



ONGC News as on 13 September 2026 (Print & Online)

BRICS and the question of ensuring energy security

If a country has oil and gas reserves, must it drill for it? At a time when the conflict in West Asia has hotbedded up again, and crude oil prices are back on the boil, this may seem a strange question to ask.

But I do so nonetheless, to encourage BRICS leaders gathered in Delhi for the 18th summit of the grouping to contemplate the relevance of the orthodoxy "drill, baby, drill", against the backdrop of the altered landscape of petroleum market fundamentals.

The fact is that the lead time between the drilling of the first well of a new hydrocarbon exploration venture, discovery, the appraisal of this discovery, the creation of the development infrastructure and then first production could be anywhere between 10 years and 15 years, and because it is timely.

The Nepal tragedy has once again reminded the world of the catastrophic consequences of the unhealthy linkage between economic development, energy demand, and environmental degradation.

Readers must not presume that by posing the question, I am suggesting countries should not drill. There are, however, four petroleum specific reasons why the answer requires reflection.

First, the success of an exploration and production (EP) programme rests on a compound of three probabilities — a

given geologic structure contains hydrocarbons; these hydrocarbons will be found, and once located, they can be produced on a commercially viable basis.

India, for instance, has 26 sedimentary basins and the probability of these containing hydrocarbons is high. ONGC has established a range of estimates of probable reserves, and there is prima facie logic, therefore, for India to make efforts to locate these molecules.

However, if one examined the track record of ONGC and the lukewarm response of international companies to government efforts to attract private capital, one has to conclude that the probability of locating these hydrocarbons is not comparably high. There have been no giant discoveries since the Mumbai High offshore discovery in the early 1970s.

And even though the fiscal and commercial terms have been progressively improved and are globally competitive, no integrated petroleum company, other than BP that bought into Reliance's Krishna Godavari gas find, is currently engaged in EP in India. International companies clearly deem India's geology to be complex and high risk.

Perhaps more relevant is the fact that, given such complexity, the cost of locating these hydrocarbons would most likely be very high. The question that arises then is whether the discovery can be

developed and produced on a commercially sustainable basis.

That brings in the second reason. Currently, the price of crude oil is ranging in the high \$90s/barrel. In fact, very recently, it crossed \$100/barrel. But this price is not the relevant metric for determining the economics of EP.

We have to look longer-term. And when we do that, we see a glutted petroleum market. There have been major hydrocarbon discoveries in Latin America and Africa, and as the green energy transition gathers momentum, demand will plateau and decline.

The commercial viability of new discoveries has to be tested, therefore, against a "low for longer" future petroleum price scenario.

Third, petroleum is a tradable commodity. It can be shipped and piped transcontinentally. It can be stored. OPEC is, also, no longer the swing supplier. There are multiple other exporters. If — as is the case today — the supplies out of the Gulf get choked, import-dependent countries can source supplies from the spot market and/or non-Gulf exporters such as Russia, USA and Nigeria. This is what India and China have done.

So, the question arises: Why spend money on high-risk, high-cost exploration when oil/gas will most likely be abundantly available and can be bought and stored?

Finally, the energy value chain. The price of crude oil has moved in the narrow band of \$75/barrel to \$100/bbl over the past six months. The price of refined products, diesel, aviation fuel, and gasoline have, on the other hand, more than doubled.

Last month, for instance, the spread between the price of crude oil and diesel

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crossed \$100/barrel in the US. Before the West Asia conflict, the spread was between \$10-15/barrel.

Consumers are interested in the price of the final product, not the price of the raw material. So, if the BRICS leadership wants to ensure their constituencies get energy (conventional and clean) at the right price, at the right time, and in the right location, they need to shift the policy focus towards investment in integrating the energy-value chain.

They need to ponder whether it might be better to deploy scarce public funds towards the creation of a holistic and integrated frame for transnational energy partnerships and energy *atmanirbhar* than to direct it towards high-risk hydrocarbons exploration.

Vikram S Mehta is currently chairman and distinguished fellow, Centre for Social and Economic Progress. The views expressed are personal



Vikram S Mehta

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TRL Krosaki receives Greentech Environment and Sustainability Award in Environment Protection Category for the year 2026

TRL Krosaki wins the coveted Environment & Sustainability Award in Environment Protection Category for the year 2026 for achieving excellence in Environment Protection initiatives. The Award was presented during the Environment and Sustainability Summit 2026 organised by Greentech Foundation on 10th September, 2026 at Hotel Indana Palace, Jodhpur. The award was received by Sushanta Kumar Das, Vice President (Corporate Services & Sustainability), TRL Krosaki from Kamleshwar Sharan, Chairman & CEO Greentech Foundation. Eminent guests like Ved Prakash Mahayyar, Former Director of ONGC and Sanjay Parasar, Executive Director, Oil India were present on the dais during the award function.



ECONOMY

READER ENGAGEMENT INITIATIVE

India's FDI outreach unlocks new investment frontiers

O India has concluded a high-stakes three-day investment outreach in the United Arab Emirates, resulting in proposed investments of ₹2.42 lakh crore with an average deal size of ₹1.72 crore. Led by Chief Minister Mahesh Sharma, the outreach across Abu Dhabi and Dubai resulted in 70 Memorandums of Understanding (MoUs) and investment letters, following 120 one-on-one meetings and several trade engagements.

The programme brought together UAE-based investors, global business leaders, technology and industrial entrepreneurs, Indian diaspora representatives and members of the Odisha delegation to attract a global pitch for capital, technology, manufacturing partnerships and access to international markets.

AWI DRAFT: FOCUS ON STRATEGIC SECTORS
The outreach began in Abu Dhabi with engagements involving government, sovereign, institutional and business investors.

A Qatari-led consortium of Mubadala and Abu Dhabi-based International Trading Company (ITC) and Abu Dhabi Group to acquire 14 projects worth ₹2.1 lakh crore and employment estimates for around 4,000 people.

The projects include gas pipelines, cement, oil and gas infrastructure, power generation and renewable energy, healthcare, industrial

infrastructure, tourism, skill development and sports infrastructure.

The outreach partnership led to the AIJ2 agreement signed between Odisha, Abu Dhabi and ITC, which is a three-year integrated upstream value chain project, centred on the large-scale direct investment in India's metal sector.

The project is expected to generate tens of thousands of jobs.

The first deal was initiated on an ad-hoc basis by the Union Business and Professional Group (UBPG), discussing infrastructure opportunities and a focused engagement with Odeisha on the related development of a pharmaceutical development ecosystem in Odisha.

Major deals include Maruti At Suzuki (AIJ2) of pharmaceuticals major Eon, and several other deals in the pharmaceutical sector. The outreach also resulted in a large-scale chemicals development complex

in Odisha with potential foreign investors. In October, Odeisha's proposed project in the sector of port of India.

The discussions focused on increasing exports of Odisha products, including minerals, grain and seafood, encouraging contract manufacturing for leading Indian brands and creating opportunities for skilled manpower from the state.

• **Entrepreneur from Odisha** and Odisha-based investors in the state and abroad for exploring business opportunities and market access for the state.

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for Odisha to present its investment proposition and for companies to explore opportunities to establish or expand their presence in the state.

Investment discussions covered trade and tourism, tourism, financial investment, AIJ2 strategic green energy, artificial intelligence and skills, health, environment, food, agriculture, infrastructure, housing, steel and downstream industries, among other emerging sectors.

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in Odisha, highly aligned with the Odisha agenda, with several deals for Odisha creating a grand vision.

The partners included chemical, Odisha and traditional food, health, education, cultural heritage and the community's enduring connection with the state.

• **Representing the vibrant cultural connection** between Odisha and the UAE, the Chief Minister highlighted the deep roots of Odisha's rich cultural heritage and the entrepreneurial spirit of Odisha's global diaspora.

The outreach also encouraged the community to contribute to the state's investment, entrepreneurship, trade and development goals.

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Odisha has on global investment map: The state has boosted its appeal for funding, technology, and business ties by securing ₹2.43 lakh crore in proposed investments during its engagement sessions in the UAE

PRIMARY SECTORS

- Travel and Tourism
- Logistics
- Finance
- Processed Food
- Critical Minerals & Rare Earths
- Metals & Mining
- Aluminium & Steel Downstream
- Chemicals & Petrochemicals
- Green Energy
- LNG
- IT & IT-ESM
- AI & Data Centres
- Infrastructure
- Healthcare
- Real Estate
- Circular Economy
- Ship Repair
- Fermenters
- Product Manufacturing
- Other emerging sectors

• **At the same time**, the state provides strong policy support, facilitating industries such as high-tech capital investment, infrastructure, and investments and services.

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26 Total One-on-One Meetings

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BPCL Signs MoUs for CSR Projects Worth ₹69.21 Crore To Enhance Public Infrastructure and Preserve Varanasi's Heritage



Bharat Petroleum Corporation Limited (BPCL), a Fortune Global 500 company and a Maharatna PSU, on September 7, 2026 signed Memorandums of Understanding

(MoUs) for two major Corporate Social Responsibility (CSR) projects in Varanasi, with a total approved outlay of ₹69.21 crore. The initiatives will focus on enhancing public infrastructure, developing green spaces, strengthening tourism amenities and preserving the city's rich cultural and architectural heritage. Projects to redevelop 119 public parks, establish food street hubs at Sarnath and Maidagin, and beautify key heritage corridors.

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BPCL and IIT Kanpur Host MC²+ Ignite outreach event to accelerate India's Energy Innovation Ecosystem

Bharat Petroleum Corporation Limited (BPCL), a Fortune Global 500 company and a Maharatna PSU, in collaboration with IIT Kanpur, on, September 11, 2026 organised the MC²+ Ignite outreach event at IIT Kanpur, bringing together policymakers, industry leaders, academia, researchers and startup founders to accelerate innovation and entrepreneurship in India's energy sector. The event brought together over 400 startups, researchers, students and academicians, providing a platform for discussions on India's growing energy requirements and the need to build a robust innovation pipeline that can take technologies from laboratories to real-world applications.



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GAIL (India) Limited and Petronet LNG Limited host 'MC² Plus Hyderabad Connect' to accelerate Innovation and Entrepreneurship in the Energy Sector

GAIL (India) Limited, India's integrated energy major, Petronet LNG Limited, and MC² Foundation, in association with ITIC Incubator of IIT Hyderabad organised 'MC² Plus IGNITE Hyderabad Connect' at IIT Hyderabad. Dr. Anil K Khandelwal, former CMD, Bank of Baroda, delivered the keynote address. The event was graced by Shri Deepak Gupta, Chairman & Managing Director, GAIL (India) Limited, Shri Akshay Kumar Singh, MD & CEO, Petronet LNG Limited, Prof. B. S. Murty, Director, IIT Hyderabad and Shri Ayush Gupta, Director (HR), GAIL. Addressing the gathering at MC² IGNITE event, Shri Deepak Gupta, CMD, GAIL said that India is at a "remarkable inflection point", with rapidly growing energy requirements alongside its ambition to become a developed economy, ensure affordable and reliable energy, build globally competitive industries and meet its climate commitments.



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BPCL & Akasa Air Successfully Operate Commercial Flight Using Sustainable Aviation Fuel



Bharat Petroleum Corporation Limited (BPCL), one of India's leading integrated energy companies, and Akasa Air, India's fastest-growing airline, on September, 9 2026 announced the successful operation of a commercial flight powered by Aviation Turbine Fuel (ATF) blended with 1% Sustainable Aviation Fuel (SAF). Marks an important step towards building operational readiness and advancing India's emerging Sustainable Aviation Fuel (SAF) ecosystem .On September 8, 2026, flight QP1105 departed Chhatrapati Shivaji Maharaj International Airport, Mumbai, at 1304 hrs IST and landed at Manohar International Airport (GOX), Goa, at 1407 hrs IST, demonstrating the successful deployment of SAF-blended fuel in scheduled commercial operations.

