

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

UNSTARRED QUESTION NO:1836  
ANSWERED ON:04.08.2005  
OPENING OF KEROSENE DEPOTS  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the Government is contemplating to open kerosene Depots on the pattern of petrol pumps ;
- (b) if so, the details thereof ;
- (c) whether the Government has approved some locations for setting up of kerosene depots ;
- (d) if so, the details thereof, State-wise ;
- (e) the time by which the said scheme is likely to be made operational ; and
- (f) the total expenditure to be borne by the Union Government for implementing this scheme ?

**Answer**

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

(a) & (b) : The Government have approved an innovative pilot project of the Ministry of Petroleum & Natural Gas for radically revamping the PDS kerosene distribution network with the primary objective of ensuring that this heavily subsidized product is actually made available in the required quantities at subsidized prices to the intended beneficiaries; and, secondly, to thus cap, reverse and eventually eliminate the diversion of PDS SKO for adulteration. The pilot project is to be implemented in upto 10% of the blocks of the country for a period of six months. Thereafter, the working of the scheme would be independently assessed and, based on the experience gained, Government will consider scaling up the scheme to cover the entire country.

The principal features of this innovative pilot project are summed up below:

- (i) Oil Marketing Companies (OMCs) will establish at least one Kerosene (SKO) dealership in each of the country's development blocks (at present, less than half the blocks are covered and there is disproportionate, often multiple concentration, in urban blocks);
- (ii) In consultation with the District Administration and the wholesale dealer, about 5-10 sub-wholesale points will be located in each block;
- (iii) There will be a dedicated fleet of tanker-trucks (TTs) for transportation of PDS kerosene to ensure widespread public information and transparency as these TTs will prominently display the special logo that is being devised for the dedicated fleet. It will be clearly written on the outside of the TT that it is transporting kerosene meant for the Public Distribution System;
- (iv) To bring storage dispensing services at SKO dealerships at par with the modern facilities provided at petrol and diesel outlets by OMCs at their own expense, the Ministry's Oil Industry Development Board (OIDB) will fund OMCs to ensure the installation of the following facilities at each of the dealerships covered under the pilot project:
  - storage tanks with a minimum capacity of 20 KLS
  - electronically metered dispensing pumps
  - an adequate number of barrels, appropriately decorated with the special logo, for the delivery of SKO to sub-wholesale points
  - one or more barrel sheds;

(v) Supplies to sub-wholesale points will be made under the direct supervision and responsibility of the OMCs, who will provide an adequate number of barrels, decorated with the special logo, at the sub-wholesale point for the convenient and assured transportation of PDS SKO to the retail points. Similar logos will be displayed on vehicles transporting PDS SKO from wholesale to sub-wholesale points and from there to retail points at Fair Price Shops;

(vi) At each Fair Price Shop, PDS SKO will be stored in barrels with clearly identified logos which the general public can access to determine for themselves the balance availability of PDS SKO at that Fair Price Shop;

(vii) In consultation with State Governments, Panchayats and Gram Sabhas will be empowered to generally supervise the availability of PDS SKO at subsidised prices, and a reporting mechanism will be put in place for Panchayats / Gram Sabhas to report any deficiencies to the State Administration and the OMCs concerned.

At a meeting of State Ministers incharge of Food & Civil Supplies and Panchayati Raj on 29th July 2005, a number of suggestions were made which are being worked into the format of the Pilot Project.

(c) & (d) : To implement the Pilot Scheme, 512 blocks in various States have been identified. The State-wise details are at Annex.

(e) : The Scheme would be operational from 2nd October 2005.

(f) : The capital expenditure for providing the facilities under the entire Scheme is estimated to be Rs. 696 crores to be borne by Oil Industry Development Board (OIDB).