

**COMMITTEE ON PUBLIC  
UNDERTAKINGS  
(1982-83)**

**(SEVENTH LOK SABHA)**

**SEVENTY-THIRD REPORT**

**Action taken by Government on the recommendations contained  
in the Forty-seventh Report of the Committee on  
Public Undertakings (Seventh Lok Sabha)**

**on**

**OIL COMPANIES—IMPORTS OF PETROLEUM CRUDE  
AND PRODUCTS AND DISTRIBUTION OF GAS**

**(Ministry of Energy—Department of Petroleum)**

*Presented to Lok Sabha on 29.4.1983*

*Laid in Rajya Sabha on 29.4.1983*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1983/Vaisakha, 1905(S)*

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CORRIGENDA TO SEVENTY-THIRD REPORT  
OF THE COMMITTEE ON PUBLIC  
UNDERTAKINGS

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## **COMMITTEE ON PUBLIC UNDERTAKINGS**

**(1982-83)**

### **CHAIRMAN**

**Shri Madhusudan Vairale**

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3. **Shrimati Gurbrinder Kaur Brar**
4. **Shri Ramnath Dubey**
5. **Shri Harish Kumar Gangwar**
6. **Shri Krishna Chandra Halder**
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21. **Shri M. S. Ramachandran**
22. **Shri Syed Sibtey Razi**

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1. **Shri T. R. Krishnamachari—*Joint Secretary***
2. **Dr. D.N. Gadhop—*Chief Financial Committee Officer***
3. **Shri G. S. Bhasin—*Senior Financial Committee Officer.***

**SUB-COMMITTEE ON ACTION TAKEN OF THE  
COMMITTEE ON PUBLIC UNDERTAKINGS  
(1982-83)**

1. Shri Madhusudan Vairale—*Chairman*
2. Shri Kamaluddin Ahmed—*Convener*
3. Shri Krishna Chandra Halder
4. Shri Lakshman Mallik
5. Shri D. K. Naikar
6. Shri Pratap Bhanu Sharma
7. Shri Satyendra Narain Sinha
8. Shri J. P. Mathur
9. Shri Syed Sibtey Razi

## INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this 73rd Report on Action Taken by Government on the recommendations contained in the 47th Report of the Committee on Public Undertakings (Seventh Lok Sabha) on Oil Companies.

The 47th Report of the Committee on Public Undertakings was presented to Lok Sabha on 30 April, 1982. Replies of Government to all the recommendations contained in the Report were received by 30 November, 1982. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings on 20 April, 1983. The Report was finally adopted by the Committee on Public Undertakings on 26 April, 1983.

An analysis of the Action taken by Government on the recommendations contained in the 47th Report (1981-82) of the Committee is given in Appendix.

NEW DELHI;

28 April, 1983

8 Vaisakha, 1905 (Saka)

MADHUSUDAN VAIRALE,

*Chairman,*

*Committee on Public Undertakings.*

## **CHAPTER II**

### **RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation (Sl. No. 1)**

Indigenous production of petroleum crude in 1980-81 was 10.50 million tonnes. Imports of the crude were of the order of 15.80 million tonnes. In addition petroleum products were imported to the extent of 7.058 million tonnes. The value of the imports of petroleum crude and products was Rs. 5263.47 crores. The Committee have been informed that the indigenous production of crude in 1984-85 is now expected to be 29.46 million tonnes which exceeds the original anticipation by about 8 million tonnes. However, the imports of petroleum crude and products would still be necessary to the extent of about 12.74 and 4.3 million tonnes respectively. The consumption of petroleum products which was 30.80 million tonnes in 1980-81 is expected to go up to 57.9 million tonnes by 1989-90. The Committee note the government's endeavours in the direction of energy conservation, exploration of alternative sources including synthetic oil and reduction of consumption. They are glad to observe that significant progress has been achieved and is expected to be achieved in the indigenous production of crude. Nevertheless in view of the substantial imports entailing huge foreign exchange outgo that would still be needed in the years to come these endeavours need to be monitored and coordinated better by institutionalising the present arrangement as in some other countries. (Paragraph 1.86)

#### **Reply of Government**

In addition to the setting up of the Petroleum Conservation Research Association, Government has also created a full-fledged Department of Non-Conventional Energy Sources in the Ministry of Energy to look into this important source of energy. Also, the Department of Petroleum has been made a part of Ministry of Energy. This will help in improving coordination in the direction of energy conservation and exploration of alternative sources.

#### **Recommendation (Sl. No. 2)**

The present refining capacity in the country is 31.80 million tonnes (as at the end of 1981). This appears to be inadequate. The Committee

5. In Government's reply there is no indication whether the Committee's observation has been brought to the notice of the Ministry of Shipping and Transport.\*

6. The Committee's observation that they "trust that SCI would take note of this (Shortage of product tankers) and augment the capacity of product tankers in order to serve fully India's imports" should have been brought to the notice of the Ministry of Shipping and Transport for necessary action. This should be done now.

*Retrospective increase in crude oil prices*

**Recommendation Sl. No. 8 (Paragraph II.8)**

7. The Committee had come across a case of retrospective increase in crude oil prices where additional payments of the order of US \$ 15.8 millions had been authorised by the Chairman, IOC. The precise legal position of this payment did not appear to have been examined. The Committee had recommended that in future prior approval of the Empowered Committee or at least of the Board of the I.O.C. should be obtained.

8. The Government have in their action taken note stated :

"Term contracts for crude oil supplies with national oil companies or oil exporting countries are finalised with the approval of the Government and are not within the purview of the Empowered Standing Committee. The Board of Directors of IOC has delegated powers for imports of crude oil and petroleum products to the Chairman of IOC. It is the established practice that the Chairman of IOC consults the Finance Director of the Corporation and the officials concerned in the Department of Petroleum and in the Ministry of Finance before accepting any demand by the supplier for such payments."

9. The Committee are of the view that payments that may be inevitable but are not clearly covered by the terms of the agreement ought to be made by the Chairman (IOC) only with the prior approval of the Board of Directors. The delegation of powers cannot cover such cases. The Committee accordingly suggest that in future the precautionary step suggested by them should be followed.

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\* At the time of factual verification the Deptt. of Petroleum intimated that the Committee's observation had been brought to the notice of the Ministry of Shipping & Transport in September, 1962.



