

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 3245
TO BE ANSWERED ON 09.08.2023**

EXCESS PAYMENT TO OIL COMPANIES

3245. DR. PON GAUTHAM SIGAMANI:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether it is a fact that during a routine check, a huge scam in the purchase of High Speed Diesel has been exposed, if so, the facts thereof;**
- (b) whether it is also true that huge excess payment had been made to the State run oil marketing companies;**
- (c) if so, the details thereof;**
- (d) whether the Railways is considering to set up a system to avoid such irregularities in future; and**
- (e) if so, the details thereof?**

ANSWER

**MINISTER OF RAILWAYS, COMMUNICATIONS AND
ELECTRONICS & INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)**

(a) to (c): In a preventive check conducted by the Vigilance Department of Northeast Frontier Railway in December 2022, an excess payment to Indian Oil Corporation Ltd. and to Bharat Petroleum Corporation Ltd. was detected. This was not a scam as the excess payment was erroneously made due to an oversight of a clause of the contract that prevents Oil Marketing Companies to supply bulk High Speed Diesel beyond the retail rate. Normally, the bulk price remains below the retail price but during certain period, the bulk price of High Speed Diesel went on higher side than the retail price. Northeast Frontier Railway erroneously continued to pay High Speed Diesel bills as per Master Price List submitted by Public Sector Oil Market Companies, which was on the higher side than the retail price. After the incident came to notice, excess payment has been recovered from both Public Sector Oil Marketing Companies.

(d) and (e): Necessary instructions already exist.
