

# Bharat Petroleum Corporation Limited

**HOLD**

Sector: Oil, Gas &amp; Consumable Fuels

25<sup>th</sup> May, 2026

Key Changes	Target	Rating	Earnings	Target	Rs. 322		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 296</b>
Large Cap	BPCL:IN	75,415	BPCL	500547	12 Months	<b>Return</b>	<b>+9%</b>

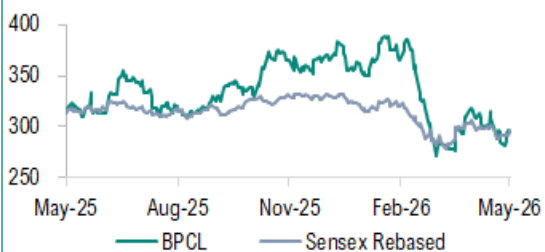
Data as of: 22-May-2026, 16:00 hrs

Company Data	
Market Cap (Rs.cr)	128,233
52 Week High — Low (Rs.)	392 - 267
Enterprise Value (Rs. cr)	147,577
Outstanding Shares (cr)	433.9
Free Float (%)	45.0
Dividend Yield (%)	7.6
6m average volume (cr)	1.0
Beta	1.1
Face value (Rs. )	10.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	53.0	53.0	53.0
FII's	16.5	18.5	19.6
MFs/Institutions	21.3	19.6	18.5
Public	6.4	6.2	6.0
Others	2.8	2.8	2.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-19.2%	-18.9%	-5.6%
Absolute Sensex	-7.4%	-10.1%	-5.3%
Relative Return	-11.8%	-8.9%	-0.3%

### \*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	455,076	531,525	510,264
Growth (%)	3.4	16.8	-4.0
EBITDA	41,178	10,407	27,837
EBITDA Margin (%)	9.0	2.0	5.5
PAT Adjusted	27,652	1,976	13,995
Growth (%)	83.7	-92.9	608.4
Adjusted EPS	63.7	4.6	32.3
Growth (%)	83.7	-92.9	608.4
P/E	4.4	64.9	9.2
P/B	1.3	1.4	1.2
EV/EBITDA	3.4	14.2	5.3
ROE (%)	24.5	2.1	13.6
D/E	0.2	0.2	0.2

## Geopolitical risks impact BPCL's supply chain

**Bharat Petroleum Corporation Ltd (BPCL) is one of India's leading oil and gas companies. It operates refineries in Kochi, Mumbai and Bina. Its marketing infrastructure includes installations, retail outlets, depots and liquefied petroleum gas distributors.**

- BPCL's standalone revenue, excluding excise duty, increased 6.7% YoY to Rs. 118,649cr in Q4FY26, driven by steady marketing demand, higher sales volumes and resilient refining operations despite crude volatility.
- Total sales of petroleum products rose 3.6% YoY (-1.7% QoQ) to 14.21 million metric tonne (MMT) in Q4FY26. Domestic sales increased 3.3% YoY to 13.86 MMT and exports grew 16.7% YoY to 0.35 MMT. Refinery throughput, including at the Bina refinery, declined 1.7% YoY (-1.0% QoQ) to 10.4 MMT.
- EBITDA surged 29.6% YoY to Rs. 10,061cr and EBITDA margin expanded 140bps YoY to 7.5%, driven by inventory-led management.
- However, profit after tax (PAT) fell 0.7% YoY to Rs. 3,191cr, due to an impairment loss of Rs. 4,349cr on BPCL's equity investment in Bharat PetroResources Ltd (BPRL), recognised based on the value-in-use assessment as on March 31, 2026.

