

**COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES
(1985-86)**

(EIGHTH LOK SABHA)

SIXTEENTH REPORT

MINISTRY OF PETROLEUM AND NATURAL GAS

**[Action Taken by Government on the Recommendations
contained in the Forty-Seventh Report of the Commi-
ttee on the Welfare of Scheduled Castes and Scheduled
Tribes (Seventh Lok Sabha) on the Ministry of Energy
(Department of Petroleum)—Reservations for Scheduled
Castes and Scheduled Tribes in the Allotment of
Distributive Agencies by Indian Oil Corporation Ltd.
and Other Oil Companies.]**

Presented to Lok Sabha on 29 April 1986

Laid in Rajya Sabha on 29 April 1986



**LOK SABHA SECRETARIAT
NEW DELHI**

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COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES
(1985-86)

Shri Krishan Datt Sultanpuri—*Chairman*

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2. Shri P.C. Chowdhary—*Chief Legislative Committee Officer*
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*Ceased to be members of the Committee on their retirement from Rajya Sabha w.e.f. 2nd April, 1986.

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes, having been authorised by the Committee to submit the Report on their behalf, present this Sixteenth Report (Eighth Lok Sabha) on Action Taken by Government on the recommendations contained in the forty-seventh Report (Seventh Lok Sabha) on the Ministry of Energy (Department of Petroleum)—Reservations for Scheduled Castes and Scheduled Tribes in the allotment of Distributive agencies by Indian Oil Corporation Ltd. and other Oil Companies.

2. The Draft Report was considered and adopted by the Committee on the Welfare of Scheduled Castes and Scheduled Tribes at their sitting held on 17th March, 1986.

3. The Report has been divided into the following Chapters :

I. Report.

II. Recommendations/Observations which have been accepted by the Government.

III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies.

IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

4. An analysis of the action taken by Government on the recommendations contained in the forty-seventh Report (Seventh Lok Sabha) of the Committee is given in Appendix. It would be observed therefrom that out of 13 recommendations made in the Report, 4 recommendations i.e. 30.77 per cent have been accepted by the Government ; the Committee do not desire to pursue 5 recommend-

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ations i.e. 38.46 per cent of their recommendations in view of Government's replies, 4 recommendations 30.77 per cent, in respect of which replies of Government have not been accepted by the Committee, and have been reiterated.

NEW DELHI ;
April 25, 1986

Vatsakha 5, 1908-(S).

KRISHAN DATT SULTANPURI
Chairman,
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes.

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by Government on the recommendations contained in the 47th Report (7th Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Energy (Department of Petroleum)—Reservations for Scheduled Castes and Scheduled Tribes in the allotment of distributive agencies by Indian Oil Corporation Ltd. and other Oil Companies.

1.2 In para 2.29 of the Report, the Committee had noted that under the existing guidelines issued on 9.2.1983 and applicable from the year 1982-83 onwards, no person was eligible for award of a new dealership if any of the following close relatives of the person already held a dealership of LPG/Kerosene/LDO/HSD/MS/Lubricating oil with any oil company :

- (i) Spouse
- (ii) Father/Mother
- (iii) Brother/Sister
- (iv) Son/Daughter
- (v) Son-in-law/Daughter-in-law
- (vi) Parents-in law.

The above restriction applied to all categories, i.e. reserved and open categories and was obviously intended to ensure that the dealerships were not cornered by close relatives. However, it needed to be examined whether inclusion of son-in-law, daughter-in-law and parents-in-law in the restricted categories since they belonged to a different family was coming in the way of enterprising Scheduled Castes and Scheduled Tribes who deserved to be given encouragement in starting new ventures. The Committee had therefore suggested that the existing eligibility criterion in this regard might be reviewed.

1.3 In their reply dated the 14th August, 1984, the Ministry of Energy (Department of Petroleum) have stated that Government have reviewed the eligibility criteria and feel that no change in the guidelines in this respect is necessary.

1.4 The Committee do not accept the reply of Government. The Committee feel that inclusion of son-in-law, daughter-in-law and parents-in-law in restricted category, since they belong to a different family, would come in the way of enterprising Scheduled Castes/Scheduled Tribes who deserve to be given encouragement in starting new ventures. As such, the Committee desire that eligibility criterion for award of new dealership should be revised by excluding these relatives from the existing guidelines.