Saudi shuts down pipeline as Houthis open new front

Iran Prez says West Asia does not need the US to be a regional policeman

Aden, Dubai, New Delhi, Baghdad, Sept. 12: Saudi Arabia has shut down its East-West pipeline, after the vital oil conduit came under aerial attack in the widening West Asia war, threatening to send energy prices even higher.

The world's largest crude oil exporter said it temporarily closed the pipeline as a precaution after a drone attack that both Baghdad and Riyadh said had originated in Iraq, where Iranian-backed militias operate. Iraq dismissed a military commander on Saturday in response to the attack.

The 1,200-km (745-mile) pipeline running across the Arabian Peninsula has served as the main route out for global supplies of West Asia oil for the past six months while the Strait of Hormuz has been largely shut by war. It has been moving 4 million to 5 million barrels per day, amounting to 4 per cent to 5 per cent of global supply, sparing Saudi Arabia the brunt of the disruption that has crippled other Gulf oil and gas exporters.

There was no immediate claim of responsibility for the strikes. Satellite images showed black smoke rising from an area of the pipeline south of Medina. The attack resulted in some injuries and damage that was being assessed, the Saudi foreign ministry said without detailing the impact on exports. US President Donald Trump, visiting Ireland to attend a golf tournament at one of his resorts, said Iran was probably to blame.



Followers of Yemen's Houthis participate in a rally to celebrate the group's control of the Bab El-Mandeb Strait. — Bloomberg

Iran's President Masoud Pezeshkian said that the West Asia does not need the United States to be a "regional policeman".

"We do not need a regional policeman," he said on the sidelines of a BRICS summit in India during a meeting with Malaysian PM Anwar Ibrahim.

Iraq closed three border crossings with Iran on Saturday, officials said, after a drone attack on a Saudi Arabian pipeline that both Riyadh and Baghdad said was launched from Iraq.

Following the Friday night attack, Iraqi PM Ali al-Zaidi dismissed the military commander in Missan province, on the Iran border, after authorities determined that the drones had been launched from there. — Agencies

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Saudis shut down oil pipeline after attack



SAUDI Arabia has shut down its East-West pipeline after the vital oil conduit came under aerial attack in the widening Middle East war, threatening to send energy prices even higher. ■ PAGE 16

● ENERGY PRICES COULD GO UP

Saudi Arabia shuts down key oil pipeline after Iraq drone attack

Houthis tighten their grip on Red Sea shipping

REUTERS
Aden/Dubai, September 12

SAUDI ARABIA HAS shut down its East-West pipeline, after the vital oil conduit came under aerial attack in the widening Middle East war, threatening to send energy prices even higher.

The world's largest crude oil exporter said it temporarily closed the pipeline as a precaution after a drone attack that both Baghdad and Riyadh said had originated in Iraq, where Iranian-backed militias operate. Attacks were launched from Iraqi territory, said Iraq's government Saturday, pledging to probe further.

US President Donald Trump appeared to blame Iran for the attack that halted the pipeline. Iraq closed two key border crossings with Iran, halting all passenger and commercial traffic until further notice, Iran's state-run media reported Saturday.

The 1,200-km (745-mile) pipeline running across the Arabian Peninsula has served as the

MORE TENSION

■ Baghdad dismisses military commander after confirming pipeline attack originated from Iraq

■ Saudis reported to ask Trump for military help to combat Houthi advance

■ Iran would be attending a meeting with Gulf Arab states in Oman on Monday

■ Monday talks not expected to result in Hormuz deal

main route out for global supplies of Middle East oil for the past six months while the Strait of Hormuz has been largely shut by war. It has been moving 4 million to 5 million barrels per day, amounting to 4% to 5% of global supply, sparing Saudi Arabia the brunt of the disruption that has crippled other Gulf oil and gas exporters. Satellite images showed black smoke rising from an area of the pipeline south of Medina. The attack resulted in some injuries and damage that was being assessed, the Saudi Foreign Ministry said without detailing the



Satellite image shows damage to the East-West pipeline facility in the Hejaz Region, Saudi Arabia

REUTERS

impact on exports.

Oil prices shot up over the past week and the retail price of diesel in the US surged past a record \$6 a gallon, as the United States and Iran both fired on tankers and the Iran-aligned Houthis in Yemen advanced along the Red Sea, potentially extending disruption to another major oil route.

Washington now faces a dilemma over whether to help the Saudis fight the Houthis, risking further expansion of the war. Saudi Arabia's de facto ruler, Crown Prince Mohammed bin Salman, phoned Trump and

asked for US military help fighting the Houthis, three sources told Reuters.

They said the prince was told that Washington would not intervene directly for now but would help with intelligence. Trump confirmed on Saturday that he had spoken to the crown prince, and said the Houthis had also phoned his administration and asked Washington not to become directly involved in the conflict.

Four Yemeni government sources told Reuters that the Houthis had seized the strategic island of Perim on Friday in the

middle of the Bab el-Mandeb Strait — the "Gate of Tears" at the mouth of the Red Sea.

In a post on X on Saturday, Ebrahim Azizi, head of the Iranian parliament's national security committee, said: "As long as the American side does not accept all of Iran's conditions, dialogue and negotiation are of no use." Iran's foreign ministry announced on Friday that Iran would be attending a meeting with Gulf Arab states in Oman on Monday, at which the future of the Strait of Hormuz would be discussed. But a senior Iranian official, speaking to Reuters on condition of anonymity on Saturday, played down the chances of a breakthrough, saying the meeting, called at Oman's initiative, was intended to discuss issues including the strait but was not expected to yield a signed agreement.

Oman has not officially announced the meeting, and other Gulf countries have remained silent. Bahrain said on Saturday it would not attend meetings with Iran.

Iran wants its control of the Strait of Hormuz to be recognised, allowing it to collect fees from ships that use it, which Washington rejects.

Saudi shuts oil pipeline after drones launched from Iraq

Baghdad orders investigation and sacks Maysan commander after drone attacks traced to its territory

Cairo: Saudi Arabia has shut its critical East-West oil pipeline after drone attacks launched from Iraq damaged the export route, while Yemen's Iran-backed Houthis seized a strategic island in the Bab el-Mandeb Strait, opening a new front in the Iran war. Satellite images taken on Thursday showed black smoke near Medina along the pipeline's route.

The 1,200-km pipeline, linking Abqaiq near the Gulf to Yanbu on the Red Sea, has become increasingly important for Saudi exports since disruption in the Strait of Hormuz, as per the Guardian.

The Saudi Energy Ministry said the pipeline was stopped as a "precautionary measure", while the Foreign Ministry said several drones from Iraq caused injuries and damage. The kingdom said it would not retaliate, giving Baghdad "an opportunity to take the necessary measures".

Iraq confirmed on Saturday that the attacks originated from its territory. PM Ali al-Zaidi ordered an investigation into the operations command in southern Maysan province and dismissed its commander, according to the AP.

East-West pipeline has helped Saudi bypass Hormuz strait during the Iran war. By June, Saudi oil exports from the Red Sea port at the pipeline's end had doubled to over 5mn barrels a day, said International Energy Agency.

US President Donald Trump said in Dublin that he believed Tehran was probably respon-



sible for the drone attack. Asked about concerns over shipping through the Hormuz strait, he said: "Everything will

work out just fine." Kuwait, the UAE, Oman and Egypt were among Arab states that condemned the pipeline attack.

Saudi Arabia closes key oil pipeline after strikes

Reuters

ADEN/DUBAI

Threatening to send energy prices even higher amid the war in West Asia, Saudi Arabia has shut down its 1,200-kilometre-long East-West pipeline after the vital oil conduit came under aerial attack. The kingdom said the attack originated in Iraq where Iran-backed militias operate.

The pipeline, used by Riyadh as an alternative to the Strait of Hormuz, has been moving close to 5 million barrels of oil per day in recent months, amounting to 5% of global supply.

The attack resulted in some injuries and damage that was being assessed, the Saudi Arabian Foreign Ministry said. Though an umbrella group of Iran-backed militias in Iraq denied their involvement in



The East-West oil pipeline had accounted for around 5% of global oil supply. FILE PHOTO

the strikes, Iraq's government said that the attacks had originated from its territory, pledged a probe, and dismissed two senior officials, *AP* reported.

'PRECAUTIONARY MEASURE'
» PAGE 16

Vital pipeline shut down as a precaution, says Saudi Arabia

The 1,200-km pipeline had been moving 4-5 million barrels a day recently, amounting to 4-5% of global supply; President Donald Trump says he spoke to MBS; Houthis asked Washington not to become directly involved in the conflict, he adds

Reuters
ADEN/DUBAI

Saudi Arabia has shut down its East-West pipeline after the vital oil conduit came under aerial attack in the widening West Asia war, threatening to send energy prices even higher.

The world's largest crude oil exporter temporarily closed the pipeline after a drone attack that both Baghdad and Riyadh said had originated in Iraq, where Iranian-backed militias operate. Iraq dismissed a military commander on Saturday in response to the attack.

The 1,200-km pipeline running across the Arabian



An infrastructure site after it was damaged by fire southeast of Medina along the route of Saudi Arabia's East-West pipeline. AFP

Peninsula had helped Saudi Arabia bypass a shipping logjam in the Strait of Hormuz, where tanker traffic has slowed to a trickle due to the six-month war between the U.S. and Iran.

The Saudi Energy Ministry said it had shut the pipeline as a precaution. The line had been moving 4-5 million barrels a day in recent months, amounting to 4-5% of global supply.

There was no immediate claim of responsibility for the strikes. Satellite images showed black smoke rising from an area of the pipeline south of Medina. The attack resulted in some injuries and damage that was being assessed, the Saudi Foreign Ministry said. U.S. President Donald Trump, visiting Ireland to attend golf tournament at one of his resorts, said Iran was probably to blame for the attack. The war he launched six months ago would probably end shortly after the U.S. midterm elections in November, when oil prices would "come tumbling down", he added.

The Houthis seized the

strategic island of Perim on Friday at the mouth of the Red Sea, in the Bab el-Mandeb strait.

Saudi Arabia's de facto ruler, Crown Prince Mohammed bin Salman, phoned Mr. Trump last week and asked for U.S. military help fighting the Houthis, two sources told Reuters. He was told Washington would not intervene directly for now but would help with intelligence, the sources said.

Mr. Trump confirmed on Saturday he had spoken to the Crown Prince, and said the Houthis had also phoned his administration and asked for Washington not to become directly involved in the conflict.

All about crack spread and oil market

OIL ALERT. Crude may be the headline but crack spreads flash an early warning on fuel inflation

Akhil Nallamuthu
bl. research bureau

The rise in crude oil price in recent days has been weighing on markets. But even before this, there was another factor – crack spreads – that was serving as a forewarning as mentioned in our Big Story article titled *Time is ticking for oil reserves in bl-portfolio* edition dated July 19, 2026.

The crack spreads determine the final end price that consumers pay for products like gasoline (petrol) and diesel, and this has a direct bearing on inflation in respective countries.

While oil prices are on the rise now, they dropped considerably in May and June. The Brent crude futures shed 34 per cent during this period. However, crack spread, rose 6.5 per cent.

Globally, diesel prices have been on an uptrend, except where subsidies have cushioned the rise. Diesel futures, too, i.e., ULSD (ultra-low Sulphur diesel) in the US hit a fresh lifetime high of \$5.17/gallon on Friday.

The price of Brent crude futures, a standard global reference point for oil prices, is now back above the \$100/barrel-mark.

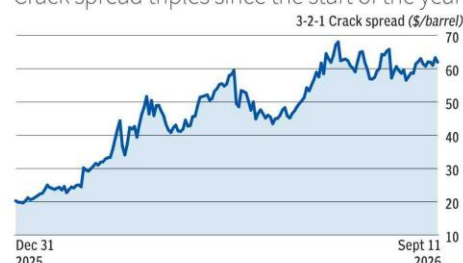
Since start of the war while crude has risen by 44 per cent to \$104.60/barrel, crack spread in the US has risen by 86 per cent to \$62/barrel.

