

BPCL to bag 'Maharatna' status

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Mumbai: State-owned energy firm Bharat Petroleum Corporation Limited (BPCL) is set to bag the coveted 'Maharatna' status by the end of this fiscal joining the select league of seven Central Public Sector Enterprises as falling crude oil prices and reduced losses likely to add significantly to its profitability.

With increased profitability and reduced debts, the second largest state-owned refiner plans to invest Rs 1 lakh crore in the next five years, after prime minister Narendra Modi asked India Inc. to loosen in the purse strings to step up investments. So far, its private sector peer RIL led by Mukesh Ambani has announced Rs 1 lakh crore investments. BPCL's CMD Vardarajan, "The idea is to achieve the Maharatna status by posting superior profits in excess of Rs 5,000 crore by end of this fiscal. With good profits, we have drawn a 5-year (2016-2021) roadmap known as project 'Shankalp' to double our investments to Rs 1 lakh crore in next five years from Rs 50,000 crore spent in the last five years." A company needs average three years annual net profit in excess of Rs 5000 crore, average annual net worth of Rs 15,000 crore for three years and average annual turnover of Rs 25,000 crore for 3 years to get the 'Maharatna' status. So far only BHEL, Coal India, GAIL India, IOC, NTPC, ONGC and SAIL have the 'Maharatna' tag.

With 'Maharatna' tag, BPCL will race ahead its peer HPCL in the race as 'Maharatna' status will help BPCL to take investment decisions upto Rs 5,000 crore, or free to decide on investments up to 15% of its net worth in a project without seeking government's permission.