## Outlook and valuation

BPCL demonstrated resilience in Q4FY26, driven by robust refining operations, diversified crude sourcing strategies and retail expansion in challenging geopolitical conditions. The management is focused on enhancing petrochemical integration, renewable energy capacity and infrastructure via pipeline commissioning and city gas distribution network growth. The upstream portfolio is expected to benefit from the Mozambique liquefied natural gas project restart and UAE exploration progress, while strategic capital allocation for refining upgrades and marketing infrastructure will likely support long-term competitiveness. But near-term uncertainties on pricing flexibility, under-recovery pressures and elevated liquefied petroleum gas (LPG) compensation burden warrant caution. Therefore, **We downgrade our rating on the stock to HOLD from BUY, with a revised target price of Rs. 322, based on the sum-of-the-parts valuation.**

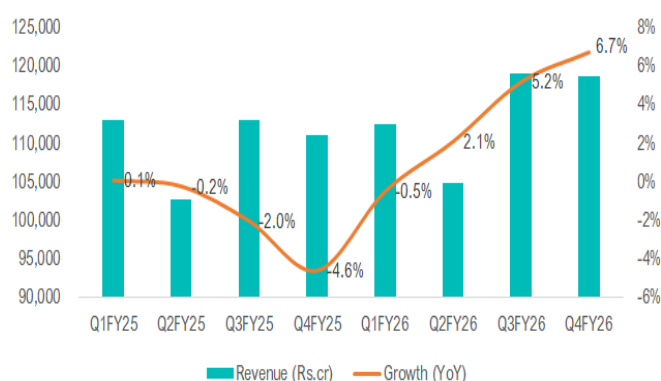
## Quarterly Finance Standalone

Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	118,649	111,179	6.7	118,999	-0.3	455,076	440,132	3.4
EBITDA	10,061	7,765	29.6	11,677	-13.8	41,178	25,473	61.7
Margin (%)	7.5	6.1	140bps	8.5	-100bps	7.9	5.1	280bps
EBIT	8,022	5,790	38.5	9,705	-17.3	33,334	18,240	82.7
PBT	4,258	4,263	-0.1	10,094	-57.8	31,104	17,664	76.1
Rep. PAT	3,191	3,214	-0.7	7,545	-57.7	23,303	13,275	75.5
Adj PAT	7,541	4,988	51.2	7,545	-0.1	27,652	15,049	83.7
Adj. EPS (Rs)	17.4	11.5	51.2	17.4	-0.1	63.7	34.7	83.7

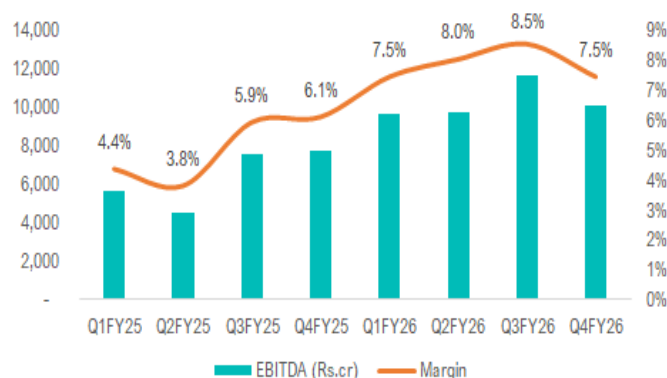
## Key concall highlights

- BPCL diversified crude sourcing to eight new grades across four geographical regions, including Venezuela, Brazil and Angola, enhancing supply chain resilience amid geopolitical disruptions in the Strait of Hormuz.
- Russian crude procurement increased from 25% in Q3FY26 to 31% in Q4FY26, reflecting strategic sourcing flexibility and optimisation amid supply constraints from West Asia and global sanctions.
- The company commissioned 1,691 new retail outlets in FY26, expanding its network to 25,323 outlets and reinforcing its leadership position in India's retail fuel distribution infrastructure.
- BPCL expanded its electric vehicle charging network to 6,823 stations and compressed natural gas network to 2,650 stations, aligning with India's clean energy transition and electric mobility adoption goals.
- BPCL installed renewable energy capacity of 251 MW with additional wind and solar projects of 100 MW capacity under execution, advancing its commitment to clean energy and decarbonisation.
- Total capex target for FY27 is Rs. 25,000cr, with disciplined capital allocation focused on refining, petrochemicals, marketing infrastructure, city gas distribution expansion and upstream equity infusion.
- BPCL's negative buffer for LPG compensation stood at Rs. 12,319cr after accounting for government installments, reflecting ongoing under-recovery challenges in the domestic LPG segment.

