

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

UNSTARRED QUESTION NO:1096

ANSWERED ON:02.03.2015

BLACK MARKETING OF LPG

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

- (a) whether the Government/Oil Marketing Companies (OMCs) have noticed black marketing, diversion, fake connections, underweight, irregular home delivery and overcharging of domestic LPG cylinders by the LPG distributors in the country;
- (b) if so, the details thereof along with the number of persons/distributors found to be involved in the irregularities and the action taken by the Government thereon, State/OMC-wise;
- (c) whether the Government has conducted any flash raids at LPG distribution agencies and their godown to curb this malpractice and if so, the details thereof, State/OMC-wise;
- (d) whether the Government proposes to launch any scheme for LPG connection portability particularly in remote and hilly areas in view of the above and if so, the details thereof and if not, the reasons therefor;
- (e) the other concrete steps taken by the Government to provide efficient customer services in the country; and
- (f) the steps taken by the Government to reduce the prices of LPG cylinders in the country ?

Answer

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

(a) to (c): The possibility of malpractice/ irregularities in subsidized domestic LPG cylinders cannot be ruled out due to the lower retail price of subsidized LPG for domestic use vis a vis the market price.

Public Sector Oil Marketing Companies (OMCs) have reported that inspections are carried out by their Field Officers, Anti Adulteration Cell and Vigilance Department at LPG godowns and showrooms of LPG distributorships. State/OMC-wise details of inspections done during last three years and the period upto January 2015 is at Annexure I.

If an LPG distributor is found guilty of any malpractice, punitive action is taken in accordance with the provisions of the Marketing Discipline Guidelines (MDG).

State/UT/OMC-wise details of established cases of irregularities including black marketing, diversion, fake connections, underweight, irregular home delivery and overcharging etc. by LPG distributors during last three years and the period upto January 2015 at Annexure II.

(d) : In order to provide greater choice to customer to select his distributor and to bring competition among distributors portability was launched in 24 cities on 05.10.2013 and subsequently extended to 484 districts covering 32 states/UT (including newly created state of Telangana). Under this scheme, the customer has choice to shift to another LPG distributor within a cluster of distributors (inter & intra company), identified in the common area of operation.

(e) : Several steps have also been taken by OMCs to improve customer services. This includes a comprehensive LPG service portal www.MyLPG.in, where all LPG services can be obtained from the comfort of the home without visiting the distributorship. Mobile applications have also been developed for various LPG services. In an effort to enhance competition, the distributors are being rated based on their delivery performance. The customers are also being given the option of portability under which they can now change their distributor/marketing company in case they so desire.

(f) : The Government continues to modulate the retail selling price of Subsidized Domestic LPG and their prices have not been increased in line with changes in the international market. The basic price of Subsidized Domestic LPG has not been increased since 25.06.2011.