



Gandhar Oil Refinery India Ltd

Fueling progress



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Fueling progress

Gandhar Oil Refinery India Ltd (GORIL) is a leading manufacturer of white oils by revenue with a growing focus on the consumer and healthcare end-industries. As of June 30, 2023, product suite comprised over 440 products primarily across the personal care, healthcare and performance oils (PHPO), lubricants and process and insulating oils (PIO) divisions under the Divyol brand. The company's products are used as ingredients by leading Indian and global companies for the manufacture of end products for the consumer, healthcare, automotive, industrial, power and tyre and rubber sectors. The white oil market is the fastest growing segment in the specialty oils sector and our Company is India's largest manufacturer of 204 white oils by revenue in FY23, including domestic and overseas sales and is one of the top five players globally in terms of market share in the CY22.

As of June 30, 2023, GORIL's products were sold in over 100 countries across the globe. It catered to over 3,500 customers in the FY23, including leading Indian and global companies such as Procter & Gamble, Unilever, Marico, Dabur, Encube, Patanjali Ayurved, Bajaj Consumer Care, Emami and Amrutanjan Healthcare, supported by its global supplier base and manufacturing operations in India and UAE.

GORIL's proposed issue size is INR 500.69 cr out of which INR 302 cr is a fresh issue and the remaining INR 198.69 cr is OFS. The proposed fresh issue will be utilized for

- Investment in Texol by way of a loan for financing the repayment/pre-payment of a loan
- Capital expenditure required for expansion in capacity of automotive oil at Silvassa Plant
- Funding working capital requirements of our Company
- General corporate purposes.

Industry	Specialty Oil
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Issue Details

Listing	BSE & NSE
Open Date	22 nd Nov 2023
Close Date	24 th Nov 2023
Price Band	INR 160-169
Face Value	INR 2
Market Lot	88 shares
Minimum Lot	1 Lot

Issue Structure

Offer for Sale	60.3%
Fresh Issue	39.7%
Issue Size (Amt)	INR 500.69 cr
Issue Size (Shares)	29,626,732
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre issue sh (nos)	8,00,00,000
Post issue sh (nos)	9,78,69,822
Post issue M Cap	INR 1,654 cr

Shareholding (%)	Pre (%)	Post (%)
Promoter & group	87.50	64.63
Public	12.50	35.37
TOTAL	100.00	100.00

Key Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (x)	EV/Sales (x)	EV/EBITDA (x)
FY21	2220.8	134.5	100.3	6.1	100.3	10.3	3.9	20.9	19.4	16.5	0.7	12.0
FY22	3543.3	246.6	163.6	7.0	163.6	16.7	7.9	29.2	23.4	10.1	0.5	6.6
FY23	4079.4	316.7	213.1	7.8	213.1	21.8	16.7	28.1	25.4	7.8	0.4	5.4

Issue Structure and Offer Details

The proposed fresh issue size of GORIL is INR 500.69cr (INR 198.69cr OFS and INR 302 cr fresh issue) and the price band for the issue is in the range of INR 160-169 and the bid lot is 88 shares and multiples thereof.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50% of the Offer
NIB	Not less than 15% of the Offer
Retail	Not less than 35% of the Offer

Number of shares based on a higher price band of INR 169

Source: Company Reports

Details of the selling shareholders		
Promoter Selling shares	Amount offered	No of shares
Mr.Ramesh Parekh	Not more than 38 Cr	2,25,00,00
Mr. Kailash Parekh	Not more than 38 Cr	2,25,00,00
Mr. Gulab Parekh	Not more than 38 Cr	2,25,00,00
Green Desert Real Estate Brokers	Not more than 51 Cr	30,00,000
Denver Bldg Mat & Decore TR LLC	Not more than 17Cr	10,00,000
Fleet Line Shipping Services	Not more than 17 Cr	10,00,000
Others	Not more than 0.01 Cr	6,910

