SBI Securities
Investment aur Trust, Dono

16th January 2026

Hindustan Petroleum Corp.

BSE: 500104 | NSE: HINDPETRO

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**454.0/-**	**522.0/-**	**15.0%**

Hindustan Petroleum Corporation Ltd (HPCL) is one of the largest public sector enterprises under the administrative control of the Ministry of Petroleum & Natural Gas; and is accorded the 'Maharatna' status. The company has a strong presence in the petroleum refining and marketing sector and is also the largest distributor of industrial and automotive lubricants in the country.

Key Investment Rationale:

- **Record Operational & Marketing performance in 1HFY26:** During 1HFY26, the company's refineries recorded highest-ever half-yearly throughput at 13.23 million metric tonnes (mnt). GRM for 2QFY26 stood at USD 8.8 per barrel, above the street expectations. Quarterly sales volume stood at 12.1 mnt, up 3.9% YoY.
- **Capex cycle nearing completion:** The company's large and challenging capex cycle is nearing completion as majority of its marquee projects are expected to be commissioned by 2QFY26 meaning a positive impact on the future earnings. During FY25, the company spent ~Rs 14,500 cr in capex. For FY26, a capex of ~Rs 13,000 cr – Rs 14,000 cr will be incurred meant particularly for the completion of ongoing projects.
- **Network expansion continues to be the key focus area**: During FY25, the company commissioned 1,725 new retail outlets increasing the total network to 23,747 outlets. Following on a similar trend, HPCL added 29 new LPG distributors to its network taking the total tally to 6,378 distributors. Going ahead, the company has indicated retail network expansion to be its key focus area for attaining growth along with increasing throughput and pushing bulk sales.
- **Robust 2QFY26 performance:** The company recorded strong numbers in 2QFY26 with Standalone Revenue/EBITDA marking a YoY growth of 0.9%/153.0% respectively whereas PAT increased five-fold increase on a YoY basis. This was led by record highest half-yearly sales volumes and refinery & pipeline throughput.
- **Attractive Valuation:** At current price of Rs 454, the stock trades at FY26E/FY27E Bloomberg consensus P/E multiple of 6.2x/7.0x respectively.

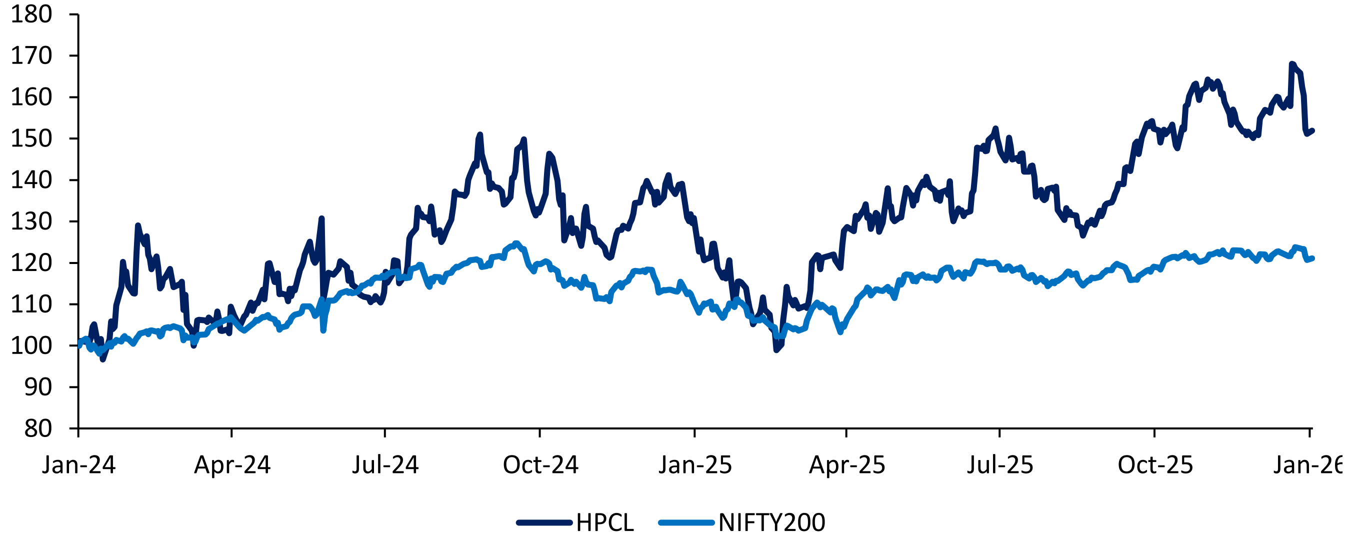
Key risks: Volatility in crude prices; Delay in ramping up utilization of new capacities; Global trade uncertainties

Financial Summary

Particulars (Rs cr)	FY25A	FY26E	FY27E	FY28E
Net Sales	4,33,728	4,07,909	4,23,949	4,44,932
EBITDA	16,606	27,239	25,851	25,258
Net Profit	7,365	15,616	13,922	13,191
EBITDA Margin (%)	3.8%	6.7%	6.1%	5.7%
EPS (Rs)	34.6	73.1	65.2	62.8
RoE (%)	16.9%	30.2%	22.8%	18.2%
P/E (x)	13.1	6.2	7.0	7.2
P/BV (x)	2.1	1.7	1.4	1.3

Source: Bloomberg Estimates

Stock Performance (2-Year) – Indexed to 100



Source: Ace equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
14th May'25	395.4	455.0	BUY	Booked profit at Rs 469.5 (+ Dividend of Rs 10.5), on 30th Oct'25.

Disclaimer

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