

Gulf Oil Lubricants India Ltd. (GOLI)

Driving Growth Through Strategy, Stability and Brand

Aug 25, 2025

Gulf Oil Lubricants India Ltd. (GOLI)

Aug 25, 2025 | CMP: INR 1,242 | Target Price: INR 1,600

Expected Share Price Return: 29.0% | Dividend Yield: 3.6% | Expected Total Return: 32.6%

Sector View: Positive

BUY



Company Description:

Gulf Oil Lubricants India Limited (GOLI), part of the Hinduja Group, is a key player in India's lubricant industry. The company provides high-performance lubrication solutions for both automotive and industrial segments. It serves both B2B and B2C markets, with a strong export presence. The firm's distribution network 90,000+ retail outlets, 40+ OEMs partnerships and 500+ B2B clients, ensuring a strong and widespread market presence.

Company Information

BB Code	GOLI: IN EQUITY
ISIN	INE635Q01029
Face Value (INR)	2.0
52 Week High (INR)	1514.0
52 Week Low (INR)	911.0
Mkt Cap (INR Bn)	61.3
Mkt Cap (USD Bn)	0.7
Shares Outstanding (Mn)	49.2
Free Float (%)	32.1
FY26E EPS (INR)	88.5

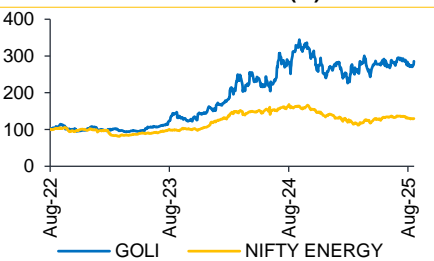
Shareholding Pattern (%)

	Jun-25	Mar-25	Dec-24
Promoters	67.1	67.1	67.1
FIIIs	8.5	7.5	7.3
DIIIs	8.1	9.8	9.9
Public	16.2	15.5	15.7

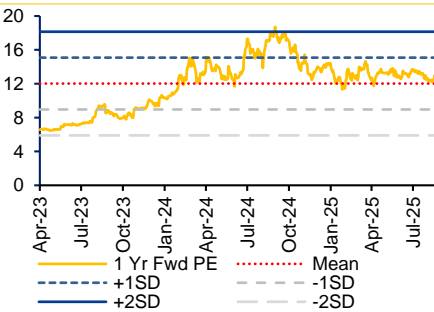
Relative Performance (%)

	YTD	3Y	2Y	1Y
NIFTY ENERGY	26.7	30.1	-20.3	
GOLI	177.2	100.3	-12.0	

Rebased Price Performance (%)



1 Yr Forward PE Band



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Key Investor Questions Answered

Volume Outperformance via Integrated Approach: GOLI's strategic alignment across **operations, sales and strategy** has created a **competitive advantage**. The firm has delivered **7–8% CAGR** as compared to industry average growth rate of **3.8%**. Moreover, it has the ability to anticipate demand across 15 segments, such as Passenger Cars and Industrials. Therefore, it has **invested appropriately in plant's agility** to grow market share in the B2C segment, which accounts for 53% of the business. Having secured partnerships with **40+ OEMs** in order to expand in the B2B market, we believe **GOLI is well-positioned to increase volumes**.

From Pricing Leverage to Profit Stability – GOLI's Game Plan: GOLI has raised its average realized price by ~21% over the past 7 years, driven by product mix, price hikes and schemes. By comparing the average realized price with Brent crude and Asian Base Oils, we conclude **GOLI is now focusing on maintaining or increasing margins coupled with volume growth**. As we expect Brent prices to decline over the next year, in line with US EIA and IEA; we expect **GOLI's EBITDA margin to rise by 100bps above its current guidance band of 12–14% in FY27E–FY28E**.

Consistent Investment in Branding Builds Competitive Moat: GOLI has consistently invested **INR0.5-1bn p.a. over the past 10 years in order to build its brand equity**. This has propelled loyalty, margin-backed volume growth, and landed GOLI a competitive advantage. The firm has further sharpened its consumer insight by appointing FMCG leaders Abhijit Kulkarni (as COO) and Aarthi Shridhar (as CMO). Additionally, GOLI's global motorsport associations – most notably with McLaren and Williams Racing – offer a compelling, yet underutilized pathway into passenger vehicle segment where the firm holds <5% market share.

Investment View: We expect GOLI's Revenue/EBITDA/PAT CAGR of 9%/14%/18% from FY25–28E. Thus, we initiate GOLI with a 'BUY' recommendation and target price of INR 1,600/share with an upside of ~29%. We primarily value the company using DCF model, implying a PE multiple of 15.2x/13.6x at FY27E EPS/FY28E EPS. **GOLI trades at PEG ratio of 0.9 as compared to industry leader which trades at ~3.0, implying strong upside for GOLI**.

Moreover, we compare GOLI against its competition with respect to **four levers of competitive advantage: (a) Pricing Leverage (b) Branding (c) Cost of suppliers and (d) Upcoming Regulations**.

Downside risks: (a) Higher than expected depreciation of currency may further pressurise margins (b) Faster than anticipated adoption of Electric vehicles (c) Stricter than expected emission norms, particularly for diesel passenger cars under BSVII.

Optionality: Tirex, an EV charging manufacturing company that GOLI acquired in FY23 is targeting INR 300–400 crore in revenue p.a. over the next 3–4 years with ~12–14% of EBITDA margins. If this plays out, it positions GOLI for a meaningful upside to our current estimates.

Key Financials

INR Mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	29,991	33,012	36,312	39,407	42,793	46,574
YoY (%)	36.8	10.1	10.0	8.5	8.6	8.8
EBITDA	3,428	4,210	4,723	5,497	6,397	6,962
EBITDAM %	11.4	12.8	13.0	13.9	14.9	14.9
Adj PAT	2,323	3,080	3,574	4,384	5,187	5,799
Diluted EPS	47.2	62.2	72.1	88.5	104.7	117.1
ROE %	20.9	24.9	25.9	27.9	28.6	27.8
ROCE %	20.8	23.1	22.8	24.1	25.4	24.8
PE(x)	8.5	15.0	15.8	14.1	11.9	10.6
EV/EBITDA (x)	4.9	10.1	10.7	9.7	8.0	6.9

Source: Gulf Oil Lubricants India Ltd, Choice Institutional Equities

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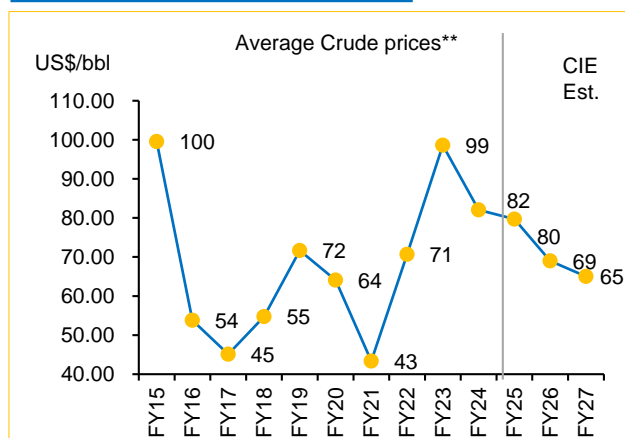


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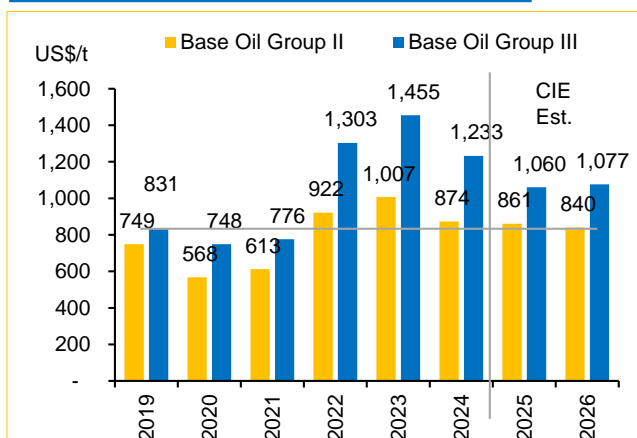
Investment Thesis in Charts

Crude oil prices forecast to decline...



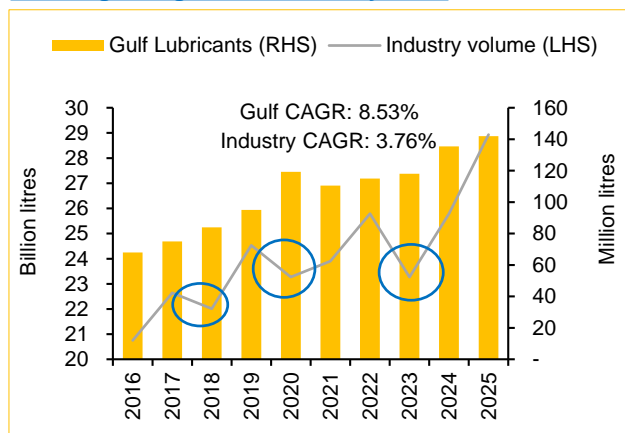
Source: FactSet for historical., Choice Institutional Equities

...and result in delayed drop in Base Oil prices...



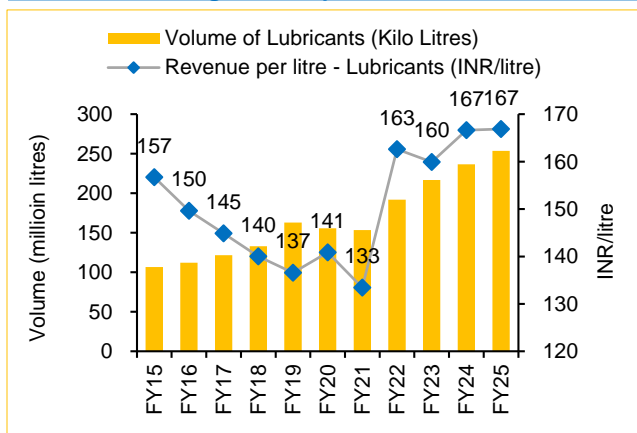
Source: Lubes and Greases, Choice Institutional Equities

GOLI is growing at 2x the industry rate...



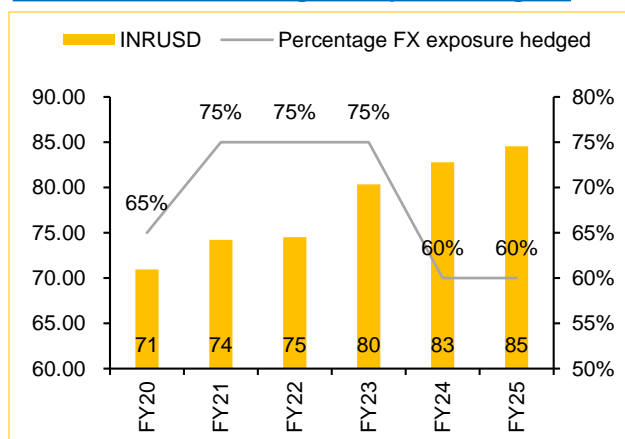
Source: Gulf Oil Lubricants India Ltd, PPAC, Choice Institutional Equities

...while maintaining revenue per litre even as costs decline



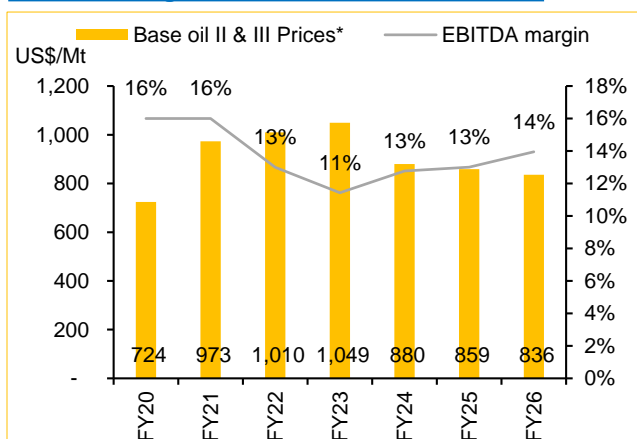
Source: Gulf Oil Lubricants India Ltd, Choice Institutional Equities

With INRUSD v/s Percentage FX exposure hedged...



Source: Gulf Oil Lubricants India Ltd, PPAC, Choice Institutional Equities

...EBITDA margins would hold or increase further



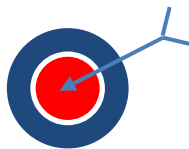
Source: FactSet, Choice Institutional Equities

1. Investment Thesis

1.1 Volume Outperformance via Integrated Approach

GOLI's strategic alignment across operations, sales and strategy has created a competitive advantage. The firm has delivered 7–8% volume growth as compared to 3.8% CAGR of industry average. Moreover, it has the ability to anticipate demand across 15 segments, such as Passenger Cars, Construction Equipment and Industrials. Therefore, it has invested appropriately in plant's agility to grow market share in the B2C segment, which accounts for 53% of the business. Having secured partnerships with 40+ OEMs in order to expand in the B2B market, we believe GOLI is positioned well to increase volumes.

Trend spotting, swift product response and aggressive sales



Traditionally focused on commercial vehicles ...



...identified and capitalized from strong growth in motorcycle segment over the decade

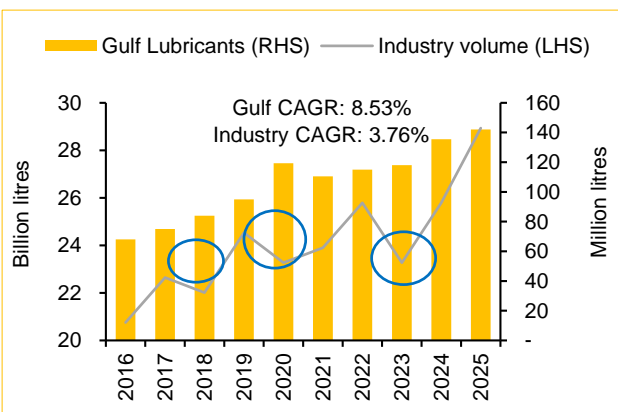
GOLI has outperformed industry peers, delivering consistent year-on-year growth. We found that the company's success stems from a dynamic interplay of: *strategic foresight leading to above-industry growth in volumes; investment in agile plants as well as aggressive sales strategy.*

1.1.1 Strategic foresight driving above-industry growth: The company has consistently demonstrated strong capabilities in identifying and capitalising on trends which support sustainable and aggressive growth.

In our opinion, GOLI has strategically shifted its growth focus over time to align with India's fastest-growing automotive segments. Historically, prior to 2010, GOLI successfully tapped into demand for lubricants of commercial vehicles and then into demand for motorcycles. Provided, company's share is less than 5% in passenger vehicles, it may focus its efforts to grow the market share in this segment of automotive lubricants.

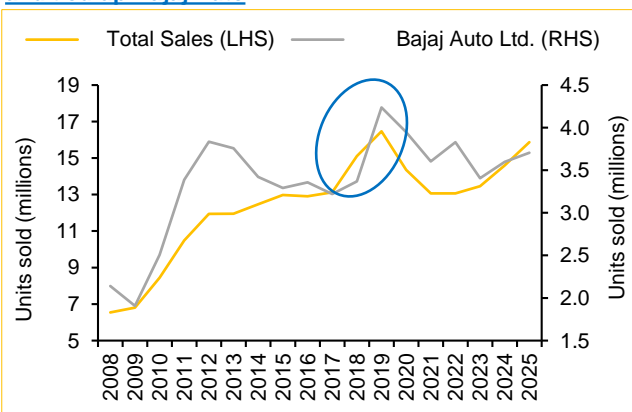
Building on its proven track record of anticipating market shifts, GOLI is now positioning itself for growth within the EV ecosystem. The government's recent PM E-DRIVE initiative offers incentives of up to INR9.6 lakh per electric truck in N2 and N3 categories. This aligns with GOLI's acquisition of a 51% stake in Tirez, a DC fast charger manufacturer, placing the company to benefit from the scheme's boost to EV infrastructure.

Growth defying industry trends, it is able to...



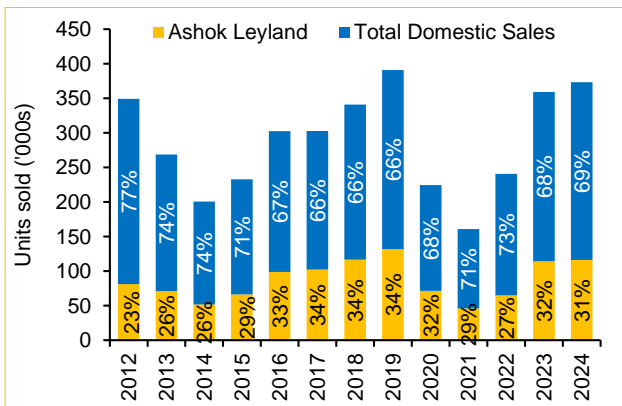
Source: Gulf Oil Lubricants India Ltd, PPAC, Choice Institutional Equities

...identify segments with high growth such motorcycles and tied up Bajaj Auto



Source: Gulf Oil Lubricants India Ltd, Choice Institutional Equities

Working with Ashok Leyland on CV engine oil, the firm...



Source: Gulf Oil Lubricants India Ltd, Choice Institutional Equities

...spotted higher drain requirement...triggering a drain race



Source: Gulf Oil Lubricants India Ltd, Choice Institutional Equities

1. Investment Thesis

1.1 Volume Outperformance via Integrated Approach

CEO has played a key role in negotiating partnerships with OEMs..

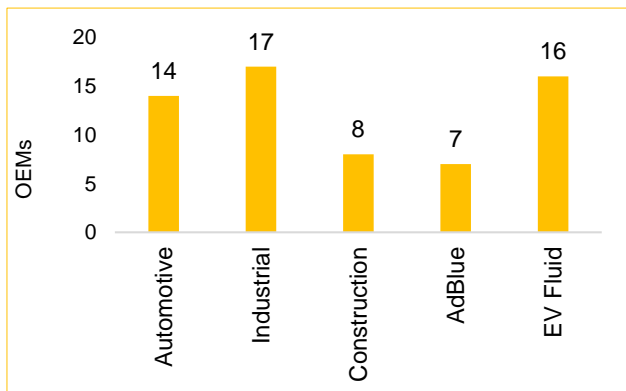
1.1.2 Strong OEM partnerships help deepen market penetration: The CEO has played a particularly important role in shaping this trajectory. He also secured key OEM partnerships, including the landmark global contract with Bajaj and another with Ashok Leyland, thereby capitalising on rising demand for lubricants in commercial vehicles and motorcycles. As of 2025, the company has 40+ OEMs across Automotive, Industrial, Construction, AdBlue and EV Fluids.

More recently, GOLI has initiated discussions with MG Motor, Hyundai and Tata Motors to supply 3.3 kWh chargers, reflecting its ambition to participate in India's evolving EV ecosystem.

...backed by agile plant and strong retailer as well as distribution network

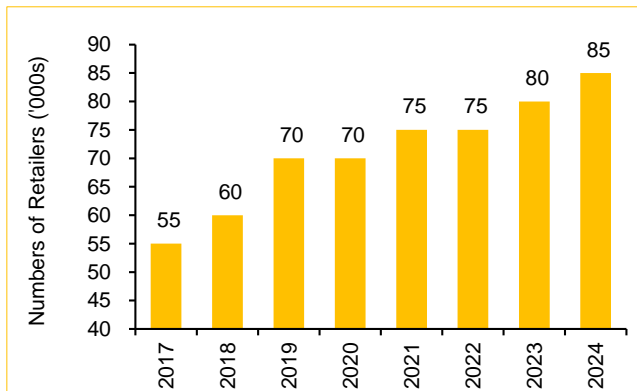
1.1.3 Agile plants and retail scale create competitive edge: The Silvassa facility is designed for flexible blending and packaging, enabling GOLI to respond quickly to shift in consumption trends. This agility allows it to seize growth opportunities across the Automotive, Industrial and Construction sectors, without new capital expenditure. As a result, GOLI gains a competitive edge in manufacturing among producers of lubricants.

Company has been able to secure OEM partnerships...



