

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

STARRED QUESTION NO:299

ANSWERED ON:18.12.2008

NON-COMPLIANCE OF MARKETING DISCIPLINE GUIDELINES

Murmu Shri Hemlal;Thummar Shri Virjibhai

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

- (a) the salient provisions of the Marketing Discipline Guidelines for regulation of supply of Liquefied Petroleum Gas (LPG) ;
- (b) whether the Government has ensured that Marketing Discipline Guidelines are being followed by all concerned ;
- (c) if so, the number of cases relating to illegal use and black marketing of domestic LPG Cylinders reported under the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 during the last three years and the current year, State-wise ;
- (d) the further action being taken in this regard ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 299 BY SHRI V. K. THUMMAR AND SHRI HEMLAL MURMU TO BE ANSWERED ON 18TH DECEMBER, 2008 REGARDING NON-COMPLIANCE OF MARKETING DISCIPLINE GUIDELINES.

(a) : Marketing Discipline Guidelines (MDG), 2001 were issued and made effective from 12.04.2001 to take action against erring distributors for serious malpractices like diversion of domestic LPG cylinder for non-domestic use, recovery of unauthorised charges from customers, supply of underweight cylinders, deliberate acceptance of fake Transfer Voucher, induction of spurious equipment, sale of non-BIS/sub-standard equipment, shortage of Corporation's equipment, forced sale of hotplates, manipulation of mandatory records, non attendance of complaints, delay in refill supply / leakage of cylinder, not giving cash and carry rebate, unauthorized out of turn delivery of refill supplies, unauthorized non home delivery of refill supplies, deliberate withholding of Corporation's payments collected from consumers, rude behaviour to customer, overcharging, refusal to register for new connection, unauthorized out of turn release of additional cylinders, etc.

MDG, 2001 provides inter-alia following action against erring LPG distributors:-

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

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

Termination of the distributorship for 3rd offence.

(b) : Whenever Public Sector Oil Marketing Companies (OMCs) receive complaints, these are investigated and if the complaint is established suitable action is taken against the LPG distributor(s) in accordance with the provisions of the MDG.

(c) : OMCs have detected 2283 cases of diversion/blackmarketing of LPG by their LPG distributorships in the country during the years 2005-06, 2006-07, 2007-08 and April, 2008 to October, 2008, Action against the erring distributors was taken as per provisions of MDG/ Distributorship Agreement. Further, 6540 motorists indulging in misuse of domestic LPG in their vehicles have also been caught during years 2005-06, 2006-07, 2007-08 and April, 2008 to October, 2008 by the State Transport Authorities. The State-wise details are available with the Director (Marketing) of OMCs concerned.

(d) : In order to stop diversion / black marketing of LPG cylinders, the Government has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" and formulated "Marketing Discipline Guidelines, 2001" which provides for penal action against erring LPG distributorships.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against diversion/black-marketing of domestic LPG. Similarly, the Weights and Measures Departments of the States / UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Governments have been alerted from time to time to take steps against the diversion/black-marketing of domestic cylinders for unauthorized usage.

Government have issued advertisements cautioning the public that use of domestic LPG for non- domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity / malpractice to the OMCs.

The officials of OMCs carry out checks at distributors' godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified & shown to the customers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced with a fresh refill cylinder without any charges levied by the OMCs.

OMCs have introduced different colours for domestic and non-domestic LPG cylinders for controlling the diversion of domestic LPG for unauthorized use.