

Indian Oil Corporation Limited

HOLD

Sector: Oil, Gas & Consumable Fuels

25th May, 2026

Key Changes	Target ▼	Rating ▼	Earnings ▼	Target	Rs. 153		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 140
Large Cap	IOCL:IN	75,415	IOC	530965	12 Months	Return	+9%

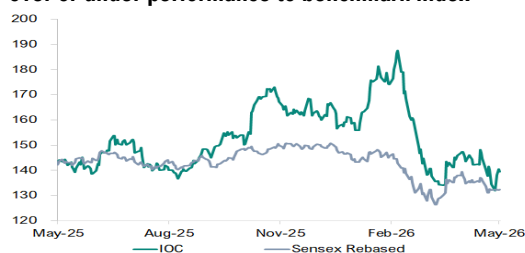
Data as of: 22-May-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	196,991
52 Week High — Low (Rs.)	189 - 130
Enterprise Value (Rs. cr)	298,313
Outstanding Shares (cr)	1,412.1
Free Float (%)	26.4
Dividend Yield (%)	7.1
6m average volume (cr)	1.0
Beta	1.2
Face value (Rs.)	10.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	51.5	51.5	51.5
FII's	7.7	8.6	9.9
MFs/Institutions	10.5	10.1	9.2
Public	7.9	7.3	7.1
Others	22.4	22.5	22.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-19.9%	-16.6%	-2.7%
Absolute Sensex	-9.1%	-11.6%	-7.0%
Relative Return	-10.8%	-4.9%	4.3%

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	784,158	854,008	870,529
Growth (%)	3.7	8.9	1.9
EBITDA	71,091	25,380	54,805
EBITDA Margin (%)	9.1	3.0	6.3
PAT Adjusted	39,164	2,271	22,195
Growth (%)	247.6	-94.2	877.2
Adjusted EPS	27.7	1.6	15.7
Growth (%)	247.6	-94.2	877.2
P/E	4.9	86.7	8.9
P/B	0.9	1.0	0.9
EV/EBITDA	4.4	11.8	5.2
ROE (%)	18.0	1.1	9.9
D/E	0.6	0.5	0.4

Downgrading to hold amid uncertainty

Indian Oil Corporation Ltd (IOCL) manufactures petroleum and petroleum products and is also engaged in the exploration and refining of crude oil. Its products include lubricating oils, liquid petroleum gas and aviation turbine fuel. IOCL's presence across the hydrocarbon value chain allows it to create sustainable business outcomes.

- IOCL's Q4FY26 standalone net sales grew 6.6% YoY to Rs. 207,883cr, driven by better sales volumes across key business segments.
- In Q4FY26, refining throughput was 19.7 million metric tonne (MMT) (+6.4% YoY), marketing sales volume was 27.343 MMT (+0.4% YoY) and petrochemical sales volume was 0.901 MMT (+0.9% YoY), showing good activity across the main operating segments.
- EBITDA rose 65.4% YoY to Rs. 22,604cr in Q4FY26 and EBITDA margin improved 390bps to 10.9%, mainly due to a higher topline and a drop in the cost of sales.
- Reported profit after tax increased 56.6% YoY to Rs. 11,378cr, aided by inventory bought before the Middle East conflict, higher EBITDA and other income.

Outlook & Valuation

IOCL's Q4FY26 numbers highlight the strength of its integrated business. Resilient refining, healthy marketing momentum, strong petrochemical performance and continued progress in city gas, renewables and hydrogen initiatives supported the company. IOCL also showed strong execution in a difficult global environment by diversifying crude oil and gas sourcing, adjusting refinery operations and maintaining supply continuity across its network. Elevated geopolitical tensions have increased volatility in crude oil and gas markets. Higher LPG losses, gas pricing pressure and continued rupee weakness can weigh on margins and near-term earnings visibility. The management is cautious on forward guidance because market conditions are unstable. Even though long-term projects remain on track and core operations are performing well, operating strength is now offset by elevated external risks. Therefore, **we downgrade our rating on the stock to HOLD, with a roll-forward target price of Rs. 153, based on our sum-of-the-parts (SOTP) valuation.**

