

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

STARRED QUESTION NO:408

ANSWERED ON:21.02.2014

DIVERSION OF DOMESTIC LPG CYLINDERS

Chaudhary Shri Arvind Kumar;Putul Kumari Smt.

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

(a) the total number of Liquefied Petroleum Gas (LPG) agencies in the country, State/UT-wise

(b) the number of cases of diversion of domestic LPG cylinders for commercial use detected during the last three years and the current year and the action taken against the LPG agencies in this regard, State/UT-wise;

(c) whether the Government has taken steps for checking the misuse/ diversion of domestic LPG cylinders for commercial purposes and curtailing the import of LPG in the country; and

(d) if so, the details thereof and the quantum of reduction in import of LPG as a result thereof ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (Dr. M. VEERAPPA MOILY)

(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. 408 BY SHRIMATI PUTUL KUMARI AND SHRI ARVIND KUMAR CHAUDHARY TO BE ANSWERED ON 21ST FEBRUARY, 2014 REGARDING DIVERSION OF DOMESTIC LPG CYLINDERS.

(a) : State/UT-wise details of LPG distributorships as on 01.01.2014 is at Annexure I.

(b) : State/UT-wise details of established cases of diversion of subsidized LPG cylinders during the last three years and during the period from April-Dec' 2013 are at Annexure II.

In all the established cases of diversion, action has been taken against the erring LPG distributor as per the provision of Marketing Discipline Guidelines (MDG).

(c) & (d) : The possibility of malpractice/ irregularities in subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the lower retail price of subsidized LPG for domestic use vis a vis the market price for commercial LPG. Public Sector Oil Marketing Companies (OMCs) are always on vigil and take action to stop the black marketing of cylinders.

To keep a check on malpractices by LPG distributors, OMCs carry out regular surprise inspections at distributors premises, conduct refill audits, surprise checks at customers premises, en-route checking of delivery vehicles etc. If LPG distributors are found guilty of any malpractice, punitive action is taken in accordance with the provisions of the Marketing Discipline Guidelines (MDG).

Moreover, various initiatives have been taken by the Government viz. Capping on supply of subsidized cylinders, de-duplication, introduction of Transparency Portal, KYC exercise etc. which have contained the misuse of subsidized LPG cylinders.

The quantum of LPG import depends on overall demand in the country, fluctuations in seasonal demand and availability of LPG from domestic sources. As such reduction in import of LPG due to checking misuse of subsidized domestic LPG cannot be quantified.