

Fueling India's Next Leap



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Sanjay Khanna
Chairman & Managing Director

Dear Shareholders,

There are few institutions whose story can also be read through the story of a nation's progress. Over the past five decades, BPCL has had the privilege of being part of India's everyday life as well as its extraordinary ambitions. We have been fuelling mobility on expanding highways, energising industries and airports, bringing clean cooking fuel to crores of homes, and supporting the aspirations of a fast-transforming economy.

As BPCL completes 50 years of its journey, it gives me immense pleasure to present the Annual Report of Bharat Petroleum Corporation Limited (BPCL) for the Financial Year 2025-26—a landmark year that reflects both the strength of our legacy and the momentum of our transformation into a resilient, diversified and future-ready energy company.

NAVIGATING A CHANGING GLOBAL LANDSCAPE

The year unfolded amidst an increasingly complex global environment. Geopolitical tensions, disruptions in critical energy supply routes, heightened commodity price volatility and growing economic fragmentation tested the resilience of global markets. The energy sector faced unprecedented uncertainty as conflicts in key regions affected energy security, trade flows and supply chains. For the first time in history, the Strait of Hormuz, a critical energy transit route handling around 20% of global oil and LNG trade, was closed. Yet, as it has done throughout its history, BPCL responded with agility, discipline and a sharp focus on execution.

Despite global uncertainties, the Indian economy remained among the fastest-growing major economies in the world. Driven by strong domestic demand, sustained infrastructure development and prudent policy measures, this resilient growth translated into rising energy demand, expanding industrial activity and greater mobility, underscoring the critical role of the energy sector in powering India's growth and development aspirations.

RESILIENCE AMID UNCERTAINTY

Against this backdrop, BPCL delivered one of the strongest operational and financial performances in its history. Our refineries achieved the highest-ever crude throughput of 41.2 MMT while our market sales reached a record 54.2 MMT, reflecting the strength of our integrated business model. Our refineries achieved an industry-leading capacity utilisation of 116.6%, underscoring our relentless focus on operational excellence.

We also achieved our highest-ever capital expenditure of over ₹ 21,372 crore at the consolidated group level, reinforcing our commitment to building the BPCL of tomorrow through sustained investments in growth, resilience and the energy transition. These efforts, coupled with strong operational execution, enabled us to deliver a consolidated profit after tax of ₹ 25,843 crore.

These achievements demonstrate BPCL's ability to remain agile, disciplined and customer-focused in an increasingly uncertain world. While navigating short-term volatility, we have continued to invest decisively in capabilities that will define the future of our company.

PROJECT ASPIRE: ACCELERATING OUR TRANSFORMATION

The balance between delivering today and building for tomorrow lies at the heart of our transformation journey. Project Aspire, our five-year strategic growth plan, was designed to prepare BPCL for an increasingly dynamic energy landscape by strengthening our core businesses while creating new growth engines that will deliver sustainable long-term value. I am pleased to share that our transformation agenda is steadily taking shape.

Marketing continued to reinforce our leadership position in India's energy landscape during FY 2025-26. In addition to achieving record market sales, we expanded our retail outlet network to 25,323 outlets across the country. We also sustained a strong market position among public sector OMCs with a market share of 27.27%, reflecting the trust of our customers and the strength of our nationwide distribution network.

As part of our efforts to strengthen our refining operations, we have taken up the Petro Resid Fluidized Catalytic Cracking (PRFCC) project at our Mumbai Refinery. This strategic investment will enhance crude flexibility, improve product yields and reinforce our long-term competitiveness. We are also expanding our portfolio of value-added and speciality products through the commissioning of the De-Aromatized Solvents (DAS) unit, enabling domestic production of speciality solvents that are currently largely imported. In addition, we are establishing a Sustainable Aviation Fuel (SAF) co-processing facility at the Mumbai Refinery, supporting the decarbonisation of the aviation sector.

As we expand our downstream businesses, energy security remains equally important. Strengthening access to long-term hydrocarbon resources therefore continues to be a priority for BPCL. Our Exploration & Production business, BPRL, continues to play a pivotal role in advancing this objective, with our key projects in Brazil and Mozambique making steady progress. In Brazil, we achieved a significant milestone by acquiring the remaining stake in IBV Brasil, making it a wholly owned subsidiary of BPRL with a 40% participating interest. Also, procurement activities have been carried out for long lead items including the Floating Production Storage & Offloading vessel (FPSO). Project activities in Mozambique have also gained significant momentum with the lifting of force majeure, strengthening the long-term outlook for one of the world's largest LNG developments.

