



Slow Spending Drags Oil PSU Capex to 47% of FY21 Target

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New Delhi: Slower spending by heavyweights like ONGC, Indian Oil and Bharat Petroleum has dragged the state-run oil companies' average capital expenditure so far this year to 47% of the 2020-21's target of Rs 98,500 crore.

Between April and November, state-run oil companies have spent Rs 46,300 crore. The capital spending was hurt in the initial months of the financial year due to the



pandemic and the lockdown but has now picked up with companies putting in extra effort to make up for the lost time.

The pace of spending has been relatively better at smaller companies like Oil India and ONGC Videsh, which have spent 55% and 52% of their respective targets. But bigger companies like ONGC and Indian Oil, which together make up 60% of the combined capex target of state oil firms, have spent just 46% of their respective targets in the first eight months of the year. ONGC, the country's largest

producer of oil and gas, has a target of Rs 32,500 crore while Indian Oil, the nation's largest refiner, is targeting to spend Rs 26,200 crore.

BPCL, which is in the middle of a divestment process, has been the worst performer with just 41% of planned capex being used up so far. The government is currently evaluating the suitability of three players who have expressed interest in buying the state's entire majority stake in the refiner.

HPC has spent 49% of its target capex while GAIL, the nation's largest gas marketer and transporter, has used up 48% so far.