Choice Institutional Equities

Gulf Oil Lubricants: Market Share Gains and Pricing Power Underpin Growth as EV Charging Unlocks Upside

BUY

Sector View: Positive

Nov 2, 2026 | CMP: INR 1,030 | Target Price: INR 1,525

Expected Share Price Return: 48.1% I Dividend Yield: 4.4% I Potential Upside: 52.5%

Q2FY27 Result Update

Change in Estimates	✓
Change in Target Price	✗
Change in Recommendation	✗

Company Info	
BB Code	GOLI IN EQUITY
Face Value (INR)	2.0
52-w - High/Low (INR)	1,289/864
Mkt Cap (Bn)	INR 51.04/ $0.54
Shares o/s (Mn)	49.56
3M Avg. Daily Volume	90,521

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	56.0	47.9	17.0	55.8	53.7	12.8
EBITDA	6.9	6.3	9.0	7.8	7.5	5.0
EBITDAM%	12.3	13.2	-902 bps	13.0	14.0	-966bps
PAT	5.4	5.1	5.1	6.3	6.2	1.9

Actual vs CIE Estimate

INR Bn	Q2FY27A	CIE Estimate	Dev.%
Revenue	13.8	11.0	25.40
EBITDA	1.6	1.4	16.24
EBITDAM %	11.8	12.9	-110bps
PAT	1.2	1.2	-2.34

Key Financials

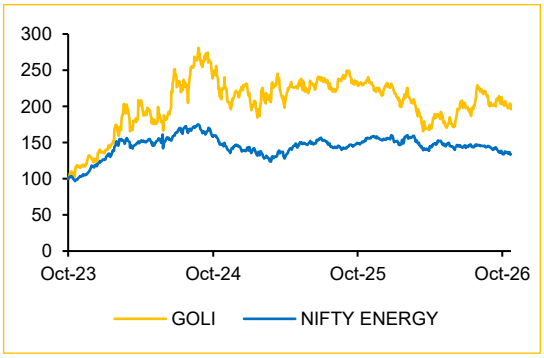
INR Mn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	36,312	40,560	56,043	60,578	63,879
YoY (%)	10.0%	11.7%	38.2%	8.1%	5.4%
EBITDA	4,723	5,139	6,865	7,875	8,624
EBITDAM %	13.0%	12.67%	12.3%	13.0%	13.5%
Adj PAT	3,574	3,448	5,361	6,317	7,080
EPS (INR)	72.1	69.7	107.9	127.1	142.5
ROE %	24.4%	23.0%	32.1%	32.2%	30.8%
ROCE %	26.1%	26.5%	32.8%	32.6%	30.9%
PE(x)	15.8	12.7	14.0	11.9	10.6
EV/EBITDA	10.7	7.3	9.9	8.2	7.2

Shareholding Pattern (%)

	Sept-26	Jun-26	Mar-26
Promoters	66.80	66.85	67.01
FIIs	8.63	7.78	8.91
DIIs	7.91	8.70	8.17
Public	16.66	16.65	15.90

Relative Performance (%)

YTD	3Y	2Y	1Y
NIFTY ENERGY	34.7	-9.4	-14.0
GOLI	68.9	-11.1	-16.8



Pricing Resilience and Market Share Gains Properl Growth: As highlighted in our initiation report, Gulf Oil Lubricants (GOLI) continues to balance above-industry volume growth with improving profitability, leveraging premiumisation, a favourable product mix and disciplined pricing.

GOLI demonstrated a strong earnings resilience amid input cost inflation, maintaining an EBITDA margin of 11.8% through effective pricing and cost management. Revenue growth was largely volume-led, with 16% YoY volume growth, supported by proactive measures to ensure uninterrupted product availability and supply security during the crisis. The company's expansion across 12 of its 15 operating segments has strengthened its competitive positioning, translating into sustained market share gains and growth nearly 2–3x the industry average of 3–4%.