The amount is based on a higher price band of INR 169

Source: Company Reports

GORIL financial summary and analysis

Fig in INR Cr (unless specified)	FY21	FY22	FY23	Fig in INR Cr (unless specified)	FY21	FY22	FY23
Income Statement				Per share data & Yields			
Revenue	2,220.8	3,543.3	4,079.4	Adjusted EPS (INR)	10.3	16.7	21.8
<i>YoY Growth (%)</i>	<i>(11.2)</i>	<i>59.6</i>	<i>15.1</i>	Adjusted Cash EPS (INR)	11.4	18.3	23.5
Raw Material Cost	1,891.7	2,995.3	3,556.2	Adjusted BVPS (INR)	45.4	57.3	77.7
<i>RM Cost to Sales (%)</i>	<i>85.2</i>	<i>84.5</i>	<i>87.2</i>	Adjusted CFO per share (INR)	12.8	17.0	10.7
Employee Cost	23.8	36.6	52.4	CFO Yield (%)	7.6	10.1	6.3
<i>Employee Cost to Sales (%)</i>	<i>1.1</i>	<i>1.0</i>	<i>1.3</i>	Adjusted FCF per share (INR)	8.4	0.8	(1.7)
Other Expenses	170.8	264.9	154.2	FCF Yield (%)	5.0	0.4	(1.0)
<i>Other Exp to Sales (%)</i>	<i>7.7</i>	<i>7.5</i>	<i>3.8</i>	Solvency Ratio (X)			
EBITDA	134.5	246.6	316.7	Total Debt to Equity	0.2	0.3	0.2
<i>Margin (%)</i>	<i>6.1</i>	<i>7.0</i>	<i>7.8</i>	Net Debt to Equity	(0.1)	(0.0)	0.1
<i>YoY Growth (%)</i>	<i>116.0</i>	<i>83.3</i>	<i>28.4</i>	Net Debt to EBITDA	(0.3)	(0.1)	0.2
Depreciation & Amortization	11.4	15.1	16.5	Return Ratios (%)			
EBIT	123.1	231.4	300.2	Return on Equity	20.9	29.2	28.1
<i>Margin (%)</i>	<i>5.5</i>	<i>6.5</i>	<i>7.4</i>	Return on Capital Employed	19.4	23.4	25.4
<i>YoY Growth (%)</i>	<i>139.4</i>	<i>88.0</i>	<i>29.7</i>	Return on Invested Capital	30.6	43.2	36.6
Other Income	26.6	25.7	22.4	Working Capital Ratios			
Finance Cost	36.7	32.6	51.5	Payable Days (Nos)	86	53	51
Interest Coverage (X)	3.4	7.1	5.8	Inventory Days (Nos)	33	34	40
Exceptional Item	0.0	0.5	0.0	Receivable Days (Nos)	84	45	50
PBT	120.2	225.1	271.0	Net Working Capital Days (Nos)	31	26	40
<i>Margin (%)</i>	<i>5.4</i>	<i>6.4</i>	<i>6.6</i>	Net Working Capital to Sales (%)	8.5	7.0	10.9
<i>YoY Growth (%)</i>	<i>660.7</i>	<i>87.3</i>	<i>20.4</i>	Valuation (X)			
Tax Expense	20.0	61.7	57.7	P/E	16.5	10.1	7.8
<i>Tax Rate (%)</i>	<i>16.6</i>	<i>27.4</i>	<i>21.3</i>	P/BV	3.7	3.0	2.2
PAT	100.3	163.6	213.1	EV/EBITDA	12.0	6.6	5.4
<i>Margin (%)</i>	<i>4.5</i>	<i>4.6</i>	<i>5.2</i>	EV/Sales	0.7	0.5	0.4
<i>YoY Growth (%)</i>	<i>686.9</i>	<i>63.1</i>	<i>30.3</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	120.2	225.1	271.0
Net Profit	100.3	163.6	213.1	Adjustments	44.9	63.7	86.7
<i>Margin (%)</i>	<i>4.5</i>	<i>4.6</i>	<i>5.2</i>	Change in Working Capital	(19.8)	(60.5)	(195.7)
<i>YoY Growth (%)</i>	<i>686.9</i>	<i>63.1</i>	<i>30.3</i>	Less: Tax Paid	(20.0)	(61.7)	(57.7)
Balance Sheet				Cash Flow from Operations	125.3	166.7	104.3
Share Capital	16.0	16.0	16.0	Net Capital Expenditure	(10.4)	(115.6)	(73.4)
Total Reserves	428.5	544.1	744.1	Change in Investments	(11.9)	(0.3)	(0.1)
Shareholders Fund	444.5	560.1	760.1	Cash Flow from Investing	(22.4)	(116.0)	(73.4)
Long Term Borrowings	17.6	33.9	22.3	Change in Borrowings	(54.4)	74.1	7.7
Deferred Tax Assets / Liabilities	(0.0)	0.2	0.0	Less: Finance Cost	(36.7)	(32.6)	(51.5)
Other Long Term Liabilities	6.5	27.9	46.3	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	2.9	2.4	3.5	Dividend Paid	0.0	(45.6)	0.0
Total Liabilities	471.4	624.5	832.2	Cash flow from Financing	(91.1)	(4.1)	(43.8)
Net Block	85.8	188.9	174.7	Net Cash Flow	11.8	46.6	(12.9)
Capital Work in Progress	21.6	44.0	72.7	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	1.1	Opening Balance of Cash	8.5	13.1	59.7
Non Current Investments	7.3	0.2	43.6	Closing Balance of Cash	20.3	59.7	46.8
Long Term Loans & Advances	6.2	7.4	62.3				
Other Non Current Assets	3.3	15.4	4.0				
Net Current Assets	347.3	368.7	473.7				
Total Assets	471.4	624.5	832.2				

Source: Ventura Research

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