

No.P-20029/41/2003-PP- Vol.IV (Pt.)
Government of India
Ministry of Petroleum & Natural Gas
(PP Section)

Shastri Bhavan, New Delhi
30th June, 2011

To

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| 1 | The Chairman
Indian Oil Corporation Limited
<u>New Delhi</u> | 3 | The Chairman & Managing Director
Hindustan Petroleum Corporation Limited
<u>Mumbai</u> |
| 2 | The Chairman & Managing Director
Bharat Petroleum Corporation Limited
<u>Mumbai</u> | 4 | The Director
Petroleum Planning & Analysis Cell
<u>New Delhi</u> |

Subject : Enhancement of Dealer's Commission on Petrol and Diesel

Sir,

I am directed to refer to the above subject and to say that Dealers' Commission on Petrol and Diesel was last revised vide this Ministry's letter of even number dated 7th September, 2010.

2. A Committee was constituted by the Ministry of Petroleum & Natural Gas (MoP&NG) on 22nd September, 2010 under the Chairmanship of Joint Secretary (Marketing), MoP&NG for devising a suitable mechanism for fixing the Dealers' commission on Petrol and Diesel, inter-alia considering the demands raised by Dealers Associations.

3. The recommendations made by the Committee have been examined in this Ministry and after due consideration, it has been decided to include the following two new elements (in addition to the existing elements) as recommended by Committee in working out the revised rates of Dealers Commission on Petrol and Diesel:-

- (a) Bank Charges of ` 20/- per KL; and
- (b) Dealers' remuneration at the fixed rate of ` 12,000/- per month.

4. The new element of Dealers' remuneration at ` 12,000/- per month has been accepted so that the Dealers can shoulder certain specific responsibilities which will be entrusted to them in furtherance of their marketing functions. Necessary instructions in this regard will be issued by the Marketing Division of this Ministry shortly.

5. Accordingly, the Dealers' Commission on Petrol has been revised from ` 1218/- per KL to ` 1499/- per KL and on Diesel from ` 757/- per KL to ` 912/- per KL.

6. The License Fee Recovery, including Service Tax component, will continue to be recovered from the dealers on the sale of both Petrol and Diesel at the existing rates.

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7. As the price of Petrol is market-determined, the revised rate of Dealers' commission on Petrol will be used as an upper ceiling, with the decision of the actual commission to be paid to dealers' to be taken by the concerned Public Sector Oil Marketing Company.

8. The revised rates of Dealers' Commission for Petrol and Diesel will be effective from 01-07-2011.

Yours faithfully,

(J.K. Singh)
Under Secretary to the Govt. of India
Tel. No. 23383391

Copy to:-

1. President, Federation of All India Petroleum Traders, Rajinder Service Station, 2, Shamnath Marg, Civil Lines, Delhi – 110054.
2. Technical Director (NIC) with request to upload it on the website of this Ministry.

(J.K. Singh)
Under Secretary to the Govt. of India
Tel. No. 23383391

