

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

UNSTARRED QUESTION NO:3507
ANSWERED ON:26.04.2012
BLACKMARKETING OF LPG
Singh Shri Ganesh

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

(a) whether the Government has formulated any scheme to survey restaurants and small eateries to check diversion and blackmarketing of domestic LPG cylinders ; and

(b) if so, the details thereof and the steps taken by the Government in this regard ?

Answer

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

(a) & (b) : In order to stop blackmarketing/ diversion of domestic 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 LPG distributors indulging in diversion/ blackmarketing of LPG.

MDG provide, inter-alia for following action against the distributor:-

Fine of ` 20,000 plus the price of LPG diverted at commercial rates for 1st offence. Fine of ` 50,000 plus the price of LPG diverted at commercial rates for 2nd offence. Termination of the distributorship for 3rd offence.

To check blackmarketing of LPG, OMCs carry out regular surprise inspections at distributors' premises, conduct refill audits, surprise checks at customers' premises including en-route checking of delivery vehicles etc., and action, where-ever necessary, is taken in accordance with the provisions of the MDG. In addition, surprise checks are carried out alongwith the help of local Government officials which includes restaurants and small eateries to ensure that the subsidized domestic LPG are not misused.

Further, constant efforts are being made for blocking of the LPG connections of PNG consumers by way of regular monitoring and issue of instructions to the OMCs and City Gas Distribution (CGD) companies. As on 01.04.2012, OMCs have blocked 8,89,267 LPG connections of PNG consumers, in an effort to stop diversion of subsidized domestic LPG.

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

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

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 blackmarketing/diversion of domestic LPG.