Q1FY26 REVIEW

nuvama institutional equities

SECTOR UPDATE

Sector EBITDA +19% YoY led by RIL, OMCs

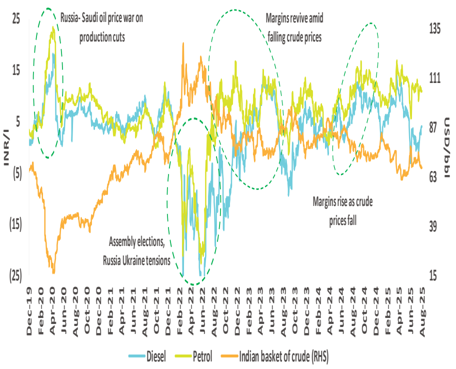
	EBITDA growth (%)	
	YoY	QoQ
OMC's (HP, BP, IOCL)	82.2	10.1
City Gas (IGL, MGL, GGL)	(8.6)	6.0
Gas transmission (GAIL, GSPL)	(26.8)	5.8
Gas utility (PLNG)	(25.8)	(23.3)
Reliance Industries	10.7	(2.1)
ONGC	0.2	(1.8)
Aggregate	19.4	1.4

OMC GRMs underperform benchmark*

	Q1FY26	Q1FY25	YoY%	Q4FY25	QoQ%
USD/INR	85.6	83.4	2.6	86.6	(1.2)
Brent ($/bbl)	66.7	85.0	(21.5)	75.0	(11.0)
Henry Hub ($/mmbtu)	3.5	2.3	51.4	3.9	(9.4)
Singapore GRM ($/bbl)	5.6	3.5	61.8	3.1	82.2
Diesel product cracks ($/bbl)	15.6	13.8	13.1	14.6	6.7
Petrol product cracks ($/bbl)	10.5	8.9	17.6	7.1	47.2
Spot LNG ($/mmbtu)	12.4	11.1	11.0	14.0	(11.8)
Saudi Propane ($/t)	613.3	608.3	0.8	631.7	(2.9)
OMCs average GRMs ($/bbl)	3.4	6.4	(47.6)	8.5	(60.3)
OMCs refinery utilization (%)	111.3	104.6	670bps	114.9	-360bps
Domestic retail sales (mt)	48.2	46.8	3.2	47.4	1.8
Petrol retail margin (INR/l)	12.7	6.0	110.9	10.2	24.7
Diesel retail margin (INR/l)	7.3	4.3	70.9	6.2	17.4
ONGC Oil Production (mt)	5.2	5.2	0.1	5.3	(0.4)
ONGC Gas Production (bcm)	5.0	5.0	(0.9)	5.0	(1.0)
PLNG Dahej Utilisation (%)	91.3	109.3	-1810bps	83.3	790bps
Deep water gas ($/mmbtu)	10.0	9.9	1.7	10.2	(1.2)
APM gas ($/mmbtu)	6.6	6.5	2.1	6.5	2.1

on inventory losses, lower Russian crude input

Diesel margins +71% YoY, petrol +1.1x



Top picks: RIL, PLNG; negative on others

Company	Reco	Market Price (INR)	Target Price (INR)	Mcap (USD mn)
Reliance Industries Limited	BUY	1,382	1,733	214,066
Bharat Petroleum Corporation Limited	Reduce	314	301	15,596
Hindustan Petroleum Corporation Limited	Reduce	387	383	9,429
Indian Oil Corporation Limited	Reduce	140	130	22,683
Oil and Natural Gas Corporation	REDUCE	238	225	34,301
GAIL India Limited	REDUCE	174	165	13,072
Gujarat State Petronet Limited	HOLD	305	327	1,969
Indraprastha Gas Limited	REDUCE	205	184	3,286
Gujarat Gas Limited	HOLD	427	437	3,367

RIL, OMCs offset weak gas midstream

We weave in management call highlights and outlook with Q1 review.

Q1FY26 review: O&G EBITDA up 19% YoY led by RIL and OMCs, partly offset by gas midstream. **RIL's** up 11% YoY (+23% Digital, +11% O2C). **ONGC** EBITDAX flat YoY. **OMCs'** up 82% YoY on marketing margins partly offset by lower GRMs. ***Management takeaways***: LPG subsidy timing, **OMC** share uncertain. GRMs soft on inventory losses and lower Russian crude mix; capex high. **ONGC** cut FY26–27E production guidance by 2–7% on delay in KG-98/2 ramp-up. **GAIL** cut FY26–27E transmission volume guidance by 7–9% on demand weakness. **CGDs** to face mixed impact of NG transmission tariff restructuring. **Our take:** We reiterate a switch from ONGC, OMCs, CGDs, GAIL to RIL, PLNG.

O&G EBITDA +19% YoY as RIL/OMCs offset gas midstream weakness

RIL's Q1FY26 EBITDA rose 11% YoY to INR429bn led by growth across segments—Digital (23%), O2C (11%), Retail (13%)—partly offset by O&G (-4%). **OMCs'** aggregate EBITDA surged 82% YoY on improved petrol, diesel margins by INR3–7/l YoY partially offset by LPG under-recoveries and 48% YoY GRM fall. **ONGC's** standalone EBITDAX was flat YoY. **CGDs'** EBITDA -9% YoY on weak margin post-APM de-allocation. **GAIL's** EBITDA fell 26% YoY on weak marketing spread (-46% YoY) and weak petchem spreads. **PLNG's** EBITDA slid 26% YoY dragged by -16% YoY volume.

Management takeaways: LPG subsidy details unclear; guidance cuts

OMCs are expected to receive LPG subsidy of INR300bn in 12 tranches from the government versus cumulative under-recoveries of ~INR492bn at end-Jun-25. The share of each OMC and timing of realisation is uncertain. Moreover, Q1FY26 GRMs underperformed benchmark GRMs due to inventory losses on account of elevated inventory due to Middle Eastern geopolitical concerns. **ONGC** has cut production guidance for FY26E (7% oil, 4% gas) and FY27E (4% oil, 2% gas) as peak production at KG-98/2 has been delayed to FY27E; share of NWG to rise to 24–25% in FY27E (14–15% currently). **GAIL** has cut FY26–27E NG transmission volume guidance by 7–9% on demand weakness. **CGDs** to face mixed impact of pipeline tariff restructuring, IGL and GGL to benefit while MGL's cost is set to rise. **PLNG** has approved a 5mtpa land-based greenfield regasification terminal at Gopalpur for INR64bn (in lieu of the planned 4mtpa FSRU terminal at INR23bn) to cater to eastern India demand.

Outlook: Cautious on OMCs, CGDs, GAIL; ONGC guidance optimistic

OMC capex is expected to be elevated given its long-gestation projects, pressuring return ratios in the near term. **CGD** multiples are likely to de-rate as the sector faces uncertainty from *ad-hoc* government policies. **ONGC's** production guidance is optimistic as it has disappointed for the last seven years. We remain cautious on **GAIL** due to demand weakness alongside persistent volatility in marketing earnings**.**

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Q1FY26 management call takeaways

NE capacities on-board in 4–6 quarters; all eyes on 'perovskite' tech

- RIL is likely to commission its giga-factories at Jamnagar progressively over the next four–six quarters (including 10GW integrated PV module capacity initially; subsequent ramp-up to 20GW to follow).

- The company is targeting 10GW of fully-integrated solar PV capacity, right from polysilicon to modules. RIL plans to invest in perovskite technology for PV modules (>30% efficiency) through partner collaborations and shall also undertake projects individually.

- Renewable Energy (RE) produced from RIL's facility shall serve its captive purposes to a significantly extent (20GW currently, with O2C consuming the largest chunk); shall aid in reducing RIL's power cost by 25%. RE shall also be utilised for manufacturing green hydrogen (G-H2) and green ammonia. Current power cost borne by RIL Retail stores and Jio towers stands at INR12/unit.

G-H2 and electrolyser (2GW) manufacturing plans on track

- RIL remains on track to complete and commission G-H2 and electrolyser manufacturing facilities in accordance with its PLI mandate timelines.

- The company plans to set up about 2GW of G-H2 electrolyser capacity.

RIL's battery gigafactory to produce >30GWh/annum

- The company is targeting a 30GWh lithium-based integrated advanced chemistry based battery manufacturing gigafactory; which shall likely be able to operate at more than its nameplate capacity.

Natural declines at KG-D6; new wells coming up by H2CY28

- Lower gas production is attributable to the natural decline in KG-D6 coupled with maintenance shutdowns. Realisations remain healthy near the domestic ceiling price levels; slightly lower due to lower crude prices, which affect auctions based on crude prices.

- A rig is coming up in FY27 and new wells—to facilitate incremental production—are likely to come on-stream by H2CY28.

Other key highlights

- Transportation cracks up 7–17% YoY while polymer and elastomer deltas are higher by 4–18% YoY. Petrol/diesel sales are up 39%/34% YoY led by strong Jio-bp retail network of ~2,000 retail outlets. Marketing margins are maintainable led by strong demand coupled with planned shutdowns in the coming year.

- Industry's capacity utilisation rates in ethylene market were 70% in Q1 while RIL's utilisation rates were ~100% with primary focus on the domestic market led by global supply chain disruptions.

- Jio is optimistic about adoption of Unlicensed Band Radio (UBR) technology over capital-intensive fibre-optic connectivity and traditional 5G Fixed Wireless Access (FWA) systems for providing high-speed internet to homes and offices.

- RIL Retail looks to set-up retail dark stores where economics seem compelling and demand for quick-delivery products is high. RIL looks to stay competitive at every delivery mode (express, one-day, etc), which is offered in the market.

BPCL: Capex elevated on account of long-gestation projects

Construction of petro-residue fluidic cracking unit at Mumbai approved

BPCL recently obtained the Board approval for the Petro-residue fluidised catalytic cracking unit and associated facilities at the Mumbai refinery at a gross capital cost of INR142bn with likely mechanical completion by May-29. The project shall replace the old CCU and FCCU units at its Mumbai refinery. This will help the refinery achieve residue upgradation, increase transportation fuel production, provide flexibility on processing higher proportion of high sulphur crudes and reduce environmental impact, thus increasing overall yields of BPCL Group refineries.

Bina refinery expansion and petrochemical project on track; 14% completed

Progress on the Bina petrochemical and refinery project stood at 14% against the targeted 15.9%. BPCL has incurred expenditure of ~INR8bn with overall commitment of INR68bn. All technology licenses and consultants are on-boarded, process packages for all units have been received by BPCL, and front-end engineering design has been completed. Detailed engineering and procurement is underway with tenders for critical equipment and EPC packages floated.

Kochi PP Project: 12% physical progress achieved

BPCL has achieved physical progress of 12.2% against a schedule of 16% with an expenditure of INR2.6bn and overall commitment of INR12bn. License selection and basic design engineering activities are complete. Order for six major long lead items has been placed.

Capex guidance of INR200bn for FY26; debt/equity ratio at 0.4x

The company spent ~INR24bn on capex in Q1FY26. Capex guidance for FY26 was INR200bn. Breakdown: INR65bn towards refining + petchem, INR14bn towards marketing, INR40bn towards retail outlet expansion (out of which INR14bn towards CGD expansion), INR20bn towards LPG business and ~INR25bn through its JV, BRPL. Capex guidance for FY27 was INR220–250bn while for FY28 and FY29 it was INR350bn. The current debt-to-equity ratio stands at 0.4x. Management expects debt-to-equity ratio to rise to ~1.0 during peak capex years (FY28 and FY29), and then to come down to a sustainable 0.4x level.

Operational performance—Lower GRMs; 3% YoY growth in crude throughput

In Q1FY26, BPCL's refineries processed 10.4MMT of crude with 118% of capacity utilisation. The distillate yield was 85%. Its refining GRM was lower primarily due to inventory losses led by large inventory build-up due to geopolitical concerns (~2.9MMT in Q1 versus 2.3–2.4MMT usually) coupled with lower crude prices.

Russian crude sourcing at 34% in Q1FY26; discounts narrowed to USD1.5/bbl

In Q1FY26, Russian crude as a percentage of overall mix was 34%, up from 24% in Q4FY25. Management expects the mix of Russian crude to stay in the range of 34–35% in the long term, except in a scenario where sanctions are applied on crude sourcing from Russia. Russian crude sourcing in Jul-25 remained low due to sanctions. Management also highlighted that Russian crude discounts have narrowed to USD1.5/bbl.

LPG under-recoveries: compensation in 12 tranches; timeline unclear

In Aug-25, GoI announced compensation to OMCs for its LPG under-recoveries to the tune of INR300bn. Out of the aggregate, BPCL expects to receive INR75–80bn in 12 tranches depending on their market share in LPG. During Q1, average LPG under-recoveries were INR150/cylinder. The current run-rate (Jul–Aug'25) of LPG losses was INR100/cylinder. Going forward, BPCL expects under-recoveries of ~INR30/cylinder.

Mozambique *force majeure* likely to be lifted in current quarter

Management has indicated that active talks are ongoing with the Mozambique government and the *force majeure* imposed upon the plant is likely to be lifted in the current quarter, that is, Q2FY26.

Refinery-cum-petchem complex in Andhra: detailed feasibility study in progress

Detailed feasibility study along with land acquisition is in progress for the planned greenfield refinery-cum-petrochemical complex in Andhra Pradesh.

Diesel market share at ~29.6%; retail outlet expansion fuelling growth

BPCL's market share of diesel retail sales among OMCs was 29.59% in Q1FY26, a decline compared with previous quarters. However, it gained market share versus HPCL. It faced competition from private refiners in the direct segment due to discounts offered by the latter; yet management remains optimistic on regaining its lost share. BPCL's market share in ATF retail sales was 26.5% in Q1FY26 (21.8% in Q4FY25); a +473bp QoQ gain. BPCL's retail output throughput was 153KL/month in Q1 (146KL/month in Q4FY25), higher than PSU OMC average enabled by strategic market access and robust highway presence. Total 317 new retail outlets and 99 CNG stations were added in Q1FY26, thus expanding the network to 23,958 outlets.

Marketing segment sales at 13.58MMT in Q1

In Q1FY26, BPCL's domestic market sales were 13.58MMT. BPCL recorded growth of 6.6% YoY in MS and 3.2% YoY in HSD in Q1. BPCL achieved lubricants sales of 79TMT in Q1FY26.

RE aspirations: 100MW wind plant contract rendered; 26 CBG plants planned

During Q1, BPCL awarded contracts for setting up 100MW of wind farm project and 50MW each in Madhya Pradesh and Maharashtra. A ground-mounted solar project at Prayagraj and an Integrated Green H2 plant and hydrogen refuelling station in Kochi are likely to be commissioned in the next two-three months. BPCL is setting up 26 CBG plants: ten through direct investment and 16 CBG plants through its JV, Bharat GPS Bioenergy Private Limited and the proposed JV with Praj Industries.

HPCL: New initiatives, existing projects to drive earnings

Increased focus on improving operational efficiency

HPCL recently launched an umbrella programme called 'Samriddhi' to improve operational efficiency. The company aims to achieve EBITDA improvement by INR10–15bn by Mar-26; in Q1, HPCL has already improved operational efficiency and added INR2.5bn to its EBITDA. A second scheme- 'Abhyuday' has been launched to improve the company's throughput levels and retail assets. Under 'Sarvottam' and 'Uttam' programmes, the company is working on improving its dealer engagement and digitising operations.

HPCL has adopted a more stringent approach to capital allocation. It is going to operate at 60–70% of the FY25 run-rate for new projects. This cautious stance is aligned with the company's broader strategy to focus on deleveraging and maintaining a balanced debt-to-equity position while selectively evaluating new investment opportunities.

Vizag residue upgradation unit to start by end-Q2/early Q3

Given pre-commissioning activities are under way, the 3.6MMT residue upgradation unit is likely to commence operations from end-Q2FY26 or early-Q3FY26. Post-commissioning, the refinery would take approximately three months to stabilise. Management expects distillate yields to improve by 4–5% as the project is likely to unlock higher middle distillate production with benefits visible H2FY26 onwards. The company has received PESO approval. HPCL recently signed a green hydrogen tender at the rate of INR328/kg, lowest seen in India.

Barmer refinery construction—88% complete

The 9mmtpa Barmer refinery construction has reached 88% project completion. The petchem unit is 73% complete while the refinery unit is 95% complete. The company is in the process of taking PESO and safety approvals. The first refinery section is likely to start within the next few months. Capex reassessment is ongoing; no major cost escalation is expected except possibly on IBC. As per management, the company is prioritising completing the refinery unit.

Chhara LNG terminal-capacity utilisation to go up to 35–40% in FY27

Chhara terminal's break-water construction is anticipated to be complete this year. Hence, the company cannot offload volumes during monsoon. From next year, it is anticipated to function as an all-weather port. HPCL has entered into an LNG supply deal with ADNOC for ten years starting 2028. The company has also concluded sourcing of cargoes for 2027. Management guided for the capacity utilisation to go up to 10–15% in FY26 and 35–40% in FY27.

Crude sourcing – Russian crude at 13.2% in Q1FY26

In Q1FY26, HPCL's crude sourcing mix consisted of 13.2% Russian crude. Management attributed this reduction in Russian crude volumes more to economics than geopolitical reasons as it is processed only in the Vizag refinery. Currently, the company has increased sourcing of West African crude.

Inventory loss—INR14bn for refining; INR6bn for marketing

HPCL's inventory losses were INR14bn for refining and INR6bn for marketing. They were a result of elevated inventory holdings amid geopolitical crude supply uncertainties.

HPCL's marketing share dropped in Q1

HPCL's diesel/petrol market share dropped in Q1FY26 due to high base in Q1FY25. However, the July performance improved. Management is hopeful of a better sequential momentum.

HMEL – GRM at USD7/bbl

HMEL's Q1 reported GRM was USD7/bbl while EBITDA was INR10bn.

LPG under-recoveries at INR21bn in Q1FY26; cumulative at INR130bn

HPCL's FY25 aggregate under-recovery was INR109bn. In Q1FY26, it was INR21bn. Management expects Q2FY26 to add another INR10bn to the LPG under-recovery based on the recent Saudi contract price for propane. In Q1, the under-recovery per cylinder came in at INR167 in April, INR164 in May and INR155 in June.

Debt to equity ratio at 1.01x

HPCL's net debt-to-equity currently stands at 1.01x with a sharp reduction in short term debt at INR65bn currently from INR200bn in Mar-25. Management gave no debt guidance due to LPG compensation uncertainty.

CGD: volumes rise to 32tmt in Q1FY26

HPCL's CGD business continued its strong growth trajectory with CNG sales volumes rising to 32tmt in Q1FY26, up from 27tmt in Q4FY25 and 22tmt in Q1FY25. The company operates a network of 2,070 CNG stations, including around 350 in its own geographical areas (GAs). The CGD segment reported a positive standalone EBITDA in Q1FY26, reflecting an improved operating performance and rising gas adoption.

