BPCL Spent Just 35% of FY Capex Target during April-October

Co slowest spender, Oil India fastest as state-run oil cos together spend 40% of combined target in 7 mnths

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New Delhi: Bharat Petroleum Corporation (BPCL), which is seeking a new owner and has been operating without a full-time chairman and managing director for three months, has been the slowest capital spender among state-run oil companies so far this financial year. Oil India has been the fastest.

Between April and October, BPCL spent just 35% of its capex target of ₹9,000 crore for the year while Oil India spent 47% of its target of ₹3,877 crore.

All state-run oil companies have collectively spent ₹40,000 crore in the first seven months of 2020-21, or about 40% of their combined annual target of ₹98,522 crore.

The government is seeking to sell its entire majority stake in BPCL to a private player and is said to have received expressions of interest from three parties. A final deal may take months.

Meanwhile, the positions of chairman and managing director and director (refineries) are vacant after the incumbents retired three months ago. Their duty is being temporarily discharged by two other directors.

Most state-run oil companies have been slow spenders this year due to Covid-19-induced economic uncertainties and restricted mobility for months. Supply chain disruption and slow return of migrant workers to sites slowed project execution.

With the novel coronavirus still raging and international mobility restricted, companies continue to face some execution challenges.

The government has been prodding resource-rich state-run oil companies to move fast on capital spending, hoping it will help lift the economy hurt by the pandemic.

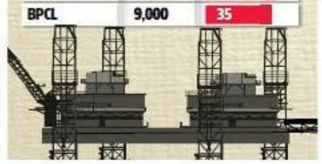
Finance minister Nirmala Sitharaman has been regularly monitoring their capital spending.

GAIL, the nation's largest natural gas transporter and marketer, has been the second-slowest capital spender. It has used up only 37% of its capex target of ₹5,400 crore so far. Indian Oil Corporation, the nation's largest refiner and fossil fuel retailer, has spent 40% of its target of ₹26,233 crore.

ONGC Videsh has been the second-fastest spender, exhausting 46.8% of its annual target of ₹7,235 crore. HPCL has spent 41.6% of its target of ₹11,500 crore while ONGC, the nation's largest oil and gas producer, has used up 40.3% of its target of ₹32,500 crore.

At A Crawl

Company	FY21 capex target (₹ cr)	% spent in April-Oct
OIL INDIA	3,877	47.1
ONGC VIDESH	7,235	46.8
HPCL	11,500	41.6
ONGC	32,502	40.3
INDIAN OIL	26,233	40
GAIL	5,412	37.2
BPCL	9,000	35



Plastic firms seek regulator for raw material pricing, easing of imports

OUR BUREAU
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Plastic manufacturers and processors have urged Prime Minister Narendra Modi to constitute a regulatory authority to curb undue profiteering by petrochemical companies.

Hit by sharp increase in price of raw material (resin), ten leading plastics associations have written to Modi demanding constitution of Petrochemical Regulatory Authority to ensure that the PSUs such as IOCL, GAIL, BPCL support the domestic processing units by ensuring adequate supply at a fair price.

'Ease raw material imports'

They urged the government to stop imposing barriers such as anti dumping duty and mandatory BIS standards as demand for several polymers exceed domestic production.

They also want an immediate ban on export of raw material to ease domestic supply and check price rise.

The plastics industry consists of over 50,000 plastics processing units of which 90 per cent are MSME's. It contributes more than ₹3 lakh crore to the country's GDP.

Chandrakant Turakhia, President, the All India Plastics Manufacturers Association said the prices of the raw materials such as PVC, ABS, polypropylene, PC, PET have increased by 20-140 per cent over the last five months.

"The petrochemical companies are taking advantage of the surge in polymer prices by restricting the supplies to domestic processing units and releasing the material after increasing the prices at regular intervals," he said in the letter. Compared to international prices, the rationale for price increase by domestic producers are not justified, he added.

Since domestic petrochemical producers do not enter into forward contracts like in overseas, price manipulation by domestic companies become easy, it said.

MV Iyer assumes charge as Director (Business Development), GAIL

MV Iyer assumed charge as Director (Business Development) of GAIL (India) Limited. Before this, he was working as Executive Director (Projects) with the company. Iyer has 33 years of rich and diverse experience in GAIL in projects execution amounting to Rs 40,000 crore, including current projects worth Rs 25,000 crore spanning 16 states, 150 districts and City Gas Distribution (CGD) projects in six cities. As a target-oriented professional, he has consistently delivered results in projects, operations and maintenance roles.