*Import of HSD from Hong Kong*

**Recommendation Sl. No. 10 (Paragraph II.10)**

10. The Committee while dealing with the case of purchase in 1980 of HSD from Kuo Oil, Hong Kong through an Indian firm namely Hindustan Monark, New Delhi had *inter alia* observed :

"However, it is clear that the subsequent events proved that it was not prudent to have gone in for the purchases. The Committee fail to understand why the normal procedure of processing the purchase proposals through the Empowered Committee was not followed in this case. They would await a further enquiry or an explanation in this regard."

11. In their action taken note, Government have stated :

"The procedure involving the Empowered Standing Committee was at that time one of recent origin. Till September, 1979, the approval of the Department of Petroleum was obtained while placing orders on suppliers. It was only in September, 1979 that the Empowered Standing Committee was constituted and the most important governing consideration in constituting this was to ensure speed in decision making.

The tender in question (Tender No. 1/80) was in fact the first tender floated after the newly elected Government took over in 1980 and, as such, the changed procedure of involving the Empowered Standing Committee was reaffirmed only in April 1980 and in the meeting of the Empowered Standing Committee held on April 29, 1980, the Committee was informed that the Minister of Petroleum & Fertilizers had authorised the continuance of the Empowered Standing Committee as constituted with the approval of the Cabinet till such time as fresh orders were issued on the subject by the Cabinet.

In fact, the Empowered Standing Committee did consider the matter when it met on February 15, 1980 to discuss, *inter-alia*, the proposal to import 5,00,000 tonnes of HSD during March to December, 1980 and decided to ask for extension of the tenders till February 22, 1980. The then Minister, Petroleum, Chemicals & Fertilizers who took charge of this Department on January 14, 1980 was seized with the immediate issue of ensuring adequate availability of petroleum products and the basic policy issue (viz. whether such term contracts in the given circumstances, should be on the basis of fixed prices or

variable prices) and the matter was, therefore, examined at length in the Ministry. The Minister also discussed the pros and cons of alternative courses of action with the Departmental Officers and the Chairman, IOC who were the members of the Empowered Standing Committee and finally directed that in the circumstances it would be prudent to accept the fixed price offers.

The precise sequence of examination culminating in the final decision was indicated in the note earlier submitted to COPU. Further elaboration of the perceptions behind the acceptance of the fixed price offers was given by the Minister, Petroleum Chemicals & Fertilizers, during the course of his statements on the subject in Lok Sabha and Rajya Sabha on July 28, 1982. Relevant extracts from this statement are attached.\*

It may also be submitted that under the Government of India (Allocation of Business) Rules framed under Clause 3 of Article 77 of the Constitution, the Deptt. of Petroleum is entrusted with the task of supply, distribution and pricing of petroleum and petroleum products. Therefore, it remains the ultimate responsibility of the Ministry to ensure the adequate availability of petroleum products at the best possible prices."

12. In the statement made in Lok Sabha/Rajya Sabha on 28th July, 1982, the Minister of Petroleum, Chemicals and Fertilizers *inter-alia* stated :

"It is possible to question commercial judgements of this kind on hindsight. But the perceptions which underlay the Government decision were not without basis. This judgement was based on certain reasonable premises. It must also be added that in the particular situation prevailing at that time some others also reached the same conclusion to prefer to purchase at fixed prices rather than at variable prices."

13. Commenting on purchases of HSD at fixed prices in 1980 mainly of 5,12,155 tonnes from Kuo Oil, Hong Kong at US \$ 353.50 C & F Bombay per M.T. which resulted in a 'National' loss of US \$ 9.854 million, the Committee had called for an enquiry or an explanation why the normal procedure of processing the purchase proposals through the Empowered Committee was not followed. In reply the Ministry has stated that the tender for the purchases was the first tender floated after the newly elected

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\*Please see Chapter-II.

Government took over in 1980 and that the Empowered Standing Committee constituted earlier in September, 1979 was reaffirmed only in April, 1980. However, the Empowered Committee considered the matter before final decision was taken and decided to ask for extension of the tenders. It has been further stated that the then Minister, Petroleum, Chemicals & Fertilizers discussed the pros and cons of alternative course of action with the Departmental Officers and the Chairman IOC who were members of the Empowered Committee and finally directed acceptance of the fixed price offers. It has also been clarified that in terms of Government of India (Allocation of Business) Rules framed under Clause 3 of Article 77 of the Constitution, it remains the ultimate responsibility of the Ministry to ensure the adequate availability of petroleum products at the best possible prices.

14. As regards the decision, the Committee note the statement made in Parliament by the Minister of Petroleum, Chemicals and Fertilizers on 28 July 1982 that "it is possible to question the commercial judgements of this kind on hind sight. But the perceptions which underlay the Government decision were not without basis." As the matter has been discussed in both Houses of Parliament the Committee do not consider it necessary to pursue it further.

#### *Gas dealerships/distributorships*

#### **Recommendation Sl. No. 11 (Paragraph II.11.)**

15. On 19 December, 1980 the Department of Petroleum had asked the Oil Companies to interview all the candidates of reserved categories, recommend a panel of 8 or 10 persons without grading them as before, and send the papers to the Ministry for taking decisions. After this question came up before the Committee, these instructions were superseded on 21 September, 1981 and the selection was left to the Oil Companies. The Committee had observed that any intervention by Government in the autonomous field of a public undertaking could be only by a formal directive under the relevant provision of the Articles of Association/ Statute.

16. The Government have, in their reply, stated :

"The changes in dealership guidelines in December 1980 and September, 1981 were made as a result of a series of discussions between the oil companies and the Department of Petroleum. Since the changes were made in full consultation with the companies, it was not considered that there was any need to issue a Presidential Directive under the Articles of Association of the

oil companies concerned. It is submitted that the Government in its executive/administrative authority can issue instructions in the nature of advice or guidelines to Government Companies with regard to matters of general policy. These dealership guidelines were a matter of general policy."

17. The Committee need hardly point out that giving policy instructions is one thing and taking over the power of selection of gas dealers/distributors is yet another. It was in this context that the Committee had observed that there should be no informal intervention in the autonomous field of a public undertaking. The Committee are therefore constrained to reiterate their earlier recommendation.

