Pick of the Week

Gandhar Oil Refinery (India) Ltd

Scaling Specialty White Oils for Steady Long-Term Growth

August 23rd, 2026

Gandhar Oil Refinery (India) Ltd

HDFC securities

Reco	BUY
Industry	Lubricants
LTP (Aug 21, 2026)	Rs 250.43
Entry Range	**Rs 245-255**
Add on Dips	**Rs 215-225**
Base Case Target	**Rs 280**
Bull Case Target	**Rs 300**
Time Horizon	4 Quarters

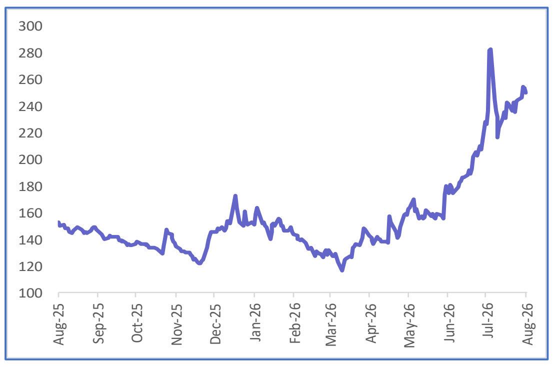
Stock Info

BSE Code	544029
NSE Code	GANDHAR
Bloomberg	GANDHAR IN
CMP Aug 21, 2026	250.43
Equity Capital (Rs Cr)	19.58
Face Value (Rs)	2
Equity Share O/S (Cr)	9.79
Market Cap (Rs Cr)	2,451
Adj. Book Value (Rs)	138.2
Avg. 52 Wk Volumes	1,485,207
52 Week High	303.2
52 Week Low	115.0

Share Holding Pattern % (Jun'26)

Promoters	66.6
Institutions	2.3
Non-Institutions	31.1
Total	100.0

One Year Price Chart



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Engineering Quality, Delivering Growth, Specialty Advantage.

Our Take

- ***Gandhar Oil Refinery (India) Limited (GORIL) stands as one of the largest manufacturers of white oils in India and ranks among the top five global players in this segment. Its products, marketed under the Divyol brand, comprise Automotive Oils, Industrial Oils, Transformer Oils, Rubber Process Oils, Mineral Oils and Petroleum Jelly, Waxes, as well as Specialty Base Oils. GORIL operates 3 strategically located manufacturing facilities in Taloja (Maharashtra), Silvassa (Dadra and Nagar Haveli) and Sharjah (UAE).***
- ***The company is focused on value-added specialty products, particularly PHPO, where customer decisions are driven as much by quality, safety and consistency as by price. This continues to make the business one of the strongest contributors to margins. With a strong manufacturing base, extensive distribution network and deep expertise in specialty oils, Gandhar remains well positioned to capitalise on growth opportunities across domestic and global markets. we expect that the company could report revenue ~17% CAGR over the FY26 to FY28E.***
- ***We feel that investors can buy the stock in the band of Rs 245-255 and add more on dips in Rs 215-225 band. We expect the Base case fair value of Rs 280 (8x FY28E EPS) and the Bull case fair value of Rs 300 (8.5x FY28E EPS) over the next 4 quarters.***

Resilient and scalable business Model

GORIL has three decades of experience in the specialty oils industry and the company has increased the scale of operations over the years, while increasing efficiency and reducing costs. The company started with the Taloja Plant in 1993, subsequently set up the Silvassa Plant in 2000 and set up Texol (which has become Subsidiary with effect from March 30, 2022) with a partner in 2017, to expand into United Arab Emirates. The company has made investments over the past three Financial Years to expand production capacity and upgrade its equipment and technology systems.

Steady, strong and sustainable operational ability

GORIL's overall operations are anchored in an integrated and agile supply chain, supported by strategically located plants, strong transport partnerships, and an extensive depot network across India. The company has invested significantly in automation, digital tools and process optimisation to enhance productivity and strengthen safety standards. By leveraging systems such as a Vehicle Management System, the company is improving coordination and minimising logistics delays, and expanding its global footprint boosts export competitiveness in international markets.

Transitioning its volume-driven growth model

GORIL is transitioning from a volume-driven growth model to a structured, margin-accretive, brand-led, and data-backed expansion strategy across both domestic and international markets. Manufacturing sales volume increased by 9.1% to 545,755 kL in FY26, supported by healthy demand across key product. Its diversified product segments and disciplined execution across manufacturing facilities helps to garner the sales volume. The richer product mix, led by the PHPO portfolio, together with improved operational efficiencies and cost optimisation initiatives.

Expansion of Taloja facility and evaluating new capacity expansion

GORIL continued to evaluate phased capacity expansion at its Taloja manufacturing facility, supported by the acquisition of an adjoining land parcel. The expansion is intended to provide additional capacity to support future demand while leveraging existing infrastructure and shared resources. The company is currently working on a detailed capacity expansion and capex plan, with further clarity expected as the plans progress.

