Gokul Agro Resources

Operator: Ladies and gentlemen, good day and welcome to Gokul Agro Resources Ltd. Q2 and H1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Krishna Patel from EY. Thank you, and over to you, ma'am.

Krishna Patel – EY: Thank you, {? Ikra ?}, and good afternoon, everyone. A warm welcome to all participants joining the Q2 FY27 and H1 FY27 earnings conference call of Gokul Agro Resources Ltd. Joining us today is Mrs. Dhara Chhapia, the Chief Financial Officer, who will discuss the company's operational and financial performance for the quarter and half year and address your questions thereafter. Before we begin, I would like to remind you that certain statements made during this call may constitute forward-looking statements. These statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. With that, I would like to hand over the call to Mrs. Dhara Chhapia for her opening remarks. Thank you, and over to you, ma'am.

Dhara Chhapia – CFO: Thank you, Krishna, and good afternoon, everyone. On behalf of Gokul Agro Resources Ltd., I warmly welcome all of you to our earnings conference call to discuss the financial and operational performance for Q2 financial year '27 and H1 of financial year '27.

This is an important milestone for us, as this is our first earnings conference call. We are pleased to begin a more structured and regular engagement with the investor and analyst community.

Since this is our first earnings call, before discussing our quarterly performance, I would like to spend some time introducing the company and our journey from an edible oil processor to an integrated agri-processing platform.

The roots of our business go back over four decades in the edible oil industry. Gokul Agro Resources Ltd. became an independent company following the demerger of the edible oil business from Gokul Refoils and Solvent Limited, and was subsequently listed on the NSE and BSE. Since then, our journey has been one of consistent expansion across capacities, geographies, products, and customer segments. Over the years, we have progressively expanded our refining capacity, developed seed-crushing capabilities, entered castor derivatives and specialty fats, created large liquid-storage infrastructure, and built an increasingly diversified processing platform.

Between financial year '22 and financial year '24, we expanded our geographic footprint by establishing a refinery near Krishnapatnam Port in Andhra Pradesh and acquiring the Haldia refinery in West Bengal. In financial year '25, we acquired our Mangalore refinery, giving us a manufacturing presence on India's southwestern coast. We also initiated our oil palm plantation program under the National Mission on Edible Oils—Oil Palm. In financial year '26, we entered biodiesel with a 300-tonne-per-day facility at Gandhidham and increased our focus on building our branded consumer business.

Today, we have evolved from a regional edible oil processor into a pan-India integrated agri-processing platform with four strategically located manufacturing facilities at Gandhidham,

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Krishnapatnam, Haldia, and Mangalore, a diversified product basket, a nationwide distribution network, and an international presence across multiple markets.

To put the scale of this transformation into perspective, revenue from operations increased from approximately 8,387 crores in financial year '21 to 24,077 crores in financial year '26, representing a five-year CAGR of 23%. Over the same period, EBITDA, including other income, increased from approximately 157 crores to 716 crores, representing a five-year CAGR of 35%, while PAT increased from 45 crores to 387 crores, representing a five-year CAGR of 54%.

Business model: At its core, our business is built around three fundamental strengths: first, sourcing; second, manufacturing and processing scale; and third, market access. Our integrated value chain spans sourcing, seed crushing, refining, storage, value-added processing, packaging, branded products, domestic distribution, and exports. This integration is important because edible oil and agri-commodities operate in a dynamic environment influenced by global commodity prices, crop availability, currency movements, freight rates, government policies, and import duties. Our sourcing capabilities, port-linked infrastructure, large storage capacities, and diversified product portfolio allow us to respond to these market dynamics and allocate our resources across products and markets.

Today, our business broadly comprises edible oil, castor oil and derivatives, specialty fats, biodiesel, and various agri-processing by-products.

Edible oils, the core engine of scale: Edible oil remains, by far, our largest business. Our portfolio spans palm oil, soybean oil, sunflower oil, mustard oil, groundnut oil, cottonseed oil, rice bran oil, palmolein, and vanaspati, among others. During H1 financial year '27, edible oils accounted for approximately 85% of consolidated volumes. Importantly, we are not dependent on one edible oil category. Within our operating portfolio, palm and soybean oils are the largest categories, complemented by sunflower and several other edible oils. This provides flexibility in both sourcing and sales depending upon relative commodity economics and consumer demand. Our objective in edible oil is not simply to chase throughput. We want to use scale, sourcing efficiency, our pan-India manufacturing network, stronger institutional relationships, and an increasing presence in the branded consumer segment to progressively improve the quality of our business.

