



Buy Range ₹725 – 740

Target ₹870 – 890

Recommendation Buy

Highlights

- Gulf Oil Lubricants India Ltd (GOLIL), part of the Hinduja Group, is an established player in the Indian Lubricants Industry. Gulf Oil International (GOI), the parent of GOLIL, owns the Gulf brand globally.
- With a powerful brand, diverse product portfolio, and an unwavering commitment to innovation, the company is well-poised to maintain a leading market position in the lubricant industry.
- Additionally, GOLIL has a presence in EV fluids. EV Fluids have been formulated specially to sustain peak engine performance at a low temperature and enhanced wear protection for transmissions in both hybrid vehicles and electric vehicles. The company has products like EV transmission fluid, EV brake fluid, EV coolant fluid in EV segment.
- Stellar Pan India Network- the Company has established a robust distribution network that spans across the country. With a wide network of auto and industrial distributors as well as retailers, which is supported by strategically located depots and regional offices. It has total touch points improved from +60,000 in FY18 to +80,000 in FY23.
- Building strong position in Battery Segment: The Company has outlined an ambitious plan to achieve a 20% annual expansion, propelling its revenue to ₹200 crs over the next 4-5 years, a significant increase from its current revenue of approximately ₹88 crs. To realise this vision, Gulf Oil India is actively engaged in localising battery production and transitioning away from toll manufacturing.
- Strong relationships with multiple key OEMs across the automotive, industrial, and construction segments which are built on technology, service, trust, and collaborative partnerships continue to thrive and grow.
- All automotive lubricant categories have recovered to pre-pandemic levels. Pick up in M&HCV truck cycle due to rising demand from infrastructure, construction, and mining space to improve M&HCV lubricant volumes.
- With a proactive stance towards embracing the evolving landscape of e-mobility, the company has made strategic investments in Indra Renewable Technologies and TechPerspect Software and Tirex Transmission. These investments aim to secure a position in the EV value chain and leverage innovative e-mobility solutions for future growth.

Gulf Oil Lubricants India Ltd.

Company Background

Gulf Oil Lubricants India Ltd (GOLIL), part of the Hinduja Group, is an established player in the Indian Lubricants Industry. Gulf Oil International (GOI), parent of GOLIL, owns the Gulf brand globally.

With operations primarily in the Automotive and Industrial segments and a leading presence in the B2C market through a stellar distribution network, the company has partnered with and supplies directly to OEMs and other B2B customers – directly (Industries, Infrastructure, Mining & Fleet Customers, State Transport and Government Undertakings) and through a distributor network.

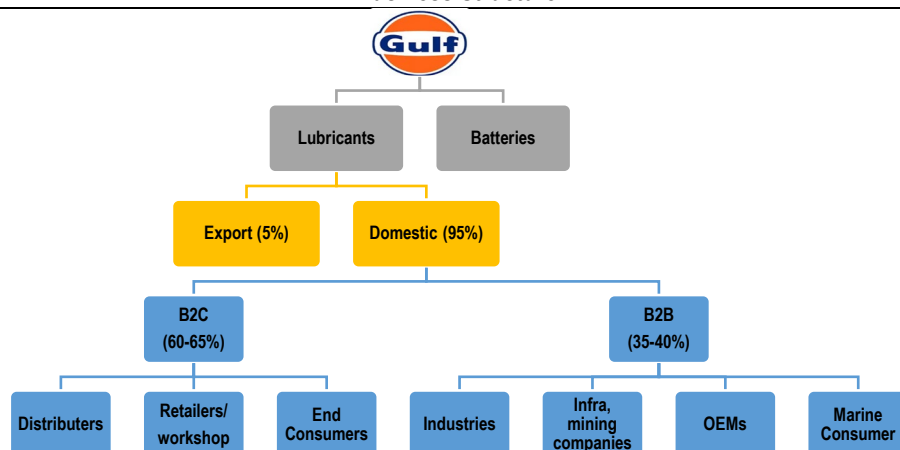
Gulf Oil India exports to over 25 countries across the globe, constituting ~5% of annual turnover.

About Hinduja Group:

The Hinduja Group is a family business that was founded over a hundred years ago by Shri PD Hinduja. The group owns businesses in automotive, information technology, media, entertainment, and communications, banking and financial services, infrastructure project development, cybersecurity, oil and specialty chemicals, power, real estate, trading, and healthcare, with a workforce that is over 200,000 employees strong.

The Hinduja Group acquired Gulf Oil International Ltd in 1984, and has gone from strength to strength under their leadership, cementing the Gulf heritage and legacy whilst paving an innovative path for the future.

Business Structure



Key Management Team

Mr. Sanjay G. Hinduja (Chairman, Non-Executive Director)

Mr. Sanjay has a Business Administration Bachelor's Degree from Richmond College in London. With a professional background at renowned financial institutions such as Credit Suisse Bank and Chase Manhattan Bank, he offers a wealth of knowledge and specialisation in the worldwide oil and energy industry.

