gandhar
oil refinery (india) ltd.

July 28, 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 July 23, 2026 regarding the Audio recording of the Analysts/ Investor's Earnings Call for the quarter ended June 30, 2026 (Q1 FY 2026-27), 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/2026/07/Transcript-23.07.2026.pdf

This is for your information and records.

Thanking you.

Yours faithfully,

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

Binal Shankar Khosla
Digitally signed by Binal Shankar Khosla
Date: 2026.07.28 17:23:21 +05'30'

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

"Gandhar Oil Refinery (India) Limited

Q1 FY27 Earnings Conference Call"

July 23, 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. AASHVI SHAH – ADFACTORS IR**

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call hosted by 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 presentations conclude. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone telephone.

I now hand over the conference over to Ms. Aashvi Shah from Adfactors IR. Thank you, and over to you, Ms. Aashvi Shah.

Aashvi Shah: Thank you. Good morning, everyone. On behalf of the company, I welcome you all to the earnings conference call for Q1 FY27. Today, on this call, we have with us from the management, Mr. Aslesh Parekh, Joint Managing Director; Mr. Indrajit Bhattacharyya, Chief Financial Officer.

We will begin the call with brief opening remarks from the management, followed by a Q&A session. Please note that certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results or projections to differ materially from those statements. Gandhar Oil will not be in any way responsible for any actions taken based on such statements and undertakes no obligation to publicly update these forward-looking statements.

I would now like to hand over the call to Mr. Aslesh Parekh for his opening remarks. Thank you, and over to you, sir.

Aslesh Parekh: Thank you. Good morning, everyone, and thank you for joining us on this Investor Call. Quarter 1 '27 has been significant for Gandhar, delivering highest quarterly profit in the company's history. The quarter was characterized by record profitability, healthy revenue growth, volume expansion and a sharp improvement in the margin spreads.

More importantly, the performance demonstrates the resilience of our operating model and our ability to navigate a dynamic environment through agile sourcing, disciplined execution and a diversified portfolio.

The operating environment remained challenging, shaped by heightened geopolitical tension in the Middle East, concerns surrounding the Strait of Hormuz, volatility in the crude oil and the base oil pricing and intermittent disruptions across the global supply chains. This development led to fluctuations in the raw material availability and pricing, along with elevated freight and insurance costs.

Our ability to respond swiftly through this through agile sourcing, prudent inventory management and a favourable product mix enabled us to navigate this market dynamics effectively, translating into a very strong financial performance. As a result, the consolidated revenue increased by 92% year-on-year to INR 1,731.9 crores, while the gross margin spread expanded to 3.4x Y-o-Y basis to INR 28,145 per kilolitre compared to quarter 1 FY26.

Our performance during this quarter was driven by a healthy demand environment across our key end-user industries, coupled with disciplined execution across the businesses. We continue to focus on value-added products, optimizing our product mix and maintaining procurement discipline, which enabled us to deliver healthy volume growth while significantly improving our margins.

The PHPO segment continued to be our primary growth engine, registering an 18% year-on-year growth, driven by sustained demand from the personal care, healthcare and pharmaceutical sector. We continue to strengthen our partnership with leading global and domestic customers across their segments.

Our PIO business also delivered a robust performance, growing 28% year-on-year, supported by healthy demand from the transformer, power and the rubber manufacturers. While the lubricant business remained broadly stable, it continued to provide a resilient revenue base and reinforce strength of our diversified portfolio.

Our export business recorded a robust 54% year-on-year growth, reflecting expanding global customer relationships and a growing international footprint, which further strengthened our overall business momentum.

Let me briefly touch upon our subsidiary, Texol, which is in Hamriyah Free Zone, Sharjah. During this period -- during the period of quarter 1, operations were temporarily impacted by regional supply constraints and disruption in vessel movements arising from the geopolitical situation. However, leveraging our regional sourcing capabilities and operational agility, we ensured uninterrupted supply to customers and maintain business continuity.

As logistics have gradually started normalizing, throughput has improved, and we remain confident that Texol will continue to be a strategically important and margin-accretive business for the group.

Looking ahead, while we remain mindful of evolving geopolitical development and global market uncertainties, we are confident the structural strength we have built over the years position us for sustained growth. Our diversified sourcing network, strong customer relationships, leadership in high-value personal care, health care and performance oil, expanding global footprint and disciplined execution provide a strong foundation for the future.