One of the major strengths of Gokul Agro is our multi-location manufacturing platform. Our Gandhidham plant is our largest and most diversified location, with approximately 3,400 tonnes per day of refining capacity, 3,200 tonnes per day of seed-crushing capacity, a 300-tonne-per-day biodiesel plant, and substantial storage infrastructure and value-added product capabilities. Krishnapatnam provides approximately 1,400 tonnes per day of refining capacity, while Haldia provides approximately 1,350 tonnes per day. We also have our Mangalore facility on India's west coast. The significance of these locations is strategic. They provide us access to multiple ports, multiple consumption centers, and different regional markets. They reduce dependence on any single manufacturing base, provide supply chain flexibility, and enable us to serve customers more efficiently across India.

Another strength is that we operate across multiple channels. Historically, B2B has been our largest business, serving institutional as well as non-institutional customers. Today, however, we are deliberately building additional engines around exports and branded B2C. During H1 financial year

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'27, approximately 79% of channel revenue came from B2B, 13% from exports, and 8% from B2C retail. By comparison, B2C represented around 5% in financial year '26, demonstrating the direction in which we are gradually moving. Our institutional customer base includes some of India's established food and consumer groups such as Parle Biscuits, ITC, Britannia, Balaji Wafers, and others. B2B gives us scale. Institutional relationships improve the quality and stability of the customer mix. Exports provide geographic diversification and additional opportunities, and B2C has the potential to improve brand strength and the margin profile over the longer term. That combination is central to how we think about the future of Gokul Agro.

Building a consumer franchise: Historically, our biggest strengths have been sourcing and manufacturing. We are now working to translate these strengths into a much stronger consumer franchise. Our principal consumer brands include Vitalife, Mehak, Sun Premium, and {? Palm Jyoti ?}, covering soybean, sunflower, mustard, groundnut, cottonseed, rice bran, palm, and other edible oils. Vitalife is being developed as a broader pan-India growth brand, while Sun Premium has an established focus in Karnataka. The incremental challenge is to deepen consumer awareness, expand retail availability, and create stronger brand preference. Our overall network comprises more than 650 dealers and distributors, with our products reaching 28 states and union territories. During Q2, we made further inroads into Jammu and Kashmir by appointing a C&F depot and distributors while strengthening Vitalife's presence across Punjab, Haryana, Gujarat, and Karnataka. We have initiated brand visibility through modern retail formats, strengthened social media and point-of-purchase communication, and launched sales force automation to improve secondary sales visibility, stock movement, and field-force productivity. Our objective is to build distribution first, create repeat consumption and consumer trust, and progressively improve the contribution from branded sales.

Exports are another important element of our strategy. We have an international presence across 33 countries, encompassing Asia, Europe, the Middle East, and America. During H1 financial year '27, export markets represented 13% of revenue. Our H1 exports were diversified across key markets, including Singapore, China, Germany, UAE, USA, and several European and Asian countries. This geographic diversity is increasingly important as our portfolio moves further towards value-added products, castor derivatives, and biodiesel.

Castor derivatives form another differentiated part of our portfolio. We manufacture castor oil as well as several value-added derivatives, including 12-HSA, hydrogenated castor oil, ricinoleic acid, and other specialty products. These products serve a variety of industrial and specialty applications and provide us with participation beyond conventional food oils. Our long-term objective is to progressively enhance value addition by moving further downstream from basic processing towards derivatives and specialty formulations.

Our specialty fats portfolio addresses bakery, confectionery, food processing, and institutional applications. Our range includes products such as RichField Pride, {? Bisco Pride ?}, Puff Pride, and the newly introduced Rich Chef. Although specialty fats represent a smaller proportion of our current overall volumes, we see them as strategically important because they allow us to leverage our existing edible oil processing expertise for more specialized customer requirements. This is again consistent with our wider strategy of gradually improving our value-added product mix.

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Biodiesel is our newest export revenue growth platform and has already begun making a meaningful contribution. We commissioned a 300-tonne-per-day biodiesel facility at Gandhidham, which became fully operational during Q1 of financial year '27. The facility allows appropriate residues and non-edible fractions from the broader processing ecosystem to be converted into a renewable fuel product. Our biodiesel facility is ISCC certified, supporting access to eligible international markets, subject to regulatory and market requirements. During Q2 financial year '27, biodiesel generated revenue of 237 crores, while during H1, revenue was 596 crores. We see biodiesel as one of the newer growth pillars that can complement our established edible oil franchise over the medium term.

