

Oil and Natural Gas Corporation | BUY



Earnings beat on lower opex and a tad higher sales volume/realisation

ONGC's 1QFY26 standalone EBITDA, at INR 187bn, was significantly above JMFe of INR 164bn (and also above consensus of INR 182bn), aided by lower opex at INR 55.8bn vs. JMFe of INR 69.5bn (after having jumped to INR 74.9bn in 4QFY25). Further, crude & gas sales volume was also slightly better and crude realisation was also a little better than JMFe. Hence, PAT at INR 80.2bn was significantly above JMFe of INR 65.3bn (though a tad below consensus of INR 82.9bn) despite other income being lower at INR 12.1bn (vs. JMFe of INR 19bn). We maintain BUY (unchanged TP of INR 285) based on our Brent crude price assumption of USD 70/bbl (while CMP is discounting ~USD 60/bbl of net crude realisation), and as ONGC is likely to see cumulative output growth of 8-10% over FY26-28 driven by KG DW 98/2 block and Western offshore blocks. ONGC is also a robust dividend play (4-5%). At CMP, it trades at 5.6x FY27E consolidated EPS and 0.7x FY27E BV.

- **ONGC's standalone EBITDA significantly above JMFe (also above consensus), aided by lower opex and slightly better crude & gas sales volume/realisation:** ONGC's 1QFY26 standalone EBITDA at INR 187bn was significantly above JMFe of INR 164bn (and also above consensus of INR 182bn) aided by lower opex at INR 55.8bn vs. JMFe of INR 69.5bn (after having jumped to INR 74.9bn in 4QFY25); further crude & gas sales volume was slightly better and crude realisation was also a little better than JMFe. Hence, PAT at INR 80.2bn was significantly above JMFe of INR 65.3bn (though a tad below consensus of INR 82.9bn) despite other income being lower at INR 12.1bn (vs. JMFe of INR 19bn). Standalone 1QFY26 EPS is INR 6.4/share. Consolidated 1QFY26 EBITDA was in line at INR 277bn, and consolidated PAT was slightly higher at INR 98bn (EPS of INR 7.8/share).
- **Crude sales volume 0.4% above JMFe (though output a tad lower) while computed net realisation a little higher; gas sales volume slightly higher while realisation in line:** In 1QFY26, domestic crude sales volume was 0.4% above JMFe at 4.7mmt (down 2.6% QoQ, but up 1.1% YoY) though crude production was 0.5% below JMFe at 5.24mmt (down 0.4% QoQ but up 0.1% YoY) as sales as % of production rose to 89% (vs. ~88% historically). Computed net crude realisation was a little higher at USD 66.3/bbl (vs. JMFe of USD 66.1/bbl). Further, gas sales volume was 1.3% above JMFe at 3.9bcm (down 0.3% QoQ but up 1.4% YoY) while overall gas realisation was in line at USD 7.6/mmbtu (vs. USD 7.4/mmbtu in 4QFY25). Further, the management said gas price for production from new wells is USD 8.26/mmbtu during 1QFY26 and revenue from new well gas stood at INR 17bn in 1QFY26 (delivering an additional INR 3.3bn compared to the APM gas price). Separately, in 1QFY26, OPAL's EBITDA was negative INR 0.1bn in 1QFY26 (vs. negative INR 1.7bn in 4QFY25) with utilisation lower QoQ at 81% (vs. 95% in 4QFY25); further, PAT was negative at INR 6.2bn in 1QFY26 (vs. negative INR 13.3bn in 4QFY25).
- **OVL's weak production trend continues in 1QFY26; PAT lower QoQ at negative INR 1.1bn in 1QFY26:** In 1QFY26, OVL's crude output was down 5.4% QoQ to 1.8mmt (lower than quarterly run-rate of 2mmt in FY22 pre-Ukraine invasion) while crude sales

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	285
Upside/(Downside)	20.9%
Previous Price Target	285
Change	-0.1%

Key Data – ONGC IN

Current Market Price	INR236
Market cap (bn)	INR2,962.9/US\$33.8
Free Float	21%
Shares in issue (mn)	12,580.3
Diluted share (mn)	12,580.3
3-mon avg daily val (mn)	INR2,909.3/US\$33.2
52-week range	345/205
Sensex/Nifty	80,236/24,487
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-2.6	-0.8	-31.0
Relative*	0.2	-5.9	-32.1

* To the BSE Sensex

Financial Summary (Consolidated)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	61,63,444	63,22,703	61,84,885	65,11,065	68,14,578
Sales Growth (%)	-3.3	2.6	-2.2	5.3	4.7
EBITDA	10,81,936	9,88,575	10,59,970	11,40,984	11,91,375
EBITDA Margin (%)	17.6	15.6	17.1	17.5	17.5
Adjusted Net Profit	5,07,804	3,63,767	4,66,446	5,27,187	5,57,289
Diluted EPS (INR)	40.4	28.9	37.1	41.9	44.3
Diluted EPS Growth (%)	13.2	-28.4	28.2	13.0	5.7
ROIC (%)	14.9	9.9	11.5	12.4	12.6
ROE (%)	16.3	10.7	13.0	13.6	13.3
P/E (x)	5.8	8.2	6.4	5.6	5.3
P/B (x)	0.9	0.9	0.8	0.7	0.7
EV/EBITDA (x)	4.0	4.6	4.1	3.7	3.4
Dividend Yield (%)	5.2	5.2	6.3	7.1	7.5

Source: Company data, JM Financial. Note: Valuations as of 12/Aug/2025

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

volume was at 1.2mmt. Gas output was also down 14.3% QoQ to 0.7bcm (much lower than quarterly run-rate of 1.1bcm in FY22) while gas sales volume was at 0.4bcm. Hence, OVL's EBITDA was muted at INR 7.5bn (vs. INR 12.3bn in 4QFY25). Reported PAT was at negative INR 1.1bn in 1QFY26 (vs. +INR 0.8bn in 4QFY25 and PAT run-rate of +INR 16-18bn p.a. over FY21-23).

