

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

UNSTARRED QUESTION NO:300
ANSWERED ON:01.03.2007
BLACK MARKETING OF LPG
Chitthan Shri N.S.V.;Sarvey Shri Sathyanarayana

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

- (a) whether the Government is aware of large scale of black marketing and diversion of domestic LPG cylinders for commercial purposes ;
- (b) if so, whether the Government proposes to involve or take co-operation from the general public to curb/check such malpractice ; (
- (c) if so, the details thereof ; and
- (d) the initiatives taken by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) : Public Sector Oil Marketing Companies (OMCs) have reported instances of diversion/black marketing of domestic LPG cylinders for commercial purposes by their LPG distributors. OMCs take action under the Marketing Discipline Guidelines (MDG) and / or Distributorship Agreement against their distributors who are found involved in diversion/black marketing of domestic cylinders. In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 to take action against illegal use of domestic LPG.

(b) to (d) : Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity/malpractice to the OMCs.

In addition, the following measures have been taken to prevent the diversion / black marketing of domestic LPG cylinders for commercial purposes :

(i) Under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 the diversion / black marketing of domestic LPG cylinders for commercial purposes by the distributors of OMCs is prohibited. The State Governments are empowered to take action against erring distributors under the provisions of this Order. The State Governments have been alerted from time to time to take steps against the diversion of domestic cylinders for unauthorized usage.

(ii) The officials of OMCs carry out random checks at distributors godown, delivery point, as well as en-route to ensure that no diversion / black marketing takes place. In terms of the MDG, in case of establishment of any diversion / black marketing of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor :-
Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.
Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence, and
Termination of the distributorship for 3rd offence.

(iii) Government have advised OMCs to introduce different colours for domestic & non- domestic cylinders. This is expected to help in controlling the diversion of domestic LPG for unauthorized use.