OIL AND NATURAL GAS CORPORATION LIMITED
COMPANY SECRETARIAT

ONGC/CS/SE/2025-26 **14th August, 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 for Revision in Credit Rating

Madam/Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that S&P Global Ratings vide its Press Release issued on 14th August, 2025 has upgraded ONGC's rating to BBB from BBB-. The outlook is Stable. The rating action follows the upgrade of India's sovereign rating to BBB from BBB-. The outlook is stable.

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

The intimation may also be accessed at https://ongcindia.com/web/eng/investors/credit-rating

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

Rajni Kant
Digitally signed by Rajni Kant
Date: 2025.08.14 19:08:29 +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. 2,360 Crore	India Ratings and Research Private Limited	IND AAA	Stable
Non-Convertible Debentures for Rs. 7,500 Crore	CARE Ratings Limited	CARE AAA	Stable

Ratings On Four Indian Corporates Raised Following India Sovereign Upgrade

August 14, 2025

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SINGAPORE (S&P Global Ratings) Aug. 14, 2025--S&P Global Ratings today raised the issuer credit ratings on Oil and Natural Gas Corp. Ltd. (ONGC), Power Grid Corp. of India Ltd., NTPC Ltd., and Tata Power Co. Ltd. to 'BBB' from 'BBB-'. The outlooks are stable. We also raised the issue ratings on the debt that ONGC, Power Grid, and NTPC issued or guarantee to 'BBB' from 'BBB-'.

The actions follow the upgrade of the sovereign rating on India to 'BBB/A-2' from 'BBB-/A-3' ("India Upgraded To 'BBB' On Economic Resilience And Sustained Fiscal Consolidation; Outlook Stable," published Aug. 14, 2025).

We maintain our stand-alone credit profiles (SACPs) of ONGC and Power Grid at 'bbb+', and the final ratings on the two companies continue to be constrained by the sovereign rating on India. This is because we believe the companies may face extraordinary negative government intervention if the sovereign comes under stress. The sovereign rating upgrade to 'BBB' resulted in a corresponding upgrade of these entities.

Our rating on NTPC (SACP: 'bbb-') benefits from a very high likelihood of government support, which at the 'BBB' sovereign rating level results in a one-notch uplift. This reflects the central role the company plays in the economy as the dominant power generator as well as its strong links with the government.

Our rating on Tata Power benefits from a three-notch uplift from its 'bb' SACP for potential extraordinary support from Tata Sons Pte. Ltd., given its strategic importance to the group. The 'BBB' sovereign rating removed the sovereign rating constraint.

After our upgrade of the sovereign rating on India, rating transitions of the following entities will now be driven by company-specific factors. This is because the sovereign upgrade and our higher transfer and convertibility assessment (T&C) at 'A-', from 'BBB+' previously, have removed specific rating constraints for Bharti Airtel Ltd. (BBB-/Positive/--), Larsen & Toubro Ltd. (BBB+/Stable/--), Reliance Industries Ltd. (BBB+/Stable/--) and Summit Digitel Infrastructure Ltd. (BBB-/Stable/--). These ratings remain unchanged.

OUTLOOKS

NTPC Ltd. (BBB/Stable/--)

The stable outlook on NTPC reflects our outlook on the sovereign credit rating on India.

Downside scenario

We could lower the rating on NTPC if we lower the sovereign credit rating on India.

We could also lower the rating if the company's SACP deteriorates. We could revise our assessment of the SACP downward if the ratio of funds from operations (FFO) to debt falls sustainably below 9%. This could happen if:

- NTPC's capex or investments are substantially higher than our expectation without offsetting earnings;
- The company faces significant delays in collection from weak state electricity utilities; or
- Unexpected adverse regulatory developments cause much lower cash flow.

Upside scenario

We could upgrade NTPC if:

- We raise the sovereign credit rating on India; and
- We revise the company SACP upward by one notch to 'bbb'.

