

February 08, 2024

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: Investor Presentation

Dear Sir(s)/ Madam(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation for the conference, hosted by Nuvama Institutional Equities (physical) at Mumbai on Monday, February 12, 2024 from 10.00 A.M IST.

Discussions will be based on publicly available information. No unpublished price sensitive information (UPSI) is intended to be discussed during the interactions.

You are requested to take the above information on record.

Thanking you.

Yours Faithfully,

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

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

Encl: As above

February 2024



Corporate Presentation

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1 Executive Summary

2 Key Strengths

3 Key Strategies

4 Industry Overview

5 Appendix

1. Executive Summary



Gandhar Oil – Company Snapshot



1 India's Largest White Oil Player India's largest manufacturer of white oils in FY23 ¹ and one of the top five players globally ² in CY22	2 Diversified Customer Base Caters to leading Indian and global companies including Procter & Gamble, Unilever, Marico, Dabur, Emami, Bajaj Consumer Care, Amrutanjan, Encube etc.	3 Focus on Consumer & Healthcare PHPO, the largest business division , contributed ~54.96% of revenues from finished goods sold ³ in FY23	4 Extensive Accreditation Processes Long-standing relationships with several leading Indian and global companies having completed rigorous selection processes
5 Overseas Sales to 100+ Countries Overseas operations in 100+ countries contributing 53.32% of pro forma consolidated revenue from sale of products in FY23	6 Direct Supplier Relationships Transitioned to directly purchasing from base oil suppliers and successfully built relationships with leading global base oil suppliers	7 Manufacturing Facilities in India and Overseas Operates 3 strategically located manufacturing facilities in Taloja (Maharashtra), Silvassa (Dadra and Nagar Haveli) and Sharjah (UAE)	8 Business Transformation Undertook strategic decision to focus on the specialty oils business with enhancing production and supply chain capabilities
9 Fastest-growing Industry White oil is the fastest-growing segment of the Indian specialty oil market growing at a CAGR of 9.9% between FY23-FY28 ²	10 Large Scale of Operations Increased scale over the years with FY23 Revenues⁴ of INR 40,794mn , EBITDA of INR 3,166mn and PAT of INR 2,132mn	11 Consistent Financial Performance Revenue ⁴ CAGR of 40.59% and EBITDA CAGR of 12.86% and PAT CAGR of 15.02% during FY21-23	12 Highest Return Ratios Industry leading² RoE of 32.28% and RoCE of 41.19% in FY23

Note: PHPO - Personal care, healthcare and performance oils; ¹ Includes domestic and overseas sales; ² Source: CRISIL Report; ³ Refers to pro forma consolidated revenue from finished goods sold; ⁴ Refers to Pro forma consolidated revenue from operations

Personal care, Healthcare and Performance Oils ('PHPO') – Largest Business Division

Key Customers include Leading Indian and Global Companies



Extensive Accreditation Process

- ✓ Provision of service, safety and performance histories
- ✓ Overall time for empanelment can take up to **4–5 years**
- ✓ **Product trials and plant audits**
- ✓ Costs associated with changing suppliers are relatively high
- ✓ Financial capability and experience
- ✓ Certifications to be registered, and approved to conduct business

Note: ¹ As a percentage of FY23 pro forma consolidated revenue from finished goods sold, ² PHPO Sales volume growth CAGR during FY21-23= (FY23 PHPO sales volume/ FY21 PHPO sales volume)^{^(1/2)}-1

Key End Applications

Products



White oils, waxes and jellies

Cosmetics and skin care products



Ointments and over-the-counter medicines



Design and development of customized products in collaboration with customers

Key Business Metrics

- Contributes **54.96%** of Gandhar's revenues from finished goods sold¹
- FY23 sales of **INR 20,982.98 mn**¹
- PHPO revenue¹ growth at a **CAGR of 64.90%** and sales volume growth at a **CAGR of 28.52%**² during FY21-23
- Primary end-industries are **Consumer and Healthcare** which contributed **69.34%** of PHPO revenue¹ in FY23

1

Strengthening Customer Base

Gandhar's growth is the result of

- Increase in share of business with existing customers and **winning new customers**
- **Expansion of product portfolio**
- Ability to **respond to emerging industry trends** towards consumer and healthcare end-industries

2

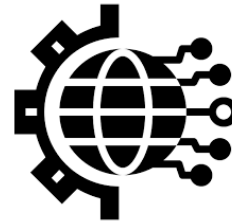
Expanding Across Geographies

- **Set up Texol plant** in 2017 in UAE to expand overseas
- **Leveraging** existing customer relationships to **expand** into manufacturing ingredients for their products in **other geographies**, such as Indonesia, Europe and the United States

3

Strong Supplier Base

- **Transitioned to directly purchasing raw material** from global base oil suppliers like SK Lubricants, S-Oil and GS Caltex from using intermediaries earlier
- Contracts with suppliers are renewed on an **annual basis and provide for assured volumes** of raw material and include **volume-based discounts**



4

Minimized Commodity Price Risk

- **Adopted price pass-through contracts** for certain clients and **just-in-time inventory** which reduce the risk of commodity price fluctuations
- Supplier arrangements incorporates **index-linked pricing** based on ICIS benchmarks for base oil

5

Technological Upgradation

- Equipped manufacturing facilities with **advanced technological capabilities**, including SCADA, **jet-mixing and fast-unloading** as well as infrastructure to support product testing and R&D capabilities

Gandhar has focused on enhancing production and supply chain capabilities through technological upgrades, product development and customized offerings for customers and strengthening its customer and supplier base

