

**THIRTY - SECOND REPORT  
COMMITTEE ON PETITIONS**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF PETROLEUM & NATURAL GAS**

**(Presented to Lok Sabha on 16 March, 2017)**



**LOK SABHA SECRETARIAT  
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**COMPOSITION OF THE COMMITTEE ON PETITIONS  
(2016-2017)**

Shri Bhagat Singh Koshyari - *Chairperson*

**MEMBERS**

2. Shri Suresh C. Angadi
3. Shri Om Birla
4. Shri Jitendra Chaudhury
5. Shri Ram Tahal Choudhary
6. Shri Chandra Prakash Joshi
7. Dr. K. Gopal
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10. Shri Kamlesh Paswan
11. Shri Arjun Charan Sethi
12. Shri Dinesh Trivedi
13. Shri Rajan Vichare
14. Shri Dharmendra Yadav
15. Vacant

**SECRETARIAT**

- |                            |   |                            |
|----------------------------|---|----------------------------|
| 1. Shri Shiv Kumar         | - | Joint Secretary            |
| 2. Shri Raju Srivastava    | - | Additional Director        |
| 3. Shri Harish Kumar Sethi | - | Senior Executive Assistant |

(iii)

# **THIRTY - SECOND REPORT OF THE COMMITTEE ON PETITIONS**

**(SIXTEENTH LOK SABHA)**

## **INTRODUCTION**

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Thirty Second Report (Sixteenth Lok Sabha) of the Committee to the House on the representation received from Shri Pragya Priya Rahul regarding strengthening of mechanism for grievance redressal of the customers of the Indian Oil Corporation (IOCL).

2. The Committee considered and adopted the draft Thirty Second Report at their sitting held on 14 March, 2017.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

**NEW DELHI;**

**14 March, 2017**

**23 Phalguna, 1938 (Saka)**

**BHAGAT SINGH KOSHYARI**  
*Chairperson,*  
*Committee on Petitions*

(v)

## REPORT

### **REPRESENTATION RECEIVED FROM SHRI PRAGYA PRIYA RAHUL REGARDING STRENGTHENING OF MECHANISM FOR GRIEVANCE REDRESSAL OF THE CUSTOMERS OF THE INDIAN OIL CORPORATION LIMITED (IOCL).**

Shri Pragya Priya Rahul submitted a Representation to the Committee on Petitions regarding strengthening of mechanism for redressal of grievances of the customers of the Indian Oil Corporation Limited (IOCL) (Annexure-I).

2. The representationist, in his Representation, *inter-alia* alleged short delivery of High Speed Diesel and misbehavior by the Retail Outlet (RO) staff of M/s. Roop Filling Station, Wazirabad Road, Nand Nagri, Delhi. Elaborating on the issue, the representationist also submitted before the Committee that on 19.6.2016, he made a purchase of 289.90 litre High Speed Diesel in barrels and small jerry cans. However, when he suspected that the quantity is delivered lesser than 289.90 litre, he requested the RO staff that his containers should be re-measured. On this, the RO staff of the filling station refused to re-measure the quantity and also misbehaved with him. The representationist also stated that when he asked for the 'Compliant Book' for making a formal complaint about dispensing less fuel by the RO, the Supervisor refused to lodge any complaint whatsoever of the incident. As such, he requested the Committee to ask the Indian Oil Corporation Limited for strengthening the mechanism for grievance redressal so that the customers are not harassed by the Retail Outlets of the Oil Companies and they also do not indulge in malpractices, viz., less dispensing of petroleum products, etc.

3. The Committee on Petitions took up the Representation for examination under Direction 95 of the Directions by the Speaker, Lok Sabha. Accordingly, the Representation received from Shri Pragya Priya Rahul was forwarded to the Ministry of Petroleum and Natural Gas for furnishing their comments on the issues raised in the Representation. Since the mechanism for redressal of grievances, especially, relating to dispensing of less petroleum products to the customers by the Retail Outlets is of important nature, the examination of the Representation by the Committee on Petitions is based on the following aspects:-

- (i) History of the Indian Oil Corporation Limited (IOCL).
- (ii) Network of IOCL.
- (iii) Industry - Retail Network.