Oil and Natural Gas Corp. Ltd. (BBB/Stable/--)

The stable outlook on ONGC reflects the outlook on the sovereign credit rating on India. It also reflects our expectation that ONGC will maintain its solid stand-alone creditworthiness, benefitting from a strong financial profile and status as India's national oil company.

Downside scenario

We will lower the ratings on ONGC if we lower the sovereign credit rating on India.

We may revise downward our assessment of the SACP to 'bbb' if ONGC's capital spending, acquisitions, or dividends increase materially such that its FFO-to-debt ratio fails to remain materially above 40% under our midcycle price assumptions of US$55/bbl for Brent crude oil. However, a lower SACP at 'bbb' will not affect our rating on ONGC.

Upside scenario

We will raise the rating on ONGC if we take a similar action on the sovereign credit rating on India while the company maintains an SACP of at least 'bbb'.

We may revise upward our assessment of the company's SACP if ONGC deleverages such that the FFO-to-debt ratio approaches 60% even under our midcycle oil price assumption. Such a scenario could result from improved profitability or higher oil prices, with the company using its free operating cash flow to reduce debt.

Power Grid Corp. of India Ltd. (BBB/Stable/--)

The stable outlook on Power Grid reflects the outlook on the sovereign credit rating on India. The rating on Power Grid is capped by the sovereign rating.

Downside scenario

We could downgrade the rating on Power Grid if we lower the sovereign credit rating on India.

We may revise downward our assessment of the company's SACP by one notch if its FFO-to-debt ratio falls below 20% for a sustained period, although it would not affect our rating on Power Grid.

This could happen if: (1) shareholder payouts are much higher than we expect; or (2) capex is much higher than our forecast without a commensurate increase in earnings.

Upside scenario

We could upgrade Power Grid if we raise the sovereign credit rating on India and the company maintains an SACP of at least 'bbb'.

We may revise our assessment of Power Grid's SACP upward to 'a-' if the company's business position further improves. This could happen if: (1) risk of delays in collections significantly declines due to structural improvements in the state electricity utilities' financial position; and (2) Power Grid's profitability and returns on tariff-based competitive bidding projects are not significantly weaker than we expect or compared with Regulated Tariff Mechanism (RTM) projects.

Tata Power Co. Ltd. (BBB/Stable/--)

The stable rating outlook on Tata Power reflects the company's predictable regulated cash flow and prudent growth in the renewable energy segment over the next two to three years. This will result in an FFO-to-debt ratio of above 10% over the period.

Downside scenario

We could lower the rating if Tata Power's leverage increases beyond our current expectation such that the company's ratio of FFO to debt declines below 10% sustainably. This could happen if the company's capital expenditure is higher than expected or if there are execution or operational issues in its ongoing and planned capacities.

We could also lower the rating if we lower the sovereign credit rating on India.

Upside scenario

An upgrade will require a sovereign rating upgrade to 'BBB+', in addition to an improvement in Tata Power's SACP. It will also be contingent on Tata Group's creditworthiness not being a constraint on the company's rating at that level.

Tata Power's SACP could improve to 'bb+' if the company's short-term debt declined such that we assess the company's liquidity to be adequate. The SACP could also improve if the company deleverages from current levels. We consider this scenario less likely, given the large investment plans over the next two to three years.

Bharti Airtel Ltd. (BBB-/Positive/--)

The positive rating outlook reflects our expectation that Bharti Airtel's improving earnings and commitment to deleveraging will result in improved financial flexibility over the next 12-24 months. We forecast the company's FFO-to-debt ratio will improve to well beyond 30% over the period. Our outlook also reflects our expectation that Bharti Airtel will maintain its competitive position in markets it operates in.

Downside scenario

We could revise our outlook on Bharti Airtel to stable if we believe the company's deleveraging trend is unlikely to stay, such that we no longer expect the FFO-to-debt ratio to improve to, and stay above, 30%. This may happen due to: (1) the company undertaking debt-funded investments, capital expenditure, and dividends that are beyond our expectations; or (2) its improvement in performance is less than we forecast.

