

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT  
(DIPAM)

LOK SABHA  
UNSTARRED QUESTION No.2140  
TO BE ANSWERED ON MONDAY, AUGUST 2, 2021  
SRAVANA 11, 1943 (SAKA)

**Privatisation of Visakhapatnam Steel Plant and BPCL**

2140. SHRIMATI SAJDA AHMED:  
SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:  
SHRI KAUSHALENDRA KUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has finalised the privatization plan of Visakhapatnam Steel Plant;
- (b) if so, the details thereof along with the rehabilitation plan of the Government for the contractual employees of Visakhapatnam Steel Plant;
- (c) whether it is a fact that BPCL has earned 7 times more profits this year as compared to previous year;
- (d) If so, whether it is not a good sign of better operation of BPCL and if so, the details thereof; and
- (e) Whether the Government is considering to review its decision to privatise BPCL and if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(DR. BHAGWAT KISHANRAO KARAD)**

**(a)&(b):** In pursuance of the decision of Cabinet Committee of Economic Affairs (CCEA) taken on 27.01.2021 for 100% disinvestment of Government of India's

shareholding in Rashtriya Ispat Nigam Limited (RINL) alongwith RINL's stake in its Subsidiaries/Joint Ventures through strategic disinvestment by way of privatisation, the process for engagement of transaction intermediaries like Transaction Adviser, Legal Adviser, Asset Valuer etc. has been initiated. While deciding the terms and conditions of strategic sale, legitimate concerns of existing employees and other stakeholders are addressed by incorporating appropriate provisions in Share Purchase Agreement (SPA)/Business Transfer Agreement (BTA).

**(c)&(d):** Profitability of the Oil Marketing Companies (OMCs) depends on several factors including global oil prices. During the year 2020-21, BPCL has earned Profit After Tax (PAT) of Rs.19, 042 Crore as against PAT of Rs.2, 683 Crore during 2019-20. The major contribution of earning higher profit during this year is mainly on account of sale of equity shares of Numaligarh Refinery Limited (NRL) [Profit before tax from sale of shares of NRL was Rs.9,422 Crore], higher inventory gains and adoption of new Income Tax rate during the year. Further, during the year 2019-20, in view of steep reduction in crude oil prices, depreciation of Indian rupee vis-à-vis US Dollar; BPCL has suffered huge inventory losses and foreign exchange losses resulting in lower Profit during that year. During the year 2016-17, 2017-18 and 2018-19 BPCL's PAT was Rs.8, 039 Crore, Rs.7, 976 Crore and Rs.7, 132 Crore respectively. Therefore, since in both the years 2019-20 and 2020-21, profitability of BPCL is exceptional due to the reasons explained above, it would not be appropriate to compare these two years profit to judge the BPCL's operational performance.

(e) No, sir.

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