Coupled with our debt-free balance sheet, healthy cash generation and robust internal accruals, we have a significant financial flexibility while maintaining our prudent approach to capital allocation.

As we continue to strengthen our capabilities and scale our business, we remain well positioned to capitalize on emerging opportunities and deliver sustainable long-term value for all our stakeholders. We are also glad to inform that we have declared an interim dividend of 100% of the face value of our share.

With that, I'll now hand over the call to Mr. Indrajit Bhattacharyya, who will take you through the financial performance in a greater detail. Thank you very much. Over to you, Mr. Indrajit.

Indrajit Bhattacharyya: Thank you, Aslesh Bhai, and good morning, everyone. I'll now take you through the financial performance for Q1 FY27 which was a record quarter for the company across revenue and profitability.

On a consolidated basis, revenue for the quarter stood at INR1,732 crores compared with INR903 crores in Q1 FY26 and INR1,093 crores in Q4 '26, representing a growth of approximately 92% year-on-year and 58% quarter-on-quarter. Total sales volume during the quarter stood at approximately 131,000 kilolitres compared with approximately 121,000 kilolitres in Q1 FY26, reflecting a growth of around 8% year-on-year.

Consolidated EBITDA for the quarter stood at INR281 crores compared with INR46 crores in Q1 FY26 and INR64 crores in Q4 FY26, representing a growth of approximately 512% year-on-year and 342% quarter-on-quarter. EBITDA margins expanded to 16.20% compared with 5.1% in Q1 FY26.

Profit after tax stood at INR206 crores compared with INR26 crores in Q1 FY26 and INR37 crores in Q4 FY26, representing a growth of approximately 688% year-on-year and 456% quarter-on-quarter. This represents the highest quarterly profit reported by the company and exceeded the profit generated during the entire FY26.

Gross margin spreads expanded to approximately INR 28,145 per kilolitre compared with approximately INR 8,274 per kilolitre under a normal operating environment. The improvement was supported by favourable market conditions during the quarter, together with disciplined sourcing and effective inventory management. While these spreads are significantly above historical levels, they should be viewed in the context of the exceptional market conditions witnessed during the quarter.

Exports continued to perform strongly during the quarter with export volumes increasing by approximately 54% year-on-year. Exports contributed approximately 51% of consolidated revenue compared with around 37% in the corresponding quarter last year, reflecting the continued expansion of our international business and the increasing contribution of higher-value specialty products.

The company continues to maintain a strong financial position on a stand-alone basis. We remain effectively debt-free, while consolidated borrowings primarily relate to normal trade finance arrangements and borrowings at our overseas subsidiary, Texol. The strong profitability during the quarter has further strengthened our balance sheet and provides us with the financial flexibility of capital allocation. In this context, like Aslesh just mentioned, we have also declared an interim dividend of 100% of the face value of the shares.

We remain focused on maintaining prudent working capital management, improving operational efficiencies and pursuing disciplined capital allocation while supporting the company's long-term growth objectives. Overall, the financial performance for the quarter reflects strong operational execution, disciplined financial management and the resilience of our business model.

With that, I conclude my remarks. We'll now be pleased to take your questions. Thank you.

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

Disha: Firstly, congratulations on a stellar set of results in the back of such volatile operating environment. So, a couple of questions, sir, from my side. Firstly, we have seen very strong gross margin and EBITDA margin expansion.

You alluded that to inventory management and product mix. So, I just want you to break down how much of this has been driven by product mix? How much was the inventory gains? And how do we see the EBITDA margins going ahead for the entire year?

Indrajit Bhattacharyya: We don't carry that much of inventory to justify inventory gains or inventory losses. On the raw material front, we carry inventories generally up to 30, 35, 40 days. So not much of this is represented by inventory gains at the inventory level. The gains has mostly come in on account of being able to sell at higher prices. What was the second question?

Disha: And sir, how do we see these margins panning out for the rest of the year?

Indrajit Bhattacharyya: We are hopeful of the margins remaining at this level or around this level. The current quarter looks good. And we are hopeful of it carrying forward at these levels for the whole year.

