

Growth sustained with capacity expansion.

Gulf Oil Lubricants India Ltd delivered a record Q3FY26 performance with highest-ever quarterly volumes of 41,500 KL (+8% YoY; ~2x industry growth) and strongest revenue and EBITDA to date. 9MFY26 lubricant volumes grew 9.3% YoY to 123,000 KL, while AdBlue volumes rose ~8% to 111,000 KL. Revenue for 9MFY26 stood at Rs 29,510 Mn (+11.8% YoY), reflecting improved product mix and premiumization. Growth was broad-based with double-digit expansion in PCMO, agriculture, and industrial/infrastructure segments, alongside continued strength in OEM franchisee workshops.

Despite rupee depreciation-led input cost pressures, EBITDA margins expanded sequentially by ~67 bps to 13%+, supported by cost control and selective price hikes; management reiterated its 12–14% margin guidance with a medium-term aspiration of 14–16%. PAT growth was ~7.4% YoY (adjusted for prior one-offs), and the company remains net debt free, declaring an interim dividend of Rs 21/share.

On EV strategy, subsidiary Tirex reported ~78–83% revenue growth in 9MFY26, with a target to scale to Rs 3,000–4,000 Mn revenue over the next 3–4 years. The company increased its stake in Tirex to 65%, reinforcing EV chargers and EV fluids as a strategic growth pillar. Capex of Rs 550 Mn is underway to expand Silvassa and Chennai capacities, aimed at operational readiness for sustained 2–3x industry growth rather than immediate cost savings.

Management expects industry growth of ~3–4% (higher in industrial), with Gulf continuing to outperform through market share gains, OEM partnerships, rural focus, and premium product mix.

Financial Summary

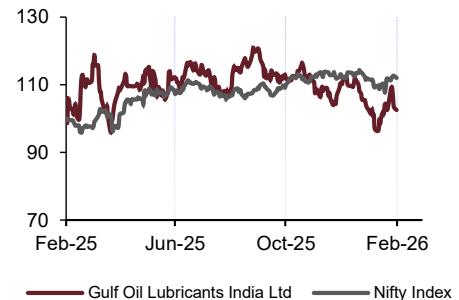
Y/E Mar Rs Mn	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	21,917	29,991	33,011	36,312	42,322	50,597
EBITDA	2,859	3,428	4,209	4,723	5,169	5,971
PAT	2,115	2,323	3,081	3,573	4,072	4,759
EPS	41.98	47.30	62.80	72.81	82.99	97.00
P/E	30	26	20	17	15	13
ROE(%)	20%	20%	24%	24%	24%	25%
ROCE(%)	21%	23%	27%	27%	27%	29%

Source: Dalal & Broacha Research, Company

Rating	TP (Rs)	Up/Dn (%)
BUY	1,552	39
Market Data		
Current price	Rs	1,114
Market Cap (Rs.Bn)	(Rs Bn)	55
Market Cap (US\$ Mn)	(US\$ Mn)	607
Face Value	Rs	2
52 Weeks High/Low	Rs	1331.9 / 911
Average Daily Volume	('000)	38
BSE Code		506945
Bloomberg		GOLI.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Dec-25	Sep-25
Promoters	67.11	67.11
Public	32.89	32.89
Total	100.00	100.00

Source: Bloomberg

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Concall Highlights

Segmental Highlights

B2C

- Double-digit growth led by Passenger Car Motor Oils (mid double-digit) and agriculture segment
- Continued traction in rural markets; focus on premiumization under Unlock 2.0

B2B

- Strong double-digit growth in industrial and infrastructure segments
- Mining and construction equipment supported by OEM tie-ups and infra push

OEMs

- Highest-ever quarterly volumes at 41,500 KL
- OEM franchisee workshops delivered high double-digit growth
- Commercial vehicle (CV) cycle revival from November; factory-fill improving
- Strong partnerships across CV, tractor (Mahindra, Swaraj) and CE OEMs (Ammann, ACE, XCMG)

AdBlue

- ~8% volume growth in 9MFY26 (111,000 KL)

Market Share

- Lubricant volumes +8% YoY in Q3; +9.3% in 9MFY26 (123,000 KL)
- Consistently growing at ~2x industry rate (industry ~3–4%)

EV Charger Subsidiary – Tirex

Performance

- ~78–83% revenue growth in 9MFY26
- FY26 revenue expected to exceed ₹1,000 Mn with positive EBITDA

Ownership

- Stake increased from 51% to 65%

Product Portfolio & Reach

- DC chargers for bus OEMs (Olectra, Switch and others); covering ~60–70% of bus OEM ecosystem
- ~1 in 3–4 EV buses in India equipped with Tirex DC chargers
- AC chargers supplied to MG and VinFast
- Active engagement with Mahindra for charging infrastructure

