

February 4, 2026

Company Update

■ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
ACCUMULATE			ACCUMULATE	
Target Price	406		381	
Sales (Rs bn)	4,523	4,858	4,523	4,858
% Chng.	-	-	-	-
EBITDA (Rs bn)	302	236	302	236
% Chng.	-	-	-	-
EPS (Rs.)	39.8	27.9	39.8	27.9
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	4,403	4,471	4,523	4,858
EBITDA (Rs. bn)	254	398	302	236
Margin (%)	5.8	8.9	6.7	4.9
PAT (Rs. bn)	137	250	173	121
EPS (Rs.)	31.6	57.7	39.8	27.9
Gr. (%)	(49.4)	82.6	(31.0)	(30.0)
DPS (Rs.)	10.2	28.1	18.8	12.3
Yield (%)	2.7	7.5	5.0	3.3
RoE (%)	17.5	28.5	17.5	11.3
RoCE (%)	14.3	22.4	13.7	8.6
EV/Sales (x)	0.5	0.4	0.4	0.4
EV/EBITDA (x)	8.0	5.0	6.4	8.1
PE (x)	11.8	6.5	9.4	13.4
P/BV (x)	2.0	1.7	1.6	1.5

Key Data

	BPCL.BO BPCL IN
52-W High / Low	Rs.388 / Rs.234
Sensex / Nifty	83,739 / 25,728
Market Cap	Rs.1,619bn/ \$ 17,939m
Shares Outstanding	4,339m
3M Avg. Daily Value	Rs.2801.36m

Shareholding Pattern (%)

Promoter's	52.98
Foreign	15.03
Domestic Institution	21.31
Public & Others	10.68
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.1)	17.4	49.6
Relative	0.2	13.0	37.9

Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

Indrakumar Gupta

indrakumargupta@plindia.com |

Bharat Petroleum Corporation (BPCL IN)

Rating: ACCUMULATE | CMP: Rs373 | TP: Rs406

Long-term visibility strengthens

Quick Pointers:

- Major projects remain on track with slight revision in completion timelines
- Non-sanctioned Russian crude sourcing continues

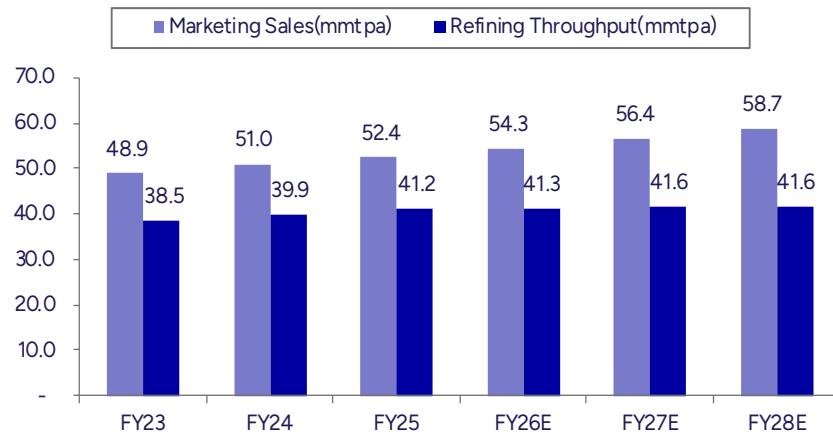
Major projects remain on track, with revised completion timelines as follows: Kochi polypropylene plant by CY28, Bina refinery/petchem expansion by mid-CY28, and Andhra Pradesh (AP) refinery/petrochem project awaiting DFR finalization. Total cost for the AP project may be revised upward to Rs1,100–1,200bn from Rs960bn, due to rupee depreciation. The AP refinery will be housed under a separate entity, with BPCL exploring a strategic partnership, including discussions with foreign partners; Oil India has already signed a non-binding MoU for participation in the project. BPCL's cumulative capex over the next 5 years is guided at Rs2,500–2,700bn. Annual capex is expected to be Rs200-250bn over the initial 2 years, ramping up to Rs500-600bn p.a. over the subsequent 3 years. Further, BPCL continues to source non-sanctioned Russian crude, in the absence of any formal communication from the ministry. Additionally, if given the opportunity to purchase Venezuelan crude, BPCL will first test its feasibility/combability with the pipelines and refinery. Subject to successful trials, the company may proceed with commercial sourcing, with expected discount of ~USD9/bbl to benchmark. We value the stock at 1.6x Dec'27E P/BV (previous: 1.5x) and maintain 'Accumulate' rating with revised TP of Rs406 (previous Rs381).