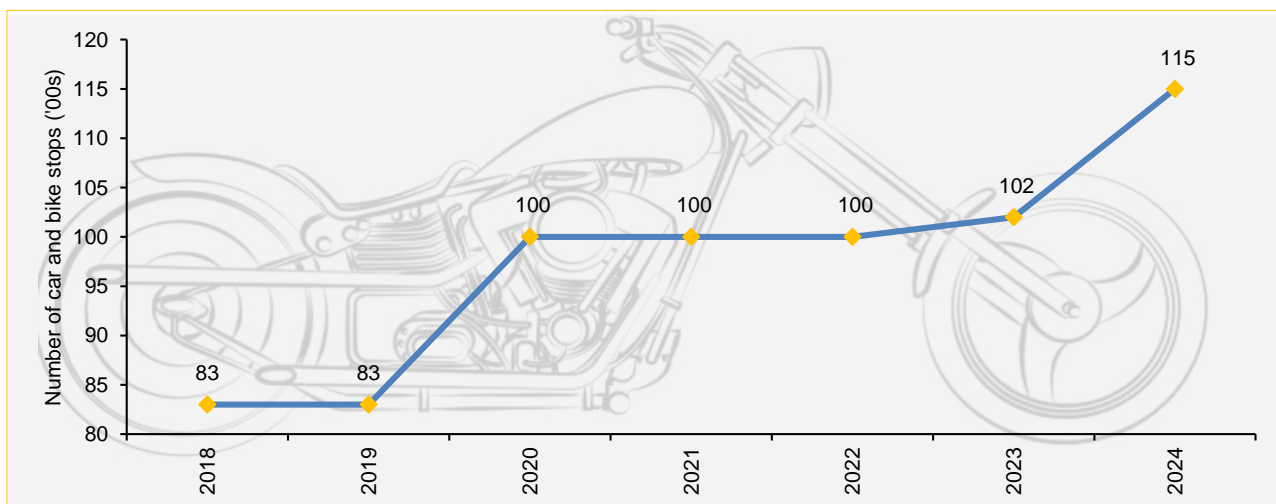
Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

... while aggressively growing number of retailers...



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

..as well as number of car and bike stops ('000s)



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

However, not all strategies work..

One area where the company is yet to see meaningful traction is the motorcycle battery business. Despite branding efforts and management focus, the segment has not scaled up as planned.

1. Investment Thesis

1.2 From Pricing Leverage to Profit Stability – GOLI's Game Plan

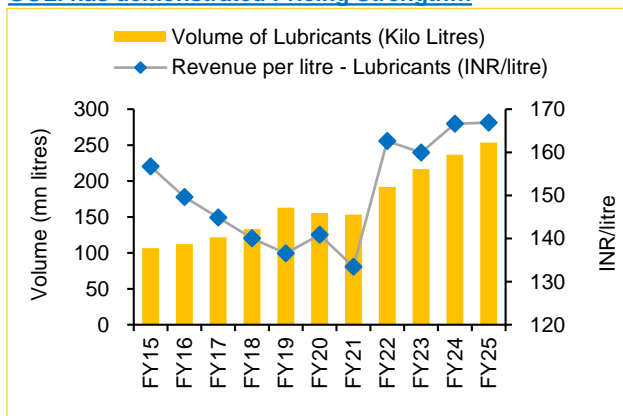
GOLI has raised or maintained its average realized price by ~21% over the past 7 years, driven by product mix, price hikes and schemes. By comparing the average realized price with Brent crude and Asian Base Oils, we conclude GOLI is now focusing on maintaining or increasing margins coupled with volume growth. This strategy enables better pass-through of input costs as evident from FY22 results. Then, GOLI had maintained EBITDA margin floor of 12% amid cost volatility due to X% and Y% yoy rise in Brent and Base Oil prices, respectively. As we expect Brent oil price to decline over the next year, in line with US EIA and IEA, we expect GOLI's EBITDA margin to rise above its current guidance band of 12–14% in FY27E–FY28E.

Focused on volumes prior to FY2022...

1.2.1 Strategic Shift: Powering Margins through Pricing

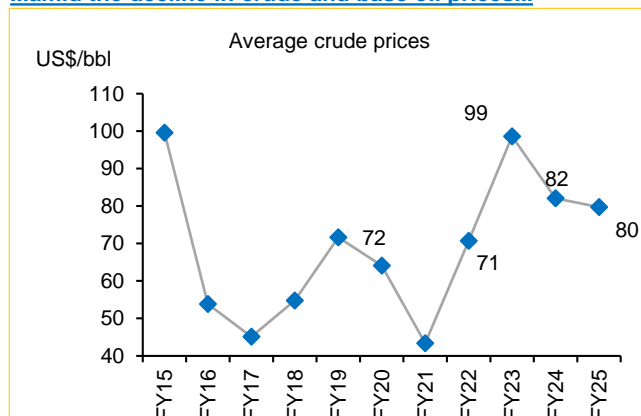
- From FY15 to FY19, GOLI focused on volumes such that, even as crude prices increased, its revenue per litre dropped which resulted in decrease in margins.
- However, since FY22, average realized price per litre has been retained although Base oil prices declined as a result of decrease in Brent prices, from US\$99/barrel in FY23 to USD\$80/barrel in FY25.

GOLI has demonstrated Pricing Strength...



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

...amid the decline in crude and base oil prices...



Source: FactSet, Choice Institutional Equities

...however, it has recently shifted focus to maintain and improve margins...

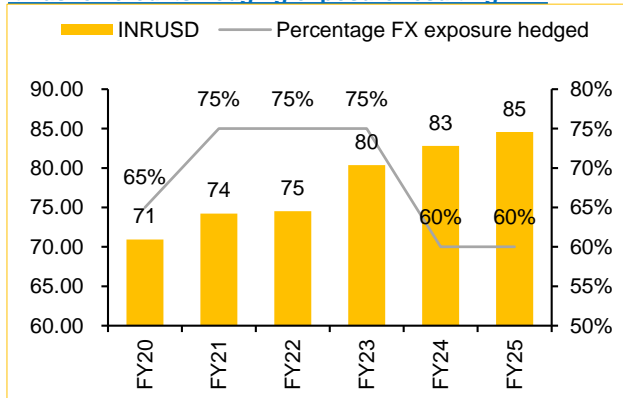
1.2.2 Margins Anchored in a Volatile Cost Environment: Despite a 25–50% jump in base oil cost after Brent topped US\$120/barrel in FY23, the company sustained a 11.8% EBITDA margin, leveraging strong brand-driven pricing. This underscores the company's resilience as margins held firm despite a 25-50% raw material cost surge in FY23.

...but, depreciation of currency remains an overhang

FX exposure is the key variable: 65–70% of base oil is imported by GOLI with FX hedging now covering 55–60% (down from 70–75%) over relatively short terms of 2–4 months. Therefore, GOLI is exposed to substantial currency risk. Further depreciation in rupee in the current volatile environment could erode margins.

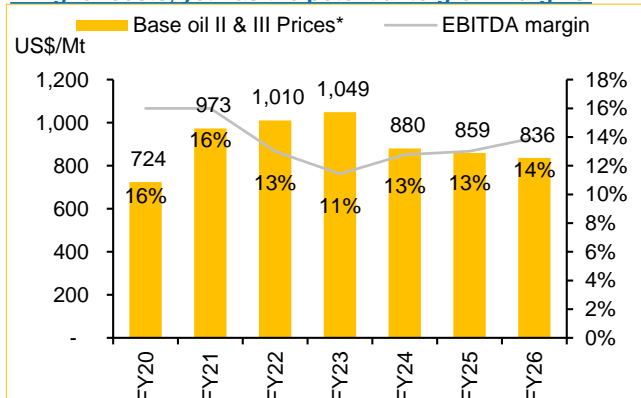
In our view, the market has largely neglected GOLI's costs, which have increased markedly over the past 5 years as a consequence of rupee's depreciation. **Based on our analysis, this is preventing the management from achieving an EBITDA margin of above 14%.**

It has lowered its hedging exposure resulting in...



Source: FactSet, Choice Institutional Equities

...higher costs, yet has the potential to grow margins.



Source: Lubes and Greases, Choice Institutional Equities

1. Investment Thesis

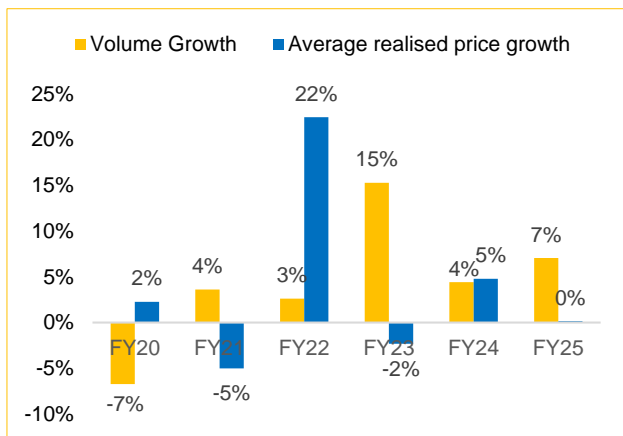
1.2 From Pricing Leverage to Profit Stability – GOLI's Game Plan

The benefits of lower oil prices have been permanently undermined by foreign exchange depreciation...

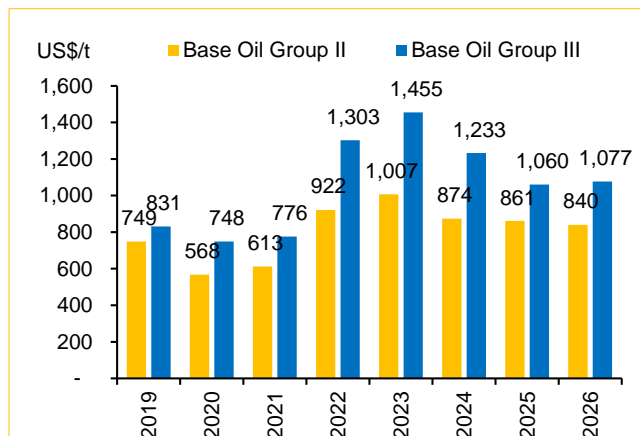
1.2.3 Price Gains & Cost Tailwinds to Lift Margins Above Guidance

- We expect the company's average realized price to rise by about 2% per annum, resulting in the EBITDA margin to reach the upper end of the guidance range (12–14%) for FY26. Previously, GOLI's average realized price rose by approximately 1% per annum over the past ten years.
- In the next fiscal year, we expect the decline in base oil prices to more than offset the depreciation of currency, resulting in EBITDA margin to be greater than 14%. We estimate EBITDA margin of 15% for FY27 and FY28.

Volume growth & stable or rising average realized price... ...amid the volatility in the Base Oil prices

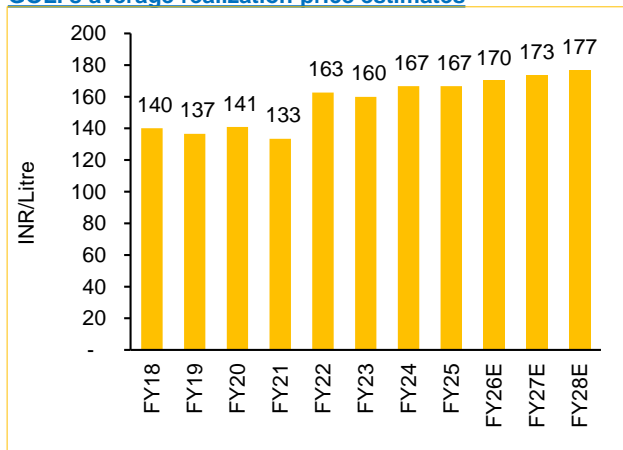


Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities



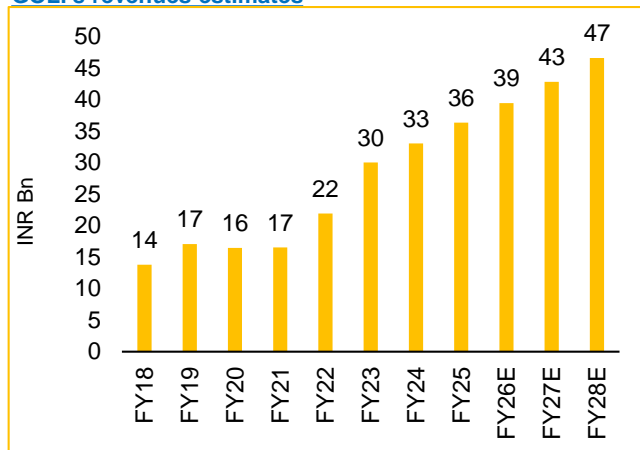
Source: Lubes and Greases, Choice Institutional Equities

GOLI's average realization price estimates



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

GOLI's revenues estimates



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

Branding serves as the cornerstone of building Pricing Strength. The next section of the report explores how GOLI cultivated its brand over time. In Industry Overview section, we provide evidence how it has punched above its weight against CSTRL.

1. Investment Thesis

1.3 Consistent Investment in Branding Builds Competitive Moat

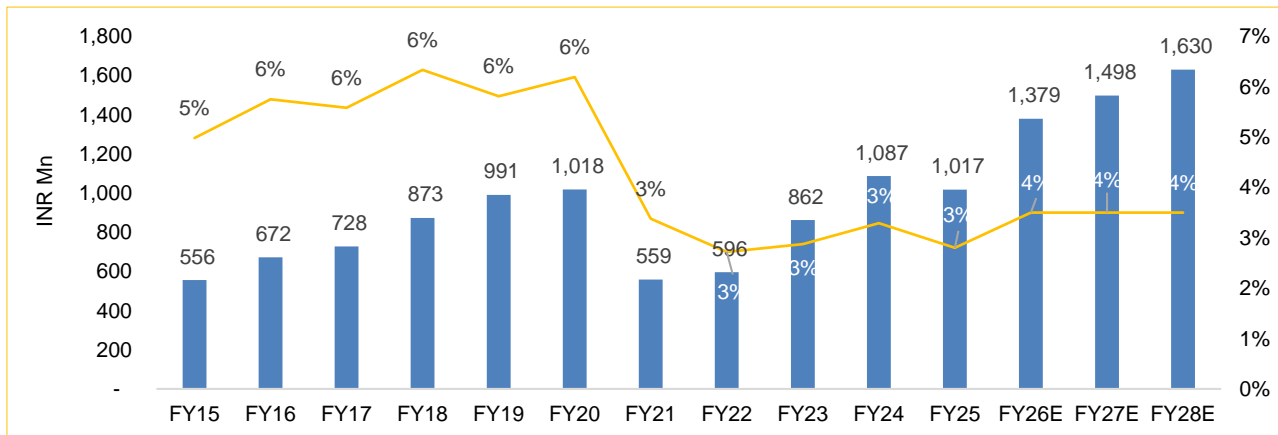
GOLI has made sustained and disciplined brand investment over the past two decades, propelling loyalty, margin-backed volume growth and competitive advantage. Consistent advertising investment has built customer loyalty and brand equity, driving profitability and sustained competitive advantage. The company sharpened its consumer focus by bringing in FMCG experts (Abhijit Kulkarni – COO and Aarthy Shridhar – CMO) to strengthen its brand-led growth. Meanwhile, global motorsport ties with McLaren and Williams remain untapped opportunities to penetrate the luxury and performance vehicle segment.

Branding investment has increased from approximately INR 72 crore in FY15 to INR 120 crore by FY25.

1.3.1 Steady Ad-Spend Propels Long-Term Loyalty: The company has consistently invested **at least 3–4% of its annual revenues** in advertising over the past two decades. Also, GOLI plans to maintain this level, demonstrating its commitment to building consumer loyalty, creating a competitive moat and driving margin growth through volume expansion.

- The A&P expense has increased X times over the period, and it is expected to grow X times over the next 3 years.
- The firm clearly understands that it is ultimately it is more or less a consumer business and creating loyalty from the customer base provides a moat. Further, this could be exploited to increase or maintain margins with increase in volumes.

Investment in brand-building over the past 15 years...



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

1.3.2 From Boardroom to Limelight: Leaders & Icons as Growth Catalysts:

GOLI has recently appointed Abhijit Kulkarni (Chief Commercial Officer) and Aarthy Sridhar (Chief Marketing Officer), both, formerly with Hindustan Unilever, bringing seasoned FMCG expertise to elevate brand-driven growth.

Brand equity through ambassadors and events: GOLI's long-standing association with Mahendra Singh Dhoni, its "Captain Gulf" ambassador since 2011, has boosted visibility and category growth. Sponsorships, such as India Bike Week, further strengthened its ties with the biking community.

18 years of partnership with CSK



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

1. Investment Thesis

1.3 Consistent Investment in Branding Builds Competitive Moat

Deepening McLaren, Williams, and Mercedes/F1 affiliations can elevate visibility and desirability and align with personal-mobility premiumization.

1.3.3 Under-leveraged Global Motorsport Presence Offering Future Upside:

Despite prominent F1 partnerships with McLaren and William, alongside endorsements from figures such as Lando Norris and Jamie Chadwick, the brand has yet to fully leverage these assets in India. As GOLI seeks to expand its presence in the passenger car market, this remains an untapped avenue for premiumization.

Strategic opportunity ahead: GOLI can reinforce its luxury positioning through a bespoke, India-tailored campaign inspired by “Drive to Survive” series by Netflix, centered on Mercedes – Williams’ long-standing power unit partner – celebrating Mercedes-AMG HPP’s engineering finesse and heritage of elite performance. Such storytelling, steeped in precision and craftsmanship, will strike a chord with discerning owners of premium vehicles.

GOLI can underscore how Mercedes engines lead in energy recovery, hybrid systems and performance reliability, reflecting the sophistication GOLI brings to its premium lubricant offering.

Aligning with Mercedes’ prestige and engineering leadership allows GOLI to project a sophisticated and aspirational brand image that deeply resonates with premium vehicle owners in India, without relying on driver personalities.

Partnership with McLaren and Williams Racing (Mercedes) may help build connect with passenger cars...

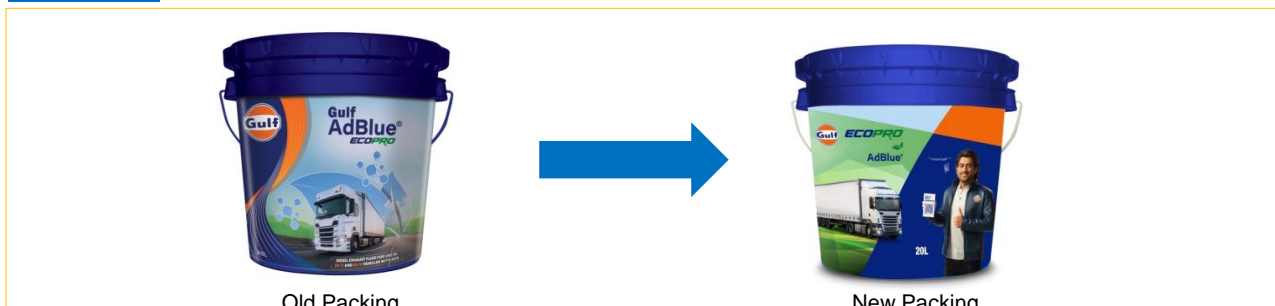


Source: Company reports, Formula1.com, Choice Institutional Equities

Packaging change with a built-in security feature to prevent counterfeiting

Protecting the brand: The company's lab actively investigates suspected counterfeits. Several cases are resolved at the sales-office level, indicating tight field-to-lab coordination. To safeguard its brand, GOLI updates packaging stickers every few months to stay ahead of counterfeiters. While these measures help curb fakes, the threat still poses reputational and pricing risks. To reinforce customer trust, GOLI invests 3–4% of annual revenues in branding and advertising.

GOLI ensures the brand remains undiluted: Packaging change with a built-in security feature to prevent counterfeiting



Source: Company reports, Choice Institutional Equities

Therefore, on the strength of volume outperformance through integrated approach, Pricing Strength leading to profit stability and consistent investment in branding has led GOLI to build competitive advantage in a crowded market. The following sections will cover valuation and ‘Industry Overview,’ which consists of evidence on how GOLI has thrived and is poised for continued growth in the lubricants market in India.

1. Investment Thesis

1.4 Key Investor Questions Answered

EV penetration should happen on highways to significantly impact the lubricants demand

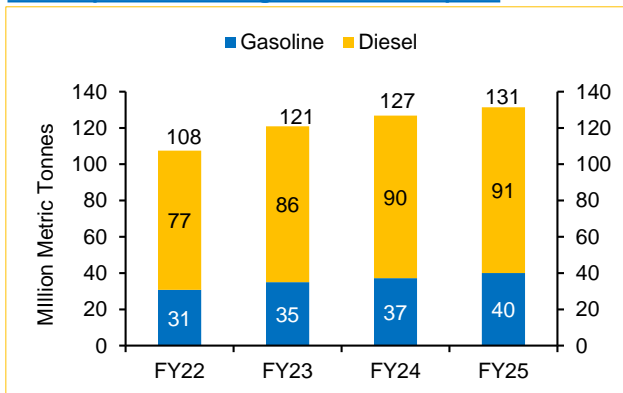
However, penetration is limited to lower end of fuels consumption

Will rising EV penetration be an overhang on GOLI's volumes?

