

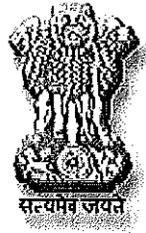
**STANDING COMMITTEE ON
PETROLEUM & NATURAL GAS
(2020-21)**

SEVENTEENTH LOK SABHA

MINISTRY OF PETROLEUM & NATURAL GAS

**ALLOTMENT OF RETAIL OUTLETS AND LPG
DISTRIBUTORSHIPS**

EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2021 / Shravana, 1943 (Saka)

CP&NG NO.

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(2020-21)**

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Presented to Lok Sabha on 6.08.2021

Laid in Rajya Sabha on 06.08.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2021 / Shravana, 1943 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON PETROLEUM & NATURAL GAS
(2020-21)

Sl. No. Names of Members

LOK SABHA

Shri Ramesh Bidhuri - Chairperson

2	Shri Dibyendu Adhikari
3	Smt. Chinta Anuradha
4	Dr. Ramesh Chand Bind
5	Shri Pradyut Bordoloi
6	Shri Girish Chandra
7	Shri Topon Kumar Gogoi
8	Shri Naranbhai Kachhadiya
9	Shri Santosh Kumar
10	Shri Rodmal Nagar
11	Shri Unmesh Bhaiyyasaheb Patil
12	Dr. Kalanidhi Veeraswamy
13	Shri M.K. Raghavan
14	Shri Chandra Sekhar Sahu
15	Shri Dilip Saikia
16	Dr. Bharatiben Dhirubhai Shyal
17	Shri Janardan Singh Sigriwal
18	Shri Lallu Singh
19	Shri Vinod Kumar Sonkar
20	Shri Ajay Tamta
21	Shri Rajan Baburao Vichare

RAJYA SABHA

22	Shri Ripun Bora
23	Shri Narain Dass Gupta
24	Smt. Kanta Kardam
25	Shri Kanakamedala Ravindra Kumar
26	Shri Om Prakash Mathur
27	Vacant*
28	Shri Rambhai Harjibhai Mokariya
29	Dr. V. Sivadasan
30	Shri A. Vijayakumar
31	Ch. Sukhram Singh Yadav

SECRETARIAT

1	Smt. Abha Singh Yaduvanshi	Additional Secretary
2	Shri H. Ram Prakash	Director
3	Shri Mohan Arumala	Under Secretary
4	Shri Deepak Kumar	Assistant Executive Officer

* Dr. Bhagwat Karad ceased to be a Member of the Committee consequent upon being appointed as Union MoS (Finance) on 07.07.2021.

(iv)

INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas having been authorised by the Committee to submit the Report on their behalf present this eighth report on the subject "Allotment of Retail Outlets and LPG Distributorships".

2. The Committee took briefing and evidence of the representatives of the Ministry of Petroleum & Natural Gas at their sittings held on 12.12.2019, 30.12.2019 & 13.07.2021 and the representatives of Petroleum and Explosives Safety Organization (PESO) under the Department for Promotion of Industry and Internal Trade (Ministry of Commerce and Industry) on 13.07.2021. The Committee also heard the views of representatives of the All India Petroleum Dealers Association (AIPDA) and All India LPG Distributor Federation (AILDF) on 08.03.2021.

3. The Report was considered and adopted by the Standing Committee on Petroleum and Natural Gas on 04.08.2021.

4. The Committee wish to express their thanks to the representatives of the Ministry of Petroleum and Natural Gas/PSUs, the Department for Promotion of Industry and Internal Trade (Ministry of Commerce and Industry), and All India Petroleum Dealers Association (AIPDA) and All India LPG Distributor Federation (AILDF) for placing their views before them and furnishing the information desired in connection with examination of the subject.

5. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi;
5 August, 2021
14 Shravana, 1943 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

REPORT

PART - I

INTRODUCTION

The Indian fuel market is one of the fastest growing in the world and is clocking an increasing growth rate for the last decade. The PSU oil marketing companies have added more than 39,000 ROs during the last decade.

Prior to May 2002, selection of dealers for retail outlets was done by the Dealer Selection Board headed by Chairman (a retired judge) appointed by the Government of India and two members of the oil industry. MoP&NG vide their letter dated 9.5.2002 dissolved the Dealer Selection Boards.

Subsequently, MoP&NG vide letter dated 19.08.2003 issued broad guidelines for selection of dealerships with salient provisions like reservation for various categories, Corpus Fund scheme, no ceiling on income for prospective allottees, applicability of multiple dealership norms etc. Accordingly, the appointment of Retail Outlet dealers was carried out through a 3-tier marks based selection process involving (a) Evaluation of land offered (b) Document/information based evaluation and (c) Interview.

Encouraged by the success of the transparent selection process of selection by draw of lots for LPG distributors, it was felt by the OMCs, as well as MoP&NG that this concept should also be made applicable for selection of Retail Outlet dealers. Further, MoP&NG desired that Reservation for OBC category also needs to be provided in Retail Outlet dealerships. In view of the above, OMCs submitted the draft guidelines for Dealer selection and MoP&NG vide letter dated 17.2.2014 conveyed the final approval for implementation of Selection of Retail outlet Dealers by Draw of Lots/Bidding. The Dealer Selection Guidelines for Retail Outlets by Draw of Lots/Bidding was implemented with effect from 21.5.2014.

On similar lines, PSU/OMCs have drawn dealer selection guidelines for Regular and Rural retail outlets during November 2018 and published advertisements during November/December 2018, introducing on-line applications for allotment of retail outlet dealerships at various locations in the country.

1.2 On being enquired about the reasons behind dissolution of the Dealer Selection Board and entrusting the responsibility of selection of dealerships to OMCs, the Ministry in its written reply submitted as under:

"After the dismantling of the Administered Pricing Mechanism in the petroleum sector on 1.4.2002, all the Dealer Selection Boards (DSBs) in the country were dissolved with effect from 9.5.2002. On the basis of broad guidelines issued by the Ministry, OMCs have framed their own detailed guidelines for selection of candidates. The step was taken inline with the spirit of liberalization and empowering OMCs with commercial freedom".

1.3 On being enquired about the reason for frequent changes in the guidelines for allotment of LPG distributorships at regular intervals, the Ministry in its written reply submitted as under:

"Changes in Selection guidelines are made from the learning/ experiences/ feedbacks to improve the process by incorporating changes/amendments to maintain clarity & transparency in the Guidelines".

1.4 When asked to furnish a note on the proposed road map for setting up of new retail outlets by OMCs in the country, the Ministry in its written reply submitted the following information:

"Expansion of retail outlet network is a continuous process undertaken by Public Sector Oil Marketing Companies (OMCs) in tandem with the growth in demand of Petrol and Diesel. Accordingly, the locations for retail outlets identified by Public Sector OMCs are included in the State Retail Marketing Plan and are advertised for setting up of new Retail Outlet Dealerships.

Public Sector OMCs have advertised in Nov/Dec 2018 for setting of retail outlets across the country and have issued 29501 LOIs as on 01.06.2021 out of which 10307 nos. of ROs have been commissioned. As on 01.06.2021 Public Sector OMC have the network of 69521 number of retail outlets.

LOI issued and NRO commissioning (2018 Advertisement) as on 01.06.2021:

OMC	LOI issued from 2018 Advertisement	NROs Commissioned from 2018 Advertisement
BPCL	9216	3550
HPCL	8364	2981
IOCL	11921	3776
TOTAL	29501	10307

Network strength as on 01.06.2021:

OMC	No of ROs as on 01.06.2021
BPCL	18652
HPCL	18692
IOCL	32177
TOTAL	69521

With regard to LPG Distributorships

Total 1079 no. of LPG Distributorships have been allotted by Oil Marketing Companies (OMCs) since 01.12.2018 till 01.05.2020. Details are as under:

OMC	IOC	BPC	HPC	Total
No. of LOIs Issued	612	231	236	1079

1.5 On being enquired about the national coverage of LPG by the public sector oil companies along with company wise data of the number of petrol pumps and LPG distributorships that are expected to be commissioned, the Ministry in its written reply submitted the following information:

"With regard to RO

OMCs expect to commission 2850 no of ROs during the year 2020-21

Retail outlet Planned for commissioning by Public Sector OMC in 2020-21 is as below:-

OMC	NRO Planned (numbers)
IOC	1000
BPC	1000
HPC	850
Total	2850

With regard to LPG

National LPG coverage as on 01.07.2020 is 98.1%. OMCs expect to commission 400 LPG distributorships in the year 2020-21.

OMC	Distributorship Target (numbers)
IOC	200
BPC	100
HPC	100
Total	400

1.6 On being enquired about the reasons for clustering of ROs in certain areas, the Ministry in its written reply submitted the following information:

"Based on potential of markets, Public Sector OMCs set up retail outlets at identified locations taking into consideration commercial / minimum. However, due to certain factors like inter-state borders with price advantage and truck lay-by, natural halting points, business hubs etc., certain areas become potential markets leading to clustering of ROs".

1.7 When asked about the number of COCO (company owned company operated) LPG distributorships operated by OMCs and the considered view of the Ministry w.r.t. transfer of the work of the allotment of RO dealers and LPG Distributors to PNGRB so that a more robust and transparent system may be put in place, the Ministry in its written reply submitted as under:

"The present appointment process of Selection of Retail Dealers by OMCs is robust and transparent as the same is governed by policies and guidelines, on the broad approved guidelines of MoP&NG. OMCs under the guidance of MOPNG has introduced to On-line application and selection process in 2018 to improve upon transparency.

LPG distributorship is advertised/commissioned in accordance with the provisions contained in "Unified Guidelines for Selection of LPG Distributorship, 2016" and there is no provision of COCO in this guidelines.

Further, currently no proposal under consideration of the government to transfer the work of allotment of RO/LPG distributorship to PNGRB".

II. CLEARANCES/APPROVALS/LICENSES REQUIRED AFTER ALLOTMENT

1.8 When asked to provide details of the kind of NOCs, clearances and licences that are necessary to set up LPG godowns as per statutory requirement in the country and whether LPG distributors have been facing any constraints/hardships in obtaining these NOCs/licences, the Ministry in its written reply submitted as under:

"NOC/Licence/Approvals required is as below

- a. Licence from PESO under Gas Cylinder Rules 1981 for LPG Godown.
- b. Licence under Essential Commodities Act where it is applicable.
- c. Trade Licence/Retail Selling Licence.
- d. Certificate from Department of Legal Metrology in respect of weighing scale to be provided at the Godown.
- e. Insurance Coverage.
- f. GST Registration
- g. Any other licence as applicable to the location".

1.9 On being enquired about the reasons behind the delay of commissioning of remaining retail outlets, the Ministry in its written reply submitted the following information:

"The process of commissioning of retail outlets by Public Sector OMCs is a long drawn process as it involves multifarious activities. Post advertisement, candidates are given a minimum of one month's time to respond with their application (which has been made on-line since Nov' 18). Post receipt of response, the subsequent process of selection involves a number of steps as follows:

- o Draw of Lots / Bid Opening (through (MSTC)
- o Declaration of Result
- o Submission of document / ISD (with provision to re-submit documents in case of rectifiable deficiencies)
- o Scrutiny of documents
- o Evaluation of offered land by Land Evaluation Committee (LEC)
- o Providing time to arrange land : Group 1 (2 months) & Group 2 (4 Months)
- o Field Verification of Credentials (FVC)
- o Issuance of Letter of Intent (LOI)
- o Obtaining District Magistrate NOC which requires clearance of various Govt. departments
- o NHA approval for locations on National Highways
- o Submission of Fixed Fee/Bid amount
- o Construction of retail outlet
- o Issuance of Letter of Appointment (LOA) and Commissioning of dealership

For some locations where applications are received only under Group 3 (without land) applicants are given 3 months' time to arrange land before selection process can be started.

As can be seen from the above process flow, apart from inter Public Sector OMC coordination for bid opening/draw of lot process, most of the activities involve approvals from various authorities, for which close follow up is required. The process is further delayed in case of complaints which have to be examined as per the policy. Therefore, commissioning process is a long drawn and gradual process depending on the complexity of each location and the speed with which various approvals are received, in absence of any single window clearance.

Each activity in the above process flow before issuance of LOI to the candidate requires minimum time to be given before proceeding to the next step. (Like time for ISD/DOC, Rectifiable deficiency, LEC, FVC etc.)

OMCs have issued Letter of Intent (LOI) for 24275 locations and have commissioned 3959 number of ROs till 20.07.2020 from 2018 advertisement, despite the selection process being put on hold from 10.3.2019 to 28.5.2019, on account of Model Code of Conduct announced during General election. This is the highest number of LOI issued and highest number of NROs commissioned in

a period of one year from advertisement ever in the past, compared to the previous advertisements”.

1.10 The Committee sought to know the reasons why 2018 allotment process is not yet finalized and what steps Ministry is taking for an early commissioning of all the allotments advertised in 2018, the representative of the Ministry during the oral evidence informed that:

“महोदय, पहले जो नंबर बताई गई है, वे अभी खुल रहे हैं। अभी कई सदस्यों ने प्वाइंट आउट किया कि बहुत सारे अभी एलओआई लेकर घूम रहे हैं। वे अभी नहीं खुले हैं और उससे आगे बढ़ने की स्थिति में नहीं आए हैं। नए रिटेल आउटलेट के बारे में वर्ष 2018 में विज्ञापन दी गई थी। अभी भी एलओआई लेकर घूम रहे हैं और वे खुले नहीं हैं। इसके बारे में भी हम सूचना दे देंगे। यह बात भी सत्य है कि इसमें एनओसीज़ बहुत अधिक मात्रा में लेने होते हैं। बहुत सारे लोग पूरे एनओसी नहीं ले पाते हैं और समय भी अधिक लग जाता है। कई कैटेगरीज ऐसी भी हैं कि जब उनको एलओआई मिलती है तो उनके पास भूमि नहीं होती है। उनको भूमि भी एक्वायर करनी होती है, जिसमें समय लग जाता है। इसी कारण से पूरी प्रक्रिया में अधिक समय लग रहा है। मंत्रालय स्तर पर हमने यह निर्णय लिया है कि यहाँ से हम एक गाइडलाइंस निकालेंगे। इसे अभी हम बना रहे हैं। इस बारे में हम राज्यों को समझा देंगे कि कौन-सी एनओसीज़ लिये जाएंगे। अभी बहुत सारे अनावश्यक एनओसीज़ भी लिये जा रहे हैं। इससे बहुत सारा समय लग रहा है। कुछ पम्प्स ऐसे हैं, जो शहर से दूर हैं और वे भी म्यूनिसिपल बॉडी से एनओसी ले रहे हैं या बहुत सारे ऐसे एजेंसीज़ से एनओसी ले रहे हैं, जिनका उस लोकेशन पर कोई कार्य नहीं है। कई राज्यों से मेरी चर्चा हुई थी। उन्होंने यह सुझाव दिया था कि आप ही कुछ गाइडलाइन दीजिए। अभी हम गाइडलाइन बना रहे हैं। इससे ये सारी प्रक्रिया सरल और आसान हो जाएगी। इससे यह होगा कि जिनको भी एलॉटमेंट हुआ है, वे उसको खोल पाएंगे।”

1.11 Further, during oral evidence on 08.03.2021, it was informed by LPG dealers Association that:

“नई एजेंसी लाने में बहुत दिक्कत होती है। 10-12 तरह के एनओसी लेने पड़ते हैं। सबसे पहले स्टेट गवर्नमेंट से लैंड यूज सर्टिफिकेट लेना होता है, इसमें दो-तीन साल लग जाते हैं। वर्ष 2018 में केन्द्र सरकार की तरफ से पहल की गई कि केवल गांव के पंचायत से एनओसी लेकर एजेंसी चालू की जा सकती है। लेकिन इसके अलावा दस-बारह तरह के और लाइसेंस लेने पड़ते हैं, जिनमें एक्सप्लोसिव, ट्रेड आदि लाइसेंस हैं, जिनमें वर्षों का समय लग जाता है, जिसके कारण एजेंसी चालू

नहीं हो पाती है। जिन एसेंसीज का सिलेक्शन वर्ष 2017-18 में हुआ था, उनमें से पाँच-सात परसेंट अभी भी नहीं खुल पाए हैं। तेल कम्पनियों की कुछ कमियाँ हैं।

1.12 When asked as to whether there is any provision of on-line single window system for RO and LPG distributorship applicants to obtain clearances without any inordinate delay, the Ministry in its written reply submitted the following information:

"Presently, for both RO and LPG, the process of selection is online. After selection, various approvals are required from different government agencies before RO or LPG distributorship can be commissioned. These clearances are obtained from District/State/Central authorities as mentioned in response to query no. 4 above. Presently, no such on-line single window mechanism exists".

1.13 On being enquired about the steps taken by the Ministry/OMCs to create a Single Window System so as to complete all formalities required for commissioning of RO dealerships/LPG distributorships, the Ministry in its written reply submitted as under:

"Currently Single window system is adopted in Madhya Pradesh and Gujarat for issuance of No Objection Certificate (NOC) for establishing retail outlet. MoPNG has advised the State Government authorities all over the country regarding simplification of process of issuance of NOC by authorities to improve the ease of business and assist in early commissioning of ROs of applicants.

As regards LPG distributorship, the selected candidate is contacted by the respective OMC's field office and explained further processes and compliances required for obtaining necessary NOCs and licenses for commissioning the LPG distributorship. A complete hand holding is done by the concerned Area / Territory / Regional Manager".

1.14 Elaborating further, on the steps taking for involving a single window mechanism for clearances, the representative of the Ministry during oral evidence submitted that:

"नए रिटेल आउटलेट के बारे में वर्ष 2018 में विज्ञापन दी गई थी। अभी भी एलओआई लेकर घूम रहे हैं और वे खुले नहीं है। इसके बारे में भी हम सूचना दे देंगे। यह बात भी सत्य है कि इसमें एनओसीज़ बहुत अधिक मात्रा में लेने होते हैं। बहुत सारे लोग पूरे एनओसी नहीं ले पाते हैं और समय भी अधिक लग जाता है। कई कैटेगरीज़ ऐसी भी हैं कि जब उनको एलओआई मिलती है तो उनके पास भूमि नहीं होती है। उनको भूमि भी एक्वायर करनी होती है, जिसमें समय लग जाता है। इसी कारण से पूरी प्रक्रिया में अधिक समय लग रहा है। मंत्रालय स्तर पर हमने यह निर्णय लिया है कि यहाँ से हम एक गाइडलाइंस निकालेंगे। इसे अभी हम बना रहे हैं। इस बारे में हम राज्यों को समझा देंगे कि कौन-सी एनओसीज़ लिये जाएंगे। अभी बहुत सारे अनावश्यक एनओसीज़ भी लिये जा रहे हैं। इससे बहुत सारा समय लग रहा है। कुछ पम्प्स ऐसे हैं, जो शहर से दूर हैं और वे भी म्यूनिसिपल बॉडी से एनओसी ले रहे हैं या बहुत सारे ऐसे एजेंसीज़ से एनओसी ले रहे हैं, जिनका उस लोकेशन पर कोई कार्य नहीं है। कई राज्यों

से मेरी चर्चा हुई थी। उन्होंने यह सुझाव दिया था कि आप ही कुछ गाइडलाइन दीजिए। अभी हम गाइडलाइन बना रहे हैं। इससे ये सारी प्रक्रिया सरल और आसान हो जाएगी। इससे यह होगा कि जिनको भी एलॉटमेंट हुआ है, वे उसको खोल पाएंगे।"

1.15 When asked as to whether OMCs can obtain clearances from various authorities regarding the Retail Outlet dealerships and LPG distributorships after ensuring compliance as required under various statutory requirements on behalf of dealers/distributors, the Ministry in its written reply submitted as under:

"OMCs obtain clearances from concerned statutory authorities for issuance of NOCs/license from District authority, NHAI, PESO etc. The requisite PESO licenses towards commissioning the outlets are issued in the name of the concerned OMC.

However, regarding regular operation of the Retail outlet various other licenses/registrations like VAT/EPF/Calibration of Dispensing units & other measures by Legal Metrology etc. are being obtained by the RO dealers who have to ensure compliance thereof while managing these Retail Outlets.

In case of LPG distributorships, the LOI holder has to initiate the process for obtaining all the clearances/NOC/Licences. The same is checked by the respective Area/Territory/Regional Office for the compliance before commissioning. OMCs cannot obtain clearances from various authorities on behalf of distributors. However, all assistance through Field Force is provided to LOI holders".

III. FIELD VERIFICATION OF CREDENTIALS

1.16 When asked as to whether field inspections and elimination of ineligible applicants prior to selection of candidates through draw of lots to avoid litigation and disappointments, the Ministry in its written reply submitted the following information:

"With regard to RO

Scrutiny of documents and field visit for inspection of land offered by all applicants which was done earlier by Public Sector OMCs, is very time consuming process. Hence selection process was modified so that scrutiny and land inspections are done only for the applicants selected through draw of lots or bid opening process since November 2018.

The candidates are considered eligible for selection in draw of lots / bid opening based on the self-declaration and advocate certification, which and necessary supporting documents / affidavits etc. are required to be in possession with the applicant as on the date of application.

Consequent to the selection of the applicant through draw of lots or bid opening, a letter is issued to the selected applicant which clearly mentions the following.

"Verification of all attested photo copies shall be done with the original documents during the Field Verification of Credentials (FVC).

It is expected that you are in possession of original documents wherever photo copies of documents are submitted.

Please note that your candidature is liable to be cancelled in case Initial Security Deposit is not remitted or the documents listed above are not submitted within 10 days from the date of this intimation.

Your candidature is liable to be rejected if you are not able to present the original documents at the time of FVC on the designated date and time or during the FVC if it is found that the information submitted by you in your on-line application is false/incorrect/misrepresented affecting your eligibility."

From the above it clear that the selection is provisional and is subject to compliance of the above stipulations by the selected applicant. Hence, there is no scope for any confusion".

With regard to LPG

Earlier Manual scrutiny of all applications by OMCs was being done, and only eligible candidates, after the scrutiny of applications/ documents could participate for the draw. The whole process was time consuming. After the Draw, the Field Verification of Credentials (FVC) was done. On implementation of "Unified Guidelines for Selection of LPG Distributorships", 2016, the process of online computerized application and draw has been adopted by OMCs because of better transparency, efficiency and being expeditious. The www.lpgvitarakchayan.in portal allows only the eligible candidates to submit applications. Assessment of eligibility is based on candidates' declaration of facts in the online application form. The information given in the application by the candidate selected in the draw is verified during Field verification of Credentials (FVC). Any complaints received against selected candidate are also investigated at the time of FVC. The process is given in the brochure and also covered in application form. It is well known to the applicants that mere getting selected in draw do not necessarily get them the distributorship awarded".

1.17 The Ministry in its written reply submitted the following information about the criteria for conducting internal field inspections:

"With regard to RO

The objective of the internal field inspections (FVC) by Public Sector OMCs is to verify the correctness of the details given by the selected candidate in the application and the documents submitted thereafter.

Field verification is carried out by a committee of two officers of the concerned OMC for the selected candidate mainly in respect of following:

- a) Proof of age
- b) Proof of educational qualifications
- c) Land documents in support of ownership / lease rights.

d) Reserved category certificate, if applicable:...

The dealer selection guidelines of Public Sector OMCs do not provide for conducting such field inspection by any third party.

With regard to LPG

Field verification of credentials (FVC) is carried out for the candidate, selected in the Draw as per laid down procedure after the online computerized draw. FVC is carried out by a committee of one officer nominated by the State LPG / Regional / Zonal Head of IOC/BPC/HPC. FVC of selected candidate is undertaken only after receipt of requisite fee and all the requisite documents with the concerned office of OMC. The candidate is required to be present while the FVC is conducted. During the field investigation, the information/statement made in the application form is verified with the documents submitted and the corresponding original documents. This verification (inspection) is done by concerned OMC officer only, it is not done by third party. The existing system is transparent and is working satisfactorily."

1.18 When asked about the average number of applicants who applied for Retail Outlets and LPG distributorships in the four categories during the last three years, the Ministry in its written reply submitted as under:

"OMCs have released an advertisement in Nov/Dec 2018 for Retail Outlets and number of applicants is as under (in last three years Retail has released only one advertisement was in 2018):

Retail -OMCs	Number of locations advertised (A)	Number of applicants (B)	Average number of applicants (C = B/A)
BPC	21010	117501	5.6
IOC	37050	181791	4.9
HPC	20329	103795	5.11
IND. TOTAL	78389	403087	5.1

Further, during the last three years (Apr'18 to Mar'21), OMC have received following number of average applicants per LPG distributorships:

Type of Distributorships	Total Applications	Total Locations	Avg. Application per location
Sheheri Vitrak & Rurban Vitrak	2987	55	54
Gramin Vitrak & Durgam Kshetriya Vitrak	8464	817	10

हमें फाइनल इश्यू करता है लेकिन अनुभव में यह देखा गया कि इसमें काफी समय लगता है।

अगर डीएम तीन महीने में एनओसी नहीं देगा तो डीमंड एनओसी मान लिया जाएगा। हमने यह प्रोविजन पेट्रोलियम मिनिस्ट्री को प्रपोज किया है।

डोर टू डोर डिलीवरी के लिए डीजल की परमिशन दी है और भी डिमांड एलपीजी, सीएनजी की है। हम सेफ्टी कन्सर्न को ध्यान में रखते हुए एग्जामिन करते हैं। हम शुरू में पायलट एप्रूव करते हैं, यदि यह सक्सैस हो जाता है फिर बड़े स्केल पर करते हैं। लाइसेंस का इंस्पेक्शन भी किया जाता है। यद्यपि स्टाफ की कमी है, हर इंस्टालेशन की इंस्पेक्शन नहीं की जा सकती, इसलिए थर्ड पार्टी इंस्पेक्शन का प्रोविजन भी रखा है ताकि रिनुअल के समय इंस्पेक्शन हो जाए। रेगुलरली इंस्पेक्शन का रोस्टर बना हुआ है, अफसर इसी के हिसाब से इंस्पेक्शन करते हैं। जो प्राब्लम्स आई हैं, इसके लिए हम लगातार स्टैक होल्डर्स से कंसलटेशन करते हैं। जब भी कोई रूल नोटिफाई करते हैं, उससे पहले स्टैक होल्डर्स से कंसलटेशन करते हैं। हम दावा आपति देखते हैं और फिर रूल्स नोटिफाई करते हैं।

सारे लाइसेंस देने के लिए टाइम लिमिट फिक्स कर दी गई है कि किस प्रकार के लाइसेंस के रिनुअल के लिए कितना समय लगेगा। ऑनलाइन सिस्टम है इसलिए इसकी मॉनिटरिंग भी हो सकती है। हम इसे और देखेंगे ताकि शिकायत न आए।"

1.23 When asked as to whether OMCs have any mechanism to prevent its employees from applying in the process of allotment of retail outlet and LPG distributorships, the Ministry in its written reply submitted the following information:

"With regard to RO

The selection process of Public Sector OMCs is transparent and there is no scope for judgmental or discretionary decision in the selection process.

With the process of on-line receipt of application and selection being done only through computerized process, there is no scope for judgmental or discretionary decision in the selection process.

Further application scrutiny, land evaluation, field verification is carried out by committees of concerned OMCs instead of individuals to avoid bias. The committees are governed by the clear selection guidelines.

The family members (as per definition under multiple dealership norm) of the employees of Oil Marketing Companies (who are employed at the time of application) would not be permitted to apply for RO dealership.

With regard to LPG

Family members (Spouse, dependent children and any other dependent person related by blood or marriage to the employee of OMC) of OMCs employees are

1.19 When asked about the Retail outlets/LPG distributorships that have not been setup/pending during the last five years due to non obtaining of various NOCs and licences in the country, the Ministry in its written reply submitted as under:

"OMCs are setting up Retail Outlets after obtaining necessary statutory approvals which include NOC from Distt. Magistrate, Highway access permission from NHAI, wherever required & Explosive License from PESO.

The number of sites (Retail Outlets) which could not be commissioned in last 5 years and current year due to rejection/non-receipt of various NOCs/licenses are summarized as per table below :-

	No of DM NOC Rejected	No of NH NOC Rejected	No of PESO Licence Rejected	Total Approval / Licenses rejected
BPCL	35	20	2	57
HPCL	37	9	2	48
IOCL	94	34	1	129
TOTAL	166	63	5	234

Further, the cases of non-obtaining of various NOCs and licenses in the country of LPG Distributorships is not recorded separately by OMCs. Such cases are less and mostly due to non-compliance on the part of applicant related to construction of godown/ showroom".

1.20 When asked about the details of licenses granted by PESO for RO's and LPG godowns, details of licenses granted in the last four years have been furnished by PESO at Appendix - I & II.

1.21 When asked what measures are being taken to remove the bottlenecks in obtaining clearances from PESO, the representative of PESO during the oral evidence held on 13.07.2021 informed that:

"2018 में डिस्ट्रिक्ट लेवल पर लाइसेंस इश्यू करने की प्रक्रिया खत्म करके म्यूनिसिपल कॉर्पोरेट्स और सर्किल पंचायत को दे दी है।"

1.22 Elaborating further, the representative of PESO informed that:

"पहले डीएम वाला सिस्टम इसलिए किया गया था कि डीएम एक सेंट्रल पाइंट होता है, वह सारी एजेंसी चाहे वह टाउन प्लानिंग हो, फायर हो, लोकल बॉडीज हो, सबसे एनओसी लेकर

not eligible to apply for LPG distributorship. Further, the Selection Guidelines are available in public domain i.e. on the websites of the OMCs and the Portal www.lpgvitarakchayan.in for the general public to see. Process of online computerized application and draw has been adopted by OMCs because of better transparency, efficiency and being expeditious”.

