

15 August 2025

India | Equity Research | Results Update

Gulf Oil Lubricants India

Oil & Gas

Q1FY26 results: Strong core volumes, margins take a hit on high ad spends

Gulf Oil (GOLI) delivered 8.9%/9.8% YoY growth in EBITDA/PAT to INR 1.27bn/INR 0.97bn (I-Sec: EBITDA/PAT INR 1.28bn/INR 0.99bn). Better product/segment mix and premiumisation drove gross margin up 140bps YoY; however, higher advertisement and promotional expenditure drove decline in EBITDA margin to 12.7%, down 40bps YoY and below I-Sec's estimate of 13.5%. Double-digit growth in mobility and B2B segments with steady AdBlue volume reflected in core lubricant/AdBlue volume of 41mn/38mn litres (+10.8/+flattish YoY in line with I-Sec est.). We remain positive on GOLI's prospects over the next 2–3 years, given steady volume growth, stronger margins and limited threat from EVs, at least, for the next 3–5 years. Valuation of 12.4x FY27E PER/8.8x EV/EBITDA remains quite attractive. Maintain **BUY** with a TP of INR 1,715 (unchanged).

Strong volume growth

Overall, volume of 79mn litres grew 5.3% YoY with core lubricant volume of 41mn litres (up 10.8% YoY) and AdBlue volume of 38mn litres (flattish YoY, up 2.7% QoQ) in line with our estimates. GOLI is on track to meet its guidance of superior industry growth over the next couple of years. Additionally, with an aggressive build-out of distribution infrastructure, brand spends, new product launches and new segment entry, GOLI is emplacing the building blocks for sustained growth over the next 3–5 years.

Margin expansion on track

Moderate crude prices and aggressive premiumisation of its product portfolio have helped GOLI's pricing power in recent times. Thus, EBITDA margins have expanded steadily since Q4FY23 (11.1% in Q4FY23 vs. 12.7% in Q1FY26). Gross margin, in Q1, improved 140bps YoY led by better product mix and segment mix; however, EBITDA margins declined 40bps YoY due to higher advertisement and promotional expenditure. We do see scope for further strength, as input prices stay benign (in line with moderate crude prices), with FY16–21 average margin of 16.7% being the indicator for upside potential over the next 3–5 years. Growing premiumisation of vehicles, pricing improvements, moderate input costs and launch of new product lines should help keep margins at reasonably high levels over the next couple of years. We keep our FY26/27/28E EBITDA margin unchanged at 13.6%/13.6%/13.6%.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	35,457	39,578	43,353	47,522
EBITDA	4,701	5,375	5,912	6,472
EBITDA %	13.3	13.6	13.6	13.6
Net Profit	3,622	4,136	4,626	5,143
EPS (INR)	73.5	83.9	93.8	104.3
EPS % Chg YoY	17.3	14.2	11.9	11.2
P/E (x)	15.8	13.8	12.4	11.1
EV/EBITDA (x)	11.7	10.0	8.8	7.7
RoCE (Pre-tax) (%)	23.8	24.8	25.6	26.2
RoE (%)	26.3	26.7	26.9	26.8

Probal Sen

probal.sen@icicisecurities.com
+91 22 6807 7274

Hardik Solanki

solanki.hardik@icicisecurities.com

Market Data

Market Cap (INR)	57bn
Market Cap (USD)	654mn
Bloomberg Code	GOLI IN Equity
Reuters Code	GOLU.BO
52-week Range (INR)	1,514 /911
Free Float (%)	32.0
ADTV-3M (mn) (USD)	1.6

Price Performance (%)	3m	6m	12m
Absolute	(3.3)	5.9	(12.7)
Relative to Sensex	(2.4)	(0.2)	(14.6)

ESG Score	2023	2024	Change
ESG score	64.5	63.0	(1.5)
Environment	40.0	46.0	6.0
Social	70.0	69.9	(0.1)
Governance	78.5	73.8	(4.7)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

23-05-2025: [Q4FY25 results review](#)

08-02-2025: [Q3FY25 results review](#)

Growth prospects remain robust, despite EV penetration

A research study by Kline Research pointed to ~3% YoY volume growth and 6% YoY value growth in the Indian lubricant industry through to CY32, from its current levels. With GOLI likely to continue growing at a rate higher than industry, we believe I-Sec's estimate of 6–7% YoY growth in volumes for core lubricants over FY25–27E is within reason. Also, growing brand strength has enabled GOLI to cut its pricing deficit vs. the #1 private player to ~10% (across similar product lines), from >20% a decade ago – with potential to further reduce this to enhance margins.

EV investments – an opportunity to diversify and offset the threat to ICE (Internal Combustion Engine) business

GOLI is relatively well positioned to navigate the market with EVs in three ways: 1) Overall vehicle sales growth over the next decade implies that even with material EV penetration, size of the addressable ICE vehicles market remains sizeable enough to support growth. 2) Launch of an extensive EV fluid range shall support the oil requirement of EV vehicles. 3) Strategic investments in the EV ecosystem would create additional revenue opportunity in the long term. Acquisitions in EV portfolios are a part of GOLI's global ambition towards being a leader in the EV charging ecosystem, a market that is already valued at USD 20bn currently, and may surpass USD 200bn by CY30 ([link](#)).

Valuation: Multiples at attractive levels; reiterate BUY

GOLI has seen its stock price correct 12.7% over the last 12 months. GOLI's above-industry volume growth, superior margin profile and sticky brand loyalty demonstrated by customers are the key long-term triggers. Valuations of 12.4x FY27E PER, 8.8x EV/EBITDA and 3.3x P/BV on FY27E are rather attractive vs. peers (Castrol). Maintain **BUY**.

The company has made material progress in growing its brand presence as well as its OEM relationships over the past several years, ensuring both B2B and B2C portions of its lubricant business continue to grow steadily over the next decade. Additionally, acquisitions made in EV charging/EV software solutions and initiatives in battery swapping and EV fluids may add to revenue over the longer term.