Ethanol blending at 19.95%

HPCL is functioning in alignment with the government's 20% ethanol blending mandate**,** currently achieving a blending rate of ~19.95%**.** To optimise costs, the company is sourcing ethanol closer to blending locations thereby reducing freight expenses. The company's procurement price for ethanol was INR57–58 per litre**.**

IOCL: Capex to remain elevated on major ongoing projects

Capex guidance of INR335bn for FY26E

During Q1FY26, the company incurred a total capex of INR64.7bn. For FY26, the budgeted capex is INR335bn. Outlay by segment: Refining at INR140-150bn; pipeline, petchem, marketing at INR180-190bn and CGD at ~INR10bn.

IOCL plans a cumulative capex of INR220bn for the CGD segment, of which INR40bn has already been incurred. It plans to sustain a run-rate of INR10bn/year in the coming years.

Refinery expansion nearing completion in 12 months to take capacity to ~98mtpa

In Panipat, the company is adding 10mtpa capacity, rising from 15mtpa to 25mtpa, Gujarat refinery is rising from 13.7mtpa to 18mtpa, Barauni refinery is expanding from 6mtpa to 9mtpa, with total refining capacity additions amounting to ~18mmtpa. Both Panipat and Gujarat are likely be commissioned by Q1FY27. Barauni refinery is likely to come up by Aug’26 and shall take ~24 months to achieve 100% utilisation rate. Related petchem expansions to be commissioned one–two months after refinery expansion.

Management is confident that the increased capacities would help in improving refining margins.

Apart from refinery expansion, the company is targeting petchem expansion. In the petchem segment, the projects include the PX, PTA project at Paradip, which is likely to come up in Apr-26 at capex of INR140bn, along with other projects such as polypropylene plant in Barauni, and various units in Panipat. A new petchem complex at Paradip is likely to come up by FY30 at capex of INR610bn. IOCL is targeting a petrochemical integration of 15% by 2030, from 6% currently.

Financial, operational showing: Throughput: 18.7MMT; >20,000km pipeline network

Q1 reported PAT came in at INR57bn, down from INR73bn in Q4FY25 (-22% QoQ) but surged 2.15x YoY from INR26bn in Q1FY25 with improvement led by marketing and pipeline segments, partially offset by petchem segment and LPG under recoveries. The company’s Q1 throughput stood at 18.7mt, registering capacity utilisation of 106.7%, higher than 18.6mt (107.1% utilisation) in Q4FY25. GRMs came in at USD2.2/bbl versus USD6.4/bbl, down 66% YoY primarily led by inventory losses.

Inventory losses stood at INR65bn in Q1, with about half each in the refining and marketing segments.

IOCL’s pipeline capacity utilisation was 73.5% in Q1FY26 versus 73% in Q4FY25. During Q1FY26, the pipeline throughput stood at 26.3mt.

In the marketing segment, IOCL’s petroleum product sales stood at 26.3mt in Q1FY26. IOCL’s market share in ATF sales is currently 60%, up from 55% earlier.

LPG under-recoveries compensation announced

The government has announced cumulative compensation for LPG under-recoveries of INR300bn for OMCs. Details on IOCL’s share in the INR300bn are still awaited.

IOCL’s LPG under-recoveries stood at INR160–165/cylinder in Q1FY26 and has come down to INR100–105/cylinder in the current quarter.

Russian crude sourcing increases to 24% in Q1

The company had sourced 24% Russian crude in Q1FY26 versus 22% in FY25 and 14% in Q4FY25. Current discount of Russian crude versus others stands at USD1.5/bbl.

Debt-to-equity ratio at 0.66x; gross debt decreases by INR129bn QoQ

IOCL's debt-to-equity ratio stood at 0.66x as on 30th June 2025. Going forward, the company is inclined to maintain debt-to-equity levels below 1x.

Gross debt came down by INR129bn to INR1.21tn as on 30th June 2025, primarily led by year-end excise duty payment.

Marketing infrastructure expansion—expects to add >4,000 ROs in FY26E

The company intends to add more than 4,000 retail outlets in FY26E. Management expects the company's total retail outlet figure shall cross 48,000 mark by end-FY27.

New Energy project underway

The company is making efforts to scale up electric mobility infrastructure, including EV battery charging stations, harnessing natural gas, CBG, biofuels, and green hydrogen including hydrogen mobility pathways. The upcoming 10ktpa green hydrogen facility at Panipat is expected to be commissioned in two years. Current cost of green hydrogen stands at USD3.5-4/kg. It also plans to set up India's first commercial scale Sustainable Aviation Fuel plant at its Panipat refinery complex.

ONGC: Guidance cut; KG-98/2 peak production not before FY27E

- Production guidance cut for FY26E (7% oil, 4% gas) and FY27E (4% oil, 2% gas)
- Peak production of 45,000bopd oil and 10mmscmd gas (30,000bopd and 3mmscmd currently) at KG-98/2 delayed to FY27E
- Share of NWG expected to rise to 24–25% in FY27E (13–14% currently) on increased output and bi-annual re-classification of APM gas.

SA production guidance: Oil: 19.928/21mt; Gas: 20.11/21.487bcm for FY26E/FY27E

Management guided for standalone oil and gas production of 19.928MMT and 20.11bcm, respectively, for FY26E. Subsequently, the production guidance for FY27E stands at 21mt oil and 21.487bcm gas.

KG-98/2 peak gas production delayed; ramp-up slow

Oil production at KG-98/2 stood at ~30,000bopd and is expected to increase to 40,000bopd by Q4FY26E. Oil production has not ramped up as previously guided on account of unavailability of vessels and an early onset of monsoon in Q1FY26. Management has guided for a peak production of 45,000bopd, which is expected to be achieved in FY27. Current gas production stands at ~3mmscmd and is expected to reach 6–7mmscmd by Q4FY26 once the main platform is ready, and thereafter progressively ramp up to peak gas production of 10mmscmd.

NWG to constitute 24–25% of gas production in FY27E

ONGC is actively working on boosting new well gas (NWG) volumes. New well gas (NWG) production is expected to hit ~2.6bcm in FY26E, translating to 14–15% of total expected FY26E gas production. It is expected to ramp up to over 4.8bcm in FY27E, constituting 24–25% of expected FY27E gas production volumes. Average realisation of NWG stands at ~USD8.26/mmbtu (20% premium vs APM gas). As a result, incremental revenue on sale of NWG stood at INR3.3bn.

Two discoveries made during Q1FY26

In Q1FY26, ONGC declared two discoveries (both offshore) in its operated acreages. Out of these, one is a prospect and one is a pool discovery—Vajramani and MBS202HAA-1, respectively.

Capex guidance of INR300bn-plus reiterated

ONGC has reiterated its earlier guided capex of INR300bn-plus for FY26E. This capex includes INR80–100bn for exploration activities, ~INR150bn for infrastructure development and ~INR100bn for drilling activities.

Tie-up with BP, production ramp-up at KG-98/2 triggers for oil production growth

Undertook multiple well interventions and new well drillings to arrest natural decline and maintain production. Management remains positive about its tie-up with BP as the Technical Services Provider (TSP). The tie-up remains on track and shall see results soon at the Mumbai High fields by Q4FY26E.

OVL: Mozambique 'force-majeure' expected to be lifted in this quarter

Mozambique LNG plant remains in a 'force majeure' situation. Management stated that Total Energies, the project operator, is in constant touch with the government and is optimistic that the force-majeure situation shall be lifted in this quarter.

OPaL: Turns EBITDA-positive; gross debt stands at INR248bn

Though OpaL posted a net loss of INR6bn in Q1FY26, it posted positive EBITDA during the period and is expected to exit FY26 too with positive EBITDA. Management remains optimistic of superior performance over coming quarters on account of favourable petchem margin environment and higher plant utilisation rates (>90%). OPaL's gross debt stands at INR248bn. ONGC does not envisage any capital infusion into OPaL in the near term to enable it to meet its debt obligations. It remains confident of OPaL being able to generate sufficient cash flows to service its own debt.

Ethane usage to begin in 2028E; demand at 600ktpa

OPaL currently utilises LNG to extract C2-C3 currently. It plans to replace LNG with ethane, beginning 2028E. ONGC envisages importing the entirety of its ethane requirements, using its own ships. Estimated ethane requirement stands at 600ktpa.

GAIL: NG transmission volume cut; petchem profitability uncertain

- GAIL cut NG transmission volume guidance by 7–9% for FY26E–27E
- Profitability uncertain for the petchem segment due to oversupply and rising input gas costs

NG transmission volume guidance cut by 7–9% for FY26E–27E

Management has cut their earlier volume guidance of 138–139mmscmd for FY26E to 127–128mmscmd and 148mmscmd for FY27E to 135–136mmscmd. Its current run rate is at 127-131mmscmd. A 3mmscmd reduction in refinery volume, 1.6mmscmd from power and 1.4mmscmd from unscheduled fertiliser plant shutdowns were some of the reasons for this guidance cut.

Q1FY26 NG transmission stood at 120.6mmscmd with capacity utilisation of 58%. Transmission volumes decreased 9% YoY due to an early onset of monsoon, lower power sector volumes and unscheduled fertiliser shutdowns.

FY26E petchem segment profitability uncertain on weak macros

GAIL highlighted uncertainty in its petchem segment with profitability in FY26E not a certainty on account of an oversupplied international polymer market suppressing realisations and a spike in Henry Hub prices increasing input gas cost for the company.

Marketing performance: FY26E EBITDA guidance maintained at INR40–45bn

Management reaffirmed FY26E EBITDA guidance to be INR40–45bn for FY26. This was backed by the confidence received by GAIL already achieving the mark of ~INR10bn in Q1FY26. GAIL achieved a physical volume of 105.45mmscmd in Q1.

INR1.3bn one-off gain in Q1

In Q1FY26, GAIL saw a gain of INR1.3bn on unified tariff settlement with other pipeline operators. It was a differential payment of the lesser claims submitted by the company to the PNGRB and the actual claims due to the company.

Q1 petchem, LPG/LHC production impacted

Polymer production stood at 177kt in Q1FY26, down 18% QoQ. The decrease was attributed to the company's annual maintenance shutdown in the first quarter. LPG and LHC production were subdued due to lower LHC prices, impact of de-allocation of APM gas and subsequent allocation of pricier NWG.

CGD infrastructure build-out progressing well

Currently GAIL has six GAs with an infrastructure comprising 212 CNG stations and 440,000 DPNG connections (2,600 added in Q1FY26). Over the next two years, the company targets to add 85 new CNG stations and 150,000 new DPNG connections.

In the next two years, GAIL Gas (GAIL's 100% subsidiary) is expected to add 260 new CNG stations along with 360,000 new DPNG connections. Its Q1 volumes stood at 7.03mmscmd.

Pipeline tariff revision expected anytime now

Management expects the revision to happen anytime going ahead as the PNGRB has completed the consultation process. Now, PNGRB board approval is awaited.

Pipeline projects on track—Jamnagar-Loni LPG pipeline expansion underway

On 18th July 2025, the Durgapur-Kolkata section of the Jagdishpur-Haldia-Bokaro-Dhamra pipeline got commissioned, making way for the Bengal Gas pipeline along with other CGDs in the area to be connected to the gas pipeline. This is expected to add ~0.4mmscmd to volumes.

Completion of the Gurdaspur-Jammu pipeline is expected in FY27.

GAIL also received PNGRB authorisation on 23rd July 2025 for capacity expansion of the Jamnagar-Loni LPG pipeline. With an expected capex of INR50bn, the capacity will increase from the current 3.25mmtpa to 6.5mmtpa.

The company is currently evaluating its investment in a greenfield ethane cracker in Madhya Pradesh.

Petrochemical projects – Pata plant to be commissioned this year; PDH-PP project timeline delayed

The Pata 60kta polypropylene production project along with the 1.25mtpa GMPL project is expected to be commissioned in FY26. The 500ktpa PDH-PP plant at Usar is expected to be commissioned in FY27E, which is delayed due to minor execution challenges. Management expects IRR from this project to be 13–14% IRR. Propane is expected to be procured under a long-term 15-year contract with BPCL for supply with pricing linked to Saudi CP.

Capex guidance – INR120bn for FY27E

GAIL's Q1FY26 capex stood at INR32bn (including INR5bn for pipelines, INR5bn for petrochemicals, and the remainder for other segments).

Management guided for capex of INR120bn for FY27E (INR40bn on pipelines, INR2bn for CGD, INR25bn for petrochemicals, INR5bn for E&P INR20bn towards Net Zero goals, and the remainder for other segments).

PLNG: Catering to new demand markets; Dahej expansion delayed

- Initial 4mtpa FSRU LNG regasification terminal replaced by 5mtpa land-based terminal
- 5mtpa brownfield expansion at Dahej delayed due to geopolitical concerns and early monsoon

Gopalpur: 5mtpa land-based project replaces 4mtpa FSRU-based terminal

PLNG's Board of Directors has granted an in-principle additional investment approval for setting up of a 5mmtpa land-based LNG Terminal (INR64bn) at Gopalpur from earlier approval of 4mmtpa Floating Storage and Regasification Unit (FSRU) based LNG terminal (INR23bn). The switch to land-based terminal was due to recent rise in rent rates. It shall be PLNG's first greenfield LNG terminal on the East coast of India.

Gopalpur trunk pipeline connectivity is 30–35km away from the planned terminal location. Once connectivity of the terminal with the trunk pipeline is established, it shall be connected to the National Gas Grid, thus enabling PLNG to cater to LNG demand from East and North-East India.

Petchem project on track while Dahej expansion slightly delayed

Petchem project is scheduled to be completed by end-FY28, i.e. its originally planned timeline. Commissioning of Dahej terminal's 5mtpa expansion project has been marginally delayed to FY26-end owing to work stoppages led by cross border conflict between India and Pakistan on India's western front.

Kochi-Bangalore pipeline completion to ignite volumes at Kochi terminal

Kochi terminal's utilisation rate was a subdued 20% in Q1FY26. The construction of the Kochi-Bangalore gas pipeline is likely to be completed by FY26-end, which shall drive higher volumes at Kochi terminal due to its connectivity with the National Gas Grid. BPCL remains the key potential off-taker of Kochi terminal volumes with GAIL and IOCL among others.

Gorgon Phase-2: 1.2mtpa tied for 15 years, beginning from end-FY26E

PLNG has entered into a long-term gas-sourcing contract with ExxonMobil of 1.2mmtpa of LNG. The sourcing would commence by FY26-end with initial volumes of ~0.5mmtpa and a gradual ramp-up to contracted 1.2mmtpa. The contract has been entered into for a span of 15 years. Current sourcing volume from ExxonMobil stands at 1.42mtpa.

Qatar Energy contract renewed; downstream contracts yet to be finalised

Management clarified that PLNG is still in the process of finalising downstream contracts with off-takers of LNG sourced through the renewed 7.5mtpa Qatar Energy contract.

UoP provisioning: 20-30-50 policy; management optimistic of recovering UoP dues

PLNG provides for non-realisation of use-or-pay (UoP) receivables at 20% after the first year, 30% after the second year and balance 50% after the third year of receivables becoming due. In Q1FY26, net provision of INR1.4bn was made for UoP receivables. Management has asserted that UoP provisioning is solely done for meeting the 'prudence' concept of Accounting Standards while they remain highly optimistic of recovering these dues as they consider the same to be wholly contractual.

Volumes down 16% YoY on increased demand for alternative fuels

The company' overall volume throughput stood at 220tbtu in Q1FY26, down 16% YoY owing to lower price of alternative fuels, and YoY decline in demand from power and fertilisers. Volumes recovered sequentially though (+7% QoQ), owing to QoQ recovery in demand from power and fertilisers. Kochi terminal volumes were lower at 13tbtu due to seasonal Q1 maintenance shutdown. Management confirmed that there was no impact on volumes due to GAIL's Dabhol terminal coming online; led by firm quantity agreements and strong demand.

Inventory gains at INR420mn; trading gains: nil

PLNG's regasification revenue was INR6.4bn with inventory gain being INR420mn while trading gains were nil due to an unfavourable trading environment.

Q1FY26 capex at INR5bn; guidance of INR50bn for FY26E

- In FY26, management guided for a total scheduled capex of ~INR50bn with capex for FY27 likely to be even higher. A broad breakdown of capex includes a third jetty for Dahej terminal and petchem project. Furthermore, ~INR3bn is planned for Gopalpur terminal, ~INR1bn is to be scheduled for 25 CBG plants and ~INR1bn has been allocated for a new corporate office at Dwarka in FY26.

- To meet the above capex requirements, PLNG is looking to raise INR120bn through a rupee term loan. PLNG's lined-up capex stands at INR300bn, with petchem constituting the majority share.

IGL: Tariff savings at INR0.7–1.3/scm, 10–11% volume rise in near term

- Tariff restructuring shall result in INR0.7–1.3/scm savings in landed cost of gas
- Management expects 10mmscmd exit rate for FY26 with 10–11% volume growth expected over next two–three years
- Sustainable EBITDA margin guidance maintained at INR7–8/scm

Impact of Unified Tariff — expected to benefit by INR0.7–1.3/scm

IGL is likely to benefit by ~INR0.7–1.3/scm due to lower tariffs on a reduction of tariff zones to two from three currently. The company remains flexible in making price revisions—both upward and downward—depending on cost movements and changes in taxation. Currently ~87% of IGL's priority sector volumes (83% of overall) fall under Zone 2 while the remainder (~13%) lies in Zone 3.

Volume growth guidance of 10–11% for 2–3 years, 10mmscmd exit guidance for FY26

Management guided for a volume growth of ~10–11% for the next two–three years. This was backed by a strong growth from the OEM car segment with petrol vehicle share declining below 50% and CNG's share rising to 37%. FY26 exit volumes are likely at 10mmscmd.

Sustainable margin guidance of INR7-8/scm

Management has guided for overall margins in the range of INR7-8/scm for the long term. In order to mitigate the risk of APM allocation going down 7–8% annually, the company is evaluating suitable measures including taking price hikes to achieve guided margin.

DTC volumes currently 85,000kgpd, to be phased out over next two years

The remaining volume from DTC accounts for ~85,000kgpd, which translates to about 1.7% of IGL's total daily volume, indicating it is not a significant contributor to overall sales. The company expects these volumes to be phased out over the next two years as the EV fleet adds ramp up

Operational performance: 6% YoY increase in overall volumes

IGL recorded a 6% YoY increase in overall volumes in Q1FY26 driven by 5% growth in CNG and 7% growth in PNG volumes. Ex DTC bus consumption, CNG volumes grew 9% YoY. Total gas sales volumes were 831mmscm, translating to an average daily volume of 9.13mmscmd. Delhi volumes remained flat, while NCR grew 11% and others grew 23%. In new geographical areas (GAs), CNG vehicle penetration rose 17% YoY, averaging 18,500 vehicle additions per month.

181,000 PNG connections added

IGL continued to expand its PNG and CNG infrastructure footprint during the quarter. On the domestic front, the company added 181,000 new PNG connections, reflecting steady progress in household penetration. In the industrial and commercial segments, PNG volumes rose to 0.86mmscmd and 0.24mmscmd, representing YoY growth of 8% and 14%, respectively. Realisation rates were INR49–50/scm for industrial PNG and INR60/scm for commercial PNG, each witnessing a INR1–2/scm increase compared to last year.