1.24 When asked about the existing criteria for definition of family in the allotment of retail outlet dealerships, the Ministry in its written reply submitted the following information:

“As per the extant guidelines prescribed in the Brochure dated 24.11.2018, the applicant to satisfy the eligibility criteria for Multiple Dealership norms for applying/allotment of retail outlet dealership among other criteria. A ‘Family Unit’, as defined, in case of married applicant, shall consist of individual concerned, his/her Spouse and unmarried son(s)/daughter(s). In case of unmarried person/applicant, ‘Family Unit’ shall consist of individual concerned, his/her parents and his/her unmarried brother(s) and unmarried sister(s). In case of divorcee, ‘Family Unit’ shall consist of individual concerned, unmarried son(s)/unmarried daughter(s) whose custody is given to him/her. In case of widow/widower, ‘Family Unit’ shall consist of individual concerned, unmarried son(s)/unmarried daughter(s) for allotment of retail outlets.

It may kindly be noted that the land owned by family members will also be considered as belonging to the applicant (Group-1) subject to producing the consent letter in the form of affidavit from the concerned family member(s). The family members are defined as quoted below whose:-

For this purpose family members would comprise of:-

- (i) Self
- (ii) Spouse
- (iii) Father/Mother including Step Father/Step Mother
- (iv) Brother/Sister/Step Brother/Step Sister
- (v) Son/Daughter/Step Son/Step Daughter
- (vi) Son-in-law / Daughter-in-law
- (vii) Parents-in-law
- (viii) Grand Parents (both maternal & paternal)”.

1.25 When asked as to whether there are multiple dealership norms regarding occupation of 'A' site land of dealers and reluctance in vacation of 'B' site land of dealers by OMCs along with the factual position of the same, the Ministry in its written reply submitted as under:

"OMCs have reported that Multiple dealership norms (MDN) and land lease (occupation or vacation) are two independent issues. MDN norms as per extant guidelines for A & B site dealerships for Individual applicants (proprietor/partner) is as below.

- The applicants shall meet eligibility criteria of MDN & if do not satisfy MDN norm applicants will be considered as ineligible for applying for the dealership
- All applicants to fulfill Multiple dealership norms as mentioned below and will be applicable for existing and future "A"/"CC" site RO dealerships.
- Multiple Dealership norms means that the applicant or his/her 'family unit' should not hold a "A"/"CC" site RO/SKO-LDO dealership/LPG distributors or Letter of Intent (LOI) for the same of any Oil Company for "A"/"CC" site RO/SKO-LDO dealership.

Further it is to be noted that Existing "B"/"DC" site RO/SKO-LDO dealers/LPG distributors and LOI holders including 'family unit may apply for "B"/"DC" site RO dealerships".

1.26 When asked as to whether the Ministry/OMCs are facing any constraints/challenges in expansion of new retail outlets in the country, the Ministry stated as under:

"The constraints & challenges for expansion are availability of suitable land in major cities/towns and getting statutory approvals to commission retail outlets, which results in delays. OMCs continue to resolve the issues locally and OMCs have commissioned sizable nos. of retail outlets in the last two years.

OMC-wise numbers of new retail outlets commissioned during the last two years are as under:

OMC Commissioning	2019-20	2020-21
BPC	1448	2444
HPC	1194	2158
IOC	1400	3000
OMC TOTAL	4042	7602

1.27 When asked about the growth of automobiles in the last five years and details of the number of vehicles being added in the two wheelers, three wheelers and four wheelers scheme, the Ministry in its written reply submitted as under:

"The subject pertains to Ministry of Surface transport. However, data collected by OMCs from web/internet on the number of vehicles added, is given as below:

Category	2015-16	2016-17	2017-18	2018-19	2019-20
Two Wheelers	16,455,851	17,589,738	20,200,117	21,179,847	17,417,616
Three Wheelers	538,208	511,879	635,698	7,01,005	636,569
Passenger Vehicles	2,789,208	3,047,582	3,288,581	3,377,389	2,773,575
Commercial Vehicles	685,704	714,082	856,916	10,07,311	717,688
Grand Total	20,468,971	21,863,281	24,981,312	24,557,236	21,545,448

Source- SIAM".

1.28 When asked about the total sale of petrol (in variants) and diesel (in variants) during the last five years in the country, the Ministry in its written reply submitted as under:

"The sales of Petrol (in variants i.e. Branded fuels) for the last five years in TMT through retail outlets is given below:

SALES IN TMT

OMC	2015-16			2016-17			2017-18		
	Petrol MS	Speed /Power Xtra premium	Speed 97 Power 99	Petrol MS	Speed /Power Xtra premium	Speed 97 Power 99	Petrol MS	Speed /Power Xtra premium	Speed 97 Power 99
BPC	5769	215	0	5940	443	1.7	6549	400	1.9
IOC	9166	206	-	9433	598	-	10000	767	-
HPC	5518	84	0	5790	188	0.01	6095	390	0.1
TOTAL	20453	505	0.0	21163	1228	1.7	22644	1557	2.0

OMC	2018-19			2019-20			2020-21		
	Petrol MS	Speed /Power Xtra premium	Speed 97 Power 99	Petrol MS	Speed /Power Xtra premium	Speed 97 Power 99	Petrol MS	Speed /Power Xtra premium	Speed 97 Power 99 XP 100

BPC	7130	267	1.8	7548	217	1.7	7042	138	1.0
IOC	10777	721	-	11312	715	-	10545	578	0.5
HPC	6444	485	0.6	6673	578	0.8	6246	495	0.9
TOTAL	24350	1472	2.3	25533	1510	2.5	23833	1211	2.4

The sales of Diesel (in variants i.e. Branded fuels) for the last five years in TMT through retail outlets is given below:

SALES IN TMT

OMC	2015-16		2016-17		2017-18	
	Diesel (HSD)	Hi-Speed HSD/ TurboJet/ Xtramile	Diesel (HSD)	Hi-Speed HSD/ TurboJet/ Xtramile	Diesel (HSD)	Hi-Speed HSD/ TurboJet/ Xtramile
BPC	17947	3.0	17625	3.2	18617	3.1
IOC	28097	0.4	27895	2.1	29099	2.1
HPC	15710	3.9	15619	4.9	16354	14.3
TOTAL	61754	7.3	61138	10.2	64070	19.5

OMC	2018-19		2019-20		2020-21	
	Diesel (HSD)	Hi-Speed HSD/ TurboJet/ Xtramile	Diesel (HSD)	Hi-Speed HSD/ TurboJet/ Xtramile	Diesel (HSD)	Hi-Speed HSD/ TurboJet/ Xtramile
BPC	18881	2.3	18298	2.1	16399	1.1
IOC	29431	1.4	28499	0.7	25231	0.4
HPC	16728	20.9	16373	31.1	14669	22.8
TOTAL	65040	24.6	63170	33.9	56299	24.3

1.29 When asked as to whether the growth of Retail Outlets has been kept pace with the growth in automobile sector along with the number of retail outlets opened during the last five years, the Ministry in its written reply submitted as under:

"OMCs have kept pace with the growth in automobile sector by expanding retail outlets to meet the fuelling demand during the last five years as under:

(No. of Retail outlets commissioned)

OMC	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
BPC	550	465	355	1448	2444	5262

IOC	881	953	648	1400	3000	6882
HPC	624	669	478	1194	2158	5123
TOTAL	2055	2087	1481	4042	7602	17267

IV. IDENTIFICATION OF LOCATION

RETAIL OUTLETS

1.30 The Committee sought to know whether the Ministry is involving other ministries/agencies to streamline the processes of land acquisition and licenses specially on new highways and emerging cities, the representative of the Ministry stated that:

"अभी एक विषय आया कि हाइवे पर हमारी कंपनी क्यों नहीं स्वयं लैंड ले रही हैं और एनएचएआई से क्यों नहीं एक मीटिंग की गई। माननीय सदस्यों ने एक अच्छा विषय मेरे ध्यान में भी ला दिए हैं। मैं स्वयं भी एनएचएआई के साथ बातचीत कर लूंगा। जहाँ हाइवे बनती है, उसमें कुछ जगह इसके लिए स्थान रखते हैं, जो उनका एकवायर्ड लैंड है। लेकिन वे अधिकांश जगह नहीं रखते हैं, फिर उसके आसपास प्राइवेट लैंड एकवायर करना होता है। इसमें समय भी अधिक लगता है और कई बार लोकेशन भी इतनी उपयुक्त नहीं होती है। शायद यह बहुत अच्छा रहेगा कि हाइवे बनाते समय ही यह प्लानिंग कर ली जाए कि रिटेल आउटलेट्स कहाँ-कहाँ आने हैं। उसमें अन्य सुविधाएँ भी हो सकती हैं। इससे यात्रियों को एक अच्छी सुविधा मिल जाएगी। इसके लिए हम एनएचएआई के साथ शीघ्र ही मीटिंग कर लेंगे। मैं मंत्रालय के सेक्रेटरी से भी बात कर लूंगा, ताकी इसमें कुछ न कुछ व्यवस्था बन पाए। जितने भी नए हाइवेज हैं, उनमें अच्छी सुविधा उपलब्ध हो पाए। यदि हमारी कंपनी को इनवेस्टमेंट भी करना पड़े तो कोई बुरी बात नहीं है। इससे अच्छी सुविधा हो जाएगी।"

Elaborating further on the topic:

"एनएचएआई जो भी हाइवेज पीपीपी में बना रही है, उसमें उन्होंने 600 लोकेशंस आइडेंटिफाइड की हैं। 22 राज्यों में हर 50 से 60 किलोमीटर के बीच में एक वे साइड एमिनिटीज होगी। वे साइड एमिनिटीज में नार्मल फ्यूल स्टेशन तो होगा, फिर इलेक्ट्रिक चार्जिंग फैसिलिटी, फूड कोर्ट्स, रिटेल शॉप्स, एटीएम, टॉयलेट्स, शॉवर, चिल्ड्रेन्स प्लेइंग एरिया, वगैरह और इस साल 120 ऐसे लोकेशंस की बिड आएगी। So, everybody has to bid. यह पीपीपी मॉडल पर चल रहा है। आईओसीएल का भी इस बिडिंग प्रोसेस में टच है। कई

जगह हमने बिड भी किया है, पर बिड डेट एक्सटेंड हुई है। यह बहुत बड़ा मॉडल बनेगा, जैसे आपने कहा कि एनएचएआई जो एक्सपेंड कर रहा है, तो उसमें यह एक बहुत बड़ा मॉडल होगा। हम लोग इसमें पूरे फोकस्ड हैं। We will be taking part, ताकि हम लोग अपना मौका न गवां दें।”

1.31 When asked as to whether the Ministry of P&NG has conducted any meeting with the Ministry of Road Transport and Highways/NHAI to identify locations for obtaining land for setting up of ROs on highways in the country, the Ministry in its written reply submitted the following information:

“As per information available, no such meeting has been conducted between MoPNG and Ministry of Road Transport and Highways/NHAI”.

Elaborating further on the subject, the representative of the Ministry during the oral evidence submitted that:

“अभी एक विषय आया कि हाइवे पर हमारी कंपनी क्यों नहीं स्वयं लैंड ले रही है और एनएचएआई से क्यों नहीं एक मीटिंग की गई। माननीय सदस्यों ने एक अच्छा विषय मेरे ध्यान में भी ला दिया है। मैं स्वयं भी एनएचएआई के साथ बातचीत कर लूंगा। जहाँ हाइवे बनती है, उसमें कुछ जगह इसके लिए स्थान रखते हैं, जो उनका एक्वायर्ड लैंड है। लेकिन वे अधिकांश जगह नहीं रखते हैं, फिर उसके आसपास प्राइवेट लैंड एक्वायर करना होता है। इसमें समय भी अधिक लगता है और कई बार लोकेशन भी इतनी उपयुक्त नहीं होती है। शायद यह बहुत अच्छा रहेगा कि हाइवे बनाते समय ही यह प्लानिंग कर ली जाए कि रिटेल आउटलेट्स कहाँ-कहाँ आने हैं। उसमें अन्य सुविधाएँ भी हो सकती हैं। इससे यात्रियों को एक अच्छी सुविधा मिल जाएगी। इसके लिए हम एनएचएआई के साथ शीघ्र ही मीटिंग कर लेंगे। मैं मंत्रालय के सेक्रेटरी से भी बात कर लूंगा, ताकी इसमें कुछ न कुछ व्यवस्था बन पाए। जितने भी नए हाइवेज हैं, उनमें अच्छी सुविधा उपलब्ध हो पाए। यदि हमारी कंपनी को इनवेस्टमेंट भी करना पड़े तो कोई बुरी बात नहीं है। इससे अच्छी सुविधा हो जाएगी।”

1.32 When asked about the minimum prescribed distance between two retail outlets for marketing and financial viability of retail outlets, the Ministry in its written reply submitted as under:

“There is no minimum prescribed distance between two retail outlets from the point of view of marketing and financial (i.e. the commercial) viability”.

LPG DISTRIBUTORSHIPS

1.33 Locations for setting up of LPG Distributorship (Sheheri Vitrak, Rurban Vitrak, Gramin Vitrak and Durgam Kshetriya Vitrak) will be identified based on available refill

sale potential that can sustain economically viable operation of LPG distributorship. It will also be based on data mining involving features of a particular geographical area and its demographic profile. The refill sale potential will be based on several factors including population, population growth rate, economic prosperity of the location and the distance from the existing nearest distributor. To the extent possible, new LPG Distributorships will be planned in the virgin location either of an existing market or virgin market as below:

I. Virgin Market – Sheheri, Rurban Vitrak, Gramin and Durgam Kshetriya Vitrak.

New distributorship will be planned in a virgin market if the refill (14.2 kg) sale potential is 50% of ceiling limit applicable for the market in the 2nd year of operation.

In a virgin market, Durgam Kshetriya Vitrak (DKV) will be planned in a village or a cluster of villages in such areas (which do not fall under the area of operation of any existing LPG distributor) if the refill sale potential of the village / cluster of villages is 600 per month.

II. Existing Market

For an existing market, the refill ceiling limit and the Feasibility Norm for different types of Distributorship Area are as under:

Type of Distributorship area	Population as per census 2011	Refill Ceiling Limit per month	Refill Sale per month for Feasibility limit
SheheriVitrak	Cities with population > 40 lakh	20,000	10,000
	Cities with 20 to 40 lakh population	15,000	7,500
	Cities with 10 to 20 lakh population	12,000	6,000
RurbanVitrak	Towns with < 10 lakh population	10,000	5,000
GraminVitrak	Village / Cluster of villages	5,000	2,500
DurgamKshetriyaVitrak	Village / Cluster of villages	1,500	600

Restructuring of the LPG Distributorships viz., SheheriVitrak, RurbanVitrak, GraminVitrak and DurgamKshetriyaVitrak in the existing market will be planned only after the refill sale exceeds by 50% of the refill ceiling limit of the market.

Note:

- I. The proposed refill ceiling limits for LPG Distributors will be applicable for all the LPG Distributorships as defined above on prospective basis. However, the restructuring exercise for all the locations advertised prior to the above policy will continue on the basis of the pre-revised ceiling limits.
- II. Existing Rural Distributorships with refill ceiling limit of 8800 per month will not be restructured applying new ceiling limit criteria under this Policy.
- III. All existing RGGLV distributorships with monthly refill sale of more than 1500 will be treated as GraminVitrak in accordance with this policy and with mandatory home delivery facility.
- IV. All existing RGGLV distributorships with monthly refill sale of less than 1500 will be treated as DurgamKshetriyaVitrak in accordance with this policy and without mandatory home delivery facility. However, as and when the monthly refill sale exceeds more than 1500, they will be treated as GraminVitrak in accordance with this policy and with mandatory home delivery facility.
- V. This policy subsumes the existing Distributorships selection policy under RGGLV.
- VI. DurgamKshetriyaVitrak with monthly refill sales beyond 1500 will be treated as GraminVitrak with upper ceiling limit of 5000 per month with mandatory home delivery of refills.
- VII. Direct allotment of LPG distributorships to State Government agencies for Durgam Areas.

The existing system of carrying out feasibility on Industry basis as per the feasibility study format will continue and appropriate technology may be used for identifying uncovered areas.

V. RO AND LPG DISTRIBUTORSHIPS IN REMOTE AND FAR FLUNG AREAS

1.34 On being asked about the problems faced by OMCs in setting up of ROs and LPG distributorships in remote and far flung areas, the Ministry in its written reply submitted as under:

"With regard to RO

Public Sector OMCs face the following issues while setting up retail outlets in remote and far flung areas:

- Difficult terrain with logistic issues
- High infrastructure and maintenance costs
- Low returns on investments (ROI)
- Low availability of sites with special reference to hilly and mountainous terrain

With regard to LPG:

There are no problems faced in setting up LPG Distributorships in remote and far-flung areas, except for few in a limited geographical area and they are being dealt effectively to expedite the commissioning process”.

1.35 When asked as to whether any targets have been fixed for such areas and the current status as against the target, the Ministry in its written reply submitted as under:

“As per MOP&NG notification dated 8.11.2019, all Oil Companies / entities are required to set up 5% of its retail outlets in remote areas in proportion to the new retail outlets from the date of notification.

The Public Sector OMC wise details of commissioning of ROs during 2019-20 in Remote areas is given below

OMC	Total ROs commissioned	ROs commissioned in Remote Areas	Percentage
IOC	1400	113	8.1
BPC	1447	95	6.6
HPC	1194	58	4.9
Total	4041	266	6.6

With regard to LPG

No specific targets have been fixed for different format of distributorships. The current status of locations advertised under Unified Guidelines for Selection of LPG distributors as on 01.05.2020 is provided as **Appendix - III**.

1.36 When asked as to whether the rules are strictly followed there or some relaxation is provided, the Ministry in its written reply submitted as under:

“With regard to RO

Applicable rules are strictly followed.

With regard to LPG

All guidelines are uniformly followed across the country. However, there are some variations in Eligibility criteria, land for godown and Security Deposit for different types of Distributorships”.

1.37 When asked as to whether any steps have been initiated by OMCs to increase availability of 5 kg cylinders particularly in remote areas, the Ministry in its written reply submitted as under:

“During 2019-20, OMCs have extensively promoted the 5 kg cylinders especially among PMUY customers as the upfront cost of a 5kg cylinder is less than that of

a 14.2 kg cylinder. OMCs have also ensured adequate availability of 5 kg cylinders in the market.

OMCs have ensured product availability at LPG distributors particularly catering to rural areas.

OMCs have ensured adequate bottling of 5 kg cylinders at LPG Bottling plants to ensure availability of 5kg cylinders in LPG Distributorships.

Due to all these efforts, total sale of domestic 5 kg cylinders by OMCs increased to 44.8 lakh cylinders during 2019-20 as compared to just 11.4 lakh cylinders during 2018-19".

1.38 When asked as to whether any steps have been taken by OMCs to improve LPG penetration in hilly terrains, the Ministry in its written reply submitted as under:

"To improve LPG penetration in the Hilly terrains where setting up of Gramin and Rurban Vitrak is not feasible, OMCs under the Unified Selection Guidelines issued by MoP&NG are setting up small format LPG Distributorships called Durgam Kshetriya Vitrak (DKV) in such Hilly regions".

1.39 When asked about the tendering system for transport of fuel tankers by OMCs in hilly area, the Ministry in its written reply submitted as under:

"With regard to RO

OMCs have a separate tendering system for transportation of fuel through tank Lorries in hilly area. For Hilly areas, offers are invited from transport contractors for inducting tank lorries of capacities less than 12 KL. Whereas for the other areas, tank lorries of capacities above 12 KL are inducted for transportation of petroleum products.

With regard to LPG

OMCs follow uniform tendering system w.r.t. transportation of fuel tankers and their capacities in hilly area. For hilly area smaller capacity tankers such as 7 MT or 12 MT are tendered".

1.40 When asked as to whether OMCs ensure that transporters do not carry excessive loads in hilly areas, the Ministry in its written reply submitted as under:

"Public Sector OMCs take all measures to ensure that the transporters do not carry any excessive load in hilly area. The fitness certificate issued by RTO, PESO license issued by Explosive Department and Calibration chart issued by legal metrology are mandatorily kept in the system. All these certificates are based on the carrying capacity of the tank lorry".

1.41 The Ministry in its written reply submitted that in the state of Uttarakhand, Kumaon Mandal Vikas Nigam (KMVN) has been given LPG distributorship rights in Kumaon region:

"Presently 48 LPG Distributorships are run by Kumaon Mandal Vikas Nigam (KMVN) in Kumaon region of Uttarakhand. Kumaon Mandal Vikas Nigam (KMVN) is an enterprise of Uttarakhand State Government. Previously there were no private LPG distributorships in hills of Uttarakhand and due to high amount of investments required for LPG distributorships in hills and to provide LPG facility in hilly area, LPG distributorships were provided to KMVN as per Government directives".

In Garhwal region: (Post evidence LOPs Q.38(iv))

"... presently 32 LPG Distributorships are run by Garhwal Mandal Vikas Nigam (GMVN) in Garhwal region of Uttarakhand. Garhwal Mandal Vikas Nigam (GMVN) is an enterprise of Uttarakhand State Government".

1.42 When asked as to steps taken by OMCs to increase the LPG dealerships in rural areas, the Ministry in its written reply submitted as under:

"There is no shortage of LPG distributorships in rural areas. In the advertisement under Unified Selection Guidelines, 2016, more than 97% of the locations have been advertised in Rural & Difficult and Special Areas (like Hilly regions, Forests area, Tribal inhabited area, sparsely populated, disturbed area, islands, Left Wing Extremism (LWE) affected areas). It is also ensured that New distributorship locations for setting up of LPG distributorships (SheheriVitrak, RurbanVitrak, GraminVitrak and DurgamKshetriyaVitrak) are identified based on the available refill sale potential (for 14.2 kg cylinders) that can sustain economically viable operations of LPG distributorships".

VI. RESERVATION POLICY IN ALLOTMENT OF RETAIL OUTLETS AND LPG DISTRIBUTORSHIPS

1.43 On being enquired about the criteria used to determine areas earmarked for RO dealerships and LPG distributorships belonging to reserved categories, the Ministry in its written reply submitted as under:

"With regard to RO

Locations finalized by Public Sector OMCs for setting up of Retail Outlets are placed under different categories of reservations under the 200 point Roster to ensure adherence to percentage of reservation for each category including SC/STs. The locations are allotted to the roster numbers based on draw of lot conducted by a three member committee of the concerned OMC.

With regard to LPG

In line with the reservation criteria prescribed in "Unified Guidelines for Selection of LPG Distributorships, 2016", locations finalized for setting up of LPG Distributorships are placed under different categories of reservation as per '200 point' roster (combined for three OMCs viz., IOC, BPC and HPC). For each State (except Arunachal Pradesh, Meghalaya, Nagaland and Mizoram), three 200 point rosters are prepared - one for Sheheri Vitrak and Rurban Vitrak; one for Gramin Vitrak and one for Durgam Kshetriya Vitrak. In the '200-point Roster', allocation of a reservation category against a serial number is done in such a fashion that, when all 200 numbers of LPG Distributors are planned, the percentage reservation of each category of reservation is achieved. Continuity is maintained in the '200 point roster'."

1.44 When asked as to whether there are any criteria for allotment of land to applicants of ROs in respect of SC, ST and OBC sections, the Ministry in its written reply submitted as under:

"Public Sector OMCs have stated that availability of suitable land in the advertised location is an eligibility criteria for all applicants including locations reserved for SC, ST and OBC since May 2014. Hence, all applicants including SC, ST and OBC are mandatorily required to arrange suitable land in the advertised location to be eligible".

1.45 When asked as to whether any steps have been taken by the Ministry to ensure access to land to reserved category applicants of RO dealerships in urban areas, the Ministry in its written reply submitted as under:

"With regard to RO

Availability of suitable land in the advertised location is an eligibility criteria for all applicants including locations reserved for SC, ST and OBC since May 2014. Hence all applicants including SC, ST and OBC are mandatorily required to arrange suitable land in the advertised location, for being eligible.

However, MOPNG has approved a policy for divestment of existing Temporary COCO ROs of OMCs to Pending LOI holders pertaining to advertisements prior to May 2014 and who are eligible to avail corpus fund scheme. MOPNG has written to all the State Governments to allot land for such pending Corpus fund LOI holders.

With regard to LPG

Presently Corpus Fund Scheme has been replaced by a bank mediated financial assistance scheme to SC/ST LOI holders. This scheme has been introduced since OMCs found it difficult to procure land/godown/showroom as govt. lands were not available and procurement of private lands was a lengthy and cumbersome leading to delay in commissioning of distributorships. Since implementation of new scheme OMCs have received applications by SC/ST

candidates offering land for showroom/godown and distributorships have been commissioned".

1.46 The applicant eligible for selection should meet the Eligibility Criteria for Sheheri Vitrak, Rurban Vitrak, Gramin Vitrak and Durgam Kshetriya Vitrak type of LPG Distributorships as under:

- a. Be an Indian citizen and be a resident of India.
- b. Have passed minimum Xth standard examination or equivalent from a recognized Board or certificate issued by Armed Forces as equivalent to Xth Class pass. The criterion of educational qualification is not applicable for applicant belonging to Freedom Fighter (FF) sub category under CC category.
- c. Be not less than 21 years and not more than 60 years in age as on the date of advertisement for all categories.
- d. There is no age restriction for applicants applying for locations reserved under FF category.
- e. Not be a family member of an employee of Oil Marketing Companies as on date of application.
- f. Fulfill Multiple Dealership/Distributorship norms.
- g. Not be a signatory to distributorship/dealerships agreement, terminated on account of proven cases of malpractice/adulteration of any Oil Company or not having resigned from Sole proprietorship of any dealership/distributorship of any PSU oil company in order to transfer the dealership/distributorship in favor of any of his/her family member(s) as defined in the Dealer/Distributor Selection Guidelines.
- h. 'Own' a plot of land of minimum dimensions specified below for construction of LPG godown Or 'Own' a ready LPG cylinder storage godown as on the last date for submission of application as specified either in the advertisement or corrigendum (if any).

The minimum capacity of the LPG godown (approved and licensed by Chief Controller of Explosives of Petroleum and Explosives Safety Organization (PESO)) required for storage of LPG in cylinders is given below :

- I. SheheriVitrak and RurbanVitrak should 'Own' a plot of land wherein a rectangular plot of minimum dimensions 25 Metre x 30 Metreis available in the city or within 15 km road distance from the boundary limits from the boundary limits of location in the same State for a storage Godown of minimum capacity of 8000 Kg LPG.
- II. Gramin Vitrak should 'Own' a plot of land wherein a rectangular plot of minimum dimensions 21 Metre x 26 Metre is available within 15 km road distance from the boundary limits of the location offered in the same state for storage godown of minimum capacity of 5000 Kg LPG.
- III. DurgamKshetriyaVitrak should 'Own' a plot of land wherein a rectangular plot of minimum dimensions 15 Metre x 16 Metre is available within the village/cluster of village limits as per the advertised location in the same state for a storage godown of minimum capacity of 3000 Kg LPG.

- IV. Showroom requirement is only for Sheheri Vitrak, Rurban Vitrak and Gramin Vitraks: The applicant should 'own' a suitable shop/land of minimum size 3 metre by 4.5 metre for putting up a showroom in the advertised location/locality.

1.47 When asked to provide details of reservation policy being implemented by OMCs in the allotment of ROs and LPG distributorships, the Ministry in its written reply submitted as under:

"With regard to RO

Current reservation policy of Public Sector OMCs in respect of retail outlet dealership is as below:

The reservation for various categories in all the States except Arunachal Pradesh, Meghalaya, Nagaland and Mizoram are as under: -

Category	SC/ST	OBC	Open	Total
Combined Category 1 (CC1) Comprising of :- (i) Defence Personnel & (ii) Para Military Personnel / Central / State Govt. and Central/State PSU employees	2	2	4	8
Category	SC/ST	OBC	Open	Total
Combined Category 2 (CC2) Comprising of :- (i) Outstanding Sports Persons (OSP) & (ii) Freedom Fighters (FF)	0	0	1	1
Category	SC/ST	OBC	Open	Total
Physically Handicapped (PH)	1	1	1	3
SC/ST	19.50			19.50
OBC		24		24
Open			44.50	44.50
Total	22.50	27	50.50	100

"200 Point Roster" is maintained separately for both Regular and Rural ROs on State-wise basis individually by each Oil Company. In the Roster % reservation as mentioned above is maintained under each category. The Distribution between SC and ST will vary in each state depending on the ratio of SC / ST in the state.

Considering the high ST population in states of Arunachal Pradesh, Meghalaya, Nagaland and Mizoram, the Reservation in these States are as under: -

State	Percentage of Regular & Rural RO Dealerships to be awarded to ST category	Balance % to be awarded to 'Open' category

Arunachal Pradesh	70	30
Meghalaya	80	20
Nagaland	80	20
Mizoram	90	10

With regard to LPG

Reservation to the various categories of people of the country has been prescribed in the "Unified Guidelines for Selection of LPG", 2016. The percentage reservation for various categories in all the States except Arunachal Pradesh, Meghalaya, Nagaland and Mizoram are as under: -

A	Open category (o)	50.5%
B	Schedule castes / scheduled tribes (sc/st)	22.5%
C	Other backward classes (obc)	27.0%

In each of the above main categories of reservation, there are sub-categories as under:-

Sub-category	Reservation categories (in %)			
	SC/ST	OBC	Open	Total
Government personnel category (GP)	2	2	4	8
Divyang/ physically handicapped personnel (PH)	1	1	1	3
Combined category (CC)	0	0	1	1
Women	7	9	17	33
Reserved for main category - any person from the respective category	12.5	15	27.5	55
Total	22.5	27	50.5	100

Defence personnel can apply under Government P category (GP). Defence Personnel includes disabled personnel of armed forces (viz. Army, Navy and Air force) for causes attributable to performance of official duty, Widow(s) / dependent(s) of defence personnel who died while on official duty and ex-servicemen.