- (iv) Complaint / Public Grievances Redressal Mechanism.
- (v) Type of irregularities at Retail Outlets (MS/HSD) and SKO/LDO Dealerships.
- (vi) Action to be taken by OMC under the Marketing Discipline Guidelines.
- (vii) Comments received from the Ministry of Petroleum and Natural Gas on the representation of Shri Pragya Priya Rahul.

4. The examination on the points raised in the Representation is discussed in the succeeding paragraphs.

#### **I. History of the Indian Oil Corporation Limited (IOCL)**

5. Indian Oil Corporation is India's largest Commercial Enterprise, with a net profit of ₹103.99 billion (US\$1.5 billion) for the financial year 2015-16. In accordance with its corporate vision of being the 'Energy of India', the Indian Oil has been successfully in meeting the energy demands of the country for more than five decades. It is the leading Indian Corporate in Fortune's prestigious 'Global 500' listing of world's largest Corporate at 161 position for the year 2016, and has a 33,000 strong workforce.

6. The Oil business interests of the country overlap the entire hydrocarbon value-chain, including refining, pipeline transportation, marketing of petroleum products, exploration and production of crude oil, natural gas and petrochemicals. The Indian Oil has also ventured into alternative energy and globalization of downstream operations. With subsidiaries in Sri Lanka, Mauritius and the UAE, the Indian Oil is scouting for new business opportunities in the energy markets across Asia and Africa. It has also formed about 20 joint ventures with reputed business partners from the country and abroad to pursue diverse business interests.

7. The Indian Oil accounts for nearly half of India's petroleum products market share, 35% national refining capacity (together with its subsidiary Chennai Petroleum Corporation Ltd.) and 71% downstream sector pipelines through capacity. The Indian Oil Group owns and operates 11 of the country's 23 refineries with a combined refining capacity of 80.7 MMTPA (million metric tonnes per annum). The Indian Oil's cross-country pipeline network, for transportation of crude oil to refineries and finished products to high-demand centres, spans over 11,220 km. With a throughput capacity of 80.49 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas, this network meets the vital energy needs of the consumers in an efficient, economical and environment-friendly manner. With a portfolio

that is bedecked with leading energy brands like 'xtrapremium petrol', 'xtramile diesel' and propel petrochemicals, Indian Oil's 'Servo' lubricants and 'Indane' LPG have earned the coveted 'super-brand' status.

## **II. Network of the Indian Oil Corporation Limited**

8. The Indian Oil's network of over 45,000 customer touch-points reaches petroleum products to every nook and corner of the country. These include more than 25,000 petrol & diesel stations, including 6,200 Kisan Seva Kendra outlets in the rural markets. The Corporation has a 65% share of the bulk consumer business, and almost 6,500 dedicated pumps are in operation for the convenience of large-volume consumers like the Defence Services, Railways and State Transport Undertakings, ensuring products and inventory at their doorstep. They are backed for supplies by 129 bulk storage terminals and depots, 101 aviation fuel stations and 91 LPG bottling plants.

## **III. INDUSTRY - RETAIL NETWORK**

9. The details of number of retail outlets of Oil Marketing Companies are as under:-

<b>Oil Marketing Company (OMC)</b>	<b>No. of retail outlets</b>
IOC	25494*
BPC	13533
HPC	13902
RIL	1400
ESSAR	2470
SHELL	82
INDUSTRY	56881

*\*The Indian Oil Corporation's network share is 44.8 percent.*

## **IV. Complaint/Public Grievances Redressal Mechanism**

10. A customer who wishes to register feedback, suggestions or complaint about any product or service may lodge the same by any one of the following method:-

- (i) Availability of complainant/suggestion book at Indane Distributor and Petrol Pumps

*As per the MDG Provisions, it is mandatory for the RO dealers and LPG distributors to maintain a suggestion/complaint book and make the same*



readily available to the customers, on demand. A message indicating availability of this book is also prominently displayed at the Retail Outlets and Gas Agencies. During inspections, the Field Officer goes through the Complaint Book, for which a specific provision has been made in the Inspection Report. The complaints are attended to by contacting the Complainant, wherever necessary, by the Officer or action is taken on complaint/inputs given by the customer.

(ii) Display of Contact No(s) and address at Retail Outlets/Indane Distributorships

The Field Officer's/Dealer's/Distributorship's Telephone Contact Numbers, Postal and email address are displayed at all the Retail Outlets/LPG Distributorships, for the customer to contact the Company Officials or writing to them.

