OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

ONGC/CS/SE/2025-26 **30.10.2025**

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Symbol - **ONGC**; Series – **EQ**

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort Mumbai- 400001

BSE Security Code Equity: **500312**
NCDs: **959881**

Sub: Intimation regarding reduction in size of Non-Convertible Debenture - Credit Rating

Madam/Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that India Ratings and Research Private Limited vide its Press Release issued on 30th October 2025 has withdrawn the long-term rating of IND AAA/Stable assigned to Rs. 500 Crore of Non-Convertible Debentures (NCD) programme of Oil and Natural Gas Corporation Limited (ONGC) as the tranche has been redeemed and no amount is outstanding against the rated instrument.

Further, it has also withdrawn the long-term rating of IND AAA/Stable assigned to ONGC's unutilized Non –Convertible Debentures (NCD) program of Rs. 860 Crore, at the request of the Company.

These rating are withdrawn in accordance with India Ratings and Research Private Limited's policy on withdrawal of Credit rating as there is no amount outstanding against the rated instrument.

It is further informed that India Ratings and Research Private Limited has affirmed the long-term rating of IND AAA/Stable assigned to the balance NCD programme of Rs. 1,000 Crore.

Details of Press Release and details of Credit rating are enclosed for reference and records.

Thanking You,
Yours Sincerely,
For Oil and Natural Gas Corporation Ltd.

Rajni Kant
Digitally signed by Rajni Kant
Date: 2025.10.30 19:15:03 +05'30'

(Rajni Kant)
Company Secretary & Compliance Officer

Details of Credit Rating

Instruments	***Rating Agency***	***Rating***	***Outlook***
International Bonds (Senior unsecured notes) issued by company and subsidiaries which are guaranteed by the Company	Moody's Investors Service	Foreign Currency Rating: Baa3 Local Currency Rating: Baa3	Stable
International Bonds (Senior unsecured notes) issued by company and subsidiaries which are guaranteed by the Company	S&P Global Ratings	Long Term Issue Rating: BBB	Stable
International Bonds (Senior unsecured notes) issued by company and subsidiaries which are guaranteed by the Company	Fitch Ratings	Long Term Foreign Currency Issuer Default Rating: BBB-	Stable
Commercial Paper up-to Rs. 10,000 Crore outstanding at any point of time	CARE Ratings Limited	CARE A1+	-
Commercial Paper up to Rs. 10,000 Crore outstanding at any point of time	India Ratings and Research Private Limited	IND A1+	-
Non-Convertible Debentures for Rs. 9,860 Crore	ICRA Limited	[ICRA] AAA	Stable
Non-Convertible Debentures for Rs. 1,000 Crore	India Ratings and Research Private Limited	IND AAA	Stable
Non-Convertible Debentures for Rs. 7,500 Crore	CARE Ratings Limited	CARE AAA	Stable

IndiaRatings & Research
A Fitch Group Company

India Ratings Affirms Oil and Natural Gas Corporation's NCDs and Debt Instruments at 'IND AAA'/Stable; CP at 'IND A1+'; Rates Additional Bank Loan Facilities

Oct 30, 2025 | Oil Exploration & Production

India Ratings and Research (Ind-Ra) has taken the following rating actions on Oil and Natural Gas Corporation Limited's (ONGC) debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR100	IND AAA/Stable/IND A1+	Assigned
Non-convertible debenture*	-	-	-	INR10 (reduced from INR23.60)	IND AAA/Stable	Affirmed
Bank loan facilities	-	-	-	INR250	IND AAA/Stable/IND A1+	Affirmed
Proposed commercial paper	-	-	-	INR100	IND A1+	Affirmed

* Details in Annexure

Analytical Approach

Ind-Ra continues to consider ONGC's strong legal, operational, and strategic linkages with the government of India (GoI), which held a 58.89% stake in the company as of March 2025 (FYE24: 58.89%) while arriving at the ratings. Furthermore, the agency, as per its Parent Subsidiary Rating Linkage Criteria, continues to fully consolidate the financials of ONGC's direct subsidiaries - ONGC Videsh Limited (OVL; debt rated at 'IND AAA'/Stable; 100% shareholding), Mangalore Refining and Petrochemicals Limited (MRPL (consolidated); debt rated at 'IND AAA'/Stable; 71.63%) and ONGC Petro additions Limited (OPaL; 'IND AAA'/Stable; 95.96%), to which ONGC has extended support in the form of corporate guarantees apart from equity infusions. Furthermore, Ind-Ra continues to factor in the dividend income received from Hindustan Petroleum Corporation Limited (HPCL; 'IND AAA'/Stable) and other subsidiaries, joint ventures (JVs) and associates while assessing ONGC.

