Operator: Ladies and gentlemen, good day and welcome to Bharat Petroleum Corporation Limited's Q4 FY26 earnings conference call hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Varathirajan Sivasankaran from Antique Stock Broking Limited. Thank you and over to you, sir.

Varathirajan Sivasankaran - Antique Stock Broking Limited: Thank you, Mission. A very good morning everyone. It is a pleasure to welcome all the participants on this call as well as BPCL senior management for the Q4 FY26 BPCL results conference call. With us we have Mr. V.R.K. Gupta, Director Finance; Mr. Pankaj Kumar, ED Corporate Finance; Mr. Ashish Goel, CGM Corporate Treasury; Mr. Aditya Vatsavai, DGM Finance; and Mr. Balagirish, Senior Manager Finance. I request Mr. Gupta to deliver the opening remarks.

Management: Before we join the call with Mr. Gupta, let me just briefly start with the statement. Thank you, Mr. Varathirajan. Good morning. On behalf of the BPCL team, I welcome you all to the post-Q4 results conference call. Before we begin, I would like to mention that some of the statements that we would be making in today's call are based on our assessment of the matter and we believe that these statements are reasonable. However, their nature involves a number of risks and uncertainties that may lead to different results. Since this is a quarterly result review, please restrict your questions to the Q4 results. I now request our Director Finance, Mr. V.R.K. Gupta, who is leading the BPCL team for this call, to make his opening remarks. Thank you and over to you, sir.

Management: Good morning everyone and thank you for joining the call today. I hope you have had an opportunity to review our results and earnings release uploaded on the exchanges. As you are all aware, we are meeting in turbulent times amid ongoing tension in West Asia, driving both the global and domestic economies through an uncertain phase. There has been a major disruption in the global energy supply chains, with impacts seen across all sectors and geographical segments. Crude and product prices, which remained broadly range-bound for much of FY26, witnessed heightened volatility towards the end of the year and disruptions to flow through the Strait of Hormuz. Forex fluctuations and geopolitical developments continue to remain the key drivers for energy markets.

Against this backdrop, we have continued to demonstrate operational resilience across our refining, marketing, and infrastructure businesses, while remaining firmly committed to supporting India's energy security objectives and ensuring uninterrupted fuel availability across the country. Although we witnessed short-term spikes in demand due to panic-risk reactions resulting in initial disturbances in market supply, we have been managing the situation to ensure sufficient supply security in close coordination with OMCs and under the able guidance of MoPNG. I am happy to share with you that despite mounting challenges amid the ongoing crisis, we have ensured smooth supply of all essential petroleum products—MS, HSD, and LPG—across the country. While our financials for FY26 have been strong, since the large impact of the war is not fully realized in Q4 due to timing differences, Q1 FY27 is going to be a challenging period.

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Let me now take you through the operational and financial highlights for the quarter and the year. Regarding the Refinery: even during the recent war situation, we continued to maintain crude supply security through flexibility in crude sourcing by diversifying procurement strategy and the ability to process multiple crude grades across geographies. We have increased our Russian crude procurement from 25% in Q3 to 31% in Q4 and it continues to increase to fill up our supply gaps in the light of the current situation. Further, we have diversified to eight new grades of crude during the year covering four geographical regions. I would also like to assure stakeholders that crude supplies have been secured through July 2026.

Our refining business delivered a resilient operational performance during the quarter, supported by optimized crude sourcing, robust refinery operations, and disciplined execution. During the year, our refineries operated at 116% of capacity utilization with refinery throughput of 41.15 MMT, which is our highest ever, and a distillate yield of 84.54%, reflecting the strength and complexity of our refining portfolio. Our gross refining margin (GRM) for the year FY26 stood at 11.74 in US dollars per barrel.

On the marketing side, our business continued to maintain healthy momentum driven by steady demand growth across retail and commercial fuels. During the year, our overall domestic sales volume stood at 54.18 MMT, representing an overall growth of 3.5%, with petrol sales growing by 5.7%, diesel by 1%, and ATF by 11.4%. BPCL continued to maintain leadership in throughput per retail outlet among PSU competitors with an average throughput of 143 KL per month in Q4 FY26, strengthened by strategic marketing access, strong highway presence, and continued focus on customer experience and retail productivity. In the retail segment, we continue to expand our customer and infrastructure footprint during the year. BPCL commissioned 1,697 new retail outlets during this year, taking the overall retail network to 25,343 outlets. Our EV charging network expanded to 6,823 stations, while the CNG network increased to 2,650 stations, achieving network leadership in CNG among PSUs. Digital customer engagement initiatives including the SBI BPCL Octane card and UFill continue to witness strong customer adoption and engagement.

Further, in our allied retail businesses like Apna Ghar, B-Cafe, wayside amenities, and in-and-out stores, we continue to strengthen our non-fuel offering through the expansion of convenience and customer-focused formats across our network. In the latest April retail market share data, we have achieved 30.02% in MS and 29.61% in HSD within the retail segment.

In the LPG segment, as of March 2026, the cumulative negative buffer towards LPG compensation stood at 12,319 crore. This is after accounting for the five installments received from the Government of India since November 2025 against the announced compensation of 7,594 crore.

Our gas business continued to deliver strong growth momentum during the year. The annual sales volume stood at 2.29 MMT, registering a growth of 26.5% year-on-year. The CNG segment in our GAs recorded sales volume of 248 TMT, reflecting robust growth of 62.1%. The business also achieved 100% utilization of the regasification capacity booking with Petronet LNG, a first since the inception of LNG imports by BPCL.

Let me now update you on the progress of our strategic growth projects and long-term value creation initiatives. The de-aromatized solvents project at Mumbai Refinery with an annual capacity of 200 TMT was commissioned during Q4 FY26. This first-of-its-kind "Make in India" initiative is an

import substitution and strengthens our presence in the niche specialty products segment. The Krishnapatnam-Hyderabad pipeline, a 425 kilometer, 2.6 MMTPA multi-product pipeline, was commissioned in Q4 FY26. The project strengthens supply chain efficiency and provides critical availability infrastructure for the upcoming projects while reflecting our broader focus on logistics infrastructure. Further, during the year, we commissioned two retail depots, two LPG bottling plants, three aviation fueling stations, and two gas pipelines to strengthen supply and distribution capabilities. In addition, projects such as the Irugur-Devangonthi and Mumbai Refinery pipelines are under implementation to further strengthen supply chain resilience and network connectivity. We successfully commissioned 1G and 2G ethanol plants of 100 KLD capacity each at Bargarh in Odisha in October 2025 and March 2026 respectively. The project is aligned with the national policy on biofuels aimed at enhancing energy security, reducing crude oil imports, and promoting cleaner and greener fuels.

As part of our Project Aspire growth agenda, I would like to provide a brief update on our key strategic projects. The Bina petrochemical and refinery expansion project has achieved 23% progress against a planned schedule of 32%, with 4,700 crore incurred and 25,400 crore already committed. The schedule variance is primarily due to geopolitical developments and associated supply chain challenges affecting manufacturing and delivery. However, critical long-lead items remain on track and all major packages have been awarded by February 2026. Additionally, the recent Middle East conflict has impacted supply pricing and execution timelines. We are actively monitoring the situation and implementing mitigation measures to minimize the impact on the overall timeline.

For the Andhra Pradesh refinery-cum-petrochemical project, which is proposed to be a 9 MMTPA refinery and petrochemical complex, key preparatory activities are progressing as planned. Environmental and technical studies have been completed, while detailed engineering and financial appraisal activities are currently underway. This project is supported by strong incentives from the State Government of Andhra Pradesh. Other major projects, including the PRF project at Mumbai Refinery, the polypropylene project at Kochi, and the POL and LOBS installation at Rasayani, are also progressing steadily in line with the planned commission timelines.

Regarding the upstream segment, I am happy to share the following updates. On the Mozambique block: on November 7, 2025, the operator informed the Government of Mozambique that force majeure had been resolved. Work has resumed in full swing and the first LNG cargo is expected by mid-2028. Presently, around 6,000 manpower is on-site and around 42% of the project schedule has been completed. Further, on the BM-SE-11 Brazil project, the FPSO tender has been finalized and will be awarded shortly. Work has commenced for development and first gas is expected by 2031-32. The FID has been approved by the operator. Also, through our SPV, Urja Bharat Private Limited, the first oil discovery in the unconventional Shelaf play has been made in Block 26 in the UAE. BPRL has also witnessed an oil discovery during testing of the exploration well XN-79-02-S in the Onshore Block 1. These positive developments are very encouraging and a significant achievement for BPRL as an international operator.

On the green energy front, we are advancing the renewable push with 251 MW installed capacity and additional wind and solar projects under execution for 100 MW. The overall capital outlay for the projects under renewables is 1,570 crore. On an overall basis, we incurred a capex of 20,400 crore

this year. The capex target for FY27 is 25,000 crore. Our capital allocation approach remains prudent and disciplined, with a continued focus on project execution, balance sheet strength, and sustainable returns.

Let me now guide you through the financial highlights for the quarter. The revenue from operations stood at 1,34,896 crore, the standalone PAT at 3,191 crore, and the consolidated PAT at 5,625 crore. Our standalone net worth as of March 31, 2026, is 95,233 crore. The earnings per share (EPS) for the quarter is 7.47 per share. As of March 2026, the debt-to-equity at a standalone gross borrowing level is 0.11. Overall standalone gross borrowing is 10,480 crore, and we have current investments, including oil bonds, at over 18,465 crore, placing us at a net surplus on a standalone basis. At the group level, debt-to-equity is 0.43, with gross borrowings of 43,482 crore. The net debt-to-equity ratio, net of current investments at the group level, is 0.25. Given prevailing uncertainties in global energy markets, we will refrain from providing forward-looking guidance at this stage. With this, I conclude my opening remarks and would now be happy to take your questions. Thank you.

Operator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen – ICICI Securities: Thank you for the opportunity, sir. First of all, congratulations on a good set of numbers. I have a couple of questions around the performance. One, if we look at the derived refinery margins for the fourth quarter, is it fair to say that there has been some inventory positive impact in the refining numbers for this quarter? This is given the timing difference between stock units and the way prices have behaved. Directionally at least, can we assume that there has been a significant inventory gain impact in this quarter?

Management: Generally, we do not calculate refinery inventory gain or losses because our average inventory is less than the purchase cycle. However, when price fluctuations are significant, during that period, there will definitely be some gains. While we cannot give exact guidance on what the inventory gains would be, inventory gains definitely helped the refining margins in Q4.

Probal Sen – ICICI Securities: Sure, that is useful, sir. The second question was with respect to the supply mix. You already alluded to the rising share of Russian crude in our overall supply, and that has helped us offset the shortage from the Gulf. Can we get a a little more granular sense of what kind of supply sources are now tied up through July 2026 as you mentioned? Other than Russia, what are the other destinations?

Management: We have WTI as one destination, we have tried Venezuelan crude, and even Middle Eastern spot grades are available, such as Murban and others; these are all available in the market. We tested at least four new grades last year—Venezuela, Brazil, and Angola—and many grades are available in the spot market. However, the major source is coming from Russia. Even for the period through July 2026, the major source on spot is Russia. At the beginning of the year, we allocated around 55% of our requirement for term contracts, but we are not receiving the full term amount. We are getting around 45-46% of our term requirement, as there are constraints in the Strait of Hormuz. We are facing a shortage of about 10% in our term supplies, so we are moving that 10% to the spot market. Otherwise, at the beginning of the year, we planned for 45% spot; it is now around 55% spot.

Probal Sen - ICICI Securities: That is very useful, sir. If I can ask a small follow-up: we know that the crude assay, the API, and other characteristics of WTI and Venezuela are very different. Assuming that we have to rely more on those sources, will it have an impact on our distillate yield going forward if the total crude from those sources increases even more?

Management: No. While the distillate yield will change, there will be a commercial benefit as well. We look at the net-net GRM value addition at the refinery. We balance the products based on product demand, crude requirements, and optimized profitability. We cannot take Venezuelan crude directly; we can only take it as a blend. Accordingly, we are planning small cargo sizes that we can blend with other grades to take to the refinery.

Probal Sen - ICICI Securities: Right. One last question. In terms of capex, you already mentioned the overall number of 25,000 crores. Can we get a breakdown in terms of segments or key projects for FY27?

Management: Our major projects are mainly the Bina Petrochemical project. For Bina, we have allocated around 11,000 crore for FY27 for both the refinery and petrochemicals. Out of that, there are three major projects: Polypropylene at Kochi, PRF at Mumbai, and Bina. For these refinery projects and regular capex, we have allocated around 11,000 crore. For marketing initiatives, including our new retail outlet expansion, infrastructure expansion, and supply logistics expansion, we have allocated around 10,000 crore. For BPRL, we have planned around 2,250 crore of equity infusion for ongoing projects. For the CGD network, we have allocated around 2,900 crore for continuous expansion. Put together, it is a 25,000 crore capital expenditure for FY27.

Probal Sen - ICICI Securities: That is very useful, sir. Thank you for your time. I will come back in the queue.

Operator: Thank you. The next question is from the line of Vivekanand S from Ambit Capital. Please go ahead.

Vivekanand S - Ambit Capital: Thank you for the opportunity. I have two questions. The first one is on the impairment that you booked this quarter. In your opening comments, you mentioned that construction activity in Mozambique is underway and you expect first LNG from Mozambique in mid-2028. Why did you take an impairment even after the construction restarted in Mozambique?

The second question is on the retail fuel operations. Do you see the current environment as conducive for you to gain market share, given that some of the private players who were looking to expand may now rethink due to the uncertainty on the marketing side?

Management: To answer the first question, the impairment in our upstream venture is mainly for the Brazil venture, not for Mozambique. There is no incremental impairment for Mozambique during this year because the work is progressing according to schedule and 42% completion is good progress. An impairment for the Mozambique project is not warranted at this point. The major impairment is for the Brazil project. In fact, it took almost 3 years to finalize the FPSO tender. That was the reason the project completion schedules have been further extended to 2031-32. The oil will come in 2031 and gas will come by the end of 2031 or 2031-32 eventually. Initially, we thought Brazil's gas and oil would come around FY29. Since the project is being delayed by around 1.5 to 2

years, when you discount the future estimated cash flows to the current value, it warranted an impairment, assuming all other parameters remain at the same assumptions. Since the project delay is happening in Brazil, that was the reason there is a need for impairment.

Regarding the second question on the retail segment and whether increasing market share is good in the current context: generally, we do not view an increase of market share on a temporary basis. At some point, retail customers may move around. However, as a long-term strategy, our endeavor is always to improve our market share. These are temporary time periods where we have to face challenges, but our market share initiatives are focused on the long term. Sometimes, based on current market conditions, market share can go up, but our endeavor is to sustain market share on a long-term basis.

Vivekanand S – Ambit Capital: Thanks. Just one follow-up. As far as the carrying value of BPRL goes, it is around 4,100 crore. Is there any broad breakdown you can share of the split of this carrying value across the key assets?

Management: We will share that separately. As I mentioned, the impairment during this year is mainly for the Brazil block. The entire impairment of 2,300 crore is only for the Brazil block. For all other assets, there is no incremental impairment during this year.

Vivekanand S – Ambit Capital: Okay, thank you so much and all the best.

Operator: Thank you. Ladies and gentlemen, in order to ensure that the management will be able to address questions from all the participants, kindly limit your questions to only two per participant. The next question is from the line of Mayank Maheshwari from Morgan Stanley. Please go ahead.

Mayank Maheshwari – Morgan Stanley: Thank you for the call, sir. My first question was on marketing again. I think we have seen almost a year of relative market share loss compared to the other peers. Is there anything you can suggest that will help reverse that? Obviously, it is less conducive right now, but over the medium term, what is BPCL doing regarding that?

Management: Our primary objective is to ensure there is no disruption on the supply side. We must continue to supply the market so that no customer suffers due to the non-availability of fuel. In terms of market and market share expansion, it is a continuous exercise. Our endeavor is to reach at least a 32% market share in the retail segment over a period of time. This is the reason we have taken many initiatives in the retail field. One strategy we have adopted is network expansion. We are also bringing more initiatives to provide greater convenience to customers. These two initiatives are our long-term strategy to increase our retail market share to around 32% in a couple of years.

Mayank Maheshwari – Morgan Stanley: Got it, sir. The second question was related to the upstream side. In terms of total investments in upstream and your share across the portfolio, and now that you have some good discoveries as well, how is BPCL thinking in terms of capital allocation to upstream as a percentage of total capex over the next 5 years?

Management: We have three major projects in hand where the exploration stage is already completed. Now they are either in the development stage or some work has been completed. Let

me explain these projects one by one.

First is Mozambique, our flagship project, which has a reserve size of around 70 TCF. The first phase of development is happening for 13 TCF, and our stake is 10%. For that, 42% is already completed. There is huge potential for future expansion once this phase is finished. Regarding cash flows, the first phase is mostly project finance; there is no equity commitment from our side for Mozambique beyond what we have already committed and invested. Future investments will mainly come from project finance. There is no future capital commitment from BPCL through equity. In subsequent phases, the cash flow from the first phase will be reinvested. That is the broad plan for Mozambique.

Coming to Brazil, the total project capex is around 6.4 billion dollars. Our share is 40%, which is 2.8 billion dollars. Our future capital contribution will be around 1.2 billion dollars to be invested over a period of 3 to 4 years. This is only for one development in the field. There is potential for another development in the same field. Exploration and drilling are yet to happen, but initial estimates suggest similar reserve sizes are available in another field. While we cannot comment definitively on that potential now, for the existing field in Brazil, we expect a daily production of around 80,000 barrels per day of crude, 40% of which is through our joint venture, IBV. This is good equity oil. We can bring these equity oil rights to India if we want, or we can market them elsewhere based on the commercial position at the time.

The third one is through the Lower Zakum and Upper Zakum blocks in the UAE. These are already producing blocks providing good volume, as the Indian consortium has a 10% stake. We also completed another discovery during FY26. Now we will move to the development plan and those activities will follow. Based on initial estimates, we are hopeful that we have a good amount of extractable reserves there. Once that plan is ready, we will communicate it. Beyond that, we have certain producing blocks in India, but they are smaller in size. Our long-term strategy is to have at least 6.5 to 7 MMT of crude capacity in our group balance sheet. That is our short-term target. With these projects, we are hopeful we will reach that level.

Mayank Maheshwari – Morgan Stanley: Great, sir. Thank you.

Operator: Thank you. The next question is from the line of Nitin Tiwari from PhillipCapital India. Please go ahead.

Nitin Tiwari – PhillipCapital India: Hi sir, good morning and thank you for the opportunity. My questions are regarding your key capex projects. Could you summarize the planned capex for the three current projects: Mumbai, Kochi, and the Bina refinery? Is there any re-look at those amounts given the sharp depreciation in the INR? Related to that, given the challenges we are facing in operating cash flow this year, is there any re-look at the capex program? How do we see our debt-to-equity ratio changing relative to currently generated operating cash flows and the capex ahead?

Management: Let me explain our three major flagship projects. One is the Bina Petrochemical complex; the total project cost is around 49,800 crore. Out of that, the foreign component is only around 6,500 crore. Even if there is significant currency fluctuation, the impact on the foreign component is limited. Even with a 10% depreciation, the impact on the foreign exchange

component would be around 700 crore. All other components of the project cost are INR denominated. Around 20% of the project growth contracts have been awarded on fixed-price contracts, so there will not be any price impact on those already awarded. Perhaps 20-25% of the project work is yet to be awarded, which may have a small impact, but we are hopeful that we can complete the project within the plus or minus 10% limit of the approved cost. We have to wait and see how inflation behaves over the next 1 or 2 years, but currently, we believe we can complete Bina within that margin.

For the Polypropylene project at Kochi refinery, almost 85-90% of the projects have been awarded. We initially approved this for 5,000 crore, plus or minus 10%. Based on current estimates, we will be able to complete the project at that level. We do not expect any price escalation. The third project is PRF at the Mumbai refinery, which we approved last year. Work has just started; license selection and BDEP are ongoing. We do not foresee any major cost escalation at this point. Once we reach 30-40% progress next year, we will know if there are price escalation indications. These are our three major projects in India.

All other capex allocations are for short-term projects that can be completed in 1 or 2 years, such as pipelines or infrastructure depots. We do not foresee major price escalations there. Even if steel and material prices increase, that component is small. We are hopeful of completing them within or around the original estimated numbers. For the upstream side, the revised cost for Brazil has been approved by our board subject to government approval. The Mozambique cost has also been approved by the board, and 42% of the project is complete. We believe that project can be completed within the approved cost.

Regarding the balance sheet and managing cash flows: we have a very strong balance sheet. Even as of March 2026, despite spending around 20,000 crore on capex last year, we maintained our debt-to-equity at 0.11 on a standalone basis and 0.25 on a consolidated basis after netting off investments. We expect capex of 25,000 crore or more this year; it might even reach 26,000 or 27,000 crore if things go smoothly. Even with this, we are not foreseeing a big jump in debt-to-equity, provided crude prices settle.

We do not know how things will move in the next couple of months, but we believe the challenges we currently face are short-term. Once things settle and the blockade at the Strait of Hormuz is removed, the supply side should normalize. We are hopeful that price stability will return by July or August. We do not foresee significant stress on the balance sheet. There may be short-term cash flow mismatches requiring some borrowing, but we are hopeful for the year-end. Our long-term projection is that debt-to-equity will not exceed 1:1 at the group level even with all planned capex. Once projects are completed, new cash flows will come in, and the debt-to-equity should return to a normal level in a couple of years. We ensure debt-to-equity does not cross 1:1 at its peak, and we are generally comfortable maintaining it at the 0.3 to 0.4 level.

Nitin Tiwari - PhillipCapital India: Thank you for the detailed answers. My second question is related. We have supply challenges due to disruptions in the Middle East and cash flow challenges due to pricing restrictions. Is there any thought among OMCs to step back to a regulated regime? In a regulated regime, we used to get our under-recoveries back for petrol and diesel. Technically, these products are deregulated, but there are severe under-recoveries with no roadmap for

recovery. Any thoughts on that?

Management: LPG is already a regulated product. For under-recoveries in LPG, we are hopeful that some form of support will come from the Government of India, as they have supported us in the past. For other products, we feel it is a short-term challenge rather than a permanent one. We have seen this situation before, including during the Russia-Ukraine war. We believe it is a short-term challenge and we will return to a normal scenario.

Operator: Thank you. The next question is from the line of Sarthak Tita from DSP AMC. Please go ahead.

Sarthak Tita – DSP AMC: Hi sir, congratulations on a good set of results. On the marketing front, regarding fuel availability, we have been reading about shortages or changes in the working capital structure for dealers. Could you provide clarity on whether there are shortages at highways or pumps?

Management: There is no shortage of fuel. Our refineries are operating at 118% capacity utilization. Crude is available and flowing consistently. Sales grew by 3.6% last year, which is higher than the expected growth of 2.5%. We are continuously catering to market needs. Regarding credit, we are still extending credit to dealers. There is no stoppage. We extend credit based on requirements. However, if money does not come back on time or if there are defaults, we may apply certain restrictions. We provide credit, but they must pay the company back within 3 or 4 days once they collect the cash. If there are defaults, we put a control in place for those customers.

Operator: Thank you. The next question is from the line of Sabri Hazarika from MK Global Financial Services. Please go ahead.

Sabri Hazarika – MK Global Financial Services: Good morning, sir. There was a press article quoting management saying BPCL's current Russian crude share is around 40-45% and discounts are around 6 to 8 dollars per barrel versus 12 to 13 dollars. Can you confirm this?

Management: Regarding the percentage, the share of Russian cargo has definitely increased recently. In Q4 FY26, it was 31%, but currently, since most supply on a spot basis is coming from Russian grades, the offtake is higher at around 40-41%. Regarding discounts and premiums, these change daily. Last year, Russian crude was in a discount scenario; this year, it is in a premium scenario. It depends on demand-supply and sanctions on Russian cargoes. If there are no sanctions, it is a free market; if there are, it is a tight market. I cannot say it is currently available at a discount. At the moment, it is not.

Sabri Hazarika – MK Global Financial Services: Got it. Regarding your inventory position, how much crude, LPG, and product stocks does the company have?

Management: We generally keep crude stocks for 25 to 27 days. Sometimes it will be one or two days higher because we prefer keeping a higher inventory level. As of March 31, 2026, crude inventory was 27 days, compared to 26 days the previous year. We might go up to 28 or 29 days occasionally, but we cannot go beyond 30 days because we do not have additional tankage storage. For products, it was 25 days on March 31, 2025, and 24 days on March 31, 2026. We keep

it in a similar range. For LPG, it changes every day. If we receive a cargo today, the coverage is higher. A cargo might be consumed in 3 to 4 days, then the coverage drops. We are comfortable keeping around 15 to 20 days of coverage, but sometimes it may be less than 15 days.

Operator: Thank you. The next question is from the line of Vineet Punka from Nomura. Please go ahead.

Vineet Punka – Nomura: Hi sir, thanks for the opportunity. Media reports suggest Russian crude sanctions will expire by mid-June as they were extended by one month. You said you have booked supplies through July, mostly from Russia. Is there a shortfall risk if these sanctions are not extended?

Management: Russian crude is not sanctioned. Only certain entities have been sanctioned. Iranian crude is sanctioned. Since the crude itself is not sanctioned, we have the right to buy from non-sanctioned entities. Even before the war, we bought Russian crude from non-sanctioned entities. During the waiver period, you can buy Russian crude from any party; after that, you can only buy from non-sanctioned entities. We always maintain those controls. All Russian crude we buy is from non-sanctioned entities, including the vessel owner, port, and supplier.

Vineet Punka – Nomura: Very clear. Regarding the LPG under-recovery, I understand from peers it is around 670 to 680 rupees per cylinder. Saudi CP has risen to 800 dollars per ton. If I plug this in, the number appears lower than 680 rupees. What changed in the calculation? Is there a higher spot premium because sourcing shifted from the Middle East to the US or Venezuela, and are there higher logistics costs?

Management: You are correct; those are the two additional components. Logistics costs have increased significantly. Pre-war, the freight cost world scale was around 50 to 55; it has peaked at 600 to 700 recently. Freight costs have really increased. Secondly, Saudi CP applies only to term contracts. In the spot market, you may have to pay a premium of 200 or 300 dollars. When taking cargoes from the US, freight rates are very high because the transit period for a round trip is almost 90 days. Engaging a tanker for 90 days results in higher freight costs. If you add those two components, the actual under-recovery is around 650 rupees.

Vineet Punka – Nomura: Have we signed any long-term LPG contracts from sources other than the Middle East? What is the benchmark?

Management: Last year, the industry signed for about 10% of our LPG requirements from US supply. Those supplies have started. The benchmark is mostly Saudi CP plus or minus 10 to 15 dollars. In a given month, the landing cost might be Saudi CP minus 10 or plus 10 depending on the freight rate. We signed that for 10% of our term. Recently, we also started taking spot LPG from US suppliers by sending our time-chartered vessels. The landing cost there will be higher than the term we signed.

Vineet Punka – Nomura: Can you provide a number for the refinery margin trend in April and May?

Management: We cannot give any guidance for April or May refining margins. We ended FY26 at 11.74. We cannot give a specific margin because it depends on many parameters that change daily: crude price, premiums, freight, insurance, and product prices. There is no stable environment to

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provide an indicative GRM.

Operator: Thank you. The next question is from the line of Yash Nandwani from IIFL Capital. Please go ahead.

Yash Nandwani – IIFL Capital: Thank you for the opportunity. Could you provide a sense of the delivered crude cost currently? We understand OMCs are paying a premium over dated Brent along with elevated freight and insurance. Could you share a broad range for crude premiums?

Management: It depends on which source we get the crude from. Indicatively, if you want to finalize a deal today with Brent at around 110 dollars, our landing will be around 120 or 122 dollars. My landing cost changes every day.

Yash Nandwani – IIFL Capital: And given the current situation, is it fair to assume we could see meaningful price hikes at periodic intervals rather than a complete move back to daily price revisions?

Management: I cannot comment on this, please.

Operator: Thank you. The next question is from the line of Sumit Arora from Smart Sun Capital PTE Limited. Please go ahead.

Sumit Arora – Smart Sun Capital PTE Limited: Good morning, sir. You said you do not expect stress on the balance sheet, which is perplexing given the current under-recoveries across all products. If prices for bread or milk can increase, what is stopping fuel prices from moving up when other countries have raised prices? Is there an inflection point where you align prices to the market? We are losing a lot of money across the three OMCs. Can you share your thoughts from an investor's perspective, especially if this continues for 85 days or more?

Management: When I said there is no stress on the balance sheet, that was the status as of March 2026. Even with certain under-recoveries in March, we could withstand it. Regarding the future, we can absorb this environment for a limited period. If it continues, no bank can absorb it indefinitely. Once cash flow mismatches occur, we can absorb it for a month or two, but if it continues, a solution must be found so we have the cash required for future capex. If it continues for a long period without price revisions, there will be stress. Some point of time, the burden must be shared among all stakeholders; that is my statement. Long-term, we are hopeful prices will return to normal levels. If they normalize, our estimated cash flows can continue and there will not be stress on the balance sheet for large projects. We are not re-evaluating announced projects, assuming the situation will normalize. If it does not normalize, no bank can absorb that indefinitely.

Sumit Arora – Smart Sun Capital PTE Limited: Why can we not go back to daily pricing or a pass-through mechanism as we had before 2022? What are the hurdles?

Management: I cannot comment on price revisions. The industry discusses this and decisions are taken by the industry based on what is good for the company and the country.

Operator: Thank you. The next question is from the line of Somaiya V from Avendus Park. Please go ahead.

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Somaiya V – Avendus Park: For products outside auto fuels, like bitumen, petcoke, and naphtha, have margins improved versus pre-war levels on an integrated basis?

Management: Marketing margins depend on the import parity price. There is no significant change there. Our marketing margins continue based on the earlier formula. We do not calculate refining margins for individual products; we calculate them for the entire basket. Marketing for all other products is on an import parity basis. Our marketing margins are around 4-5% of the sales price, and we maintain those levels.

Somaiya V – Avendus Park: What is the approximate fuel and loss across refineries?

Management: For Q4 FY26, the fuel and loss for Kochi was 6.48% and 8.41% total. Mumbai refinery was 5.64% and Bina was 9.01%.

Somaiya V – Avendus Park: Do you have the numbers from a year ago?

Management: I do not have them handy, but we will share them. It is in a similar range, with maybe a 0.2% or 0.3% variation. This loss usually stays in the same range.

Operator: Thank you. The next question is from the line of Sukrit D Patil from Ice Side Centrade Private Limited. Please go ahead.

Sukrit D Patil – Ice Side Centrade Private Limited: How is Bharat Petroleum optimizing its capital structure to balance growth in refining and renewables with debt sustainability? Also, what measures are being taken in treasury operations for liquidity management, FX risk mitigation, and funding diversification?

Management: You asked one question but covered everything. Regarding capital allocation: not every project gives the same return. As the energy sector grows at 2-3% annually, we must diversify within or beyond the sector. Our objective is to provide optimum returns to stakeholders. For renewables, returns may only be around 8-9%, but we have net-zero objectives. We have a target of 2 GW. While returns are mathematically lower, using this renewable power within our refineries makes the returns much higher than purchasing power externally. It meets both net-zero and profitability goals.

Regarding petrochemicals, we see potential in integrating them with refinery intermediates for value addition. We are allocating significant capital there because India's demand is growing at 5-7%, and most products are currently imported. Our major allocation is in petrochemicals. We also allocate to the upstream segment because we have clear visibility on cash flows once those development projects are commissioned. We expect to have 6-7 MMT of our own crude production.

We are very prudent. If we are not clear about commercial returns, we do not allocate capital. We focus on timely completion without cost escalation. We ensure debt-to-equity does not cross 1:1 at its peak, and we aim to return to a level like 0.4 or 0.5 after projects are commissioned. If the payback period is 5 to 6 years, we are comfortable.

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Management: This is Ashish Goel. Regarding treasury, foreign currency loans on our balance sheet are minimal, so our foreign currency exposure is very low. We evaluate cash flows and market conditions on an ongoing basis to arrange funds at the most competitive rates.

Operator: Thank you. The next question is a follow-up from Vineet Punka from Nomura. Please go ahead.

Vineet Punka – Nomura: You said the landed crude cost difference versus the benchmark is currently 10 to 12 dollars per barrel. What was this number before the war?

Management: Before the war, for WTI, we used to take Brent plus 4 or 5 dollars. At one point, it went up to 20 or 25 dollars for certain cargoes.

Operator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Management: Thank you everyone for your wholehearted participation in today's conference call. Looking ahead, while markets may remain volatile in the near term, BPCL's integrated operating model and resilient balance sheet position us well to navigate the evolving energy landscape. As we celebrate our 50th foundation year, having successfully navigated multiple industry cycles, we remain confident in our long-term strategy, execution capabilities, and ability to deliver sustained value. Aligned with the Government of India's vision of Atmanirbhar Bharat, we continue to strengthen domestic energy infrastructure and invest in future-ready energy platforms.

Before I conclude, I would like to take this opportunity to thank the entire BPCL team for their unwavering commitment and collective pursuit of excellence and growth. I also extend my sincere gratitude to the Ministry of Petroleum and Natural Gas, government officials, our valued customers, vendors, and business partners for their continued support, trust, and confidence as we move forward in energizing the lives of the country. Thank you.

Operator: Thank you, members of the management. Ladies and gentlemen, on behalf of Antique Stock Broking Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.

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