(iii) Toll Free Number/Call Centre

In order to have a convenient, easy and effective way to enable the customer to register their grievances/suggestions and follow them up, a common Toll Free Number - 1800 2333 555 - is in place which can be accessed from anywhere in the country.

(iv) Web-based complaints

Customers can register their complaints/feedback through IOC Corporate website, i.e., [www.iocl.com](http://www.iocl.com). Once a complaint is registered on the website, it automatically goes to the Officer concerned for further action; an e-mail/SMS is sent to the customer on his/her registered e-mail Id/phone number. A reply is sent to the customer by the Officer concerned, after examination/redressal. There is also a provision in the system to enable the customer to view the status of the complaint on the website.

(v) Timeline for Grievance Redressal

IOC endeavors to respond to complaints received through Toll-Free number/web portal within fourteen days from the date of registration except in circumstances beyond control of the Corporation viz., natural calamities, strikes, system breakdowns or in cases warranting investigation, etc., which

*may take longer to conclude. In such case, an interim reply is sent to the complainant.*

(vi) *Grievance Cell and Personal Hearing*

*Customers can also register their complaints through post/mail to the Divisional Managers, Area Managers or the State Offices, who are the Nodal officer for the respective Offices/States. The Divisional/Area Managers and the State office in-charge also give personal hearing to customers/public even without prior appointment on specified time and days which are prominently displayed on the notice boards in the respective Offices and also publicized through advertisements published in leading newspapers, from time to time. The details of the Divisional/Area Managers/State Offices are also available on the corporate website <http://www.iocl.com>.*

**V. Types of irregularities at Retail Outlets (MS/HSD) & SKO/LDO Dealerships**

11. In terms of Chapter 5 of the Marketing Discipline Guidelines, the various types of irregularities at Retail Outlets are as under:-

Short delivery of products

(a) With Weights and Measures Department seals intact

*Sales through the concerned dispensing unit to be suspended forthwith and recalibration and re-stamping to be done before recommencement of sales.*

(b) With Weights and Measures Department seals tampered

*W&M Department seals are put on Metering unit and Totaliser Unit with the help of a sealing wire and a lead seal which is embossed by W&M Inspector.*

*The seal would be deemed tampered in the following cases -*

(i) *Seal itself is missing.*

(ii) *Different seal has been put other than embossed by the W&M Inspector.*

(iii) *Sealing wire is broken and not in one piece.*

*In addition, other situations which can lead to manipulation of delivery/quantity/totaliser may also be treated as tampering. Penal action to be taken even if the delivery is found to be correct or excess. In case of this irregularity. sales from the Dispensing Unit concerned to be suspended and the DU sealed. Samples to be drawn of all the products and sent to laboratory for testing.*

**VI. Action to be taken by Oil Marketing Company (OMC) under the Marketing Discipline Guidelines**

12. In terms of Chapter 8 of the Marketing Discipline Guidelines, action to be taken by the OMC as under:-

8.1 *All irregularities (mentioned in Chapter 5) are classified into three categories, i.e. Critical, Major and Minor.*

8.2 *The following irregularities are classified as critical irregularities:*

- (i) Adulteration of MS/HSD (5.1.1)*
- (ii) Seals of the metering unit found tampered in the dispensing pumps.[5.1.2 (b)]*
- (iii) Totalizer seal of dispensing unit tampered or deliberately making the totalizer non functional or not reporting to the company, if totalizer is not working. (5.1.3 read with 5.1.2)*
- (iv) Additional/unauthorized fittings and gears inside the dispensing units/tampering with dispensing units. (5.1.4)*
- (v) Unauthorized storage facilities (5.1.5)*
- (vi) Unauthorized purchase/sales of products. (5.1.6)*
- (vii) Tank lorry carrying unauthorized product found under decantation at the RO (5.1.7)*

*Action: Termination at the first instance will be imposed for the above irregularities.*

### 8.3 Major Irregularities:

*The following irregularities are classified as major irregularities:-*

- (i) Refusal by the Dealer to allow drawl of samples/carry out inspections (5.1.8)*
- (ii) Non availability of reference density at the time of inspection (5.1.9)*
- (iii) Selling of normal MS/HSD as branded fuels (5.1.10)*
- (iv) Stock variation beyond permissible limits but sample passing quality tests (5.1.11)*
- (v) Non-maintenance of records since last inspection (5.1.12)*
- (vi) Overcharging of MS/HSD/CNG/ Auto LPG(5.1.13)*
- (vii) Dealer operating the automated RO in manual mode without authorization (5.1.16)*