EV adoption in India remains low and is skewed towards gearless two-wheelers and three-wheelers -- segments with minimal contribution to overall fuel and lubricant consumption. Moreover,

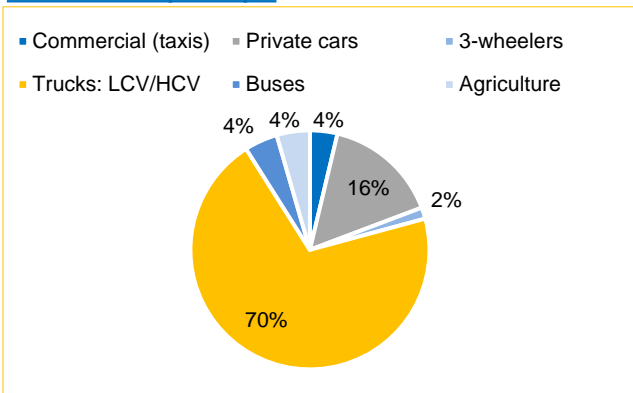
- India's fuel consumption primarily consists of diesel, which accounts for **66.7%**, while the remainder is **gasoline**
- This underscores India's dependence on diesel, particularly by commercial vehicles, which consume **approximately 75%**, while passenger vehicles account for the rest.

Break-up of diesel and gasoline consumption



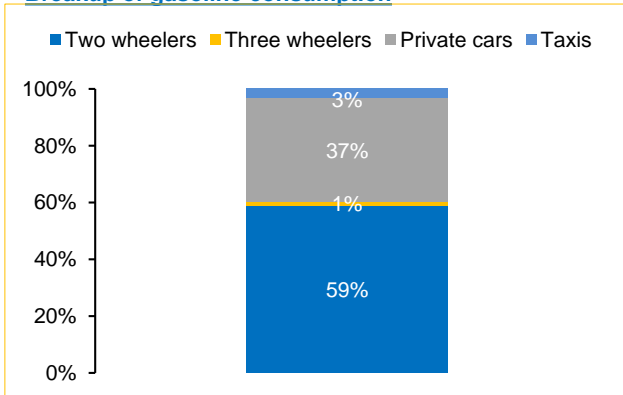
Source: PPAC, Choice Institutional Equities

Diesel consumption split



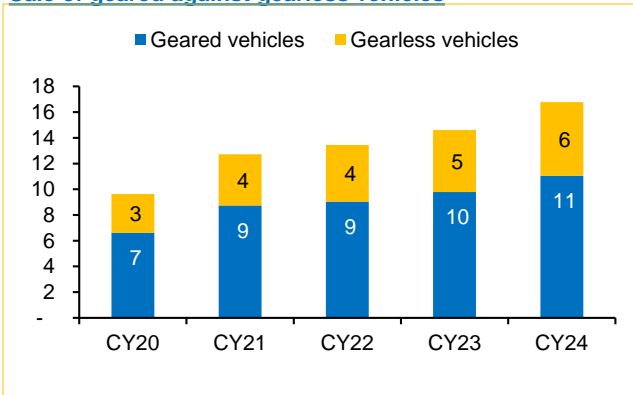
Source: PPAC, Choice Institutional Equities

Breakup of gasoline consumption



Source: PPAC, Choice Institutional Equities

Sale of geared against gearless vehicles



Source: CEIC, Choice Institutional Equities

Tirex is targeting INR 300-400 crore in revenue over the next 3-4 years with ~12-14% of EBITDA margins...

- Additionally, GOLI has been actively diversifying into adjacencies, such as EV fluids, where it is already working with 13+ OEMs. GOLI is thus positioning itself to seize emerging opportunities without significant loss from ICE demand in the foreseeable future.
- Recent strategic investments of over INR150 crore in Tirex Chargers (DC fast charging solutions), Indra Technologies (UK-based slow AC charging and mobility solutions), and TechPerspect's brand Electreefi (EV-focused SaaS platform), provide GOLI with a comprehensive presence across the EV ecosystem.
- These initiatives position the company to participate across the entire EV value chain, capitalizing on its strong brand equity, deep OEM partnerships, robust B2B relationships and expansive distribution footprint.

2. Investment View

Penetration of Electric Vehicles is one of the key investor concerns for lubricants

We recommend 'BUY' on GOLI with a target price of INR 1600, an upside of 29% based on DCF valuation method

2.1 Downside risks

- (a) Higher-than-projected depreciation of currency may further pressurise margins
- (b) Faster-than-anticipated adoption of Electric Vehicles
- (c) Stricter-than-expected emission norms, particularly for diesel passenger cars under BS7

2.2 View & Valuation

We recommend the company as a 'BUY,' driven by (a) volume outperformance via synergy amid strategy, plant operations and aggressive sales, (b) from price power to profit stability – GOLI's game plan, and (c) consistent investment in branding builds competitive moat. We expect GOLI's Revenue/EBITDA/PAT CAGR of 9%/14%/18% from FY25-28E.

We initiate Gulf Oil Lubricants India Ltd with a Buy recommendation and target price of INR1,600/share with an upside of ~29%. We primarily value the company using DCF with WACC of 9.7% (Pre-tax cost of debt as 8%, Beta of 0.75 and Cost of equity as 10.6%). We primarily value the company using DCF model, implying a PE multiple of 15.2x/13.6x at FY27E EPS/FY28E EPS. Moreover, the PEG ratio remains one of lowest in the industry at 0.8 implying further upside.

Our bull case scenario estimates a potential target price of INR 1,795 (44% upside), while our bear case scenario estimates a potential target price of INR 1,390 (12% upside).

Scenario Analysis based on WACC and terminal growth rate

		Terminal Growth				
		2.0%	2.5%	3.0%	3.5%	4.0%
Weighted Average Cost of Capital (WACC)	8.7%	1,650	1,765	1,900	2,062	2,257
	9.2%	1,522	1,620	1,732	1,866	2,024
	9.7%	1,420	1,504	1,600	1,714	1,846
	10.2%	1,315	1,386	1,468	1,562	1,671
	10.7%	1,229	1,291	1,361	1,442	1,534

Source: Choice Institutional Equities

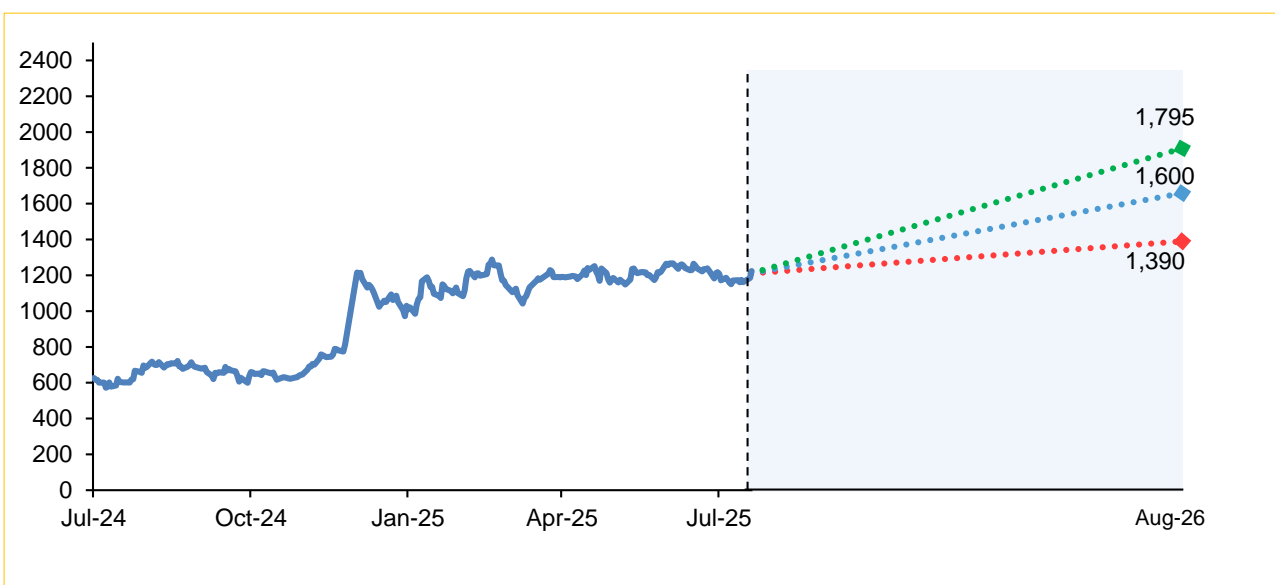
DCF value method assumptions

Target Weight of Debt	20.0%
Target Weight of Equity	80.0%
Tax Rate	25.0%
Pre-tax Cost of Debt	8.0%
Long-term Market Return (Rm)	12.0%
Risk Free Rate (Rf)	6.3%
Equity Risk Premium	5.7%
Adjusted Beta	0.75
Cost of Equity	10.6%
WACC	9.7%
Perpetual Growth Rate	3.0%
Fair Value	1,600
FY28E EPS	117.1
Implied PE (FY27E)	15.2

Source: Choice Institutional Equities

2. Investment View

Bull/Bear: GOLI



INR 1,795
44% Upside



BULL Assumptions

- Revenue CAGR 10% for FY25–28E
- We expect zero execution risk such that the company is able to increase its capacity from 1,40,000 kL to 2,40,000 kL, thus resulting in volume increase.
- We expect EBITDA Margin to be 14.9%, 15.9% and 15.9% for FY26E, FY27E and FY28E respectively.

INR 1,600
28% Upside



BASE Assumptions

- Revenue CAGR 9% for FY25–28E
- We expect certain execution risk from the company, such that utilization rate reaches 77% of the expanded capacity planned at Silvassa and Chennai Plants.
- We expect EBITDA Margin to be 13.9%, 14.9% and 14.9% for FY26E, FY27E and FY28E respectively.

INR 1,390
11% Upside



BEAR Assumptions

- Revenue CAGR 7% for FY25–28E.
- We expect significantly higher execution risk from the company, such that utilization rate reaches 76% of the expanded capacity planned at Silvassa and Chennai Plants.
- We expect EBITDA Margin to be 13.3%, 14.3% and 14.3% for FY26E, FY27E and FY28E respectively.

3. Management Meeting & Silvassa Plant Visit

Key Insights from the Management Meeting

We have recently interacted with the management of GOLI at their head office in Andheri, Mumbai.

Key takeaways from the meeting:

Outlook: The management is confident in continuing its 2x industry growth and gaining market share across all segments. As to whether the company will choose EBITDA margin or volume, the CEO responded that the company would focus on both.

Segment growth: The management aims for ahead-of-market growth in segments, such as diesel engine oil and motorcycle oil. The company plans aggressive growth in segments where market share is less than 5%, such as industrial and passenger cars.

EBITDA margin: The target for sustainable EBITDA margin remains in the 12% to 14% band.

Company's internal development initiatives: The target for sustainable EBITDA margin. This strategy aims to accelerate growth in segments where the company is performing well and has opportunities, focusing on premium offerings and meaningful digital transformation.

Brand investments: Significant brand investments were made from December onwards, including the "Unstoppables" 360-degree campaign featuring brand ambassadors MS Dhoni, Hardik Pandya, and Smriti Mandhana. A new campaign for the Gulf Pride motorcycle range has also been launched, highlighting a new pack with high technical specifications and a 10,000-kilometer drain interval. The company expects elevated advertising and sales promotion (A&P) expenses in the current quarter due to these campaigns, but intends to maintain A&P expense in the 3% to 4% range of sales.

AdBlue: AdBlue volumes have grown significantly from 16,000 kl to 140,000 kl annually. The company expects volume growth in AdBlue to continue at 10% to 15% for the next few years, focusing on a niche, high-end quality-conscious segment, including a tie-up with Nayara for distribution across 6,000+ outlets. A new anti-counterfeit pack has been launched to emphasize quality.

Tirex: The subsidiary, Tirex Transmission (acquired in October 2023), closed the FY25 on a strong note, achieving triple the revenue (nearly 300% growth) and becoming profitable. The full-year revenue for Tirex was approximately INR 80 crore. The company aims for Tirex to reach INR 400 crore to INR 500 crore turnover in the next 3 to 4 years and is exploring export market opportunities pending certifications. They are focusing on good quality AC chargers and working with OEMs rather than entering the "cheap end" of the market.

Data Centre Liquid Cooling: GOLI has developed two product candidates (POA-based synthetic and mineral) for data centre liquid cooling applications, which have been tested for critical material compatibility.

Base oil sensitivity: The company does not bet on the oil price, therefore neither they store it. The company's CFO informed that they do not forecast oil price. Although the company does provide material costs sensitivity which continues to hold for the year. A 0.1% increase in commodity (considering this is for Base Oil) results to 0.4% decrease in net profit.

Although the company has been able to increase its Pricing Strength over a period of certain time. Provided the company works in an over-crowded market, it generally does not comment on it, citing the reason that it has about more than 1,000 SKUs.

Guidance for sustainable EBITDA margin of 12 to 14%

Plan to raise the volumes to 272,000 kl

Sensitivity to Base oil

Company's Pricing Strength

3. Management Meeting & Silvassa Plant Visit

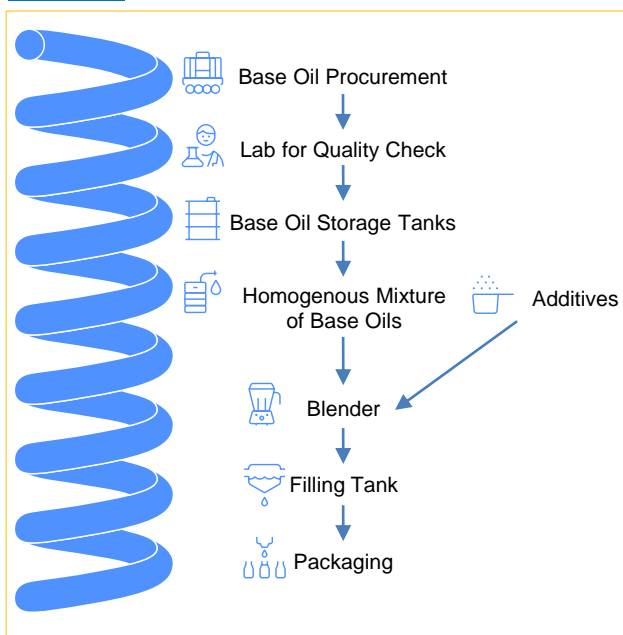
Silvassa: 90 kL flagship blending plant with dual-shift, automation, ASRS, quality labs, and planned expansion.

Overview of Integrated Blending and Packaging process

We recently visited GOLI's Silvassa Plant, located in Dadra & Nagar Haveli.

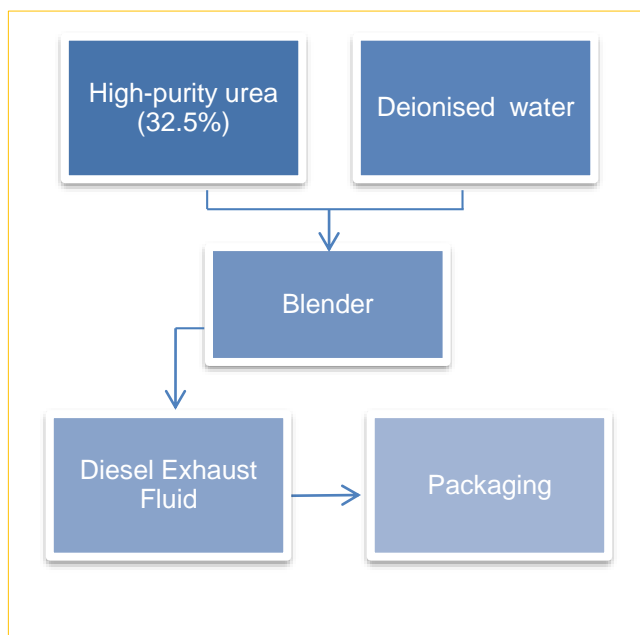
- With a lubricant **production capacity of 90,000 kL**, the facility **operates in two shifts**, while retaining the **flexibility to add a third shift** so as to meet higher demand.
- As the flagship blending facility, it features automation, quality labs, eco-friendly processes, ASRS warehousing and in-house packaging, serving mainly the B2C segment (53% of business). Overall contribution volumes contribute 60 to 70% of the business.
- Plans include adding capacity and in-house storage at the Mumbai Port so as to reduce rental costs.
- Base oil quality is maintained by sourcing from upper bunker layers, which will further improve with planned dedicated storage.
- The plant's expanded storage will also match B2C demand cycles, which peak towards the end of the month.

Integrated Blending and Packaging process for Lubricants



Source: Company reports, Choice Institutional Equities

Process for Diesel Exhaust Fluid



Source: Company reports, Choice Institutional Equities

Base oil quality is tested upon procurement and again before blending:

- The lab screens for counterfeit products and also supports product development for defence and OEM partnerships
- Silvassa uses a blended metering system that speeds up charging and blending as compared to the Kettle-wise method
- With 500+ SKUs, kettles are flushed after each batch, limiting blending losses to 0.15% vs. the 0.25% industry average
- Residual oil sales have been curtailed as a result of stricter environmental norms. The plant runs semi-automatic stations and can quickly adapt filling lines to shifting market demands

Samples of Base Oils, Additives and Lubricants



Source: Company, Choice Institutional Equities

Blending section



Source: Company, Choice Institutional Equities

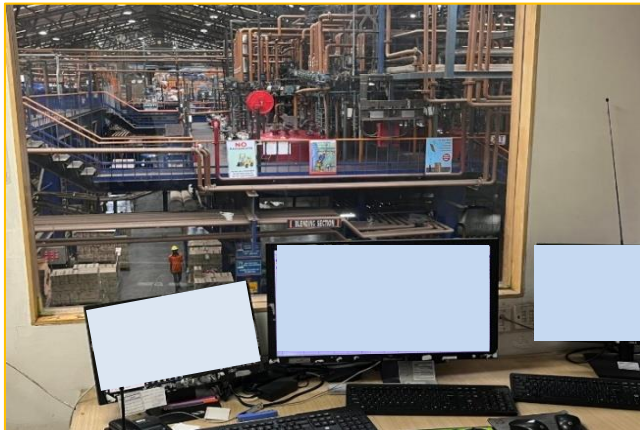
3. Management Meeting & Silvassa Plant Visit

Filling section



Source: Company, Choice Institutional Equities

Control room



Source: Company, Choice Institutional Equities

Deionised Water tanks



Source: Company, Choice Institutional Equities

Blending section



Source: Company, Choice Institutional Equities

Filling station



Source: Company, Choice Institutional Equities

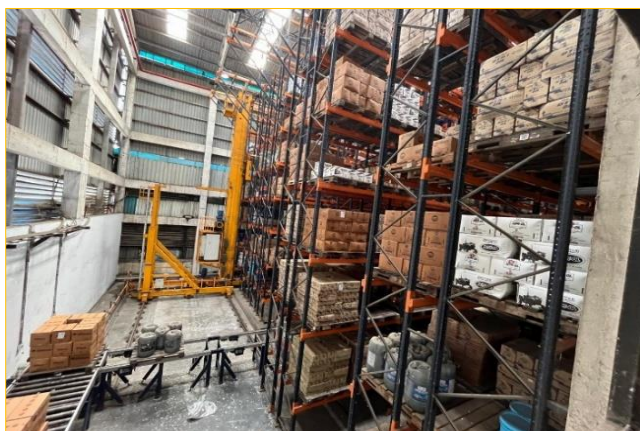
AdBlue is distributed via three formats: Bulk tanker-sized containers for OEMs, Intermediate Bulk Containers (IBCs) for highway distribution and small retail units, such as 20-litre buckets. IBCs are used to supply commercial vehicles on the highways and are returned, refilled and redeployed — ensuring efficient and sustainable logistics.

Intermediate Bulk Containers



Source: Company, Choice Institutional Equities

Automatic Storage and Retrieval System



Source: Company, Choice Institutional Equities

Automatic Storage and Retrieval System:

The retrieval from system can be done in pegged basis as well as in batch of smaller sizes. The pegged retrieval is used for the OEMs. This overall storage facility will also have to be expanded as the another 30,000KL of plant is brought online.

4. Industry Overview

4.1 Lubricants market: Entering the Sweet Spot

Income elasticity of energy set to rise...

...with the highest consumption of oil expected from road...

...leading to significant upside for lubricants...

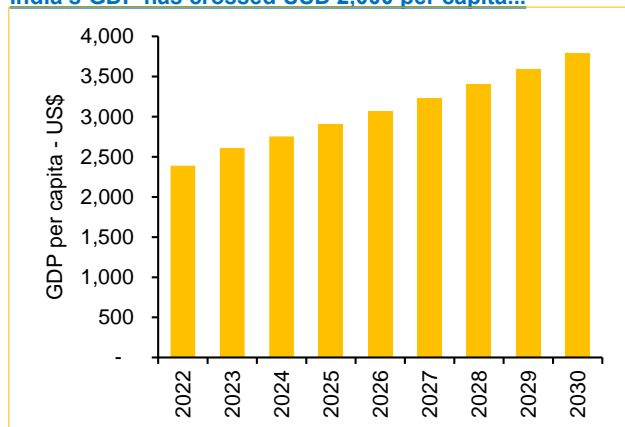
India's Energy Sector at a crucial juncture

According to the World Bank, India's per capita GDP was approximately US\$ 2,700 in 2023.