One CNG station added- current network at 955 CNG stations

Of the targeted addition of 102 new CNG stations over the year, no new stations were added in Q1. As of now, IGL operates a robust network of 955 CNG stations. The company currently supplies natural gas to 3.1 million households, 5,300 industrial units and 7,000 commercial establishments, supported by a transmission backbone of over 2,400 km of steel pipelines and 28,000 km of MDPE pipelines, spread across 12 geographical areas in four Indian states.

IGL's gas sourcing: Two–thirds domestic and one–third RLNG

The company's total gas sourcing in constituted by two–thirds domestic gas (APM, HPHT, NWG, IGX) and one–third is constituted by RLNG. Of the total gas sourcing volumes, APM gas constituted 47% (4.32 mmscmd) with NWG at 0.9mmscmd, HPHT at 0.43mmscmd on a long term with 0.3–0.4mmscmd spot volumes through IGX, and CBM at around 0.12mmscmd. Of the company's total 4.22mmscmd contracts, 66% are HH linked.

In talks for tax realisation with state governments – expected to reduce customer costs by INR5.5–6/scm

The company is in discussions for tax rationalisation with the state governments. Management specifically mentioned two key states where VAT-related developments are affecting the effective cost of natural gas. The first is Rajasthan, where the VAT rate was earlier 14%, but has now been reduced to 7.5%, which is proposed to go further down to 5%. The second state is Uttar Pradesh (UP), where the tax structure is more complex: the input tax is 10%, while the output tax is 12.5%, resulting in a combined effective burden of around 23–24%. This disparity highlights the need for further VAT rationalization to support a more uniform and affordable natural gas pricing framework across states. These VAT changes are expected to reduce customer costs by INR5–6/scm or INR8/kg, translating to a company-level impact of INR1–1.5/scm. Around 20% of IGL's volumes come from UP.

Q1 capex at INR2.9bn

Of the total capex guided of INR14–15bn for FY26, INR2.9bn was incurred in Q1.

MoU with RVUNL; commercial production began at IGTL

The company is currently in discussions and signed an MoU with RVUNL intended to become a JV. Commercial production for meter manufacturing by IGTL has begun and company is likely to begin sales in the open markets by August.

Increase in O&M expenses driven by CNG compression operations

A significant increase was observed in operations and maintenance (O&M) expenses, particularly in power and fuel costs, driven by CNG compression operations. The company is actively working to reduce power costs, having already achieved an INR5–6 improvement. Current O&M cost stood at ₹1.42/scm, driven by initial underutilization and inefficiencies.

LNG stations – Three to be commissioned in Q2

IGL is in the process of commissioning three new stations within the current quarter. One would be commissioned in Delhi NCR by August end, while the remaining two — located in Rewari and Greater Noida — are anticipated to be commissioned in three–four months. With these additions, the company will have a total of four operational stations. Furthermore, there are plans to develop 5–6 additional stations, strategically positioned along highways.

No updates on Delhi's EV policy

There are no concrete updates on Delhi's EV policy, but current incentives have been extended till March 2026. As per an official notification, CNG is now officially included under the category of clean fuels along with EV and other biofuels. The company has not yet received any concession on transmission tariffs, but continues to evaluate regulatory changes.

MGL: FY26 volume guidance cut; tariff restructuring impact negative

- FY26E volume growth guidance cut to high-single digit % from 10–12%
- Tariff restructuring to adversely impacts CNG margins by INR0.6–0.7/kg

Volume growth guidance cut to high single digits from low double digits, EBITDA margin guidance at INR9–9.5/scm

Management cut volume growth guidance of high-single digits for FY26E, down from previously guided 10–12% (*volumes grew 9.6% YoY in Q1*). July-25's volume run-rate stands marginally higher than that of Q1. Furthermore, management provided EBITDA margin guidance of INR 9–9.5/scm (previously guided: INR 9–11/scm). Management is also willing to make some price adjustments, if needed, in order to achieve the guided margin range, in situations like increase in gas cost, tariff regulation change, etc. New tariff regulations may have an impact of INR0.6-0.7/kg on CNG margins.

Sourcing dynamics: APM allocation down to 1.69mmscmd, ~40% of total Q1 volume

Following is the gas sourcing mix of MGL in Q1FY26 and its QoQ comparison:-

Exhibit 1: APM gas sourcing down from 47% in Q4FY25 to 40% in Q1FY26

	Q1FY26		Q4FY25	
Source	**Sourced Volume (mmscmd)**	**Mix (%)**	**Sourced Volume (mmscmd)**	**Mix (%)**
APM	1.7	40%	2.0	47%
New Well Gas (NWG)	0.5	12%	0.1	2%
HPHT	0.9	21%	0.7	17%
Contracted	1.2	27%	1.4	34%
	4.2	**100%**	**4.2**	**100%**

Source: Company, Nuvama Research

Management clarified that the reduction in APM sourcing is likely to be replaced primarily by new-well gas going forward.

CNG vehicle-adds down QoQ led by high vehicular prices; MSRTC buses potential opportunity

Total 20,332 CNG vehicles were added in Q1FY26, ~25% lower compared with ~27,000 in Q4FY25, led by high vehicle prices coupled with seasonality effects of Q1 and now more than 11mn CNG vehicles are plying across all GAs. Usually, ~15,000 CNG PVs are added every quarter; but Q1 saw a sharp decline with merely 9–10k CNG PV additions.

Currently, MSRTC has ~600 CNG buses plying on roads, with a total fleet of 18,000. MSRTC is evaluating adding hybrid CNG-LNG buses to its fleet and therefore, MGL may benefit from such an addition. This may replace the current reduction in BEST buses consumption of CNG from 125,000 kgpd earlier to 98,000 kgpd currently.

Pulse of operations: A closer look at MGL's performance

During the quarter, MGL's operational reach increased to 2.85mn households (16,348 households added in Q1. Total 385 CNG stations were operational as on June 30, 2025. The company also added 84 industrial and commercial (I/C) customers during Q1FY26, and has a total of 5,161 customers with pipeline length at 7,538km. MGL targets to add ~80CNG stations (including UEPL) in FY26.

Volume mix on basis of GAs; GA-2 and GA-3 exhibit growth

Volumes in GA-1 were down in Q1FY26, offset by healthy volume growth in GA-2 and GA-3:-

Exhibit 2: Volume share of each GA – MGL

	Q1FY26		Q4FY25	
	Volume (mmscmd)	Share (%)	Volume (mmscmd)	Share (%)
GA-1	1.9	45%	2.1	50%
GA-2	2	47%	1.85	44%
GA-3	0.33	8%	0.24	6%
	4.23		**4.19**	

Source: Company, Nuvama Research

Capex continuity: Charting steady growth with ~INR11–13bn each for next two years

Management guided for INR11–13bn consolidated CNG capex for the next couple of years. Breakdown: CNG station capex would be INR3–3.5bn for MGL; INR 2.5–3bn for pipelines; INR500mn–1bn for O&M and CRM purposes; INR500mn-2bn for IT and other purposes.

Capital infusion in Li-ion battery JV planned at INR3.75bn

MGL currently holds 44% equity stake in the JV with IBC US. MGL is set to infuse ~INR3.75bn in the JV in the next 18 months. ~50% of the infusion is planned in Apr-June 2026 with the remaining portion to be infused in a progressive manner over 6 months post that.

UEPL growth steady; merger with MGL likely to be effective from mid-Aug

UEPL has laid 73.78 km of steel and PE pipeline taking the total length to 436km. There was an addition of 3,939 CNG vehicles in UEPL GAs during this quarter, and with this now, UPL has nearly 57,537 CNG vehicles registered in its geographies as of 30 June, 2025.

UEPL achieved volumes of 0.225 mmscmd in Q1 versus 0.208 mmscmd in Q4FY25 (+9%QoQ). Current quarter volume consists of CNG volume of 0.204 mmscmd and PNG volume of 0.021 mmscmd compared with the previous quarter, sales volume in case of CNG has increased to 0.204 from 0.189 mmscmd (+8% QoQ). For Q1FY26, MGL has consolidated entity has achieved total gas volumes sale of 4.455 mmscmd.

The NCLT has approved the merger of UEPL with MGL and the companies expect to receive a written order from NCLT in two–three days. The merger will further be approved by RoC (expected by Aug'25 –mid).

MGL explores B2B promotional scheme to boost CNG sales

MGL closed the existing promotional scheme on 31st March 2025 as Q1 is usually weak in terms of volumes. The company is currently evaluating a B2B promotional scheme in order to add large fleet owners (such as transporters, etc.) to its customer list to enhance CNG volumes.

LNG infrastructure ramping up with sight of demand

The company currently has one owned LNG station at Savroli. Its LNG fuel retailing JV added one station in Aurangabad and one in Madhya Pradesh. Three more LNG stations are set to come up at Bhivandi, Amravati and Maharashtra (place not decided) each.

MGL’s CBG project: ~INR1.3bn; capital infusion planned

The overall project cost is in the range of INR6–6.5bn. This was an assessment made in the past MGL may be required to reassess the cost. Since there is a JV partner and there is going to be funding through debt and equity both, equity funding from MGL's side is likely to be in the range of around INR1.3bn.

Opex expansion of 10% YoY led by increased CSR, repairs & maintenance and lease rent expenses

Opex per unit during Q1 was INR6.6/SCM, which is generally in the range of INR6.1-6.2/scm. This is on account of higher CSR spends, which would result in lower CSR expenses in the subsequent quarters of FY26. Furthermore, repair, maintenance and some amount of lease rent expenses, in relation to some new plots, increased in Q1. Also, there was a one-off in the form of past period demand for lease rent.

Majority of stations in GA-2 and GA-3 coming up in ‘daughter-booster’ mode; volume ramp-up in two–three months

In far-flung areas of GA-2 and GA-3, where MGL’s pipelines have not yet reached, the typical throughput of a daughter-booster station is much lower than the throughput of an online station. Hence, if the ratio of daughter boosters to online is higher, the overall throughput decreases. However whenever a new daughter booster station is opened, it reaches its plateau volumes quickly, in about 2-3 months.

New Unified Tariff Regulation: 68% volumes under Zone-1 tariff; rest 32% under Zone 2 tariff

Currently, MGL’s 68% of sourced volumes fall under Zone-1 tariff and the remaining 32% fall under Zone 2 tariff. Total ~84–85% of MGL’s total volume is priority volume. Therefore, ~50% of current Zone-2 volumes would be liable to Zone-1 tariff under the new regulation, which would result in some gains for MGL.

Gujarat Gas: Board approval for propane/LPG sale; opex to rise

- GGL ventures into propane distribution and marketing to capture 25% of existing 167ktpm propane market in Morbi
- Opex likely to rise on increase in commissions on CNG sales due to shift to FDODO model for new CNG stations
- Amalgamation scheme progress on track, MCA approval expected by Q3FY26

Foraying into propane/LPG business

GGL's board has approved the sale of propane/LPG to industrial customers. Sourcing of propane would be directly from international markets, mainly on spot DES with evaluation of Saudi Aramco CP for future supply. The company is targeting not just Morbi but other industrial areas too with better clarity expected by the next quarter on margins. Capex requirements are minimal as the company is mainly looking to book capacity at import terminals and arranging logistics via terminals like AGS and others near Morbi.

Propane market opportunity; targeting 25% of propane market in Morbi initially

Of the total Morbi market one-third is NG based while two–Two/thirds is propane with 370 units on gas and 530 units with dual switching capability. Total Morbi propane market stands at ~167ktpm. GGL is targeting 25% share initially, aiming to scale up later; ultimate goal is 2/3rd Morbi market which is currently on propane.

Current propane consumption in Morbi ~7–7.5mmscmd of the total 9mmsmcd capacity (more than 75%). GGL is targeting 1–1.25 mmscmd for the rest of FY26. The company's NG price presently stands at INR43.33/scm inclusive of VAT, which got reduced by INR3.5/scm from INR46.8/scm due to lower Brent and spot LNG. Current propane price discount versus NG is at ~INR4/scm with energy equivalent prices at INR1327/mmbtu for PNG versus INR1207/mmbtu for propane. Management gave no guidance for propane marketing margins. Maximum NG volumes in Morbi could reach 6mmscmd if RLNG becomes more attractive as compared to propane

Opex to rise on increase in commissions on CNG sales as FDODO stations come up

GGL's franchise dealers and OMCs earn commission on CNG sales at INR3–4/kg. For FDODO, the commission is likely to be much higher at INR8/kg for online stations and INR10/kg for daughter booster stations as dealers bear capex and opex of CNG stations.

GSPC Group restructuring; MCA approval expected in Q3

The company had received NOC from the exchanges regarding its restructuring scheme. The scheme was filed with the MCA in Feb-25. The management is in continuous engagement with MCA with approval expected in Q3FY26. Parallel efforts are underway to secure clearances from minority shareholders.

FY26E EBITDA margin guidance maintained at INR4.5–5.5/scm

Management maintained its guidance for INR4.5–5.5/scm EBITDA margin for FY26 ex the new propane business.

Morbi volumes down at 2.51mmscmd in Q1

GGL's total industrial volumes stood at 4.71mmscmd for Q1 with Morbi volumes at 2.51mmscmd and non-Morbi volumes at 2.2mmscmd. The reduction in Morbi volumes was due to customers opting for cheaper propane amid lower RLNG and crude prices with festive shutdowns like to impact demand in Q2 (Volumes are expected to be lower at 2.3–2.5mmscmd). Moving ahead, management expects an uptick in non-Morbi volumes; engaging large anchor consumers via fixed-term and long-term contracts.

Q1 CNG sales growth 12%YoY; CNG vehicles at 1.56mn

In Q1FY26, total CNG sales grew 12% YoY with growth at 10% in Gujarat and 27% outside Gujarat. CNG vehicles in GGL's GAs stood at 1.56mn in Q1, an increase of 15% YoY, adding more than 200,000 vehicles in the last year. The company added three CNG outlets in Q1FY26.

CNG retains competitiveness versus MS and HSD

According to the company, CNG remains competitive versus petrol and diesel by 45% and 23%, respectively.

Notable progress has been made under the FDODO scheme with 69 CNG stations close to commencing construction activities. Management is expecting double-digit CNG station additions by December.

Impact of NG pipeline tariff restructuring to benefit GGL

Management expects upcoming tariff changes to be positive for GGL as majority of its volumes are currently in Zone 2. New zone split is expected to be 42% Zone 1 and 46% Zone 2 compared with the current split of14% Zone 1, 53% Zone 2, 21% Zone 3.

Gas sourcing: 34% spot LNG, 38% long-term LNG contracts, rest domestic gas

In Q1, domestic segment got 100% APM gas allocation while CNG segment got 41%. Overall, 51% of the total priority sector demand was met by APM gas. GGL's total sourcing mix comprises 34% spot LNG, 38% long-term LNG contracts and balance through domestic gas (including 0.7mmscmd HPHT).

FY26E capex guidance at INR8–10bn

Management guided for a capex of INR8–10bn for FY26, focused on distribution infrastructure expansion.

Industry exhibits

Exhibit 3: We remain positive on RIL, Petronet LNG with a neutral/negative stance on the rest of the pack

Company		Market	Target	Mcap	Adj EPS (INR/sh)			PER (x)			P/B (x)			RoE (%)			Div Yield (%)	EPS CAGR (%)
	Reco	Price (INR)	Price (INR)	(USD mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY25-27E
Reliance Industries Limited	BUY	1,382	1,733	214,066	51.5	64.0	68.4	26.8	21.6	20.2	2.2	2.1	1.9	8.5	9.9	9.8	0.5	15.2
Bharat Petroleum Corporation Limited	Reduce	314	301	15,596	34.9	36.7	43.3	9.0	8.6	7.2	1.5	1.3	1.1	17.5	16.5	16.7	3.4	11.5
Hindustan Petroleum Corporation Limited	Reduce	387	383	9,429	31.6	54.1	59.9	12.2	7.2	6.5	1.6	1.4	1.2	13.7	20.9	20.2	4.6	37.6
Indian Oil Corporation Limited	Reduce	140	130	22,683	10.9	13.2	18.2	12.8	10.6	7.7	1.1	1.0	0.9	8.3	9.7	12.3	2.8	29.1
Oil and Natural Gas Corporation	REDUCE	238	225	34,301	28.9	35.5	43.6	8.2	6.7	5.5	0.9	0.8	0.8	10.5	12.7	14.2	6.0	22.9
GAIL India Limited	REDUCE	174	165	13,072	18.9	17.1	22.6	9.2	10.1	7.7	1.3	1.2	1.1	15.3	12.6	15.1	3.0	9.1
Gujarat State Petronet Limited	HOLD	305	327	1,969	25.3	26.5	29.6	12.0	11.5	10.3	1.4	1.3	1.1	9.2	8.6	8.6	2.6	8.0
Indraprastha Gas Limited	REDUCE	205	184	3,286	12.5	10.5	11.8	16.4	19.6	17.3	3.4	3.1	2.7	22.4	16.5	16.8	2.1	-2.7
Gujarat Gas Limited	HOLD	427	437	3,367	16.6	17.1	19.7	25.7	25.0	21.7	3.5	3.2	2.9	14.2	13.3	13.9	1.2	8.8
Mahanagar Gas Limited	REDUCE	1,340	1,300	1,515	105.8	111.0	119.9	12.7	12.1	11.2	2.2	2.0	1.8	18.9	17.5	16.8	2.5	6.5
Petronet LNG	BUY	274	373	4,701	26.2	27.1	30.0	10.5	10.1	9.1	2.1	1.9	1.7	21.6	19.7	19.4	4.0	7.0
OnG - Mean								**14.1**	**13.0**	**11.3**	**1.9**	**1.7**	**1.6**	**14.6**	**14.4**	**14.9**	**3.0**	**13.9**

Source: Nuvama Research

Exhibit 4: RIL, OMCs lead 19% YoY growth in aggregate EBITDA

	EBITDA growth (%)	
	YoY	QoQ
OMC's (HP, BP, IOCL)	82.2	10.1
City Gas (IGL, MGL, GGL)	(8.6)	6.0
Gas transmission (GAIL, GSPL)	(26.8)	5.8
Gas utility (PLNG)	(25.8)	(23.3)
Reliance Industries	10.7	(2.1)
ONGC	0.2	(1.8)
Aggregate	**19.4**	**1.4**