Aslesh Parekh: Just to add on what Mr. Indrajit said, obviously, this has been a significantly historic quarter for us. But as we informed earlier during the speech, I mean, obviously, this has been because of this exceptional market condition we have witnessed during this quarter, obviously, because of efficient sourcing management and effectively higher realization of our revenue, that is why we could contribute to an overall stellar performance for this quarter.

Disha: So, we do see these realizations being maintained in the year?

Indrajit Bhattacharyya: We are hopeful of these margins continuing in most of this year. Yes.

Aslesh Parekh: The company continues focusing on the personal care, health care, performance oil products. Obviously, the metrics still remain the same. And obviously, that is how we like to continue and focus on our customers and improve the relationship with our customers and grow with these customers accordingly.

Disha: Okay. And sir, how do we look at the overall revenue growth for this year? How much of this will be driven by volume? What sort of volume growth are we targeting for this year and remaining how much will be coming from price?

Indrajit Bhattacharyya: Historically, we've always been doing volume growth in the range of 8% to 10% to even 11%. So, we see ourselves getting that much of volume growth during this year also.

Disha: And sir, in terms of export, export performance has been really good. We've seen 51% increase in revenue. How do you see the contribution for exports for the entire year? Which geographies will we be targeting for this year?

Aslesh Parekh: See, the company continues to export to 100+ countries across globally. The company continues to maintain a very strong relationship with its overseas customers. Having said that, the company have focused more on export and overseas sales as well. We anticipate the export revenue and the export sales will be in the same level for the quarters to come.

Disha: In terms of our -- so growth driven by segment, which segments do you see contributing the highest for this year, any segmental mix that we expect to change significantly? Or we will be maintaining the similar mix that we had this quarter?

Aslesh Parekh: The star performing segment was still being -- the PHPO, which is the personal care, health care performance oil division, second by the process and insulating oil division. So, these are the two segments where we anticipate the growth will be similar. The trend will continue to be similar for the next quarters as well.

Disha: Okay, that is very good to hear. Congratulations and all the best.

Moderator: The next question come from the line of Dhaval Shah from Girik Capital.

Dhaval Shah: Thank you so much for the opportunity So just taking -- elaborating more on the first question you answered, so if you can help us understand what sort of scenario has happened in terms of price increase, basically of spread increase? And was it driven by some -- I mean supply getting stuck from Middle East impacting the demand/supply of your products versus the movement in the raw material, the base oil prices?

Can you just help us understand a bit more for us to take a view that these margins could extend maybe 1, 2 quarters more? And b, the kind of cash flows which are going to generate out of this, though it's too early, but if you would like to answer anything on that? But first part of the question, if you can just help me understand more on it.

Aslesh Parekh: See, as you are well aware about the Middle East war, obviously, most of our supply is primarily coming from Saudi Arabia and South Korea. Now because of the geopolitical situation, the Hormuz closure, obviously, the slight change in our sourcing strategy. We've continued buying from them, although since we have some contracts, we get shipments from Saudi Aramco. But obviously, the shipments are a little bit delayed because of the Hormuz closure.

But apart from that, we have started -- we've changed our sourcing strategy, buying more from domestic base oil producers as well. So that helped us in navigating the situation. And we could get our key raw material, which is base oil from our suppliers. That is why because of our sourcing strategy, we could sell it with an expanded margin or expanded revenue to our customers.

Indrajit Bhattacharyya: Our expertise lies in our ability to procure the material at that right point of time at the right prices.

Dhaval Shah: So, the raw material, the supply which is not coming from Middle East, you were able to compensate by buying from the -- from South Korea and those sites?

Aslesh Parekh: See, obviously, I'm not told that raw material is not coming in from -- raw materials were coming from Saudi Arabia, but I mean, obviously, not to the levels that we anticipated or that we had planned on. So, to compensate or to take care of our requirement, we had to source it from South Korea or from other Indian producers at a different price level, of course.

Dhaval Shah: Okay Okay, got it sir. Thank you.

Moderator: The next questions come from the line of Vinit Thakur from Plus91 Asset Management.

Vinit Thakur: Congratulations for this amazing exceptional quarter results. Sir, I had a couple of questions. Sir, we have seen a volume degrowth Q-o-Q. But year-on-year, there's a volume increase. But if you could help me understand, there is a year-on decrease on volume growth for PIO and channel partners as well.