- **Maintain BUY on expectation of crude stabilising ~USD 70/bbl and CMP discounting ~USD60/bbl; also likely to see cumulative output growth of 8-10% over FY26-28:** We reiterate BUY (unchanged TP of INR 285 based on 6x FY27 P/E for standalone business) assuming Brent crude price of USD 70/bbl (while CMP is discounting ~USD 60/bbl of net crude realisation). Further, ONGC is likely to see cumulative output growth of 8-10% over FY26-28 driven by KG DW 98/2 block and Western offshore blocks. ONGC is also a robust dividend play (4-5%). Every USD 7/bbl rise/fall in net crude realisation results in increase/decrease in our EPS and valuation by 12-16% — **Exhibit 10-11**. At CMP, ONGC trades at 5.6x FY27E consolidated EPS and 0.7x FY27E BV.

1QFY26 Result Review

Exhibit 1. ONGC standalone quarterly snapshot

INR mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Net sales	352,664	338,809	337,168	349,822	320,029	(9.3)	(8.5)
Operating Costs	166,490	156,445	146,600	159,744	133,458	(19.8)	(16.5)
EBITDA	186,174	182,364	190,568	190,079	186,571	0.2	(1.8)
EBITDA margin (%)	52.8%	53.8%	56.5%	54.3%	58.3%	551 bps	396 bps
EBITDA (US\$/boe of sales)	38	37	38	36	37		
Interest	11,822	11,567	10,750	11,901	11,209	(5.2)	(5.8)
Depreciation	58,973	55,979	67,788	60,785	65,306	10.7	7.4
Dry Well costs w/o	16,427	12,114	19,251	50,465	14,718	(10.4)	(70.8)
Other Income	20,609	47,656	17,222	20,747	12,105	(41.3)	(41.7)
Extraordinary	-	-	-	-	-		
PBT	119,561	150,360	110,003	87,674	107,443	(10.1)	22.5
Reported PAT	89,381	119,840	82,399	64,483	80,242	(10.2)	24.4
PAT Margin (%)	25.3%	35.4%	24.4%	18.4%	25.1%	(1.1)	36.0
EPS (INR)	7.1	9.5	6.5	5.1	6.4	(10.2)	24.4
Tax rate	25.2%	20.3%	25.1%	26.5%	25.3%	0.3	(4.3)

Source: Company, JM Financial

Exhibit 2. Standalone revenue and realisation details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Revenue break-up (INR mn)							
CRUDE							
Domestic	213,260	210,080	200,890	214,410	189,310	(11.2)	(11.7)
JV	26,910	15,340	14,040	13,960	10,390	(61.4)	(25.6)
Overall	240,170	225,420	214,930	228,370	199,700	(16.9)	(12.6)
GAS							
Domestic	73,530	79,600	83,880	86,070	87,870	19.5	2.1
JV	6,860	3,940	3,850	3,830	3,350	(51.2)	(12.5)
Overall	80,390	83,540	87,730	89,900	91,220	13.5	1.5
VAP							
LPG	12,850	12,380	13,510	13,030	10,130	(21.2)	(22.3)
Naphtha	12,550	11,910	12,590	11,400	9,240	(26.4)	(18.9)
C2 C3	7,220	6,950	8,510	10,950	9,300	28.8	(15.1)
SKO	-	-	-	-	-	NM	NM
TOTAL	353,180	340,200	337,270	353,650	319,590	(9.5)	(9.6)
Realisation break-up:							
CRUDE (USD/ bbl)							
Domestic	83.0	78.3	73.1	74.0	66.5	(19.9)	(10.2)
JV	81.0	77.5	72.2	61.4	64.8	(20.1)	5.5
Overall	82.7	78.2	73.1	73.1	66.4	(19.8)	(9.2)
Less: Windfall tax on domestic crude	9.8	3.9	0.1	0.1	0.1		
Net computed crude realisation (incl JV)	73.0	74.3	73.0	73.0	66.3	(9.1)	(9.2)
Brent	84.9	80.3	74.7	75.7	67.9	(20.1)	(10.4)
GAS (USD/mmbtu)							
Domestic	6.8	7.0	7.2	7.3	7.5	10.6	3.5
JV	10.4	13.9	14.6	14.3	13.4	29.3	-6.0
Overall	7.0	7.1	7.4	7.4	7.6	9.1	3.0
Others							
LPG (USD/ton)	661	629	681	672	658	(0.5)	(2.1)
Naphtha (USD/ton)	632	635	626	627	543	(14.2)	(13.4)
C2 C3 (USD/ton)	1,096	1,185	654	658	494	-54.9	(25.0)