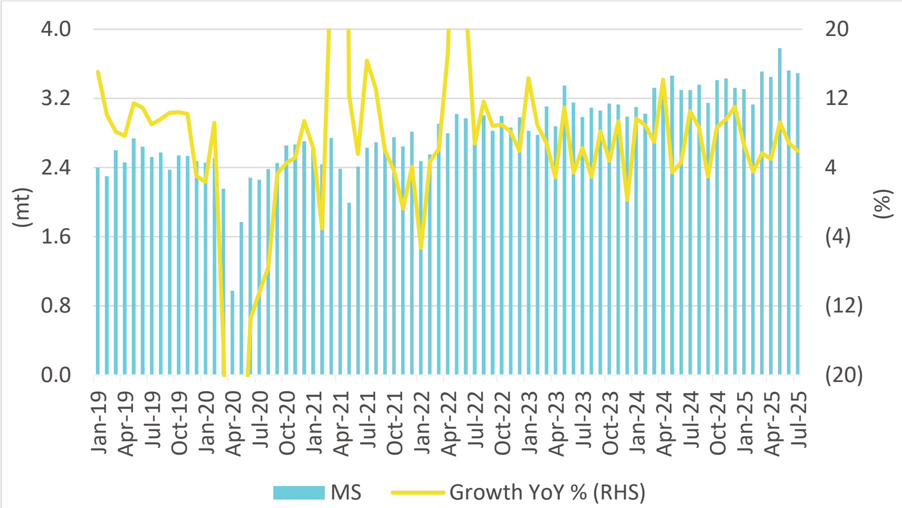
Source: Company, Nuvama Research

Exhibit 5: Key operating metrics – OMC GRM underperform on inventory losses; Diesel, MS margins see sharp up-move YoY in Q1

	Q1FY26	Q1FY25	YoY%	Q4FY25	QoQ%
USD/INR	85.6	83.4	2.6	86.6	(1.2)
Brent ($/bbl)	66.7	85.0	(21.5)	75.0	(11.0)
Henry Hub ($/mmbtu)	3.5	2.3	51.4	3.9	(9.4)
Singapore GRM ($/bbl)	5.6	3.5	61.8	3.1	82.2
Diesel product cracks ($/bbl)	15.6	13.8	13.1	14.6	6.7
Petrol product cracks ($/bbl)	10.5	8.9	17.6	7.1	47.2
Spot LNG ($/mmbtu)	12.4	11.1	11.0	14.0	(11.8)
Saudi Propane ($/t)	613.3	608.3	0.8	631.7	(2.9)
OMCs average GRMs ($/bbl)	3.4	6.4	(47.6)	8.5	(60.3)
OMCs refinery utilization (%)	111.3	104.6	670bps	114.9	-360bps
Domestic retail sales (mt)	48.2	46.8	3.2	47.4	1.8
Petrol retail margin (INR/l)	12.7	6.0	110.9	10.2	24.7
Diesel retail margin (INR/l)	7.3	4.3	70.9	6.2	17.4
ONGC Oil Production (mt)	5.2	5.2	0.1	5.3	(0.4)
ONGC Gas Production (bcm)	5.0	5.0	(0.9)	5.0	(1.0)
PLNG Dahej Utilisation (%)	91.3	109.3	-1810bps	83.3	790bps
Deep water gas ($/mmbtu)	10.0	9.9	1.7	10.2	(1.2)
APM gas ($/mmbtu)	6.6	6.5	2.1	6.5	2.1

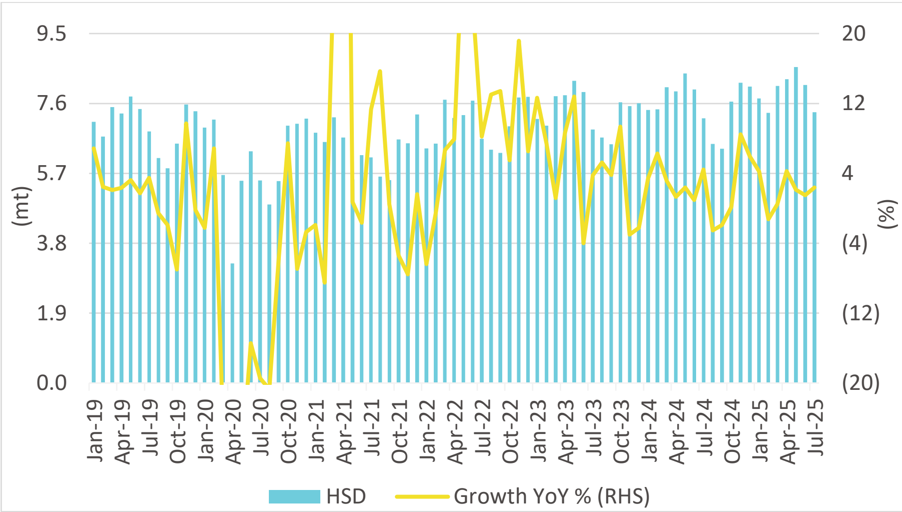
Source: Company, Bloomberg, Nuvama Research

Exhibit 6: MS demand up 7% YoY in Q1FY26



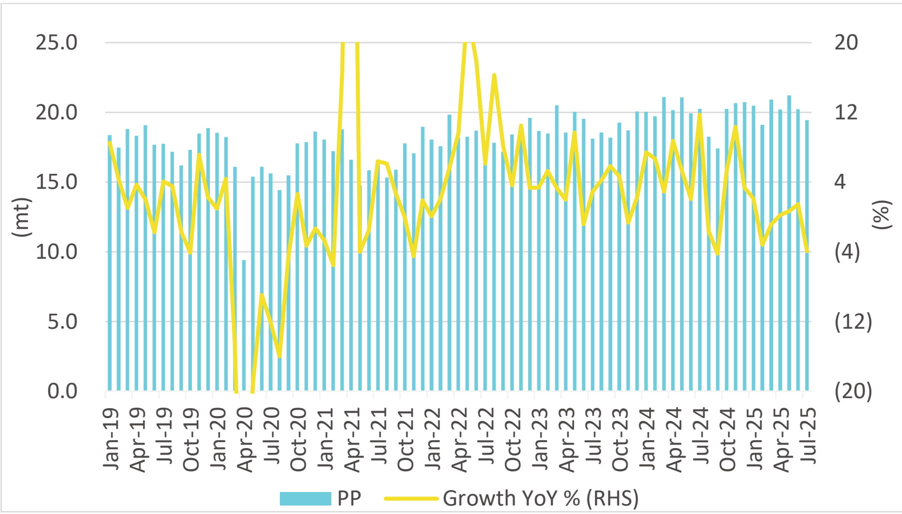
Source: PPAC

Exhibit 7: HSD demand up 3% YoY in Q1FY26



Source: PPAC

Exhibit 8: Demand for petroleum products (PP) up 1% YoY in Q1FY26



Source: PPAC

Exhibit 9: O&G Q1FY26 review

Company		Q1FY26 (INR mn)	Q1FY25 (INR mn)	Y-o-Y (%)	Q4FY25 (INR mn)	Q-o-Q (%)	Comments / Key highlights
RIL	Revenue	2,436,320	2,317,840	*5.1*	2,613,880	*(6.8)*	O2C/gas accounted for 60% of attributable PAT. O2C EBITDA +11% YoY (-4% QoQ) on favourable fuel margins/cracks and PP/PVC deltas, partly offset by lower volumes due to shutdown and fall in polyester chain margins. O&G EBITDA -4% YoY/-2% QoQ on lower KG-D6 production (-6% YoY/-1% QoQ) and high costs due to maintenance activity. Digital (25% of PAT) EBITDA rose 23% YoY on +15% YoY ARPU uptick to INR209, 2% YoY rise in subs. Retail (15% of PAT) rose +13% YoY on better realisation (+17%), but fell 5% QoQ due to seasonal impact. PAT beat on high other income.
	EBITDA	429,050	387,650	*10.7*	438,320	*(2.1)*	
	PAT	269,940	151,380	*78.3*	194,070	*39.1*	
BPCL	Revenue	1,125,147	1,130,960	*(0.5)*	1,111,790	*1.2*	BPCL's EBITDA at INR97bn (+71% YoY/+24% QoQ) beat our estimates led by outperformance from the marketing segment owing to robust diesel retail margins at ~INR7/l (+72% YoY) and petrol retail margins at INR13/l (+2.1x YoY) in Q1. Refining throughput at 10.4mmt (+3% YoY) and domestic sales of 13.6mmt (+3% YoY) also supported the beat. This was partly offset by weak GRM of USD4.9/bbl (-38% YoY/-47% QoQ). Thus, adjusted PAT at INR61bn (+2x YoY/+23% QoQ) came in above estimate. GRM was hurt by a rise in crude oil inventory due to geopolitical concerns. Russian crude share was 34% (from 24% in Q4). LPG under-recoveries were INR21bn for Q1; LPG compensation of INR300bn announced for OMCs; share of each company and timelines for payout remain unclear. Mumbai/Kochi/Bina refinery posted GRM of USD4.1/5.7/4.5 per bbl (down 11%/33%/65% YoY).
	EBITDA	96,631	56,505	*71.0*	77,649	*24.4*	
	PAT	61,239	30,148	*103.1*	32,141	*90.5*	
HPCL	Revenue	1,107,674	1,138,045	*(2.7)*	1,094,924	*1.2*	HPCL's Q1FY26 EBITDA at INR76bn (+3.6x YoY/+31% QoQ) and PAT at INR44bn (+12x YoY, +30% QoQ) beat our estimate, but missed consensus estimates. Strong marketing margins (+2.2x YoY, +55% QoQ) were partially offset by lower GRMs (-39% YoY/ -64% QoQ), inventory loss (~INR20bn) and LPG under-recoveries of INR21bn. HPCL's GRMs came in much below estimate at USD3.1/bbl (-39% YoY/-64% QoQ) despite high HSD/MS cracks at USD15.6/bbl/USD10.5/bbl.
	EBITDA	76,018	21,076	*260.7*	58,038	*31.0*	
	PAT	43,709	3,558	*1,128.5*	33,550	*30.3*	
Indian Oil	Revenue	1,929,706	1,932,355	*(0.1)*	1,949,670	*(1.0)*	Refining: GRMs were USD2.15/bbl (-66% YoY/-73% QoQ), below estimate, largely hurt by inventory loss of USD4.8/bbl despite rise in Russian crude share to 24% in Q1 (14% in Q4); current discount for Russian crude oil is USD1.5/bbl. Crude throughput of 18.7mmt (+3% YoY/+1% QoQ) in-line. Chemical: EBIT loss of INR10mn (EBIT loss of INR2bn QoQ); weak margins offset 11% YoY volume rise to 832TMT. Marketing: strong petrol/diesel margin of INR13/litre (+2x YoY)/INR7/litre (+72% YoY) backed earnings. Domestic retail volume rose 4% YoY to 22.4MMT, implying MS gain for IOCL versus BPCL/HPCL (+3%/2% YoY). Q1 LPG under-recoveries were INR37bn; LPG compensation of INR300bn
	EBITDA	126,072	86,347	*46.0*	135,725	*(7.1)*	
	PAT	56,886	26,432	*115.2*	72,648	*(21.7)*	
Indraprastha Gas	Revenue	39,139	35,206	*11.2*	39,506	*(0.9)*	IGL's Q1FY26 reported EBITDA fell 12% YoY to INR5.1bn, missing consensus/our estimates by 5%/11% on 12% miss on EBITDA/scm due to 3% lower blended realisations. EBITDA/scm came in at INR6.2, crashing 17% YoY primarily on the back of 12% YoY increase in raw material costs due to falling APM allocations for CNG. Volumes rose to 9.1mmscmd, up 6% YoY/1% above our estimates. CNG volumes grew a meagre 5% YoY, whereas PNG volumes grew 7% YoY.
	EBITDA	5,118	5,819	*(12.0)*	4,972	*2.9*	
	PAT	3,559	4,015	*(11.3)*	3,492	*1.9*	
Mahanagar Gas	Revenue	19,759	15,896	*24.3*	18,649	*6.0*	Reported Q1FY26 EBITDA at INR4.9bn (+16% YoY) optically beat consensus by 22% and our estimates by 14% on a one-off provision reversal of OMC trade margins on CNG sales for earlier years amounting to INR1.1bn. Adjusted for that, EBITDA missed consensus by 6% and our estimates by 12%. Adjusted EBITDA/scm came in at INR9.7/scm (11% below our estimates), down 19% YoY primarily on the back of decreasing APM gas allocation for CNG resulting in higher input gas costs (+18% YoY), squeezing gross margin by 9% YoY and a 10% rise in opex. Overall volumes expanded 10% YoY to 4.2mmscmd (1% below our estimate) led by CNG sales (+8% YoY) and PNG I/C (+26% YoY). Reported PAT came in at INR3.2bn (+14% YoY/+29% QoQ), +12% versus our estimates and 27% above consensus on the back of reported EBITDA beat partially offset by higher D&A expenses (+9%) and lower other income (-8%).
	EBITDA	3,725	4,185	*(11.0)*	3,784	*(1.6)*	
	PAT	2,115	2,845	*(25.7)*	2,522	*(16.2)*	
Gujarat Gas	Revenue	38,709	44,503	*(13.0)*	41,020	*(5.6)*	GGL's Q1FY26 EBITDA fell 3% YoY to INR5.2bn, in-line with consensus. Volumes came in at 8.9mmscmd, down 19% YoY on weakness in industrial volumes (-35% YoY) even as CNG volumes exhibited healthy growth at 12% YoY. The fall in industrial volumes is attributable to weakness in the Morbi industrial cluster led by higher discount of landed cost of propane versus natural gas. EBITDA/scm was INR6.4/scm, up 20% YoY due to increase in blended realisations (+8% YoY) primarily on the back of 7% YoY rise in CNG prices, 10% YoY increase in PNG industrial prices and improved product mix as share of relatively higher margin CNG increased to 38% from 27% YoY.
	EBITDA	5,199	5,356	*(2.9)*	4,495	*15.7*	
	PAT	3,268	3,298	*(0.9)*	2,872	*13.8*	
GAIL	Revenue	347,689	336,738	*3.3*	356,852	*(2.6)*	GAIL reported Q1FY26 EBITDA at INR33.3bn (-26% YoY), 2%/8% above consensus/ our estimate. The beat attributable to NG marketing earnings on higher than expected volumes (+2%), margins (+21%) and an INR1.3bn one-off gain in the transmission business on unified tariff settlement. NG Transmission volumes were weak at 120.2mmscmd (-9% YoY, -7% versus our estimate) due to a fall in the price of alternative fuels and an early monsoon hampering power demand. NG Marketing spreads were weak with EBITDA/scm down 46% YoY while volumes grew 6% YoY. Petchem EBITDA at INR(1.3bn) (INR1.2bn YoY, INR20mn QoQ, versus INR527mn our estimate) slipped into red despite production rising 9% YoY due to weak spreads.
	EBITDA	33,337	45,281	*(26.4)*	32,164	*3.6*	
	PAT	18,863	27,240	*(30.8)*	20,490	*(7.9)*	
GSPL	Revenue	2,839	3,543	*(19.9)*	2,381	*19.2*	EBITDA beat our estimate by 8% (and consensus by 26%) on higher tariff (+7%) and lower opex (-11%) partially offset by lower volumes (-4%). Volumes fell 19% YoY on weakness across customer segments: i) CGD demand decreased 15% YoY on a 19% dip in Gujarat Gas volumes; ii) refinery/petchem (-16% YoY) customers switched to cheaper liquid fuels on fall in crude oil prices; iii) fertiliser demand fell 24% YoY on unseasonal maintenance; and iv) volumes from the power sector fell 41% YoY due to an early monsoon reducing energy demand and resulting non-applicability of Sec. 11 of the Electricity Act, 2003 for gas-based power plants during this year's summer.
	EBITDA	2,024	3,010	*(32.8)*	1,247	*62.3*	
	PAT	1,425	2,120	*(32.8)*	707	*101.4*	
Petronet LNG	Revenue	118,799	134,151	*(11.4)*	123,158	*(3.5)*	PLNG's reported EBITDA at INR11.6bn missed our/consensus estimates by 7%/8% primarily on higher provisions related to UoP receivables. That said gross profit beat our estimates by 4% on higher-than-expected volumes (+2%). PAT came in at INR8.5bn (-26% YoY), 6%/5% below our/consensus estimates as higher other income (+6%) partly offset EBITDA miss. Overall volumes fell 16% YoY on the back of lower third-party volumes (-29% YoY) due to lower price of alternative fuels and reduced demand from power and fertilisers sector.
	EBITDA	11,597	15,630	*(25.8)*	15,129	*(23.3)*	
	PAT	8,506	11,416	*(25.5)*	10,702	*(20.5)*	
ONGC	Revenue	320,029	352,664	*(9.3)*	349,822	*(8.5)*	ONGC's Q1FY26 EBITDAX at INR187bn (flat YoY) beat our/consensus estimate by 15%/ 3%. The beat was largely driven by higher oil and gas production (5% each) as well as gas (4%) and oil (1%) realizations partially offset by higher opex (3%). PAT at INR80bn (-10% YoY) though is 2% below consensus on lower other income (-41% YoY).
	EBITDAX	186,571	186,174	*0.2*	190,082	*(1.8)*	
	PAT	80,242	89,381	*(10.2)*	64,486	*24.4*	

Source: Company, Nuvama Research

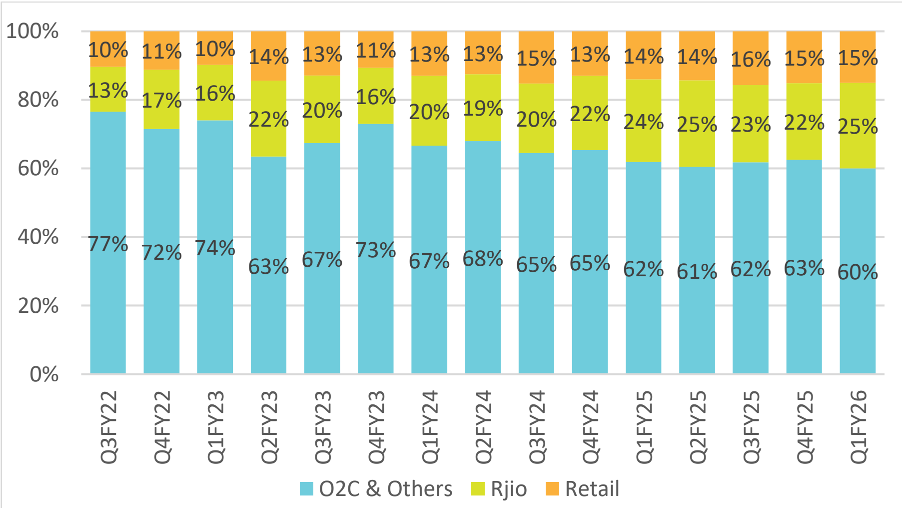
RIL: New Energy gaining pace, multi-decadal growth driver

Exhibit 10: O&G/Digital Services EBITDA beat our estimate by 6%/3% while O2C/Retail EBITDA miss our estimate by 7%/5%

Consol Segmental EBITDA (INR mn)	Q1FY26	Q1FY25	% change YoY	Q4FY25	% change QoQ	Nuvama estimate	Deviation (%)
O2C (reported)	1,45,110	1,30,930	10.8	1,50,800	(3.8)	1,55,681	(6.8)
Oil and Gas	49,960	52,100	(4.1)	51,230	(2.5)	47,149	6.0
Organised retail	63,810	56,720	12.5	67,210	(5.1)	67,370	(5.3)
Digital services	1,83,120	1,49,440	22.5	1,72,780	6.0	1,78,002	2.9
Others	-12,950	-1,540	740.9	-3,700	NM	2,000	NM
Total EBITDA	**4,29,050**	**3,87,650**	**10.7**	**4,38,320**	**(2.1)**	**4,50,202**	**(4.7)**

