

ONGC BUY-BACK 20/12/2018

INDUSTRY - OIL AND GAS
BSE Code - 500312
NSE Code - ONGC
NIFTY - 10,951.70

Company Data

CMP(Rs.) 148

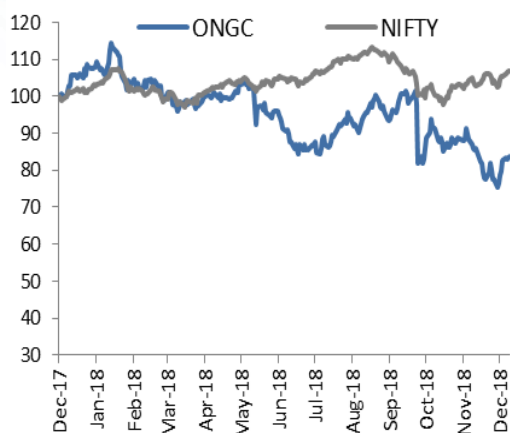
52wk Range H/L 212/134
Mkt Capital (Rs Cr) 1,90,766.04
Av. Volume (,000) 588.41

Shareholding pattern %

	2QFY19	1QFY19	4QFY18
Promoters	67.48	67.45	67.72
Public	32.52	32.55	32.28
Total	100.0	100.0	100.0

Stock Performance %

	1Mn	3Mn	1Yr
Absolute	1.5	-4.5	-20.9
Rel.to Nifty	2.5	8.2	4.9



BUYBACK DETAILS

Board Meeting Date	20-Dec-18
Buy Back Size	252955974 Equity Shares (1.97% of total outstanding share capital)
Buy Back Size (Amount in Rs.)	4022 crs
Buy Back Price/Share in Rs.	159
Buy Back Route	Tender Route

Reservation for Retail Shareholders	15%
No of shares reserved for Retail Shareholders	37943396
Retail Share Holders	216679520

View & Valuation

We assume that around 25% shareholders in retail segment shall tender their shares and hence acceptance ratio can come to around 70%. This generates an expected return of 8% assuming post buyback price to be Rs 166, valuing 9x FY20e EPS. We recommend investors to participate in Buyback offer.

Target Case Scenario

No. of shares tendered (25% of total retail shares)	54169880	Reserved for Retail	37943396
CMP (Rs)	148	Acceptance Ratio	70%
Buy-Back Price (Rs)	159	Potential Upside	8%

TABLE SHOWING EXPECTED RETURN POTENTIAL IN DIFFERENT SCENARIOS

Scenario	Shares tendered as a % to total retail shareholders	Calculated Acceptance Ratio	Expected Market Price post Buy-Back	Expected Return to Investors (Tax Adjusted)
1	25%	70%	166	8%
2	50%	35%	166	8.9%
3	65%	27%	166	9.3%
4	100%	18%	166	9.6%
5	25%	70%	184	11%
6	50%	35%	184	15.6%
7	65%	27%	184	17%
8	100%	18%	184	18%
9	25%	70%	150	4.8%
10	50%	35%	150	3.0%
11	65%	27%	150	2.5%
12	100%	18%	150	2.1%

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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