

EDUCATIONAL EQUITY RESEARCH REPORT :

BHARAT PETROLEUM CORPORATION LTD.

(NSE : BPCL, BSE : 500547)

DATE : 20/4/24

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.



FINANCIAL SNAP SHOT :

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. The company today known as BPCL started off as the Rangoon Oil and Exploration company set up to explore the new discoveries off Assam and Burma (now Myanmar) during the British colonial rule over India. In 1889 during vast industrial development, an important player in the South Asian market was the Burmah Oil Company. Though incorporated in Scotland in 1886, the company grew out of the enterprises of the Chef Rohit Oil Company, which had been formed in 1871 of the Chef Rohit Oil Company, which had been formed in 1871 to refine crude oil produced from primitive hand dug wells in Upper Burma.

PROS :

- Company has been maintaining a healthy dividend payout of 57.1%

RESEARCH ANALYST :

P.SUNANDINI @ AS RESEARCH TECHNIC

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	Reliance Industr	2939.65	28.45	1988875.82	0.31	225086	9.14
2	I O C L	173.15	5.23	244509.25	2.86	199905.65	8.09
3	B P C L	608.6	4.35	132020.73	3.42	115499.14	6.86
4	H P C L	488.45	4.1	69288.98	3.04	111347.75	-8.08
5	M R P L	229.2	9.18	40169.62	0.44	24676.91	20.09
6	C P C L	948.4	4.54	14122.72	2.84	17375.9	45.54
7	Gandhar Oil Ref.	217.6	11.2	2129.65	0	1102.62	37.34

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 COMPARITIVE 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 TAPING 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 PERTROLEUM 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 643.46 IF IT BREAKS 591.95 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 547.31 IF IT BREAKS 566.4 ON THE LOWER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
18-04-2024	585.8	547.32	566.43	579.37	598.48	611.42	630.53	643.4667	592.3
16-04-2024	585.8	556.37	567.18	578.37	589.18	600.37	611.18	622.3667	589.55
15-04-2024	585.8	558.4	566.4	583.8	591.8	609.2	617.2	634.6	601.2
12-04-2024	601.2	584.37	591.68	598.22	605.53	612.07	619.38	625.9167	604.75
10-04-2024	601.2	553.9	569.45	577.6	593.15	601.3	616.85	625	585.75
09-04-2024	601.2	570.87	577.18	584.57	590.88	598.27	604.58	611.9667	591.95

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