We are also strengthening our capabilities in global energy sourcing and trading. As part of this strategy, we established Bharat Petroleum Global Energy Services (Singapore) Pte. Ltd. (BPGES), a dedicated trading subsidiary company. This company will enhance our access to global crude and energy markets, strengthen sourcing flexibility and market intelligence, and support more agile trading and supply chain optimization.

Beyond strengthening our core businesses, we are building a portfolio of future growth engines across petrochemicals, natural gas, green energy, non-fuel solutions and digital businesses to position BPCL for the opportunities emerging from a rapidly evolving energy landscape.



Foundation Stone laying of Polypropylene Project at Kochi Refinery, Kerala by the Hon'ble Prime Minister

BUILDING THE NEXT GROWTH ENGINE: PETROCHEMICALS

Petrochemicals represent a key pillar of BPCL's future growth strategy as we build a more diversified and value-accretive energy portfolio. During the year, we made steady progress across our petrochemical initiatives. The Bina Petrochemical & Refinery Expansion Project and the 400 KTPA Polypropylene Project at Kochi continue to advance as planned. We also commenced pre-project activities for the proposed 9 MMTPA refinery-cum-petrochemical complex at Ramayapatnam, Andhra Pradesh. The refinery configuration and petrochemical product slate for the greenfield refinery have now been finalised, targeting a Petrochemical Intensity Index (PII) of around 35%, reflecting our strategic focus on maximising value-added petrochemical products. Complementing these investments, we launched our dedicated polymer brand, BePoly, and initiated phased seed marketing to establish an early market presence and build strong customer relationships.

ADVANCING THE ENERGY TRANSITION

While petrochemicals will strengthen our presence in higher value-added products, the evolving energy landscape also presents significant opportunities in cleaner fuels. Accordingly, natural gas continues to be another important pillar of our future growth strategy. During the year, we strengthened our position across the natural gas value chain through investments of ₹ 1,574 crore in City Gas Distribution infrastructure, expansion of our gas network, diversified LNG sourcing and enhanced digital capabilities. BPCL is well positioned to support India's transition to a gas-based economy through expanding city gas networks, LNG infrastructure, cleaner mobility solutions and emerging fuels such as Compressed Bio-Gas. During the year, we achieved our highest ever CBG blending of 4.15%, significantly exceeding the mandated requirement of 1%, reinforcing the adoption of renewable gas within the natural gas ecosystem.

Alongside strengthening conventional energy businesses, we are advancing our energy transition agenda with equal conviction, investing across multiple pathways that support a lower-carbon future while preserving energy security.

During the year, we made significant progress across several new-energy initiatives, translating our long-term sustainability vision into tangible outcomes. The commissioning of our 5 MW Green Hydrogen Plant at Bina Refinery marks an important milestone in our decarbonisation journey and is expected to reduce approximately 9,000 tonnes of CO₂ emissions annually. We also strengthened our renewable energy portfolio through the commissioning of a 71 MW solar project at Prayagraj, taking our installed renewable energy capacity to 251 MW.

Our renewable energy portfolio continues to expand, with a 100 MW wind portfolio under execution across Madhya Pradesh and Maharashtra, alongside the award of an additional 100 MW wind power project under the competitive bidding process of Madhya Pradesh Power Management Company Limited. Another important milestone was the commissioning of our integrated Bio-Refinery at Bargarh, bringing together both 1G and 2G ethanol production within a single complex. We also commissioned first-of-its-kind municipal solid waste-based Compressed Bio-Gas (CBG) plant at Brahmapuram, Kochi, capable of processing 150 tonnes of biodegradable waste per day and producing approximately 5.6 tonnes of CBG. Together, these initiatives reinforce our commitment to achieving Net Zero Scope 1 and Scope 2 emissions by 2040.

BUILDING AN AGILE, CUSTOMER-CENTRIC ORGANIZATION

Beyond energy transition, we are also transforming customer experience by leveraging our extensive physical footprint to create new value propositions and diversified revenue streams.

During the year, we continued to transform our retail outlets into integrated customer destinations. A key initiative in this journey has been DriveFresh, which reflects our belief that customer experience extends well beyond fuelling. By ensuring clean, hygienic and digitally monitored washroom facilities across more than 642 retail outlets, including key highway locations, DriveFresh is helping set new standards of convenience, dignity and care for travellers while strengthening trust in the BPCL brand. We expanded our footprint to over 200 'In & Out' convenience stores, strengthened

our rural retail presence through more than 1,000 UrjaDevis, and grew the BeCafe network to 212 outlets, offering customers a differentiated on-the-go experience. We commissioned 11 new Wayside Amenities (WSAs), taking the operational network to 31, while expanding Apna Ghar trucker facilities to 265, reaffirming our commitment to delivering convenience to highway travellers. We also accelerated the development of EV fast-charging corridors across the country, expanding our network to over 4,500 EV fast chargers and making long-distance electric mobility more accessible and convenient.

