

LOK SABHA
UNSTARRED QUESTION NO.4192
TO BE ANSWERED ON 22nd MARCH, 2021

Reforms in Operations of BPCL

**4192 DR. A. CHALLAKUMAR:
SHRI VINCENT H. PALA:
SHRI BENNY BEHANAN:
SHRI K. MURALEEDHARAN:
SHRI KUMBAKUDI SUDHAKARAN:
SHRI M. SELVARAJ:**

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

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

- (a) the annual dividend of Bharat Petroleum Corporation Limited (BPCL) for the last ten years;
- (b) the projected annual dividends and other receipts from BPCL for the next ten years;
- (c) the current valuation(s) of BPCL by the Government, employee unions, and any other stakeholders;
- (d) whether the Government is taking any steps to ensure proper price discovery in the evaluation process for BPCL and if so, the details thereof;
- (e) whether the expected receipts from disinvestment exceed the projected receipts from dividends by BPCL and if so, the details thereof; and
- (f) whether the Government has developed or considered any plan to reform the management and operations of BPCL to improve its competitiveness and efficiency while maintaining ownership, if so, the details thereof and if not, the reasons justifying the same?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्री (श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)**

- (a) & (b) Annual dividend received from BPCL in last 10 years is at Annexure. Being a listed company, under the Companies Act, 2013, the decision for payment of dividend vests with the Board of the Company, hence no projections can be made by the Govt. as the promoter. The other main receipts are in the nature of direct and indirect taxes, the incidence of which does not depend upon the ownership of the Company.
- (c) & (d) As per the extant procedure, valuation made by the Advisors appointed by the Govt. only is considered for Reserve Price fixation. In order to ensure non-collusive

competitive bidding, absolute confidentiality is maintained in the valuation and the Advisors are bound by the Confidentiality Undertaking in this regard. Valuation provides only a benchmark for fixation of Reserve Price while the price discovery is a product of competitive bidding. The process of financial bidding is guided by the principles of transparency, fair play, promoting competition and ensuring highest degree of integrity and probity. The Reserve Price is arrived at through a due process only after the financial bids have been received.

(e) The quantum of disinvestment receipts from BPCL will be known only after the successful conclusion of the transaction.

(f) 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, and creation of 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.

Annexure

Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No.4192 for 22.3.2021 asked by Dr. A Chalakumar and others regarding 'Reforms in Operations of BPCL'.

Annual Dividend from BPCL for the last ten years (Accrual Basis)

Year	Annual Dividend (Rs.in cr)
2019-20	3579.27
2018-19	4121.58
2017-18	4555.43
2016-17	4700.05
2015-16	2241.56
2014-15	1626.94
2013-14	1229.24
2012-13	795.39
2011-12	397.70
2010-11	506.16