

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

UNSTARRED QUESTION NO:2392  
ANSWERED ON:17.08.2006  
LOSSES TO COCO PUMPS  
Ahir Shri Hansraj Gangaram

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

- (a): whether there is a constant decline in the sale of petrol/diesel in the coco pumps of public sector oil companies;
- (b): if so, whether the Government proposes to change the policy of allotment of petrol pumps;
- (c): if so, the details thereof;
- (d): whether any proposal is under the consideration of the Government to get a review done for this purpose by any management institute; and
- (e): if so, the details thereof?

**Answer**

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

(a) to (e): Government has generally observed that while the public sector oil marketing companies (OMCs) have expanded their retail outlet (RO) network, which includes company-owned-company-operated (COCO) retail outlets, in a big way after the dismantling of the Administered Pricing Mechanism (APM) in the petroleum sector effective 1.4.2002, adequate attention had not been paid by them to improving the institutional and technological mechanisms, resulting in reduction in their average throughput per RO.

The Standing Committee on Petroleum & Natural Gas (2005-06) (Fourteenth Lok Sabha) also, in their Ninth Report presented/laid in the Parliament on 15.5.2006, expressed serious concern over the indiscriminate setting up of ROs by the OMCs and consequent reduction in the throughput per RO, coupled with a general deterioration in the performance of the ROs. The Committee, therefore, recommended constitution of an independent expert team to look into the issues and suggest corrective measures to improve the situation. Accepting this recommendation of the said Committee, the Ministry of Petroleum & Natural Gas (MOP&NG) asked Indian Oil Corporation Limited (IOC) to engage an independent agency for conducting a study of the ROs of the public sector OMCs. It has been decided that the study may be completed within a period of two months from the date of commissioning. In accordance with this decision of the Government, IOC, on behalf of all the OMCs, has since entrusted the job of study of the ROs to the Indian Institute of Management, Ahmedabad.

At present, Government do not contemplate any change in policy for allotment of retail outlets.