Reservations in North Eastern states of Arunachal Pradesh, Meghalaya, Nagaland and Mizoram are as under:

State	Percentage of reservation in all four types of LPG distributorships to be awarded to ST category	% for women category	Balance % to be awarded to open category
Arunachal Pradesh	49	30	21
Meghalaya	56	30	14
Nagaland	56	30	14
Mizoram	63	30	7

1.48 When asked to provide details w.r.t. number of reserved category non-performing dealers and distributors among retail outlet dealers and LPG distributors who have sold quantities below the ceiling limit, the Ministry in its written reply submitted as under:

"With regard to RO -

The Public Sector OMC wise details of Non Performing retail outlets are as below:

OMC	Category				Total
	SC	ST	OBC	Ors.	
IOC	129	37	4	653	823
BPC	67	33	12	434	546
HPC	183	108	111	973	1375
Total	379	178	127	2060	2744

With regard to LPG

LPG distributor operating below ceiling limit is not a criterion for non-performance".

1.49 On being asked about the criteria in determination of non-performing dealerships on ROs and LPG distributorships, the Ministry in its written reply submitted as under:

"With regard to RO

Public Sector OMCs have stated that average sales from the RO dealership during last six months is considered for determining the performance of RO.

Accordingly, Regular ROs selling < 30 KLPM and Rural ROs selling < 12 KLPM, but not closed, are categorized as non-performing dealerships.

With regard to LPG

The performance is evaluated on various parameters/instruction issued for maintaining customer service. The measurable one is TDT (Targeted time delivery) rating, which is based on the time taken for delivering a refill after booking by the distributor. These ratings are as under:

- 5 Star = 85% delivery in < =2 day 'Excellent'
- 4 Star = 85% delivery in < =4 days 'Good'
- 3 Star = 85% delivery in < = 6 days 'Average'
- 2 Star = 85% delivery in < = 8 days 'Below Average'
- 1 Star = 15% delivery in > 8 days 'Poor'

1.50 The number of reserved category dealers and distributors who have discontinued RO dealerships and LPG distributorships:

"With regard to RO

Public Sector OMC wise number of RO dealerships under reserved category who have resigned during last three years are as below:

OMC	Category				
	SC	ST	OBC	Unreserved	Total Resignations
IOC	1	0	0	3	4
BPC	1	0	0	12	13
HPC	1	0	0	3	4
Total	3	0	0	18	21

Retail Outlet dealership is a business proposition that carries all associated risks like any other business. OMCs provide training to the dealers on best customer practices and business solicitation efforts to enable dealers to increase their sales.

However, despite the best efforts of Public Sector OMCs, some dealers find it difficult to sustain their business for various reasons like financial debt, personal / family issues, change in business dynamics etc.

The dealers with poor sales performance are also counselled and given an opportunity under 'Holiday Scheme' for allowing the concerned OMC to take over and operate the RO site for a specified time period, so that the dealer gets undivided time to resolve the issues concerned with the poor performance of the RO and take back the operations of the RO thereafter.

In case the RO dealer still decides to resign, the dealer is given a personal hearing by the competent authority before accepting the resignation.

With regard to LPG

No SC/ST distributor has resigned or discontinued operations in last 3 years due to viability reasons".

VII. CORPUS FUND SCHEME

1.51 When asked to provide details related to Corpus Fund Scheme with regard to RO dealerships and LPG distributorships, the Ministry in its written reply submitted as under:

"With regard to RO

In respect of locations reserved for SC/ST categories, financial assistance under Corpus Fund Scheme is given by the Public Sector OMCs on award of RO dealerships as under:

a) In respect of locations reserved for SC/ST categories, the Oil Company will make available ready Retail Outlet with required facilities at its cost on the land offered by the candidate and procured by the Company on mutually agreed terms and conditions.

b) Oil Company will also provide adequate working capital assistance/loan for a full operation cycle (equivalent to 7 days Sales volume) of the operation of the Dealerships. Both working capital amount as well as interest @ SBI MCLR (Marginal Cost of Funds based Lending Rate) + 1% interest per annum or 11% p.a., whichever is lower, thereon will be recovered in 100 monthly installments commencing from the 13th month of commissioning of the Dealership.

c) Initial working capital assistance is given for maximum 18 KL of MS and 18 KL HSD. Eligibility is calculated for MS and HSD separately.

d) Based on SBI MCLR (1-year MCLR) as on 1st of April every year, interest rate for Corpus Fund loan is revised for the outstanding loan amount.

e) Augmentation of initial working capital assistance/loan provided at the time of commissioning may be done through additional loan between two to four years after commissioning due to increased sales and additional working capital requirement subject to certain conditions

However, no Corpus Fund Scheme is extended to the OBC Category applicants.

Public Sector OMCs have stated that depending upon on the type of site, the facilities are to be made available by the Dealer (as specified by the Corporation)/Corporation as mentioned against each type of facility. However all locations under SC/ST category mandatorily being advertised as CFS locations are developed as 'A'/CC sites. However OBC locations are developed as A/CC or B/DC site depending upon the type of RO site under which they are advertised.

S.N.	Type of Facility	TYPE OF SITE	
		"A" / "CC" site including CFS locations	"B" / "DC" Site / Company Leased Site
		Provision of Facility by:	
A	Infrastructural Facilities:		
i.	Developed land with boundary /compound wall as per Corpn. Specification	Dealer	Dealer
ii.	Tanks, Dispensing Units, Signage's, Automation, etc.	Corpn.	Corpn.
iii.	Sales Office, Store Room, Toilet, Electrical Room, Water Connection, Yard Lighting, etc.	Corpn.	Dealer
iv.	Generator / Invertor	Dealer	Dealer
v.	Compressor with Electronic Gauge for Air Filling (As decided by OMC)	Corpn./ Dealer	Dealer
vi.	Driveway	Corpn.	Dealer

vii.	Canopy (as per Corpn. requirement)	Corpn.	Dealer
B	Customer Convenience Facilities:		
i.	Clean Drinking Water, Maintenance of Neat & Clean Toilet, Telephone, etc.	Dealer	Dealer

With regard to LPG

Presently Corpus Fund Scheme has been replaced by a bank mediated financial assistance scheme to SC/ST LOI holders. This scheme has been introduced since OMCs found it difficult to procure land/godown/showroom as Govt. lands were not available and procurement of private lands was a lengthy and cumbersome leading to delay in commissioning of distributorships. Currently, no infrastructural facility is provided for SC, ST and OBC distributors by OMCs. Under this scheme the selected candidate for the location reserved under SC/ST category has the option to avail the following financial assistance scheme:

1.52. When asked as to whether any interest is provided on the security deposit submitted by RO dealership and LPG distributorship applicants, the Ministry in its written reply submitted as under:

"With regard to RO

Security deposit is taken from all categories of RO dealerships by Public Sector OMCs. It is refundable without any interest at the time of resignation / termination. This deposit is primarily taken to adjust any dues to the OMCs in case of resignation by the dealer or termination. However, in case of termination of dealership on account of proven adulteration / malpractices, the security deposit is forfeited.

Interest is not paid on the security deposit as per the terms and conditions of the dealership agreement executed by and between the dealer and concerned OMC / as per information given in the Brochure for selection of RO dealer.

With regard to LPG

The selected candidate, before being issued the appointment letter has to deposit interest free refundable security deposit to the respective OMC. OMCs issue equipment, i.e. cylinders and PRs without any advance payment to Distributors for further release of New Connections/ DBCs. Further Distributors always also maintain inventory of equipment which is issued to Distributors free of cost. OMCs reserve the right to adjust any dues to it from the Security Deposit amount at the time of resignation/ termination. However, in case of termination of the distributorship is on account of proven malpractice, the said security deposit is forfeited".

1.53 When asked as to whether the Ministry/OMCs have devised any mechanism to safeguard interest of dealers belonging to SC/ST, freedom fighters and defence categories for low sale of auto fuels at retail outlets, the Ministry in its written reply submitted as under:

"The offer of dealership is purely a business proposition and all the prospective applicants desirous to become dealers to evaluate the business proposition. The business viability of each dealer depends on the effort to market, management of retail outlet and other factors.

There are no specific norms for safeguarding dealers, regardless any category, including SC/ST, freedom fighters and defence categories for low sale of auto fuels at retail outlets.

However, as per extant policy, SC/ST dealerships are extended working capital loan and fully developed retail outlet by OMCs to support them in the business venture".

For Sheheri Vitrak, Rurban Vitrak and Gramin Vitrak

1.1 Oil Marketing Companies (OMCs) facilitate the selected candidate belonging to SC/ST category in obtaining the loan from scheduled commercial bank for providing the LPG Godown, Showroom and LPG cylinder delivery infrastructure (LPG cylinder delivery infrastructure is not applicable for Durgam Kshetriya Vitrak). In this regard, if the banks require any margin money to be invested by the candidate in providing the above mentioned facilities, OMCs extend financial assistance by way of a secured loan towards such margin money. The margin money however be limited to Rs. 1 Lakh for Urban market Distributorships and Rs. 0.60 lakh for Urban-Rural & Rural market Distributorship or 20% of the total project cost against which the loan has been sanctioned by Bank, whichever is lower.

1.2 The secured loan towards the margin money should be provided to Distributorships reserved for SC/ST categories at (SBI PLR + 1%) interest per annum. This loan as well as interest should be recovered at the rate of 20% of distributor's commission.

1.3 Adequate working capital loan at (SBI PLR + 1%) interest per annum, for a full operation cycle of the operation of the distributorship should also be provided. Both the working capital as well as interest thereon should be recovered in 100 equal monthly installments from the 13th month of commissioning of the Distributorship.

For Durgam Kshetriya Vitrak

2.1 Candidates selected for Durgam Kshetriya Vitrak (DKV) locations reserved under SC/ST category are provided a secured interest free loan of Rs. 1 lakh for

construction of godown/other facilities. This amount should be recovered on per refill basis at the rate of 20% of Distributors commission for 14.2 Kg as per policy.

2.2 Locations reserved under SC/ST category, the concerned Oil Company provide adequate working capital loan for operation of the DKV at an interest rate of 11% per annum on reducing balance. Both the working capital loan as well as interest should be recovered in 100 equal installments from the 13th month of commissioning of the DKV".

1.54 When asked as to whether OMCs appoint multiple committees to negotiate rent evaluation for RO dealership, the Ministry in its written reply submitted the following information:

"Public Sector OMCs have stated that no COCO is provided to any Individual land owners. Permanent COCOs are operated through service providers appointed for a short term as per extant guidelines and are selected through a laid down selection guidelines. The temporary COCOs are allotted to pending eligible category LOI holders mainly constituting of SC/St category.

Based on the offer of rentals received from the land owners, appropriate negotiation committees are formed. Multiple negotiation committees are not appointed for an offer received for a particular land".

1.55 On being asked about the rent/lease fixation done for ROs based on COCO pattern, the Ministry in its written reply submitted the following information:

"Public Sector OMCs have stated in case offered land is found suitable for new outlets/COCOs, valuations are obtained from empanelled Government Valuers and negotiations are conducted by an approved negotiation committee. Once mutually agreed terms of lease/ purchase are arrived at, sale deed or lease deed is executed after approval by the competent authority. Prior to execution of lease/purchase, legal search is conducted through an empanelled advocate of the OMCs".

1.56 The Committee sought to know the status of refund of corpus fund to the distributor who have completed or repaid the assistance extended to them via corpus fund to which the representative of the Ministry submitted that:

"आपका एक क्वैश्चन रिफंड के बारे में था, तो जिन डिस्ट्रीब्यूटर्स का कारपस फंड पूरा हो गया था, आपने शायद पहले भी एक बार इश्यू रैज किया था, उसके बाद रिफंड किया गया है। एचपीसीएल की तरफ से भी 6.87 करोड़ रुपये हमने 40 डिस्ट्रीब्यूटर्स को रिफंड किया है जिनका कारपस फंड का एमाउंट पूरा हो गया था। अगर और भी कुछ होगा, तो हम लोग उसे देख सकते हैं।"

1.57 When asked to furnish the details of petroleum products wherein OMCs implement reservation policy, the Ministry in its written reply submitted as under:

"With respect of appointment of dealer/distributors, Reservation policy is provided by Public Sector OMCs for Retail MS/HSD dealerships, LPG distributorships and SKO/LDO dealerships only.

Reservation policy is provided by Public Sector OMCs in appointment of transporters for POL products".

1.58 When asked as to whether the Ministry is considering to include economically weaker sections as well, the Ministry in its written reply submitted as under:

"No such proposal is under consideration in this Ministry".

VIII. DEALER COMMISSION FOR RETAIL OUTLETS

1.59 On being asked about the criteria for the commission provided by oil marketing companies (OMCs) to LPG distributorships, the Ministry in its written reply submitted as under:

"Distributor commission consists of establishments cost and delivery cost. The commission is same for all class and all type of markets of the distributorship. However, the commission is different as per the packages of the cylinder.

The elements are as under:

Establishment Expenses	
A	Manpower Cost (Establishment)
B	Revenue Expenses
C	Godown & Showroom
D	Financial Expenses
E	Owner Remuneration
Delivery Expenses	
F	Manpower Cost (Delivery)
G	Variable Cost

1.60 When asked as to whether OMCs have taken cognizance of inadequate margins of commissions received by retail outlet dealers in the country and the measures initiated to address the grievances of RO dealers, the Ministry in its written reply submitted as under:

"The prices of petrol and diesel have been made market-determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. Since

then, the Public Sector Oil marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with international product prices and other market conditions. Revision of Dealer's commission on petrol and diesel is also decided by the OMCs from the dates mentioned above.

A committee was constituted by MoPNG under the chairmanship of Joint Secretary (Marketing), MOP&NG for devising a suitable mechanism for fixation of dealer commission/margin. After considering the inputs/suggestions from various stake holders, including Dealer's bodies/associations, the Apurva Chandra Committee report, Ministry advised OMCs about enhancement of dealer's margin on petrol and diesel effective 01-07-2011. MOP & NG also advised that decision of actual commission to be paid to the dealers for petrol (MS) is to be taken by OMCs.

Thereafter, Ministry vide their letter no. p-20028/2/2014-PP dated 22nd October, 2014 advised OMCs to take necessary action with regard to revision in dealer's margin for diesel (HSD) dispensed by them under intimation to Ministry.

Subsequently, the dealers' margin for MS&HSD have been increased by OMCs from time to time broadly based on the Apurva Chandra Committee recommendations. The dealer's margin has been last revised w.e.f. 01.08.2017".

1.61 The Committee desired to know whether the commission of dealers is same in rural and urban areas to which the representative of the Ministry informed during oral evidence held on 12.12.2019 that:

"महोदय, पूरे भारत में कमीशन सेम है।"

1.62 The Committee pointed out the recommendations of Apoorva Chandra Report regarding issue of wages to labours at retail outlets and dealer commissions and the selective implementation of the report by the Ministry to which the representative of the Ministry submitted during oral evidence that:

"माननीय सदस्य ने दिल्ली हाई कोर्ट के जजमेंट के बारे में बात की थी, इसमें हमारी कंपनी का पाइंट यह है कि जो सेंटरल के रेट्स हैं, उसके हिसाब से वेजेज पे होने चाहिए। कंपनी कहती है कि जो स्टेट का रेट है, वह कई जगह कम है। हमारा कंपनियों का तर्क यह है कि हम उनको जो कमीशन दे रहे हैं या जो भी उसके लिए पैसे दे रहे हैं, वह सेंटर के रेट के हिसाब से हैं। वे अगर कम वेजेज देते हैं, तो जो भी वहां कार्य कर रहा है, वह भी कोई गरीब व्यक्ति है, उसको वेज कम मिलती है, उसके लिए हमारी कंपनी ने यह पाइंट

रखा है कि अगर वह कमीशन ज्यादा ले रहा है, तो आगे इंप्लॉइज को ज्यादा वेज भी देनी चाहिए।”

1.63 The All India Petroleum Dealers Association (AIPDA) have pointed that Ministry has taken a vindictive attitude towards them for approaching High Court and the dealers commission have not been revised since 2017. During the oral evidence held on 08.03.2021 they have informed that:

“हमारी शिकायत है कि वर्ष 2017 से हमारी कमीशन नहीं बढ़ाई जा रही है। पेट्रोल उड़ता है। जब 70 रुपये प्रति लीटर था और अगर वह एक हजार लीटर उड़ता था तो हमारा 70,000 रुपये का नुकसान था। आज वह 100 रुपये हैं और अगर 1000 लीटर बिकता है तो एक लाख रुपये का नुकसान होता है। महँगाई और इसके जो दाम बढ़ रहे हैं, उसके अंदर में भी ग्रस्त हूँ। मेरी कमीशन फिक्स है, वह 3 रुपये 28 पैसे पेट्रोल पर हैं और 2 रुपये 18 पैसे डीजल पर नेट हैं। कुछ भी हो जाए, पेट्रोल इधर जाए या उधर जाए, मेरा कमीशन फिक्स है। ओएमसी ने हमसे नवंबर 2004 और 2016 में रिटन एग््रीमेंट किया। उसने लिखकर हमसे कहा कि हर 1 जुलाई और 1 जनवरी को जो भी आपके पैरामीटर्स हैं, अभी अभिषेक साहब ने यह मैटर उठाया था कि उसको अपडेट कर दिया जाएगा। उसके बाद हम सीधे दिल्ली हाई कोर्ट चले गए। दिल्ली हाई कोर्ट की सिंगल जज कहा कि इनको पीनल एक्शन लगाने और मोनेटरी के जो भी अधिकार है, वह फाइन लगाने का अधिकार नहीं है। दो साल लड़ने के बाद हमें सिंगल जज ने यह रिलीफ दिया। अब ओएमसी हमसे कहती है कि आप हमारे खिलाफ कोर्ट में गए थे, इसलिए जब तक उसका फैसला नहीं होगा, तक तक हम आपका कमीशन नहीं बढ़ाएंगे। यह हमें लेटर में रिप्लाई दिया जा रहा है, जबकि एक तरफ हमसे वर्ष 2016 में एग््रीमेंट किया गया। ये दोनों डॉक्यूमेन्टेड हैं।”

1.64 The Committee enquired as to whether the Ministry is taking a harsh and punitive action to those who have approached the court for relief in certain cases to which the representative of the Ministry informed that:

“Vindictive action certainly should not be there. People have a right to go to court and we do not contest that at all. The only issue is that, in case dealers are taking commission which is based on a particular wage to be paid to their workers and they pay less wage and retain that money, I am told that the money which is being retained is running into thousands of crores. Otherwise, we have to reduce their commission. So, either of these two has to be done because it is all money coming from consumers. Consumers are paying a higher amount and wages are being paid at a lower rate. That is the only major point”.

1.65 On being enquired about the commission for dealers for Retail Outlets (RO) last revised along with OMCs have stopped revising commission owing to legal cases filed by Petroleum Dealers Associations on the issue, the Ministry in its written reply submitted as under:

"The dealer's margin has been last revised w.e.f. 01.08.2017. Currently the dealer margins are being paid as revised on 01.08.2017. OMCs had been revising dealer margin for dealers till August 2017 but thereafter it has not been revised due to dispute raised by dealers/ dealers Associations in 2017 against the MDG 2012 amendment on the implementation of obligation of wage payment.

Some of the Dealers/ Dealers Associations had filed Writ Petitions before various High Courts challenging the amendments to MDG 2012 implementation, which included the wages payment (an element of dealer margin).

The OMCs had filed Transfer Petitions before the Hon'ble Supreme Court for transferring all those Writ Petitions. The Hon'ble Supreme Court, vide its Order dated 27.11.2017, have disposed of the Transfer Petitions and requested the Delhi High Court to decide the Writ Petition No. 10334/2017 pending before it. Further, the Hon'ble SC have permitted the affected parties to intervene before the Delhi High Court. Accordingly, the Hon'ble Delhi High Court have heard three Writ Petitions along with six intervention applications jointly, which were disposed vide Order dated 18.3.2020.

OMCs have filed the appeals under LPAs in the High Court of Delhi against the learned single Judge Order passed on 18th March, 2020.

Hon'ble Delhi High Court Division bench on 27.01.2021 granted stay on the Ld Single Judge order dated 18.03.2020. The matter is presently posted for further dates & sub-judice.

http://164.100.69.66/jupload/dhc/RAS/judgement/18-03-2020/RAS18032020CW103342017_182305.pdf

1.66 On being enquired about the reason for challenging the Delhi High Court order on Dealers Commission by OMCs, the Ministry in its written reply submitted as under:

"In order to motivate the employees of Retail Outlets to provide better quality of service standards and to deliver the assurances given to customers in terms of quality, quantity, cleanliness and behaviour on forecourt, OMCs had advised that dealers pay OMCs notified wages which is arrived on the basis of Central Minimum Wages (applicable for Construction workers) or statutory minimum wages as notified by State, whichever is higher. The Dealers Association have

been requesting to consider Central Minimum Wages for revision in Dealer margin.

Subsequent to dealer margin revision, OMCs advised the dealers to pay the OMC notified wages to the employees/staff of dealers. OMCs amended Marketing Discipline Guidelines 2012 (MDG) in Oct 2017 to implement above, among other provisions.

Some of the Dealers/ Dealer Associations have challenged the amended provisions of MDG 2012 (amended in Oct 2017) before various courts which included the wages payment (an element of dealer margin).

The OMCs had filed Transfer Petitions before the Hon'ble Supreme Court for transferring all those Writ Petitions. The Hon'ble Supreme Court, vide its Order dated 27.11.2017, have disposed of the Transfer Petitions and requested the Delhi High Court to decide the Writ Petition No. 10334/2017 pending before it. Further, the Hon'ble SC have permitted the affected parties to intervene before the Delhi High Court. Accordingly, the Hon'ble Delhi High Court have heard three Writ Petitions along with six intervention applications jointly, which were disposed vide Order dated 18.3.2020.

The Hon Delhi High Court Judgement dated 18.03.2020 briefly on payment of wages is as below -

- Dealers will not be compulsorily required to pay wages/salaries to staff, which are higher than statutorily notified min. wages stipulated by State Government/UT.
- R.O. dealers will not be called upon to pay other benefits like PF, contribution to ESIC, Bonus, Earned Leave/Annual Leave and Gratuity unless they are required to extend these benefits under the relevant statutes.
- Statutory rules need to be followed but OMCs cannot levy monetary penalty.

OMCs obtained the legal opinion on the order of the Ld Single Judge dated 18.03.2020 from the Solicitor General of India, who had opined that the Judgement is unsustainable under law & it negates the beneficial statutory intent and fit case for appeal".

1.67 When asked as to whether there are any provisions issued by the MoPNG/OMCs to revise the commission regularly for LPG distributorships indexed to inflation, the Ministry in its written reply submitted as under:

"Distributorship commission for ND LPG varies every month based on the formula related to the working capital".

IX. CUSTOMER TRANSFER POLICY OF LPG DISTRIBUTORSHIPS

1.68 When asked as to whether the Ministry/OMCs are contemplating to improve LPG penetration where the number of customer may be small or low, the Ministry in its written reply submitted as under:

"In order to increase LPG penetration where the number of customers may be small or low, there is provision for setting up Gramin Vitrak and Durgam Kshetriya Vitrak (DKV) under the Unified Guidelines for Selection of LPG Distributorships. DKVs are set up in Difficult and Special Areas where number of customer is small or low (like Hilly regions, Forests area, Tribal inhabited area, sparsely populated, disturbed area, islands, Left Wing Extremism (LWE) affected areas), where setting up of even Gramin Vitrak is not feasible".

1.69 When asked to furnish a copy of the Consumers Transfer Policy followed by OMCs to ensure distribution of consumers among the LPG distributorships, the Ministry have submitted copies of the Customer Transfer Policy followed by OMC, on intra-company & inter-company. (Appendix - IV & V)

1.70 When asked as to whether the Consumers Transfer Policy has been challenged by some LPG distributors and the present status of the cases challenging the Consumers Transfers Policy by a few distributors, the Ministry in its written reply submitted as under:

"BPCL distributors in Kolhapur filed petition CWP 8573 / 2018 against transfer of customer policy in Hon. High Court of Mumbai. The policy on intra company customer transfer has been quashed by Hon Mumbai High Court. BPCL filed Review Petition in Bombay High Court on 16.11.2019 and SLP No. 2425 of 2020 on 06.01.2020 in Supreme Court against the said order.

IOCL also filed SLP before the Supreme Court on 22.01.2020. IOCs SLP was tagged with BPCL's SLP. Thereafter, around 22 Writ Petitions were preferred by IOCL distributors before the High Courts across the country. IOCL filed Transfer Petition's before the Supreme Court of India".

1.71 When enquired about the extant ceiling limit of customer base for LPG distributorships for Metro cities, Urban areas, Rurban areas and Gramin areas, the Ministry in its written reply submitted as under:

"As per Unified Guidelines for Selection of LPG Distributorship, the refill ceiling limit and the Feasibility Norm for different types of Distributorship Area are as under:

Type of Distributorship area	Population per census 2011	as	Refill Limit month	Ceiling per	Refill Sale per month for Feasibility limit
Sheheri Vitrak	Cities with population > 40 lakh		20,000		10,000
	Cities with 20 to 40 lakh population		15,000		7,500
	Cities with 10 to 20 lakh population		12,000		6,000
Rurban Vitrak	Towns with < 10 lakh population		10,000		5,000
Gramin Vitrak	Village / Cluster of villages		5,000		2,500
Durgam Kshetriya Vitrak	Village / Cluster of villages		1,500		600

1.72 When asked to provide the number of LPG distributorship agencies having higher than the ceiling limit, the Ministry in its written reply submitted as under:

"OMC have reported that as on 01.01.2021, out of total 22,217 LPG distributors allotted under Marketing Plan, 6,658 are above ceiling limit".

1.73 When asked to provide the number of LPG distributorship agencies having lower than the ceiling limit, the Ministry in its written reply submitted as under:

"OMC have reported that as on 01.01.2021, out of total 22,217 LPG distributors allotted under Marketing Plan, 15,559 are below ceiling limit".

1.74 When asked as to whether there have been any issues related to financial non viability of existing business of LPG distributorships due to the transfer of LPG customer base from old distributors to new distributors along with the remedial measures for the same, the Ministry in its written reply submitted as under:

"Customer transfer policies are devised taking into consideration the market ceiling of old distributors and viability limits for newly commissioned distributors. The objective of customer transfer is to ensure rationalization of refill sale in line with ceiling limits and to ensure that the new distributors reach viable limits. As on 01.01.2021, OMC has 22,217 nos. of LPG distributors allotted under Marketing Plan out of which 7115 nos. are operating below viability limit which is

expected to get rationalized to attain viability once intra company customer transfer is put in place.

As the policy on intra company customer transfer has been quashed by Hon Mumbai High Court vide CWP 8753 of 2018, the intra company customer transfer policy is kept on hold. BPCL & IOCL have filed SLPs in Supreme Court against the said order”.

1.75 When asked as to whether it is true that there are many LPG distributorships in rural areas which are not in a position to redeem 50% of their investments even after the commissioning of LPG business due to financial non viability of the same, the Ministry in its written reply submitted as under:

“As on 01.01.2021, OMCs have 22217 nos. of LPG distributors allotted under Marketing Plan out of which 7115 nos. are operating below viability limit”.

1.76 When asked as to whether Gramin LPG distributorships have been facing any hardships due to insufficient customer base and lopsided planning of locations for LPG distributorships along with the views of the Ministry/OMCs, the Ministry in its written reply submitted as under:

“Locations for setting up of LPG distributorships are identified based on available refill sale potential that can sustain economically viable operation of LPG distributorship. The refill sale potential is based on several factors including population, population growth rate, economic prosperity of the location and the distance from the existing nearest distributor.

As on 01.01.2021, OMCs have 22217 nos. of LPG distributors allotted under Marketing Plan out of which 7115 nos. are operating below viability limit. OMCs have worked out rationalization measures through customer transfer policy to enable these distributors to reach viable limits. As the policy on intra company customer transfer has been quashed by Hon Mumbai High Court vide CWP 8753 of 2018, the intra company customer transfer policy is kept on hold. BPCL & IOCL have filed SLPs in Supreme Court against the said order”.

1.77 On being asked about the mechanism to redistribute customer base to newly set up LPG distributorships in rural areas to ensure financial viability of the same, the Ministry in its written reply submitted as under:

“A Customer transfer Policy is already in place by OMCs to ensure Customer transfer to the nearest Distributor of the Consumer as and when the distributorship is commissioned and distributors are below viability limit. The said policy guidelines were challenged by few distributors in various courts in the

country and same has been set aside by Hon'ble High Court of Mumbai. OMCs are challenging the order in Hon'ble Supreme Court so that the process of customer transfer can be completed".