1.5 In para 2.32 of the Report, the Committee had observed that according to the guidelines, at the time of interview of candidates for selection as dealers, the Selection Board was required to take into account factors such as, business ability, salesmanship, capability to provide the required facilities, extra-curricular activities, outstanding sportsman/sportswoman who had represented the country in international events, personality etc. The Committee felt that conditions like extra-curricular activities or participation in international sports events were hardly relevant in the matter of selection of dealers and could be used to the disadvantage of otherwise eligible Scheduled Caste/Scheduled Tribe applicants. The Committee had, therefore, suggested that such conditions might be deleted from the guidelines, so far as Scheduled Castes/Scheduled Tribes candidates were concerned.

1.6 In their reply dated the 10th August, 1984, the Ministry of Energy (Department of Petroleum) have stated that the various traits as stipulated in the guidelines for evaluating the efficacy of the candidate enabling him to be a successful dealer/distributor of the oil companies *are must* for consideration before finalisation of award of dealership/distributorship. Since the selection is made from amongst the candidates falling under a particular category the same cannot be taken as disadvantageous to Scheduled Caste/Scheduled Tribe candidates as it is a comparative assesment within the same category i.e. Scheduled Caste/Scheduled Tribe. Additionally these traits are specified in order to select the best candidate from amongst the

responding candidates applying under a particular category. By this there is definitely a better scope in selecting the most suitable candidate.

This will not be applicable in case there is only one suitable candidate. Assessment is made on comparative basis if there are more than one candidate.

In the circumstances, no change appears necessary.

1.7 The Committee still hold the opinion that conditions like extra-curricular activities or participation in international sports events are hardly relevant in the matter of selection of dealers as such should be deleted from the guidelines. so far Scheduled Caste and Scheduled Tribe candidates are concerned.

1.8 In para 2.53 of the Report, the Committee had observed that in the guidelines issued on 23.9 1977, provision was made that in respect of Scheduled Caste/Scheduled Tribe candidates, selection of dealers should be made by a Selection Committee consisting of (i) representative member of the concerned State Government. (ii) a prominent member of Scheduled Caste/Scheduled Tribe community to be nominated by the State Government concerned and (iii) District Manager or an equivalent officer of the concerned oil company. The procedure regarding selection of dealers by Selection Committee continued upto the year 1981-82. It was decided that from the year 1982-83, selection of dealers would be made by a Selection Board composed of a retired High Court Judge, a retired senior civil servant and a retired senior oil company officer. Accordingly, Selection Boards were set up in March and May-June, 1983 for the Northern, Southern Eastern and Western Regions.

The Committee felt that the decision to include a Scheduled Caste/Scheduled Tribe person in the Selection Committee under the instructions issued in September, 1977 was sound and this practice should have been continued at the time of constitution of Selection Boards. The Committee were of the view that each Selection Board should include a Scheduled Caste/Scheduled Tribe person and where this was not possible, a person belonging to Scheduled Caste/Scheduled Tribe should be co-opted in the Board.

1.9 In their reply dated the 29th July, 1984, the Ministry of Energy (Department of Petroleum) have stated that each Oil Selection Board is composed of a retired High Court Judge and a retired senior civil servant. Government feel that it is not necessary to augment this highly respectable Board with a member belonging to the Scheduled Castes or Scheduled Tribes.

1.10 The Committee are strongly of the view that the Selection Board should include a Scheduled Caste/Scheduled Tribe person and where this is not possible, a person belonging to Scheduled Caste/Scheduled Tribe should be co-opted on the Board. The Committee, therefore, reiterated their earlier recommendations and would like the Ministry of Petroleum and Natural Gas to take necessary action to amend the guidelines.

1.11 In para 2.54 of the Report, the Committee had noted that as per existing procedure, the initial screening of applications was done by the concerned officers of the oil company which advertised the dealership. This screening was for the scrutiny of the applications *vis-a-vis* the eligibility of the candidates. Thereafter a list of all eligible candidates as also a list of candidates considered to be ineligible together with their applications was sent to the Selection Board. The candidates found eligible were called for interview by the Selection Board. The Board could also call a candidate not found eligible by the oil company, if in its opinion, the rejection by the oil company was not justified. After interview of the candidates, the Selection Board would submit a panel of four names and then the oil company concerned conducted field investigation of the candidates empanelled. The field investigation reports were forwarded to the Selection Board which formulated its final recommendation.