*Action: Except in case of (iii) Suspension of sales and supplies for 15 days for the first irregularity, 30 days for the second irregularity, and a third offence would lead to termination of the dealership.*

*Action in case of (iii) above would be as under:-*

*In the first instance OMC would impose a penalty of recovery of differential price since last inspection. Termination will be the action in case of 2nd instance.*

### 8.4 Minor Irregularities:

*The following irregularities are classified as minor irregularities:-*

- (i) Short delivery with Weights & Measures Departments' seals intact where the dealer has not informed the OMC of this defect [5.1.2(a)].*
- (ii) Non maintenance of specified records where records from last inspection are maintained but prior records are not available (5.1.12).*

(iii) *Non provision of facilities like air, clean Toilet, Telephone and first aid box.(5.1.14).*

(iv) *Miscellaneous*

a) *Non display of authorized Retail Selling prices of MS/HSD/CNG/ Auto LPG (5.1.15)*

b) *Non display of density, opening stock of the day, sticker ensuring 'Zero' before delivery on dispensing unit, name of product on each nozzle of MPD, contact details of authorized persons to be contacted in case of Complaint/Grievance/ Emergency (5.1.17)*

c) *Non-maintenance of complaint book or not providing the same when demanded by the customer (5.1.17)*

d) *Poor housekeeping (5.1.17)*

e) *Driveway Salesmen at the ROs not in uniform/wearing badges (5.1.17)*

*(One or more irregularity under the above category a, b, c, d or e will be considered as one irregularity only for the purpose of taking action).*

*Action [except in case of (i) above]*

*Warning-cum-guidance letter in the first instance, Rs. 10000/- per irregularity on second instance and Rs. 25000/- per irregularity on third instance onwards.*

*Action in case of (i) above would be as under -*

*First instance: warning letter to be issued.*

*Second instance within one year of 1st instance: Rs.10000/- per nozzle found delivering short.*

*Third and subsequent instances within one year of 1st instance: Rs. 25000/- per nozzle found delivering short.*

- 8.5.1 *The above are general Guidelines and the actions prescribed in MDG 2012 are minimum. The competent Authority of the Oil Company concerned can however take appropriate higher action against the erring dealer, if deemed necessary including termination in the first or any instance in line with the provisions of the Agreement.*
- 8.5.2 *All cases of irregularities needs to be established before any action is taken against a dealer.*
- 8.5.3 *In case, two or more irregularities are detected at the same time at the same RO -*
- (a) Each of the irregularities should be accounted as an instance against the respective class of irregularity.*
  - (b) Suitable action will be taken for that specific irregularity and also for that specific instance.*
  - (c) Suitable action will be taken for each of the irregularity thereby giving a compounding effect.*

## **VII. Comments received from the Ministry of Petroleum and Natural Gas**

13. The Ministry of Petroleum and Natural Gas vide their communication dated 19.8.2016 furnished the following reply:-

*"The subject matter pertains to IOCL Retail Outlet, M/s. Roop Filling Station, Wazirabad Road, Nand Nagari, Delhi. Above incident had happened on 19.06.2016 when Shri Pragya Priya Rahul had made HSD purchase of Rs.16,000/- and alleged short delivery, spillage of product and misbehavior by the RO staff.*

*During the course of fact finding, it emerged that Shri Pragya Priya Rahul had made purchase of 289.90 litre of HSD in barrels and small jerry cans. However, he suspected that quantity is delivered lesser than 289.90 litre Staff at RO had shown*

*him dispensing unit delivery check through 5 litre calibrated measure, which was found correct. However, on his insistence, that product delivered in his containers should be re-measured, the said exercise was undertaken for his satisfaction. During the said exercise, some HSD got spilled from one of the barrels.*

*On receipt of complaint, the IOCL Officials called the dealer's explanation. Area Field Officer also responded to the customer and requested him to visit RO and even offered refund of the spilled product. It has been reported that the complaint has been amicably resolved to the satisfaction of the complainant Shri Pragya Priya Rahul. Shri Rahul vide letter dated 15.08.2016 and e-mail message dated 16.08.2016, advised the Area Field Officer that after his meeting with M/s. Roop Filling Station representative, he has received the refund of spilled HSD quantity. He has finally concluded that he is satisfied and withdraws his complaint against Roop Filling Station."*

