

Pick of the Week

BUY – ONGC (ONGC)

CMP: ₹282 as on 30 March 2026

Fair Value (FV): ₹375

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Time Period: 12 months

Why Invest?

- We are raising our oil price assumptions to \$85/bbl for FY27, \$75/bbl for FY28 & LT (\$65/bbl for FY27/28E & \$70/bbl for Long Term (LT) earlier).
- Higher oil prices led to increased oil realization, along with a rising share of new well gas (NWG).
- Driven by higher crude price assumptions and NWG realization, we raise our FY27/28 standalone EBITDA estimates by 40%/21%.
- The share of NWG has already increased to ~18%. ONGC realizes a price of 12% of the oil price with no cap.
- With gas production ramp-up at KG-98/2 and rising output from Western offshore assets (Mumbai High & Daman), the outlook is particularly optimistic for gas.
- With a constructive oil price & production outlook, we raise ONGC's P/E multiple to 7x from 6.5x.
- We upgrade ONGC to BUY with a Fair Value of Rs375.
- ONGC is our top pick.

Upgrade to BUY with

FV Rs-375

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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