

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

UNSTARRED QUESTION NO:394

ANSWERED ON:24.11.2005

BLACK MARKETING OF LPG

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

- (a) whether the cases of Liquefied Petroleum Gas (LPG) black marketing have come to the notice of the Government ;
- (b) if so, the number of such cases reported during the last one year, State-wise and the action taken thereon ;
- (c) whether the policy to check black marketing of LPG is being reviewed ; and
- (d) if so, the details thereof ?

Answer

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

(a) & (b) : The State-wise details of black marketing reported by the Public Sector Oil Marketing Companies (OMCs) against their distributors during April-October 2005 are given in the Annex. Action against the erring distributors have been taken by OMCs in accordance with the provisions of the Marketing Discipline Guidelines (MDG).

(c) & (d) : The following measures have been taken to prevent the diversion / black marketing of domestic LPG cylinders for commercial purposes :-

(i) Under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 the diversion / black marketing of domestic LPG cylinders for commercial purposes by the distributors of OMCs is prohibited. The State Governments are empowered to take action against erring distributors under the provisions of this Order.

(ii) As per the Marketing Discipline Guidelines (MDG) for LPG distributors, in case of establishment of any diversion / black marketing of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor :

(a) Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

(b) Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence, and

(c) Termination of the distributorship for 3rd offence.

(iii) The officials of OMCs carry out random checks at distributor's godown, delivery point as well as enroute to ensure that no diversion / black marketing takes place. Action against the erring distributor is taken in terms of MDG / or Distributorship Agreement.

While the policy to check the black marketing of LPG is not under review, the OMCs have been asked to intensify their inspection of the distributors to curb the malpractices at the distributors' end.

ANNEX

STATEWISE DETAILS OF CASES FOUND AGAINST LPG DISTRIBUTORS ON THE BLACK MAREKTING DURING PERIOD APRIL-OCTOBER 2005.

States / UTs Number of cases

Andhra Pradesh	9
Arunachal Pradesh	Nil
Assam	Nil
Bihar	1
Chhattisgarh	Nil
Delhi	1
Goa	Nil

Gujarat	Nil
Haryana	Nil
Himachal Pradesh	Nil
Jammu & Kashmir	Nil
Jharkhand	1
Karnataka	4
Kerala	Nil
Madhya Pradesh	4
Maharashtra	5
Manipur	Nil
Meghalaya	Nil
Mizoram	Nil
Nagaland	Nil
Orissa	Nil
Punjab	2
Rajasthan	2
Sikkim	Nil
Tamil Nadu	10
Tripura	Nil
Uttar Pradesh	6
Uttaranchal	Nil
West Bengal	3
Andaman & Nicobar	Nil
Chandigarh	1
Dadra & Nagar Haveli	Nil
Daman Diu	Nil
Lakshadweep	Nil
Pondicherry	Nil
TOTAL	40