2. Key Strengths



Largest Manufacturer of White Oils in India¹

Leading Player in the White Oil Industry¹

#1 player in India in FY23²



26.5% market share in India in white oil in FY23

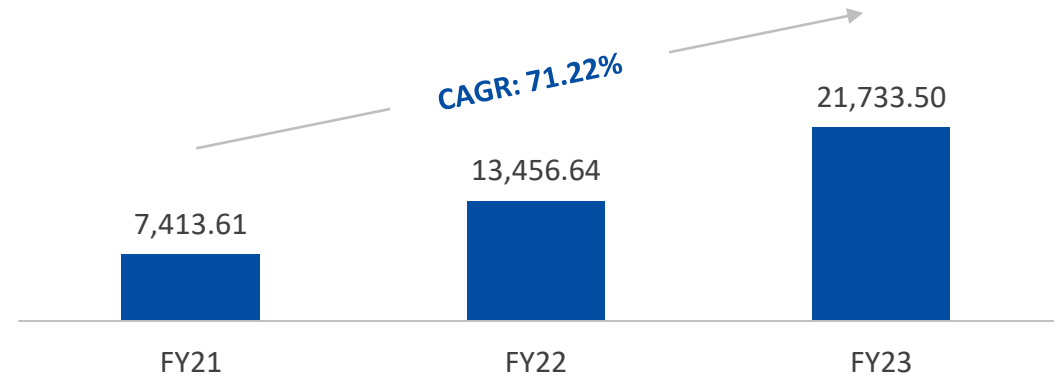
Top 5 player globally in CY22



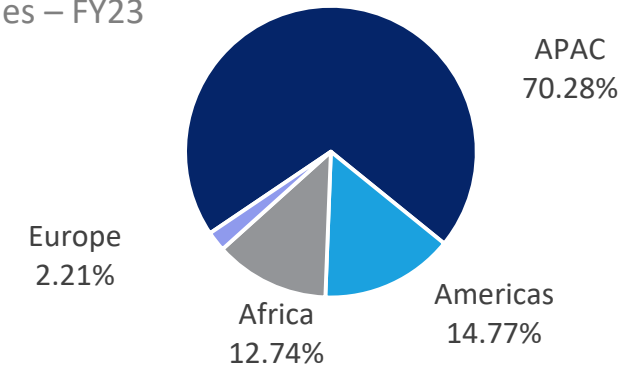
9.6% market share globally in white oil in CY22

With Significant Revenue from Overseas Sales

Revenue from Overseas sales (INR mn)



Breakdown of overseas sales – FY23



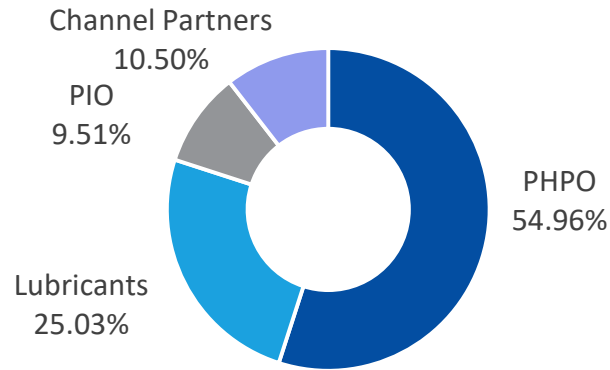
Overseas business across 100+ countries

Note: ¹ Source: CRISIL Report; ² Including domestic and overseas sales

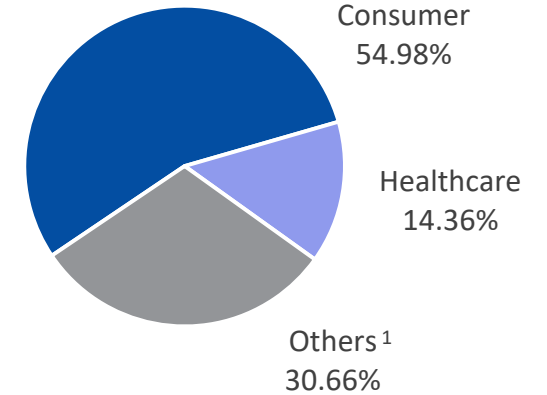
With PHPO as a Major Business Division

PHPO is the Largest Business Division with Exposure to Fast-growing Consumer and Healthcare End-Industries

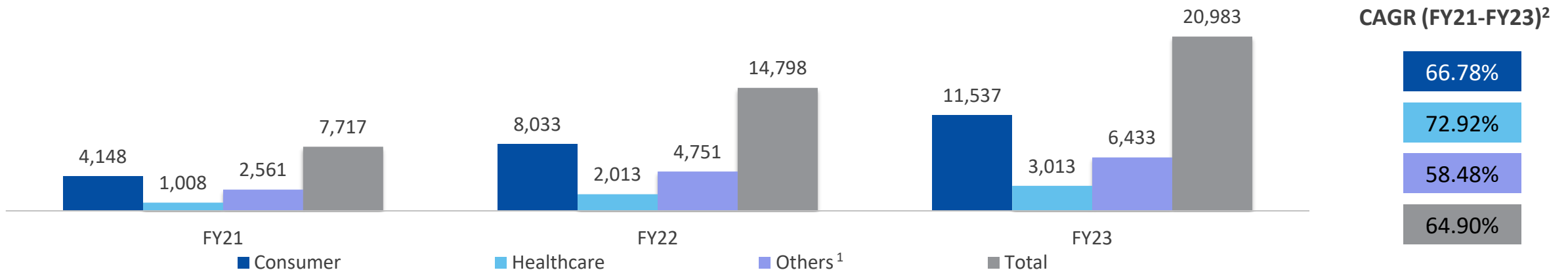
FY23 pro forma consolidated revenue from finished goods sold (%)