Mr. Ravi Chawla (MD & CEO)

Mr. Ravi has ~23 years of experience in the Lubricants space having earlier worked in the top management of Pennzoil India (which also was part of Shell for 3 years from 2003 onwards) for 8 years from 1998 to 2006, prior to his continuing stint of 15 years+ with Gulf Oil. Overall, he has over 33 years of professional experience and has previously worked with various organisations (Indian and MNC's) across multiple sectors like FMCG, Tyres, Luggage, Photographic consumables, Tractors.

Mr. Manish Kumar Gangwal (CFO & President-strategic Sourcing, IT & Legal)

Mr. Manish has ~30 years of professional experience and has worked with Gulf Oil Corporation Limited, Poddar Pigments Limited, and Hindustan Development Corporation Limited. He was also the Chief Financial Officer of Gulf Oil Corporation Limited before demerger of its Lubricants business into GOLIL as a separate Listed Company. He has wide experience and knowledge in Finance, Corporate planning, Mergers & Acquisitions, Investor relations, Corporate Governance, Accounting and Audits, Company secretarial practice, Taxation, etc.

Manufacturing Capacities

Capacity	Silvassa Plant	Chennai plant
Lubricants Manufacturing	90,000 KLPA	50,000 KLPA
AdBlue	20,000 KLPA	18,000 KLPA

Source: Company, Way2Wealth

Important Data

Nifty	21,541
Sensex	71,423

Key Stock Data

CMP	₹736
Market Cap (₹ cr)	₹3607
52W High/Low	₹750 / 390
Shares o/s (crs)	4.91
Daily Vol. (3M NSE Avg.)	72335
BSE Code	538567
NSE Code	GULFOILLUB
Bloomberg Code	GOLI:IN

Shareholding Pattern (%) – Dec'23

Promoter	71.94
DII	04.33
FII	04.98
Public	17.78

Financials

Particulars	FY21	FY22	FY23
Revenue	1652	2192	2999
EBITDA	264	285	330
EBITDA Margin (%)	16	13	11
Net Profit	198	209	221
EPS (₹)	40.3	42.6	45.0
RoE (%)	23.0	20.2	19.7
RoCE (%)	31.7	27.2	25.6
P/E (x)	18.3	17.3	16.3
EV/EBITDA (x)	10.6	5.8	4.3
P/BV (x)	4.2	2.0	1.68

Source: Company Data, Way2Wealth

Relative Performance

Return(%)	1Yr	3Yr	5Yr
GOLIL	75%	0%	-3%
Nifty50	27%	51%	103%
Sensex	23%	48%	102%

Source: Company, Way2Wealth

Ashwini Sonawane

ashwinisonawane@way2wealth.com

91-22-4019 2913

Investment Arguments

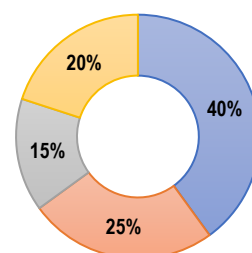
1. Strong parentage and well-recognised brand value

- (i) Gulf Oil Lubricants India Ltd (GOLIL), part of the Hinduja Group, is an established player in the Indian Lubricants Industry. Gulf Oil International (GOI), the parent of GOLIL, owns the Gulf brand globally (across more than 100 countries). Gulf Oil International (GOI), parent of GOLIL, owns the Gulf brand globally (except USA, Spain & Portugal).
- (ii) With a powerful brand reputation, Gulf Oil has evolved as the second-largest lubricant brand in the country, securing a significant market share in the private sector.

2. Diverse and future-ready product profile

- (i) With a powerful brand, diverse product portfolio, and an unwavering commitment to innovation, the company is well-poised to maintain a leading growth position in the lubricant industry.
- (ii) The company has a comprehensive and wide product portfolio across automotive, industrial, and marine applications with approvals from API, JASO, ACEA, and leading global OEMs.
- (iii) They also have a presence in EV fluids. EV Fluids have been formulated specially to sustain peak engine performance at a low temperature and enhanced wear protection for transmissions in both hybrid vehicles and electric vehicles. The company has products like EV transmission fluid, EV brake fluid and EV coolant fluid in the EV segment.
- (iv) AdBlue (known as diesel exhaust fluid) is a liquid added to many diesel cars that reduces the harmful emissions they can create. It's a solution of distilled water and urea, a substance found in urine and fertilizers. It's non-toxic, colorless.

