



**“Gulf Oil Lubricants India Limited  
Q1FY26 Earnings Conference Call”**

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**MODERATOR: MR. PROBAL SEN – ICICI SECURITIES LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to Gulf Oil Lubricants India Limited Q1FY26 Earnings Conference Call hosted by ICICI Securities Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing ‘\*’, then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Probal Sen from ICICI Securities Limited. Thank you and over to you, sir.

**Probal Sen:** Thank you, operator. Hello, everyone. I would like to welcome all of you to this Q1FY26 conference call of Gulf Oil Lubricants India Ltd. We have with us the senior management of the Company, Mr. Ravi Chawla - the Managing Director & CEO and Mr. Manish Gangwal - the CFO.

Without further ado, I would firsthand over to the Management for their opening remarks and then we will get into the Q&A. Over to you, sir.

**Ravi Chawla:** Thank you. Good day. Good morning. Good afternoon to everybody. This is Ravi Chawla. I am delighted to welcome all of you to this Quarterly Earnings Call.

We are very happy to share with you that the 1st Quarter, the April-May-June quarter, which is starting of this financial year, has seen the highest ever quarterly volume, revenue and EBITDA, as you may have seen in the results. This is backed by a very strong double-digit volume growth, which actually augurs very well with the industry growing at about 3%-3.5%. We have done 3x the growth, so really a good start to the quarter. Overall, I think this is what we had planned and the demand conditions and our initiatives have certainly paid off.

This strong note again confirms the market-leading performance that Gulf has been doing, and really, this 3x growth of industry is also due to a lot of the efforts based on the brand initiative, distribution and our focussed segment approach. I think as you know, we are into Cricket with the IPL and our brand ambassadors. This is clearly an all-round performance driven by gains across segments. In B2C segment led by motorcycle oil, we had a big campaign, Gulf Pride and a lot of activations on the ground.. This led the way in terms of a strong double-digit growth in this quarter. We introduced new campaigns, a new pack, on-ground activations and this Pride relaunch is really one of the best specification product which has been well received supporting the momentum.

While factory fill was slightly flattish due to the new vehicle production. We are very happy to share with you that the OEM franchisee workshop business, where we have a significant double-digit share as a player in India, delivered excellent results with high double-digit growth across our commercial vehicle and particularly agri-OEMs, which is agri-season saw very good demand



and we continue to plan for that so as to equip the OEM dealerships with the stocks and the required products and services.

Our B2B industrial segment also recorded double-digit growth with continued new customer acquisitions across industries and definitely the metal and infra segments in this area and also few mining customers proved to be the positive demand factors here. Our agility and market responsiveness has always been a strength and this focus continued which helped us get this particular gain. So, on all-round performance which we are very happy to share. Also, to mention here that our EV charger subsidiary Tirex continued to perform well. Though a small business now, it closed the quarter with over 163% growth and catering to a lot of broad customer bases. This is of course to reflect our ongoing commitment to strengthen the EV segment.

Clearly for us, this has been a good start to the quarter. Some other highlights were that our Silvassa plant went in for IGBC certification. I am very happy to share that we got the platinum which is the highest certification, a significant milestone again underscoring our Company's strong commitment to sustainability. We are also happy to share that all our OEMs are recognizing us in the gold category in terms of our service. Ashok Leyland and many other Agri OEMs have given us awards and that is a shot in the arm for the team. I would also like to mention that the Board has approved a capacity expansion to take our capacity from 140 million to 240 million in our Chennai and Silvassa plants. An outlay of Rs. 55 crore has been earmarked for this. I think all in all a good quarter and I will invite Manish to fill in a few more details and then we are happy to take your questions. Thank you so much. Over to you, Manish.

**Manish Gangwal:**

Thank you, Ravi. Good afternoon, everyone.

As Ravi highlighted, it has been a very strong start to the year and with clearly double-digit volume growth at 11%. Our core lubricant volume for the quarter was 41,000 KL and in addition to that we had 38,000 KL of AdBlue volume. On a consolidated basis, we crossed quarterly revenue of Rs. 1,000 crore for the first time. That was a big milestone for the Company, and we are very happy and delighted for that.

