

FORTY-NINTH REPORT

STANDING COMMITTEE ON
PETROLEUM & CHEMICALS
(2003)

(THIRTEENTH LOK SABHA)

**NON-OBSERVANCE OF GUIDELINES LAID DOWN BY THE
GOVERNMENT IN ALLOTING RETAIL OUTLETS AND LPG
DISTRIBUTORSHIPS BY DEALER SELECTION BOARDS (DSBs)**

MINISTRY OF PETROLEUM AND NATURAL GAS

*[Action Taken by the Government on the recommendations contained in the
Thirty-Eighth Report (Thirteenth Lok Sabha) of the Standing Committee on
Petroleum and Chemicals (2002) on `Non –observance of Guidelines laid down by
the Government in allotting Retail Outlets and LPG Distributorships by Dealer
Selection Boards (DSBs)]*

Presented to Lok Sabha on 22.08.2003

Laid in Rajya Sabha on 22.08.2003

LOK SABHA SECRETARIAT
NEW DELHI

August 2003/ Sravana , 1925 (Saka)

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	iii
COMPOSITION OF THE SUB-COMMITTEE ON PETROLEUM.....	v
INTRODUCTION	vii
CHAPTER – I Report	1

APPENDICES

- I. Minutes of the Ninth sitting of the Sub-Committee on Petroleum of the Standing Committee on Petroleum & Chemicals (2003) held on 13th August, 2003
- II. Minutes of the Seventh sitting of the Standing Committee on Petroleum & Chemicals (2003) held on 19th August, 2003.....

COMPOSITION OF THE
STANDING COMMITTEE ON PETROLEUM AND CHEMICALS (2003)

SHRI MULAYAM SINGH YADAV - Chairman
MEMBERS

LOK SABHA

2	Shri Ashok Argal
3	Shri Ramchander Baina
4	Dr.(Smt.) Suguna Kumari Chellamella
5	Shri Padam Sen Choudhary
6	Shri Khagen Das
7	Smt. Sheela Gautam
8	Shri Paban Singh Ghatowar
9	Shri Bijoy Handique
10	Shri Shriprakash Jaiswal
11	Shri Jagannath Mallick
12	Shri Punnulal Mohale
13	Shri P. Mohan
14	Shri Ashok N. Mohol
15	Dr. Debendra Pradhan
16	Shri Rajesh Ranjan
17	Shri Mohan Rawale
18	Shri Ram Sajivan
19	Dr. Bikram Sarkar
20	Dr. (Smt.) V. Saroja
* 21	Shri Harpal Singh Sathi
22	Shri Shyamacharan Shukla
23	Shri Prabhunath Singh
24	Dr. Ram Lakhani Singh
** 25	Dr. Ramesh Chand Tomar
26	Shri Shankersinh Vaghela
27	Shri Rathilal Kalidas Varma
28	Shri A.K.S. Vijayan
29	Dr. Girija Vyas
30	Shri Dinesh Chandra Yadav

* ***Nominated w.e.f. 21st February, 2003.***

** ***Nominated w.e.f. 26th February, 2003.***

(iv)

RAJYA SABHA

- | | |
|----|---------------------------------|
| 31 | Shri Balkavi Bairagi |
| 32 | Shri Ram Nath Kovind |
| 33 | Shri Anil Kumar |
| 34 | Shri Rajiv Ranjan Singh 'Lalan' |
| 35 | Shri Moolchand Meena |
| 36 | Shri Dipankar Mukherjee |
| 37 | Shri Pritish Nandy |
| 38 | Shri Kripal Parmar |
| 39 | Shri Ahmed Patel |
| 40 | Shri Keshubhai S. Patel |
| 41 | Shri V.V. Raghavan |
| 42 | Ms. Mabel Rebello |
| 43 | Shri Yadlapati Venkat Rao |
| 44 | Shri Thanga Tamilselvan |
| 45 | Prof. Ram Gopal Yadav |