GOLIL's Diversified Product Mix (FY23)



- Diesel engine oil for CVs, Tractor Oils
- Gear/brake oil, greases and other fluids
- Hydraulic oil and lubricants for heavy industries
- Personal Mobility

Source: Company, Way2Wealth

Product Profile

Automotive Lubricants	High-performance lubricants for bikes, scooters, cars, commercial vehicles, and tractors, enhancing performance and durability	
Industrial Lubricants and Specialty Oils	Specialised lubricants for various sectors such as mining, manufacturing, power generation, and infrastructure industries, viz. engine oils, hydraulic oils, specialties and more	
EV Fluids	Cutting-edge fluids for superior electric vehicle performance and innovative hybrid mobility solutions	
Marine Lubricants	High-quality marine lubricants and technical services to the global and Indian shipping industry	
AdBlue	An eco-friendly product for diesel vehicles, reducing NOx emissions and complying with BS-VI standards	
2-Wheeler VRLA Battery	High-quality batteries for two-wheelers, including the Gulf Pride range designed with advanced Valve Regulated Lead Acid (VRLA) technology	

Source: Company, Way2Wealth

3. Stellar Pan-India Distribution Network

- (i) Gulf Oil has established a robust distribution network that spans across the country. With a wide network of auto and industrial distributors as well as retailers, which is supported by strategically located depots and regional offices. GOLIL's total touch points improved from +60,000 in FY18 to +80,000 in FY23. The significant expansion in automotive touch points and the addition of a battery network were the key drivers for growth.
- (i) In the domestic market, the company earns 60% of its business from the B2C segment, where the operating margins are higher compared to the B2B segment (35-40% contribution to business). The B2C segment generates stable and recurring revenues, even during the down cycle of OEM sales and industrial output. Hence, the company is focusing more on B2C and expanding its dealer network across India to improve brand visibility.
- (ii) The emergence of new-age distribution networks, such as e-commerce and mobile oil-change services, has made Passenger Car Motor Oil (PCMO) more accessible to consumers, driving its demand. There is significant potential to ramp up rural penetration of automobiles.

Distribution Network

	FY18	FY19	FY20	FY21	FY22	FY23
Total Touch points	60K	70K	70k+	75K+	75K+	80K+
Auto Distribution	300+	300+	300+	300+	300+	300+
Industrial Distribution	50+	50+	50+	50+	65+	70+
B2B Customers	200+	200+	200+	200+	500+	500+
Regional Office	3	3	3	4	4	4
Bike Shops	7K+	7K+	8K+	8K+	8K+	8K+
Car Stops	1.3K+	1.3K+	2K+	2K+	2K+	3K+
Rural Stockiest	550+	750+	1000+	1000+	1000+	1000+

Source: Company, Way2Wealth

4. Strong relations with auto OEMs and heavy industrial

- (i) Long-standing partnerships with Original Equipment Manufacturers (OEMs) are the bedrock of the company's success. The strong relationships with multiple key OEMs across the automotive, industrial, and construction segments which are built on technology, service, trust, and collaborative partnerships continue to thrive and grow.
- (ii) Within the B2B segment, the company has achieved remarkable success through strategic partnerships and customer-centric initiatives. Emphasis on the OEM segment led to high double-digit growth, and collaborations with prominent entities such as Kia, Ford, and Hyundai further solidified the market position. By establishing strong relationships with infrastructure and industrial customers, launching innovative products, and exceptional business development efforts, the company has successfully its extended reach and recorded excellent growth in B2B segments.
- (iii) With M.S. Dhoni, Hardik Pandya, and now Smriti Mandhana as brand endorsers, the company is looking forward to creating exciting campaigns to help the brand get even closer to its consumers.

Relationships with OEMs

AdBlue	5+
Industrial OEMs	8+
Construction OEMs	7+
Automotive OEMs	15+
EV Fluids OEMs	7+

Source: Company, Way2Wealth

Automotive OEMs					
ASHOK LEYLAND	Mahindra	SWARAJ	BAJAJ	FORCE MOTORS	PIAGGIO
TATA MOTORS	KIA	S-OIL	Ford	SUNALIKA INTERNATIONAL	
ASHOK LEYLAND	FORCE MOTORS	FIAT	BMW	Mahindra	
SWITCH	PIAGGIO	ALTI GREEN DRIVE ELECTRIC	SPICER	propel	

Source: Company, Way2Wealth

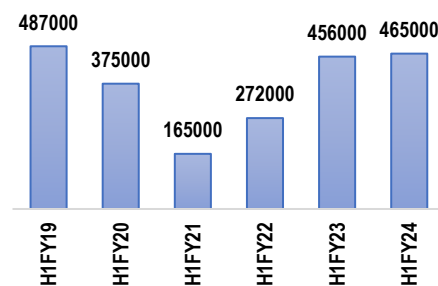
Construction OEMs			
Putzmeister	LIUGONG	ACE	Robbins
MAIT	Bobcat	LARSEN & TOUBRO	
Industrial OEMs			
SCHWING Stetter	Shibaura Machine	Bonfiglioli	WINDSOR
MILACRON	DANA	Automotive Axles Limited	

