Action Plan for Major Oil Marketing Companies

†*125. Shri Hanuman Beniwal:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

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

(a) whether the Government has an action plan for the functioning of major oil marketing companies of the country such as Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL);

(b) if so, the details thereof;

(c) whether it is true that these companies have ignored several important guidelines issued by the Petroleum and Explosives Safety Organization and the provisions of Petroleum and Natural Gas Regulatory Boards Act, 2006 during this tender process;

(d) if so, the details thereof along with the details of the action taken/proposed to be taken by the Government against those responsible for this negligence/oversight; and

(e) whether it is true that in 2018, the oil marketing companies in India have issued several illegal work orders by ignoring the orders of the Delhi High Court related to the MSME act, 2012 as well as rules and regulations in executing the tenders for bulk LPG transportation by road for a period of five years and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question no. 125 asked by Shri Hanuman Beniwal, M.P. to be answered on 13th February, 2025 regarding 'Action Plan for Major Oil Marketing Companies'.

(a) & (b): Public Sector Oil Marketing Companies (OMCs) are Maharatna Undertakings. They are Board driven commercial companies and publicly listed entities who enjoy complete operational freedom in their day to day decision making. OMCs work out their short, medium and long term action plans based on decisions of their respective Boards.

Government reviews and monitors performance of these OMCs through their annual Memorandum of Understanding (MOU) system governed as per Department of Public Enterprises guidelines, issued from time to time.

(c) to (e): Processes involving tenders and contracts for procurement of Goods and services are commercial decisions of the OMCs and fully within their domain and competence and therefore they take appropriate decisions on them.

OMCs adhere to and comply with rules/regulations/guidelines/standards issued by the Petroleum and Explosives Safety Organization (PESO), Oil Industry Safety Directorate (OISD), Petroleum Natural Gas Regulatory Board (PNGRB) and all other statutory authorities in tenders and contracts.

In the bulk LPG transportation tenders finalized in 2018, various clauses were included, such as the requirement for a valid PESO license, submission of PESO-approved tank drawings, and compliance with safety norms like proper exhaust welding and spark arrestor installation etc.

OMCs have informed the Ministry of Petroleum & Natural Gas that the bulk LPG transportation tenders issued by the OMCs in 2018 fully complied with the MSME Act, court orders and applicable regulations in force at the time. Subsequently, after finalization of contract w.e.f. 01.09.2018, complaints were received from few transporters regarding alleged misuse of MSE provisions by certain transporters. To address this issue, OMCs instructed the transporters who had bid under MSE category with seven or more tank trucks to get their MSE certificate verified by MSME authorities. Several transporters failed to comply, leading to OMCs' show cause notices for termination of their contract. In response, affected transporters filed cases in the High Court of Delhi. The High Court of Delhi directed the Commissioner of Industries, Government of National Capital Territory of Delhi to re-verify MSME certificates of these transporters. Transporters who obtained re-verification certificates were permitted to continue operations.

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