

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

UNSTARRED QUESTION NO:1349  
ANSWERED ON:02.03.2006  
BENAMI ALLOTMENT OF PETROL PUMPS AND LPG AGENCIES  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

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- (a): whether the Government has received any complaints regarding benami allotment of petrol pumps and LPG agencies actually earmarked for reserved categories;
- (b): if so, the details of such complaints received during each of the last three years, State-wise;
- (c): the action taken against the persons found guilty, State-wise; and
- (d): the measures taken by the Government to stop such benami allotment of petrol pumps/LPG agencies allotted against the reserved categories?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): During the last three years, i.e., 2002-03, 2003-04 and 2004-05, the public sector oil marketing companies (OMCs), viz., Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation Limited (HPC), Bharat Petroleum Corporation Limited (BPC) and IBP Co. Limited (IBP), had received 17 complaints regarding benami allotment / operation of retail outlet (RO) dealerships (petrol pumps) and 18 complaints regarding benami allotment/operation of LPG distributorships. Out of these, while complaints with regard to 14 cases of RO dealerships and 8 cases of LPG distributorships could not be established after investigation, 3 complaints relating to RO dealerships and 10 complaints relating to LPG distributorships were established. All the cases which have been established, relate to IOC. Year-wise break-up is as follows:-

Year	Number of complaints received	Number of complaints not established after investigation	Number of complaints established after investigation	Investigation
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RO dealerships

2002-03	1	0	1	
2003-04	2	2	0	
2004-05	14	12	2	

LPG distributorships

2002-03	7	4	3	
2003-04	4	1	3	
2004-05	7	3	4	

In the case of RO dealerships in which 3 complaints have been established, while 2 dealerships (one each in the States of Jharkhand and Haryana) have been terminated, the process of termination in respect of the remaining dealership (in Uttar Pradesh) has been initiated.

In the case of LPG distributorships, while 7 distributorships (3 in Punjab, 2 in Uttar Pradesh and one each in Kerala and Tamil Nadu) have been terminated, in one case in the State of Tamil Nadu the process of termination has been initiated. Further, in one case in the State of West Bengal, while the distributorship has been suspended, further action is held up due to a litigation. In the remaining one case relating to the State of Punjab, in view of recommendation from the Petitions Committee, Rajya Sabha, in favour of the distributor, a warning letter was issued to the distributor.

(d) As per the mechanism followed by the OMCs, at the time of interview of the applicants, the documents furnished by them along

with their applications are verified with reference to the original copies of the documents. Thereafter, on receipt of the merit panel of selected candidates, the oil company concerned conducts the field investigation in respect of the selected candidate. During this investigation, the factual data given by the candidate in his application is again verified.

In addition, the oil company officers, while inspecting the retail outlets frequently, monitor whether the signatories to the dealership agreements are managing the dealerships personally. If any doubt arises, then bank documents, sales tax registration, income tax returns, retail selling licences and other relevant documents, etc. are checked to ensure that there is no benami operation. Whenever, any case of operation of retail outlet by persons not allotted the dealership is detected, the matter is investigated and if this is established, action is taken in line with the dealership/distributorship agreement.