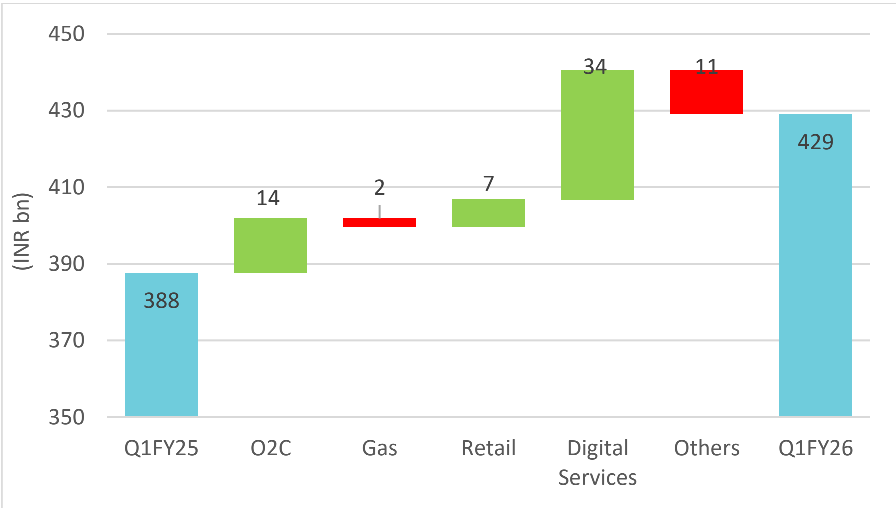
Source: Company, Nuvama Research

Exhibit 11: Quarterly PAT breakdown; legacy business share moving south



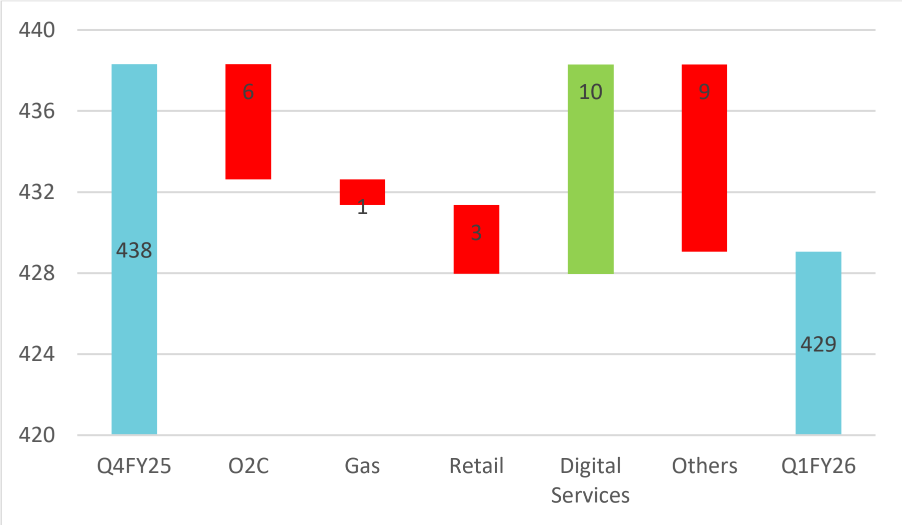
Source: Company, Nuvama Research

Exhibit 12: O2C, Retail, Digital lead YoY EBITDA growth in Q1…



Source: Company, Nuvama Research

Exhibit 13: …while QoQ Digital gains offset by other segments



Source: Company, Nuvama Research

RIL's HJT module plant starts; NE to add huge EBITDA by FY30E

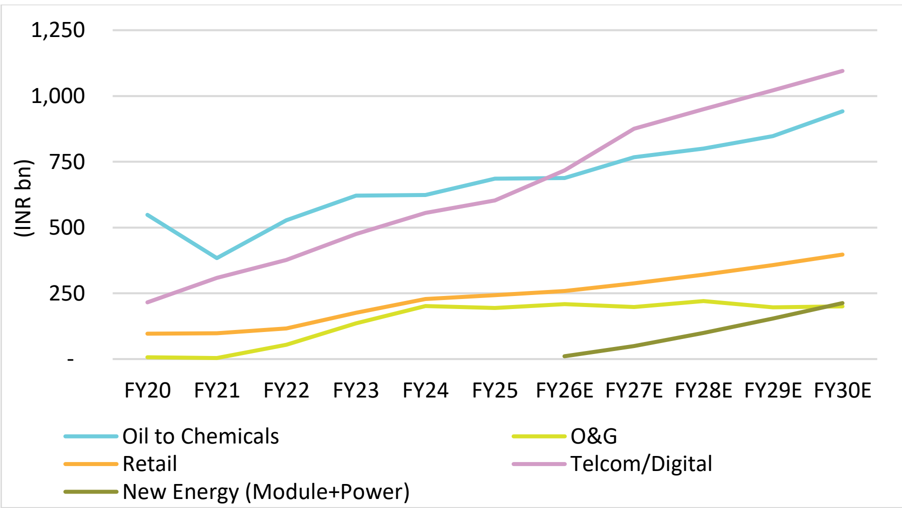
Our analysis suggests that EBITDA contribution from the New Energy businesses (module and renewable power) can potentially grow to ~INR213bn by FY30, surging at a CAGR of 111% over FY26–30E. Our analysis indicates that the New Energy EBITDA can surpass O&G EBITDA by FY30E and move closer to the Retail EBITDA. We incorporate earnings from the New Energy segment in our estimates; we foresee 7% EBITDA contribution by FY30.

Exhibit 14: New Energy EBITDA contribution to grow from INR12bn to INR274bn at 118% CAGR over FY26–30E

Segment wise EBITDA (INR bn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	CAGR (FY25-30E)
Oil to Chemicals	549	384	527	621	624	685	705	807	895	970	1,050	9%
O&G	7	4	55	136	202	194	209	197	221	197	200	1%
Retail	97	98	116	176	229	243	259	288	321	357	397	10%
Telcom/Digital	216	309	376	476	555	603	732	883	968	1,041	1,116	13%
New Energy (Module+Power)	-	-	-	-	-	-	12	43	85	177	274	118%*
Consolidated EBITDA	882	807	1,105	1,422	1,622	1,654	1,926	2,223	2,498	2,710	2,943	12%

*Source: Company, Nuvama Research | *Note: New Energy CAGR from FY26–30E*

Exhibit 15: NE (Module + Power) EBITDA shall surpass O&G EBITDA by FY30E



Source: Company, Nuvama Research

PAT attributable to RIL to record huge addition from NE business

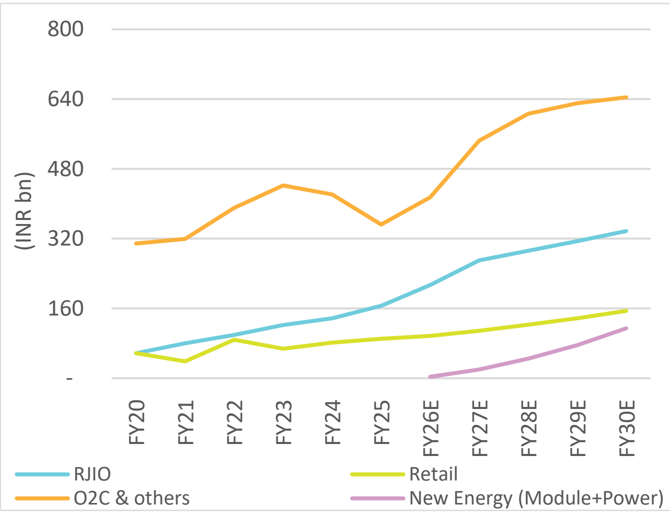
We reckon PAT from the New Energy segment shall increase from INR3bn in FY26E to INR114bn by FY30E, soaring at a 140% CAGR over FY26–30E. NE share in PAT shall hence rise to 9% by FY30E. However, we believe additional businesses in the NE segment shall also start to contribute in a phased manner. This shall enable RIL to meet its target of increasing PAT contribution from the New Energy segment to 50%-plus by 2030 as announced during the AGM in 2024 (New Energy to add 50%+ PAT).

Exhibit 16: Share of New Energy PAT—burgeoning at a 140% CAGR over FY26–30E—shall rise to 9% by FY30E

PAT attributable to RIL (INR bn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	CAGR (FY25-30E)
RJIO	57	81	99	122	137	166	214	271	292	314	337	15%
Retail	58	39	88	68	82	90	97	109	122	138	155	11%
O2C & others	309	319	391	442	421	353	415	544	607	631	644	13%
New Energy (Module+Power)							3	20	45	76	114	*140%
Total profits attributable to RIL	**424**	**439**	**578**	**632**	**641**	**609**	**729**	**944**	**1,066**	**1,159**	**1,251**	**15%**

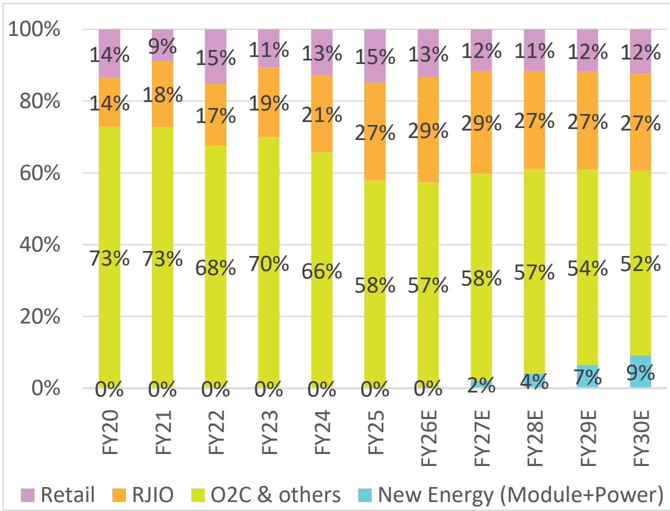
*Source: Company, Nuvama Research. *Note: New Energy CAGR from FY26-30E*

Exhibit 17: New Energy PAT to be near Retail PAT by FY30E…



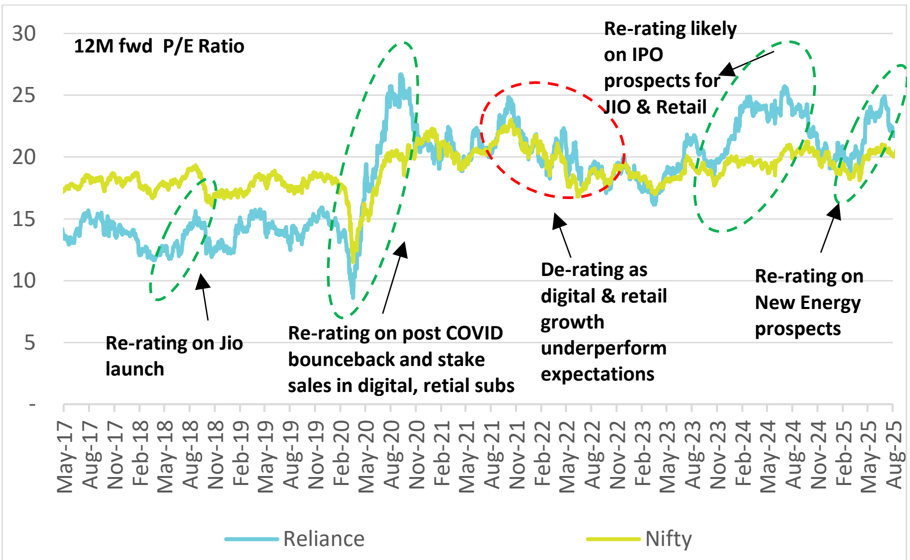
Source: Company, Nuvama Research

Exhibit 18: …while NE share in PAT shall rise to 9% by FY30E



Source: Company, Nuvama Research

Exhibit 19: New Energy to drive next leg of growth; potential valuation re-rating



Source: Bloomberg, Nuvama Research

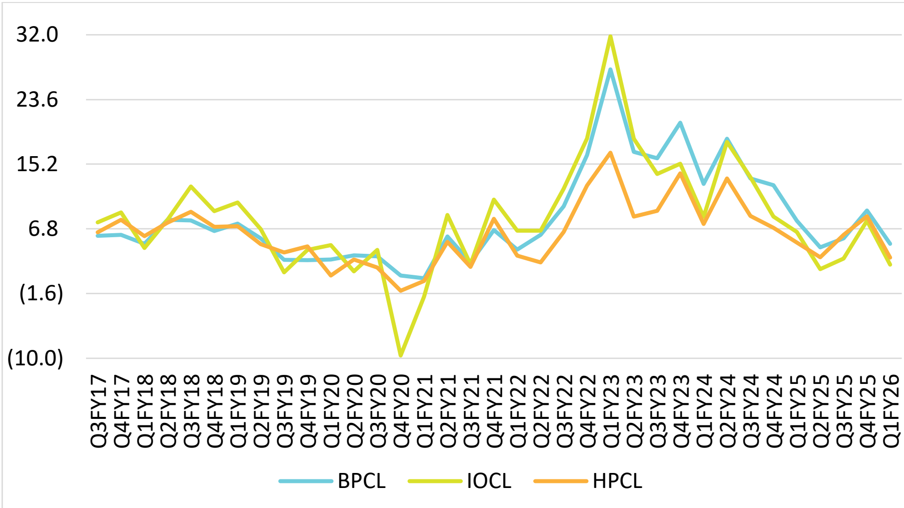
OMCs: EBITDA up 11% YoY on high marketing margins, inventory gains

Exhibit 20: Comparative snapshot of OMCs

Q1FY26	IOCL	HPCL	BPCL
EBITDA Margin (%)	6.5	6.9	8.6
GRM ($/bbl)	2.2	3.1	4.9
YoY (%) change in Refining throughput	2.8	14.6	3.1
QoQ (%) change in Refining throughput	0.7	(2.1)	(1.5)
YoY (%) change in Domestic Sales Volume	4.0	1.6	3.2
QoQ (%) change in Domesic Sales Volume	2.4	1.2	1.2
Refinery Utilization (%)	106.7	109.0	118.1
YoY (%) change in Pipeline throughput	1.7	(1.9)	NA
QoQ (%) change in Pipeline throughput	1.9	1.4	NA

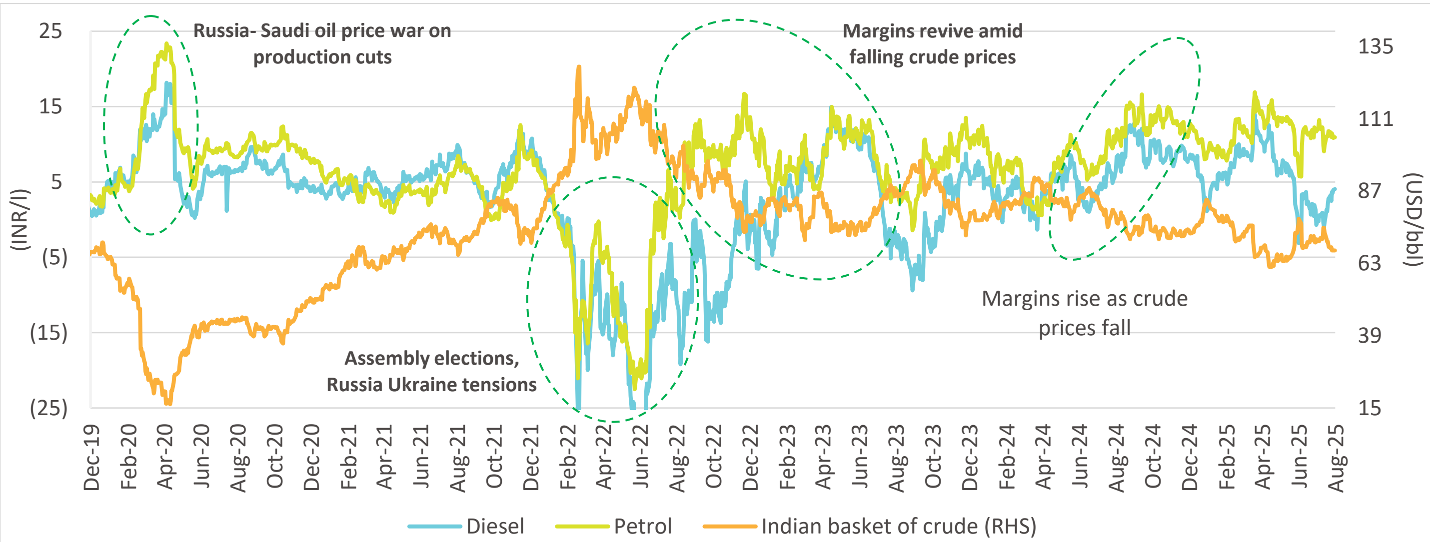
Source: Company, Nuvama Research

Exhibit 21: GRMs underperform due to inventory loss, lower mix of Russian crude



Source: Company, Nuvama Research

Exhibit 22: Retail margins rise in Q1FY26 amid falling crude prices



Source: Company, Bloomberg, Nuvama Research

Exhibit 23: OMCs: Quarterly comparison with peers

Particulars	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)
Refining Througput (MMT)																	
IOCL	15.3	17.4	18.3	18.9	16.1	18.2	19.2	18.8	17.8	18.5	18.3	18.2	16.7	18.1	18.5	18.7	3%
BPCL	9.0	9.9	10.2	9.7	8.8	9.4	10.6	10.4	9.4	9.9	10.4	10.1	10.3	9.5	10.6	10.4	3%
HPCL	2.5	4.2	4.7	4.8	4.5	4.8	5.0	5.4	5.8	5.3	5.8	5.8	6.3	6.5	6.7	6.6	15%
Throughput Growth (YoY %)																	
IOCL	9.5	(2.6)	3.8	13.0	5.2	4.6	5.0	(0.8)	10.4	1.7	(4.7)	(3.1)	(5.8)	(2.1)	1.5	2.8	
BPCL	59.3	37.3	(0.4)	14.9	(1.7)	(5.5)	4.7	6.9	6.0	5.0	(2.5)	(2.4)	9.9	(3.2)	2.1	3.1	
HPCL	(37.7)	5.9	6.8	91.6	77.5	14.0	5.8	12.3	28.1	10.6	17.7	6.7	9.6	21.2	15.5	14.6	
GRM ($/bbl)																	
IOCL	6.6	12.0	18.5	31.8	18.5	13.9	15.3	8.3	18.1	13.5	8.4	6.4	1.6	3.0	7.9	2.2	-66%
BPCL	6.0	9.7	16.4	27.5	16.8	16.0	20.6	12.6	18.5	13.4	12.5	7.9	4.4	5.6	9.2	4.9	-38%
HPCL	2.4	6.4	12.4	16.7	8.4	9.1	14.0	7.4	13.3	8.5	7.0	5.0	3.1	6.0	8.4	3.1	-39%
Domestic retail sales volume (MMT)																	
IOCL	18.1	21.0	20.9	22.2	22.6	21.6	21.1	21.3	19.7	21.0	21.3	21.5	19.5	22.0	21.9	22.4	4%
BPCL	9.9	11.2	11.8	11.8	11.4	12.8	12.9	12.8	12.2	12.9	13.2	13.2	12.4	13.4	13.4	13.6	3%
HPCL	8.8	10.0	10.3	10.5	9.9	11.0	10.9	11.4	10.1	11.4	11.8	12.1	10.8	12.3	12.1	12.3	2%
Domestic volumes growth YoY (%)																	
IOCL	7.0	2.2	2.8	23.5	24.8	2.9	0.9	(4.0)	(13.0)	(2.8)	0.6	0.9	(0.7)	4.8	2.8	4.0	
BPCL	10.9	0.5	5.8	22.1	15.4	14.9	9.2	8.4	6.6	0.9	2.1	3.2	1.6	3.9	1.8	3.2	
HPCL	8.5	(0.8)	4.4	23.7	12.3	10.1	6.4	9.4	2.1	3.7	8.1	5.6	7.0	8.5	2.6	1.6	