Focused on the Consumer and Healthcare business and healthy scale of operation

GORIL is leveraging its relationships with existing customers in the consumer and healthcare end-industries to expand market share and look at acquiring new customers in these end-industries. The company is focused on aligning manufacturing with evolving market needs through high-quality production, efficient delivery, and cost optimisation. By leveraging advanced technologies, data-driven planning, and continuous improvement, we ensure operations remain adaptable, efficient, and scalable. The company is expected to report revenue growth at 23.5% in FY27E and 11.3% in FY28E, respectively.

Q1FY27 results; Value-led strategy delivers GORIL's strongest quarter yet

- GORIL delivered its strongest-ever quarter in Q1FY27, affirming that its pivot toward higher-value pharmaceutical and healthcare specialty oils is yielding strong results. Consolidated Revenue from operations increased by 91.8% YoY to Rs 1,732 crore vs. Rs 903 crore in Q1FY26.
- The Personal Care, Healthcare, and Performance Oil (PHPO) segment remained the primary growth engine, registering an 18% YoY increase. The Process and Insulating Oil (PIO) business also performed robustly, growing 28% YoY.

- Exports contributed approximately 51% of consolidated revenue, up from 37% in the previous year, with export volumes increasing by 54% YoY in Q1FY27.
- Strong operational performance from subsidiary Texol Lubritech FZC significantly supported overall profitability. With EBITDA margins expanding from 5.1% to 16.2%, the company successfully passed on higher input costs to customers while benefiting from supply-side constraints in the global base oil market.
- The company achieved record Q1FY27 profits of Rs 192 crore, driven by exceptional margin expansions and strong export growth amid geopolitical supply disruptions.

Financial Summary

Particulars (Rs Cr)	Q1FY27	Q1FY26	YoY-%	Q4FY26	QoQ-%	FY24	FY25	FY26	FY27E	FY28E
Revenue	1732	903	91.8	1093	58.4	4,113	3,897	4,241	5,239	5,831
EBITDA	281	46	512.1	64	342.7	279	176	234	482	510
Adj. PAT	192	26	633.1	41	372.7	141	80	135	318	343
EPS (Rs)	19.6	2.7	633.1	4.2	372.7	22.4	37.3	13.8	32.5	35.1
RoE (%)						12.0	6.5	10.0	19.3	17.4
P/E (x)						11.2	6.7	18.1	7.7	7.1
EV/EBITDA (x)						8.8	14.8	11.2	5.3	4.8

(Source: Company, HDFC sec)

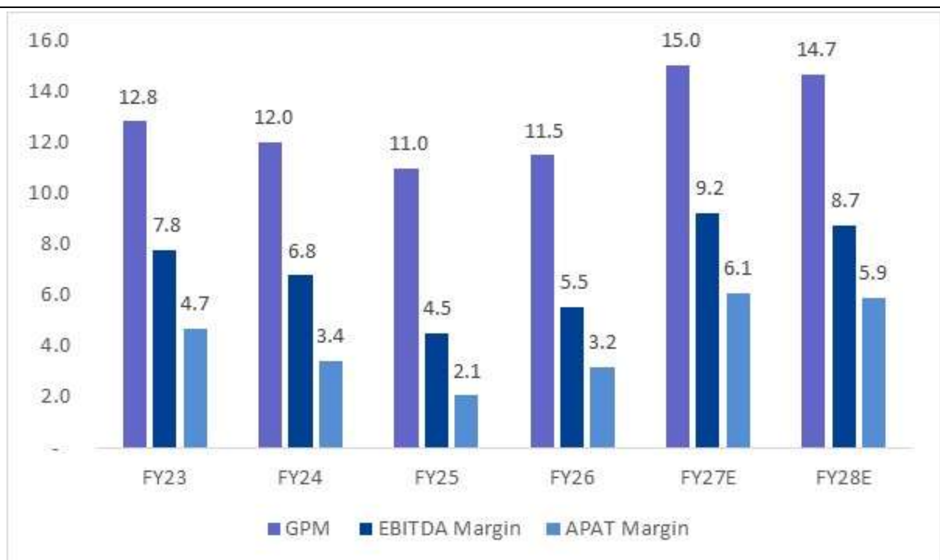
Story in Charts

Total Income from Operation (Rs in Cr) and Growth (%)

Volume (KL) and Growth (%)

PAT (Rs in Cr) and Growth (%)

Margins (%)



(Source: Company, HDFC sec)

Key Drivers

An extensive customer base of 4000+ Indian with a repeat-business rate of over 71.8% as of last year.

Established manufacturer in white oil led by diversified product portfolio, strong clientele & suppliers and experienced management

- GORIL is a leading manufacturer of white oils by revenue, engaged in producing Pharmaceutical, Healthcare, and Performance Oil (PHPO), Process Insulating Oil (PIO) and Lubricants (automotive oils and industrial oils) with a growing focus on the consumer and healthcare end-industries. The company produces a wide variety of speciality oils and lubricants, including White oils, waxes, jellies, automotive oils, industrial oils, transformer oils, and rubber-processing oils. Its products are sold under our flagship brand "Divyol".
- GORIL has three decades of experience in the speciality oils industry and the company has increased the scale of its operations over the years, while increasing efficiency and reducing costs. The company started

with the Taloja Plant in 1994, subsequently set up the Silvassa Plant in 2000 and set up Texol (which has become its Subsidiary with effect from March 30, 2022) with a partner in 2017, to expand into UAE.