- This level of income places India squarely within a crucial inflection zone observed across emerging markets
- Economists and energy analysts have noted a consistent trend globally: When a country's per capita GDP reaches between USD 2,000 and USD 10,000, the income elasticity of energy demand tends to be at its peak
- Income elasticity of energy refers to the percentage increase in energy consumption that results from a 1% increase in income. In this income band, people typically begin transitioning from basic to more energy-intensive lifestyles

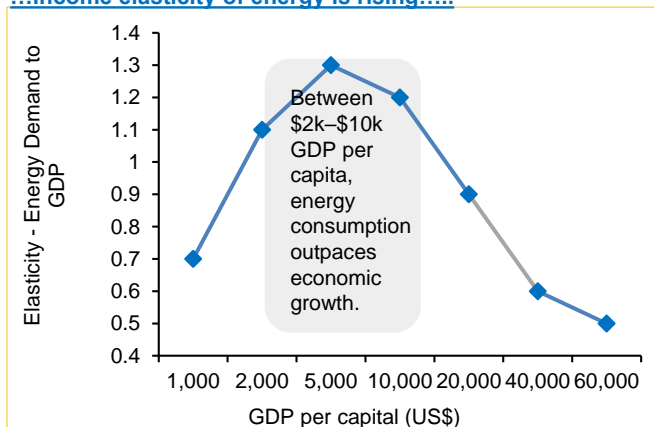
This includes increased ownership and use of personal vehicles, boosting demand for transport fuels (such as petrol and diesel), sequentially leading to higher consumption of lubricants in India.

India's GDP has crossed USD 2,000 per capita...



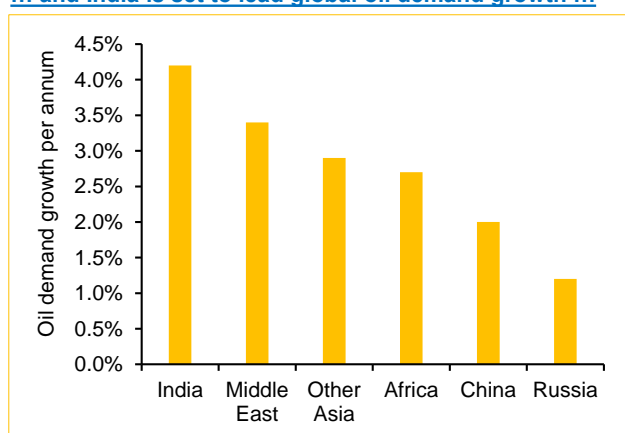
Source: World Bank

...income elasticity of energy is rising....



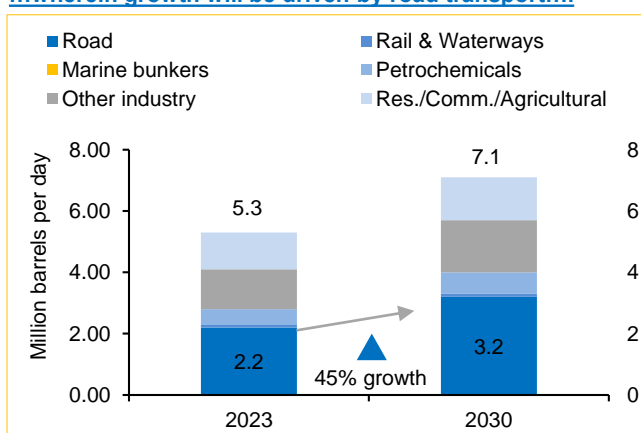
Source: IMF and World Bank estimates

... and India is set to lead global oil demand growth ...



Source: OPEC, as of Oct 2024

...wherein growth will be driven by road transport....



Source: OPEC, as of Oct 2024

4. Industry Overview

4.1 Lubricants market: Entering the Sweet spot

EV penetration should expand beyond city roads, as fuels and lubricant consumption is skewed towards highways on the back fleet operation

However, EV penetration is limited to lower end of fuels consumption

EV penetration lag keeps gasoline and diesel demand intact

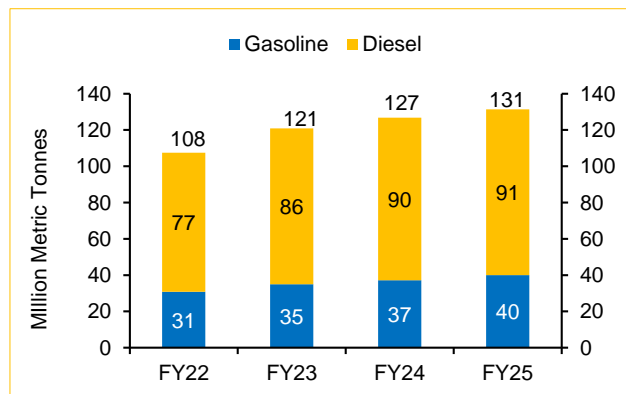
Due to fuel demand, a common concern among investors is the potential impact of penetration of electric vehicles (EV). However, for a meaningful reduction in automotive oil consumption and therefore lubricants, EV infrastructure must expand beyond city roads and be prioritised along highways, where commercial traffic is concentrated. Majority of fuel demand comes from LCV/HCV.

- **India's fuel consumption** primarily consists of diesel, which accounts for **66.7%**, while the remainder is **gasoline**
- This underscores India's dependence on diesel, particularly by commercial vehicles, which consume **approximately 75%**, while passenger vehicles account for the rest
- Seized of the facts, the **government** recognises the need for highway-focused EV infrastructure so as to curb emissions. Additionally, the existing dispensation has **focused its efforts on Bharat Stage VI norms, making it mandatory to use Diesel exhaust fluid (AdBlue)** in new vehicles.
- While **EV manufacturers** are **not misaligned**, their initial focus has been on gearless two- and three-wheelers, a **relatively small segment** in terms of **overall fuel consumption**

EV adoption is concentrated at the **lower end of the inverted consumption pyramid**, primarily in gearless two-wheelers and private cars. The segments that account for the **majority of fuel demand (Trucks - LCV/HCV)** remain **unscathed**.

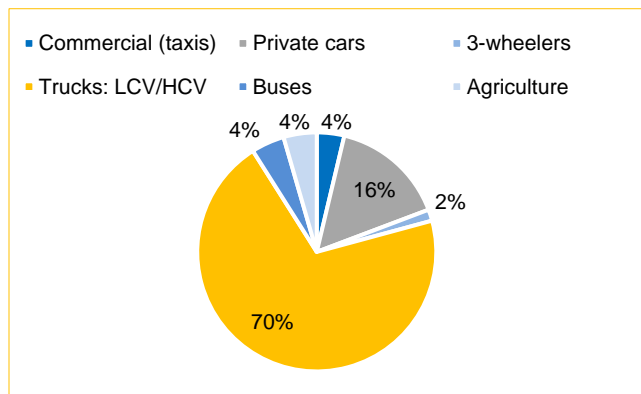
Furthermore, we explain the primarily raw material of lubricants which is Base Oils and respective pricing.

Break-up of diesel and gasoline consumption



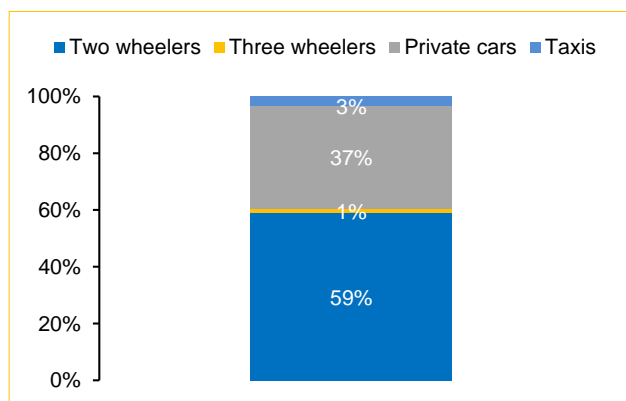
Source: PPAC, Choice Institutional Equities

Diesel consumption split



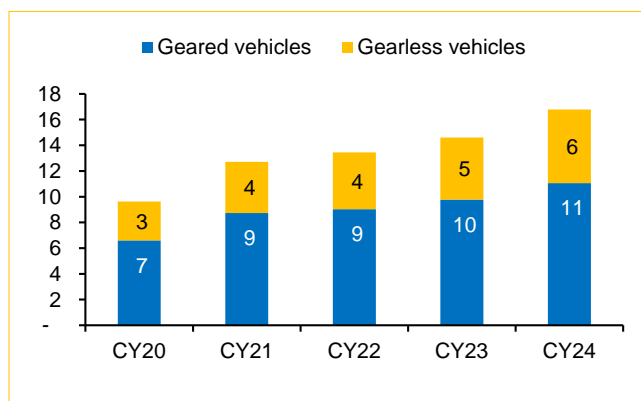
Source: PPAC, Choice Institutional Equities

Breakup of gasoline consumption



Source: PPAC, Choice Institutional Equities

Sale of geared against gearless vehicles



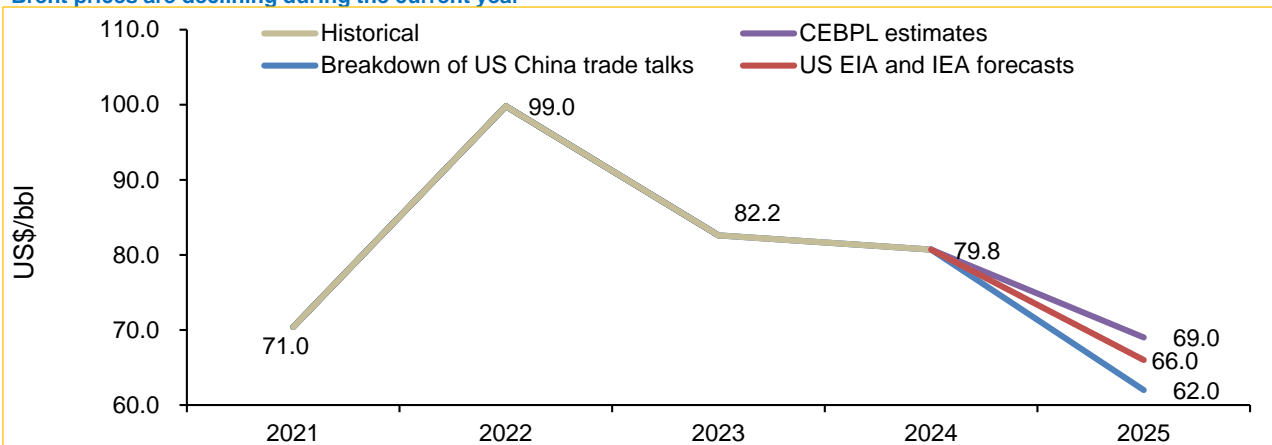
Source: CEIC, Choice Institutional Equities

4. Industry Overview

4.1 Lubricants market: Entering the Sweet spot

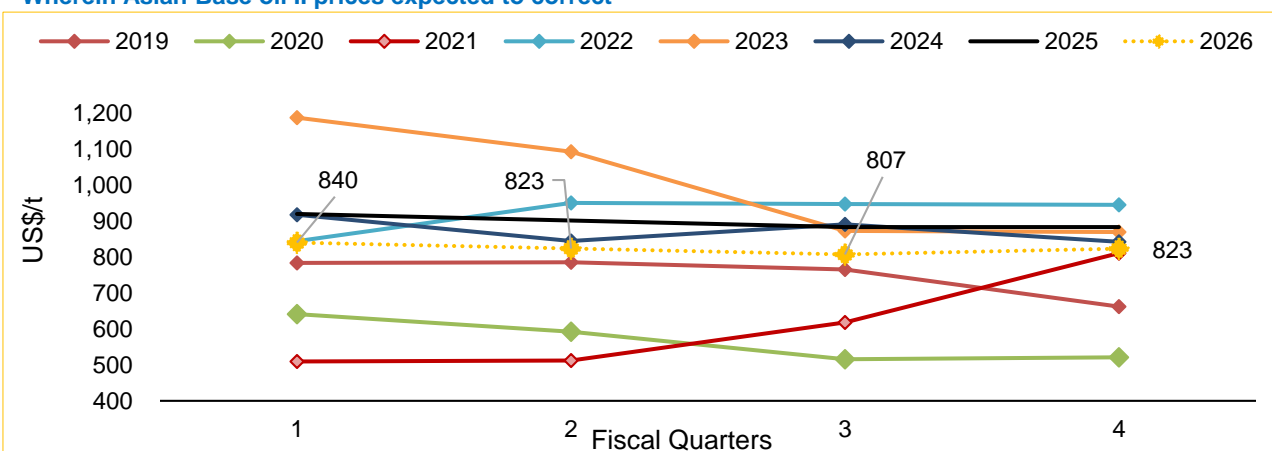
Base Oils generally form 80% of the raw materials used for the lubricants, while the rest 20% is additives. Now, Base oil prices which are index-linked and typically move with a 30–45 day lag to the increase/decrease in crude oil prices. This lag occurs as pricing contracts and adjustments are often reviewed monthly or quarterly. Moreover, the logistics and distribution chain also contribute to the delay. **We currently estimate Brent crude to average US\$69/bbl for CY25. In comparison, both the U.S. EIA and IEA forecast an average of US\$66/bbl for CY25.**

Brent prices are declining during the current year



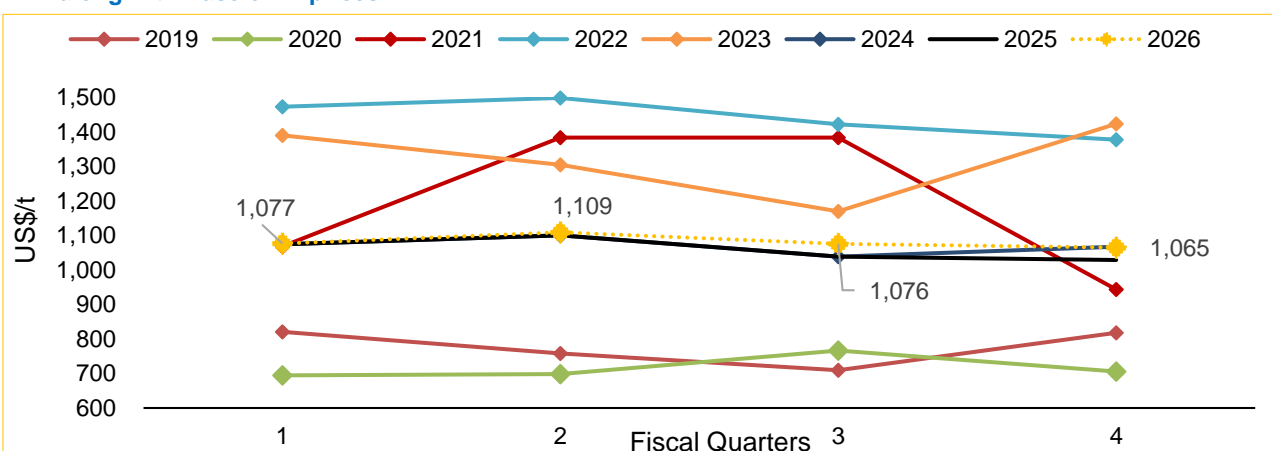
Source: FactSet for historical prices, Choice Institutional Equities' estimates Note: Calendar YTD Brent price has averaged up to US\$70.07/b as of 22 Aug 2025.

Wherein Asian Base oil II prices expected to correct



Source: Lubes and Greases for historical numbers, Choice Institutional Equities

....along with Base oil III prices....



Source: Lubes and Greases for historical numbers, Choice Institutional Equities

4. Industry Overview

4.1 Lubricants market: Entering the Sweet spot

Oil majors are present in India's lubricant market

A Regulation-free Ride in India's Oil & Gas space

To tap into India's booming energy market, global oil giants, though mainly absent from upstream and fuel retail due to regulatory hurdles, have nonetheless gained exposure through lubricant sales. Eight of the top nine majors sell lubes in India. Meanwhile, the state-run OMCs continue to bleed due to fuel under-recoveries, despite planned government compensation.

			
Market Cap: US\$1,568 billion	Market Cap: US\$471 billion	Market Cap: US\$251 billion	Market Cap: US\$209 billion
			
Market Cap: US\$139 billion	Market Cap: US\$81 billion	Market Cap: US\$51 billion	Market Cap: US\$17 billion

Source: Company reports, Bloomberg, Choice Institutional Equities

.. "If you need to have a prayer session before raising the price by 10%, then you have got a bad business" – Warren Buffet



.. Comparing the costs..



We believe following four aspects can help a company to succeed in the crowded market of lubricants in India:

- **Pricing Strength: Tracking Price Pass-Through, Volumes & Market Share:** In a scenario of highly competitive landscape, pricing is an important strategy to drive volumes and ultimately hold or improve margins.
- **Building the Brand Engine: Mechanics, Ads & Partnerships:** In India's engine oil market, mechanics are the undisputed gatekeepers at the base of the customer pyramid. To build long-term brand loyalty, companies start with targeted outreach to mechanics, then layer in strategic OEM partnerships, co-branded workshops, consistent advertising and an emotionally-compelling brand ambassador.
- **From Base Oil to Bottom Line - Decoding Supplier Cost Pressures:** Base oils account for 80% of the raw material costs. The lubricant companies mainly import Group II and III base oils from South-east Asia. Simultaneously, the firms face a challenge to maintain margins as we expect currency to depreciate and base oil prices to decline. In such a scenario, an organisation with strategic procurement intelligence holds a competitive advantage in the lubricants industry.
- **What's in Store: BS VI Regulation and Consumer Preference among Vehicle Segments:** GOLI is well-positioned to benefit by the implementation of BSVI Regulation as well as consumer preference for SUVs.

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

Pricing
Strength

Building the
Brand Engine

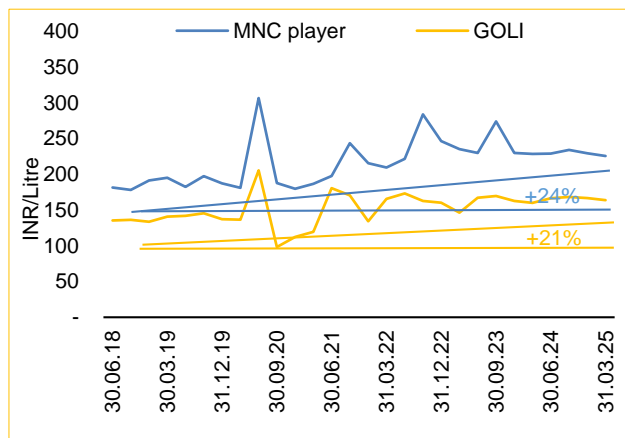
Supplier Cost
Pressures

Regulation &
Consumer Preference

5.1.1 Pricing Strength: Tracking Price Pass-Through, Volumes & Market Share

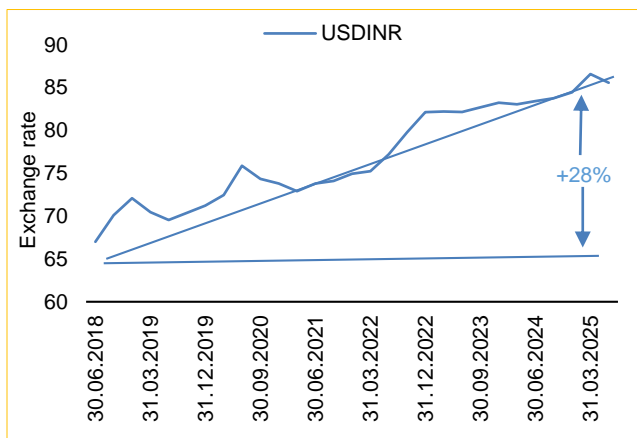
Provided there is no government intervention or regulatory constraint in the Lubricants segment of Oil & Gas sector, the market in India has long been served by global majors - Saudi Aramco, ExxonMobil, Chevron, Shell, BP, Total Energies, ENI and Repsol. In addition to these, lubricants from public sector undertakings (PSUs) and domestic producers in India create a highly-competitive landscape. **In such a scenario, pricing is an important strategy to drive volumes and ultimately hold or improve margins.**

Price floor is critical along with increasing prices...



