

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

UNSTARRED QUESTION NO:4263

ANSWERED ON:26.08.2004

BLACK MARKETING OF LPG AND KEROSENE

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

- (a) whether the Government is aware of the black marketing of LPG and Kerosene in the country specially in Delhi ;
- (b) if so, the number of cases detected and action taken thereon, State-wise ;
- (c) the number of complaints received from the consumers in this regard, State-wise and the action taken thereon ;
- (d) whether this black marketing is going on with the collusion of owners of gas agencies, dealers, manager of oil companies and police officers ; and
- (e) if so, the plan devised to break up this net ?

Answer

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

(a) to (d) : Action against erring distributors / dealers is undertaken in terms of Marketing Discipline Guidelines, 2001. Public Sector Oil Marketing Companies (OMCs) have received 63 complaints against their distributors in various States during the year 2003-04 pertaining to overcharging on domestic LPG cylinders. The State-wise details are given in the Annex.

As regards Kerosene, OMCs have not reported any case of over-charging through their wholesale network. However, Government do receive complaints of overcharging for PDS Kerosene. Action on such complaints is taken by concerned State Government under Essential Commodities Act, 1955.

(e) Following measures are being taken to prevent overcharging by LPG distributors of OMCs :-

(i) Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 under the Essential Commodities Act, 1955 has been promulgated. As per the Order, overcharging on domestic LPG cylinders by the distributors of Public Sector Oil Marketing Companies (OMCs) is prohibited. Such offence is punishable with imprisonment from 3 months to 7 years under the Essential Commodities Act.

(ii) State Governments are empowered to take action against the erring distributors under the provisions of the above Order.

(iii) Marketing Discipline Guidelines (MDG) for LPG distributors of OMCs have been laid down by the Government in April, 2001. According to these Guidelines, in case of establishment of any overcharging on refill / installation charges etc, warning for 1st offence, a fine of Rs. 5,000 for 2nd offence, Rs. 15,000 for 3rd offence, and termination for 4th offence, against the distributor is imposed.

(iv) LPG distributors of OMCs are under strict instructions not to overcharge on domestic cylinders from customers. The officials of OMCs carry out random checks at distributor's godown, delivery point as well as enroute to ensure that no over charging takes place. On the establishment of any complaint of over charging, action against the erring distributor is taken in terms of MDG and / or Distributorship Agreement.

As regards Kerosene, there is a proposal under consideration of the Government to assess the felt demand for Kerosene at various prices and to strengthen the distribution system.

ANNEX

DETAILS OF COMPLAINTS OF OVER-CHARGING BY DISTRIBUTORS.

Sl.No. States/UTs Number of distributors found indulging in overcharging

1. Delhi 1
2. Gujarat 4
3. Haryana 1
4. Jammu & Kashmir 5
5. Madhya Pradesh 7
6. Maharashtra 2
- 7 Orissa 1
8. Punjab 12
9. Rajasthan 7
10. Tamil Nadu 3
11. Uttar Pradesh 13
12. West Bengal 5

Union Territories

13. Chandigarh 2

TOTAL 63