

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

STARRED QUESTION NO:412
ANSWERED ON:21.02.2014
IRREGULARITIES AT RETAIL OUTLETS OF OMCS
Rama Devi Smt. ;Yadav Shri M. Anjan Kumar

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

- (a) the details of the rules/guidelines issued for checking irregularities or malpractices at retail outlets of various Oil Marketing Companies (OMCs) in the country;
- (b) the number of cases of violation of such rules/guidelines and irregularities or malpractices including adulteration of petroleum products at the retail outlets of various OMCs reported during the last three years and the current year along with the action taken thereon, company and State/UT-wise;
- (c) the agencies entrusted with the task of investigation of cases of irregularities during the said period, company-wise; and
- (d) the other steps being taken or proposed by the Government/OMCs to check such irregularities at retail outlets of OMCs?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (DR. M. VEERAPPA MOILY)

(a) to (d): A statement is laid on the Table of the House..

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 412 ASKED BY SHRIMATI RAMA DEVI AND SHRI ANJAN KUMAR M. YADAV FOR ANSWER ON 21.02.2014 REGARDING IRREGULARITIES AT RETAIL OUTLETS OF OMCS.

(a) : Marketing Discipline Guidelines are invoked by the Public Sector Oil Marketing Companies (OMCs) for checking of irregularities or malpractices at their Retail Outlets in the country.

(b) : The Public Sector Oil Marketing Companies (OMCs) have detected 14521 irregularities of various kinds against their Retail Outlet (ROs) during the last three years and current year (April – December 2013). Consequently appropriate action including termination, suspension of sales and supplies, issuing of warning letter, fine & penalty etc. was taken against Retail Outlet Dealers in these established cases of irregularities. State-wise and Company-wise details of irregularities and action taken are in the Annexure I and Annexure II respectively.

(c) & (d) : The Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005 issued by the Central Government under Essential Commodities Act, 1955 provides for punitive action against malpractices such as adulteration. Provisions are also available in the contractual documents and administrative guidelines to prevent malpractices.

Public Sector OMCs undertake regular and surprise inspection of Retail Outlets and take action under the provisions of the Marketing Discipline Guidelines (MDG) and Dealership Agreements against the outlets found indulging in irregularities/malpractices. The MDG provides for termination of outlets in the first instance itself for serious malpractices like adulteration, tampering of seals and unauthorized fittings/gears in the dispensing units and graded penalties for other malpractices/irregularities. Other initiatives to prevent irregularities in Retail Outlets include Automation of Retail Outlets, Third Party Certification of Retail outlets and Monitoring of movement of tank trucks through Global Positioning System (GPS).

The Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, inter alia stipulates that dealers have to sell PDS Kerosene at a price fixed by the Government or OMCs, have to prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place and provides for action against black marketing/diversion etc. Under this Control Order, State Governments are also empowered to take action against those indulging in black-marketing and other irregularities.