

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 3658
ANSWERED ON - 03/04/2023

Logistical Supply Chain Deviations

3658 Dr. Fauzia Khan:

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) whether Government is aware of the additional costs being incurred by public sector oil marketing companies due to a deviation in logistic plans to transport of motor spirit and high speed diesel;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether Government intends the commissioning of an exercise to strengthen the location-wise monitoring of such deviations; and
- (d) if so, details thereof and if not, whether there is a suitable intervention to avoid such deviations?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

(a) to (d) Public Sector Oil Marketing Companies (OMCs) have informed that they make monthly logistics plan on the basis of "Least Cost Principles" for supply chain management of petroleum products including Motor Spirit and High Speed Diesel to ensure uninterrupted supplies. Further, PSU OMCs also carry out regular monitoring of execution of logistics plan on day to day basis.

At times, due to several factors such as natural calamities, strikes, breakdown of refineries, port congestion, non-availability of rakes, variation in demand, variation in availability of products from refineries, blockage of roads & railway tracks etc., the supplies are made from alternate sources in order to maintain uninterrupted supplies. However, deviation in execution of logistics plan is monitored regularly by PSU OMCs for efficiency, effectiveness and cost optimization. Such business decisions by OMCs incorporating change in logistics plan are with the objective to fulfill the domestic demand and are tracked by OMCs regularly in a structured way.
