

LOK SABHA
UNSTARRED QUESTION NO. 1706
TO BE ANSWERED ON 01 AUGUST, 2024

Allocation of Petrol Pumps by PSU Oil Marketing Companies

1706 Shri Amrinder Singh Raja Warring:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the dealership commission of petrol pump has not been revised by PSU Oil Marketing Companies (OMCs) during the last seven years despite high inflation and high operational cost and if so, the details thereof along with the reasons therefor;
- (b) whether the families of martyrs belonging to the Indian Army or Central Armed Forces has been allotted petrol pumps and gas agencies, on compassionate grounds by the PSU OMCs to provide regular source of income to such families and if so, the details thereof;
- (c) whether many of the said families have either left the trade or gone bankrupt due to the very low margins; and
- (d) if so, the details thereof along with the measures taken by the Government to ensure their secure livelihood?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a): Petrol and diesel are marketed at retail outlets run by Oil Marketing Companies (OMCs) in both public and private sector. As of 01.07.2024, there were 90,639 retail outlets in the country of which about 90% belong to public sector companies and rest to the private sector companies.

Retail marketing of petrol and diesel is deregulated and decisions regarding their prices, including dealer margins, are taken by respective companies themselves.

For PSU OMCs, Dealer margins on retail sale of petrol and diesel primarily include operating costs, manpower costs / wages of employees, business returns, etc. Dealer margins were revised by PSU OMCs in August 2017. This revision had factored in a higher rate of wages to RO staff by dealers, which was based on Minimum Wages notified by the Central Government. Subsequent to the revision, OMCs advised the RO dealers to pay these prescribed wages to RO staff. To ensure implementation of revised wages by RO dealers, OMCs introduced appropriate clauses in Marketing Discipline Guidelines (MDG) – 2012.

However, while the revised dealer margins were implemented, several dealer federations challenged the MDG amendments relating to inter-alia payment of higher wages in various courts. While deciding the petitions filed by one dealer association, in January 2022, Hon'ble Delhi High Court upheld the amendments in the MDG. However, dealer associations filed Special Leave Petition (SLP) before the Hon'ble Supreme Court challenging the order passed by Hon'ble Delhi High Court and the matter is currently sub-judice.

Discussions and Negotiations regarding revision of dealer commission are held bilaterally between PSU OMCs and RO dealers' federations. Government is aware of these discussions and has been supportive of such engagements to resolve pending issues affecting revision.

(b) to (d): With a view to rehabilitate the bereaved families of the Defense personnel/who laid down their lives in the defence of the Nation during the Kargil War, Parliament Attack and Mumbai Attack, Government had introduced special schemes for direct allotment of Retail Outlets (ROs) to the wife /next of kin of the Martyrs. Public Sector Oil Marketing Companies (OMCs) allotted 322 Retail Outlets to the families of martyrs who laid down their lives in the defence of the Nation during the Kargil War, Parliament Attack and Mumbai Attack.

Public Sector Oil Marketing Companies (OMCs) have also informed that there is a provision of reservation for allotment of Retail Outlet dealership to the Widows/dependents of those members of Armed Forces who died in war or in harness due to attributable causes under Combined Category 1 (CC1) and have allotted 451 ROs under this category as on 30.06.2024. The selection/allotment under this category is done as per the extant RO dealer selection guidelines.

Public Sector Oil Marketing Companies (OMCs) have allotted 147 LPG distributorships to the families of martyrs belonging to the Indian Army or Central Armed Forces on compassionate grounds the for Operation Vijay Special Scheme (OVSS) and Mumbai martyrs.

Selection of LPG distributorship is carried out by Oil Marketing Companies as per Unified Guidelines for Selection of LPG distributorships. As per the Guidelines, a reservation of 8% is provided under Government Personnel (GP) Category, which covers - (i) Widows/Dependents of Armed Forces (viz., Army, Navy, Air Force) or Central Para Military Forces/Central or State Special Forces, those died while performing their duties, (ii) Disabled personnel of Armed Forces (viz., Army, Navy, Air force) or Central Para Military Forces/Central or State Special Forces while performing their duties. (iii) Ex-service man who has served for the Armed Forces (iv) Widows/Dependents of personnel of Central/State Governments and Public Sector Undertakings who died while performing their duties and such disabled personnel of Central/State Governments and Public Sector Undertakings causes attributable to performance of duties. A total of 277 LPG distributorships have been commissioned under Government Personnel (GP) Category as on 30.06.2024.

To ensure the sustainability of petroleum retail outlets and the quality of their services to customers, OMCs have added new generation fuels viz. premium MS/HSD, alternate fuels like Compressed Natural Gas (CNG), Compressed Bio Gas (CBG), Electric Vehicle Charging Stations (EVCS) and have been encouraging non-fuel businesses like Pollution Under Control (PUC) check, Insurance, Courier service, Service center for vehicle, Grocery stores, Convenience stores, Food & Beverages outlets etc.

PSU OMCs have informed that during the last 10 years, no RO dealerships / LPG distributorships allotted under the above categories have discontinued business due to low margins.

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