Source: Company, Nuvama Research

Exhibit 24: Global refining peer comps

Company	Mcap	Adjusted EPS (LC)			EV/EBITDA(x)			ROE (%)			P/B (x)	P/E (x)	Div yield (%)	EPS CAGR (%)
	(USD mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY27E	FY27E	FY26E	FY25-27E
India OMC														
Indian Oil Corporation Limited	22,760	10.9	13.2	18.2	10.5	8.0	6.5	8.3	9.7	12.3	1.1	7.7	2.8	29.1
Bharat Petroleum Corporation Limited	15,864	34.9	-	-	7.4	6.9	5.5	17.5	-	-	-	8.3	3.0	(100.0)
Hindustan Petroleum Corporation Limited	9,961	31.6	54.1	59.9	6.5	5.0	4.5	13.7	20.9	20.2	1.3	6.8	4.4	37.6
India OMC-Mean					**8.2**	**6.6**	**5.5**	**13.2**	**10.2**	**10.8**	**0.8**	**7.6**	**3.4**	**(11.1)**
India Refining														
Reliance Industries Limited	214,220	51.5	64.0	68.4	13.1	11.7	9.9	8.5	9.9	9.8	1.9	20.3	0.5	15.2
Chennai Petroleum Corp Ltd	1,123	5.6	89.3	95.8	14.3	4.5	4.0	1.0	15.8	15.6	1.0	6.8	6.1	NM
Mangalore Refinery & Petrochemicals Ltd	2,521	(0.2)	7.8	11.5	15.5	7.9	6.2	(0.2)	10.1	13.4	1.4	10.9	1.2	NM
India Refining-Mean					**14.3**	**8.1**	**6.7**	**3.1**	**11.9**	**12.9**	**1.4**	**12.7**	**2.6**	**15.2**
US Refining														
Marathon Petroleum Corp	49,455	8.6	8.4	11.5	7.8	8.2	7.4	14.7	13.6	21.0	2.9	14.1	2.3	15.5
Phillips 66	49,643	6.0	5.1	10.4	10.3	9.5	7.7	9.8	7.9	14.4	1.7	11.8	3.9	31.3
Valero Energy Corp	42,500	7.8	7.5	10.3	8.1	8.3	7.0	9.7	8.6	13.0	1.7	13.3	3.3	14.7
US Refining-Mean					**8.7**	**8.7**	**7.4**	**11.4**	**10.0**	**16.1**	**2.1**	**13.1**	**3.2**	**20.5**
Europe Refining														
Rubis	3,489	3.4	3.1	3.2	6.6	6.3	6.2	11.8	10.7	10.8	1.0	9.0	7.2	(2.2)
Neste OYJ	13,019	0.4	0.3	0.8	11.3	11.3	8.6	3.0	3.2	8.0	1.4	17.8	1.5	51.7
Dcc Plc	6,298	4.8	4.5	5.1	6.0	6.4	6.0	13.5	13.7	15.0	1.5	9.4	4.3	3.1
Europe Refining-Mean					**8.0**	**8.0**	**6.9**	**9.4**	**9.2**	**11.3**	**1.3**	**12.1**	**4.3**	**17.5**
South Korea Refining														
SK Innovation Co Ltd	11,516	(12,410)	(8,410)	1,556	18.9	17.2	11.2	(5.6)	(4.7)	0.7	0.6	68.1	2.0	NM
S-Oil Corp	4,977	37	660	4,865	11.0	13.6	8.1	0.0	0.6	5.7	0.8	12.6	0.8	NM
South Korea Refining-Mean					**15.0**	**15.4**	**9.6**	**(2.8)**	**(2.0)**	**3.2**	**0.7**	**40.3**	**1.4**	
APAC Refining														
Vietnam National Petroleum	1,852	2,325	1,780	2,501	9.7	9.4	6.7	11.3	8.6	11.9	1.9	15.3	3.7	3.7
Binh Son Refining	3,276	402	760	1,077	19.9	20.2	17.2	2.3	3.2	4.3	1.5	25.8	NA	63.7
Petrochina	212,363	0.9	0.9	0.9	4.0	4.3	4.2	11.1	10.3	10.0	0.8	7.8	6.5	(2.0)
Sinopec	90,211	0.5	0.4	0.4	4.7	5.2	4.8	6.8	5.7	6.3	0.6	9.1	6.3	(2.3)
APAC Refining-Mean					**9.6**	**9.8**	**8.2**	**7.9**	**7.0**	**8.1**	**1.2**	**14.5**	**5.5**	**15.8**
Global Refining - Mean					**10.6**	**9.4**	**7.4**	**7.0**	**7.7**	**10.4**	**1.2**	**16.7**	**3.4**	**11.6**

Source: Company, Nuvama Research; FY25 refers to YE Dec'24 for Dec-ending companies and YE Mar'25 for Mar-ending companies

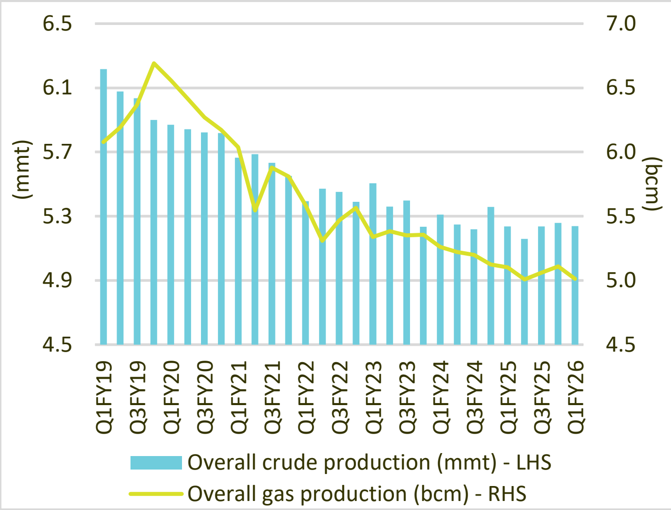
Exhibit 25: Global petrochemical peer comps

Company	Mcap	Adjusted EPS (LC)			EV/EBITDA(x)			ROE (%)			Div yield (%)	EPS CAGR (%)
	(USD mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY25-27E
India Petchem												
Indian Oil Corporation Limited	22,760	10.9	13.2	18.2	10.5	8.0	6.5	8.3	9.7	12.3	2.8	29.1
Reliance Industries Limited	214,220	51.5	64.0	68.4	13.1	11.7	9.9	8.5	9.9	9.8	0.5	15.2
India -Mean					**11.8**	**9.9**	**8.2**	**8.4**	**9.8**	**11.1**	**1.7**	**22.2**
US Petchem												
Dupont DE Nemours INC	30,646	3.9	4.4	4.8	11.5	10.6	9.8	6.8	7.8	7.7	2.2	11.0
Phillips 66	49,643	6.0	5.1	10.4	10.3	9.5	7.7	9.8	7.9	14.4	3.9	31.3
Valero Energy Corp	42,500	7.8	7.5	10.3	8.1	8.3	7.0	9.7	8.6	13.0	3.3	14.7
US -Mean					**10.0**	**9.4**	**8.2**	**8.8**	**8.1**	**11.7**	**3.1**	**19.0**
Europe Petchem												
Basf Se	49,211	2.9	2.7	3.3	7.8	8.4	7.6	6.4	6.0	7.5	4.8	5.3
Lyondellbasell Indu-Cl A	17,031	6.5	2.7	4.5	5.7	9.3	7.6	16.1	7.0	11.6	10.3	(17.1)
Europe -Mean					**6.7**	**8.8**	**7.6**	**11.2**	**6.5**	**9.5**	**7.6**	**(5.9)**
Middle-East Petchem												
Saudi Basic Industries Corp	47,087	1.6	0.6	1.8	8.9	10.6	9.1	2.9	1.4	3.7	5.2	5.5
Aldrees Petroleum and Transp	3,363	3.2	4.2	4.8	15.9	11.4	10.7	23.9	26.3	25.2	2.0	21.4
Middle East -Mean					**12.4**	**11.0**	**9.9**	**13.4**	**13.8**	**14.5**	**3.6**	**13.4**
APAC Petchem												
Sumitomo Chemical Co Ltd	4,573	18.8	22.5	36.6	6.4	7.2	6.7	2.7	4.5	6.2	2.9	39.5
Petrochina	212,363	0.9	0.9	0.9	4.0	4.3	4.2	11.1	10.3	10.0	6.5	(2.0)
Sinopec	90,211	0.5	0.4	0.4	4.7	5.2	4.8	6.8	5.7	6.3	6.3	(2.3)
APAC -Mean					**5.0**	**5.6**	**5.2**	**6.8**	**6.9**	**7.5**	**5.3**	**11.7**
Global Petchem - Mean					**9.2**	**8.9**	**7.8**	**9.7**	**9.0**	**10.9**	**4.2**	**12.1**

Source: Company, Bloomberg, Nuvama Research; FY25 refers to YE Dec’24 for Dec-ending companies and YE Mar’25 for Mar-ending companies

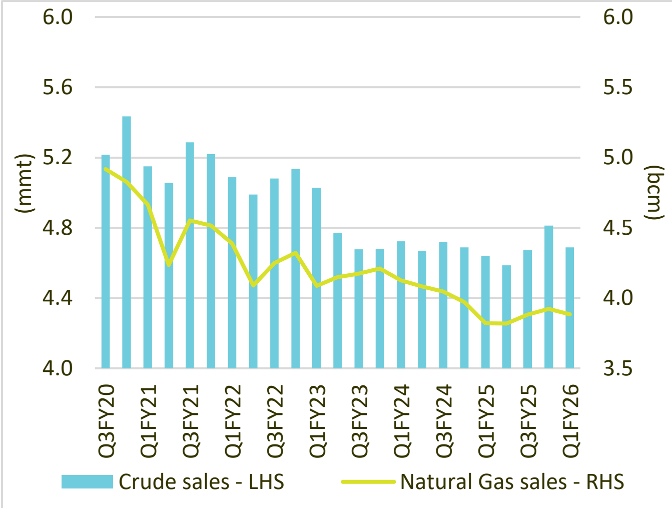
ONGC: Total production flat YoY; FY26, FY27 guidance cut

Exhibit 26: Total oil and gas production including JV flat YoY



Source: Company, Nuvama Research

Exhibit 27: Oil and gas sales including JV up 1% each YoY



Source: Company, Nuvama Research

Exhibit 28: ONGC's overall production has missed guidance over last seven years

Crude oil (mt, SA)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Company guidance	22.75	22.70	21.25	23.90	19.88	21.26	20.59
Actual	21.11	20.63	20.27	19.55	19.58	19.47	19.60
Variance	**-7%**	**-9%**	**-5%**	**-18%**	**-1%**	**-8%**	**-5%**
Natural Gas (bcm, SA)							
Company guidance	24.40	27.36	25.20	20.41	21.10	23.62	20.95
Actual	24.75	23.75	22.10	20.91	20.64	19.97	19.65
Variance	**1%**	**-13%**	**-12%**	**2%**	**-2%**	**-15%**	**-6%**
Total (mmtoe)							
Company guidance	47.15	50.06	46.45	44.31	40.98	44.88	41.54
Actual	45.86	44.38	42.37	40.46	40.22	39.44	39.25
Variance	**-3%**	**-11%**	**-9%**	**-9%**	**-2%**	**-12%**	**-6%**

Source: Company, Nuvama Research

The company's crude oil production (including JV) has seen a consistent decline over the past decade. Oil production has decreased at a 2.3% CAGR over the last five years (FY20–25). While gas production (including JV) improved somewhat over FY17–19, it fell at a 4.2% CAGR over FY20–25.

Exhibit 29: ONGC's total production (O+OEG) fell at 3.2% CAGR over FY20–25

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	5y CAGR (%)	FY26E	FY27E
Crude production (nominated, mmt)	22.6	22.3	22.3	21.1	20.9	22.3	21.1	20.7	20.3	19.6	19.6	19.5	19.6	(1.1)	19.8	20.2
Crude production (JV, mmt)	3.6	3.7	3.7	3.6	3.3	3.2	3.2	2.7	2.4	2.3	2.0	1.7	1.3	(13.8)	1.2	1.2
Total crude production (mmt)	**26.1**	**26.0**	**25.9**	**24.7**	**24.2**	**25.5**	**24.3**	**23.4**	**22.6**	**21.8**	**21.6**	**21.1**	**20.9**	**(2.3)**	**21.0**	**21.4**
Gas production (nominated, bcm)	23.3	23.5	23.3	22.0	21.2	22.1	24.8	23.9	22.1	20.9	20.6	20.0	19.7	(3.8)	19.9	20.2
Gas production (JV, bcm)	1.8	1.6	1.5	1.4	1.2	1.2	1.1	1.2	0.9	1.1	1.4	0.7	0.5	(14.2)	0.5	0.5
Total gas production (bcm)	**25.1**	**25.1**	**24.8**	**23.4**	**22.4**	**23.3**	**25.9**	**25.0**	**23.0**	**22.0**	**22.0**	**20.6**	**20.2**	**(4.2)**	**20.4**	**20.8**
Nominated production	45.9	45.8	45.5	43.1	42.0	44.4	45.9	44.6	42.4	40.5	40.2	39.4	39.3	(2.5)	39.6	40.4
JV production	5.4	5.3	5.2	4.9	4.5	4.4	4.3	3.9	3.3	3.3	3.4	2.3	1.8	(13.9)	1.8	1.7
Total production (mmtoe)	**51.2**	**51.1**	**50.7**	**48.0**	**46.5**	**48.8**	**50.2**	**48.4**	**45.7**	**43.8**	**43.6**	**41.8**	**41.1**	**(3.2)**	**41.4**	**42.2**

Source: Company, Nuvama Research

A 2.7% CAGR decline in 1P reserves suggests future production fall as well

We believe future production is likely to fall as ONGC's 1P reserves are also seeing a declining trend. ONGC's 1P reserves have slid in ten years out of past thirteen, with the last five years' decline reported at a 2.7% CAGR over FY20–25.

Exhibit 30: ONGC's proved reserves (1P) have been consistently falling for many years, affecting production growth

Proved reserves	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	5y CAGR (%)
ONGC nominated (mtoe)	741	724	711	691	693	676	626	603	581	557	531	515	515	(3.1)
ONGC JV (mtoe)	31	31	23	19	18	19	20	18	16	14	12	11	11	(9.6)
OVL (mtoe)	196	207	203	199	271	287	275	268	204	204	264	254	250	(1.4)
Total (mtoe)	**969**	**962**	**936**	**909**	**982**	**982**	**921**	**889**	**801**	**776**	**807**	**780**	**775**	**(2.7)**

Source: Company, Nuvama Research

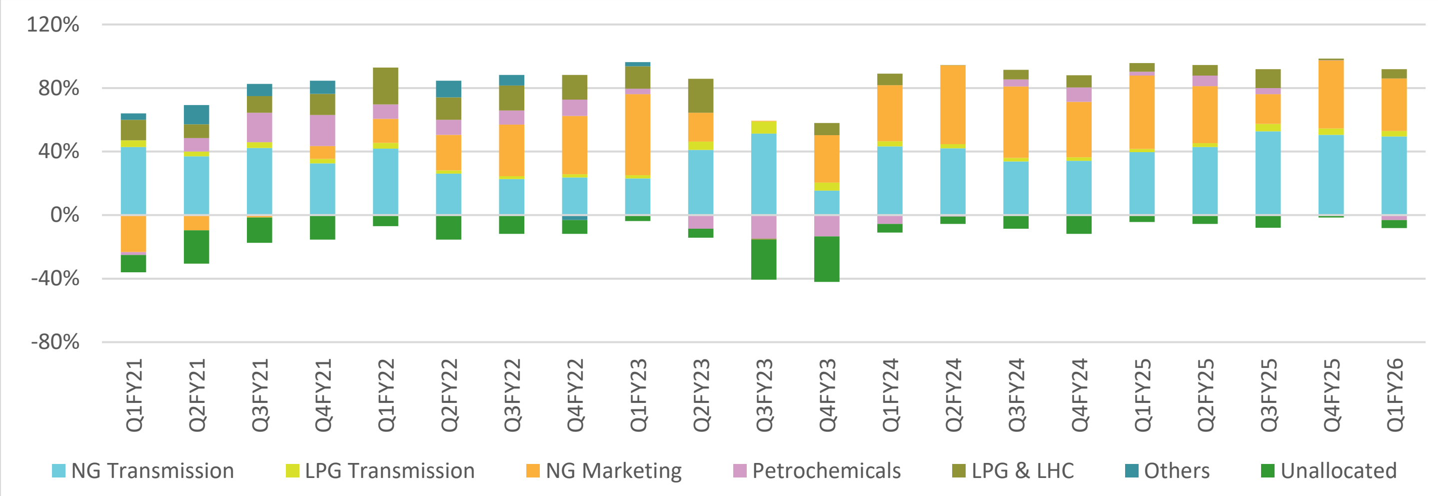
Exhibit 31: Global integrated peer comps