Indrajit Bhattacharyya: So, channel partners is something which we categorize as those big traders who purchase from us, but we don't know where the -- to which end industry the material is going. So, channel partners is something which keeps going up and down. And as long as the volumes are coming from there, we are happy with it. The PIO is a tender-based industry. But on a consolidated basis, Vinit, the PIO manufacturing volumes have gone up from 14,000 to 18,000 KL.

Aslesh Parekh: Okay. So there has not been a degrowth in the PIO category. That's what I had given in my statement.

Indrajit Bhattacharyya: Channel partners, yes, but the channel partners is a different ball game altogether.

Vinit Thakur: Okay, sir. And sir, sir, could you just comment on the realization? I know you have done it, but there has been almost quite at least 70% to 80% incremental realization for each of the segment Y-o-Y. So, do you feel like this would be a sustainable realization going forward or would revert back to the Q4 realization for the Q1 of FY26?

Aslesh Parekh: See, I just discussed during the first question asked by Sapphire Capital, I think the answer stage is similar. Obviously, this has been an exceptionally good quarter. We continue focusing on expanding our revenues, our relations with our customers and focusing on our key categories across the product portfolio.

Vinit Thakur: Sir, what would the margin expansion attributable to them? It's a combination of all the things, but what would be the sustainable force going forward to maintain these margins? That would be my question.

Aslesh Parekh: Obviously, the company would do its endeavour or it’s best to ensure to sustain this margin to be very precise. But obviously, this has been historically a good quarter because of agile sourcing and optimum utilization of the inventories that we had. So obviously, this has been a historical good quarter. But obviously, we anticipate the margins would be continued to be at a stellar levels for at least the next 1 or 2 quarters to come.

Vinit Thakur: Okay. So, we would not be reverting back to the previous margins for at least for a couple of quarters?

Aslesh Parekh: Not immediately.

Vinit Thakur: Thank you sir. And sir, just last, the gross -- so what was the gross margin for this year in percentage-wise?

Indrajit Bhattacharyya: For the quarter, you mean?

Vinit Thakur: Yes, yes, for the quarter.

Indrajit Bhattacharyya: So, the gross margin for the quarter on a consol level was

Aslesh Parekh: It was 21.4%.

Moderator: The next questions come from the line of Nayan Gala from Ertica Wealth.

Nayan Gala: Congratulations on a record quarter. I had a couple of questions. Just taking the cue from the previous participant on the margin front, I just wanted to understand that during the quarter, was the inventory positioning due to crude price volatility favourable or the margins had -- the product mix had a chance on the margin improvement?

Aslesh Parekh: So, it was a combination of both the things. Obviously, with the elevated oil pricing, with the situation across the Middle East, the Hormuz closure, there had been constraint in getting the raw material. But obviously, with advanced planning of buying of the raw materials well on time and the strategy that we had for optimum utilization of that inventory has paid off this quarter.

Nayan Gala: Okay. Okay. Understood. And sir, you mentioned about the strong engagement with customers. Could you share whether this quarter's growth was broad-based across customer base or it was largely driven by a few large customers?

Aslesh Parekh: As you know, I mean, we have been export -- I mean, we have a customer base of more than 4,000+ customers. So obviously, the business has been skewed across the value chain.

Nayan Gala: Okay. So, if you can just help us understand how much of the revenue is coming from maybe the top 5 customers?

Aslesh Parekh: That data is actually...

Indrajit Bhattacharyya: But let me interrupt here. See, with a 4,000-customer base, top 5 is not significant at all. So, this has to be taken in a broader perspective. And to answer your specific question, this quarter, the growth in exports was significant. And that is what the major increase in revenue came from.

Nayan Gala: Okay. Understood. Understood. Sir, just wanted to understand on the South Africa entry. If you can just elaborate on that? And would this be through distribution, local partners or setting up our own infrastructure? And what is the expected timeline around the operational of South Africa business?

Aslesh Parekh: The strategy for the South African arm is being worked out. There will be much more clarity being emerging in the next 1 or 2-odd quarters. It will be a little premature for me to give you more details on next specific plan.

Nayan Gala: Thank you sir and congratulations.