Enabling many of these transformations is a rapidly evolving digital backbone that is reshaping the way we engage with customers, manage operations and make decisions across the enterprise.

Digital transformation remains a key enabler of BPCL's journey towards becoming a more agile, customer-centric and future-ready organisation. Our flagship platform, HelloBPCL, has evolved into a comprehensive digital ecosystem, empowering over 1 crore customers to manage their energy needs seamlessly. UFill continues to redefine the retail fuelling experience, expanding to more than 17,000 retail outlets and facilitating over 150 million transactions during FY 2025-26. In LPG, we achieved 100% digital booking of Bharatgas cylinders, ensuring greater transparency and genuine end-use. We further enhanced customer trust and delivery assurance through OTP-based authentication, with 98.4% of LPG deliveries validated through the Delivery Authentication Code (DAC). Our AI and ML-enabled command-and-control platform, IRIS, enhances operational visibility, safety and efficiency across retail outlets, terminals and LPG bottling plants. By embedding digital intelligence across our value chain, BPCL continues to build a smarter, safer and more responsive organisation.

INNOVATING FOR TOMORROW

Innovation remains central to BPCL's future growth. Through Project Ankur, we continue to partner with startups and innovators to develop future-ready solutions aligned with our strategic priorities. Through this initiative, we have supported 31 startups with grant funding of approximately ₹ 28 crore, while also establishing the BPCL Ankur Fund with a corpus of ₹ 50 crore to invest in high-potential startups aligned with our strategic priorities. Focused on areas such as energy efficiency, city gas distribution, green technologies and cybersecurity, Project Ankur is helping BPCL collaborate with innovators and build future-ready solutions for the evolving energy landscape. The future of energy will belong to organisations that innovate continuously, and BPCL is committed to remaining at the forefront of this transformation.

Even as we continue building the BPCL of tomorrow, we remain prepared to navigate the inevitable challenges of an increasingly dynamic global energy landscape.

CHARTING OUR WAY FORWARD

While the first quarter of FY 2026-27 was financially challenging, resulting in a loss of ₹ 3,962 crore due to elevated crude oil prices driven by geopolitical tensions in the Middle East and suppressed marketing margins, it also demonstrated our resilience, operational agility, ability to navigate uncertainty, and collective strength to work together as One BPCL. Importantly, these short-term challenges have not altered our long-term direction; rather, they have reinforced the importance of building a more diversified, resilient and future-ready business.

India's emergence as a leading economic and energy power presents significant opportunities. Growing energy demand, expanding infrastructure, rising petrochemical consumption, increasing gas penetration, and the rapid adoption of cleaner energy solutions will create new avenues for growth. With its integrated business model, diversified portfolio and long-term strategic vision, BPCL is well positioned to capture these opportunities and create sustained value.

At the same time, the global energy system is undergoing one of the most profound transformations in its history. The future will be defined by the balance between energy security, affordability and sustainability. Guided by this reality, we are strengthening our core businesses while building new growth platforms across petrochemicals, gas, renewable energy, digital businesses and customer-centric solutions.

As we enter the next phase of our journey and celebrate 50 years of nation-building, we do so with confidence, purpose and optimism. The future belongs to organisations that have the courage to transform before they are compelled to, and BPCL is committed to leading that transformation.

BPCL is not merely adapting to the future of energy—we are helping shape it.

As we celebrate 50 years of BPCL's journey, I would like to place on record my sincere gratitude to the Ministry of Petroleum & Natural Gas for its continued support and guidance. I am also thankful to my fellow members on the Board of Directors for their valuable counsel and leadership. The progress we have achieved this year reflects the collective efforts of all our stakeholders, including Government authorities, business partners, channel partners, customers, vendors, bankers and investors. Above all, I extend my deepest appreciation to every member of the BPCL family whose dedication, resilience and commitment have enabled us to navigate challenges, seize opportunities and advance our transformation journey. While strategy, technology and investments are essential enablers of growth, it is our people who remain BPCL's greatest strength and the true foundation of our success. Finally, I thank our shareholders for their enduring trust and confidence, which inspire us to pursue our vision with greater purpose and ambition.

As we transform into a diversified, integrated energy company of the future, BPCL remains committed to delivering innovative energy solutions that enable Bharat to leapfrog towards a more sustainable, self-reliant and prosperous future.

"The future is not something we enter. The future is something we create."

Together, let us continue creating the future of energy.

Sanjay Khanna

Sanjay Khanna
Chairman & Managing Director