Crack spread may not be driving the price of crude oil, but it did provide us with certain information not just about crude oil market, but also about the products market. Here we discuss what this spread is and how and why it matters to us.

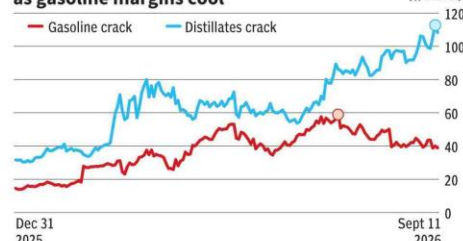
3-2-1 CRACK SPREAD

In simple terms, crack spread is the difference between the price of crude oil and prices of products made from crude oil such as gasoline (i.e., petrol)

Crack spread triples since the start of the year



Distillate margins hit fresh highs as gasoline margins cool



and distillates (like diesel, jet oil, heating oil, etc).

The benchmark is 3-2-1 crack spread, which indicates that three barrels of crude oil are converted to two barrels of gasoline and one barrel of distillate. Notably, it mirrors the actual US refinery output.

The formula is $[(2 \times \text{Gasoline price} + 1 \times \text{Distillate price}) - (3 \times \text{Crude price})] \div 3$.

WTI futures on the NYMEX now trades at \$100/barrel. Whereas gasoline futures and diesel futures (ULSD i.e., ultra-low Sulphur diesel) trades at \$3.3/gallon (calculated to \$138.6/barrel) and \$5/gallon (calculated to \$210/barrel) respectively on NYMEX.

After converting prices of gasoline and distillates to barrels (by conversion factor of 42) to standardise units, the 3-2-1 crack spread comes at \$62/barrel.

There are other forms like 5-

MIND IT

Rising prices of distillates and margins push the crack spread higher

3-2 crack spread, when one wants more gasoline heavy, or 1-1 crack spread for single product margin i.e., either for gasoline or distillate margins.

Crack spread increases (decreases) if price of products outperforms (underperforms) that of crude oil price. Since refiners convert oil to products, the crack spread can also be said as refinery margins. So, higher crack spread means profitability of refineries is potentially higher and vice-versa.

READING THE SPREAD

The crack spread has been on an upward trajectory since the beginning of the war. While prices

of both crude oil and refined products rallied, gasoline and distillates outperformed crude, increasing refinery margins.

Interestingly, even after oil prices corrected sharply following the US-Iran memorandum of understanding in June, the crack spread remained elevated. The reason was the continued tightness in the refined-products market. According to the US Energy Information Administration (EIA), gasoline inventories remain about 6 per cent below the five-year average, while distillate inventories are nearly 14 per cent lower.

Refiners have responded by prioritising distillate production as margins there have become substantially more attractive.

While the gasoline crack (margins on gasoline) has moderated to around \$38.90/barrel from the July peak of about \$59.04, the distillate crack (margins on distillates) has now surged to a record high of \$112.76/barrel on Friday before closing lower at \$108.20/barrel.

Consequently, the overall 3-2-1 crack spread has remained between \$56 and \$65 since July, masking the shift underneath, especially in the recent weeks. That is, the contribution of distillates to the crack spread has increased considerably even as gasoline margins have eased.

Part of this tightness can also be attributed to Russia. Ukrainian drone attacks have disrupted between 20 and 40 per cent of Russia's refining capacity, curtailing production of diesel and other refined products. This has tightened global product supplies further, supporting refinery margins.

The EIA does not expect the situation to ease soon. It projects the US diesel crack to remain above \$2/gallon (\$84/barrel) through November. Distillate inventories are also forecast to fall below 100 million barrels this month and remain below the five-year range well into 2027.

So far, crude oil supplies have largely continued to flow, aided by alternate export routes, strategic reserve releases and inventory drawdowns. Products, however, have remained tight. If crude supplies also begin to tighten further, the impact could be far more severe.

The risks are already increasing. Saudi Arabia has now shut down the critical East-West oil pipeline, considerably impacting the supply made through this alternative route bypassing Hormuz.

At the same time, inventories are not as comfortable as headline numbers suggest. For instance, combined crude inventories (Strategic Petroleum Reserve (SPR) plus commercial stocks) in the US, which has played big role in compensating for the loss in supply, have declined from about 878 million barrels in early April to about 710 million barrels now. Input to refineries, primarily crude oil to be converted to finished petroleum products, in the US has gone up from 16.21 million barrels/day as on March 20 to 17.47 million barrels/day as on September 4.

Moreover, not every barrel reported in inventories is readily available, as storage facilities require a minimum operational level of oil. If crude tightens on top of an already tight product market, the result could be a double whammy.

Refinery margins could widen further, pushing up petrol and diesel prices. Diesel, in particular, has broader implications because it powers freight and logistics, increasing the risk of inflationary pressures extending well beyond fuel prices.

In India, while these may not show up on retail prices of fuel, which is practically controlled through government-influenced State oil companies, this may show up as increased costs in industrial fuel use. Under recoveries for fuel retailers will also increase considerably.

Modi, Abu Dhabi Crown Prince discuss expanding India-UAE ties

Our Bureau
New Delhi

Prime Minister Narendra Modi met Abu Dhabi Crown Prince Sheikh Khaled bin Mohamed bin Zayed Al Nahyan on the sidelines of the BRICS Summit in New Delhi on Saturday, with the two leaders reviewing the growing India-UAE partnership and identifying defence, space, nuclear energy, technology and innovation as areas for further cooperation.

The meeting comes amid an intensification of high-level political engagement between New Delhi and Abu Dhabi.

The leaders recalled the visit of UAE President Sheikh Mohamed bin Zayed Al Nahyan to India in January and Modi's visit to the UAE in May, underlining the regular leadership-level contact that has become a defining feature of the relationship.

The two sides also welcomed the UAE's "active and constructive" participation in BRICS under India's chairship and agreed to continue working closely within the grouping to advance shared interests and strengthen cooperation.

INVESTMENTS FOCUS

A significant focus of Saturday's talks was investment. "The leaders acknowledged the progress achieved in bilateral relations in a wide range of sectors. They positively noted the announcement by the UAE's International Holding Company to invest in the development of \$11.5 billion integrated greenfield aluminium project in Odisha, India's largest integrated aluminium investment. The project is expected to position Odisha as a



Prime Minister Narendra Modi with UAE leader Sheikh Mohammed bin Zayed Al Nahyan PRIME MINISTER'S OFFICE VIA AP

global aluminium manufacturing hub," said an MEA statement following the meeting.

The two leaders also discussed the role of L'Imad, the UAE's newest sovereign investment fund, in deepening investment flows between the two countries, besides cooperation in strategic and emerging technologies.

GROWING CLOSENESS

The meeting is the latest in a series of high-level engagements involving Sheikh Khaled, who has emerged as an important interlocutor for India in its relationship with Abu Dhabi. His first official visit to India as Crown Prince, in September 2024, resulted in agreements spanning nuclear energy, LNG and other strategic sectors. The visit was also significant because it was the first by Sheikh Khaled to India in his capacity as Crown Prince.

Sheikh Khaled returned to New Delhi in February 2026 to participate in the AI Impact Summit, his second official visit to India. The political relationship was elevated to a Comprehensive Strategic Partnership in 2017, during the visit of Sheikh Mohamed bin Zayed, then Crown Prince of Abu Dhabi, to India as chief guest for the Republic Day

celebrations. Modi's relationship with the UAE leadership has since been marked by unusually frequent high-level contact. During his 2018 UAE visit, he met both Sheikh Mohamed bin Zayed and Dubai's ruler Sheikh Mohammed bin Rashid Al Maktoum, with the MEA describing the UAE as a valued strategic partner with fast-tracked cooperation in the economy, energy, high technology and security.

The personal equation between Modi and the Abu Dhabi leadership was further underscored during his 2019 visit, when Sheikh Mohamed bin Zayed conferred the Order of Zayed, the UAE's highest civilian honour, on the Prime Minister.

The relationship has subsequently acquired a strong economic architecture. The two countries signed a Comprehensive Economic Partnership Agreement (CEPA) in 2022 and a Local Currency Settlement mechanism in 2023 to facilitate cross-border transactions in the Indian rupee and UAE dirham. The UAE has also become one of India's major trading and investment partners, while its roughly 3.5-million-strong Indian community remains a major anchor of bilateral ties.

Modi's February 2024 UAE visit further broadened the relationship, with agreements covering investment, the India-Middle East-Europe Economic Corridor, digital infrastructure and the nuclear sector. He also inaugurated the BAPS Hindu Mandir in Abu Dhabi, which the MEA has since described as a cultural symbol. The momentum has continued into 2026. During Modi's May visit to the UAE, India and Abu Dhabi advanced cooperation in areas including strategic petroleum reserves and energy.

● THE EAST-WEST PIPELINE RUNS ROUGHLY 1,200 KM ACROSS SAUDI ARABIA, FROM THE ABQAIQ OIL PROCESSING CENTRE IN THE KINGDOM'S OIL-RICH EAST TO THE RED SEA PORT OF YANBU IN THE WEST

Saudi Arabia shuts East-West oil pipeline after attacks: Why it matters for India

Anagha Jayakumar & Sukalp Sharma
New Delhi, September 12

SAUDI ARABIA has temporarily shut its East-West oil pipeline after multiple attacks on the crucial network on Thursday, raising fresh concerns over global oil supplies already strained by disruption in the Strait of Hormuz. The pipeline, also called Petrolina, is one of the most important Hormuz-bypass routes for exporting Saudi Arabian crude.

The immediate effect on Saudi oil exports, and consequently on international supplies and prices, will depend on the extent of the damage and how quickly the pipeline can resume operations. For energy-import-dependent India, too, there will be ramifications.

Importance of East-West pipeline

The East-West pipeline runs roughly 1,200 km across Saudi Arabia, from the Abqaiq oil processing centre in the kingdom's oil-rich east to the Red Sea port of Yanbu in the west. From Yanbu, oil tankers headed to Asia usually sail east through the Bab el-Mandeb, while those headed west go through the Suez Canal.

Operated by Saudi Aramco, the pipeline allows Saudi Arabia to move crude oil overland from its main producing region to the Red Sea, rather than shipping it from terminals on the Persian Gulf through the Strait of Hormuz. In fact, the pipeline was built partly as a hedge against risks arising from disruptions in oil flows through Hormuz. Its

targeting, however, has demonstrated that alternative routes themselves can become targets in a wider regional conflict.

Before the conflict erupted, the pipeline was operating at just a fraction of its capacity, as exports from the regular route through the Strait of Hormuz were normal. But with maritime traffic through the chokepoint grinding to an effective halt, Aramco started pumping more oil through the Petrolina, which has the capacity to transport around 7 million barrels per day (bpd) of crude.

While the actual volume of crude moving through the pipeline has been lower than its capacity, with estimates ranging around 4-5 million over the past few months, it is still significant and represents 4-5% of global oil



The pipeline, also called Petrolina, is one of the most important Hormuz-bypass routes for exporting Saudi Arabian crude. REUTERS

supplies. This route has therefore served as an important safety valve for global oil supplies during the current crisis.

The worry for India

Saudi Arabia had traditionally been among the top

export facility. In August, India imported about 332,000 bpd of Saudi oil, accounting for 7.2% of New Delhi's total oil imports for the month, as per tanker data from Kpler. In July, oil imports from Riyadh stood at about 414,000 bpd, and made up 8.2% of India's oil imports.

The first impact of the Petrolina's shutdown for India would be on supplies, and Indian refiners will have to find replacement volumes.

While that can be managed, given India's highly diversified crude import slate, higher prices for those alternative barrels will be the bigger headache. Amid the West Asia conflict, India's crude oil import bills surged by over 56% on a year-on-year (y-o-y) basis in April-July to \$63.4 billion, even as

import volumes rose slightly to 81.9 million tonnes — or about 600 million barrels — from 81.5 million tonnes, as per data from the Petroleum Planning and Analysis Cell.