Another long-term initiative is our oil palm program. Under the National Oil Palm Program, approximately 550 hectares were completed during financial years '25 and '26, with another 900 hectares under development for completion during '27. Oil palm is by its nature a long-duration initiative. We, therefore, do not look at this program through the lens of near-term [trails off]

Management: Quarterly financial returns. Strategically, it represents an opportunity to participate in the development of a domestic raw material base, strengthen backward integration, and contribute towards India's longer-term effort to reduce dependence on edible oil.

Turning now to the financial performance during Q2 of financial year '27. Revenue from operations was 7,481 crores, representing year-on-year growth of 13%. EBITDA, including other income, increased by 41% to 276 crores. EBITDA margin increased from 2.94% to 3.68%, representing an improvement of approximately 74 basis points year-on-year. PAT increased 40% to Rs 150 crores. PAT margin, consequently, improved from 1.61% to 2%. Earnings per share increased from 3.43 to 4.95.

Effective 24 September 2026, the government revised the import duty structure on key edible oils, with the objective of reducing landed cost and improving affordability for Indian consumers. In the period leading up to the announcement, we witnessed some temporary deferment of purchases across the trade as dealers and distributors awaited clarity on the revised duty structure and its impact on domestic edible oil prices. This resulted in lower offtake during September and consequently contributed to higher inventory levels at the end of the quarter. Following the announcement, the market has progressively adjusted to the revised pricing environment, and channel activity has started normalizing. We therefore view the increase in inventory largely in the context of this temporary timing impact, rather than as an indication of structural weakness in underlying demand.

H1 financial year '27 financial performance: Revenue from operations increased by 10% year-on-year to Rs 12,763 crores. EBITDA, including other income, grew 46% to Rs 493 crores. EBITDA margin expanded from 2.92% to 3.86%, an improvement of approximately 94 basis points. PAT grew 54% to Rs 274 crores. PAT margin improved from 1.54% to 2.14%. Earnings per share increased from 5.86 to 9.11.

The important point is that profitability grew materially faster than revenue during the first half. This reflects our continued emphasis on sourcing discipline, operating leverage, customer and product mix, and disciplined management of commodity exposure.

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A stronger balance sheet to support growth: As our scale has increased, our balance sheet has also strengthened. Our net worth has increased from approximately 345 crores in financial year '21 to 1,697 crores as of 30 September 2026, representing nearly five-fold growth. Our debt-to-equity ratio, after reaching 0.77 times in financial year '24, reduced to 0.41 times at the end of financial year '26, and further to 0.36 times as of September 2026. This is especially important because this balance sheet improvement has been achieved while we simultaneously expanded our manufacturing footprint and invested in growth. We intend to retain this financial discipline as we execute the next phase of capital expenditure.

Capacity expansion: preparing for the next growth cycle. Our existing manufacturing footprint has achieved high utilization in key refining operations. This gives us confidence to invest further behind demand. We are undertaking capacity additions across our four manufacturing locations that are expected to add approximately 8 lakh tonnes per annum of capacity. For us, the purpose of this investment extends beyond simply increasing nameplate capacity. It should provide greater throughput, better fixed-cost absorption, shorter supply-chain lead times, improved geographic flexibility, the capacity to support growth in B2B and B2C, and greater ability to serve incremental market demand.

Renewable energy and operating efficiency: Sustainability investments are also increasingly linked to operating economics. During Q1 financial year '27, we commissioned a 15 MW captive solar plant in Gujarat. We are also pursuing additional captive solar projects, including 4 MW in Andhra Pradesh, 4 MW in Karnataka, and another 10 MW in Gujarat. These investments are intended to reduce our dependence on conventional power, lower energy costs, and improve the sustainability profile of our operations.

Going forward, we intend to maintain transparent and consistent communication with the capital markets, and help investors develop a deeper understanding not only of our quarterly performance, but also of how the underlying business is evolving. As a starting point, we intend to conduct earnings conference calls following our half-year and full-year financial results.

With that, I conclude my opening remarks. Thank you for your time and attention. We will now be happy to take your questions.