Moderator: The next questions come from the line of Darshan Garg from Tiger Assets.

Darshan Garg: So, I wanted to understand what is the average realization difference between domestic and export market?

Indrajit Bhattacharyya: In terms of number of days, are you talking about days or realization -- there is about 5%, 6% differential between exports and domestic.

Darshan Garg: Thank you.

Moderator: The next question comes from the line of Anirudh Sharma from Ekant Investments.

Anirudh Sharma: So, my first question is that you mentioned that PHPO continued to be the key growth driver during the quarter. Could you share whether this was largely volume-led or customer additions or better realizations? Also, are you seeing stronger demand from pharma or personal care customers?

Aslesh Parekh: Can you repeat your first question, please?

Anirudh Sharma: So, my question was you mentioned that PHPO continues to be the key growth driver during the quarter. Could you share whether this was largely volume-led or customer additions or better realizations? Also, are you seeing stronger demand from pharma or personal care customers?

Aslesh Parekh: It was a combination of volume and expanded revenue base from our existing customers. There has been addition, obviously, as a part of day-to-day routine and that. I mean, obviously, customer addition, new customer development is all an ongoing progress. So that will continue to happen even in the future quarters.

Anirudh Sharma: Okay. And my second question was export contribution has increased quite significantly this quarter. Should we expect exports to remain around the 50% mark going forward? Or was this elevated due to certain temporary opportunities?

Aslesh Parekh: There has been certain opportunities on table, which obviously we took it, and that's why we have been -- the company could deliver this kind of stellar results this time. But we anticipate the company has -- obviously, if you look -- even look at the historical past, the company has a significant amount of exports. And obviously, the endeavour is to increase the export metrics as well in the year ahead as well.

Anirudh Sharma: Thank you sir, that’s it from my side.

Moderator: The next questions come from the line of Aryan Vijan from RV Investments.

Aryan Vijan: Sir, my first question is regarding the borrowings. As we can see, there has been increase in borrowings. So, can we expect any decrease in the borrowings?

Indrajit Bhattacharyya: On the borrowing front, the stand-alone company that is Gandhar Oil, is absolutely debt-free. The borrowing, whatever you see is in Texol, that is our overseas subsidiary. Most of the borrowing is in the form of working capital funding. There is also a bit of term loan funding over there, which was given for setting up of the plant initially. So obviously, over the period, the term loan funding is going to keep reducing.

Aryan Vijan: Okay, sir. And any revenue potential from the new expanded geographies, just like you have said from Indonesia, Europe, U.S.A. and South Africa entry? So, any revenue potential from that?

Aslesh Parekh: It's too early for me to give us a revenue projection, but obviously, we'll share once there is much more clarity emerging in the quarter ahead.

Aryan Vijan: And sir, we can see there's been an increase in the trade payables from INR315 crores to INR430 crores. So, can we see any decrease in this?

Indrajit Bhattacharyya: No. So, the trade payables in number of days has not gone up. Out of that INR900-odd the trade payables, there is INR600 crores, which is not yet due. On a basic -- historical basis, even currently, 90% of it is within 90 days. So, we don't see an increase in trade payables. There has been a significant increase in revenue, on the basis of which the trade receivables have increased.

Aryan Vijan: Okay Sir. Thank you.

Moderator: The next questions come from the line of Mohammed Farooq from Pearl Capital.

Mohammed Farooq: Good morning. And congratulations on the new cash number. My first question is, in a couple of previous questions, you mentioned that the top line is mainly because of significant increase in exports. Could you please give us more detail on that?

Indrajit Bhattacharyya: We can't hear you at all.

Aslesh Parekh: You are not audible properly. There's...

Indrajit Bhattacharyya: We can't make out what you're saying.

Mohammed Farooq: So first of all, congratulations for the good set of numbers. And you mentioned that the top line increased mainly due to the increase in exports. Could you please give more light on this? What was the reason for increase in export? And do you see that in the second quarter also happening?

Indrajit Bhattacharyya: So, the top line increase has been a combination of various factors. Exports is one of them, Realization is another. And third is geographical destinations where we have reached out. It is just not majorly on account of exports. Exports is one of the reasons why the top line has increased.

Mohammed Farooq: Do you see that in the coming quarter also, this quarter, increase?