SECRETARIAT

- | | | | |
|----|--------------------|---|-----------------------------------|
| 1. | Shri P.D.T. Achary | - | <i>Additional Secretary</i> |
| 2. | Shri P.K. Grover | - | <i>Director</i> |
| 3. | Shri J.N. Oberoi | - | <i>Officer on Special Duty</i> |
| 4. | Smt. Madhu Bhutani | - | <i>Senior Executive Assistant</i> |

SUB-COMMITTEE ON PETROLEUM
A SUB-COMMITTEE OF THE STANDING COMMITTEE ON PETROLEUM &
CHEMICALS
(2003)

Shri Mulayam Singh Yadav- Chairman

2. Shri Dipanker Mukherjee- Convenor

3. Shri Ashok Argal

4. Dr. (Smt.) Suguna Kumari Chellamella

5. Smt. Sheela Gautam

6. Sh. Paban Singh Ghatowar

7. Sh. Bijoy Handique

8. Sh. Anil Kumar

9. Sh. Rajiv Ranjan Singh 'Lalan'

10. Sh. Ahmed Patel

11. Sh. Ram Sajivan

12. Sh. Shyama Charan Shukla

13. Sh. Prabhunath Singh

14. Sh. Shankersinh Vaghela

15. Sh. Ratilal Kalidas Varma

16. Prof. Ram Gopal Yadav

SECRETARIAT

- | | | | |
|----|--------------------|---|-----------------------------------|
| 1. | Shri P.D.T. Achary | - | <i>Additional Secretary</i> |
| 2. | Shri P.K. Grover | - | <i>Director</i> |
| 3. | Shri J.N. Oberoi | - | <i>Officer on Special Duty</i> |
| 4. | Smt. Madhu Bhuntai | - | <i>Senior Executive Assistant</i> |

INTRODUCTION

I, the Chairman, Standing Committee on Petroleum & Chemicals (2003) having been authorised by the Committee to submit the Report on their behalf, present this Forty-Ninth Report on Action Taken by Government on the recommendations contained in Thirty-Eight Report (Thirteenth Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2002) on 'Non-observance of Guidelines laid down by the Government in allotting Retail Outlets and LPG Distributorships by Dealer Selection Boards (DSBs)'.

2. The Thirty-Eighth Report of the Committee was presented to Lok Sabha on 20th December, 2002. The Reply of Government to the recommendation contained in the Thirty-Eighth Report was received on 23rd June, 2003. The Sub-Committee on Petroleum considered the Action Taken Reply received from the Government and adopted the Report at their sitting held on 13th August, 2003.

3. The Standing Committee on Petroleum & Chemicals (2003) considered and adopted this Report at their sitting held on 19th August, 2003. The Committee place on record their appreciation of the work done by the Sub-Committee on Petroleum.

4. For facility of reference and convenience, the observation and recommendation of the Committee have been printed in bold letters in the body of the Report.

5. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI
August 19, 2003
Sravana 28, 1925 (Saka)

MULAYAM SINGH YADAV
Chairman
Standing Committee on
Petroleum & Chemicals.

REPORT

CHAPTER-I

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Thirty-Eighth Report (Thirteenth Lok Sabha) of the Standing Committee on Petroleum and Chemicals (2002) on 'Non-observance of Guidelines laid down by the Government in allotting Retail Outlets and LPG Distributorships by Dealer Selection Boards' which was presented to Lok Sabha on 20th December, 2002.

2. This Report contained only one recommendation. Action taken note has been received from the Government in respect of this recommendation. Since there is only one recommendation in the original Report, as such it cannot be categorized under various heads.