Looking ahead, we expect brand-led distribution expansion, strong B2C traction and continued market share gains to underpin above-industry volume growth. Sticky retail pricing and operating discipline projected to support profitability, while prudent treasury management and timely price adjustments help mitigate near-term FX volatility. We believe these structural advantages position GOLI to sustain its growth premium over the average growth in the lubricants industry while maintaining healthy margins over the medium term.

Overhang of EV penetration: GOLI has strengthened its presence in the EV charging ecosystem through its 65% stake in Tirex. With nearly one-third of India's electric buses using Tirex fast chargers, the business offers significant growth potential. We estimate the segment to generate INR 3–4 Bn in revenue over the next few years, contributing ~10% to GOLI's topline at EBITDA margin of 12–14%.

View and Valuation: We have retained our target price of INR 1,525 and revised our FY27 EPS estimate upwards by 14.5%. We value the company using the DCF framework and derive a TP of INR 1,525/sh, implying PE multiple of 12.0x/9.9x at FY28E /FY29E EPS. We retain our '**BUY**' rating on the stock.

Q2FY27 Review: EBITDA beat, PAT in line with CIE estimate

- Revenue was up by 44.2% YoY and 4.5% QoQ at INR 13,794 Mn (vs CIE estimate of INR 11,015 Mn)
- EBIDTA was up by 37.4% YoY and down by 4.5% QoQ at INR 1,627 Mn (vs CIE estimate of INR 1,421 Mn). EBITDA margin stood at 11.8%, contracted by 58 bps YoY (vs CIE estimate of 12.9%)
- PAT was up by 34.5% YoY and down by 8.1% QoQ at INR 1,172 Mn (vs CIE estimate of INR 1,161 Mn). PAT margin contracted by 61 bps YoY, reaching 8.5% (vs CIE estimate of 10.5%)

Capacity Ramp-up to Support Volume Growth: GOLI aims to increase its capacity, from 140,000 to 240,000 KL, by FY27. **The additional capacity in Chennai is expected to come online by Q3FY27, while Silvassa facility anticipated to ramp up by Q1FY28.**

GOLI (INR Mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)
Net Revenue	13,794	9,568	44.2%	13,204	4.5%
COGS	8,837	5,486	61.1%	7,782	13.6%
Employee Exp	566	509	11.1%	567	-0.1%
Other Exp	2,763	2,388	15.7%	3,152	-12.3%
EBITDA	1,627	1,185	37.4%	1,704	-4.5%
Depreciation	187	137	36.1%	169	10.5%
EBIT	1,441	1,048	37.5%	1,535	-6.1%
Interest Cost	144	130	11.3%	77	87.8%
Other income	271	252	7.3%	266	1.6%
PBT	1,567	1,170	33.9%	1,724	-9.1%
PAT	1,172	871	34.5%	1,275	-8.1%

GOLI	Q2FY27	Q2FY26	YoY(bps)	Q1FY27	QoQ (bps)
Emp exp. % of Sales	4.1%	5.3%	-122bps	4.3%	-19bps
Other Op. Exp % of Sales	20.0%	25.0%	-492bps	23.9%	-384bps
EBITDA Margin (%)	11.8%	12.4%	-58bps	12.9%	-111bps
PAT Margin (%)	8.5%	9.1%	-61bps	9.7%	-116bps

Source: GOLI, Choice Institutional Equities

Energy - Oil & Gas - Q2FY27 Preview

Link to Initiation Report

Dhaval Popat
Email: dhaval.popat@choiceindia.com
Ph: +91 22 6707 9949
Pankti Karania
Email: pankti.karania@choiceindia.com

Management Call – Highlights

Tirex

- Tirex generated INR 330+ Mn in Q2FY27 revenue vs INR 180 Mn in Q2FY26, delivering ~78% YoY growth
- Expanding manufacturing capacity to 3,000 EV chargers by the end of FY27
- Expanding footprint across DC fast chargers, commercial EV buses, fleet CPOs, mining and construction equipment. Synergies with in-house Software-as-a-Service (SaaS) offering are materialising to enhance charger management software capabilities

