

All State-Run Oil Cos Exceed Capex Target

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New Delhi: Indian Oil, Hindustan Petroleum, Bharat Petroleum, and GAIL have exceeded their capital expenditure targets for the current fiscal, having spent heavily on refinery upgrades, pipelines, and marketing infrastructure.

The combined capex target set for all state-run oil producers, refiners and marketers for 2018-19 is ₹89,335 crore, of which they have collectively spent ₹82,711 crore, or about 93%, in the 11 months through February.

Explorer Oil and Natural Gas Corp, which typically has much higher spending budget every year than the refiners, has spent about 80% of its annual target of ₹32,000 crore. Its overseas arm, ONGC Videsh, has used up about 85% of its ₹5,890 crore target, while another state-run producer, Oil India, has spent 78% of its target of ₹4,300 crore.

Gas marketer GAIL and refiners Indian Oil, HPCL and BPCL have surpassed their annual target in 11 months. BPCL has spent ₹8,993 crore, or 121% of its target.

Capex Math



	Target for 2018-19 (₹ Cr)	Spending in Apr-Feb (₹Cr)	Share of target achieved
ONGC	32,077	25,654	80%
ONGC Videsh	5,886	4,991	85%
Oil India	4,300	3,366	78%
GAIL	4,722	5,059	107%
Indian Oil	22,862	23,492	103%
HPCL	8,425	8,938	106%
BPCL	7,400	8,993	121%



GAIL, which is investing heavily in laying a gas pipeline in eastern India, had spent ₹5,059 crore until February, or 107% of its target for the year.

HPCL has already used up ₹8,938 crore, or 106% of its annual outlay. Indian Oil, the nation's largest refiner and fossil fuel retailer, has invested ₹23,492 crore, or 103% of its target. Refiners have been upgrading their facilities to produce lower-emission fuels that will help curb intense air pollution in cities. They have also been spending on setting up new pipelines, depots and retail outlets.

Indian oil companies have been investing heavily in finding, refining and distributing oil and gas across the country for the last many years to meet mounting demand for fuel and feedstock. Meanwhile, economic expansion has pushed up oil demand by 3.2% during April-Feb of 2018-19.

India is also hoping to increase its domestic oil output and reduce its dependence on import by making massive investments in exploration and production. Domestic crude oil output has been declining for years. India imports about 80% of the oil and about half of the natural gas it consumes. The import bill of crude oil is estimated to expand 27% from \$88 billion in 2017-18 to \$112 billion in 2018-19.