Overall, on the margin front, we have improved our gross margin by nearly 140 basis point Y-o-Y. However, we have spent slightly more on A&P. in this quarter being an IPL driven quarter and we had some campaigns on our motorcycle range as Ravi highlighted and also we also had some of the OEM sales being significantly higher and that is where some of the OEM royalties were higher. At EBITDA level, we have still delivered 12.7% for the quarter, which is well within our guided band of 12%-14%.

So, overall, a very strong quarter and as we have earlier announced, the board had declared a final dividend of Rs.28 per share. The record date has been declared for 19th of September which will be paid out after the AGM. All the investors will recall that we had increased our dividend payout to 65% in the last year, Good cash flow generation continues, we remain net debt free and our overall cash balance continues to be above Rs.1,000 crore.



With that note, we will hand over for the call to start the Q&A. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nikunj Doshi from Bay Capital. Please go ahead.

**Nikunj Doshi:** Congratulations on a good set of numbers. Just one question, this capacity expansion what we are looking for, is there any shift going to happen in product mix or more or less will be the same kind of product mix that we will be having after say, when the capacity expansion is complete?

**Ravi Chawla:** Yes. As you know, we have been growing 2-3x the industry, We make all our products in-house except greases and others. The capacity expansion is in line with what we are doing, but projecting that we are growing in various segments, obviously there will be some flexibility on the product mix in terms of our manufacturing filling lines. We want to definitely look at how we are going to upgrade some of the products with certain segments will have small packs, large packs. This is going to be a flexible kind of approach. With regards to capacity enhancement we will take care if there is any shift in terms of the packaging because plant is more related to packaging rather than the segment. I think we are very clear about that and that is something we have expertise in. I do not think we will have any challenges. Product mix, even if it changes segment wise, it is small pack, large pack, so, that will remain.

**Moderator:** Thank you, sir. The next question is from the line of Angad from Sameeksha Capital. Please go ahead.

**Angad:** Thank you for the opportunity. Sir, my first question is on the Tirex business. On Tirex, how do we read the lumpiness in the EBITDA margin that we are seeing over the past 5-6 quarters? And how do you guide on the EBITDA margin going forward?

**Manish Gangwal:** See, Tirex is a very very nascent Company. It is developing various products in the charger segment. They are specialized in DC fast charger manufacturing and now, they are starting to manufacture AC chargers as well. It is a very nascent industry. We reported Rs. 80 crore of topline last year with almost neutral EBITDA. This quarter, they have turned EBITDA positive, which is a very good sign. And the quarterly turnover, as Ravi highlighted, has grown 163% to nearly Rs. 24 crore. So, overall, it is in a positive & right direction, but it is still very small in terms of base and we will have to really watch out. In the longer term, of course, we want the business to deliver almost similar EBITDA range to what lubricant business is.

**Angad:** And sir, what about average base oil prices for the last quarter? And do you see it coming down looking at the crude oil prices? And how do you see it sustain?



- Manish Gangwal:** There are various grades of base oil, which we have been highlighting in our earlier calls as well. It is very difficult to give you a range of the base oil price because there are various grades - Group 1, Group 2, Group 3 base oils, which we buy. Overall, we have seen that the base oil has been steady in quarter 1. Although crude is showing a range which is below \$70 and if it sustains at these levels for a longer period, as base oil follows crude over a longer period or mid-term period. we should see base oil softening to some extent. But so far in quarter 1, it has been very steady.
- Angad:** Got it. And sir, one question on our main competitor is also now focusing or I would say prioritizing volume growth now. How are we adopting the strategy considering we are also growing 2X, 3X volume growth? Just wanted to understand that also?
- Ravi Chawla:** See, the industry, as you know, has been growing. If you look at the last decade or so, industry growth was about 3%-3.5%. Sometimes we say a little less or more percentage, half a percentage here and there. Our focus is on industry growth. Obviously, , each competitor has their own action plan. Ours is more related to what the industry will grow, the segments in which we are playing. And of course, look at the initiatives that we can take. Competitiveness of what we do is obviously part of the strategy always. We continue to do that. And I think we have been very successful in our strategy. And we will continue to focus on what we believe is our strength and to be able to go in terms of our own strategies and initiatives.
- Angad:** Got it, sir. Thank you for answering the questions.
- Ravi Chawla:** Thank you so much.
- Moderator:** Thank you, sir. The next question is from the line of Dhaval Jayantbhai Popat from Choice International Limited. Please go ahead.
- Dhaval Jayantbhai Popat:** Yes, congratulations on the results. I have actually three questions. As far as the CNG penetration in the passenger vehicles is concerned, for Maruti Suzuki, it almost forms more than 20% of the volumes. I wanted to understand if you already have the product, but is there something that you are doing for the tie-ups with the passenger vehicles with CNG? As well as, I also wanted to understand the trend for CNGs compared to the gasoline or diesel. My second question is around the industrial volumes wherein how do you see this? I understand about 2 years ago and you have been focusing on the industrial volumes catch up post 2026 or from 2027 to automotive lubricants. But I would like to know what is your latest view on that? And third, the question is about BS7 wherein it follows the European norms. In Europe, it has already been introduced, but how do you see the increase in demand for AdBlue particularly on the back of BS7 when it is launched in about next year or next year completely?
- Ravi Chawla:** There are a few questions, we will try and answer and Manish can also pitch in. I think you spoke about Maruti at the beginning?
- Dhaval Jayantbhai Popat:** CNG penetration.