Indrajit Bhattacharyya: Yes. I mean we are hopeful of the trend continuing.

Mohammed Farooq: Okay. So second, you also mentioned that the annual growth will be same as 9% like before. But if you look at the previous year first quarter results, most of the time you have almost flat growth. But this year, you have a 90% plus growth in the first quarter. So, if you say annual growth is still 9%, then do you see that there is a degrowth in the next quarter?

Indrajit Bhattacharyya: I mentioned on volume growth.

Mohammed Farooq: Okay. Fine. Perfect. So, value terms, there will be a better growth overall?

Indrajit Bhattacharyya: Yes.

Mohammed Farooq: Yes. So, the last question is the profit increased more than five folds INR206 crores. Can we confirm all the operating costs, employee costs and inventory adjustment, everything is fully accounted for in this quarter? There's -- nothing will be...

Indrajit Bhattacharyya: Sir, of course, of course. What pertains to this quarter has been totally accounted in this quarter, sir.

Mohammed Farooq: Yes, because the profit growth is 5x. So, if something comes to the next year, even the next quarter, it will be negative. So that's it, thank you.

Moderator: The next questions come from the line of Sarvesh Gupta from Maximal Capital.

Sarvesh Gupta: Congratulations on a very good set of numbers. Sir, so this 28,000-odd spread that you have been able to garner in this quarter is…

Indrajit Bhattacharyya: Sarvesh, we lost you. We can't hear you.

Moderator: Sorry to interrupt Mr. Sarvesh, your voice is not clear. Mr. Sarvesh was disconnected. The next questions come from the line of Prisha Shah from Shah Family Office.

Prisha Shah: So, I just have a couple of questions. So, this quarter, you have declared a 100% interim dividend. So, while talking about the future capacity expansion, how should we think about your capital allocation priorities between dividend declaration...

Indrajit Bhattacharyya: Yes, ma'am. So, this -- the performance in this quarter has given us the leverage to decide upon our capital allocation. Currently, we have decided to use about INR20 crores of this for payment of interim dividend. Going forward, there will be enough left for us to do capex on our own steam also without term lending, if required, internal accruals. And if required, we will take also term lending for that purpose.

Prisha Shah: Okay. Understood, sir. Sir, you also mentioned that qualifying a new customer, typically, it would take around 4 to 5 years. So, could you please talk about your current qualification pipeline? Are there any large global customers that are in the final stages of approvals and possibly could start contributing in next, say, 12 to 18 months?

Aslesh Parekh: See, there is a certain NDA signed with new customers as well domestically and on international front. So obviously, it will be difficult for me to name out the customers with whom the product approvals are ongoing or the planned visits are ongoing. But obviously, having said that, we continue developing new relations with new customers and also focus on expanding our reach with existing customers.

Prisha Shah: Okay. So, I have something on the industry side as well. So, we have been seeing increasing interest from all the global players in the specialty oils market. So how do you see the industry evolving in next 3 to 5 years period? And where do you think Gandhar is best positioned to strengthen its competitive advantage in this evolving industry?

Aslesh Parekh: See, if you look at the CRISIL report, which we did 1.5 years back, the industry is supposed to grow at more than 5% CAGR globally. Obviously, with the balance sheet size that we have, with our sourcing abilities, with our supplier customer relationships, we anticipate we are in a very strong footing position to take care of the future growth. And obviously, we will endeavour to ensure the growth is sustained for the future as well.

Indrajit Bhattacharyya: Just taking off from where Aslesh Bhai left off, this industry, there are not many big players in this part of the world. So, the growth that we see in this industry of about 6% to 7% CAGR is more than enough for us to grow at about 8% to 10% in volume terms.

Prisha Shah: Okay. Sir, understood. So, after such a strong start to this particular year, how are you thinking about the rest of FY27? Do you believe that this momentum can continue going forward? And what would be the key drivers that would give you confidence for upcoming quarters?

Aslesh Parekh: See, the endeavour is to focus on growth, create new customer relationship, create value chain to ensure uninterrupted supply of key raw material during such geopolitical crisis. So, with all this in place, we are quite optimistic about how the future lies ahead for Gandhar and our valued shareholders as well.

Prisha Shah: Sir, just one last question. So, going forward, how do you see the product mix to evolve? Are there any specific segments where you intend to increase the contribution because you might be seeing better growth or profitability in those particular segments?