Operator: Thank you very much, ma'am. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

A reminder to all the participants: if you wish to ask a question, please press star and one.

The first question is from the line of Shanaya Jain, an individual investor. Please go ahead.

Shanaya Jain – Individual Investor: Hello. Hi, sir. Congratulations on a good set of numbers. I have a few questions. First, revenue increased by 13% year-on-year in Q2 FY27 and 10% in H1 FY27. How much of this growth came from volume, commodity price realization, and new business such as biodiesel?

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Management: Thank you for your question. The revenue growth of 13% in Q2 and 10% in H1 ended 30 September 2026 was broadly driven by price realizations, specifically better price realizations. We have already attained full optimum capacity, so we are not expecting volume growth this year. We are already bringing up new capex to expand the capacities for the demand we have.

Shanaya Jain – Individual Investor: Sure. Thank you, ma'am. I have one more question. Q2 FY27 revenue was 7,481 crores compared with Q1 FY27. What caused the 42% sequential increase, and how much was seasonal versus structural?

Management: 42%? Can you repeat your question?

Operator: Shanaya, may I request you to please repeat your question?

Shanaya, can you hear us?

Ladies and gentlemen, due to no response, we will go ahead. A reminder to all the participants: anyone who wishes to ask a question may press star and one.

We will take the next question from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg – Counter Cyclical PMS: First of all, I want to congratulate the management for the excellent, consistently excellent performance that the company is posting, and I believe that the performance of Gokul Agro is much better than that of any other listed edible oil company. Many congratulations for that. Now, the concern is that this quarter we posted possibly an all-time high margin of 3.5%. I believe in Q1 the margin was 3.9%, but before that the margin was around 2.5%. Is this a sustainable margin of 3.5%? Can it be sustained, or is there some element of inventory gain or forex gain and so on?

Management: Thank you for your question. Thank you, Keshav. These margins are sustainable. The margins have been expanding gradually. This margin expansion is a reflection of what we have done. We have done a lot in branding and our value-added portfolio. We have better capacity utilization, sourcing and procurement have become smarter, and even the cost-control measures have been highly sustainable.

We are also expanding the B2C segment by widening the distribution reach. All of this together has given us margin expansion. We expect this to be sustainable.

Keshav Garg – Counter Cyclical PMS: Understood, madam. The concern now is that there have been many companies such as KS Oils, Ruchi Soya, and many others in the past that ultimately faced huge inventory losses and became bankrupt. What are we doing to insulate ourselves from volatility in edible oil prices and on the forex side? I hope that one day we will not see a huge loss due to volatility on these fronts.

Management: I appreciate your question, sir. We are not into speculation. The reasons for the companies you referred to becoming bankrupt or making huge losses were different.

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Our inventory is protected by back-to-back selling. We have moved into a B2B segment where most of our inventory is sold and hedged. It is either sold in the physical forward markets or we hedge it on the available exchanges for palm and soya.

Therefore, our exposure to commodity price volatility is largely protected because we hedge our inventories.

Secondly, on the forex front, we also hedge all our import payments through simple forward-hedging policies. We do not use derivatives.

Our hedging mechanism is very strong, which will always protect us from any unlikely movement in commodities or in the USD/INR exchange rate.

Keshav Garg – Counter Cyclical PMS: Understood, madam. Another concern is that since the prices of these edible oils are highly volatile, you mentioned that 3.5% or so is a sustainable EBITDA margin. Is operating margin a better way to look at the business, or is EBITDA per tonne better? If edible oil prices come down, then even if the margin remains the same at 3.5%, due to the decline in realization, absolute EBITDA will fall even though the margin remains stable. Is that the right way to look at it, or is EBITDA per tonne the right way to look at our business?

Management: [pause] Sir, I would prefer that EBITDA per tonne is the better way of looking at price realizations. However, we largely hedge. We have a proper hedging mechanism where all our purchases are sold through physical forward hedging. That protects the realization component. We have also been taking various measures over the years and are continuing to progress with new capex. Therefore, I think EBITDA is sustainable.

Keshav Garg – Counter Cyclical PMS: So, madam, if edible oil prices fall by, hypothetically, 20%, what will be the impact on our EBITDA? Will we be able to hold on to our current EBITDA, or will our EBITDA fall by 20%?

