

Expenses on Petrol Pumps

†2181. **SHRI DILESHWAR KAMAIT:**
SHRI JYOTIRMAY SINGH MAHATO:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

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

- (a) the conditions under which the expenses are made on Petrol pumps by BPCL under DL-CC-LFR;
- (b) whether these expenses are collected through instalments from the pump dealers and if so, the Act under which the same is done;
- (c) the manner in which these instalments are fixed;
- (d) whether any agreement is signed between the company and the pump dealer for this expense;
- (e) whether the pump dealer can have E.M. Lock, tank lorry, VSAT at their own expense; and
- (f) if not, the reasons therefor and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)

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

(a) to (d) Bharat Petroleum Corporation Limited has informed that various types of assets are being provided to the Retail Outlet (RO) dealers by Public Sector OMCs for which a recovery is being made in the form of License Fee Recovery (LFR) or Service Station License Fee (SSLF). This LFR is irrespective of the investment made in a particular outlet and is levied on per KL sales of the RO. Average investment in assets provided by the Public Sector OMCs is reckoned for arriving the Single Recovery Rate per KL which is applicable separately for products (MS & HSD), depending upon the type of Retail Outlets i.e. Company Controlled "CC/A" site & Dealer Controlled "DC/B" site on pan India basis.

The investment in the Company Controlled (CC) sites is higher as the OMCs are providing land and infrastructure along with equipment like Dispensing pumps, underground product storage tanks etc. However, in the Dealer Controlled (DC) sites, the investment of OMCs is limited to provision of equipment like Dispensing pumps, underground product tanks etc.,. LFR applicable for Company controlled and Dealer controlled sites is thus different.

The dealer's obligation to pay LFR/SSLF is included as one of the clauses in the standard Dealership Agreement.

(e) to (f) EM locks are provided by the Public Sector OMCs as it is a critical component of security locking arrangement of a Tank lorry delivering product at Dealer's premises. EM locks are integrated with the software and central server to grant OTP based authorization at customer premises upon arrival. Thus EM locking system has an interface with Public Sector OMCs Vehicle tracking system and ERP system which is utilized for ensuring secured delivery of petroleum products to customer premises.

The VSAT at RO is also provided by Public Sector OMCs. The VSAT cannot be provided directly by the dealer at his expense as centralized procurement by OMCs ensures the required licensing, technical specifications for sustained real time data transfer to OMCs server with desired cyber security customized as per the operational/system requirements.
