

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:1297  
ANSWERED ON:03.08.2006  
RATE OF COMMISSION ON PETROL AND DIESEL  
Singh Shri Uday

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

- (a) whether dealers commission of Public Sector Oil Marketing Companies petrol pumps is fixed on the average sales of 2424 kls per annum;
- (b) if so, the number of petrol pumps of OMCs are selling less than 2424 kls petrol and HSD State-wise;
- (c) whether most of the petrol pumps have been converted into low selling category due to commissioning of large number of petrol pumps only on one location by OMCs; and
- (d) if so, the efforts made by the Government to make the petrol pumps economically viable ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

- (a): Based on the Directors` Committee Report the dealers` commission of public sector oil marketing companies` (OMCs) petrol pumps have been fixed on an average MS/HSD combined sale of 170 KL per month which works out to 2040 KL per annum.
- (b): The details of State-wise number of petrol pumps of PSU OMCs selling less then 2040 KL petrol & HSD per annum are given in the Annexure.
- (c)&(d): It has come to the notice of the Government that while the OMCs have expanded their Retail Outlet (ROs) network in a big way after dismantling of the Administered Pricing Mechanism effective 1.4.2002, adequate attention has not been paid by them to improving the institutional and technological mechanisms, resulting in not only reduction in their average throughput per RO but also complaints of malpractices. The Standing Committee on Petroleum & Natural Gas (2005-06) (Fourteenth Lok Sabha), has recommended constitution of an independent expert team to look into the issues and suggest corrective measures to improve the situation. Accepting this recommendation of the said Committee, the Government asked Indian Oil Corporation Limited (IOCL) to engage an independent agency for conducting a study of the ROs of the public sector OMCs. It has been decided that the study may be completed within a period of two months from the date of commissioning. In accordance with this decision of the Government, IOC, on behalf of all the OMCs, has since entrusted the job of study of the ROs to the Indian Institute of Management, Ahmedabad.