

Analyst Name – Jeet B Bhayani

SEBI Registration No- INH000018142

Trade View Report-



Published Date	February 25th, 2026
Rating	BUY
Trade Type	Medium Term
Stock Name	CHENNPETRO
Entry Price	925
Target	1033
Stop Loss Price	870
Target%	11%
SL%	5%

### Rationale

Chennai Petroleum Corporation Ltd (CPCL), a subsidiary of Indian Oil Corp, operates refineries in Manali (Tamil Nadu) and Nagapattinam with 11.5 MMTPA capacity, producing fuels, LPG, and specialties like ATF and bitumen. It benefits from strong parent backing, high dividend yields, and undervalued multiples (P/E 6.25, trading at 1.5x book), though refining margins remain volatile. Recent Q3 FY26 results show recovery with PAT ₹987 crore on revenue ₹19,438 crore.

Registered Address- 37, Joy Narayan Santra Lane, Howrah 711101  
Principal Officer- Jeet B Bhayani  
Email- jeetbhayani2017@gmail.com

## Business Overview

CPCL refines crude into high-value products (LPG, MS, ATF, HSD) sold via IOCL, plus specialties like paraffin wax and petrochemical feedstocks for direct marketing. Expansions include Cauvery Basin Refinery (25% stake, capex ₹38,830 crore) to boost capacity and margins. Focus on efficiency, sustainability, and new products like ISROSENE supports diversification.

## Financial Highlights (FY25)

- Revenue: ₹58,983 crore (down from ₹66,024 crore in FY24).
- PAT: ₹214 crore (down from ₹2,745 crore).
- EPS: ₹14.38.
- EBITDA: ₹1,016 crore (OPM 2%).
- ROE (3Y avg): 31.1%; FY25: 2.51%.
- ROCE: 4.3%.

Chennai Petroleum Corporation Ltd (CPCL) posted stellar Q3 FY26 results with standalone PAT surging 9,338% YoY to ₹987 crore on revenue up 23.94% to ₹19,438 crore (adjusted net sales ₹15,683 crore). Nine-month FY26 shows a turnaround with PAT ₹1,662 crore vs loss last year, driven by GRM at \$7.72/bbl (up from \$3.40). Consolidated figures are similarly robust, with Q3 PAT ₹1,002 crore and 9M PAT ₹1,681 crore.

## FY25 Annual Financials

- Revenue: ₹64,072 crore (YoY decline amid low margins).
- PAT: ₹2,151 crore (consolidated).
- Sales Growth (5Y CAGR): 9.79% (poor).
- ROE (3Y avg): 31.1%.

## Latest Quarterly (Q3 FY26 Standalone)

- Revenue from Operations: ₹19,438 crore (YoY +23.94%, QoQ -4%).
- Adjusted Net Sales: ₹15,683 crore (YoY +24.1%).
- Total Income: ₹19,467 crore (YoY +24.08%).
- PAT: ₹987 crore (YoY +9,338% from ₹10 crore).
- PBT: ₹1,317 crore.
- EPS: ₹66.30 (YoY +9,371%).
- GRM: \$7.72/bbl (Apr-Dec FY26, up from \$3.40).

### **9M FY26 Performance (Apr-Dec, Standalone)**

- Revenue: ₹58,155 crore (YoY +15.24%).
- Total Income: ₹58,229 crore (YoY +15.30%).
- PAT: ₹1,662 crore (vs loss ₹276 crore YoY).
- EPS: ₹111.62.

### **Consolidated Q3 FY26**

- PAT: ₹1,002 crore (YoY +4,672%).
- Revenue: ₹15,683 crore (YoY +21.34%).
- Total Expenses: ₹14,395 crore (YoY +11.46%).

### **Key Ratios (Latest)**

- Market Cap: ₹13,647 crore.
- P/E: ~6.3; ROCE: Improving to ~10%+.
- Dividend Yield: 0.56%; Recent ₹5/share.
- Order Book/Throughput: Strong refinery utilization amid expansions.

## **Disclaimer-**

Investment in securities market is subject to market risks. Read all the related documents carefully before investing. Trading in Futures & Options (F&O) carries high risk as it depends on market momentum. "Registration granted by SEBI & Certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to Investors." Past performance is no guarantee of future results.

Intraday- Not more than one day

Short term – 0-15 days

Medium term – 1- 3 months

Long term – more than a Year

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