18. The Committee also feel that with the increased availability of gas in future the problem of its distribution particularly in the district places and other urban areas in the mofussil will have to be considered in all its aspects. One pertinent point to be kept in view is that not more than one oil company appoints dealers in the same city. If more than one oil company gives the dealership in the same city it is likely to cause unhealthy competition among the dealers in the same town or city. The Committee trust that while evolving the system of distribution all these points will be taken into account.

#### *Distribution of Gas*

#### **Recommendation Sl. No. 15 (Paragraph II.15)**

19. Dealing with the question of malpractices in supply of LP Gas the Committee had *inter alia* recommended that there should be some survey to ascertain the extent of still persisting unauthorised connections for taking suitable action. They had also recommended that there should be a system of periodical review of the working of the agents.

20. In their reply Government have merely stated that oil companies have issued strict instructions to their distributors to issue refills only to authorised and bonafide consumers who are registered with them. Their field officers are further intensifying surprise checks of the distributors' premises, to check malpractices.

21. The Committee cannot but reemphasise the need for a detailed survey to identify the unauthorised connections for taking suitable remedial action in the matter. It needs hardly to be pointed out that most of the malpractices indulged in by the distributors arise out of large number of unauthorised gas connections.

22. The Committee find that apart from unauthorised connections, the gas dealers also indulge in several other malpractices. There are complaints

that they are not courteous, do not attend to customers' requirements and complaints in time and the customers have to visit their offices more often. In some cases even the servants of the dealers indulge in undesirable practices (may be with or without the knowledge of the dealers) such as supplying gas early only to those customers who tip them and tampering with the gas cylinders. The Committee would urge that besides surprise checks of the distributors/dealers premises, it may be ensured that there is a more detailed and comprehensive system for having tight control over the system of distribution adopted by gas distributors.

## **CHAPTER II**

### **RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation (Sl. No. 1)**

Indigenous production of petroleum crude in 1980-81 was 10.50 million tonnes. Imports of the crude were of the order of 15.80 million tonnes. In addition petroleum products were imported to the extent of 7.058 million tonnes. The value of the imports of petroleum crude and products was Rs. 5263.47 crores. The Committee have been informed that the indigenous production of crude in 1984-85 is now expected to be 29.46 million tonnes which exceeds the original anticipation by about 8 million tonnes. However, the imports of petroleum crude and products would still be necessary to the extent of about 12.74 and 4.3 million tonnes respectively. The consumption of petroleum products which was 30.80 million tonnes in 1980-81 is expected to go up to 57.9 million tonnes by 1989-90. The Committee note the government's endeavours in the direction of energy conservation, exploration of alternative sources including synthetic oil and reduction of consumption. They are glad to observe that significant progress has been achieved and is expected to be achieved in the indigenous production of crude. Nevertheless in view of the substantial imports entailing huge foreign exchange outgo that would still be needed in the years to come these endeavours need to be monitored and coordinated better by institutionalising the present arrangement as in some other countries.

(Paragraph 1.86)

#### **Reply of Government**

In addition to the setting up of the Petroleum Conservation Research Association, Government has also created a full-fledged Department of Non-Conventional Energy Sources in the Ministry of Energy to look into this important source of energy. Also, the Department of Petroleum has been made a part of Ministry of Energy. This will help in improving coordination in the direction of energy conservation and exploration of alternative sources.

#### **Recommendation (Sl. No. 2)**

The present refining capacity in the country is 31.80 million tonnes (as at the end of 1981). This appears to be inadequate. The Committee

suggest that even if it is not possible to attain self-sufficiency in crude production in the foreseeable future, an attempt should be made to make the country self-sufficient in re-refining so as to eliminate import of petroleum products. The Committee suggest having regard to the need to have some cushion in the refining capacity as an insurance against unforeseen shutdown of the refineries, additional capacity should be planned and stalled to achieve self-sufficiency within a decade.

(Paragraph 1.87)

### Reply of Government

1. The refining capacity at the end of 1981 was 31.80 million tonnes. With the commissioning of the Mathura refinery, (the various units of which are under progressive commissioning) the total refining capacity will be of the order of 37.80 million tonnes. Steps are also being taken to further augment the domestic refining capacity and the following refinery expansion projects are under execution :—

	(million tonnes)	
	From	To
(a) expansion of the Cochin refinery (by 1.2 MT)	3.3	4.5
(b) expansion of the Madras refinery (by 2.8 MT)	2.8	5.6
(c) expansion of the Bharat Petroleum refinery (Mahul, Bombay) (by 0.75 MT)	5.25	6.0
(d) expansion of the Hindustan Petroleum refinery (Vizagapatnam) (by 3.0 MT)	1.5	4.5
Total expansion		7.75 MT

These projects are expected to be completed by 1984-85 when the refining capacity would increase to 45.55. MT.

2. Expansion of the Haldia refinery by 3.0 MT is also under examination.

A decision has already been taken to set up two grass-roots refineries of 6 MT each : these may be commissioned during the Seventh Plan period.

In addition, augmentation of refining capacity in the North-Eastern region by 1.45 MTs is being considered, to match with an increase in the production of crude oil in that area to 7.1 million tonnes per annum.

3. The further expansion of the HPCL refinery in Mahul, (Bombay) by 2 million tonnes, as balancing refining capacity, (to cover any shortfall in refining capacity due to unscheduled shut-downs, shut-downs due to industrial relations problems etc.), has also been approved.

4. Secondary processing facilities are being erected in the Koyali and Mathura refineries and will be commissioned shortly. All the expansion projects mentioned above (in paragraph 1) also include secondary processing facilities to increase the proportion of middle distillates (Kerosene, ATF & HSD) that can be produced.

5. Keeping in view these projects, including those under consideration, it is expected that the refining capacity in the country will be about 62.00 million tonnes by around 1990, (excluding the 2 million tonnes balancing refinery capacity being installed at the HPCL refinery at Bombay).

Long-term demand estimates are reviewed regularly : while the IIP (1980) estimates project a demand of 62.6 million tonnes for 1989-90, the OCC (1980) estimates of demand in 1989-90 is 57.9 million tonnes.

6. Refining capacity is kept under constant review to achieve the objective of self-sufficiency in meeting the requirements of petroleum products to the maximum extent possible consistent with economic viability as also to provide a sufficient cushion against unforeseen shut-downs of the refineries.

