

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 221**

TO BE ANSWERED ON MONDAY, JULY 19, 2021

Ashadha 28, 1943 (Saka)

**BPCL Dividend**

221. ADV. A.M. ARIFF: DR. AMAR SINGH: SHRI BENNY BEHANAN:

Will the Minister of FINANCE be pleased to state:

- (a) the annual dividend from the Bharat Petroleum Corporation Limited (BPCL) during 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 valuation process for BPCL and if so, the details thereof; and
- (e) whether the expected receipts from disinvestment exceed the projected receipts from dividends by BPCL and if so, the details thereof?

## ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE

(DR. BHAGWAT KISHANRAO KARAD)

(a) & (b): Annual dividend received from BPCL by the Government in last 10 years is annexed. BPCL is a listed Maharatna company, in which Government is the promoter and holds 52.98% equity shares, while the balance shares are held by other public shareholders. Under the Companies Act, 2013, the decision with regard to the declaration of dividend is based on the recommendations of the Board of Directors of the company, which is contingent on various factors such as profit for the financial year, availability of cash, extent of borrowing, and future capital expenditure plans, etc. Profitability in Oil Marketing sector, in general, is dependent upon international crude prices, demand for fossil fuels and growing use of alternative global clean energy sources, etc. The amount of final dividend as recommended by the Board of the Directors is considered and approved by the shareholders in the Annual General Meeting. Considering this, no projections for the future Dividend pay out by the Company can be made by the Government.

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, the valuation made by the independent valuers appointed by the Government is considered for the fixation of Reserve Price only. In order to ensure non-collusive competitive bidding, confidentiality is maintained with regard to the valuation exercise and the independent valuers are bound by a Confidentiality Undertaking. The Valuation, however, provides inputs 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 well-defined due process only after the financial bids have been received which are kept in sealed cover till the reserve price is determined.

(e): The quantum of disinvestment receipts from BPCL will be known only after the successful completion of the transaction, based on the price discovery through competitive bidding.

**Annexure to Lok Sabha Unstarred Question No. 221 for reply on 19-07-2021**

**Annual dividend received by the Government from BPCL for last ten years**

Year	Annual Dividend (Rupees in crore – rounded off)
2019-20	2,821
2018-19	2,091
2017-18	1,729
2016-17	3,098
2015-16	1,529
2014-15	675
2013-14	437
2012-13	218
2011-12	278
2010-11	278