- **Major ongoing projects:** Ongoing projects are expected to deliver 12%–14% IRR.
 - **400tmtpa Kochi Polypropylene Project** - The initially approved project cost of ~Rs51bn is expected to increase marginally to Rs52–53bn due to minor scope changes, with ~80% of contracts already awarded. Equipment sourcing is largely domestic, insulating the project from currency volatility even at INR/USD at Rs90. The project is currently running about 1 quarter behind the original schedule; commissioning is expected by CY28 as against the initial Dec'27 timeline.
 - **Bina Petchem and Refinery expansion project** – The project includes refinery expansion and a petrochemical project. Of the total project pipeline of ~Rs500bn, contracts worth ~Rs260bn have been awarded. Physical progress stands at ~18% vs 22% planned due to tender timing delays, with no structural execution bottlenecks identified. The company expects to complete the project by mid-CY28, vs the earlier target of May'28. Full ramp-up is expected in FY29-30. Expected capex for this project is ~Rs360bn.
 - **AP refinery and petrochemical complex** – The proposed refinery-cum-petrochemical complex at Ramayapatnam (near Nellore) will have a capacity of 9mmtpa, with 3.4-3.6mmtpa (~40%) dedicated to petrochemicals among the highest petrochemical intensities in India.

Land acquisition is progressing well, with 7,300–7,500 acres identified. The DFR is expected to be completed by Mar'26, following which further project details will be disclosed. The project is targeted to be completed within 5 years of board approval.