FY23 pro forma split of PHPO revenue by end-user sector (%)



Revenue from PHPO by end-industry (INR mn)



Note: ¹ Others include Plastics, Chemicals, Textiles and Fragrances, ² CAGR (FY21-FY23) = (FY23 Revenue/ FY21 Revenue)^{^(1/2)-1} for the total and respective end-industries

Extensive and Diversified Customer Base across Geographies

Long Term Relationships with Leading Global and Indian Customers

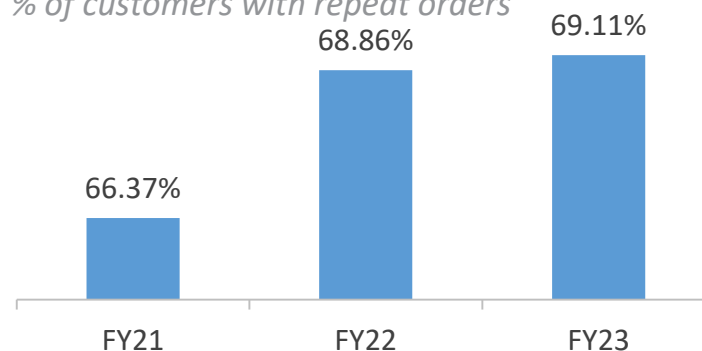


Design and development of customized products in collaboration with customers

Large Customer Base with High Customer Loyalty

3,558¹
customers

% of customers with repeat orders



Note: ¹ During FY23

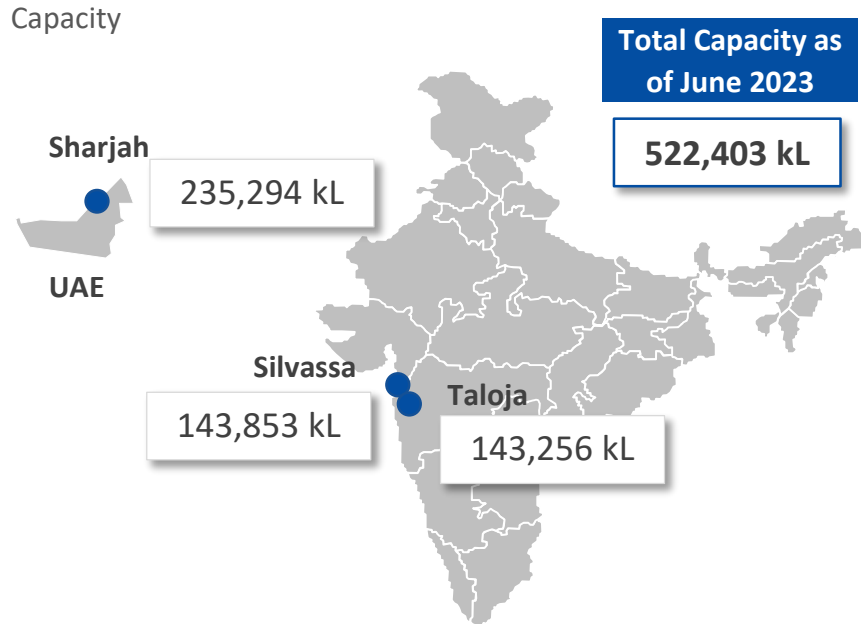
Global Footprint in 100+ Countries across 6 continents



Overseas Sales contribute **53.32%** of pro forma consolidated revenue from sale of products in FY23

Strategically Located Manufacturing Facilities and R&D Capabilities

Operates Two Manufacturing Facilities in Western India and One in UAE



Key highlights of the manufacturing facilities

- Facilities equipped with advanced technological capabilities, including **jet-mixing and fast-unloading and infrastructure to support product testing and R&D capabilities** at Taloja and Silvassa Plants **and SCADA** capabilities
- The Taloja Plant has **close proximity to ports** such as the Mumbai port and the JNPT port besides connectivity to road and rail
- In the process of **enhancing the capacity of the Taloja Plant by 100,000 kL**



WHO – GMP¹



Maharashtra FDA¹



Certified by FSSAI¹



ISO-certified



Kosher



Halal

R&D Facility in Silvassa

R&D center at Silvassa has been granted a **certificate of registration by the DSIR**

R&D team of **21 employees**

Advanced laboratory equipment for specialized product and quality tests to meet stringent quality requirements

Capabilities to customize, design and **develop bespoke products for customers**



Specialized hair serum



Vitamin A&D ointments



Automotive oil for use in sub-zero temperature

Note: ¹ Certification for the Taloja plant

Risk Management Framework

Commodity Price Risk



- For the supply arrangements with key suppliers, **pricing is linked to ICIS benchmarks for base oil and pricing terms are adjusted on a monthly basis**
- Certain customers have contracts with **provisions for price pass-through**
- Estimates procurement and inventory requirements based on expected sourcing levels, and anticipated demand

Foreign Exchange Risk



- Hedging and risk management policy in place
- **53.32% of revenues in FY23 was from overseas sales** and primarily collected in USD, which acts as a natural hedge against currency risks
- Part of foreign exchange risk is managed by entering into **forward contracts**