**Ravi Chawla:**

For CNG penetration you are right. In certain pockets in India, it is quite a high demand product. We have a part play in it because it is a very price competitive segment. We have the range and the drain interval is less than gasoline as you know because it is used in a different way. We have the range, but we are playing selectively because it is a very price oriented segment. We go with our sort of price positioning. We do not want to really take the whole segment because it is less attractive for us, but we are still present and we have all the products required for that. Even CNG buses, we have very specialized products with very long drain interval. I can get back to you, but if I remember, it is the highest drain interval. I do not know if it is 20,000. I will stand corrected because I think it is still, we have developed it with Ashok Leyland and we have a premium product there in terms of CNG buses. We are present in CNG normal also, but less play because of price unattractiveness and the other is the CNG buses. In BS7, we are prepared with all the products. Whenever it comes, we will have that. The other question you asked is on industrial volumes. Industrial for us, as I mentioned to you in my opening remarks, we are an all-rounder. We have presence in the chosen segments, which is B2C, B2B and Industrial. In B2B, we also do infrastructure Mining Fleet (IMF) and we also have OEM. So, I would say that as a Company, we have a very strong presence as a growing brand. We are still not there where we want to be, but we have been adding share for the last decade and it has been a focus segment. We do double-digit growth in these three - B2B, Industrial and IMF and we have a business model, which I think is one of the good models where we are able to focus on all these. We have also very good customers across these segments. We will continue growing our customer base, and we are very confident that this segment, which all of them actually have except the OEM, which is Franchisee Workshop, where we have close to a double-digit share, we believe. The others are less than 5% market share. IMF, which is infrastructure mining fleet and Industrial,. We are going to grow definitely double-digit in these segments.

**Dhaval Jayantbhai Popat:** I just have a follow up, if I may.

**Ravi Chawla:** Yes, please.

**Dhaval Jayantbhai Popat:** Basically, as far as the focus, I understand, is more towards passenger cars going forward as compared to the next leg of the process, of course, one of the focuses, but if you had to choose between industrial lubricant sources or passenger cars, where would you go?

**Ravi Chawla:** Just to clarify, we have a segment-wise approach. We have close to 10-12, 15 segments, which we focus on. In B2C, we have got good share in motorcycle and diesel engine oil. Of course, these products also go on to OEM and other parts of the segments. In addition to that, we have some segments like passenger car, which you mentioned, which we have less than 5% market share. We see more opportunities. We are not going to defocus on any of our segments, which are selected by us. Where we are strong, we would like to grow probably 2x. Where we have got less than 5%, we will have to grow 3x plus. That is the kind of sort of thumb of rule we use. But of course, we also look at opportunities in different parts of the business like OEM, Industrial, B2C, and with OEMs. We have also got a tie-up now with Nayara, which is a fuel chain and we are increasing our distribution. With our brand strength, we believe we need to increase our distribution, which we are also doing by 10%-15%.



**Dhaval Jayantbhai Popat:** That answers my question. Thank you so much.

**Ravi Chawla:** Thank you so much.

**Moderator:** Thank you, sir. The next question is from the line of Anuj Panwar from Family Office. Please go ahead.

**Anuj Panwar:** Yes. Thank you for the opportunity. I just have two quick questions. I just wanted to check, how much does EV now contributing to our overall revenue? And are we planning this segment to become, to make this like one of our major contributors to our revenue in the coming quarters and coming years, maybe? So, any visible threats or any competition to this segment as we further scale up? And my second question is, the Nayara tie-up, has it started showing its effect on its volume? Or is there some time left to reflect it in our numbers?

