

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

UNSTARRED QUESTION NO:3263

ANSWERED ON:19.08.2004

BLACK MARKETING OF LPG CYLINDERS

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

- (a) whether Government is aware of the black marketing of LPG cylinders in States including U.P. and J&K ;
- (b) if so, the number of complaints received against the gas agencies and the action taken thereon ; and
- (c) the precautionary measures being taken by the Government to check black marketing and to ensure regular distribution of LPG cylinders ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b) : Action against erring distributors is undertaken in terms of Marketing Discipline Guidelines (MDG), 2001. Public Sector Oil Marketing Companies (OMCs) have received 15 complaints against their distributors in Uttar Pradesh and 5 complaints in Jammu & Kashmir during the year 2003-04, relating to over charging on LPG cylinders.

(c) : Following measures are being taken to prevent overcharging by LPG distributors of OMCs :-

(i) Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 under the Essential Commodities Act, 1955 has been promulgated. As per the Order, overcharging on domestic LPG cylinders by the distributors of Public Sector Oil Marketing Companies (OMCs) is prohibited. Such offence is punishable with imprisonment from 3 months to 7 years under the Essential Commodities Act.

(ii) State Governments are empowered to take action against the erring distributors under the provisions of the above Order.

(iii) Marketing Discipline Guidelines (MDG) for LPG distributors of OMCs have been laid down by the Government in April, 2001. According to these guidelines, in case of establishment of any overcharging on refill / installation charges etc, warning for 1st offence, a fine of Rs. 5,000 for 2nd offence, Rs. 15,000 for 3rd offence, and termination for 4th offence, against the distributor is imposed.

(iv) LPG distributors of OMCs are under strict instructions not to overcharge on domestic cylinders from customers. The officials of OMCs carry out random checks at distributor's godown, delivery point as well as enroute to ensure that no over charging takes place. On the establishment of any complaint of over charging, action against the erring distributor is taken in terms of MDG and / or Distributorship Agreement.