Energy imports are a major component of India's overall imports, and any meaningful increase has ramifications for the country's trade balance, current account, inflation, and the rupee's exchange rate, among others. India is the world's third-largest consumer of crude oil and depends on imports to meet over 88% of its requirement. Put simply, an oil shock can be considered an external tax on the Indian economy.

Given its high oil consumption and import dependency, India is already bearing the

brunt of high oil prices. The country imports 1.8-2 billion barrels of oil a year, and every \$1-per-barrel increase in price bumps up its oil import bill by up to \$2 billion on an annualised basis.

It also said that every 10% oil price increase typically widens India's current account deficit by 0.4% of the GDP. Crude oil alone is the country's largest merchandise import. According to Commerce Ministry data, crude oil imports in 2025-26 stood at about \$135 billion. If oil prices sustain at \$100 per barrel in the current financial year and import volumes don't decline, the oil import bill could be upwards of \$200 billion for the year. If the price sustains at a much higher level, the implications would be even graver. **FULL REPORT ON**

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Saudi shuts Red Sea oil pipeline after drone attack

Iran-backed militias blamed for attack on pipeline serving as alternative to Strait of Hormuz route

BAGHDAD

SAUDI Arabia's Ministry of Energy said on Friday that it had shut down a major cross-country oil pipeline leading from major oil fields in the east to the Red Sea in the west because of drone attacks originating in Iraq, where Iran supports powerful militias.

Built in the 1980s, the East-West pipeline has played a key role in Saudi Arabia's ability to continue exporting oil following the disruption of the Strait of Hormuz during Iran's war with the US and Israel.

The shutdown comes as Houthi rebels in Yemen have seized coastal territory near the Bab el-Mandeb Strait, threatening Saudi oil exports through a key shipping lanes.

"The East-West pipeline in the Riyadh and Medina regions was subjected to several attacks on Thursday morning," the official told the SPA news agency, adding: "The pipeline was stopped as a precaution, and the attacks resulted in some injuries."

Several Arab countries including Kuwait, the UAE, Oman and Egypt, condemned the attack, according to the Saudi state news agency.

Iraq's government raced Saturday to contain the fallout of the attack by Iran-backed mili-

tias. Though an umbrella group of Iran-backed militias in Iraq denied their involvement, Iraq's government confirmed the attacks had originated from its territory, pledged to investigate and dismissed two senior officials.

Iran has said a regional meeting is planned Monday between Iran and other Gulf countries about talks between Tehran and Oman — located on the other side of the Strait of Hormuz — on managing shipping there.

Commercial ship traffic remains low on what had been considered an international waterway before the war. Iran has expressed interest in having ships pay fees for transit. It has said traffic into the Persian Gulf from the Gulf of Oman would pass entirely through Iranian waters, while the outbound route would pass partly through Iranian waters and partly through Oman's territorial waters.

"The waterway would be opened up on the condition that the U.S. will terminate its blockade," Iran's president said in his interview with the Indian broadcaster. Bahrain on Saturday, however, said it will not attend any group meeting including Iran before the restoration of diplomatic relations between the countries. *Agencies*



Satellite image shows a damaged infrastructure southeast of Medina along the general route of Saudi Arabia's East-West pipeline | AFP



Big blow

The East-West pipeline has played an important role in Saudi Arabia's ability to export oil following this year's disruption of the Strait of Hormuz. By early June, Saudi Arabia had more than doubled oil export via this pipeline

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S Arabia shuts Red Sea oil pipeline after attack

RIYADH: Saudi Arabia authorities said drones launched from Iraq led to the temporary closure of a crucial oil export route, the East-West pipeline, used to bypass the Strait of Hormuz. On a day Brent crude surpassed \$104 a barrel, analysts said the rupture of the critical Hormuz-bypass line, that carries 5 million barrels per day, could strangle oil supplies for a lot of countries. **P9**

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Satellite image shows black smoke billowing over the desert southeast of Medina along the general route of Saudi Arabia's East-West pipeline | AFP



Big blow

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UNITED SHOW AGAINST TRUMP

Amid soaring oil prices, grouping has Iran at table

DAVID PIERSON AND
ALEX TRAVELLI

New Delhi: The summit of the BRICS group of emerging economies is designed to show what world leadership looks like when the West is not in the room.

And as widening clashes in West Asia send global energy prices soaring, the gathering in New Delhi this weekend gives the leaders of China, India and Russia something Washington does not have: a seat at the table with Iran.

Prime Minister Narendra Modi is hosting the BRICS club — named after its earliest members, Brazil, Russia, India, China and South Africa — that was conceived as a counterweight to the West.

New Delhi has largely been shut down for the meeting. Soldiers in khaki uniforms carrying rifles patrolled the streets, and steel roadblocks cluttered the city centre. Highways leading from the airport were blanketed with BRICS signs



Zahra Pezeshkian (extreme right), daughter of Iranian President Masoud Pezeshkian, with artisans at the Iran Pavilion during the BRICS Bazaar in New Delhi on Saturday.
(@BricsIndia2026/X via PTI)

depicting Modi alongside slogans such as: "Together we build, together we rise."

That slogan points to the hope that BRICS has of projecting solidarity among its membership, which has expanded in recent years to include countries such as Egypt, Ethiopia, Iran, the UAE and Indonesia. The message of unity stands in contrast to the global friction emanating from the

Trump administration's tariffs and the US-Israeli war against Iran, which has disrupted global energy corridors.

In reality, expectations are low that BRICS, a loose bloc, will be able to step up to fill that leadership gap, let alone broker a diplomatic off-ramp to the crisis in West Asia.

CONTINUED ON PAGE 4 ►

United show against Trump

► FROM PAGE 1

The group has been split by tensions between Iran and the UAE, a US security partner that has been targeted by thousands of Iranian ballistic missiles, cruise missiles and drones since the war started in February. Divisions prevented the group from producing a joint statement in May after a meeting of BRICS foreign ministers.

"The world is really rapidly fracturing, and in theory that's really kind of what the BRICS have been saying all along," said Alexander Gabuev, director of the Carnegie Russia Eurasia Centre in Berlin. "But they're really wildly underperforming."

"It's very difficult to have such a big and expanded club of countries that are united by their animosity to Western hegemony but have very different interests, sometimes opposing each other, sometimes at war with each other," he added.

Stage for Tehran

Both President Vladimir V. Putin of Russia and President Masoud Pezeshkian of Iran, whose countries are mired in wars and under fierce pressure from the West in the form of sanctions, moved quickly on Friday to press their agendas even before the summit started.

Pezeshkian criticised US power and urged fellow members to build alternative financial tools to protect themselves from Western pressure. "Who said it should decide for the entire world, that others have no rights, and that whatever they want everyone else has to obey?" he said in a speech. "This is something we will



Masoud Pezeshkian and Vladimir Putin at the BRICS Business Forum in New Delhi on Friday.
(Iran's Presidential website/West Asia News Agency/Handout via Reuters)

not accept."

Modi, however, used a meeting with Pezeshkian on Friday to deliver a pointed message, urging him to safeguard "freedom of navigation and commerce" — a tacit reference to the chokeholds on the Strait of Hormuz and the Red Sea that threaten India's own fuel imports.

China, Iran meet

Chinese leader Xi Jinping arrived for the summit on Saturday, but officials have not said if he will meet with Pezeshkian.

Iran is Beijing's closest strategic partner in West Asia, but China also has economic ties with Persian Gulf states that have been targeted by Iranian strikes.

At a recent regional security summit in Kyrgyzstan, Xi and Pezeshkian met only briefly on the sidelines rather than in a separate bilateral meeting.

That fuelled speculation that Beijing was unhappy over the war and the closure of the Strait of Hormuz. Xi could have also been distancing himself from Tehran to avoid provoking President

Trump, whom he is scheduled to meet in Washington later this month.

"A substantive bilateral meeting in New Delhi would therefore carry significance well beyond protocol," said Hamidreza Azizi, senior Iran analyst at the International Crisis Group.

"It could help clarify whether China still sees Iran as a strategic partner worth investing political capital in at a moment of acute pressure, or whether Beijing is increasingly keeping Tehran at arm's length," Azizi said.

It's complicated

Other leaders arriving in New Delhi brought their own awkward entanglements with the group's Western-sceptic tilt.

President Cyril Ramaphosa of South Africa shares Modi's preference for using BRICS to build relationships across the globe. But the coalition has also created diplomatic headaches for Pretoria.

In January, South Africa was criticised by the Trump administration for allowing Iran to participate in BRICS

naval drills off the South African coast at a time the Iranian government faced accusations of fatally crushing street protests in Iran.

Ramaphosa said China was running the exercises and that South African waters were chosen because of the convenient location.

South African officials have been disappointed that the bloc has not been able to reach consensus on divisive conflicts like the wars in Iran and Gaza, said David Africa, an international relations analyst based in Cape Town.

Demoting the dollar?

One of the BRICS group's most ambitious economic goals is to reduce global reliance on the dollar.

"De-dollarisation," as the effort is known, would throw a lifeline to countries like Russia and Iran, which have struggled to pay for imported goods since the US and other Western countries restricted their access to the dollar.

The dollar's status as the world's reserve currency is an "exorbitant privilege" for the US, economists say — and it's a privilege Trump intends to keep.

An alternative reserve currency is not realistic at this point. But many countries that benefit from having the dollar as the world's standard legal tender still want to see its dominance decrease. India has proposed that BRICS countries should link their banking systems more directly, allowing them to pay debts to one another without converting sums into dollars.

It is already buying oil from Russia using rupees and rubles.

New York Times News Service

Publication : Western Times	Editions : Ahmedabad
Date : 13 September 2026	Page : 6

Kia India Opens Pre-Bookings for Carens CNG, Carens Clavis CNG and Carnival Limousine Hybrid

NEW DELHI, Kia India, one of the country's leading mass-premium automakers, announced the opening of pre-bookings for its Carens CNG, Carens Clavis CNG and Carnival Limousine Hybrid models, further expanding its multi-powertrain portfolio and offering customers greater choice across its product range.

Recently showcased at Kia Inspiration Day, the three offerings reinforce Kia India's commitment to responding to evolving customer preferences through a diversified range of mobility solutions.

The Carens and Carens Clavis CNG, based on G1.5 6MT, will feature a factory-fitted CNG kit with a 60-litre tank capacity, combining the practicality and versatility of Kia's three-row models with an additional powertrain option. Both Carens CNG and Carens Clavis CNG variants also feature 16-inch wheels and 16-inch disc brakes, along with CNG-specific engine calibration and modified suspension.

The Carens CNG will be available in Premium (O) G1.5 6MT, while the Carens Clavis CNG will be offered in HTE and HTE (O) G1.5 6MT. For B2B (business-to-business) and commercial mobility solutions, the Carens CNG will be available on M-Drive G1.5 6MT, while the Carens Clavis CNG will be available in HTM G1.5 6MT.

Online

Headline	L&T Energy Hydrocarbon Offshore wins 'large' order worth up to ₹5,000 crore from ONGC		
Publication	7 Globe News	Edition	Online Coverage
Published Date	12 Sep 2026		

L&T Energy Hydrocarbon Offshore wins 'large' order worth up to ₹5,000 crore from ONGC

<https://www.7globe.in/lt-energy-hydrocarbon-offshore-wins-large-order-worth-up-to-%e2%82%b95000-crore-from-ongc/>

Larsen and Toubro (L&T) Ltd. on Wednesday, September 9, informed the exchanges that its subsidiary L&T Energy Hydrocarbon Offshore (LTEH Offshore) has

won a large offshore order from the Oil and Natural Gas Corporation (ONGC). L&T classifies orders in the 2,500 crore to 5,000 crore range as large.

It said the order is for the additional development of Ratnal (ADR I) and NLM-14 project off India's west coast, L&T said.

The project involves engineering, procurement, construction, installation and commissioning of three new well-head platforms, one riser platform, multiple segments of subsea pipelines and cables, and brownfield modifications to existing offshore installations, the company said.

L&T said in its filing that the project is aimed at enhancing production and supporting the continued development of ONGC's offshore assets in the region.