Input Costs

- The company maintains an inventory buffer of 45 to 60 days of base oil, which insulates short-term margin from immediate crude volatility

Volume

GOLI continues to gain market share it grows at 2-3x the market rate

- GOLI recorded higher teens growth across OEM and industrial segments, while B2C volumes grew at 2x industry growth, supported by 16% retail network expansion. B2C accounts for ~55% of volumes, while exports account for ~10%. Management targets 10% synthetic lubricant penetration, with PCMO offering additional growth opportunities

Pricing

- B2C / Retail implemented three successive price hikes to offset accumulated raw material cost inflation
- OEM Business transitioned from quarterly to monthly price adjustments under Price Variation Clauses (PVC), supported by OEMs amid sharp input cost increases
- B2B Industrial pricing revision is negotiated directly with customers based on value propositions, resulting in relatively longer implementation cycles

Plant expansion

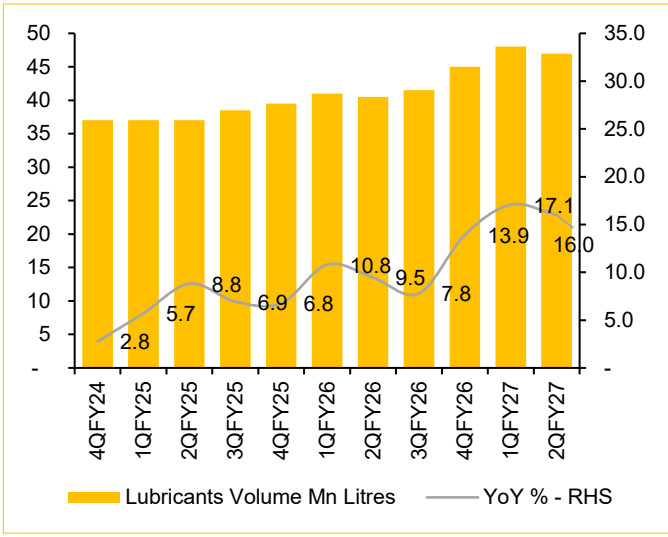
Chennai expansion remains on track for Q3FY27 completion, while Silvassa commissioning shifts to Q1FY28, with additional shifts supporting interim demand

- Chennai facility expansion remains on track for completion by Q3FY27-end
- Silvassa expansion has been deferred by 1–2 months to Q1FY28, from March 2027, with additional shifts across existing facilities supporting growing demand
- Capex revision of INR 50–70 Mn raises total expansion expenditure to INR 600–620 Mn as compared with the earlier estimate of INR 550 Mn
- Valsad fire disruption resulted in 4–5 days of production loss, fully mitigated through additional shifts at Chennai and Silvassa and leveraging 25 warehouses nationwide

Margin

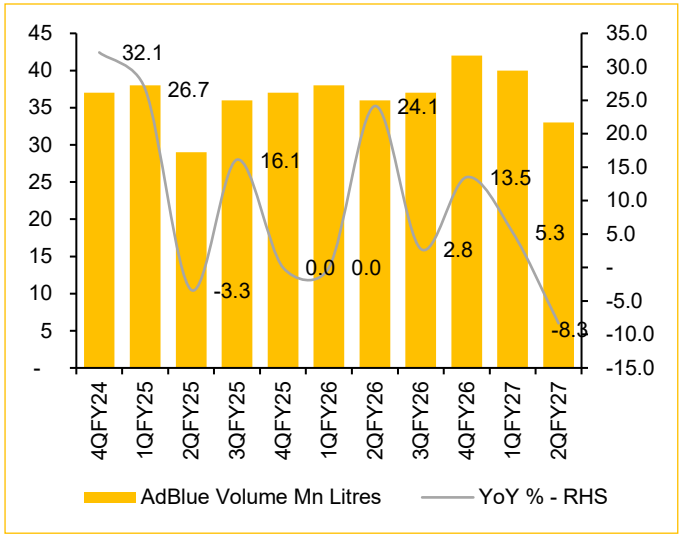
- Management targets 14–16% margins, over the medium term, aided by cost normalisation, operating leverage and synthetic premiumisation