Management: Sir, that is what I am explaining: under our hedging policy, we do not have open inventory levels. We do not keep more than 10% to 15% as open inventory. Even if prices fall, if I have sold the inventory in the market, the contracts are to be {? adhered ?}. Therefore, any adverse movement, including a decline of 20% as you assume, may not have a significant impact because the open inventory is very low, and we have also been [trails off]

Management: ...hedging on the exchange front. Even if the price movement is negative, we can hedge it on the CBOT and Malaysian exchanges to protect our margins.

Keshav Garg – Counter Cyclical PMS: No, madam, I understood that point: we are hedged, we are not speculating, and there is back-to-back inventory booking, so there is no inventory-loss risk. I understood that. My question is that, let us say, over the last 12 months our revenue has been 25,000 crores. If edible oil prices fall by 20%, our revenue going forward will decline from 25,000 crores to 20,000 crores because the volume is the same. The 3.5% margin on 25,000 crores is upwards of 800 crores, and a 3.5% margin on 20,000 crores of revenue will obviously be lower. My question is whether, assuming edible oil prices correct by 20% in price terms, our EBITDA margin will increase to offset the fall in absolute EBITDA.

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Management: Right. If the EBITDA margin remains constant, absolute EBITDA may change. However, when prices fall, we expect higher volumes. Therefore, I do not look at declining sales revenue numbers when prices decline. In fact, volume growth should be higher, so revenue should also be more sustainable.

Keshav Garg – Counter Cyclical PMS: So, madam, our volumes are [cut off]

Operator: I am so sorry to interrupt, Keshav. You may please rejoin the queue for more questions. Thank you. A reminder to all the participants: anyone who wishes to ask a question may press star and one. We will take the next question from SB Bhaiya. Please go ahead.

SB Bhaiya: Ma'am, congratulations to you for the very good initiative you have taken. I think I have been associated with this company during its growth phase, from 2021 to 2026. Interaction with the investor community was one thing that was missing, and now we have started that and promised to do it once every 6 months. It is a very welcome step.

Coming back to the question, you just said in reply to the first question that your capacities are fully utilized as of now, and you are planning further growth by adding capacity to your existing plants. If you can share with us what sort of volume growth you are planning for at least the next 3 years, sequentially—that is, the first year, second year, and third year—by adding capacity, and what sort of additional revenue you may be able to generate from that. Thank you.

Management: Thank you, sir. The capacities we are adding will be operational only by October 2027. Gradually, capacity at each plant location will be added. Considering the present commodity prices across India, we expect volume growth of 10% in the next year and, continuously year-on-year, 10% to 15% thereafter.

SB Bhaiya: Okay. What sort of growth in EBITDA margins or absolute EBITDA should that result in? Your expenditure pattern may not change.

Management: We expect EBITDA margins to remain at a level of 3.5% to 4%. The same will be reflected in EBITDA, in terms of absolute EBITDA.

SB Bhaiya: One more question: with your focus on growth, will it be on edible oils, the consumer-facing business, or biodiesel? Could you elaborate on that?

Management: Our growth drivers remain the B2C segment and the value-added businesses that we want to add. That said, volume growth always comes from edible oil because we are a largely populated economy. Population growth will also lead to volume growth in the edible oil business.

SB Bhaiya: Okay. Thank you, ma'am. Thank you.

Operator: Thank you. A reminder to all the participants: to ask a question, please press star and one. We will take the next question from the line of Guneet Singh from Counter Cyclical PMS. Please go ahead.

Guneet Singh – Counter Cyclical PMS: Hello. Am I audible?

Management: Yes, you are audible.

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Guneet Singh – Counter Cyclical PMS: Can you please give us the average realizations per metric tonne and EBITDA per metric tonne for our key products, such as soybean oil, palm oil, castor oil, specialty fats, and biodiesel?

Management: Sir, we will not be able to provide that specifically. We are in agri-processing, and these products are all under the same segment. Therefore, it is not possible to provide average sales realizations product-wise.

Guneet Singh – Counter Cyclical PMS: Understood. Could you provide average sales realizations in Q2 versus Q1 and Q2 last year, not product-wise?

Management: I would say that the sales realization, or selling price, is linked to market prices, and market prices for all the commodities have increased by 15% to 20%.

Guneet Singh – Counter Cyclical PMS: Understood. So this increase in EBITDA margins or EBITDA per tonne is attributable to higher commodity prices, correct?

Management: Better realizations of the goods.

