



GOVERNMENT OF KERALA

**Pinarayi Vijayan**  
CHIEF MINISTER

D.O.No.1770/19/CM Dated 17.10.2019

**Dear Shri. Modiji,**

I would like to draw your kind attention to the reported move to privatise Bharat Petroleum Corporation Limited and request your intervention to retain the entity in public sector.

We are given to understand that, Government of India has initiated action through release of Request for Proposal (RFP). This has caused severe anxiety among general public in the State.

It may be taken note of that Government of Kerala was the promoter of the erstwhile Kochi refinery with 5 per cent stake. When it is taken over by BPCL, it was agreed that, Government of Kerala will have equity participation in BPCL with, one Director in the Board allotted to Government of Kerala. Accordingly, the Secretary, Industries Department, Kerala is a Board Director in BPCL. Our association with BPCL extends beyond the Board meetings.

The State Government has extended financial and non-financial incentives to BPCL, when the refinery capacity was augmented. The Government of Kerala has agreed to refund the entire 'Work Contract Tax' amounting to Rs. 85 crore to BPCL. It was also agreed to treat the additional VAT revenue, due to the augmented capacity of BPCL, as soft loan, which is refundable after 15 years. An amount of Rs. 1500 Crore is being advanced in this endeavor. All these assistances from the State Government was to ensure that, the public sector refinery ought to be strengthened.

Government of Kerala is proposing to set up a petrochemical park, adjacent to BPCL on the assurance that the feed stock from the refinery will be made available. With the initiation of the disinvestment process, the proposed

investment of around Rs. 25000 crore will become uncertain. The entrepreneurs who have come forward to invest are faced with the question whether the feedstock from the refinery will be available or not and if available the cost of the same.

The Government of Kerala and the civil society have a genuine concern that the disinvestment of BPCL will not be in the interest of more than thirteen thousand persons directly employed and other sectors on contract employment. The Company has been making profit all along and has made more than Rs.50000 crores of investment for the last five years. BPCL has also been undertaking CSR activities in line with its commitment to the State of Kerala. For these reasons, I am of the opinion that BPCL should continue to be in public ownership in national interest.

I request you to kindly issue appropriate directions to give up the move to disinvest BPCL, and retain it under the present ownership pattern, in the interest of all the stake holders and above all in national interest.

With regards,

Yours sincerely,



(Pinarayi Vijayan)

**Shri. Narendra Modi**  
Hon'ble Prime Minister of India  
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