Drawing on our extensive offshore EPCIC experience, we look forward to delivering these developments safely and efficiently, while supporting ONGC's long-term production objectives, Parthasarathi Chatterjee, the senior vice-president and head of L&T Energy Hydrocarbon Offshore, said.

On August 24 , the company said LTEH Onshore had signed an ultra mega order for a gas compression project in West Asia. As per L&T's classification, an ultra-mega order is above 15,000 crore.

L&T reported mixed earnings in the first quarter as its EBITDA missed estimates but order inflow was a positive surprise.

The L&T management also held on to its guidance for the financial year 2027.

Shares of L&T are off the highs of the day but are holding on to gains of 0.6% at 3,971.9. The stock is still down 4% so far in 2026.

Headline	JM Financial picks Oil India as top bet, sees 15% earnings-compounding story		
Publication	7 Globe News	Edition	Online Coverage
Published Date	12 Sep 2026		

JM Financial picks Oil India as top bet, sees 15% earnings-compounding story

<https://www.7globe.in/jm-financial-picks-oil-india-as-top-bet-sees-15-earnings-compounding-story/>

Oil India is the top stock pick of Dayanand Mittal, Oil & Gas Research Analyst at JM Financial Institutional Securities, who sees multiple triggers

for the company. Hence our view is upstream company ONGC , Oil India, particularly Oil India because there are multiple triggers. That is our top pick in the sector that continues, that has done well, but I think there's decent upside even from current levels. It could be a 15% earning compounding story, he said.

Mittal expects Brent crude to remain elevated at around \$80 a barrel for about a year even if the Strait of Hormuz reopens.

Rebuilding of global inventories, which have seen significant depletion during the crisis, could support prices. He estimates that around 1.5-2 billion barrels of oil inventory may have been depleted globally. Replenishing these stocks could add around 2-3 million barrels per day to oil demand if the process takes two years.

He also expects a geopolitical risk premium of around \$5 a barrel to remain even after the immediate crisis eases. Together, these factors could keep Brent around \$80 a barrel for roughly a year if the Strait of Hormuz reopens. If the strait remains closed, crude could stay elevated for longer.

The pressure is particularly visible in refined products. Around 5-6 million barrels per day of refining capacity has been shut due to disruptions in the Middle East, attacks on Russian refineries and restrictions on Chinese oil-product exports. This has sharply tightened the products market.

Diesel cracks, which have historically averaged around \$15-\$16 a barrel, have surged to around \$50-\$60. Mittal estimates that this could push gross refining margins for oil marketing companies (OMCs) that do not pay windfall tax to around \$25-\$30, compared with a historical \$7-\$8.

Independent refiners that pay windfall tax could see gross refining margins (GRMs) of around \$10-\$12, against their historical \$6-\$7. However, Mittal cautions that these elevated margins are unlikely to be sustainable over the long term.

Indian OMCs are also facing higher crude procurement costs. With Brent around \$100 a barrel, Mittal estimates that OMCs could currently be paying around \$110-\$115 a barrel after transportation costs and crude premiums. This compares with a historical premium of about \$5 over one-month Brent.

Russian crude was a key source of our discount to the benchmark, which used to be \$3-5 pre-Iran crisis. That tends to be now about \$3-5 premium.

Watch the full conversation here

Within the OMC space, Mittal remains cautious. He says the weakness in share prices has brought the stocks closer to fair value and believes downside could be limited from current levels, but he sees limited upside given his crude-price outlook.

ONGC is his second preference among upstream companies. In the gas space, he likes GAIL and Petronet LNG , but sees them as longer-term opportunities because spot LNG prices remain elevated at around \$25. He expects meaningful moderation only after new LNG capacity starts coming on stream over the next 12-18 months.

Headline	ओएनजीसी, इनकम टैक्स दिल्ली और हरियाणा की जीत		
Publication	Divya Himachal	Edition	Online Coverage
Published Date	13 Sep 2026		

ओएनजीसी, इनकम टैक्स दिल्ली और हरियाणा की जीत

<https://www.divyahimachal.com/2026/09/victories-for-ongc-and-income-tax-delhi-haryana/>

राजगढ़ में ऑल इंडिया ठाकुर सूरत सिंह मेमोरियल प्रतियोगिता के दूसरे दिन वॉलीबाल के हुए रोमांचक मुकाबले नगर संवाददाता-राजगढ़

राजगढ़ में चल रही ऑल इंडिया ठाकुर सूरत सिंह मेमोरियल वॉलीबाल प्रतियोगिता के दूसरे दिन रोमांच चरम पर रहा। गुरुकुल पीच वैली इंटरनेशनल स्कूल के मैदान में राष्ट्रीय और अंतरराष्ट्रीय खिलाड़ियों से सजी टीमों ने शानदार खेल का प्रदर्शन किया। बड़ी संख्या में पहुंचे खेल प्रेमियों ने रोमांचक मुकाबलों का खूब आनंद लिया। दिन के तीसरे मुकाबले में ओएनजीसी देहरादून ने सीआईएसएफ रांची को पांच सेट तक चले संघर्षपूर्ण मुकाबले में 3-2 से हराया। ओएनजीसी ने पहला सेट 25-23 से जीता। रांची ने वापसी करते हुए दूसरा सेट 26-24 और तीसरा सेट 25-12 से जीतकर 2-1 की बढ़त बनाई। ओएनजीसी ने चौथा सेट 25-17 से जीतकर मुकाबला बराबर किया और निर्णायक पांचवें सेट में 15-12 से जीत दर्ज कर मुकाबला अपने नाम किया।

चौथे मुकाबले में इनकम टैक्स दिल्ली ने नॉर्दर्न रेलवे को सीधे सेटों में 25-18, 25-21 और 25-22 से पराजित किया। इस जीत के साथ इनकम टैक्स दिल्ली ने प्रतियोगिता में लगातार दूसरी जीत दर्ज की। हरियाणा और सीआईएसएफ रांची के बीच भी कड़ा मुकाबला हुआ। हरियाणा ने पहले दो सेट 25-21 और 25-16 से जीतकर बढ़त बनाई। रांची ने शानदार वापसी करते हुए तीसरा और चौथा सेट 25-23 व 25-21 से जीतकर मुकाबला 2-2 से बराबर कर दिया। निर्णायक सेट में हरियाणा ने 15-8 से जीत दर्ज की। इसके बाद ओएनजीसी देहरादून ने नॉर्दर्न रेलवे को 25-20, 25-13 और 25-16 से सीधे सेटों में हराया। वहीं इनकम टैक्स दिल्ली ने सीआईएसएफ रांची को 25-23, 27-25 और 25-16 से पराजित किया। मुकाबलों में खिलाड़ियों ने बेहतरीन रक्षण, आक्रमण और स्मैश का प्रदर्शन किया।

Headline	Oil India vs ONGC: \$100 crude, 11% output surge gives 1 upstream stock the edge		
Publication	Financial Express	Edition	Online Coverage
Published Date	12 Sep 2026		

Oil India vs ONGC: \$100 crude, 11% output surge gives 1 upstream stock the edge

<https://www.financialexpress.com/market/oil-india-vs-ongc-100-crude-11-output-surge-gives-1-upstream-stock-the-edge-4337508/lite/>

Rising crude oil prices are primarily a concern for a largely oil-importing nation like India. However, for Indias upstream producers, the sharp spike in crude can lead to a direct earnings boost. Oil India and ONGC are among the most prominent upstream companies in focus as a result. But the question is which stock could potentially turn this price benefit into stronger earnings growth?

Oil India has been adding crude volumes faster, while Oil And Natural Gas Corporation has a much larger production base and several projects aimed at lifting output. The difference becomes important if crude stays near or above the \$100 per barrel mark for several quarters. A higher realisation on existing production helps both companies, but the company that adds more barrels and gas can capture a larger incremental benefit.

FinancialExpress.com spoke with analysts tracking the upstream oil stocks to understand which upstream player could gain more from higher crude prices.

Higher crude prices are positive for both Oil India and ONGC

The direct benefit for an upstream producer comes from higher crude realisation. Production costs dont normally rise in line with every move in crude prices, which means a sustained increase in oil prices can flow through to operating profit.

Nilesh Ghuge, Research Analyst at HDFC Securities, said, Oil price increase is positive for upstream companies because realisation for crude oil will go up. What I have observed is that whenever crude oil price goes up, gas price will also follow the same direction. It may not be this way immediately, but eventually gas price will also go up. So, they will get better realisation, particularly not APM gas but non-APM gas. So, that way it is a good positive for upstream players.

Both companies entered the June quarter with crude realisations close to \$100 per barrel. Oil Indias crude realisation was \$98.73 per barrel, while ONGC reported \$99.45 per barrel.

The production picture, however, was different. Oil Indias crude production rose more than 11% year-on-year to 0.95 million tonnes in Q1 FY27. ONGCs crude output fell 6% year-on-year to 4.95 million tonnes.

Q1 FY27 operating picture Oil India ONGC Crude production 0.95 million tonnes 4.95 million tonnes Crude production growth More than 11% YoY Down 6% YoY Crude realisation \$98.73/bbl \$99.45/bbl Gas production trend Up 0.4% QoQ Down 2% YoY

Oil Indias standalone operating revenue stood at Rs 7,958 crore in Q1 FY27, with EBITDA of Rs 4,605 crore and profit after tax of Rs 2,870 crore. ONGC reported standalone PAT of Rs 17,034 crore for the quarter, compared with Rs 8,034 crore a year earlier.

3 Metal Stocks with Improving Profit MarginsGhughe said the benefit for both companies ultimately comes down to production growth.

Oil India and ONGC, both of them, its a positive thing because if there is a rise in crude oil price, it will impact positively for both these companies, depending, of course, on the volume increment. There will be some reduction in volume there; those who make the most out of it. Whenever there is an increase in volume in subsequent quarters, they will benefit more.

Does Oil Indias rising crude output give it an edge?

Oil Indias recent production trend is one reason some analysts see greater incremental upside in the smaller upstream company.

The company has maintained its FY27 domestic crude production target of around 4 million tonnes, compared with 3.45 million tonnes in FY26. Its daily crude production also reached 11,017 tonnes on August 3, 2026, from 10,921 tonnes on June 27.

During Oil Indias August 10 earnings call, Trailukya Borgohain, Director Operations, said the company was working towards around 4.2 million tonnes of crude production by FY29.

If you look at our FY29 kind of target, we are targeting around 4.2. Maybe it goes beyond that. But that will also depend a little bit on our own near-field exploration, Borgohain said. The company is using workovers, production enhancement, optimisation, hydro-fracturing and radial drilling to increase output. It is also ramping up production in Rajasthan.

Ghughe therefore prefers Oil India when the comparison is based on incremental production. Between Oil India and ONGC, I think Oil India will gain more because there is an increase in their crude oil production. And, of course, gas production will also increase gradually, he said.

I will not say in the next quarter, but its increasing over maybe six months, nine months. And then their production every month, they are increasing their production per day volume. That will benefit Oil India. He added that the comparison isn't about the absolute size of the two companies. According to the HDFC Securities analyst, If you are saying who will produce more going ahead, who is giving more guidance, then Oil India is the company. So, incrementally, if you ask me, there is a volume growth of crude oil production and gas-based production, then Oil India is the company.

Oil India share price performance

ONGC has scale and a wider production base

The argument for ONGC rests on a different set of factors. Oil And Natural Gas Corporation Ltd. contributes a much larger share of Indias domestic oil and gas production and has several projects aimed at improving output. Its first-quarter crude production was nearly five times Oil Indias production.

Sumit Pokharna, Vice President, Fundamental Research at Kotak Securities, prefers ONGC over Oil India because he believes ONGCs reserves and production base provide greater visibility.

Upstream companies will benefit from elevated crude prices. We are positive on ONGC because of its gas and oil production, although there are concerns around potential changes in government policy for upstream companies.

As far as Oil India is concerned, we are not very positive. The company has reserves, but those reserves have not translated into production, which is why we prefer ONGC.

