



Conviction Ideas

ONGC – Dividend Yield Stock



Some investors like stocks which gives annuity kind of return over a period of time. Good dividend paying companies will satisfy the needs of these types of investors. The important factor while selecting dividend yield stocks is companies should pay dividend consistently. Companies paying dividend during economic boom and skipping or reducing during downturn will not be an ideal choice. Below mentioned company is fundamentally good and having good dividend yield. Currently majority of savings bank account give 3.5% interest rate while dividend yield of below mentioned stock are above 4%. Moreover these stocks will give capital appreciation in long run and time to time they announce buyback. Long term investors who are looking for good dividend yield as well as capital gain can accumulate Oil India in current volatile market condition.

Company	Business	Dividend per Share	CMP*	Yield %
ONGC	Oil & Gas Exploration	5.25**	139	3.8

*Current Market Price as on 19th Feb 2019

** Interim Dividend for FY19

Ex Date : 28-Feb-2019

ONGC, a Maha Ratna PSU company is the largest crude oil and natural gas Company in India, contributing around 70 per cent to Indian domestic production. It is the only public sector Indian company to feature in Fortune's. ONGC has a unique distinction of being a company with in-house service capabilities in all areas of Exploration and Production of oil & gas and related oil-field services. Standalone crude oil production recorded increase to 22.31 MMT in FY'18 as compared to 22.25 MMT in FY'17. Natural gas production registered an impressive growth of over 6% as production for FY'18 rose to 23.48 BCM as compared to 22.09 BCM in FY'17. ONGC Videsh, wholly owned subsidiary has participation in 41 projects in 20 countries. ONGC Videsh maintains a balanced portfolio of 15 producing, 4 discovered/under development, 18 exploratory and 4 pipeline projects. The Company currently operates/ jointly operates 21 projects. ONGC Videsh had total oil and gas reserves (2P) of about 711 MMTOE as on April 1, 2018. The other major subsidiaries of the company are MRPL, HPCL and ONGC Petro additions.

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