Lubricants volume was up 16.0% on a YoY basis



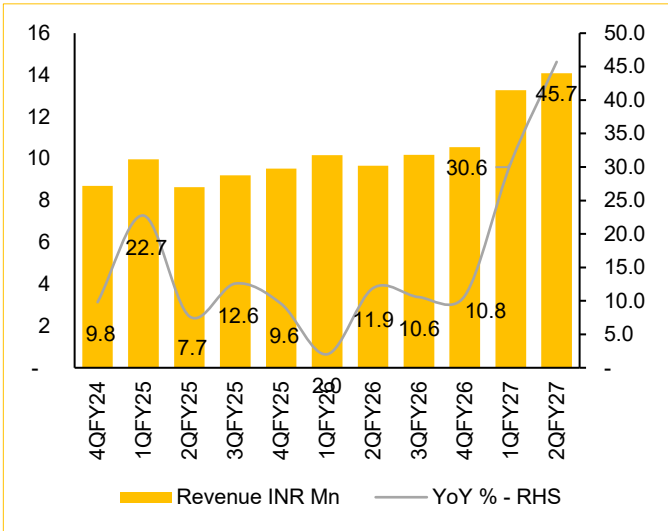
Source: GOLI, Choice Institutional Equities

AdBlue Volume was down 8.3% on a YoY basis



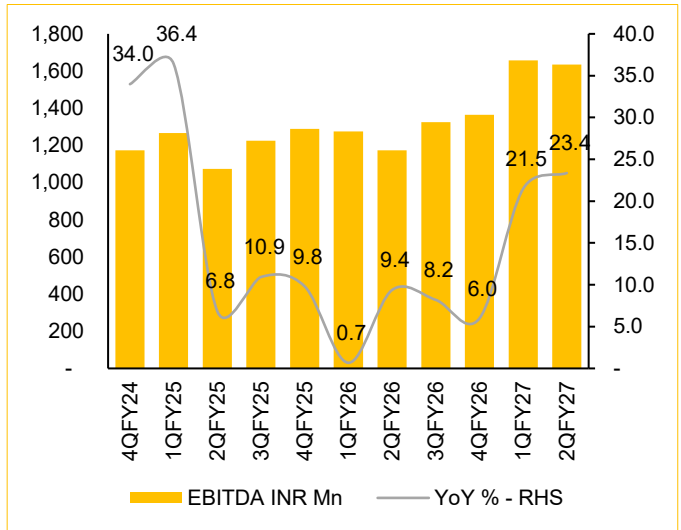
Source: GOLI, Choice Institutional Equities

Revenue was up 45.7% on a YoY basis



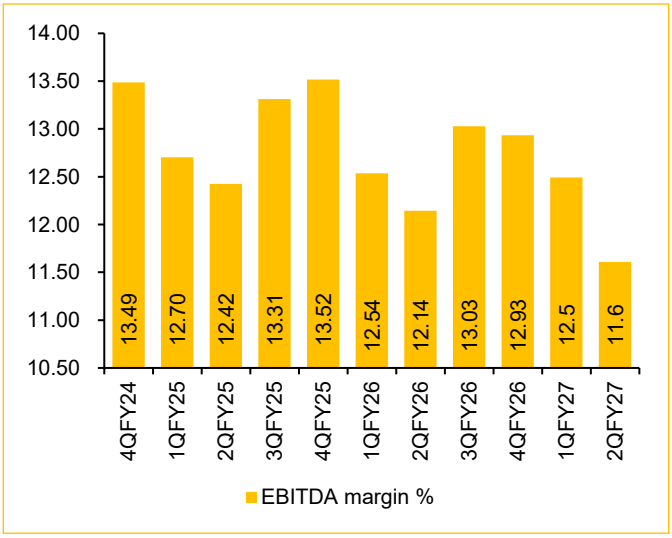
Source: GOLI, Choice Institutional Equities