1.78 When asked as to whether OMCs/LPG distributorships maintain any data related to supply of both commercial and domestic LPG cylinders to customers, the Ministry in its written reply submitted as under:

"Details of Domestic LPG sale by OMCs in the country during last five years are as under:

Year	Domestic Sale (in million Metric Ton)
2019-20	23.1
2018-19	21.7
2017-18	20.3
2016-17	18.9
2015-16	17.2

Sales of Non Domestic LPG cylinders (in TMT) by OMCs during the last 05 years is as under:

OMC	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
IOC	545	656	782	885	1005	740
HPC	468	574	658	738	819	578
BPC	451	545	649	740	790	566

1.79 When asked as to whether LPG distributors have been deliberately supplied with excessive number of cylinders by OMCs in order to achieve their sale targets, the Ministry in its written reply submitted as under:

"OMCs supply domestic LPG cylinders to Distributors as per the indents placed by them which in turn depends upon the Distributor's godown stock, distance from the supply location, available & expected refill bookings and/or any other local consideration so as to maintain prompt & uninterrupted supplies to valued customers".

1.80 When asked as to whether there have been any instances wherein LPG cylinders have been supplied to unregistered customers, the Ministry in its written reply submitted as under:

"LPG cylinders are supplied against cash memo to the registered customers by the OMC distributors. However, there have been instances wherein unaccounted sale of domestic cylinders was observed. Action under MDG is taken against the concerned distributorship in all the established cases of unaccounted sale of domestic cylinders.

With regard to Non Domestic, LPG cylinders are priced higher than the Domestic LPG and no element of subsidy is involved in it. No Such cases have come to the notice of sale of ND LPG to unregistered customers".

1.81 When asked as to whether there have been any instances of illegal supply of LPG cylinders from states closer to border areas to neighbouring countries, the Ministry in its written reply submitted as under:

"OMCs have not come across to any instances of illegal supply of domestic LPG cylinders from States closer to border areas to neighbouring countries.

With regard to Non Domestic, LPG cylinders are priced higher than Domestic LPG and no element of subsidy is involved in it. No Such cases have come to the notice of sale of ND LPG Cylinders across the borders to neighbouring countries".

X. LITIGATIONS AND GRIEVANCE REDRESSAL MECHANISM

1.82 When asked as to whether the number of complaints received with regard to allotment of LPG distributorships after changing the guidelines to make it more transparent, have come down, the Ministry in its written reply submitted as under:

"OMCs have reported that they are not maintaining such records. However, due to transparency, all applicants are able to verify the details of each other and scrutinize it for the correctness. As data is not available, no comparison can be drawn".

1.83 The Committee pointed out that there are 1684 cases filed in courts against selection of retail outlets dealerships. The representative of the Ministry submitted that:

"आपने यह भी कहा कि हमारी कंपनियाँ लिटिगेशन में ज्यादा विश्वास करती हैं और मामले सेटल नहीं करते हैं। उनके बहुत सारे केसेस हैं, उनमें से कितने केसेस हमारे खिलाफ जाते हैं और कितने हमारे पक्ष में जाते हैं, उसका सूचना भी हम ले लेंगे। हम मंत्रालय की तरफ से भी प्रयास करेंगे और यह देखेंगे कि किस किस्म की लिटिगेशन अधिक हो रही है। अगर हमारी कंपनी के स्तर पर ही इनका सेटलमेंट हो जाए तो ज्यादा

अच्छा रहेगा। एक परिवार को एक पंप मिले या अधिक पंप्स मिले, इस बारे में माननीय समिति की जो सिफारिश होगी, उसके हिसाब से हम देख लेंगे कि कैसे आगे बढ़ना है।"

1.84 On being enquired about the allotment related complaints received during the last one year and details of mechanisms in place to resolve these complaints, the Ministry in its written reply submitted as under:

"With regard to RO

A total number of 3953 complaints have been received by Public Sector OMCs from aggrieved applicants in respect of RO dealership selection in respect of 2018 advertisement for 78390 locations.

The Dealer Selection Guidelines 2018 of Public Sector OMCs provides for the mechanism for redressal of grievance of applicants as under:

Any complaint against any selected candidate should be accompanied by a fee of Rs. 5000/-only, in favour of the Oil Company. Any complaint received without this fee will not be entertained. The complaint received against the selection including eligibility will be disposed off as under:-

(i) Complaints received before or after draw of lots/bidding process along with requisite fee of Rs. 5000/-, will be kept in record and investigation carried out after successful completion of scrutiny, land evaluation and Field Verification of Credential for the selected candidate only in following cases:-

- **General complaints with verifiable facts**
- **Complaints against selected candidate***

* Selected candidate means the candidate who has completed Field Verification of Credentials successfully and is eligible for issuance of LOI.

(ii) Any complaint received after 30 days from the date of draw of lots/bidding process will not be entertained.

(iii) Representation from applicants against rejection of his/her candidature will be verified and disposed of immediately by the Corporation before proceeding to next stage. For such cases, fee of Rs. 5000/- will not be applicable.

(iv) Anonymous complaints without verifiable facts will not be investigated.

(v) On receipt of a complaint, a letter will be sent by the oil company to the complainant through Registered Post, asking him to submit details of allegation with a view to prima facie substantiate the allegations along with supporting documents, if any, within 20 days from date of dispatch of letter. While seeking documents and details, the complainant will be advised that if during the investigations, complaint is found to be false and/or without substance, the Oil

Company reserves the right to take action against the complainant as provided under the law and fee forfeited.

(vi) In case a complaint is received against an applicant, who has not been selected in draw of lots/bidding process, the same will be kept in abeyance. In case the LOI against selected candidate is cancelled and the applicant against whom the complaint was received gets selected in the next draw or on account of bidding process, the complaint will only then be investigated.

(vii) If the complaint is not required to be investigated the fee received will be refunded to the complainant informing that the complaint has not been investigated since the candidate against whom the complaint has been made has not been selected. The fee will be refunded after issuance of LOA to the selected candidate.

(viii) In case complaint is received without the requisite fee of Rs. 5000/-, or received after 30 days of declaration of results, the complaint would not be entertained and complainant would be advised reasons for the same.

(ix) Corporation will examine response of the complainant and if it is found that the complaint does not have specific and verifiable allegations, the same will be filed and complaint fee will be forfeited. Complainant will be advised accordingly.

(x) If a decision is taken to investigate the complaint, the decision on the complaint will be taken by the Corporation and intimated as under:-

a) Complaints not substantiated:

In case the complaint is not substantiated it will be filed and complaint fee will be forfeited. Complainant will be advised accordingly.

b) Established Complaints:

In case of established complaint, the complainant will be advised accordingly and suitable action should be taken. In this case the complaint fee collected of Rs.5000/- will be refunded.

(xi) In all cases, disposal of complaint should be in the form of speaking order."

With regard to LPG

OMCs have reported that no complaint regarding allotment procedure has been received in the last one year. However, complaints against selected candidate for any location are dealt as per Grievance / Complaint Redressal System under Unified Selection guidelines of LPG distributorships".

1.85 The details of court cases against the selection of RO dealerships during the last four Years with the requisite data is tabulated here below:

OMCs	No of cases filed in Courts against Selection of RO Dealerships for period 2016-17; 2017-18; 2018-19; 2019-20; 2020-21 (Apr-Dec 20)	No of cases where orders have been pronounced	No of cases where Appeal has been filed by Aggrieved Party or by OMC
BPCL	414	215	18
HPCL	485	201	12
IOCL	785	360	21
TOTAL	1684	776	51

LPG Reply:

OMCs have 135 court cases as on 01.03.21 against locations advertised under Unified Guidelines for Selection of LPG Distributorships”.

1.86 When asked as to whether there is any mechanism for third party mediation / tribunal in redressal of grievances related to RO dealerships and LPG distributorships, the Ministry in its written reply submitted as under:

“There is no third-party mediation/tribunal in the Grievance Redressal Mechanism provided in the Guidelines for Selection of RO and LPG Distributorships”.

1.87 On being enquired how many litigations are still pending in courts of law against decision of internal complaint mechanism of OMCs, the Ministry in its written reply submitted as under:

With regard to RO

Public Sector OMC wise details in respect of RO are as below.

OMC	No. of complaints recd.	No. of complaints disposed out of (1)	No. of applicants who have approached Courts against decision of internal complaints mechanism	No. of Court cases pending as on date out of (3)
	(1)	(2)	(3)	(4)
IOC	1409	603	71	41
BPC	1804	1436	146	89
HPC	740	232	26	14
Total	3953	2271	243	144

With regard to LPG

Public Sector OMC wise details in respect of LPG are as below:-

OMC	No. of complaints recd.	No. of complaints disposed out of (1)	No. of applicants who have approached Courts against decision of internal complaints mechanism	No. of Court cases pending as on date out of (3)
	(1)	(2)	(3)	(4)
IOC	639	592	176	121

BPC	153	153	25	10
HPC	210	192	42	23
Total	1002	937	243	154

1.88 When asked about the complaints against LPG dealerships received over the past three years on the basis of which the dealerships have been cancelled, the Ministry in its written reply submitted as under:

"There have been Twenty nine case of terminations of LPG distributorships on basis of complaints regarding selection".

1.89 When asked as to whether efficacy of the present system of allotment of retail outlets and LPG distributorships has been assessed by any independent/third party separately, the Ministry in its written reply submitted as under:

"OMCs have reported that they have not carried out any independent third party assessment on the efficacy of the present dealer selection process. New Retail Outlets dealer selection guidelines, 2018 and Unified Guidelines for Selection of LPG Distributorship, 2016 have been released after reviewing all previous selection process and market conditions and viabilities considering the population span and density".

1.90 When asked as to whether the Ministry/OMCs have collected feedback on the allotment system of ROs and LPG distributorships from the applicants who have participated but not successful in the selection process, the Ministry in its written reply submitted as under:

"OMCs have reported that they have not collected/carried out feedback from the unsuccessful applicants. However, there is a laid down grievance redressal procedure in the dealer selection brochure whereby the applicants can lodge their grievance, if any. This brochure is available in respective OMCs' website".

1.91 When enquired about the policy of the MoPNG/OMCs regarding vacation of land after the expiry of lease and whether OMCs return the land to land owners on expiry of lease, the Ministry in its written reply submitted as under:

"OMCs have reported that they follow the guidelines of MOPNG No.R-30024/56/07-MC policy dated 28.04.2010, where lease of RO land has expired, as given below:

Lease of RO land is expired with renewal option available: OMCs under the contractual right will exercise the option to renew the lease and defend the court

cases filed by landlords. Further the rental can be negotiated if the same is not predetermined.

Lease of RO land is expired with renewal option not available: OMCs will explore the possibility of negotiated settlement for renewal of lease/purchase. In the event of negotiations failing OMCs should explore the legal options available.

All proposals for vacation/de-leasing of site would be approved by Board/Sub-Committee of the board or such other approved authority".

XI. MARKETING DISCIPLINE GUIDELINES (MDG)

1.92. When asked to provide a note on MDGs of OMCs, the Ministry in its written reply submitted as under:

"With regard to RO

The Marketing Discipline Guidelines, for petrol & diesel Retail Outlets / SKO dealerships, was formulated in 1982 to facilitate the marketing of these petroleum products by the dealers of the Public Sector Oil Marketing Companies, on the principles of highest business ethics and excellent customer service.

These guidelines were formulated to ensure the following:

- Dealers dispense and customers receive product of right quality and quantity.
- Dealers follow the correct and safe practices in handling and dispensing the petroleum products.
- Show courteous behaviour to customers with provisions of all attendant facilities.
- A uniform code of conduct and discipline is enforced throughout the dealership network.

Marketing Discipline Guidelines (MDG) are only administrative guidelines, to be followed uniformly by the OMCs throughout the country. Action against the erring dealers, as per these guidelines, is taken in accordance with the provisions of the Dealership Agreement.

Keeping in view the socio-economic scenario and the expectations of the customers regarding quality, quantity and efficient service, it has been necessary to review the provisions of the guidelines and revise them periodically to enforce most stringent measures to prevent malpractice in the sale of Petroleum products and providing service to the customers.

Government had also formulated various control orders for regulating the marketing of Petroleum products.

The guidelines generally provide a wide range of penal provisions covering suspension of sales/supplies, imposition of fine and termination for any irregularity in violation of the guidelines.

MDG has been periodically revised from time to time based on customer requirements with the last revision being effected in 2018.

Provision was also made for 3 tier sampling system for collection and testing of sample i.e. Supply Location, tank lorry and retail outlet to pinpoint the possible location where the malpractice has taken place. This was to safeguard the dealers from en route adulteration.

The Marketing Discipline Guidelines clearly lay down the following aspects:

- Duties of Oil companies: handling of MS, HSD, and SKO at storage points
- Duties of dealers: handling of products at ROs by dealers
- Maintenance of Company's equipment at ROs
- Inspection of ROs / SKO dealerships
- Prevention of irregularities at ROs (MS, HSD & Lubes) / SKO dealerships
- Guidelines for samples to be drawn at Despatching Locations / ROs
- Mobile Laboratory

The MDG covers the above aspects in the following eight chapters as under:

1. Procedure for handling of products at Retail Outlets by Dealers.
2. Industry Guidelines for Sample collection and Testing.
3. Handling of MS/HSD/SKO at Company's storage points and duties of Oil Companies.
4. Maintenance of Company equipment at Retail Outlets
5. Type of irregularities at Retail Outlets and SKO / LDO dealerships.
6. Duties of SKO dealers
7. Mobile Laboratories
8. Action to be taken by OMCs under the MDG for irregularities observed at the RO.

The eighth chapter classifies all the irregularities mentioned in chapter 5 into 3 types, viz. Critical, Major and Minor.

The action stipulated for irregularities classified as 'Critical' under MDG is Termination at the first instance.

The action stipulated for irregularities classified as 'Major' under MDG varies from suspension of sales and supplies for 15 days/ monetary penalty to Termination of Dealership in the second or third instance.

The action stipulated for irregularities classified as 'Minor' under MDG varies from warning cum guidance letter to monetary penalty depending on the number of instances of these irregularities.

The MDG prescribes that the principles of natural justice should be followed before taking any penal action on the dealer by prescribing action only after establishing the irregularity. It also prescribes issuing show cause notice and seeking an explanation from the dealer before any penal action is taken under MDG. It also specifies giving an opportunity of hearing in case of critical irregularity leading to termination.

The MDG also specifies the level of authority to take action for various categories of irregularities.

The appellate authority for termination of Dealership is the Dispute Resolution Panel, which comprises of –

- i) A retired Judge of the High Court – Member 1 and Chairperson.
- ii) A retired Government servant who held post not below the rank of Joint Secretary in Govt. of India or equivalent rank - Member 2.
- iii) A retired official of PSU Oil Marketing Companies who held the post not below the rank of Director – Member 3.

The MDG also separately specifies the irregularities/ malpractices and penalties in respect of SKO dealerships.

With regard to LPG

LPG distributorships are appointed by Public Sector Oil Marketing Companies (OMCs) and are governed by the terms & conditions of agreement entered into between the OMCs & the Distributors. The various clauses of the distributorship agreement spell out the several responsibilities that have to be performed by the distributorships as well as by the OMCs. Besides the responsibilities spelled out in the distributorship agreement, there are operating policies, procedures and practices that are required to be followed by the distributors to serve the LPG consumers. Further there are prohibited activities that have to be avoided by the distributors. In order to ensure that distributors follow operating policies, procedures and practices, various actions to be taken against erring distributors are made which are called Marketing Discipline Guidelines (MDG). MDG form part & parcel of the instructions as issued from time to time under relevant clause on 'Faithful Performance' of the Distributorship/Dealership Agreement. These guidelines do not preclude any action under the Distributorship Agreement.

The MDG for LPG distributorships has been in existence for over 30 years. The 1st MDG for LPG distributorships was introduced in 1982. It was subsequently revised in 1988, 1994, 2001, 2014, 2015, 2017 and thereafter in 2018.

These guidelines are constantly updated to meet the requirement of new schemes, challenges of IT, the growing customer expectations, ensuring quality of product and services, enforcing discipline amongst the distributorship network and prevent malpractices in the sale of petroleum products".

1.93 On being enquired about the cases of RO / LPG booked under MDG, the Ministry in its written reply submitted as under:

"With regard to RO

The details of retail outlet dealerships terminated on established cases of critical irregularities under MDG for the year 2019-20 is as under:

With regard to LPG

OMCs have taken action against 3175 established cases of malpractices / irregularities against the LPG distributorship under the provision of Marketing

Discipline Guidelines / Distributorship Agreement. OMC-wise numbers are as under:

Year	IOC	BPC	HPC	TOTAL
2019-20	1910	575	690	3175

1.94 When asked as to whether any third party institutional mechanism like OISD, PNGRB and PESO are involved in the implementation of MDGs, the Ministry in its written reply submitted as under:

"With regard to RO

Institutional bodies like OISD, PNGRB and PESO do not conduct inspections under MDG.

With regard to LPG

There is an institutionalized system of taking action against the Distributors by OMCs based on the internal inspections, Statutory and other Government Authorities Inspections of the Distributorships. No third Party Inspection Agency is involved in implementation of MDG".

1.95 When asked as to whether PNGRB can be vested with powers related to Customers Grievances Handling Authority w.r.t. complaints on RO dealerships and LPG distributorships, the Ministry in its written reply submitted as under:

"Presently, no proposal under consideration of the Government to transfers the powers related to customers grievances to PNGRB. Further, OMCs already have robust system of grievance handling. Based on the established cases of irregularities by ROs and LPG distributors there is an institutionalized system of taking action against the Dealers/Distributors by OMCs based on the internal inspections, Statutory and other Government Authorities Inspections of the Dealerships/Distributorships".

1.96 With regard to certain malpractices that have come to the notice of the Committee, the dealers association during oral evidence held on 08.03.2021 informed that:

"तेल कंपनियों के अपने टार्गेट्स हैं, जिनको पूरा करने के लिए डिस्ट्रिब्यूटर्स से गलत काम कराया जाता है। इसी से मैलप्रैक्टिसिज की एक पूरी चैन बनती है। आपको बहुत ताज्जुब होगा कि दो तरह के सिलेंडर्स हैं - घरेलू और व्यवसायिक, जिनको नॉन-डोमेस्टिक बोलते हैं और इन सिलेंडर्स पर शुरू से सब्सिडी नहीं है। इसकी प्राइसिंग इम्पोर्ट पैरिटी रेट के हिसाब से है। आज डिस्ट्रिब्यूटर को जो सिलेंडर मिलता है, वह मार्केट रेट पर मिलता है, हमें सब्सिडी वाला सिलेंडर नहीं मिलता है। सब्सिडी

तो कस्टुमर के खाते में जाती है। तेल कंपनियों का पहले कमर्शियल सिलेंडर डिस्ट्रीब्यूटर नेटवर्क के माध्यम से ही दिया जाता था, उसमें कोई हेराफेरी, कोई बेइमानी नहीं होती थी। आज की तारीख में इन्होंने छोटे-छोटे एजेंट्स बना दिए हैं, जिनकी किसी बोर्ड के माध्यम से या किसी भी प्रकिया से चयन नहीं है। जिसको मर्जी एजेंट बना दो, वह अपनी मर्जी से किसी को भी सिलेंडर बेच रहा है।

जीएसटी के अंदर ई-बिलिंग मैनडेटरी है, लेकिन ये लोग कहीं भी, किसी को भी सिलेंडर बेच रहे हैं। इनको प्लांट से 400 रुपये डिस्काउंट पर, जैसा कि आपने देखा होगा कि प्रधान मंत्री जी ने मध्य प्रदेश में रेहडी-पटरी वालों के लिए बाकायदा एक लाइव प्रोग्राम किया था। जब उनसे पूछा गया कि उन्हें कितने का सिलेंडर मिल रहा है, तो उन्होंने बताया कि उन्हें 19 किलो का एक सिलेंडर 1,600 रुपये का मिल रहा है। फाइव स्टार होटल्स, डोमिनोज और पिज्जा हट को वही सिलेंडर कंपनियां 1,180 रुपये का दे रही हैं। इस तरह कहां वोकल फॉर लोकल रह गया? रेहडी-पटरी वाला गरीब आदमी, जो सस्ता खाना देता है, उसे आप 1,600 रुपये की गैस दे रहे हैं और मल्टी नेशनल और दूसरी कंपनियों को 1,180 रुपये की गैस मिल रही है।”

1.97 Further, elaborating before the Committee, It was informed that:

“ऑयल कंपनियों की यह जो पॉलिसी है, यही इन सारी मैलप्रैक्टिसिज की जड़ है, अदरवाइज डिस्ट्रीब्यूटर ईमानदारी से काम कर के उपभोक्ता को और बेहतर सर्विस दे सकता है। अपने नंबर लेने के लिए अफसर नए डिस्ट्रीब्यूटर की बहुत ज्यादा इन्वेस्टमेंट करवा देते हैं। वर्ष 2011 से लेकर आज की तारीख तक जितने भी ग्रामीण डिस्ट्रीब्यूटर्स हैं, उनमें से 50 परसेंट तो अपना खर्चा भी नहीं निकाल पा रहे हैं। ऊपर से तेल कंपनियां यह करती हैं कि कमर्शियल गैस के बड़े-बड़े डिस्ट्रीब्यूटर्स बनाकर उन्हें 400 रुपये कम पर अपने प्लांट्स से प्रोडक्ट देती हैं। छोटे डिस्ट्रीब्यूटर को 1,500 रुपये का सिलेंडर देंगे, जिसे वे आगे 1,600 रुपये में बेचेंगे। दूसरे बड़े डिस्ट्रीब्यूटर्स को, जिनको एजेंट बना रखा है, उनको 1,100 रुपये का सिलेंडर देंगे, जिसे वे 1,180 रुपये का मार्केट में बेच देंगे। इसलिए, जिसको 1,500 रुपये का सिलेंडर दिया, वह कम्पीट ही नहीं कर सकता। ग्रामीण डिस्ट्रीब्यूटर के पास गांव में कमर्शियल गैस का कोई कस्टुमर ही नहीं है। उसे भी हर महीने 15-20 सिलेंडर्स दे दिए जाते हैं और कहा जाता है कि हमें नहीं पता, हमें तो टार्गेट पूरा करना है। वह बेचारा 500 रुपये सस्ते में उन ही दलालों को सिलेंडर वापस बेच देता है। इस तरह मैलप्रैक्टिस होती है।”

1.98 On being enquired about the procedure followed for taking action against the RO dealers and LPG distributors under MDGs and how many ROs dealerships and LPG distributorship agencies have been found to be in violation of MDGs and what has been the action taken by OMCs, the Ministry in its written reply submitted as under:

"Periodic & Surprise Inspections are carried out by the OMC/Inspecting officials at Retail outlets. If an irregularity is detected during the inspection a show cause notice is issued to the dealer indicating all the irregularities. The dealer would have to reply to issuance of show cause notice.

Upon receipt of the reply to the show cause notice, OMC will review the reply received from dealer. In case of reply is not found satisfactory, action would be initiated by OMCs as per MDG provision in all established irregularities/cases. Action under MDG may vary from Warning letter to suspension of sales to Termination depending on the type of irregularity established. Retail outlet is terminated in the first instance in all cases of established critical irregularities as per MDG & Dealership Agreement.

Details of RO Dealerships found in violation of MDG and action taken by respective OMCs for last five years is given below in the table:

Types of Malpractices detected at Retail Outlets in last five years by BPCL

BPCL	2016-17	2017-18	2018-19	2019-20	2020-21
Suspected Adulteration	3	3	2	2	5
Stock variation	24	13	6	20	22
Overcharging	1	6	25	4	5
Unauthorised Purchase/sale	1	2	0	1	0
Short Delivery / seal tampering / Unauthorised fittings	193	443	305	164	95
Non Provision of Clean Toilets	144	409	391	92	4
Others	1830	2063	2429	3043	1797
Total no. of malpractices	2196	2939	3158	3326	1928

Action taken in last five years by BPCL:

	BPCL	2016-17	2017-18	2018-19	2019-20	2020-21
1	Termination	14	31	4	5	4
2	Warning Letter issued	1794	1983	2023	3031	492
3	Examination called/No action Required/Action pending	4	1	303	7	1156
4	Suspension of Sales & supplies	145	450	476	146	123
5	Fine imposed	239	474	352	137	153
	Total	2196	2939	3158	3326	1928

Types of Malpractices detected at Retail Outlets in last five years by IOCL:

IOCL	2016-17	2017-18	2018-19	2019-20	2020-21
Suspected Adulteration	17	15	9	10	15
Stock variation	80	374	110	554	221
Overcharging	5	20	23	174	183

Unauthorised Purchase/sale	2	4	1	1	0
Short Delivery/Seal tampering	267	2032	320	603	520
Unauthorised fittings					
Non Provision of Clean Toilets	239	1473	430	700	304
Others	877	5555	2311	5467	1920
Total no of malpractices	1487	9473	3204	7509	3163

Action taken in last five years by IOCL:

IOCL	2016-17	2017-18	2018-19	2019-20	2020-21
Termination	7	104	5	6	3
Warning Letter Issued	911	4983	1898	5728	790
Explanation Called / No Action Required / Action Pending	159	2984	1078	1359	2305
Suspension of Sales & Supplies	196	115	38	76	11
Fine Imposed	214	1287	185	340	54
Total Action taken	1487	9473	3204	7509	3163

Types of Malpractices detected at Retail Outlets in last five years by HPCL

	HPCL	2016-17	2017-18	2018-19	2019-20	2020-21
1	Suspected Adulteration	20	29	27	11	7
2	Stock variation	358	611	758	614	263
3	Overcharging	10	29	24	39	60
4	Unauthorised Purchase/sale	0	5	1	1	1
5	Short Delivery / seal tampering Unauthorised fittings	523	980	586	403	162
6	Non Provision of Clean Toilets	941	2197	1667	1571	695
7	Others	2474	6750	8637	5687	5965
	Total no of malpractices	4326	10601	11700	8326	7153

Action taken in last five years by HPCL

	HPCL	2016-17	2017-18	2018-19	2019-20	2020-21
1	Termination	8	79	21	11	4
2	Warning Letter issued	3925	5101	4020	5494	677
3	Examination called / No action Required / Action pending	61	4557	6692	1420	5826
4	Suspension of Sales & supplies	20	55	145	32	11
5	Fine imposed	312	809	822	1369	635
	Total	4326	10601	11700	8326	7153

The MDG violations on non-payment of OMC notified wages by dealers are excluded above for OMCs as the matter is sub-judice in the Hon Delhi High Court.

Whenever complaint is received against the distributorship, the same is investigated and action as per the MDG / Distributorship Agreement is taken against the concerned distributorship in all the established cases of malpractices/irregularities. Due opportunities are given to the distributors to provide clarification before taking action.

Year/OMC-wise number of established cases of irregularities during the last four year i.e. 2017-18, 2018-19, 2019-20 and current year 2020-21 (April-Dec) are as under:

Year	IOC	BPC	HPC	TOTAL
2017-18	895	312	521	1728
2018-19	1122	300	746	2168
2019-20	1910	740	690	3340
2020-21 (Apr-Dec)	952	513	533	1998
Total	4879	1865	2490	1728

1.99 When asked as to whether there have been any litigations between OMCs and Retail Outlet dealers in this regard, the Ministry in its written reply submitted as under:

"Aggrieved by the action taken by OMCs on the violations of MDG, the number of Court cases filed against MDG action by some dealers in last five years is tabulated here below:

	No of Court cases filed by dealers against MDG action					Total
	2016/17	2017/18	2018/19	2019/20	2020/21	
BPCL	11	20	4	0	2	37
HPCL	17	61	17	14	7	116
IOCL	22	98	60	42	36	258
TOTAL	50	179	81	56	45	411

XII. SALE OF COMMERCIAL CYLINDERS

1.100 When enquired about the mechanism adopted by OMCs to sell commercial cylinders at present and whether there are separate agencies for dealing with sale of commercial cylinders and why separate agencies are not being set up by the Ministry/OMCs for sale of commercial cylinders, the Ministry in its written reply submitted as under:

"OMCs are marketing commercial cylinders to various commercial and industrial customers through their LPG Distributors and the NDNE Retailers/ND

Distributors appointed exclusively for marketing of Commercial cylinders. These distributors uplift Non Domestic LPG cylinders from the OMCs and sell to the customers registered with them.

There are many customers also who have invested in LPG Installation and have constructed LPG cylinder banks. These customers generally prefer direct supplies from the OMCs.

In addition to the above, 5 Kg FTL cylinders are marketed by various point of sales (POS) like Retail Outlets, Kirana Stores and street corner shops etc."

1.101 When asked as to whether OMCs deploy coercive tactics upon Gramin LPG distributorships to achieve unreasonable sale targets in the guise of MDGs without any demands/requisition, the Ministry in its written reply submitted as under:

"All the markets have the potential for sales of commercial LPG along with domestic LPG. Hence distributors are advised to ensure availability of ND LPG Cylinder with them. ND LPG cylinders are issued to the distributors as per their indent.

Sales of ND LPG cylinders is an additional source of revenue for such distributors as they have already invested in the infrastructure like showroom, godown, delivery vehicle and personnel and can use the same for marketing of ND LPG cylinders".

1.102 When asked about the unhealthy competition among OMCs for commercial cylinder sales and resultant flouting of rules and regulations like explosive regulations, Gas Control Orders, Essential Commodities Act and safety norms etc., the Ministry in its written reply submitted as under:

"ND LPG business is a highly competitive business with the presence of private players. Various factors such as credit, discount, prompt end-to-end services, maintenance of their LPG installation, etc. makes this business dynamic and customer-driven. Further, the customer has the option to choose supplier of his choice. However, the statutory rules likes Gas Cylinder Rules, Gas Control order etc. are adhered to while marketing Non Domestic LPG cylinders".