Source: Company, JM Financial

Exhibit 3. Standalone volume details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Production volume break-up							
CRUDE (mmt)							
Domestic	4.45	4.58	4.65	4.70	4.68	5.3	(0.4)
JV	0.53	0.33	0.31	0.30	0.31	(42.7)	2.0
Condensate+NGL	0.26	0.25	0.27	0.26	0.25	(2.0)	(3.5)
Total	5.24	5.16	5.24	5.26	5.24	0.1	(0.4)
GAS (bcm)							
Domestic	4.68	4.92	4.98	4.89	4.85	3.6	(1.0)
JV	0.33	0.14	0.13	0.12	0.12	(64.7)	-2.5
Overall	5.01	5.06	5.11	5.01	4.96	(0.9)	(1.0)
VAP ('000 tons)							
LPG	231	237	236	225	178	(22.9)	-20.9
Naphtha	228	226	234	216	202	(11.4)	(6.5)
C2 C3	80	71	154	192	222	177.5	15.6
SKO	1	2	0	0	0		
Sales volume break-up							
CRUDE (mmt)							
Domestic	4.11	4.27	4.34	4.46	4.44	8.0	(0.5)
JV	0.53	0.32	0.31	0.35	0.25	(52.9)	(28.6)
Overall	4.64	4.59	4.64	4.81	4.69	1.1	(2.6)
GAS (bcm)							
Domestic	3.60	3.79	3.84	3.80	3.79	5.4	(0.2)
JV	0.22	0.09	0.09	0.09	0.08	(63.2)	(5.8)
Overall	3.82	3.88	3.92	3.88	3.87	1.4	(0.3)
VAP ('000 tons)							
LPG	233	235	235	224	180	(22.7)	(19.6)
Naphtha	238	224	238	210	199	(16.4)	(5.2)
C2 C3	79	70	154	192	220	178.5	14.6
SKO	-	-	-	-	-		

Source: Company, JM Financial

Exhibit 4. ONGC consolidated quarterly snapshot

INR mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Net sales	1,680,248	1,583,291	1,660,967	1,708,117	1,631,081	(2.9)	(4.5)
Dry Well costs w/o	16,793	12,595	19,316	51,264	17,816	6.1	(65.2)
Statutory Levies	212,345	202,666	191,727	189,409	194,279	(8.5)	2.6
EBITDA	233,058	217,663	265,744	272,110	276,888	18.8	1.8
EBITDA margin (%)	13.9%	13.7%	16.0%	15.9%	17.0%	311 bps	105 bps
Interest	36,159	37,490	36,697	35,003	33,414	(7.6)	(4.5)
Depreciation	84,564	82,090	94,972	90,433	93,840	11.0	3.8
Other Income	28,422	41,634	24,111	29,769	25,732	(9.5)	(13.6)
Extraordinary	-	-	-	(1,511)	(186)		
PBT	123,964	127,123	138,869	123,668	157,365	26.9	27.2
Reported PAT	100,086	102,725	86,217	73,228	98,041	(2.0)	33.9
PAT Margin (%)	6.0%	6.5%	5.2%	4.3%	6.0%	0.9	40.2
EPS (INR)	8.0	8.2	6.9	5.8	7.8	(2.0)	33.9
Tax rate	27.1%	22.2%	26.9%	33.6%	25.1%	(7.3)	(25.1)

Source: Company, JM Financial

Exhibit 5. OVL quarterly snapshot

INR mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Net sales	34,090	23,500	31,840	60,910	21,200	(37.8)	(65.2)
EBITDA	15,280	11,470	7,710	12,750	7,470	(51.1)	(41.4)
EBITDA margin (%)	45%	49%	24%	21%	35%	-959 bps	1430 bps
Interest	9,010	6,380	9,300	8,140	6,240	(30.7)	(23.3)
Depreciation	3,670	3,720	4,930	5,910	4,670	27.2	(21.0)
Other income (incl profit on equity acc. invt)	5,970	4,370	4,400	7,950	3,280	(45.1)	(58.7)
Extraordinary	-	-	-	(1,270)	(190)		
PBT	7,560	6,120	(2,240)	5,380	(360)	(104.8)	(106.7)
Reported PAT	4,310	3,330	(4,200)	770	(1,080)	(125.1)	(240.3)
PAT Margin (%)	12.6%	14.2%	-13.2%	1.3%	-5.1%	(140.3)	(503.0)
Tax rate	43%	46%	NM	86%	NM		

Source: Company, JM Financial

Exhibit 6. OVL volume details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Production volume break-up							
Crude (mmt)	1.793	1.818	1.867	1.855	1.754	(2.2)	(5.4)
Gas (bcm)	0.722	0.705	0.788	0.813	0.697	(3.5)	(14.3)
Total (mmt)	2.515	2.523	2.655	2.668	2.451	(2.5)	(8.1)
Sales volume break-up							
Crude (mmt)	1.180	1.232	1.229	1.178	1.168	(1.0)	(0.8)
Gas (bcm)	0.485	0.532	0.288	0.392	0.430	(11.3)	9.7
Total (mmt)	1.665	1.764	1.517	1.570	1.598	(4.0)	1.8
Sales volume (as % of production volume)							
Crude	66%	68%	66%	64%	67%		
Gas	67%	75%	37%	48%	62%		
Total	66%	70%	57%	59%	65%		

