

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

UNSTARRED QUESTION NO:1307

ANSWERED ON:26.11.2009

SUPPLY OF LPG CYLINDERS TO UNAUTHORIZED PERSONS

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

(a) whether the Oil Marketing Companies (OMCs) have received complaints regarding supplying of LPG cylinders to unauthorized persons on regular basis who are not consumers of those agencies;

(b) if so, the details of such complaints received during the last six months in various States, particularly from Vadodara in Gujarat ; and

(c) the action taken by the OMCs thereon ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c): During last six months, Oil Marketing Companies (OMCs) have detected 174 cases of diversion of LPG by their LPG distributors in the country including 3 in the State of Gujarat. However, no case has been reported in Vadodara. Action against the erring distributors was taken as per provisions of Marketing Discipline Guidelines (MDG) / Distributorship Agreement.

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 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.