5. Building strong position in Battery Segment

- (i) Gulf Oil India, a leading player in the lubricant industry and a subsidiary of the Hinduja Group, has set its sights on robust growth in its battery business. The company has outlined an ambitious plan to achieve a 20% annual expansion, propelling its revenue to ₹200 crs over the next 4-5 years, a significant increase from its current revenue of approximately ₹88 crs. To realise this vision, Gulf Oil India is actively engaged in localising battery production and transitioning away from toll manufacturing.
- (ii) Having entered the motorcycle battery market approximately 7-8 years ago, Gulf Oil India has successfully diversified its portfolio, signalling its strategic agility and adaptability. Presently, the company boasts an impressive annual sales volume of around 13.5 lakh batteries, positioning itself as a key player with a notable 2-3% share in the replacement market. Notably, Gulf Oil India is among the top five players in the replacement two-wheeler segment, offering technologically advanced valve-regulated lead acid (VRLA) batteries distributed through a vast network of over 12,000 touch points across the country.

6. Industry to Balance Near-term Obstacles with Long-term Prospects

- (i) India is the world's third-largest and one of the world's fastest-growing lubricant markets after the US and China.
- (ii) The demand for automotive lubricants has a direct correlation with on-road vehicle movement, as well as the growth of vehicle population and automobile sales. The Indian automobile industry concluded FY23 on a positive trajectory, showcasing resilience by overcoming the adversities brought about by the COVID-19 pandemic, weak demand, and supply chain limitations. It has demonstrated a robust resurgence, benefiting from the revival of economic activities and improved mobility. **The automotive lubricant market is dominated by Diesel Engine Oils (DEO), followed by Motorcycle Oils (MCO), Passenger Car Motor Oils (PCMO), and other allied lubricants.**
- (iii) As per leading market experts, all categories in automotive lubricants have made a complete recovery from the decline in demand due to the pandemic. Pick up in M&HCV truck cycle due to rising demand from infrastructure, construction, and mining space to improve M&HCV lubricant volumes.

CV Domestic Sales (Apr-Sep)


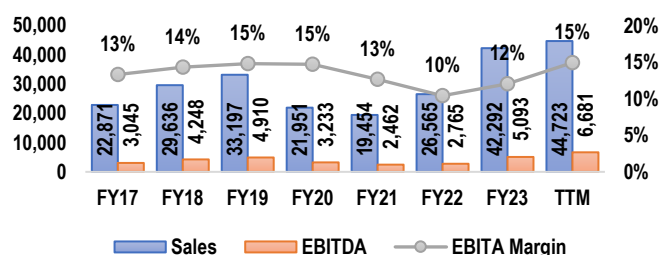
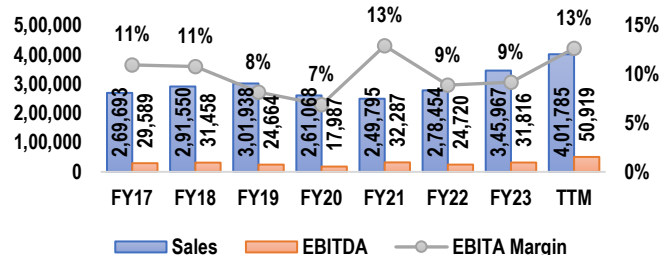
Source: Company, Way2Wealth

Domestic Sales (Units)

	FY18	FY19	FY20	FY21	FY22	FY23	CAGR
Passenger Vehicles	32,88,581	33,77,389	27,73,519	21,11,457	30,69,523	38,90,114	3%
Commercial vehicles	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468	2%
Three Wheelers	6,35,698	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	-5%
Two Wheelers	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	-5%
Quadracycles	-	627	942	-12	124	725	
Total	2,49,81,312	2,62,66,179	2,15,45,551	1,80,20,233	1,76,17,606	2,12,04,162	

Source: SIAM

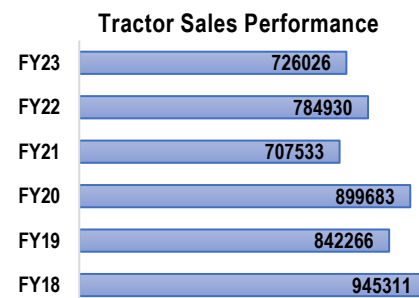
Also expects an improvement in the financial performance of the CV OEMs, led by the benefit of operating leverage and the easing commodity prices.

Ashok Leyland (' crs)

Tata Motors (' crs)


Source: Company, Way2Wealth

a) Tractors

- (i) The commercial vehicle segment witnessed a major upturn in sales volume in FY23, growing at a rate of 34%, driven by robust demand and growth in major economic activities, including infrastructure and construction industries. Tractor sales in India have surpassed their all-time records for selling tractors and witnessed an increase of 12% from the previous year's sales.
- (ii) The implementation of new emission norms for the off-highway (mobile) segment, such as Tractor Engines (TREM) and Construction Equipment Vehicles (CEV), is driving the usage of higher-quality lubricants. The overall growth in sales of Commercial Vehicles, improved commercial vehicle movement at the back of pick-up in construction and buoyant tractor sales led to positive volume growth in Diesel Engine Oils (DEO).