Credit Risk



- Gandhar has a **diversified customer base of 3,558 customers during FY23**, which limits concentration risk and mitigates the risk of any one of its customers defaulting or delaying payments
- **Top 5/10/20 customers account for 14.45%, 20.85% and 28.01%** of the pro forma consolidated revenue from finished goods sold in FY23

Liquidity Risk



- As on 30 September 2023, Gandhar has fund and non-fund based **working capital facilities of INR 19,663.78 million** in place which helps maintain sufficient liquidity
- **Working capital cycle of 31 days** in FY23 based on Pro Forma Consolidated Financial Information

Resilient, Flexible and Scalable Business Model

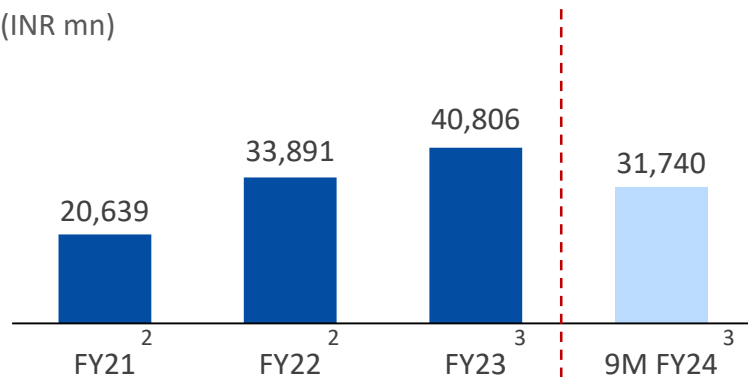
- Gandhar has increased the scale of our operations over three decades, while **increasing efficiency and reducing costs**
- Given the nature of our industry as well the stringent quality standards applicable to various products in the end-industries, it is **difficult for new entrants to replicate** its quality, scale and business operations

Track Record of Consistent Financial Performance



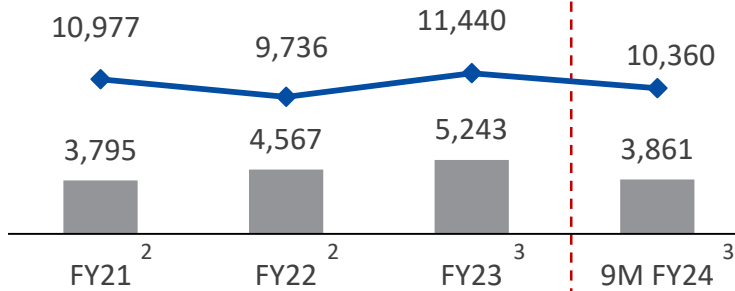
Witnessed strong growth from FY21 to FY23

Pro forma consolidated revenue from operations (INR mn)



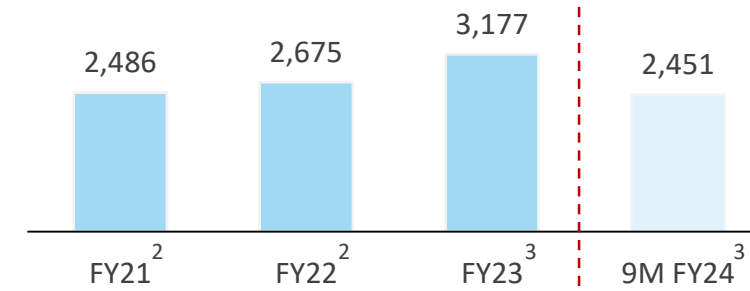
Growing manufacturing gross margin spreads

■ Gross Profit (INR mn)
◆ Manufacturing Gross Margin Spread (INR/kL)



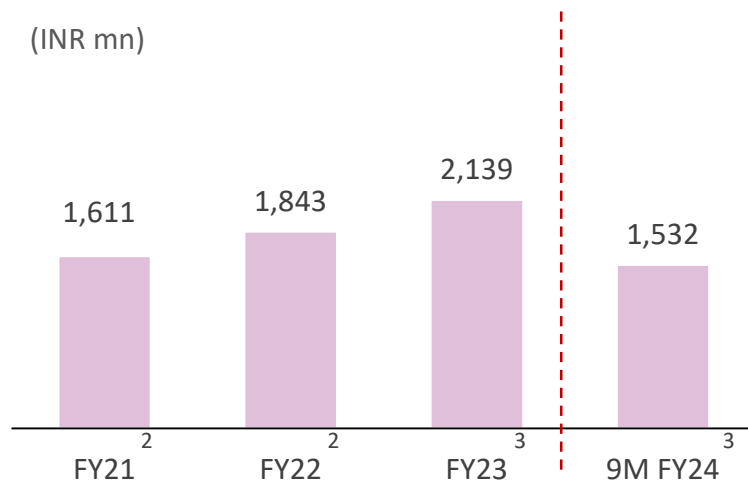
EBITDA

(INR mn)



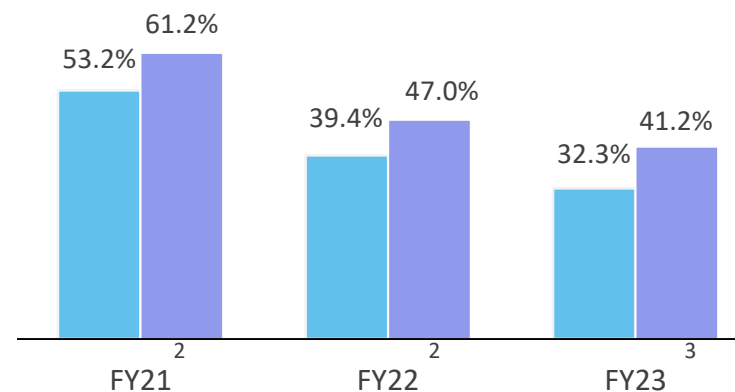
PAT

(INR mn)