Detailed Rationale of the Rating Action

The ratings continue to consider ONGC's majority ownership and strategic importance to the GoI, as it plays a key role in energy security for the country. The rating also considers the dominant market position of ONGC in the domestic crude oil and natural gas production business with large proven reserves, a globally competitive cost structure, stable performance of its subsidiaries and its healthy financial position. The credit profile of the ONGC Group, at the consolidated level, remains robust. Furthermore, the company's strong financial flexibility arising from its moderate gearing, large liquid investments and high cash balance provide additional comfort.

However, the ratings remain susceptible to the inherent risk related to the exploration and production (E&P) business, regulatory risks, geopolitical risk for overseas operations, large capex requirements to replace reserves, and high contingent liabilities.

List of Key Rating Drivers

Strengths
- Strong linkages with GoI
- Strong operating metrics
- Healthy credit metrics

Weaknesses
- High capex to continue
- Profitability dependent on crude and natural gas prices
- High contingent liabilities

Detailed Description of Key Rating Drivers

Strong Linkages with GoI: ONGC is India's largest domestic crude oil and natural gas producer, with proven reserves of 775.42 million metric tonnes of oil equivalent (mmtoe) as of March 2025 (ONGC: 515.17mmtoe, OVL: 249.5mmtoe; JVs: 10.75mmtoe). ONGC and OVL aid the GoI's objective of ensuring energy security. OVL acts as India's upstream producer in international markets and helps in maintaining diplomatic and strategic ties with different countries. Also, OVL's capex and investment decisions benefit from its diplomatic ties with the GoI, and are guided and approved by the latter.

ONGC operates blocks allocated to it on a nomination basis by the GoI, along with the blocks awarded through New Exploration Licensing Policy and Hydrocarbon Exploration and Licensing Policy; the latter two were introduced in FY98 and FY16, respectively, to attract private participation in upstream production. Ind-Ra believes ONGC, by the virtue of it being the largest domestic oil producer, will continue to be strategically important for the GoI. ONGC's importance to the GoI is further supported considering significant taxes and dividends paid by it to the exchequer. Furthermore, Ind-Ra does not expect the GoI's shareholding in ONGC to reduce below 51%, given that the overseas bonds raised by ONGC stipulate for the GoI's minimum holding of 51%. ONGC also has one GoI-nominated director and three independent directors on its board.

Strong Operating Metrics: At a consolidated level, the oil and gas production declined to 51.36mmtoe (oil – 28.16 mmtoe, gas – 23.20 mmtoe) in FY25 (FY24: 52.31mmtoe (oil – 28.32 mmtoe, gas – 23.99 mmtoe)), largely due to a decline in JV, at standalone level Oil production increased to 19.60 mmtoe (FY24: 19.47 mmtoe) while the gas production decreased to 19.65 mmtoe (FY24:19.97 mmtoe). OVL saw a slight decrease in production to 10.28 mmtoe in FY25 (FY24: 10.52 mmtoe) because of lower gas production.

At the standalone level, ONGC has consistently reported a healthy reserve replacement ratio of above 1.0x over the past 17 years, with an average reserve life of over 15 years, indicating the sustainability of the producing reserves. ONGC highly depends on offshore assets, with Mumbai High Field and Bassein Gas Field assets contributing a bulk to the oil and gas production. However, the company is likely to see a healthy accretion in oil and gas production from the KG-basin, Daman Upside Development Project (DUDP) and Discovered Small Fields. KG block is currently producing 33,000-34,000 boepd oil and about 2.75 mmscmd gas, management expects the production of oil and gas to ramp up to 45,000 boepd and 10 mmscmd, respectively, in a phased manner. Similarly, from DUDP and the management expects production of gas to start from early 4QFY26 with project attaining peak production of about 5mmscmd gas in a phased manner. Furthermore, the work is going on DSF as well, and the management is expecting production to start from 4QFY27. As a result of all these developments, the company expects an increase in oil and gas production in the short term, despite the natural decline in matured fields.

Healthy Credit Metrics: Ind-Ra expects ONGC's credit metrics to remain strong despite marginal deterioration in FY25, led by the lower profitability in MRPL and OPaL, part utilisation of available liquidity for redeeming the compulsory convertible debentures in OPaL, an infusion of additional equity in OPaL for paring down the debt and for the planned capex on KG-basin and other assets. MRPL's profitability was impacted by the lower gross refining margins (GRMs) in FY25 and a continued loss in OPaL following depressed petrochemical spreads, along with higher gas prices and their impact on the feedstock mix. The agency expects GRMs and petrochemical spreads to remain subdued in FY26 as well, due to the global demand-supply mismatch; however, OPaL would benefit from the availability of better priced gas following a change in the gas allocation from intervention wells (priced at 12% of crude basket) and exit from SEZ.