Our valuation, averaging two-year forward PER, EV/EBITDA and target PEG multiples implies a target price (based off FY28E multiples) of INR 1,715 (unchanged), implying 48% upside from CMP. The stock still trades at a discount to global players and Indian consumer companies. Even our target multiples are at a steep discount to its nearest comparable peer Castrol (**Exhibit 21-23**).

Key upside risks

- Sharper-than-anticipated overall industry growth; and GOLI grabbing higher market share.
- Margin expansion ahead of our estimates.
- More aggressive rollout of EV charging and battery business.

Key downside risks

- Sharp downtick in traditional lubricant demand due to higher EV transition.
- Execution delays in an attempt to expand distribution presence/product range.
- Stronger competitive pressures.

Q1FY26 conference call: Takeaways

Quarterly performance

- During the quarter, the company recorded its highest-ever quarterly volumes and EBITDA. While the industry's volume growth was ~3–3.5%, the company outperformed by growing at thrice that rate.
- During Q1FY26, core lubricant volume grew by 11% YoY to 41mn ltr., while AdBlue volume was flattish at 38mn ltr. Quarterly revenue crossed INR 10bn for the first time.
- Gross margin improved by 140bps YoY due to a better product mix.
- Lower EBITDA margin was driven by higher spending on advertising and promotion — IPL sponsorship and a motorcycle Gulf Pride campaign.
- Product mix, segment mix, and higher growth in core lubricant segment are contributing to higher realisations.
- Advertising and promotion expenditure is expected to remain in the range of 3–4% of revenue.

Segmental growth

- B2C segment growth was led by motorcycle oil (MCO), supported by new packaging (Gulf Pride campaign) and the launch of new product with superior specifications.
- The OEM franchise workshop business showed double-digit growth, especially in commercial vehicle and agriculture OEMs.
- The B2B industrial segment grew in double-digits, with new customer acquisitions in the metal, infrastructure, and mining sectors.
- Rural market penetration continues to grow strongly with focused distribution and double-digit growth in agri and motorcycles.
- Factory fill volumes remained flattish.
- The AdBlue business is targeted to grow by 10% YoY in FY26. Q1FY25 had a promotional scheme for AdBlue, which was not repeated in Q1FY26 — driving flattish performance.

Capex

- Capacity expansion is underway to increase blending capacity from 140mn ltr to 240mn ltr, with a capital expenditure of INR 0.6bn at Chennai and Silvassa. The plant is expected to come online by Mar'27.
- The ongoing capacity expansion would provide flexibility in the product mix, allowing production of both small and large packs as per market needs.

Tirex

- The EV charger business (Tirex) closed FY25 with a topline of INR 0.8 bn. In Q1, Tirex reported revenue of INR 240–250 mn, up 163% YoY, and achieved EBITDA break-even. The strategy is to double revenue every year, targeting a topline of INR 4–5bn in the next four to five years.

Tie-up

- A strategic tie-up with Nayara Energy provides access to 6,500 fuel stations across India, with 1,500 outlets already reached.

- Started supplying AdBlue to the stations. The current penetration level of AdBlue is ~30–40%, which should go up.

Others

- In the CNG segment, the company operates selectively with a focus on price positioning. It has developed a CNG bus lubricant product in collaboration with Ashok Leyland. The company is prepared for BS7 emission norms across all its products.
- The Silvassa plant received IGBC Platinum certification, the highest rating.
- The company maintained a net cash position of over INR 10bn as of 30 Jun'25.
- The battery business recorded a turnover of INR 160mn in Q1FY26. Currently, batteries are imported, but toll manufacturing is being established to improve supply security.
- Among other developments, the company is working on a new data coolant product.
- Management sees no major challenge to the lubricants business from the EV transition in the near term and continues to focus on expanding distribution in both rural and urban markets.

Exhibit 1: Quarterly snapshot

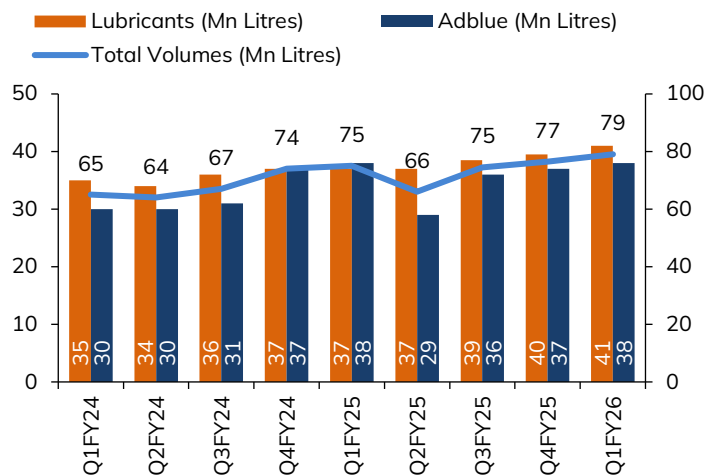
INR (mn)	Q1FY26	Q4FY25	QoQ (%)	Q1FY25	YoY (%)
Revenue	9,964	9,151	9%	8,851	13%
EBITDA	1,266	1,245	2%	1,162	9%
PAT	967	916	6%	880	10%
EBITDA margin%	12.7%	13.6%		13.1%	
PAT margin %	9.7%	10.0%		9.9%	
EPS	19.7	18.7	6%	18.0	10%
Total Volume	79.0	76.5	3%	75.0	5%
Core	41.0	39.5	4%	37.0	11%
Non-Core	38.0	37.0	3%	38.0	0%
Blended Margin INR/ltr	16.0	16.3	-2%	15.5	3%
Blended Realisation INR/ltr	126.1	119.6	5%	118.0	7%

