

**COMMITTEE ON THE WELFARE  
OF SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1983-84)**

(SEVENTH LOK SABHA)

**FORTY-SEVENTH REPORT**

**MINISTRY OF ENERGY  
(DEPARTMENT OF PETROLEUM)**

**RESERVATIONS FOR SCHEDULED CASTES AND  
SCHEDULED TRIBES IN THE ALLOTMENT OF  
DISTRIBUTIVE AGENCIES BY INDIAN OIL COR-  
PORATION LTD. AND OTHER OIL COMPANIES.**



25 APR 1984

*Presented to Lok Sabha on .....*

*Laid in Rajya Sabha on ..... 25 APR 1984*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 1984/Phalgun, 1905 (Saka)*

*Price : Rs. 3.50*

63

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA  
SECRETARIAT PUBLICATIONS**

<i>S. No.</i>	<i>Name of Agents</i>	<i>S. No.</i>	<i>Name of Agents</i>
<b>BIHAR</b>		<b>TAMIL NADU</b>	
1.	M/s Crown Book Depot, Upper Bazar, Ranchi (Bihar).	10.	The Manager, M. M. Subscription Agencies, No. 2, 1st Lay Out Sivananda Colony, Coimbatore-641012.
<b>GUJARAT</b>		<b>UTTAR PRADESH</b>	
2.	The New order Book Company, Ellis Bridge, Ahmedabad-6.	11.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U. P.
<b>MADHYA PRADESH</b>		<b>WEST BENGAL</b>	
3.	Modern Book House, Shiv Vilas Palace, Indore City.	12.	Mrs. Manimala, Buys and Sells, 123. Bow Bazar Street, Calcutta-12.
<b>MAHARASHTRA</b>		<b>DELHI</b>	
4.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2.	13.	Jain Book Agency, Connaught Place, New Delhi.
5.	The International Book Service, Decan Gymkhana, Poona-4.	14.	J. M. Jain & Brother, Mori Gate, Delhi.
6.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	15.	Oxford Book & Stationery Co. Scindia House, Connaught Place, New Delhi-1.
7.	M/s Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, China Bazar, Khan House, Bombay-2.	16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
8.	M&J Services, Publishers, Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Nalgaum Dadar, Bombay-14.	17.	The Central News Agency, 23/90, Connaught Place, New Delhi.
9.	Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay-1.	18.	M/s. Rajendra Book Agency, IV-D/59, IV-D/50, Lajpat Nagar, Old Double Storey, Delhi-110024.
		19.	M/s Ashoka Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
		20.	Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.

CORRIGENDA

to the

Forty-seventh Report of the Committee on the Welfare of Scheduled Castes/Scheduled Tribes (Seventh Lok Sabha)

<u>Page</u>	<u>Page</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
17	2.31	6	(Appendix)	(Appendix V)
-do-	2.33	2	Committee	Committees
19	2.35	3	filed	field
28	3.2	7	Governments	Government
-do-	3.3	5	fi	if
30	3.9	1	location	locations
35	3.28	1	3.28	3.26
-do-	3.26	7	152	252
-do-	3.26	After last line	-	<u>Add</u> "(iii)LPG 196-38"

## CONTENTS

	PAGE No.
COMPOSITION OF THE COMMITTEE . . . . .	(iii)
INTRODUCTION . . . . .	(v)
CHAPTER -I      Introductory—Organisational set-up . . . . .	2
CHAPTER--II	
A—Reservations in allotment of dealerships . . . . .	5
B—Selection Boards . . . . .	18
CHAPTER--III	
A—Assistance to Allottees of distributive agencies. . . . .	28
B—Maintenance of Rosters . . . . .	29
C—Benami Holdings/Transactions . . . . .	33
D—Allotment of distributive agencies. . . . .	35

### APPENDICES

	Ministry of Petroleum letter No. P-27015/186/74-IOC (Vol. II) dated 23-9-1977 regarding policy for award of dealerships/agencies of Oil Companies . . . . .	45
(I)	Ministry of Petroleum, Chemicals & Fertilizers (Deptt. of Petroleum) letter No. P-19011/02/80-IOC dated 5-6-1980 regarding policy for award of dealerships/agencies of Oil Companies. . . . .	48
(III)	Ministry of Petroleum, Chemicals & Fertilizers (Department of Petroleum) letter No. P-19011/02/80-IOC dated 17-6-1980 regarding policy for award of dealerships/agencies of Oil Companies. . . . .	52
(IV)	Department of Petroleum D.O. No. P-19011/10/82-IOC dated 9-2-1983 regarding Guidelines for the selection of dealers/distributors of Oil Companies from 1982-83 onward. . . . .	56
(V)	Ministry of Petroleum, Chemicals and Fertilizers (Department of Petroleum) No. P-19011/01/80-IOC dated 6-6-1980 regarding guidelines on procedures for selection of dealers/agencies/distributors. . . . .	65
(VI)	Minutes of the meeting held in the Department of Petroleum on 4-1-1983 regarding LPG Industry Roster for 1982-83 circulated by the Department of Petroleum vide Reference No. P-19011/42/82-IO. C dated 17-1-1983 . . . . .	69
(VII)	Summary of Conclusions/Recommendations contained in the Report. . . . .	72

COMMITTEE ON THE WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES

(1983-84)

Shri A. C. Das—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri K. Arjunan
3. Shri Dileep Singh Bhuria
4. Shrimati Vidya Chennupati
5. Shri N. Dennis
6. Shri Chhittubhai Gamit
7. Shri Jagpal Singh
8. Shri R. P. Mahala
9. Shrimati Geeta Mukherjee
10. Shri Bhola Raut
11. Shri Baju Ban Riyan
12. Shri Ashkaran Sankhwar
13. Prof. Nirmala Kumari Shaktawat
14. Shri Nathu Ram Shakyawar
15. Shri D. B. Shingda
16. Shri Sunder Singh
17. Shri Suraj Bhan
18. Shri Narsingh Suryawanshi
19. Shri Trilok Chand
20. Shri Nandi Yellaiah

*Rajya Sabha*

21. Shri V. C. Kesava Rao
22. Shri Leonard Soloman Saring
23. Shri H. Hanumanthappa
24. Shri Bijoy Krishna Handique
25. Shri Piare Lall Kureel *urf*  
Piare Lall Talib Unnavi

26. Shri Scato Swu
27. Shri Gulam Mohi-ud-Din Shawl
28. Shri Dinesh Goswami
29. Shri Alexander Warjri
30. Shri V. Gopalsamy

**SECRETARIAT**

1. Shri D. C. Pande—*Joint Secretary.*
2. Shri P. C. Chaudhry—*Chief Legislative Committee Officer.*
3. Shri M. G. Agrawal—*Senior Legislative Committee Officer.*

## 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 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 Committee took the evidence of the representatives of the Ministry of Energy (Department of Petroleum), Indian Oil Corporation Limited and other oil companies on 14th September 1983. The Committee wish to express their thanks to the officers of the Ministry of Energy (Department of Petroleum), Indian Oil Corporation and other oil companies, for placing before the Committee material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on the 14th February, 1984.

4. A Summary of conclusions|recommendations contained in the Report is appended (See Appendix VII).

A. C. DAS,  
*Chairman,  
Committee on the Welfare of  
Scheduled Castes and  
Scheduled Tribes.*

NEW DELHI;  
March 1, 1984.

---

*Phalguna, 11, 1905(S).*

## CHAPTER I

### INTRODUCTORY

#### ORGANIZATIONAL SET UP

##### i) *Indian Oil Corporation Ltd.*

The Committee have been informed that the present Indian Oil Corporation Ltd. was formed in the year 1964 with the merger of two earlier Companies namely Indian Refineries Ltd. which was set up in the year 1958 and Indian Oil Company Ltd. set up in the year 1959. Indian Oil Corporation is a Company registered under the Indian Companies Act. It is headed by a full-time Chairman. It has two major Divisions, namely the Refineries and Pipelines Division which is headed by a Managing Director and the Marketing Division which is headed by a Director (Marketing). The Headquarters of R & P Division is in Delhi and the Headquarters of Marketing Division is at Bombay. Besides, the former Assam Oil Company after its nationalisation by the Government was also assigned to IOC, presently known as the Assam Oil Division of Indian Oil Corporation Ltd. with its Headquarters at Digboi. It was also a Research and Development Centre located at Faridabad.

1.2 The Marketing Division is divided into 4 Regions with the Regional Headquarters at Bombay, Delhi, Calcutta and Madras, each headed by a General Manager.

1.3 The R & P Division has got 5 Refineries namely, Gauhati Refinery, Barauni Refinery, Gujarat Refinery, Haldia Refinery and Mathura Refinery, each headed by a General Manager. The Pipelines Wing of R & P Division has 6 Petroleum & Product Pipelines namely Gauhati-Siliguri Pipeline, Barauni-Kanpur Pipeline, Haldia-Mourigram-Rajbandhi-Barauni Pipelines, Salaya-Mathura Pipeline, Mathura-Ambala-Jullundur Pipelines and Koyali-Ahmedabad Pipeline. The overall Pipelines set up is headed by a General Manager.

1.4 The Assam Oil Division is presently headed by a General Manager. The Research & Development Centre is also presently headed by a General Manager.

1.5 Besides the Chairman, Managing Director (Refineries & Pipelines) and Director (Marketing), the Corporation has also Director (Personnel), Director (Finance) and Director (Research and Development) on a whole-time basis. The Government also appoints part-time Directors from time to time to constitute the Board of Directors of Indian Oil Corporation Ltd.



(ii) *Hindustan Petroleum Corporation Limited*

1.6 Hindustan Petroleum Corporation Ltd. was formed in 1974 after the acquisition by Government of majority shareholding in Esso Standard Refining Company and Lube (India) (in which it already held 50 per cent shares). In December 1976, Caltex Operations in India were also taken over by Government and in May 1978, these were amalgamated with this Corporation. In 1979 Kosangas Company, engaged in the activities of bottling, distribution and marketing of LPG was acquired and merged with HPCL. Similarly, Central Government took over in the public interest the management of undertakings of the Panel Investment and Trading Company Pvt. Ltd., and pending acquisition of these undertakings have appointed HPCL as "Custodian" of these two companies for carrying on the management for and on behalf of the Central Government.

1.7 Management of the affairs of HPC vests in the Board of Directors which in terms of the Articles of Association, is to consist of not more than 12 members. The present strength of the Board is 9, consisting of Chairman and Managing Director, 4 Functional Directors, 4 part time Government Directors. The day-to-day affairs of HPC are managed by the Board acting through the Chairman and Managing Director who is the Chief Executive of the Company. He is assisted by four functional Directors, viz., Finance, Production, Marketing and Personnel Directors, who are assisted by General Managers and Departmental Heads.

(iii) *Bharat Petroleum Corporation Limited*

1.8 A Company named Burmah-Shell Refineries Ltd. was incorporated on 3rd November, 1952 under the Companies Act, 1956 with the object, *inter alia* of, refining, storing, transporting, supplying, selling and distributing petroleum and other oils and any products thereof.

1.9 Pursuant to an agreement signed by the Burmah Oil Company Limited and the Shell Petroleum Company Ltd. on 23rd December 1975, the Government of India acquired 100 per cent equity shares holding in Burmah-Shell Refineries Limited on 24th January 1976, and effective the same date vested the right, title and interest and liabilities of Burmah-Shell Oil Storage and Distributing Company of India Limited in relation to its undertakings in India [acquired by the Government under the Burmah-Shell (Acquisition of Undertakings in India) Act, 1976] in Burmah Shell Refineries Limited. The name of the Company was changed from Burmah-Shell Refineries Limited to Bharat Refineries Limited with effect from 12th February 1976. As it is an integrated refining and marketing company, the name was again changed to Bharat Petroleum Corporation Limited with effect from 1st August 1977.

1.10 It is a Company registered under the Companies Act, 1956, and its entire share capital is held by the Central Government. It is

managed by Chairman and Managing Director, subject to the superintendence, direction and control of the Board of Directors.

(iv) *IBP Co. Ltd.*

1.11 A Company named Indo-Burma Petroleum Company Ltd. was incorporated in the year 1909 in British Burma. Thereafter, the Registered Office of the Company was shifted from Rangoon, Burma to Calcutta in 1943 pursuant to Certificate of Incorporation issued by the Registrar of Companies, Bengal.

1.12 Originally, M/s. Steel Bros. Co. Ltd., were the Managing Agents of the Company and the management and affairs of the Company were being looked after by the said Managing Agents until 1970 when the managing agency system was abolished by the Government.

1.13 In 1970, Indian Oil Corporation, a wholly owned Government Company, acquired the majority shares of IBP held by Steel Bros. Co. Ltd., the then Managing Agents and the Company became a Government Company within the meaning of the Section 617 of the Companies Act 1956.

1.14 In 1972, the President of India acquired the majority shares held by IOC in the paid up capital of the Company, thereby the company coming under the control of Ministry of Energy, Government of India.

1.15 The name of the company was changed from Indo-Burma Petroleum Co. Ltd., to IBP Co. Ltd. w.e.f. 15th March 1983 pursuant to the fresh Certificate of Incorporation issued by Registrar of Companies, West Bengal.

1.16 IBP Co. Ltd., is managed by the Chairman and Managing Director subject to the superintendence, directions and control of the Board of Directors.

## CHAPTER II

### A. RESERVATION IN ALLOTMENT OF DEALERSHIPS

2.1 The Indian Oil Corporation Ltd. is awarding dealerships| distributorships for the following petroleum products:—

- |  |  |
|--|--|
| 1. Retail Outlet dealerships                           | Motor Spirit, High Speed Diesel Oil, Lubricating Oils and Greases.   |
| 2. Superior Kerosene Oil, Light Diesel Oil dealerships | Superior Kerosene Oil, Light Diesel Oil, Lubricating Oils & Greases. |
| 3. Liquefied Petroleum Gas distributorships            | Liquefied Petroleum Gas (LPG).                                       |

2.2 Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd. and IBP Co. Ltd. are also awarding dealerships| distributorships for various petroleum products except that IBP Co. does not award dealerships for Liquefied Petroleum Gas.