OVL's and ONGC's standalone profitability was also hit marginally in FY25 because of low crude prices. ONGC's standalone EBITDA decreased to INR652.37 billion in FY25 (FY24: INR668.15 billion). Ind-Ra expects profitability to remain subdued in FY26 as well given the low realisation of crude prices, although partially offset by higher gas price realisation. The company will be able to realise higher gas price because of new gas pricing policy where any gas from new well or well where well intervention has been done will be priced as per new gas pricing policy i.e 12% of crude basket which higher than the current administered price mechanism rate of USD6.75/mmbtu. Currently, about 20% of the total gas produced comes under new gas pricing and 100% of the gas will be new well gas in the next five-to-six years.

The gross debt (including lease liability) consolidated by Ind-Ra increased to INR1,160 billion at FYE25 (FYE24: INR1,252 billion), while the unencumbered cash and liquid balances stood at INR260 billion (INR408 billion). The decrease in the gross debt (including lease liability) was largely on account of reduction in Opal debt and conversion of CCDs into equity. The debt comprised INR402 billion in OVL in FY25 (FY24: INR387 billion), INR128 billion (INR124 billion) in MRPL and INR250 billion (INR389 billion) in OPaL, apart from the standalone debt at ONGC. On a consolidated basis, Ind-Ra expects the net leverage to deteriorate in FY26 because of lower profitability in MRPL, Opal and ONGC standalone level. The net leverage remained at 1.2x in FY25 (FY24: 1.0x).

ONGC's standalone gross debt (including lease liability) increased to INR378 billion at FYE25 (FYE24: INR351 billion), comprising INR25.7 billion (INR25 billion) of long-term foreign currency bonds; INR15 billion (INR15 billion) of NCDs, short-term debt of INR43.4 billion (INR21.2 billion) and lease liability of INR294.25 billion (INR290.3 billion). However, the company remained net debt (excluding lease) negative on a standalone level at end-March 2025.

High Capex to Continue: In the past two years, ONGC's average standalone capex per annum stood at INR350 billion-400 billion. Ind-Ra expects this trend to continue in the coming years as the company looks to increase its petchem capacity, refinery and renewable energy portfolio, along with the domestic upstream capex. Any significant spend on expansion activities shall remain a key rating monitorable. In FY25, the company incurred capex of about INR390 billion, spread across development drilling, exploration drilling, capital projects, and on surveys, research and development, and INR229 billion on integration projects (equity infusion in OPaL, acquisition of PTC Energy Limited and Ayana Renewable Power Private Limited), and joint ventures.

Profitability Dependent on Crude and Natural Gas Prices: ONGC derives around 65% of its gross revenue from the sale of crude oil (FY25: INR895 billion; FY23: INR918 billion) and natural gas (INR338 billion; INR334 billion), which are dependent on the movement of international crude prices and domestic gas prices (as fixed by the Petroleum Planning & Analysis Cell, Ministry of Petroleum and Natural Gas), respectively. Due to the oversupply of crude oil, the prices decreased to an average USD76.9/bbl in FY25 (FY24: USD80.8/bbl; FY23: USD91.9/bbl). However, Ind-Ra expects the price to remain subdued at about USD65/bbl in FY26. Ind-Ra estimates ONGC's breakeven production cost to have reduced to USD35/bbl in FY25 from USD45/bbl because of a reduction in Special Additional Excise Duty. Therefore, ONGC's profitability remains dependent on the market price of crude and policy level changes.

Similarly, in the gas segment, Ind-Ra estimates the break-even cost to be over USD3/metric million British thermal unit (mmBtu) in FY25, while the domestic price posts the change in price regulations, has been capped at USD6.75/mmBtu for nominated fields, USD9.72/mmBtu for high pressure, high temperature fields for 2HFY26, 12% of crude basket for new well gas.

High Contingent Liabilities: At FYE25, ONGC's total contingent liabilities at a standalone level stood at INR652.1 billion (FYE24: INR651.3 billion), of which INR376.6 billion (INR361.6 billion) was for the company and the balance INR275.8 billion (INR289.7 billion) for joint operations. The bulk of contingent liabilities in the joint operations is attributed to the unresolved issues related to the cost recovery and profit sharing for the RJ-ON-90/1 block (FY25: INR20 billion; FY24: INR19.46 billion). The demand raised by the Directorate General of Hydrocarbon for Panna Mukta Tapti fields stood at INR139 billion in FY25 (FY24: INR135 billion). Any crystallisation of any of these major contingent liabilities could result in lower-than-Ind-Ra-expected cash flows and higher-than-Ind-Ra-expected leverage.