Source: Company data, I-Sec research

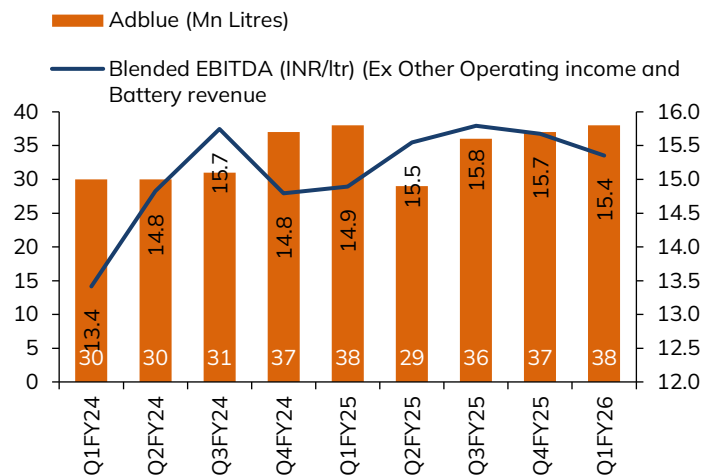
Exhibit 2: Key metrics' quarterly trend

Quarterly	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
EBITDA (INR mn)	875	928	1,005	1,111	1,150	1,162	1,072	1,222	1,245	1,266
Total Volumes (mn Litres)	64	65	64	67	74	75	66	75	77	79
Lubricants (mn Litres)	36	35	34	36	37	37	37	39	40	41
AdBlue (mn Litres)	28	30	30	31	37	38	29	36	37	38
*Blended EBITDA (INR/ltr)	12.9	13.4	14.8	15.7	14.8	14.8	15.5	15.7	15.7	15.4

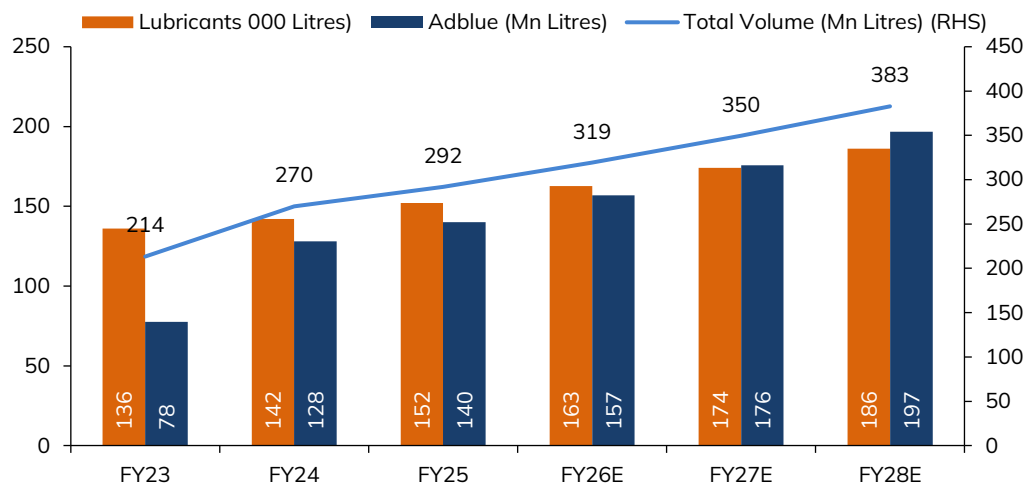
Source: Company data, I-Sec research* excluding Other operating income and battery revenue

Exhibit 3: Volume increased YoY /QoQ

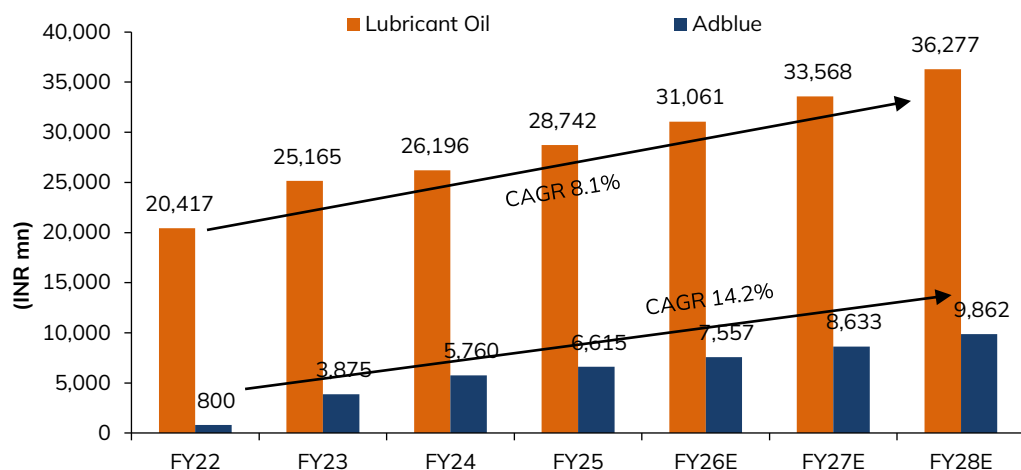
Source: Company data, I-Sec research

Exhibit 4: Rise in blended margin YoY

Source: Company data, I-Sec research; Blended EBITDA is I-Sec estimates

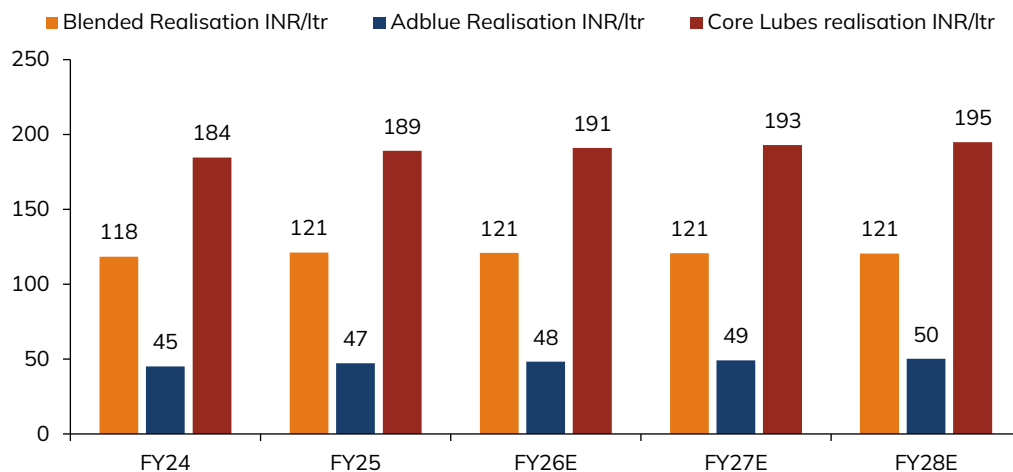
Exhibit 5: We expect volume CAGR at 9.5% over FY26–28E