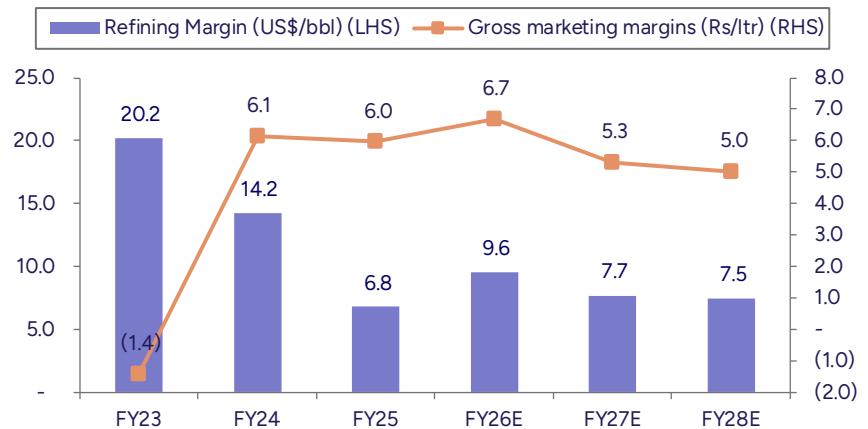
- **Total project cost has been revised upward to Rs1,100-1,200bn from Rs960bn**, due to rupee depreciation. Petrochemicals are expected to emerge as a key value driver. Government support remains strong, with land acquisition completed ~6 months ahead of schedule.
- Strategically located near Chennai and southern consumption centers, the project benefits from lower logistics costs and improved market access, addressing the shortage of large integrated petrochemical capacity in southern India (petchem capacity is currently concentrated along the western coast). Beyond polypropylene, BPCL may also be evaluating PVC production at the complex.
- **Strategic partnerships for AP refinery** – BPCL plans to develop the refinery as a separate JV with a 60:40 partnership structure. The JV may be driven by strategic considerations, rather than funding constraints. Oil India has already signed a non-binding MoU. BPCL is actively evaluating an additional strategic foreign partner with strong technical capabilities to enhance project execution and economics. The project is expected to generate an IRR of ~14%.
- **5-year capex plan** – Over the next 5 years, the company plans capex of Rs2,500-2,700bn, including ~Rs1,200bn for AP refinery. Annual capex is expected to be Rs200–250bn in the initial 2 years, ramping up to Rs500–600bn per annum over the subsequent 3 years. Of the planned ~Rs1,500bn (ex-AP) capex, ~Rs500bn is earmarked for the Bina refinery, ~Rs140bn for the Mumbai refinery, and ~Rs300bn for the Mozambique project, with the balance allocated to other projects.
- **Cash flow & funding comfort** – The existing integrated refining and marketing business generates ~Rs100bn of EBITDA per quarter (~Rs400bn annualized), providing strong and predictable cash flows to fund the planned capex without materially stressing leverage. The cumulative capex of Rs2,500–2,700bn over the next 5 years is manageable, with an incremental funding requirement of only ~Rs1,000bn, to be met through a mix of debt and equity.
- **Crude oil sourcing** – BPCL continues to procure non-sanctioned Russian barrels. Industry-wide dependence on Russian crude has moderated to ~30% from a peak of ~40%, with BPCL broadly aligned with this trend. US crude entails higher costs of USD2–3/bbl but offers supply diversification amid ongoing geopolitical uncertainty.
- **Venezuela crude sourcing** – Venezuelan crude is extremely heavy and would require testing, including pipeline compatibility. The company may initially try to source ~100kbpd to assess feasibility, while commercial-scale sourcing would require a minimum discount of ~USD9/bbl.