**Manish Gangwal:** I will take the first one, which is the EV and Tirex revenues. As we mentioned, the quarterly revenue of Tirex now is close to Rs. 25 crore. And last year, we ended the year at Rs. 80 crore of revenue for Tirex business, which we have started consolidating. And you can see that between the standalone and consolidated results, the delta is because of the Tirex consolidation. So, you will be able to find out. The good thing is that the business is growing at, for the quarter has grown 163%. We really want to almost double our turnover every year in that segment. And there is a lot of customer acquisition, which keeps happening in that. It is becoming again a competitive industry. There are players who are coming in. There are a few players who are already established. But the Tirex product portfolio is very robust. And on the back of that, they continue to gain customers in the space. At the same time, they have launched an AC range also, which also is getting them customers, especially in the OEM segment. And they started supplying to some of the OEMs along with the cars. Our endeavor is that which we earlier highlighted also that we want this business to be Rs. 400-Rs. 500 crore business in terms of topline in the next 4-5 years. That is our game plan and at that point, obviously, it will be a very meaningful pillar to our overall other segments. And coming to Nayara, I guess this is very early stage. They have a large 6,500 plus fuel stations across India. We have started capturing and reaching out to the outlets which they have one after another. Currently, we are in terms of reach around 1,500 outlets, but it is still very early stage in the business and we will have to keep nurturing that business.

**Ravi Chawla:** Just to add, we are in the lubricants and we also started supplying AdBlue to the stations and as Manish mentioned, I think the current penetration level is close to 30%-40%, which will definitely go up in the coming months and quarters.

**Anuj Panwar:** Understood. Thank you. That was helpful.

**Ravi Chawla:** Thank you, Anuj.

**Moderator:** Thank you, sir. The next question is from the line of Bharat Gulati from Dalal & Brocha Stock Broking. Please go ahead.



- Bharat Gulati:** Hi, sir. Thank you for the opportunity. Congrats on a good set of numbers. I just wanted to know that the growth that we have witnessed in the B2C segment in our MCO, in our two-wheeler segment, that was primarily due to the new product additions if you can throw some light on that?
- Ravi Chawla:** No. it is the same old brand we have, Gulf Pride. It was repacked in a new packaging and we backed it up with a lot of initiatives above the line, below the line. And we have also launched it at the specification level of API SP, which is the highest grade of specification. So, yes, a new pack launch along with that upgraded product in terms of the specifications. And a lot of work goes into the activations. All around with this, I think the product has received a very good response. Happy to share that it has a double-digit growth which really led the way for B2C also to do well in terms of overall growth.
- Bharat Gulati:** In the B2C segment, we will continue to see this growth in the motorcycle segment. Would that be the right understanding?
- Ravi Chawla:** Yes. our endeavor, as we always say, is to grow 2-3 times the market. In that also this market, MCO market is growing at that rate, maybe around 3%. We obviously want to grow more and we see a lot of opportunities in some states. In some markets, we always have that opportunity to do better. Overall, we think we have a presence not only with the B2C market, with our products, we also sell OEM products and we have close to 8%-9% share, I would say, in some of the B2C and other areas. We want to continue growing at least 2x the market in the motorcycle range.
- Bharat Gulati:** Got it, sir. That is helpful. And sir, on our passenger vehicle front, on the B2C and B2B both, on four-wheeler passenger vehicles, are we witnessing a slowdown? Will that start growing at double-digit levels because the OEM numbers were flattish as you mentioned?
- Ravi Chawla:** No. See, OEM factory fill, we do factory fill with some commercial vehicle OEMs and some few other OEMs. That was flattish. We don't have any major supply or we don't have any supply with car OEMs for factory fill. What we are referring to car PCMO sales, passenger car, motor oil is what we sell in the bazaar which is the market and also we have some OEMs we do business with. So, there our market share is not very high, but we have a good opportunity. There we want to grow more and obviously there we have been talking about this for the last couple of years. We want to grow, if we are going 2-3x, we would at least like to go 4-5x in this market. But yes, we definitely will announce to you when we are having any significant move up there, but it is still in the growth trajectory, but more effort is being made to see how we can grow here.
- Bharat Gulati:** Got it, sir. That is helpful. And sir, just the last question, on our CAPEX, when will that come online and when can we see full ramp up of that? Could you mention that?
- Manish Gangwal:** Overall, we believe that we will be able to complete it in 18 months' time, but it will be in phases. Our Chennai facility expansion will be much earlier than Silvassa where we will have to do some civil construction work. In Chennai it is all ready; we just have to add filling lines and some





of the equipments. So, Chennai will come up faster than Silvassa. By March 27, we should be ready with this 240 million capacity.

