

February 14, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		BUY	
Target Price	297		307	
Sales (Rs bn)	7,396	7,667	7,422	7,718
% Chng.	(0.3)	(0.7)		
EBITDA (Rs bn)	1,123	1,175	1,182	1,179
% Chng.	(4.9)	(0.4)		
EPS (Rs.)	37.9	38.5	41.4	39.5
% Chng.	(8.3)	(2.5)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	6,633	6,872	7,396	7,667
EBITDA (Rs. bn)	989	1,078	1,123	1,175
Margin (%)	14.9	15.7	15.2	15.3
PAT (Rs. bn)	382	455	477	484
EPS (Rs.)	30.3	36.1	37.9	38.5
Gr. (%)	(28.8)	19.1	5.0	1.4
DPS (Rs.)	12.3	10.8	11.8	13.3
Yield (%)	4.6	4.0	4.4	5.0
RoE (%)	11.2	12.6	12.2	11.4
RoCE (%)	12.8	12.8	13.0	12.8
EV/Sales (x)	0.7	0.6	0.5	0.5
EV/EBITDA (x)	4.7	4.0	3.5	3.0
PE (x)	8.8	7.4	7.0	6.9
P/BV (x)	1.0	0.9	0.8	0.8

Key Data

ONGC.BO | ONGC IN

52-W High / Low	Rs.280 / Rs.205
Sensex / Nifty	82,627 / 25,471
Market Cap	Rs.3,364bn/ \$ 37,113m
Shares Outstanding	12,580m
3M Avg. Daily Value	Rs.3248.64m

Shareholding Pattern (%)

Promoter's	58.89
Foreign	8.12
Domestic Institution	19.04
Public & Others	13.95
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	9.7	12.0	13.8
Relative	11.0	9.2	4.9

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Volume outlook remains intact

Quick Pointers:

- Standalone FY27 production is expected at 21.0mmt and 21.5bcm.
- In 9MFY26, NWG contributed to more than 18% of total gas sales revenue.

We revise our rating to "Accumulate" from Buy given concerns on sustainable volume growth for the company. Standalone oil and gas sales volumes increased 1.3% and 1.1% YoY, respectively. On a sequential basis, oil sales volumes declined 1.8%, while gas volumes improved 1.2%. Oil price realization fell sharply to USD61.6/bbl from USD72.6/bbl YoY. Consequently, revenue fell 4.5% QoQ and 6.4% YoY to Rs315.5bn (PLe: Rs309.8bn; BBGe: Rs316.8bn). EBITDA stood at Rs173.2bn (PLe: Rs158.7bn; BBGe: Rs160.1bn), declining 2.1% QoQ and 8.7% YoY due to lower oil realization. PAT came in at Rs83.7bn (PLe: Rs72.5bn; BBGe: Rs75.9bn), up 1.6% YoY supported by lower tax outgo, but down 15.0% QoQ. ONGC expects standalone FY27 production at 21.0mmt and 21.5bcm. We build in a slightly lower production expectation for oil at 20.0mmt and for gas at 20.6bcm in FY27 on standalone basis, translating into a FY25-28E production CAGR (incl JVs) of 1.7% (oil) and 2.6% (gas). Positive developments in the MH block may provide incremental volume upside. We revise our rating to 'Accumulate' with TP of Rs297 (earlier Rs307). Valuing standalone segment at 9x Dec'27E adj EPS and adding the value of investments.

Standalone production remains steady: Oil production from own fields in Q3FY26 stood at 4.8mmt, almost flat QoQ and down 1.8% YoY. Share of oil JVs stood at 0.3mmt, down 6.8% QoQ and 8.0% YoY. Gas production from own fields stood at 5.0bcm, up 1.4% QoQ and flat YoY. Gas production from JVs stood at 0.1bcm, down 8.8% QoQ and 20.6% YoY. Total oil production (incl JVs) declined 1.3% QoQ and 2.2% YoY to 5.1mmt, while gas production (incl JV) improved 1.2% QoQ and remained flat YoY at 5.09bcm. For OVL, oil and gas production in Q3FY26 stood at 1.7mmt (flat QoQ, -5.4% YoY) and 0.7bcm (+13.1% QoQ, -10.9% YoY).