Aslesh Parekh: See, the company continues focusing on the PHPO category. But having said that, the process and insulating oil category also has done a fantastic growth in the previous quarter. Thanks to the increasing requirement of electricity, not only in India, but globally; we anticipate even our transformer oil that is the PIO category to have a strong and robust growth for the future and the quarters to come.

Prisha Shah: Thank you so much sir. And once again congratulation on the numbers.

Moderator: The next questions come from the line of Sanjay from Sanghai Family Office.

Sanjay: Congrats on a good set of numbers. Sir, like in the PPT, we can see that we have happened some significant expansion in our gross manufacturing margins, like which has shooted up from 8,300-odd from last quarter to this quarter 28,000.

So, can you justify like what kind of outlook can we expect going forward? Like is it because of the supply chain disruptions? Or is it because of some significant uptick in the demand scenario? And how long can it be justifiable in going forward?

Indrajit Bhattacharyya: To answer your question, there was uptick in demand, there was uptick in realization of these products, but there was also a huge role played by us on the sourcing front of raw material, which was agile, which was disciplined and which was opportunistic enough to buy at the right time at the right prices.

Sanjay: Okay. So, can we expect this kind of 28,000 mark we can expect also in the coming quarters as well?

Aslesh Parekh: It will be difficult for us to give you a forward-looking statement or -- at this point. But obviously, the company will continue focusing on how to further strengthen its profitability and increase its revenue.

Sanjay: Got it. And sir, what are our capex plans like going forward? Like I think we have a capacity of roughly 597,000-odd kilolitres of capacity, right? If you can kindly help us in getting like segment-wise like a capacity for these things, if possible, like from the PHPO segment, PIO and lubricant segment?

Indrajit Bhattacharyya: No, no. Please note that the capacity is totally fungible among all the products. So, you will never get segment-wise. PHPO will continue to be in the excess of around 50% of our total sales. But yes, our capex plans will be shortly announced. We are drawing up the same, and we'll get back to you on that in the next quarter or so.

Sanjay: Sir, what has been the current utilization for this quarter?

Indrajit Bhattacharyya: On a company level, all 3 plants taken together, it's around 97%.

Sanjay: 97%. So, sir, as we mentioned in the earlier commentary, like the industry is expected to grow at 8% to 10% kind of growth. So, sir, if we are talking at 97% kind of utilization and if we don't have anything on our board as of now, so do you think like from the volume front, we will be able to get the market share?

Indrajit Bhattacharyya: This 97% is on 2-shift basis. When required, we do go on the third shift basis to create additional capacity.

Sanjay: Okay got it. And sir, for our existing capacity, is it possible -- like suppose today, we are witnessing some significant demand from the PHPO segment. Suppose tomorrow, some significant demand comes from lubricant as well. So, can we change the mix on our existing capacity and shift the gear to that of lubricant segment or if possible, from our product?

Indrajit Bhattacharyya: Yes, yes. Like I said, the total production process is fungible.

Sanjay: Okay. And sir, what is the basic raw material for us?

Indrajit Bhattacharyya: What is the?

Sanjay: Basic raw material for us, sir?

Indrajit Bhattacharyya: Base oil.

Sanjay: Base oil got it. And in the white oil front, sir, we have exported significantly in this quarter. If you can kindly guide us like who are the global peers or Indian peers with whom we are competing in the white oil segment?

Aslesh Parekh: So obviously, there are listed peers operating in this category, but we continue focusing on development with our customers and enhancing value chain with our existing customers and grow with new customers.

Sanjay: Okay. So, who would be the next peer to us, sir? With whom we are like competing?

Aslesh Parekh: Listed peers within the country. And obviously, there are some global peers as well.

Sanjay: So, if you can help us in naming some global peers, sir, it will be easy for us for...

Aslesh Parekh: So, there are companies like ExxonMobil or Calumet in the U.S., for example, which are global.

Moderator: The next questions come from the line of Disha from Sapphire Capital.

Disha: So, sir, we mentioned that this 16% EBITDA margins, we expect them to sustain over the next 2, 3 quarters given the exceptional market conditions. But sir, going ahead, say, FY28, FY29, what will be our new sustained EBITDA margin run rate, given our increased export mix and value-added products? Because historically, if I remove just this quarter and this year, we've been around in the margin range of 5% to 8%. So, what will be our revised sustainable run rate for the margins going ahead?