Source: Gulf Oil Lubricants India Ltd, Company reports, Choice Institutional Equities

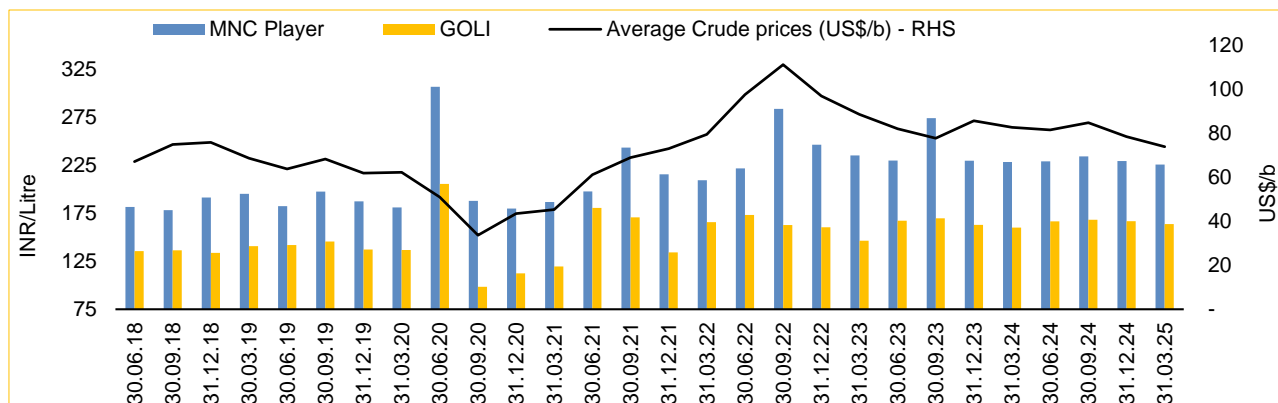
...such that it offsets the depreciation in INR...



Source: Factset, Choice Institutional Equities

Primarily the pricing in lubricants market is divided into three tiers wherein top lubricant players adopt a forward-looking pricing strategy: The management uses predictive modelling of input-cost trends - particularly base oil and crude - to adjust its pricing in advance and preserve margins. It is able to differentiate on the back of better products and therefore command premium. Then there is mid-tier segment which consists of GOLI among others, which follows the crude trajectory and does not anticipate oil prices. Ultimately, there is lower segment which has negligible pricing strength resulting in compressed, mid-to high single digit EBITDA margins.

Average crude oil prices against average realized prices for GOLI and others



Source: Gulf Oil Lubricants India Ltd., Company reports, Choice Institutional Equities

**Delayed average crude prices to reflect the increase in base oil prices

GOLI does not believe in forecasting oil prices. However, it adjusts average realised prices on real time basis

GOLI: We learned during our conversation with the firm's management, that the company does not believe in the ideology of anticipating oil prices. However, their primary focus remains on modifying pricing on a real-term basis, attempting to preserve or expand market share while maintaining profitability. GOLI simply follows the base oil price trajectory. We believe strategic alignment of GOLI as well as a relatively better understanding of price elasticity of the lubricant market in India is lending the firm a competitive advantage over others.

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

Pricing
Strength

Building the
Brand Engine

Supplier Cost
Pressures

Regulation &
Consumer Preference

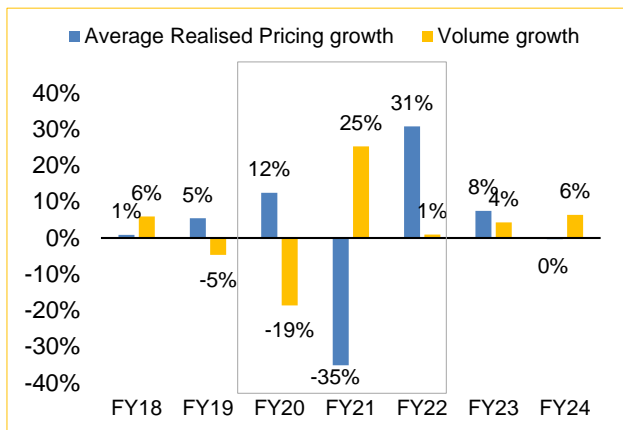
5.1.1 Pricing Strength: Tracking Price Pass-Through, Volumes & Market Share

Pricing along with volume moves the needle..

Pricing must align strategically with volume so as to drive gains in market share

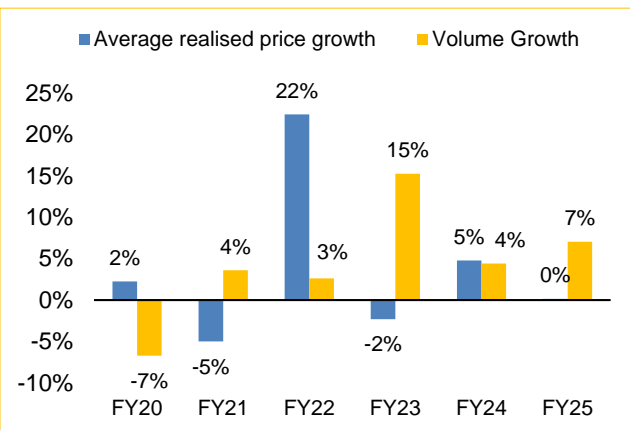
GOLI has consistently delivered strong volume growth, typically around 7% CAGR over the past seven years, driven by disciplined execution and expansion across retail and B2B channels.

Competitor's volumes fluctuate due to pricing...



Source: Gulf Oil Lubricants India Ltd., Company reports, Choice Institutional Equities

...versus GOLI's Pricing and volume growth

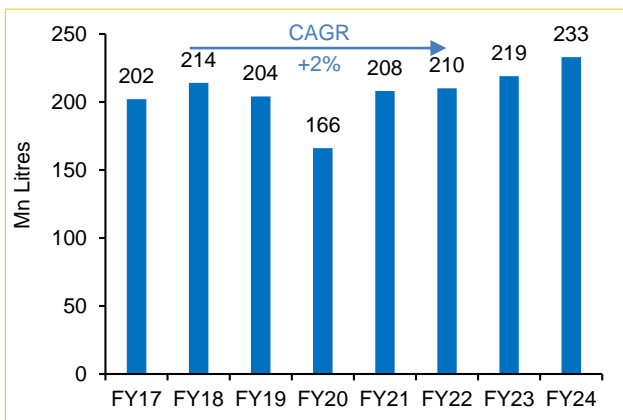


Source: Lubes and Greases, Choice Institutional Equities

Strategic priorities in the lubricants market....

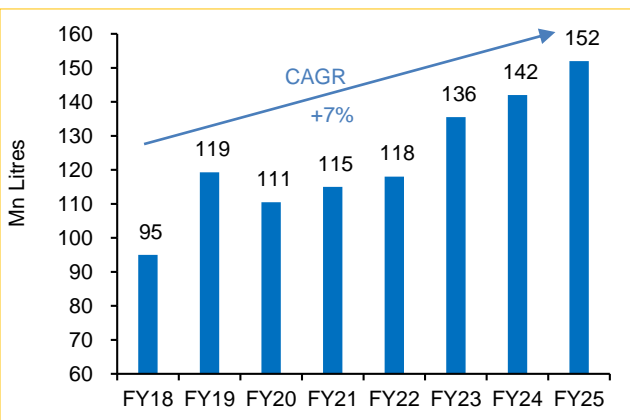
In order to consistently grow the revenues in the lubricants market, a firm should be able to increase or maintain prices without impacting the volumes. The private market leader has been adjusting prices over the past 6 years. However, the firm's volumes have been impacted proportionately. Clearly, **GOLI**, by contrast, pursues aggressive volume growth coupled with cautious pricing approach taking into consideration the demand elasticity of the market. Its consistent share gains is a result of expansion into B2B, rural and OEM channels, rather than premiumization.

Competitor's volume growth over the years as...



Source: Company reports, Choice Institutional Equities

...compared to sustained increase in GOLI volumes



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

In our opinion, for a lubricant company to increase its prices without losing on volumes, it needs to have Pricing Strength which, to certain extent, can come through product differentiation, product mix, hikes as well as schemes. However, the cornerstone to develop it is through branding. Companies need to educate the mechanics, OEMs and ultimate consumers about their products. In the next section, channel check indicates how GOLI positions itself in the market in terms of pricing.

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

Pricing
Strength

Building the
Brand Engine

Supplier Cost
Pressures

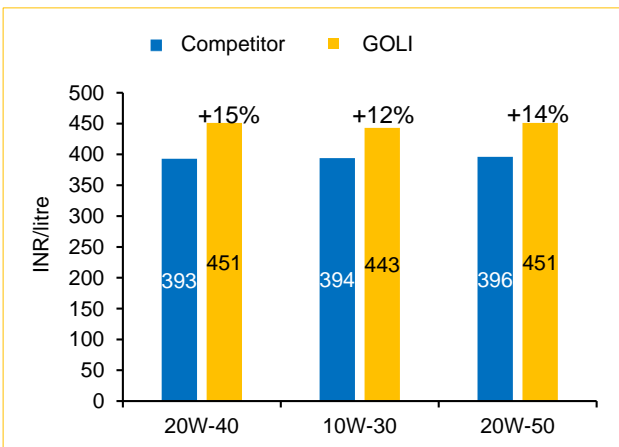
Regulation &
Consumer Preference

5.1.1 Pricing Strength: Tracking Price Pass-Through, Volumes & Market Share

Product range and price comparison through channel checks

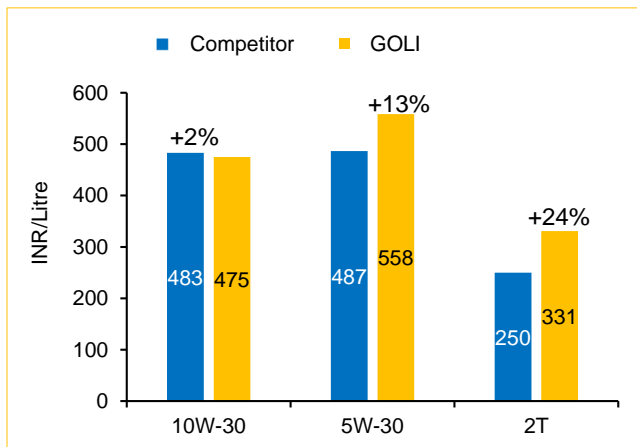
GOLI has been relatively restrained on public commentary about pricing. However, our channel checks indicate that the company has consistently maintained pricing higher than competitors in segments, such as motorcycle oils, scooter engine oils and commercial vehicle lubricants. Conversely, for the passenger vehicle lubricant segment, GOLI has priced its products lower. In our view, it reflects a strategic plan to accelerate market share gains.

Pricing Comparison for Motorcycle oils



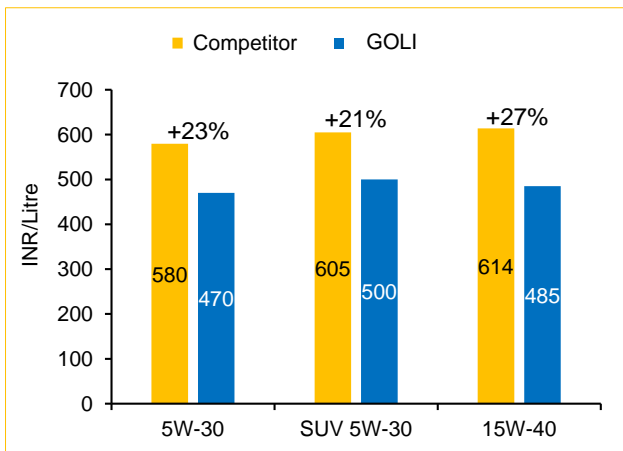
Source: Channel Checks by Choice Institutional Equities

Engine oils for Scooters



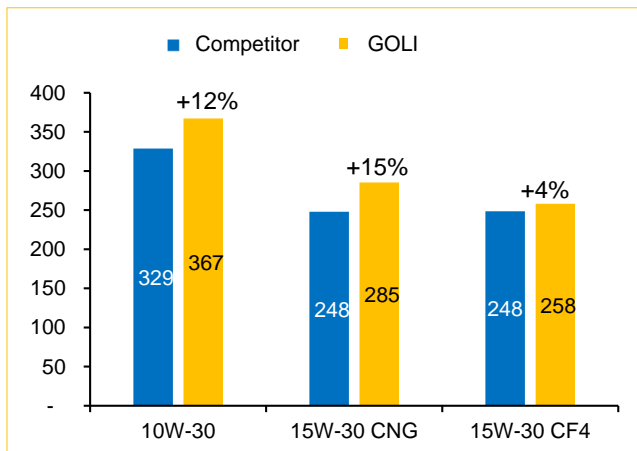
Source: Channel Checks by Choice Institutional Equities

Prices of engine oils for passenger vehicles



Source: Channel Checks by Choice Institutional Equities

...and for commercial vehicles



Source: Channel Checks by Choice Institutional Equities

Note: Above prices are based on MRP as available in Western Region as of June 2025

Key conclusions from pricing:

- In order to develop Pricing Strength, **branding is the cornerstone of strategy**. However, the resilience of EBITDA margin will be driven by effectiveness in managing cost of supplies.

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

Pricing
Strength

Building the
Brand Engine

Supplier Cost
Pressures

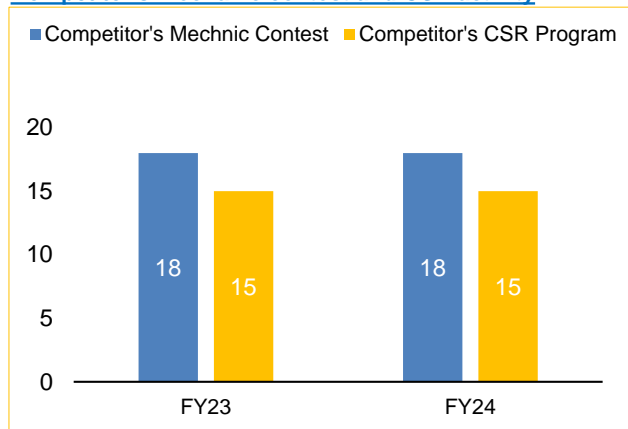
Regulation &
Consumer Preference

5.1.2 Building the Brand Engine: Mechanics, Ads & Partnerships

Branding story in charts

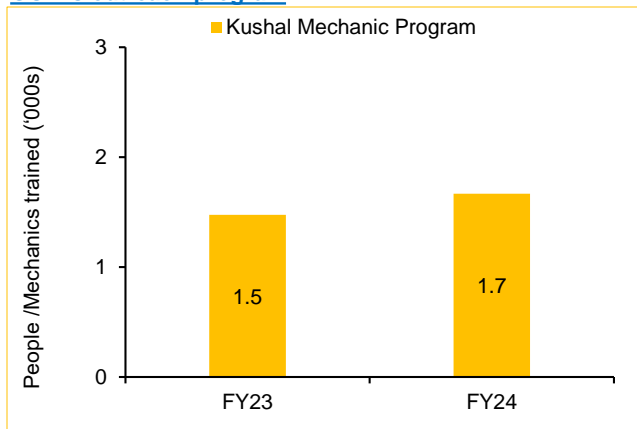
In India's engine oil market, mechanics are the undisputed gatekeepers at the base of the customer pyramid. To **build long-term brand loyalty**, companies start with targeted outreach to **mechanics**, then layer in strategic **OEM partnerships**, **co-branded workshops**, **consistent advertising** and an emotionally-compelling **brand ambassador**.

Competitor's mechanic contest and CSR activity



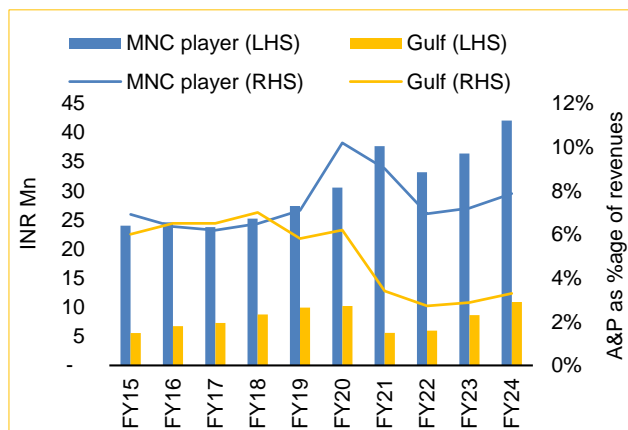
Source: Company Reports, Choice Institutional Equities

GOLI's outreach program



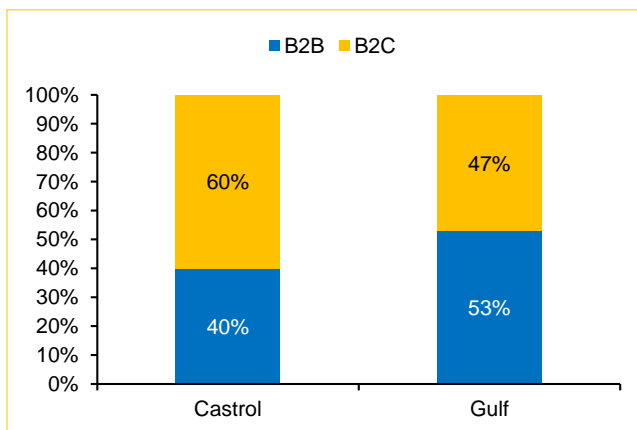
Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

Similar percentage, however, significant higher absolute value...



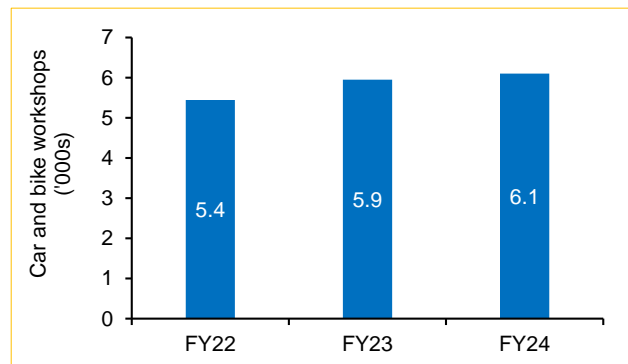
Source: Company Reports, Gulf Oil Lubricants India Ltd., Choice Institutional Equities

...leading greater leverage...



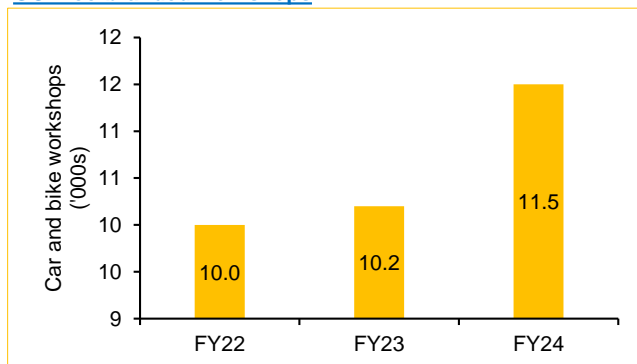
Source: Company Reports, Gulf Oil Lubricants India Ltd., Choice Institutional Equities

Competitor's co-branded workshops



Source: Company Reports, Choice Institutional Equities

GOLI co-branded workshops



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

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5.1.2 Building the Brand Engine: Mechanics, Ads & Partnerships

Mechanics influence the decision...

Competitor's Auto Mechanic Academy



Competitor's Mechanic Programs



Mechanic Programs by GOLI



How awareness among mechanics can drive market share?

As vehicle engines are technically intricate, **the mechanic responsible for servicing the vehicle exercises considerable influence over the choice of engine oil brand.** Therefore, lubricant companies in India organise dedicated mechanic-engagement programs so as to build **loyal advocacy.**

Mechanic awareness:

GOLI faces tough competition in terms of mechanic training programs. The firm's completion has Auto Mechanic Academy in association with Automotive Skills Development Council (ASDC).

Meanwhile, each year, around 100,000 mechanics challenge their wits while participating in a mechanic contest organized by GOLI's competitor.

- It is a national-level challenge which was launched in India in 2017 and begins with IVR-based rounds and regional face-offs, culminating in an all-India finale distinguished by rigorous technical and theoretical tests.
- Mechanics enjoy an exceptional national spotlight while featuring in "Garage Guru – The Super Mechanic Show" – telecast on Zee and TV9
- The contest blends skill-building and recognition: Selected participants attend masterclasses, boot camps and educational workshops endorsed by ASDC, elevating their diagnostic and technical expertise

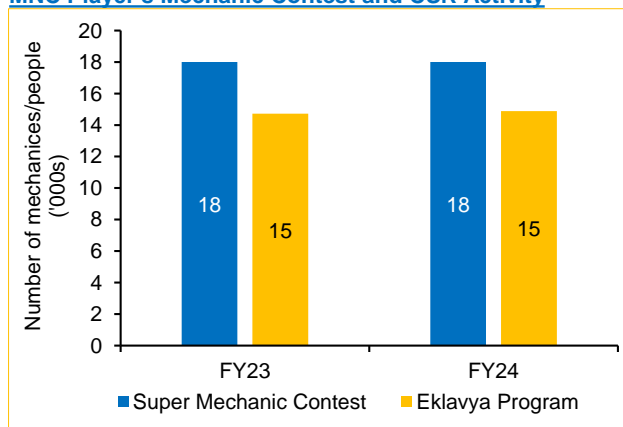
- **Gulf Master Mechanic Program:** It is an invitation-only platform that rewards and recognises exceptional mechanics through a structured, tiered loyalty system aimed at involving them in the sales process.