- Bharat Gulati:** Got it. And the revenue for the extra capacity will start coming in that means from FY '28? That would be right to say?
- Manish Gangwal:** See, we are running currently at 100% capacity in both the plants almost and we continue to grow 2-3x the market which means near double digit volume growth and in this quarter, actually we had 11% volume growth. We will continue to grow 2-3 as the market and for that we need capacity. The linkage to capacity and capacity addition and growth in volume is not directly proportional in our industry. We will keep growing at 2-3x the industry and for that the capacity expansion was necessary and that will be ready by the time we need those volumes. Currently, we are running at third shift for some of our products to manage the overall demand, but as soon as we have these capacities in place there will be more flexibility in terms of our product and faster execution and delivery, which will help which Ravi alluded already.
- Ravi Chawla:** You see when we have the 240 million, we will be able to operate. We have a complicated portfolio plus I think two shift basis is always better because third shift, one is the cost element, second is we want to have two shifts because then the plant also has to have some downtime to have their maintenance work, etc. This 240 will enable us at a two shift basis to be able to meet the needs much more, I would say, when the growth is there, it will be ready for that.
- Bharat Gulati:** Got it, sir. That was helpful. Thank you, sir. That is it.
- Ravi Chawla:** Thank you Mr. Gulati.
- Moderator:** Thank you, sir. The next question is from the line of Nisha Mulchandani, an Investor. Please go ahead.
- Nisha Mulchandani:** Thank you for this opportunity. Sorry, I missed the first part of the call, but can I have volume for the quarter for lubes and for the AdBlue separately? Also can you help me with the battery business turnover, please?
- Manish Gangwal:** Yes. So, we mentioned in the opening remarks, Nisha that it is 41,000 KL core lubricant volume for the quarter and AdBlue is 38,000 KL and the battery turnover which you always ask is around Rs. 16 crore for this quarter.
- Ravi Chawla:** I think you have been tracking it quite diligently, every call.
- Nisha Mulchandani:** Yes. I think the AdBlue business is quite growing at a very substantial number and which is very great. So, is there any part of the strategy discussion or any part of the intentional things that we are doing around AdBlue because it is almost as equal to the lubes business that we are doing as of now?



**Ravi Chawla:** No. We report it separately so that you are aware of both.

**Nisha Mulchandani:** Last question, sir. Any update around the data cooling product that we have been developing as we were updating into the last call?

**Ravi Chawla:** No. We have mentioned that it is a segment which we believe is an important segment, but a very small one so we are preparing for that. No other announcement on that.

**Nisha Mulchandani:** Sure. Thank you, sir. Thank you very much.

**Moderator:** Thank you, ma'am. The next question is from the line of Angad from Sameeksha Capital. Please go ahead.

**Angad:** Just to follow up on the previous participant's question on AdBlue volume, on a Y-o-Y basis this particular AdBlue saw a flattish growth. How do you see that going forward?

**Manish Gangwal:** Overall, we believe that on a full year basis, we will continue to grow 10%-15% in AdBlue.

**Angad:** Any reason for flattish growth this quarter?

**Manish Gangwal:** Last year quarter 1, we had some special promotion schemes which were not there in this quarter so that is why it is looking flattish, but overall our trajectory and the objective is to keep growing this at 10%-15% for the next few years.

**Angad:** And sir, what is the total advertisement spend in Q1?

**Manish Gangwal:** It is in the range of 3%-4% which we have been guiding. In a quarter like this, where we had a slightly higher A&P, it is towards the higher band of this range and in a quarter which is a normal quarter, we are towards the lower band of this range, but it is in that trajectory of 3%-4%.