2.3 The Committee have been informed that Indian Oil Corporation has been awarding its dealerships| distributorships to various Social Objective Categories from time to time. Effective from 1-1-1974, as a matter of policy, it was decided to earmark 25 per cent of IOC's 'A' site retail outlet dealerships, SKO-LDO dealerships and Indane distributorships to persons belonging to Scheduled Caste| Scheduled Tribe community. With the takeover of erstwhile private oil companies by Government of India, the then Ministry of Petroleum on 23rd September, 1977 *vide* their letter No. P. 27015|186|74-IOC (Vol. II) dated 23-9-1977 (Appendix-I) advised that 25 per cent of all dealerships| distributorships of all oil companies should be awarded to the persons belonging to Scheduled Caste| Scheduled Tribe community. Since then, 25 per cent of all the dealerships| distributorships are being given by all oil companies to Scheduled Caste| Scheduled Tribe candidates. This policy continues to be in vogue.

2.4 The reserved quota on State-wise basis| Union Territory-wise Industry basis in respect of categories including Scheduled Caste| Scheduled Tribe is based on 100 point roster as provided by the Ministry *vide* its letter No. P-19011|02|80-IOC dated 5-6-1980 (Appendix II). The same was revised for the subsequent Roster years *viz.* 1981-82 and 1982-83 as the percentage of reservation amongst various categories of dealerships| distributorships changed. This quota is made for each State| Union Territory on industry basis.

In terms of the above letter, 100 point roster was adopted by the Oil Industry which is operated on a rolling basis and ensures

reservation percentages in terms of various categories for each State/ Union Territory.

2.5 The instructions issued by the Ministry on 23-9-1977 did not make any *inter se* distribution between Scheduled Caste and Scheduled Tribe. Hence, this quota was operated jointly for Scheduled Caste/Scheduled Tribe candidates till June, 1980, when the *inter se* distribution was made as per Ministry's guidelines contained in its letter No. P 19011/02/80-IOC dated 17-6-1980 (Appendix III).

2.6 The reservation of dealerships under various categories since the introduction of the Industry Roster has been as under:—

Category

1980-81

Scheduled Caste/Scheduled Tribe	25%
Unemployed Graduates	25%
Defence Personnel disabled in war/war widows	10%
Physically handicapped	10%
Others (open)	30%

1981-82

Scheduled Caste/Scheduled Tribe	25%
Unemployed Graduates	10%
Unemployed Engineering Graduates	10%
Physically Handicapped/Defence Personnel disabled in war/war widows	15%
Outstanding Social Workers/Freedom Fighters	10%
Others (open)	30%

1982-83

Scheduled Caste/Scheduled Tribe	25%
Unemployed Graduates (including unemployed engineering graduates)	25%
Physically handicapped/Govt. Personnel disabled on duty/Widows of Govt. Personnel who die in the course of duty	15%
Freedom Fighters	5%
Others	30%

2.7 The Committee desired to know the criterion for earmarking the percentage of reservation for Scheduled Castes/Scheduled Tribes

in various States. The Department of Petroleum in a written note has stated that w.e.f. 23-9-1977 till the introduction of Roster System during 1980-81, there was no separate reservation for Scheduled Caste/Scheduled Tribe categories on State-wise basis. The percentage of reservation was being maintained by each oil company on All India Basis. Subsequently, the Ministry on 5-6-1980 advised the Oil Companies the percentage of reservations of different categories under which the dealerships/distributorships would be awarded by the oil companies. The *inter se* distribution between Scheduled Castes and Scheduled Tribes was advised by the Ministry *vide* its letter No. P-19011/02/80/IOC dated 17-6-1980 (Appendix III)? According to this 25 per cent dealerships for Scheduled Castes and Scheduled Tribes has to be filled in such a way that both these categories get their share in relation to their respective population in each State/Union Territory. Based on the *inter se* population (1971 census) the Ministry forwarded, alongwith their above referred letter, a roster to be operated by the Oil Industry, on a rolling basis. Thereafter, the Ministry *vide* its letter No. P-19011/02/80-IOC dated 8-1-1981 indicated that for the purpose of reservation of a particular location for Scheduled Caste/Scheduled Tribe, Assembly/Parliamentary Constituencies reserved for Scheduled Caste/Scheduled Tribe may be adopted. In order to identify such locations falling under reserved constituencies, the oil companies, as a practice, followed the guidelines given in the publication "Delimitation of Parliamentary and Assembly Constituencies Order 1976" published by the Government of India.

2.8 For the year 1982-83 and onwards, new guidelines have been evolved by the Oil Industry and approved by the Department of Petroleum. The details of the guidelines in this regard issued by the Department of Petroleum on 9-2-1983 are at Appendix-IV.

2.9 In respect of Arunachal Pradesh, Meghalaya, Nagaland and Mizoram, in view at the predominant Scheduled Tribe population in these States/Union Territories, the Ministry *vide* its letter No. P.19011/33/82-IOC dated 16-4-1983 has directed the reservation to be done as under:

State	%age of dealerships to be awarded to Scheduled Tribe out of total nos.	Balance %age to be awarded to open category
Arunachal Pradesh . . . . .	70	30
Meghalaya . . . . .	80	20
Nagaland . . . . .	80	20
Mizoram . . . . .	90	10

In the case of dealerships reserved under Scheduled Tribe category for these 4 States|Union Territories, preference has to be given to other 'Social Objective' categories e.g. unemployed graduates, physically handicapped persons etc. No roster is being applied to these States|Union Territories.

2.10 Some of the eligibility criteria introduced for award of dealerships from the year 1982-83 onwards are as under:

### **I. Residence:**

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. However, in the case of UG (Unemployed Graduate) category candidates, the residence eligibility criteria will be determined on the basis of the candidates' parents (or local guardians) stay in the concerned district in the event the candidate has been studying at a place other than his home district. In support of the residence eligibility criteria, the candidate will produce a certificate from the District Magistrate/Collector in support of his being a resident of that district for the previous three years. (In the guidelines issued earlier on 6-6-1980, there was a provision that the candidate should be domiciled in the concerned State).

### **II. Relationship**

No person shall be awarded a new dealership if he/she already holds a dealership of LPG/Kerosene|LDO|HSD|MS|Lubricating Oil of any Oil Company.

No person shall be awarded 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

In the guidelines issued earlier on 5-6-1980, the provision was that "no person shall be awarded new dealerships/agencies if he or any of his close relatives like his spouse, father, brother or son etc. already holds a dealership/agency with any oil company."

In the guidelines issued on 21-9-1981, it was laid down that "no person shall be awarded new dealership if he or any of his/her close relatives like spouse father/mother, brother/unmarried sister, son/unmarried daughter/unmarried son (in case of candidates from matriarchal system of society) already hold dealership/distributorship with any oil company.")

### III. *Educational Qualification*

For Unemployed Graduates, the minimum qualifications will be graduation or equivalent and securing a minimum 50 per cent marks in graduation or post-graduation of any University/Institute examination.

For Scheduled Caste/Scheduled Tribe, physically handicapped; Freedom fighters and others, the minimum educational qualification will be matriculation or equivalent.

2.11 A provision has been made in the guidelines that at the time of interview of candidates, the Selection Boards will take into account the following factors:

- (1) Business ability;
- (2) Salesmanship;
- (3) Capability to provide the required facilities within the stipulated time;
- (4) Full time working dealer, which is a basic necessity;
- (5) Extra-curricular activities;
- (6) Outstanding sportsman/sportswoman who has represented the country in international events;
- (7) Personality; and
- (8) General Assessment

2.12 Explaining the position regarding the reservations for the award of dealerships to Scheduled Castes and Scheduled Tribes from the year 1974 onwards, the Chairman, IOC Ltd. has stated during evidence as under:—

"From January, 1974 onwards, in IOC we had reserved 25 per cent of A-site outlets, that is, where the company has its own facilities. 25 per cent quota was also applicable

for SKO/LDO dealerships, we did not have the roster system at that time. We used to decide particular locations to be earmarked exclusively for the Scheduled Castes and Scheduled Tribes based on our appreciation of likelihood of being able to get suitable candidates."

2.13 The Committee enquired about the eligibility criteria and how it was assessed that a Scheduled Caste/Scheduled Tribe person applying for dealership was a deserving person. The Chairman, IOC Ltd. has stated during evidence as under:—

"The eligibility criteria, as Secretary explained, are very clearly stated. There is an income restriction. The total income of the family should not be more than Rs. 24,000/- per annum. Amongst candidates who meet this criterion, I don't think we should go into their relative needs. In addition, they have to be matriculate. Then it is for the Board to decide as to who is likely to run the business most suitably. If we are to study the relative needs, it will become very difficult and highly subjective."

2.14 The Committee enquired whether Government had considered at any point of time the question of relaxation of guidelines for eligibility in the case of Scheduled Caste/Scheduled Tribe candidates in the background of a backlog. The Secretary, Department of Petroleum has stated during evidence as follows:

"I have found that uptill now, the percentage of Scheduled Caste/Scheduled Tribe people who have these agencies has been below the prescribed limit. That is why during the current year's programme, we have fixed a highest target, that means you must reserve 30-40 per cent in various categories. We can give the details. As soon as possible, we should be able to reach 25 per cent limit."

2.15. When the Committee observed that unless some relaxations were given to Scheduled Caste/Scheduled Tribe candidates, they would not be in a position to apply for dealerships, the Secretary, Department of Petroleum has stated during evidence as under:—

"If a particular sort of agency has been reserved for Scheduled Caste/Scheduled Tribe and if there is only one application and if that person does happen to fulfil the so-called criteria, we shall certainly consider him. We go to this extent that if there is no candidate, even then we do not take a non-Scheduled Caste candidate. We advertise so that somebody may come in. We advertise a second time. If we do



not get a response, then a reference is made to the Collector of a District for this particular location saying that we are not getting adequate number of Scheduled Caste/Scheduled Tribe people, will you please help us. The relaxation goes to this extent that we are not going to consider a non-Scheduled Caste person unless we have explored all avenues."

2.16 In reply to a question whether the family background of a candidate was also taken into consideration at the time of selection, the Chairman, IOC Ltd. has explained the position during evidence as under:—

"The eligibility is a maximum income of Rs. 24,000/- per annum. Once it is established, or an affidavit is given that family income is below that limit, then the other considerations to choose a candidate are left to the Selection Board."

2.17 When the Committee enquired if allotment of distributive agencies to Scheduled Caste/Scheduled Tribe candidates resulted in any loss to the oil companies, the Secretary, Department of Petroleum has stated during evidence as under:—

"The guidelines which have been given today is that it is to set up an effective distributive system and show profits. If the distributive network is weak and the company tells me that because of some factors, the distribution network is weak, I am helpless. For instance, there can be an efficiently run retail outlet managed by a Scheduled Caste person. There can be an inefficiently run outlet managed by a Scheduled Caste person. There can be inefficiently run outlet managed by a person in the general category. There, the responsibility has been given to the Company and we always insist, 'Look, network has to be efficient.' There should be no compromise on that."

2.18 When asked what was the criterion of reserving the area for the allotment of distributive agency to Scheduled Caste/Scheduled Tribe persons, the Chairman, IOC Ltd. has stated during evidence as follows:—

"We reserve the location on the basis of the constituencies reserved for Scheduled Caste/Scheduled Tribes in Lok Sabha and the State Legislatures. In addition to that, based on 100 point roster, we pick up the location. Location

of a particular area is picked up by lot company-wise. Lots are then drawn out of the locations in the roster."

2.19 Explaining the position further, the Secretary Department of Petroleum has stated:—

"This particular point occurred to me when I was myself studying this whole problem. It can happen that where we reserve a particular place for Scheduled Caste and Scheduled Tribe, suitable candidate may not be available and therefore why don't we keep some outlets reserved where they will be available? I consulted my colleagues; Can we not keep the whole thing open and consider first the Scheduled Caste and Scheduled Tribe and then the other categories also? I am prepared to have a second look at the whole thing and revise the system if it helps in fulfilling the quota. But I was advised that that was the system before the roster system had been introduced and the result was not very satisfactory. Now, in these matters it is possible that logically one solution appears to be attractive but the experience is that before the introduction of the roster system, the total results were not that satisfactory. So, I would hesitate to change it. We would be completely open for a suggestion to the better system so that the Scheduled Caste/Scheduled Tribe eligible persons wherever they are, they can get an opportunity of dealerships. We say that in our scheme, even in the non-reserved category they are welcome to apply. If we come across good candidates, we reserve that area and ~~de~~reserve another area."

2.20 When asked whether any preference was given to a cooperative society over an individual in the award of dealerships or agencies of petroleum products, the Secretary, Deptt. of Petroleum has stated during evidence that preference is given in such cases.

2.21 The Committee referred to the eligibility criterion applicable to cooperative societies to the effect that "all the Members of the Co-operative Societies should individually meet the eligibility criterion pertaining to the particular category for which the advertisement has been made" and enquired whether it would not be desirable to relax that condition.

The Secretary, Department of Petroleum has stated during evidence that it may be possible to make little changes in the conditions of eligibility of a cooperative society. But in case any drastic changes are

made, there is every possibility that a single person may be in control of a cooperative society and run it for his own individual benefit.

