

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

**LOK SABHA**  
**STARRED QUESTION NO. \*84**  
TO BE ANSWERED ON MONDAY, FEBRUARY 8, 2021  
MAGHA 19, 1942 (SAKA)

**Disinvestment of BPCL**

\*84. SHRI MARGANI BHARAT: SHRIMATI SAJDA AHMED:

Will the Minister of FINANCE be pleased to state:

- (a) the reasons for disinvestment of the Bharat Petroleum Corporation Limited (BPCL) along with the status of its disinvestment process;
- (b) whether multiple Expression of Interest (EoIs) have been received from various players for BPCL and if so, the details thereof;
- (c) the details of rehabilitation policy adopted for BPCL employees;
- (d) whether the employees' unions have opposed the strategic selling of BPCL and if so, the details thereof;
- (e) whether any consultations have been held in this regard and if so, the outcome thereof; and
- (f) whether the Government is considering to retract its decision to sell BPCL and if so, the details thereof?

**ANSWER**  
THE MINISTER OF FINANCE  
(SMT. NIRMALA SITHARAMAN)

- (a) to (f): A statement is laid on the table of the House.



**STATEMENT REFERRED TO IN REPLY TO PART (a), (b), (c) (d), (e) and (f) OF THE  
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2021 REGARDING 'DISINVESTMENT OF BPCL'**

(a) and (b): As per the extant procedure, NITI Aayog has been mandated to identify and make recommendations for strategic disinvestment of CPSEs, not considered as of 'High Priority' for the government ownership. While making recommendations for Strategic Disinvestment of BPCL, NITI Aayog observed 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.

Based on the above recommendations of NITI Aayog, CCEA accorded 'In Principle' approval for strategic disinvestment of BPCL on 20.11.2019. Government expects that the strategic buyer will bring funds/technology/new management etc. for optimum development of business potential of the BPCL. The growth of the BPCL, post-disinvestment, would be able to generate higher economic activity including growth of the ancillary industries, which will create new job opportunities. The resources unlocked by the strategic disinvestment of BPCL would be used to finance the social sector/developmental programmes of the Government benefiting the public.

The process for strategic disinvestment of BPCL has been carried forward with the issue of the Expression of Interest (EOI) Document by the Government, in response to which, multiple Interests have been received by the Transaction Advisor, who is bound by the non-disclosure agreement for not sharing the information relating to bidders during the currency of the process to ensure competitive non-collusive bidding.

(c) The proposed strategic disinvestment of the company is on a 'going concern' basis, with change in ownership only and hence, there is no question of rehabilitation of employees, who will continue to be company's employees in terms of the agreed terms and conditions laid down in the Share Purchase Agreement for such strategic sale.

(d) and (e): Various employees' unions had approached the Hon'ble Supreme Court and Hon'ble Bombay High Court by filing Writ petitions/ Public Interest Litigations against the strategic

disinvestment of BPCL. The Supreme Court dismissed one case on the grounds of no merit in the writ petition filed under Article 32 of the Constitution of India and the petition was withdrawn. The Bombay High Court dismissed two cases, filed by various employees Unions finding no merit therein. Further, representations are received from the employees' unions from time to time opposing the strategic disinvestment of BPCL, which are duly considered as per the extant disinvestment policy of the Government.

(f) No sir.

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