Guneet Singh – Counter Cyclical PMS: Understood. When we talk about the B2C segment, can you share the margins in the B2C segment and the revenue share we are targeting for the current financial year and for FY28? I want to understand how that will improve our margins.

Management: We are a very new company in the B2C segment. In the medium term, as a new entrant, we would be incurring expenses on marketing, branding, and advertising. Therefore, in the medium term, we do not expect significant margin expansion through B2C. Gradually, with growth in turnover and greater visibility in the market, we expect better segment volume growth and margin expansion in the B2C segment. You can see that the share covered by B2C, which was 6% last year, has already reached approximately 8% in H1, and we expect it to expand gradually.

Guneet Singh – Counter Cyclical PMS: Understood. Are the current margins similar to the consolidated margins, at 3% to 3.5%, for B2C?

Management: Yes, sir. They are more or less in line.

Guneet Singh – Counter Cyclical PMS: Understood. What kind of marketing spend are we targeting for this B2C segment? Can you quantify the annual marketing spend?

Management: Sir, we have earmarked less than 25 crores, mostly for the B2C segment. However, we will incur the expenses gradually, depending on how the market responds and which market offers better growth in B2C.

Guneet Singh – Counter Cyclical PMS: Understood. How much was it in FY26?

Management: That number would be quite specific, sir. We can discuss that perhaps after the year is completed.

Guneet Singh – Counter Cyclical PMS: Understood. Regarding stock-in-trade, purchase of traded goods increased from 491 crores in Q1 to 2,000 crores in Q2. Can you explain what this relates to?

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Management: Right, sir. We are largely import-dependent. Approximately 80% of our raw material procurement is imported. We have four plant locations, and because these are imported commodities, the vessels need to be available in quantities much larger than the requirement at the individual plant level. We sell some of the quantities outright to manage our inventories at the plant locations, and that is the reason for the trading activity. The stock-in-trade or trading sales are largely in the range of 10% to 20%. They do not go beyond 20%. The number may appear larger, but sales were less than 15% in H1 and are also comparable with the previous H1.

Guneet Singh – Counter Cyclical PMS: Understood. Finally, we are undertaking some backward integration through the palm oil plantation that you mentioned in the presentation. What is the current scale of this initiative, how do we scale up the palm oil plantation, and how will this impact our margins, procurement, or inventory levels?

Management: In palm plantations, once the seeds are sown, it takes about 4 to 5 years for the first fruit bunches to come up. This has been only the second year in which we have been expanding. It will still take time, and we are slowly and gradually looking to increase the area available to us. That is where we are focusing. Currently, those locations are in Andhra Pradesh. However, any benefits would be available only after a period of 3 to 4 years. Today, it is a very new initiative, but over the longer term, it will be beneficial to the company.

Guneet Singh – Counter Cyclical PMS: Understood. In 3 to 4 years, what percentage of imports would be substituted by this, or what percentage of our raw material consumption would come from this initiative?

Management: It would all depend on how many hectares are allotted to us by the government. As of today, based on the number of hectares I have developed, it would amount to hardly 1,000 metric tonnes per annum, which is very nominal and not even 1% of my requirement. However, this is a strategy that the government is promoting. As an Indian company, we also want to support the government, and it would slowly and gradually reduce import dependency and the USD outflow from the country if this is promoted well. That is the purpose of the initiative.

Guneet Singh – Counter Cyclical PMS: Understood. Thank you very much for answering my questions. I wish you all the best.

Management: Thank you, sir.

Operator: Thank you. Ladies and gentlemen, to ask a question, please press star and one. The next question is from the line of Bharat Mehta. Please go ahead.

Bharat Mehta: Hi. I had a couple of questions. The first one is: what is the company's market share in the key regional markets and product categories?

Management: Sorry, sir, which segment are you referring to?

Bharat Mehta: I am referring to edible oils.

Management: Edible oil, okay. The company's market share stands at approximately 8% in the edible oil market.

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Bharat Mehta: Around 8%?

Management: Right, sir.

Bharat Mehta: Okay. I also wanted to check what edible oil volume growth we expect for the industry and the company over the coming few years. I wanted to understand the overall picture of the market and how we are [inaudible]?

Management: [pause] For edible oil growth, we expect volume growth of at least 10% in the coming year, and growth should remain constant at 10% to 15% every year thereafter.

Bharat Mehta: Okay.