14. On being asked by the Committee about the provisions contained in the relevant Rules/Orders/Marketing Discipline Guidelines/Dealership Agreements regarding termination of Dealership or otherwise in case proven under-measurement and adulteration by the retail outlets of OMCs, the Ministry of Petroleum and Natural Gas submitted:-

*"Proven cases of under-measurement and adulteration are presently dealt as per the provisions contained in the Marketing Discipline Guidelines (MDG), 2012. These Guidelines came into effect from 8.01.2013."*

In this context, the Ministry of Petroleum and Natural Gas further submitted:-

*"MDG-2012 also provides for handling cases of short delivery with seals intact under provisions of clause 5.1.2 and action to be taken as defined in Chapter 8 ranges from issuance of warning letter to imposing financial penalty. In such cases, sales through the concerned dispensing unit is suspended forthwith and recalibration and re-stamping to be done before recommencement of sales.*

*All actions under MDG are taken as per provisions of Dealership Agreement including termination."*

15. The Committee further desired to know the details of various parameters on the basis of which the OMCs differentiate between 'serious malpractices' and 'other irregularities' on the basis of which punitive action is taken against the ROs, the Ministry of Petroleum and Natural Gas, in a written reply, submitted :-

*"As per MDG-2012, all irregularities are classified into three categories, i.e., Critical, Major and Minor."*

16. The Committee, then, categorically asked about the monitoring mechanism put in place by the OMCs to check the practice of under-measurement and adulteration of petrol, diesel and other petroleum products by the Company-owned ROs or by the RO dealers, the Ministry of Petroleum and Natural Gas, in a written reply, submitted:-

*"OMCs have a robust system in place to check various types of malpractices and irregularities including adulteration at its Retail Outlet dealerships. OMC officers carry out surprise inspections periodically at the retail outlets to check adulteration and other irregularities/malpractices and take action as per the Marketing Discipline Guidelines and the Dealership Agreement. In case of proven cases of adulteration, penal action against the dealers is taken as per the marketing discipline Guidelines approved by the MOP&NG which is termination at the first instance."*

17. The Committee, thereafter, wanted to know as to whether the OMCs have undertaken any assessment on the workability of monitoring mechanism in containing the problem of under-measurement and adulteration of petroleum products by the Company-owned ROs or by the RO dealers. The Ministry of Petroleum and Natural Gas, in a written reply, submitted:-

*"Discipline in regard to Quality & Quantity is administered through strict implementation of Marketing Discipline Guidelines revised from to time and other measures as mentioned above. This has resulted in to reduction in number of cases detected for adulteration and under measurement of OMCs over the years."*

18. On the issue, the Committee also undertook a Study Visit to Kochi on 26 August, 2016 to have a realistic assessment on the mechanism for grievance redressal for the customers of Indian Oil Corporation Limited.

19. During the Study Visit, the Committee desired to know the impact of various initiatives taken to check the incidences of alleged malpractices by various RO dealers. The representatives from the Ministry of Petroleum and Natural Gas spelt out the following initiatives taken by the IOCL to check such incidences:-

- *Regular/surprise inspections are carried out at retail outlets by OMC Field Officers/ Senior Officers/Multi Disciplinary Teams (MDT) throughout the country. Besides, Special Drives are also carried out by Senior Officers of the*



Corporation. In addition, surprise inspections are also carried out by mobile labs of the Industry.

