

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

UNSTARRED QUESTION NO:3527
ANSWERED ON:04.08.2014
DISTRIBUTORSHIP AGREEMENT
Singh Shri Pashupati Nath

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

- (a) whether any distributorship agreement is entered into with LPG distributors by the respective Oil Marketing Companies (OMCs) and if so, the details thereof;
- (b) whether the Government has conducted/ proposes to conduct a review in case of non-compliance with such agreement and if so, the details thereof; and
- (c) if not, the action taken by the Government/OMCs against such distributors?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

- (a) Public Sector Oil Marketing Companies (OMCs) have reported that they enter into a standard LPG distributorship agreement with the LPG distributor. The distributorship agreement lays down the terms and conditions that governs the arrangement, conditions under which the agreement may be terminated as well as an arbitration clause to take care of any disputes that may arise between the signatories.
- (b) & (c): OMCs have reported that their officers, vigilance department, Anti Adulteration Cell etc. inspect the working of the LPG distributorships to assess that the same is functioning as per the guidelines. Where ever the working is found in violation of the laid down marketing discipline guidelines/ terms of the distributorship agreement, action available under the provisions is taken against such erring distributors.