

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

UNSTARRED QUESTION NO:4841  
ANSWERED ON:26.08.2010  
PENALTIES ON PRIVATE GAS COMPANIES  
Reddy Shri Komatireddy Raj Gopal

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

- (a) whether there are provisions for steep penalties on not sticking to the works schedule of private gas companies and gas related projects in the country;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government to incorporate the provisions?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c): Government of India has enacted the "Petroleum and Natural Gas Regulatory Board (PNGRB) Act, 2006', wherein PNGRB has been entrusted with the responsibility of regulating downstream oil & gas activities, including granting authorizations to City Gas Distribution (CGD) networks and natural gas trunk pipelines. In case the entities fail to fulfill the commitments made to PNGRB, Regulations framed by PNGRB provide for following penalties-

- (i) Encashment of Performance Bank Guarantee submitted by the entity,
- (ii) Cancellation/termination of the authorization, and
- (iii) Civil penalty under section 28 of the PNGRB Act, 2006 in addition to taking actions prescribed for offences & punishment under Chapter IX of the Act.