

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT

LOK SABHA
UNSTARRED QUESTION No. 2111
TO BE ANSWERED ON Monday, March 08, 2021
Phalguna 17, 1942 (Saka)

Sale of BPCL and HPCL Stake

2111. SHRI RAHUL KASWAN

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has proposed to sell its stake in Bharat Petroleum Corporation Ltd. (BPCL) and Hindustan Petroleum Corporation Ltd. (HPCL);
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the details of investment made and profit earned by HPCL and BPCL during the last five years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) Government has 'in-principle' approved :-
 - (i) strategic disinvestment of its entire 52.98% shareholding in Bharat Petroleum Corporation Limited, alongwith transfer of management control to a strategic buyer, and
 - (ii) strategic disinvestment of BPCL's 61.65% shareholding in Numaligarh Refinery Limited (NRL) along with transfer of management control to a CPSE in oil & gas sector.

Government of India does not have any stake in Hindustan Petroleum Corporation Limited.

- (b) Strategic disinvestment of CPSEs is being guided by the basic economic principle that Government should discontinue in sectors, where competitive markets have come of age and economic potential of such entities may be better discovered in the hands of strategic investor due to various factors such as infusion of capital, technological upgradation and efficient management practices and would thus add to the overall economic growth of the country.

NITI Aayog had been mandated to identify and recommend CPSEs for strategic disinvestment, which are not in 'priority sector', based on the criteria of (i) National Security; (ii) Sovereign function at arm's length; and (iii) Market Imperfections and Public Purpose.

The recommendations made by the Niti Aayog in the case of BPCL were based on the reasoning that Oil marketing companies are profitable entities in a State-controlled oligopoly that has a significant investment cycle ahead. It would vastly improve efficiency in the marketplace and provide benefit to consumers, if the oligopoly became more competitive with the material presence of a private sector participant that would compete to enhance its share while bringing best practices to the industry.

(c)The information regarding investment made and profit earned by the two companies, as per the audited financial accounts available on the respective websites of BPCL and HPCL is annexed.

· Answer to Lok Sabha Unstarred Question No. 2111 for reply on 8th March, 2021

Details of investment made and profit earned by HPCL and BPCL during the last five years

Financial Year	BPCL (Consolidated)		HPCL (Consolidated)	
	PAT during the year (in Rs. cr)	Investment made (in Rs. Cr)	PAT during the year (in Rs. cr)	Investment made (in Rs. Cr)
2019-20	3665.78	27061.38	2638.73	14395.61
2018-19	8527.85	24907.15	6690.63	14297.45
2017-18	9791.91	23724.83	7218.28	12882
2016-17	9506.97	21327.41	8235.82	11773.43
2015-16	8463.98	7736.3	4846.91	5570.43