1.103 When asked as to whether there have been any issues like exploitation of labour for delivery of cylinders to customers, undue pressure upon LPG distributorships for performance during the Covid-19 pandemic and mandatory digital payments by LPG customers, the Ministry in its written reply submitted as under:

"During the lockdown in the aftermath of Covid-19, most of the commercial establishments were shut resulting in sales of ND LPG dropping substantially. ND LPG Supply to Industrial customers/large commercial customers were continued with mechanized delivery vehicles. The staff at the distributorships also were provided with covid protection gear for effecting safe deliveries".

XIII. INSPECTION OF EXISTING ROs/LPG DISTRIBUTORS

1.104 When asked as to whether inspections are conducted at regular intervals of ROs and LPG distributors to prevent them from wrong doing, the Ministry in its written reply submitted as under:

"OMC officials carry out surprise inspections periodically at the retail outlets/LPG Distributorships to check adulteration and other irregularities/malpractices and take action as per the Marketing Discipline Guidelines and the Dealership Agreement.

Surprise inspections are carried out by Quality Cell teams of OMCs (QRC/QCC/QAC), which is reporting to a different function than Marketing.

Surprise inspections are also carried out by Mobile labs wherein samples from petrol pumps are drawn and tested".

1.105 The Ministry in its written reply submitted details of inspections and cases of malpractices along with action taken thereon:

"The details of inspections carried out at RO during 2019-20 and action taken is given below.

YEAR: 2019-20	IOC	BPC	HPC	OMC
INSPECTIONS	93080	49858	56804	199742
TYPE OF MALPRACTICES / IRREGULARITIES DETECTED				
Suspected Adulteration	8	2	11	21
Stock variation	554	20	614	1188
Overcharging	174	4	39	217
Unauthorized purchase / sale	1	1	1	3
Short Delivery with seals intact	561	157	397	1115
Seal tampering	23	4	2	29
Unauthorized fittings in the DUs	19	3	4	26
Non provision of Clean Toilets	700	92	1571	2363
Others	5469	3043	5687	14199

Total no. of malpractices	7509	3326	8326	19161
ACTION TAKEN				
Termination	1	5	11	17
Warning letter issued	1564	3028	5494	10086
Explanation called / No action required / Action pending	5791	10	1420	7221
Suspension of sales & supplies	34	146	32	212
Fine imposed	119	137	1369	1625
Total	7509	3326	8326	19161

The details of inspections carried out at LPG Distributorships and actions taken against all established irregularities during 2019-20 by OMCs are as under:

Year	No. of Inspections	No. of Established cases
2019-20	52507	3175

1.106 On being asked by the Committee about the mechanism available in Ministry / OMCs to conduct such inspections and whether OISD or any other agencies is involved in this process, the Ministry in its written reply submitted as under:

"With regard to RO

The inspection of retail outlets are done by field officers periodically. In addition to the field officers retail outlets are also inspected by senior officials of OMCs, Quality cell teams of OMCs (QRC/QCC/QAC) and Mobile labs.

During inspection in case of suspected irregularities with respect to tampering of W&M seals/Dispensing unit, opinion is also sought from the Legal Metrology Department and/or Original Equipment Manufacturer (OEM) as the case maybe.

With regard to LPG

Inspections are carried out by Field Officers as per norms of OMCs. In addition to the inspections carried out by Filed officer, Sr. Level officers also carry out inspections. Further, to prevent any kind of malpractice/irregularity, an independent anti-adulteration department, (with name as QRC in IOCL, QCC in BPCL and QA in HPCL) exist under aegis of Director HR to regularly carry out inspection of the distributorship and submit their feedback/observation/recommendations to function department for suitable action as per Corporation guidelines/MDG. OMCs Vigilance department also carries out inspection of distributorships.

OISD is not involved in distributorship inspection".

1.107 When asked about the specific cases of adulteration by ROs and diversion of domestic LPG for commercial purposes during the last one year and actions taken in this regard, the Ministry in its written reply submitted as under:

"With regard to RO

The details of suspected adulteration cases and action taken on the established cases of adulteration is as under:

Year : 2019-20	BPC	IOC	HPC	OMCs
No. of inspections conducted	49858	93080	56804	199742
No. of adulteration cases detected	2	8	11	21
Action taken on adulteration cases:				
Terminations due to adulteration	1	0	3	4
Under investigation	1	8	8	17
Total	2	8	11	21

With regard to LPG

Whenever, OMCs receive complaints on diversion of domestic LPG for commercial purposes, the same are investigated & action is taken against established cases of irregularities under the provision of Marketing Discipline Guidelines. During last one year, OMCs have taken action against 198 numbers of established cases of irregularities, under the provision of Marketing Discipline Guidelines".

1.108 When asked as to whether there is any internal vigilance mechanism available with OMCs to prevent distributorships from over-charging customers for home deliveries of LPG cylinders in rural areas, the Ministry in its written reply submitted as under:

"During regular inspection of distributorships by company officials, it is checked that Distributors are charging correctly to customers for home deliveries as well as on other services provided by them. Apart from this Vigilance/QRC departments of OMCs also conduct inspections of the distributorship to check the working of the distributorship".

1.109 When asked as to whether regular inspections are being conducted by OMCs to prevent adulteration of fuel by distributors/dealers, the Ministry in its written reply submitted as under:

"With regard to RO

The inspection of retail outlets are done by field officers periodically, who among other checks also carry out density check to detect adulteration. In addition to this random sampling is also carried out by field officers. Retail outlets are also

inspected by senior officials of OMCs, Quality cell teams of OMCs (QRC/QCC/QAC) and Mobile labs to prevent adulteration. Special inspection drives are also conducted by multi-disciplinary team for Quality & Quantity assurance.

With regard to LPG distributor:

OMCs have no established case of distributors involved in adulteration of LPG. However, to prevent pilferage of LPG from cylinders various steps have been taken by OMCs including sealing the cylinders with Tamper Evident Seal (TES) and officials carry out random surprise checks at distributors go-down as well as en-route to ensure that correct weight LPG cylinders are delivered by the distributors”.

1.110 When asked as to whether there is any policy in place to prevent transit leakages while transportation of petroleum products like petrol and diesel from OMCs to distribution agencies, the Ministry in its written reply submitted as under:

“OMC follows Industry Transport Discipline Guideline (ITDG) a policy that is placed to prevent transit leakage while transporting petroleum product like petrol & Diesel to distributing agencies.

Tank lorries loaded ex. OMC storage locations for Dealers/Customers are provided with a tamper proof locking system. Besides, all tank lorries are fitted with a Vehicle Tracking system through which the movement of tank lorries is monitored. Recently, OMC has introduced e-Locking system for delivery of petrol and diesel to the dealers. In this system, an OTP is generated by the system, which is used by the dealer to open the locks on receipt of goods at the retail outlet.

The system enables us to check the transit time taken by the tank lorry to reach the destination and also that the product is delivered to the designated consignee”.

XIV. SALE OF DIESEL BY BOWSERS / MOBILE DISPENSORES

1.111 When asked as to whether there have been any instances of misuse of permission from PESO to supply diesel to DG sets, industrial use, earth moving equipment through bowsers and mobile dispensers, the Ministry in its written reply submitted as under:

“As per the Amendment in MS HSD Control Order dated 10.12.2019, the power of sampling & seizure of the Mobile Bowsers shall be exercised by an authorized officer of the Central Government or State Government.

No case of misuse by Door To Door delivery bowzers with respect to the permission issued by PESO to supply diesel to stationary equipment like DG Sets, earth moving equipment through bowzers and mobile dispensers has been reported to us by Central / State / District Administration except for one in Mar 2021 from District Supply officer Baran, Rajasthan, which is under investigation”.

1.112 When asked as to whether there have been any instances wherein OMCs have permitted mobile fuel bowzers to sell petrol and diesel to customers at roadside in violation of Explosives Act and the kind of preventive measures initiated to deter such malpractices, the Ministry in its written reply submitted as under:

“Currently OMCs have permitted the sale of Diesel only to stationary equipment like DG Sets, earth moving equipment through bowzers and mobile dispensers. Petrol has not been permitted to be sold through bowzers and mobile Dispensers. OMCs have not permitted selling of Diesel to customers at roadside in violation of Explosive Act.

Advisories to all Dealers are being issued regarding the scope of Door to Door Delivery of HSD and for strict compliance of the same from time to time”.

1.113 When asked as to whether the Ministry/OMCs have devised any mechanism to detect/prevent malpractices w.r.t. the new system of door to door delivery of auto fuels to curb unauthorised sale of auto fuels, the Ministry in its written reply submitted as under:

“OMCs have been issuing advisories to all Dealers regarding the scope of Door to Door Delivery of HSD and for strict compliance of the same.

The DDD operators are solely responsible for the quality, quantity, safety and handling of the product from the point of delivery at supply location. Further as per the Amendment in MS HSD Control Order dated 10.12.2019, the power of sampling & seizure of the Mobile Bowzers shall be exercised by an authorized officer of the Central Government or State Government.

Upon any proven malpractices by the DDD operators, punitive action will be taken by the OMCs under the provision of the agreements executed”.

1.114 The Committee drew the attention to the safety hazard caused by bowzers carrying diesel for DG sets and pointed out the instances where these bowzers are indulging into retail of diesel by road side also and sought to know the steps taken to prevent such cases to which the representative of PESO informed that:

"में यह बताना चाहता हूँ कि हमने उसमें एक चेक रखा है। हम उनसे एक लिस्ट लेते हैं, वे जिस पेट्रोल पंप से भरेंगे उसमें उसका लाइसेंस अटैच होता है, वह ऑनलाइन ही आ जाता है। उसमें यह भी होता है कि वह कितने लोगों को सप्लाई करेंगे। एकचुअली डोर टू डोर का मतलब यह नहीं है कि हमने उनको रोड पर अलाऊ कर दिया है। जैसे कोई इंडस्ट्री है या ऐसा कोई हैवी व्हीकल है, जो कि पेट्रोल पंप तक नहीं आ सकता है, हमने केवल उन्हीं के लिए अलाऊ किया है। जैसे ही वे इस नियम का उल्लंघन करेंगे, उनके लाइसेंस में उसकी लिस्ट अटैच है। अगर हमारे पास कहीं से कोई शिकायत आती है या हम लोग जांच के दौरान ऐसा कुछ पाते हैं, तो उनका लाइसेंस तुरंत कैंसिल कर दिया जाएगा। चूंकि यह फिक्स है कि उनको यहीं पर ही देना है। हमने अभी यह तय किया है।"

Elaborating further, it was also informed that:

"बाउजर सही जगह जा रहा है या नहीं जा रहा है, अधिकतर कंपनीज के बाउजर में जीपीएस ट्रैकिंग है, तो उससे पता होता है कि वे सही जगह पर डिलेवर कर रहे हैं या नहीं।"

XV. PUBLIC LIABILITY INSURANCE POLICY

1.115 On being enquired about the total amount of assured sum available to an individual under the Public Liability Insurance Policy adopted by oil marketing companies where LPG cylinders are the main cause of fire incidents, the Ministry in its written reply submitted as under:

"Personal Accident cover to third parties and customers and property damage at authorized customers' registered premises is as below:

(a) Personal Accident : Rs.6,00,000 per person in case of death

(b) Medical expenses : Rs 30,00,000/- per event (Max Rs.2,00,000 per person, immediate relief up-to Rs. 25,000/- per person)

(c) Property damage : Max. Rs.200,000/- per event at authorized customers' registered premises.

(d) Annual Coverage - Rs. 20 Crore".

1.116 When asked to furnish a note about Public Liability Insurance Policy being undertaken by oil marketing companies for insuring losses arising out of accidents

where LPG is the cause of fire and which agency pays the premium for the policy and whether the bill for LPG cylinders includes the premium to be paid by consumers along with the total amount of premium paid by OMCs annually, the Ministry in its written reply submitted as under:

"A brief note is given below:

- Oil Marketing Companies (BPC, IOC and HPC) have a Public Liability Insurance Scheme/Policy for their registered LPG customers. The policy is renewed every year by the OMCs on rotation basis. For the period 01.04.2020 to 31.03.2021, the policy is with M/s ICICI Lombard General Insurance Company.
- The premium is payable in the ratio of 50:25:25 by IOCL: BPCL: HPCL.
- An amount of Rs. 0.27 is recoverable from LPG refill sales.
- For the year 2020-21, the premium paid was Rs. 41,28,82,000/-."

1.117 When asked to furnish details regarding total number of cases claimed/ settled under different Public Liability Insurance Policy and total number of claims settled during the last four years, the Ministry in its written reply submitted as under:

Year	Cases Settled (nos)	Amount Paid (crore)
2017-18*	730	25.3
2018-19*	653	20.0
2019-20*	543	16.2
2020-21* (as of Feb21)	173	3.6

Note : * - Claims are under process".

1.118 On being enquired about the mechanism followed in settlement of such policies and the event of death of customer/consumer, how the claimed settlement is made, the Ministry in its written reply submitted as under:

- In case of any accident involving consumer's LPG installation, customer has to forthwith advise the Corporation's distributor from whom he received supply. Whenever an accident involving LPG is reported, the local office of the Insurance Company is notified by the concerned distributor / Area Office.
- Final settlement of the claims is done by the concerned insurance company based on the survey report by the surveyors appointed by them directly & other documents / reports submitted by the customers and Oil Companies, as per provisions of the Insurance policy in vogue and merit of each case and completion of all formalities. The insurance Company remits settled claim amount to the concerned Oil Company, who in turn remits it to the affected persons.

- The insurance company, through their authorized surveyors access the estimate of the medical bills / property damage etc. and finalise the amount as per the eligibility under the appropriate head. In case of death of customer / consumer, based on the death certificate, the amount as per the eligibility is released. The payment is then transferred to OMC who then release it to the concerned customer after creation of vendor code by the concerned Area/Region/Territory Office”.

1.119 When asked about the measures taken to make public awareness regarding Public Liability Insurance Policy among LPG consumers and whether separate provisions are made available by OMCs, the Ministry in its written reply submitted as under:

- “Customer are educated at the time of enrolment regarding the availability of Insurance amount in case of unfortunate incidents.
- The insurance availability is printed in the refill cash memo under instructions to customer.
- During safety clinics, customers are educated regarding the insurance availability
- Customer Awareness Programme are conducted from time to time.
- Policy document uploaded in OMCs’ website”.

1.120 When asked as to whether there is any provision to provide insurance benefits to LPG consumers with the compliance of safety norms devised by OMCs, the Ministry in its written reply submitted as under:

“Public liability insurance policy taken by Oil Marketing Companies covers losses arising out of accidents where LPG is the primary cause of fire and not for cases where the primary cause of fire is other sources/reason wherein LPG cylinder gets engulfed and subsequently burst.

In case of any accident involving customer’s installation, the customer has to forthwith advice the corporation’s distributor from whom the supply was received. Whenever an accident involving LPG cylinder is reported, the concerned Regional office informs the local office of the insurance company. The concerned insurance company takes further decision regarding settlement of claims as per the provisions of insurance policies and based on the merit of each case.

Information pertaining to the public liability insurance policy is available in public domain <http://www.mylpg.in> & on the OMCs websites”.

1.121 The Committee pointed out that on many occasions the insurance companies do not pay compensation and try to reject the claims on flimsy grounds such as improper installation of gas stove or location of cylinder. The Committee desired to know what

steps PESO is taking to provide relief to the common people to which the representative of PESO informed that:

"इसके लिए हमने ऑयल कंपनियों को निर्देशित किया है। उन्होंने गाइडलाइन बनाकर हमें सबमिट भी किया है।

... कहीं भी एक्सीडेंट होता है, चाहे वह रोड पर हो या अन्य कहीं हो, यदि हम गलत हैं तो किसी भी इंश्योरेंस कंपनी की अपनी पॉलिसी होती है, अगर, इंवेस्टिगेशन में यह प्रूफ हो गया है कि इसने गलत तरीके से लगाया था या बिजली का तार लगाने की वजह से स्पार्क हुआ था, तो पब्लिक लाइबिलिटी इंश्योरेंस में भी नहीं मिलेगा। ये सब चीजें हमारे देश की जितनी भी इंश्योरेंस स्कीम्स हैं, उनमें इनबिल्ट होती हैं। हमने उनको गाइडलाइन दे दी है।"

1.122 On being asked about the accidents related to LPG cylinder blasts/leakages have occurred during the last one year, the Ministry in its written reply submitted as under:

"The total number of accidents during the year 2019-20, where LPG leakage is the primary cause of fire is given below nos.

PERIOD	IOC	BPC	HPC	OMC
2019-20	387	194	248	829

1.123 On being enquired about the preventive actions taken by OMCs to educate distributors and consumers to help prevent such accidents, the Ministry in its written reply submitted as under:

"OMCs undertake regular campaigns to improve the safety awareness of the customers. Customer education is imparted right at the time of release of new connection through displays and demo-installation at distributors' showroom and at the time of installation of the connection at the residence. Safety leaflets and domestic gas customer card containing instructions on safe use of LPG are also handed over to the customer for reference.

Safety clinics and customer education are conducted from time to time to increase customer awareness on safe use of LPG.

LPG distributors are under instructions to carry out mandatory checks of the LPG installation at the customer's premises once in 5 years on payment of requisite service charge by the customer.

Use of Suraksha LPG hose with steel wire reinforcement which is rodent attack proof & flame retardant, is being promoted by OMCs for usage at all customers premises for improving safety in the use of LPG in the domestic kitchen".

1.124 Regarding the awareness campaign and educating the common people about the safety and risk associated with LPG, the representative of the Ministry of P&NG during oral evidence held on 30.12.2019 stated that:

"In the past also we have done it and now also we are going to do a massive awareness campaign. In 2018-19, more than one lakh LPG panchayats were organised. These are all steps that have been taken to enhance safety campaigns basically targeting poor people. Publicity campaigns through mobile vehicles, NGO, health workers, etc. have been undertaken by OMC. एलपीजी पंचायत में सेफ्टी मीजर्स बहुत महत्वपूर्ण कम्पोनेंट होता है। आईओसी ने अकेले 54,000 एलपीजी पंचायत पिछले साल की। इस तरह से सब मिलाकर 1 लाख चार साल में पंचायत की। इस साल 2019-20 में इनीशियल टार्गेट 50,000 पंचायत करने का है। जहां भी लोकेशन में समस्या है, उस एरिया में रेडियो जिंगल्स करते हैं, होर्डिंग्स लगाते हैं और भी कई स्टैप्स प्रमोशन के लिए लेते हैं ताकि पब्लिक को इसका पूरा फायदा मिल जाए।"

1.125 The Committee desired to know the entire process of issuing licence and the exact role played by third party agencies in ensuring safety compliance, the representative of PESO informed that:

"मैं बताना चाहता हूँ कि हम एलपीजी की सप्लाइ चैन की सेफ्टी इन्श्योर करते हैं। मैं रिफाइनरी से शुरू करता हूँ, यहां से एलपीजी निकलकर टैंकर में चली, हम टैंकर का लाइसेंस देते हैं, अगर वह कुछ गलत होता है तो उसे सस्पेंड करते हैं और लगातार इन्स्पेक्शन भी करते हैं।

हम तो करते ही हैं, साथ में, हमने थर्ड पार्टी भी रखा है। जैसे यदि डियरली उनका सेफ्टी वॉल्व टेस्ट करना है, तो वे हमें ऑनलाइन रिपोर्ट देंगे और जब हम उस रिपोर्ट को ऑनलाइन देखते हैं, तभी उसको रिन्यू करते हैं। हम हर पांच साल में उस टैंकर का हाइड्रो टेस्ट करते हैं। उसके बाद वह बॉटलिंग प्लांट में आता है। बॉटलिंग प्लांट का अप्रूवल भी हम देते हैं। वह उसको सेफ्टी से भरता है। सिलेंडर में जो रेगुलेटर और वॉल्व लगता है, उनका मैनुफैक्चरिंग कहाँ होगा, किस डिजाइन से होगा, उसका निर्णय भी हम करते हैं। सिलेंडर उसी हिसाब से बने, उसको इन्श्योर करने के लिए हमने टीपीआई अप्रूव कर रखा है। वे हर लॉट का इन्स्पेक्शन करते हैं। जैसे वह हर पांच हजार लॉट पर इन्स्पेक्शन करते हैं। वह रिपोर्ट भी हमारे पास आती है। उसके बाद, हम फिलिंग के लिए परमिशन देते हैं। इस

तरह से हम रेगुलेटर और वॉल्व का भी इंसपेक्शन करते हैं। हमने बॉटलिंग प्लांट पर एसओपी दी हुई है कि वे कैसे भरेंगे और क्या भरेंगे? वहां वे लीक टेस्ट भी करते हैं। ये सब हम लगातार इंसपेक्शन करते रहते हैं। बॉटलिंग प्लांट और रिफाइनिंग डिपो पाइपलाइन मेजर एक्सीडेंट हैजर्ड प्रिमिसेस में आते हैं। हम इनका हर साल इंसपेक्शन करते हैं। एमएसआईएचसी रूल में हमें मँडेट किया गया है कि हर साल करना है। टीपीआई को भी करना है और हमें भी करना है। इस दौरान हम देखते हैं कि वे सिलेंडर कैसे भर रहे हैं? बॉडी लीक देखने के लिए उसको पानी में डुबाकर ले जाया जाता है। इन सारी चीजों के लिए पूरे एसओपी बने हुए हैं।”

1.126 The Committee further wanted to know about the safety procedures at godowns and warehouses to which the representative of PESO informed that:

“गोदाम के लिए सबसे पहले हम लोग लेआउट अप्रूव करते हैं। हम उसके साइट प्लान में देखते हैं कि 100 मीटर के दायरे में कुछ है तो नहीं। उसके बाद, लेआउट में, जो तीन मीटर या छः मीटर तक का सेफ्टी डिस्टेंस होना चाहिए, उसको भी देखते हैं। दुनिया में भी ऐसे ही बने हैं। ये बहुत रिसर्च के बाद बने हैं। 12 हजार के.जी. का होगा तो उसके लिए 9 मीटर का सेफ्टी डिस्टेंस रहेगा। उसका फ्लोर एन्टी स्टैटिक होगा, जिससे स्पार्क न हो। ये सब इन्बिल्ट सेफ्टी हैं। उसमें तार की एक जाली लगती है, ताकि उसमें उतना ही ऑक्सीजन आए, जिससे लीकेज होने की स्थिति में वह एक्सप्लोड न हो। यदि लीक हो भी गया, तो 9 मीटर के बाद वह एक्सप्लोसिव नहीं रह जाता है। वह डिस्बर्स हो जाता है। दुनिया में डिस्बर्समेंट टेक्नोलॉजी से देखा गया है कि 9 मीटर के बाद उसका एक्सप्लोसिव कैरेक्टर हवा के साथ मिक्स होकर खत्म हो जाता है। इसी प्रकार से यदि 9 हजार के.जी. हैं, तो डिस्टेंस 6 मीटर रहेगा। इसके लिए हम पहले उसके ड्राइंग को अप्रूव करते हैं और जब वह बना जाता है, तो उसको हम एक बार फिर से देखते हैं। क्योंकि, एक्सप्लोसिव एक्ट वाले जितने लाइसेंस हैं, उनको हम जाकर एक बार देखते हैं। उसके बाद, उनको इंडोर्स करके देते हैं। पेट्रोलियम में थर्ड पार्टी के आधार पर देते हैं।”

1.127 The Committee wanted to know about the adoption of new technology and innovations in the field of safety to which the representative of PESO informed that:

“हमारे पास फायरवर्क्स रिसर्च एंड डेवलपमेंट सेंटर है। फायरवर्क्स इंडस्ट्रीज में ज्यादा से ज्यादा मैकेनाइजेशन हो, ताकि एक्सीडेंट्स कम हो सकें, उसके लिए रिसर्च किया जा रहा है। हम नीरी के साथ मिलकर ग्रीन फायरवर्क्स डेवलप कर रहे हैं। माननीय सुप्रीम कोर्ट ने उस पर बैन लगाया था। अभी उसकी मैन्यूफैक्चरिंग कर रहे हैं। जैसा कि टाइप फोर

सिलेंडर हैं, जो कि पूरा प्लास्टिक का होता है, हमने उसको इंट्रोड्यूज किया है। उसके बाद उसको एक्सेप्ट करने के लिए हमें करना था। पहले एलपीजी के टैंकर्स के बहुत-से एक्सीडेन्ट्स होते थे। उसमें जो एक्सेस फ्लो वाल्व होता है, टूक पटलते ही वह टूट जाता था, तो अब हमने उसमें इंटर्नल एक्सेस फ्लो वाल्व का प्रोविजन कर दिया है, जिससे टूक पटलने के बाद भी वह लीक नहीं होगा। इससे बहुत से लोगों की जान बची है। हमने तीन-चार साल पहले यह काम किया है। हम लोग बहुत-सी जगहों पर ऐसे काम कर रहे हैं। अगर आप कहेंगे तो हम माननीय समिति को इस तरह के कार्य बताएंगे।”

1.128 On being asked about the actions taken by OMCs after such incidents occur, the Ministry in its written reply submitted as under:

“Detailed investigation of the incident is carried out by a team of experts. Based on the root cause analysis, preventive measures such as strengthening of safety awareness amongst the consumers is carried out. Prevailing system of production, storage, delivery of LPG cylinders are periodically reviewed for improvement to avoid re occurrence of such incidences, depending up on the findings of the investigations.

OMCs have taken Public Liability Insurance Policy to cover losses arising out of accidents, where LPG is the primary cause of fire”.

1.129 On being asked about whether there is any need for review and changes in the existing PESO rules currently applicable to RO dealers and LPG distributors, the Ministry in its written reply submitted as under:

“PESO rules currently applicable for RO dealerships cover desired safety aspects and based on input of OMCs, required amendment/modification also being done by PESO.

As per Unified Guidelines for Selection of LPG Distributorship, 2016, the selected candidate is required to construct or provide a readily constructed LPG godown to store LPG of stipulated capacity and obtain necessary approvals from statutory bodies including Petroleum & Safety Organization (PESO) within the time period mentioned in the Letter of Intent (LOI). Presently, the Government has no proposal under consideration to change the existing rules”.

XVI. CUSTOMER CENTRIC INITIATIVES

1.130 When asked to provide details of specific benefits being extended to and obtained by consumers due to customer centric initiatives taken by OMCs during the last one year, the Ministry in its written reply submitted as under:

"With regard to RO

Public Sector OMCs extended 0.75% Digital incentive to customers to promote digital transactions and also reduce the need to carry cash while purchasing fuel. Some of the customer centric initiatives implemented are as below:

- Launch of unified HP Pay app for purchase of Fuels, LPG, and Lubes etc which enables customer to complete all transactions digitally without any requirement of cash.
- Fuelling option thru Fastag so that Fuel and Toll payments can be made thru Fastag by OMCs.
- Campaigns are carried out at retail outlets for encouraging customers to check quality and quantity of products by way of density check, filter paper test and checking of delivery by standard 5 litre W&M calibrated measure.
- A major initiative of automation of retail outlets have been undertaken by OMCs where in all active retail outlets have been automated to enhance transparency to the benefit of customer.
- Implementation of Integrated Payment Solution (IPS) which ensures "what is filled is billed".
- In order to promote digital transactions, OMCs have set up digital payment infrastructure at the retail outlet.

With regard to LPG

1. **Refill booking and Status inquiry over WhatsApp:-** Customers can now book their LPG refills and check the status updates of the booked refills by sending messages over WhatsApp. This system is completely automated and facility is available 24/7 for LPG customers without any cost.

2. **Upgraded website and mobile apps :-** Customer portal & mobile app for LPG have been upgraded for seamless customer experience and new facilities viz multiple digital payment options, Quick pay link, feedback system, status tracking etc are provided for better convenience to customers.

3. **LPG services in e-commerce platform:-** LPG services viz refill booking, status enquiry etc is now offered on e-commerce platforms. OMCs have entered in to tie-ups with e-commerce platforms viz. Amazon and Paytm to make the LPG services simpler & delightful for LPG customers. IOC & HPC have done tie ups with Paytm and BPC has done tie up with Amazon.

4. **Mixed cylinder with customers:** - 14.2 kg cylinder customer can opt for 5 kg cylinder as a DBC. This will help customers from Rural/BPL families who may have financial constraints in opting for 14.2 kg cylinder as DBC (Double bottle connection) . Facility available in IOC.

5. LPG Panchayats/ Safety Clinics with special focus on low/ nil refill PMUY customers.

6. Customer education and awareness through cooking competitions/ nukkadnatak, quiz etc.

7. Deferment of Loan Recovery from the LPG subsidy of subsequent refills— 79% of PMUY customers have availed loan on refill and/or LPG stove. Deferment of loan recovery was done for during 2018-19 and in current year from Aug'19 upto July '20 to improve affordability.

8. Provision to avail a 5 kg Double Bottled Connection (DBC), instead of 14.2 kg cylinder was made for PMUY consumers. The purpose was to improve the continuous availability and also address affordability related issues of LPG.

9. Customers who have availed a PMUY connection with a 14.2 kg cylinder can swap their equipment to avail a 5kg connections. On a later date, they can swap back to 14.2 kg cylinder at their convenience.

10. Some State Governments like Jharkhand have sponsored additional refills (one 14.2kg or two 5kg refills) for PMUY beneficiaries between Aug 2019 to March 2020.

11. New LPG distributorships were commissioned in various parts of the country to support the growing LPG requirements of the consumers.

12. Under Pradhan Mantri Garib Kalyan Package, the Government is providing free of cost LPG cylinders to PMUY beneficiaries for 3 months with effect from 01.04.2020. The PMUY consumers can avail a maximum of 3 nos. of 14.2 kg cylinder or 8 nos. of 5kg cylinder under this Scheme. An advance equal to the RSP of the cylinder has been sent directly into the customers' bank account for making upfront for the refill. In the month of April 2020, Rs. 5859 Cr has been transferred by OMCs to 7.47 Crore PMUY beneficiaries".