It was thus seen that for a particular location, one of the four empanelled candidates could be selected for award of dealership after a scrutiny of field investigation reports. The Committee's concern was that a Scheduled Caste/Scheduled Tribe candidate should not unjustly get eliminated at the field investigation stage. In reply to a question, the Secretary, Department of Petroleum had assured the Committee during evidence that an empanelled candidate whose application was proposed to be rejected could be given an opportunity to appear before the Selection Board. The Committee had suggested

that before making a final recommendation an opportunity might be given to the empanelled candidates whose applications were proposed to be rejected, to represent their case before the Selection Board, if they so choose.

1.12 In their reply dated the 14th August, 1984, the Ministry of Energy (Department of Petroleum) have stated that the recommendation has been examined and its implementation has not been found feasible.

“ 1.13 The Committee do not accept the reply of Government as no reasons why it was not feasible to implement the recommendation of the Committee have been given by the Government. It is only proper and just that an empanelled applicant is given an opportunity to be heard. The Committee, therefore, reiterate their recommendation.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (SI No. 8, Para 3.3)

Under the guidelines issued for the year 1982-83 the income criterion is that the gross income of the candidates, his parents, spouse and dependent children should not exceed Rs. 24,000/- per annum. Further one of the conditions of allotment of dealerships is that the applicant should be able to arrange the requisite land/facilities/finance within four months of issue of letter of intent, failing which he is liable to forfeit the offer of dealership. The income criterion is evidently intended to ensure that the dealerships are not cornered by well-to-do people. However, if applicants, particularly weaker Sections among the Scheduled Castes/Scheduled Tribes are required to arrange for land/facilities/finance within such short period, it is doubtful whether many of them would be able to do so. The Committee, therefore, recommend that while allotting dealerships Govt. and Oil Cos. should assist such SC/ST applicants in providing facilities like allotment of land, sanction of telephone connection, sanction of Bank finance at concessional rate of interest etc.

Reply of Government

The Oil Industry has recently evolved a Bank Finance Scheme applicable to candidates selected by the Oil Industry under Social objective Category Scheme. This has been duly cleared by the Reserve Bank of India, Bombay and circulated to Nationalised Banks in the country. Necessary mention in this regard is also being incorporated in the advertisement notices as well as application forms to draw the attention of the candidates falling under social objective categories.

As regards allotment of land Government have requested all State Govts./Union Territory Administrations to issue instructions to the District Collectors for allotment of Govt. land to the selected candidates for the purpose of development of retail outlet/LPG godowns etc.

Officials of the Oil Cos., do help prospective dealers/distributors in obtaining telephone facility.

[Ministry of Energy, Department of Petroleum O.M. No. P-38012/11/84-IOC Dated the, 24th July, 1984].

Recommendation (Sl. No. 10, Para 3.22)

During evidence when the Committee referred to benami transactions in dealership business, the Secretary, Department of Petroleum stated that "personally I have no doubts in my mind that the instances of benami holdings may be high, because there is a basic difficulty in this case. We wish to help somebody who belongs to the deprived sections, By definition, deprived sections do not have the resources, and these are highly sought after. There are other people who are prepared to take them over under cover of benami." It is seen that in the guidelines issued by the Department of Petroleum to the Public Sector oil companies from time to time, an elaborate procedure for screening of applications, interview by Selection Board, field investigation etc. has been prescribed. The Committee therefore, expected that benami dealerships would have been kept under check. This is not so as is evident from the statement made by the Secretary, Department of Petroleum before the Committee. Thus the very objective of bringing socially deprived groups into the dealership business is defeated. The Committee do not consider that the problem is insurmountable. If the Government and the oil companies can introduce an efficient machinery for regular and surprise inspection of the working of the dealership after allotment, there is no reason why malpractices in this business cannot be kept under check. The Committee recommend that the existing set up in the oil companies for inspection of the working of the dealership should be suitably geared up.

Reply of Government

Regular/surprise inspections are carried out by the oil Company officials to check the working of the dealerships/distributorships. These inspections, *inter-alia*, are with a view to maintaining marketing discipline, In the dealership agreement executed between the oil companies and the dealers/distributors, as also in the affidavit which is attached to the application forms there is a specific provision that in the event of any change in the organisational set up of the dealership/distributorship

without the written consent of the Oil Company concerned, the Oil Company reserves the right to terminate the dealership/distributorship or withdraw the letter of Intent, as the case may be. Whenever instances come to the notice of the Oil Companies, immediate investigation is carried out and a necessary action taken, which may include even termination of the dealership/distributorship provided the allegation is conclusively proved.