#### **Recommendation (Sl. No. 3)**

The imports of petroleum crude and products are made almost entirely by the IOC normally on long term agreements with the producers after acceptance of tenders by an Empowered Standing Committee. Spot purchases sometimes at higher prices are also made to meet unforeseen sudden demands. The Committee desire that the spot purchases should be avoided as far as possible. If it becomes unavoidable care should be taken to see that the price is the lowest prevailing price. In case the lowest tenderer is unable to meet the entire quantity needed negotiations should be held with the second lowest tenderer to get the supply at the lowest price. In any case the Committee feel acceptance of unsolicited offers should be avoided except in extreme emergency where the circumstances must be reduced to writing and the prior approval of the Empowered Committee obtained.



Necessary guidelines in this regard should be laid down by the Empowered Committee. (Paragraph 1.88)

### Reply of Government

1. The recommendations of the Committee that spot purchases should be avoided as far as possible, are noted.

Imports of crude oil are made on a long term basis to the utmost extent possible. Purchases of crude oil in the spot market are made only occasionally in abnormal circumstances such as when there is a slippage in the supply of crude oil against contracts. Prior approval of such purchases in the spot market has to be obtained from the Department of Petroleum and the Ministry of Finance (Department of Economic Affairs).

Similarly, efforts are made to import petroleum products on a long term basis. However purchases in the spot market are made to meet unforeseen demand such as that arising from unscheduled shutdown of refineries due to power cuts or technical problems or industrial relations problems, or problems arising from civil agitation or such natural causes as floods or droughts that might lead to a sudden increase in demand.

Proposals for purchases of crude oil and petroleum products in the spot market are scrutinised by an Empowered Standing Committee that has been constituted by the Government. Guidelines have been laid down for the work of the Empowered Standing Committee.

2. For purchases in the spot market, the tenders received are generally valid for only 24 hours to 48 hours. This limit in the validity of the offers received does not generally permit adequate time for negotiations even with a limited number of bidders. (Here it may be noted that large number of international suppliers respond to the tenders issued by the IOC and competitive quotations are received which are also checked with reference to market information on trends in the world market). If the price offered by the lowest tenderer is higher than that assessed as reasonable on the basis of market intelligence, tenders are cancelled and a fresh tender is issued. If the actual import required is higher than the quantity offered by the lowest tenderer, then this tenderer is asked if he can increase the quantity on the terms it has already offered for the limited quantity. Depending upon the circumstances of each case (which would include the time constraint for deciding the tenderers within the validity period — which as stated earlier is generally 24 to 48 hours, stock position and thereafter requirement and its time phasing and assessment of the world market), the Empowered Standing Committee will also ask the next lowest set of

tenderers, wherever feasible, to review their offers and indicate if they are prepared to improve on them.

3. All unsolicited offers have to be considered by the Empowered Standing Committee which considers these only in *exceptional* circumstances such as an unavoidable and immediate need for imports and on terms that are specially attractive in relation to offers received from parties on the IOC list of approved tenderers; the circumstances must be indeed exceptional and reasons for the Empowered Standing Committee accepting such unsolicited offers must be recorded in writing.

#### **Recommendation (Sl. No. 4)**

At present the storage capacity for petroleum crude and products is provided to meet 21 to 31 days requirement. It is planned to create additional capacity to meet 45 days requirement by 1985-86. Having regard to the need to purchase larger quantities at a time taking advantage of price situation the committee feel that the present as well as proposed storage capacity is on the low side. Efforts should be made to provide for a larger storage capacity. (Paragraph 1.89)

#### **Reply of Government**

The recommendation of the Committee to provide for larger storage capacity is noted. The Government has already approved the erection of additional crude oil tankage to provide 45 days' storage capacity for imported crude oil corresponding to the 1985-86 demand. An analysis is in progress for working out further storage capacity that should be erected and its locations.

2. Proposals to increase the tankage for refined petroleum products to provide for 38 days estimated consumption in 1985-86 is already in an advance stage of Government consideration and approval. An analysis is in progress for working out further storage capacity that should be erected and its locations.

#### **Recommendation (Sl. No. 5)**

The Committee find that at present spot purchases are also made from foreign producers and traders through Indian agents. Earlier there was a system of obtaining quotations through secret telex but on an apprehension that there was some leakage it was decided in March 1980 to revert back to sealed tender system which inevitably brought back the agents. The Committee feel that it is not healthy to purchase through middlemen which would needlessly push up the cost and hence also the precious

foreign exchange expenditure. The policy is stated to be under review. The Committee would urge that a foolproof sealed telex system should be introduced without delay and in the meantime the agency commission should be agreed to be paid in rupees. (Paragraph 1.90)

### Reply of Government

The Committee's recommendations are accepted. A decision has already been taken by IOC to instal locked telex facilities in the offices in Bombay as well as in Delhi for receiving telex bids against import/export tenders for products and crude oil. Separate telex lines, two for products and one for crude oil, have already been installed in the IOC Bombay and Delhi respectively in separate cabins which are locked and the keys of which are in the custody of senior officials of the concerned departments.

The system of dealing with suppliers/purchasers only on a principal to principal basis, by receiving bids directly without the intervention of the Indian intermediaries, has already been implemented.

### Recommendation (Sl. No. 6)

Another area which is relevant to saving foreign exchange expenditure is transportation. Unfortunately despite the operation of TRANSCART it could not be ensured that the expenditure on transport is kept to the minimum. The imports of petroleum products seem to be largely on C.I.F. basis and wherever there were imports on F.O.B. basis the products were largely transported by chartering foreign flag vessels. This was stated to be on account of shortage of product tankers in the country till 1981. The Committee trust that SCI would take note of this and augment the capacity of product tankers in order to serve fully India's imports. Incidentally, the chartering of vessels and fixing the rate are entirely left to TRANSCART a body outside the IOC. The Committee feel that the IOC should be in a position to have an independent commercial satisfaction. If, however, it is not possible, the TRANSCART should be equipped with all upto date information regarding freight rates. The system followed in this regard, therefore, requires a review. (Paragraph 1.91)

### Reply of Government

In accordance with the decision taken by the Cabinet in December 1967, all arrangements for shipment of Government owned/controlled cargoes on account of various Government Departments and public sector undertakings and projects are centralised in the Ministry of Shipping & Transport (Chartering Wing)—known as 'TRANSCART'—in order to ensure

better coordination and to enable utilisation of Indian ships to the maximum extent possible and save foreign exchange for the country. Charters of foreign ships are resorted to only when Indian ships are not available in the required position. Accordingly, under the existing practice and procedure, TRANSCART are responsible for making shipping arrangements for crude oil and petroleum products movement on behalf of IOC and other oil companies as and when indents are received from them for specific requirements. In accordance with the prescribed procedure, the Chartering Committee set up in the Chartering Wing arranges charters of ships (Indian and foreign) and fix reasonable and competitive freight rates for chartered vessels based on the prevailing market conditions after obtaining competitive freight quotations from Indian and foreign shipowners. After having fixed the vessels, necessary follow-up action concerning the operation of vessels is taken care of by the oil companies themselves. The Chartering Committee is fully authorised to fix freight rates for the ships chartered by them. The "TRANSCART Review Committee" which consists of representatives of the various Ministries, Departments and Public Sector Undertakings including Chairman of IOC or his representative reviews periodically the activities of TRANSCART.