EBITDA grew 23.4% YoY



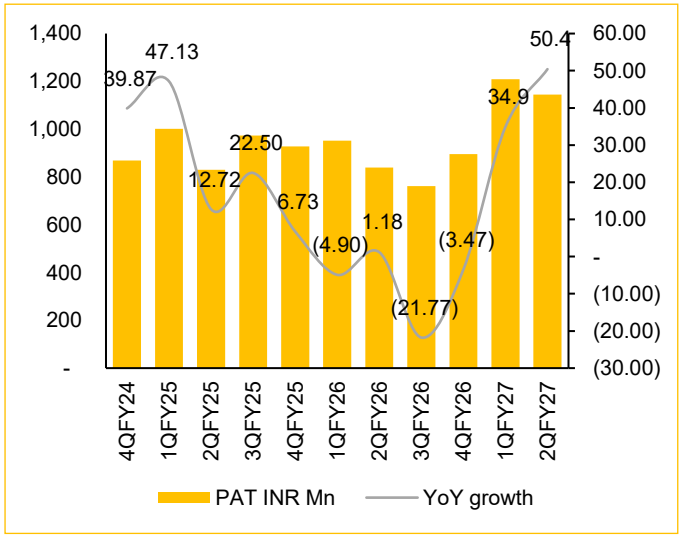
Source: GOLI, Choice Institutional Equities

EBITDA margin down 58bps YoY



Source: GOLI, Choice Institutional Equities

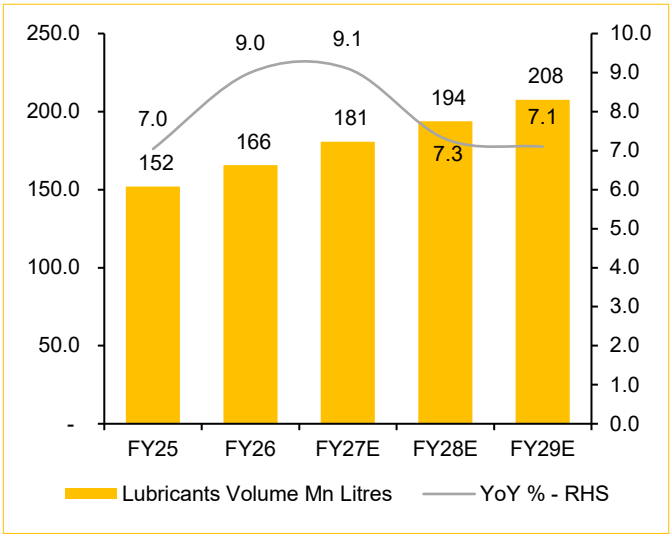
PAT grew by 50.4% YoY on the back higher base oil prices



Source: GOLI, Choice Institutional Equities

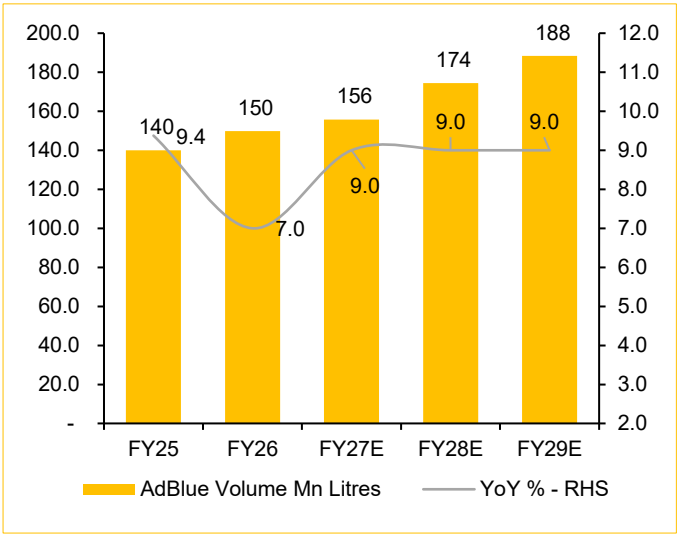
Note: Above charts are based on Consolidated figures