Source: Company data, I-Sec research

Exhibit 6: Lubricant oil/AdBlue revenue to grow at 8.1%/14.2% CAGR over FY25–27E

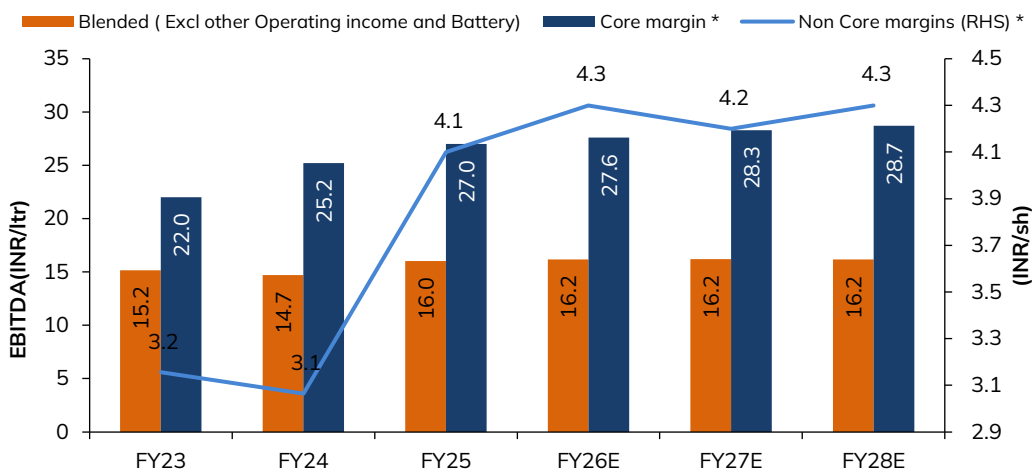
Source: Company data, I-Sec research; Note these are derived nos. on basis of our assumption

Exhibit 7: Blended realisation to remain flattish due to faster growing AdBlue segment (low realisation product) despite improvement in core lubricant realisation



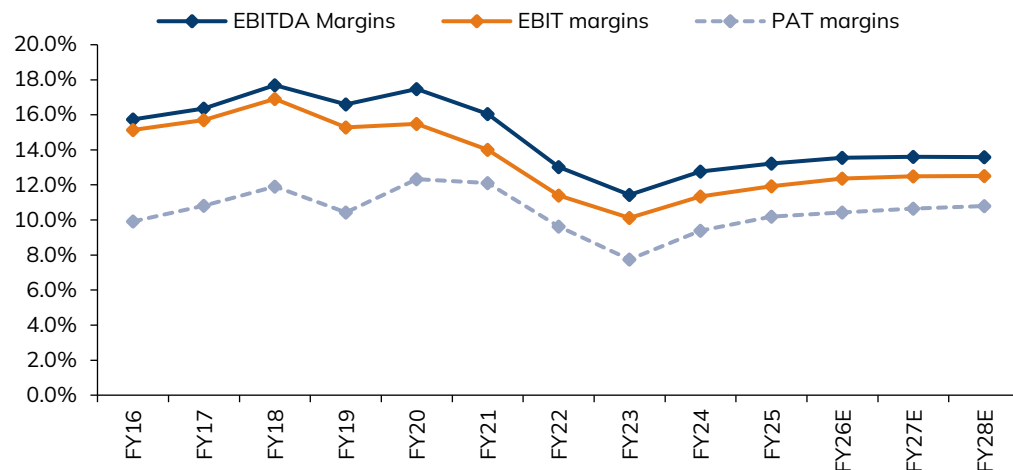
Source: Company data, I-Sec research; Core and Adblue realisation is our assumption