The Gulf Mechanic Loyalty Program sees participation exclusively from invitees as compared to Competitor's Super Mechanic Contest. The latter has a web portal and an IVR for registration; a significant edge over GOLI in terms of building awareness among mechanics.

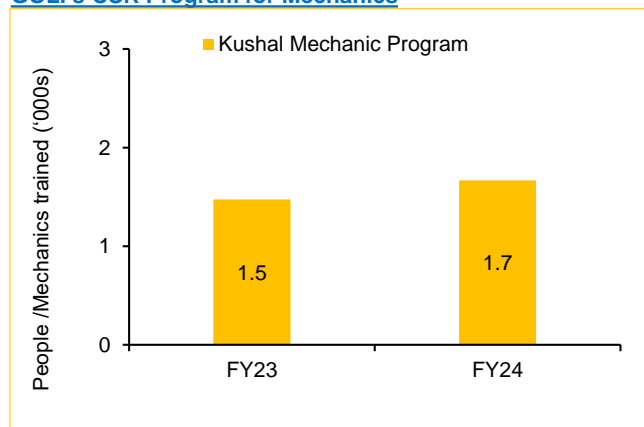
Additionally, lubricant players pair CSR with real skill-building. **Eklavya Program** has been launched by a competitor in 2009, has trained two-wheeler mechanics in hands-on diagnostics, business acumen and financial skills.

Similarly, **GOLI** runs the **Kushal mechanic training initiative**. Here, the company provides vocational training to mechanics of two-wheelers, HCVs and electric vehicles. It conducted 24 sessions for two-wheeler mechanics, 5 for HCV and 1 for Electric Vehicles, cumulatively training 1,668 mechanics.

MNC Player's Mechanic Contest and CSR Activity



GOLI's CSR Program for Mechanics



Source: Company reports, Choice Institutional Equities

Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

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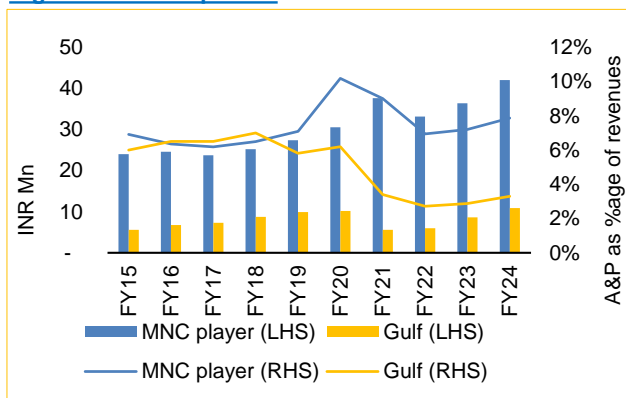
5.1.2 Building the Brand Engine: Mechanics, Ads & Partnerships

Sustained advertising investments backed by a greater share of B2C business provides a competitive advantage to brand-building

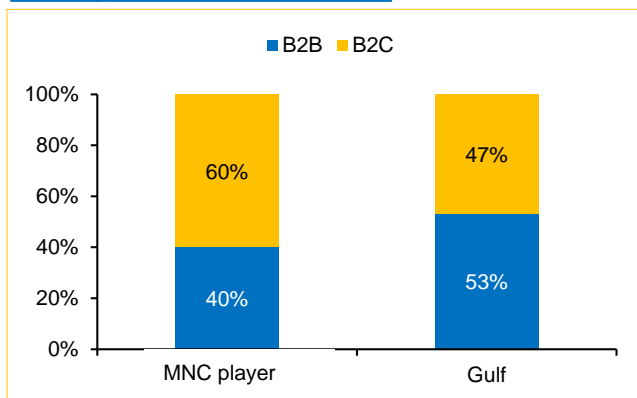
Building a brand involves sustained investments

These branding and engagement initiatives call for substantial financial commitment. A MNC player, which is a tough competition to GOLI annually invests ~8% of sales in marketing, while the latter dedicates 3–4% of its revenues. However, the **absolute value of investment by GOLI's competitor is almost four times. The higher base and greater B2C focus of MNC player magnifies the branding impact of its advertising spend**, providing a stronger platform for visibility and customer engagement as compared to GOLI.

Higher absolute spend...



Break-up of B2B and B2C business

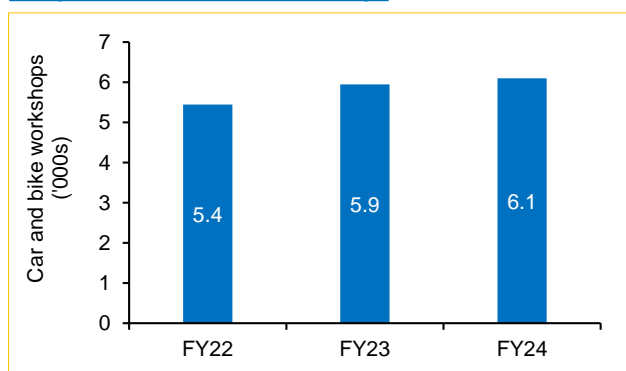


Source: Company Reports, Gulf Oil Lubricants India Ltd., Choice Institutional Equities

Source: Company reports, Gulf Oil Lubricants India Ltd., Choice Institutional Equities

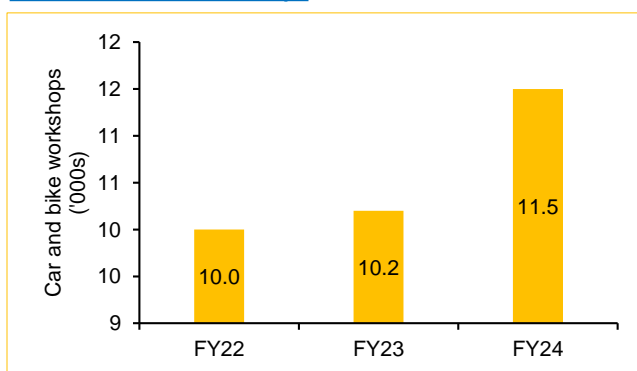
To further amplify reach and reinforce brand loyalty, both companies have layered in premium with co-branded workshops.

Competitor's co-branded workshops



Source: Company Reports, Choice Institutional Equities

GOLI co-branded workshops



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

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5.1.2 Building the Brand Engine: Mechanics, Ads & Partnerships

OEM tie-ups

Trial...test...deliver...a long way to go...

The toughest part of branding is to manage OEM-tie ups. The process of getting the right product as per the requirement of potential OEM partnership needs trial, testing and ultimately delivery of lubricant, which can take more than a year. However, GOLI understands this issue and the management has made the firm agile so as to reduce the time taken for this long-drawn process.

GOLI has 40+ OEM Partnerships



Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

Competitor's OEM Partnerships



Source: Company reports., Choice Institutional Equities

As motorcycles account for 65% of the combustion engine vehicle sales, GOLI as well as its competitors primarily focus on bike OEMs. As premium motorcycle sales gain traction, it leads to increase in value as well as volume of lubricants consumed.

In this particular category of customers, a considerable percentage of bikers may not limit themselves to showrooms and, therefore, several companies run their campaigns to deepen penetration.



Source: Gulf Oil, Choice Institutional Equities



Source: Gulf Oil, Choice Institutional Equities

Increase in passenger car OEMs is the way to go...

In our view, as the next leg of growth in combustion engine vehicles is expected to come from passenger vehicles. GOLI needs to increase the number of OEM tie-ups. We note that GOLI currently has only 3 brands under its OEM partnerships for passenger car engine oils.

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

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5.1.2 Building the Brand Engine: Mechanics, Ads & Partnerships

Celebrity is an important part of branding

How celebrities help in differentiating a brand

A well-matched celebrity endorser boosts brand visibility, trust and emotional connect, driving volume growth by influencing a buyer's choice and enhancing market share.

Brand ambassadors by competitors..



.....as compared to three of them for GOLI....



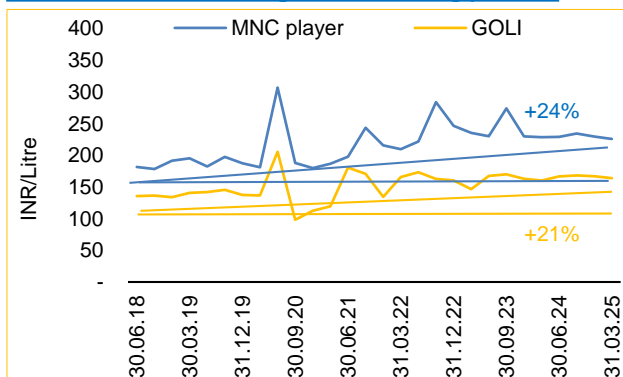
Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities



Key conclusions from Branding as a lever of competitive advantage: GOLI has developed a strong branding on the back of sustained investments. Sequentially, it has been able to raise the average realized price along with increase in volumes.

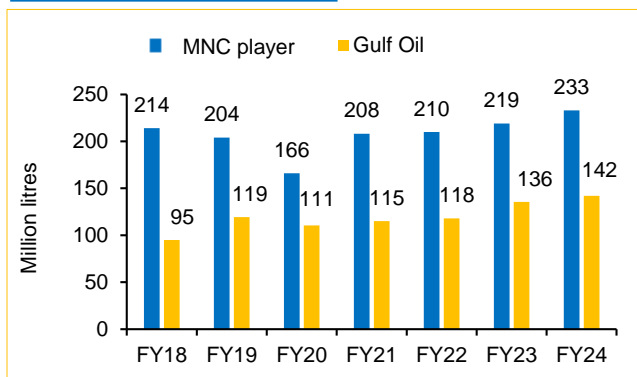
- **GOLI is now in a position to compete neck and neck with its competitors, such that it has been to increase the volumes at a CAGR of 7%. Meanwhile, the industry leader has been growing below the average industry growth of 3%.**
- **In our view, GOLI has made a significant dent in the lubricants market as observed from pricing and volumes data.**

Price floor is critical along with increasing prices...



Source: Company Reports, Gulf Oil Lubricants India. Ltd., Choice Institutional Equities

Volume of CSTR and Gulf Oil



Source: Company reports, Gulf Oil Lubricants India. Ltd., Choice Institutional Equities

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

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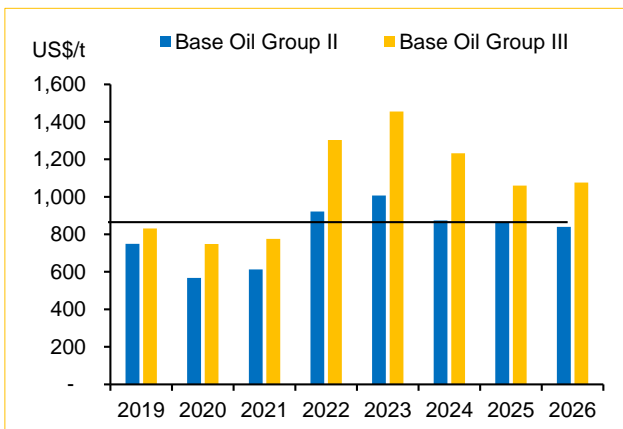
Regulation &
Consumer Preference

5.1.3 From Base Oil to Bottom Line - Decoding Supplier Cost Pressure

Cost of suppliers story in charts

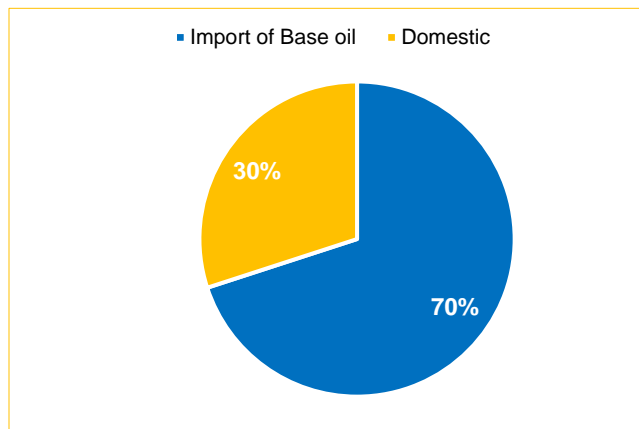
Base oils account for 80% of the raw material costs. The lubricant companies mainly import Group II and III base oils from South-east Asia. Simultaneously, the firms face a challenge to maintain margins as we expect currency to depreciate and base oil prices to decline.

Group II and III prices trading above pre-Covid levels...



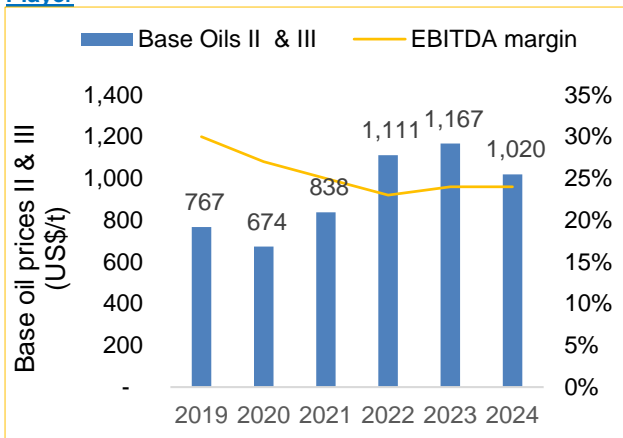
Source: Lubes & Greases, Choice Institutional Equities

...requiring sharper procurement to reduce costs...



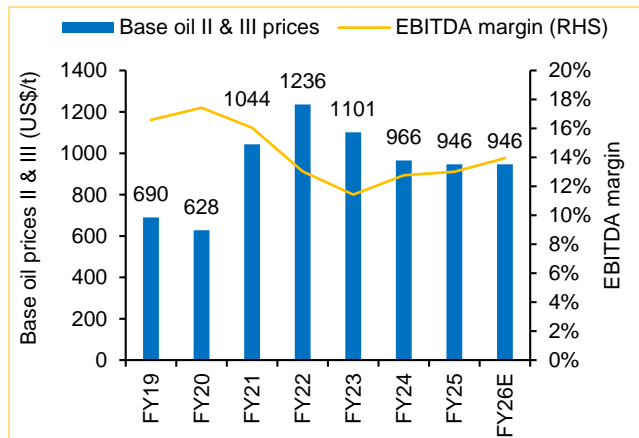
Source: Company Reports, Gulf Oil Lubricants India Ltd., Choice Institutional Equities

...resulting in stronger margins for an established MNC Player



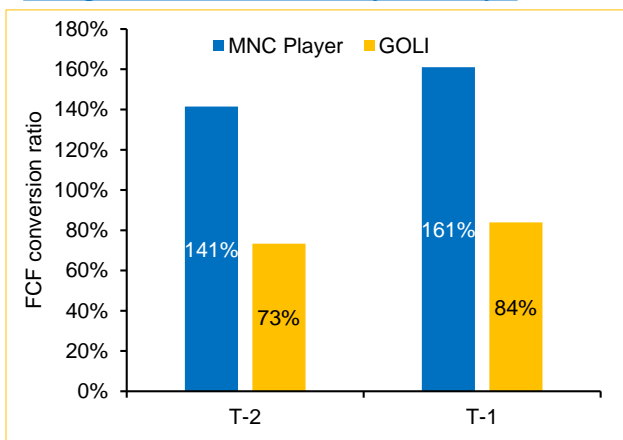
Source: Company Reports, Choice Institutional Equities

...as compared to GOLI



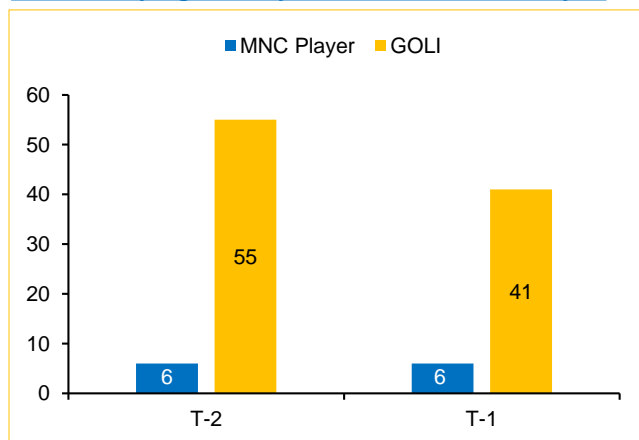
Source: Gulf Oil Lubricants India Ltd, Choice Institutional Equities

Stronger FCF conversion ratio by MNC Player



Source: Company Reports, Gulf Oil Lubricants India Ltd. Choice Institutional Equities **T-2 refers to 2023 for MNC Player and 2024 for Gulf Oil

...backed by significantly lower cash conversion cycle



Source: Company Reports, Gulf Oil Lubricants India Ltd. Choice Institutional Equities **T-2 refers to 2023 for MNC Player and 2024 for Gulf Oil

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

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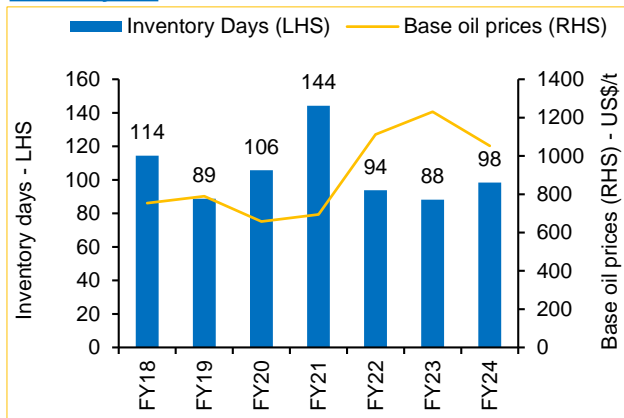
Regulation &
Consumer Preference

5.1.3 From Base Oil to Bottom Line - Decoding Supplier Cost Pressure

Managing inventory during base-oil price volatility, such as increasing stock when base-oil prices fall and reducing it when prices rise, helps an MNC player limit its losses compared to GOLI.

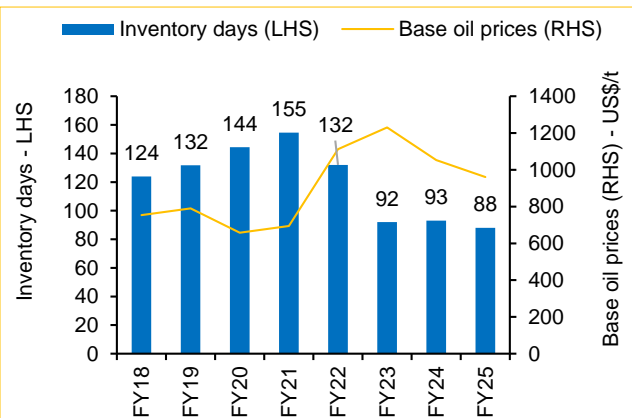
In our opinion, lowering inventory days by GOLI is a strategic decision to keep the company agile. However, the MNC player's approach has so far translated into stronger cash-flow metrics, as seen in its higher FCF conversion ratio and lower cash conversion cycle.

Better inventory management by the established MNC Player...



Source: Company Reports, Choice Institutional Equities

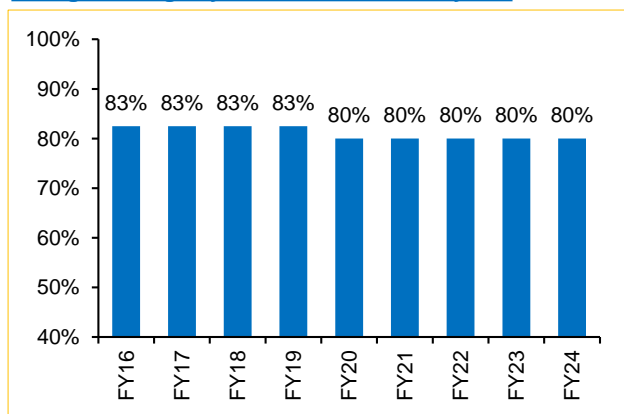
...compared to GOLI with respect to Base Oil price...



Source: Company Reports, Choice Institutional Equities

GOLI appears relatively less equipped than the industry peer to withstand FX risk, which could impact its margins in a scenario of currency depreciation and falling base-oil prices.

