward.

**Aditya:** Got it, sir. Thanks, sir for answering my questions.

**Moderator:** Thank you. The next question is from the line of Bhavesh Patel from Patel Investments. Please go ahead.

**Bhavesh Patel:** Thank you for the opportunity and thanks a lot Aslesh bhai as well as Abhijit for setting up this call and giving us the opportunity to interact, I hope you will continue this practice. My question is around you did answer in terms of the CAPEX plan that worked out for both Taloja as well as Silvassa and how the margin would expand around it, but is there any impact because of the tariff war that we are having with US because I do remember we did close out the USFDA observations and we were hoping to have some more higher margin products especially for US? That is number one and the second is, why do we diversify into building that Vadhavan port terminal rather than growing inorganically in terms of buying the smaller companies in our core domain itself, those are the two strategic questions from my side?

**Aslesh Parekh:** See, as far as, you are correct, we got a USFDA approval in the month of October last year. The idea was to expand our PHPO portfolio, which we are focused on and which we are doing by adding new products. We have started getting orders from customers after this USFDA approval. The volumes have increased. There has been traction from the customers as well since the plant is now FDA approved. Coming back to your second question on tariff war, currently, the product that we are exporting, there is no such new tariff being as of now, while we speak there is no such incremental tariff being added on the products that we are currently exporting. So we are hopeful enough that Trump would not be adding tariff to this kind of product. Now, coming to your second on diversification into Vadhavan port, see majority of our business if you look at the total landscape at Gandhar, it will be imports and exports. So there would be substantial amount of saving in case we have a facility in the port, which would help in optimization of our transportation cost, optimization of the resources being required and in terms also help us in achieving the sustainability factor.

**Indrajit Bhattacharyya:** This is more or less a lateral integration on our part because storage is a very important part in our business and also this gives us additional storage facility, reduces the storage requirement and also gives us opportunity to lease the additional storage facility that will generate and generate income out of that. So it is not exactly absolute different field that we are getting into.

**Bhavesh Patel:** Sure. Understood. Thank you. And again at the right time, but I hope with a strong balance sheet, you are also looking at inorganic growth as well as because organic growth you are talking about high teens or lower double-digit teens, but basically having that inorganic growth will be far better?

**Aslesh Parekh:** We are open for inorganic growth as well. So obviously, the team is looking for the right ticket and the right size of the transaction to happen. So we are having our eyes open.

**Bhavesh Patel:** Perfect. Thank you very much and all the very best, very hopeful, continue your great efforts. Thank you.

**Aslesh Parekh:** Thank you. Thank you so much.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Viral Sanklecha from MUFG Intime for closing comments.

**Viral Sanklecha:** Thank you. I would like to thank the Management for taking this time out for this conference call today and thanks to all the participants. If you have any queries, please feel free to contact us. We are MUFG Intime India Private Limited Investor Relations Advisors to Gandhar Oill Refinery India Limited. Thank you so much.

**Indrajit Bhattacharyya:** Thank you.

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