### Revenue



### EBITDA



## Sum of the parts (SOTP) Valuation

Particulars	Methodology	Multiple	% Holding	Value (Rs. cr.)	Value Per Share (Rs.)
BPCL (Standalone)	FY28E P/E	9x	100.0	125,817	290
Investments					38
- BPRL	P/BV	2x	100.0	5,026	12
- Petronet	Geojit TP	-	12.5	5,794	13
- Indraprastha Gas	Geojit TP	-	22.5	5,450	13
		15% holding discount to investments			-6
<b>Total</b>					<b>322</b>

## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	441,813	-	531,525	510,264	20.3	-
EBITDA	29,772	-	10,407	27,837	-65.0	-
Margins (%)	6.7	-	2.0	5.5	-474bps	-
Adj. PAT	17,028	-	1,976	13,995	-88.4	-
EPS	39.2	-	4.6	32.3	-88.4	-



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Sales</b>	<b>447,908</b>	<b>440,132</b>	<b>455,076</b>	<b>531,525</b>	<b>510,264</b>
% change	-5.3	-1.7	3.4	16.8	-4.0
<b>EBITDA</b>	<b>44,052</b>	<b>25,473</b>	<b>41,178</b>	<b>10,407</b>	<b>27,837</b>
% change	302.1	-42.2	61.7	-74.7	167.5
Depreciation	6,750	7,232	7,844	7,997	8,015
<b>EBIT</b>	<b>37,301</b>	<b>18,240</b>	<b>33,334</b>	<b>2,410</b>	<b>19,822</b>
Interest	2,473	1,888	1,634	1,585	1,522
Other Income	720	1,312	-596	1,810	362
<b>PBT</b>	<b>35,548</b>	<b>17,664</b>	<b>31,104</b>	<b>2,635</b>	<b>18,662</b>
% change	1503.7	-50.3	76.1	-91.5	608.4
Tax	8,875	4,389	7,801	659	4,667
Tax Rate (%)	25.0	24.8	25.1	25.0	25.0
<b>Reported PAT</b>	<b>26,674</b>	<b>13,275</b>	<b>23,303</b>	<b>1,976</b>	<b>13,995</b>
PAT att. to common shareholders	26,674	13,275	23,303	1,976	13,995
Adj.*	1,798	1,774	4,349	-	-
<b>Adj. PAT</b>	<b>28,472</b>	<b>15,049</b>	<b>27,652</b>	<b>1,976</b>	<b>13,995</b>
% change	781.5	-47.1	83.7	-92.9	608.4
No. of shares (cr)	433.9	433.9	433.9	433.9	433.9
<b>Adj EPS (Rs.)</b>	<b>65.6</b>	<b>34.7</b>	<b>63.7</b>	<b>4.6</b>	<b>32.3</b>
% change	781.5	-47.1	83.7	-92.9	608.4
DPS (Rs.)	15.8	5.0	17.5	8.5	12.0

### Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Net inc. + Depn.</b>	<b>33,424</b>	<b>20,508</b>	<b>31,147</b>	<b>9,973</b>	<b>22,010</b>
Non-cash adj.	9,101	7,458	23,883	30,180	4,070
Other adjustments	-	-	-	-	-
Changes in W.C	-6,762	-4,361	-7,327	-13,582	5,252
<b>C.F. Operation</b>	<b>35,762</b>	<b>23,605</b>	<b>47,703</b>	<b>26,571</b>	<b>31,332</b>
Capital exp.	-8,803	-13,303	-15,822	-24,105	-28,348
Change in inv.	-1,437	-5,447	-2,290	-160	-160
Other invest.CF	-1,421	-46	-4,342	667	607
<b>C.F - Investment</b>	<b>-11,661</b>	<b>-18,796</b>	<b>-22,455</b>	<b>-23,598</b>	<b>-27,901</b>
Issue of equity	-	-	-	-	-
Issue/repay debt	-18,599	2,768	-14,903	-240	-280
Dividends paid	-5,329	-6,561	-9,525	-3,688	-5,206
Other finance.CF	-1,539	-1,123	-970	1,074	2,464
<b>C.F - Finance</b>	<b>-25,466</b>	<b>-4,916</b>	<b>-25,398</b>	<b>-2,854</b>	<b>-3,022</b>
Chg. in cash	-1,365	-107	-150	118	409
<b>Closing Cash</b>	<b>516</b>	<b>409</b>	<b>260</b>	<b>378</b>	<b>787</b>