Exhibit 8: Blended margin to improve over FY26–28E

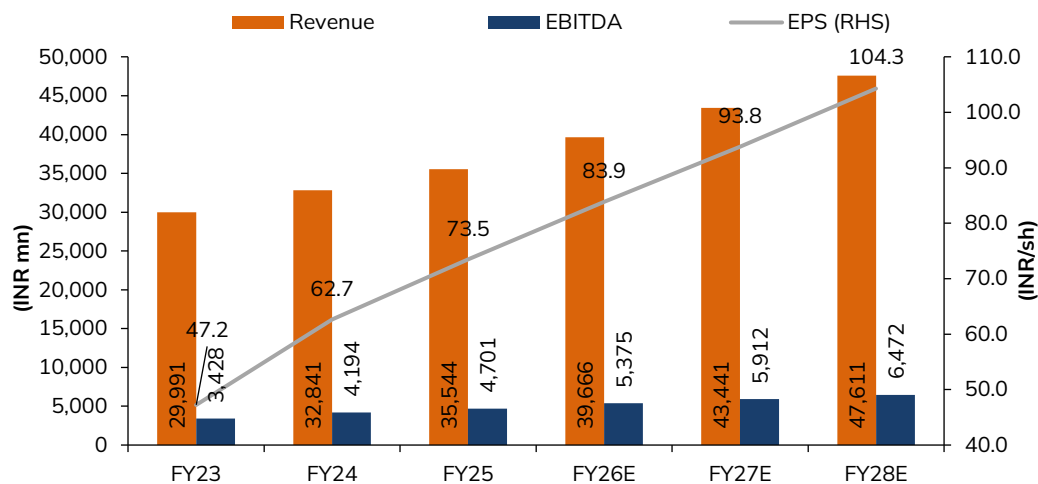


Source: I-Sec research, Company data, * I-Sec assumption

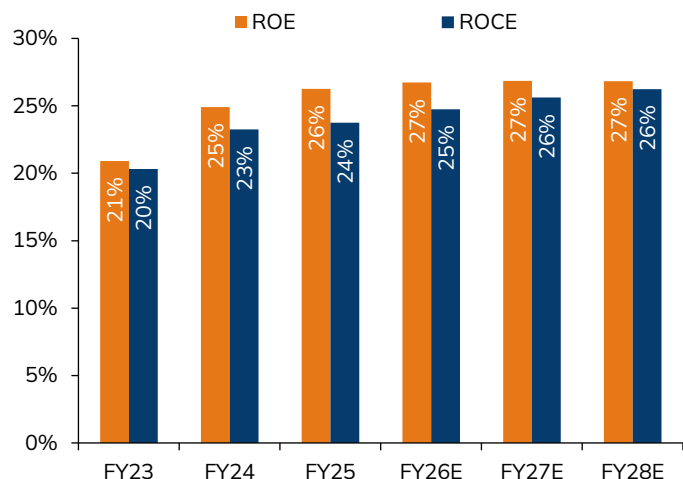
Exhibit 9: We do not factor in any material expansion in margins



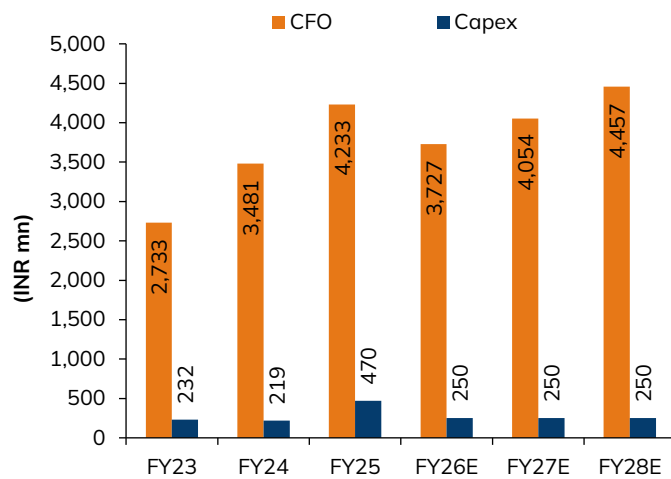
Source: I-Sec research, Company data

Exhibit 10: Revenue/EBITDA to grow at 9.7%/11.5% CAGR over FY26–28E

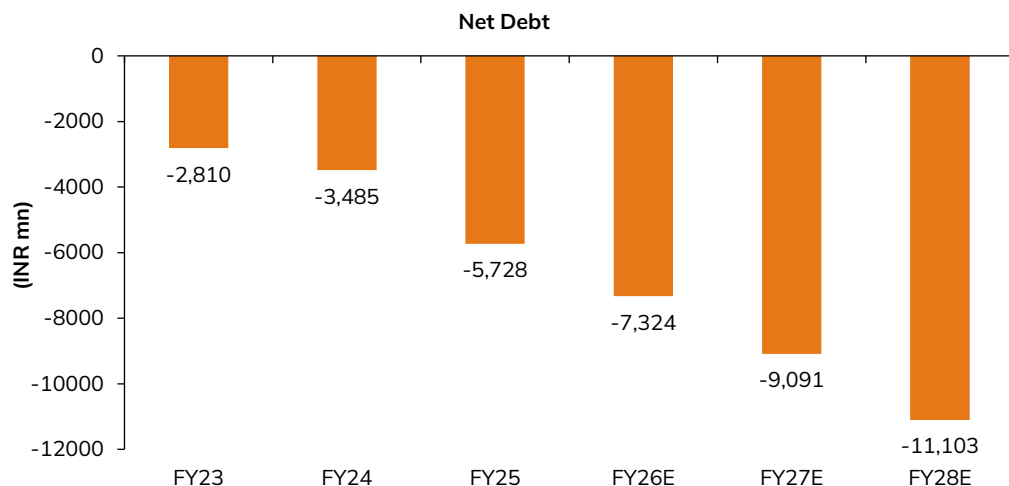
Source: Company data, I-Sec research

Exhibit 11: Return ratio remains healthy

Source: Company data, I-Sec research

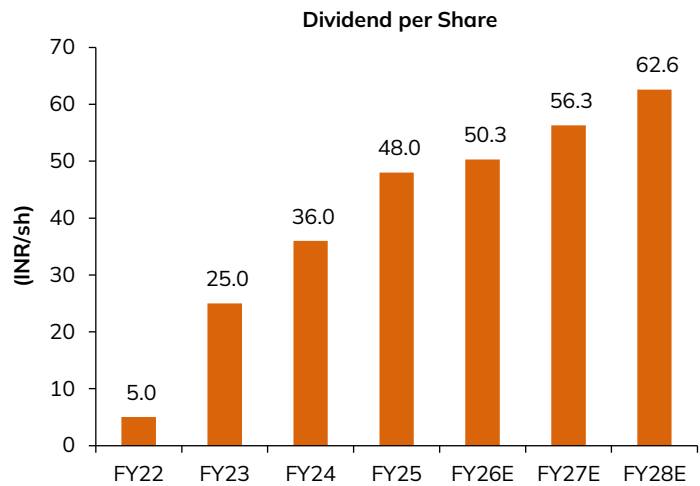
Exhibit 12: Strong cashflow with minimal capex outlay

