

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

STARRED QUESTION NO:14

ANSWERED ON:02.07.2009

SHORTAGE OF LPG

Maadam Shri Vikrambhai Arjanbhai;Swamygowda Shri N Cheluvarya Swamy

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

(a) whether there is shortage of LPG in the country including the State of Karnataka ;

(b) if so, the reasons therefor ;

(c) whether cases of hoarding and black-marketing of LPG by the gas agencies/dealers have been reported ; and

(d) if so, the details of such cases and the steps taken by the Government to meet the demands of the consumers and prevent black-marketing/hoarding of LPG ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA )

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 14 BY SHRI AHIR VIKRAMBHAJI ARJANBHAJI MAADAM AND SHRI N. CHALUARAYA SWAMY TO BE ANSWERED ON 2nd JULY, 2009 REGARDING SHORTAGE OF LPG.

Public Sector Oil Marketing Companies (OMCs) have reported that as on 01.06.2009 they are serving 1067 lakh LPG customers through their 9378 LPG distributors in the country, covering approximately 55 % of the households. OMCs have released 10.07 lakhs new LPG connections in the country during the period April & May, 2009.

OMCs have reported that at present, there is no overall shortage of LPG in the country including in the State of Karnataka and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors.

OMCs have reported that they have supplied 10633.81 Thousand Metric Tonne (TMT) of domestic LPG in the country during the year 2008-09 as against 10298.56 TMT of domestic LPG during the corresponding period of last year, showing a growth rate of 3.26%. Similarly, OMCs have reported that they have supplied 646.14 TMT of domestic LPG in the State of Karnataka during the year 2008-09 as against 622.59 TMT of domestic LPG during the corresponding period of last year, showing a growth rate of 3.78%. As on 22.06.2009, the stock of LPG on all India basis including stock on wheels is about 401 TMT, which is equivalent to 11 days cover.

The possibility of blackmarketing/ diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

In order to stop blackmarketing/ diversion of domestic LPG cylinders, the Government has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" and formulated "Marketing Discipline Guidelines, 2001" which provides for penal action against LPG distributors indulging in diversion/ blackmarketing of LPG.

Whenever OMCs receive complaints, these are investigated. The sales officers of OMCs also carry out random checks on their own. If the complaint is established or any irregularity detected, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the Marketing Discipline Guidelines (MDG). MDG provides for following action 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. # Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against blackmarketing/diversion of domestic LPG. Similarly, the Weights and Measures Departments of the States / UTs initiate legal action against those LPG distributors found blackmarketing/diversion of LPG cylinders. The State Governments have been alerted from time to time to take steps against the blackmarketing/diversion of domestic cylinders for unauthorized usage.