2.22 Asked how the reserved quota for Scheduled Castes and Scheduled Tribes in all sectors for appointment of dealers in the Oil Industry was worked out, the Secretary, Department of Petroleum has stated during evidence that since 1980 there is a 100 point roster. In the Indian Oil Corporation, they have been following this policy from 1974 but the detailed reservations for Scheduled Castes and Scheduled Tribes and other social objective categories as well as in the Oil Companies have been enforced from 23rd September, 1977. From that date, these reservations have been operative but from June 1980, the roster system has been introduced. It makes it a sort of obligatory on the part of the companies to ensure that certain positions and outlets have to be given to the Scheduled Caste and Scheduled Tribe persons.

2.23 The Committee desired to know the reasons for not enforcing the roster system from the year 1977. Thereupon, Secretary, Department of Petroleum has stated as under:—

“The IOC which started as a public sector undertaking has been following this policy from an earlier date but the other companies which were nationalised in 1976-77 have been brought on to this system from September, 1977 when the Government issued the directive.”

2.24 The Committee wanted to know when the Department of Petroleum got the directive from the Ministry of Home Affairs to implement the reservations for the allotment of distributive agencies to Scheduled Castes and Scheduled Tribes in IOC as well as in the other Oil Companies. The Secretary, Department of Petroleum has stated during evidence as under:—

“From the Home Ministry, there was no directive so far as the distributorship agency is concerned. This is a policy which this Ministry has followed and it has issued instructions. From the Home Ministry as such there is no directive for this distributorship, that there should be reservation in this regard.”

2.25 Asked what prompted them to implement the reservations in distributive agencies in the absence of any directive from the Home Ministry, the Secretary, Department of Petroleum has stated that it is in pursuance of the general policy to help certain backward classes of the society and a desire to promote social justice.

2.26 The Committee pointed out that Scheduled Caste/Scheduled Tribe candidates were interviewed by the Selection Boards for the allotment of distributive agencies alongwith general candidates who were better off with social and economic standards and desired to know whether relaxed standards would be applied to Scheduled Castes/Scheduled Tribe candidates. The Secretary, Department of Petroleum has stated during evidence as under:—

“We can find a way. If there is any suggestion from the august body, we would consider and we would certainly like to improve the system so that the ultimate object is achieved.

We shall most sympathetically in a positive spirit consider the case to change the guidelines in the light of observations. In the morning, suggestions about the procedure for selecting genuine persons were made. In the recommendations when you make, you may kindly take those things into account. Of course, no easy solutions are available. For instance, one solution can be well, the Committee consisting of local MLAs, MPs *etc.*, will give us the list of persons. We all know and you know better than us that we have to live with political reality and other considerations. Therefore, something which is seemingly attractive may not be acceptable or workable. One hon. Member suggested that the Committee consisting of Collector, M.P., local M.L.A. can suggest a suitable person. I would not be very happy of the type of recommendations even from such a Committee because the reasons why, we have constituted the high-powered selection board are to ensure impartiality in the selections. I tried in the morning to say that the whole objective was to ensure impartiality. Unfortunately, the distribution of this dealership is looked upon as a patronage. It is giving a substantial opportunity to the people if they have the capability to establish a flourishing business in the face of keen competition. Therefore, the perspective of the Government decision to set up these Committees was to ensure impartiality. Many times, it happens in the administration that we devise a scheme with certain objectives and test in on a different point. The idea was to ensure impartiality and elimination of local influence. That is why, a retired High Court Judge from South India and a retired Civil Servant from South India have been put on the Committee for North and West India so that they can be insulated from local influences *etc.* That was the objective when the scheme was

formulated. Any solution which dilutes that will create problems for the Government and will come in the way of reconciling the two seemingly opposite points of view. As I said earlier, an easy solution is not possible. This theory—why eliminate local influence when, after all we are selecting dealership in local areas and let cent per cent appointments go according to the recommendations of the local leaders—was considered and not found feasible.

While giving your suggestions, you may kindly keep in mind the whole perspective of the scheme. These are oil companies. Their business is to sell oil. Therefore, for setting up efficient distribution network, they are looking for shopkeepers. Everybody cannot make an efficient shopkeeper. To be a good shopkeeper, one requires more than mere educational qualifications. Therefore, while laying down the guidelines, the idea precisely was that a person possessing the knack of running an outlet should be taken. They are looking for such people who have the business acumen.”

2.27 The Committee pointed out that in the guidelines issued in 1977, it had been stated that security deposits should not be collected from Scheduled Caste/Scheduled Tribe people and enquired whether that policy was still in force. The Secretary, Department of Petroleum has stated during evidence as under:—

“I am advised that for kerosene and light diesel oil, there is no deposit for anybody. For the retail outlet, there is a deposit of Rs. 1,000/-. It is the same for all the categories. For LPG, the deposit is Rs. 10,000/- for the general category and Rs. 1,000/- for Scheduled Caste/Scheduled Tribe.

\* At the time of factual verification the Ministry of Energy (Department of Petroleum) vide their O.M. No. P-38012/1/84-IOC dt. 27-2-84 have clarified as under :

“I am advised that for kerosene and light diesel oil, there is deposit. For the Retail Outlet there is a deposit of Rs. 1000/- for filling station & Rs. 1500/- for filling -cum-service station. However, no security deposit is collected from SC/ST category. For LPG the deposit is ranging between Rs. 5,000/- to Rs. 30,000/- for general category depending upon the markets/towns. However, there is no security deposit for SC/ST.

For LPG, the deposit is for cylinders which are in the possession of the agent/declar. For SC/ST, there is no deposit.”

For LPG, the deposit is for cylinders which are in the possession of the agent or dealer. It has been kept low. For Scheduled Castes and Scheduled Tribes it is on a concessional basis."

2.28. Effective from 1-1-1974, it was decided to earmark 25 per cent 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 and Fertilisers 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 dealership/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 interse population in that States/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 reason 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.**

**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..**
- 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.**

**2.30. Under the guidelines, other things being equal, cooperative 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 to fulfil such conditions, it may be difficult for cooperative societies of Scheduled Castes/Scheduled Tribes to avail of the intended facility or to form new cooperative societies for the purpose. The Committee therefore suggest that the existing condi-**

tions in the case of co-operative societies in the existing guidelines should be changed.

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), 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.

2.32. According to the guidelines, at the time 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 Caste/Scheduled Tribe candidates are concerned.

## B. SELECTION BOARDS

2.33 In the guidelines issued on 23-9-1977, the following procedure was laid down for constitution of Selection Committee for selection of dealerships/agencies of Oil Companies:

"In respect of Scheduled Caste/Scheduled Tribes candidates, selection should be made by a Selection Committee consisting of:—

- (i) A representative member of the concerned State Government;
- (ii) A prominent member of Scheduled Castes/Scheduled Tribes community to be nominated by the State Government concerned; and



- (iii) **District Manager or an equivalent Officer** of the concerned oil company.

In respect of the remaining 75 per cent of the dealerships/agencies, the **Selection Committee** may consist of:—

- (i) A representative of the concerned Oil Company; and
- (ii) One representative each of two other public sector oil companies.”

2.34 As per the latest guidelines issued on 9-2-1983 and applicable from the year 1982-83 onwards, Selection Boards are to be constituted by the Oil industry for the selection of dealers and each such Board is to consist of a retired High Court Judge, a retired senior Civil Servant and a retired officer of the Oil Company. Asked about the details when these Selection Boards were set up, the Committee have been informed that on 19-3-1983, two Selection Boards had been constituted, namely, Selection Board (North) to take care of Northern and Eastern sectors in line with IOC's regional areas of North and East and Selection Boards (South) to take care of Southern and Western areas in line with IOC's Regional areas of South and West. Subsequently, Dealer Selection Boards for Western and Eastern Sectors were constituted on 30-5-1983 and 2-6-1983 respectively. With the creation of these Boards, areas of each Board were revised and made in line with Indian Oil Corporation's Regional areas for North, East, West, and South. The Indian Oil Corporation administers the functioning of the Selection Boards on behalf of the Industry.

2.35 During evidence the Committee enquired why it was necessary to include a retired civil servant or a retired officer of the oil Company on the Selection Board and why there was no provision for the inclusion of a Scheduled Caste/Scheduled Tribe person in the Selection Board for safeguarding the interests of Scheduled Caste/Scheduled Tribe communities in the matter of allotment of dealerships/distributorships for different petroleum products. The Secretary, Department of Petroleum has stated as follows:—

“This is a sensitive and in a way very difficult process. Many pressures operate. It was thought by Government that the objective of Government policy would best be achieved if we built into the system something which will ensure objectivity, impartiality, and also adequate concern for implementation of these objectives in spirit also, and not only in name. There are many pressures from various quarters. To put the whole matter beyond controversy or doubt or suspicion, Government decided to constitute

high power Selection Board presided over by retired High Court Judge and assisted by people who have experience of Administration and filed conditions. In addition to retired High Court Judge, senior retired civil servants were there. They have experience of Administration. They have to interview people who come for various posts. Officers or Judge coming from one part of the country have been appointed in another part of the country. He will not be subject to local bias either from State Government or other agencies. It was originally provided that some officers of the Oil Company may be there. They have got experience of the type of work to be done. It was thought they will provide the inputs so that the persons selected are the right persons who can manage these outlets and agencies. But in practice we have not appointed Oil Company's representatives in the Board so far. We have got High Court Judge and senior retired administrative field officers. On the question why we have not included a representative of Scheduled Caste, I will say this: The way the Board is constituted, it is expected that these public-spirited officers will safeguard all these interests also. Of course, it is open to debate. But one view is this. I personally hold this view. For such Boards, it is best to select those people on the basis of their personal qualities and integrity rather than representing a particular point of view. The expectation is that they will bestow as much concern or even greater concern for the welfare of the Scheduled Castes and Scheduled Tribes and the deprived sections of society as those who belong to these communities. It may well be that the retired Judge or the retired civil servant may belong to one such community. But by and large it was thought that the Board as such may not be constituted on such a quota basis or representation basis. As it is, these Boards have shown great interest in the welfare of Scheduled Castes and other categories. They have not recommended any de-reservation of a dealership or agency just because a suitable person from the Scheduled Caste or Scheduled Tribe is not available. They are going out of their way to locate such people from these categories and recommend them for dealership. But your recommendation that there should be a Member of the Scheduled Caste and Scheduled Tribe on the Board will certainly be considered; I will bring it to the notice of the Government. But I have given an explanation about Government's thinking so far."

2.36 Asked since when these Selection Boards had been functioning for the award of dealerships by the Oil Companies, the Secretary, Department of Petroleum has stated during evidence as follows:—

“The Board for Northern Region covering Haryana, Punjab, Uttar Pradesh, Rajasthan, Jammu & Kashmir, Delhi and Chandigarh was constituted on the 10th of March, 1983. The Board for Southern Region covering Bihar, Orissa, West Bengal, East of Madhya Pradesh and North Eastern States was constituted on 25th May, 1983. The Board for Western Region covering Gujarat, Maharashtra and parts of Madhya Pradesh was constituted on the 30th May, 1983.”

2.37 When the Committee asked the Secretary, Department of Petroleum to quote instances where the Selection Board had gone out of the way to select Scheduled Caste/Scheduled Tribe candidates for the award of dealerships of different petroleum products, the Secretary, Department of Petroleum has explained the position as under:—

“For instance, at a particular place, if there is no Scheduled Caste applicant, the Board could merely recommend that a particular agency may be dereserved but they have not done so. Now, on the basis of that information, I form an impression whether the Board has solicited Scheduled Castes and Scheduled Tribes or they are just trying to satisfy the procedural requirements, etc. What I said was that the Board has shown great solicitude for protecting the interests of the Scheduled Castes and Scheduled Tribes.”

2.38 During evidence, the Committee asked when was the last selection made by the Selection Boards in the North-Eastern region. The Chairman of IOC stated that one of the new Selection Boards which was constituted held interviews in the North Eastern Region in May or June, 1983 as far as he could remember.

2.39 In the guidelines issued on 23-9-1977, it was provided that a prominent member of Scheduled Caste/Scheduled Tribe would be nominated by the State Government concerned on the Selection Committee. The Committee desired to know whether this practice was being followed at present. The Chairman, IOC has explained the position during evidence as under:—

“Prior to the appointment of Special Boards, when the selection was made by officers of the oil Companies, we used to

get a representative of the Scheduled Caste/Scheduled Tribe through the local Government. But now that we have special boards, that practice has been dis-continued."

2.40 When the Committee pointed out that inclusion of a Scheduled Caste/Scheduled Tribe person in the Selection Board would create a feeling of involvement for Scheduled Caste/Scheduled Tribe people, the Secretary, Department of Petroleum stated:

"That is most welcome. But it has serious implications. As theoretical issue, let us suppose that a retired High Court Judge belongs to Scheduled Castes and Scheduled Tribes only, shall we say that he is looking after the interest of the Scheduled Castes and Scheduled Tribes? But he is there as a respectable judge."

2.41 The Committee enquired whether in view of the fact that the eastern part of the country was too vast, the Ministry would consider to have a separate Selection Board for the North Eastern region, the Secretary, Department of Petroleum stated that the suggestion would be brought to the notice of Government for a decision.

2.42 The Committee noted that according to the guidelines, at the time of interview, Selection Boards were required to take into account *inter alia* extra curricular activities of the applicants and also give weightage to sportsmen who had represented the country in international event. The Committee enquired how these conditions were relevant in the matter of allotment of dealerships and how far Scheduled Caste/Scheduled Tribe candidates would be in a position to satisfy this criteria. The Secretary, Department of Petroleum has stated during evidence as follows:—

"These are the various factors which have been listed. When persons from a particular category are being examined and if there are more than one, then this thing will become relevant. Suppose, in a particular agency in the Scheduled Caste and Scheduled Tribe category, there are more than one candidate, then various other factors that the Selection Board may take into account become relevant for *inter-se* comparison. These are the factors which the Committee will take into account while considering the merits of different candidates *inter se* within the category."