**Angad:** Fair to assume it will stay at the higher end for the rest of the year?

**Manish Gangwal:** No, it will be in the band of 3%-4% only.

**Angad:** Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Shweta Sharma, an Individual Investor. Please go ahead.

**Shweta Sharma:** Yes. Hello, thank you for the opportunity. So, given greasing industry moves such as Shell Lubricants acquiring Raj Petro and Daewoo partnering with Mangali Industries to expand in the Indian lubricants market, are there any acquisition or strategic partnership plans in place for Gulf Oil Lubricants India in the near future?



- Ravi Chawla:** We keep evaluating segments and particularly the niche product categories mainly in industrial segment and all, but as of now nothing on the horizon which we are in a position to announce.
- Shweta Sharma:** Thank you for the answer. Wish you all the best for the next quarter.
- Ravi Chawla:** Thank you.
- Moderator:** Thank you, ma'am. The next question is from the line of Hardik Solanki from ICICI Securities. Please go ahead.
- Hardik Solanki:** Thank you, sir for the opportunity. The blended realization for this quarter has moved sharply. So, just wanted to know whether there was a price hike or it was because of the premiumization or product mix change, how is that?
- Manish Gangwal:** It is also mainly because of the product mix and segment mix plus since the core lubricant volume has grown much higher than AdBlue, the AdBlue was flattish and core lubricant grew by 11%, partly reflection of that.
- Hardik Solanki:** But no price hike was taken during the quarter, right?
- Manish Gangwal:** No specific price hike was taken during the quarter.
- Hardik Solanki:** Thanks.
- Moderator:** Thank you, sir. The next question is from the line of Probal Sen from ICICI securities. Please go ahead.
- Probal Sen:** Yes, Thank you. Sir, I will take the opportunity to ask a few questions. The first question was with respect to the tie-up with Nayara and just wanted to understand this whole controversy around their finally actually getting sanctioned by the US as part of the sanctions on Russia. On the ground do you see that impacting their India operations at all and thereby our partnership in any way or is it really does just impact their export market and therefore the domestic business remains. What is your views on that?
- Manish Gangwal:** See, Mr. Probal, currently it is a very small portion of our overall volumes and impact on us. We are closely watching the situation and development as well.
- Probal Sen:** Sir, Ravi sir had earlier mentioned about the strategic thrust on creating a manufacturing ecosystem to grow the battery business more? Just wanted to hear your thoughts if anything has moved from that front? Or what we are thinking about it?
- Ravi Chawla:** We are importing this battery. We have toll manufacturing which we are getting the battery locally. Hence, that is already being part of the supplies that we get from the toll manufacturer. We are localizing it because that gives us a better security in terms of our product and our cost.



**Probal Sen:** Yes, understood, sir. And the last question I had was, I think this was asked in somewhere earlier as well that some of the private competitors have also started to sort of focus on their volumes and the OMCs anyways have been speaking about unlocking value by listing the lubricant business. In view of your competitive landscape, do we see that our ad spends and our SG&A expenses will probably continue to rise a little bit to sort of keep up with maybe higher competition or increased penetration of other players as well. Again, I am just asking because the run rate this quarter as you rightly mentioned has gone up, but whether we should assume this run rate again or it normalizing back over the next few quarters. Just your thoughts on this?

**Ravi Chawla:** You see if you take our investments in our brand, if you take a decade ago or a little earlier, it was 6%-7% of our revenue. Now, because our revenue has gone up and also the brand metrics we studied those have gone up quite well, so we are among the top 3 brands in the industry. We have got the investments over last 15-20 years and therefore we will have to calibrate what we want to do and currently, the A&P is at about 3%-4% which you have been saying because our revenue is also going up. It is not that we don't spend more, but it is a percentage of our revenue and we calibrated based on what our plans are and also what we feel we want to do in terms of both the consumer, influencer the other BTL, ATL and other things. This is a very planned approach which we have taken for many years consistently and we will continue doing that. The competition is going to have a different spend level. Obviously, our brand has already reached a position, so we will have to weigh and see the factors as to how we want to move that up or keep it in the position it is. So, that is a call which normally businesses take based on what is the competitive scenario and the objectives.

**Probal Sen:** Understood, sir. All the best and congratulations on a good set of numbers.

**Ravi Chawla:** Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Shweta Sharma, an Individual Investor. Please go ahead.