Source: Company data, I-Sec research

Exhibit 13: Net debt remains in negative territory

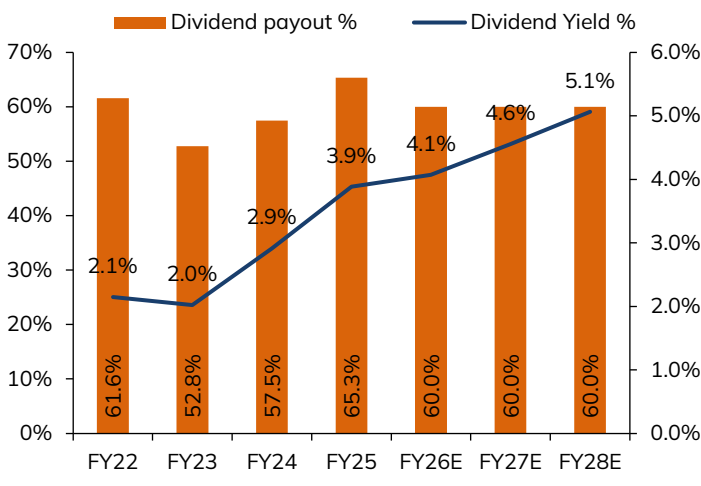
Source: Company data, I-Sec research

Exhibit 14: Dividend trend remains healthy...



Source: Company data, I-Sec research

Exhibit 15: ...so does dividend pay-out and yield



Source: Company data, I-Sec research Note FY22 payout includes buyback

Valuation: We employ an average of methods to arrive at fair value; maintain BUY

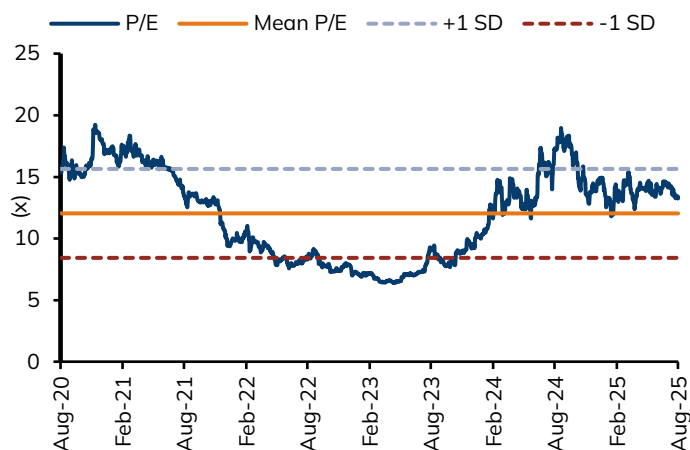
We use an average of PER, PEG and EV/EBITDA methods to arrive at a fair value for GOLI. The stock is currently trading at the midpoint of its five-year valuation band. We see sufficient scope for its multiples to rise over the next three years, as the company continues to beat industry growth rates and remains a consistent performer, as our estimates indicate.

Exhibit 16: Valuation summary

EV/EBITDA	(INR mn)	PER	(INR/share)
Mcap	57,637	EPS FY24	73.5
Debt	3,747	PER	15.9
Cash & Cash Eq	12,837	EPS growth for FY24	17.3
EBITDA	6,472	PEG	0.9
EV/EBITDA multiple	10.5	Target PEG	1.4
EV	67,959	Growth next 3 years	12%
Less net debt	-9,091	Target PER	16.9
Equity value	77,050	EPS for FY27E	104.3
TP INR/share	1,563	TP	1,758
P/E (INR/share)		Average TP	1,715
EPS FY27E	104	CMP	1161
PE multiple	18	Upside	48%
TP	1,825		

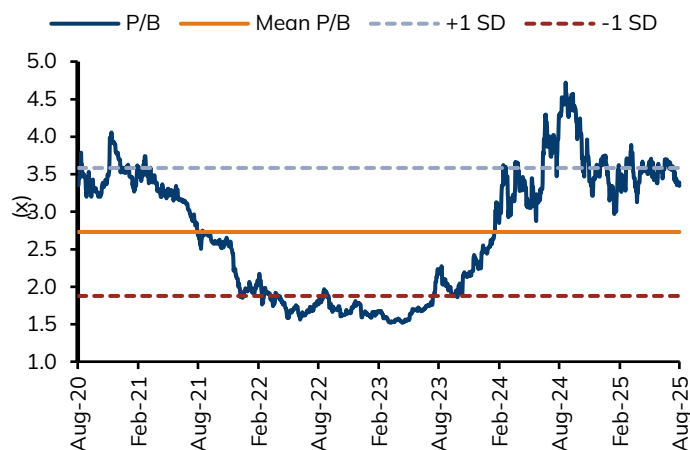
Source: Company data, I-Sec research

Exhibit 17: P/E band trading above 5-year average



Source: Bloomberg, Company data, I-Sec research

Exhibit 18: P/B band trading above 5-year average



Source: Bloomberg, Company data, I-Sec research

Exhibit 19: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	67.1	67.1	67.1
Institutional investors	16.9	17.0	16.3
MFs and others	6.6	6.5	5.4
FIs/Banks	0.0	0.0	0.2
Insurance	3.0	3.0	2.3
FIIIs	7.3	7.5	8.5
Others	16.0	15.9	16.6