- OMC Field Officers inspect the normal RO dealerships once in a quarter and automated RO dealerships once in 6 months and senior level officers once in a year. In case of stock variation beyond permissible limits, density failure, filter paper test failure and also during special drives/campaigns or in case of specific complaint against the Retail Outlets, Company officials draw samples and forward them for testing as per laid down procedure. In case of any irregularities, action is taken as per the Marketing Discipline Guidelines.
- Availability of filter paper, calibrated density equipment (hydrometer/ thermometer) and 5 litre calibrated measure for checking purity and correct measurement of MS/HSD.
- Post closure of Anti Adulteration Cell by the Ministry of Petroleum and Natural Gas, OMCs were advised for creation of a separate Quality Control Wing to oversee and monitor all activities/operations to curb adulteration and specify norms/guidelines in this regard. Consequently, a Quality Control Cell (Anti Adulteration Cell in case of IOC) was established in 2004. Surprise inspections are carried out by this team which is reporting to a different function than Marketing.
- Samples are drawn from petrol pumps, at random, and sent for testing to authorized laboratories. In case, it is established that adulteration may have taken place appropriate stringent action is taken against the erring dealers ranging from suspension of sales and supplies to termination of the dealership agreement as per the provisions of the dispensing pump and selling license agreement signed between OMC and its dealers.
- Tankers are being sealed before leaving the company premises to protect against pilferage en-route. Tamper proof locking system has been introduced in tank trucks delivering petrol/diesel at retail outlets. 3-tier sampling system is followed to help in ascertaining exactly where adulteration could have taken place.
- OMCs have introduced third party audit of retail outlets. Under this, surveillance audit of ROs selling above 100 kilo liters are being done by 3<sup>rd</sup> parties. The third party audit has been part and parcel of our commitment to highest standards of quality, quantity and service standards for our customers.

- *Automation has been completed at 18056 OMC ROs. This enables OMCs to keep a track of the activities at the retail outlet. Under this initiative, tank stocks and sales of each dispensing unit can be tracked and analyzed.*
- *OMCs have installed GPS technology to monitor movement of tank trucks carrying MS/HSD. This enables OMC to closely monitor the movement of tank trucks carrying products to the Retail Outlets dealers, i.e., to detect any unauthorized deviation from specified route as well as from the specified time required for delivery.*
- *Various control orders under the essential commodities act like MS/HSD control order, Kerosene control order, Naphtha control order, Solvent, Raffinate and Slop control order, etc., are promulgated by the Central Government from time to time with a view to preventing adulteration in petroleum products.*
- *MS/HSD control order issued by the Government of India prescribes the norms that the Oil Companies have to adopt in relation with quality control measures. Besides this, there is industry quality control manual approved by the Ministry of Petroleum and Natural Gas, which also mentions procedures to be followed by the Oil Companies in connection with quality control. The Marketing Discipline Guidelines approved by the Ministry prescribes procedures to be followed by oil companies, transporters and dealers while marketing petroleum products.*
- *In order to have a convenient, easy and effective way to enable the customer to register their grievance / suggestion and follow them up, a common Toll Free Number (1800 2333 555) is in place which can be accessed from anywhere in the country. Customers can also register their complaints/feedback through IOC Corporate website i.e. [www.iocl.com](http://www.iocl.com). The facility is also available on our mobile app Fuel@IOC which can be downloaded by any citizen/customer.*

20. Thereafter, the Committee desired to know the details of various initiatives taken by the Ministry of Petroleum and Natural Gas for strengthening of mechanism for grievance redressal of customers and also to impart training to Dealers and Customer Attendants on various aspects, viz., their behaviour with the customers, personal grooming, customer service, honesty, punctuality, showing 'O' before delivery, ensuring bill after the delivery, handling customer complaints and other customer service related aspects. In response thereto, the Ministry of Petroleum and Natural Gas submitted:-

*"IOCL's endeavor to render better customer satisfaction has been transformed by way of imparting training its dealer fraternity and Customer Attendants. Some of the on-going initiatives include "DISHA", a two days training programme for Dealers, wherein, training is imparted by the premium Management Institutes like IIMs & IITs. Last year, 2662 dealers were trained. This year, under this programme, 4500 dealers are proposed to be trained."*

21. In this connection, the witness further informed that for Customer Attendants, a training programme has been developed through a professional training agency. The programme named "CHETNA", is designed for training the Customer Attendants. The outcome of all these initiatives taken by them have found to be encouraging.

## **OBSERVATIONS/RECOMMENDATIONS**

### **Mechanism for Grievance Redressal of the customers of the Indian Oil Corporation Limited**

22. The Committee note that the cases/complaints of under-measurement and adulteration of petroleum products are presently dealt with as per the provisions given under the Marketing Discipline Guidelines (MDG) - 2012 formulated on the basis of directions issued by the Ministry of Petroleum and Natural Gas. These Guidelines came into effect from 8 January, 2013.