1.131 When asked as to whether OMCs feel the consumers have really been empowered by their initiatives, the Ministry in its written reply submitted as under:

"Public Sector OMCs have stated that the automation facilities have enabled customers to verify the transaction at a subsequent date.

To promote Digital transactions at retail outlets, some of OMCs have given additional cashback schemes during campaigns benefiting customers.

With regard to LPG

Yes, now the Consumers are empowered, as they can track their refill bookings, deliveries and also make digital payments.

They can also log service complaints through the OMC mobile applications and web application. Prospective consumers can also make an online application for LPG connection.

PMUY consumers have been benefitted from the initiatives taken by the OMCs. It is evident from the fact that over the last one year the percentage of PMUY

consumers on installation refills has decreased from 14% as on April 2019 to 11% as on April 2020.

Also, the average LPG refill per PMUY consumer has increased from 3.22 in FY 2019-20 from 2.85 in FY 2018-19".

1.132 When enquired about the percentage of home delivery of cylinders has been achieved by LPG distributors till date and the practical constraints before OMCs/LPG distributors to ensure 100% home delivery of cylinders in hilly and remote areas of the country, the Ministry in its written reply submitted as under:

"All the OMC distributors, in Shehri, Rurban and Gramin markets, are under instructions to Home Delivery LPG Cylinders at the registered address of the customers residing in their area of operation. Only under exceptional conditions, filled cylinders are provided on cash-and-carry basis (non-home delivery), wherein the delivery charges will not be charged.

In case of Durgam Kshetriya Vitaks (DKV), they are authorized to supply refills on cash and carry basis. In case the cylinders are not home delivered applicable delivery charges will not be charged from the customer. Difficult terrains and logistics are the challenging constrains before OMCs in ensuring 100 % home delivery in hilly and remote areas of the country".

1.133 On being asked about the steps taken by OMCs to provide better customer services of RO dealerships and LPG distributorships, the Ministry in its written reply submitted as under:

"With regard to RO:-

Training is imparted to driveway sales persons /dealers regularly for providing better customer service. The retail outlets are kept adequately illuminated and clean as per housekeeping standards of OMCs. A first aid box is available at the retail outlets with the required medicines. Free air filling facility is made available during working hours of the retail outlet. Drinking water is made available at all retail outlets. Out of total network of 61810 OMC ROs, toilet facility is available at 61449 ROs barring 361 ROs which have site constraints.

A major initiative of automation of retail outlets have been undertaken by OMCs where in all active retail outlets have been automated to enhance transparency to the benefit of customer.

In order to promote digital transactions, OMCs have set up digital payment infrastructure at the retail outlet. OMCs extended 0.75% Digital incentive to customers to promote digital transactions and also reduce the need to carry cash while purchasing fuel.

With regard to LPG

In order to have a convenient, easy and effective way to enable the citizen to provide their feedback, a unique toll free telephone number 18002333555 is in operation through call centre on industry basis. Other benefits given are -

- Online booking of cylinders.
- 1906 leakage helpline.
- CCS complaints.
- IVRS, SMS, Mobile App 24x7 booking cylinders at convenience.
- Digital payments
- Online new LPG connection
- Preferred time delivery
- Portability of connections".

1.134 When asked as to whether any awareness campaigns are being conducted by OMCs to educate consumers about safety measures to be observed while using LPG cylinders, the Ministry in its written reply submitted as under:

"To improve safety awareness among PMUY consumers, OMCs are taking following steps:

- a. Conducting LPG Panchayats and safety clinics where various safety aspects of using LPG are discussed.
- b. Mass awareness programs including Banners, posted. Pamphlets addressing safety tips for handling LPG were carried out.
- c. Mobile vehicle, NGOs, health workers etc were also engaged to promote safety awareness among PMUY consumers".

1.135 When asked as to whether there is any mechanism to address complaints of LPG cylinder consumers, the Ministry in its written reply submitted as under:

"Oil Marketing Companies have a standard customer grievance redressal system currently functioning for which the mode and methodology are as given below:

Toll Free Number:

In order to have a more convenient, easy and effective way to enable the customer to air their complaints and follow up on such complaints, OMCs have started the service of using unique toll free numbers for the complaint registration through call centers. Across the country, OMCs have a unique number 18002333555, easy for the customers to remember. For PMUY customer only, toll free number is 1800266696.

The call centers are operated region wise to facilitate the customers to lodge complaints in local language. Customers are given a registration number and

those wish to know about the status of the complaints can call up the call centers in the same toll free numbers

The toll free number is publicized in most of the advertisements being released by the OMCs & is also displayed on the web portal of the OMCs

Web based:

Currently the complaints can be lodged by the customers in the following websites of the OMCs:

www.iocl.com, www.indane.co.in.

www.bharatpetroleum.in, www.ebharatgas.com

www.hindustanpetroleum.com; www.hpgas.com

Further mobile applications have been developed for LPG customers in which complaint registration utility also has been given.

Customers can post/register their complaints and grievances at the website which has facility to accept complaints and feedback which based on the location will automatically be directed to the field.

Customer Service Cells (CSC) are operating at all the Area/Territory/Region Offices spread over the country. These CSCs operate during office hours on all working days. Customers can contact these CSCs in person, over telephone or through post either to register their complaints or offer their suggestions. Necessary action is taken on the complaints so received so that the grievance is redressed.

The address and telephone numbers of these CSCs are displayed at the showroom of all the distributors. In addition to this, majority of distributors print the telephone number of the CSC on the refill vouchers (cash-memo) sent to the customers along with the filled cylinders. Contact number of Field Officers are also displayed at the Showroom of the Distributors for the benefit of customers.

LPG Field Officers posted at various locations are available for contact by public in general and customers in particular, at pre-determined place and time. The name, address and telephone numbers are displayed conspicuously in the showrooms of the distributors.

Round-the-clock LPG Emergency Helpline for all LPG leakage complaints. The call center is having a web-based application for logging and viewing the complaints. This web application is having the data of telephone numbers of all LPG distributors, Emergency service mechanics, and field staff of OMCs. Area/Territory/Region Managers are given access to this portal for monitoring the call logs & updation of the contact details of the mechanic & field officers.

Over and above, customers may write to various offices of the Corporation for redressal of their grievances. Addresses of the officers are given in the website. Letters received at various offices are sent to the concerned offices for taking necessary action.

Further in order to reduce grievances on refill booking/delivery, IVRS/SMS system for refill booking is introduced. The customers get SMS alerts on refill booking, generation of cash memos and on delivery of refills”.

1.136 On being asked about the measures taken to prevent over-charging of consumers for home delivery of LPG cylinders, the Ministry in its written reply submitted as under:

“IVRS/SMS refill booking system has been introduced across the country which has obviated manual intervention thereby minimizing difficulties faced in refill booking. Further, consumers receive SMSs during the various stages of refill booking and delivery process. The applicable Retail Selling Price payable for the refill delivery is communicated to the consumer in advance through SMSs. This empowers customers and enables him/her to report any wrong / non-delivery.

OMCs have also enabled online booking / payment through various digital modes of Web and Mobile applications, and other digital payment platforms of Amazon Pay, PayTM and Phone pay, eliminating cash transactions & possibilities of overcharging.

Also, Customers are educated through various customer engagement programs like LPG panchayats and safety clinics to make digital payments/ insist for cash memo and make payments as per cash memo. These are also propagated through social media platforms of OMC.

Random customer contact is made to check overcharging during routine inspections”.

1.137 On being asked about the actions taken so that such domestic connections are not diverted for commercial purposes, the Ministry in its written reply submitted as under:

“Steps taken by Government/ OMCs for identification and elimination of these multiple connections by which it can be ensured that subsidy is given to genuine beneficiary only and curb the diversion to commercial segment are as under:

1. KYC initiative with Proof of identity (POI) and proof of address (POA) was started to ascertain the identity of customers. KYCs are collected at the time of new enrolments, transferred cases, reactivations after a period of inactivity and unblocking.

2. Introduction of Direct Benefit Transfer of LPG (DBTL) where subsidy element is passed on to the customers to their linked bank accounts, thereby nullifying the incentive for diversion.

3. Multiple connections are identified on inter / intra company de-duplication in various phases based on Aadhaar, Bank accounts, Name & address and are blocked after serving due notice to the customers for surrender of connection or submission KYC.

4. Existing of multiple connections is getting checked at the time of entry only by real time de-duplication on the basis of name & address.

5. As per the latest directives, w.e.f 01.07.16, subsidy is only being triggered to the customers having Aadhaar seeding in LPG thereby ensuring

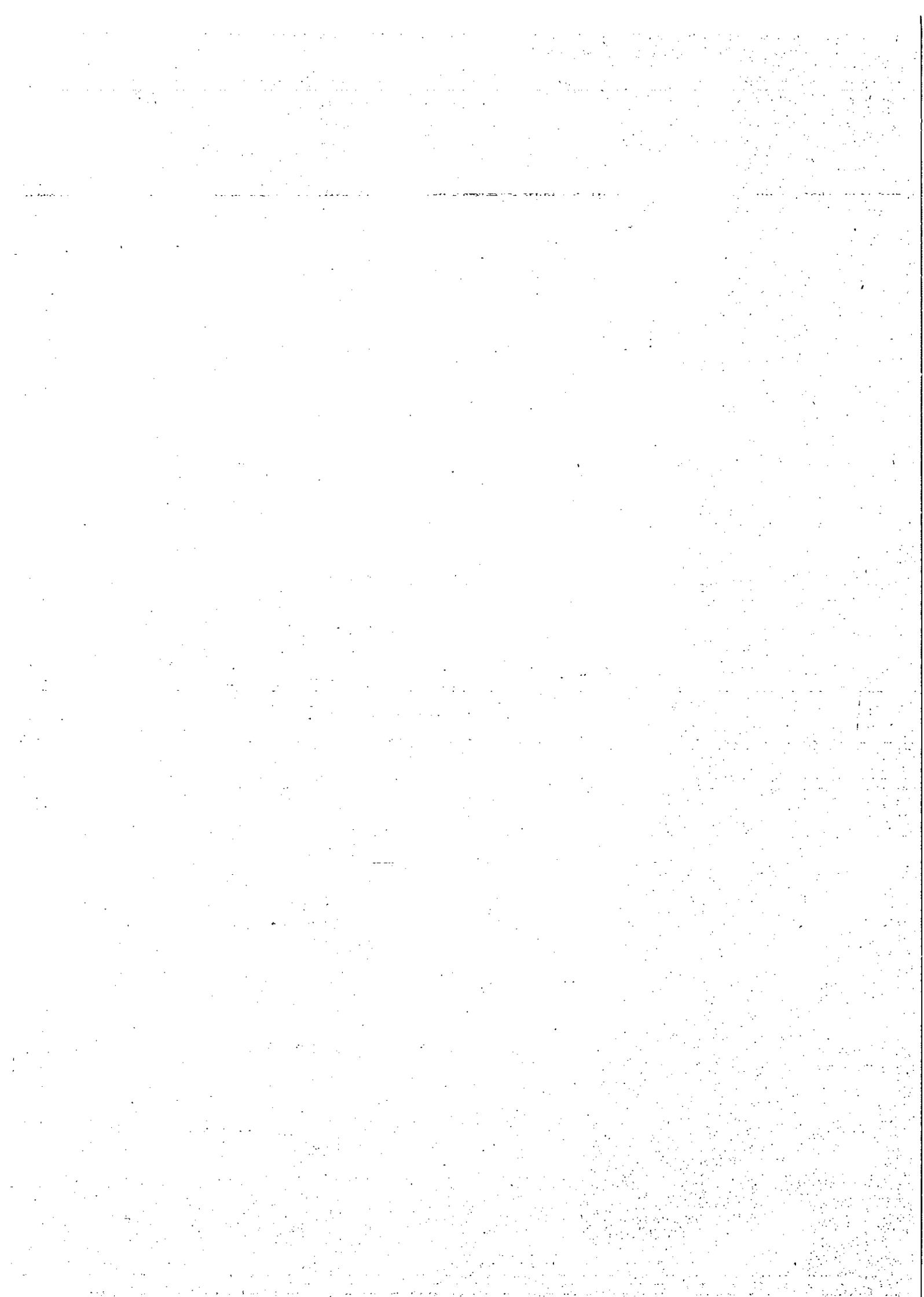
a. Existence of the person to whom subsidy is transferred which eliminates the possibility of fake and ghost connections.

b. De-duplication based on aadhaar number which eliminates the possibility of multiple connections in the name of the person.

Actions taken by OMCs in case of multiple / ghost / fake connections

a. Customers detected as suspects are blocked either centrally or distributors by informing them via SMS/ Letters either for submission of KYC forms to prove their genuineness or surrender their LPG connections.

b. In all established cases of irregularities by distributors/ their staff, action is initiated against the concerned distributors as per provisions of Marketing Discipline Guidelines / Distributorship Agreement".



PART - II**Recommendations / Observations****Recommendation No. 1****Guidelines for Allotment of Retail Outlets and LPG Distributorships**

1. The Committee observe that prior to May 2002, selection of dealers for Retail Outlets was done by the Dealer Selection Board. However, in 2003 the appointment of Retail Outlet dealers was carried out through a 3-tier marks based selection process involving (a) Evaluation of land offered (b) Document/information based evaluation and (c) Interview. In 2014, the Dealer Selection Guidelines for Retail Outlets were amended and the selection of Retail outlet Dealers was conducted by Draw of Lots/Bidding in front of public authorities. Again in 2018, OMCs began implementing new dealership selection guidelines introducing on-line applications for allotment of retail outlet dealerships at various locations in the country. The Committee observe that improvements have been made in the system from time to time to ensure transparency and clarity in the allotment of ROs and LPG Distributorships.

2. The Committee, however, note that there have been many legal cases in courts that have challenged the allotment process. They also note that at present there is neither any mechanism to collect feedback from participants/applicants who participated in the selection process of allotments nor any independent study has been conducted regarding the efficacy of the process. Therefore, the Committee desire that the Ministry should develop a feedback system and also conduct a study to simplify and streamline the system and incorporate a simple and transparent procedure to eliminate or reduce the number of legal cases arising out of allotment of RO dealerships and LPG distributorships.

3. The Committee also note that there have been developments in LNG, Hydrogen and Electric Vehicles as alternative sources of energy for automobiles in future. Further, while taking into account the fact that retail outlets should cater to these diverse options in future, the Committee recommend that Ministry/OMCs

should review the guidelines for inclusion in allotment of retail outlets and also have provisions for inclusion of such new technologies being made available in these retail outlets after taking into account all related safety requirements.

Recommendation No. 2

Single Window System for Approvals

4. The Committee observe that the process of commissioning of retail outlets is a long drawn process involving multifarious activities such as bid opening/draw of lots process, scrutiny of documents, field verification of credentials, issuance of LOI, obtaining of 10 to 12 NOCs from various Departments/agencies of State Governments, submission of fixed fee/bid amount, construction of retail outlets and issuance of Letter of Appointment and commissioning of retail outlets. The complexity of each location and delay in approvals from authorities makes the allotment process more cumbersome and tedious for OMCs. Further, it is also observed that the process of commissioning of retail outlets gets delayed due to receipt of complaints from various quarters and redressal of the same by OMCs as per the extant policy.

5. In this regard, the Committee observe that 29,501 LOIs were issued as on 01.06.2021 against the advertisement of 2018. However, only one-third of the total LOIs i.e. 10307 Retail Outlets have been commissioned and the remaining 19,194 outlets are yet to be commissioned even after the completion of three years. The Committee have been informed that the MoPNG has been in touch with State Governments with regard to obtaining clearances/approvals in a time bound manner. Further, the Ministry has also been requested by State Governments to propose draft guidelines to streamline the allotment process. Therefore, the Committee recommend the Ministry to propose draft guidelines for State Governments and also set up a single window clearance system so that mandatory approvals/clearances and statutory requirements are obtained expeditiously at the State level/Local Government level for early commissioning of Retail Outlet dealerships and LPG distributorships.

Recommendation No. 3

Field Verification Credentials

6. The Committee note that the OMCs conduct draw of lots or bidding among the applicants for a location for setting up of retail outlets. The selection is done from eligible candidates have been categorized into Group 1, Group 2 and Group 3 based on land offered or not by the applicants. After the selection is done, the applicant is issued a letter informing that verification of all attested photo copies to be done with the original documents during the field verification of credentials (FVC).

7. The Committee observe that prior to November 2018 scrutiny of documents and field visit for inspection of land offered by all applicants was done by the oil marketing companies who have informed that it was a very time consuming process. Hence, the selection process was modified so that scrutiny and land inspections are done only for the applicants selected through draw of lots or bid opening process since November 2018. Also, the candidates are liable to be rejected if they are not able to present the original documents at the time of FVC on the designated date and time or during the FVC.

8. The Committee note that the allotment of retail outlets has been made more transparent by introducing selection by draw of lots among the eligible candidates. The Committee has noted that in some cases after the selected applicant has been selected by draw of lots and after the field verification of credentials, the selected candidates were found to be ineligible who are informed about the cancellation of selection and many such candidates approach court for remedy.

9. The Committee are of the view that this process needs to be streamlined and made more transparent and objective in a manner that provide least chances of rejection due to non-production of any documents. There can be clarification videos or FAQ's or meeting with the applied candidate before the last date where in the doubts of applicants can be clarified. The Committee feel that all the applicants be informed of all the documents and formalities that are required to

be completed upon allotment so that the successful candidates have all the documents in time and are not rejected for want of certain documentary formalities. They also note that since the average number of applications per locations is only 5.1 during the last advertisement, there exists scope for reducing cancellation after field verification of credentials. The Committee recommend that the field verification of credentials should be done in a time bound manner and also whenever any applicant is found lacking in certain documents, he should be given some time to arrange for the same so that the process is more transparent and applicant friendly. The Committee also recommend that the policy of field verification should be reviewed so that it minimizes cancellation of any allotment after draw of lots is completed.

Recommendation No. 4

Identification of Locations for Retail Outlets

10. The Committee have been informed that locations for setting up Retail Outlets are identified by the respective oil companies based on market potential, commercial / minimum volume considerations and parameters like distance between two outlets. The locations for setting up of LPG Distributorships (Sheheri Vitrak, Rurban Vitrak, Gramin Vitrak and Durgam Kshetriya Vitrak) are identified based on available refill sale potential that can sustain economically viable operation of LPG distributorship. The Committee note that the selection for LPG distributors was decided by OMCs depending on population, economic prosperity of location and distance from existing nearby distributor etc. The country is now witnessing major expansion of highways where thousands of kilometers are being added to the road network every year. The vehicle population has also increased as more than 10 crore automobiles have been sold in the last five years and mobility has also increased in view of domestic tourists within the country. The Committee have been informed that due to factors like inter-state borders with price advantage, truck lay bye, halting points, business hubs, certain areas lead to clustering of ROs.

11. The Committee are of the view that highways should have fuel stations for its users so that travellers can optimally make use of them and crowd/cluster ROs. The Committee are surprised to note that Ministry of Petroleum and Natural Gas has so far not given any thought to such a vital issue and have also not held any meeting with MoRTH/NHAI for allotment of land along new highways for setting up of retail outlets and are dismayed that neither the Ministry nor the OMCs have looked into the matter seriously. However, the Committee have been informed that NHAI has identified some spots for amenities which include fuel stations for which bids have been invited and Oil PSUs have also submitted their bids.

12. The Committee, observe that the new locations should be based on data mining of vehicular density and population, potential of emerging smart cities, new highways being built by Union government and State governments in the planning and growth of Retail Outlets and LPG distributorships and MoPNG must discuss with MoRTH/NHAI for allotment of land alongside the highways to set up their fuel dispensing stations. The Committee, therefore, recommend that a much more nuanced, proactive and scientific approach needs to be adopted in identifying locations for setting up of both Retail Outlets and LPG Distributorships so that the ROs and LPG distributorship agencies are more evenly distributed throughout the country to cater to the needs of users besides being commercially viable.

Recommendation No. 5

Expansion of Retail Outlets in Hilly and Far-flung Areas

13. The Committee observe that expansion of retail outlet network is a continuous process undertaken by public sector oil marketing companies in tandem with the growth in demand for auto fuels in the country. As such, locations for retail outlets identified by state run OMCs are included in State retail marketing plans and accordingly, are advertised for setting up of retail outlet dealerships. It has been informed that as per the notification of the Ministry of P&NG dated 08.11.2019, all oil companies are required to set up 5% of their retail

outlets in remote areas in proportion to the new retail outlets from the date of notification. The Committee have been informed that OMCs encounter certain bottlenecks while setting up of retail outlets in remote and far-flung areas such as difficult terrain with logistical issues, high infrastructure and maintenance costs, low returns on investments (ROI) and low availability of sites with specific reference to hilly and mountainous terrain and remote areas. The three state run OMCs set up 266 ROs in remote areas during the year 2019-2020.

14. The Committee, while taking note of low returns on investments and commercial non-viability of setting up of retail outlets in hilly and remote areas, exhort the Ministry/OMCs to take up the issues of practical constraints / bottlenecks with Governments of hilly States for acquisition of land/sites at concessional rates. Further, the Ministry/OMCs may also explore the proposition of business partnerships with State Governments/ Municipal Bodies/Local Bodies for a win-win situation. The Committee, therefore, recommend the Ministry/OMCs to set up a separate coordinating mechanism to address the issues of logistics and site availability in remote and hilly terrains so that the mandatory requirement of setting up of 5% retail outlets in remote and far flung areas will be fulfilled. The Committee also desire that the Ministry/OMCs to review the possibility to enhance commissions/margins for retail outlet dealers and LPG distributors in difficult locations in order to incentivize them for financial viability.

Recommendation No. 6

Inclusion of EWS category in Allotment Policy of Retail Outlets

15. The Committee note that the guidelines for allotment provides reservation system for various categories in the allotment of retail outlet dealerships and LPG distributorships with 22.5 per cent reservation for SC & ST category and 27 per cent reservation for OBC category. Locations are placed under the 200 point roster to ensure adherence to percentage of reservation of each category. In each of these main categories of reservation, there are sub-categories like women, outstanding sports persons, freedom fighters and defence personnel etc. The

Committee also note that these reservations are applicable to all the states in the country except states like Arunachal Pradesh, Meghalaya, Nagaland and Mizoram which have higher percentage of reservation under ST category.

16. The Committee, further, note that the Union Government has brought about a new category of reservation i.e. Economically Weaker Section (EWS) which has not been included so far in selection guidelines for the allotment of retail outlet dealerships and LPG distributorships. The Committee, therefore, recommend that the MoPNG and OMCs may take necessary action to include EWS category also in the reservation for allotment of retail outlet dealerships and LPG distributorships without disturbing the existing reservation policy.

Recommendation No. 7

Corpus Fund Scheme of OMCs

17. The Committee have learnt that OMCs provide financial assistance to candidates belonging to SC and ST categories in respect of locations reserved for them consequent upon award of dealerships. In this regard, OMCs ensure availability of ready retail outlets with required facilities at its cost on land offered by candidates and procured by Companies on mutually agreed terms and conditions. Further, it has been informed that OMCs provide adequate working capital assistance/loan for a full operation cycle equivalent to 7 days sales volume of operation of dealerships. The working capital as well as SBI loan +1% interest per annum or 11% per annum whichever is lower thereon will be recovered in 100 monthly installments commencing from the 13th month of commissioning of dealerships. The Committee also observe that OMCs also provide an additional working capital under the scheme within two years after the commencement of dealerships and it must be preceded by increased sales at retail outlets.

18. The Committee, while taking note of the interest component charged by OMCs on working capital assistance provided to RO dealers and LPG distributors, would like to point out that OMCs do not provide any interest on the

security amount deposited by successful candidates at the time of awarding of dealerships and distributorships. The Committee, therefore, recommend the Ministry/OMCs to provide for interest on security deposits made by RO and LPG distributors. The Committee also feel that OMCs must provide for some kind of interest subvention to candidates belonging to SC and ST categories and EWS category so that the financial assistance provided under the Corpus Fund Scheme will achieve its true efficacy and further, OMCs should not collect charges after the repayment of loans. The Committee further desire that the OMCs should stop recovery of loan from LPG distributors given for construction of LPG godowns after the cost of construction has been recovered fully.

Recommendation No. 8

Commissions/Margins of Retail Outlet Dealers

19. The Committee while taking cognizance of commissions and margins of retail outlet dealers, observe that despite rising inflation and operational costs in running retail outlets, state-run OMCs have not enhanced margins of RO dealers since 2017. In this regard, the Committee observe that the amendment provisions of Marketing Disciplinary Guidelines (MDGs) of 2012 issued by OMCs in October, 2017 with regard to short delivery of fuels, maintenance of toilets and payment of wages to staff employed by RO dealers have become a bone of contention between OMCs and RO dealers. The Committee have learnt that revision in MDGs is carried out by OMCs from time to time in order to instill a sense of discipline amongst dealers along with transparency and efficiency in retail outlet operations in the country. The Committee, however, note that the assertion of OMCs to interlinking the enhancement of dealers margins to that of hiking the wages of employees of RO dealers has strained the relationship with RO dealers. Accordingly, some of dealer/dealer association have filed writ petition challenging the amendment to MDG 2012, implementation including the wages payment. Accordingly, Delhi High Court have heard these petition and disposed vide order dated 18.03.2020 and thereafter, OMCs have also filed counter affidavit against the verdict of the single judge bench pronounced in March, 2020 and the issue has been sub-judice since then.

20. In view of the above, the Committee feel that retail outlets are an interface between OMCs and customers and play an important role in building the image of OMCs. The Committee feel that the prevailing relationship between RO dealers and OMCs does not augur well for the overall functioning of the retail industry and therefore, recommend the Ministry/OMCs to make sincere efforts for an amicable solution at the earliest. The Committee desire the Ministry/OMCs to review the guidelines for RO dealers to implement a staggered system of dealership margins given differences in cost of living, basic pay structures and economic development of various States in the country. They can also co-relate the commission/margins of dealers with retail price index. The Committee feel that every organisation has a constitutional right to redress its grievances through legal remedies and therefore, expect the Ministry/OMCs not to act with vindictive attitude towards retail outlet dealers for resorting to a legal recourse against amended MDGs.

Recommendation No. 9

Customer Transfer Policy and Non-Viability of LPG Distributorships

21. The Committee note that customer transfer policy has been devised by OMCs keeping in consideration of the market ceiling of old distributors and viability limits for newly commissioned distributors. Further, the objective of this policy has been to ensure rationalization of refill sale in line with ceiling limits and also to ensure that new distributors reach viable limits. The Committee have also been informed that locations for setting up of LPG distributorships are identified on the basis of available refill sale potential to sustain economically viable operations of LPG distributorships. The refill sale potential is based on several factors such as population, population growth rate, economic prosperity of the location and also distance from existing nearest distributor.

22. The Committee note that as on 01.01.2021, out of 22,217 numbers of LPG distributorships allotted under Marketing Plan by OMCs and out of which 7115 numbers are operating below viability limits which in turn requires rationalization to attain viability. The Committee, while taking note of various variables in

determining the criteria for financial viability and refill sale potential for identification of new LPG distributorships, exhort the Ministry/OMCs not to overlook the existing business viability of old LPG distributorships by transferring major chunk of their customer base to newly set up distributorships. Further, the Committee expect that these customer transfer policies should not be used as an expedient tool by OMCs to settle scores with recalcitrant old distributors in the guise of rationalisation of LPG distributorships.

23. With LPG expansion policy having reached near saturation level due to the stupendous growth achieved under PMUY scheme, the addition of new customers to LPG distributors would be marginal in future. The Committee while noting the provision of an additional one crore LPG connections to PMUY beneficiaries during the current year, recommend the Ministry to review the Customer Transfer Policy of OMCs under the marketing plans and take necessary steps to ensure financial viability of both old and new LPG distributorships in the country as well as ease and convenience to the users.

Recommendation No. 10

Litigations by RO Dealers/LPG Distributors

24. The Committee note that several litigations have been filed in various courts of law with regard to the allotment of retail outlet dealerships and LPG distributorships along with the cases filed by landlords to get their lands vacated by OMCs on expiry of lease agreements of their land for setting up of ROs. Implementations of Marketing Discipline Guidelines have become fulcrum of contention between OMCs and RO dealers/ LPG distributors. The Committee also note that w.r.t. customer transfer policy for LPG distributorships, there are litigations pending in Supreme Court after the same was set aside by the Delhi High Court.

25. The Committee observe that considerable amounts of time and expense are being spent by OMCs to fight legal cases in various courts of the country. The Committee, therefore, exhort the Ministry/OMCs to institutionalize alternate dispute resolution mechanism to resolve cases/disputes outside the court rooms

before resorting to legal recourse in courts of law. The Ministry may also consider for an appellate mechanism by vesting powers with PNGRB or create an ombudsman like system for resolution of disputes between OMCs and RO dealers/LPG distributors so as to fast track the decision between the OMCs and the landlords who want their lands to be vacated after expiry of lease. The Committee, therefore, recommend the Ministry to review the status of pending litigations of OMCs and accordingly, create an internal institutional mechanism to settle disputes so that valuable time and resources of OMCs can be saved.

