

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

UNSTARRED QUESTION NO:7077  
ANSWERED ON:12.05.2005  
SKO/LDO DEALERSHIP  
Jagannath Dr. M.;Osmani Shri A.F. Golam

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

- (a) whether it is a policy of the Government / Oil PSUs to discourage the operation of SKO/LDO dealership by the retail outlet dealer in case one HUF is having multiple dealerships ;
- (b) if so, whether the oil companies initiate the operation of SKO dealerships and RO dealerships by the different family members separately at the time of reconstitution through family settlement of HUF families as per Hindu law ;
- (c) whether there is a policy to allow cancellation of the part/share of one partner of the dealership/distributorship who created problems in smooth operation of respective dealership;
- (d) if not, whether the interests of other original allottees of the dealerships would be allowed to suffer because of one mischievous dealer ; and
- (e) if not, the remedy available with such original allottees ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ ( SHRI MANI SHANKAR AIYAR )

- (a) & (b) : As per the extant guidelines of the Public Sector Oil Marketing Companies (OMCs) for selection of dealerships / distributorships, only one dealership/distributorship is allowed to a family unit consisting of the individual concerned, his/her spouse and unmarried sons/daughters.
- (c) to (e) : In case there are disputes between the partners of a dealership affecting the operation of the dealership, OMCs are competent to take action against the dealership, including termination, in terms of the dealership agreement. However, efforts are made by the OMCs to bring about an amicable settlement between the partners before invoking the provisions of the agreement.