- The company manufactures lubricant oils for Gulf Oil, Adani Ports and Special Economic Zone and other users of industrial machines and equipment. Its customers for the PIO division include Toshiba Transmission and other leading manufacturers of transformers, as well as power distribution and transmission companies.
- GORIL's customer base now spans more than 4,000 accounts, with a repeat-business rate of over 71.8% as of last year. The company has successfully built relationships with leading oil companies, including SK Lubricants, S-Oil, GS Caltex, and other global base oil suppliers, as well as various Indian oil refining companies, for the procurement of base oil, which is its primary raw material. Over the years, the company has transitioned to directly purchasing raw material from base oil suppliers from using intermediaries earlier, which has resulted in increased efficiency and lower costs.
- GORIL team led by a qualified and experienced management team, with experience in and knowledge of the speciality oils sector, including in the fields of administration, marketing and human resource management.

Diversified Products & Segments

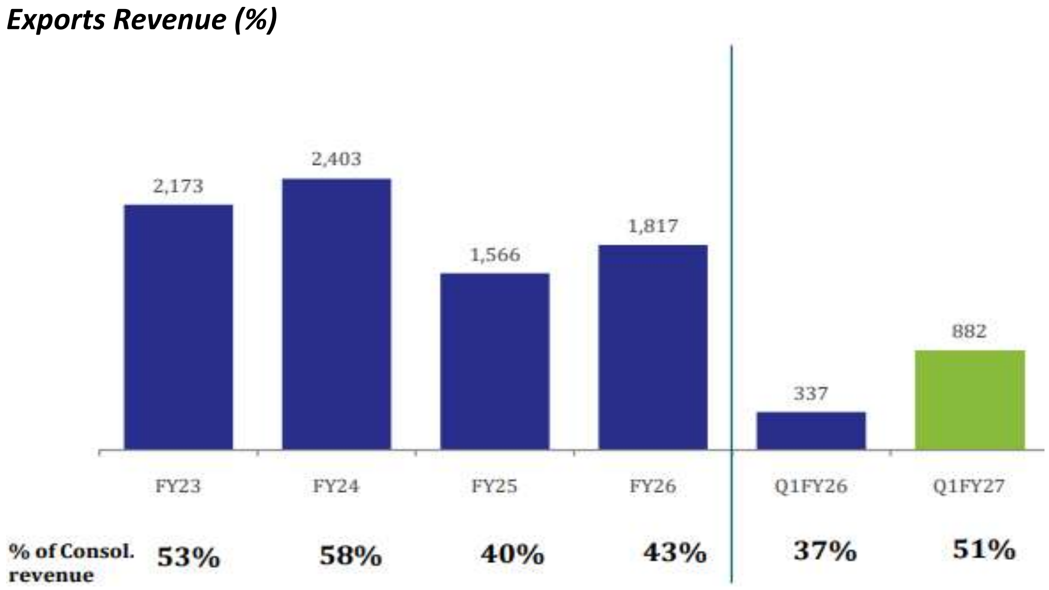
(Source: Company, HDFC sec)

Global presence across 100+ countries and continue to increase overseas sales

- GORIL caters to an extensive customer base of 4000+ Indian and global companies such as Marico, Dabur, Encube. The group also caters to a reputable clientele in more than 100 countries, including the UAE, Brazil, the USA, Europe, and Asia, with nearly 40% of revenue derived from international sales.
- The company has nearly three decades of experience in the specialty oil industry and is known for its presence in the industry at both domestic and international forums. As of June 30, 2024, its overseas operations served over 100 countries.
- Its overseas sales primarily comprise revenue from overseas sales of the company and revenue earned by our Subsidiary, Texol, in Sharjah, United Arab Emirates.

Export revenue increased to Rs 882 crore in Q1FY27 vs. Rs 337 crore in Q1FY26

Exports Revenue (%)



Investment in automation, digital tools and process optimisation to enhance productivity

Healthy scale of operation

- GORIL's overall operations are supported by an integrated, agile supply chain, strategically located plants, strong transport partnerships, and an extensive depot network across India.
- The company has invested significantly in automation, digital tools and process optimisation to enhance productivity and strengthen safety standards.
- SCADA-based blending system, VFDs installed on agitators and pumps, and the replacement of conventional motors on filling lines with high-efficiency units together reduced electricity consumption by 3-5% and fuel usage by around 3% in FY26.
- By leveraging systems such as a Vehicle Management System, the company is improving coordination and minimise logistics delays, and expanding global footprint boosts export competitiveness in international markets.
- The company is focused to align manufacturing with evolving market needs through high-quality production, efficient delivery, and cost optimisation. By leveraging advanced technologies, data-driven planning, and continuous improvement, we ensure operations remain adaptable, efficient, and scalable.
- The company completed its capex at the Silvassa plant for enhancement of total capacity by 18,000 KL towards manufacturing of automotive oils at a total cost of ~Rs.28 Cr, and the plant has been operational since FY26.