Management: India already has a population with per capita consumption of 18 to 19 kgs, so that will continue adding to the demand for edible oil.

Bharat Mehta: Understood. Also, regarding the biodiesel business, what would be the sustainable EBITDA margin or perhaps EBITDA per tonne that we would look at?

Management: For biodiesel, the margins are marginally better than the existing product mix, but we—

Bharat Mehta: Approximately how much delta would it have compared with the rest?

Management: How much, sorry? Can you repeat that?

Bharat Mehta: What would the delta be in percentage terms compared with the rest?

Management: Biodiesel accounts for approximately 5% of sales revenue, contributing 5% to the top line by H1 September '26.

Bharat Mehta: Okay. Is the assumption that the biodiesel business would require more working capital compared with edible oil correct?

Management: We are exporting the biodiesel, so it is not specifically about working capital requirements. However, it is being exported in bulk consignments. For a particular period, there may be higher biodiesel inventory because the bulk consignment has to be shipped as an export. At a particular time, there could be higher inventory because there would be flowing orders.

Bharat Mehta: Understood. So it will go as per consignment.

Bharat Mehta: If the Gandhidham facility reaches optimum utilization, has management planned to expand the biodiesel capacity?

Management: The Gandhidham plant has attained optimum capacity. What about biodiesel?

Bharat Mehta: Would we try to expand that biodiesel capacity?

Management: Sir, we started the capacity only recently, and full-fledged operations began only in Q1 of {? this ?} financial year. Expanding the capacity today may not be the correct approach. We

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still need to assess and explore other opportunities and the broader market demand. We are currently not looking into it. We may explore it soon.

Bharat Mehta: Understood. Thank you so much. That is all from my side. Best of luck. Thank you.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, in order to ensure that management is able to address questions from all the participants in the conference, please limit your questions to two only. Should you have a follow-up question, please rejoin the queue. We will take the next question from the line of Dheeraj Sachdev from Roha Capital. Please go ahead.

Dheeraj Sachdev – Roha Capital: In terms of domestic sourcing, such as oilseeds, castor, mustard seeds, groundnut, sesame, and even rice bran, which are sourced domestically, you may obviously be procuring them from agricultural markets such as APMCs across Gujarat and Rajasthan. Will lower acreage this time or a deficient monsoon impact our sourcing cost?

Management: [pause] Sir, we have seed-crushing plants for castor, mustard, and soya. Castor is a product that is grown largely in Gujarat. 80% of India's production is in Gujarat. Therefore, sourcing for castor takes place throughout the year. Mustard and soya depend on price parity, the seasonal impact on prices, and the margins that the end market for these products can generate. If we do not find that margins or parity are available in the market, we may not proceed with seed crushing during the season. Soya is also available through imports as crude soya, so there may be no point in operating the soya seed-crushing facility. However, this all depends on the year, the seasonality of the product, the timing, and the product prices.

Dheeraj Sachdev – Roha Capital: My question is whether the lower or deficient monsoon this time will impact sourcing costs going forward.

Management: Sourcing costs going forward will be impacted because soya prices are already quite high in the market due to lower rainfall. Therefore, we may decide not to proceed with soya seed crushing this year, but it will again depend on the price impact after November, and on how prices move. We may then decide how to operate the seed-crushing facility.

Dheeraj Sachdev – Roha Capital: Okay. So you are confident that despite whatever happens with the monsoon, we have fungibility in terms of seeds and can adjust according to the season?

Management: We have full fungibility, sir. We are engaged in refining different oils. In refining edible oils also, depending on prices and price parity, we determine where to deploy resources among seed-crushing facilities and refining oils— which oil and which seed. It all depends on price parity. There are no compulsions that we have to produce a particular quantity. We move according to market demand and market prices.

Dheeraj Sachdev – Roha Capital: In terms of imported raw material, is there any impact from the duty reduction?

Management: That is a positive impact. The government has supported Indian prices through the duty reduction to support Indian end users and customers, and that is a positive impact on the

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company and the industry at large.

Dheeraj Sachdev – Roha Capital: How much of our raw material is imported now?

Management: We import approximately 75% to 80% of our raw material requirement.

Dheeraj Sachdev – Roha Capital: And you are also able to hedge the rupee, given the import [cut off]

Operator: I am so sorry to interrupt, Dheeraj. You may please rejoin the queue for follow-up questions.

