

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

STARRED QUESTION NO:39  
ANSWERED ON:02.12.2004  
CANCELLATION OF ALLOTMENT OF PETROL PUMPS  
Pathak Shri Brajesh

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

- (a) Whether the high powered committee constituted by the Supreme Court regarding the irregularities committed in the allotment of petrol pumps, has recommended cancellation of the allotment of petrol pumps in large number in October, 2004;
- (b) if so, the details thereof;
- (c) the details of the other recommendations made by the committee; and
- (d) the action taken/proposed to be taken by the Government in this regard?

**Answer**

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

(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.39 BY SHRI BRAJESH PATHAK TO BE ANSWERED ON 2ND DECEMBER, 2004 REGARDING CANCELLATION OF ALLOTMENT OF PETROL PUMPS.

(a) to (d): The high powered committee, comprising two retired Judges, appointed by the Supreme Court to enquire into certain selections made by the erstwhile Dealer Selection Boards (DSBs), submitted its report to the Court on 29.9.2004.

409 cases of retail outlet dealerships (petrol pumps), LPG distributorships and SKO-LDO dealerships were considered by the Committee. 297 of these have been recommended for cancellation. The general observations contained in the report of the Committee inter alia include:-

(i) The maximum mark assigned to the Chairman of a DSB in the matter of evaluation of a candidate was 200 while it was 100 only in respect of each of the other two members of the DSB, thus providing a disproportionately higher weightage to the assessment made by the Chairman.

(ii) In a large number of cases, arbitrarily high marks have been awarded to the allottees, particularly by the Chairman of the DSB, as compared to other more or equally meritorious applicants.

(iii) Transparent and objective criteria / procedure laid down in the guidelines were not followed in the dealer selection process.

(iv) The DSBs did not adopt a uniform practice while evaluating the candidates for awarding marks, and in some cases, the same person, while chairing another DSB, has been found to have adopted a different approach.

(v) Scrutiny of applications in some cases by the oil company was found to be perfunctory and applications of ineligible applicants accepted.

(vi) The field investigation, which is done after selection by the DSB, has not been satisfactory in many cases as no proper verification was made regarding the correctness of the information given in the application, and fresh documents were taken in the record by the officer conducting the field investigation, though he was not authorized to do so.

(vii) There was a lacuna in the guidelines for computing the income of the candidates. Where a candidate is dependent on his/her parents, the income of the parents has to be taken into consideration; but if the candidate is the wife of a person who is dependent on his parents, the income of the parents of the husband is not required to be taken into consideration; as a result, the person, who is

dependent on his parents, could easily defeat the provision of the income limit by submitting an application in his wife's name.

(viii) Since the guidelines provide that the dealer is required to be a "Full Time Working Dealer", the Committee has held that Members of Parliament (MPs)/Members of Legislative Assemblies (MLAs) cannot run the dealership on a full-time basis on account of their pre-occupations with Parliamentary work and, therefore, they do not fulfil the necessary condition of "full time working dealer" . The Committee's view is that an MP/MLA, in the event of being allotted dealership/distributorship, should resign from membership of the legislature.

The Court is now expected to take a decision in the matter on the basis of the report of this Committee. Further action by the Government in this regard will depend on the orders of the Court.