ONGC management expects production to improve as new projects move ahead. The company is also spending heavily on its Western Offshore assets, including pipeline replacement, reservoir management, water injection and production system upgrades.

UBS expects ONGCs standalone PAT to reach Rs 50,300 crore in FY27, compared with Rs 32,900 crore in FY26. It has a Rs 305 price target on the stock.

CLSA has an even more positive view. Its September 2 report rated ONGC High-Conviction Outperform with a Rs 405 target. It said managements confidence about production growth over the next three years, along with a dividend yield of around 6% and valuation below global peers, supports the stock.

ONGC share price performance

Gas could add another earnings trigger for Oil India

Oil Indias gas business provides another potential source of volume growth. The company expects gas production to reach 3.8 billion cubic metres in FY28. Management has also indicated that 5 billion cubic metres is achievable once additional evacuation infrastructure is available. The problem so far has been less about the ability to produce gas and more about moving it to customers.

Abhijit Majumder, Director Finance at Oil India, said during the August 10 earnings call, We have always maintained that ramping up the production by itself is not a challenge. Absence of the network is a challenge which we are trying to address, and once the network is laid, it is ready for evacuation, ramping up production will definitely happen.

The Duliajan Feeder Line and Duliajan-Numaligarh Pipeline are therefore important to the production plan. Borgohain said the company expects 3.8 billion cubic metres of gas production next year and has enough production potential to move towards 5 billion cubic metres once the evacuation bottleneck is removed.

Another part of the gas opportunity comes from new well gas pricing. Management said incremental production would largely qualify as new gas rather than old administered-price gas.

Oil India Vs ONGC: Weighing the impact of high crude rate

Brokerage reports point to strong cases on both sides. CLSA expects a tighter crude market in the coming months and said this would be positive for ONGC and Oil India. It has an Outperform rating on Oil India with a Rs 550 target and High-Conviction Outperform on ONGC with a Rs 405 target.

For Oil India, CLSAs case rests on managements expected increase in oil and gas production and the expanded NRL refinery. It said the companys production growth depends heavily on the northeastern gas grid and NRL expansion.

JM Financial has a Buy rating on Oil India with a Rs 560 target. Its estimates show how sensitive Oil Indias earnings are to commodity prices. Every \$5 per barrel change in FY28 net crude realisation changes its FY28 consolidated EPS estimate by 7.3%. A \$0.82 per MMBtu change in gas realisation changes the EPS estimate by 4.7%.

The brokerage also values Oil Indias NRL stake at Rs 204 per share based on an assumed 9 million tonnes of throughput in FY29 and a \$25 per barrel GRM.

J.P. Morgan, however, remains more cautious on ONGC, with a Neutral rating and a Rs 230 target. Its concern is that weak production volumes could limit the benefit from higher crude prices after the near-term project ramp-ups.

Brokerage Company View Target price CLSA ONGC High-Conviction Outperform Rs 405 CLSA Oil India Outperform Rs 550 JM Financial Oil India Buy Rs 560 UBS ONGC Buy Rs 305 J.P. Morgan ONGC Neutral Rs 230

4. NRL gives Oil India a refinery-led growth opportunity

Oil Indias position isnt limited to exploration and production. Its subsidiary Numaligarh Refinery Limited is expanding its refinery capacity from 3 million tonnes per annum to 9 million tonnes per annum.

Ghughe sees this as an important reason to prefer Oil India. I prefer Oil India over ONGC because of this first reason. Second thing, as you know, Oil India is expanding its refinery capacity from 3 million metric tons to 9 million metric tonne. So, that plant is expected to be commissioned in December this year.

From one year perspective also, I will prefer Oil India over ONGC because with the increase in the refinery capacity, definitely they will give more earnings growth to the company, he added.

NRLs management expects the expansion to start contributing from the next financial year. Bhaskar Jyoti Phukan, Managing Director of NRL, said three units were expected to be commissioned by October or November, with the remaining units targeted for commissioning by March 2027. The refinery is expected to reach around 75% utilisation of its 9 million tonnes rated capacity by Q4 FY28.

Generally our GRM hovers around \$7-8, which you may have observed in the last annual reports and all. So now we are clocking in the first quarter around 35, Phukan added.

NRL also gave discounts to oil marketing companies during the quarter, which affected realised margins. Phukan said the discounts were being calibrated according to the difference between crude and product prices.

Ghughe summed up his preference by pointing to the combination of businesses. There is definitely good potential in Oil India compared to ONGC. Because, as I said, both upstream and downstream, Oil India is now an integrated player with NRL coming in.

Which other oil-linked companies could benefit or face pressure

The crude-price move doesnt affect every oil-linked company in the same way. Upstream producers such as ONGC and Oil India are the most direct beneficiaries because higher crude prices increase their realisations. Analysts also see some other oil-linked companies as attractive despite elevated crude, although the reasons differ.

Maulik Patel, Head of Research at Equirus Securities, said ONGC and Oil India are the most direct beneficiaries of higher crude realisations.

Upstream players (direct beneficiaries) ONGC and Oil India are the most direct beneficiaries of higher crude realisations, which has not been reflected in valuations yet, Patel added.

Among other oil-linked stocks, Patel identified BPCL as a preferred OMC in the event of a crude correction because of its refining-to-marketing mix, distillate yield, Bina refinery's crude flexibility and balance sheet.

BPCL is our preferred OMC, supported by a better refining-to-marketing ratio and highest distillate yield, which provide a stronger integrated earnings buffer than HPCL, Patel said.

His assessment of Reliance Industries is also based on its diversified exposure across oil-to-chemicals, digital services and retail.

Reliance is most balanced oil-linked exposure. Its complex O2C system benefits from strong product cracks, crude-basket diversification and feedstock flexibility, while Jio and Retail provide additional earnings diversification, Patel said.

He identified sustained O2C recovery, Jio average revenue per user growth, retail margin normalisation and new energy execution as key catalysts.

The more immediate risk from high crude prices sits with oil marketing companies. Sunny Agrawal, Deputy Vice President, Fundamental Research at SBI Securities, said, If Brent sustains above \$100/bbl, the biggest earnings risk remains with India's downstream fuel retailers: (a) HPCL, (b) BPCL and (c) IOC. In such a scenario, marketing margins can turn negative.

Agrawal said HPCL has historically shown the highest earnings volatility during crude spikes because of its smaller balance sheet and lower diversification compared with IOC and BPCL.

Company or sector Likely impact from sustained high crude Main reason ONGC Positive Higher crude realisation Oil India Positive Higher crude and gas realisation plus production growth BPCL Mixed Refining buffer, but marketing pressure HPCL Most vulnerable among OMCs Higher crude cost and marketing exposure IOC Negative pressure Higher crude procurement and marketing costs Reliance Industries More balanced O2C exposure plus Jio and Retail Aviation Negative Higher aviation turbine fuel costs Tyres Negative Higher carbon black and petroleum-linked input costs Paints Negative Oil-linked solvents, resins and intermediates

Pokharna said the pressure extends well beyond OMCs. Crude oil is a raw material for refineries, while base oil and lubricants are also linked to crude. Companies where crude or crude derivatives are a direct raw material will see their raw material and operating costs rise. This includes oil marketing companies, tyre companies, paint manufacturers such as Asian Paints and Berger Paints, and lubricant companies such as Castrol. How much of this cost they can pass on to consumers will determine the impact on margins.

He added, The biggest concern is for oil marketing companies such as BPCL, HPCL and IOC. Their raw material, working capital, interest and operating costs will rise. Among downstream companies, HPCL could be impacted the most. BPCL and IOC could also be impacted.

The duration of higher crude prices is as important as the headline price itself. HDFC Securities Ghuge said, Any oil producer or gas producer will benefit out of this. So, whether it is Oil India or ONGC, if suppose your assumption is that oil prices will remain elevated for, let's say, next three months, six months, then any oil producer will benefit.

He pointed to the difference between earlier crude realisations below \$70 per barrel and current levels around \$100. Because if you ask me, in the December quarter or the March quarter, their realisation was less than \$70. Today, they are making \$100. And the cost doesn't change that much on a day-to-day basis.

That operating leverage is why a sustained crude price increase can have a significant impact on upstream earnings.

CLSA's September report also expects crude prices to remain supported by supply constraints in the near term. It said a further increase in oil prices over the next two to three months would be positive for ONGC and Oil India and negative for IOC, BPCL and HPCL.

The risk runs in the opposite direction as well. Nomura's June analysis showed that if the Strait of Hormuz reopened and crude prices fell, OMCs, city gas distributors and Petronet LNG could benefit while ONGC and Oil India would face lower oil and gas realisations.

Oil India or ONGC, which stock gains more

The analyst views point to a clear difference in the nature of the two opportunities. ONGC has the larger production base, stronger scale and a broader portfolio. Pokharna prefers ONGC because he believes its oil and gas production provides

greater earnings visibility. CLSA and UBS are also positive on ONGC, although J.P. Morgan remains cautious about production volumes.

Oil India has a smaller base but a faster production growth story. Its crude output has already increased by more than 11% year-on-year, management is targeting around 4.2 million tonnes by FY29, gas production is expected to rise, and NRL is expanding from 3 million tonnes to 9 million tonnes of refinery capacity.

Ghuges conclusion is therefore tilted towards Oil India.

So, definitely there is a trigger in Oil India. So, to answer your question, I will prefer Oil India because of the increase in the gas and production on top of this increase in their realisation.

Based on the direct crude-price benefit, both companies are positioned well. But if the focus is on incremental earnings growth from higher crude combined with rising production, Oil India currently has the stronger case, while ONGC remains the larger and more diversified upstream play.

The views, estimates, ratings and price targets cited in this article belong to the respective analysts and brokerage firms. They are based on company disclosures, analyst assessments and research reports available at the time of writing. They shouldnt be treated as investment advice or a recommendation to buy or sell any security. Crude prices, production volumes, refining margins, government policies, project timelines, currency movements and market valuations can change materially. Investors should review the latest company filings and research reports and assess their own financial circumstances and risk tolerance before making any investment decision. Readers are advised to consult a SEBI-registered investment adviser or other SEBI-registered financial professional before making any investment decision.

Headline	BRICS and the question of ensuring energy security		
Publication	Hindustan Times	Edition	Online Coverage
Published Date	13 Sep 2026		

BRICS and the question of ensuring energy security

<https://www.hindustantimes.com/opinion/brics-and-the-question-of-ensuring-energy-security-101789231257517.html>

If BRICS leadership wants energy at the right price, time, and location, they need to shift policy focus towards investment in energy value-chain integration.

If a country has oil and gas reserves, must it drill for it? At a time when the conflict in West Asia has hotted up again, and crude oil prices are back on the boil, this may seem a strange question to ask.

But I do so nonetheless, to encourage BRICS leaders gathered in Delhi for the 18th summit of the grouping to contemplate the relevance of the orthodoxy drill, baby, drill, against the backdrop of the altered landscape of petroleum market fundamentals.

The fact is that the lead time between the drilling of the first well of a new hydrocarbon exploration venture, discovery, the appraisal of this discovery, the creation of the development infrastructure and then first production could be anywhere between 10 years and 15 years, and because it is timely.

The Nepal tragedy has once again reminded the world of the catastrophic consequences of the unhealthy linkage between economic development, energy demand, and environmental degradation.

Readers must not presume that by posing the question, I am suggesting countries should not drill. There are, however, four petroleum specific reasons why the answer requires reflection.

First, the success of an exploration and production (EP) programme rests on a compound of three probabilities a given geologic structure contains hydrocarbons; these hydrocarbons will be found, and once located, they can be produced on a commercially viable basis.

India, for instance, has 26 sedimentary basins and the probability of these containing hydrocarbons is high. ONGC has established a range of estimates of probable reserves, and there is prima facie logic, therefore, for India to make efforts to locate these molecules.

However, if one examined the track record of ONGC and the lukewarm response of international companies to government efforts to attract private capital, one has to conclude that the probability of locating these hydrocarbons is not comparably high. There have been no giant discoveries since the Mumbai High offshore discovery in the early 1970s.