Recommendation No. 11

Vacation of Lands by OMCs after Expiry of Leases

26. The Committee note that OMCs enter into lease agreements with landlords for setting up of retail outlets in the country and these leases are renewable after the expiry of lease period. They however, note that in certain cases there are no renewable clauses at the time of entering into lease agreements. As per the information furnished to the Committee, the OMCs under contractual rights will exercise option to renew leases and in case landlords do not renew leases of retail outlet lands, will defend the court cases filed by landlords and where options for renewal are not available, OMCs will explore possibilities for negotiations/settlements for renewal of leases or purchase and in the event of failure of negotiations, OMCs would explore available legal actions. The Committee observe that this is as per guidelines of MoPNG No. R-30024/56/O-7-MC policy dated 28-4-2010 which are followed by OMCs.

27. The Committee further, observe that options exercised by OMCs to explore legal actions in both cases where renewal options are available for lease of RO lands and where renewal options are not available appear to be unreasonable and inconsistent. The landlords who have entered into lease agreements with OMCs in good faith will have no option but to file legal cases for vacating the OMCs from their legally and lawfully owned lands. These exercises become burdensome to landlords by incurring considerable financial expenses to fight legal battles in various courts of law for several years. The Committee, therefore,

desire that landlords should be made aware that the OMCs will resort to legal actions in case land leases are not renewed after expiry of leases. The Committee feel that OMCs being public sector companies must respect contractual agreements and have provision for either party have the right to renew or terminate the agreements.

28. The Committee recommend the Ministry to revisit the guidelines and review the number of litigations on this issue and make necessary changes in its 2010 guidelines so that landlords in smaller cities and towns may get their lands back without much difficulty if they are not interested to renew the land leases.

Recommendation No. 12

Marketing Discipline Guidelines (MDGs)

29. The Committee observe that public sector OMCs have been implementing MDGs since 1982 to enforce greater degree of business ethics and satisfactory customer service in the field of marketing and distribution of petrol and diesel by retail outlet dealers and LPG cylinders by LPG distributors. As administrative guidelines, these MDGs are enforced to dispense the right quality and quantity of petroleum products along with safe handling procedures by retailers and distributors to end consumers. Further, ensuring courteous behaviour with consumers along with common uniform code among employees of dealers and distributors have also been part of these guidelines across the dealership network in the country. These guidelines also stipulate a wide range of penal provisions covering suspension of sales/supplies, imposition of fines and terminations for any kind of malpractices and irregularities in dispensing petroleum products.

30. The Committee, however, have learnt about some instances of coercive tactics of OMCs in enforcing MDGs in the country such as imposition of exorbitant penalties upon LPG distributors for not conforming to the mandatory uniform code among employees working in godowns and showrooms. LPG associations have submitted that OMCs have been dispatching excessive supplies of LPG cylinders to distributors beyond the requisitioned indent just to

meet their unreasonable monthly targets. The Committee have also been informed that Non-Domestic and Non-Exempted (NDNE) LPG retailers along with OMCs have been selling commercial LPG cylinders to poor customers at hefty prices and same cylinders to some high end hotels at very reasonable prices by directly lifting stocks from LPG bottling plants.

31. The Committee while taking cognizance of monetary penalties upon ROs and LPG distributors by OMCs for violations of MDGs, recommend that the Ministry/OMCs to review such instances and ensure that all the OMCs levy the penalties in consistent with the MDG violations throughout the country in a uniform manner so that it is not one sided and there is no arbitrariness in such decisions. Further, the Committee while being concerned about the coercive tactics of OMCs upon LPG distributors, exhort the Ministry/OMCs to enforce the sale of commercial cylinders in the open market to customers at reasonably determined prices and such sales should be kept transparent may be, through use of technology such as allowing sale online.

Recommendation No. 13

Sale of Petrol and Diesel through Mobile Bowsers and Dispensers

32. The Committee observe that as per the directions of MoPNG, door to door delivery of diesel to DG sets, industrial establishments, earth moving equipment through bowsers and mobile dispensers have been permitted by PESO. It has also been informed that as per the amendment in MS HSD Control Order, 10.12.2019, OMCs issue advisories to RO dealers for strict compliance and upon any proven malpractices by door to door/roadside delivery, punitive action will be initiated by OMCs under the provisions of agreements signed between OMCs and RO dealers. Further, the power of sampling and seizure of mobile bowsers shall be exercised by authorised officers of Central and State Governments. The Committee have been informed by the retail outlet association about the unauthorised sale of fuel to roadside customers by these bowsers and mobile dispensers in gross violation of guidelines. However, they note that no misuse of permission from PESO to supply diesel to customers at roadside has been

reported by Government agencies except one instance reported in March, 2021 in the Baran district of Rajasthan.

33. The Committee express serious concern about the sale of auto fuels to roadside customers other than through legally permitted mechanism which is illegal. The unauthorised retail sale of auto fuels to individual customers at roadside is fraught with dangers given the highly inflammable nature of auto fuels and the inherent public safety hazards and it would also make bowsers to operate as mini retail outlets at the fraction of investment. The Committee, therefore, expect the Ministry/OMCs to strictly monitor movement of mobile bowsers and dispensers through use of latest technology and accordingly, recommend that OMCs and PESO should devise a mechanism for better monitoring of provisions of MS and HSD Control Orders along with other extant statutory provisions for exemplary punitive actions for violation of such orders.

Recommendation No. 14

Enhancing Customer Services

34. The Committee recommend that OMCs have taken a number of customer centric initiatives which include incentive to customer to promote digital transactions, campaign to encourage customers to check quality and quantity of products, autorotation of retail outlets to enhance transparency in retail outlets. Similarly, LPG refill booking and check status updates over whatsapp, digital payment options, provision to avail 5 kg DBC instead of 14.2 kg cylinder, LPG panchayat and safety clinics with special focus on PMUY consumer, home delivery, LPG cylinder to customers, portability of connection, etc. The Committee note that OMCs have done a good job in providing basic amenities and customer experience at retail outlets by introducing provisions like clean toilets, free air, provision of PUC, IVRS, online booking and water cooler. The outlets on highways should also provide such services to consumers for enhancing their sale.

35. The Committee would like to the extension of these facilities to be replicated at all the retail outlets and LPG distributorships. The consumers should be informed of their rights by having them enumerated at notice board. The staff of both retail outlets and LPG distributors should be sensitized about the courteous behavior and good conduct with consumers. OMCs should strive for a better consumer experience through their marketing network.

36. The Committee desire that enhancing consumer experience should be seen as a continuous and evolving process whereby the best in service standards should be provided in the remotest corner of the country. The Committee recommend that there should be a mechanism in place for a third party audit for customer service and the OMCs should ensure that experience of consumers and retail outlets should be a pleasant one.

Recommendation No. 15

Public Liability Insurance Policy

37. The Committee note that Public liability Insurance policy taken by Oil marketing companies covers losses arising out of accidents where LPG is the primary cause of fire. in case of any accident involving customer's installation, the customer has to forthwith advice the corporation's distributor from whom the supply was received after which the concerned regional office informs the local office of the insurance company which takes further decision on settlement of claims as per provisions of the policy.

38. The personal accident cover is Rs 6 lacs per person in case of death and medical expenses of Rs 30,000/- per event and property damage of max Rs. 2 lacs per event is covered. The policy is renewed every year and the premium is payable in 50:25:25 ratio by IOCL:BPCL:HPCL. An amount of Rs. 0.27 is recoverable from refill sales. The Committee note that the number of cases settled is 730 cases and an amount of Rs 25.3 crore was paid in the year 2017-18. Similarly during 2018-19, amount of Rs. 20 crore was paid with 653 cases settled and in the year 2019-20, the number of cases settled was 543 and amount paid was Rs 16.2 crore.

39. The Committee note that now that the customer base has increased due to PMUY scheme, the awareness among LPG consumers need to be increased about the details of this policy along with the safe cooking practices including design of kitchen, location of cylinder and stoves, ventilation etc.. The steps taken by the company needs to be expanded and awareness campaigns using mass media should be carried out on mission mode so as to avert any such accidents. Also, awareness should be created that in case of any untoward incident which causes injury/property damage or death of life where LPG is the primary cause of fire, they may file a claim from the insurance company. Therefore the Committee desire that Ministry may review the process of claim settlement and make it simple and also recommend that OMCs should conduct awareness campaigns on the public liability insurance policy taken by them.

New Delhi;
5 August, 2021
14 Shravana, 1943 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

MINUTES**STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2019-20)****FOURTH SITTING
(12.12.2019)**

The Committee sat on Thursday, the 12 December, 2019 from 1500 hrs. to 1730 hrs. in Committee Room 'C', PHA, New Delhi.

PRESENT

Sh. Ramesh Bidhuri - Chairperson

MEMBERS**LOK SABHA**

2. Smt. Chinta Anuradha
3. Dr. Ramesh Chand Bind
4. Shri Girish Chandra
5. Shri Naranbhai Kachhadiya
6. Shri Santosh Kumar
7. Shri Rodmal Nagar
8. Shri Unmesh Bhaiyyasaheb Patil
9. Shri M.K. Raghavan
10. Dr. Bharatiben Dhirubhai Shyal
11. Shri Janardan Singh Sigriwal
12. Shri Lallu Singh
13. Shri Vinod Kumar Sonkar
14. Shri Ajay Tamta
15. Shri Rajan Baburao Vichare

RAJYA SABHA

16. Shri Narain Dass Gupta
17. Smt. Kanta Kardam
18. Shri Kanakamedala Ravindra Kumar
19. Shri K.K. Ragesh
20. Shri A. Vijayakumar

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri H. Ram Prakash - Director
3. Shri Tirthankar Das - Additional Director
4. Shri Vinay Pradeep Barwa - Deputy Secretary

Representatives of the Ministry of Petroleum & Natural Gas

- | | | | |
|---|------------------------|---|---|
| 1 | Shri Rajiv Bansal | - | Additional Secretary & Financial Advisor |
| 2 | Shri Ashish Chatterjee | - | Joint Secretary (Gas Pricing) & (Incharge of Marketing) |

Representatives of Public Sector Undertakings and other Organisations

- | | | | |
|---|--------------------------|---|----------------------------|
| 1 | Shri Sanjiv Singh | - | Chairman, IOCL |
| 2 | Shri Mukesh Kumar Surana | - | CMD, HPCL |
| 3 | Shri Gurmeet Singh | - | Director (Marketing), IOCL |
| 4 | Shri Arun Singh | - | Director (Marketing), BPCL |
| 5 | Shri Rakesh Misri | - | Director (Marketing), HPCL |

2. At the outset, the Hon'ble Chairperson of the Committee welcomed Members of the Committee and representatives of the Ministry of Petroleum and Natural Gas/PSUs to the sitting of the Committee to have a briefing on the subject "Allotment of Retail Outlets and LPG Distributorships". Subsequently, the Additional Secretary, Ministry of P&NG introduced his colleagues to the Committee and with the permission of the Chairperson, a representative of the Ministry made a power point presentation on the subject. After the power point presentation, the Additional Secretary, MoP&NG gave a brief overview of the subject.

3. Thereafter, Members of the Committee deliberated on a wide range of issues related to the subject such as the criteria for conducting field inspections of sites proposed for setting up of retail outlets (ROs), grievances redressal mechanism for RO applicants, absence of interest paid on the security deposit submitted by RO applicants and review of allotment process.

4. Further, the reservation policy being implemented by oil marketing companies (OMCs) in the allotment of ROs and LPG distributorships was discussed at length. Also, data related to financial assistance from corpus fund provided to SC, ST and OBC candidates by OMCs, the number of discontinued ROs run by SC, ST and OBC candidates and the percentage of LPG distributorships owned by SC, ST and OBC candidates among total number of distributorships that sold quantities below the ceiling limit also came up for discussion.

5. In addition, other issues like last mile connectivity w.r.t. delivery of LPG cylinders, customer service, wider coverage of retail outlets and LPG distributorships by

OMCs in urban and semi-urban areas and absence of the same in remote and hilly areas, necessity of clean toilets and facilities at petrol pumps, discrepancies in names of villages advertised and with that of village records, queries related to issues like termination of dealership contracts, prevention of transit leakages, delays in refilling of LPG cylinders in rural areas and difficulties involved in transport of fuel in hilly areas were also raised.

6. The Chairperson then thanked the representatives of the Ministry/PSUs for expressing their views and answering the queries raised by the Members. Further, to the queries where replies were not readily available, the Ministry was instructed to furnish the same to the Secretariat within fifteen days.

7. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES**STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2019-20)****FIFTH SITTING
(30.12.2019)**

The Committee sat on Monday, the 30 December, 2019 from 1100 hrs. to 1315 hrs. in Committee Room No. '2', PHA Extn. Building, Block – A, New Delhi.

PRESENT

Sh. Ramesh Bidhuri - Chairperson

MEMBERS**LOK SABHA**

2. Shri Dibyendu Adhikari
3. Shri Girish Chandra
4. Shri Naranbhai Kachhadiya
5. Shri Rodmal Nagar
6. Shri Chandra Sekhar Sahu
7. Dr. Bharatiben Dhirubhai Shyal
8. Shri Janardan Singh Sigriwal
9. Shri Lallu Singh
10. Shri Vinod Kumar Sonkar
11. Shri Ajay Tamta

RAJYA SABHA

12. Shri Narain Dass Gupta
13. Smt. Kanta Kardam
14. Shri Kanakamedala Ravindra Kumar
15. Shri A. Vijayakumar
16. Ch. Sukhram Singh Yadav

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri H. Ram Prakash - Director
3. Shri Tirthankar Das - Additional Director
4. Shri Mohan Arumala - Under Secretary

Representatives of the Ministry of Petroleum & Natural Gas

1. Dr. M.M. Kutty - Secretary
2. Shri Ashish Chatterjee - Joint Secretary

Representatives of Public Sector Undertakings

1	Shri D. Rajkumar	-	C&MD, BPCL
2	Shri Mukesh Kumar Surana	-	C&MD, HPCL
3	Shri Gurmeet Singh	-	Director (Marketing), IOCL
4	Shri Arun Singh	-	Director (Marketing), BPCL
5	Shri Rakesh Misri	-	Director (Marketing), HPCL
6	Shri Vigyan Kumar	-	Executive Director (Retail), IOCL
7	Shri Ravi P.S.	-	Executive Director (Retail), BPCL
8	Shri S.K. Suri	-	Executive Director (Retail), HPCL
9	Shri Sunil Mathur	-	Executive Director (LPG), IOCL
10	Shri Peethambaran T.	-	Executive Director (LPG) BPCL
11	Shri A.K. Jain	-	Executive Director (LPG), HPCL

2. At the outset, the Hon'ble Chairperson of the Committee extended heartiest wishes for the coming new year before welcoming Members of the Committee and representatives of the Ministry of Petroleum and Natural Gas/PSUs to the sitting convened to take oral evidence of representatives of the Ministry/PSUs on the subject "Allotment of Retail Outlets and LPG Distributorships." Thereafter, the Secretary, Ministry of P&NG introduced his colleagues to the Committee and gave a brief overview of issues pertaining to the subject.

3. Thereafter, the Committee deliberated on issues such as criteria for allotment of ROs, the number of LPG distributorships allotted during the year 2018, total LPG distributorship coverage, reasons behind delay in commissioning of new retail outlets (ROs), steps initiated by OMCs to achieve delivery targets, rationale behind the dissolution of the Dealer Selection Board and entrusting oil companies with the responsibility of selection of dealerships in the year 2014, measures taken to streamline and bring about transparency in the selection process of ROs and LPG dealerships, mechanism to redress grievances of individual applicants of retail outlets, prevention of diversion of subsidized LPG cylinders to commercial units which were intended for domestic household consumption, expansion of PM Ujjwala Yojana (PMUY), expected number of LPG distributorships to be commissioned in the year 2020, carrying out regular inspections to prevent adulteration of fuel, public awareness campaigns to ensure safe handling of LPG cylinders and strict enforcement of existing rules and regulations in the allotment of ROs and LPG distributorships.

4. Further, Members also raised practical constraints and challenges such as overcharging for home delivery of LPG cylinders in certain rural areas of the country, irregularities in implementation of PMUY as pointed out by the report of the Comptroller and Auditor General (CAG), requirement of upholding safety norms by LPG customers to avail insurance benefits, conducting inspections in a time-bound manner, minimum population density required for setting up of distributorship in an urban area, ensuring hassle-free delivery of LPG cylinders to customers, likely implications on oil industry with the advent of electric vehicles in the market, implementation of lottery system to determine allotments of ROs and absence of existing villages in revenue records.

5. In addition, other issues like impact of privatization on provision of LPG subsidy, ratio between LPG and PNG connections in India, transition from LPG to PNG connections, inclusion of EWS category under reservation policy implemented by OMCs in the allotment of ROs and LPG distributorships, ensuring quality customer services at petrol pumps, initiating tree plantation drives near ROs, number of beneficiaries under PMUY who opted for refilled cylinders, reasons for clustering of ROs in certain areas, supply of small sized LPG cylinders to customers, safety awareness campaigns in LPG panchayats, preventing harassment of LPG dealers by inspection authorities, provision of safety certificates to households in compliance with safety norms, speedy clearances for ROs and LPG distributorship applicants and quantum of punishment to be given in proven cases of misconduct by RO owners and LPG distributors also came up for discussion.

6. The Chairperson then thanked the witnesses for expressing their views and answering the queries raised by the Members. Further, to the queries where replies were not readily available, the Ministry was instructed to furnish the same to the Secretariat within fifteen days.

7. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES**STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2020-21)****THIRTEENTH SITTING
(08.03.2021)**

The Committee sat on Monday, the 08 March, 2021 from 1500 hrs. to 1630 hrs. in Committee Room 'E', PHA, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS**LOK SABHA**

2. Smt. Chinta Anuradha
3. Shri Santosh Kumar
4. Shri Unmesh Bhaiyyasaheb Patil
5. Dr. Kalanidhi Veeraswamy
6. Shri Janardan Singh Sigriwal
7. Shri Lallu Singh
8. Shri Vinod Kumar Sonkar
9. Shri Ajay Tamta

RAJYA SABHA

10. Shri Narain Dass Gupta
11. Smt. Kanta Kardam
12. Shri Kanakamedala Ravindra Kumar
13. Dr. Bhagwat Karad
14. Ch. Sukhram Singh Yadav

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Additional Secretary
2. Shri H. Ram Prakash - Director
3. Shri Vinay Pradeep Barwa - Deputy Secretary
4. Shri Mohan Arumala - Under Secretary

Representatives of All India Petroleum Dealers Association (AIPDA)

- | | |
|-----------------------------|---------------------|
| 1. Shri Ajay Bansal | - President , AIPDA |
| 2. Shri Ram Niwas Mittal | - Secretary, AIPDA |
| 3. Shri Nitin Prakash Goyal | - Treasurer, AIPDA |

Representatives of All India LPG Distributor Federation (AILDF)

- | | |
|------------------------|------------------------------|
| 1. Mr. Chandra Prakash | - President, AILDF |
| 2. Mr. P.N. Seth | - Executive President, AILDF |
| 3. Mr. Manoj Nangia | - Secretary, AILDF |

2. At the outset, the Hon'ble Chairperson welcomed Members of the Committee and representatives of the All India Petroleum Dealers Association (AIPDA) and All India LPG Distributor Federation (AILDF) and informed that the sitting was convened to hear the views of RO and LPG Associations on the subject '**Allotment of Retail Outlets and LPG Distributorships**'. Thereafter, representatives of the two associations got introduced themselves to the Committee.

3. Subsequently, Members of the Committee deliberated on various issues related to the subject such as LPG distributorships in urban, rural and remote areas, appointment of new LPG distributorships, issues related to transfer of LPG customer base from old distributors to new distributors, financial non-viability of existing business of LPG distributorships due to augmentation of PNG network in the country, hardships faced by Gramin LPG distributors due to insufficient customer base and lopsided planning of locations for LPG distributorships, review of marketing policies of OMCs, coercive tactics deployed by oil companies upon Gramin LPG distributorships to achieve unreasonable targets in the guise of MDGs, unhealthy competition among OMCs for LPG sale and resultant flouting of rules and regulations like Explosive Regulations, Gas Control Orders, Essential Commodities Act and safety norms etc. Further, issues like exploitation of labour for delivery of cylinders to customers, performance of distributorships during the Covid-19 pandemic and digital payments by LPG customers were also discussed during the sitting.

4. The Committee also deliberated on issues related to functioning of retail outlets like transparency in expansion of new retail outlet networks, eligibility of A and B site

dealerships, criteria for definition of family in dealerships, maintenance of adequate distance between retail outlets for business viability, necessity of a Regulatory Board for setting up of ROs, streamlining of various licence and clearance procedures by online single window system for ROs, review of PESO guidelines to optimize space constraints at ROs in the light of new age fuels, arbitrary imposition of guidelines by OMCs on dealerships in contravention of directives from the Ministry of P&NG, protracted legal battles between OMCs and RO Dealers over MDGs, multiple dealership norms like occupation of 'A' site land of dealers and reluctance in vacating 'B' site land of dealers by OMCs, unreasonable fines/penalties imposed by OMCs on LPG Distributorships under MDGs, safeguarding interests of dealers belonging to SC, ST/ freedom fighters and defense categories in general and dealers for low sale of fuel in particular, misuse of permission from PESO to supply diesel to DG sets, industrial use, earth moving equipment through bowsers and mobile dispensers, the new system of door to door delivery of auto fuels by OMCs and monitoring of the same to curb smuggling and unauthorized sale of fuels and inadequate margins of commissions received by RO dealers also came up for discussion.

5. Thereafter, the Chairperson thanked the representatives of the RO and LPG Associations for expressing their views and answering queries raised by the Members of the Committee. Further, to the queries where replies were not readily available, RO and LPG Associations were instructed to furnish the same to the Secretariat within seven days.

6. A copy of the verbatim proceedings is kept in the Branch for record.

The Committee then adjourned.

MINUTES**STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2020-21)****SEVENTEENTH SITTING
(13.07.2021)**

The Committee sat on Monday, the 13th July, 2021 from 1100 hrs. to 1450 hrs. in Main Committee Room, PHA, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS**LOK SABHA**

2. Smt. Chinta Anuradha
3. Shri Girish Chandra
4. Shri Topon Kumar Gogoi
5. Shri Rodmal Nagar
6. Shri Unmesh Bhaiyyasaheb Patil
7. Dr. Kalanidhi Veeraswamy
8. Shri Dilip Saikia
9. Shri Janardan Singh Sigriwal
10. Shri Vinod Kumar Sonkar
11. Shri Ajay Tamta
12. Shri Rajan Baburao Vichare

RAJYA SABHA

13. Shri Ripun Bora
14. Shri Kanakamedala Ravindra Kumar
15. Shri Om Prakash Mathur
16. Dr. V. Sivadasan
17. Shri A. Vijaykumar
18. Ch. Sukhram Singh Yadav

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Additional Secretary
2. Shri H. Ram Prakash - Director
3. Shri Vinay Pradeep Barwa - Deputy Secretary
4. Shri Mohan Arumala - Under Secretary

Representatives of PESO / DPIIT (Ministry of Commerce and Industry)

1. Shri Shailendra Singh - Additional Secretary, DPIIT
2. Shri Sushil Kamlakar Satpute - Director, DPIIT
3. Shri M. K. Jhala - Jt. Chief Controller of Explosives & HOD, PESO, Nagpur

4. Shri R. N. Meena - Jt. Chief Controller of Explosives, PESO, Faridabad
5. Dr. Sanjay Kumar Singh - Controller of Explosives, PESO

1. The Hon'ble Chairperson welcomed representatives of the PESO/DPIIT (Ministry of Commerce and Industry) and informed that the sitting was convened to have a briefing on the subject "**Allotment of Retail Outlets and LPG Distributorships**". Thereafter, the representative of PESO made a presentation on the subject.

2. Thereafter, Members raised issues like safety of oil installations like retail outlets and LPG go-downs, activities related to storage, transportation and use of petroleum products, compressed gases, pressure vessels, gas cylinders, cross country pipelines, PESO functioning and SOPs issued by PESO, inspections carried out in Retail Outlets/LPG godowns and validity of licenses/approvals etc. Also, the nature of penalties/ fines that are levied, various challenges and bottlenecks encountered by PESO in its regulatory regime, delay in issue of licenses by PESO.

3. Further, Members raised several points w.r.t. the inspection of door to door delivery of diesel by bowsers, proposed rules easing licenses process, remedial measures after accidents, third party inspection and safety audit, adoption of artificial intelligence and mechanization in safety protocols etc. Members also raised requirement of upholding safety norms by LPG customers to avail insurance benefits, conducting inspections in a time-bound manner.

4. Thereafter, the Chairperson thanked the representatives of the PESO/DPIIT (Ministry of Commerce and Industry) for expressing their views and answering queries raised by the Members of the Committee. Further, to the queries where replies were not readily available, the PESO/DPIIT (Ministry of Commerce and Industry) was instructed to furnish the same to the Secretariat within seven days.

5. The witnesses then withdrew. Subsequently, representatives from the Ministry of P&NG/OMCs/SFPL were called in:

Representatives of the Ministry of P&NG

1. Shri Tarun Kapoor - Secretary
2. Dr. Navneet Mohan Kothari - Joint Secretary

Representatives of OMCs/Society For Petroleum Laboratory

IOCL

- | | | |
|----|---------------------|----------------------------------|
| 1. | Shri S.M. Vaidya | - Chairman, IOCL |
| 2. | Shri S.S. Lamba | - Executive Director (LPG), IOCL |
| 3. | Shri Sandeep Makker | - Executive Director (RT), IOCL |

BPCL

- | | | |
|----|-----------------------|------------------------|
| 1. | Shri Padmakar K. | - C&MD |
| 2. | Shri Arun Kumar Singh | - Director (Marketing) |
| 3. | Shri Santosh Kumar | - ED (LPG) |
| 4. | Shri Ravi P.S. | - ED (Retail) |

HPCL

- | | | |
|----|----------------------|------------------------|
| 1. | Shri M.K. Surana | - CMD |
| 2. | Shri Rakesh Misri | - Director (Marketing) |
| 3. | Shri S.K. Suri | - ED- Retail |
| 4. | Shri Anuj Kumar Jain | - ED- LPG |

SFPL

- | | | |
|----|------------------------|----------------------|
| 1. | Shri Ajay Kumar Sehgal | - Executive Director |
|----|------------------------|----------------------|

6. At the outset, the Hon'ble Chairperson welcomed Members of the Committee and representatives of the Ministry of P&NG/OMCs/SFPL and informed that the sitting was convened to take oral evidence on the subject "**Allotment of Retail Outlets and LPG Distributorships**". Thereafter, the representative of OMCs made a presentation on the subject.

7. Thereafter, the Committee deliberated on issues such as criteria for allotment of ROs, the number of LPG distributorships allotted during the year 2018, total LPG distributorship coverage, reasons behind delay in commissioning of new retail outlets (ROs), measures taken to streamline and bring about transparency in the selection process of ROs and LPG dealerships, mechanism to redress grievances of individual applicants of retail outlets, carrying out regular inspections to prevent adulteration of fuel, public awareness campaigns to ensure safe handling of LPG cylinders and strict enforcement of existing rules and regulations in the allotment of ROs and LPG

distributorships, Dealer Commission issue and litigation between OMC's and AIPDA etc.

8. In addition, other issues like inclusion of EWS category under reservation policy implemented by OMCs in the allotment of ROs and LPG distributorships, ensuring quality customer services at petrol pumps, safety awareness, provision of safety certificates to households in compliance with safety norms, field inspections of sites proposed for setting up of retail outlets (ROs), absence of interest paid on the security deposit submitted by RO applicants and review of allotment process, issues related to financial assistance from corpus fund scheme provided to SC, ST and OBC candidates by OMCs, the number of discontinued ROs run by SC, ST and OBC candidates and the number of distributorships below the ceiling limit also came up for discussion.

9. Thereafter, the Chairperson thanked the representatives of the Ministry of P&NG/OMCs/SFPL for expressing their views and answering queries raised by the Members of the Committee. Further, to the queries where replies were not readily available, the Ministry of P&NG and OMCs were instructed to furnish the same to the Secretariat within seven days.

10. A copy of the verbatim proceedings is kept in the Branch for record.

The Committee then adjourned.

MINUTES
STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2020-21)

NINETEENTH SITTING
(04.08.2021)

The Committee sat on Wednesday, the 4 August, 2021 from 1500 hrs. to 1550 hrs. in Committee Room 'B', PHA, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS

LOK SABHA

10. Smt. Chinta Anuradha
11. Dr. Ramesh Chand Bind
12. Shri Naranbhai Kachhadiya
13. Shri Santosh Kumar
14. Shri Unmesh Bhaiyyasaheb Patil
15. Dr. Kalanidhi Veeraswamy
16. Shri M.K. Raghavan
17. Dr. Bharatiben Dhirubhai Shyal
18. Shri Janardan Singh Sigriwal
19. Shri Lallu Singh
20. Shri Vinod Sonkar
21. Shri Ajay Tamta
22. Shri Rajan Baburao Vichare

RAJYA SABHA

15. Shri Narain Dass Gupta
16. Smt. Kanta Kardam
17. Shri Kanakamedala Ravindra Kumar
18. Dr. V. Sivadasan
19. Ch. Sukhram Singh Yadav

SECRETARIAT

1. Shri H. Ram Prakash - Director
2. Shri Vinay Pradeep Barwa - Deputy Secretary
3. Shri Mohan Arumala - Under Secretary

2. XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX.

3. Thereafter, the Committee took up for consideration draft Report on the subject 'Allotment of Retail Outlets and LPG Distributorships' and adopted the same with minor modifications.

4. The Committee then authorised the Chairperson to finalize the Reports and present/lay them in both the Houses of Parliament.

The Committee then adjourned.