Operational strategy

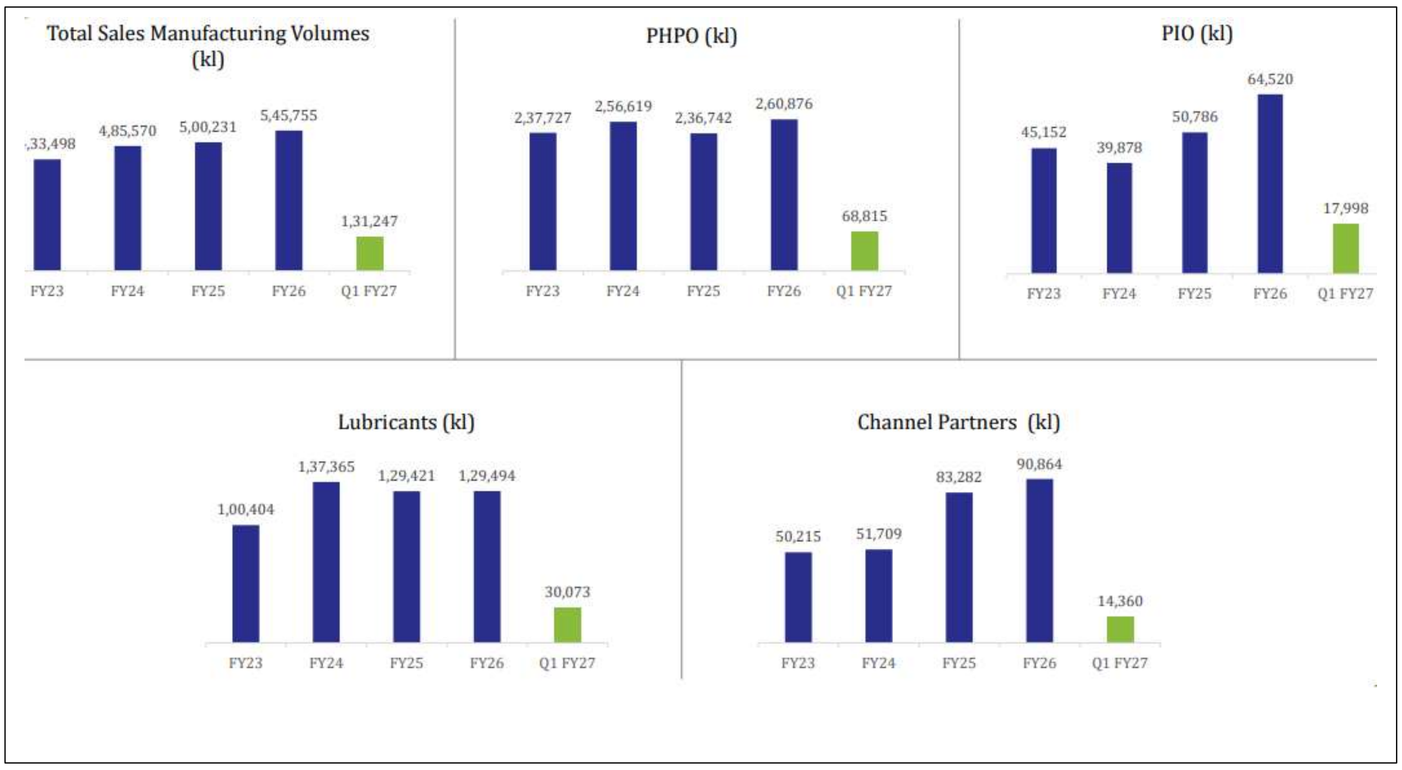
- Quality-focused manufacturing meeting regulatory and customer requirements
- Direct sourcing from trusted suppliers for quality assurance
- Production planning aligned with demand and customer orders
- Optimised inventory and supply chain for cost efficient operations
- Robust R&D driving innovation and market responsive formulations
- Strategic plants and depots enabling timely market delivery

Sales volume increased by 9.1% to 545,755 kL in FY26, supported by healthy demand across key products

Sales volume scaling across the business and expected to continue

- GORIL is transitioning its volume-driven growth model with a structured, margin-accretive, brand-led and data-backed expansion strategy across both domestic and international markets. Manufacturing sales volume increased by 9.1% to 545,755 kL in FY26, supported by healthy demand across key product.
- Its segments and disciplined execution across manufacturing facilities helps to garner the sales volume. The richer product mix, led by the PHPO portfolio, together with improved operational efficiencies and cost optimisation initiatives.
- The company's manufacturing network continued to operate at high utilisation levels in FY26. Manufacturing facilities in India operated at approximately 125% capacity utilisation through multi-shift operations, while overall utilisation across the three facilities stood at approximately 93%, reflecting their respective capacity bases and operating configurations.