Company	Mcap	P/E (x)			Diluted EPS (LC)			EV/EBITDA (x)			ROE (%)			Div yield (%)	EPS CAGR (%)
	(USD mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY25-27E
India Integrated															
ONGC	33,586	8.1	6.6	5.4	28.9	35.5	43.6	5.3	6.0	5.3	10.5	12.7	14.2	6.1	22.9
Oil India	7,629	9.1	9.5	7.7	45.1	43.1	52.9	7.3	7.9	6.3	14.6	14.3	15.6	3.2	8.4
India-Mean		**8.6**	**8.0**	**6.5**				**6.3**	**7.0**	**5.8**	**12.5**	**13.5**	**14.9**	**4.6**	**15.6**
Europe Integrated															
Shell	209,362	9.2	12.0	11.2	3.9	3.0	3.2	3.9	4.7	4.7	12.9	9.8	9.9	4.0	(9.2)
BP	89,739	10.1	12.5	11.7	0.6	0.5	0.5	3.9	4.0	4.1	12.3	11.4	11.8	5.8	(7.4)
TotalEnergies	142,658	8.0	9.1	8.7	7.5	5.9	6.2	3.9	4.9	5.1	15.2	13.1	12.4	5.9	(9.2)
Equinor ASA	61,236	7.3	8.3	7.9	3.3	2.9	3.0	1.7	1.9	2.1	19.6	18.3	17.4	6.3	(3.7)
Europe-Mean		**8.7**	**10.5**	**9.9**				**3.3**	**3.9**	**4.0**	**15.0**	**13.2**	**12.9**	**5.5**	**(7.4)**
US Integrated															
ExxonMobil	454,974	13.9	15.8	14.0	7.7	6.8	7.6	6.7	7.1	6.7	13.8	11.0	12.5	3.8	(0.4)
Chevron	318,001	15.1	19.5	16.3	10.3	8.0	9.6	7.5	8.4	7.3	12.0	9.1	11.4	4.4	(3.6)
US-Mean		**14.5**	**17.6**	**15.1**				**7.1**	**7.8**	**7.0**	**12.9**	**10.0**	**11.9**	**4.1**	**(2.0)**
South America Integrated															
Petrobras	75,374	5.1	3.6	4.0	6.0	8.4	7.6	2.7	3.2	3.1	19.8	24.3	20.9	12.9	12.2
Ecopetrol	18,435	4.8	6.6	6.7	378.9	274.4	267.3	3.5	4.1	4.1	17.8	13.6	13.9	10.1	(16.0)
YPF SA	13,379	6.4	16.1	8.9	6,925.2	2,737.3	4,967.6	4.8	4.4	3.8	24.9	6.3	12.8	0.0	(15.3)
South America-Mean		**5.4**	**8.7**	**6.5**				**3.7**	**3.9**	**3.7**	**20.8**	**14.7**	**15.9**	**7.6**	**(6.4)**
Others Integrated															
Saudi Aramco	1,553,531	14.7	15.7	15.7	1.6	1.5	1.5	6.9	7.5	7.4	26.2	24.5	24.1	5.5	(3.4)
PetroChina	212,363	7.5	7.9	7.8	0.9	0.9	0.9	4.0	4.3	4.2	11.1	10.3	10.0	6.5	(2.0)
Sinopec	90,211	8.7	10.3	9.1	0.5	0.4	0.4	4.7	5.2	4.8	6.8	5.7	6.3	6.3	(2.3)
Others-Mean		**10.3**	**11.3**	**10.9**				**5.2**	**5.7**	**5.5**	**14.7**	**13.5**	**13.5**	**6.1**	**(2.6)**
Global-Mean		**9.5**	**11.2**	**9.8**				**5.1**	**5.6**	**5.2**	**15.2**	**13.0**	**13.8**	**5.6**	**(0.5)**

Source: Bloomberg, Nuvama Research

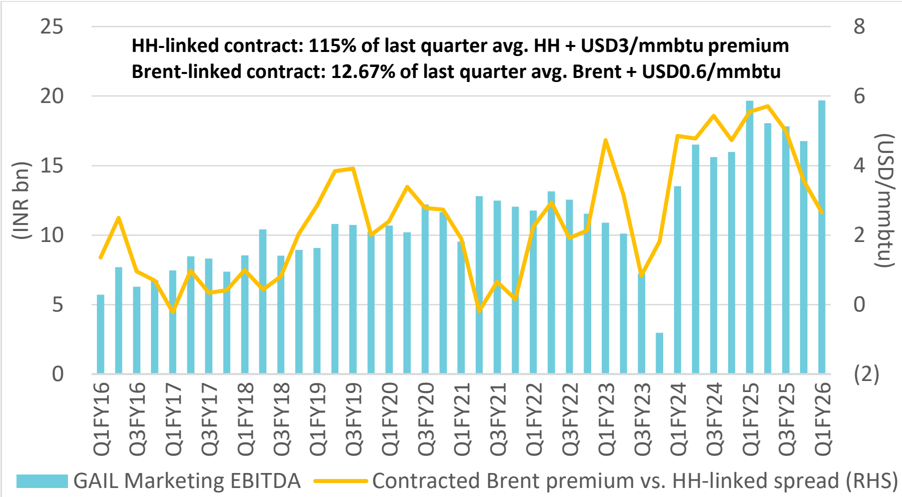
GAIL: Elevated NG marketing earnings unsustainable

Exhibit 32: Quarterly EBITDA mix by segment – NG marketing made up 39% of EBITDA in Q1, has been volatile historically



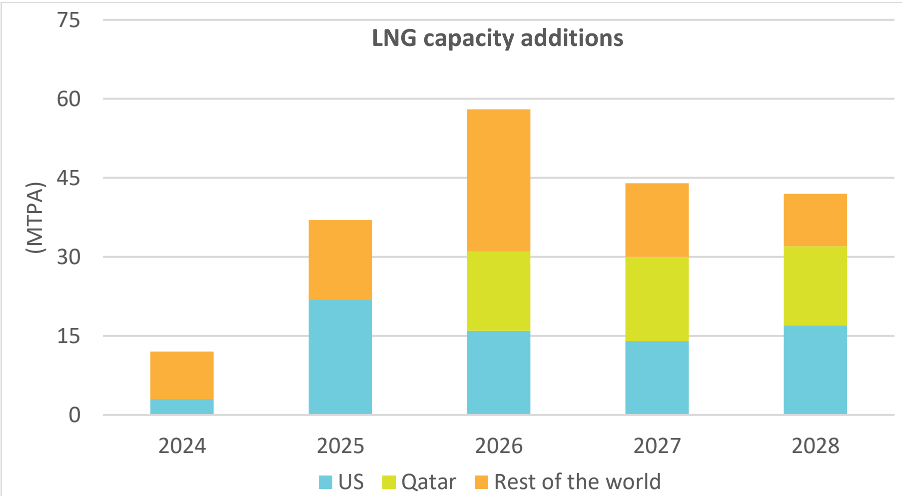
Source: Company, Nuvama Research

Exhibit 33: Brent premium versus HH – Premiums directly related to earnings



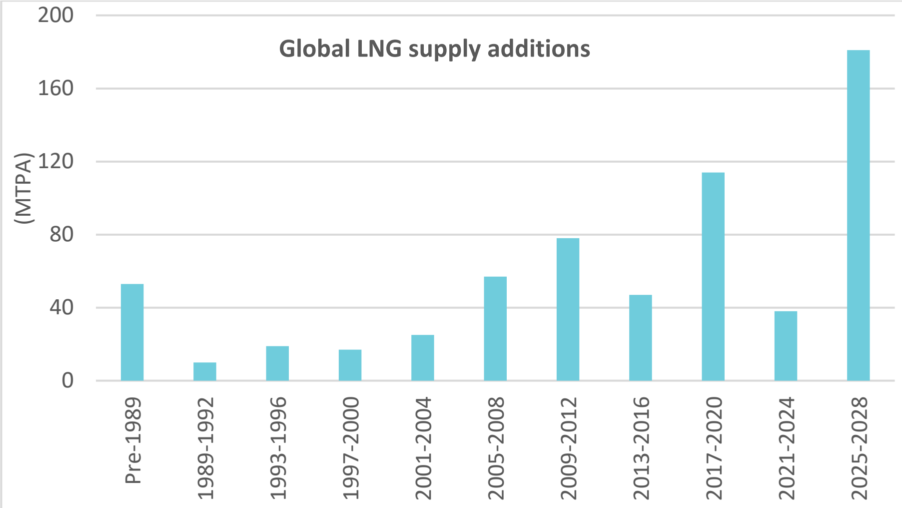
Source: Company, Bloomberg, Nuvama Research

Exhibit 34: LNG capacity of ~193MMTPA to come on stream over next 4 years...



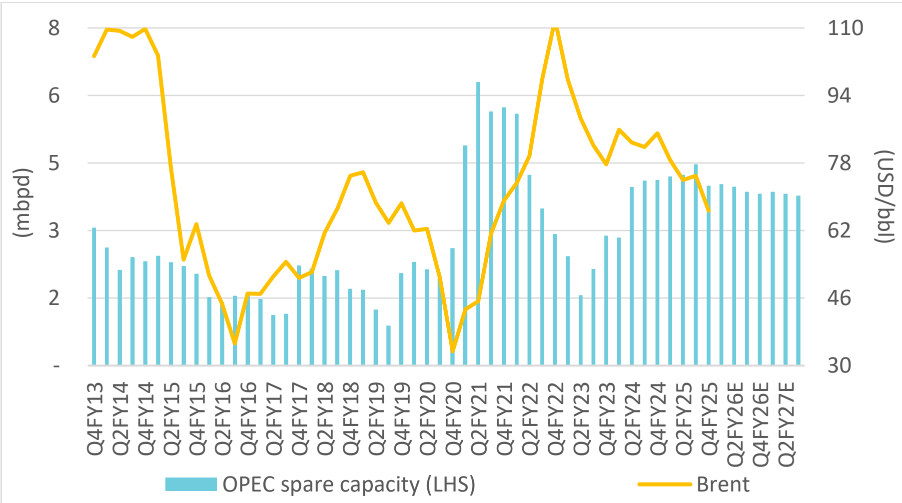
Source: IEEFA, Nuvama Research

Exhibit 35: ...which is set to be highest-ever and likely to weigh on spot prices



Source: IEEFA, Nuvama Research

Exhibit 36: Brent prices tend to be lower during elevated OPEC spare capacity



Source: US EIA, Bloomberg, Nuvama Research

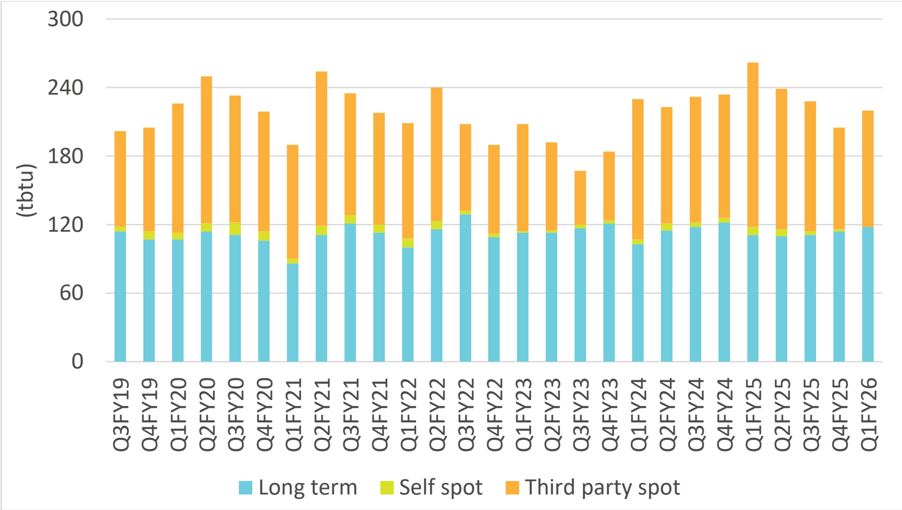
Exhibit 37: Global gas midstream peer comps

Company	Mcap	P/E (x)			Diluted EPS (LC)			EV/EBITDA(x)			ROE (%)			PB (x)			Div yield (%)	EPS CAGR (%)
	(USD mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY25-27E
India																		
GAIL India Limited	12,997	9.1	10.1	7.7	18.9	17.1	22.6	5.3	6.0	5.3	15.3	12.6	15.1	1.3	1.2	1.1	3.0	9.1
Gujarat State Petronet Limited	1,952	12.0	11.4	10.3	25.3	26.5	29.6	15.7	14.8	12.9	9.2	8.6	8.6	1.4	1.3	1.1	2.6	8.0
India-Mean		**10.6**	**10.8**	**9.0**				**10.5**	**10.4**	**9.1**	**12.3**	**10.6**	**11.9**	**1.4**	**1.2**	**1.1**	**2.8**	**8.6**
APAC																		
PetroVietnam Gas Joint Stock	6,223	14.4	14.0	13.8	4,842	4,989	5,083	10.0	8.3	8.2	17.5	18.6	17.4	2.5	2.5	2.3	3.7	2.5
Petronas Gas BHD	8,854	19.8	20.0	19.2	1.0	0.9	1.0	10.7	10.4	10.1	13.6	13.2	13.3	2.7	2.6	2.5	3.9	1.6
Perusahaan Gas Negara	2,484	8.5	8.5	8.5	0.0	0.0	0.0	3.5	2.6	2.2	12.0	10.8	10.0	1.0	0.7	0.7	9.8	0.0
Korea Gas Corp	2,639	3.7	4.5	4.1	10,601	8,738	9,756	9.3	9.1	8.8	9.5	7.3	7.6	0.3	0.3	0.3	4.8	(4.1)
SK Gas	1,594	13.1	7.2	6.7	18,268	33,394	35,722	11.0	6.6	7.2	6.5	11.7	11.4	0.8	0.7	0.7	3.9	39.8
Kunlun Energy Co	8,490	9.7	9.4	8.8	0.7	0.7	0.8	4.2	4.4	3.9	9.7	9.7	9.7	0.9	0.9	0.8	4.8	5.3
China-Mean		**11.6**	**10.6**	**10.2**				**8.1**	**6.9**	**6.7**	**11.4**	**11.9**	**11.6**	**1.4**	**1.3**	**1.2**	**5.2**	**7.5**
North America																		
Kinder Morgan Inc	58,285	22.1	20.6	19.6	1.2	1.3	1.3	11.5	11.1	10.7	8.6	9.1	9.8	1.9	1.9	1.8	4.5	6.1
Energy Transfer LP	59,523	12.3	11.9	10.7	1.4	1.5	1.6	8.6	8.4	7.9	13.6	13.9	15.6	1.9	1.8	1.7	7.7	7.3
Enbridge Inc	101,739	22.7	20.9	20.1	2.8	3.1	3.2	13.5	12.7	12.4	10.4	10.7	11.3	2.4	2.4	2.5	5.9	6.4
Williams Cos Inc	69,021	29.9	26.7	23.7	1.9	2.1	2.4	13.8	12.8	12.0	17.8	20.8	21.1	5.6	5.5	5.4	3.5	12.3
Pembina Pipeline Corp	21,296	16.7	17.2	16.6	3.0	2.9	3.0	10.7	10.6	10.4	11.2	10.4	10.7	2.0	2.0	2.0	5.6	0.4
TransCanada Corp	52,461	16.6	19.3	18.2	4.2	3.6	3.8	12.7	13.2	12.5	14.1	14.7	15.2	2.6	2.9	2.8	4.9	(4.5)
Enterprise Products Partners	67,952	11.8	11.5	10.7	2.7	2.7	2.9	10.0	10.1	9.5	20.7	20.5	20.8	2.4	2.3	2.2	7.0	5.0
North America- Mean		**18.9**	**18.3**	**17.1**				**11.5**	**11.3**	**10.8**	**13.8**	**14.3**	**14.9**	**2.7**	**2.7**	**2.6**	**5.6**	**4.7**
Global- Mean		**13.7**	**13.2**	**12.1**				**10.1**	**9.5**	**8.9**	**12.5**	**12.3**	**12.8**	**1.8**	**1.7**	**1.7**	**4.5**	**6.9**

Source: Bloomberg, Nuvama Research

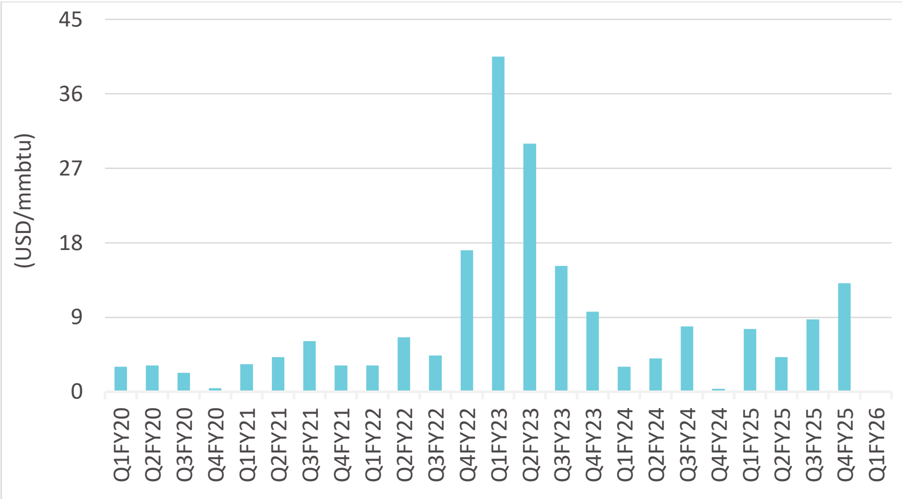
PLNG: Q1 EBITDA miss on higher provisions; -16% YoY volumes a blot

