

OFFICE OF THE STATE CONSUMER DISPUTES REDRESSAL COMMISSION
TUIKHUAHTLANG : MIZORAM : AIZAWL

SCC/1/2015

In the matter of : Shri Thanglura
President, Mizoram Consumer Union Hqrs
Mizoram, Aizawl

Vs

1. All Gas Distributors of Mizoram
C/o Vanbuangi Gas Agency
2. All RGGLV Distributors of Mizoram
C/o Rammuana Indane Gramin Vitrak, Kawnpui
3. Indian Oil Corporation Ltd
C/o General Manager LPG, Guwahati
4. Deputy General Manager
Indian Oil Corporation Ltd
5. The State of Mizoram
Represented by Secretary to the Govt. of Mizoram
Food, Civil Supplies and Consumer Affairs, Aizawl
6. The Director
Food Civil Supplies and Consumer Affairs
Govt. of Mizoram, Aizawl.

Advocate for the appellant : Joseph L. Renthlei
Advocate for the respondent : T. Lalzekima
Lalmalsawmi

Before

Hon'ble Interim President Dr. Lalthansangi
Hon'ble Member Lalhmingmawia
Hon'ble Member Sanny Toehhong
Hon'ble Member C. Lalrinkima

Date of Order : 19.10.2023



JUDGEMENT AND ORDER

The case is filed under the Consumer Protection Act, 1986 by Mr. Thanglura, on behalf of the President, Mizoram Consumers' Union for non-compliance of relevant rules and regulations regarding Distribution and Supplies of LPG. The petitioner requested an order for refunding of excess and undue charges collected from the consumers out of irregular and unfair trade practices towards consumers by Gas Distributors of Mizoram. The complainant also prayed for proper implementation of the Direct Benefit Transfer-LPG Scheme (DBTL)/PAHAL by Gas Distributors and Gas RGGLV Distributors of Mizoram.

The petitioner had submitted complaints about the misdeed and malpractice of the Gas Distributors to the Indian Oil Corporation Ltd on several occasions. The complainant submitted representations to the nodal agency the Food, Civil Supplies & Consumer Affairs Department on several occasions to properly monitor and for compliance of the DBTL/PAHAL by the Gas Distributors of Mizoram. Actions were initiated by the nodal department, no actual results were found to bear fruit.

By the order of this Commission, a meeting between the representative of the Mizoram Consumers' Union and various Gas Distributors namely, Mizoram Indane Distributor Association (MIDA), M/s Mamawia Indane, M/s Kapliana Indane, M/s SIAIA & Sons RGGLV, M/s Zopuii Gas Agency, M/s Vanbuangi Gas Agency, M/s Zothan Indane under the aegis of this Commission had a meeting on 15.07.2022. The representatives of Indian Oil Corporation and the FCS & CA Department were also present in the meeting. It was submitted that the dispute could not be settled in the meeting. This Commission had again ordered on 02.08.2022 to have another round of meeting and the meeting was held on 30.08.2022. Both the parties in the meeting reached a negotiated settlement on the condition that the Oil Marketing & Discipline Guidelines and other existing stipulated procedures are followed. The Gas Distributors agreed to take necessary steps for smooth delivery of LPG to the satisfaction of the consumers. The representative of IOCL also highlighted the system and challenges encountered in the distribution of LPG and credit of subsidies into the bank accounts of the LPG consumers. It was finally agreed and signed by both the parties on the following points:

- 1. In order to get 12 times the subsidy of LPG in financial year and PAHAL System be implemented fully for the sake of Consumers. LPG Marketing Discipline Guidelines 2022 should be fulfilled by the IOC Agent in Aizawl City. Hence to implement fully ONLINE REFILL BOOKING & HOME DELIVERY system covering the whole area of Aizawl City in AMC area successfully. This Home Delivery system will start from 1st September 2022.*
- 2. Business should be carried out fairly by the Gas Agent so that there is no room for unfair trade practice in the business. There should be no overcharging in the whole business with the Consumers.*
- 3. Proper Receipt/Cash Memo should be made and given to the Customer by the Delivery Boy whenever Gas is delivered to the Resident of the Customer. Pre-Delivery checking of LPG Gas must be done strictly as per IOC norms before loading to the vehicle. LPG will be weighed if demand by the Consumer at his/her resident.*
- 4. Whenever New connection of LPG is done, money should be collected from the Consumer as per latest guidelines made by IOC Marketing & Discipline guidelines. Proper Receipt/Voucher to be issued mentioning each items clearly. There should be no form of overcharging and unfair trade practice while selling New Connection the Consumer.*



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5. *While processing New Connection, Selling of Gas Hot Stove should not be done forcefully to the Consumers as per IOC Marketing & Discipline Guidelines. (Consumer can buy other Hot plate/stove from any Market as per IOC Guidelines).*

The view points of the Commission in regard to the agreement reached between the petitioner and the respondents are as under:

Agreement No.1 – Every household is eligible to get 12 refilled 14.2 kg cylinders of LPG at subsidized rate. The Marketing Discipline Guidelines for LPG distributorships has been in existence for over 30 years since 1982. The guidelines have been updated time and again to meet the enhance requirements of the LPG consumers. From the filing of the case in 2015, there has minimal progress and improvement in the system, however, the performance of the Gas Distributors in regard to the booking and delivery system is far from satisfactory. The LPG Distributors are disregarding some of the marketing guidelines and undermining the order of the Government of Mizoram a number of occasions.

In matter relating to DBTL/PAHAL, the system should be verified with the consumer, in case of any difficulty faced by the consumer in getting the subsidy credited to his account, the LPG Distributor is also responsible whether the correct details of the Bank Account of their customer is linked with the consumer number with the Aadhar. Any complaint about DBTL/PAHAL should be attended to and addressed immediately by the Distributor concerned.