[Ministry of Energy, Department of Petroleum) O.M. No. P-38012/13/84-IOC Dated the : 24th July, 1984].

Recommendation (Sl. No. 11, para 3.23)

When the Committee wanted to know whether Government would consider any method to prevent benami holdings in dealerships, the Secretary, Department of Petroleum stated that "one suggestion which has come is that the outlets may be owned by the Oil Companies and given to certain members of the disadvantaged sections on grant or lease basis. Its financial and administrative aspects we should certainly examine". The Committee suggest that a system of Oil Companies owing the retail outlets and allotting to the reserved categories, particularly Scheduled Castes and Scheduled Tribes may be considered for introduction on a selective basis.

Reply of Government

The general procedure followed by the oil industry is to develop new retail outlets on a dealer-owned basis. However, in certain selected cases, particularly in major locations where the investments are substantial and/or the land owning authorities only permit the development of retail outlets by the oil industry, the oil industry does develop Corporation-owned retail outlets.

Whenever, such a decision is taken and also in cases where the lease of a Company owned outlet is over, or the dealer is changed, some of these outlets are earmarked to SC/ST category as per 100 point Roster formula.

It would be appreciated that the development of a larger number of corporation-owned retail outlets involves considerable financial outlay on the part of the oil industry. This will also result in diversion of oil

industry's capital resources as well as man-power. These can be put to better use in highly critical and productive areas involving high investment and in development of facilities such as Terminals, Depots, LPG Bottling Plants, Pipelines etc.

In order to assist the Social Objective Category candidates including SC/ST, the Oil Industry recently evolved a Bank Finance Scheme which has been duly cleared by the Reserve Bank of India, Bombay and circulated to all the Nationalised Banks in the country. Under this Scheme the nationalised banks are considering advancing loans on reasonable terms to candidates selected under the social objective categories by the oil industry. Publicity in this regard is also given to enable the candidates to avail of this facility. With the introduction of the above Bank Finance Scheme, the candidates are required to invest only 25% of the capital towards the development of site/sales room; dispensing pumps/tanks, which involve a sizeable investment, are provided by the oil companies. The Department of Petroleum has addressed all the State Govts. requesting that Dist. Collectors should help in allotment of Govt. sites to candidates selected for development of facilities for retail outlets, SKO/LDO dealerships and LPG distributorships.

It is, therefore, felt that the above steps would considerably help the SC/ST category candidates, along with other social objective category candidates, in organising the necessary resources for operating dealerships.

[Ministry of Energy, (Deptt. of Petroleum) O.M. No. P-38012/14/84-IOC Dated 8-8-1984].

Recommendation (Sl. No. 12, Para 3.39)

Reservation of 25 percent of the dealerships/distributorships of petroleum products for Scheduled Castes and Scheduled Tribes was introduced by the Indian Oil Corporation with effect from 1-1-1974. With the take over of erstwhile private Oil Companies (now known as Hindustan Petroleum Corporation, Bharat Petroleum Corporation and I.B.P. Co., Ltd.,) the policy of reservation for Scheduled Castes and Scheduled Tribes was extended to these Oil Companies with effect from 23-9-1977. It was decided that with effect from 5-6-1980, reservation percentages in respect of

Scheduled Castes and Scheduled Tribes and other reserved categories should be maintained on an Industry basis as a whole.

From the data furnished to the Committee it is seen that in the case of LPG distributorships the percentage of allotments to Scheduled Castes and Scheduled Tribes during the years 1980-81, 1981-82 and 1982-83 was 18.5, 18.2 and 30.1 respectively. In the case of Retail Outlet (Motor spirit, High Diesel) dealerships, the percentage of allotments to Scheduled Castes and Scheduled Tribes during these years was 11.3, 10.8 and 22.6 respectively. In the case SKO/LDO (Superior Kerosene, Light Diesel) dealerships the percentage of allotments to Scheduled Castes & Scheduled Tribes during these years was 24.2, 11.3 and 22.1 respectively. The allotment of distributorships/dealerships to these communities have thus been generally below the prescribed percentage of 25. The Committee have been assured by the representative of the Department of Petroleum during evidence that the shortfalls would be made up in a year or two. The Committee expect that the Oil Companies will make concerted efforts to fulfil the assurance.