Exhibit 1: Throughput/volume trend



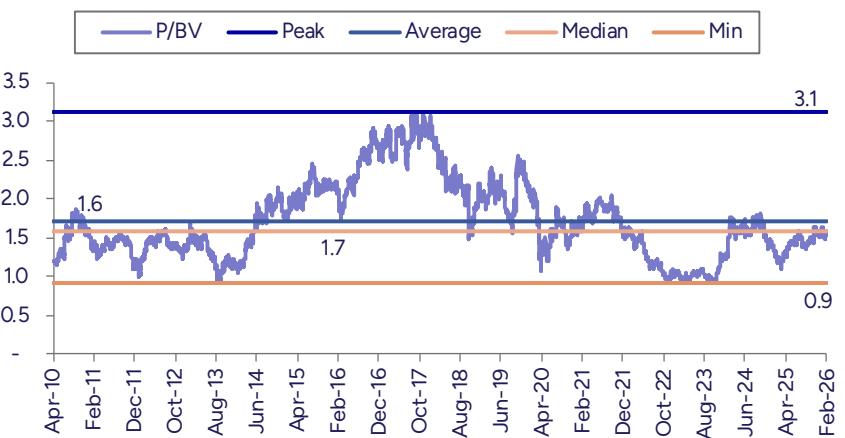
Source: Company, PL

Exhibit 2: GRM estimated at USD7.7/7.5/bbl in FY27E/28E



Source: Company, PL

Exhibit 3: Currently trading at 1.5x FY27E P/BV



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	4,403	4,471	4,523	4,858
YoY gr. (%)	(1.7)	1.6	1.2	7.4
Cost of Goods Sold	3,853	3,774	3,943	4,334
Gross Profit	550	698	581	524
Margin (%)	12.5	15.6	12.8	10.8
Employee Cost	-	-	-	-
Other Expenses	296	300	279	288
EBITDA	254	398	302	236
YoY gr. (%)	(42.4)	56.6	(24.1)	(21.8)
Margin (%)	5.8	8.9	6.7	4.9
Depreciation and Amortization	73	81	90	96
EBIT	181	317	212	140
Margin (%)	4.1	7.1	4.7	2.9
Net Interest	36	29	28	29
Other Income	27	30	28	32
Profit Before Tax	169	319	212	143
Margin (%)	3.8	7.1	4.7	2.9
Total Tax	48	80	53	36
Effective tax rate (%)	28.7	25.2	25.2	25.2
Profit after tax	120	239	158	107
Minority interest	(13)	(12)	(14)	(14)
Share Profit from Associate	-	-	-	-
Adjusted PAT	137	250	173	121
YoY gr. (%)	(49.4)	82.6	(31.0)	(30.0)
Margin (%)	3.1	5.6	3.8	2.5
Extra Ord. Income / (Exp)	(4)	-	-	-
Reported PAT	133	250	173	121
YoY gr. (%)	(50.3)	87.7	(31.0)	(30.0)
Margin (%)	3.0	5.6	3.8	2.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	133	250	173	121
Equity Shares O/s (bn)	4	4	4	4
EPS (Rs)	31.6	57.7	39.8	27.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	1,805	1,922	2,042	2,162
Tangibles	1,805	1,922	2,042	2,162
Intangibles	-	-	-	-
Acc: Dep / Amortization	707	792	871	955
Tangibles	707	792	871	955
Intangibles	-	-	-	-
Net fixed assets	1,097	1,131	1,171	1,207
Tangibles	1,097	1,131	1,171	1,207
Intangibles	-	-	-	-
Capital Work In Progress	264	307	336	364
Goodwill	-	-	-	-
Non-Current Investments	54	54	54	54
Net Deferred tax assets	(83)	(83)	(83)	(83)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	453	445	461	505
Trade receivables	93	95	96	103
Cash & Bank Balance	105	206	238	266
Other Current Assets	-	-	-	-
Total Assets	2,184	2,356	2,474	2,617
Equity				
Equity Share Capital	43	43	43	43
Other Equity	771	900	991	1,058
Total Networth	814	942	1,033	1,101
Non-Current Liabilities				
Long Term borrowings	511	562	556	550
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	750	737	764	836
Other current liabilities	27	32	38	46
Total Equity & Liabilities	2,184	2,356	2,474	2,617

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	169	319	212	143
Add. Depreciation	73	81	90	96
Add. Interest	-	-	-	-
Less Financial Other Income	27	30	28	32
Add. Other	16	12	14	14
Op. profit before WC changes	258	411	316	253
Net Changes-WC	5	(1)	16	29
Direct tax	(48)	(80)	(53)	(36)
Net cash from Op. activities	214	330	279	247
Capital expenditures	(165)	(157)	(160)	(160)
Interest / Dividend Income	-	-	-	-
Others	6	-	-	-
Net Cash from Inv. activities	(159)	(157)	(160)	(160)
Issue of share cap. / premium	-	-	-	-
Debt changes	56	51	(6)	(6)
Dividend paid	(44)	(122)	(82)	(53)
Interest paid	-	-	-	-
Others	(32)	-	-	-
Net cash from Fin. activities	(20)	(71)	(87)	(59)
Net change in cash	35	102	31	28
Free Cash Flow	49	173	119	87

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E	
Per Share(Rs)					
EPS		31.6	57.7	39.8	27.9
CEPS		48.3	76.3	60.6	50.1
BVPS		187.6	217.2	238.2	253.8
FCF		11.2	39.8	27.3	20.0
DPS		10.2	28.1	18.8	12.3
Return Ratio(%)					
RoCE		14.3	22.4	13.7	8.6
ROIC		8.7	14.8	9.5	5.9
RoE		17.5	28.5	17.5	11.3
Balance Sheet					
Net Debt : Equity (x)		0.5	0.4	0.3	0.3
Net Working Capital (Days)		(12)	(9)	(11)	(13)
Valuation(x)					
PER		11.8	6.5	9.4	13.4
P/B		2.0	1.7	1.6	1.5
P/CEPS		7.7	4.9	6.2	7.5
EV/EBITDA		8.0	5.0	6.4	8.1
EV/Sales		0.5	0.4	0.4	0.4
Dividend Yield (%)		2.7	7.5	5.0	3.3