2.43 Referring to the fact that all the applications received against specific advertisements were being scrutinised by the Divisional Managers before being put up to the Selection Board, the Committee enquired about the reason for following this practice. The Secretary, Department of Petroleum has stated during evidence as under:—

“Very large number of applications are received against each advertisement. Initially the Divisional Office with the Divisional Manager scrutinises them from the point of view of eligibility. They then prepare a statement of those who are found eligible and also statement of those who are not found eligible and why. All these applications are sent to the Selection Board and then the Selection Board looks at both the lists of the eligible and those who are not eligible. Detailed scrutiny is done by them.”

2.44 In reply to a question, the Committee have been informed that call letters are sent from the Board's Office to the candidates.

Asked as to who was the appointing authority for distributorships/dealerships, the Chairman, IOC stated that the concerned oil company was the appointing authority on the basis of selection made by the Selection Board.

2.45 Asked why it was necessary to have a panel of candidates applying for dealerships for placing before the Selection Boards, the Chairman, IOC has stated during evidence as under:—

“Detailed verification in the field, if it is done for all, would take all the time of the Board. After interview, they give maximum four names without indicating the priority.”

2.46. When the Committee observed that the Selection Boards did not have their own source of verification and they were depending entirely on the oil companies for verification and to that extent they were not independent, the Chairman, IOC has clarified the position during the evidence as under:—

“The Board associates the companies to verify the facts in regard to three or four candidates. If the facts are not found correct by the Company, the Board again applies its mind to see whether it has sufficient evidence to prove whether facts are correct or not.”

2.47. The Committee were informed that a panel of Scheduled Caste/Scheduled Tribe candidates was prepared for the allotment of distributive agency after the field investigation by the concerned Department. When asked whether another opportunity was given to a Scheduled Caste/Scheduled Tribe candidate who had not been selected by

the Board, the Secretary, Department of Petroleum has stated during evidence as follows:

"The investigation which we have to do in the field is purely on the question of fact. If the investigation report comes back stating that particular statement made by the candidate is not true, then I think the Selection Board will go through it searchingly."

2.48. Elucidating the point further, the Secretary, Department of Petroleum has stated as follows:—

"In the field investigation, some mistakes may take place and I have no hesitation in saying that we shall give an opportunity to the man who is proposed to be rejected. After the field investigation, he may meet the Selection Board once again."

2.49. Asked what special steps were taken by the Oil Companies when they were unable to locate or identify suitable Scheduled Caste/Scheduled Tribe candidates for the award of any distributive agency of petroleum product, the Chairman, Indian Oil Corporation has stated during evidence as under:—

"If we do not find any suitable candidate either in the screening or interview stage, we re-advertise for the second time. Previously, after two re-advertisements, we used to decategorise. But from this year onwards, we shall approach the District Collector for recommending suitable candidates."

2.50. Explaining the point regarding identification of suitable Scheduled Caste/Scheduled Tribe candidates, the Secretary, Department of Petroleum has stated as follows:—

"We refer the case to Collector, State authorities, Director of Social Welfare with a view to locating the person. In the event of no suitable candidate available, if we decategorise in one place, we make it good by reserving in another place, where we get suitable candidate so that the quota is sought to be enforced industry-wise and State-wise. There may be slight variation from Company to Company but as in a State and the Oil industry as a whole, we try to enforce the quota."

2.51. A statement showing the number of persons who have been awarded dealerships for different petroleum products in the North-Eastern region after the constitution of the Special Selection Board for

the Eastern Region and the number out of them belonging to Scheduled Castes/Scheduled Tribes as furnished by the Department of Petroleum is as under:—

AS ON 31-8-1983

LPG DISTRIBUTORSHIPS

Total interviews held	Total No. awarded	Awarded to Scheduled Caste/Scheduled Tribe out of (a)	Percentage to (a)
1	2	3	4
7	..	..	Nil

RETAIL OUTLET DEALERSHIPS

Total interviews held	Total No. awarded	Awarded to Scheduled Caste/Scheduled Tribe out of (a)	Percentage to (a)
1	2	3	4
23	2	2 (ST)	100%

SKO/LDO DEALERSHIPS

Total interviews held	Total No. awarded	Awarded to Scheduled Caste/Scheduled Tribes out of (a)	Percentage to (a)
1	2	3	4
7	1	1 (ST)	100%

2.52. Another statement showing the number of persons who have been awarded dealerships for different petroleum products in North, East, West and South regions after the constitution of Special Selection Boards and the number out of them belonging to Scheduled Castes/Scheduled Tribes as furnished by the Department of Petroleum is as under :—

AS ON 31-8-1983

Oil Selection Board	LPG DISTRIBUTORSHIPS			
	Total interviews held	Total No. awarded	Awarded to SC/ST out of (2)	Percentage to (2)
	1	2	3	4
North	12	1	1	100%
East (excluding N-E States)	2	2	2	100%
West	8	1	1	100%
South	31	2	..	Nil
<b>Total</b>	<b>53</b>	<b>6</b>	<b>4@</b>	<b>66.6%</b>

@ SC—2      ST—2

RETAIL OUTLET DEALERSHIPS				SKO/LDO DEALERSHIPS			
Total interviews held	Total No. awarded	Awarded to SC/ST out of (2)	Percentage (2)	Total interviews held	Total No. awarded	Awarded to SC/ST out of (2)	Percentage to (2)
1	2	3	4	1	2	3	4
23	1	1	100%	8			Nil
1	1	1	100%	4	1	1	100%
11	4		Nil	9	2	2	100%
36	7	4	57.1%	13	1	1	100%
<b>71</b>	<b>13</b>	<b>6(SC)</b>	<b>46%</b>	<b>34</b>	<b>4</b>	<b>4(ST)</b>	<b>100%</b>

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 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 and Western Regions.

The Committee consider 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 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.

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

## CHAPTER—III

### A. ASSISTANCE TO ALLOTTEES OF DISTRIBUTIVE AGENCIES

3.1. In the guidelines issued on 9-2-1983 which is applicable from the year 1982-83 onwards, the income criterion of applicants is fixed as under:—

“The gross income of the candidate, his parents, spouse and dependent children should not exceed Rs. 24,000 per annum. The candidate will have to furnish an affidavit sworn before a magistrate or notary public containing a statement of income in support of his claim. The income will include income from all sources such as salary, property, interest|dividend, business|profession|vocation, agriculture and other sources.”

3.2. Based on the earlier guidelines dated 23-9-1977, in the advertisements issued for dealership, a condition is imposed that the applicant should be able to arrange the requisite land|facilities and finance within four months of issue of Letter of Intent, failing which they are liable to forfeit the offer of dealership. The income criterion and the time limit of four months applies to all categories of applicants, i.e. reserved as well as open categories. The Committee wanted to know how Scheduled Caste|Scheduled Tribe applicants could be expected to arrange for these facilities within a period of four months. In reply, the Secretary, Department of Petroleum has informed the Committee as follows:—

“The points made by the hon. Member are certainly valid and of very great importance. In the very nature of things, a person belonging to a disadvantaged section will have certain disabilities in setting up business. Here, we are thinking of his setting up a business which involves land. I don't say we have answers to all the problems mentioned by hon. Member. But we have been working on a scheme for bank finance, so that a substantial portion of his capital expenditure, and revolving capital is given to the allottee or somebody who has been given the agency-from a bank. A scheme

has been prepared, and it is at a very advanced stage of consideration. I am confident we shall be finalising it soon. But I must concede that this scheme goes only to a certain extent in solving this problem, and not fully. It meets the point that such disadvantaged sections should be given the site. It is a suggestion which I will forward to the Government's but its financial implications will have to be studied, because these are commercial operations. These companies are responsible to Parliament regarding profitability."

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, Government and the oil Companies should assist such SC/ST applicants in providing facilities like allotment of Land, sanction of Telephone connection and sanction of Bank finance at concessional rate of interest etc.

#### B. MAINTENANCE OF ROSTERS

3.4 The Ministry of Petroleum, Chemicals and Fertilizers (Department of Petroleum) in their letter No. P-19011/02/80-IOC dated 5-6-1980 laid down that the reservation percentages in respect of various categories (SC/ST, Un-employed Graduates, Physically Handicapped, Defence personnel disabled in war and others) for award of dealerships/agencies of oil companies shall be maintained for each State/Union Territory. A 100-point roster (Industry Roster) to be operated on a rolling basis was adopted by the oil Industry with a view to ensuring reservation percentage for the various categories for each State/Union Territory.

3.5 The Roster system being followed in the Oil Industry as a whole is as under:—

##### (i) RETAIL OUTLET/SKO-LDO DEALERSHIPS:

- (a) Industry Meetings are convened periodically and during these Industry meetings, each oil Company brings a list

indicating the locations State-wise|Union Territory-wise for inclusion in the Roster.

- (b) A Register is maintained by the Co-ordinating oil Company showing the details like locations, Civil Districts, categories for each State|Union Territory. The categories are entered in the Register as per the 100-point Roster against each Sl. Number. In order to decide the locations, lots are drawn amongst the Oil Companies. The final Roster is prepared showing the State, Location, Civil District, Oil Company and category. This tentative Roster is forwarded to the Ministry.
- (c) The system explained above was followed for the Roster year 1980-81 and 1981-82 and in case of SKO-LDO Dealerships, even for 1982—84 (Part-I) Roster.

3.6 Regarding Retail Roster for 1982-84 (Part-I), the Industry adopted a different basis for identifying the locations for each oil company as the locations were identified based on a Survey conducted by the Oil Industry which is known as Five-year Survey. Viable locations were identified for locating future dealerships. Locations were picked up from this survey by the Industry Working Group and were pooled together. The Oil Companies then drew lots out of these locations for preparing the Roster. This was done by each Oil Company in relation to its entitlement.

3.7 The Five-year Survey is further supplemented by certain locations identified on the basis of feasibility studies conducted based on Ministry of Energy (Department of Petroleum) references from time to time. This is an on-going exercise.

#### (ii) *LPG DISTRIBUTORSHIPS*

3.8 Each Oil Company compiles the list of locations which it would like to be covered in the Roster based on the data received from their Divisional offices|Regional offices and a joint Industry meeting is then held where the locations tabled by each oil company are discussed and finalised based on the following considerations:—

- (i) Locations where the existing distributorships have reached the ceiling limit as also where waiting list|potential beyond ceiling limit is available.

- (b) Supply/equipment logistics and product availability of each oil company.
- (c) Population/potential of virgin towns.

3.9 After consideration of the above factors, the location are finalised. Out of the total, approximately 50 per cent go to IOC and 25 per cent each to BPC and HPC. Except for marginal adjustments, each oil company is allowed to cover locations which it intends to cover in the Roster initially. As regards reservation of other social objective categories, by and large, comparatively bigger towns are earmarked for these categories and comparatively smaller towns for 'OTHERS' category, as far as possible in the 1982-84 Roster for LPG Distributorships, in line with the discussions hold in an Industry Meeting in the Ministry on 4th January 1983. A copy of the Minutes circulated by the Ministry vide their Ref. No. P/19011/42/82-IOC dated 17-1-1983 is at Appendix--V.

3.10 Once the locations are finalised on an Industry basis, they are categorised on the basis of 100-point Roster: State/Union Territory-wise.

3.11 In case of any dereservation/drop-out of locations, the necessary adjustments are made in the subsequent Roster to make good the short-fall.

3.12 Each Oil Company after the above exercise, maintains its own control/Progress Register for day-to-day monitoring.

3.13 Asked who was the officer incharge looking after the maintenance of rosters in IOC and other oil companies for the award of dealerships to Scheduled Castes/Scheduled Tribes for different petroleum products, the Chairman IOC Ltd. has stated during evidence as under:—

"In the Indian Oil Corporation this is dealt with in our Marketing Division and it comes under the General Manager (Sales). He is here and his officers are also here. We will sit with you and explain to you in detail. But I am told that these rosters are sent to the Ministry and they are specifically approved by the Ministry also. So, there is a great deal of authentication."

3.14 Elucidating the point further, the Chairman of Bharat Petroleum Corporation Ltd. has stated as under:—

"The roster for the industry is maintained by Bharat Petroleum insofar as retail outlets are concerned. So far as the

kerosene and LDO dealerships is concerned, it is maintained by Indian Oil Corporation. I will show the roster to you at the earliest opportunity. What is maintained by Bharat Petroleum has already been given to you this morning."

3.15 When the Committee pointed out that some of the rosters shown had no authenticity at all, the Secretary, Department of Petroleum stated that some of their responsible officers would bring these rosters for inspection and in case any mistakes were there, they would take action to rectify them as pointed out by the Committee.

3.16 Subsequently on the 24 September, 1983, the rosters were brought by the officers of the Oil Companies and placed before the Committee for Scrutiny.

3.17 It is seen that Dealerships/distributorships are awarded by oil companies for various petroleum products, namely, Motor spirit, High Speed Diesel, Superior Kerosene Light Diesel, Oil and Liquefied Petroleum Gas. Separate registers are maintained for the purpose. Reservations for various Social Objective Categories and others apply to each petroleum product for which a 100-point roster for the Industry as a whole is maintained. Reservation percentages are to be maintained for each State/Union Territory. The *inter se* distribution of dealerships among Scheduled Castes and Scheduled Tribes is on the basis of their population in each State/Union Territory for which purpose a separate roster has been devised. After locations are finalised and categorised on the basis of 100-Point Roster State/Union Territory-wise, each oil company maintains its own control/progress Register for day-to-day monitoring.