Guidance & Positioning

- Targeting ₹3,000–4,000 Mn topline over next 3–4 years
- Positioned as a strategic EV pillar leveraging strong brand, OEM relationships, B2B network and 80,000+ touchpoints

Operational & Financial Performance

Volume Growth

- Q3 lubricant volumes: 41,500 KL (+8% YoY)
- 9MFY26 lubricant volumes: 123,000 KL (+9.3% YoY)
- AdBlue volumes: 111,000 KL (+~8% YoY)

Revenue

- 9MFY26 revenue: ₹29,510 Mn (+11.8% YoY)
- Growth ahead of volumes, indicating improved mix and premiumization

EBITDA

- Sequential expansion of ~67 bps in Q3
- EBITDA margin at 13%+; guidance maintained at 12–14% band
- Medium-term aspiration to move toward 14–16%

PAT

- ~7.4% YoY growth (adjusted for prior one-offs)
- Net debt free; interim dividend of ₹21/share declared

Forex & Input Costs

- Rupee depreciation created cost pressure; selective pricing actions taken
- Crude stable at ~\$65–70/bbl; base oil correlation expected over medium term
- Pricing discipline and cost management remain key levers

Capex

- ₹550 Mn expansion at Silvassa and Chennai
- Capacity aimed at supporting sustained 2–3x industry growth; limited direct cost impact but improves operational readiness

Outlook: Industry growth seen at ~3–4% (higher in industrial). Company focused on market share gains, premium mix, OEM deepening, EV scaling and margin discipline to sustain 2–3x industry growth trajectory.

Valuation & Outlook

Gulf Oil is a leading player in the Indian lubricant market with a strong distribution network and established OEM partnerships. It operates robust manufacturing facilities at Silvassa and Chennai. While still at a nascent stage, the EV business presents significant promise and growth opportunities for the company's future.

The company delivered its highest-ever volumes, revenues, and EBITDA in the quarter. The announced capex for lubricant capacity expansion reflects management's confidence in future demand. Gulf continues to aspire to grow at 3x the industry while maintaining margins in the 12–14% range. The EV business shows strong growth and the management remains positive about its future while it still does not have any significant contribution to the business.

We maintain a positive view on the stock, supported by strong growth drivers and a healthy demand outlook in both the near and long term. With the EV business gaining traction, a sizeable capex plan underway, and a focus on improving low-share segments alongside expanding its distribution network, the company is well-positioned for sustained growth. **We recommend a 'BUY' rating, valuing the company at FY27e EPS of Rs.97 with an assigned multiple of 16x, arriving at a target price of Rs.1,552.**

Quarterly Result Analysis

(Rs.Mn)	3QFY26	3QFY25	YoY Growth (%)	2QFY26	QoQ Growth (%)
Revenue from Operations	10,176	9,204	11%	9,668	5%
Other Income	244	340	-28%	255	-5%
Total Revenue	10,419	9,544	9%	9,923	5%
Total RM Cost	5,770	5,276	9%	5,551	4%
Gross Profit	4,406	3,928	12%	4,117	7%
Employee Expense	547	467	17%	539	2%
Other Expenses	2,533	2,236	13%	2,403	5%
Total Expenses	8,850	7,979	11%	8,494	4%
EBITDA (Excluding OI)	1,326	1,225	8%	1,174	13%
Depreciation	178	133	34%	163	9%
EBIT / PBIT	1,391	1,433	-3%	1,266	10%
Finance Costs	141	146	-3%	135	5%
EBT/ PBT	1,022	1,287	-21%	1,131	-10%
Tax Expense	260	317	-18%	293	-11%
PAT	761	973	-22%	840	-9%
Earning Per Share	15.5	19.9	-22%	17.4	-11%
Adjusted PAT	932	970	-4%	838	11%
Adj Earning Per Share	19.0	19.7	-3%	17.3	10%
Margins (%)			(In bps)		(In bps)
Gross Margins	43.3%	42.7%	61	42.6%	71
EBITDA Margins (Excl OI)	13.0%	13.3%	-28	12.1%	88
PAT Margins	7.5%	10.6%	-309	8.7%	-120
As a % to sales					
RM as a % to sales	56.7%	57.3%	-61	57.4%	-71
EE Cost as a % to sales	5.4%	5.1%	31	5.6%	-20
Other exps as a % to sales	24.9%	24.3%	59	24.9%	3