Quarterly Finance Standalone

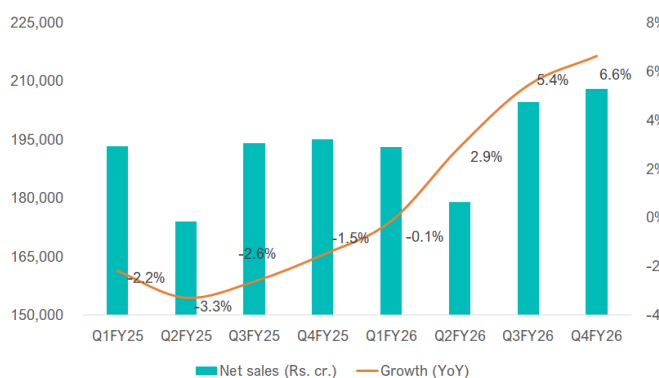
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	207,883	194,967	6.6	204,424	1.7	784,158	755,950	3.7
EBITDA	22,604	13,667	65.4	21,287	6.2	71,091	33,240	113.9
Margin (%)	10.9	7.0	390bps	10.4	50bps	9.1	4.4	470bps
EBIT	17,430	9,753	78.7	17,210	1.3	54,126	17,956	201.4
PBT	15,322	8,787	74.4	15,992	-4.2	48,784	15,882	207.2
Rep. PAT	11,378	7,265	56.6	12,126	-6.2	36,802	12,962	183.9
Adj PAT	13,266	7,359	80.3	12,589	5.4	39,164	11,267	247.6
Adj. EPS (Rs)	9.4	5.2	80.3	8.9	5.4	27.7	8.0	247.6



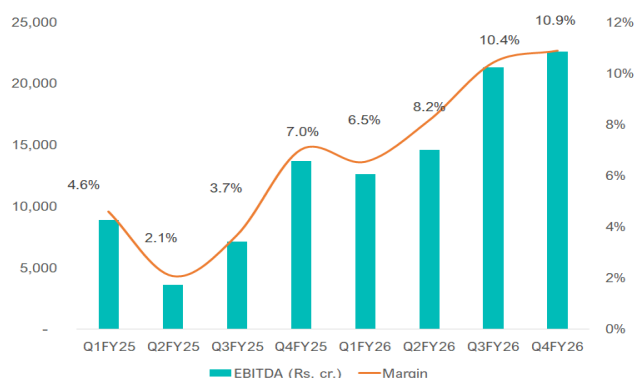
Key concall highlights

- IOCL delivered a landmark result in FY26, with profit after tax rising to Rs. 36,802cr from Rs. 12,962cr in FY25.
- The company managed severe global supply disruption by diversifying crude oil and gas sourcing, changing the crude processed in refineries, increasing LPG production and keeping fuel available across outlets.
- In Q4FY26, refineries reached a record-high crude throughput of 75.5 MMT, with a capacity utilisation of 107.4%, up from 71.6 MMT and 101.9% capacity utilisation in the previous year.
- Lubricants and petrochemicals were standout areas, with lubricant sales rising 16% to 905,000 metric tonne and petrochemical sales reaching a record 3.396 MMT.
- Gas sales grew for the full year, helped by city gas distribution, and the standalone city gas business became profit positive, although higher gas prices still affected volumes and margins.
- The 10 KTA green hydrogen plant at Panipat is expected to be operational by December 2027, showing Indian Oil's steady push to build energy businesses alongside its core operations.

Revenue



EBITDA



Sum of the parts (SOTP) Valuation

Particulars	Methodology	Multiple	Year	Value (Rs Cr)	Value/share (Rs)
IOCL	EV/EBITDA	5.4x	FY28E	295,950	210
Less: Net debt				119,370	85
Total					125
CPCL	Market price			7,855	6
Investments				41,948	30
- Lanka IOC	Market price			1,605	1
- Petronet LNG	Geojit TP			5,117	4
- ONGC	Geojit TP			28,602	20
- GAIL	Geojit TP			2,616	2
- Oil India	Market price			4,008	3
			20% holding discount to investments and CPCL		-7
			Target Price		153

Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	776,693	-	854,008	870,529	10.0	-
EBITDA	55,063	-	25,380	54,805	-53.9	-
Margins (%)	7.1	-	3.0	6.3	-410bps	-
Adj. PAT	25,003	-	2,271	22,195	-90.9	-
EPS	17.7	-	1.6	15.7	-90.9	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	774,349	755,950	784,158	854,008	870,529
% change	-7.8	-2.4	3.7	8.9	1.9
EBITDA	69,669	33,240	71,091	25,380	54,805
% change	208.9	-52.3	113.9	-64.3	115.9
Depreciation	14,510	15,284	16,965	17,071	18,585
EBIT	55,159	17,956	54,126	8,310	36,220
Interest	7,328	8,732	7,969	7,878	7,802
Other Income	4,513	6,658	2,627	2,744	2,606
PBT	52,344	15,882	48,784	3,175	31,025
% change	439.7	-69.7	207.2	-93.5	877.2
Tax	12,725	2,921	11,982	904	8,830
Tax Rate (%)	24.3	18.4	24.6	28.5	28.5
Reported PAT	39,619	12,962	36,802	2,271	22,195
PAT att. to common shareholders	39,619	12,962	36,802	2,271	22,195
Adj.*	268	-1,695	2,361	-	-
Adj. PAT	39,887	11,267	39,164	2,271	22,195
% change	366.8	-71.8	247.6	-94.2	877.2
No. of shares (cr)	1412.1	1412.1	1412.1	1412.1	1412.1
Adj EPS (Rs.)	28.2	8.0	27.7	1.6	15.7
% change	366.8	-71.8	247.6	-94.2	877.2
DPS (Rs.)	12.0	3.0	1.3	1.4	1.7