3.18 During scrutiny of some of the registers shown to the Committee, it was noticed that some of the entries were not complete. Entries regarding reservation of a location and to final allotment to a dealer could not be ascertained without reference to the registers maintained by the oil company which advertised the dealership. An abstract regarding dealerships actually allotted against the reserved quotas in each year was not prepared. Nevertheless the Committee got the impression that a beginning has been made in the proper maintenance of rosters in accordance with the policy laid down by the Government in consultation with the oil companies.

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 co-ordinating 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.

#### C. BENAMI HOLDINGS/TRANSACTIONS

3.20 During Evidence, the Committee referred to practice of benami transactions in the allotment of dealerships and wanted to know how this problem was proposed to be tackled. The Secretary, Department of Petroleum has stated as follows:—

“This is a very complex issue. I shall be grateful for enlightenment from this august Committee as to how this problem should be dealt with. I do not say that we have final answers to this problem of what the hon. Member has said as underserving people, in the name of eligibility getting them. It is not a problem which is peculiar to the award of dealerships of the oil companies. It is a problem which we are facing in the whole field, whether it is IRDP or any other programme; wherever we deal with the weaker sections, we face this problem. Though this is not given out in the papers which we have submitted, personally I have no doubt 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. I have discussed these things with my colleagues in the

oil companies. I am afraid, we have no statistical base on the basis of which I can give a more definite answer to what is the extent of this problem. But with my experience in other walks of life and various fields of administration, I have no doubt in my mind, and this is also the perception of my colleagues, that the problem is there. What is the solution to this problem, frankly speaking we have no answers. We shall be grateful to this august Committee, if it could give any suggestions, we shall certainly try to work it out. One suggestion which has come is that the outlets may be owned by the Companies and given to certain members of the disadvantaged sections on grant or lease basis. Its financial and administrative aspects we should certainly examine. If we try to find any other solutions, some of the other basic objectives of the national policy get diluted. For instance, even amongst the Scheduled Castes there are rich and well-educated people. It so happens that even among the backward sections there is the elite, and it is a fact of life, a fact of our economic development during the last 30 years in every section that it is the elite that has taken the benefit of most of the concessions. Among the Scheduled Castes there would be two problems. One is, the benefit will go to the elite, secondly, those who do not belong to that category will take people from that category as cover in order to get the benefit, what is referred to as a benami. The problem is complex and requires consideration by administrators, sociologists and planners. It is not a problem only of retail outlets for LPG. This august body has hon. Members who have experience of public life. I can assure you that whatever suggestions are coming which can help in achieving the objective, we will do it."

3.21 The Committee pointed out that it was a fact that because of the benami transactions in running distributive agencies of different petroleum products, Scheduled Caste/Scheduled Tribe people were exploited the most. The Committee desired to know what special measures were contemplated by Government to minimise these benami transactions so that exploitation of the poorest of the poor could be done away with. The Secretary, Department of Petroleum has stated during evidence as under:—

"Sir, if you will recall, we had a discussion on this in the morning. This was a point on which I sought an en-



lightenment from this august body. Some discussion on this took place. The benami transaction is a thing which is not a speciality in the oil dealer ships only but it is there in all walks of life."

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 doubt 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 dealerships 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 dealerships should be suitably geared up.

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 owning the retail outlets and allotting to the reserved categories, particularly Scheduled Castes and Scheduled Tribes may be considered for introduction on a selective basis.

#### D. ALLOTMENT OF DISTRIBUTIVE AGENCIES

##### (i) Indian Oil Corporation

3.24 The total number of Retail outlets and LPG/Kerosene dealerships in existence as on 31-3-1983 in the Indian Oil Corpora-

tion Ltd. and the number out of them being operated by Scheduled Caste/Scheduled Tribe persons are stated to be as under:—

	Total	SC	ST
(i) Retail outlets (MS/HSD)	4642	106	29
(ii) Kerosene dealerships	2320	73	8
(iii) LPG distributors	711	67	13

3.25 The total number of Retail outlets/SKO-LDO and LPG distributorships awarded by Indian Oil Corporation Ltd. during 1980-81, 1981-82 and 1982-83 and the number out of them awarded to Scheduled Caste/Scheduled Tribe persons are stated to be as under:—

Year	Retail outlets	SC	ST	SKO LDO	SC	ST	LPG	SC	ST
1980-81	26	—	—	8	2	—	16	3	—
1981-82	92	9	5	23	3	2	132	23	3
1982-83	240	43	19	70	11	5	121	24	8
Total	358	52	24	101	16	7	289	50	11

(ii) Hindustan Petroleum Corporation

3.28 The total number of Retail outlets (MS/HSD), SKO/LDO and LPG dealerships awarded by Hindustan Petroleum Corporation Ltd. as on 1-4-1983 since the introduction of the reservation policy effective from 23-9-1977 and the number out of them given to Scheduled Caste/Scheduled Tribe persons are stated to be as under:—

	Total	SC & ST (Combined)
(i) Retail outlets (MS/HSD)	152	49
(ii) SKO/LDO		23

3.27 The total number of Retail outlets (MS/HSD), SKO/LDO and LPG distributorships awarded by Hindustan Petroleum Corporation Ltd. during 1980-81, 1981-82 and 1982-83 and the number out of them given to Scheduled Caste/Scheduled Tribe persons are stated to be as follows:

Year	Retail outlets	SC/ST.	SKO/LDO	SC/ST.	L.P.G.	SC/ST	
1980-81		39	6	19	4	11	4
1981-82		48	2	14	-	70	6
1982-83		133	35	28	9	103	27
Total		220	43	61	13	184	35

(iii) *Bharat Petroleum Corporation*

3.28 The total number of Retail outlets (MS/HSD) SKO/LDO and LPG distributorships in operation as on 31-3-1983 in Bharat Petroleum Corporation Ltd. and the number out of them being run by Scheduled Caste/Scheduled Tribe persons are stated to be as follows:—

	Total	SC	ST
(i) Retail outlets (MS/HSD)	496	61	3
(ii) SKO/LDO	62	5	1
(iii) LPG	170	38	10

3.29 The total number of Retail outlets (MS/HSD) SKO/LDO and LPG distributorships awarded by Bharat Petroleum Corporation Ltd. during 1980-81, 1981-82, 1982-83 and the number out of them awarded to Scheduled Caste/Scheduled Tribe persons are stated to be as under:—

Year	MS/ HSD	SC	ST	SKO /LDO	SC	ST	LPG	SC	ST
1980-81	4	-	-	6	3	-	6	-	-
1981-82	29	2	-	14	-	-	49	19	-
1982-83	95	16	3	25	2	1	77	22	7
Total	128	18	3	45	5	1	132	35	7

## (iv) IBP Co. Ltd.

3.30 The total number of Retail outlets (MS/HSD) and SKO/LDO dealerships commissioned till 31-3-1983 by IBP Co. Ltd. and the number out of them being operated by Scheduled Caste/Scheduled Tribe persons are stated to be as under:—

	Total	SC/ST (combined)
(i) Retail outlet (MS/HSD)	1029	18
(ii) SKO/LDO	304	11
	1333	29

3.31 The total number of Retail outlets and SKO/LDO distributorships awarded by IBP Co. Ltd. during 1980-81, 1981-82, and 1982-83 and the number out of them given to Scheduled Caste/Scheduled Tribe people are stated to be as follows:—

Year	Retail outlets	SC/ST	SKO/ LDO	SC/ST
1980-81	Nil	Nil	Nil	Nil
1981-82	24	3	1	Nil
1982-83	55	5	13	3
Total	79	8	14	3

3. 3<sup>rd</sup> A STATEMENT SHOWING THE DEALERSHIPS AWARDED BY INDIAN OIL CORPORATION FOR DIFFERENT PETROLEUM PRODUCTS YEARWISE FROM 1-1-74 to 31-3-1983 AND THE NUMBER OF SCHEDULED CASTES/SCHEDULED TRIBES (WITH PERCENTAGE) AMONG THEM SEPARATELY AS FURNISHED TO THE COMMITTEE IS GIVEN BELOW :

Period	LPG Distributorships			Retail outlet dealerships			SKO/LDO Dealerships		
	Total No. awarded	Awarded to SC/ST out of (1)	% awarded To SC/ST	Total No. awarded	Awarded to SC/ST out of (1)	% awarded to SC/ST	Total No. awarded	Awarded to SC/ST out of (1)	% awarded to SC/ST
(1) 1-1-74 to 31-3-76	52	13	25%	18	12	66.7%	216	30	13.9%
(2) 1976-77	19	4	21.1%	10	2	20.0%	21	13	61.9%
(3) 1977-78	3	..	..	60	28	46.7%	23	11	47.8%
(4) 1978-79	6	2	33.3%	71	16	22.5%	29	10	34.5%
(5) 1979-80	25	13	52.0%	181	37	20.4%	59	26	44.6%
(6) 1980-81	10	3	30.0%	26	..	..	8	1	12.5%

	1	2	3	1	2	3	1	2	3
(7) 1981-82	128	26	20.3%	92	14	15.2%	23	5	21.7%
(8) 1982-83	112	32	28.6%	240	62	25.8%	70	16	22.9%
<b>Total</b>	<b>355*</b>	<b>93</b>	<b>26.2%</b>	<b>698</b>	<b>171</b>	<b>24.5%</b>	<b>449</b>	<b>112</b>	<b>24.9%</b>

\* In addition to the 355 LPG distributorships indicated above, 151 distributorships were awarded during the period but outside the scope of the policy in force from 1-1-1974. The details are as under :

Ex-Servicemen	—2
DGR	—69
Govt. Undertakings	—30
Ministry nominees	—37
Govt. Projects	—7
IOC employees/widows	—6
<b>Total</b>	<b>151</b>

3-33 ANOTHER STATEMENT SHOWING THE DEALERSHIPS AWARDED FOR DIFFERENT PETROLEUM PRODUCT FOR THE INDUSTRY AS A WHOLE FROM THE YEAR 1977-78 ONWARDS AS FURNISHED TO THE COMMITTEE IS GIVEN BELOW :

Year	LPG Distributorships			Retail outlet Dealerships			SKO/LDO Dealerships		
	Total No. awarded	Awarded to SC/ST out of (1)	% awarded to SC/ST	Total No. Awarded	Awarded to SC/ST out of (1)	% awarded to SC/ST	Total No. Awarded	Awarded to SC/ST out of (1)	% awarded to SC/ST
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
(1) 1977-78									
a. 1-4-77 to 22-9-77	23	..	..	183	19	10.4%	48	8	16.7%
b. 23-9-77 to 31-3-78	3	..	..	174	31	17.8%	17	4	23.5%
(2) 1978-79	17	2	11.8%	98	16	16.3%	46	13	28.3%
(3) 1979-80	48	24	50.0%	288	59	24.0%	79	39	49.4%
(4) 1980-81	27	5	18.5%	71	8	11.3%	33	8	24.2%
(5) 1981-82	247	45	18.2%	194	21	10.8%	53	6	11.3%
(6) 1982-83	292	88	30.1%	523	118	22.6%	156	30	22.1%
Total	657*	164	25.0%	1531	282	18.4%	412	108	26.2%

\*This includes 151 LPG Distributorships awarded by Indian Oil Corporation.

3.34. In a note furnished to the Committee, the IBP Co. Ltd. have stated that one of the major reasons for shortfalls is owing to the fact that at some of the locations under the reserved 'social objective categories' (which include Scheduled Castes/Scheduled Tribes) either the response to the press advertisements was poor or those who responded were found to be ineligible as per the criteria laid down for selection or were found not suitable during the interviews by the Selection Committees, which were constituted as per laid down procedures in the various guidelines, as applicable to the particular Roster Plan under which the dealerships had been advertised. In such cases and in line with the policy guidelines laid down by the Ministry, action was taken either to readvertise the same under the original category once again or else to decategorise the dealerships to Other (Open) categories. However, to make up the shortfall resulting from such dereservation, necessary action has been taken by the Oil industry while finalising the subsequent rosters.

3.35. The reservation percentages for the various 'Social Objective Categories' are being ensured by the Oil Industry on an all-India basis for all oil companies together and these percentages may not be in the desired ratios for each State for each Oil Company. It is the endeavour of the Oil Industry and all efforts are made by them to ensure that the percentages are kept up achieved, on an all-India basis for the entire Industry and also to ensure that shortfalls, if any, in a particular Roster Plan in the award of dealerships to the 'Social Objective Categories' (including Scheduled Castes/Scheduled Tribes) are adjusted in the subsequent Rosters.

3.36. During evidence the Committee enquired as to what special steps were being taken to wipe out the shortfalls in the allotment of distributive agencies to Scheduled Caste/Scheduled Tribe people in the Oil Companies. The Secretary, Department of Petroleum has stated that from the year 1983 they have fixed reservation quota which is much more than 25 per cent so that the shortfalls can be wiped out quickly. He has further informed the Committee that in Indian Oil Corporation there is an achievement of 18.2 per cent as far as Motor Spirit and High Speed Diesel is concerned whereas in kerosene and LPG it is 25.3 per cent and 18.4 per cent respectively. In Hindustan Petroleum these percentages are 19, 15 and 19 respectively.

3.37. Explaining the position further about the steps taken to wipe out the shortfalls in the allotment of distributive agencies to Scheduled



Caste/Scheduled Tribe people, the Secretary, Department of Petroleum has stated as follows:—

“The steps are being taken to make good the shortfalls. It is not that the performance is zero. If we have reached 19 per cent or 20 per cent today, we expect that we will be able to reach 25 per cent. To reach the target, it is not necessary to liberalise further the terms and conditions. If suitable candidates are not available, we contact the district authorities, the State Department of Social Welfare, etc. in order to identify the candidates. The situation is improving year by year. In all cases where the target has not been achieved, we are fixing a higher target for the current year so that 25 per cent target can be achieved as early as possible. We are confident of achieving the target. In the light of the suggestion made by the Committee, we will certainly consider changes in the guidelines.”