The question of online booking and Home Delivery should have never been arise had the LPG Distributors followed the guidelines and orders issued by the State Government from time to time. The Oil Marketing Company had apparently, not followed LIQUEFIED PETROLEUM GAS (REGULATION OF SUPPLY AND DISTRUBUTION) ORDER 2000 in letter and spirit and subsequent amendment from time to time.

It is a well known fact that the system of Booking and Delivery of refilled cylinders by the Oil Marketing Company is in placed in rest of the country, the situation will never be ripened for booking and delivery unless positive attitude is shown. The situation will always warrant the practice of delivering LPG refilled at the designated point of the local areas as is practiced which has given a lot of scope of manipulation by the LPG Distributors, Booking and Delivery system has also been introduced in some areas within Aizawl Municipal Area, it should not be scuttled and should be implemented in the whole of AMC Area without any hindrance. The same should be implemented where it is not implemented. In rural areas where delivery of refilled cylinder is not feasible immediately due to the nature of work by the masses in the area, Booking of refilled cylinder by the consumers should be put in place and to be started forthwith. Booking can be accepted by using the Mobile Apps of the respective OMC or the convenient mode devised by the Distributor.



Agreement No.2 –The petitioner had submitted to the Indian Oil Corporation Ltd on several occasions the problems faced by the LPG customers. The Indian Oil Corporation Ltd had not paid heed to the complaint made by the petitioner which the reply to the complaints were not available to be produced in the Commission. The complaints made by the consumer voluntary organisation should not have been ignored or set aside simply for any reason. If the complaints or reports of the voluntary organisation for the welfare of the masses in general are ignored, the complaint of an individual would have never been heard. Manipulation and unfair trade practice in business will easily be encouraged. Therefore, the Commission has taken note of seriously about the complaints made by the petitioner regarding undue charges or fee collected which is against the order of the Government of Mizoram. At the same time, the Government of Mizoram once issued order is not following up with the concerned whether the order is being followed or not. The Gas Distributors and the Government of Mizoram are both liable in this regard. Once the order issued by the authority should have never been ignored. It is the primary duty of the issuer of the order to see through the order is being complied or not. Being the nodal agency, the Food, Civil Supply & Consumer Affairs Department should ensure the Marketing Guidelines of the OMC and order issued by them are complied with.

Agreement No.3 – As is practiced in the normal business transaction, issue of receipt/cash memo should be done if not done earlier. The Distributor should not deliver underweight refilled cylinder. The consumer should always be allowed to check the cylinder and weight before delivery.

Mangal **Agreement No.4& 5** – There should not be any form of overcharging and unfair trade practice while giving out new LPG connection. The LPG Distributor should always follow the Marketing Guidelines and Discipline of the OMC. However, many OMC also manufactured Gas Stove in their own Brand name and insisting new applicant for new connection to buy the Gas Stove from themselves. The LPG Distributor should not force the new consumer to take Gas Stove from themselves, otherwise, this may also be construed as overcharging and unfair practice by the Gas Distributors. As and when money is received by the LPG Distributors from their consumers, they should always be in a habit of issuing receipt/cash memo and leave no room for complaint.

LPG is essential commodities which are used in every household. Paucity of supplies and higher demands pave the way for manipulation by the Distributors. The aged old business mantra "*Customer is king*" has been witnessed in the reverse form in the case of LPG consumer. The Gas Distributors have been living like king and every consumers seek favour from them in order to get enough supply of refilled LPG cylinders.



The Commission is of the opinion that the LPG Distributors in Mizoram enjoys unrestrictive manipulation for a long time. Due to natural calamities like flood or landslide, scarcity of supply of LPG is common phenomena. Scarcity of supply also occur due to disturbances in the border area with neighbouring state. In this situation, the LPG Distributors are having social obligation apart from their business transaction. It is observed that many scarcities occurred earlier due to the above reasons, when the situation is normal, so much of the problem do not happen. Therefore, normal system of booking and delivery can easily happen.

The Mizoram Consumers' Union is a non-profit making voluntary organisation who are fighting for the rights of the common people. Many injustices would have occurred in the absence of voluntary organisation like the MCU and the work of the MCU is appreciable.

In view of the above points and keeping the facts of the ground realities, the case is disposed off with this order and with the following directions:

- 1) All the LPG Distributors within Mizoram to implement LPG Marketing Discipline Guidelines of the OMC in letter and spirit. Booking and Delivery system should be in place without further delay. Booking through the Mobile App or Online Booking or any other convenient mode should be adopted and accepted.
- 2) The nodal department of the Food, Civil Supply & Consumer Affairs Department, Government of Mizoram is to ensure the above point (No. 1) is strictly complied with by the agencies in coordination with the Indian Oil Corporation Ltd.
- 3) The LPG Distributor should not insist upon purchasing Gas Stove from them for new connection, the customer is free to procure his own gas stove of his choice from market. The FCS&CA Department should closely monitor in case of any complaint arise out of this.
- 4) The respondent No.1 shall pay Rs.50,000/- (Rupees fifty thousand only) to the Mizoram Consumers' Union. The amount should be deposited to this Commission within one month, failing which it shall carry interest @10% per annum from the date of this order.

The petitioner is at liberty to file a fresh case if so desire.

The case is disposed.

Given our hands and seal of this Commission on this 19th October 2023



M. Sangi 19/10/2023
(Dr.LALTHANSANGI)
INTERIM PRESIDENT.

Lalmingma
(LALMINGMAWIA)
MEMBER

Lalrinkima
(C.LALRINKIMA)
MEMBER

Sanny
(SANNY TOCHHAWNG)
MEMBER