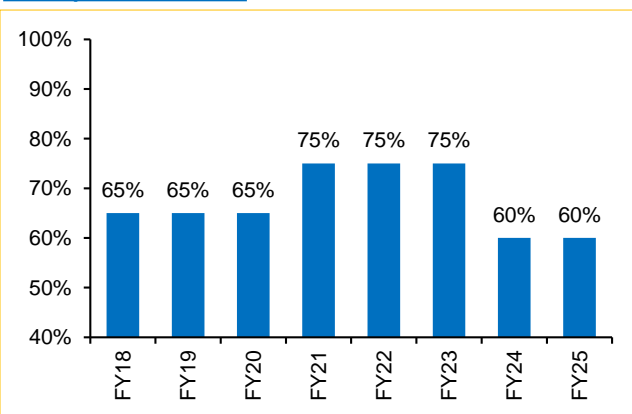
... higher hedge by established MNC Player ...



Source: Company Reports, Choice Institutional Equities

**As the fiscal years are different, it is difficult to club the FX charts

...compared to GOLI...



Source: Company Reports, Choice Institutional Equities

**As the fiscal years are different, it is difficult to club the FX charts

Conclusions from cost of suppliers as lever of competitive advantage: While the MNC player has historically benefitted from relatively stronger procurement practices, working-capital management, and FCF conversion, GOLI has been steadily improving on these fronts. The company's ongoing initiatives to navigate FX risk should help to grow margins going forward.

The next section examines how regulatory changes are creating a tailwind for Diesel Exhaust Fluid consumption, an area that could further strengthen GOLI's positioning in the lubricants market.

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

Pricing
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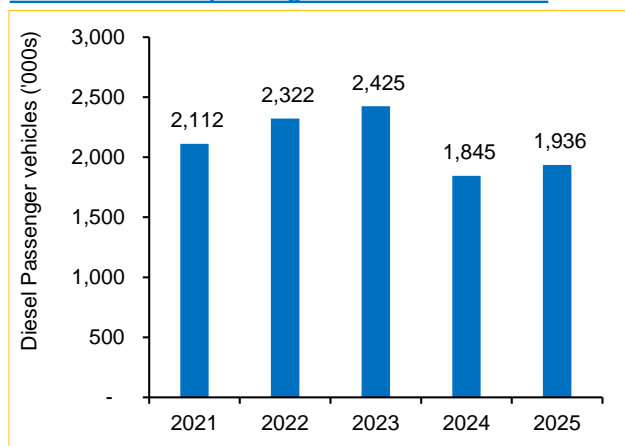
Supplier Cost
Pressures

Regulation &
Consumer Preference

5.1.4 What's in Store: BS VI Regulation and Consumer Preference among Vehicle Segments

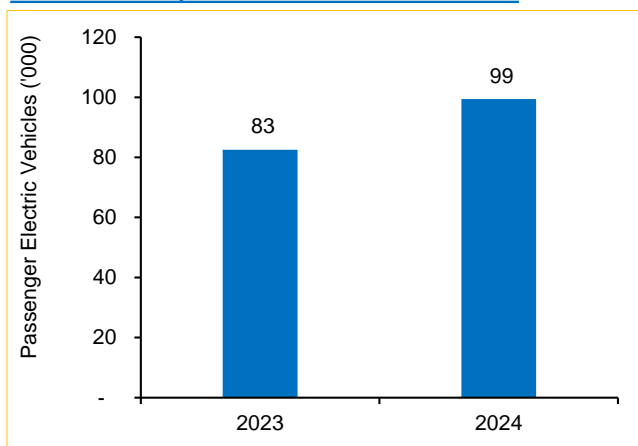
A critical parameter that markets are missing is the prevalence of CNG automobiles. According to our conversation with the Head of GOLI's Silvassa plant – Ankur Jain, the drain interval for CNG engines accelerates lubricant degradation, reducing it to considerably compared to diesel engines. This results in more frequent oil changes and higher lubricant consumption. GOLI acknowledges the segment as an area of growth. However, it is limiting itself to take up the significant share due to competitiveness.

Most of the diesel passenger vehicles are SUVs...



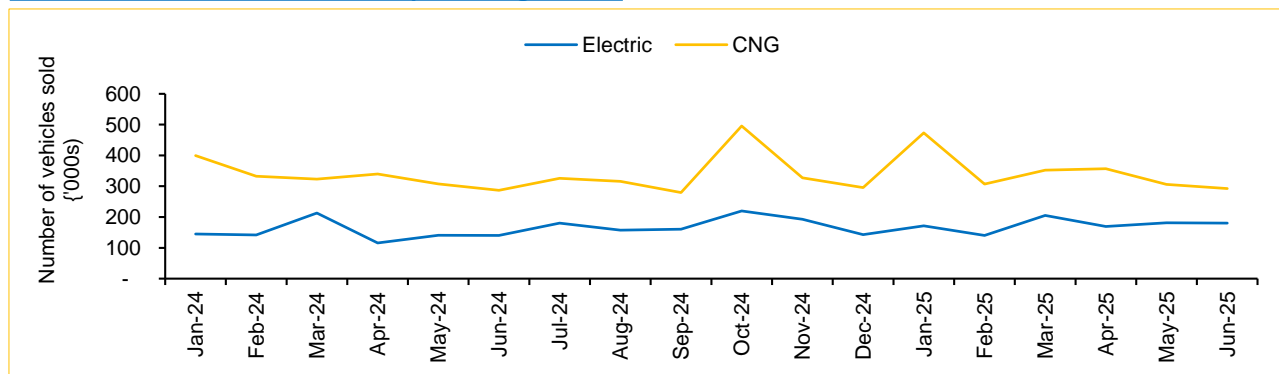
Source: Vahaan Portal., Choice Institutional Equities

...with limited options sold as Electric Vehicles



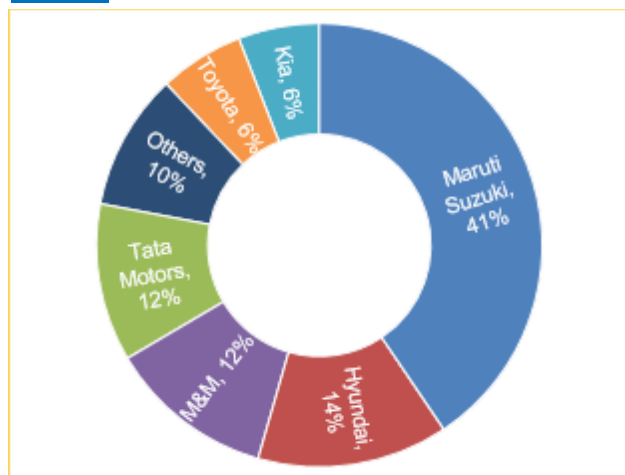
Source: Vahaan Portal., Choice Institutional Equities

... Meanwhile, CNG vehicle sales are performing better...



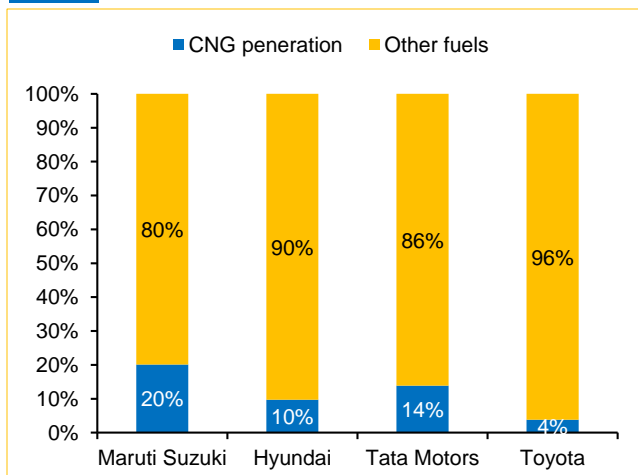
Source: SIAM., Choice Institutional Equities

Maruti Suzuki holds 41% in the passenger vehicle market...



Source: SIAM., Choice Institutional Equities

...which has significant higher penetration of CNG vehicles



Source: SIAM., Choice Institutional Equities

5. Competitive Landscape | Levers of Competitive Advantage of Lubricant Companies

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5.1.4 What's in Store: BS VI Regulation and Consumer Preference among Vehicle Segments

Preference for diesel SUVs and fleet operation to drive AdBlue demand

Gulf AdBlue



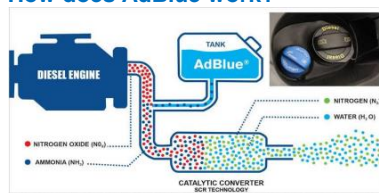
Source: Gulf Oil Lubricant India Ltd., Choice Institutional Equities

Investor concerns often centre on EV adoption's potential to reduce fuel demand. However, for a meaningful reduction in automotive oil consumption, EV infrastructure must expand beyond city roads and be prioritised along highways, where commercial traffic is concentrated. Majority of fuel demand comes from LCV/HCV.

Seized of the facts, the government recognises the need for highway-focused EV infrastructure so as to curb emissions. Additionally, the existing dispensation has focused its efforts on Bharat Stage VI norms, making it mandatory to use Diesel exhaust fluid (AdBlue) in new vehicles

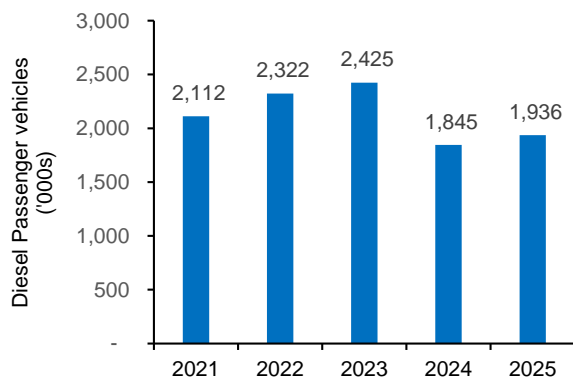
Meanwhile in the passenger vehicle segment, next wave of growth in fuel and lubricant consumption is expected to come from SUVs, as consumers continue to gravitate toward them. Diesel variants continue to dominate in this category, driven by their superior fuel efficiency and torque. This preference for diesel SUVs coupled with majority diesel consumption expected from commercial vehicles will lead to increase in consumption of AdBlue offered by Lubricant players. **GOLI is well-positioned to benefit by the implementation of BSVII Regulation as well as consumer preference for SUVs.**

How does AdBlue work?



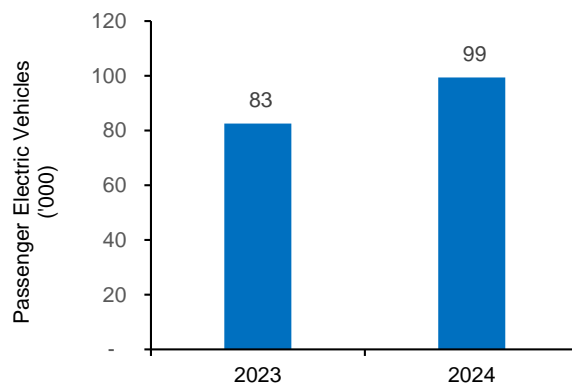
Source: Gulf Oil Lubricants India Ltd., Choice Institutional Equities

Most of the diesel passenger vehicles are SUVs...



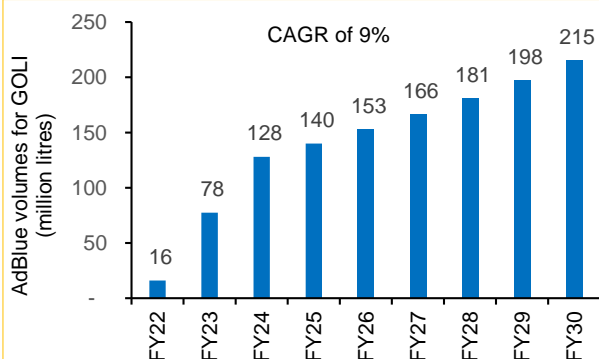
Source: SIAM, Choice Institutional Equities

...with limited options in Electric Vehicles



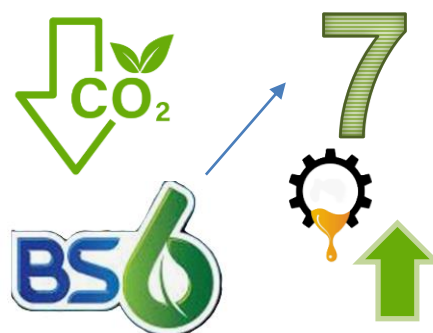
Source: SIAM, Choice Institutional Equities

Gulf has a significant advantage over CSTRL



Source: SIAM, Choice Institutional Equities

BSVII to lead further growth in lubricants and AdBlue



Source: Government policies, Choice Institutional Equities

5.2 Relative Analysis (GOLI V/s Peers)

GOLI has one of the lowest PEG ratio of 0.8 implying further upside for the firm

Financial Metrics

	Gulf Oil Lubricants India Ltd.	Castrol India Ltd.	Veedol Corporation Ltd.	Savita Oil Technologies Ltd.	GP Petroleums Ltd.
FY25 Revenue (INR Mn)	36,312	53,649	19,700	38,140	6,090
FY25 EBITDA (INR Mn)	4,723	12,782	2,270	2,140	450
FY25 PAT (INR Mn)	3,574	9,272	1,690	1,240	260
FY25 EBITDA Margin	13.0%	23.9%	11.5%	5.6%	7.4%
FY25 PAT Margin	10.0%	17.3%	8.6%	3.3%	4.3%
FY25 EPS (INR)	72.1	9.4	82.03	17.9	5.2
FY25 ROE	21%	42%	19%	7%	8%
FY25 ROCE	23%	53%	19%	8%	10%

Source: Bloomberg for Castrol India Ltd, Veedol Corporation Ltd., Savita Oil Technologies Ltd., GP Petroleums Ltd., Choice Institutional Equities

*FY24 for Castrol India Ltd due to Jan to Dec Fiscal year, while others have April to March 2025 as fiscal years

Valuation Metrics

Companies	CMP	Mcap (in Mn)	FY25 PE	PEG Ratio
Gulf Oil Lubricants India Ltd.	1242	61,236	17.1	0.9
Castrol India Ltd.	206	203,996	20.1	3.23
Veedol Corporation Ltd.	1,639	28,563	16.9	0.8
Savita Oil Technologies Ltd.	407	27,921	22.5	-0.9
GP Petroleums Ltd.	43	2201	8.5	3.8

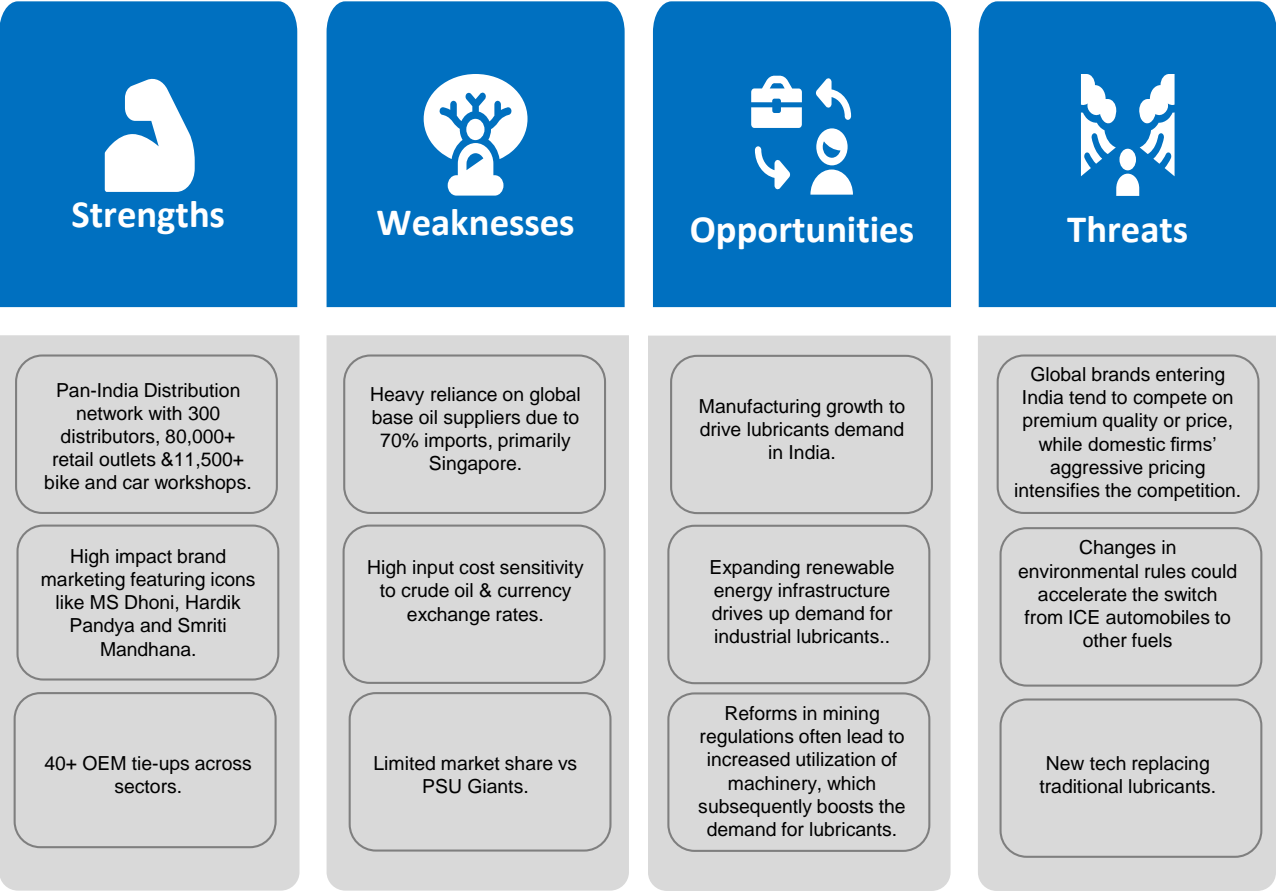
PEG ratio for Gulf Oil Lubricants India Ltd. is with 2 year-forward and for the rest it 2 year-backwards

Source: Bloomberg for Castrol India Ltd, Veedol Corporation Ltd., Savita Oil Technologies Ltd., GP Petroleums Ltd., Choice Institutional Equities

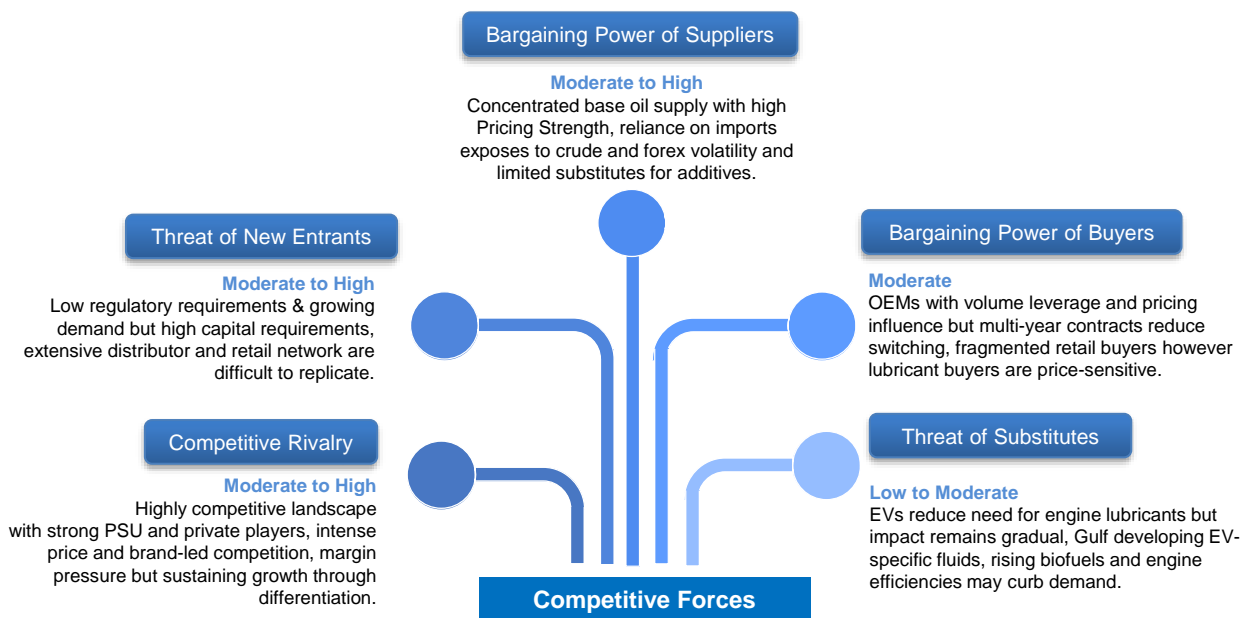
*FY24 for Castrol India Ltd due to Jan to Dec Fiscal year, while others have April to March 2025 as fiscal years