Oil price realization declined: Crude oil realization from own fields stood at USD61.6/bbl, down from USD67.3/bbl in Q2FY26 and USD72.6/bbl in Q3FY25. Gas price realization for own fields stood at USD6.6/mmBtu, vs. USD6.8/mmBtu in Q2FY26 and USD6.5/mmBtu in Q3FY25.

Revenue from NWG in total gas revenue increases: The share of new well gas (NWG) in total gas revenue from nomination fields crossed 18% in 9MFY26 vs. 21% in H1FY26, contributing an incremental Rs16.8bn in Q3FY26 to a total of Rs50.3bn in 9MFY26. Price realization from NWG stood at USD8.0/mmBtu vs. USD8.4/mmBtu in Q2FY26 and USD8.9/mmBtu in Q3FY25. In previous calls, ONGC disclosed that the share of NWG in total production will increase to 30%-35% over the next 3-4 years.

Oil and gas production stays flat in 9MFY26: Oil and gas production, incl JVs, stayed flat YoY in 9MFY26, while OVL oil and gas production volumes fell -4.4% and -9.3% YoY, respectively. EBITDA and PAT stood at Rs536.8bn and Rs262.4bn, respectively (-3.9% and -10.0% YoY).

Concall highlights: **1)** NWG contributed to 18% of total gas sales revenue in 9MFY26. **2)** The company declared its highest-ever dividend, with the 1st interim dividend of 120% and the 2nd interim dividend of 125%. **3)** In KG-DWN-98/2, all wells have been drilled, and infrastructure is nearing completion; incremental gas production is expected from Q1FY27, ramping up to 5-6mmscmd by Q4FY27 (peak 7-8mmscmd) from the current 2mmscmd under HPHT pricing. Peak oil production estimated at 35-40kbpd. **4)** Daman upside project is 94% complete, with production expected to commence from Mar'26 and peak gas output of 4-5mmscmd by Jul'26 on NWG pricing. **5)** OPaL at 92% utilization in 9MFY26, reported EBITDA of Rs3.5bn, with net debt at Rs230-240bn. **6)** Capex stood at Rs249bn for 9MFY26, with full-year guidance maintained at Rs320-330bn. **7)** FY27 standalone production guidance is 42.5mmt (21.0mmt oil and 21.5bcm gas). **8)** Mozambique LNG production is expected to commence from FY28 with no increase in capex guidance. **9)** In the MH-TSP block with BP, decline rates have been arrested with positive growth expected going forward; production from this field has not been included in the FY27 guidance. **10)** Cost reduction initiatives remain on track. **11)** DSF-II production is expected by Q4FY27.

Exhibit 1: Valuation Table

Valuation Table	Remarks
Standalone adj EPS (Rs)	25.1 Dec'27E adj EPS
PE (x)	9.0
Valuation of ONGC standalone (Rs/share)	226
Listed Investments	Investments in IOCL, PLNG, GAIL, 71 MRPL, HPCL at 25% holding company discount
Total (Rs/share)	297

