



Regd. No. 142/80

## TAMILNADU PETROLEUM DEALERS ASSOCIATION

(Affiliated to Consortium of Indian Petroleum Dealers)

Reg.No : 747-1-170582 Dt 22.04.2013

Regd Office : No.1-A, 1-A3, Part, MMDA Steel Market Complex Ennore Express Way, Sathangadu, Chennai - 600 068.

President

K.P.MURALI

94433 60006

email:murali\_braddy@yahoo.com.

Gen. Secretary

M.HAIDER ALI

98421 40292

email:hyder\_tnpda@yahoo.com

Treasurer

L.RAMACHANDRAN

80561 11133

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07.07.2016

To.

State Level Coordinator, Chennai

Deputy General Manager, BPCL, Chennai

General Manager, HPCL, Chennai.

Greetings from the Tamil Nadu Petroleum Dealers Association. The TNPDA is a State-wide association of petroleum dealers of all the three OMCs across Tamil Nadu. All the 4,570 dealers are members of this Association and dealer bodies in all the districts in Tamil Nadu and Pondicherry are affiliated to the TNPDA. The TNPDA is affiliated to the National-level Consortium of Indian Petroleum Dealers (CIPD).

We seek to bring to your kind attention, points from the discussions held and correspondence sent by the CIPD for over the last 18 months. We have been repeatedly given assurances that these will be addressed by the OMCs and resolved within a set time-frame. Unfortunately, no such action has been initiated by the OMCs.

The issues are as follows:

- 1. Meetings with OMCs to Resolve Outstanding Issues:** We have not had a meeting for a year now. We were promised that these would be held at least once every three months after our meeting in New Delhi with the Joint Secretary (Marketing) on February 5, 2016.
- 2. Dealer Margins:** This was last revised in August 2015, and even in that revision a portion was earmarked towards Toilet Cleanliness and

K. P. Murali



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Maintenance. The balance was done in an adhoc fashion without any explanation as to how the figures were arrived at. We have been repeatedly reiterating that the "Director Marketing's Report" as presented to and accepted by the Ministry of Petroleum & Natural Gas should be adopted in totality. This will entail a revision of the dealer margins once every six months. Several letters have been sent to highlight the non-implementation of the important point in a report accepted by the Ministry and published on its website.

3. **Manpower Requirements at Retail Outlets:** This has been adopted by the above report using a study done in 2006. Due to changes in consumer patterns and subsequent improvement in services rendered, manpower requirements have risen sharply. This has been accompanied by an increase in minimum wages across all States. There are a number of States where the minimum wages are being revised twice a year based on the consumer price index and other factors determined by the Central government.
4. **Net Fixed Assets (NFA):** Last revised in 1997, this needs immediate revision. A study has been conducted by IIM Bangalore and the report submitted to the OMCs, which should call us for a discussion and agree to revise the margin as appropriate.
5. **Dealer Remuneration:** A remuneration of Rs.12,000 is woefully inadequate and hence should be revised and added for margin computation.
6. **Dealer Reimbursement:** As per the "Director Marketing's Report" the margin should have been revised in 2011 itself but this was not done to the extent prescribed. This has led to dealers having to bear a number of cost-



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heads, leading to reduction in their profits. This has been brought to the attention of the Chairpersons of the OMCs in our letters dated July 11, 2015; August 17, 2015, October 13, 2015 and November 5, 2015. We have further brought this to the attention of the Joint Secretary (Marketing) and the Minister of State for Petroleum & Natural Gas in our letters dated December 2, 2015 and March 21, 2015 respectively.

7. **Reconstitution of Dealerships:** This was to have been resolved in April of 2015 but is still nowhere near completion. Simplification of procedure in family reconstitution and multiple dealership clauses to be eliminated. Particularly re-sited outlets should be provided with all products and regularisation enforced.

8. **Tank Lorry Decantation:** We had requested that decantation be done through approved flow meters to avoid discrepancy in receipts.