Source: Company, JM Financial

Exhibit 7. OPAL quarterly snapshot

INR mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	% YoY	% QoQ
Net sales	37,210		36,930	37,250	33,490	(10.0)	(10.1)
EBITDA	(210)		(1,570)	(1,660)	(80)	(61.9)	(95.2)
EBITDA margin (%)	-1%		-4%	-4%	0%	33 bps	422 bps
Interest	8,860		5,630	5,020	5,150	(41.9)	2.6
Depreciation	3,810		3,850	4,110	3,930	3.1	(4.4)
Other income	490		20	110	200	(59.2)	81.8
Extraordinary	-		-	-	-		
PBT	(12,380)		(11,030)	(10,680)	(8,950)	(27.7)	(16.2)
Reported PAT	(9,820)		(7,730)	(13,330)	(6,160)	(37.3)	(53.8)
PAT Margin (%)	-26.4%		-20.9%	-35.8%	-18%	(30.3)	(48.6)
Tax rate	21%		30%	-25%	31%		
Average Capacity Utilisation (%)	89%		93%	95%	81%		
Sales volume (as % of production volume)	103%		103%	99%	105%		

Source: Company, JM Financial

Assumptions and Estimates

Exhibit 8. Key assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Comments
Macro assumptions								
Brent (US\$/bbl)	80.0	95.4	83.1	78.9	70.0	70.0	70.0	
Exchange rate (Rs/US\$)	74.5	80.4	82.8	84.6	87.1	88.8	90.6	
ONGC domestic business								
Production								
Crude production (kbpd)	446	441	434	429	441	454	454	Based on management production guidance
YoY growth (%)	-3.7%	-1.0%	-1.6%	-1.2%	2.8%	2.8%	0.1%	
Gas production (bcm)	21.7	21.4	20.6	20.2	21.0	22.0	22.2	Based on management production guidance
YoY growth (%)	-5.0%	-1.5%	-3.3%	-2.2%	3.9%	4.9%	1.0%	
Crude and gas production (kboepd)	820	809	790	777	803	833	837	
YoY growth (%)	-4.3%	-1.2%	-2.4%	-1.6%	3.3%	3.7%	0.5%	
Crude production (%)	54%	55%	55%	55%	55%	54%	54%	
Gas production (%)	46%	45%	45%	45%	45%	46%	46%	
Realisation								
Gross crude realisation (US\$/bbl)	76.6	91.9	80.8	76.9	70.0	70.0	70.0	Based on crude price assumption
Less: Fuel subsidy (US\$/bbl)	0.0	9.5	7.4	3.4	0.0	0.0	0.0	
Net realisation (US\$/bbl)	76.6	82.4	73.4	73.5	70.0	70.0	70.0	
Gas realisation (US\$/mmbtu)	2.6	7.5	6.8	7.1	7.3	7.8	8.1	Based on domestic gas price formula
ONGC overseas business								
Production								
OVL oil production (kbpd)	163	128	145	146	149	152	155	Based on historical trend and new growth projects
YoY growth (%)	-4.8%	-21.6%	13.0%	1.2%	2.0%	2.0%	2.0%	
OVL gas production (bcm)	4.2	3.8	3.3	3.0	3.1	3.1	3.2	Based on historical trend and new growth projects
YoY growth (%)	-6.6%	-9.7%	-12.6%	-9.8%	2.0%	2.0%	2.0%	
Crude and gas production (kboepd)	236	194	202	198	202	206	210	
YoY growth (%)	-5.4%	-17.9%	4.3%	-1.9%	2.0%	2.0%	2.0%	
Crude production (%)	69%	66%	72%	74%	74%	74%	74%	
Gas production (%)	31%	34%	28%	26%	26%	26%	26%	
Realisation								
Gross crude realisation (US\$/bbl)	51.2	36.3	37.2	36.1	32.0	32.0	32.0	
Gas realisation (US\$/mmbtu)	1.7	2.8	2.3	2.1	2.1	2.1	2.1	
Financials (Consolidated) (in INR Mn)								
EBITDA	857,668	857,108	1,081,936	988,575	1,059,970	1,140,984	1,191,375	
PAT	455,221	367,093	491,439	362,256	466,447	527,188	557,290	
EPS	36.2	29.2	39.1	28.8	37.1	41.9	44.3	

Source: JM Financial, Company

Exhibit 9. Change in estimates

	New	Old	Divergence
TP (INR)	285	285	-0.1%
Rating	BUY	BUY	
Revenue (Rs Mn)			
FY26	6,448,312	6,448,312	0.0%
FY27	6,790,849	6,790,849	0.0%
FY28	7,102,305	7,102,305	0.0%
EBITDA (Rs Mn)			
FY26	1,059,970	1,059,970	0.0%
FY27	1,140,984	1,140,984	0.0%
FY28	1,191,375	1,191,375	0.0%
PAT (Rs Mn)			
FY26	466,447	466,447	0.0%
FY27	527,188	527,188	0.0%
FY28	557,290	557,290	0.0%
EPS (Rs)			
FY26	37.1	37.1	0.0%
FY27	41.9	41.9	0.0%
FY28	44.3	44.3	0.0%