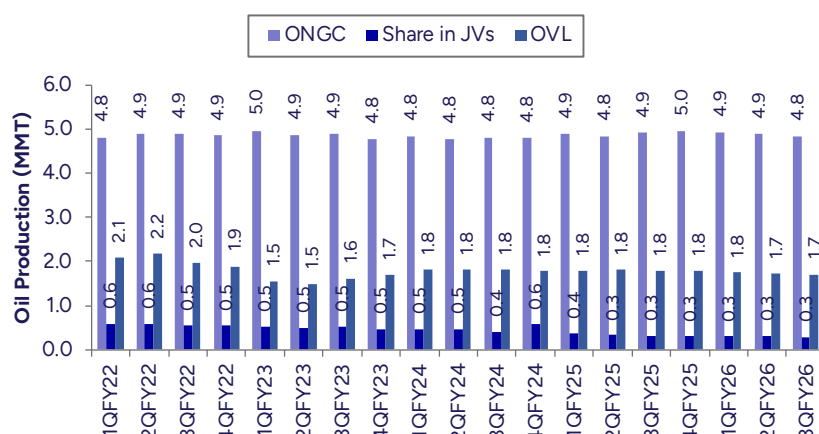
Source: PL

Exhibit 2: Standalone Quarterly and 9MFY26 Financials

Y/e March (Rs bn)	Q3FY26	Q2FY26	QoQ gr.	Q3FY26E	% Var	Q3FY25	YoY gr.	9MFY26	9MFY25	YoY gr.
Net Sales	315.5	330.3	-4.5%	309.8	1.8%	337.2	-6.4%	965.8	1028.6	-6.1%
YoY Change (%)	-6.4	-2.5		-8.1		-3.1		-6.1%		
EBITDA	173.2	177.0	-2.1%	158.7	9.1%	189.7	-8.7%	536.8	558.4	-3.9%
Margins (%)	54.9	53.6		51.2		56.3		55.6	54.3	
Depreciation	86.6	74.7	16.0%	76.5	13.2%	87.0	-0.5%	241.3	230.5	4.7%
Interest	11.5	11.1	3.9%	12.1	-4.4%	10.7	7.3%	33.8	34.1	-0.9%
Other Income	30.9	34.2	-9.6%	26.7	15.8%	18.1	70.8%	77.3	86.2	-10.4%
PBT	106.0	125.4	-15.5%	96.8	9.5%	110.0	-3.6%	338.9	379.9	-10.8%
Tax	22.3	27.0	-17.3%	24.4	-8.5%	27.6	-19.2%	76.5	88.3	-13.4%
Rate (%)	21.0	21.5		25.2		25.1		22.6	23.2	
Reported PAT	83.7	98.5	-15.0%	72.5	15.5%	82.4	1.6%	262.4	291.6	-10.0%
Adj PAT	83.7	98.5	-15.0%	72.5	15.5%	82.4	1.6%	262.4	291.6	-10.0%
Production										
Oil Production (mmt)	5.1	5.2	-1.3%	5.2	-1.5%	5.2	-2.2%	15.6	15.6	-0.5%
Gas production (bcm)	5.1	5.0	1.2%	5.1	0.4%	5.1	-0.3%	15.1	15.2	-0.6%