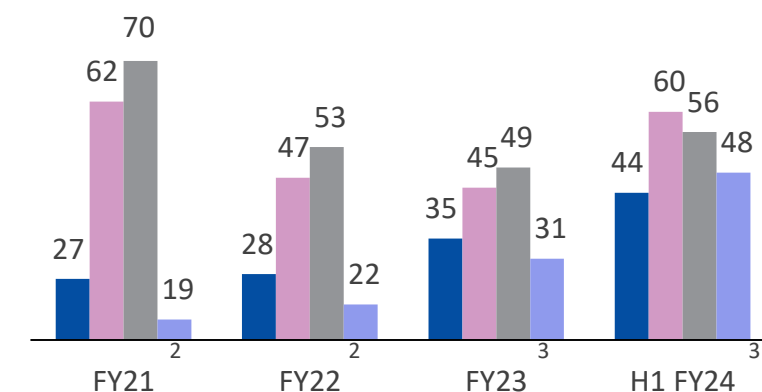
Industry-leading return profile¹

■ ROE
■ ROCE



Working Capital Cycle

■ Inventory Days
■ Creditor Days
■ Debtor Days
■ Ne Working Capital Days



Note: ¹ Source: CRISIL Report; ² FY21 and FY22 are pro forma restated consolidated financial numbers; ³ FY23, H1 FY24 and 9M FY24 are non pro forma non restated consolidated financial number

Experienced and Qualified Management Team



Ramesh Parekh

Chairperson & Managing Director

- Founder of the company with 30 years of experience in the specialty oils industry
- Responsible for overall management and organization of Gandhar



Samir Parekh

Vice Chairperson & Joint Managing Director

- 19+ years of experience in the specialty oils industry
- Responsible for operations of the Silvassa plant



Aslesh Parekh

Joint Managing Director

- 19+ years of experience in the specialty oil industry
- Responsible for operations of Taloja plant and international business



Indrajit Bhattacharyya

Chief Financial Officer

- Experience in finance and administration
- Previously CFO and Director at Interdrill (Asia) Limited and CFO at Valecha Engineering Limited



Deena Asit Mehta

Independent Director

- Experienced in the fields of financial services and management
- Director of Asit C Mehta Financial Services, Fino Payments Bank and Reliance Asset Reconstruction Company



Raj Kishore Singh

Independent Director

- Former Chairman and MD of BPCL and former Director of ONGC
- Director of Aegis Logistics, Tema India and Essar UK Services



Amrita Nautiyal

Independent Director

- Practicing company secretary and member of WIRC-ICSI and is also serving as Chairperson – WIRC-ICSI
- Director of Cipla Health and Jay Precision Pharmaceuticals



Jayshree Soni

CS and Compliance Officer

- Over 17 years of experience in secretarial compliance
- Previously at Euro Ceramics Limited as company secretary/manager-legal



3. Key Strategies

1

Enhanced focus on the consumer and healthcare end-industries



- End-use industries such as pharmaceuticals and consumer products are expected to grow strongly going forward driven by¹:
 - **Strong domestic consumption**
 - **Favorable demographics**
 - **Government initiatives**
- Leverage its relationships with existing customers in the consumer and healthcare end-industries by:
 - **Expanding wallet share with them**
 - **And look at acquiring new customers in these end-industries**

2

Continue to increase overseas sales by strategically expanding product offerings



- Working towards **increasing penetration in existing geographies**
- Potential **entry into new geographies** based on current customer relationships to support our growth globally
- Intend to leverage its existing customer relationships to **expand into manufacturing ingredients** for its key customers, particularly **in the PHPO division**, for their products in other geographies, such as Indonesia, Europe and the United States

3

Strengthen our customer base by growing existing customer business and acquiring new customers



- Explore opportunities to grow by:
 - Expanding the array of products and solutions that we offer to our existing customers
 - Win new customer business by developing products and solutions aligned with their needs
- Moving up the value chain by **expanding our contract manufacturing services for finished products** to our customers

4

Strengthen our manufacturing and R&D capabilities



- In the process of enhancing the **production capacity of our Taloja Plant by an aggregate of 100,000 kL by FY24**
- In addition, we would enhance the **total production capacity by:**
 - Adding 18,840 kL to our Silvassa Plant to cater to the increasing demand for automotive oils