And even though the fiscal and commercial terms have been progressively improved and are globally competitive, no integrated petroleum company, other than BP that bought into Reliance's Krishna Godavari gas find, is currently engaged in EP in India. International companies clearly deem India's geology to be complex and high risk.

Perhaps more relevant is the fact that, given such complexity, the cost of locating these hydrocarbons would most likely be very high. The question that arises then is whether the discovery can be developed and produced on a commercially sustainable basis.

That brings in the second reason. Currently, the price of crude oil is ranging in the high \$90s/barrel. In fact, very recently, it crossed \$100/barrel. But this price is not the relevant metric for determining the economics of EP.

We have to look longer-term. And when we do that, we see a glutted petroleum market. There have been major hydrocarbon discoveries in Latin America and Africa, and as the green energy transition gathers momentum, demand will plateau and decline.

The commercial viability of new discoveries has to be tested, therefore, against a low for longer future petroleum price scenario.

Third, petroleum is a tradable commodity. It can be shipped and piped transcontinentally. It can be stored. OPEC is, also, no longer the swing supplier. There are multiple other exporters. If as is the case today the supplies out of the Gulf get

choked, import-dependent countries can source supplies from the spot market and/or non-Gulf exporters such as Russia, USA and Nigeria. This is what India and China have done.

So, the question arises: Why spend money on high-risk, high-cost exploration when oil/gas will most likely be abundantly available and can be bought and stored?

Finally, the energy value chain. The price of crude oil has moved in the narrow band of \$75/barrel to \$100/bbl over the past six months. The price of refined products, diesel, aviation fuel, and gasoline have, on the other hand, more than doubled.

Last month, for instance, the spread between the price of crude oil and diesel crossed \$100/barrel in the US. Before the West Asia conflict, the spread was between \$10-15/barrel.

Consumers are interested in the price of the final product, not the price of the raw material. So, if the BRICS leadership wants to ensure their constituencies get energy (conventional and clean) at the right price, at the right time, and in the right location, they need to shift the policy focus towards investment in integrating the energy-value chain.

They need to ponder whether it might be better to deploy scarce public funds towards the creation of a holistic and integrated frame for transnational energy partnerships and energy atmanirbhartha than to direct it towards high-risk hydrocarbons exploration.

Headline	Oil India vs ONGC: \$100 crude, 11% output surge gives 1 upstream stock the edge		
Publication	MSN India	Edition	Online Coverage
Published Date	12 Sep 2026		

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The production picture, however, was different. Oil India's crude production rose more than 11% year-on-year to 0.95 million tonnes in Q1 FY27. ONGC's crude output fell 6% year-on-year to 4.95 million tonnes.

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3 Metal Stocks with Improving Profit Margins

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UltraTech's Rs 1,800 cr cable foray: Why analysts say cement will still call the shots

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As far as Oil India is concerned, we are not very positive. The company has reserves, but those reserves have not translated into production, which is why we prefer ONGC.

ONGC management expects production to improve as new projects move ahead. The company is also spending heavily on its Western Offshore assets, including pipeline replacement, reservoir management, water injection and production system upgrades.

UBS expects ONGC's standalone PAT to reach Rs 50,300 crore in FY27, compared with Rs 32,900 crore in FY26. It has a Rs 305 price target on the stock.

CLSA has an even more positive view. Its September 2 report rated ONGC High-Conviction Outperform with a Rs 405 target. It said management's confidence about production growth over the next three years, along with a dividend yield of around 6% and valuation below global peers, supports the stock.

ONGC share price performance

Gas could add another earnings trigger for Oil India

Oil India's gas business provides another potential source of volume growth. The company expects gas production to reach 3.8 billion cubic metres in FY28. Management has also indicated that 5 billion cubic metres is achievable once additional evacuation infrastructure is available.

The problem so far has been less about the ability to produce gas and more about moving it to customers.

Abhijit Majumder, Director Finance at Oil India, said during the August 10 earnings call, We have always maintained that ramping up the production by itself is not a challenge. Absence of the network is a challenge which we are trying to address, and once the network is laid, it is ready for evacuation, ramping up production will definitely happen.

The Duliajan Feeder Line and Duliajan-Numaligarh Pipeline are therefore important to the production plan. Borgohain said the company expects 3.8 billion cubic metres of gas production next year and has enough production potential to move towards 5 billion cubic metres once the evacuation bottleneck is removed.

Another part of the gas opportunity comes from new well gas pricing. Management said incremental production would largely qualify as new gas rather than old administered-price gas.

Oil India Vs ONGC: Weighing the impact of high crude rate

Brokerage reports point to strong cases on both sides. CLSA expects a tighter crude market in the coming months and said this would be positive for ONGC and Oil India. It has an Outperform rating on Oil India with a Rs 550 target and High-Conviction Outperform on ONGC with a Rs 405 target.

For Oil India, CLSA's case rests on management's expected increase in oil and gas production and the expanded NRL refinery. It said the company's production growth depends heavily on the northeastern gas grid and NRL expansion.

JM Financial has a Buy rating on Oil India with a Rs 560 target. Its estimates show how sensitive Oil India's earnings are to commodity prices. Every \$5 per barrel change in FY28 net crude realisation changes its FY28 consolidated EPS estimate by 7.3%. A \$0.82 per MMBtu change in gas realisation changes the EPS estimate by 4.7%.

The brokerage also values Oil India's NRL stake at Rs 204 per share based on an assumed 9 million tonnes of throughput in FY29 and a \$25 per barrel GRM.

J.P. Morgan, however, remains more cautious on ONGC, with a Neutral rating and a Rs 230 target. Its concern is that weak production volumes could limit the benefit from higher crude prices after the near-term project ramp-ups.

4. NRL gives Oil India a refinery-led growth opportunity

Oil India's position isn't limited to exploration and production. Its subsidiary Numaligarh Refinery Limited is expanding its refinery capacity from 3 million tonnes per annum to 9 million tonnes per annum.

Ghugre sees this as an important reason to prefer Oil India. I prefer Oil India over ONGC because of this first reason. Second thing, as you know, Oil India is expanding its refinery capacity from 3 million metric tons to 9 million metric tonne. So, that plant is expected to be commissioned in December this year.

From one year perspective also, I will prefer Oil India over ONGC because with the increase in the refinery capacity, definitely they will give more earnings growth to the company, he added.

NRL's management expects the expansion to start contributing from the next financial year. Bhaskar Jyoti Phukan, Managing Director of NRL, said three units were expected to be commissioned by October or November, with the remaining units targeted for commissioning by March 2027. The refinery is expected to reach around 75% utilisation of its 9 million tonnes rated capacity by Q4 FY28.

Generally our GRM hovers around \$7-8, which you may have observed in the last annual reports and all. So now we are clocking in the first quarter around 35, Phukan added.

NRL also gave discounts to oil marketing companies during the quarter, which affected realised margins. Phukan said the discounts were being calibrated according to the difference between crude and product prices.

Ghugre summed up his preference by pointing to the combination of businesses. There is definitely good potential in Oil India compared to ONGC. Because, as I said, both upstream and downstream, Oil India is now an integrated player with NRL coming in.

Which other oil-linked companies could benefit or face pressure

The crude-price move doesn't affect every oil-linked company in the same way. Upstream producers such as ONGC and Oil India are the most direct beneficiaries because higher crude prices increase their realisations. Analysts also see some other oil-linked companies as attractive despite elevated crude, although the reasons differ.

Maulik Patel, Head of Research at Equirus Securities, said ONGC and Oil India are the most direct beneficiaries of higher crude realisations.

Upstream players (direct beneficiaries) ONGC and Oil India are the most direct beneficiaries of higher crude realisations, which has not been reflected in valuations yet, Patel added.

Among other oil-linked stocks, Patel identified BPCL as a preferred OMC in the event of a crude correction because of its refining-to-marketing mix, distillate yield, Bina refinery's crude flexibility and balance sheet.

BPCL is our preferred OMC, supported by a better refining-to-marketing ratio and highest distillate yield, which provide a stronger integrated earnings buffer than HPCL, Patel said.

His assessment of Reliance Industries is also based on its diversified exposure across oil-to-chemicals, digital services and retail.

Reliance is most balanced oil-linked exposure. Its complex O2C system benefits from strong product cracks, crude-basket diversification and feedstock flexibility, while Jio and Retail provide additional earnings diversification, Patel said.

He identified sustained O2C recovery, Jio average revenue per user growth, retail margin normalisation and new energy execution as key catalysts.

The more immediate risk from high crude prices sits with oil marketing companies. Sunny Agrawal, Deputy Vice President, Fundamental Research at SBI Securities, said, If Brent sustains above \$100/bbl, the biggest earnings risk remains with India's downstream fuel retailers: (a) HPCL, (b) BPCL and (c) IOC. In such a scenario, marketing margins can turn negative.

Agrawal said HPCL has historically shown the highest earnings volatility during crude spikes because of its smaller balance sheet and lower diversification compared with IOC and BPCL.

Pokharna said the pressure extends well beyond OMCs. Crude oil is a raw material for refineries, while base oil and lubricants are also linked to crude. Companies where crude or crude derivatives are a direct raw material will see their raw material and operating costs rise. This includes oil marketing companies, tyre companies, paint manufacturers such as Asian Paints and Berger Paints, and lubricant companies such as Castrol. How much of this cost they can pass on to consumers will determine the impact on margins.

He added, The biggest concern is for oil marketing companies such as BPCL, HPCL and IOC. Their raw material, working capital, interest and operating costs will rise. Among downstream companies, HPCL could be impacted the most. BPCL and IOC could also be impacted.

ALSO READ

3 Metal Stocks with Improving Profit Margins

Size of the benefit depends on crude's trajectory

The duration of higher crude prices is as important as the headline price itself. HDFC Securities' Ghuge said, Any oil producer or gas producer will benefit out of this. So, whether it is Oil India or ONGC, if suppose your assumption is that oil prices will remain elevated for, let's say, next three months, six months, then any oil producer will benefit.

He pointed to the difference between earlier crude realisations below \$70 per barrel and current levels around \$100. Because if you ask me, in the December quarter or the March quarter, their realisation was less than \$70. Today, they are making \$100. And the cost doesn't change that much on a day-to-day basis.

That operating leverage is why a sustained crude price increase can have a significant impact on upstream earnings.

CLSA's September report also expects crude prices to remain supported by supply constraints in the near term. It said a further increase in oil prices over the next two to three months would be positive for ONGC and Oil India and negative for IOC, BPCL and HPCL.

The risk runs in the opposite direction as well. Nomura's June analysis showed that if the Strait of Hormuz reopened and crude prices fell, OMCs, city gas distributors and Petronet LNG could benefit while ONGC and Oil India would face lower oil and gas realisations.

ALSO READ

UltraTech's Rs 1,800 cr cable foray: Why analysts say cement will still call the shots

Oil India or ONGC, which stock gains more

The analyst views point to a clear difference in the nature of the two opportunities. ONGC has the larger production base, stronger scale and a broader portfolio. Pokharna prefers ONGC because he believes its oil and gas production provides

greater earnings visibility. CLSA and UBS are also positive on ONGC, although J.P. Morgan remains cautious about production volumes.

Oil India has a smaller base but a faster production growth story. Its crude output has already increased by more than 11% year-on-year, management is targeting around 4.2 million tonnes by FY29, gas production is expected to rise, and NRL is expanding from 3 million tonnes to 9 million tonnes of refinery capacity.

Ghuge's conclusion is therefore tilted towards Oil India.

So, definitely there is a trigger in Oil India. So, to answer your question, I will prefer Oil India because of the increase in the gas and production on top of this increase in their realisation.

Based on the direct crude-price benefit, both companies are positioned well. But if the focus is on incremental earnings growth from higher crude combined with rising production, Oil India currently has the stronger case, while ONGC remains the larger and more diversified upstream play.

