

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

STARRED QUESTION NO:155

ANSWERED ON:01.12.2011

POLICY FOR ALLOTMENT OF PETROL PUMPS

Singh Rajkumari Ratna;Yadav Shri M. Anjan Kumar

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

- (a) the procedure/mechanism in place for allotment of petrol pumps and gas agencies by Oil Marketing Companies (OMCs) alongwith the salient features thereof ;
- (b) whether cases of mismanagement, irregularities and corruption have been noticed in these allotments ;
- (c) if so, the number of complaints received in this regard during the last three years, company-wise, State-wise ; and
- (d) the corrective measures being taken by the Government in this regard ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) to (d) A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 155 TO BE ANSWERED ON 1.12.2011 REGARDING POLICY FOR ALLOTMENT OF PETROL PUMPS

a) to (d) Based on the broad policy guidelines issued by the Ministry of Petroleum and Natural Gas, the public sector oil marketing companies (OMCs), viz., Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation Limited (HPC) and Bharat Petroleum Corporation Limited (BPC) have respectively framed detailed guidelines for selection of Retail Outlet (RO) dealers and Liquefied Petroleum Gas (LPG) distributors.

As per the existing policy guidelines, new retail outlets/ LPG distributorships are set up by public sector OMCs at identified locations based on surveys and feasibility studies. Locations found to be having sufficient sale potential and which are economically viable are rostered in the State-wise marketing plans for setting up retail outlets / LPG distributorships. Selection of RO dealers is done by selection committees consisting of senior officers of the concerned OMC. Out of 100 marks, 91 marks are awarded on verifiable objective criteria based on production of documents by the candidate, such as capacity to provide land, infrastructure, finance, educational qualification, age, etc. and only 9 marks are awarded on subjective evaluation of candidates, on the criteria of personality and business ability. Regarding selection of LPG distributors, as per the revised guidelines, selection is done through draw of lots among eligible candidates who have the requisite land, finances, educational qualification etc. The revised guidelines for LPG distributorship are applicable for locations advertised after 25.06.2010.

Efforts have been made to make the selection procedure for RO dealerships and LPG distributorships as transparent and objective as feasible. However, to address any complaint relating to the selection process, there is a provision for a grievance redressal mechanism in the guidelines, under which each complaint is registered and examined by a senior officer appointed by the competent authority of OMCs. The complaints having prima-facie merit are investigated and complainants are advised to furnish material, if any, to substantiate their allegations. Complaints are disposed of by way of a speaking order and a copy of the same is given to all concerned. In case of complaints that get established after enquiry, action is taken by the OMCs which includes cancellation of selection process, re- advertisement, re-interview, initiation of disciplinary action against erring officials, etc.

The number of complaints received in this regard during the last three years and April-September, 2011, company-wise, State/UT-wise are given in the Annexure.