### Balance Sheet

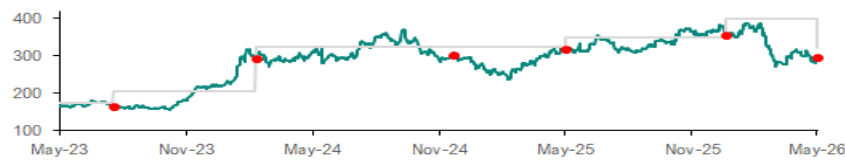
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	516	409	260	378	787
Accts. Receivable	8,328	9,323	4,949	6,026	6,132
Inventories	42,835	45,263	53,303	65,808	60,450
Other Cur. Assets	12,164	16,534	24,250	24,437	23,719
Investments	10,167	10,754	8,965	9,125	9,285
Gross Fixed Assets	105,763	119,066	134,888	158,994	187,342
Net Fixed Assets	84,715	86,591	91,699	107,807	128,140
CWIP	8,680	13,240	16,394	16,722	17,056
Intangible Assets	2,124	2,706	2,671	2,690	2,709
Def. Tax -Net	477	226	233	240	247
Other Assets	2,985	2,947	4,403	3,943	3,537
<b>Total Assets</b>	<b>172,993</b>	<b>187,995</b>	<b>207,126</b>	<b>237,177</b>	<b>252,063</b>
Current Liabilities	61,956	65,847	83,681	112,774	115,061
Provisions	183	189	256	261	266
Debt Funds	27,438	32,177	20,147	19,731	19,192
Other Liabilities	8,741	8,821	7,810	10,463	14,444
Equity Capital	2,136	4,273	4,273	4,273	4,273
Res. & Surplus	72,539	76,688	90,960	89,674	98,827
Shareholder Funds	74,675	80,960	95,233	93,947	103,100
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>172,993</b>	<b>187,995</b>	<b>207,126</b>	<b>237,177</b>	<b>252,063</b>
BVPS	172	187	220	217	238

### Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	9.8	5.8	9.0	2.0	5.5
EBIT margin (%)	8.3	4.1	7.3	0.5	3.9
Net profit mgn.(%)	6.0	3.0	5.1	0.4	2.7
ROE (%)	35.7	16.4	24.5	2.1	13.6
ROCE (%)	36.5	16.1	28.9	2.1	16.2
<b>W.C &amp; Liquidity</b>					
Receivables (days)	6.8	7.7	4.0	4.1	4.4
Inventory (days)	35.9	37.1	43.5	43.2	43.0
Payables (days)	23.7	25.1	34.8	35.2	36.3
Current ratio (x)	0.9	0.8	0.9	0.8	0.7
Quick ratio (x)	0.2	0.2	0.1	0.1	0.1
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	4.4	3.9	3.6	3.6	2.9
Total asset T.O (x)	2.7	2.4	2.3	2.4	2.1
Int. covge. ratio (x)	15.1	9.7	20.4	1.5	13.0
Adj. debt/equity (x)	0.4	0.4	0.2	0.2	0.2
<b>Valuation</b>					
EV/Sales (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA (x)	3.5	6.0	3.4	14.2	5.3
P/E (x)	4.4	8.0	4.4	64.9	9.2
P/BV (x)	1.7	1.5	1.3	1.4	1.2



## Recommendation Summary - (Last 3 years)



Dates	Rating	Target
09-Feb-22	BUY	212
10-Aug-22	HOLD	174
07-Aug-23	BUY	206
29-Feb-24	HOLD	326
10-Dec-24	HOLD	326
23-May-25	HOLD	350
09-Jan-26	BUY	400
25-May-26	HOLD	322

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
<b>Buy</b>	Upside is above 10%	Upside is above 15%	Upside is above 20%
<b>Accumulate</b>	-	Upside is between 10%-15%	Upside is between 10%-20%
<b>Hold</b>	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
<b>Reduce/sell</b>	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

**Symbols definition:** ▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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