3. The Committee will now deal with the action taken by the Government on this recommendation.

4. The Standing Committee on Petroleum & Chemicals had received about 500 complaints alleging irregularities in allotment of Retail Outlets and LPG Distributorships. While examining these complaints regarding 'Non-Observance of Guidelines laid down by the Government in allotting Retail Outlets / LPG Distributorships by Dealer Selection Boards (DSBs)' the Committee in their Thirty-Eighth Report had observed that the Government did not take seriously their earlier recommendations contained in the Report on 'Evaluation of Guidelines of Dealer Selection Boards (DSBs)' presented to Lok Sabha on 26th February, 2002. The Committee expressed their clear opinion that because of the vague nature of the norms for the evaluation of the candidates, the objectivity of the Dealer Selection Boards had been questioned. They had, therefore,

opined that fault lay with the formulation of these norms which resulted in further manipulations.

5. The Committee after having examined the nature of complaints were of the opinion that prima facie there were a number of cases which needed detailed investigation. While noting that the office of Director General – Anti-Adulteration Cell had been entrusted with the additional responsibility of investigating these complaints yet the Committee had observed that the Cell had totally failed to accomplish this additional task. The Committee had specifically referred to the fact that when they desired to be furnished with the details regarding complaints received by the Directorate the same were not furnished to them. The Committee had, therefore, specifically desired that the complaints received should be enquired into independently and thoroughly. They had also observed that they did not have at their disposal any independent agency who could be assigned this task to go further into the details of these complaints. The Committee had, therefore, recommended that the complaints received by them should be taken over by the Ministry of Petroleum & Natural Gas with the directive that the Government should refer all these complaints to an independent investigative agency for the purpose as mentioned earlier.

6. The Committee had distinctly emphasised that the aim of the recommendation was not to malign individual or agency but to ensure objectivity of the system.

7. The Government in reply to this recommendation has stated as under:-

“Ministry of Petroleum & Natural Gas has noted the views of the Committee with regard to the examination of the complaints received by the Committee and sent to the Ministry for an independent enquiry. Copies of 151 complaints (133 in the first list and 18 subsequently) were received by the Ministry and DG, AAC has been asked to enquire into these.

8. The Ministry of Petroleum & Natural Gas has examined the recommendations of the Committee for an enquiry into the complaints by an independent agency. The Ministry's views are as follows:

➤ Ministry of Petroleum & Natural Gas has two agencies under it to get the complaints enquired into; namely, the Oil Companies and the Director General, Anti-Adulteration Cell. If the initial investigation/enquiry by these agencies reveals that prima facie the complaints are established, suitable action will be taken.

➤ Therefore, a view will be taken after the receipt of the specific recommendations of the DG, AAC in each case to whom the enquiry has been entrusted to as to whether any further investigation by any other agency is needed or not. Ministry of Petroleum & Natural Gas is also monitoring the progress of enquiry and submission of the reports by the DG, AAC.”

9. The Committee are not at all convinced with the reply of the Government. The Committee are well aware of the fact that the Ministry of Petroleum & Natural Gas has two agencies under it to get the complaints enquired into namely the Oil Companies and the Director General, Anti-Adulteration Cell. While making their earlier recommendation, the Committee had taken into account the existence of these agencies which were functioning earlier also. It was only analysing the functions and role of Director General, Anti-Adulteration Cell that the Committee had recommended for an independent enquiry. In fact there was no need to wait for the outcome of the enquiry by Director General, Anti-Adulteration Cell The Committee, therefore, reiterate their earlier recommendation that the Government should refer all these complaints to an independent agency for enquiring into substance of allegations.

**NEW DELHI
August 19, 2003
Sravana 28, 1925 (Saka)**

**MULAYAM SINGH YADAV
Chairman
Standing Committee on
Petroleum & Chemicals.**

APPENDIX -I

MINUTES

SUB-COMMITTEE ON PETROLEUM

A SUB-COMMITTEE OF THE

STANDING COMMITTEE ON PETROLEUM & CHEMICALS (2003)

NINTH SITTING (13.08.2003)

The Sub-Committee sat from 1500 hrs. to 1700 hrs.