2. Action is being taken by the IOC for strengthening the Shipping Deptt. of IOC to meet the objective of ensuring effectiveness in the chartering of tankers. The requisite data on prevailing charter rates are being maintained to cross-check the rates at which vessels are being Chartered by TRANSCART.

#### **Comments of Committee**

Please see paragraph 4 to 6 of Chapter I of the Report.

#### **Recommendation (Sl. No. 7)**

According to the IOC, during 1978-79, the shortfalls in supply of crude against 5 contracts was more than 20% and in one case it was 83%. The Committee have been informed by the Secretary, Department of Petroleum that none of the contracting parties could undertake to maintain the terms for the duration of the contract. Thus, there is no sanctity in the contract entered into for the purchases. In view of the changed situation in the international oil market recently the Committee suggest that the possibility of providing penalty clause in the agreements should be explored.

(Paragraph 1.92)

### Reply of Government

The feasibility of persuading suppliers to accept penalty clauses in the contract for non-performance appears doubtful. Suppliers of crude oil who are members of OPEC consider such provisions of the contract drawn by them as sacrosanct and are unwilling even to discuss any change, however, justified. Nevertheless, every effort will be made to incorporate suitable penalty clause while negotiating future contracts for the import of crude oil.

### Recommendation (Sl. No. 8)

The contracts for crude purchases provide for price escalation during the term of the contract. Normally any price increase can be only prospective but the Committee have found that in the case of certain purchases from Petromin of Saudi Arabia retrospective price revisions were made in 1979 which resulted in additional payments of US \$ 15.8 millions.

The precise legal position did not appear to have been examined. Even if the payment was inevitable, the Committee feel that the prior approval of the Empowered Committee or at least of the Board of the IOC should have been obtained before the payment was made. The Committee hope that in future this precaution will be taken. Further, it should be ensured as far as possible that the contracts provide for de-escalation also when the prices come down. This is all the more necessary in the current situation of the petroleum prices showing downward trend. (Paragraph 1.93)

### Reply of Government

Term contracts for crude oil supplies with national oil companies or oil exporting countries are finalised with the approval of the Government and are not within the purview of the Empowered Standing Committee. The Board of Director of IOC has delegated powers for imports of crude oil and petroleum products to the Chairman of IOC. It is the established practice that the Chairman of IOC consults the Finance Director of the Corporation and the officials concerned in the Department of Petroleum and in the Ministry of Finance before accepting any demand by the supplier for such payments.

2. In regard to crude oil contracts entered into on term basis, provisions exist whereby the price stipulated in the contract is subject to adjustment as notified by the producer Government or on the basis of OPEC decisions or as notified by the national oil company: this provision therefore embraces escalation. In the past several years, there have been occasions where the OPEC countries including Iran, Iraq Abu Dhabi and Nigeria, have announced a downward revision in the prices the IOC

has got full benefit of such reduction in prices, as per the terms of the contract.

3. The IOC has been directed to examine all the terms governing contracts for the import of crude oil and petroleum products.

#### Comments of the Committee

(Please see paragraph 7 to 9 of Chapter I of the Report).

#### Recommendation (Sl. No. 9)

In 1976-77, 1.06 lakh tonnes of crude was purchased from Egypt at a cost of Rs. 7.39 crores. But this crude was found to be unfit for processing in any of the refineries and was gradually processed along with other crude over a period of time. The loss incurred was stated to be about Rs. 73 lakhs. The Committee have been informed by the Department of petroleum that the purchase became inevitable to wipe out the trade gap between Egypt and India and a different variety of crude not covered under the trade agreement was procured. Whatever be the circumstances, the Committee are of the view that at least it should have been ensured that there was no loss. They trust that adequate care will be taken in future.

(Paragraph 1.94)

#### Reply of Government

The recommendation has been noted and has also been brought to the attention of the Ministry of Commerce and the Department of Economic Affairs for appropriate action.

#### Recommendation (Sl. No. 12)

The Committee regret that because of the intervention of the Department of Petroleum, the selection has been delayed badly with the result that consumers who could have got the gas connections in the proposed extended areas of operations, suffered. The Committee desire that there should be no further delay.

(Paragraph 2.26)

#### Reply of Government

The views of the Committee are noted.

[Ministry of Energy, Department of Petroleum,  
O.M. No. P-38012/5/82-IOC dated 29th Oct. 82]

#### Recommendation (Sl. No. 13)

Currently LP Gas is being marketed by the industry in 521 towns. The proposed coverage of 193 additional towns during 1980-81 did not

materialise because of the delay in selection-referred to in the foregoing paragraph. The oil industry is, however, hopeful of covering the majority of towns with a population of 20,000 and above by 1983-84. The Committee would urge that this should be achieved without fail and in any case that it should be ensured that there is regional balance in the matter of supply of LP Gas. The Committee do not approve of the rural areas being completely neglected. To begin with attempt should be made atleast to cover the rural areas on the peripheries of towns. The Committee also feel that if consumers undertake to take the gas at their own risk and responsibility there should be some arrangement for supply to even interior rural areas. (paragraph 2.27)

### Reply of Government

The oil industry had drawn up plans to progressively provide cooking gas facility :

- (i) to all towns with a population of 1 lakh and above ;
- (ii) to all towns with population between 50,000 and 1 lakh ;
- (iii) to all district headquarter towns ; and
- (iv) to towns with a population between 20,000 and 50,000.