Exhibit 38: Volume - 16% YoY on weak power, fertiliser demand + a high base



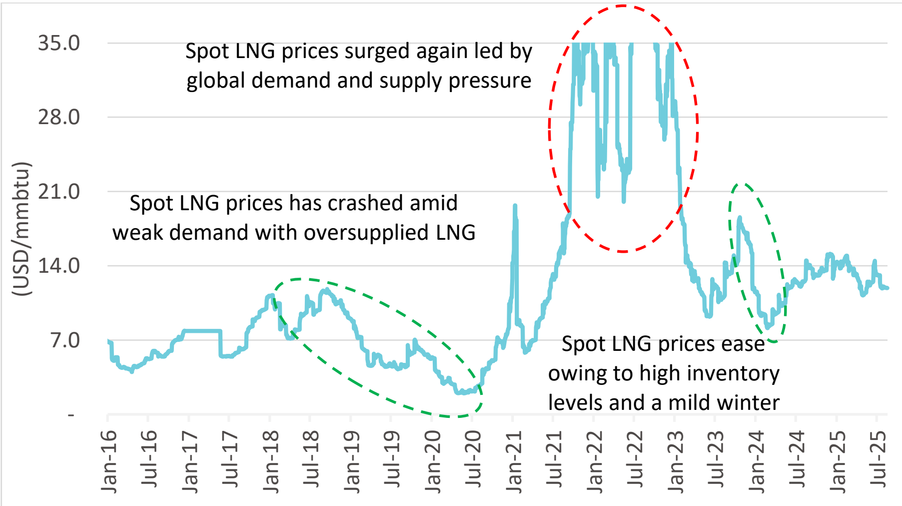
Source: Company, Nuvama Research

Exhibit 39: Marketing margins NA during Q1FY26 on nil spot/short-term volumes



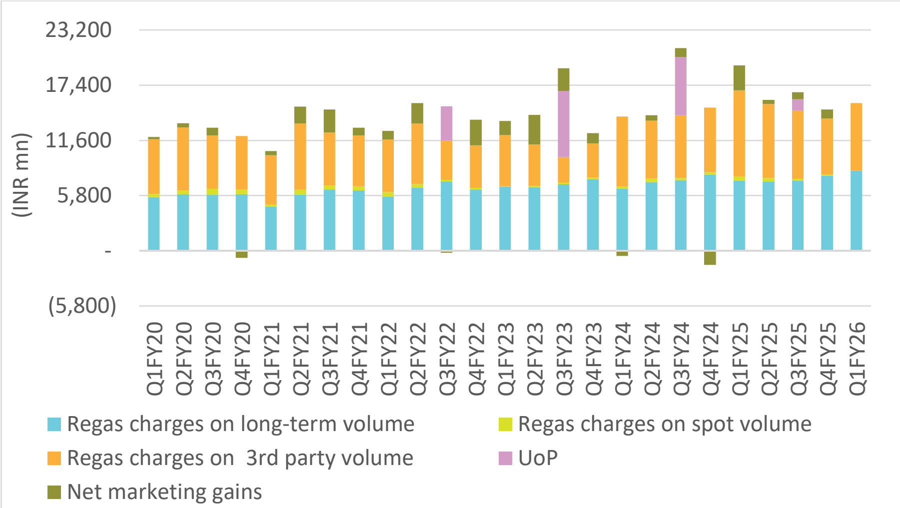
Source: Company, Nuvama Research

Exhibit 40: Spot LNG prices stay elevated in Q4FY25 before tailing off in Q1FY26



Source: Bloomberg, Nuvama Research

Exhibit 41: Breakdown of quarterly gross profit



Source: Company, Nuvama Research

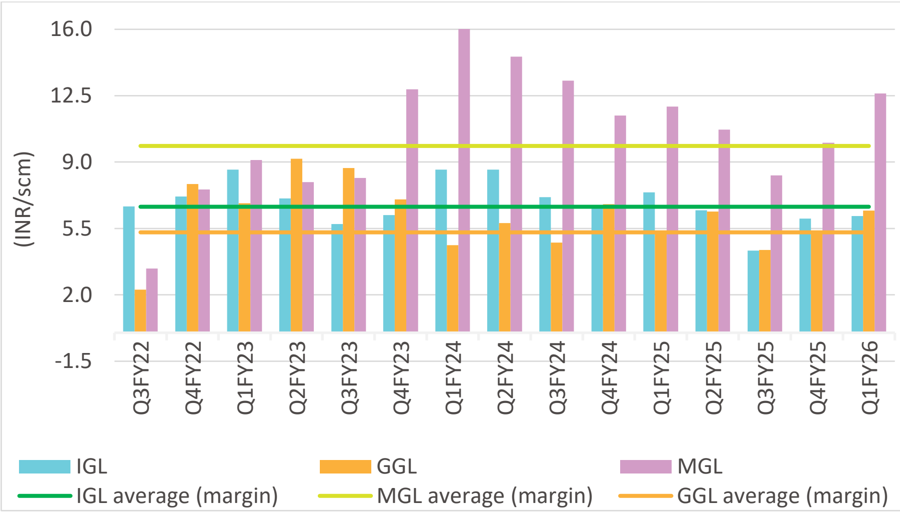
CGDs: Margins under pressure caused by APM de-allocation

Exhibit 42: CGD peer comparison on key operating metrics

Q1FY26	GGL	IGL	MGL*
Gross margin (INR/ scm)	10.8	11.9	16.3
Gross margin/scm growth (yoy%)	24.7	(10.3)	(9.2)
EBITDA margin (INR/ scm)	6.4	6.2	9.7
EBITDA margin/scm growth (yoy%)	20.1	(16.8)	(18.8)
Total volumes (mmscmd)	8.9	9.1	4.2
Total volumes (% yoy)	(19.2)	5.7	9.6
CNG volume sales growth (yoy %)	11.7	7.4	7.5

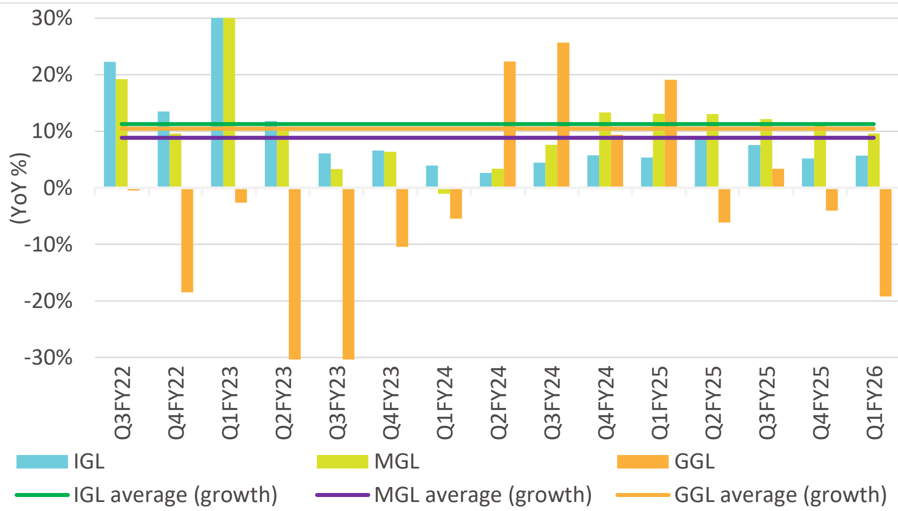
*Source: Company, Nuvama Research; *adjusted for INR1.1bn one-off gain*

Exhibit 43: EBITDA margin comparison vis-à-vis peers



Source: Company, Nuvama Research

Exhibit 44: CGDs' volume growth comparison



Source: Company, Nuvama Research

Exhibit 45: Global CGD peer comps

Company	Mcap	P/E (x)			Diluted EPS (LC)			EV/EBITDA(x)			ROE (%)			PB (x)			Div yield (%)	EPS CAGR (%)
	(USD mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY25-27E
India CGD																		
Indraprastha Gas Limited	3,239	16.2	19.3	17.1	12.5	10.5	11.8	8.8	8.0	7.2	22.4	16.5	16.8	3.3	3.1	2.7	2.1	(2.7)
Gujarat Gas Limited	3,374	25.8	25.1	21.8	16.6	17.1	19.7	10.8	12.7	11.0	14.2	13.3	13.9	3.5	3.2	2.9	1.2	8.8
Mahanagar Gas Limited	1,506	12.6	12.0	11.1	105.8	111.0	119.9	5.1	5.3	5.0	18.9	17.5	16.8	2.2	2.0	1.8	2.5	6.5
India CGD-Mean		**18.2**	**18.8**	**16.7**				**8.3**	**8.7**	**7.7**	**18.5**	**15.7**	**15.8**	**3.0**	**2.7**	**2.5**	**1.9**	**4.2**
China CGD																		
Beijing Enterprises	5,295	7.3	7.4	7.2	4.1	4.1	4.1	7.9	7.3	7.4	6.3	6.2	6.2	0.5	0.5	0.4	5.0	(0.7)
Hong Kong & China Gas	16,838	21.2	21.0	20.1	0.3	0.3	0.3	15.6	15.4	14.8	10.3	10.9	11.4	2.2	2.3	2.3	5.0	0.5
AltaGas Ltd	9,016	19.6	18.4	17.4	2.1	2.1	2.3	13.0	12.1	11.8	8.3	8.1	8.3	1.6	1.5	1.4	3.0	3.2
China Resources Gas Group	5,843	8.1	10.5	9.6	2.4	2.4	1.9	6.0	7.3	6.7	12.1	10.1	10.3	1.0	1.0	1.0	5.1	(11.8)
China Gas Holdings	5,712	11.6	12.6	12.1	0.7	0.7	0.7	10.3	10.7	10.2	6.9	6.3	6.5	0.8	0.8	0.8	6.1	(2.0)
Towngas China Co Ltd	1,830	8.9	8.4	8.0	0.4	0.4	0.5	10.3	9.0	8.6	6.4	6.9	6.9	0.6	0.6	0.5	4.9	2.8
China CGD- Mean		**12.8**	**13.0**	**12.4**				**10.5**	**10.3**	**9.9**	**8.4**	**8.1**	**8.3**	**1.1**	**1.1**	**1.1**	**4.9**	**(1.3)**
US CGD																		
ONE Gas Inc	4,440	19.0	17.2	16.4	3.9	3.9	4.3	11.0	9.8	9.2	7.7	8.0	8.1	1.4	1.4	1.3	3.6	5.0
Spire Inc	4,439	16.7	14.8	13.7	4.5	5.1	5.5	11.3	10.7	10.1	8.5	9.5	9.8	1.4	1.3	1.3	4.4	10.5
Southwest Gas Holdings Inc	5,512	25.7	21.0	18.6	3.0	3.0	3.7	10.3	9.4	9.3	6.2	7.4	8.3	1.6	1.5	1.5	3.2	10.8
US CGD-Mean		**20.5**	**17.7**	**16.2**				**10.9**	**10.0**	**9.5**	**7.5**	**8.3**	**8.7**	**1.5**	**1.4**	**1.4**	**3.7**	**8.8**
Japan and Korea CGD																		
Toho Gas Co Ltd	3,083	17.9	16.3	19.3	259.1	283.9	240.6	8.8	8.9	9.7	5.7	5.9	4.5	1.0	1.0	0.9	1.9	(3.7)
Osaka Gas Co Ltd	11,354	14.0	12.1	12.2	300.6	348.1	345.3	9.9	NA	NA	7.2	8.2	7.6	1.0	1.0	0.9	2.5	7.2
Japan CGD- Mean		**16.0**	**14.2**	**15.7**				**9.4**	**8.9**	**9.7**	**6.5**	**7.1**	**6.0**	**1.0**	**1.0**	**0.9**	**2.2**	**1.8**
Europe CGD																		
Enagas SA	4,053	27.0	12.8	14.8	0.5	0.5	1.0	7.9	8.7	9.4	0.8	11.2	9.9	1.3	1.4	1.5	7.6	45.4
Rubis SCA	3,489	8.6	9.4	9.0	3.4	3.4	3.1	6.6	6.3	6.2	11.8	10.7	10.8	1.1	1.0	1.0	7.2	(4.3)
Italgas SpA	8,967	12.0	11.5	10.7	0.6	0.6	0.7	11.0	10.3	9.1	19.7	19.6	18.2	2.3	1.8	1.7	5.6	2.3
Europe CGD - Mean		**15.9**	**11.2**	**11.5**				**8.5**	**8.4**	**8.2**	**10.8**	**13.9**	**13.0**	**1.6**	**1.4**	**1.4**	**6.8**	**14.5**
Global CGD- Mean		**16.7**	**15.0**	**14.5**				**9.5**	**9.3**	**9.0**	**10.3**	**10.6**	**10.4**	**1.6**	**1.5**	**1.4**	**3.9**	**5.6**

Source: Company, Bloomberg, Nuvama Research; FY25 refers to YE Dec’24 for Dec-ending companies and YE Mar’25 for Mar-ending companies

Exhibit 46: Quarterly CGD comparison

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	LT Average
Overall volume growth (YoY%)														
IGL	48.4	11.8	6.1	6.6	3.9	2.6	4.4	5.7	5.3	8.7	7.6	5.2	5.7	11.3
MGL	43.8	10.7	3.3	6.4	(1.0)	3.4	7.6	13.3	13.1	13.1	12.1	11.0	9.6	8.8
GGL	(2.6)	(33.2)	(36.0)	(10.4)	(5.4)	22.3	25.7	9.4	19.1	(6.1)	3.4	(4.0)	(19.2)	10.5
Adani Total Gas	30.7	8.6	(3.1)	2.1	8.2	11.1	20.4	20.2	16.2	14.7	14.7	13.4	16.1	18.4
IRM Energy	NA	NA	NA	NA	NA	(6.3)	(0.7)	(3.2)	5.2	5.4	4.5	17.6	14.0	4.6
CNG growth (YoY%)														
IGL	62.7	14.9	7.8	8.1	4.0	2.6	4.2	4.3	4.6	8.5	5.9	5.2	5.2	12.0
MGL	63.8	13.7	3.5	5.8	(2.3)	1.6	6.4	11.8	11.7	11.7	10.9	10.1	7.5	12.0
GGL	57.5	18.6	12.0	13.5	7.0	12.9	14.4	14.2	14.2	11.8	12.2	11.4	11.7	15.1
Adani Total Gas	60.3	24.2	14.9	21.0	17.4	20.4	24.1	21.8	19.5	19.1	17.5	20.1	20.9	29.8
IRM Energy	NA	NA	NA	NA	NA	21.1	30.7	26.3	18.4	8.5	4.8	11.9	21.0	17.8
Residential PNG growth (YoY%)														
IGL	(0.3)	11.2	13.5	9.5	19.9	14.7	10.8	15.6	16.0	12.4	16.8	5.8	10.6	13.2
MGL	0.4	4.3	5.4	7.7	5.5	4.3	6.3	11.6	10.5	7.6	3.9	4.7	3.9	8.1
GGL	(7.3)	7.8	0.0	1.2	9.1	1.4	6.0	2.4	3.3	8.6	4.2	4.7	11.3	6.9
IRM Energy	NA	NA	NA	NA	NA	25.5	50.4	56.1	27.3	28.6	18.7	20.1	22.0	31.1
PNG I/C growth (YoY%)														
IGL	19.9	1.1	(4.0)	0.4	(1.7)	(1.8)	4.4	11.0	5.6	11.4	14.4	6.6	8.9	12.9
MGL	15.5	1.8	0.1	7.9	(0.9)	12.1	15.9	23.2	23.8	25.4	27.1	21.8	26.1	9.0
GGL	(14.1)	(47.7)	(51.0)	(19.6)	(11.1)	30.2	35.3	8.2	22.8	(15.7)	(1.1)	(12.8)	(34.3)	10.7
IRM Energy	NA	NA	NA	NA	NA	(33.5)	(36.5)	(29.2)	(9.9)	11.0	23.4	25.4	3.6	(5.7)
EBITDA margin (INR/scm)														
IGL	8.6	7.1	5.7	6.2	8.6	8.6	7.2	6.6	7.4	6.5	4.3	6.0	6.2	6.6
MGL	9.1	7.9	8.2	12.8	16.8	14.6	13.3	11.5	11.9	10.7	8.3	10.0	12.6	9.9
GGL	6.8	9.2	8.7	7.0	4.6	5.8	4.8	6.8	5.4	6.4	4.4	5.4	6.4	5.3
Adani Total Gas	12.5	12.4	12.8	10.6	12.9	13.7	13.4	13.1	13.4	12.9	10.6	10.4	11.3	12.6
IRM Energy	NA	5.7	7.3	3.1	9.2	8.9	8.4	4.8	6.3	5.3	4.2	3.2	4.7	5.9
Gross margin (INR/scm)														
IGL	14.3	12.7	11.3	12.0	14.4	14.1	12.9	13.1	13.2	11.9	9.7	12.2	11.9	12.3
MGL	14.4	13.0	13.7	18.7	22.3	20.4	19.1	17.9	17.9	17.0	14.6	17.3	19.2	15.2
GGL	9.8	13.0	12.8	10.6	8.2	9.2	8.4	10.9	8.6	10.4	8.3	10.1	10.8	8.3
Adani Total Gas	17.8	17.4	17.7	15.9	17.3	19.1	18.7	19.9	18.9	18.4	15.8	16.7	16.7	17.5
IRM Energy	NA	9.9	11.4	8.1	13.6	13.3	12.5	12.0	13.2	12.2	11.0	10.4	12.3	11.7
No. of CNG stations														
IGL	713	725	751	791	791	799	819	882	882	884	899	954	955	
MGL	292	296	301	312	312	319	320	347	348	352	361	385	385	
GGL	721	741	NA	800	810	806	817	808	811	820	825	828	830	
Adani Total Gas	349	367	382	460	467	483	505	547	559	577	605	647	650	
IRM Energy	NA	NA	NA	59	62	69	74	82	86	91	93	111	112	

Source: Company, Nuvama Research

Exhibit 47: Annual CGD comparison

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	Average
Overall volume growth (%)										
IGL	14.1	9.0	(17.3)	31.2	15.8	4.2	6.6	7.3	7.1	9.1
MGL	9.2	0.1	(25.1)	35.6	14.2	5.4	12.3	10.0	8.8	7.6
GGL	5.1	44.7	(0.7)	13.7	(21.6)	11.6	3.0	(0.2)	6.7	7.7
Adani Total Gas	12.9	7.6	(11.5)	35.3	8.0	14.9	14.7			
IRM Energy	NM	NM	(28.2)	139.8	30.0	(3.3)	8.1			
CNG growth (%)										
IGL	13.5	8.2	(21.7)	36.1	19.6	3.7	6.1	7.2	6.2	9.0
MGL	9.2	0.1	(25.1)	35.6	14.2	5.4	12.3	10.0	8.8	7.6
GGL	10.5	4.2	(12.2)	51.5	22.9	12.1	12.4	12.0	10.5	13.4
Adani Total Gas	11.3	5.8	(22.6)	59.3	27.5	21.4	19.0			
IRM Energy	NM	NM	7.1	68.2	15.4	19.2	10.6			
Residential PNG growth (%)										
IGL	10.0	15.2	21.1	8.7	8.0	14.8	12.7	8.5	7.5	12.2
MGL	10.7	6.9	15.2	0.4	4.5	6.7	6.5	7.4	7.4	7.6
GGL	4.9	7.2	13.5	5.2	0.6	4.4	5.3	6.9	7.9	6.5
IRM Energy	NM	NM	NM	(32.8)	(21.9)	180.0	22.9			
Industrial/Commercial growth (%)										
IGL	23.2	18.8	(4.9)	23.1	4.2	3.0	9.3	8.3	7.0	11.1
MGL	7.8	(0.2)	(18.1)	26.2	6.0	12.3	24.5	15.4	11.1	8.9
GGL	3.5	61.7	0.5	7.8	(34.4)	12.3	(1.7)	(7.5)	4.0	6.3
IRM Energy	NM	NM	352.7	312.0	58.0	(27.8)	11.5			
EBITDA margin (INR/scm)										
IGL	5.8	6.4	7.6	7.4	6.9	7.7	6.0	6.5	7.4	6.8
MGL	8.2	9.8	11.6	8.4	9.5	14.0	10.2	10.1	10.3	10.0
GGL	4.1	4.7	6.1	5.3	7.8	5.5	5.3	5.5	5.9	5.4
Adani Total Gas	8.4	10.2	13.7	11.1	11.6	12.8	11.4			
IRM Energy	NM	NM	11.7	12.5	5.7	7.8	4.7			
Gross margin (INR/scm)										
IGL	11.0	11.9	13.9	13.0	12.5	13.6	11.7	12.1	12.9	12.4
MGL	12.9	14.7	17.4	13.8	14.9	19.9	16.7	16.4	16.4	15.5
GGL	7.0	7.0	8.4	7.7	11.4	9.2	9.3	9.7	10.0	8.6
Adani Total Gas	11.6	14.0	18.0	15.9	17.1	18.8	17.4			
IRM Energy	NM	NM	17.9	17.1	12.4	10.5	11.6			
No. of CNG stations										
IGL	500	555	612	711	791	882	954	1,054	1,154	
MGL	236	256	271	290	313	347	385	425	467	
GGL	344	396	559	711	808	808	828	898	978	
Adani Total Gas	82	115	217	334	460	547	647			
IRM Energy	23	34	46	53	62	82	111			

Source: Company, Nuvama Research

All price charts cannot be included given the large of number of companies in our coverage. Specific charts may be available upon request

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