Lubricants Volumes expected to expand at 7.8% CAGR



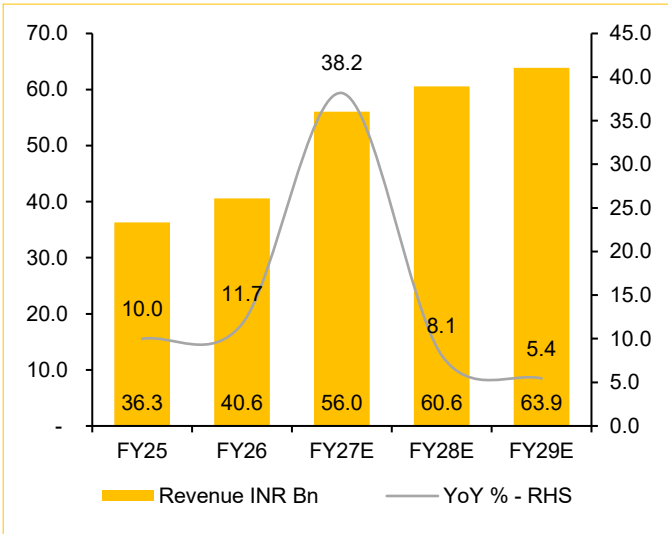
Source: GOLI, Choice Institutional Equities

AdBlue Volume estimated to expand at 9.0% CAGR



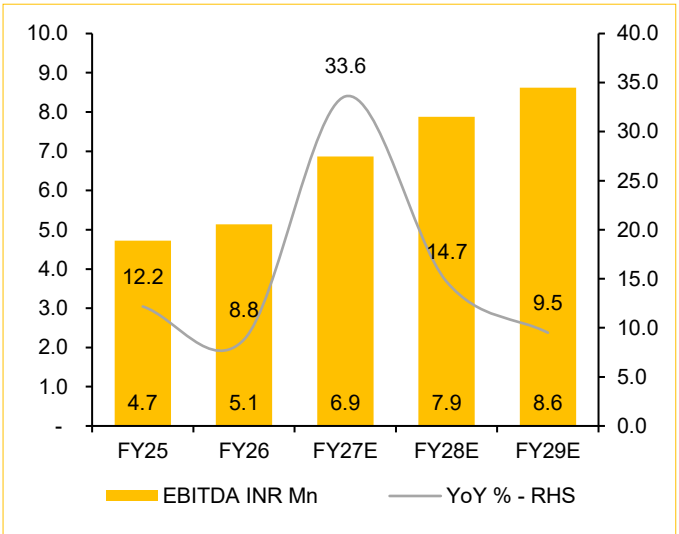
Source: GOLI, Choice Institutional Equities

Revenues forecast to increase at 16.3% CAGR



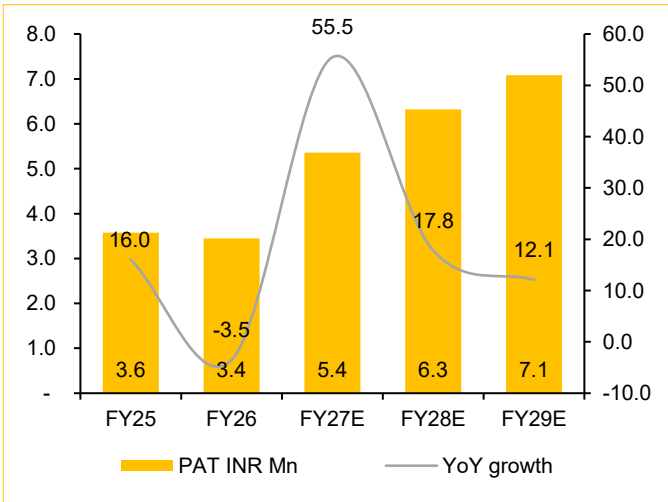
Source: GOLI, Choice Institutional Equities

