

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

STARRED QUESTION NO:20

ANSWERED ON:19.11.2009

SHORTAGE OF LPG

Dhanapalan Shri K. P.;Rajaram Shri Wakchaure Bhausahab

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

(a) whether there is shortage of LPG in several States including Maharashtra, Tamil Nadu and Bihar ;

(b) if so, the reasons therefor ;

(c) whether cases of hoarding and black-marketing of LPG by the gas agencies/dealers have been reported ;

(d) if so, the details of such cases and the steps taken by the Government to meet the demands of the consumers and prevent blackmarketing/hoarding of LPG ?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(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. 20 BY SHRI WAKCHAURE BHUSAHEB RAJARAM, SHRI K. P. DHANAPALAN TO BE ANSWERED ON 19TH NOVEMBER, 2009 REGARDING SHORTAGE OF LPG.

(a) & (b): Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG in the country including in the States of Maharashtra, Tamil Nadu and Bihar 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 reported that as on 01.10.2009, they are serving 1101.3 lakh LPG customers through their 9427 LPG distributors in the country, covering approximately 56.9% of the households. OMCs have released 39.01 lakhs new LPG connections in the country during the period April – September, 2009.

OMCs have reported that they have supplied 5332.01 Thousand Metric Tonne (TMT) of domestic LPG in the country during the period April - September, 2009 as against 5132.45 TMT of domestic LPG during the corresponding period of last year, showing a growth rate of 3.89%. Similarly, OMCs have reported that they have supplied 739.71 TMT, 498.02 TMT and 150.68 TMT of domestic LPG in the States of Maharashtra, Tamil Nadu and Bihar respectively during the period April – September, 2009 as against 729.49 TMT, 476.39 TMT and 137.04 TMT domestic LPG during the corresponding period of last year, showing a growth rate of 1.40%, 4.54% and 9.95% respectively. As on 09.11.2009, the stock of LPG on all India basis including stock on wheels is about 378 TMT, which is equivalent to 11 days cover.

(c) & (d) : While no case of hoarding of LPG cylinders by the distributors has been established, the possibility of blackmarketing/diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

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.

Whenever OMCs receive complaints, these are investigated. The sales officers of OMCs also carry out random checks on their own. If the complaint is established or any irregularity detected, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the Marketing Discipline Guidelines (MDG). MDG provides for following action against the distributor:-

# 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 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. Similarly, the Weights and Measures Departments of the States / UTs initiate legal action against those LPG distributors found blackmarketing/diversion of LPG cylinders.