23. The Committee also note that the MDG also provide for handling cases of short delivery of petroleum products with seals intact under the provisions of Clause 5.1.2 and action thereon is to be taken as defined in Chapter 8 which *inter alia* ranges from issuance of warning letter to imposing of financial penalty. In all such cases, sales through the Dispensing Unit concerned is suspended forthwith and recalibration and re-stamping are being done before recommencement of sales. All the actions under MDG are taken as per provisions of the Dealership Agreement including termination of Dealership.

24. The Committee further note that the Oil Marketing Companies (OMC) have already a system in place to check various types of malpractices and irregularities including adulteration at its retail outlet Dealerships. OMC Officers periodically carry out surprise inspections at the retail outlets to check adulteration and other irregularities/malpractices and take action as per the Marketing Discipline Guidelines and the Dealership Agreement.

25. While examining the instant Representation of Shri Pragya Priya Rahul, the Committee conscientiously went through the deliberations they had with the

representatives of the Ministry of Petroleum and Natural Gas as well as the representatives of the IOCL during its Study Visit to Kochi on 26 August, 2016. Notwithstanding the fact that a system for grievance redressal for the customers of Indian Oil Corporation Limited, viz., availability of complainant/suggestion book at the Petrol Pumps, display of contact number(s) and address of various officials concerned at the Retail Outlets, Toll-Free number Call Centre, web-based complaints, timelines for grievance redressal, Grievance Cell, personal hearing of complainants, etc., are already in place, the Committee are of the considered view that a lot of innovative efforts are still required to be made by the Ministry of Petroleum and Natural Gas to ensure a complaint-free environment at all the Retail Outlets. The Committee, therefore, recommend that with a view to disseminating the information regarding grievance redressal of the customers of OMCs, regular/ surprise inspections of various Retail Outlets of the Oil Companies including the IOCL along with the outcome of all such inspections should be made online. The Committee would like the Ministry of Petroleum and Natural Gas to take necessary action and apprise the Committee accordingly within three months of presentation of this Report to the House.

#### Automation of Retail Outlets

26. The Committee note that with a view to ensuring that petroleum products and inventory are made available to every nook and corner of the country, the IOCL has a network of over 45,000 customer touch-points. This network consists of 25,494 Petrol and Diesel Stations, including 6,200 Kisan Seva Kendra Outlets in the rural markets. Besides, 6,500 dedicated pumps under the control of IOCL are also in operation for the convenience of large-volume consumers like the Defence Services, Railways and State Transport Undertakings.

27. The Committee also note that a technology-driven project of automation has been introduced by the IOCL to obtain a real-time data of stocks/sales and also to contain adulteration. Under this system, an electronic locking system on tanker-trucks and underground tanks is linked to a central computer system so that when the fuel is dispensed, a bill - giving details of date, time, quantity of the purchase, the pump and the Attendant who delivered the produce - will be automatically generated. The Committee have also been informed that, under this technology-driven initiative, around 18000 fuel stations across 55 cities in the country are now fully automated.

28. The Committee are satisfied by the efforts made by the IOCL for implementing an end-to-end automation of their fuel delivery network - which would also be helpful in curbing fuel adulteration and other malpractices by the Retail Outlets. However since the Committee have found that till date, only 70 percent of total fuel stations under the control of IOCL have been automated and there could be thousands of other Retail Outlets under the control of other Oil Marketing Companies which remain still to be automated, they urge the Ministry of Petroleum and Natural Gas to impress upon all the Oil Marketing Companies to formulate a specific road map to complete the said automation work within the next fiscal year, i.e., 2017-18. The Committee would like to be apprised of the concrete action initiated by the Ministry of Petroleum and Natural Gas, in this regard.

#### Training Programme for Dealers/Customer Attendants

29. The Committee note that IOCL's endeavor to render better customer satisfaction is related to imparting training to their Dealers and the Customer Attendants, who are operating the fuel pumps at the Retail Outlets. The Committee also note that some of the on-going initiatives taken by the IOCL include a two-days training programme "DISHA" for the Dealers, wherein, training is imparted by the

premium Management Institutes, viz., the Indian Institute of Management (IIM) and the Indian Institute of Technology (IIT). As a sequel to this initiative, during the year 2015, 2662 Dealers were imparted the requisite training. Similarly, in 2016, an additional 4500 Dealers would be trained under the said programme.

30. The Committee further note that another training programme has also been developed through a professional training agency, named “CHETNA”. This training programme has been specifically designed for the Customer Attendants on various aspects including behavior, personal grooming, customer service, honesty, punctuality, showing ‘0’ before delivery, ensuring bill after delivery, handling customer complaints and other customer service related aspects.