Reply of Government

The short-fall in the percentage of reservation appearing against any of year's marketing Plan (earlier known as Rosters) is made up by the Industry as a whole on a State-wise basis in the subsequent year's Marketing Plan. This has been done by the Industry in the past and it is a continuous exercise. The Industry is fully committed towards this objective. In fact a higher percentage of reservation has been provided in the year 1982-84 (Part two) Plan for various dealerships to make good the shortfalls of previous years as under :

	Total, Plan for 1982-84	Number reserved for SC/ST	Percentage reservation
LPG	435	111	25.5%
Retail Outlet	463	123	26.6%
S.K.O./ L.D.O.	274	102	37.2%

[Ministry of Energy, (Department of Petroleum)
O.M. No. P-38012/15/84-IOC
Dated The : 24 July, 1984]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLIES

(Recommendation Sl. No. 1, Para 2.28)

Effective from 1.1.1974, it was decided to earmark 5% of Indian Oil Corporation's 'A' site retail outlet dealerships, SKO/LDO (Superior Kerosene Oil/Light Diesel Oil) dealerships and Indane distributorships to persons belonging to Scheduled Castes/Scheduled Tribes. With the take over of erstwhile private oil companies (now known as Hindustan Petroleum Corporation Ltd.), Bharat Petroleum Corporation Ltd. and I.B.P. Co. Ltd.), the then Ministry of Petroleum vide their communication dated 23.9.1977 informed the oil companies that 25 per cent of dealerships/distributorships of oil companies should be reserved for Scheduled Castes/Scheduled Tribes. The Ministry of Petroleum, Chemicals & Fertilizers in a later communication dated 5.6.1980 informed the oil companies that reservation percentages in respect of various categories (i.e. Scheduled Castes/Scheduled Tribes, Unemployed Graduates, Physically Handicapped, Disabled Defence persons and open) should be maintained for each State/Union Territory as per 100-Point roster prepared for the purpose. The Ministry vide their letter dated 17.6.1980 further informed the oil companies that the distribution of dealerships/agencies earmarked for Scheduled Castes, Scheduled Tribes in a particular State/Union Territory on the basis of 25 per cent reservation should be allocated between Scheduled Castes Scheduled Tribes in proportion to their *inter-se* population in that State/Union Territory on the basis of a roster prepared for the purpose.

The Ministry vide their letter dated 8.1.1981 indicated that for the purpose of reservation of a particular location for Scheduled Castes/Scheduled Tribes. Assembly/Parliamentary Constituencies reserved for Scheduled Castes/Scheduled Tribes may be adopted.

At the time of General Election to Lok Sabha in 1980, out of a total of 542 Parliamentary Constituencies, the number of Constituencies reserved for Scheduled Castes and Scheduled Tribes was 79 and 40 respectively. In States, out of a total of 3821 Assembly Constituencies the number of constituencies reserved for Scheduled Castes and Scheduled Tribes was 542 and 315 respectively. When reservation for Scheduled Castes and Scheduled Tribes in dealerships/distributorships of various petroleum products has been provided on state-wise basis, the Committee see no reasons why reservation of particular locations should be restricted to reserved Parliamentary/Assembly constituencies only. As eligible Scheduled Castes and Scheduled Tribes candidates are available in reserved as well as unreserved Parliamentary/Assembly constituencies, the Committee are of the view that the restriction imposed vide Ministry's letter dated 8.1.1981 regarding reservation of locations for Scheduled Castes/Scheduled Tribes on the basis of reserved Parliamentary/Assembly constituencies should be removed.

Reply of Government

According to the practice being followed by the Oil Companies, locations for opening Retail Outlets/LPG agencies etc. are identified on the basis of a survey conducted for assessing the potential of the area from viewpoint of viability. After the locations are so identified, the Oil Companies ascertain the locations which fall within the reserved Assembly/Parliamentary Constituencies or which are predominantly populated by SC/ST (based on Census report); these locations are thereafter earmarked for SC/ST to the extent of 25% of the number of new agencies planned for that State under the 100-point roster. This procedure has been adopted to ensure that the agencies in areas predominantly populated by SC/ST go to SC/ST candidates.

It would be observed from the above that the procedure being followed is not restrictive in nature.

Apart from earmarking specific locations for SC/ST category based on the above procedure, whenever more locations get identified in a particular State, some of them also get automatically earmarked for SC/ST category in accordance with the roster. Moreover, there is no bar to a SC/ST candidate applying under any category at any location

provided such candidate fulfils the eligibility criteria for that particular category.

It would be clear from the above that in allotment of dealerships/distributorships, the prescribed percentage of reservation is being observed. Hence, any change in the procedure does not appear to be necessary.