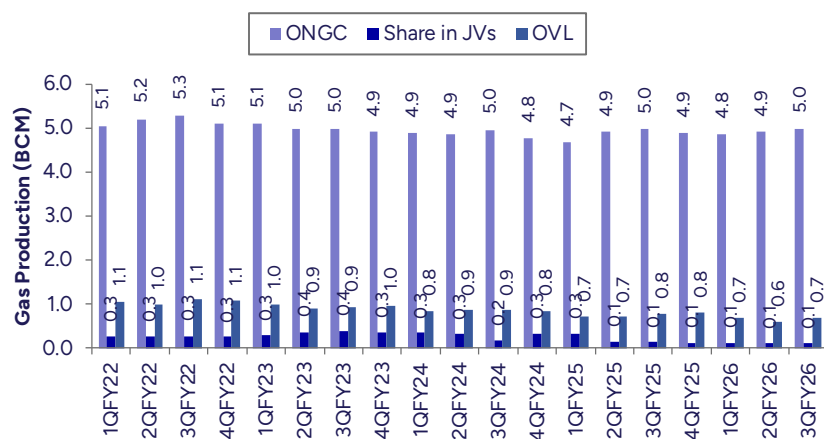
Source: Company, PL

Exhibit 3: Total oil production (incl JV) down -1.3% QoQ



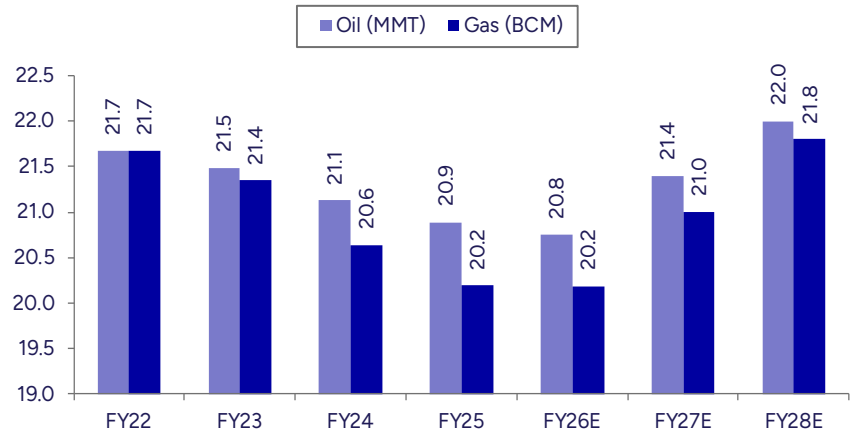
Source: Company, PL

Exhibit 4: Total gas production (incl JV) improves 1.2% QoQ



Source: Company, PL

Exhibit 5: Oil & gas production in FY27/FY28E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	6,633	6,872	7,396	7,667
YoY gr. (%)	1.5	3.6	7.6	3.7
Cost of Goods Sold	5,644	5,794	6,272	6,492
Gross Profit	989	1,078	1,123	1,175
Margin (%)	14.9	15.7	15.2	15.3
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	989	1,078	1,123	1,175
YoY gr. (%)	(8.6)	9.0	4.2	4.6
Margin (%)	14.9	15.7	15.2	15.3
Depreciation and Amortization	352	433	441	480
EBIT	637	645	682	695
Margin (%)	9.6	9.4	9.2	9.1
Net Interest	145	175	184	189
Other Income	124	124	124	124
Profit Before Tax	514	594	623	630
Margin (%)	7.7	8.6	8.4	8.2
Total Tax	141	149	157	159
Effective tax rate (%)	27.4	25.2	25.2	25.2
Profit after tax	373	444	466	471
Minority interest	-	-	-	-
Share Profit from Associate	10	10	11	13
Adjusted PAT	382	455	477	484
YoY gr. (%)	(28.8)	19.1	5.0	1.4
Margin (%)	5.8	6.6	6.5	6.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	382	455	477	484
YoY gr. (%)	(28.8)	19.1	5.0	1.4
Margin (%)	5.8	6.6	6.5	6.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	382	455	477	484
Equity Shares O/s (bn)	13	13	13	13
EPS (Rs)	30.3	36.1	37.9	38.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	6,779	6,927	7,073	7,219
Tangibles	6,779	6,927	7,073	7,219
Intangibles	-	-	-	-
Acc: Dep / Amortization	3,519	3,976	4,443	4,919
Tangibles	3,519	3,976	4,443	4,919
Intangibles	-	-	-	-
Net fixed assets	3,260	2,950	2,630	2,300
Tangibles	3,260	2,950	2,630	2,300
Intangibles	-	-	-	-
Capital Work In Progress	1,124	1,400	1,679	1,929
Goodwill	128	128	128	128
Non-Current Investments	956	956	956	956
Net Deferred tax assets	(317)	(317)	(317)	(317)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	590	474	513	531
Trade receivables	236	229	247	256
Cash & Bank Balance	272	477	722	992
Other Current Assets	563	563	563	563
Total Assets	7,587	7,660	7,943	8,183
Equity				
Equity Share Capital	63	63	63	63
Other Equity	3,372	3,690	4,019	4,335
Total Network	3,434	3,753	4,082	4,398
Non-Current Liabilities				
Long Term borrowings	1,536	1,382	1,244	1,119
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	1,922	1,829	1,922	1,969
Total Equity & Liabilities	7,587	7,660	7,943	8,183

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	383	594	623	630
Add. Depreciation	352	433	441	480
Add. Interest	145	175	184	189
Less Financial Other Income	124	124	124	124
Add. Other	154	10	11	13
Op. profit before WC changes	1,035	1,212	1,259	1,312
Net Changes-WC	14	7	13	(2)
Direct tax	(140)	(149)	(157)	(159)
Net cash from Op. activities	909	1,070	1,115	1,151
Capital expenditures	(410)	(400)	(400)	(400)
Interest / Dividend Income	57	-	-	-
Others	(77)	-	-	-
Net Cash from Invst. activities	(430)	(400)	(400)	(400)
Issue of share cap. / premium	-	-	-	-
Debt changes	(74)	(154)	(138)	(124)
Dividend paid	(170)	(136)	(148)	(168)
Interest paid	(110)	(175)	(184)	(189)
Others	(125)	-	-	-
Net cash from Fin. activities	(479)	(465)	(470)	(481)
Net change in cash	(1)	205	245	270
Free Cash Flow	498	670	715	751