4. Industry Overview

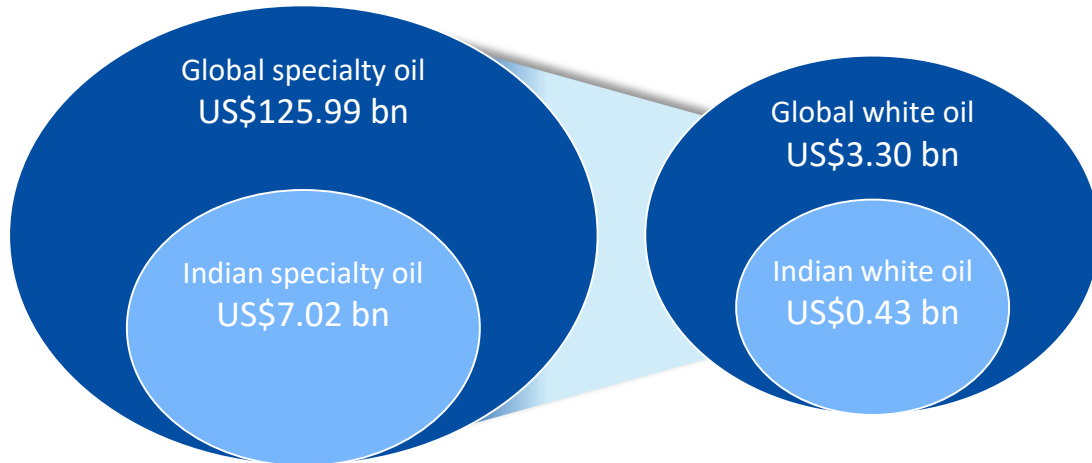


Overview of the Global and Indian Specialty Oil Market

The growing specialty oil market both in India and global markets serves as key opportunity area for Gandhar

2022 specialty oil market

2022 white oil market



Key Industry drivers



Robust growth in end-user industries and increase in R&D



Growing consumerism and focus on health and hygiene consciousness



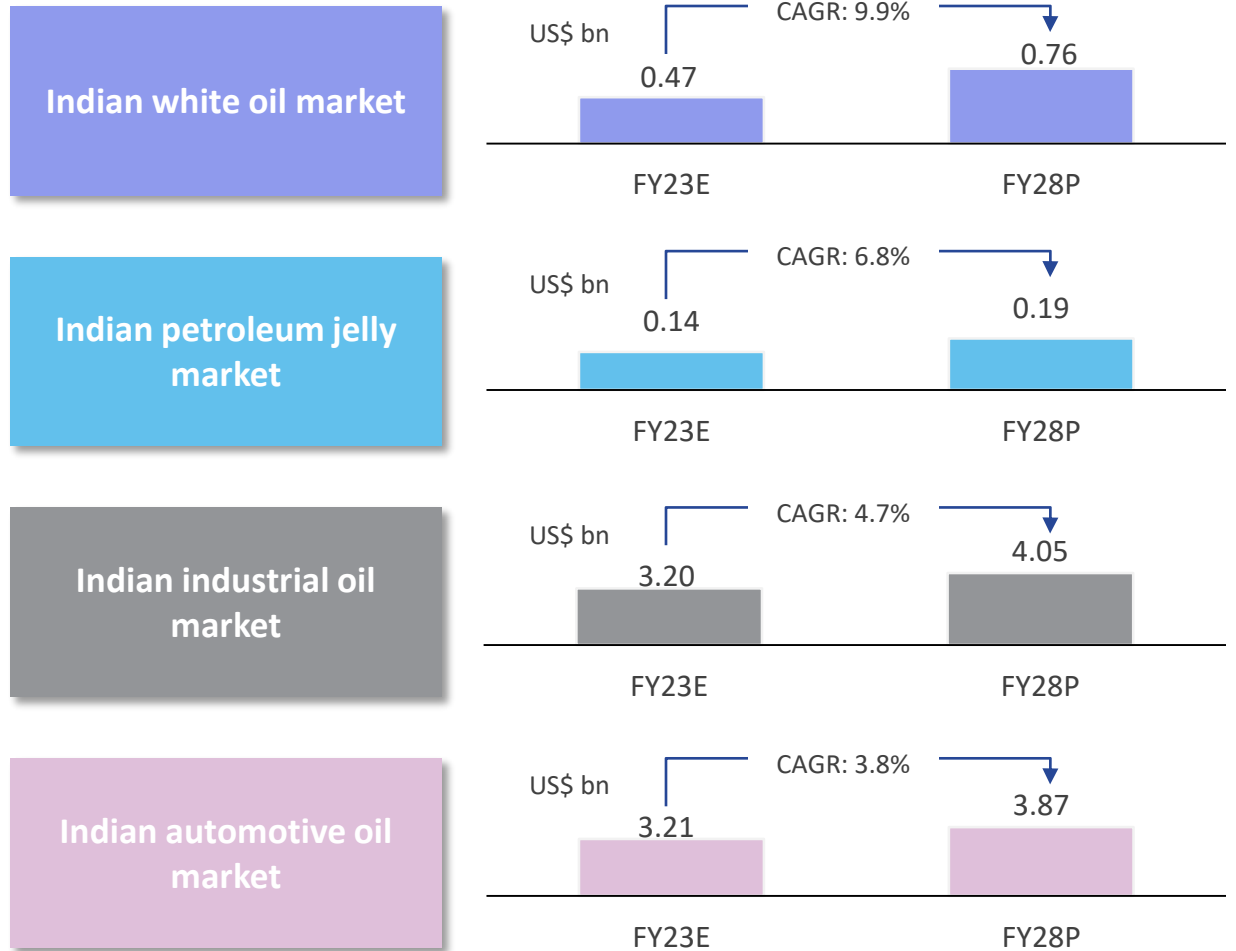
Increasing demand and usage of heavy equipment