Source: JM Financial

Valuation

Exhibit 10. ONGC SOTP valuation

SOTP Valuation	INR/share	Comment
Standalone business		
FY27E standalone core EPS	35.3	
P/E multiple used (x)	6.0	
Value of standalone business	212	
OVL business		
FY27E OVL EPS	0.6	
P/E multiple used (x)	6.0	
Value of OVL	4	
Other investments		
IOCL (14.2% stake)	18	At 20% discount to CMP
PLNG (12.5% stake)	3	At 20% discount to CMP
GAIL (5.01% stake)	4	At 20% discount to CMP
HPCL (54.9% stake)	30	At 20% discount to CMP
MRPL (71.63% stake)	10	At 20% discount to CMP
Total value of investments	70	
Total equity value (Rs/share)	285	

Source: JM Financial

If FY26 net crude realisation declines by USD7.0/bbl, our FY26 standalone EPS will decline by 15.6%. Similarly if gas realisation changes by +/- 0.7 USD/mmbtu, our FY26 standalone EPS will change by +/-6.2%.

Exhibit 11. ONGC standalone FY26 EPS sensitivity to crude realisation and gas price (INR/share)

		FY26 Gas Price (USD/mmbtu)						
		5.1	5.8	6.6	7.3	8.0	8.8	9.5
Net crude realisation (USD/bbl)	49	11.0	12.8	14.6	16.4	18.2	20.0	21.8
	56	15.7	17.5	19.3	21.2	23.0	24.8	26.7
	63	20.4	22.2	24.1	26.0	27.9	29.7	31.6
	70	25.0	27.0	28.9	30.8	32.7	34.6	36.5
	77	29.7	31.7	33.6	35.6	37.5	39.5	41.4
	84	34.4	36.4	38.4	40.4	42.4	44.4	46.3
	91	39.1	41.1	43.1	45.2	47.2	49.2	51.3

Source: Company, JM Financial.

If FY26 net crude realisation declines by +/-USD7.0/bbl, our valuation will change by INR 34/share (or 11.9%). Similarly if gas realisation changes by +/- 0.7 USD/mmbtu, our valuation will change by INR +/- 13/share (or 4.6%) and vice versa.

Exhibit 12. ONGC valuation sensitivity to crude realisation and gas price (INR/share)

		FY26 Gas Price (USD/mmbtu)						
		5.1	5.8	6.6	7.3	8.0	8.8	9.5
Net crude realisation (USD/bbl)	49	148	160	172	184	195	207	219
	56	181	193	205	217	230	242	254
	63	213	226	238	251	264	276	289
	70	246	259	272	285	298	311	324
	77	278	292	305	319	332	346	359
	84	311	324	338	352	366	380	394
	91	343	357	372	386	400	415	429

Source: Company, JM Financial.