Source: Company, Way2Wealth

b) Increasing Demand for Passenger Car Motor Oil (PCMO)

- (i) In FY23, the passenger vehicle (PV) segment achieved its highest-ever sales, surpassing 3.9mn units. This growth can be attributed to two main factors: robust demand and the easing of supply chain constraints. Petrol consumption has consistently grown by more than 10% YoY since Apr'22, indicating an increased demand for Passenger Car Motor Oil (PCMO).
- (ii) Other factors contributing to PCMO growth include the preference for personal mobility fuelled by increasing business and leisure travel, rising disposable income and also inadequacies of public transport in India.

c) Motorcycle Oils (MCO)

- (i) Two-wheelers account for a majority of vehicle sales in India, with significant demand from both urban and rural areas. This augurs well for the growth of MCO in India. India is also a huge market for premium two-wheelers, as one-half of global 250cc to 700cc sales are from India, this is unlocking untapped value growth in MCO.

d) Industrial Segment

- (i) The demand for lubricants from the industrial sector has increased over the years. Government initiatives such as Atmanirbhar Bharat, PLI, and Make in India and global strategies like China Plus One have increased industrial push significantly. The increasing need for automation and strong growth in industries support the adoption of lubricants.
- (ii) In the industrial sector, lubricants are used for numerous applications in various industries including the construction industry, auto components, textile, power generation, mining, food processing, light-heavy engineering, marine operations, and metalworking.

e) Infrastructure Segment

- (i) India is witnessing solid infrastructure development with rapid expansion of roads, bridges, railways, metros, commercial and residential buildings, and industries. Notably, an increase in capital expenditure on infrastructure investment by 33%, amounting to ₹10 lakh crs for FY24 and representing 3.3% of the GDP, is expected to significantly stimulate the economy.
- (ii) Various schemes have been introduced to drive growth in the sector. These initiatives include the National Infrastructure Pipeline (NIP), the National Monetisation Plan (NMP), Gati Shakti, and the National Single Window System (NSWS). With a multitude of ongoing and proposed projects, the lubricants industry is poised for immense growth, finding applications in both on-highway vehicles and off-highway construction equipment, with substantial opportunities in this rapidly expanding sector.

7. Established a strong foothold in the electric vehicle (EV) market

- (i) In India, penetration of EVs is in the nascent stage due to challenges related to infrastructure, charging facilities, high costs, limited government funding, and selective regulations. Hence the overall demand for lubricants in India remains significant and will continue to grow.
- (ii) However, there may be a partial impact in certain segments over a longer period but the company is leveraging brand and distribution strengths and prioritizing on expansion of market share in B2C segments, particularly PCMO, where substantial growth opportunities lie ahead. In the B2B segment, the focus would be on accelerated growth, rapidly increasing market share in industrial sectors and introducing more specialised products.
- (iii) Additionally, they are implementing a robust diversification strategy to capitalise on opportunities related to allied products and the EV value chain. The initiatives by Gulf Oil International to develop EV fluids and venture into related business areas will also help mitigate associated risks
- (iv) The company has established a strong foothold in the electric vehicle (EV) market, with Gulf EV fluids gaining traction and leading to partnerships with multiple EV OEMs and successfully launched EV fluids for Piaggio and Switch Mobility, solidifying its position in this rapidly evolving market

8. Future Proofing with E-mobility solution

- (i) With a proactive stance towards embracing the evolving landscape of e-mobility, the company has made strategic investments in Indra Renewable Technologies and TechPerspect Software and Tirex Transmission. These investments aim to secure a position in the EV value chain and leverage innovative e-mobility solutions for future growth.
- (ii) Gulf Oil India had ~₹700 crs of surplus cash at the end of Sep'23. With the annual capex for the traditional lubricant business at a moderate ₹20-25 crs, the management wants to utilise a good part of its cash for future growth opportunities.