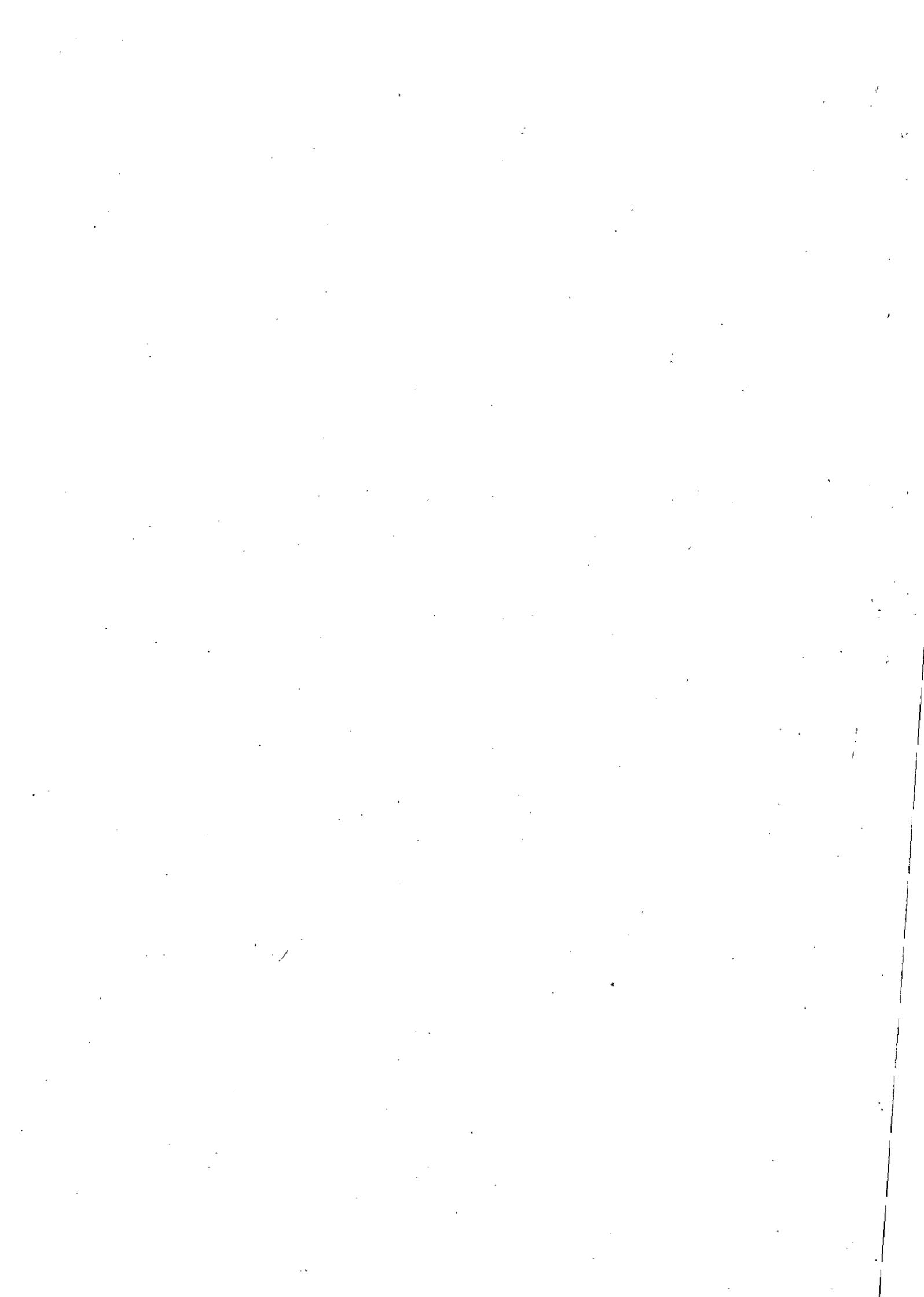
XXX: Matter not related to the subject.

List of licenses granted under Form XIV of the Petroleum Rules, 2002					
NAME OF STATE	2017	2018	2019	2020	Jan 2021 till 09.07.2021
Andaman and Nicobar	2	2	3	1	3
Andhra Pradesh	181	165	307	351	143
Arunachal Pradesh	4	13	18	31	18
Assam	40	40	78	108	83
Bihar	69	206	122	157	120
Chandigarh	0	1	0	3	2
Chhattisgarh	84	67	141	321	151
Dadara & Nagar Haveli	0	0	0	0	0
Daman & Diu	1	0	1	0	0
Delhi	1	3	1	4	0
Goa	2	5	1	4	1
Gujarat	312	243	440	606	285
Haryana	178	123	111	308	167
Himachal Pradesh	23	15	48	62	41
Jammu and Kashmir	15	22	22	34	11
Jharkhand	42	31	113	196	100
Karnataka	238	225	411	669	297
Kerala	50	70	95	162	68
Lakshadweep	0	0	0	0	0
Madhya Pradesh	240	231	345	668	435
Maharashtra	328	331	341	556	329
Manipur	3	17	27	29	8
Meghalaya	3	9	14	14	5
Mizoram	2	3	4	11	5
Nagaland	1	5	16	24	13
Odisha	68	65	151	246	108
Pondicheri	4	1	0	9	1
Punjab	78	58	87	203	108
Rajasthan	387	314	314	609	292
Sikkim	1	3	1	8	1
Tamil Nadu	406	336	253	538	272
Telangana	264	221	271	449	241
Tripura	5	2	7	15	3
Uttar Pradesh	426	467	450	971	490
Uttarakhand	25	25	35	61	40
West Bengal	51	52	130	253	88
Total	3534	3371	4358	7681	3929

Source : PESO, Nagpur

List of LPG godown licenses granted under Form F of the Gas Cylinders Rules, 2016					
NAME OF STATE	2017	2018	2019	2020	Licenses granted 01/01/2021 to Till Date
Andaman and Nicobar	0	5	0	0	0
Andhra Pradesh	60	84	81	43	22
Arunachal Pradesh	7	11	5	1	0
Assam	31	32	101	25	12
Bihar	25	522	323	87	29
Chandigarh	0	1	2	0	0
Chhattisgarh	67	100	38	11	4
Dadara & Nagar Haveli	1	2	0	0	0
Daman & Diu	0	0	0	0	0
Delhi	2	5	18	5	2
Goa	2	4	3	1	2
Gujarat	80	151	191	81	50
Haryana	55	120	40	27	13
Himachal Pradesh	3	40	20	8	3
Jammu and Kashmir	15	35	18	7	1
Jharkhand	10	40	118	18	2
Karnataka	72	51	166	110	44
Kerala	13	37	59	30	27
Lakshadweep	2	1	0	4	0
Madhya Pradesh	30	212	116	65	25
Maharashtra	50	447	199	93	76
Manipur	2	14	3	1	0
Meghalaya	2	10	3	3	2
Mizoram	1	4	0	0	0
Nagaland	0	12	10	2	0
Odisha	43	264	87	32	20
Pondichery	5	1	2	1	1
Punjab	66	64	28	21	12
Rajasthan	20	240	109	36	14
Sikkim	0	6	2	2	1
Tamil Nadu	152	223	157	75	42
Telangana	27	63	57	30	13
Tripura	3	10	0	6	1
Uttar Pradesh	214	941	179	76	41
Uttarakhand	11	49	21	18	3
West Bengal	75	71	361	116	26
Total	1146	3872	2517	1035	488

Source: PESO Nagpur



8	PONDICHERRY	0	0	1	1	0	0	1	1
	TOTAL	729	768	1702	3199	599	695	1491	2785

0	0	0	0	0	0	0	0	0	0	0	0	0	0
463	576	1214	2253	349	440	795	1584	247	337	696	1280	223	315

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0	0	0	0	0	0	0	0	0	0	0	0	0
638	1176	347	379	866	1592	282	340	756	1378	244	315	688

-116-

0	0	0	1	1	0	0	1	1	0	0	0	0
1247	1425	1587	3363	6375	1128	1372	2943	5443	930	1206	2540	4676

Circular

TO : State LPG Heads
RPT: Area Managers

Ref. No: SL/1601
Date: 04.01.2018

Market restructuring - Transfer of customers

In view of various representations received regarding restructuring of markets subsequent to commissioning of new distributorships, the procedure for customer transfer has been revisited on industry basis for uniform implementation. The procedure to be followed for market restructuring / customer transfer at field level is given as under:

A. Process of Customer Transfer for distributorships awarded under selection guidelines prior to Unified Selection Guidelines (USG) 2016.

- 1. The market ceiling limits to be reckoned as under:

Sr. No.	Towns/Population (based on census)	Refill Ceiling per month	Refill sale Viability level for transfer (50% of ceiling)
1.	Cities / Towns with population of 40 lakhs and above	16500	8250
2.	Towns with 20 lakhs to 40 lakhs population	13200	6600
3.	Towns with 10 lakhs to 20 lakhs population	11000	5500
4.	Towns upto 10 lakhs population	8800	4400

- 2. Domestic cylinder sales of old distributors for preceding 3 months shall be considered to arrive at average monthly refill sales. Refill sales >75% of above market refill ceiling shall be the basis of the number of customers available for transfer to the distributorship selling <50% of (pre USG2016) refill ceiling of that market. (whether old or new).
- 3. The customer transfer should be made till the viability limits are reached, however in no case the transferor distributor shall be brought <75% of the market refill ceiling.
- 4. Scenarios in customer transfer:
 - a. Wherever the customer transfer is in the same town / city, ideally, contiguous areas should be carved out for transfer to avoid overlap and economize cost of delivery also keeping in view the distance from go-down / show room.

- b. In cases where the area of the above threshold transferor distributor is not contiguous to that of the recipient distributor, customer transfer to be undertaken in a cascading manner e.g. area of Distributor 'B' lies between area of Distributor 'A' (transferor) and Distributor 'C' (<50% of refill ceiling) then contiguous areas/ customers may be transferred from distributor 'A' to distributor 'B' and in turn contiguous areas/customers from B' to 'C'. Consumer per capita consumption of individual distributor shall be the basis for number of customers to be transferred from 'A' to 'B' as well as from 'B' to 'C'. However, for any reason the cascading transfer is not practicable, customer transfer may be done from distributor 'A' to distributor 'C' (provided distributor C is willing) even across area of distributor 'B'
- c. In cases where a distributor has been set-up in /at a location (town/village) which was catered to by an existing distributor from another locality/location, then the customers of such town/village and its peripheral areas will be transferred to the new distributor for having a compact area of operation as far as possible.
- d. In cases where the area of existing distributor was extended in the past with a view to make it viable, then customer transfer from such distributor shall be limited to numbers that constitute excess refill sales >75% of market ceiling.

The principle in foregoing para shall also be applicable in cases where old/existing distributor's original area was town/city municipal limit but it was allowed to enroll consumers in nearby areas and subsequently distributor(s) have been commissioned in the same market under 'Urban/Rural' or 'Rurban' category. However, in such cases, customers of the areas lying outside the existing/old distributor's normal trading area will be transferred to the extent of making the newly commissioned distributor viable.

- e. Where distributor is commissioned in adjoining town/villages which were hitherto serviced by the existing distributor by extending area of operation, then consumers of such town/village(s) shall be transferred to the low selling / newly commissioned distributor irrespective of refill sales of existing distributor.
- 5. Area Manager shall work out the number of customers to be transferred (only active customers) in line with the above and considering the per capita consumption of the donor distributor.
 - 6. Subject to availability of excess /above norms numbers as worked out in 5 above, Area Manager shall;
 - (a) Transfer consumers in numbers equivalent to maximum 1500 refills p.m. within 7 days of commissioning

- (b) Within further 10 days' transfer customers in numbers adding up to refill sales corresponding to 30% of market refill ceiling.
- (c) At the end of 3 months of customer transfer, examine the infrastructure provided by the recipient distributor and refill sales. In case the infrastructure is adequate and services satisfactory (TDT rating of minimum three stars*), will transfer, within 15 days thereof, the balance costumers in numbers corresponding to the recipient distributor reaching viability level.

In cases where infrastructure provided by the distributor is found inadequate and TDT rating below three Stars, the Area Manager will counsel the distributor to improve, giving specific/reasonable time and confirm the same in writing. Performance of such distributors will be examined on quarterly basis and remaining customers transferred within 15 days of end of the quarter in which the distributor provides adequate infrastructure and attains three star in TDT rating.

*(TDT rating @ 1 star or 2 star due to reasons beyond distributor's control will not disqualify for customer transfer)

- 7. Similar process as given in 6 above shall be adopted in respect of commissioned distributors operating below viability levels and eligible for customer transfer.
- 8. The en-block intra company customer transfer process shall be undertaken as per provisions available in 'CIndsoft'.
- 9. Wherever distributor of one OMC has been commissioned in a market/area where other OMCs have enrolled customers, in such case the market will be added to the portability cluster to facilitate ease of inter-company transfer. OMCs will work out detailed modalities for inter-company transfer with least inconvenience to the customers. Other OMC distributor will also stop further enrollment of customers in such area.
- 10. AM shall ensure triggering SMS / e-mail, as per facility available in the software / system, to the consumers intimating of the transfer and new distributor details. Additionally, public notice may also be published in local newspaper. If a consumer makes a representation for continuing at old distributor, same may be considered.

After undertaking the above, further restructuring will be carried out as per Unified Selection Guidelines 2016.

B. Process of Customer Transfer for distributorships awarded under Unified Selection Guidelines (USG) 2016.

1. Market Ceiling Limit and the Feasibility Norm for different types of Distributorship area under USG 2016 is as below:

Type of Distributorship area	Population as per census 2011	Refill ceiling limit per month	Refill sale per month for feasibility level (50% of ceiling)
Sheheri Vitrak	Cities with population > 40 lakh	20,000	10,000
	Cities with 20 to 40 lakh population	15,000	7,500
	Cities with 10 to 20 lakh population	12,000	6,000
Rurban Vitrak	Towns with < 10 lakh population	10,000	5,000
Gramin Vitrak	Village / Cluster of villages	5,000	2,500
Durgam Kshetriya Vitrak	Village/ Cluster of villages	1,500 #	600 ##

Refill sale limit for up gradation to Gramin Vitrak.

Wherever customer transfer is made to a DKV, it should be made till the viability limit of 600 refill sales per month is reached.

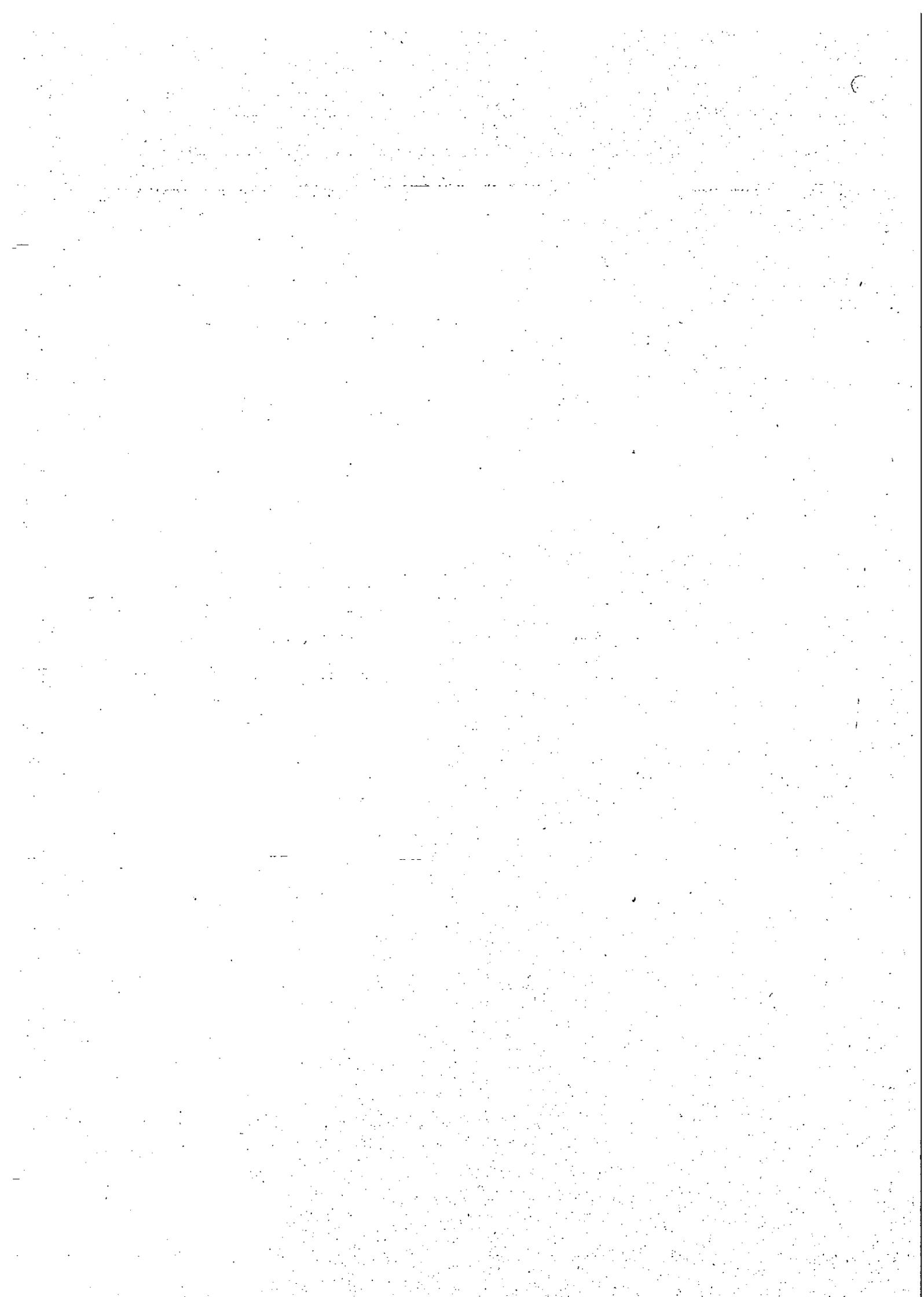
2. Customer transfer from DKV on account of restructuring will not be applicable. If the refill sale of the DKV exceeds 1500 refills per month, then such DKV will be upgraded to Gramin Vitrak.
3. In view of the above, sales of existing distributors up-to respective market refill ceiling will be protected. Only active consumers in such numbers that would constitute refill sales in excess of market ceiling (basis per capita LPG consumption of active customers) will be considered for transfer to new distributors commissioned as per USG 2016. The average per capita consumption of the donor distributor for the last three months will be considered to calculate the number of active customers to be transferred.

However, for Rural Distributorships existing prior to USG2016, refill ceiling limit of 8800 per month will be protected as mentioned in the said guidelines.

4. Rest of the procedure for customer transfer shall be same as detailed in distributorships awarded under selection guidelines prior to Unified Selection Guidelines 2016 at 'A' above.

Sathish K. Thatipelli
04/01/2018
(Sathish Kumar Thatipelli)
CGM (LPG-Sales)

Copy: State Heads
Copy: CGM, Dir (M), Sectt., HO
Copy: CVO, CO





Inter Company Transfer of Connections

These guidelines will supersede all the earlier guidelines issued on the subjected purpose.

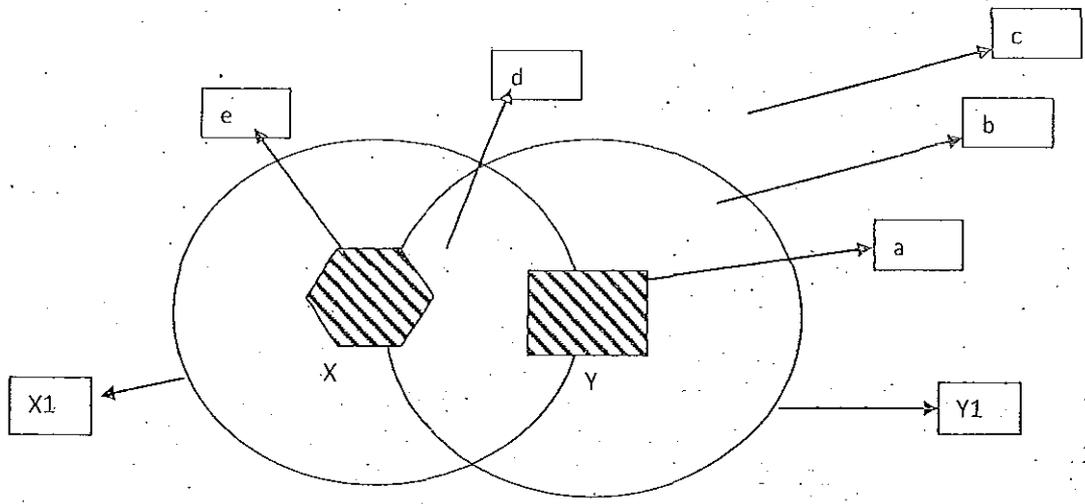
Definition & Abbreviation:

- **Donor Distributor** – the LPG Distributor of OMC from whom the customers are being transferred to another LPG Distributor of OMC and also identified as "X".
- **Recipient Distributor** – the LPG Distributor of OMC to whom the customers are being transferred and also identified as "Y".
- **Core Area** – the area of the advertised location as following:
 - **DKV** – the boundary limits of the village or cluster of villages, as per advertised location.
 - **Gramin** - the boundary limits of the advertised Village.
 - **Rurban** - the boundary limits of the location advertisement.
 - **Shehri** - the boundary limits of the advertised location or locality if any, as per the individual case.
- **Trading Area** – the area beyond the core area, permitted by the Parent Company, to service the unrepresented area this should be defined as maximum 15 Kms from boundary limits for Gramin & Rurban Vitrak.
- **Viability and Ceiling limits**- As defined in Unified Guidelines.
- **PBTL**- Provisional Bulk Transfer List
- **OSV**- OMC Subscription voucher
- **OMIN**- OMC material issue note
- **OMRN** - OMC material receipt note

Intercompany Transfer of connection (Bulk Out)

1) Criteria for Identification of customers for transfer.

- Field officers of all 3 companies will define the customers / area which are under intercompany restructuring.
- Decision of transfer will be based on the following parameters.



"X" is the Donor Distributor having Core Area denoted by hexagon & the Trading Area enclosed by the circle "X1".

"Y" is the Recipient Distributor having Core Area denoted by square and the Trading Area enclosed by circle "Y1".

Action to be taken in following order :

- Step 1: Customer type "a": - Falling within the Core Area of Y, action for transfer to be initiated compulsorily.
- Step 2: Customer type "b": - Falling outside the Core Area of X & Y and Trading Area of X however is within Trading Area of Y: action for transfer to be initiated.
- Step3: Customer type "c": - Falling outside the core area & trading area of both, action for transfer to be initiated only if "X" is not able to make home delivery. Pre-condition for step 3: -
- "Y" is still not Viable after completion of intra-company restructuring & completion step 1st & 2nd above. &
 - Ensuring "X" not going below 75 % of the Ceiling.

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Intercompany Transfer of connection (Bulk Out)

- e) On preparation of PBTL (Provisional Bulk Transfer List) by donor distributors, said customers will be blocked for further supplies by donor distributor.
- f) This document will be electronically available through the system to recipient distributor with all details. It will be the responsibility of the Recipient OMC distributor 'Y' to contact these bulk out customers & prepare a subscription voucher. This subscription voucher is named as "OSV" (OMC Subscription voucher) to be prepared customer wise by selection from the list.
- g) The Recipient Distributor 'Y', on receipt of the list, will inform the consumers by way of letters, SMS, press advertisement etc., with regards to the change of Distributorship, the process followed thereafter and requirements if any. Broadly, the consumer has to contact the Recipient Distributor 'Y', when the consumer's refills get over and thereafter the Recipient Distributor will handle the complete process. A standard letter be developed by OMC's to be issued to the consumer in English and local language.
- h) There will not be any financial transaction for the security deposit from the customers. Customer will be transferred at same security deposit.
- i) While removing PR from the installation, if the Suraksha hose get damaged, it will be the responsibility of recipient distributors to replace it free of cost to the customer.
- j) Recipient distributor 'Y' to arrange transportation of the received other OMC cylinders & PR to other OMC distributor premises and to bear other allied charges associated with transportation.
- k) If recipient distributor is not able to trace the customers received through PBTL (Provisional Bulk Transfer List), then after a period of one year from the date of preparation of PBTL, such customers will be tagged into inactive status in donor company. Then such customers, who got inactivated needs to contact Donor Company for reactivation of their connection as per the existing procedure.
- l) MIS to be made available as numbers restructures and numbers which are actually transferred by both companies.
- m) No Charges to be recovered from the customers for the documentation by either of the distributors.
- n) Same DGCC book(Available with the customer) to be used to append the details of the new distributorship details.
- o) Failed subsidy transactions in the transferred cases will be triggered by donor OMCs after the customer is transferred from that OMCs. This option for all transferred cases will be explored with discussion from PPAC.

Intercompany Transfer of connection (Bulk Out)

Step 4: Customer type "d": - Falling outside the Core Area of X & Y but in the Trading Area of both distributors:- No action for inter-company transfer.

Step 5: Customer type "e": - Who is falling within the Core Area of X:- No action for inter-company transfer.

Before intercompany Customer transfer of OMC distributor following to be ensured:

- i) The customer transfer is to be done only up the numbers to make Recipient Distributor "Y" reach viability limit.
- ii) OMC Field officers shall jointly record the customer strength, refill sale & status of physical transfer of connections of the donor & recipient distributors under joint signature of field officers and distributors.
- iii) List to be reviewed from the point of view as to whether any dead customers appear in the old list and the equal number of live customers to be added in the list by the donor company distributor.

2) Modalities of transfer of connections.

- a) OMC Field officers shall jointly record the customer strength, refill sale & status of physical transfer of connections of the donor & recipient distributors under joint signature of field officers and distributors of respective OMCs.
- b) List to be reviewed from the point of view as to whether any dead customers appear in the old list and the equal number of live customers to be added in the list by the donor company distributor.
- c) Based on the agreed list, Donor Distributor shall prepare the Provisional bulk customer transfer list (PBTL) having the details of all the customers in one document. This list will be approved by the field officer of donor distributor in system.
- d) *Following information shall be available in the PBTL (Provisional Bulk Transferred list*
 - i. SV details of consumers
 - ii. Customer master (name , address , mob no , scheme type , family details for ujjwala , village mapping etc)
 - iii. Cash transfer information (Aadhaar , Bank a/c)
 - iv. Equipment type (14.2 & 5 kg) , and exchanged status
 - v. Quota eligible & consumed
 - vi. Security deposit of all kind
 - vii. Loan ledger and recovery pending.
 - viii. PA status
 - ix. GiveitUp/ HIG Status & date .
 - x. Deferred subsidy count in PMUY .

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Intercompany Transfer of connection (Bulk Out)

- p) Customers can only be transferred unless his / her all open transactions (refill booking / subsidy etc) are completed/ closed.
- q) State specific scheme customers can only be transferred within same state by this process.

3) Accounting & further checks: -

a) Stock Accounting: -

- i) OMC system to have the provision of stock accounting of other OMCs stock at distributors & customer end.
- ii) Recipient distributor will contact the customer and prepare OSV in which equipment of donor company which is available with customer. will be exchanged with recipient OMC equipment , both PR & cylinder in one go. In cases of DBC customer exchange is possible with both cylinders.
- iii) On receipt of the other OMCs equipment's, recipient distributor in a consolidated fashion will prepare a stock transfer document named as "OMIN" (OMC material issue note) which will be linked document having the list of consumers also for which the equipment's are received. This document can be prepared in any number of parts/times.
- iv) Donor distributor will receive the stock transfer document in the system named as as "OMRN" (OMC material receipt note) and the linked consumer. This material quantity received via this will get auto-knocked off from the stock liabilities/ recoverable maintained in the system.

b) Financial accounting: -

- i) While creating this OSV OMC, request of creation to be validated / routed from the parent company as well so as to fetch updated data of loan liability of the consumer from the parent company.
- ii) Based on this OSV document, the donor company to tag it as transferred.
- iii) On creation of OSV & OMRN , financial entry will be created in the system (for the corresponding consumers) of donor company as follows,
 - Security deposit for all customers (credit to recipient OMCs), same treatment to zero deposit connection also viz for Ujjwala connections Rs 1400 will be the SD amount:- This is on creation of OMRN i.e receipt of cylinders by recipient company.
 - Loan component for Ujjwala customers (debit to recipient OMC) - This is on creation of OSV.
 - Permanent advance (debit to recipient OMC) - This is on creation of OSV.
- iv) These financial liabilities shall be settled by OMCs on monthly or quarterly basis.
- v) This process of customer transfer will also be informed to PPAC. MIS will be shared if required by PPAC.

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Intercompany Transfer of connection (Bulk Out)

4) Event Wise details

	Created by	For	Subsequent events
PBTL (Provisional Bulk Transfer List)	Distributor of Donor approved by field officer	Sharing the list with recipient OMC	Special blocking of customer in donor.
OSV (OMC Subscription voucher)	Distributor of recipient OMC	Exchange document for equipment with customer (for Cylinder & PR)	a) Customer created in recipient OMC. b) Exchange of SV c) Subsequent Issuance of refill to customer d) Acknowledgement to donor OMC. e) Customer status change from blocked to transferred in donor. f) Financial accounting of PA & loan in respective OMCs. g) Equipment recoverable from other OMC
OMIN (OMC material issue note)	Distributor of recipient OMC	Transfer of equipment from recipient to donor	Stock accounting in recipient
OMRN (OMC material receipt note)	Distributor of Donor OMC	Receipt of equipment by donor from recipient	a) Acknowledgement to recipient OMC b) Financial accounting of SD of cylinder & PR, for non PMUY customers.