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Capex by CPSEs hit 68% of FY23 target by December

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Capital expenditure (capex) by large central public sector enterprises (CPSEs) — with a target of ₹100 crore or more — touched 68 per cent of the annual target of ₹6.62 trillion during the first nine months of FY23, according to sources.

During the same period a year ago, CPSEs were able to exhaust only 63.29 per cent of the full-year target.

Petroleum CPSEs and National Highways Authority of India (NHAI) have so far driven the capex among CPSEs.

NHAI achieved 90 per cent of its annual capex target of ₹1.34 trillion by December while Indian Oil Corporation (IOC) achieved 95 per cent of its annual target of ₹28,549 crore. This is on the back of resumption of work on IOC's pipeline projects after the pandemic and its enhanced refining capacity.

GAIL (India) has spent 95 per cent of its annual capex target of ₹7,500 crore. It is on the back of investment in pipelines for natural gas transmission and distribution. In FY22, CPSEs had spent a capex of ₹5.5 trillion or achieved 96 per cent of its annual target of ₹5.75 trillion. The largest crude oil and natural gas producer, ONGC, has achieved 64 per cent of its budgeted annual capex target of ₹29,950 crore.

The Railway Board, excluding Dedicated Freight Corridor Corporation of India (DFCCIL) and Kolkata Metro Rail Corporation (KMRCL), achieved 56 per cent of the capex target of ₹2.32 trillion.

A government official said that, for the last five years, CPSEs have managed to achieve around 96-97 per cent of their annual capex target

The revised estimates on capex of individual CPSEs in the upcoming Budget would depend on their performance in spending till now. "CPSEs that fail to meet their targets may see a cut in their capital outlay in the upcoming Budget. The capex targets are taken seriously by these CPSEs as they help the government undertake their performance evaluation and decide on performance-related pay," the official said. NTPC — with the highest budgeted capex under the power ministry — has managed to achieve 79 per cent of its target of ₹22,454 crore up to December.

The capex report of CPSEs after the end of every month is sent for review to the Prime Minister's Office (PMO).

In Budget 2022-23, Finance Minister Nirmala Sitharaman announced an increase of 35.4 per cent in the capital expenditure outlay to ₹7.5 trillion, including a ₹1 trillion interest-free loan to states.

During April-November of FY23, the Centre has been able to spend only 59.6 per cent of its full-year capex target, according to latest data available from the Controller General of Accounts.

Earlier, Chief Economic Advisor V Anantha Nageswaran had said the government should focus on completing ongoing capex projects in the public sector rather than starting new ones.