Aslesh Parekh: It will be difficult for us to give you a futuristic statement. But obviously, we at Gandhar continue to focus on expansion of our margins, of our revenue and also enhancing our product category -- product mix across the category.

Disha: Okay. And sir, what would be the tax rate that we should model for this year and for the next year?

Indrajit Bhattacharyya: Sorry?

Disha: The tax rate?

Indrajit Bhattacharyya: Tax rate. we are at 25% in India. And there is some -- recently the tax -- corporate tax introduced in Dubai, which is minimal.

Disha: So, on a blended basis, it will be around 23%, 24%?

Indrajit Bhattacharyya: You see the consolidated balance sheet; it works out around that much itself.

Moderator: The next question comes from the line of Sarvesh Gupta from Maximal Capital.

Sarvesh Gupta: Sir, one question was that like earlier, we had heard about some increase in the price in transformer oil, etcetera. So, between PHPO, lubricants and PIO can you sort of have that fungibility of selling the product, which has more prices or because of your long-tenure contracts, you are anyways going to be supplying in the same ratio because you have contracts with your long-term customers?

Aslesh Parekh: With a combination of the product mix that we have, we continue focusing on the personal care, health care category wherein the margins are quite strong in that specific category. And with the reports, the independent research reports that we have, the category continues to grow even for -- in the more than 5% CAGR in the next 5 years. So obviously, the company will continue to focus on specifically PHPO product and obviously, the process and insulating oil category.

Sarvesh Gupta: Okay. And in this quarter, the higher spread basis, the understanding that I got was primarily because of higher prices at which you were able to sell the end product. So, was there a price increase across all 3 segments?

And from the customer point of view also like the FMCG players and all, now they would be mindful about the price increase in their raw material, right, which you are selling to them. So, what has been there stands to this price increase, etcetera? And has it been across all 3 segments? Or is it being primarily in 1 segment?

Aslesh Parekh: So, the price increase has been across the segment, except a bit for the lubric -- automotive lubricant category, where it is more of a dealer distributor network. The price increase has been taken even in that category but obviously got with a little delayed manner. But having said that, the price increase has been across the category and including the PHPO category.

Sarvesh Gupta: And sir, what has been the response from your customer point of view? Because I think they would also have some idea about your costs including the cost of the raw material. So how are they talking about to you about this spread increase which has happened and how they want to tackle this in the coming quarters?

Aslesh Parekh: See, it has been an ever-evolving discussion, obviously, with the customer. The important is time we deliver it to our customers, specifically to the brands that they produce. Having said that, the supply chain has been really disrupted because of the Middle East crisis. So, to ensure that the supply chain keeps running, the availability of the product was key during this specific quarter. So that is how we could justify higher spread with our customers.

Sarvesh Gupta: Okay. And because of this war, sometimes because of the fear of the shortage, there is accelerated buying also from the end customers. So, did you see that also in this quarter and the last quarter, Q1 and Q2? And has it largely subsided now? Or what is the status on that?

Aslesh Parekh: See, we don't see that accelerated buying that had happened during this specific quarter. But having said that, obviously, with the outages, with the disruption in supply chain, obviously, I'm sure there's stocking, there would have been a bit of stocking, but not -- I don't anticipate more than 10% or 15% here and there. So, it would not have been like double or something.

Sarvesh Gupta: Understood. Thank you and all the best.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Aslesh Parekh for closing comments.

Aslesh Parekh: Before we conclude, I would like to thank all our shareholders, investors, analysts, customers and our business partners for your continued trust and confidence in the company. This quarter demonstrates the strength of our business model, the resilience of our sourcing strategy and our ability to execute effectively in a dynamic operating environment.

As we look ahead, we remain focused on disciplined execution, prudent capital allocation and expanding our leadership in high-value specialty oils, which while continuing to create sustainable long-term value for all our stakeholders.

Our IR partner is Adfactors, should you have any further questions or require any additional information, please feel free to reach out to them. Thank you once again for joining us today. We appreciate your continued support and look forward to speaking with you again in the next quarter. Have a good day.

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