9. **Tank Lorry Security & Locking:** We have written to the OMCs to improve security by introducing GPS-based locking devices to ensure that pilferage and adulteration are eliminated. We have been receiving replies over the last two years that these are being tested. We have even offered to bear the cost of implementing the system at any one of the terminals to showcase its effectiveness. Unfortunately, there seems to be no response on this legitimate request in order that the menace of product theft and other malpractices by third parties may be eliminated en route to the outlet from the installation.

10. **Tank Lorry Tender:** Arbitrary clauses and pricing practices have led to unscrupulous individuals bidding and winning the tender. The base rate and the band are not worked out transparently, and no break-up of the costing is offered. We dealers have been treated unfairly on this also, and kept in the dark about the various aspects of the tender.



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Please note that all these points have been duly represented during our meetings held on the following dates at the venues indicated:

**Sept. 9, 2014:** GAIL Bhavan, New Delhi, at the invitation of the Hon'ble MOS, MOP&NG. This was a historic meeting; never had such a meeting been held. You gave assurances after the discussions to solve outstanding issues, but these have not yielded results so far.

**Dec. 15, 2014:** HPCL Regional Office, Hyderabad, at the invitation of the OMCs. The top brass of the companies had threadbare discussions on all issues and we were satisfied with the assurances that were given to us. However, these have not yielded results so far.

**Feb. 4, 2015:** BPCL Head Office, Maker Towers, Mumbai, at the invitation of the OMCs. EDs and GMs of OMCs met us. We were told that before the next revision of RSP, all issues would be resolved. The revision happened on February 16, 2015, but there have been no positive outcomes for us so far.

**Feb.5, 2016:** Ministry of Petroleum & Natural Gas, New Delhi at the invitation of the Joint Secretary (Marketing).

We dealers are supposed to be your partners in business. But we are not treated accordingly. OMCs are taking unilateral decisions in all aspects of the trade. Dealers are kept under a tight regime by OMCs. The total scenario of the petroleum trade is changing for the worse for OMCs, with the intervention of private players. They have much more attractive offers for their dealerships and consumers at large. It is high time we dealers (who are your partners in business) are treated better and our opinion factored into any major policy changes.





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Dealers in Tamil Nadu hereby request BPCL, industrial coordinator for all of India, to call a meeting with the CIPD and the AIPD (which are national associations) within 15 days. If you still do not want to discuss the dealers' long-pending problems, the Tamil Nadu Petroleum Dealers Association will go for one-day token hunger strike on 26<sup>th</sup> of July 2016, time 9 AM to 5 PM to show our protest in front of the BPCL State headquarters, Chennai.(BPCL is the coordinator for all India)

There are dealerships that go back to 80 years. We have been serving you from generation to generation. But we are being treated unfairly and arbitrarily by OMCs. Our very survival is at stake at this point. We have invested everything into this business and our family and staffs all are dependent on this business, but unfortunately we are not taken care of by our principals.

The TNPDA once again requests you to call us for a meeting to avoid unpleasant situations and outcomes.

Thank you.

K.P. Murali

K.P. Murali

President, TNPDA

07.07.2016

President Office Address : No : 8, Bharathi Road, Cuddalore - 607 001, Tamilnadu.

Secretary Office Address : 33, Dindigul Road, Oddanchatram -624 619 Tamilnadu.





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## Copy to :

1. Honourable Minister of Petroleum and Natural Gas
2. Secretary of Petroleum and Natural Gas
3. Chief secretary of Tamil Nadu Government
4. Commissioner of Civil Supplier TN
5. Director of Marketing BPCL Mumbai
6. Director of Marketing IOCL Mumbai
7. Director of Marketing HPCL Mumbai
8. Executive Director BPCL Mumbai
9. Executive Director IOCL Mumbai
10. Executive Director HPCL Mumbai
11. CIPD President
12. AIPD President

*K.P. Murali*





# Consortium of Indian Petroleum Dealers

President

**A.D. Sathyanarayan, M.S. (Stanford).**

Cell : 097105 72698

Regd. No: 127-2013-14

Hon. Gen. Secretary

**M. Narayana Prasad, B.E., FIE.**

Cell : 098481 26024

Ref: CIPD/CO/02/16-17/02,

Date: 20.07.2016

To,  
DGM Sales RHQ, & Industry Retail Co-ordinator,  
Bharat Petroleum Corporation Ltd,  
12/ E & F, Maker Towers, Cuffe Parade,  
Box No. 19949, MUMBAI - 400 005.

