

**EDUCATIONAL EQUITY RESEARCH REPORT : MAY**  
**BHARAT PETROLEUM CORPORATION LTD.**

**(NSE : BPCL, BSE : 500547 )**

DATE : 15/5/24

WE AT AS RESEARCH TECHNIC ,INITIATE OUR COVERAGE ON BHARAT PETROLEUM CORPORATION LTD. BPCL, a Maharatna PSU, aims to efficiently meet the energy needs of our nation with a combined refining capacity of over 40 MMT through refineries in Mumbai, Kochi, Numaligarh and Bina, which are strategically located.

**ABOUT THE BUSINESS :**

Bharat Petroleum Corporation Limited (BPCL) is an Indian public sector undertaking (PSU) under the ownership of the Ministry of Petroleum and Natural Gas, Government of India. It operates three refineries in Bina, Kochi and Mumbai. BPCL is India's second-largest government-owned downstream oil producer, whose operations are overseen by the Ministry of Petroleum and Natural Gas. BPCL was ranked 309th on the Fortune list of the world's biggest PSUs in 2020, and 792nd on Forbes's "Global 2000" list in 2021.

**PROS :**

- **Company has been maintaining a healthy dividend pay-out of 42.8%**

**CONS :**

- **Stock is trading at 8.92 times its book value**
- **Company has low interest coverage ratio.**
- **Promoter holding has decreased over last quarter: -1.08%**
- **Company has a low return on equity of 11.3% over last 3 years.**

**PREVIOUS MONTH FOLLOWUP**

AS MENTIONED IN THE PREVIOUS REPORT, THE SHARE PRICE BROKE 624 ON THE UPPER SIDE. THE STOCK PRICE WENT UPTO 624 AFTER BREAKING THE RESISTANCE 591 ON THE UPPER SIDE.

**RESEARCH ANALYST :**

**P.SUNANDINI @ AS RESEARCH TECHNIC**



**FINANCIAL SNAP SHOT :**

MARKET CAP	₹ 1,32,021 Cr.
STOCK P/E	4.35
ROE	6.34 %
CURRENT PRICE	585.8
BOOK VALUE	₹ 327
ROCE	6.86 %
HIGH	₹ 688
LOW	331
DIVIDEND YIELD	3.42 %
FACE VALUE	₹ 10.0

**SHARE HOLDING PATTERN:**

PROMOTERS	52.98%
FIIS	16.79%
DIIS	21.30%
PUBLIC	8.00%
GOVERNMENT	0.94%
OTHERS	0.00%
NO.OF SHAREHOLDERS	7,23,571

**PEER COMPARISON :****SECTOR: REFINERIES****INDUSTRY: REFINERIES**

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	Bharti Airtel	1309.9	65.41	779137.81	0.31	37599.1	13.13
2	Vodafone Idea	13.2		87758.16	0	10673.1	-3.82
3	Tata Comm	1768.85	46.58	50412.24	1.19	5691.7	17.63
4	Bharti Hexacom	954.05	74.74	47702.5	0	1868	14.3
5	Tata Tele. Mah.	77.45		15140.93	0	323.29	23.19
6	Railtel Corpn.	390.3	47.28	12526.21	0.65	832.7	20.3
7	Hathway Cable	20.87	37.1	3683.73	0	493.37	3.36

**KEY POINTS :**

- BPCL's economy grew at 7.2% in FY 2022-23 and the domestic consumption of petroleum products grew at 10.6%.
- The company recorded the highest ever market sales of 48.92 MMT in the year against 42.51 MMT in the comparative period, registering a growth of 15%.
- Their revenue from operations rose to all-time high of ₹ 5.3 trillion as against ₹ 4.3 trillion in the previous year, the sixth- largest company across all categories in the country by turnover.
- The year's financial performance was volatile with two quarters of losses, but these were put behind with a record breaking performance in the fourth quarter, with standalone profit rising 159%year-on-year and 231% Quarter-on-quarter to ₹ 64.78 billion.
- The merger of BHARAT OMAN refineries limited (BORL) with BPCL executed flawlessly this year has not only bolstered their core refining and marketing businesses but also laid a robust foundation for their ambitious ventures in the Petrochemical Industry.
- BPCL is also going to finalize the ethylene cracker project at BINA.
- During the year, the company strategically fortified its gas portfolio by seamlessly integrating Bharat gas resources Limited (BGRL) through the merger.

- They have launched an initiative to offer electric vehicle charging stations at around 7,000 energy stations over the next five years to support and accelerate growth of electrical vehicles (EV) in the country.
- BPCL is committed towards upliftment of society and the underprivileged.
- The company's mission is to participate prominently in nation-building by meeting its growing energy needs, and to support this endeavour pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector.
- BPCL has time and again demonstrated being ahead of the curve by leveraging the opportunities and trends in the market.
- The company has a keen eye for identifying opportunities for growth through tapping of congruity and synergies.
- Profit for the current year is low as compared to the previous year mainly due to the suppressed marketing margins of certain petroleum products, depreciation of the Indian Rupee vis a vis the us dollar and exceptional loss on impairment of Investment in subsidiary company in the year 2022-23.
- The board of directors has recommended a dividend of ₹ 4 per share.

• THE SHARE PRICE CAN GO UPTO 668 IF IT BREAKS 653 ON THE UPPER SIDE.

• THE SHARE PRICE CAN GO UPTO 563 IF IT BREAKS 576 ON THE LOWER SIDE.

## PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
14-05-2024	625.05	584.58	593.37	600.13	608.92	615.68	624.47	631.23	606.9
13-05-2024	625.05	565.5	578.65	598.65	611.8	631.8	644.95	664.95	618.65
10-05-2024	618.65	568.08	584.82	588.48	605.22	608.88	625.62	629.28	592.15
09-05-2024	618.65	563.62	576.83	598.57	611.78	633.52	646.73	668.47	620.3
08-05-2024	618.65	576.22	589.83	597.07	610.68	617.92	631.53	638.77	604.3
07-05-2024	618.65	572.23	587.12	598.68	613.57	625.13	640.02	651.58	610.25

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.