EBITDA anticipated to expand at 18.8% CAGR



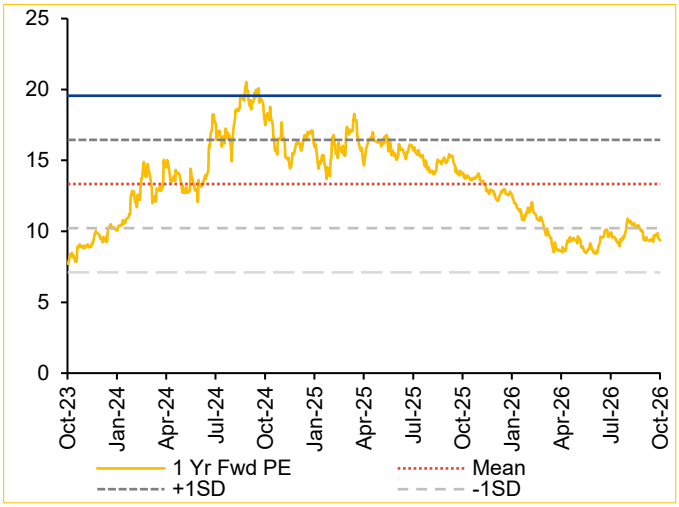
Source: GOLI, Choice Institutional Equities

PAT projected to increase at 30.2% CAGR



Source: GOLI, Choice Institutional Equities

1-year forward PE band



Source: GOLI, Choice Institutional Equities

Note: Above charts are based on Consolidated figures

Income Statement (INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Revenue	36,312	40,560	56,043	60,578	63,879
Gross profit	15,293	17,256	21,437	24,837	27,149
EBITDA	4,723	5,139	6,865	7,875	8,624
Depreciation	558	692	466	499	533
EBIT	4,165	4,447	6,399	7,376	8,090
Other income	987	976	1,297	1,706	2,017
Interest expense	359	564	495	598	598
PAT	3,574	3,448	5,361	6,317	7,080
EPS	73.1	69.7	107.9	127.1	142.5

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	10.0%	11.7%	38.2%	8.1%	5.4%
EBITDA	12.2%	8.8%	33.6%	14.7%	9.5%
PAT	16.0%	-3.5%	55.5%	17.8%	12.1%
Margins (%)					
EBITDA	13.0%	12.7%	12.3%	13.0%	13.5%
PAT	9.8%	8.5%	9.6%	10.4%	11.1%
Profitability (%)					
ROE	25.9%	23.0%	32.1%	32.2%	30.8%
ROIC	17.0%	16.4%	20.4%	19.9%	19.5%
ROCE	26.1%	26.5%	32.8%	32.6%	30.9%
Working Capital					
Inventory Days	88	93	88	88	88
Debtor Days	50	48	48	48	48
Payable Days	97	103	97	97	97
Valuation metrics					
PE(x)	15.8	12.7	14.0	11.9	10.6
EV/EBITDA (x)	10.7	7.3	9.9	8.2	7.2
Price to BV (x)	3.7	2.8	4.1	3.5	3.0
EV/OCF (x)	127.68	106.95	210.09	126.38	106.61

Source: GOLI, Choice Institutional Equities

Balance Sheet (INR Mn)

