

Govt weighs selling only a part of BPCL instead of full stake

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NEW DELHI

India is considering selling up to a quarter of state-run refiner Bharat Petroleum Corp Ltd after failing to attract suitors for the whole firm, two officials said, as the government's divestment programme moves slower than expected.

New Delhi is considering inviting bids for a 20%-25% stake in BPCL, instead of an outright sale of its entire 52.98% holding, the two government officials, who declined to be named, told Reuters.

The officials said discussions about the plan were in the early stages.

Initially, the government had aimed to raise \$8-\$10 billion from selling its full stake in BPCL. Having drawn up plans four years ago, it invited bids in 2020, hoping major players such as Russia's Rosneft might be interested.

But Rosneft and Saudi Aramco did not bid, as low oil prices at that time and weak demand curbed their investment plans.

The government officials said even a part sale of BPCL was unlikely to be completed this fiscal year as the process would take over 12 months. Sale prospects were hit by inconsistent policies on petrol and diesel prices, one of them said.

"There were many issues but most recently petrol prices not being raised for four months between November and February were presumed due to elections by the government," the

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REUTERS

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India had elections in five states including the bellwether Uttar Pradesh in February and pump prices only started moving up from 22 March, by which time Prime Minister Narendra Modi's Bharatiya Janata Party had won in four out of five states.

The current discussion began after all bidders had withdrawn from the process last month, both officials said.

Private equity firm Apollo Global Management and oil-to-metals conglomerate Vedanta Group were the final bidders, they said.

The government, Vedanta and BPCL did not immediately reply to emails seeking comment. Apollo Group declined to comment.

The backtracking on BPCL's full stake sale is symptomatic of slow progress in the government's privatisation plans.

In 2020, finance minister Nirmala Sitharaman announced plans to privatise most state-run companies, including banks, mining companies and insurers. **REUTERS**