a) Indra Renewable Technologies

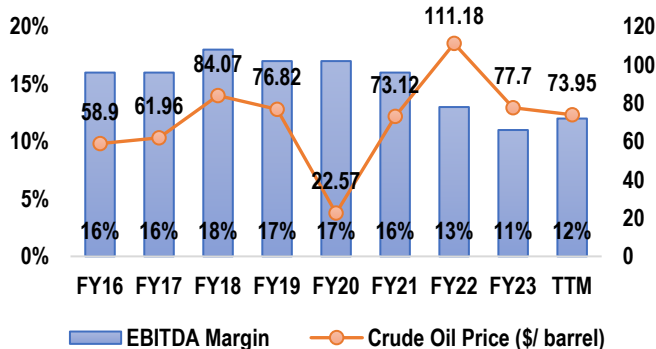
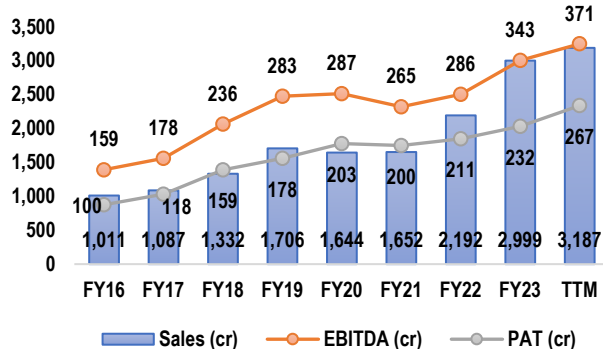
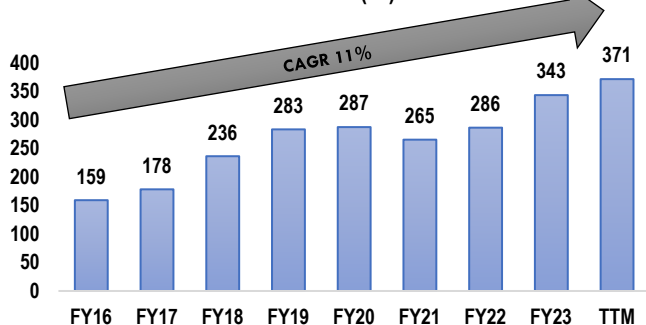
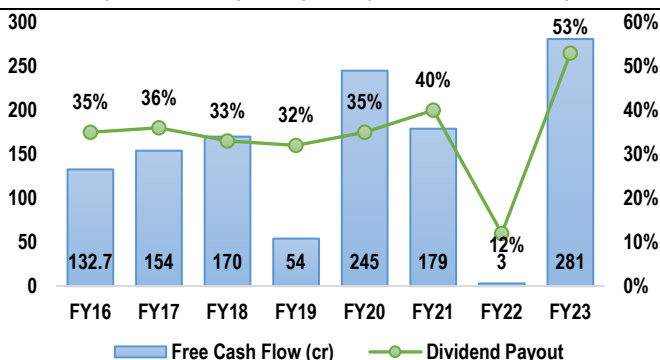
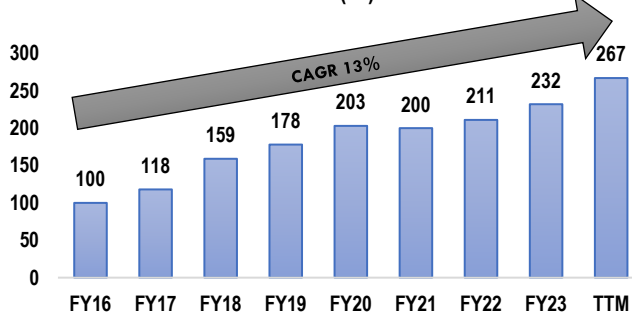
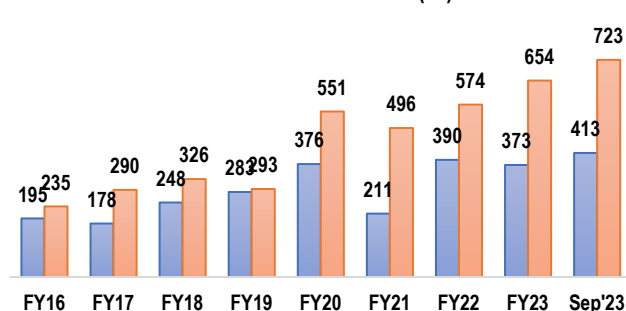
- (i) UK-based Indra Renewable Technologies specialises in manufacturing EV chargers for home charging and vehicle-to-grid (V2G) applications. With a significant market share in the UK's home-EV-charger segment, Indra is rapidly establishing itself and enjoys strong relations with OEMs. Through this alliance, Gulf Oil gains rights to Indra's superior charging technology in India. The introduction of Indra's products into the Indian market is expected to be a game-changer, as initial tests have yielded promising results.
- (ii) Earlier in 2021 Gulf Oil also increased its share in Indra Renewable Technologies from 32% (between Gulf Oil and Gulf Oil India) to a controlling stake with additional investment. It was the first move under the future-proofing strategy.

b) TechPerspect Software Pvt. Ltd (ElectreeFi)

- (i) The company has acquired a 26% stake (for ₹35 crs) in TechPerspect Software, renowned for its brand ElectreeFi. This company excels in providing software- as-a-service (SaaS) solutions with expertise in implementing Internet of Things (IoT)-based e-mobility solutions. ElectreeFi's platform caters to businesses, end customers, and leading stakeholders in the EV space. The collaboration aims to develop cutting-edge solutions for electric vehicle charging, EV fleet management, and battery swapping, positioning Gulf Oil as a key player in the fast-changing e-mobility industry.