5. Competitive Landscape

5.3 SWOT Analysis



5.4 Michael Porter's Five Forces Analysis



Income Statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	33,012	36,312	39,407	42,793	46,574
Gross profit	13,551	15,293	16,945	18,829	20,492
EBITDA	4,210	4,723	5,497	6,397	6,962
Depreciation	507	558	522	550	581
EBIT	3,703	4,165	4,975	5,847	6,382
Other income	681	987	1,172	1,406	1,687
Interest expense	259	359	302	337	337
PAT	3,080	3,574	4,384	5,187	5,799
EPS	62.2	72.1	88.5	104.7	117.1

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues	10.1	10.0	8.5	8.6	8.8
Gross Profit	20%	13%	11%	11%	9%
EBITDA	22.8	12.2	16.4	16.4	8.8
PAT	33%	16%	23%	18%	12%
Margins (%)					
Gross Profit Margin	41%	42%	43%	44%	44%
EBITDA Margin	13%	13%	14%	15%	15%
PAT Margin	9%	10%	11%	12%	12%
Profitability (%)					
Return On Equity (ROE)	24.9	25.9	27.9	28.6	27.8
Return On Invested Capital (ROIC)	17.2	17.0	18.1	19.1	18.6
Return On Capital Employed (ROCE)	23.1	22.8	24.1	25.4	24.8
Working Capital (x)					
Inventory Days	63.6	51.9	50.0	50.0	50.0
Receivable Days	190.6	113.5	90.0	90.0	90.0
Creditor Days	388.7	135.8	120.0	120.0	120.0
Working Capital Days	(134.5)	29.7	20.0	20.0	20.0
Valuation Metrics					
No of Shares (Mn)	49.2	49.3	49.3	49.3	49.3
EPS (INR)	62.2	72.1	88.5	104.7	117.1
BVPS (INR)	277.9	310.6	355.0	407.6	466.4
PE	15.0	15.8	14.0	11.8	10.6
P/BV	3.4	3.7	3.5	3.0	2.7
EV/EBITDA	10.1	10.7	9.7	7.9	6.9
EV/Sales	1.3	1.4	1.3	1.2	1.0

Source: Gulf Oil Lubricants India Ltd., Choice Institution Equities

Balance Sheet (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Tangible fixed assets	2,544	2,842	2,596	2,303	2,002
CWIP	92	19	19	19	19
Investments	764	743	743	743	743
Cash & Cash equivalents	7,032	10,261	12,312	14,775	17,513
Other non-current assets	174	219	219	219	219
Other current assets	1,454	1,714	1,714	1,714	1,714
Total assets	24,086	27,577	30,153	33,146	36,609
Shareholder's funds	12,946	14,617	16,809	19,403	22,302
Minority Interest	719	695	695	695	695
Borrowings	-	-	-	-	-
Other current liabilities	918	1,125	1,125	1,125	1,125
Total equity & liabilities	24,086	27,577	30,153	33,146	36,609

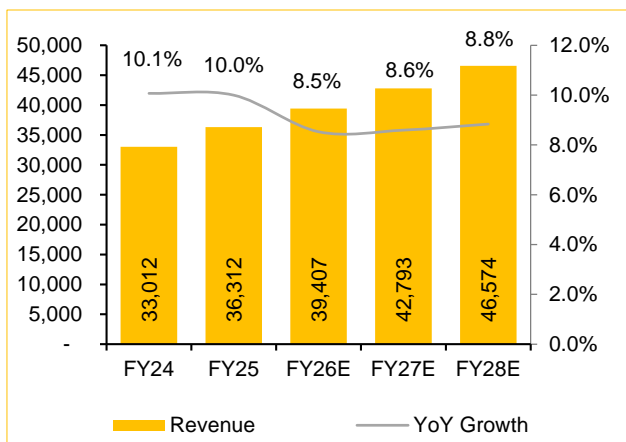
Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows From Operations	3,414	3,953	3,650	4,244	4,567
Cash Flows From Investing	(506)	773	896	1,149	1,408
Cash Flows From Financing	(2,380)	(1,498)	(2,494)	(2,931)	(3,237)

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden (%)	74.7	74.5	75.0	75.0	75.0
Interest Burden (%)	111.4	115.1	117.5	118.3	121.2
EBIT Margin (%)	11.2	11.5	12.6	13.7	13.7
Asset Turnover	1.5	1.4	1.4	1.4	1.3
Equity Multiplier	1.8	1.9	1.8	1.7	1.7
ROE (%)	24.9	25.9	27.9	28.6	27.8

6. Financial Analysis

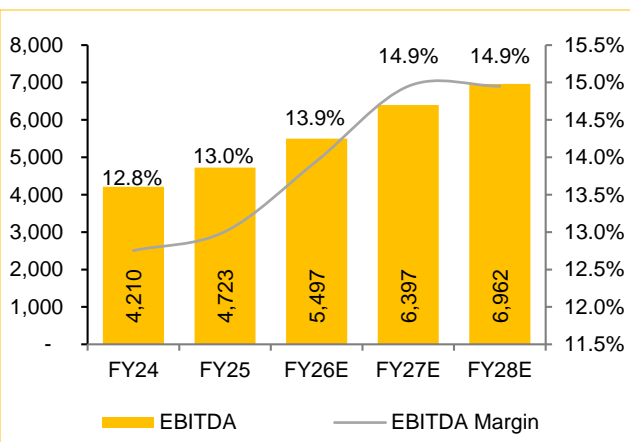
6.2 Graphs & Trends

Revenue expected to grow at 8.7% CAGR over FY25–28E



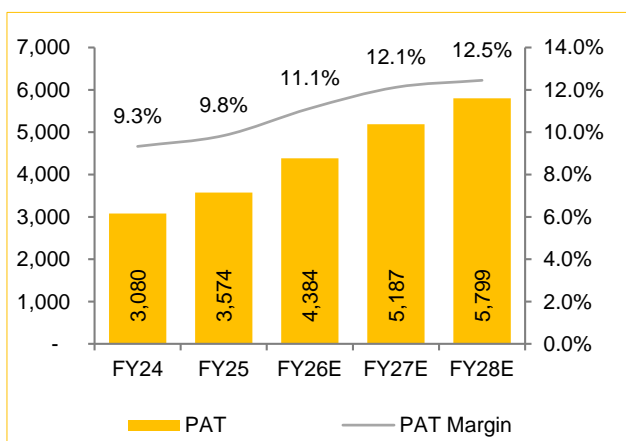
Source: Gulf Oil Lubricants India Ltd , Choice Institutional Equities

EBITDA expected to grow at 13.8% CAGR over FY25–28E



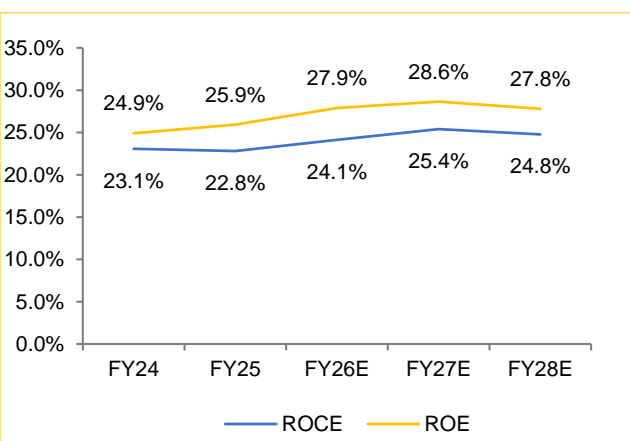
Source: Gulf Oil Lubricants India Ltd , Choice Institutional Equities

PAT expected to grow at 17.5% CAGR over FY26-28E



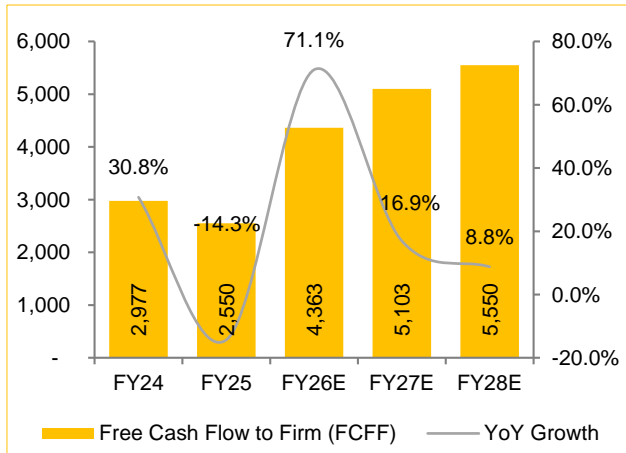
Source: Gulf Oil Lubricants India Ltd , Choice Institutional Equities

ROE & ROCE trend



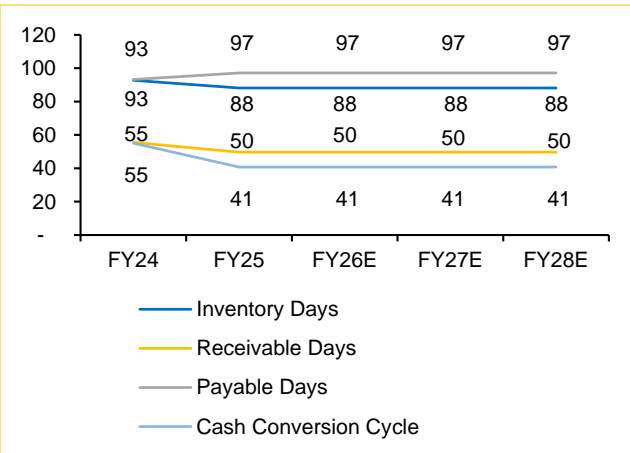
Source: Gulf Oil Lubricants India Ltd , Choice Institutional Equities

Free Cash Flow to Firm (FCFF) trend



Source: Gulf Oil Lubricants India Ltd , Choice Institutional Equities

Cash Conversion Cycle to remain at ~41 Days



Source: Gulf Oil Lubricants India Ltd , Choice Institutional Equities

7. About the Company

7.1 Introduction

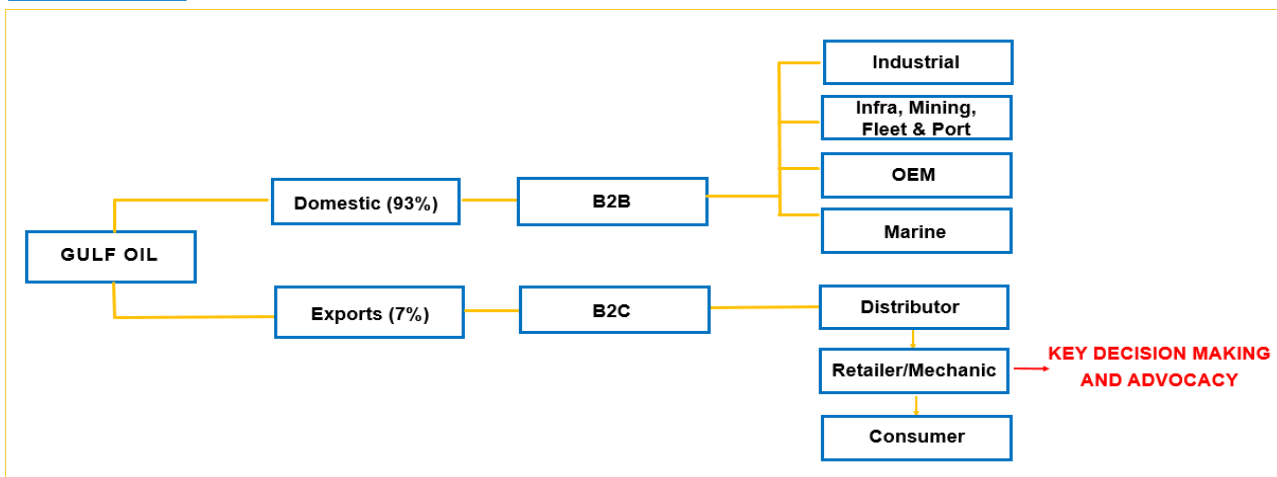


Gulf Oil Lubricants India Limited (GOLI), part of the **Hinduja Group**, is a key player in India's lubricant industry. The company provides high-performance lubrication solutions for both **automotive and industrial segments**.

It serves both B2B and B2C markets, with a strong export presence and a vast distribution network that includes a network of over **90,000+ retail outlets**, **partnerships with over 40+ OEMs and 500+ B2B clients**, ensuring a strong and widespread market presence.

Based in Mumbai, GOLIL has modern **manufacturing facilities in Silvassa and Chennai** to support future growth. The company also leverages the global research and development and brand strength of Gulf Oil International, which operates in over 100 countries.

Route To Market



Source: Company, Choice Institutional Equities

Versatile Product Portfolio

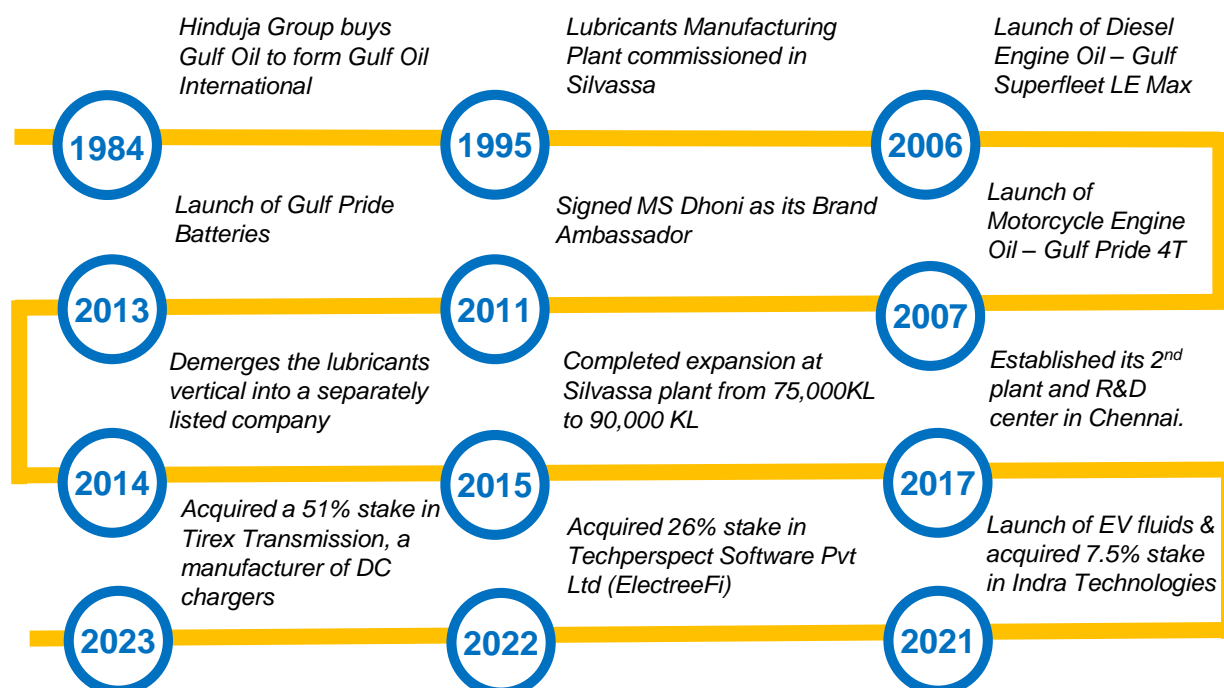


Source: Company, Choice Institutional Equities

7. About the Company

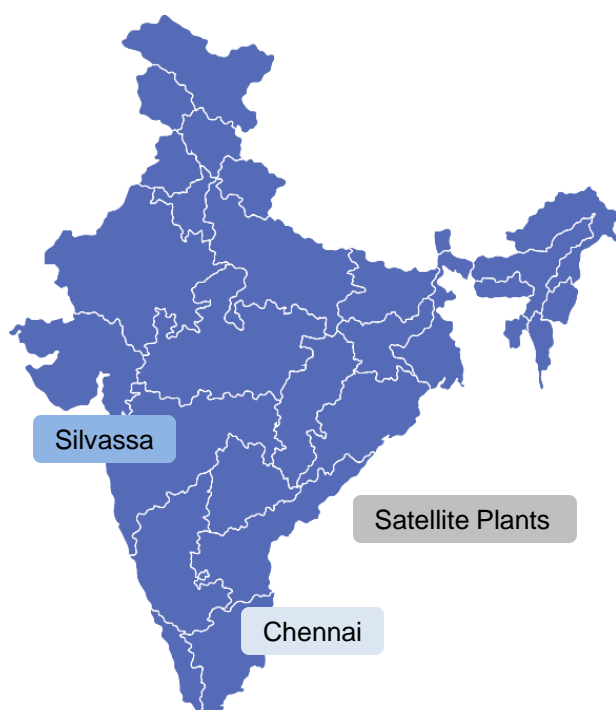
7.2 Key Milestones and Manufacturing Facilities

Key Milestones



Manufacturing Facilities

- Harnessing state-of-the-art R&D facilities in Silvassa and Ennore, Chennai, the Company delivers innovative, superior-grade products.
- With a focus on quality, customer satisfaction, and sustainability, it continually evolves to meet changing regulations and market needs.



- ✓ Lubricants : 90,000 kL/year
[Planned Capacity – 140,000 kL/year]
- ✓ AdBlue : 36,000 KL/Year
- ✓ **Fully Automatic** Blending Operation, Filling Machine & Automatic Storage And Retrieval System.

- ✓ Lubricants : 50,000 kL/year
[Planned Capacity – 100,000 kL/year]
- ✓ AdBlue : 39,000 KL/Year
- ✓ Houses Gulf Oil's **largest global R&D Centre.**

- ✓ 13 External Satellite Plants
- ✓ AdBlue : 2,00,000 kL/year

7. About the Company

7.3 About The Management

Name	Designation	Qualification	Experience
 Ravi Chawla	Managing Director and CEO	B.Com (Sydenham College), MMS in Marketing (University of Mumbai)	Over 30 years of experience across FMCG, tyres, lubricants, and industrial sectors. Held leadership roles at Wipro, Ceat Tyres, Polaroid, and Shell Lubricants (1998–2006). Serving as MD & CEO of Gulf Oil Lubricants India since 2007; also oversees Cluster Markets/Asia Pacific. Board member across multiple Gulf entities in India and abroad.
 Manish Kumar Gangwal	CFO & President - Strategic Sourcing, IT & Legal	B.Com, CA, CS, CWA (St. Xavier's College)	26+ years in finance, accounting, corporate planning. Previously CFO at GOCL Corp (2011-2014), Sr. DGM at Poddar Pigments (1999-2008)
 Abhijit Kulkarni	Chief Commercial Officer	B.E from Government College of Engineering, Pune, MBA from Symbiosis Institute of Business Management	27+ years including 16 years at Unilever in various leadership roles, previously at Castrol India (2001-2008) and Coca-Cola (1999-2001)
 Aarthi Sridhar	Chief Marketing Officer	B.Tech in Information Technology from V.J.T.I. Mumbai, MBA from IIM Ahmedabad	14+ years in brand building at Hindustan Unilever, worked on brands like Lakme, Surf Excel, Comfort, Magnum across beauty, home care and ice cream categories
 Gagan Mathur	Head - Business Development (Cluster Markets)	Bachelor of Engineering from Sardar Patel College, ICFAI, Management Development Program from University of Michigan, Business leadership Program from IIMB	Brings over 28 years of experience, including leadership roles at NRB Bearings as VP – Sales & Marketing and later as COO – International Business, Aerospace & Defence at Greaves Cotton Limited, prior to joining Gulf Oil.
 Biresh Kumar Singh	National Channel Sales Head	B.E in Mechanical Engineering, MDP from IIM Ahmedabad, BP's Career Accelerator Program (CAPS)	Over 26 years of experience in channel sales, business development, and sales transformation, including senior leadership roles at Castrol India. Led large-scale RTM transformation projects and managed business units with revenues exceeding ₹1,000 crore. Currently involved in global strategy execution at Gulf Oil with expertise in digital adoption and operational efficiency.
 Praveen Rajurkar	Head - Synergy & Allied Business	B.Tech in Electrical Engineering from IIT Bombay, PGDM in Marketing from IIM Bangalore	Over 16 years of experience in diverse functions in battery, lubricant, automobile & IT industry.
 Shiva Raj Mehra	Vice President & Head - Automotive OEM Business	General Management from IIM Ahmedabad	27 years of experience in sales, distribution, marketing, key account management, and business development across B2B and B2C segments. Specializes in OEM business with a track record in driving revenue growth, managing franchisee networks, and leading commercial operations across varied business environments.
 Ankur Jain	Head - Silvassa Plant Operations	B.E in Mechanical Engineering, PG Diploma in Financial and General management from IGNOU, New Delhi, MS in manufacturing management from BITS Pilani	Over 24+ years of experience in steering large-scale manufacturing operations with P&L accountability across Engineering & Lubricant, Packaging, Consumer Durable, and Paint industries.

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Large Cap*

BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

Mid & Small Cap*

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

Other Ratings

NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap

*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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