With the finalisation of the 1982-83 roster for appointment of dealerships, towns falling in the category (i), (ii) and (iii) will be covered for marketing of LPG. With regard to towns with population between 20,000 and 50,000 the industry has planned to cover them in a phased manner from 1983-84 onwards. In this category (iv) there are 421 towns of which 362 have been included in the tentative roster for the year 1983-84 ; the balance will be covered in subsequent years.

Wherever feasible, rural areas in the periphery area of the towns in category (i) to (iv) are already being attached to existing areas of distributors, consistent with safety requirements. It will be appreciated that for safety, cylinders should be connected/disconnected by trained delivery staff of LPG distributors. This requirement *per-se* limits the area of each distributor.

Marketing LPG to rural areas outside the peripheries of large towns is not feasible for the present. The existing 'F' type valves are being replaced in a phased manner, by safer and sturdier 'click-on' type valves. Once the bulk of 'F' valves are replaced, it might prove possible to consider the question of self-service supply of LPG cylinders on a cash and carry basis. The oil industry is seriously examining this system as well the connected aspects of safety, which can assist in the marketing of LPG in rural areas.

As regards maintaining a regional balance in respect of supply of LP gas, while drawing enrolment plans and new distributorships rosters, the statewise potential of customers is taken into account, keeping in view the operational feasibility of affecting supplies from the different sources in the country.

[Ministry of Energy, Department of Petroleum,  
O.M. No. P-38012/5/82-IOC, dated 29th Oct. 1982]

#### **Recommendation (Sl. No. 14)**

The Committee regret that even in metropolitan cities gas demand has not been met fully and there is a backlog of 8.94 lakh applications to be cleared. With the increased availability of gas the Committee hope that this backlog will be cleared early. Incidentally, the Committee suggest that the State Governments and the local authorities should be persuaded to introduce piped gas supply. (Paragraph 2.28)

#### **Reply of Government**

Steps have been taken already to clear the waiting lists of applicants in a phased manner as quickly as possible, in synchronisation with the increasing availability of LPG (the availability and sale of LPG in 1982/83 are expected to be about 26% higher than in 1981/82).

The Committee's suggestion for arranging piped gas supply has been noted.

#### **Recommendation (Sl. No. 15)**

Undoubtedly there are lot of malpractices in the supply of LP gas to the authorised consumers and unauthorised supplies are made to others. The Committee have been informed that there were thousands of cases of irregular gas connections which were regularised over a period of time. The Committee would urge that there should be some survey to ascertain the extent of still persisting unauthorised connections for taking suitable action. Deterrent action should be taken against the agents who indulge in malpractices. For this purpose there should be adequate provisions under the agreements. Therefore, the Committee suggest that there ought to be a review to standardise them. Further, there should be a system of surprise/inspections and periodical review of the working of the agents. (Paragraph 2.29)

#### **Reply of Government**

Oil companies have issued strict instructions to their distributors to issue refills only to authorised and bonafide consumers who are registered



with them. Their field officers are further intensifying surprise checks of the distributors premises to check malpractices and to ensure that the company's instructions are complied with strictly. The oil companies have also drawn up "LPG Marketing Discipline Guidelines" which *inter-alia* provide for joint inspection by members of the oil companies of LPG distributors and for regular periodical inspections of LPG dealers. In these guidelines, action to be taken against defaulting distributors has also been speled out. All the oil companies have also decided to adopt a uniform dealership agreement with effect from December 1, 1982. This agreement will *inter-alia* empower the oil company to terminate a dealership if the dealer sanctions unauthorised connections to any person without the company's receipt and subscription voucher and if they indulge in any other malpractice.

#### **Comments of the Committee**

(Please see paragraphs 19 to 22 of Chapter I of the Report)

#### **Recommendation (Sl. No. 17)**

It has been stated that there is no specific oil industry policy in regard to action to be taken on detention of water in the tanks of retail outlets. The Committee desire that suitable guidelines should be laid down immediately. (Paragraph 3.17)

#### **Reply of Government**

The oil industry has already formulated the requisite guidelines on the subject of marketing discipline at retail outlets which, *inter-alia*, deal with the matters concerning quality control of products, steps to be taken to prevent adulteration and action to be taken against erring retail outlets/distributors.

(No. Q. 16022/3/82-Dist. dt. 29-10-82)

## **CHAPTER III**

### **RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES**

#### **Recommendation (Sl. No. 10)**

While purchase of HSD on long-term basis was made from SNE Moscow at US \$ 325.46 per metric ton the price at which 512.155 tonnes of the product was purchased from Kuo Oil, Hong Kong (through Hindustan Monark, New Delhi), in the same period was US \$ 353.50 C&F Bombay per M.T. The Committee were informed that the Moscow agreement was signed on 29th February 1980 on variable price basis where as the other agreement was signed on 22nd February 1980 on fixed price basis for the whole year. According to the IOC, there was a 'notional'\* loss on the latter contract to the extent of US \$ 9.854 millions. 14 tenders were received in response to the enquiry of the IOC 10 were at variable prices and 4 were at fixed-price. The tender that was accepted was neither the lowest nor was it initially based on fixed price. The tender on variable price basis received initially was asked to be treated as on fixed price basis and no negotiation was permitted. Although the Department was of the view that a fixed price for a long-term delivery did not appear to be in the country's interest, this was ruled out on the basis that the price trend indicated that it would be prudent to strike bargain at the lowest possible firm price. Accordingly the IOC was directed by the Ministry to accept the offer of Hindustan Monark Pvt. Ltd. for 400/ 500,000 tonnes @ US \$ 353.50 and the offer of SITCO, London for 30,000 tonnes @ US \$ 350 per MT. However, it is clear that the subsequent events proved that it was not prudent to have gone in for the purchases. The Committee fail to understand why the normal procedure of processing the purchase proposals though the Empowered Committee was not followed in this case. They would await a further enquiry or an explanation in this regard.

(Paragraph 1.95)

#### **Reply of Government**

The procedure involving the Empowered Standing Committee was at that time one of recent origin. Till September 1979, the approval of

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\*Because no contracts were identical & quantities are different.

the Department of Petroleum was obtained while placing orders on suppliers. It was only in September 1979 that the Empowered Standing Committee was constituted and the most important governing consideration in constituting this was to ensure speed in decision making.

