

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:4847

ANSWERED ON:19.04.2001

SALE OF STAKE OF REFINERIES

A.P. JITHENDER REDDY;BHIM PRASAD DAHAL;RAMESH CHAND TOMAR;RAVI PRAKASH VERMA;SULTAN SALAHUDDIN
OWAIS!

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) Whether the Government plans to mop up Rs. 1317 crores from the sale of its stake in three refineries to IOC and BPCL;
- (b) if so, the details of the plans;
- (c) whether the sale of refineries to IOC and BPCL would have any impact on the performance and future plans of the oil companies; and
- (d) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLUEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA UNSTARRED QUESTION NO.4847 FOR ANSWER ON APRIL, 2001 REGARDING SALE OF STAKE OF REFINERIES

(a) & (b) : With a view to strengthening the stand alone refineries to face the ensuing deregulated environment and improving the synergy between the refineries and marketing companies in the public sector, Government decided to restructure these public sector undertakings (PSUs). Consequently, the entire shareholding of Government in Chennai Petroleum Corporation Ltd. (CPCL) and Bongaigaon Refinery and Petrochemicals Ltd. (BRPL) have been sold to IOC and that in Kochi Refineries Ltd. (KRL) to BPC for total consideration of Rs.1317.23 crores (i.e. IOC = Rs.658.13 crore, BPC = Rs.659.10 crore)

(c) & (d) :There is synergy and inter-dependence between the above refineries and the marketing companies, viz. IOC and BPCL, which have set up marketing infrastructure to evacuate the products of these refineries to meet their marketing volumes in the Southern region of the country. With acquisition of Government's stake in these refineries, IOC and BPC can plan effectively their future marketing strategies along with the expansion and modernisation programmes of the refineries so as to enhance their competitiveness under deregulated market conditions.