Volume Growth-%



Expansion of Taloja facility and evaluation of new capacity expansion to address the capacity constraints

- GORIL continued to evaluate phased capacity expansion at its Taloja manufacturing facility, supported by the acquisition of an adjoining land parcel. The expansion is intended to provide additional capacity to support future demand while leveraging existing infrastructure and shared resources. The company is currently working on a detailed capacity expansion and capex plan, with further clarity expected as the plans progress.
- The company has also established a subsidiary in South Africa to evaluate opportunities for expanding its presence in the region. The nature and scale of the proposed operations, whether through an office

or manufacturing facility, are currently under evaluation, and the company will assess the investment requirements based on the identified business opportunity.

- Besides, GORIL entered into a non-binding Memorandum of Understanding (“MoU”) with Jawaharlal Nehru Port Authority (“JNPA”) on April 21, 2025 to participate at Vadhvan Port for Development of Terminal for handling of Containers, Bulk & Liquid cargo and create infrastructure to facilitate Marine Services, Intermodal Connectivity, ensuring sustainability of an overall ecosystem by providing digital solutions, robust IT infrastructure and undertake manpower training and skill development. The estimated investment for this project will be ~Rs 1,000 crore, and the project is expected to commence in the year 2030.
- The development on capacity expansion and new capex plan is expected to be announced shortly, likely next quarter or so.

Future Growth Opportunities

Deepen Consumer & Healthcare

• Expand wallet share with existing marquee customers
• Win new consumer & healthcare accounts
• Leverage US FDA approval to scale regulated pharmaceutical grades

Expand Across Geographies

• Increase penetration in existing markets
• Scaling up in geographies — Indonesia, Europe, US
• Planned South Africa entry

Move Up the Value Chain

• Expand contract manufacturing of finished products
• Broaden the product & solutions portfolio
• Co-develop bespoke formulations for key customers

Expand Capacity

• Taloja operating near ~100% utilisation
• Land available at all plants for the next phase
• Growth funded internally on a debt-free base

Focused on the Consumer and Healthcare business

Well-positioned to take advantage of favorable industry trends for the consumer and healthcare end-industries

- The consumer and healthcare end-industries accounted for 31% and 15%, respectively, of its pro forma consolidated revenue from finished goods sold in FY26. GORIL is leveraging its relationships with existing customers in the consumer and healthcare end-industries to expand market share and look at acquiring new customers in these end-industries.
- The company is also in discussions with a global manufacturer in the consumer and pharmaceuticals end industries to add them as a customer. The company will also continue to collaborate with its customers to provide offerings customized for their requirements using our R&D and manufacturing capabilities.
- End-use industries such as pharmaceuticals and consumer products are expected to grow strongly going forward driven by strong domestic consumption, favorable demographics, and government initiatives. The Indian consumer product segment is expected to grow at 9.1% CAGR, reaching $0.92 billion by 2028 from $0.60 billion in 2023. One of the key elements affecting the market for beauty and personal care goods in India is the growing emphasis on personal looks, social status, personal hygiene, and wellness supported by the rising income levels.
- Further total demand from the healthcare sector is expected to be $0.340 billion in 2028, ~68% higher than $0.2 billion in 2023. This growth represents 11.0% CAGR over the next five years. The pharma industry holds a strong growth outlook on the back of increased awareness for health, hygiene and vaccination.
- The company is well-positioned to take advantage of favorable industry trends for the consumer and healthcare end-industries and will focus on expanding.

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Strong fundamentals led by healthy debt protection metrics and liquidity

Robust financials led by a strong profitability, negligible debt and healthy liquidity,

- GORIL operating and financial performance has been robust, led by negligible debt, healthy cash-generating ability and consistent dividend payment to shareholders over the past. Its financial flexibility is strong, supported by robust liquidity.
- GORIL’s revenue grew ~14% CAGR over the FY21-FY26 and we expect that the company could report revenue ~17% CAGR over the FY26 to FY28E and expect EBITDA margin in the range of 8.5-9.5% band over the FY27E to FY28E.
- The company has no further plans to raise any debt going forward. Capital structure is expected to remain comfortable and debt protection metrics could also be healthy going forward. Its gearing stood at 0.1 times as on March 31, 2026. Moreover, the debt protection metrics also stood healthy with an interest coverage ratio of 6.2 times in FY26 vs. 3.6 times in FY25.
- Debt indicators are expected to improve further on account of the healthy cash accruals and no significant debt-funded capex plans
- The liquidity position of the company is expected to remain strong owing to healthy cash accruals aided by control over receivables.

- Cash flow from operations increased to Rs 128 crore from Rs 15 crore in FY25, driven by tighter working capital management rather than one-off factors. Cash flow generation improved significantly, supported by stronger operating efficiency and working capital management. GORIL's total cash and cash equivalents stood at ~Rs 132 crore as on March 31, 2026.
- The receivable days remain unchanged YoY at 62 days as on March 31, 2026, payable days increased to 38 days from 29 days as on March 31, 2025 and inventory days increased to 55 days from 43 days as on March 31, 2025.
- GORIL recommended interim dividend Rs 2 per share for FY27E. We expect Rs 2/2.15 for FY27E/FY28E, respectively.