Source: Bloomberg

Exhibit 20: Price chart



Source: Bloomberg

Annexure – Castro India Ltd (Castrol)- Financial Snapshot

Exhibit 21: Castrol's historical performance

INR mn	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24
Volume	199	205	214	204	166	207	211	220	235
Volume growth	4%	3%	4%	-5%	-19%	25%	2%	4%	7%
Revenue	33,704	35,843	39,046	38,768	29,969	41,921	47,745	50,746	53,649
EBITDA	10,049	10,330	10,708	11,531	8,141	10,660	11,111	11,979	12,782
EBITDA Margin %	29.8%	28.8%	27.4%	29.7%	27.2%	25.4%	23.3%	23.6%	23.8%
EBITDA INR /ltr	50.4	50.5	50.1	56.5	49.2	51.5	52.7	54.5	54.4
Recurring PAT	6,749	6,917	7,083	8,274	5,829	7,581	8,152	8,641	9,272
PAT margin %	20.0%	19.3%	18.1%	21.3%	19.5%	18.1%	17.1%	17.0%	17.3%
Recurring EPS INR/share	6.8	7.0	7.2	8.4	5.9	7.7	8.2	8.7	9.4
DPS INR/share	5.5	4.8	5.0	5.5	5.5	5.5	6.5	7.5	13.0
Dividend Payout	80.6%	68.6%	69.8%	65.8%	93.3%	71.8%	78.9%	85.8%	138.7%
Net Debt/Equity	-0.8	-0.8	-0.6	-0.7	-0.9	-0.8	-0.6	-0.5	-0.6
Net Debt	-8,219	-7,842	-7,439	-9,460	-12,604	-12,945	-11,726	-11,404	-13,370
P/E	30.6	29.9	29.2	25.0	35.5	27.3	25.4	23.9	22.3
EV/EBITDA	19.8	19.3	18.6	17.1	23.8	18.2	17.6	16.3	15.1
P/BV	21.1	20.3	17.7	15.1	14.6	12.6	11.0	9.7	9.1
Cash flow from operation	6,641	6,083	5,495	8,795	8,928	6,302	9,159	8,530	10,441
Capex	-358	-563	-783	-1,007	-238	-832	-1,097	-955	-927

Source: Company data, I-Sec research

Exhibit 22: Castrol – Bloomberg consensus

INR mn	CY24	CY25E	CY26E
Financials			
Revenue	53,649	57,050	60,448
Growth YoY	5.7%	6.3%	6.0%
EBITDA	12,782	12,860	13,746
Growth YoY	6.7%	0.6%	6.9%
EBITDA Margin %	24%	23%	23%
Recurring PAT	9,272	9,883	10,678
Growth YoY	7.3%	6.6%	8.0%
PAT margin %	17%	17%	18%
EPS INR/share	9.4	10.0	10.8
DPS INR/share	13.0	8.0	8.4
Valuation			
P/E	21.9	20.5	19.0
EV/EBITDA	14.8	15.3	14.3
P/BV	8.9	8.3	8.3

Source: Company data, Bloomberg, I-Sec research

Exhibit 23: Comparison – GOLI vs Castrol

INR mn	CY19/FY20	CY20/FY21	CY21/FY22	CY22/FY23	CY23/FY24	CY24/FY25	CY25/FY26	CY26/FY27	Past 5-year CAGR
Volume Kilo liter									
Castrol	204	166	207	211	220	235			2.9%
Growth YoY	-4.5%	-18.8%	25.0%	1.9%	4.3%	6.8%			
GOLI	111	115	134	214	270	292	319	350	21.3%
Growth YoY	-6.7%	3.6%	16.5%	59.3%	26.5%	8.1%	9.4%	9.5%	
Revenue									
Castrol	38,768	29,969	41,921	47,745	50,746	53,649	57,050		6.7%
Growth YoY	-0.7%	-22.7%	39.9%	13.9%	6.3%	5.7%	6.3%		
GOLI	16,442	16,522	21,916	29,991	32,841	35,544	39,666	43,441	16.7%
Growth YoY	-3.6%	0.5%	32.6%	36.8%	9.5%	8.2%	11.6%	9.5%	
EBITDA									
Castrol	11,531	8,141	10,660	11,111	11,979	12,782	12,860	13,746	2.1%
Growth YoY	7.7%	-29.4%	30.9%	4.2%	7.8%	6.7%	0.6%		
EBITDA Margin %	29.7%	27.2%	25.4%	23.3%	23.6%	23.8%	22.5%		
EBITDA INR /ltr	56.5	49.2	51.5	52.7	54.5	54.4			
GOLI	2,872	2,652	2,855	3,428	4,194	4,701	5,375	5,912	10.4%
Growth YoY	1.5%	-7.7%	7.7%	20.1%	22.3%	12.1%	14.3%	10.0%	
EBITDA Margin %	17.5%	16.1%	13.0%	11.4%	12.8%	13.2%	13.6%	13.6%	
EBITDA INR /ltr (Core)	24.9	21.2	23.8	22.0	25.2	27.0	27.6	28.3	
PAT									
Castrol	8,274	5,829	7,581	8,152	8,641	9,272	9,883	10,678	2.3%
Growth YoY	16.8%	-29.5%	30.0%	7.5%	6.0%	7.3%	6.6%		
PAT Margin %	21.3%	19.5%	18.1%	17.1%	17.0%	17.3%	17.3%		
GOLI	2,025	2,001	2,111	2,323	3,081	3,622	4,136	4,626	12.3%
Growth YoY	13.9%	-1.2%	5.5%	10.1%	32.6%	17.6%	14.2%	11.9%	
PAT Margin %	12.3%	12.1%	9.6%	7.7%	9.4%	10.2%	10.4%	10.6%	
EPS									
Castrol	8.4	5.9	7.7	8.2	8.7	9.4	10.0		
GOLI	41.3	40.8	43.1	47.2	62.7	73.5	83.9	93.8	
DPS									
Castrol	5.5	5.5	5.5	6.5	7.5	13.0	8.0		
GOLI	14.0	16.0	5.0	25.0	36.0	48.0	50.3	56.3	
Dividend Payout									
Castrol	65.8%	93.3%	71.8%	78.9%	85.8%	138.7%	80.0%		
GOLI	34.7%	40.2%	61.6%	52.8%	57.5%	65.3%	60.0%	60.0%	
ROCE									
Castrol	85.6%	52.1%	63.9%	57.5%	53.8%	52.1%			
GOLI	25.4%	20.9%	19.9%	20.3%	23.3%	23.8%	24.8%	25.6%	
ROE									
Castrol	65.3%	41.9%	49.6%	46.2%	43.1%	42.1%			
GOLI	30.0%	24.5%	22.1%	20.9%	24.9%	26.3%	26.7%	26.9%	
Cash from Operation									
Castrol	8,795	8,928	6,302	9,159	8,530	10,441			3.5%
GOLI	2,368	1,935	-237	2,733	3,481	4,233	3,727	4,054	12.3%
Capex									
Castrol	1,007	238	832	1,097	955	927			
GOLI	183	86	246	232	219	470	250	250	
Valuation									
Castrol									
P/E	24.5	34.8	26.7	24.9	23.5	21.9	20.5	19.0	
EV/EBITDA	16.8	23.4	17.8	17.2	16.0	14.8	15.3	14.3	
P/B	14.8	14.3	12.3	10.8	9.6	8.9	8.3	8.3	
GOLI									
P/E	29.9	30.3	28.7	26.2	19.7	16.8	14.7	13.2	
EV/EBITDA	20.5	21.8	20.6	16.9	13.6	11.7	9.9	8.7	
P/B	8.0	7.0	5.8	5.1	4.7	4.1	3.7	3.3	