3.38. When asked whether Government would agree that until the backlog was cleared all the outlets should be given to Scheduled Caste/Scheduled Tribe people, the Secretary, Department of Petroleum has stated during evidence that it will be difficult to do so as Scheduled Caste/Scheduled Tribe is not the only social objective category. The Committee wanted to know when the entire shortfalls would be wiped out. The Secretary, Department of Petroleum has stated during evidence as follows:—

“I am confident that in a year or two, the shortfalls will be filled up. Today, the gap is not much. We have reached the figure of 19 or 20 per cent. The gap of remaining 5 per cent could be made up in a year or two.”

3.39. Reservation of 25 per cent 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 Speed 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 and 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.

3.40. During discussions held by a Study Group of the Committee with the representatives of Scheduled Castes and Scheduled Tribes at Bombooy 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/Scheduled Tribe allottees with their limited resources are able to run the dealerships profitably.

A

NEW DELHI;  
March 1, 1984  

---

Phalguna 11, 1905 (S).

A. C. DAS,  
Chairman,  
Committee on the Welfare  
of Scheduled Castes and  
Scheduled Tribes.

## APPENDIX—I

(Vide para 2.3 of Report)

### GOVERNMENT OF INDIA MINISTRY OF PETROLEUM

No. P-27015/186/74-IOC (Vol. II)

New Delhi  
the 23rd Sept., 1977

To

Shri C. R. Das Gupta, Chairman, Indian Oil Corporation Limited Indian Oil Bhawan, Janpath, New Delhi—110001.

Shri R. M. Bhandari Chairman-cum-Managing Director, Hindustan Petroleum Corporation Limited United Commercial Bank Building Parliament Street, New Delhi—110001.

Shri R. N. Bhatnagar, Chairman-cum-Managing Director, Bharat Petroleum Corporation Limited, ECE Building, Connaught Place, New Delhi—110001.

Shri R. M. Bhandari, Chairman-cum-Managing Director Caltex Oil Refining (India) Limited, Thaper House, 124 Janpath, New Delhi—110001.

Shri A. P. Verma, Chairman-cum-Managing Director, Indo-Burmah Petroleum Company Limited, Allahabad Bank Building, Parliament Street, New Delhi—110001.

SUB: Policy for award of dealerships/agencies of Oil Companies

Dear Sir,

The scheme of reservation of dealerships/agencies started in November 1969 when all the dealerships/agencies of India Oil Corporation Limited were awarded to unemployed Engineers/Graduates under the age of 30 years. This policy continued till December, 1971 when a scheme was evolved by which all IOC dealerships/agencies (excluding 'B' site retail outlets) were being awarded to disabled Defence Personnel, war-widows, dependents of those killed or missing in war and ex-servicemen on the recommendations of the Directorate General of Resettlement, Ministry of Defence. This scheme has been kept in abeyance from 1-2-1975.

2. Effective from 1-1-1974, 25 per cent of all agencies (excluding 'B' site retail outlets) or IOC, were reserved for persons belonging to Scheduled Castes and Scheduled Tribes.

3. I am directed to say that Government has now decided as under:—

- (a) 25 per cent of all types of dealerships/agencies (i.e., 'A' and 'B' site retail outlets/dealerships, kerosene/LDO/LPG agencies/distributorships) should be reserved for persons belonging to Scheduled Castes/Scheduled Tribes, not only in respect of IOC but in respect of other public sector oil companies as well. The remaining 75 per cent of the dealerships/agencies should be awarded on commercial considerations. However, in respect of these 75 per cent agencies, preference should be given to genuine and efficient Consumers' Co-operative Societies and Agro-Industries Corporations, provided other things are equal.
- (b) No person should be awarded a new dealership/agency if he or his other close relative like his spouse, father, brother or son already holds a dealership/agency with any oil company.
- (c) All appointments should be made after advertisements in Newspapers in circulation in the area concerned.
- (d) In respect of Scheduled Castes/Scheduled Tribes candidates, selection should be made by a Selection Committee consisting of:
  - (i) A representative member of concerned States Government.
  - (ii) A prominent member of Scheduled Castes/Scheduled Tribes community to be nominated by the State Government concerned; and
  - (iii) District Manager or an equivalent officer of the concerned Oil Company.
- (e) In respect of the remaining 75 per cent of the dealerships/agencies, the Selection Committee may consist of:
  - (i) A representative of the concerned Oil Company; and
  - (ii) One representative each of two other public sector oil agencies.
- (f) The Selection Committee for both Scheduled Castes/Scheduled Tribes candidates as well as for the other candidates

should prepare a panel of 4 names in order of merit and should clearly spell out the reasons for inclusion of the persons concerned in the panel.

- (g) Deposit should not be collected from SC|ST candidates, Consumers Co-operative Societies and Agro-Industries Corporations selected for the dealerships|agencies.
- (h) Candidates of all categories selected for award of agency should arrange the necessary land|finance within 4 months of the selection, failing which the oil companies will have the right to ward the said agency|dealership to the next man in the panel.

4. The Oil Companies should work out the plans for opening various types of agencies|distributionships for the next 5 years. While working out such plans the desirable average throughput of retail outlets, the size of Kerosene or LPG agencies, the availability of the said product in the next few years, the need to open agencies|distributorships in uncovered areas, etc. should be kept in mind.

Yours faithfully,

sd|-

(K. P. JETHNANI)

Under Secretary to the Govt. of India

Phone No. 388764

Copy to:—

1. Shri S. B. Budhiraja, Managing Director, Indian Oil Corporation Ltd., (Marketing Division), 254, Dr. Annie Besant Road, Prabhadevi, Bombay-4000235.
2. Directorate General of Resettlement, Ministry of Defence, 6, Maulana Azad Road, New Delhi-110011.
3. PS to Minister (P & C & F), Minister of State (P & C & F)
4. PS to Secretary (P)|JS(P).
5. Director (A)|DS(M).
6. MC Section.

sd|-

(K. P. Jethnani)

Under Secretary to the Govt. of India

Phone No. 388764

**APPENDIX—II**

*(Vide para 2.4 of Report)*

**GOVERNMENT OF INDIA**

**MINISTRY OF PETROLEUM, CHEMICALS & FERTILIZERS  
(DEPARTMENT OF PETROLEUM)**

**No. P—19011|02|80-IOC**

**New Delhi, the 5th June 1980**

**To**

**Shri C. R. Das Gupta  
Chairman  
Indian Oil Corporation Limited  
Indian Oil Bhawan  
Janpath  
New Delhi-110 001.**

**Shri R. N. Bhandari  
Chairman-cum-Managing Director  
Hindustan Petroleum Corporation Limited  
17 Jamshedji Tata Road,  
Post Box No. 11041  
Bombay-400 020.**

**Shri R. N. Bhatnagar  
Chairman-cum-Managing Director  
Bharat Petroleum Corporation Limited  
Bharat Bhavan  
4 & 6 Currimbhoy Road  
Ballard Estate,  
Bombay-400 028.**

**Shri S. Ketharaman  
Managing Director  
Indian Oil Corporation Limited  
(Marketing Division)  
254-C, Dr. Annie Besant Road,  
Prabhadevi,  
Bombay-400 025.**

**Shri A. P. Bhalla  
Finance Director  
Indo-Burma Petroleum Company Limited**

5 Grahm Road  
Ballard Estate  
Bombay-400 001.

Sub:—Policy for award of dealerships|agencies of  
Oil Companies.

Dear Sir,

I am directed to say that the subject referred to above has been examined in the Ministry in consultation with the oil companies and Government have decided as indicated below:

2. The reservation for various categories will be as follows:—

- (a) 25% of all types of dealerships|agencies should continue to be reserved as before for persons belonging to Scheduled Castes and Scheduled Tribes. The *inter-se* distribution of outlets between Scheduled Caste|Scheduled Tribe within this quota would be different for each state and will be communicated shortly.
- (b) 25% of all types of dealerships|agencies should be reserved for unemployed graduates preference being given to persons having technical qualifications. Applications of only those unemployed graduates will be considered, the joint income of whose parents does not exceed Rs. 15,000|- per annum.
- (c) 10% of all dealerships|agencies should be reserved for defence personnel disabled in war.
- (d) 10% of all dealerships/|agencies should be kept reserved for physically handicapped persons, other than those covered by (c) above.
- (e) The remaining 30% of all agencies/|dealerships may be awarded on commercial considerations.

3. Reservations percentage in respect of categories from (a) to (e) would be maintained for each State|Union Territory. A Roster as annexed will operate on a rolling basis. It will be an industry roster.

4. No person shall be awarded new dealerships/|agencies if he or any of his close relatives like his spouse, father, brother or son, etc. already holds a dealership|agency with any oil Company.

5. All appointments should be made after advertisement in Newspapers in circulation in the areas concerned.

6. The Selection Committee for selection of Scheduled Castes| Scheduled Tribes candidates will be the same as for the general candidates with the addition of a representative of the State Government. The Selection Committee for all other candidates shall consist of a representative of the concerned oil company and one of one representative each of the two other major public sector oil companies.

7. The Selection Committee should prepare a panel of 4 names in order of merit and should clearly spell out the reasons for inclusion of the persons concerned in the panel.

8. Candidates of all categories selected for award of agency should arrange the necessary land, finance within 4 months of the selection, failing which the oil companies will have the right to award the agency to the next man in the panel.

9. Deposits should not be collected from Scheduled Castes| Scheduled Tribes candidates, unemployed graduates, defence personnel, disabled in war, physically handicapped persons, consumers' Co-operative Societies and Agro-Industries Corporations selected for the dealerships|agencies.

10. The oil Companies will actively assist the successful candidates to obtain finance from financial institutions if this is required.

11. The minimum educational qualifications, except in the case of category 2(b), will be matriculation and the maximum age limit of 50 years shall continue as before. The age limit for unemployed graduates shall be 30 years.

Yours faithfully,  
Sd/-  
(Prabir Sengupta)  
Director  
Tel. No. 382572

Copy to :  
MC Section  
Guard File  
Policy Folder



100-points Roster for reservation of outlets/agencies for various categories to be  
Implemented for each State/Union Territory on an Industry basis.

SC/ST 25%	UG 25%	PH 10%	Disabled Defence 10%	Open 30%
01	02	04	08	03
06	07	14	18	05
10	11	24	28	09
13	17	34	38	12
16	20	44	48	15
21	22	54	58	19
26	27	64	68	23
30	31	74	78	25
33	37	84	88	29
36	40	94	98	32
41	42			35
46	47			39
50	51			43
53	57			45
56	60			49
61	62			52
66	67			55
70	71			59
73	77			63
76	80			65
81	82			69
86	87			72
90	91			75
93	97			79
96	100			83
				85
SC/ST	-Scheduled Castes/Scheduled Tribes			89
UG	-Unemployed Graduates			92
PH	-Physically Handicapped			95
	-Disabled Defence persons			99
Open General				

APPENDIX—III

*Vide para 2.5 of Report)*

GOVERNMENT OF INDIA

Ministry of Petroleum, Chemicals & Fertilizers (Department of  
Chemicals)

No. P-19011|02|80-IOC

New Delhi, the 17th June, 1980.

To

Shri C. R. Das Gupta  
Chairman  
Indian Oil Corporation Limited  
Indian Oil Bhawan, Janpath,  
New Delhi-110001.

Shri R. M. Bhandari  
Chairman-cum-Managing Director  
Hindustan Petroleum Corporation Limited  
17, Jamshedji Tata Road,  
Post Box No. 11041,  
Bombay-400020.

Shri R. N. Bhatnagar,  
Chairman-cum-Managing Director,  
Bharat Bhavan, 4 & 6 Currimbhoy Road,  
Ballard Estate,  
Bombay-400 038.

Shri S. Ketharaman  
Managing Director  
Indian Oil Corporation Limited  
(Marketing Division),  
254-C, Dr. Annie Besant Road,  
Prabhadevi,  
Bombay-400025.

Shri A. P. Bhalla,  
Finance Director,  
Indo-Burma Petroleum Company Limited  
5 Grahm Road,  
Ballard Estate,  
Bombay-400001.

Sub:—Policy for award of dealerships/agencies of oil Companies.

Dear Sir,

I am directed to refer to this Ministry's letter of even number dated 5th June, 1980 on the subject cited above and to say that, the question of providing separate reservation for the persons belonging to Scheduled Castes and Scheduled Tribes has been examined further. It has now been decided that the reservation quota of 25 per cent for SC|ST should be filled in in such a way that these two communities get their share in proportions to their population in that State|Union Territory i.e. the number of dealership/agencies earmarked for SC|ST in a particular State|Union Territory on the basis of 25 per cent reservation will henceforth be allocated between the Scheduled Castes and Scheduled Tribes in proportion to their *inter-se* population in that State|Union Territory. Accordingly, a roster has been made based on the 1971 census and is enclosed which will operate on a rolling basis. It will be an Industry roster.