Risks & Concerns

- Macro uncertainty and a slowdown in global industrial activity across crucial export markets could temper demand and narrow pricing flexibility. The global slowdown will impact domestic industrial activity through the exports channel.
- Competition from domestic refiners and global specialty oil manufacturers may lead to pricing pressure. However, the company is focused on value-added specialty products; deepen customer relationships through quality and reliability.
- Ongoing tensions in the Middle East heightened risks around critical maritime chokepoints such as the Strait of Hormuz. These developments led to increased war-risk premiums and higher insurance costs for vessels operating in the region Supply-chain disruption increased the value of assured supply.
- Disruption in shipping lanes or supply chains could impact export logistics, geopolitical tension in the Middle East," "concerns surrounding the Strait of Hormuz," "volatility in the crude oil and the base oil pricing.
- Profitability remains linked to movements in crude-derived base oil prices and supply conditions. Margin stability can be affected by fluctuations in input costs. Variations in base oil prices directly impact manufacturing margins.
- The volatility of global base oil prices and fluctuations in raw material availability and pricing along with elevated freight and insurance costs can significantly affect Gandhar Oil Refinery's revenue and profitability.
- The specialty oil business is capital intensive in nature and involves inherent complexities in terms of technology, hazards management and regulations.
- The company's finished products are backed by certifications including USFDA, BIS, Halal and Kosher approvals, enabling to meet the exacting requirements of regulated markets, cancellation and expiration of certification could impact its business going forward.
- The company earns a significant portion of its income from its international business. Fluctuations in foreign exchange can therefore affect the company's profitability.
- The oil and gas sector is particularly vulnerable to regulations, taxes or policy changes which could increase operational costs or limit business operations for the Company. Stricter environmental, safety and chemical regulations could necessitate additional compliance costs and capital expenditure.
- Capacity additions by domestic refiners and global specialty oil players may heighten pricing pressure and impact margins.

Company Description

Gandhar Oil Refinery (India) Ltd (GORIL) is a prominent manufacturer of white oils and caters to the consumer and healthcare end industries. The company is also engaged in the production of other speciality oils and lubricants, such as automotive, industrial, transformer, and rubber-processing oils. The company is one of India's largest manufacturers of white oils and one of the top 5 players globally. It has 26.5% market share in India in white oil and 9.6% market share globally in white oil.

The company sells its products under Divyol brand. With a global customer base exceeding 4000, Gandhar exports to over 100 countries across Europe, the Americas, Africa and the Asia-Pacific (APAC) region. Exports form a major part of its business.

GORIL was incorporated in 1992 and is headquartered in Mumbai, India. The company operates two plants – Taloja (capacity of 2,18,256 KL) and Silvassa (capacity of 1,43,853 KL). The company is currently managed by Mr. Samir Parekh and Mr. Aslesh Parekh.

Subsidiary Company

Gandhar Shipping and Logistics Private Limited	Wholly Owned Subsidiary of the Company.
Gandhar Lifesciences Private Limited	Wholly Owned Subsidiary of the Company
Texol Lubritech FZC, Sharjah	Subsidiary of the Company.
Texol Oils FZC, Sharjah	Joint Venture Company
Gandhar Foundation – Section 8 Company	
Texol Manufacturing LLC	a Stepdown subsidiary of the Company

Business Overview

Products & Segments

Segments	Revenue-%	Products	End Industries	Customers
PHPO	54	White oils, petroleum jelly, waxes, performance oils	Cosmetics, personal care, pharmaceuticals, chemicals, plastics, food processing	P&G, Marico, Dabur, HUL , Emami, Bajaj Consumer, Amrtanjan, Encube, Patanjali
Lubricants	24	Automotive oils, industrial oils, greases	Automobiles, industrial machinery, OEM & aftermarket	Gulf, Adani Ports
PIO	12	Transformer oil, rubber process oil	Power transmission & distribution, tyre & rubber	Toshiba, Vamshi Rubber Ltd, Avigiri
Channel Partners	**10**			