In addition, we will consider the debt load at the Bharti Telecom stand-alone level. Increasing debt at that level can weigh on Bharti Airtel, since Bharti Telecom may depend on dividends from the subsidiary to service its debt.

Upside scenario

Upward rating momentum could arise from the company's continued earnings growth, which would support its deleveraging, and a commitment to operating at a lower leverage level. An indication of this would be the company's FFO-to-debt ratio improving and remaining comfortably above 30%.

Larsen & Toubro Ltd. (BBB+/Stable/--)

The stable rating outlook reflects our expectation that L&T's stable EBITDA margin and continued execution of its strong order book will improve its earnings and cash flow over the next two years. This would support deleveraging and enhance the company's rating headroom.

Downside scenario

We may lower the rating on L&T if adverse operating conditions significantly weaken its profitability or the company's working capital requirement increases sharply.

An indication of this would be L&T's debt-to-EBITDA ratio rising above 1.5x and ratio of FFO to debt declining to less than 60% on a sustained basis. Sizable acquisitions or aggressive shareholder returns resulting in sustained negative discretionary cash flow could lead to such a deterioration in credit metrics.

Upside scenario

We consider an upgrade to be less likely over the next few years because it would require the company's business scale and diversity to strengthen materially.

An upgrade would also be contingent upon L&T demonstrating a track record and commitment to a more conservative financial policy.

Reliance Industries Ltd. (BBB+/Stable/--)

The stable outlook reflects our expectation that Reliance Industries' strengthening cash flows and disciplined spending will help the company to preserve its financial profile over the next 12-24 months.

Downside scenario

We could lower the rating if: (1) Reliance Industries' capital expenditure, including acquisitions in digital or retail businesses, is higher than we expect; or (2) our cash flow projection for the company reduces due to lower earnings stemming from underperformance in any key business. Reliance Industries' debt-to-EBITDA ratio sustainably exceeding 2.5x would indicate such deterioration.

Upside scenario

We could upgrade the rating if the company demonstrates a record of conservative financial policy, such that its debt-to-EBITDA stays well below 2x. A higher rating could also require a greater share of revenue from non-energy segments.

Summit Digitel Infrastructure Ltd. (BBB-/Stable/--)

The stable outlook on Summit reflects our expectation that the company will maintain its solid market position and good relationships with Reliance Jio Infocomm Ltd. while increasing co-locations with other tenants. We believe Summit's leverage will improve to be less than 6.0x on a sustained basis in the next 18-24 months.

Downside scenario

We may lower the rating if Summit's appetite for debt-funded acquisitions, capital expenditure, or shareholder returns increases beyond our expectation. A debt-to-EBITDA ratio remaining well above 6.0x on a sustained basis would indicate such deterioration.

We may also lower the rating on Summit if the credit quality of Brookfield Infrastructure Partners LP (BBB+/Stable/--) weakens or if the asset manager's relationship with Summit changes. We may also lower the rating if Summit's ties with, and importance to, Jio and the wider Reliance Industries group reduce.

Upside scenario

All things remaining the same, we could raise the rating if Summit's leverage falls toward 5.0x on a sustainable basis. Faster growth in co-locations than we expect with capex remaining low could lead to this scenario.

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments, Jan. 20, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Corporates | General: Methodology For Assessing Financing Contributed By Controlling Shareholders, May 15, 2025
- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010

Related Research

- Various Rating Actions On Issue Ratings On Indian Companies Following Review Of Jurisdiction Ranking, Oct. 16, 2024
- India Corporate And Infrastructure Ratings: The Momentum Is Positive, Aug. 12, 2024
- South And Southeast Asia Infrastructure: All Clear For Takeoff, July 24, 2024
- Industry Credit Outlook Update Asia-Pacific: Utilities, July 18, 2024
- Outlook On Indian Govt-Owned NTPC, ONGC, And Power Grid Revised To Positive From Stable; Ratings Affirmed, May 29, 2024
- Industry Credit Outlook 2024: APAC Utilities, Jan. 10, 2024

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