2. The tender in question (Tender No. 1/80) was in fact the first tender floated after the newly elected Government took over in 1980 and, as such, the changed procedure of involving the Empowered Standing Committee was reaffirmed only in April, 1980 and in the meeting of the Empowered Standing Committee held on April 29, 1980, the Committee was informed that the Minister of Petroleum & Fertilizers had authorised the continuance of the Empowered Standing Committee as constituted with the approval of the Cabinet till such time as fresh orders were issued on the subject by the Cabinet.

3. In fact, the Empowered Standing Committee did consider the matter when it met on February 15, 1980 to discuss, *inter-alia*, the proposal to import 500,000 tonnes of HSD during March to December 1980 and decided to ask for extension of the tenders till February 22, 1980. The then Minister, Petroleum, Chemicals & Fertilizers who took charge of this Department on January 14, 1980 was seized with the immediate issue of ensuring adequate availability of petroleum products and the basic policy issue (viz whether such term contracts in the given circumstances, should be on the basis of fixed prices or variable prices) and the matter was, therefore, examined at length in the Ministry. The Minister also discussed the pros and cons of alternative courses of action with the Departmental Officers and the Chairman, IOC who were the members of the Empowered Standing Committee and finally directed that in the circumstances it would be prudent to accept the fixed price offers.

4. The precise sequence of examination culminating in the final decision was indicated in the note earlier submitted to COPU. Further elaboration of the perceptions behind the acceptance of the fixed price offers was given by the Minister, Petroleum, Chemicals & Fertilizers, during the course of his Statements on the subject in Lok Sabha and Rajya Sabha on July 28, 1982. Relevant extracts from this Statement are attached.

5. It may also be submitted that under the Government of India (Allocation of Business) Rules framed under Clause 3 of Article 77 of the Constitution, the Department of Petroleum is entrusted with the task of supply, distribution and pricing of petroleum and petroleum products. Therefore, it remains the ultimate responsibility of the Ministry to ensure the adequate availability of petroleum products at the best possible prices,

*Extracts from the Statement made in the Lok Sabha/Rajya Sabha by Shri P. Shiv Shanker, Minister of Petroleum, Chemicals and Fertilizers on Wednesday, the 28th July, 1982 regarding the transaction relating to the purchase of HSD from M/s. Kuo Oil in February, 1980.*

"In 1979 the country started to experience a shortage of high speed diesel oil and the position deteriorated rapidly in the later half of the year. When the new Government came to power in January 1980, the restoration of normal supply and removal of shortages was one of the major problems which it decided it had to deal with on a priority basis. At that time the outlook for oil in 1980 looked extremely worrying. The production of crude oil in Assam and the operations of the refineries based on this crude oil declined rapidly in December 1979. By early January the production of crude oil in that region had virtually stopped. The world oil situation particularly in the Gulf area remained highly uncertain. Thus, when the new Government took over, the problem of meeting the demand of HSD had assumed alarming proportions and it found that it had to arrange to import a further 1.45 million tonnes after taking into account the arrangement for the import of about 1.3 million tonnes that had been finalised. It was evident that special and immediate steps had to be taken by the Government to cover this enormous deficit to bring a degree of normalcy in the demand-supply situation. Immediate decisions had to be taken by the new Government to arrange large imports of HSD as well as of other petroleum products quickly.

It was in this anxious background that on January 18, 1980, the Indian Oil Corporation floated a tender for the supply of 300,000 tonnes of SKO and 500,000 tonnes of HSD to be delivered during March 1980 to December 1980. The tender notice issued by the IOC on January 18, 1980 specified the quantities required, quality and other payment terms. It did not specify whether quotations should be on a fixed price basis or on variable price basis, therefore it was open to tenderers to submit quotations on either of these two bases or a combination of these two. Fourteen offers were received for the supply of HSD. Four out of a part or all of the fourteen tenders, quoted for the supply of quantity on fixed price bases that varied from US \$ 350 per tonne to about US \$ 409 per tonne. The remaining offers were based on variable prices with base prices varying from about US \$ 323 to US \$ 374 per tonne but linked to different price formulated governing the calculation of the price that would have to be paid on the date of loading, port of loading and unloading. All these offers were evaluated. On February 15, 1980 all the tenderers were desired to extend the validity of their offers till February 22, 1980.

The Government considered the world market conditions and future trends at that point of time and apprehended that in variable price quotations based on escalation clauses on various types of formulae, the overwhelming factor was that our liability would be indeterminate. It was noted that in January 1980, the price of HSD dropped by \$ 66 per MT with reigning FOB price at \$ 299.00 on 1st February 1980 and had climbed up by \$ 14 since. When the prices had hit the bottom and were on the climb, it was considered that it would be prudent to strike the bargain at the lowest possible firm price without any variation. It was on the cards that oil producing countries would do everything possible to reverse the then easy market conditions. Saudi Arabia had announced a cut back in crude production which in its turn was to affect by-products like diesel and kerosene. The prices of crude oil had increased by US \$ 2 per barrel on January 1, 1980. Further increases were forecast and in fact further increases which aggregated to US \$ 4/bbl did take place between January 1, 1980 and November 1, 1980. There were conflicting forecasts of the behaviour of world crude oil prices and world petroleum product prices. The F.O.B. Mediterranean average HSD spot price quotations in the Platts Oilgram dropped between January 2 to February 1 by \$ 66.50 per tonne but thereafter between February 1 to February 7 registered an increase of \$ 14.50 per tonne. Interestingly at that time a leading group of international petroleum economists reported the continued upward movement of price indicators in view of the remaining uncertainties over future levels of supplies and also that by mid February there was some evidence that the fall in spot prices was ending. The commercial expediency and prudence demanded that firm price contracts was called for by a buyer when prices were at their lowest ebb whereas variable price contract deserved to be concluded when the prices were at the highest level.

It was on the basis of these factors that Government issued written orders on February 22, 1980 that the lowest fixed price offers should be accepted. Based on this decision, orders were issued to the IOC to accept the following two lowest fixed price offers :

- (a) Offer of 30,000 tonnes of HSD from SITCO, London at US \$ 350 per MT C&F Bombay, and
- (b) Offer of 500,000 tonnes of HSD from Kuo Oil, Hong Kong at US \$ 353.50 per MT C&F Bombay.

It is possible to question commercial judgements of this kind on hind sight. But the perceptions which underlay the Government decision were not without basis. This judgement was based on certain reasonable premises. It must also be added that in the particular situation prevailing at that time some other also reached the same conclusion to prefer to purchase at fixed prices rather than at variable prices.