Source: Company data, I-Sec research; CY for Castrol and FY for GOLI, Castrol estimates are from Bloomberg; 5 year average from FY19 to FY24

Financial Summary

Exhibit 24: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	35,457	39,578	43,353	47,522
EBITDA	4,701	5,375	5,912	6,472
EBITDA Margin (%)	13.3	13.6	13.6	13.6
Depreciation & Amortization	459	470	489	512
EBIT	4,242	4,905	5,423	5,960
Interest expenditure	346	304	276	248
Other Non-operating Income	962	924	1,033	1,160
PBT	4,857	5,525	6,180	6,871
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,235	1,390	1,554	1,728
PAT	3,622	4,136	4,626	5,143
Less: Minority Interest	-	-	-	-
Net Income (Reported)	3,622	4,136	4,626	5,143
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	3,622	4,136	4,626	5,143

Source Company data, I-Sec research

Exhibit 25: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	21,367	23,497	25,954	28,672
of which cash & bank	10,274	11,471	12,837	14,450
Total Current Liabilities & Provisions	7,037	7,712	8,500	9,319
Net Current Assets	14,331	15,785	17,454	19,353
Other Non Current Assets	-	-	-	-
Net Fixed Assets	2,750	2,530	2,291	2,029
Other Fixed Assets	-	-	-	-
Capital Work in Progress	135	135	135	135
Non Investment	2,175	2,197	2,219	2,241
Current Investment	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	19,391	20,647	22,099	23,758
Liabilities				
Borrowings	4,547	4,147	3,747	3,347
Deferred Tax Liability	119	120	121	123
Lease Liability	-	-	-	-
Other Liabilities	82	83	84	85
Equity Share Capital	99	99	99	99
Reserves & Surplus*	14,544	16,198	18,048	20,106
Total Net Worth	14,642	16,297	18,147	20,204
Minority Interest	-	-	-	-
Total Liabilities	19,391	20,647	22,099	23,758

Source Company data, I-Sec research

Exhibit 26: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	8,493	9,049	9,151	9,964
% growth (YOY)	-4.0%	6.5%	1.1%	8.9%
EBITDA	1,072	1,222	1,245	1,266
Margin %	12.6%	13.5%	13.6%	12.7%
Other Income	232	334	222	222
Extraordinaries	-	-	-	-
Adjusted Net Profit	844	982	916	967

Source Company data, I-Sec research

Exhibit 27: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Cash Flow from operation before working Capital	4,792	5,375	5,912	6,472
Working Capital Changes	691	(258)	(303)	(288)
Tax	(1,250)	(1,390)	(1,554)	(1,728)
Operating Cashflow	4,233	3,727	4,054	4,457
Capital Commitments	(339)	(250)	(250)	(250)
Free Cashflow	4,571	3,977	4,304	4,707
Others CFI	833	905	1,014	1,140
Cashflow from Investing Activities	494	655	764	890
Inc (Dec) in Borrowings	861	(400)	(400)	(400)
Interest Cost	(305)	(304)	(276)	(248)
Others	(2,081)	(2,481)	(2,775)	(3,086)
Cash flow from Financing Activities	(1,525)	(3,186)	(3,452)	(3,734)
Chg. in Cash & Bank balance	3,201	1,197	1,366	1,613
Closing cash & balance	10,224	11,421	12,787	14,399

Source Company data, I-Sec research

Exhibit 28: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Recurring EPS	73.5	83.9	93.8	104.3
Diluted EPS	73.5	83.9	93.8	104.3
Recurring Cash EPS	82.8	93.4	103.7	114.7
Dividend per share (DPS)	48.0	50.3	56.3	62.6
Book Value per share (BV)	297.0	330.5	368.1	409.8
Dividend Payout (%)	65.3	60.0	60.0	60.0
Growth (%)				
Net Sales	8.2	11.6	9.5	9.6
EBITDA	12.1	14.3	10.0	9.5
EPS	17.6	14.2	11.9	11.2
Valuation Ratios (x)				
P/E	15.8	13.8	12.4	11.1
P/CEPS	14.0	12.4	11.2	10.1
P/BV	3.9	3.5	3.2	2.8
EV / EBITDA	11.7	10.0	8.8	7.7
EV / Operating Income	10.6	9.2	8.0	7.0
Dividend Yield (%)	4.1	4.3	4.8	5.4
Operating Ratios				
EBITDA Margins (%)	13.3	13.6	13.6	13.6
Effective Tax Rate (%)	25.4	25.1	25.1	25.1
Net Profit Margins (%)	10.2	10.4	10.7	10.8
NWC / Total Assets (%)	73.9	76.5	79.0	81.5
Fixed Asset Turnover (x)	8.0	8.1	8.4	8.8
Working Capital Days	41.1	41.1	41.1	41.1
Net Debt / Equity %	(39.1)	(44.9)	(50.1)	(55.0)
Profitability Ratios				
RoCE (%)	17.7	18.5	19.2	19.6
RoCE (Pre-tax) (%)	23.8	24.8	25.6	26.2
RoE (%)	26.3	26.7	26.9	26.8

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Probal Sen, CA, MBA; Hardik Solanki, CA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

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. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