Dheeraj Sachdev – Roha Capital: Sure. Thank you so much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg – Counter Cyclical PMS: Madam, I wanted to understand that even though it seems we are net debt-free, there is still a significant interest cost that we are paying. Can you clarify this?

Management: Sir, as a country, we are largely import-dependent for edible oil, and our company also imports a significant amount of goods. These interest obligations and interest expenses relate to the LCs, or import letters of credit, that we open and the negotiation of those LCs. It is not long-term debt; it is our routine working capital requirement to support operations.

Keshav Garg – Counter Cyclical PMS: Understood. I now want to understand that I believe we have 20 lakh MTPA of refining capacity, and we are expanding it by 8 lakh MTPA. Is that understanding correct?

Management: Right, sir.

Keshav Garg – Counter Cyclical PMS: By when will this 8 lakh tonnes come on stream? Since you mentioned that we are already operating at full capacity and no volume growth is possible in this financial year, is it safe to say that we refined and sold 5 lakh tonnes per annum, or 5 lakh tonnes, in Q2?

Management: [pause] Sir, the new operational capacities will be available only from next year onwards, and that too in a staggered manner, from April to perhaps the end of October 2027. Running at full optimum capacity means running all the plants at more than 80% capacity levels. Two of my plants are quite old, so they also require turnaround and downtime. Therefore, we are operating at more than 80% capacity across all plant locations.

Keshav Garg – Counter Cyclical PMS: Okay, madam. One request: kindly provide the volume sales numbers and the overall realization-per-tonne number in your investor presentation in the future so that it will improve our understanding of the company.

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Management: Regarding the volume numbers, we will consider it and perhaps come back to you at a later stage.

Keshav Garg – Counter Cyclical PMS: Thank you, ma'am.

Management: Thank you.

Operator: Thank you. The next question is from the line of Prashant. Please go ahead.

Prashant: Hello, is my voice audible?

Management: Yes, you are audible.

Prashant: Thanks for the opportunity. My first question is regarding our non-retail customers. Do we have any fixed-price contracts of extended duration?

Management: There are normally no extended-duration contracts, although all contracts are at fixed prices. Majorly, the contracts are fixed-price contracts.

Prashant: Fixed price is fine, but is there a duration involved, in the sense that with a fixed-price contract we are exposed to price volatility? For those fixed-price contracts, how do we hedge? Are they back-to-back hedged for the same tenure?

Management: Sir, the fixed-price contracts are forward-looking contracts. They are based on our purchases, after which the sales contracts are executed. The fixed price removes market volatility. Whether prices decline or move upwards, we are largely protected because we have already contracted at a fixed price. Those contracts cover our costs, operational costs, profit margins, and everything else.

Prashant: So, both the tenure and the price—in every respect, the company is covered?

Management: Right, sir.

Prashant: Okay. Regarding the previous question about interest cost, you mentioned that it is largely a working-capital-related cost. For the first half, I believe the interest cost is 44 plus 66, or 110 crores, whereas borrowings are approximately 600 crores based on average borrowings as of 31 March and 30 September. What would be the average borrowing cost in percentage terms? Also, how much of this 110 crores relates to Ind AS 116, if any?

Prashant: Hello?

Management: [pause] Right, sir. I will not be able to share the exact numbers, but the 600 crores you mentioned largely comprises long-term debt plus export fund-based credit available from the bank. We also have LC business. The LCs are shown under trade creditors, which are reflected under creditors. The finance cost for negotiating import LCs to make payments to import suppliers is reflected under finance cost.

Prashant: What would be your blended borrowing rate, if you can provide a range rather than the exact number?

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Management: [pause] That would be approximately 8% to 8.5%.

Prashant: Okay. That is all from my side. I wish you all the best. Thank you.

Management: Thank you.

Operator: Thank you, ladies and gentlemen. That concludes our question-and-answer session. I now hand the conference back to management for closing comments.

Management: [pause] On behalf of the entire management team, I would like to thank our employees, customers, suppliers, distributors, business partners, bankers, and shareholders for their continued support and trust. As this is our first earnings conference call, we particularly appreciate the opportunity to engage directly with our shareholders, analysts, and investors. For any further questions or follow-ups, please feel free to reach out to me or our investor relations partner, E&Y. The team will be happy to connect with you offline and assist with any additional information you may require. Thank you.

Operator: Thank you very much, ma'am. On behalf of Gokul Agro Resources Ltd., that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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