

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

UNSTARRED QUESTION NO:2677
ANSWERED ON:16.12.2004
FINANCIAL PARTNERSHIP IN DEALERSHIP
Chowdhury Shri Adhir Ranjan

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

- (a): whether the financial partners are inducted in the dealership/distributorship firm with the permission of respective oil company;
- (b): if so, whether the financial partner after the signature on agreement becomes the part of dealership/distributorship;
- (c) if so, whether such partners are permitted to reconstitute the firm in the event of death of original owner of the firm and denial of this legal heirs to become part of dealership;
- (d) if not, the reasons for not allowing him to reconstitute the same;
- (e) whether the Government would seek legal opinion on this issue; and
- (f) if so, the policy being adopted by Government in this regard?

Answer

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

(a): Yes, Sir.

(b): Yes, Sir.

(c): Yes, Sir. In the event of the death of the original allottee and unwillingness on the part of his/her legal heirs to carry on the business, reconstitution of the dealership/distributorship with the remaining partners is permissible with the approval of the oil company concerned and subject to the fulfilment of certain conditions.

(d): Does not arise.

(e)&(f): Government do not propose to seek any legal opinion in the matter. However, in order to provide commercial freedom to the public sector oil marketing companies (OMCs), the Government have authorized the OMCs to frame their guidelines on reconstitution of dealerships/ distributorships on the basis of broad parameters advised by the Government.