NEW DELHI: The Oil and Natural Gas Corporation (ONGC

), which once had $4.3 billion of funds, is now bleeding cash.

The state-run company's cash reserves have shrunk by more than 90 per cent in the past year, after it was ordered to purchase the government's stake in Hindustan Petroleum Corporation Limited (HPCL

) and it paid a record dividend. ONGC's reserves dropped to about Rs 1,000 crore as on March 31 from nearly Rs 1,300 crore a year earlier, according to data complied by Bloomberg.

The government which is ONGC's largest shareholder, has been tapping state-run companies including India's biggest energy explorer to bridge its fiscal deficit

. That's left the company with depleting cash at a time when it has been ordered to boost investment to help cut the nation's crude imports. ONGC paid Rs 42,600 crore last fiscal year as dividend to the government and to buy its stake in the refiner.

"ONGC is heavily leveraged now," Aloke Kumar Banerjee, the company's former finance head, said in an interview. "It's important for exploration companies to have sizable cash balance as buffer. It's a high-risk business."

The energy explorer's shares have fallen 17 per cent from a January high and ended last week at Rs 173.20.

ONGC aims to spend Rs 86,000 on 31 big projects to boost oil and gas production, according to its website. The company has started work on its largest-ever exploration project that will require investments of more than $5 billion over about four years.

Earlier this year, ONGC sold debt for the first time to pay for the Rs 36,920 acquisition of the government's holding in HPCL. Its capital expenditure

swelled to a record Rs 72,900 crore in the year ended March as it also invested Rs 28,350 crore on exploration and production, and Rs 7,480 crore to buy a stake in a block operated by Gujarat State Petroleum Corp, according to the company's website.

ONGC has about Rs 25,000 crore of one-year loans maturing in January, according to company officials, who asked not to be identified as they are not allowed to speak to the media. It used up cash it had for capital expenditure and the acquisitions and needs about Rs 21,000 crore more for the final dividend payout for the year ended March, the officials said.

The company officials said that ONGC has no plans to raise more debt to fund its capital expenditure of Rs 32,000 crore in the current fiscal that started April 1. Cash flows through the year will suffice, they said.

In the past, ONGC has been asked to share fuel subsidies by selling oil to refiners at a discount, a burden that was taken entirely off its back only in the year ended March 2017.

Despite these pressures ONGC 's credit rating remains good, primarily because it is majority owned by the government, which means a sovereign assurance and easier access to the domestic banking system.

Moody's Investors Service has a very high investment grade rating on ONGC, Vikas Halan, senior vice president at the ratings company said in an interview. "In terms of financial ability, they have access to the banking sector in India unlike anybody else."