2. Receipt may please be acknowledged.

Your faithfully,

Sd|-

(N. K. Saha)

Under Secretary to the Govt. of India  
Phone No. 388764

Copy to:

M. C. Section  
Guard File  
Policy Folder

Rooster showing 25% reservation of outlets for Scheduled Castes and Scheduled Tribes separately on State-wise basis (based on 1971 census)

State/Union Territory	Scheduled Castes No. on the main roster	Scheduled Tribes No. on the main roster
1. Andhra Pradesh	18+7	1, 6, 13, 16, 21, 30, 33, 41, 46, 50, 56, 61, 70, 73, 76, 86, 90, 96
2. Arunachal Pradesh	0+25	Nil
3. Andaman & Nicobar	0+25	Nil
4. Assam	9+16	10, 21, 33, 36, 50, 61, 73, 76, 90
5. Bihar	16+9	1, 6, 13, 16, 26, 30, 41, 46, 53, 56, 66, 70, 81, 86, 93, 96
6. Chandigarh	25+0	All 25
7. Dadra and N. Haveli	1+24	53
8. Delhi	25+0	All 25
9. Gujarat	8+17	10, 21, 33, 36, 50, 61, 73, 76
10. Goa, Daman and Diu	17+8	1, 6, 13, 16, 26, 30, 41, 46, 53, 56, 66, 70, 81, 86, 90, 93, 96
11. Haryana	25+0	All 25
12. Himachal Pradesh	21+4	1, 6, 10, 13, 16, 26, 30, 33, 36, 41, 50, 53, 56, 61, 73, 76, 81, 86, 90, 96
13. Jammu and Kashmir	25+0	All 25

14	Karnataka	24+1	1, 6, 10, 13, 16, 21, 26, 30, 33, 36, 41, 46, 50, 56, 61, 70, 73, 76, 81, 86, 90, 93, 96	53
15	Kerala	23+2	1, 6, 10, 13, 16, 21, 26, 30, 33, 36, 41, 46, 53, 56, 61, 66, 70, 73, 76, 81, 86, 90, 93	50, 96
16	Madhya Pradesh	9+16	10, 21, 33, 36, 50, 61, 73, 76, 90	1, 6, 13, 16, 26, 30, 41, 46, 53, 56, 66, 70, 81, 86, 93, 96
17	Maharashtra	11+4	6, 13, 21, 30, 41, 50, 56, 66, 76, 86, 93	1, 10, 16, 26, 33, 36, 46, 53, 61, 70, 73, 81, 90, 96
18	Manipur	1+24	Same as against Dadra & Nagar Haveli	Same as against Dadra & Nagar Haveli
19	Meghalaya	0+25	Same as against Arunachal Pradesh	Same as against D-dra & Nagar Haveli.
20	Mizoram	0+25	Do.	Do.
21	Nagaland	0+25	Do.	Do.
22	Orissa	10+15	6, 16, 26, 36, 46, 56, 66, 76, 86, 96	1, 10, 13, 21, 30, 41, 43, 50, 53, 61, 70, 73, 81, 90, 93
23	Punjab	25+0	All 25	Nil
24	Pondicherry	25+0	All 25	Nil
25	Rajasthan	14+11	1, 10, 16, 26, 33, 36, 46, 53, 61, 70, 73, 81, 90, 96	6, 13, 21, 30, 41, 50, 56, 66, 76, 86, 93
26	Sikkim	4+21	21, 46, 70, 93	1, 6, 10, 13, 16, 26, 30, 33, 36, 41, 50, 53, 56, 61, 66, 73, 76, 81, 86, 90, 96
27	Tamil Nadu	24+1	Same as against Karnataka	Same as against Karnataka
28	Tripura	7+18	10, 26, 36, 53, 66, 81, 93	1, 6, 13, 16, 21, 30, 33, 41, 46, 50, 56, 61, 70, 73, 76, 86, 90, 96
29	Uttar Pradesh	25+0	All 25	Nil
30	West Bengal	19+6	1, 6, 10, 16, 21, 26, 33, 36, 41, 50, 53, 56, 66, 70, 73, 81, 86, 90, 96	13, 30, 46, 61, 76, 93
31	Lahbaderp	0+25	Nil	All 25

## APPENDIX IV

(Vide para 2.8 of the Report)

Department of Petroleum D.O. No. P-19011/10/82-IOC dated 9-2-1983 regarding Guidelines for the selection of dealers/distributors of Oil Companies from 1982-83 onwards.

### 1. Dealership/Distributorship Selection

The Oil Industries has a formidable task ahead of appointing about 400 LPG Distributors to enable it to achieve the objective of enrolling 14 to 16 lakh customers per annum so that the available LPG is fully utilised to beneficial uses. Nearly 800 retail outlets have to be set up in 1982-83 alone, of which a substantial proportion will be set up to serve the rural areas. Kerosene distribution in the interior markets is also sought to be made more effective and efficient by appointing dealers in the Block/Tehsil headquarters.

Due to the very large numbers of Distributorships/Dealerships involved, and the problems faced in regard to the selection of distributors/dealers, the Oil Industry has prescribed an objective selection procedure. The guidelines must be objective, providing equal opportunity to all sections of society, and eliminate any areas where there is a scope of subjective discretion in order to minimise public criticism.

1.2 Taking cognisance of the above factors, the Oil Industry considers that the current procedures need to be modified. It recommends that the selection of dealerships to be carried out by separate *full time Selection Board* constituted by the Oil Industry for this purpose, the tenure of which will be for a period of three years. The composition of these Boards will be:—

- (i) Retired High Court Judge;
- (ii) Retired Senior Civil Servant;
- (iii) Retired Senior Officer from an Oil Company.

In view of the fact that over the next few years a very large number of dealerships will have to be awarded each year, it will be desirable to have more than one Selection Board in operation simultaneously depending upon the amount of work.

Briefly, the recommended selection procedure is as follows:—

1.2.1 The present procedure of advertising all dealerships will continue.

1.2.2 A detailed application form will be devised wherein the candidates applying will have to furnish detailed information duly supported by documentary evidence with regard to:

- (a) eligibility in accordance with the criteria laid down;
- (b) the candidate's plans as to how he intends to run the dealership—whether by himself as a working dealer with the dealership business as his main source of income, or by taking over partners, etc.

The applications have to be made in duplicate. If the documentary evidence produced by the candidate is ever incorrect, the candidate will not be considered further and also if the incumbent has been appointed as a dealer, his dealership is liable to be terminated.

1.2.3 All the applications received against the specific advertisement dealership will be screened by the Regional Manager/Divisional Manager of the company which has advertised the dealership. In due course this screening will be sought to be computerised. The R.M./D.M. will be responsible for the scrutiny of the applications, *vis-a-vis*, the eligibility of the candidates. After establishing this, the RM/DM will send a list of all eligible candidates together with their applications to the Selection Board. He will also send the Selection Board, the list of names of the candidates who had applied, together with their applications, but who have been found ineligible, giving reasons for declaring them ineligible.

1.2.4 On receipt of the list of candidates that have been found eligible by the R.M./D.M. on the basis of the eligibility criteria, the Selection Board will fix dates for interviewing the eligible candidates at suitable locations. The Selection Board may also call a candidate not found eligible by RM/DM, if in its opinion, the rejection by the RM/DM was not justified. The Selection Board will issue call letters to the candidates giving adequate notice to appear before it for the interview. At the time of interviewing the candidates the Selection Board will take into account the following factors:—

1. Business ability;
2. Salesmanship;

3. Capability to provide the required facilities within the stipulated time;
4. Full time working dealer, which is a basic necessity;
5. Extra curricular activities;
6. Outstanding sportsman/sportswoman who has represented the country in international events;
7. Personality;
8. General Assessment;
9. In the category of (i) Physically Handicapped (ii) Government personnel disabled on duty (iii) widows of Government personnel, who die in the course of duty; preference will be given to sub-category (iii) namely widows.

While making selections from this category, preference would be given to those who are not already gainfully employed.

10. Other things being equal, co-operative societies of respective reserved categories will be given preference in dealerships. It is not considered necessary that these societies should be engaged in trading only;
11. Co-operative Societies applying against Other (O) category will not normally be given any preference unless there are special circumstances that warrant such preference;
12. In case no eligible/suitable candidates under any categories are available for interview by the Selection Board even after two advertisements, such categories can be changed to other categories with the prior permission of the Government;
13. In respect of reserved categories, Government is considering a scheme for providing Bank Finance for running the dealership. In view of this, in regard to the reserved categories, inadequacy of personal finances should not be a ground for disqualification if the candidate is otherwise found suitable;
14. In the case of 'UG' candidates who are employed in jobs which are not regular/not likely to become permanent or continue, would be considered eligible. Self-employed candidates can also apply. (Judgement to be left with the



members of the Oil Selection Board, taking into consideration nature of self-employment and likelihood of (this becoming regular employment);

15. Candidates convicted/being tried for criminal/economic offence would not be eligible for dealership/distributorship.

The Board will determine the suitability of the candidate keeping in view the above and evaluate each candidate by allotting marks out of a total of 100. After interviewing all the eligible candidates and evaluating them on the above basis, the Selection Board will submit a panel of 4 names in alphabetical order for the award of dealership/distributorship. The panel of 4 names along with their application forms will be sent by the Selection Board direct to the concerned General Manager/Regional Manager with a copy to the Head Office of the Oil Company concerned.

1.2.5 On the receipt of the list of the empanelled candidates from the Selection Board, the Oil Company concerned will conduct field investigation of the candidates empanelled, within a fortnight. Such field investigation would be conducted by two officers of the Oil Company. The objective of the field investigation is to verify the accuracy of the factual data furnished by the empanelled candidates in their application form. Verification of the affidavits filled by the candidates will normally not be undertaken unless a specific complaint is received and investigation is authorised by the Selection Board. The field investigation reports, will be forwarded to the Selection Board which will then formulate its final recommendations in the matter, and forward it to General Managers of the regions in the case of Indian Oil Corporation, and to GM (Sales HO Bombay in the case of HPC/BPC/IBP) for further action.

## 2. Reservation for Dealership/Distributorship

2.1 Reservations of all the dealerships/distributorships of petroleum products for various categories, subject to review by Government from time to time, when considered appropriate, would be as under:—

Scheduled Castes/Scheduled Tribes (SC/ST)	25%
Unemployed graduates including unemployed engineering graduates (UG) remaining unemployed at least for one year before the date of applications	25%

Physically handicapped/Government personnel disabled on duty/* widows of Government personnel who die in the course of duty (HH)	15%
Freedom Fighter (FF)	5%
Others (O)	30%

### 3. Eligibility Criteria

3.1 Residence: The applicant should be a resident for at least 3 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. However, in the case of UG category candidates, the residence eligibility criteria will be determined on the basis of the candidates parents' (or legal guardians) stay in the concerned district in the event the candidate has been studying at a place other than his home district.

In support of the residence eligibility criteria, the candidate will produce a certificate from the District Magistrate/Collector in support of his being a resident of that district for the previous 3 years.

#### 3.2 Relationship:

- (a) No person shall be awarded a new dealership if he/she already holds a dealership of LPG/Kerosene/LDO/HSD/MS/Lubricating Oil and any other petroleum products of any Oil Company.
- (b) No person shall be awarded 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
- (c) The above list will be treated as exhaustive.

- 3.3 Age: (i) Age limit for Unemployed Graduates—Minimum 21 years and maximum 35 years.
- (ii) SC/ST Physically Handicapped/Others—minimum 21 years and maximum 50 years.
- (iii) FF—Maximum 65 years.

Documentary evidence as prescribed will be required.

### 3.4 Educational Qualifications

For Unemployed the minimum qualifications will be graduation or equivalent and securing a minimum of 50% marks in graduation or post graduation of any University/Institute examination.

For Scheduled Caste/Scheduled Tribe, PH, FF & O (Others) the minimum educational qualification will be matriculation or equivalent.

### 3.5 Income:

The gross income of the candidate, his parents, spouse and dependent children should not exceed Rs. 24,000/- per annum. The candidate will have to furnish an affidavit sworn before a magistrate or notary public containing a statement of income in support of his claim. The income will include income from all sources such as salary, property, interest/dividend, business/profession/vocation, agriculture and other sources.

### 3.6 Employees of all Companies under the Ministry of Energy (Deptt. of Petroleum) will not be eligible for the dealership:

Relations of the existing employees will be eligible unless they are debarred under the Companies' Conduct Rules or the guidelines laid down by the Bureau of Public Enterprises. Ex-employees of oil companies will be eligible only after two years of their leaving the company except if they have been dismissed from service for misconduct. Ex-employees of the oil companies who have been dismissed from service for misconduct will not be eligible for dealership. For relatives of ex-employees, the two year bar will not be applicable. However, the applicant should mention in the application whether he is an ex-employee or is related to the employee(s) of any oil company.

### 3.7 Eligibility for Freedom Fighters:

The persons applying for the dealership under this category should produce a certificate or Tamrapatra from the Ministry of Home Affairs Government of India of his being a Freedom Fighter.

### 3.8 Eligibility for PH:

Persons applying for dealership under PH category should produce a certificate from the Civil Surgeon/Chief Medical Officer or Superintendent of Government Hospital that he is orthopaedically handicapped to the extent of a minimum 40% permanent/partial disability of either upper or lower limbs or 50% permanent/partial disability of both upper and lower limbs together. For the purposes of the estimation of disability, the standards contained in the "Manual for Orthopaedic Surgeon in evaluating permanent physical impairment" brought out by the American Academy of Orthopaedic

Surgeons, USA and published on its behalf by the Artificial Limbs Manufacturing Corporation of India, G.T. Road, Kanpur, shall apply.

Further, totally blind and mentally unsound candidates would not be eligible in this category. However, paralytic candidates who with the assistance of wheel chair or any other equipment are reasonably mobile and can operate the dealership/distributorship would be treated as eligible.

**3.9 Eligibility for Government Personnel disabled on duty/Widows of Government Personnel, who die in the course of duty:**

Persons applying for the dealership under this category will have to produce a relevant certificate from the Government Department concerned. In the case of Government Personnel disabled on duty, the criteria laid down for the eligibility for Physically Handicapped persons under para 3.8 would also apply. Government personnel who die in the course of duty would include only personnel of the Armed Forces, para Military Forces (namely BSF, CRPF, CSIF, ITBP) and Police forces including Railway Protection Force and Special Reserve Police/Special Armed Police. It also includes Customs and Central Excise personnel who die on patrol duty. This list is to be treated as exhaustive.