Liquidity

Superior: ONGC's standalone liquidity is supported by the sanctioned fund-based working capital limits of INR90 billion; the average utilisation of the same was low at around 10% over the 12 months ended March 2025. ONGC, at a standalone level, also had investments as its shareholding in other public sector undertakings (Indian Oil Corporation Limited ('IND AAA'/Stable) and GAIL (India) Limited ('IND AAA'/Stable)) stood at INR315 billion at FYE25 (FYE24: INR395 billion), while the cash balances (including other bank balances) stood at INR154 billion (INR301 billion). Additionally, the company has commercial paper limit of INR100 billion and a strong capability to raise funds at attractive interest rates from the domestic market.

The company's operating cash flow generation remained healthy at INR860 billion at FYE25 (FYE24: INR772 billion), resulting from the healthy revenue generation of INR1,378 billion (INR1,384 billion) and the EBITDA of INR652 billion (INR668 billion). Moreover, ONGC received a dividend income of INR34.5 billion in FY25 (FY24: INR34.3 billion), while its dividend outgo was INR169.8 billion (INR128.9 billion).

ONGC plans capex of around INR349 billion for FY26 for the exploration, development and purchase of capital assets. Ind-Ra believes the debt requirements and the overall consolidated leverage would increase if OVL pursues any sizeable investment opportunity. ONGC, on a standalone basis, has a long-term repayment obligation of INR48.4 billion in FY26 and NIL in FY26. Ind-Ra believes the debt maturities, on a consolidated basis, can be managed by the company, given its strong cash flows and ability to raise funds easily from domestic and international capital and banking markets.

Rating Sensitivities

Positive: Not applicable

Negative: A weakening of the linkages with the GoI could result in a negative rating action.

Any Other Information

Not applicable

ESG Issues

Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on ONGC, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

ONGC is India's largest domestic oil and gas producer. It was set up in the form of oil and gas division, under the Geological Survey of India, in 1955 which was later converted into an Oil and Natural Gas Directorate. The directorate was converted into commission and later to a corporation in 1994. ONGC had a proven reserve of 775.42mmtoe as of March 2025.

Key Financial Indicators

Particulars (Consolidated)	FY25	FY24
Revenue (INR billion) *	2,611	2,589
EBITDA (INR billion) *	730	804

Debt (INR billion) (including lease liability) *	1,160	1,252
Gross interest coverage (x)	6.6	7.3
Net adjusted leverage (including lease liability) (x)	1.2	1.0
Source: ONGC, OVL, MRPL, OPaL, Ind-Ra Note: Consolidation as per Ind-Ra's calculations as below: * Consolidation of ONGC, OVL, MRPL and OPaL		

Particulars (Standalone)	FY25	FY24
Revenue (INR billion)	1,378.46	1,384.02
EBITDA (INR billion)	652.3	668.1
EBITDA margin (%)	47.3	48.3
Gross interest coverage (x)	14.2	16.4
Net adjusted leverage (including lease liability) (x)	0.34	0.1
Source: ONGC, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (billion)	Current Rating/Outlook	Historical Rating/Outlook			
				8 November 2024	9 November 2023	22 September 2023	23 February 2023
Issuer rating	-	-	-	-	-	WD	INDAAA/Stable
Non-convertible debentures	Long-term	INR10	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	-	IND AAA/Stable
Bank loan facilities	Long-term/Short-term	INR350	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	-	IND AAA/Stable/IND A1+
Proposed commercial papers	Short-term	INR100	IND A1+	IND A1+	IND A1+	-	-

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Commercial paper	Low
Non-convertible debenture	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
Non-convertible debentures*	INE213A08016	31 July 2020	5.25	11 April 2025	INR5	WD
Non-convertible debentures	INE213A08024	11 August 2020	6.40	11 April 2031	INR10	IND AAA/Stable

Non-convertible debentures (unutilised)#	-	-	-	-	INR8.6	WD
Total					INR10**	

Source: NSDL
WD – Rating Withdrawn
* Ind-Ra has withdrawn the rating as no amount is outstanding against the rated instrument. This is in line with Ind-Ra's Policy on the Withdrawal of Ratings.
# Ind-Ra has withdrawn the rating assigned to ONGC's unutilised NCD programme on the company's request. This is in line with Ind-Ra's Policy on the Withdrawal of Ratings.
**Does not include withdrawn NCDs

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process