

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

STARRED QUESTION NO:150

ANSWERED ON:06.03.2000

LPG AGENCIES

ASHOK KUMAR SINGH CHANDEL;RAM PRASAD SINGH

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

- (a): the locations identified for opening of LPG agencies in the country during the next three years, state-wise;
- (b): whether any targets have been fixed to open LPG agencies in the country during the current plan period;
- (c): if so, the details thereof, Statewise;
- (d): the extent to which the targets fixed to set up LPG agencies could be achieved during the Eighth Plan period;
- (a) The locations where the LPG agencies allotted during the last three years are still not functional;
- (b) whether the Government propose to cancel such allotments so that the fresh agencies could be allotted at these locations; and
- (c) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (g): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (g) of the Lok Sabha Starred Question No.150 for 6th March, 2000 regarding LPG agencies.

(a) to (d): Oil Industry periodically conducts feasibility surveys for identifying viable locations for setting up LPG distributorships in different parts of the country. Locations found economically viable are included in the marketing plan. Selection of distributors is made through the process of advertisement of the locations and interviews by the Dealer Selection Boards. This is a continuous process and no targets for setting up distributorship is fixed.

Upto the Marketing Plan 1996-98, 3430 locations were pending for selection of LPG distributors of which Oil Companies have already advertised 2822 locations, and out of these interviews for 582 locations have been conducted. Selection of distributors for the remaining 2848 locations has yet to be made.

(e): 184 LPG distributorships reportedly allotted during the last three years have not been commissioned.

(f) & (g): As per the existing policy, Letters of Intent (LOIs) are issued by the Oil Companies to the candidates placed at No.1 in the merit panels. The LOI holder is required to commission the distributorship within 6 months of the date of LOI, failing which Oil Company has the right to withdraw the LOI and issue the same to the next person in the merit panel. However, on its satisfaction extension of time may be permitted by the Oil Company. In case he is also not able to commission the distributorship within the stipulated time, Oil Companies can cancel the LOI and readvertise the location or change the location.