Present

Shri Prabhunath Singh - **In the Chair**

Members

Lok Sabha

2. Shri Ashok Argal
3. Smt. Sheela Gautam
4. Shri Bijoy Handique
5. Shri Ram Sajivan

Rajya Sabha

6. Shri Rajiv Ranjan Singh 'Lalan'

Secretariat

Shri J.N. Oberoi - Officer on Special Duty

In the absence of Hon'ble Convenor of the Sub-Committee on Petroleum, Members chose Shri Prabhunath Singh to act as Convenor in terms of Rule 258 (3) of Rules of Procedure and Conduct of Business in Lok Sabha.

2. The meeting was divided in two parts. In the first part, the Sub-Committee considered two draft Reports namely:-

(i) ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** **

(ii) Action Taken by Government on the recommendations contained in the Thirty-Eighth Report (13th Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2002) on 'Non-Observance of Guidelines laid down by the Government in allotting Retail Outlets and LPG Distributorships by Dealer Selection Boards (DSBs)'.

After a brief discussion, the Sub-Committee adopted these Reports and authorised the Convenor to present these Reports to Hon'ble Chairman for placing before the full Committee for consideration and adoption.

3. ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** ** **

4. The verbatim record of the proceedings has been kept

The Sub-Committee then adjourned.

** ***Matters not related to this Report.***

APPENDIX-II
MINUTES

STANDING COMMITTEE ON PETROLEUM & CHEMICALS
(2003)

SEVENTH SITTING
(19.08.2003)

The Committee sat from 1000 hrs. to 1030 hrs.

Present

Shri Mulayam Singh Yadav - Chairman

Members

Lok Sabha

2. Dr. (Smt.) Suguna Kumari Chellamella
3. Shri Khagen Das
4. Shri Harpal Singh Sathi
5. Shri Paban Singh Ghatowar
6. Shri Bijoy Handique
7. Shri Shriprakash Jaiswal
8. Shri Punnulal Mohale
9. Shri P. Mohan
10. Shri Ashok N. Mohol
11. Dr. Debendra Pradhan
12. Shri Ram Sajivan
13. Dr. (Smt.) V. Saroja
14. Dr. Ramesh Chand Tomar
15. Shri Prabhunath Singh
16. Dr. Ram Lakhan Singh
17. Shri A.K.S. Vijayan

Rajya Sabha

18. Shri Balkavi Bairagi
19. Shri Ram Nath Kovind
20. Shri Anil Kumar
21. Shri Kripal Parmar
22. Shri V.V. Raghavan
23. Ms. Mabel Rebello
24. Shri Thanga Tamilselvan

Secretariat

1. Shri P.K. Grover - Director
2. Shri J.N. Oberoi - Officer on Special Duty
3. Dr. Ram Raj Rai - Assistant Director

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting and explained the purpose of the day's meeting.

3. Thereafter, he invited the Members to give their suggestions, if any, on the following draft Reports being considered for adoption:-

(i) * * * * *

(ii) * * * * *

(iii) * * * * *

(iv) * * * * *

(v) Forty-Ninth Report on action taken by Government on the recommendations contained in the Thirty-Eighth Report (13th Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2002) on 'Non-Observance of Guidelines laid down by the Government in allotting Retail Outlets and LPG Distributorships by Dealer Selection Boards (DSBs)';

(vi) * * * * *

(vii) * * * * *

4. After some consideration, the Committee adopted the Reports subject to minor modifications.

5. The Committee, thereafter, authorised the Chairman to finalise the Reports after factual verification from the concerned Ministries/Departments and present them to the Parliament.

6. The Committee placed on record their appreciation of the work done by all the Sub-Committees of the Standing Committee on Petroleum & Chemicals.

7. The Committee also placed on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

8. * * * * *

The Committee then adjourned

* ***Matters not related to this Report.***