4. The Oil Companies would be recovering a non-refundable application fee as under:—

- (i) All categories other than Scheduled Castes/Scheduled Tribe—Rs. 100/- per application.
- (ii) For Scheduled Caste/Scheduled Tribe Category Candidates applying under any Category Rs. 50/- per application.

**5. General**

*Tenure of the dealership/distributorship*

(i) *Retail Outlet*

The tenure of the dealership/distributorship will be 15 years initially and renewable for every 5 years thereafter subject to the examination of the performance of the dealership/distributorship by the oil company concerned.

- (ii) In the case of gas agency and SKO/LDO agencies, the initial period of the dealership/distributorship will be for 10 years renewable every 5 years thereafter subject to the examination of the performance of the dealership/distributorship by the oil company concerned.

6. The eligibility criteria for the various categories is indicated in Annexure I to this Note.

ANNEXURE I

Eligibility Criteria	SC/ST	UG (INCL UEG)	PH*	FF	Quota
1. Reservation	25%	25%	15%	5%	30%
2. Nationality	Indian	Indian	Indian	Indian	Indian
3. Age	Min. 21 Max. 50	21 35	21 50	65	21 50
4. Educational Qualification	Matriculation or recognised equivalent	Graduates or recognised equivalent in any discipline. Minimum 50% marks in graduation or in any subsequent Univ. examination.	Matric or recognised equivalent	Matric or recognised equivalent	Matric or recognised equivalent
5. Residency	Resident for at least 3 years in the concerned district within which the location is situated for appointment of dealership/distributorship concerned.	In respect of candidates belonging to UG category that have studied at a place other than their home district the eligibility for domicile will be determined on the basis of the stay of parents (or legal guardian) for a period of 3 years in the concerned district.	Resident for atleast 3 years in concerned district within which the location is situated for appointment of dealer/distributor concerned.	Resident for atleast 3 years in the concerned district within which the location is situated for appointment of dealer/distributor concerned.	Resident for atleast 3 years in the concerned district within which the location is situated for appointment of dealer/distributor concerned.

6. Relationship . . . (a) No person shall be awarded a new dealership if he/she already holds dealership of LPG/Kerosene/LDO/Lubricating Oil of any Oil Company.

(b) No person shall be awarded a new dealership if any of the following case 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 in a patriarchal system
- (v) Daughter/son in the case of matrarchal system
- (vi) Parents-in-law

(c) The above list will be treated as exhaustive.

7. Income (For all categories)

The gross income of the candidate, his parents, spouse and dependant children should not exceed Rs. 24,000/- per annum. The candidate will have to furnish an affidavit containing a statement of income in support of this claim. The income will include income from all sources such as salary, property, interest/dividend, business/profession/vocation, agriculture and other sources.

8. Membership

Existing conditions to continue.

9. Co-operative Societies

(a) For reserved categories each member of the Co-operative Society should individually meet the eligibility criteria for that category.

(b) For 'Others (o)' category only co-operative Societies making a net profit for the previous three financial years as certified by a Chartered Accountant will be eligible.

---

including Government personnel disabled on duty/widows of Government personnel who die in course of duty.

**APPENDIX—V**

(Vide Para 2.31 of the Report)

Government of India

Ministry of Petroleum, Chemicals & Fertilizers

(Department of Petroleum)

No. P-1901/01/80-IOC

New Delhi the 6th June, 1980

Shri C. R. Das Gupta  
Chairman  
Indian Oil Corporation Ltd.,  
Indian Oil Bhavan, New Delhi.

Shri R. M. Bhandari  
C & MD  
BPCL, New Delhi

Shri R. N. Bhatnagar  
C & MD, HPCL  
United Commercial Bank Bldg.,  
Parliament Street,  
New Delhi

Shri S. Ketharaman,  
Managing Director,  
IOC, Bombay-400025

Shri A. P. Bhalla  
Finance Director,  
IBP,  
Allahabad Bank Bldg.,  
Parliament Street, New Delhi.

Dear Sir,

I am directed to send herewith the guidelines regarding the procedure to be followed for appointment of agents/distributors of petroleum products. It has been indicated at paragraph 4(a) of the said guidelines that the Financial capability of the candidate, either of his own or based on borrowing from financial institutions, should invariably be taken into account. Since such financial capability will be a pre-requisite for consideration of any applicant, it should not be necessary to give any further weightage to this condition at the time of selection of dealers. This point may be borne in mind

while devising the forms for evaluation of candidates at the time of interview.

Yours faithfully,  
Sd/-

(N. K. SAHA)

*Under Secy. to the Govt. of India.*

Encl.: As above

**Guidelines on procedures for selection of dealers/agents/distributors**

### 1. Reservations

Categories of reservation may be indicated separately and they will be as follows:

(a) Scheduled Castes/Scheduled Tribes	25%
(b) Unemployed Graduates (UEG)	25%
(c) Defence Personnel disabled in War (DDP)	10%
(d) Physically handicapped Persons (PH)	10%
(e) 'Others' on commercial considerations	30%

### 2. Pre-Determination of Location:

(a) All locations for the various categories will be pre-determined and advertised as such by the oil companies in accordance with the roster to be maintained on Statewise basis.

(b) while selecting sites for the retail outlets, wherever necessary, the State Government should be consulted.

### 3. Press Advertisement

(a) The Press Advertisement inviting applications for dealerships/agencies should be issued in two daily newspapers—one English and the other—Regional Language having maximum circulation in the concerned district, Metropolitan City or Territory, as the case may be. A copy of the Press Advertisement for SC/ST candidates should be sent to concerned State Government.

(b) In case of no response from SC/ST/UEG applicants or a suitable candidate not being found by the appropriate Selection Committee from amongst the candidates for the location, reserved for any category, a second advertisement should be inserted for the same location. In case of a similar experience after the second advertisement, the location will be withdrawn from the reserved category and will be made open for the 'Others' category. To make up the shortfall in the quota for reserved categories, separate



locations from the 'Others' category should be advertised for such reserved categories.

#### 4. Selection

(a) The financial capability of the candidate either of his own funds or borrowing from financial institutions should invariably be taken into account.

(b) While considering a Cooperative Society for selection, it must be seen that the audit classification of the society is 'A' for the previous three years. Cooperative societies should be considered only within their area of operation.

(c) For all the other categories, the candidates should be domiciled in the concerned State.

#### 5. Questionnaire

"Dealership Questionnaire Form" should be duly filled in and sent by the Prospective candidates along with the applications for the dealership. Necessary affidavit, should also be furnished by the applicants simultaneously.

#### 6. Short Listing to 40 for interview

On receipt of the questionnaire from the eligible applicants, the office of the oil company inviting the applications will short list the applicants on the following basis:

(a) *SC/ST Categories*: The past experience indicates that this will not pose any problem since the number of eligible applicants are generally below 40. However, in case the number of eligible candidates are more than 40 the criteria as under para (c) below should be followed.

(b) *UEG*: This will be done on the basis of their marks obtained in their last University/Institute examination. (Percentage to be calculated upto the second decimal place.)

(c) *PH, DDP and 'Others'*: In this category, short listing is likely to pose problems especially in the case of LPG distributorships where large number of applications are received. However, short listing should be done giving due weightage to the following:

- (i) Ready availability of site/facilities for the dealership either on ownership basis or on rental basis.
- (ii) Adequate finance availability—own or through financial institutions.
- (iii) Business experience.

### **7. Multiple Dealerships**

In the case of public sector corporations and 'A' class Cooperative Societies there will be no restriction on multiple dealerships in its area of operation.

8. The field investigation reports should be prepared for all the candidates placed in the panel through the local Sales Officers simultaneously. The field investigation reports should primarily check the correctness or otherwise of the information furnished in the "Dealership Questionnaire Form". The final selection of the candidate should be confirmed by an officer not below the rank of General Manager.

## APPENDIX VI

(Vide para 3.9 of Report)

Minutes of the meeting held in the Department of Petroleum at 10.30 p.m. on 4th January, 1983 regarding LPG Industry roster for 1982-83.

*Present:*

*Deptt. of Petroleum*

Shri K. Padmanabhaiah, Joint Secretary—in Chair

Shri K. P. Singh, Dy. Secretary

Shri N. K. Saha, Under Secretary

*IOC*

Shri B. N. Malhotra, LPG Manager

Shri D. D. Kasbekar, Dy. Manager (LPG)

*HPC*

Shri I. S. Kikkeri, LPG Distribution Manager

Shri M. S. Gulwadi, Manager (LPG)

*BPCL*

Shri K. S. Surindernath, LPG Manager

*AOD*

Shri J. Bhuyan, Commercial Manager

Shri D. R. Modak, LPG Manager

At the outset Shri Padmanabhaiah wanted to know the basis for rostering the various locations for inclusion in the industry roster. He also desired to know whether Thomson Index or any other basis is adopted. Shri B. N. Malhotra stated that the locations are included based on the survey by their field staff as well as Thomson Index. Chairman desired that there should be a consistent norms for including various locations in the LPG industry marketing plan.

2. As regards new places included in the year 1982-83 LPG roster Chairman desired that the industry should furnish two lists—one showing the towns/places where LPG marketing is already existing and also to indicate the names of locations which have

been included in the 1982-83 roster. IOC should submit these two lists within 2 weeks.

3. Chairman then indicated that the present system of earmarking locations for various social objective categories is not based on a logical consideration in the sense that a location in the rural areas or semi-urban areas has been earmarked for unemployed engineering graduates where for historical reasons the educated percentage in such areas are very very low or insignificant. This leads to non-availability of suitable/eligible candidates and consequentially the location is to re-advertise etc. and cause delays. The Industry members have agreed that earmarking the location for social objective category was not based on a logical consideration. Accordingly, it has been agreed that bigger towns should be earmarked for social objective categories and smaller towns should be earmarked for open categories as far as possible. As regards earmarking the locations for Scheduled Castes/Scheduled Tribes the existing procedure was considered adequate i.e. reserved assembly constituencies or areas pre-dominantly populated by these people should be earmarked for SC/ST categories ensuring that time and again the same location should not be covered for the said category. Instead another location in the same State having comparatively lesser population of SC/ST be considered for inclusion so that equal opportunities are afforded to those communities at various places within the State.

3. As regards roster for the LPG marketing in the North Eastern region, it has been agreed that for the time being the locations included in the present roster may be agreed to tentatively which could be substituted by the separate roster based on the population of Scheduled Tribes in that region.

4. Based on the above the industry has been advised to finalise the 1982-83 LPG roster and submit the same to this Department by 15th January 1983 for approval.

No. P-19011/42/82-IOC

Dated: 17-1-1983

To

- (1) Shri B. N. Malhotra, LPG Manager, Indian Oil Corporation Ltd. 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay.
- (2) Shri D. S. Kasbekar, Dy. Manager (LPG), Indian Oil Corpn. Ltd., 254-C, Annie Besant Road, Prabhadevi, Bombay.

- (3) Shri I. S. Kikkeri, LPG Distribution Manager, HPCL, 17 Jamshedji Tata Road, Bombay.
- (4) Shri M. S. Gulwadi, Manager (LPG), HPCL, 17 Jamshedji Tata Road, Bombay.
- (5) Shri K. S. Surindernath, LPG Manager, Bharat Petroleum Corporation Ltd., Bharat Bhawan, 4 & 6 Currimbhoy Road, Ballard Estate, Bombay.
- (6) Shri J. Bhuyan, Commercial Manager, Assam Oil Division, IOC, New Delhi.
- (7) Shri D. R. Modak, LPG Manager, Assam Oil Division, P.O. Digboi, Assam Telegram Stores, Digboi.

Copy to: PS to JS (M), DS (M).

Sd/-

(N. K. Saha)

Under Secretary to the Govt. of India.

## APPENDIX VII

(Vide Para 4 of Introduction)

### Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Reference to Para No. in the Report	Summary of Conclusions/Recommendations
1	2	3
1	2.28	<p>Effective from 1-1-1974, it was decided to earmark 25 per cent 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 <i>vide</i> 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 and Fertilisers 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 <i>vide</i> 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</p>

1

2

3

4

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 Statewise basis, the Committee see no reason 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.

2

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/

1

2

3

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.

3

2.30

Under the guidelines, other things being equal, cooperative 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 cooperative 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 cooperative society is required to fulfil such conditions, it may be difficult for cooperative societies of Scheduled Castes/Scheduled Tribes to avail of the intended facility or to form new cooperative societies for the purpose. The Committee



1

2

3

therefore suggest that the existing conditions in the case of co-operative societies in the existing guidelines should be changed.

4

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.

5

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 Tribe candidates are concerned.

- | 1 | 2    | 3   |
|---|------|---|
| 6 | 2.53 | <p>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.</p> <p>The Committee consider 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 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.</p> |
| 7 | 2.54 | <p>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 <i>vis-a-vis</i> 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</p>   |

1

2

3

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

8

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

1

2

3

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, Government and the oil Companies 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.

9

3.19

The Committee find that a number of registers are maintained by the oil companies in order to keep records of allotment of dealership/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 feedback 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.

10

3.22

During evidence when the Committee referred to benami transactions in dealership business,

1

2

3

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 dealerships 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 dealerships should be suitably geared up.

11

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

1

2

3

administrative aspects we should certainly examine." The Committee suggest that a system of Oil Companies owning the retail outlets and allotting to the reserved categories, particularly Scheduled Castes and Scheduled Tribes may be considered for introduction on a selective basis.

Reservation of 25 per cent 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 in 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 and 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

---

1	2	3
		be made up in a year or two. The Committee expect that the Oil Companies will make concerted efforts to fulfil the assurance.
13	3.40	During 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/Scheduled Tribe allottees with their limited resources are able to run the dealerships profitably.

---