

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

UNSTARRED QUESTION NO:1272

ANSWERED ON:25.07.2016

Allotment of Retail Outlets/Gas Agencies

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

- (a) The details of petrol pumps/gas agencies allotted / proposed to be allotted to different categories of people in rural/urban/tribal areas of the country by various Oil Marketing Companies (OMCs) during each of the last three years and the current year along with the time limit prescribed for allotment including reasons for delay in allotment and number of petrol pumps / gas agencies application pending so far and action taken thereon, category / OMC/State / UT-wise including Tamil Nadu;
- (b) The steps taken to fill up reservation quota in proportion to reservation of said outlets / agencies and in accordance with demand and supply needs in various States particularly in rural areas of the country during the said period, State / UT / OMC-wise including Uttar Pradesh;
- (c) The number of cases for opening of new petrol pumps / gas agencies considered / scrutinized / interviewed and draws held / results declared during the said period including the number of complaints of corruption received and action taken against OMCs / officials involved therein including cancellation of petrol pumps /LPG agencies and suspension of officials, if any, during the said period, OMC / State / UT / category-wise; ;
- (d) Whether the Government has allowed certain private companies for opening of petrol pumps, LPG agencies and CNG outlets and if so, the names of such petrol pumps CNG/LPG agencies operated by them; and
- (e) Whether the Ministry of Road Transport and Highways has issued certain guidelines to sanction / install new petrol pumps along the National / State- Highways with basic amenities and if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

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- (a) - Details of State/UT/OMC/year-wise number of petrol pumps/gas agencies allotted by OMCs to different categories of people in rural / urban / tribal areas of the country including in the State of Tamil Nadu during the last three years and current year (Apr-May'16) are given at Annexure-1.

Allotment / setting up of Retail Outlet dealerships involves various steps like advertisement, interviews / selection of dealers, field verification of credentials, issue of LOI, procurement of land, obtaining necessary Statutory approvals, construction etc. Similarly, allotment of LPG distributorship involves process of advertisement, scrutiny of application, conducting draw among eligible applicants, field verification of candidate selected in draw, placement of LOI on the candidate successful in field verification etc. All efforts are made to expedite the process of dealer/distributor selection. However, sometimes, there are delays due to complaint and reference, court cases, applicants getting rejected during scrutiny, rejection of candidate during Field Verification of Credentials (FVC) etc. Once the candidate gets rejected during FVC, then redraw has to be conducted. The process goes on till all the eligible candidates for draw are exhausted.

- (vii) State Governments have been requested to allot land for ROs under SC/ST category.

(b) : Advertisements are released for retail outlet dealerships / LPG distributorships based on the 200 point State wise roster, which is maintained taking into consideration the reservation percentages under various categories. In order to fill up reservation quota in proportion to reservation for SCs/STs, following steps have been taken by OMCs :

- (i) Utilization of temporary COCOs for handing over to pending LOI holders of SC/ST as per MOP&NG's guidelines dated 6.9.2006.
- (ii) Liquidation of pending SC/ST LOIs by giving one time option to arrange land at a place of their choice anywhere in the country, subject to the offered land meeting techno-commercial viability.
- (iii) Industry has worked out the backlog and advertised under the new Guidelines.
- (iv) Availability of suitable land at the advertised location made eligibility, thus providing opportunity to SC/ST applicants with land to apply.
- (v) SC/ST category applicants can apply land and can provide land within 3 months.
- (vi) Industry is exploring the opportunity to participate in auction being conducted by banks for land.

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- (c) : The State/UT-wise number of cases for opening of new petrol pumps considered and results declared and no. of cases of opening of gas agencies under process during the last three years and current year are given at Annexure-II.

As per information furnished by OMCs, there has been no case of suspension of their official(s) during the last three years and the current year on the basis of allegation of irregularities regarding allotment under dealer selection.

- (d) - Government Resolution dated 08.03.2002 makes provision for granting marketing rights of MS/HSD/ATF to the new entrants including the private sector. Various private companies like M/s. Reliance Industries Ltd., M/s. Essar Oil Ltd., M/s. Shell India Ltd. have set up retail outlets of petrol and diesel in the country for retailing of auto fuels.

The Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000, vide Notification dated 26.04.2000 permits parallel marketing of LPG by parallel marketeer carrying on any or all of the business of importing, storing, bottling, marketing, distributing

and/or selling LPG under the Parallel Marketing System (PMS). The parallel marketer, subject to fulfillment of the condition prescribed in the said LPG Control Order are free to operate and are not required to seek authorization or license from the Government.

Under the Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2016, the Government has established PNGRB which is the statutory authority to grant licenses for the development of City Gas Distribution (CGD) network. The CGD network industries CNG/PNG network also. PNGRB has notified the relevant regulatory framework for processing Expression of Interest (EoI) submitted by interested entities to develop CGD networks in any part of country. Subsequently, PNGRB grants license for developing CGD network through competitive bidding process. The Gas are included in bidding rounds in a phased manner depending on the natural gas pipeline connectivity/natural gas availability and feasibility for grant of authorization to develop CGD network in the country.

CNG outlets are set up by CGD entities either on land allocated by various Government land owning agencies or on existing retail outlets of OMCs.

(e) - Ministry of Road Transport and Highways have issued guidelines for access permission to Fuel Stations, Private Properties, Rest Areas Complexes and such other facilities along National Highways thereby mentioning that Oil Companies / Owner shall be also responsible for the construction and maintenance of drinking water and toilet facilities.