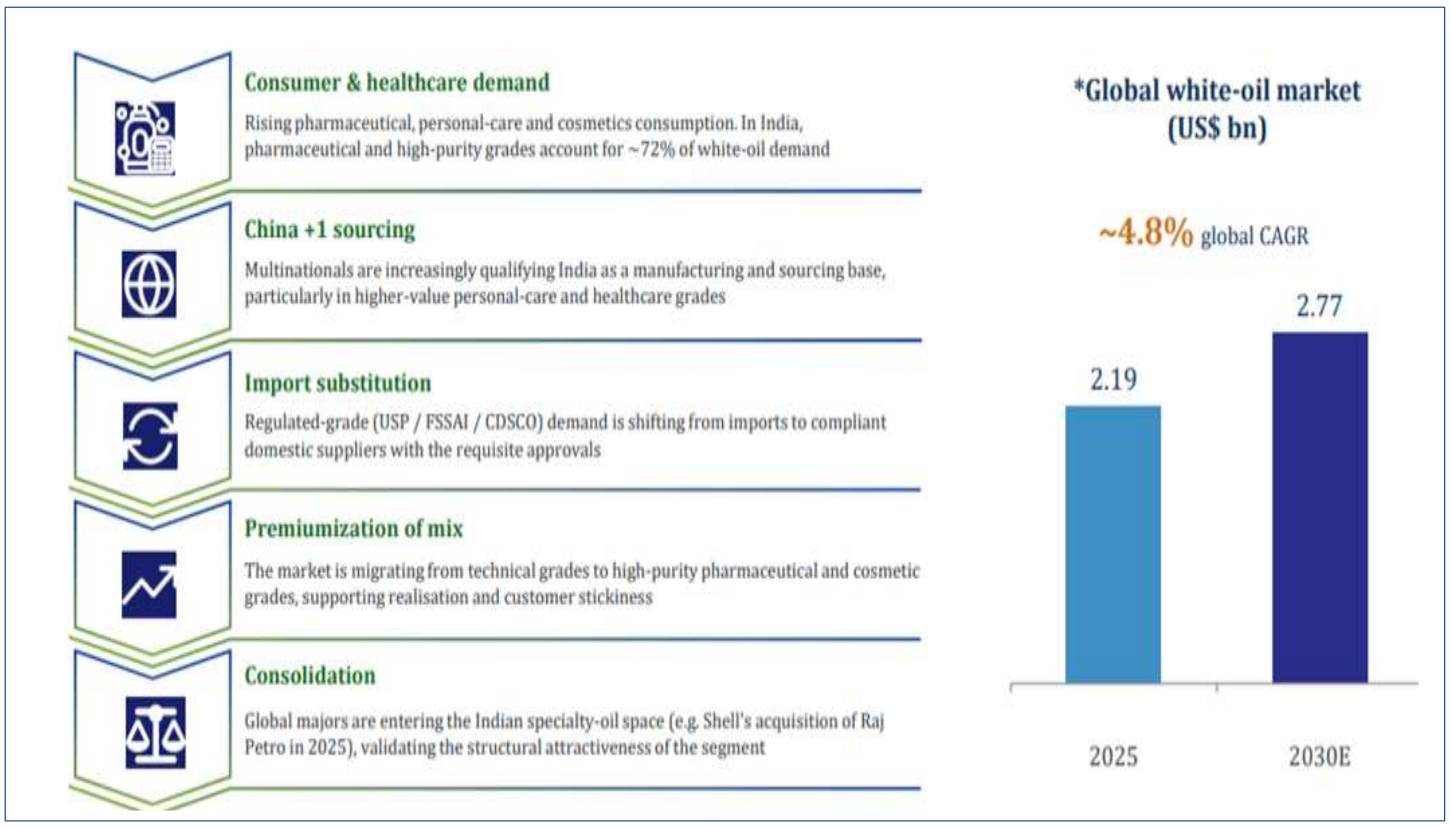
Segment wise revenue (Rs) and contribution-%

%	FY21	FY22	FY23	FY24	FY25	FY26
PHPO	44.6	53.5	55.0	52.3	47.3	48.0
PIO	12.7	10.5	9.5	7.0	9.2	10.2
Lubricants	27.4	21.5	25.0	31.0	28.6	27.0
Channel Partners	15.3	14.5	10.5	9.6	15.0	14.8
Revenue in Cr						
Cr	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**
PHPO	991	1896	2242	2151	1842	2036
PIO	282	373	388	289	358	432
Lubricants	608	761	1021	1277	1115	1145
Channel Partners	340	513	428	397	583	628
Total	**2221**	**3543**	**4079**	**4113**	**3897**	**4241**

Volume (KL)

KL	FY21	FY22	FY23	FY24	FY25	FY26
PHPO	143917	214724	237727	256619	236742	260876
PIO	45681	49708	45152	39878	50786	64520
Lubricants	74569	79023	100404	137365	129421	129494
Channel Partners	57842	67919	50215	51709	83282	90864
Sales Volume (KL)	322009	411373	433498	485570	500231	545755

Industry Overview



Financial Statements

Income Statements

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenues	**4079**	**4113**	**3897**	**4241**	**5239**	**5831**
Growth (%)	**15.1**	**0.8**	**-5.3**	**8.8**	**23.5**	**11.3**
Operating Expenses	3763	3834	3721	4007	4757	5321
EBITDA	**316**	**279**	**176**	**234**	**482**	**510**
Growth (%)	**28.5**	**-11.8**	**-37.0**	**33.6**	**105.6**	**5.9**
EBITDA Margin (%)	**7.8**	**6.8**	**4.5**	**5.5**	**9.2**	**8.7**
Depreciation	17	20	26	30	32	36
EBIT	**299**	**259**	**150**	**205**	**450**	**474**
Other Income	24	10	13	14	16	17
Interest expenses	52	58	48	38	42	34
PBT	272	210	114	181	424	458
Tax	58	45	31	43	104	112
RPAT	214	165	84	137	320	345
APAT	191	141	80	135	318	343
Growth (%)	**29.9**	**-26.4**	**-43.0**	**69.1**	**135.0**	**7.9**
EPS	7.6	22.4	37.3	13.8	32.5	35.1