[Ministry of Energy, (Department of Petroleum)

O.M. No. P-38012/4/84-IOC

Dated The : 24th July, 1984]

Comments of the Committee

“The Committee desire that as and when any distributive agency is allotted to a Scheduled Caste/Scheduled Tribe person, an intimation to this effect should be sent to local M.P./M.L.A. of the State concerned.”

Recommendation (Sl. No. 3, Para 2.30)

Under guidelines, other things being equal, co-operative societies of respective reserved categories are to be given preference in dealerships. It has also been provided that for reserved categories, each member of the co-operative society should individually meet the eligibility criteria for that category. The present eligibility criteria include matriculation as the minimum educational qualification and the condition of residence for at least three years in the District within which the location is situated. The Committee feel that if each member of a co-operative society is required fulfil such conditions, it may be difficult for co-operative societies of Scheduled Castes/Scheduled Tribes to avail of the intended facility or to form new co-operative societies for the purpose. The Committee therefore suggest that the existing conditions in the case of co-operative societies in the existing guidelines should be changed.

Reply of Government

Keeping in mind the objective of assistance to weaker sections of the society by granting the dealerships/distributorships of the Oil Companies, it is necessary that in the event of a co-operative society

being considered, each member of that particular co-operative society should belong to the weaker section and must meet the eligibility criteria individually as applicable for that particular category. If any of the criteria is relaxed, there is every possibility of higher income group persons taking advantage thereof at the cost of the weaker section, thus defeating the main objective. The residency criteria of minimum 3 years stay in a particular district has been deleted from the Guidelines in March, 1984.

[Ministry of Energy (Department of Petroleum)
O.M. No. P-38012/6/84 IOC
Dated the : 24th July, 1984].

Recommendation (Sl. No 4, Para No. 2.31)

One of the conditions in the existing guidelines is that the applicant should be a resident for at least three years in the concerned District within which the location is situated for the appointment of dealer/distributor preference being given to the person of the town/area where the point is to be located. In the guidelines issued earlier on 6.6.1980 (Appendix-V) there was a provision that the applicant should be domiciled in the concerned State.

The Government have not spelt out the objective behind the change in the criterion of residence. As the pattern of reservation and allotment of dealerships is based on State-wise quotas, the Committee are of the view that the advantage would be in requiring the certificate of domicile in the state concerned.

Reply of Government

The change in the residence criterion from State to District was made after due deliberation. It was felt that the candidate belonging to a particular district where the dealership/distributorship is to be located would have better local contact and other facilities which would be conducive to his business growth/profitability of the business. As regards the criterion of minimum 3 yrs. stay in a particular District the same has already been done away with.

[Ministry of Energy (Department of Petroleum)
O.M. No. P-38012/7/84-IOC
dated 24.7.84].

Recommendation (S. No. 9, Para 3.19)

The Committee find that a number of registers are maintained by the Oil Companies in order to keep records of allotment of dealerships/distributorships of petroleum products to the Social objective categories (which include Scheduled Castes/Scheduled Tribes) and others on the basis of prescribed reservation percentages on State-wise basis. A system of maintaining rosters on Industry basis was introduced with effect from 5.6.1980. A scrutiny of some of the registers shown to the Committee indicated that a beginning has been made in the matter of proper maintenance of roster. However, the present system of making entries and keeping the registers up-to-date needs to be improved. Proper feed-back from the oil companies to the coordinating Oil Company in the matter of actual allotments against reservation quotas is also necessary. The Committee would also stress that the roster registers should be checked at regular intervals by the officers who may be designated for the purpose and discrepancies noticed should be rectified. In view of the volume of work involved in the maintenance of registers, the feasibility of computerising the data may also be examined by the Government.

Reply of Government

The role of the Coordinating Company in respect of dealerships/distributorships Marketing Plan (known as Roster) is to formulate an Industry Plan indicating the categorisation of the selected locations in the State on the basis of the reservation policy and the 100-point formula. The selected locations are distributed between the oil companies in the agreed ratio so as to identify the company-wise Plan. Once this action is completed and the Industry Marketing Plan finalised, the oil company concerned is than fully responsible for processing the dealerships/distributorships cases, right from the stage of development till commissioning. However, there is a regular feed-back from the respective oil companies to the Coordinating Co., in respect of any adjustment that may be required from time to time with a view to maintaining the reservation quota on Industry/State-wise basis.

