

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

UNSTARRED QUESTION NO:6720
ANSWERED ON:06.05.2010
WASTEFUL EXPENDITURE BY OMCS ON PETROL PUMPS
Singh Shri Ijyaraj

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

- (a): whether the Government is aware that the Oil Marketing Companies (OMCs) have spent heavy amounts on decoration of petroleum outlets;
- (b): if so, the reasons for this huge expenditure;
- (c): whether the companies have deliberately taken this decision to undertake renovation / decoration works so as to avoid dividends to the Government; and
- (d): if so, the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIJITIN PRASADA)

(a) & (b): Public sector oil marketing companies (OMCs.), viz., Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation Limited (HPC) and Bharat Petroleum Corporation Limited (BPC) have been incurring expenditure for modernization of their Retail Outlets (ROs). Modernization of a RO means providing latest forecourt facilities like Electronic Pre-set pump / Multi Product Dispensers (MPDs), tanks of adequate capacity, driveway (concrete or paver blocks), canopy, lighting and modern signage etc at the existing ROs.

Modernization of ROs in line with the above is an ongoing activity based on the requirements of the customers, sales potential of the locations subject to availability of adequate space and receipt of all statutory approvals.

(c) & (d): The expenditure on modernization of ROs has no link with the amount of dividend paid/ declared by the OMCs to the Government. OMCs have been consistently paying dividends to the Government.