

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

UNSTARRED QUESTION NO:1799  
ANSWERED ON:01.12.2011  
RECONSTITUTION OF DISTRIBUTORSHIP  
Swamygowda Shri N Cheluvarya Swamy

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

- (a) whether the distributors booked and penalized under Marketing Discipline Guidelines (MDG) during the last three to five years are allowed re-allotment of their distributorship ;
- (b) if so, whether after re-allotment of such distributorship, the offences committed by them are treated as null and void without any impact ;
- (c) if not, the reasons for permitting re-allotment of distributorships ;
- (d) the time by which the provisions for permission of reconstitution be incorporated with suitable clause of non-penalty under MDG ; and
- (e) if not, the reasons therefor ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N.SINGH)

(a) to (c): There is no scheme or provision for re-allotment of LPG distributorship terminated as a result of violation of the MDGs. Reconstitution of distributorship is permitted in cases found suitable as per the reconstitution policy i.e. death of the proprietor/partner, permanent disability, induction of new partner because of old age, resignation of existing partner etc. There is no restriction for reconstitution on account of a distributorship being booked under Marketing Discipline Guidelines (MDG). Whenever the distributorship is re-constituted, the assets as well as liabilities of the entity get carried over to the re-constituted distributorship. The MDG imposed on the distributorship will continue to be considered for all purposes including the collection of penalty and consequent actions. However, a distributorship which has been terminated under MDG is not allowed to be revived through the process of reconstitution.

(d) & (e): There is no provision or proposal for non-penalty against offences committed by the LPG distributor(s) for violation of MDG, even in case the LPG distributorship is reconstituted.