Economic Times, Delhi, 22/10/2025
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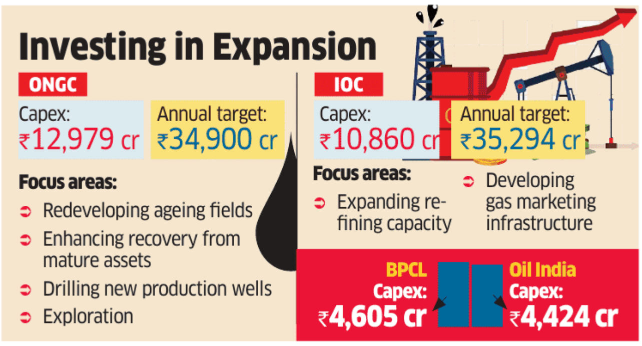
ONGC LEADS WITH CAPITAL EXPENDITURE OF ₹12,979 CR

₹46,600 Crore Oil & Gas PSUs Spend 35% of FY26 Capex Target till August

Sanjeev Choudhary



New Delhi: State-run oil and gas companies spent a combined ₹46,600 crore in the first five months of this financial year, achieving 35% of their annual capital expenditure target of ₹1.32 lakh crore.

Oil and Natural Gas Corporation (ONGC) led the pack with a capex of ₹12,979 crore, followed by Indian Oil Corporation (IOC) at ₹10,860 crore, according to petroleum and natural gas ministry data. ONGC has an annual target of ₹34,900 crore, while IOC has set a target of ₹35,294 crore.

A large part of ONGC's capital spending goes into redeveloping ageing fields, enhancing recovery from mature assets and drilling new production wells, with a significant share also directed toward exploration.

Much of Indian Oil's expenditure is focused on expanding refining capacity and developing gas marketing infrastructure.

ONGC and its group companies — ONGC Videsh (₹2,310 crore), Hindustan Petroleum Corporation (₹4,187 crore) and Mangalore Refinery and Petrochemicals (₹627 crore) — together spent ₹20,103 crore in April-August.

Hindustan Petroleum is nearing completion of its greenfield Barmer refinery, while ONGC Videsh has been investing in the exploration and development of overseas fields.

At ₹4,605 crore, Bharat Petroleum Corporation has been the third-largest spender this year among state-run oil firms, followed by Oil India, which spent ₹4,424 crore.

ONGC and its group companies had all together spent ₹20,103 crore in April-August

Oil India's subsidiary, Numaligarh Refinery Ltd (NRL), currently expanding its refining capacity, spent ₹2,547 crore till August in this fiscal.

GAIL (India) Ltd, the country's largest natural gas transporter and marketer, spent ₹3,853 crore of its annual capex target of ₹8,377 crore. The company is ramping up pipeline capacity across the country and expanding its petrochemical operations.

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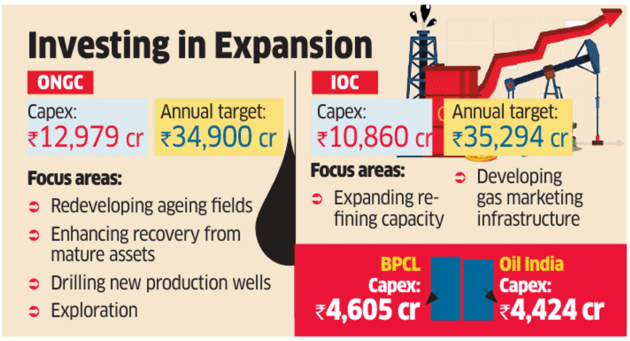

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ONGC eases financial criteria in tenders to accommodate US firms

AMITAV RANJAN

NEW DELHI: To accommodate US firms in its procurement tenders, Oil & Natural Gas Corp (ONGC) will allow bidders to submit parent firm's consolidated accounts for assessing their financial capability. However, the turnover period for evaluation is being extended to last three financial years from existing last two financial years.

This will allow a subsidiary to use the financial strength of its parent company in bidding for ONGC tenders. In many instances, the parent entity does not undertake operational activities itself and hence, the subordinate does not demonstrate a significant turnover on a standalone basis.

"The existing requirement for 'Audited Standalone Financial Statements' is being modified to allow 'Audited Standalone/Consolidated Financial Statements' and bidders from countries without a requirement for standalone statements can submit consolidated statements," said an official.

However, all financial parameters must be met by either standalone or consolidated statements, but not a mix of both, and the average turnover period for evaluation should be of the last three financial years, instead of current two years, he said.

A Procurement Management Cell circular of April 2025 allowed only audited standalone annual financial statements in bidding. This drew requests from bidders, particularly from the US, who highlighted that they do not prepare separate audited standalone financial statements as it is not required under applicable Securities and Exchange Commission regulations.

Under US GAAP, companies with subsidiaries are generally required to prepare consolidated financial accounts. In contrast, under the Indian Companies Act, 2013, both standalone and consolidated financial statements are mandatory.

The PMC April 2025 circular has also been revised to consider average turnover of the bidder for the previous three financial years to align with the provisions of Department of Expenditure manual and norms followed by other public sector undertakings, the official.

The third change in bidder financial criteria allows a 15 per cent turnover relaxation for startups and micro and small enterprises, provided quality and technical standards are met, excluding public safety, health, security, or offshore contracts.