**Shweta Sharma:** Yes. My follow-up question is on the recently the PM E-DRIVE scheme was extended up to March 31, 2028. So, how do we look to capitalize on this opportunity?

**Manish Gangwal:** You see, it will help definitely the EV penetration and as we have seen in certain segments in EV, it was already starting to flattening and hopefully with this extension, the growth levels in the EV will be continuing and that should help our charger business. First, a direct benefit in the PM E-DRIVE on charger segment is mainly on the CPO side and not on the manufacturing side as we understand today. But having said that the indirect benefit will definitely be there. At the same time, we believe and we continue to emphasize that in spite of EV growing at certain pace, the lubricant business will continue to grow at 3%-4% in India for at least more than 15-20 years. We don't see any challenge on the lubricant side, but EV PM E-DRIVE or any other incentive schemes are helpful for our charger business.

**Shweta Sharma:** And when could we expect the EBITDA margin to rise above the current levels?



- Manish Gangwal:** You are talking of the lubricant business or EV business?
- Shweta Sharma:** EV business, sir.
- Manish Gangwal:** EV is a very small nascent business right now. There are a lot of costs and we keep putting lot of efforts and investments in brand, R&D, manpower and service network to be created. There is lot of costs sitting in that, but we keep growing our revenues like what we have done in this quarter at 163% and still maintaining an EBITDA at positive level. We are quite hopeful that with the increase in revenues we will be able to achieve the similar EBITDA percentage as lubricant in next 3-4 years.
- Shweta Sharma:** That is it from my side, sir. Thank you.
- Manish Gangwal:** Thank you.
- Moderator:** Thank you, ma'am. The next question is from the line of Hina Parekh, an Individual Investor. Please go ahead.
- Hina Parekh:** Hello. Hi sir, I just had one question. The rural markets have been showing promise with companies expanding into these markets, witnessing good topline growth. How much of the rural markets have been penetrated by us?
- Ravi Chawla:** We have automotive distributors and below that for many years we have been having Gulf Rural Stockists. We are growing in these areas also in terms of our distribution and rural has always been part of our focused efforts to increase distribution. We have seen always a double digit kind of growth in this segment and it continues in quarter 1. We are obviously present in all kinds of metros, Tier-1, Tier-2 and rural and we see great opportunities there. That is where again our brand is there, our activities are there and we are seeing agri and motorcycle which is used quite a lot in these segments, gaining a lot of traction. Definitely that is an area of growth for us and we are one of the companies who are very organized approach to this segment.
- Hina Parekh:** Correct, sir. Thank you so much.
- Ravi Chawla:** Thank you, ma'am.
- Moderator:** Thank you, ma'am. As there are no further questions from the participants, I now hand the conference over to management for closing comments.
- Ravi Chawla:** Thank you, everyone for being part of the call. I hope we have been able to answer your questions well. Just as an outlook definitely, we would like to just say that this has been a record quarter again and we have also now looking at a capacity expansion, our mobility business is going well. The 1st Quarter is a strong momentum. July, August, September is a monsoon quarter so slightly low in terms of demand overall, but I think the momentum is present. We will continue our going



to the next level. Definitely, our teams are confident, passionate and shared purpose has always been one of our drivers and commitment has always been a key aspect of our business.

Our 2-3x industry volumes growth and the margin band of 12%-14% has always been our mantra and we are trying to premiumize, accelerate, transform our business. We are focusing on that and as we have told you, we have been trying to lead the market growth, gain market share, improve our mix, continue our marketing initiatives, focus on margin management, profitable and sustainable growth across all our segments, as I mentioned all around the segments. And certainly we have a good presence in diesel engine oil and MCO, but we are looking at higher aggressive growth from segments - all the other segments where our market share is less than 5%, like industrial, passenger cars. I think the focus is there and the focus is also there on increasing distribution both in urban and rural.

We see a huge scope to grow our presence in distribution and also market shares and we will continue our investment in customer centric branding and we are advancing strategically, continue to remain focused on consumer and influencer engagements, enhancing our product portfolio, people development, building capabilities, of course sustainability is a big agenda and continue our growth in core and EV segments and AdBlue. We are happy to tell you that the growth momentum is very good and we hope that next quarter, we can share with you continued momentum. Thank you so much.

**Moderator:**

Thank you, sir. On behalf of ICICI Securities Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.