Exhibit 13. 1-year forward PE chart

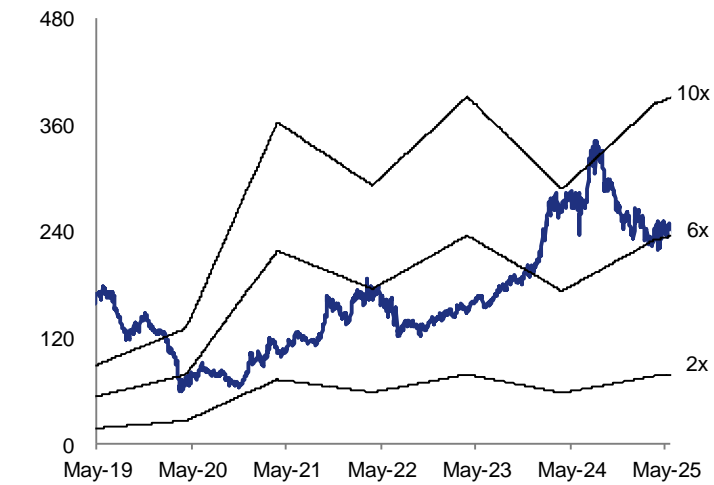


Exhibit 14. EPS vs. EPS growth

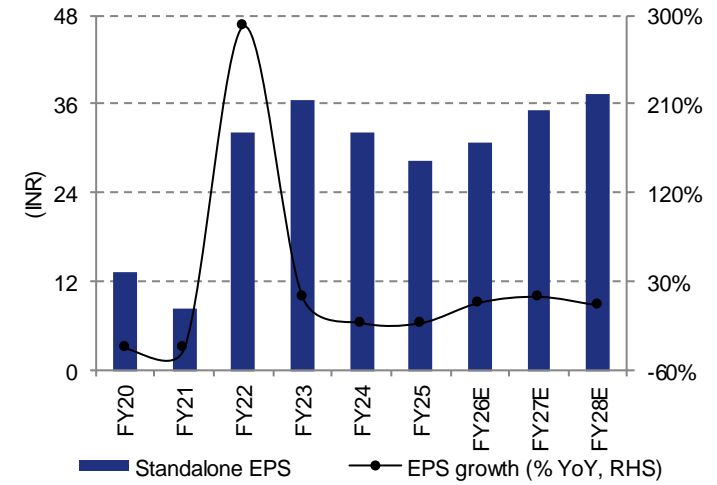


Exhibit 15. 1-year forward PB chart

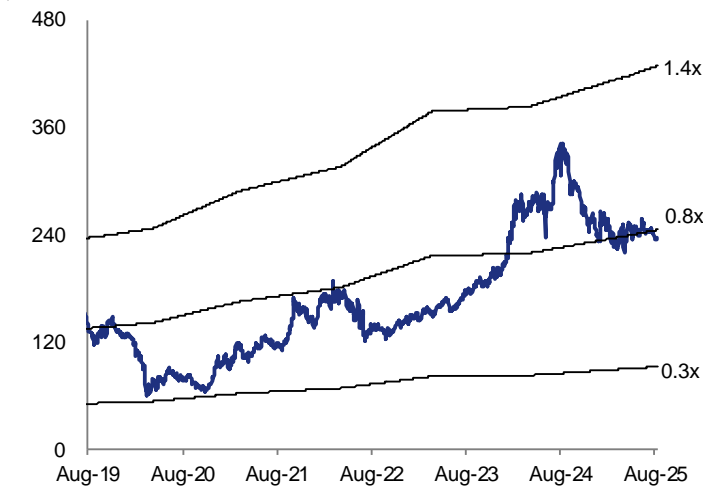


Exhibit 16. RoE vs. RoCE

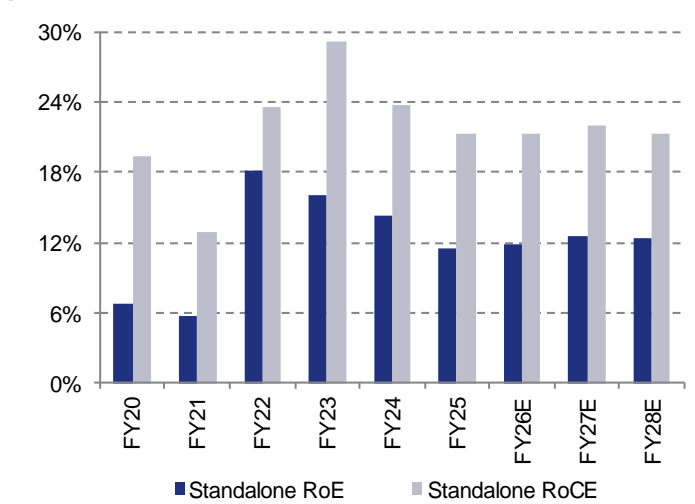


Exhibit 17. 1-year forward EV/2P reserves chart



Exhibit 18. 2P reserve replacement ratio

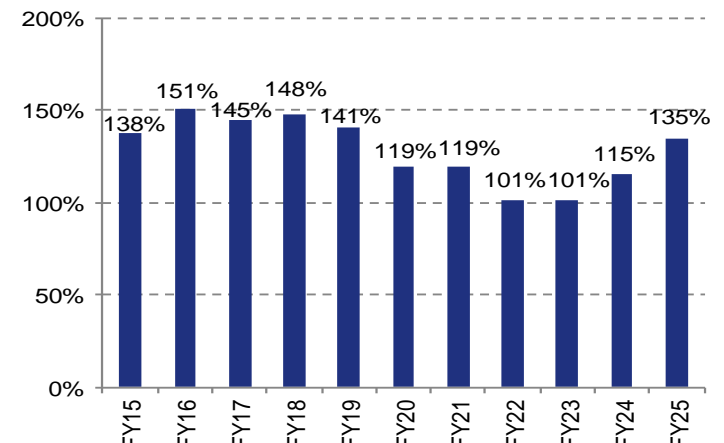


Exhibit 19. Global E&P companies' valuation snapshot

Company	EV/EBITDA (x)			EBITDA Margins (%)			P/E (x)			P/B (x)			ROE (%)		
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26
US peers															
EOG Resources	4.8	5.2	4.7	53.9	52.1	53.7	10.2	11.7	10.6	2.2	2.0	1.9	22.4	17.8	18.7
Murphy Oil	2.7	3.2	2.8	52.9	52.2	57.1	7.6	15.7	9.5	0.6	0.6	0.6	8.8	3.9	6.4
Canadian Natural Res	6.3	5.9	6.1	46.8	47.9	48.9	11.6	11.6	12.3	2.2	2.1	2.1	18.8	18.1	17.6
US peers average	4.6	4.8	4.5	51.2	50.7	53.2	9.8	13.0	10.8	1.7	1.6	1.5	16.7	13.3	14.2
European peers															
PTT Exploration & Production	2.2	2.3	2.3	74.6	71.5	70.5	6.5	7.5	7.8	0.9	0.8	0.8	15.1	11.5	10.6
Santos	5.8	6.1	5.2	68.1	66.5	67.8	12.6	15.4	12.5	1.1	1.1	1.0	8.6	6.8	8.1
INPEX	2.8	3.1	3.3	65.6	70.5	67.0	7.8	9.1	8.5	0.7	0.6	0.5	8.8	6.5	6.6
European peers average	3.6	3.8	3.6	69.5	69.5	68.4	9.0	10.6	9.6	0.9	0.8	0.8	10.8	8.3	8.4
Asian peers															
JX Holdings	7.6	7.0	6.0	4.5	5.9	6.8	13.3	14.3	9.0	0.7	0.7	0.7	4.4	4.2	7.5
ONGC	5.2	4.9	4.7	14.5	15.7	15.5	6.8	7.0	6.6	0.8	0.8	0.7	12.4	12.0	11.9
Oil India	7.7	8.2	6.7	34.7	31.7	32.3	9.5	9.1	7.2	1.3	1.2	1.1	14.6	14.6	16.6
CNOOC	2.6	2.8	2.8	60.6	61.3	61.1	5.6	6.1	6.2	1.1	1.0	0.9	20.2	16.8	15.3
Asian peers average	5.8	5.7	5.0	28.6	28.7	28.9	8.8	9.2	7.2	1.0	0.9	0.9	12.9	11.9	12.8
Global peers average	4.8	4.9	4.4	47.6	47.5	48.1	9.1	10.8	9.0	1.2	1.1	1.0	13.4	11.2	11.9
Global peers median	5.0	5.1	4.7	53.4	52.2	55.4	8.6	10.3	8.8	1.0	0.9	0.9	13.5	11.7	11.2

Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	61,63,444	63,22,703	61,84,885	65,11,065	68,14,578
Sales Growth	-3.3%	2.6%	-2.2%	5.3%	4.7%
Other Operating Income	0	0	0	0	0
Total Revenue	61,63,444	63,22,703	61,84,885	65,11,065	68,14,578
Cost of Goods Sold/Op. Exp	48,30,996	49,48,115	46,26,528	48,41,879	50,66,726
Personnel Cost	70,264	67,958	73,046	78,558	84,532
Other Expenses	1,80,247	3,18,055	4,25,341	4,49,644	4,71,945
EBITDA	10,81,936	9,88,575	10,59,970	11,40,984	11,91,375
EBITDA Margin	17.6%	15.6%	17.1%	17.5%	17.5%
EBITDA Growth	26.2%	-8.6%	7.2%	7.6%	4.4%
Depn. & Amort.	3,62,507	4,52,028	4,20,685	4,31,571	4,46,839
EBIT	7,19,429	5,36,547	6,39,285	7,09,413	7,44,536
Other Income	1,20,307	1,23,936	1,59,013	1,66,466	1,69,866
Finance Cost	1,30,257	1,45,350	1,19,552	1,20,513	1,21,962
PBT before Excep. & Forex	7,09,479	5,15,134	6,78,745	7,55,366	7,92,439
Excep. & Forex Inc./Loss(-)	-16,364	-1,511	1	1	1
PBT	6,93,115	5,13,623	6,78,746	7,55,367	7,92,440
Taxes	1,83,561	1,40,693	1,76,194	1,95,862	2,04,636
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	1,04,469	31,386	72,939	79,168	85,596
Reported Net Profit	4,91,439	3,62,256	4,66,447	5,27,188	5,57,290
Adjusted Net Profit	5,07,804	3,63,767	4,66,446	5,27,187	5,57,289
Net Margin	8.2%	5.8%	7.5%	8.1%	8.2%
Diluted Share Cap. (mn)	12,580.3	12,580.3	12,580.3	12,580.3	12,580.3
Diluted EPS (INR)	40.4	28.9	37.1	41.9	44.3
Diluted EPS Growth	13.2%	-28.4%	28.2%	13.0%	5.7%
Total Dividend + Tax	1,54,109	1,54,109	1,86,579	2,10,875	2,22,916
Dividend Per Share (INR)	12.3	12.3	14.8	16.8	17.7

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	6,93,115	5,13,623	6,78,746	7,55,367	7,92,440
Depn. & Amort.	3,04,401	3,52,060	3,26,898	3,36,346	3,48,455
Net Interest Exp. / Inc. (-)	52,071	63,197	-39,461	-45,954	-47,904
Inc (-) / Dec in WCap.	2,288	13,692	95,961	-4,429	7,298
Others	82,251	1,06,034	0	0	0
Taxes Paid	-1,45,659	-1,39,924	-1,76,194	-1,95,862	-2,04,636
Operating Cash Flow	9,88,466	9,08,682	8,85,950	8,45,468	8,95,653
Capex	-5,21,188	-5,56,762	-4,99,361	-5,02,718	-5,26,472
Free Cash Flow	4,67,278	3,51,920	3,86,590	3,42,750	3,69,181
Inc (-) / Dec in Investments	-1,09,456	30,945	-27,955	-29,059	-30,195
Others	55,794	95,601	1,59,014	1,66,467	1,69,867
Investing Cash Flow	-5,74,850	-4,30,217	-3,68,302	-3,65,310	-3,86,800
Inc / Dec (-) in Capital	-6,093	-4,941	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-1,19,027	-73,879	10,949	5,370	18,149
Others	-2,73,480	-3,95,518	-1,19,552	-1,20,513	-1,21,962
Financing Cash Flow	-3,98,600	-4,74,337	-1,08,603	-1,15,143	-1,03,813
Inc / Dec (-) in Cash	15,016	4,128	4,09,046	3,65,015	4,05,039
Opening Cash Balance	26,400	41,416	45,544	4,54,589	8,19,604
Closing Cash Balance	41,416	45,543	4,54,589	8,19,604	12,24,644

