

Black marketing of LPG and kerosene oil

†1359. SHRI RAVI SHANKAR PRASAD:

SHRI RAM JETHMALANI:

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

- (a) whether it is a fact that large quantities of Liquefied Petroleum Gas (LPG) and kerosene oil are sold in black market of the country;
- (b) if so, the estimated average annual turnover of these products in rupees;
- (c) whether it is also a fact that Government has so far not been successful in checking this black marketing; and
- (d) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (d) The possibility of blackmarketing/ diversion/ adulteration of subsidized domestic LPG cylinders and PDS kerosene 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 and also PDS kerosene and petrol/diesel as well as for non-PDS usage.

As per the NCAER study of 2005, diversion of PDS kerosene for non-household usage is estimated as 38.6% of total sales of PDS kerosene. However, for LPG, no such estimates are available.

In order to stop blackmarketing/diversion of domestic LPG cylinders, the Government has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" (Control Order) under the Essential Commodities Act, 1955 and also formulated "Marketing Discipline Guidelines, 2001" (MDG) which provides for penal action against LPG distributors indulging in diversion/blackmarketing of LPG.

Whenever Public Sector Oil Marketing Companies (OMCs) receive complaints regarding diversion of LPG cylinders, these are investigated and if the complaint is established, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the 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.

†Original notice of the question was received in Hindi.

- Termination of the distributorship for 3rd offence.

With regard to PDS Kerosene, the product is an Ex-Marketing Installation (MI) product. State Governments / UTs are empowered to take action against those indulging in diversion/black-marketing and other irregularities under the provisions in the Kerosene Control Order, 1993. In addition, OMCs undertake regular and surprise inspections at kerosene dealerships and take action under MDG and Dealership Agreements against those indulging in diversion/black-marketing of PDS kerosene.

To further reinforce anti-adulteration measures, Government has decided to introduce a marker system in Kerosene. In addition, State Governments have been requested to install Global Position System (GPS) based Vehicle Tracking System (VTS) on tankers transporting PDS Kerosene. OMCs are also devising a public portal where information on PDS SKO such as dispatch time, quantity, and vehicle details would be available to general public.

Assam gas cracker project

1360. SHRI BIRENDRA PRASAD BAISHYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the schedule for completion of the Assam mega gas cracker project has been revised and the project cost has escalated;
- (b) if so, the details thereof; and
- (c) the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (c) Assam Gas Cracker Project is being implemented by M/s. Brahmaputra Cracker and Polymer Limited (BCPL). BCPL in concert with M/s. Engineers India Limited, its Project Management Consultant, has submitted proposal for revised cost of Rs. 9285.04 crore and revised completion schedule for mechanical completion and commissioning by July, 2013 and December, 2013 respectively. The Government has constituted a Committee of Experts to examine the reasonability of the proposed revised cost, before taking up the case for consideration and approval of the competent authority as per extant rules.

Commissioning of Bhatinda Oil Refinery

1361. SARDAR SUKHDEV SINGH DHINDSA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that Bhatinda Oil Refinery in Punjab would produce high value petroleum products such as LPG, Naptha, petrol, diesel, aviation fuel and petroleum coke;