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Headline	High crude prices could hurt OMCs; HPCL most vulnerable: Report		
Publication	MSN India	Edition	Online Coverage
Published Date	12 Sep 2026		

High crude prices could hurt OMCs; HPCL most vulnerable: Report

<https://www.msn.com/en-in/money/economy/high-crude-prices-could-hurt-omcs-hpcl-most-vulnerable-report/ar-AA2bZYIo>

Indian oil marketing companies (OMCs) could face mounting pressure on their margins and balance sheets if crude oil prices remain elevated and retail fuel prices are not increased proportionately, according to a report by Equirus Securities. The brokerage has ranked Hindustan Petroleum Corporation Ltd (HPCL) as the most vulnerable among major OMCs, followed by Indian Oil Corporation Ltd (IOCL) and Bharat Petroleum Corporation Ltd (BPCL), in a scenario of sustained high crude prices.

If crude remains above US\$100 per barrel, with restricted retail-price increases, OMCs could face negative petrol and diesel marketing margins, higher LPG under-recoveries, higher crude-landing, freight and insurance costs, working-capital and debt accumulation, and inventory losses if crude subsequently corrects sharply, said Maulik Patel, Head of Research, Equirus Securities.

HPCL Most Exposed

The report identifies HPCL as the most exposed among the three companies, citing its lower refining-to-marketing ratio of 51 per cent, higher dependence on purchased or imported products and the highest leverage. It noted that HPCL would be the most vulnerable if crude remains elevated while retail prices remain unchanged.

Company Assessments

IOCL, despite having stronger integration and an 80 per cent refining-to-marketing ratio, remains exposed to fuel marketing pressures, LPG under-recoveries, inventory and working-capital requirements, and expensive crude procurement. Petrochemical losses could add to the pressure, the report said.

BPCL, with a 74 per cent refining-to-marketing ratio, an 85 per cent distillate yield and comparatively stronger balance sheet, is considered relatively better placed among the major OMCs.

Impact on Upstream Companies

The report also highlighted the contrasting impact of higher crude prices on upstream companies. ONGC and Oil India are most direct beneficiaries of higher crude realizations which has not been reflected in valuations yet, Patel said.

The report's assessment is based on the assumption of sustained crude prices above USD 100 per barrel and limited retail-price increases, rather than a forecast that such conditions will necessarily persist. (ANI) (Except for the headline, this story has not been edited by Asianetnews Editorial staff and is published from a syndicated feed.)

Headline	Brent oil nears \$110: RIL, HPCL, IOC, BPCL, Petronet LNG, MGL, ONGC, GAIL, Oil India shares Impact explained		
Publication	MSN India	Edition	Online Coverage
Published Date	12 Sep 2026		

Brent oil nears \$110: RIL, HPCL, IOC, BPCL, Petronet LNG, MGL, ONGC, GAIL, Oil India shares | Impact explained

<https://www.msn.com/en-in/money/economy/brent-oil-nears-110-ril-hpcl-ioc-bpcl-petronet-lng-mgl-ongc-gail-oil-india-shares-impact-explained/ar-AA2bZtf4>

With Brent oil futures for November delivery hitting a high of \$109.97 today, the sixth day of consecutive rise, Equirus Securities said sustained crude oil prices, particularly if petrol, diesel and LPG prices remain unchanged, could put pressure on oil marketing companies (OMCs), with the extent of the impact depending primarily on retail-price pass-through, government policies and refining cracks. Upstream companies such as ONGC and Oil India are seen as key beneficiaries of rising crude oil prices.

If crude remains above \$100 per barrel, with restricted retail-price increases, OMCs could face negative petrol and diesel marketing margins, higher LPG under-recoveries, higher crude-landing, freight and insurance costs, working-capital and debt accumulation and inventory losses if crude subsequently corrects sharply, said Maulik Patel, Head of Research at Equirus Securities.

Impact on OMCs: HPCL more vulnerable than IOC, BPCL

Among the major OMCs, HPCL is seen as the most vulnerable as its refining-to-marketing ratio stands at 51 per cent against 74 per cent for BPCL and 80 per cent for IOC. Consequently, it has the lowest internal refining cover and greatest dependence on imported products. HPCL's distillate yield is also lower at 76 per cent against 80 per cent for IOC and 85 per cent for BPCL, limiting its ability to fully benefit from strong diesel and jet-fuel cracks. This also flows negatively into the balance sheet, where HPCL's leverage is highest, Patel said.

IOC is placed second because its stronger integration provides a refining buffer. However, its absolute exposure to fuel marketing, LPG under-recoveries, inventory, working capital and expensive crude procurement remains substantial, along with petrochemical losses.

BPCL is relatively better placed because of better integration, its highest distillate yield, Bina's crude flexibility and a comparatively stronger balance sheet, Patel said.

Impact on city gas distributors: Gujarat Energy exposed, MGL better cushioned

Among gas-linked companies, city gas distributors (CGDs) face near-term margin risk from rising spot LNG prices and crude-linked LNG contracts. However, CGD volumes remain relatively resilient, with sector consumption increasing to 55.2 mmscmd in FY27TD from 45.3 mmscmd in FY26, although the imported component has also risen sharply.

Equirus Securities' Head of Research said Gujarat Energy is exposed to higher Brent-linked spot LNG prices and rupee depreciation, partly offset by gas-trading profits. MGL is better cushioned through Henry Hub-linked sourcing and pricing action, although margins remain volatile in the near term.

Petronet LNG more exposed, GAIL relatively defensive bet

Patel said Petronet LNG is more exposed to LNG affordability and regasification volumes. Qatar normalisation, tariff visibility and petrochemical capex remain key watchpoints.

"GAIL is relatively defensive because transmission earnings provide a buffer, while petrochemical and gas-marketing profitability improve due to higher realizations. Beyond oil and gas, the broad vulnerability ranking among non-oil-and-gas sectors is aviation, tyres, paints and adhesives," he said.

ONGC, Oil India key beneficiaries, RIL balanced

Patel said ONGC and Oil India are most direct beneficiaries of higher crude realisations which has not been reflected in valuations yet.

He said Reliance Industries remains a balanced oil-linked exposure. Its complex O2C system benefits from strong product cracks, crude-basket diversification and feedstock flexibility, while Jio and Retail provide additional earnings diversification. Key catalysts are sustained O2C recovery, Jio ARPU and margin growth, Retail margin normalization and New Energy execution.

BPCL is Equirus Securities' preferred OMC as a contrarian call on crude correction. BPCL's better refining-to-marketing ratio and highest distillate yield provide a stronger integrated earnings buffer than HPCL. The stock currently trades at a cyclical-low trailing P/B of 1.3 times and could see a meaningful rerating if crude prices correct sharply.

Headline	Oil & Natural Gas Corporation Ltd. is Rated Hold		
Publication	Markets Mojo	Edition	Online Coverage
Published Date	12 Sep 2026		

Oil & Natural Gas Corporation Ltd. is Rated Hold

<https://www.marketsmojo.com/news/stock-recommendation/oil-natural-gas-corporation-ltd-is-rated-hold-4190980>

Oil & Natural Gas Corporation Ltd. is rated 'Hold' by MarketsMojo , with this rating last updated on 31 August 2026.

While the rating change occurred on that date, all fundamentals, returns, and financial metrics discussed here reflect the stock's current position as of 12 September 2026.

The 'Hold' rating assigned to Oil & Natural Gas Corporation Ltd. indicates a balanced outlook for investors. It suggests that while the stock is not currently a strong buy, it is also not recommended for sale. Investors should consider maintaining their existing positions, monitoring the company's performance closely, and evaluating market conditions before making further investment decisions. This rating reflects a moderate risk-reward profile, where the stock offers reasonable stability but limited near-term upside potential.

Rating Update Context

On 31 August 2026, MarketsMOJO revised the company's rating from 'Sell' to 'Hold', accompanied by a Mojo Score increase from 47 to 52. This adjustment reflects an improvement in the company's overall outlook based on a comprehensive assessment of its quality, valuation, financial trends, and technical indicators. However, it is important to note that the detailed analysis below is based on the most recent data as of 12 September 2026, providing investors with an up-to-date perspective on the stock's fundamentals and market performance.

Here's How the Stock Looks Today

As of 12 September 2026, Oil & Natural Gas Corporation Ltd. exhibits a Mojo Score of 52, corresponding to the 'Hold' grade. The stock has experienced a modest decline in recent trading sessions, with a day change of -1.88%. Over the past year, the stock's return stands at -0.47%, reflecting a relatively flat performance despite fluctuations in the broader oil sector.

Quality Assessment

The company's quality grade is classified as 'good', underpinned by its strong operational metrics and market position. Oil & Natural Gas Corporation Ltd. maintains a low Debt to EBITDA ratio of 1.69 times, signalling a robust ability to service its debt obligations. This financial prudence reduces risk and supports sustainable operations. Additionally, the company has demonstrated healthy long-term growth, with net sales increasing at an annual rate of 11.63%. Such growth is indicative of effective management and a solid business model within the oil sector.

Valuation Perspective

Valuation metrics for the company are currently very attractive. The stock trades at an enterprise value to capital employed ratio of just 0.8, which is below the average historical valuations of its peers. This discount suggests that the market may be undervaluing the company relative to its capital base and earnings potential. Furthermore, the company offers a high dividend yield of 5.8%, providing income-oriented investors with a compelling reason to hold the stock. The price-to-earnings-to-growth (PEG) ratio stands at a low 0.3, indicating that the stock's price growth is favourable relative to its earnings growth, which has risen by 19.9% over the past year.

Financial Trend Analysis

The financial trend for Oil & Natural Gas Corporation Ltd. is currently flat. The latest quarterly results show a significant decline in profit before tax excluding other income, with PBT LESS OI(Q) at 3,752.11 crores, down 73.1% compared to the previous four-quarter average. Operating profit to interest ratio for the quarter is at a low 5.43 times, and the debtors turnover ratio for the half-year is 30.08 times, also at a low point. These figures indicate some short-term pressures on profitability and operational efficiency. However, the company's return on capital employed (ROCE) remains solid at 12.9%, supporting the view that the business continues to generate reasonable returns on invested capital despite recent challenges.

Technical Outlook

The technical grade for the stock is mildly bearish, reflecting some downward momentum in the price action. Over the last six months, the stock has declined by 14.11%, and the one-month return is -3.10%. These trends suggest caution for short-term traders, although the stock's valuation and dividend yield may appeal to longer-term investors seeking value in the oil sector.

Market Position and Institutional Interest

Oil & Natural Gas Corporation Ltd. is a large-cap company with a market capitalisation of approximately 2,98,153 crores, making it the second largest in the oil sector after Reliance Industries. It accounts for 11.49% of the sector's market weight and generates annual sales of 7,04,122.81 crores, representing 18.08% of the industry's total. Institutional investors hold a significant 37.61% stake in the company, reflecting confidence from knowledgeable market participants who typically conduct thorough fundamental analysis before investing.

Our latest monthly pick, this Small Cap from Oil Exploration/Refineries, is showing strong performance since announcement! See why our Investment Committee chose it after screening 50+ candidates.

- Investment Committee approved
- 50+ candidates screened
- Strong post-announcement performance

What This Rating Means for Investors

For investors, the 'Hold' rating on Oil & Natural Gas Corporation Ltd. suggests a cautious but steady approach. The company's strong quality metrics and attractive valuation provide a foundation for potential future gains, especially if operational challenges are addressed and market conditions improve. However, the flat financial trend and mildly bearish technical signals imply that upside may be limited in the near term. Investors should weigh the company's dividend yield and market position against the current earnings volatility and price momentum before making portfolio decisions.

Summary

In summary, Oil & Natural Gas Corporation Ltd. presents a mixed but balanced investment profile as of 12 September 2026. The 'Hold' rating reflects a stock that is fairly valued with solid fundamentals but facing some short-term headwinds. Its strong debt servicing capability, healthy sales growth, and appealing dividend yield are positives, while recent profit declines and technical weakness warrant caution. This nuanced view helps investors understand the company's current standing and make informed decisions aligned with their risk tolerance and investment horizon.