

February 4, 2026

Company Update

■ Change in Estimates | ☒ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	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

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Long-term visibility strengthens

Quick Pointers:

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

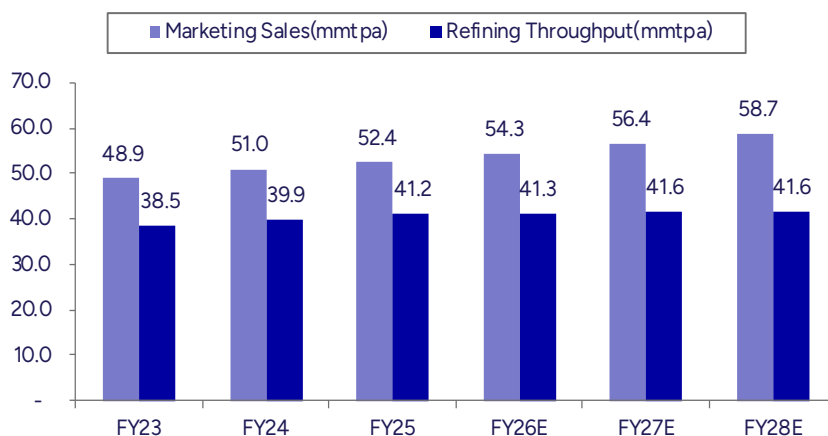
Major projects remain on track, with revised completion timelines as follows: Kochi polypropylene plant by CY28, Bina refinery/petchem expansion by mid-CY28, and Andhra Pradesh (AP) refinery/petrochem project awaiting DFR finalization. Total cost for the AP project may be revised upward to Rs1,100–1,200bn 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.

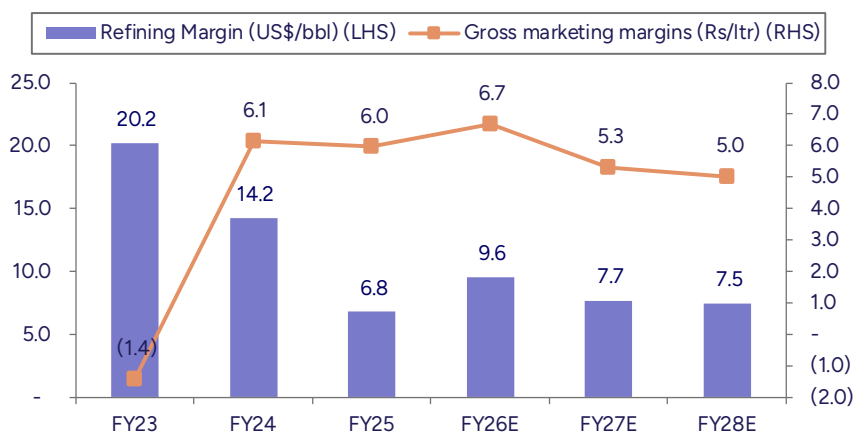
- **Total project cost has been revised upward to Rs1,100-1,200bn from Rs960bn**, due to rupee depreciation. Petrochemicals are expected to emerge as a key value driver. Government support remains strong, with land acquisition completed ~6 months ahead of schedule.
- Strategically located near Chennai 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



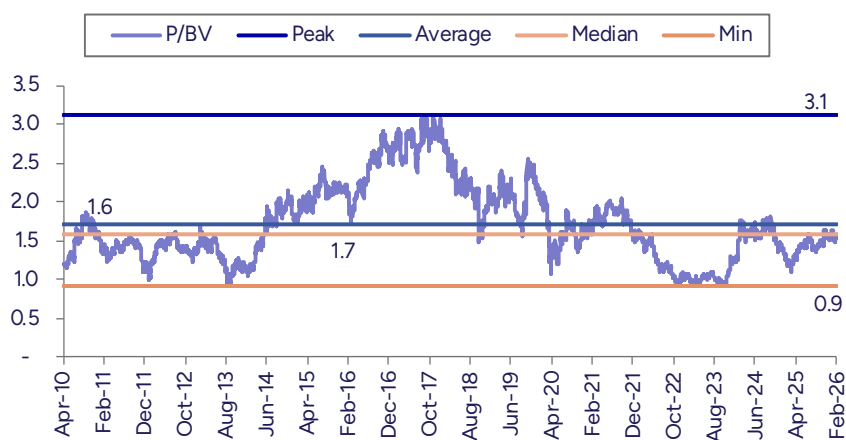
Source: Company, PL

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 Invt. 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

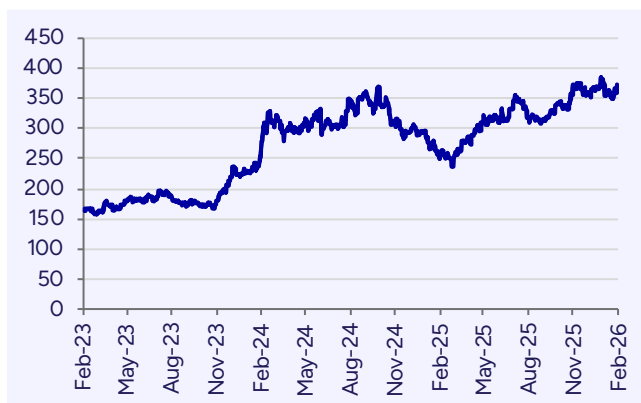
Source: Company Data, PL Research

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

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