Dear Sir,

**Sub: Request to invite us for a Meeting of CIPD with OMCs - Reg**

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We received the copy of the representation submitted to State Level Coordinator, Chennai by TNPDA on 7<sup>th</sup> July, 2016, appealing SLC to resolve the issues of the dealer community pending since long, by taking this to the concerned authorities of IOCL, HPCL, & BPCL. I am attaching the copy of TNPDA representation.

We also received another prayer made by FAMPEDA to SLC, Maharashtra on dt. 18<sup>th</sup> July, "Praying SLC, Maharashtra that such dead lock in discussions be defused, to avert a National crises, if we are to march forward for better competitive retail market".

Our correspondence with your good selves and a copy marking to respective OMC authorities are pending since long.

In the public grievance web portal under registration No. PMOGP/E/2016/0211986, Dt. 18<sup>th</sup> June, 2016; yourself replied affirmatively saying that the industry is giving Dealers' Margin and other as recommended by Apoorva Chandra Committee report.

The inordinate delay in holding the meetings with Consortium of Indian Petroleum Dealers (CIPD) a National Body is the cause of the concern for the dealers in the nation.

This is the reason that one of our constituent member state i.e. TNPDA has represented to SLC, Chennai to persuade the matter with their authorities and settle the issues before 26<sup>th</sup> July, 2016 otherwise

1. TNPDA resolved to go on hunger strike if we are not invited to discussions before 26<sup>th</sup> July, 2016.
2. FAMPEDA in support of TNPDA resolved to go on "NO PURCHASE" on 26<sup>th</sup> July, 2016.
3. APFPT resolved to go on protest in support of TNPDA demand before BPCL State office.

All the states are coming forward to support this issue as this is a National retail petroleum issue.

Hence we request you to arrange an urgent meeting with OMCs before 26<sup>th</sup> July, 2016 to defuse such deadlocks peacefully and to discuss our long pending issues and pave the way for better retail petroleum market in the nation to face any private competition in retail.

Thanking you,

Yours Sincerely

For Consortium of Indian Petroleum Dealers

Hon. Gen. Secretary  
M. Narayana Prasad

Copy To:

1. Joint Secretary(Marketing), P&NG, New Delhi
2. The Chairman, Executive Directors (Retail) & Director's Marketing - IOCL, BPCL, HPCL.
3. The President, CIPD,

Regd. Office  
103 B, Prabhakar Tirath Apartment,  
1-University Road, Lucknow-226 007, U.P.  
Tel : 0522 2780601, e-mail : presidentcipd@gmail.com

President Chamber  
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e-mail : ad.sathya@gmail.com, sathya@ard.com

Hon. Gen Secretary  
Plot No. 23,24, PSC Bose Road  
Jawahar Autonagar, Vijayawada-520 007, A.P.





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To.

State Level Coordinator, Chennai  
Deputy General Manager, BPCL, Chennai  
General Manager, HPCL, Chennai.

Sir,

**Sub: Hunger strike deferred**

You will recall that the Tamil Nadu Petroleum Dealers Association had written in detail to your good office, concerned earlier this month seeking an industry meet to discuss and resolve at least 10 outstanding issues, including the issue of dealer margins, within a specified time-frame on the basis of discussions. Through a letter we informed that unless such a meeting is convened, dealers associated with the TNPDA would go on a one-day hunger strike on July 26, 2016.

We are pleased to inform that the BPCL Coordinator has sent an official communication to the President of the Consortium of Indian Petroleum Dealers, inviting the Association for a meeting on July 29, 2016. (TNPDA is affiliated at the national level to the CIPD.) The OMCs respected EDs of BPCL-IOCL & HPCL are thus calling us for a meeting after a gap of 13 months. So We are deferring our agitation planned for July 26.

Further action points will be decided based on the outcome of the meeting of July 29. We are expecting some favorable outcomes.

Thank you.

K.P. Murali  
President, TNPDA

July 23, 2016