31. Though the Committee appreciate the initiatives undertaken by the OMCs to educate RO Dealers and their Customer Attendants to offer improved customer services through various training programmes, yet, they are not satisfied with the number of Dealers and Customer Attendants who had been imparted training during the last two years. The Committee, therefore, strongly recommend that keeping in view the enormous number of RO Dealers and Customer Attendants of various Oil Marketing Companies, in general and the IOCL, in particular, the Ministry of Petroleum and Natural Gas should take the initiative of entering into a meaningful consultation process with the Management of these Oil Marketing Companies to formulate a strict time schedule for imparting training to all the RO Dealers and Customer Attendants so that a new work culture is developed at the fuel stations vis-a-vis offering maximum customer satisfaction - which would surely be a determining factor for facing the competition from the emerging Private Sector. The Committee would like to be apprised of the action taken by the Ministry of Petroleum and Natural Gas in the matter.

### **Grievances of Shri Pragya Priya Rahul, the representationist**

32. The Committee note that on 19 June, 2016, Shri Pragya Priya Rahul, the representationist, made a purchase of 289.90 litre High Speed Diesel in barrels and small jerry cans. When Shri Rahul suspected that the quantity is delivered lesser than 289.90 litre, he requested the RO staff that his containers should be re-measured. On this, the RO staff of the filling station refused to re-measure the quantity and also misbehaved with him. The representationist also stated that when he asked for the 'Compliant Book' for making a formal complaint about dispensing less fuel by the RO, the Supervisor refused to lodge any complaint whatsoever of the incident. During the said altercation, some quantity of the HSD also got spilled from one of the barrels.

33. The Committee further note that on receipt of the complaint, the IOCL Officials called the dealer's explanation. The Area Field Officer also responded to the complaint of the customer and requested him to visit the Retail Outlet concerned and even offered refund of the spilled quantity of the HSD. The Committee have also been informed by the Ministry of Petroleum and Natural Gas that subsequently, the complaint was amicably resolved to the satisfaction of Shri Pragya Priya Rahul and after getting appropriate refund of the spilled HSD quantity, he had withdrawn his complaint against M/s. Roop Filling Station.

34. The Committee do not wish to go into the minute details of the incident of less dispensing of HSD to the representationist by one of the Retail Outlets of the IOCL and his subsequent withdrawal of complaint against the Dealer. However, in the entire episode, the following three facts are of determining nature:-



- (i) The complaint of Shri Pragya Priya Rahul regarding less dispensing of HSD was not registered at the Retail Outlet concerned.*
- (ii) Action on the formal complaint made to the Authorities concerned was initiated only when Shri Pragya Priya Rahul submitted a Representation to the Committee on Petitions, Lok Sabha and the same was taken up by the Committee for further examination.*
- (iii) When the said issue was taken up during the Study Visit of the Committee on 26 August, 2016, the Committee were informed that the grievance has been amicably settled and the Representationist has withdrawn his complaint.*

35. Having gone into the circuitous path of examination of instant Representation, the Committee intend to make a general observation that the Ministry of Petroleum and Natural Gas, in their submissions before the Committee, emphasised that there is a fool-proof mechanism of resolving the grievances of the customers, whereby, the Oil Marketing Companies, their Dealer's Network and other stakeholders have been sufficiently sensitized. However, going by the ground reality in regard thereto, the Committee are of considered view that the efficacy of said mechanism is still far from satisfactory in view of the fact that had the complainant not submitted the Representation to them, there would have been a strong possibility that his grievance of dispensing less HSD by one of the Retail Outlets would have still remained unresolved. The Committee, therefore, would like the Ministry of Petroleum and Natural Gas to devise a self-propelled system of redressing the grievances of their customers, which does not warrant the intervention of any Authorities. Formulating of a self-propelled grievance-redressal mechanism should have a blend of incentive-cum-penalty attributes in a way that the Retail Outlet Dealers - who have no complaints regarding less dispensing of petroleum products, adulteration, over-charging or rude behaviour with the customers should be incentivized and the Retail Outlet Dealers against whom there are frequent inflow of complaints should be

**promptly and sternly penalized. The Committee would like to be apprised of the action taken by the Ministry of Petroleum and Natural Gas in the matter.**

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