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	1,112	1,125	1,049	1,190
YoY gr. (%)	(4.6)	(0.5)	2.1	5.2
Raw Material Expenses	954	958	871	994
Gross Profit	158	167	178	196
Margin (%)	14.2	14.9	17.0	16.5
EBITDA	78	97	98	117
YoY gr. (%)	(15.7)	71.0	116.7	54.0
Margin (%)	7.0	8.6	9.3	9.8
Depreciation / Depletion	20	19	20	20
EBIT	58	78	78	97
Margin (%)	5.2	6.9	7.5	8.2
Net Interest	5	4	4	4
Other Income	8	7	12	8
Profit before Tax	43	82	86	101
Margin (%)	3.8	7.2	8.2	8.5
Total Tax	10	20	22	25
Effective tax rate (%)	24.6	24.9	25.0	25.2
Profit after Tax	32	61	64	75
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	32	61	64	75
YoY gr. (%)	(23.9)	103.1	168.7	62.3
Margin (%)	2.9	5.4	6.1	6.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	32	61	64	75
YoY gr. (%)	(23.9)	103.1	168.7	62.3
Margin (%)	2.9	5.4	6.1	6.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	32	61	64	75
Avg. Shares O/s (bn)	4	4	4	4
EPS (Rs)	7.4	14.1	14.8	17.4

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Crude (US\$/bbl)	79	65	69	75
Refining Throughput (mmt)	10	10	10	10
GRM (US\$/bbl)	7	10	8	7
Marketing Sales (mmt)	13	14	14	14
Gross Marketing Margin (Rs/ltr)	6	7	6	5

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	24-Jan-26	Accumulate	381	349
2	07-Jan-26	Hold	374	371
3	03-Nov-25	Hold	361	357
4	03-Oct-25	Hold	347	342
5	14-Aug-25	Hold	333	323
6	03-Jul-25	Reduce	311	332
7	04-May-25	Reduce	267	311
8	22-Apr-25	Reduce	261	304
9	08-Apr-25	Hold	261	274
10	25-Feb-25	Hold	286	251

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Accumulate	466	430
2	Bharat Petroleum Corporation	Accumulate	381	349
3	Bharti Airtel	Accumulate	2,259	2,113
4	Clean Science and Technology	Hold	841	861
5	Deepak Nitrite	Hold	1,729	1,626
6	Fine Organic Industries	BUY	5,103	4,274
7	GAIL (India)	BUY	190	160
8	Gujarat Fluorochemicals	Hold	3,639	3,485
9	Gujarat Gas	Accumulate	422	399
10	Gujarat State Petronet	Hold	296	303
11	Hindustan Petroleum Corporation	Accumulate	457	428
12	Indian Oil Corporation	Accumulate	175	164
13	Indraprastha Gas	Hold	196	190
14	Jubilant Ingrevia	Hold	755	744
15	Laxmi Organic Industries	Reduce	125	143
16	Mahanagar Gas	BUY	1,356	1,074
17	Mangalore Refinery & Petrochemicals	Accumulate	162	151
18	Navin Fluorine International	Accumulate	6,722	5,751
19	NOCIL	Hold	152	148
20	Oil & Natural Gas Corporation	BUY	307	242
21	Oil India	BUY	538	426
22	Petronet LNG	Hold	281	295
23	Reliance Industries	BUY	1,683	1,458
24	SRF	Hold	2,894	2,883
25	Vinati Organics	Accumulate	1,671	1,496

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance, Mr. Indrakumar Gupta- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Swarnendu Bhushan- IIT, MBA Finance, Mr. Indrakumar Gupta- MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com