

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

STARRED QUESTION NO:334

ANSWERED ON:02.12.2010

AVAILABILITY OF LPG

Kora Shri Madhu ;Mahajan Smt. Sumitra

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

- (a) the details of the demand and supply of LPG cylinders, in the States and UTs, during last two years and current year, State-wise ;
- (b) the stipulated and the average time taken for supply of LPG refills to the consumers ;
- (c) whether the large scale blackmarketing/diversion, restricted movement of bulk LPG tank trucks, etc. have increased the backlog of LPG refills in certain States leading to crisis like situation ;
- (d) if so, the reaction of the Government thereto ; and
- (e) the action taken to ensure supply of LPG refill to consumers within a stipulated time period ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA )

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 334 BY SHRI MADHU KODA AND SHRIMATI SUMITRA MAHAJAN TO BE ANSWERED ON 2ND DECEMBER, 2010 REGARDING AVAILABILITY OF LPG.

(a) to (e) : The annual production of LPG in the country is about 9.7 Million Metric Tonne (MMT) during the current year (2010).

Public Sector oil Marketing Companies (OMCs) have assessed the requirement/demand of domestic LPG/commercial LPG for the entire country for the current year 2010 as 13.7 MMT. Against the projected demand of 13.7 MMT, 9.7 MMT is indigenously available and the balance quantity is being imported to meet the demand in full.

The details of demand/sales of domestic LPG cylinders during the year 2008, 2009 and from January – October, 2010 are 7504.2 lakh, 7776 lakh and 7010.1 lakh respectively. The State-wise details are at Annexure.

OMCs have reported that at present, there is no overall shortage of LPG cylinders in the country and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors.

OMCs have given instructions to their LPG distributors for making deliveries to consumers within 48 hours of booking subject to availability of filled LPG cylinders. LPG distributors are also advised to maintain sufficient delivery infrastructure to ensure prompt delivery of refills. However, due to uncontrollable localized factors like strikes, bandhs, natural calamities etc., delay in refill supply is sometimes unavoidable.

OMCs have reported a backlog of few days in LPG supplies in certain States in the country due to a combination of factors viz. unplanned shutdown of refineries at some of the sources, shortage of LPG in the global market, restricted movement of bulk LPG tank trucks, due to heavy unexpected rainfall in different parts of the country, bulk LPG tank truck drivers' strike in Southern Region during October 2010 and excessive booking due to various festivals etc. Government has reviewed the overall backlog situation and has advised OMCs to liquidate it in the country by operating the bottling plants on holidays and during extended hours.

The possibility of blackmarketing/diversion of subsidized domestic LPG cylinders by some unscrupulous elements can not be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

Surprise Quality Control Checks which include weighment of cylinders, are carried out at the distributor's godowns and weight checking of filled cylinders in transit is being done by the field officers to check pilferage/presence of any underweight cylinders. The distributors have also been instructed to satisfy the customers about the correct weight of cylinders by weighing them, 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 free of charge by the OMCs.

Government has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" and formulated "Marketing Discipline Guidelines, 2001" which provide for penal action against erring LPG distributors for serious malpractices like diversion of domestic LPG cylinder for non-domestic use, recovery of unauthorized charges from customers, supply of underweight cylinders, etc.

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

# 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.

In addition to the action taken by the OMCs, State Governments are also empowered to take action under the LPG (Regulation of Supply & Distribution) Order, 2000. Similarly, the Weights and Measures Departments of the States / UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders.