

Rating: ACCUMULATE | CMP: Rs176 | TP: Rs195

February 6, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE	ACCUMULATE		
Target Price	195	175		
Sales (Rs. bn)	8,283	9,204	8,201	9,112
% Chng.	1.0	1.0		
EBITDA (Rs. bn)	557	548	564	555
% Chng.	(1.1)	(1.2)		
EPS (Rs.)	19.0	17.8	19.4	18.3
% Chng.	(1.8)	(3.1)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	7,581	7,612	8,283	9,204
EBITDA (Rs. bn)	360	684	557	548
Margin (%)	4.7	9.0	6.7	6.0
PAT (Rs. bn)	120	358	262	244
EPS (Rs.)	8.7	26.0	19.0	17.8
Gr. (%)	(72.3)	199.7	(26.9)	(6.6)
DPS (Rs.)	3.0	7.6	5.3	4.9
Yield (%)	1.7	4.3	3.0	2.8
RoE (%)	6.5	18.0	11.8	10.2
RoCE (%)	6.0	15.0	10.3	9.4
EV/Sales (x)	0.5	0.5	0.4	0.4
EV/EBITDA (x)	10.6	5.5	6.5	6.5
PE (x)	20.3	6.8	9.2	9.9
P/BV (x)	1.3	1.1	1.0	1.0

Key Data

	IOC.BO IOCL IN
52-W High / Low	Rs.178 / Rs.111
Sensex / Nifty	83,314 / 25,643
Market Cap	Rs.2,482bn / \$ 27,470m
Shares Outstanding	14,121m
3M Avg. Daily Value	Rs.2178.69m

Shareholding Pattern (%)

Promoter's	51.50
Foreign	7.79
Domestic Institution	10.04
Public & Others	30.67
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	6.5	24.4	39.0
Relative	9.2	20.5	30.6

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Strong GRMs boost EBITDA/PAT

Quick Pointers:

- IOCL received Rs24.2bn of LPG compensation.
- Reported GRM came in at USD12.2/bbl; Core GRM at USD13.5/bbl.

Refining throughput surged to 19.4mmt (utilization of 109.7%) vs 17.6mmt QoQ, while reported/core GRMs improved to USD 12.2/13.5/bbl from USD10.7/8.9/bbl QoQ, driven by continued strength in product cracks in Q3FY26. Domestic sales volumes increased by 14.5%/4.8% QoQ/YoY to 23.1mmt. Implied gross marketing margin (GMM) stood at Rs7.0/ltr, broadly flat QoQ and YoY. Strong GRMs and higher volumes drove a sharp standalone EBITDA beat, rising to Rs212.9bn (PLe Rs137.2bn; BBGe Rs172.6bn) compared with Rs145.8bn in Q2FY26 and Rs71.2bn in Q3FY25. Standalone PAT increased sharply to Rs125.9bn (PLe Rs70.8bn; BBGe Rs98.8bn) vs Rs76.1bn in Q2FY26 and Rs28.7bn in Q3FY25. Petchem remained a drag, with EBIT loss of Rs36.2bn vs EBIT profit of Rs1.6bn in Q2FY26 amid weak margins. Capex target for FY26 stands at Rs347bn, of which IOCL has incurred Rs243.4bn as of Dec'25. We build in GRMs of USD6.3/6.0/bbl and blended GMM of Rs4.9/4.8/ltr for FY27E/FY28E. We revise our valuation multiple to 1.1x Dec'27E (from 1.0x), reflecting improved operating performance, and reiterate our 'Accumulate' rating with a TP of Rs195 (earlier Rs175), driven by sustained strength in diesel cracks and no expectation of major refinery maintenance shutdowns.

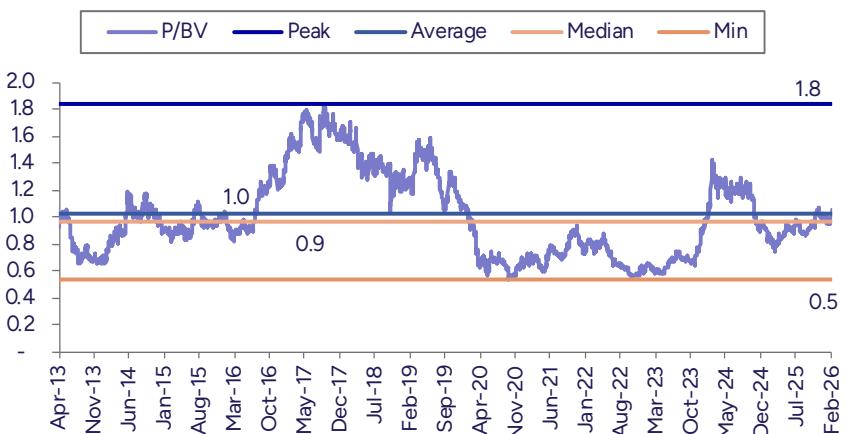
- **Reported/Core GRM improved:** Refining throughput increased to 19.4mmt in Q3FY26 compared with 17.6mmt in Q2FY26 and 18.1mmt in Q3FY25, with utilization at 109.7%. Reported GRM improved to USD12.2/bbl vs USD10.7/bbl and USD3.0/bbl in Q2FY26 and Q3FY25 respectively. Core GRM improved sharply to USD13.5/bbl, up from USD8.9/bbl in Q2FY26 and USD6.6/bbl in Q3FY25.
- **Petrochem losses increased:** Sale of petrochemicals stood at 0.9mmt during the quarter vs 0.8mmt in Q2FY26. IOCL reported an EBIT loss of Rs3.6bn in Q3FY26 vs a profit of Rs1.7bn in Q2FY26, largely due to weaker spreads, which continue to remain at subdued levels due to weak demand and new capacity additions.
- **9MFY26 EBITDA/PAT increased sharply:** EBITDA more than doubled to Rs484.8bn, while PAT increased by more than 4x to Rs258.9bn respectively in Q3FY26. Company received Rs24.2bn of LPG compensation out of total expected compensation of Rs144.9bn. As on 31st Dec'25, cumulative net negative LPG buffer stood at Rs243.2bn.
- **Capex allocations -** Company has already spent Rs243.4bn in capex, including equity investment in JVs/Subs. Of which, Refinery - Rs122.6bn, Pipelines - Rs13.5, Marketing - Rs73.7bn, Petchem - Rs21.8bn, R&D - Rs2.2bn, E&P - Rs1.6bn, CGD - Rs2.2bn and remaining for equity investments and JVs. Capex target for FY26 stands at Rs347bn.

Exhibit 1: IOCL's standalone financials

Quarterly Financials (Rs bn)	Q3 FY26	Q2 FY26	QoQ gr.	Q3 FY26E	% Var	Q3 FY25	YoY gr.	9M FY26	9M FY25	YoY gr.
Net Sales	2,044.2	1,788.8	14.3%	1,749.6	16.8%	1,939.0	5.4%	5,762.7	5,609.8	2.7%
YoY Change (%)	5.4	2.9		-9.8		-2.6				
EBITDA	212.9	145.8	46.0%	137.2	55.2%	71.2	199.1%	484.8	195.2	148.3%
Margins (%)	10.4	8.2		7.8		3.7				
Depreciation	40.8	38.7	5.3%	38.5	5.9%	39.0	4.6%	117.9	113.7	3.7%
Interest	19.8	21.7	-8.8%	21.8	-9.2%	23.1	-14.4%	61.2	66.9	-8.5%
Other Income	12.2	15.2	-19.7%	17.7	-31.1%	18.8	-35.0%	33.6	37.9	-11.4%
PBT	164.6	100.7	63.5%	94.6	73.9%	34.7	NA	339.3	71.0	NA
Tax	38.7	24.6	57.4%	23.8	62.3%	6.0		80.4	14.0	NA
Rate (%)	23.5	24.4		25.2		17.2		23.7	19.7	
Reported PAT	125.90	76.1	65.4%	70.8	77.8%	28.7	NA	258.9	57.0	NA
Refining throughput (mmt)	19.4	17.6	10.3%	18.8	3.2%	18.1	7.3%	55.7	53.0	5.1%
Core GRM (USD/bbl)	13.5	8.9	51.6%	0.0	NA	6.6	104.2%	9.9	4.2	133.6%
Reported GRM (USD/bbl)	12.2	10.7	14.6%	8.8	39.0%	3.0	NA	8.4	4.5	86.2%
Domestic sale of refined products (mmt)	23.1	20.2	14.5%	22.9	0.8%	22.0	4.8%	65.7	63.1	4.1%
Marketing GM incld. inv. per litre (INR/litre)	7.0	7.0	-0.1%	4.7	50.9%	7.1	-1.2%	7.6	6.0	26.2%

Source: Company, PL

Exhibit 2: Currently trading at 1.1x FY27 P/BV



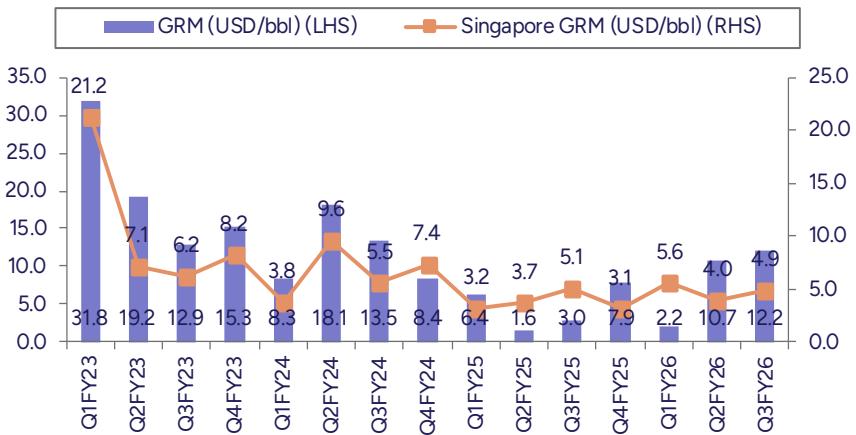
Source: Industry, PL

Exhibit 3: Major Projects Update – As of Q3FY26

Name of the Project	Gross Approved Cost (Rs bn)	Physical Progress (%)	Expected Commissioning Date
Panipat Refinery Expansion (15mmtpa to 25mmtpa)	382.3	91.6	Dec'26 (progressively from Jun'26)
Gujarat Refinery Expansion (13.7mmtpa to 18mmtpa)	189.4	85.8	Nov'26 (progressively from Jul'25)
Barauni Refinery Expansion (6 mmtpa to 9mmtpa)	181.1	89.4	Aug'26
PX-PTA Complex at Paradip Refinery	138.1	92.2	Aug'26
New Mundra–Panipat Crude Oil Pipeline (GJ, HR, RJ)	90.3	88.6	Jun'26
New R&D Campus-II, Faridabad, Haryana	32.2	64.5	Oct'26

Source: Company, PL

Exhibit 4: Reported GRM improved to USD12.2/bbl in Q3FY26



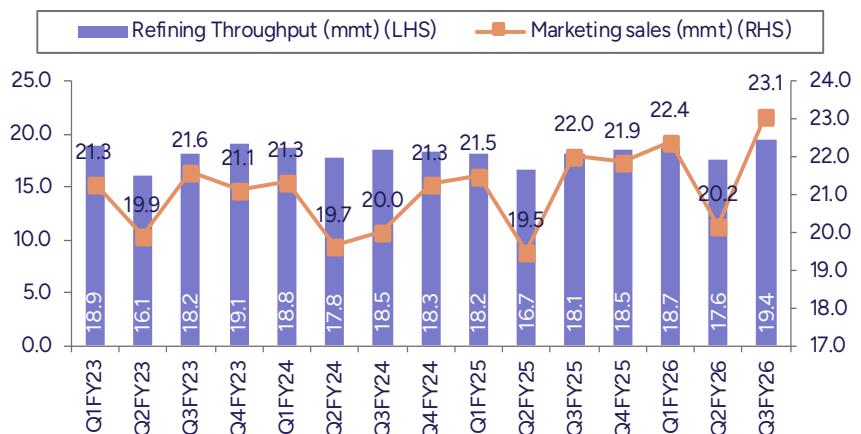
Source: Company, PL

Exhibit 5: GMM remains flat YoY



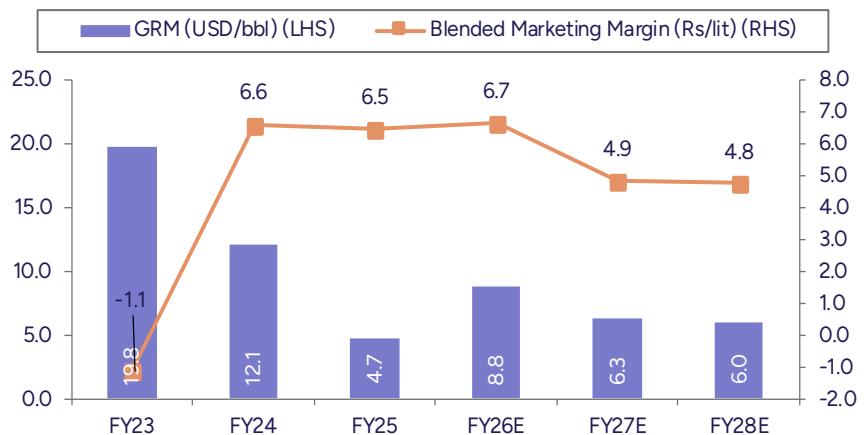
Source: Company, PL

Exhibit 6: Throughput at 19.4mmt, domestic sales at 23.1mmt



Source: Company, PL

Exhibit 7: GRM at USD6.3/6.0/bbl for FY27/28E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	7,581	7,612	8,283	9,204
YoY gr. (%)	(2.4)	0.4	8.8	11.1
Cost of Goods Sold	6,568	6,404	7,258	8,159
Gross Profit	1,013	1,208	1,025	1,045
Margin (%)	13.4	15.9	12.4	11.4
Employee Cost	109	-	-	-
Other Expenses	544	524	468	497
EBITDA	360	684	557	548
YoY gr. (%)	(52.4)	90.1	(18.5)	(1.6)
Margin (%)	4.7	9.0	6.7	6.0
Depreciation and Amortization	168	169	177	182
EBIT	192	515	380	366
Margin (%)	2.5	6.8	4.6	4.0
Net Interest	93	89	90	89
Other Income	35	42	51	42
Profit Before Tax	153	468	340	318
Margin (%)	2.0	6.2	4.1	3.5
Total Tax	33	118	86	80
Effective tax rate (%)	21.4	25.2	25.2	25.2
Profit after tax	120	350	255	238
Minority interest	-	-	-	-
Share Profit from Associate	18	8	7	6
Adjusted PAT	120	358	262	244
YoY gr. (%)	(72.3)	199.7	(26.9)	(6.6)
Margin (%)	1.6	4.7	3.2	2.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	120	358	262	244
YoY gr. (%)	(72.3)	199.7	(26.9)	(6.6)
Margin (%)	1.6	4.7	3.2	2.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	120	358	262	244
Equity Shares O/s (m)	14	14	14	14
EPS (Rs)	8.7	26.0	19.0	17.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	3,079	3,862	4,265	4,596
Tangibles	3,079	3,862	4,265	4,596
Intangibles	-	-	-	-
Acc: Dep / Amortization	1,068	1,237	1,414	1,596
Tangibles	1,068	1,237	1,414	1,596
Intangibles	-	-	-	-
Net fixed assets	2,011	2,626	2,851	2,999
Tangibles	2,011	2,626	2,851	2,999
Intangibles	-	-	-	-
Capital Work In Progress	779	316	213	203
Goodwill	0	0	0	0
Non-Current Investments	672	672	672	672
Net Deferred tax assets	(207)	(207)	(207)	(207)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,139	1,129	1,258	1,410
Trade receivables	186	163	177	197
Cash & Bank Balance	33	144	258	387
Other Current Assets	-	-	-	-
Total Assets	5,069	5,286	5,659	6,091
Equity				
Equity Share Capital	138	138	138	138
Other Equity	1,727	1,980	2,169	2,346
Total Networth	1,865	2,118	2,307	2,483
Non-Current Liabilities				
Long Term borrowings	1,426	1,454	1,483	1,557
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,412	1,348	1,503	1,684
Other current liabilities	114	114	114	114
Total Equity & Liabilities	5,069	5,286	5,659	6,091

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	153	468	340	318
Add. Depreciation	168	169	177	182
Add. Interest	93	89	90	89
Less Financial Other Income	35	42	51	42
Add. Other	35	8	7	6
Op. profit before WC changes	448	734	615	596
Net Changes-WC	2	(20)	19	15
Direct tax	(33)	(118)	(86)	(80)
Net cash from Op. activities	417	596	548	531
Capital expenditures	(388)	(320)	(300)	(320)
Interest / Dividend Income	-	-	-	-
Others	(17)	-	-	-
Net Cash from Inv. activities	(405)	(320)	(300)	(320)
Issue of share cap. / premium	-	-	-	-
Debt changes	191	29	29	74
Dividend paid	(41)	(105)	(73)	(68)
Interest paid	(93)	(89)	(90)	(89)
Others	(68)	-	-	-
Net cash from Fin. activities	(11)	(165)	(134)	(83)
Net change in cash	1	111	114	128
Free Cash Flow	29	276	248	211

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	8.7	26.0	19.0	17.8
CEPS	20.9	38.3	31.9	31.0
BVPS	135.4	153.8	167.5	180.3
FCF	2.1	20.1	18.0	15.4
DPS	3.0	7.6	5.3	4.9
Return Ratio(%)				
RoCE	6.0	15.0	10.3	9.4
ROIC	3.8	10.0	7.0	6.4
RoE	6.5	18.0	11.8	10.2
Balance Sheet				
Net Debt : Equity (x)	0.7	0.6	0.5	0.5
Net Working Capital (Days)	3	7	5	4
Valuation(x)				
PER	20.3	6.8	9.2	9.9
P/B	1.3	1.1	1.0	1.0
P/CEPS	20.9	38.3	31.9	31.0
EV/EBITDA	10.6	5.5	6.5	6.5
EV/Sales	0.5	0.5	0.4	0.4
Dividend Yield (%)	1.7	4.3	3.0	2.8

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	1,950	1,930	1,789	2,044
YoY gr. (%)	(1.5)	(0.1)	2.9	5.4
Raw Material Expenses	1,662	1,651	1,476	1,675
Gross Profit	288	279	312	370
Margin (%)	14.8	14.4	17.5	18.1
EBITDA	136	126	146	213
YoY gr. (%)	30.1	46.0	286.6	199.1
Margin (%)	7.0	6.5	8.2	10.4
Depreciation / Depletion	39	38	39	41
EBIT	97	88	107	172
Margin (%)	5.0	4.5	6.0	8.4
Net Interest	20	20	22	20
Other Income	12	6	15	12
Profit before Tax	88	74	101	165
Margin (%)	4.5	3.8	5.6	8.0
Total Tax	15	17	25	39
Effective tax rate (%)	17.3	23.2	24.4	23.5
Profit after Tax	73	57	76	126
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	73	57	76	126
YoY gr. (%)	50.2	115.2	(878.7)	473.9
Margin (%)	3.7	2.9	4.3	6.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	73	57	76	126
YoY gr. (%)	50.2	115.2	4,127.7	338.1
Margin (%)	3.7	2.9	4.3	6.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	73	57	76	126
Avg. Shares O/s (m)	14	14	14	14
EPS (Rs)	5.3	4.1	5.5	9.1

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Brent (US\$/bbl)	78.9	65.4	68.8	75.0
Refining Throughput (mmt)	71.6	75.0	86.7	91.3
GRM (US\$/bbl)	4.7	8.8	6.3	6.0
Marketing Sales (mmt)	85.0	88.7	90.4	94.5
Gross Marketing Margin (Rs/ltr)	6.5	6.7	4.9	4.8

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-26	Accumulate	175	164
2	28-Oct-25	Accumulate	166	155
3	03-Oct-25	Accumulate	162	150
4	18-Aug-25	Accumulate	152	140
5	03-Jul-25	Reduce	138	148
6	04-May-25	Reduce	122	143
7	22-Apr-25	Reduce	125	139
8	08-Apr-25	Hold	125	128
9	25-Feb-25	Hold	125	120

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Accumulate	466	430
2	Bharat Petroleum Corporation	Accumulate	406	373
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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