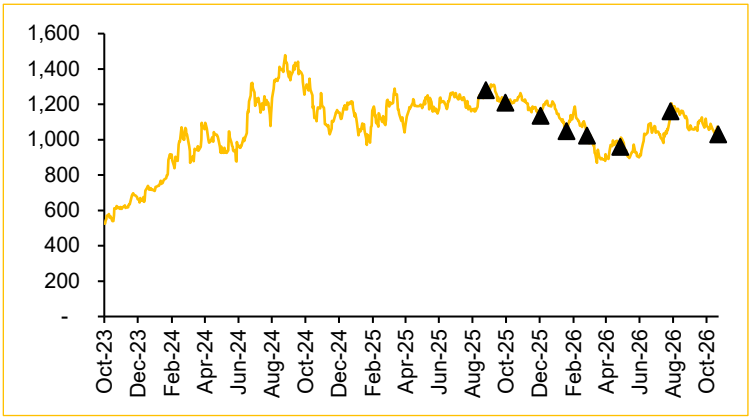
Particular	FY25	FY26	FY27E	FY28E	FY29E
Net Worth	15,312	15,836	18,517	21,675	25,215
Minority Interest	695	473	473	473	473
Deferred Tax	-	-	-	-	-
Total Debt	4,216	5,143	7,720	7,720	7,720
Other Liabilities & Provisions	1,125	1,139	1,139	1,139	1,139
Total Net Worth & Liabilities	**27,577**	**30,150**	**38,370**	**40,901**	**45,852**
Tangible Fixed Assets	2,842	3,151	3,021	2,886	2,736
CWIP	19	75	75	75	75
Investments	743	365	365	365	365
Cash & Cash Equivalents	10,261	11,359	14,942	17,667	20,947
Other Non-current Assets	219	262	262	262	262
Other Current Assets	1,714	1,737	1,737	1,737	1,737
Total Assets	**27,577**	**30,150**	**38,022**	**41,482**	**45,284**

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	3,953	3,497	3,221	5,139	5,784
Cash Flows from Investing	773	114	961	1,343	1,634
Cash Flows from Financing	-1,498	-2,513	-599	-3,756	-4,138

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	74.5	74.4	74.4	74.4	74.4
Interest Burden (%)	115.1	104.2	112.5	115.0	117.5
EBIT Margin (%)	11.5	11.0	11.4	12.2	12.7
Asset Turnover (%)	1.4	1.4	1.6	1.5	1.5
Equity Multiplier(x)	1.9	1.9	2.0	2.0	1.9
ROE (%)	25.9%	23.0%	32.1%	32.2%	30.8%

Source: GOLI, Choice Institutional Equities

Historical Price Chart: GOLI



Date	Rating	Target Price
August 25, 2025	BUY	1,600
October 1, 2025	BUY	1,600
October 16, 2025	BUY	1,600
October 29, 2025	BUY	1,600
November 07, 2025	BUY	1,600
January 11, 2026	BUY	1,600
February 15, 2026	BUY	1,600
May 29, 2026	BUY	1,525
August 05, 2026	BUY	1,525
October 31, 2026	BUY	1,525

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and SMIDs	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst – Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9827
Karan Kamdar	Analyst – Consumer Discretionary, SMIDs	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Subhash Gate	Analyst – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Pankti Karania	Associate – Energy	pankti.karania@choiceindia.com	+91 22 6707 9251
Prakhar Tibrewala	Associate – SMIDs	prakhar.tibrewal@choiceindia.com	+91 22 6707 9433
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9535
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

CHOICE RATING DISTRIBUTION & METHODOLOGY	
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 stasis 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

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH000000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email-Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

The Company uses artificial intelligence tools as part of its research process, including data analysis and content generation. Notwithstanding the foregoing, all analysis, views, and recommendations are independently formulated and duly reviewed by qualified research analysts prior to issuance.

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. www. https://choiceindia.com/research-listing

Copyright:

This research report is confidential and intended solely for the recipient. Unauthorized reproduction, distribution, or disclosure of this report, in whole or in part, in any form or by any means, without the prior written permission of the Company is strictly prohibited.

DHAVAL JAYANTBHAI POPAT

Digitally signed by DHAVAL JAYANTBHAI POPAT
Date: 2026.11.02 08:07:38 +05'30'