

Indian Oil Corp to continue to operate its refineries below capacity in 2020/21

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It's very difficult to predict but, of course, one thing is sure that we will not get back to normal times at least in the near future," Vaidya said of future oil demand. The Centre has been easing nationwide lockdown in phases but imposition of local lockdowns by several states have restricted mobility, economic activity and the demand for fuel. This has now slammed brakes on the rapid recovery in fuel demand seen during May and June. The rate of Covid-19 infections in the country accelerated with about 50,000 cases being reported daily.

Indian Oil's refinery run rate has also fallen to 75% from 93% seen earlier in July. Vaidya expects refinery run rate to stay around 70-75% for the rest of the year. Lower domestic demand and an oversupplied export market are keeping runs low at Indian refineries.

Oil prices would likely hover around \$40 a barrel in the second half of 2020, Vaidya said. Crude has more than doubled since late April to \$43 a barrel.

Indian Oil's profit dropped 47% in the April-June quarter to Rs 1,911 crore on inventory losses. The revenue for the quarter dropped 41% from a year earlier to Rs 88,937 crore on lower oil prices. The gross refining margin for the quarter was negative \$1.98 per barrel compared to \$4.69 per barrel in the year-ago quarter.

Read more at:

https://economictimes.indiatimes.com/industry/energy/oil-gas/indian-oil-corp-to-continue-to-operate-its-refineries-below-capacity-in-2020/21/articleshow/77285477.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
