

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

UNSTARRED QUESTION NO:5781

ANSWERED ON:10.04.2017

Subsidy on LPG Cylinder

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

- (a) the total subsidy borne by the Government on each gas cylinder;
- (b) the actual and landed cost including taxes imposed on non-subsidised gas cylinder to a consumer along with gas subsidy if any, being provided by the Government to the non-subsidised consumers;
- (c) whether the Government has imposed heavy financial penalties on LPG dealers for not delivering LPG within 48 hours time prescribed for the purpose and if so, the details thereof along with action taken by the Government/Oil Marketing Companies under Marketing Discipline Guidelines in the country including Kerala, case/State/UT-wise;
- (d) whether the Government has directed LPG producers to supply all locally produced cooking gas to State-owned oil companies only and if so, the details thereof along with number of cases identified for selling of LPG to parallel LPG marketers in the country; and
- (e) the details and numbers of such parallel LPG marketers identified/ reportedly operational in the country, State/UT-wise?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): Currently, the Government is providing subsidy of Rs. 249.09/cylinder (14.2 kg) on Subsidized Domestic LPG.

(b): The Price Build-up of Domestic LPG (Non-Subsidized) at Delhi is given at Annexure-I

(c) to (e): OMCs have reported that they try to meet the demand of LPG consumers within 48 hours. However, delay in refill supplies may occur in the event of backlog due to non-availability of filled LPG cylinders with the distributors for unavoidable reasons, road breaches, floods, strikes, incidents of bandhs, shortage of bulk LPG, non-availability of trucks, etc. and in such situations, bottling plants work on extended hours as well as on holidays to clear the backlog.

Parallel Marketeer (PM) System was introduced in the country in 1993 wherein Parallel marketers were required to source LPG through imports for their requirement. Further, Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 and LPG (Regulation of Use in Motor Vehicles) Order, 2001, which were notified in the year 2000 and 2001 respectively, prohibit sale of LPG by any person other than a Government Oil Company, a parallel marketeer or a distributor to the consumer. Parallel marketeer can source LPG only through imports for sale in domestic market. Domestic producers of LPG need to sell domestically produced LPG only to Government Oil Companies. Any entity desiring to operate as a parallel marketeer of LPG is required to obtain certificate from any of the four rating agencies mentioned in the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 and LPG (Regulation of Use in Motor Vehicles) Order, 2001 as applicable. Further, the entity is required to follow rules and regulations as contained in various relevant acts and orders including the two orders mentioned above. A list of PMs holding rating certificate from any of the four rating agencies as on 01.01.2017 is given at Annexure-II.

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