(Source: Company, HDFC sec)

Balance Sheet

Particulars (in Rs Cr) - As at March	FY23	FY24	FY25	FY26	FY27E	FY28E
SOURCE OF FUNDS						
Share Capital	16	20	20	20	20	20
Reserves	727	1153	1217	1333	1631	1954
Shareholders' Funds	**743**	**1172**	**1236**	**1352**	**1651**	**1973**
Long Term Debt	69	94	147	172	147	132
Net Deferred Taxes	0	2	6	6	7	7
Long Term Provisions & Others	3	4	6	6	5	5
Minority Interest	**35**	**51**	**53**	**47**	**49**	**51**
Total Source of Funds	**850**	**1324**	**1447**	**1585**	**1860**	**2168**
APPLICATION OF FUNDS						
Net Block & Goodwill	238	361	450	498	600	708
CWIP	73	9	8	29	30	33
Other Non-Current Assets	66	19	12	25	23	24
Total Non Current Assets	**377**	**388**	**470**	**552**	**653**	**764**
Inventories	451	448	463	644	675	719
Trade Receivables	562	623	670	721	890	990
Cash & Equivalents	108	277	152	132	171	265
Other Current Assets	134	204	204	176	164	172
Total Current Assets	**1255**	**1552**	**1489**	**1673**	**1899**	**2147**
Short-Term Borrowings	151	177	158	143	133	123
Trade Payables	567	372	315	437	502	559
Other Current Liab & Provisions	63	67	39	61	58	61
Total Current Liabilities	**781**	**616**	**512**	**641**	**693**	**742**
Net Current Assets	474	936	978	1032	1206	1404
Total Application of Funds	**850**	**1324**	**1447**	**1585**	**1860**	**2168**

(Source: Company, HDFC sec)

Cash Flow Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E
Reported PBT	272	210	114	181	424	458
Non-operating & EO items	-15	0	5	-3	-16	-17
Interest Expenses	42	49	37	27	42	34
Depreciation	17	20	26	30	32	36
Working Capital Change	-167	-302	-136	-72	-125	-93
Tax Paid	-61	-48	-31	-35	-104	-112
OPERATING CASH FLOW (a)	**88**	**-69**	**15**	**128**	**253**	**305**
Capex	-56	-55	-58	-80	-100	-110
Free Cash Flow	**32**	**-125**	**-43**	**48**	**153**	**195**
Investments	-17	-23	-2	3	0	0
Non-operating income	0	13	11	15	-17	-19
INVESTING CASH FLOW (b)	**-72**	**-66**	**-48**	**-62**	**-117**	**-129**
Debt Issuance / (Repaid)	-1	-11	-6	3	-35	-25
Interest Expenses	-56	-64	-59	-50	-42	-34
FCFE	**-25**	**-200**	**-108**	**1**	**76**	**135**
Share Capital Issuance	0	302	0	0	0	0
Dividend	0	-4	-5	-12	-20	-21
Others	23	-102	100	-11	0	0
FINANCING CASH FLOW (c)	**-34**	**121**	**30**	**-70**	**-97**	**-80**
NET CASH FLOW (a+b+c)	**-18**	**-14**	**-4**	**-5**	**40**	**96**

(Source: Company, HDFC sec)

Key Ratios

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E
Profitability Ratio (%)						
EBITDA Margin	7.8	6.8	4.5	5.5	9.2	8.7
EBIT Margin	7.3	6.3	3.8	4.8	8.6	8.1
APAT Margin	4.7	3.4	2.1	3.2	6.1	5.9
RoE	25.7	12.0	6.5	10.0	19.3	17.4
RoCE	25.7	14.9	7.3	9.1	16.1	15.0
Solvency Ratio						
Net Debt/EBITDA (x)	0.4	0.0	0.9	0.8	0.2	0.0
Net D/E	0.2	0.0	0.1	0.1	0.1	0.0
PER SHARE DATA						
EPS	7.6	22.4	37.3	13.8	32.5	35.1
CEPS	21.2	16.4	10.8	16.9	35.7	38.7
BV	76.0	119.8	126.3	138.2	168.7	201.6
Dividend	0.5	0.5	0.5	0.8	2.0	2.2
Turnover Ratios (days)						
Debtor days	50	55	63	62	62	62
Inventory days	40	40	43	55	47	45
Creditors days	51	33	29	38	35	35
VALUATION						
P/E	33.1	11.2	6.7	18.1	7.7	7.1
P/BV	3.3	2.1	2.0	1.8	1.5	1.2
EV/EBITDA	8.1	8.8	14.8	11.2	5.3	4.8
EV / Revenues	0.6	0.6	0.7	0.6	0.5	0.4
Dividend Yield (%)	0.2	0.2	0.2	0.3	0.8	0.9

(Source: Company, HDFC sec)

Rating Criteria
Buy - > 15%+ return potential
Add - +5% to +15% return potential
Reduce - -10% to +5% return potential
Sell - >10% downside return potential

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