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	33,90,689	34,34,405	37,15,585	40,31,663	43,64,430
Share Capital	62,901	62,901	62,901	62,901	62,901
Reserves & Surplus	33,27,787	33,71,503	36,52,683	39,68,762	43,01,528
Preference Share Capital	0	0	0	0	0
Minority Interest	2,05,554	3,07,946	3,43,567	3,78,949	4,14,957
Total Loans	15,76,856	15,35,559	15,46,509	15,51,878	15,70,027
Def. Tax Liab. / Assets (-)	3,82,285	3,87,618	3,87,618	3,87,618	3,87,618
Total - Equity & Liab.	55,55,384	56,65,529	59,93,279	63,50,109	67,37,033
Net Fixed Assets	43,59,122	45,25,345	46,81,011	48,31,427	49,92,690
Gross Fixed Assets	47,21,405	52,50,380	57,23,309	61,99,480	66,99,289
Intangible Assets	1,21,364	1,27,625	1,27,625	1,27,625	1,27,625
Less: Depn. & Amort.	16,40,128	19,76,253	23,19,947	26,72,249	30,37,458
Capital WIP	11,56,482	11,23,593	11,50,025	11,76,571	12,03,234
Investments	13,31,716	11,49,883	10,05,357	8,38,872	6,63,406
Current Assets	17,29,141	19,12,004	22,41,199	26,80,077	31,44,145
Inventories	5,37,928	5,89,563	5,01,468	5,28,106	5,52,327
Sundry Debtors	2,22,396	2,36,070	34,727	29,282	70,293
Cash & Bank Balances	41,416	45,544	4,54,589	8,19,604	12,24,644
Loans & Advances	0	0	0	0	0
Other Current Assets	9,27,401	10,40,826	12,50,415	13,03,084	12,96,882
Current Liab. & Prov.	18,64,596	19,21,703	19,34,288	20,00,267	20,63,208
Current Liabilities	5,95,888	6,00,573	7,08,759	7,31,943	7,52,778
Provisions & Others	12,68,708	13,21,130	12,25,528	12,68,324	13,10,430
Net Current Assets	-1,35,455	-9,699	3,06,911	6,79,810	10,80,937
Total - Assets	55,55,384	56,65,529	59,93,279	63,50,109	67,37,033

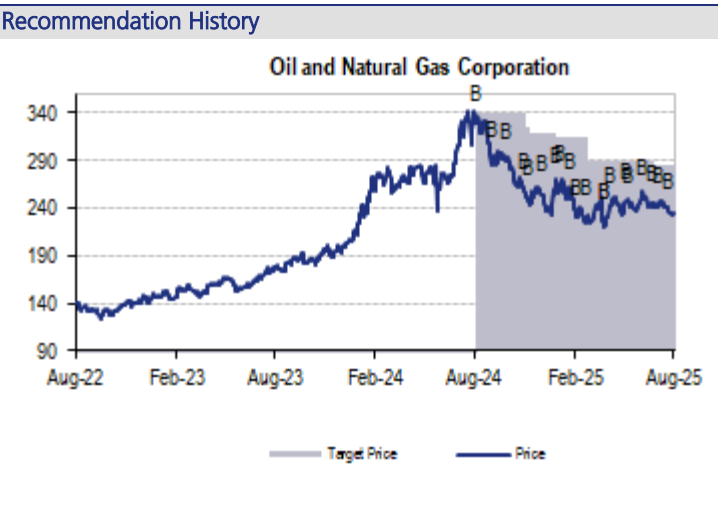
Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	8.2%	5.8%	7.5%	8.1%	8.2%
Asset Turnover (x)	1.2	1.1	1.0	1.0	1.0
Leverage Factor (x)	1.7	1.7	1.7	1.6	1.6
RoE	16.3%	10.7%	13.0%	13.6%	13.3%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	269.5	273.0	295.3	320.5	346.9
ROIC	14.9%	9.9%	11.5%	12.4%	12.6%
ROE	16.3%	10.7%	13.0%	13.6%	13.3%
Net Debt/Equity (x)	0.3	0.4	0.3	0.2	0.2
P/E (x)	5.8	8.2	6.4	5.6	5.3
P/B (x)	0.9	0.9	0.8	0.7	0.7
EV/EBITDA (x)	4.0	4.6	4.1	3.7	3.4
EV/Sales (x)	0.7	0.7	0.7	0.6	0.6
Debtor days	13	14	2	2	4
Inventory days	32	34	30	30	30
Creditor days	27	27	36	36	36

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
16-Aug-24	Buy	340	
13-Sep-24	Buy	340	0.3
7-Oct-24	Buy	340	-0.2
11-Nov-24	Buy	325	-4.3
18-Nov-24	Buy	320	-1.7
13-Dec-24	Buy	320	0.0
7-Jan-25	Buy	315	-1.5
17-Jan-25	Buy	315	0.0
1-Feb-25	Buy	315	0.0
14-Feb-25	Buy	315	0.0
5-Mar-25	Buy	290	-8.0
6-Apr-25	Buy	290	0.0
8-Apr-25	Buy	290	0.0
17-Apr-25	Buy	290	0.0
18-May-25	Buy	290	0.2
22-May-25	Buy	290	-0.2
15-Jun-25	Buy	290	0.0
3-Jul-25	Buy	285	-1.6
16-Jul-25	Buy	285	0.0
2-Aug-25	Buy	285	0.0



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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