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	53,791	28,099	53,728	19,287	40,722
Non-cash adj.	6,197	4,698	13,950	29,930	12,383
Other adjustments	-	-	-	-	-
Changes in W.C	8,109	489	3,721	8,009	793
C.F. Operation	68,097	33,286	71,399	57,226	53,899
Capital exp.	-34,598	-32,847	-25,305	-29,534	-31,722
Change in inv.	-4,377	-7,543	-603	-	-
Other invest.CF	9,274	11,012	8,247	-	-
C.F - Investment	-29,702	-29,377	-17,662	-29,534	-31,722
Issue of equity	-	-	-	-	-
Issue/repay debt	-19,884	13,685	-31,767	-18,023	-12,286
Dividends paid	-11,022	-9,642	-13,769	-1,765	-2,044
Other finance.CF	-7,389	-8,153	-8,183	-7,878	-7,802
C.F - Finance	-38,294	-4,110	-53,719	-27,666	-22,132
Chg. in cash	101	-201	18	25	45
Closing Cash	832	516	522	547	592

Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	832	516	522	547	592
Accts. Receivable	12,779	17,813	14,229	13,050	11,804
Inventories	112,507	105,612	107,484	110,435	111,267
Other Cur. Assets	19,979	22,602	19,063	17,635	17,724
Investments	61,557	60,901	64,771	68,059	72,005
Gross Fixed Assets	251,933	268,885	294,190	323,725	355,447
Net Fixed Assets	177,619	182,389	187,894	200,358	213,495
CWIP	57,024	73,453	82,578	83,403	84,237
Intangible Assets	5,289	6,223	6,089	6,144	6,202
Def. Tax -Net	1,799	1,532	1,338	1,355	1,324
Other Assets	7,854	9,409	7,567	5,893	4,220
Total Assets	457,241	480,450	491,535	506,881	522,871
Current Liabilities	135,665	136,825	142,560	180,542	177,224
Provisions	918	884	862	886	911
Debt Funds	123,257	141,393	119,892	101,869	89,583
Other Liabilities	20,686	22,671	23,677	18,533	29,951
Equity Capital	13,772	13,772	13,772	13,772	13,772
Res. & Surplus	162,943	164,905	190,773	191,279	211,430
Shareholder Funds	176,715	178,677	204,544	205,051	225,202
Minority Interest	-	-	-	-	-
Total Liabilities	457,241	480,450	491,535	506,881	522,871
BVPS	125	127	145	145	159

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	9.0	4.4	9.1	3.0	6.3
EBIT margin (%)	7.1	2.4	6.9	1.0	4.2
Net profit mgn.(%)	5.1	1.7	4.7	0.3	2.5
ROE (%)	22.4	7.3	18.0	1.1	9.9
ROCE (%)	18.4	5.6	16.7	2.7	11.5
W.C & Liquidity					
Receivables (days)	5.9	8.5	6.5	5.5	4.9
Inventory (days)	62.6	57.5	60.0	52.2	52.9
Payables (days)	28.7	28.5	28.7	28.9	29.3
Current ratio (x)	0.7	0.7	0.7	0.6	0.6
Quick ratio (x)	0.1	0.1	0.1	0.1	0.1
Turnover & Leverage					
Gross asset T.O (x)	3.1	2.9	2.8	2.8	2.6
Total asset T.O (x)	1.8	1.6	1.6	1.7	1.7
Int. covge. ratio (x)	7.5	2.1	6.8	1.1	4.6
Adj. debt/equity (x)	0.7	0.8	0.6	0.5	0.4
Valuation					
EV/Sales (x)	0.5	0.4	0.4		
EV/EBITDA (x)	5.2	9.8	4.4	11.8	5.2
P/E (x)	5.9	16.4	4.9	86.7	8.9
P/BV (x)	1.3	1.0	0.9	1.0	0.9



Recommendation Summary (Last 3 years)



Dates	Rating	Target
05-Aug-22	REDUCE	64
08-Mar-23	HOLD	86
04-Aug-23	BUY	107
24-May-24	HOLD	181
26-Dec-24	HOLD	148
05-Jun-25	HOLD	152
09-Jan-25	BUY	179
25-May-26	HOLD	153

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	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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