In view of the above, it does not appear necessary for one com-

pany to maintain voluminous records of the developments of all dealerships/distributorships in respect of all the Oil Companies.

[Ministry of Energy, (Department of Petroleum)
O.M. No. P-38012/7/84-IOC Dated 24th July, 1984].

Recommendation (Sl. No. 13, Para No. 3.40)

During the discussions held by a Study Group of the Committee with the representatives of Scheduled Castes and Scheduled Tribes at Bombay in June, 1983, a suggestion was made that ceiling of 3500 cylinders per month for LPG agency should be raised to 5000 per month. A non-official has also suggested to the Committee that while reserving locations for Scheduled Castes/Scheduled Tribes viability of the unit should be given special consideration. These suggestions may be considered so that the Scheduled Caste/Schedule Tribe allottees with their limited resources are able to run the dealerships profitably.

Reply of Government

LPG refill sales ceilings have already been revised upwards as under :—

Towns/Cities with Population	No. of Refills per Mensem
(a) Below 50,000	... 2,500
(b) 50,000 to 2 lakhs	... 3,000
(c) over 2 lakhs to 10 lakhs	... 3,500
(d) over 10 lakhs to 20 lakhs	... 4,000
(e) over 20 lakhs to 40 lakhs	... 4,500
(f) over 40 lakhs (excluding Bombay)	... 5,000
(g) Bombay	... 6,000

Co-operative Societies would continue to be exempted from these ceilings.

In view of the fact that the income limit applies to all the categories and the economic viability of a distributorship is the same irrespective of its category, it does not seem necessary to have a separate ceiling for SC/ST category.

[Ministry of Energy, (Department of Petroleum)
O.M. No. P-38012/16/84-IOC Dated 24th July, 1984.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLY OF GOVERNMENT HAS NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (Sl. No. 2, Para No. 2.29)

Under the existing guidelines issued on 9.2.1983 and applicable from the year 1982-83 onwards, no person is eligible for award of a new dealership if any of the following close relatives of the person already holds a dealership of LPG/Kerosene/LDO/HSD/MS/Lubricating oil with any oil company :

- (i) Spouse
- (ii) Father/Mother
- (iii) Brother/Sister
- (iv) Son/Daughter
- (v) Son-in-law/Daughter-in-law
- (vi) Parents-in-law

The above restriction applies to all categories, i.e. reserved and open categories and is obviously intended to ensure that the dealerships are not cornered by close relatives. However, it needs to be examined whether inclusion of son-in-law, daughter-in-law and parents-in-law in the restricted categories since they belong to a different family is coming in the way of enterprising Scheduled Castes and Scheduled Tribes who deserve to be given encouragement in starting new ventures. The Committee would therefore suggest that the existing eligibility criterion in this regard may be reviewed.

Reply of Government

Government have reviewed the eligibility criteria and feel that no change in the guidelines in this respect is necessary.

[Ministry of Energy, (Department of Petroleum)
O.M. No. P-38012/5/84-IOC Dated 14th August, 1984.]

Comments of the Committee

(Please see Chapter I, Para No. 1.4)

Recommendation (Sl. No. 5, Para 2.32)

According to the guidelines, at the times of interview of candidates for selection as dealers, the Selection Board is required to take into account factors such as, business ability, salesmanship, capability to provide the required facilities, extra-curricular activities, outstanding sportsman/sportswoman who has represented the country in international events, personality etc. The Committee consider that conditions like extra-curricular activities or participation in international sports events are hardly relevant in the matter of selection of dealers and could be used to the disadvantage of otherwise eligible Scheduled Caste/Scheduled Tribe applicants. The Committee would, therefore, suggest that such conditions may be deleted from the guidelines, so far as Scheduled Castes/Scheduled Tribes candidates are concerned.

Reply of Government

Various traits as stipulated in the guidelines for evaluating the efficacy of the candidate enabling him to be a successful dealer/distributor of the oil companies *are must* for consideration before finalisation of award of dealership/distributorship. Since the selection is made from amongst the candidates falling under a particular category the same cannot be taken as dis-advantageous to SC/ST candidates as it is a comparative assessment within the same category i.e. SC/ST. Additionally these traits are specified in order to select the best candidate from amongst the responding candidates applying under a particular category. By this there is definitely a better scope in selecting the most suitable candidate.

This will not be applicable in case there is only one suitable candidate. Assessment is made on comparative basis if there are more than one candidate.

In the circumstances, no change appears necessary.

