

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

STARRED QUESTION NO:24
ANSWERED ON:23.11.2006
ADULTERATION OF PETROL AND DIESEL
Bishnoi Shri Jaswant Singh

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

- (a) the transportation policy of public sector oil companies for supply of petrol and diesel to dealers;
- (b) the details of oil companies which have been providing their own tankers for supply of petrol and diesel to dealers;
- (c) whether the Government has received complaints regarding adulteration in petrol and diesel being carried out when the tankers are en-route;
- (d) if so, the details thereof;
- (e) the steps taken by the Government to check adulteration of petrol and diesel?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(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 24 TO BE ANSWERED ON 23rd NOVEMBER 2006 REGARDING ADULTERATION OF PETROL AND DIESEL ASKED BY SHRI JASWANT SINGH BISHNOI:

(a) : Oil Marketing Companies (OMCs) supply petrol and diesel to dealers from their terminals through tank trucks owned by OMCs or contracted for transportation of the products on the basis of public tenders. The transporter has to conform to the safety requirements and has to ensure tamper-free delivery of the products to the retailers in conformity with OMCs stipulations. Public tenders on industry basis are invited for engaging tank trucks for transportation of bulk petroleum products to the dealers. There is a provision for reservation of 15% for Scheduled Caste and 7.5% for Scheduled Tribe category transporters. Oil companies give preference to their own dealers in awarding contracts for lifting their own requirement of products at tender finalized rates, provided they have participated in the tender,

(b) Details of company-owned TTs7 company-wise are as under:

Name of Oil Company Number of (TTs)

HPCL	149
IOC	153
BPCL	161
IBP	12

(c) & (d): The Government is aware that the possibility of inducement for adulteration of petrol/diesel by some unscrupulous elements cannot be ruled out owing to the huge price difference between petrol and diesel and various adulterants available in the market. IOCL, BPCL and HPCL have reported the receipt of 14, 25 and 8 complaints respectively of en-route adulteration during the current year.

(e) The Government/Public Sector Oil Marketing Companies (OMCs) have taken the following steps to contain the menace of adulteration:-

(i) Under the Control Orders issued by the Government to prevent fuel adulteration, under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in adulteration. Government have requested the State Governments/ Union Territory Administrations to take steps to control adulteration.

(ii) OMCs undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines

(MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provide for termination of dealership in cases of adulteration being established.

(iii) Government has taken the initiatives to expedite the installation of Global Positioning System (GPS) to monitor the movement of tank trucks.

(iv) OMCs have introduced new tamper proof tank-truck locking systems to prevent en-route adulteration by transporters.

(v) Keeping in view the misuse/diversion of SKO for adulteration, the import of SKO by private parties has been canalized through OMCs.

(vi) As advised by the Government, Oil Marketing Companies (OMCs) have created a separate wing to report to a Director other than Director (Marketing), which will oversee and monitor all activities and operations to curb adulteration and specify norms and guidelines in this regard.

In order to check adulteration, the Government has recently taken a number of new initiatives which are annexed.

ANNEX TO THE LOK SABHA STARRED QUESTION NO 24 DATED 23.11.2006 DETAILS OF NEW INITIATIVES TAKEN TO CHECK ADULTERATION OF PETROL/DJESEL AND STREAMLINING PPS KEROSENE DISTRIBUTION

Checking adulteration is a continuous process and the Ministry of Petroleum & Natural Gas has been reviewing steps taken to curb adulteration from time to time. In the process, several technological and institutional measures have been taken to contain adulteration. The recent steps taken by the Ministry are summarized below:

1. Automation of Retail Outlets: In order to monitor the activities at retail outlets by adopting the latest technological improvements, automation of retail outlets is being implemented. MOP&NG has directed the oil marketing companies to complete automation of retail outlets selling more than 200 KL per month by March 2007.

2. Third Party Certification of Retail Outlets: OMCs have been directed to complete third party certification of all the retail outlets selling more than 100 KL per month by March 2007.

3. Monitoring of movement of Tank Trucks through Global Positioning System(GPS): In order to prevent adulteration during transportation, OMCs have been directed to install GPS for complete monitoring of the movement of all the company owned /dealer owned/contractor owned tank trucks by March 2007.

4. Marker System in Kerosene: To check adulteration in auto fuels. Government has asked public sector Oil Marketing Companies (OMCs) to take various steps, including introduction of marker in adulterants. OMCs have commenced introduction of marker in kerosene on all India basis with effect from 1.10.2006. Under the new system, Marker is being put in kerosene in all depots. This system heralds the introduction of world class technology to curb and eventually eliminate the menace of adulteration of transportation fuels along the supply chain. With the marker's presence, adulteration even with very low levels of kerosene can be detected.

5. Revising the Marketing Discipline Guidelines: The Marketing Discipline Guidelines(MDG) under which the oil marketing companies take penal actions against the erring dealers have been revised during August 2005 making the penal actions more stringent. As per MDG, 2005, a dealership would be terminated in the first instance of adulteration itself.

6. Jan Kerosene Pariyojna: To streamline the PDS Kerosene distribution system and contain diversion of kerosene for adulteration and other unauthorized usages, Jan Kerosene Pariyojna(JKP) had been launched initially for a period of 6 months on a pilot basis in 414 blocks with effect from 2.10.2005. The Pilot scheme has been further extended upto 30.6.2007.

7. Smart Card Scheme: With the objective of ensuring that the benefit of the subsidy reaches the targeted consumers in an efficient and cost-effective manner and to prevent any leakages, this Ministry has proposed introduction of Smart Card System for distribution of PDS kerosene. The scheme is proposed to be introduced initially on an experimental basis in three districts - Latur in Maharashtra, Nalanda in Bihar and Nainital in Uttaranchal in 2007. In the Pilot project, subsidized kerosene through Smart Card is proposed to be available to BPL families while all other ration card holders would be given non-subsidized kerosene. Oil Marketing Companies (OMCs) would ensure adequate availability of PDS as well as non-subsidized kerosene during the entire period of implementation of the Pilot.