Expansion of electrical grids and growing automotive industry

Source: CRISIL Report

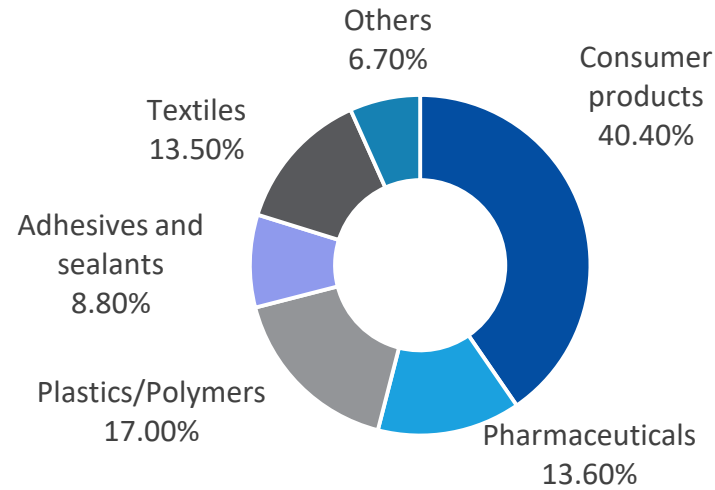
White Oil market is the fastest growing segment of the Indian specialty oil market



White Oil is the Fastest Growing Segment of the Indian specialty oil market

White mineral oil is used in various industries

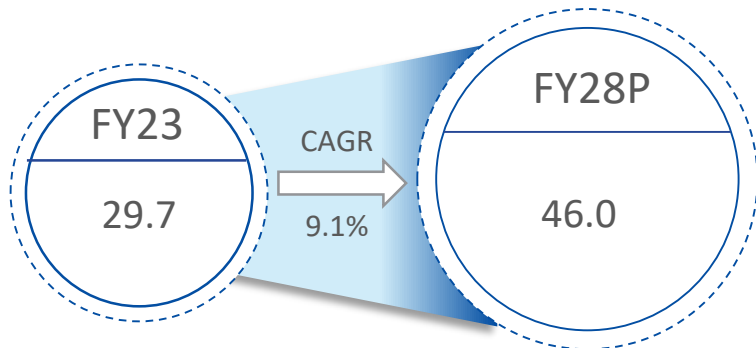
White oil application overview in 2022



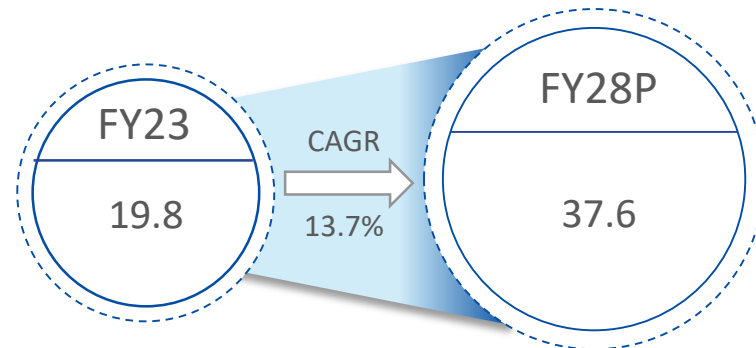
Key growth drivers

- Favourable demographics** - Rising urbanisation will support job creation, boost consumer spending and aid economic growth
- Rising disposable income** - Growing emphasis on personal looks, social status, personal hygiene, and wellness supported by the rising income levels
- Increased healthcare spending** - Increased awareness for health, hygiene and vaccination as well as increasing insurance penetration and medical spending
- Government initiatives** - Government schemes especially PLI schemes for food processing industry and pharmaceuticals industries

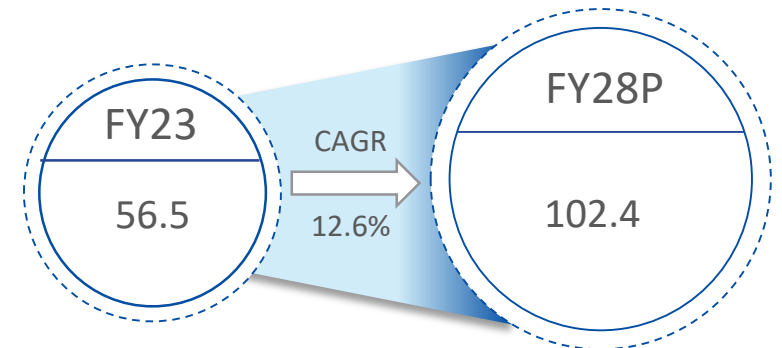
Indian Beauty and Personal Care Industry (US\$bn)



Indian Consumer Food Industry (US\$bn)



Indian Pharmaceuticals Industry (US\$bn)



Source: CRISIL Report

5. Appendix



Gandhar – Primary Business Divisions

	PHPO 1	PIO <p>White oil Waxes Petroleum jelly</p> <td> <p>Automobile oil Industrial oil</p> </td> <td> <p>Transformer oil Rubber processing oil</p> </td>	<p>Automobile oil Industrial oil</p>	<p>Transformer oil Rubber processing oil</p>
End Industries	<p>Consumer Healthcare Chemicals and plastics</p>	<p>Automobile Industrial machines and equipment</p>	<p>Transformer manufacturers Power generation & distribution Tyre & rubber products</p>	
Customers				

Note: In addition to our three main business divisions, PHPO, lubricants and PIO, we also sell our PHPO, lubricant and PIO products to **channel partners** who sell such products onwards to end-users which contributed 10.50% of FY23 pro forma consolidated revenue from finished goods sold

Note: ¹ As a percentage of FY23 pro forma consolidated revenue from finished goods sold

