

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:158

ANSWERED ON:15.07.2004

INVOLVEMENT OF SENIOR OFFICIALS IN ADULTERATION RACKETS

Koya Dr. P. Pookunhi; Vasava Shri Mansukhbhai D.

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

- (a) whether it is a fact that major petrol and diesel adulteration racket involving senior officials of the Oil Public Sector Undertakings was recently unearthed by the CBI;
- (b) if so, the details thereof stating the number of officials misusing the power during last three years;
- (c) the action being taken by the Government against those Oil Public Sector Undertakings;
- (d) whether Government is planning to formulate more stringent rules regarding adulteration of fuel; and
- (e) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 158 BY DR. P.P. KOYA & SHRI MANSUKHBHAI D. VASAVA TO BE ANSWERED ON 15TH JULY, 2004 REGARDING INVOLVEMENT OF SENIOR OFFICIALS IN ADULTERATION RACKETS

(a) to (e): In the last three years, CBI has registered 11 cases involving officials, named or unnamed, of Government and Oil Marketing Companies (OMCs) relating to corrupt practices. Eight of these cases have been registered within the last five months. Nine cases relate to the involvement of officials in various malpractices such as diversion and adulteration of petroleum products, and 2 cases concern acquisition of disproportionate assets. These cases are in different stages of investigation/trial. One retired and 13 serving officials have been named in these cases. Since these cases do not disclose any involvement of the oil public sector undertakings as such, action is proposed to be taken only against the individuals concerned. Two of the officials involved have been placed under suspension.

In order to reduce, minimize and eventually eliminate adulteration, the following important steps have been taken :-

- Government have issued Control Orders under the Essential Commodities Act, 1955 namely Naphtha Control Order, 2000, Solvent Control Order, 2000 and SKO Control Order, 1993 to prevent the misuse of these products for adulteration of auto fuels. MS/HSD Control Order, 1998 also provides for prevention of use of petroleum products other than MS/HSD as auto fuel. These Orders provide powers of search and seizure to the State Governments and Oil Marketing Companies to check adulteration. State Governments have been advised to take strict action under these Control Orders against persons indulging in adulteration.
- Oil Marketing Companies undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines and Dealership Agreements against those indulging in adulteration and malpractices
- Marketing Discipline Guidelines have been made more stringent to invoke the penalty of termination of dealership in cases of adulteration being established.
- Oil Marketing Companies have also introduced new tamper proof tank-truck locking systems to prevent en route adulteration by transporters.
- These measures, combined with restrictions placed on the parallel marketing of kerosene, have contributed to a considerable reduction in adulteration. Measures to check adulteration are kept under continuous review of Government.