c) Tirez Transmission Investment

- (i) The company has also acquired a controlling stake in EV charger maker Tirez Transmission (Ahmedabad-based firm) for ₹103 crs. The move is expected to bolster the company's presence in the electric vehicle segment.
- (ii) The acquisition is a part of the company's global ambition towards becoming a leader in the EV charging ecosystem, a market which is already valued at \$20bn and expected to cross \$200bn by 2030.
- (iii) Tirez's strong performance in the DC charger market, combined with Gulf Oil's robust brand strengths, distribution reach, and relationships with OEMs and Infra/B2B customers sets the stage for a synergistic partnership

Financials in Chart

EBITDA (cr)

PAT (cr)

Debt & Cash Position (cr)


Source: Company, Way2Wealth

Peers

	M-Cap (cr)	CMP	PE Ratio (TTM)	EV/Sales	EV/EBITDA	Mcap/Opt Revenue
Gulf Oil Lubricants India	3606	736	13.2	0.55	4.3	0.66
Castrol India	17604	178	22.3	2.3	9.3	2.55
Tide Wate Oil Co.	2398	1378	26.5	0.68	8.02	0.77
Savita Oil tech	2446	354	14.7	0.44	4.42	0.45
Global Peers (in USD bn)						
Quaker Chemical Corp	3.61	200	222.2	2.14	21.51	1.8
Phillips 66	58.5	133	8.03	0.5	5.91	0.38

5 Year CAGR

	Sales (cr) FY23	EBITDA(cr) FY23	Sales	EBITDA	EBITDA Margin	D/E	ROCE
Gulf Oil Lubricants India	3187	371	13.3%	5.6%	11.6%	0.30	23%
Castrol India	4987	1119	5.0%	0.9%	22.4%	0.03	61%
Tide Wate Oil Co.	1915	155	6.8%	3.4%	8.1%	0.00	20%
Savita Oil tech	3655	218	10.1%	2.0%	6.0%	0.00	24%
Global Peers (in USD bn)							
Quaker Chemical Corp	1.94	0.12	18.8%	8.2%	6.30%	0.6	1.30%
Phillips 66	175.7	16.5	10.9%	26%	9.4%	0.6	17.00%

Source: Company, Way2Wealth

9. Q2FY24 Performance

- (i) Q2FY24 was a milestone quarter with EBITDA crossing ₹100 crs for the first time. Margins improved due to better product mix and effective margin management.
- (ii) Core lubricants volume for the quarter was 34,000 kl, with a growth of 6.3%.
- (iii) Investment in Tires Transmission for revenue target of ₹500 crs in 4-5 years. Focus on sustainability, working on solar energy and reducing emissions.
- (iv) The management views strong capacity utilization in plants, expects Q3FY24 and Q4FY24 to be better quarters for the industry.

Risks

- Any slowdown in demand would affect sales of key categories, resulting in a moderation of sales volume growth.
- The company remains exposed to the high competitive pressures in the domestic market

View

Gulf Oil Lubricant India Ltd (GOLIL), India's largest lubricant company after Castrol, has impressively gained market share over the past few years. We view that confidence in the company's bright future prospects is supported by its strong execution track record of business growth and continuing uptick in the commercial vehicle cycle. The company is also proactively expanding its distribution network to enhance the scope of B2C lubricant business further as it brings higher margins compared to the B2B segment.

We also believe that with GOI's various initiatives like the National Infrastructure Pipeline (NIP), the National Monetisation Plan (NMP), Gati Shakti, and the National Single Window System (NSWS), the lubricants industry is poised for immense growth, finding applications in both on-highway vehicles and off-highway construction equipment, with substantial opportunities in this rapidly expanding sector.

We remain positive on the stock and see a gradual re-rating towards ~₹890. Hence, we recommend investors *BUY* at the current valuation.

Q2FY24 Performance

(₹ Crs)

Particulars	Q2FY24	Q2FY23	VAR	Q1FY23	VAR
Sale	802	720	11%	812	-1%
Operating Profit	100	80	25%	93	8%
Operating Profit Margin	13%	11%	200bps	11%	200bps
Other Income	17	10		14	
Interest	7	10	-30%	4	75%
Depreciation	11	10	10%	11	0%
Profit Before Tax	99	70	41%	92	
Tax	26	18		24	
PAT	74	52	41%	68	8%
EPS	15	10.6	41%	13.9	8%