Consolidated Profit and Loss Statement



Particulars (INR mn)	FY 2021*	FY 2022*	FY 2023 [#]	9M 2024 [#]
INCOME				
Revenue from operations	20,638.57	33,891.28	40,805.74	31,739.73
Other income	57.25	88.49	224.51	51.01
Total Income	20,695.82	33,979.76	41,030.25	31,790.74
EXPENSES				
Cost of Materials consumed	13,907.13	23,822.65	33,259.87	26,961.39
Purchases of Stock-in-trade	3,253.31	5,725.01	2,146.36	894.15
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-trade	(316.90)	(223.57)	156.23	23.35
Employee benefits expense	248.03	339.60	523.85	314.95
Finance costs	305.69	303.67	515.09	445.44
Depreciation & amortisation expense	138.38	141.12	167.87	145.92
Other expenses	1,061.35	1,552.82	1,542.41	1,094.60
Total expenses	18,597.00	31,661.29	38,311.68	29,879.80
Restated profit before share of Profit/(Loss) of a joint venture and exceptional Items	2098.92	2,318.47	2,718.57	1,910.94
Share of profit/(loss) of a joint venture	-	-	-	-
Restated Profit/(Loss) before tax	2,098.92	2,318.47	2,718.57	1,910.94
Tax expense/(credit):				
Current tax	473.12	473.39	581.07	390.73
Short provision for taxation for earlier years as restated	(1.01)	-	1.51	-
Deferred tax expense/(credit)	15.32	2.09	(3.30)	(11.85)
Total tax expense	487.43	475.48	579.28	378.88
Restated Profit/(Loss) after tax	1,611.39	1,842.99	2,139.29	1,532.06

Note: *FY21 and FY22 are pro forma restated consolidated financial numbers; #FY23 and 9M FY2024 are non pro forma non restated consolidated financial number

Consolidated Balance Sheet Statement (1/2)



Particulars (INR mn)	FY 2021*	FY 2022*	FY 2023*	H1 2024 [#]
ASSETS				
Non-current assets				
Property , Plant and Equipment	1,581.98	1,583.14	1,928.74	1,892.34
Capital Work in Progress	215.72	440.11	726.69	886.10
Investment Property	7.37	8.42	8.36	8.34
Right-of-use assets	239.44	290.32	425.10	477.37
Intangible Assets	12.92	11.77	11.28	10.29
Goodwill on consolidation	-	3.30	3.30	3.30
Investments accounted for using the equity method	(0.00)	-	-	-
Financial Assets				
(i) Investments	1.67	1.69	1.64	1.95
(ii) Loans	0.39	0.98	1.91	2.68
(iii) Other Financial Assets	63.92	204.04	623.64	358.80
Deferred tax assets (Net)	0.45	-	0.96	9.25
Other Non-current Assets	18.50	22.47	34.67	40.10
Total Non Current Assets (A)	2,142.37	2,566.25	3,766.29	3,690.52
Current assets				
Inventories	2,012.73	3,256.29	4,508.66	5,371.20
Financial Assets				
(i) Trade receivables	5,141.87	4,419.75	5,618.04	7,933.18
(ii) Cash and cash equivalents	112.82	596.79	468.46	411.86
(iii) Bank Balances other than (ii) above	949.69	1,231.10	613.95	1,000.23
(iv) Loans	1.12	1.79	87.47	48.98
(v) Others Financial Assets	887.79	111.78	188.48	162.33
Current Tax Assets (Net)	(21.26)	-	2.36	1.98
Other Current assets	1,304.23	998.34	1,063.99	1,780.35
Total Current Assets (B)	9,749.33	10,615.84	12,541.41	16,710.11
Total Assets (A+B)	11,009.32	13,182.09	16,317.70	20,400.63

Note: *FY21 and FY22 are pro forma restated consolidated financial numbers; #FY23 and H1 2024 are non pro forma non restated consolidated financial number

Consolidated Balance Sheet Statement (2/2)



Particulars (INR mn)	FY 2021*	FY 2022*	FY 2023*	H1 2024 [#]
EQUITY & LIABILITIES				
EQUITY				
Share capital	160.00	160.00	160.00	160.00
Other equity	4,288.25	5,251.24	7,274.05	8,045.82
Non-controlling interest	57.28	195.81	349.08	471.27
Total Equity (A)	4,448.25	5,607.05	7,783.13	8,677.09
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	544.99	338.96	222.98	109.93
(ii) Lease Liabilities	212.99	278.85	463.26	463.12
Provisions	24.97	23.77	34.81	35.65
Deferred tax liabilities (Net)	-	1.85	-	-
Total Non Current Liabilities (B)	782.96	643.43	721.05	608.70
Current liabilities				
Financial Liabilities				
(i) Borrowings	1,222.77	1,242.63	1,472.27	3,211.60
(ii) Lease Liabilities	44.85	47.28	41.33	124.43
(iii) Trade payables				
- Due to Micro and Small Enterprises	18.99	25.92	30.22	21.95
- Others	4,685.63	5,147.39	5,642.32	6,925.55
(iv) Others	223.01	222.09	175.18	415.49
Other current liabilities	237.08	187.37	420.84	254.97
Provisions	4.04	10.73	12.28	12.68
Current Tax Liabilities (Net)	-	48.22	19.17	148.17
Total Current Liabilities (C)	6,436.37	6,931.62	7,813.52	11,114.84
Total Liabilities (B + C)	7,219.32	7,575.05	8,534.57	11,723.54
Total Equity and Liabilities (A + B + C)	11,009.32	13,182.09	16,317.70	20,400.63

Note: *FY21 and FY22 are pro forma restated consolidated financial numbers; #FY23 and H1 2024 are non pro forma non restated consolidated financial number

Thank you