Ministry of Energy (Deptt. of Petroleum)

[O.M. No. P-38012/8/84-IOC

Dated : 10th August, 1984.]

Comments of the Committee

(Pl. see Chapter I Para No. 1.7)

Recommendation (Sl. No. 6. Para No. 2.53)

In the guidelines issued on 23-9-1977, provision was made that in respect of Scheduled Caste/Scheduled Tribe candidates, selection of dealers should be made by a Selection Committee consisting of (i) a representative member of the concerned State Government, (ii) a prominent member of Scheduled Caste/Scheduled Tribe community to be nominated by the State Government concerned and (iii) District Manager or an equivalent officer of the concerned oil company. The procedure regarding selection of dealers by Selection Committee continued upto the year 1981-82. It was decided that from the year 1982-83, selection of dealers would be made by a Selection Board composed of a retired High Court Judge, a retired senior civil servant and a retired senior oil company officer. Accordingly, Selection Boards were set up in March and May-June, 1983 for the Northern, Southern Eastern and Western Regions.

The Committee consider that the decision to include a Schedule Caste/Scheduled Tribe person in the Selection Committee under the instructions issued in September, 1977 was sound and this practice should have been continued at the time of constitution of Selection Boards. The Committee are of the view that each Selection Board should include a Scheduled Caste/Scheduled Tribe person and where this is not possible, a person belonging to Scheduled Caste/Scheduled Tribe should be co-opted in the Board.

Reply of Government

Each Oil Selection Board is composed of a retired High Court Judge and a retired senior civil servant. Government feel that it is not necessary to augment this highly respectable Board with a member belonging to the Scheduled Castes or Scheduled Tribes.

[Ministry of Energy, Department of Petroleum]

O.M. No. P-38012/9/84-IOC

Dated the : 29th July, 1984.]

Comments of the Committee

(Please see Chapter I, Para No. 1.10)

Recommendation (Sl. No. 7, Para No. 2.54)

As per existing procedure, the initial screening of applications is done by the concerned officers of the oil company which advertises the dealership. This screening for the scrutiny of the applications *vis-a-vis* the eligibility of the candidates. Thereafter a list of all eligible candidates as also a list of candidates considered to be ineligible together with their applications is sent to the Selection Board. The candidates found eligible are called for interview by the Selection Board. The Board can also call a candidate not found eligible by the oil company, if in its opinion, the rejection by the oil company was not justified. After interview of the candidates, the Selection Board submits a panel of four names and then the oil company concerned conducts field investigation of the candidates empanelled. The field investigation reports are forwarded to the Selection Board which formulates its final recommendation.

It is thus seen that for a particular location, one of the four empanelled candidates can be selected for award of dealership after a scrutiny of field investigation reports. The Committee's concern is that a Scheduled Caste/Scheduled Tribe candidate should not unjustly get eliminated at the field investigation stage. In reply to a question, the Secretary, Department of Petroleum has assured the Committee during evidence that an empanelled candidate whose application is proposed to be rejected can be given an opportunity to appear before the Selection Board. The Committee would suggest that before making a final recommendation an opportunity may be given to the empanelled candi-

dates whose applications are proposed to be rejected, to represent their case before the Selection Board, if they so choose.

Reply of Government

The recommendation has been examined and its implementation has not been found feasible.

[Ministry of Energy, (Department of Petroleum)
O.M. No. P-38012/10/84-IOC
Dated the : 14th August, 1984.]

Comments of the Committee

(Please see Chapter I, Para No. 1.13)

NEW DELHI ;
April 25, 1986

Vatsakha 5, 1908 (S)

KRISHAN DATT SULTANPURI,
Chairman,
Committee on the Welfare
of Scheduled Castes and
Scheduled Tribe

APPENDIX

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY-SEVENTH REPORT OF THE COMMITTEE (SEVENTH LOK SABHA).

1.	Total number of recommendations	..	13
2.	Recommendations which have been accepted by Government (<i>vide</i> recommendations at Sl. Nos. 8, 10, 11, 12).		
	Number	...	4
	Percentage to total	...	30.77
3.	Recommendations which the Committee do not desire, to pursue in view of Government's replies (<i>vide</i> recommendations at Sl. Nos. 1, 3, 4, 9 & 13).		
	Number	...	5
	Percentage to total	...	38.46
4.	Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration (<i>vide</i> recommendations at Sl. Nos. 2, 5, 6 & 7).		
	Number	...	4
	Percentage to total	...	30.77