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	30.3	36.1	37.9	38.5
CEPS	58.3	70.6	73.0	76.7
BVPS	273.0	298.3	324.5	349.6
FCF	39.6	53.2	56.9	59.7
DPS	12.3	10.8	11.8	13.3
Return Ratio(%)				
RoCE	12.8	12.8	13.0	12.8
ROIC	8.7	9.0	9.5	9.7
RoE	11.2	12.6	12.2	11.4
Balance Sheet				
Net Debt : Equity (x)	0.4	0.2	0.1	0.0
Net Working Capital (Days)	-	-	-	-
Valuation(x)				
PER	8.8	7.4	7.0	6.9
P/B	1.0	0.9	0.8	0.8
P/CEPS	4.6	3.8	3.7	3.5
EV/EBITDA	4.7	4.0	3.5	3.0
EV/Sales	0.7	0.6	0.5	0.5
Dividend Yield (%)	4.6	4.0	4.4	5.0

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	350	320	330	315
YoY gr. (%)	1.0	(9.3)	(2.5)	(6.4)
Raw Material Expenses	12	10	13	12
Gross Profit	338	310	317	304
Margin (%)	96.6	96.8	96.1	96.2
EBITDA	190	187	177	173
YoY gr. (%)	9.2	0.2	(3.0)	(8.7)
Margin (%)	54.3	58.3	53.6	54.9
Depreciation / Depletion	111	80	75	87
EBIT	79	107	102	87
Margin (%)	22.5	33.3	31.0	27.5
Net Interest	12	11	11	12
Other Income	21	12	34	31
Profit before Tax	88	107	125	106
Margin (%)	25.1	33.6	38.0	33.6
Total Tax	23	27	27	22
Effective tax rate (%)	26.5	25.3	21.5	21.0
Profit after Tax	64	80	98	84
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	64	80	98	84
YoY gr. (%)	(34.7)	(10.2)	(17.8)	1.6
Margin (%)	18.4	25.1	29.8	26.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	64	80	98	84
YoY gr. (%)	(34.7)	(10.2)	(17.8)	1.6
Margin (%)	18.4	25.1	29.8	26.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	64	80	98	84
Avg. Shares O/s (bn)	13	13	13	13
EPS (Rs)	5.1	6.4	7.8	6.7

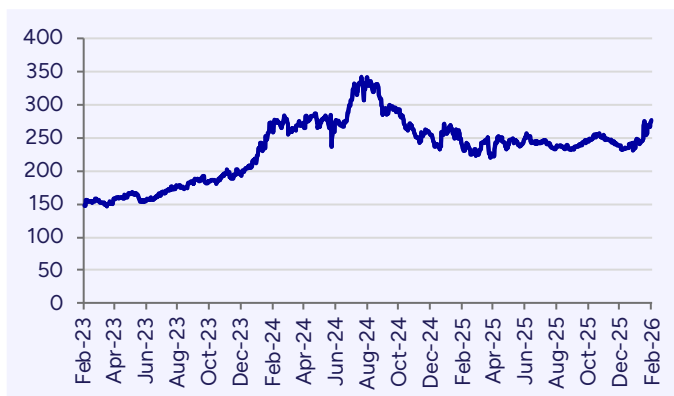
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Oil production (mmt)	20.9	20.8	21.4	22.0
Gas production (bcm)	20.2	20.2	21.0	21.8
Net oil realization (US\$/bbl)	73.5	64.6	68.3	73.1
Gas realization (US\$/mmBtu)	6.5	6.7	7.0	7.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-26	BUY	307	242
2	11-Nov-25	BUY	292	249
3	03-Oct-25	BUY	278	244
4	13-Aug-25	BUY	273	239
5	03-Jul-25	Accumulate	284	241
6	22-May-25	Accumulate	276	242
7	08-Apr-25	BUY	264	220

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	2,313	2,038
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	3,434	3,360
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	195	176
13	Indraprastha Gas	Hold	196	190
14	Jubilant Ingrevia	Hold	657	626
15	Laxmi Organic Industries	Reduce	125	143
16	Mahanagar Gas	Accumulate	1,305	1,181
17	Mangalore Refinery & Petrochemicals	Accumulate	162	151
18	Navin Fluorine International	Accumulate	7,038	6,598
19	NOCIL	Hold	159	153
20	Oil & Natural Gas Corporation	BUY	307	242
21	Oil India	Accumulate	527	479
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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