Source: Dalal & Broacha Research, Company

Financials

P&L (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	16,521	21,917	29,991	33,011	36,312	42,322	50,597
Total Operating Expenses	8,890	13,121	18,677	19,461	21,018	25,514	29,953
Employee Cost	1,165	1,168	1,352	1,507	1,834	2,116	3,036
Other Expenses	3,816	4,770	6,534	7,833	8,736	9,523	11,637
Operating Profit	2,651	2,859	3,428	4,209	4,723	5,169	5,971
Depreciation	339	357	396	507	558	368	386
PBIT	2,312	2,502	3,032	3,702	4,166	4,802	5,585
Other income	521	442	471	681	987	922	1,045
Interest	146	96	376	259	359	295	285
PBT (Before exceptional)	2,686	2,848	3,127	4,124	4,793	5,429	6,346
PBT (post exceptional)	2,686	2,848	3,127	4,124	4,793	5,429	6,346
Provision for tax	687	733	804	1,043	1,221	1,357	1,586
Reported PAT	2,000	2,115	2,323	3,081	3,573	4,072	4,759
Balance Sheet (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity capital	101	101	98	98	98	98	98
Reserves	8,594	10,327	11,684	12,846	14,519	16,668	19,048
Net worth	8,695	10,428	11,782	12,944	14,617	16,766	19,146
Non Current Liabilities	247	385	479	599	646	698	698
Current Liabilities	5,448	7,112	8,455	9,825	11,619	12,604	13,738
TOTAL LIABILITIES	14,390	17,925	20,717	23,368	27,582	30,068	33,582
Non Current Assets	3,167	3,307	3,881	4,802	5,255	5,161	4,891
Tangible + Intangible Assets	2,463	2,456	2,418	3,205	3,530	3,437	3,167
Goodwill	-	-	-	277	277	277	277
Non Current Investments	203	214	738	764	743	743	743
Deferred Tax Asset	-	-	-	2	7	7	7
Other Financial Assets	315	255	247	174	219	219	219
Other Non Current Assets	186	383	477	380	478	478	478
Current Assets	11,222	14,618	16,837	18,566	22,328	25,058	28,877
Current investments	-	-	-	-	-	-	-
Inventories	3,765	4,763	4,717	4,943	5,075	5,915	7,071
Trade Receivables	1,890	2,959	4,100	5,018	4,943	5,761	6,888
Cash and Bank Balances	4,956	5,744	6,543	7,573	10,505	11,651	13,186
Short Term Loans and Advances	2	2	3	4	4	4	4
Other Current Assets	610	1,150	1,474	1,027	1,800	1,726	1,727
TOTAL ASSETS	14,390	17,925	20,718	23,368	27,582	30,219	33,768

Cashflow (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
PBT	2,686	2,848	3,127	4,124	4,793	5,429	6,346
Depreciation	339	357	396	507	558	368	386
Net Chg in WC	-234	-2,388	148	140	395	-402	-976
Taxes	-551	-762	-934	-1,024	-1,257	-1,357	-1,586
Others	-305	-291	-32	-372	-500	-627	-761
CFO	1,935	-236	2,733	3,376	3,989	3,410	3,408
Capex	-86	-246	-232	-277	-534	-450	-300
Net Investments made	-137	-361	101	-898	438	-	-
Others	527	434	435	669	-10,666	922	-1,040
CFI	304	-173	304	-506	-10,762	472	-1,340
Change in Share capital	71	40	2	53	52	-	-
Change in Debts	-1,522	1,583	-260	7	905	-	-150
Others	-1,321	-642	-1,764	-2,440	-2,424	-2,331	-2,664
CFF	-2,772	982	-2,021	-2,379	-1,467	-2,331	-2,814
Total Cash Generated	-534	573	1,016	490	-8,240	1,551	-745
Cash Opening Balance	5,456	4,916	5,489	6,511	7,001	10,261	10,261
Cash Closing Balance(a)	4,916	5,489	6,503	7,001	10,261	11,680	13,041
Other Bank Balances (b)	40	257	41	571	-	-	-
Total(a+b)	4,956	5,745	6,544	7,572	10,261	11,680	13,041

Ratios	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OPM	16%	13%	11%	13%	13%	12%	12%
NPM	12%	10%	8%	9%	10%	10%	9%
Tax rate	26%	26%	26%	25%	25%	25%	25%

Growth Ratios (%)

Net Sales	33%	37%	10%	10%	17%	20%
Operating Profit	8%	20%	23%	12%	9%	16%
PBIT	8%	21%	22%	13%	15%	16%
PAT	6%	10%	33%	16%	14%	17%

Per Share (Rs.)

Net Earnings (EPS)	39.84	41.98	47.30	62.80	72.81	82.99	97.00
Dividend Per Share (DPS)	16.00	2.00	25.00	36.00	36.41	41.49	48.50

Valuation Ratios

P/E(x)	31	30	26	20	17	15	13
P/B(x)	6.828	5.706	4.909	4.482	3.969	3.460	3.030
EV/EBIDTA(x)	21	20	16	13	11	10	8
Div. Yield(%)	1.28%	0.16%	2.00%	2.88%	2.91%	3.32%	3.88%

Return Ratios (%)

ROE	23%	20%	20%	24%	24%	24%	25%
ROCE	27%	21%	23%	27%	27%	27%	29%
RoIC	37%	26%	30%	38%	46%	45%	49%

Source: Dalal & Broacha Research, Company

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