A lot is being said about the losses suffered. Losses or profits in such transactions could only be national and all computations are bound to be on certain hypothesis which may or may not exist. It is only a speculative exercise. In the contracts of oil many suppliers fail to deliver against contracts. In 1980 itself there were 20 such failures. The actual price that is to be paid for deliveries on a variable price basis, depends on the date of loading of the cargoes and so on. While between March and December 1980 under the February contract Kuo Oil supplied 511,000 tonnes of HSD at a price of US \$ 353.50 per tonne, as much as about 520,000 tonnes had to be purchased at a price higher than \$ 353.50. Yet another comparison could be, on the basis of the contract price paid to the Kuwait National Petroleum Corporation. Under the Agreement dated 6th February 1980, oil was purchased from this company on the basis of the escalation/de-escalation clause. The analysis of the price paid under this contract reveals that on the basis of Kuo Oil deal Government could have been benefited in about US \$ 3.25 million."

#### **Comments of the Committee**

Please see paragraphs 10 to 14 of Chapter 1 of the Report.

## **CHAPTER IV**

### **RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

#### **Recommendation (Sl. No. 11)**

Under the guidelines issued by the Department of Petroleum prior to 1978, 25% of gas dealership/distributorship was reserved for SC/ST candidates only. This was subsequently increased to 70% after May 1980 to cover other categories such as physically handicapped persons, unemployed graduates, defence personnel disabled in war and war widows/Freedom Fighters. The procedure for selection of reserved categories of persons as laid down in June 1980 envisaged constitution of a selection committee in each oil company concerned. In respect of SC/ST candidates a representative of the State Government was to be associated with it. When the oil companies were in the process of selecting, on 19 December 1980, the Department of Petroleum had asked the oil companies to interview all the candidates of reserved categories, recommend a panel of 8 or 10 persons without grading them as before, and send the papers to the Ministry for taking decisions. After this question came up before the Committee on Public Undertakings, these instructions were superseded on 21 September 1981 and the selection was left to the oil companies but the selection committee was to associate a representative from the Department. According to the Secretary, cognisance of certain complaints against the award of gas agencies was taken by government in April 1980. There was, however, no record of these complaints having been brought to the notice of the oil companies and their explanations obtained before withdrawing their powers of selection in December 1980. The Committee feel that any intervention by government in the autonomous field of a public undertaking, can be only be a formal directive under the relevant provision of the Articles of Association/Statute as the case may be.

**(Paragraph 2.25)**

#### **Reply of the Government**

The changes in dealership guidelines in December, 1980 and September, 1981 were made as a result of a series of discussions between the oil companies and the Department of Petroleum. Since the changes were

made in full consultation with the companies, it was not considered that there was any need to issue a Presidential Directive under the Articles of Association of the oil companies concerned. It is submitted that the Government in its executive/administrative authority can issue instructions in the nature of advice or guidelines to Government Companies with regard to matters of general policy. These dealership guidelines were a matter of general policy.

[Ministry of Energy, Department of Petroleum  
O.M. No. P-38012/5/82-IOC dated 29th Oct. 1982].

#### **Comments of the Committee**

Please see paragraphs 15 to 18 of Chapter 1 of the Report.



## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED.

#### Recommendation (Sl. No. 16)

During November 1978-October, 1981 there were as many as 53 cases of contamination of petrol/diesel with water in the retail outlets of one oil company alone viz Indo-Burma Petroleum Co. Ltd. The Committee were surprised that no action was taken against the dealers in all these cases except issuing a routine warning in 4 cases. The Committee went into one of these cases. This pertained to M/s Mohan Service Station, Rohtak. On a complaint from a Sub-Divisional Magistrate, a case was registered with the police and samples were sent for chemical analysis. Surprisingly, before the results of the analysis were obtained the supplies were resumed by the oil company and a communication was sent to the police (3.11.1980) that "We were convinced that our dealers have not attempted to adulterate the diesel," and a letter was written (12 November, 1980) to the dealer asking him to be more vigilant in future. The case was treated as closed by the police (December, 1980). However, the chemicals examination report dated 8th April, 1981 showed that water was present to the extent of 41.3% in the sample of diesel taken from SDM's jeep and 97.6% in the sample taken from the outlet. At the instance of the Committee on Public Undertakings a technical enquiry committee was constituted by the oil company and the enquiry committee reported (December 1981) that "the manner of running the outlet was not of the desired standard at this apparently created condition favourable to the commission of such an act" and "it was in-correct imprudent on the part of the IBP Sales Officer, Hissar to have written the letter of 3 November, 1980 in the form in which it was written." The Committee suspect collusion between some officials of the oil company and the dealer in this case. After the Committee took evidence of the Ministry the CBI has been asked to take into the matter. The Committee would await the outcome.

(Paragraph 3.16)

#### Reply of the Government

Indo-Burmu Petroleum Company has terminated the retail outlet of M/s Mohan Service Station, Rohtak. The party has gone to the court against this action and the matters is, therefore, *sub-judice*.

The Company has also taken action against the official involved.

2. The CBI has been already asked to investigate the matter.

(No. Q-16022/3/82-Distt. dated 29-10-82)

New Delhi;

28 April, 1983.

8 Vaishakha, 1905 (Saka)

MADHUSUDAN VAIRALE,

*Chairman,*

*Committee on Public Undertakings.*

## APPENDIX

(Vide Para 3 of Introduction)

*Analysis of action taken by Government on the recommendations contained in the Forty-seventh Report of the Committee on Public Undertakings (Seventh Lok Sabha).*

I. Total number of recommendations made	17
II. Recommendations that have been accepted by the Government ( <i>vide</i> recommendations at S. No. 1-9, 12-15 and 17)	14
Percentage to total	82.6%
III. Recommendations which the Committee do not desire to pursue in view of Government's reply ( <i>vide</i> recommendation at S. No. 10)	1
Percentage to total	5.8%
IV. Recommendations in respect of which replies of Government have not been accepted by the Committee ( <i>vide</i> recommendation at S. No. 11)	1
Percentage to total	5.8%
V. Recommendations in respect of which final replies of Government are still awaited ( <i>vide</i> recommendation at S. No. 16)	1
Percentage to total	5.8%

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