Source: Company, Way2Wealth

FINANCIALS & VALUATION

(₹ Crs)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR (%)
Sales	1,706	1,644	1,652	2,192	2,999	3200	3550	4000	10
Gross Profit	734	789	743	855	1,140	1,216	1,349	1,520	
Gross Margin	43.0%	48.0%	45.0%	39.0%	38.0%	38.0%	38.0%	38.0%	
EBITDA	272.96	279.48	264.32	284.96	329.89	384.00	447.30	520.00	16
EBITDA Margin	16.0%	17.0%	16.0%	13.0%	11.0%	12.0%	12.6%	13.0%	
Depreciation	22	33	34	36	40	40	40	42	
EBIT	250.96	246.48	230.32	248.96	289.89	344	407.3	478	
Interest	15	25	15	10	38	40	42	46	
Other Income	29	35	52	44	47	55	58	68	
Profit before tax	264.96	256.48	267.32	282.96	298.89	359.00	423.30	500.00	
Tax	92.7	59.0	69.5	73.6	77.7	93.3	110.1	130.0	
Tax rate	35%	23%	26%	26%	26%	26%	26%	26%	
PAT	172	197	198	209	221	266	313	370	19
PAT Margin	10.1%	12.0%	12.0%	9.6%	7.4%	8.3%	8.8%	9.3%	
EPS	35.08	40.22	40.29	42.65	45.05	54.11	63.80	75.36	
PE	21.0	18.3	18.3	17.3	16.3	13.6	11.5	9.8	

Source: Company, Way2Wealth

TECHNICAL VIEW

Weekly Chart



Gulf Oil is presently validating a solid buying momentum on weekly chart, as it is trading around its 52-week high. The stock gave a clear break out from the rounding bottom reversal pattern on the weekly as well as monthly chart with steady volumes and it is confirmed that the uptrend can be expected to accumulate from current levels. Moreover, the momentum indicator RSI is indicating increasing buying momentum. According to weekly and monthly price trend line, the stock has immediate resistance at 827/842. If the stock breaks above 842 levels and then it could test at 910/937 in medium to long term gains. On the downs side, the stock has found support at 648/632 levels. Observation of the above factors we would remain positive on GULFOIL, and one is advised to buy and accumulate for medium to long term gains.

Technical Indicators/Overlays

Bollinger Bands (Upper - Lower)	879.75 - 586.55
Short Term - 20 & 50 Days EMA	556 & 572
Long Term - 100 & 200 Days EMA	574/507
Annualised Volatility	35.34
ADX	28.74
MACD	36.53
RSI	69.22
Average True Range(ATR)	91.21
AD Line	11.02 Cr
Standard Deviation	108.17
Pivot Levels - R1, R2	752 & 770
Pivot Point	727
Pivot Levels - S1, S2	684 & 709
ROC (%)	81.36

S. Devarajan

Head – Technical & Derivatives Research

devarajan.s@way2wealth.com

91-22-4019 2996

Disclaimer

Analyst Certification: I, Ashwini Sonawane, the research analyst and author of this report, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s), principally responsible for the preparation of this research report, receives compensation based on overall revenues of the company (Way2Wealth Brokers Private Limited, hereinafter referred to as Way2Wealth) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

It is confirmed that Ashwini Sonawane, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. Our research professionals are paid in part based on the profitability of Way2Wealth, which include earnings from other business. Neither Way2Wealth nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information contained in this report.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Way2Wealth is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. The contents of this material are general and are neither comprehensive nor appropriate for every individual and are solely for the informational purposes of the readers. This material does not take into account the specific objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s.

This research has been prepared for the general use of the clients of the Way2Wealth and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient, you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Way2Wealth will not treat recipients as customers by virtue of their receiving this report. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

The report is based upon information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. Way2Wealth or any of its affiliates or employees makes no warranties, either express or implied of any kind regarding any matter pertaining to this report, including, but not limited to warranties of suitability, fitness for a particular purpose, accuracy, timeliness, completeness or non-infringement. We accept no obligation to correct or update the information or opinions in it. Way2Wealth or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations. In no event shall Way2Wealth be liable for any damages of any kind, including, but not limited to, indirect, special, incidental, consequential, punitive, lost profits, or lost opportunity, whether or not Way2Wealth has advised of the possibility of such damages.

This material contains statements that are forward-looking; such statements are based upon the current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include but are not limited to: the risk of adverse movements or volatility in the securities markets or in interest or foreign exchange rates or indices; adverse impact from an economic slowdown; downturn in domestic or foreign securities and trading conditions or markets; increased competition; unfavorable political and diplomatic developments; change in the governmental or regulatory policies; failure of a corporate event and such others. This is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form by any means or redistributed without the written consent of Way2Wealth. In no event shall any reader publish, retransmit, redistribute or otherwise reproduce any information provided by Way2Wealth in any format to anyone. Way2Wealth and its affiliates, officers, directors and employees including persons involved in the preparation or issuance of this report may from time to time have interest in securities / positions, financial or otherwise in the securities related to the information contained in this report.

To enhance transparency, Way2Wealth has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Disclosure of Interest Statement GULF OIL LUBRICANTS INDIA LTD. as on 15th January 2024

Name of the Security	GULF OIL LUBRICANTS INDIA LTD.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

This information is subject to change without any prior notice. Way2Wealth reserves at its absolute discretion the right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, Way2Wealth is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.