

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

UNSTARRED QUESTION NO:4330
ANSWERED ON:26.08.2004
SKO DEALERSHIP TO WIDOWS/SC/ST CANDIDATES
Boianapalli Shri Vinod Kumar

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

- (a) whether the Government is aware that most of the SKO dealership belonging to widows/SC/ST candidates have gone down below the economic viability limit;
- (b) if so, whether such dealers are to be reimbursed the cost of Demand Draft (DD) making as is done in case of Retail Petrol Outlet dealerships; and
- (c) if so, the steps being taken to make them economically viable?

Answer

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

(a) to (c): A volume of 75 kilolitres per month of SKO is generally considered as a viable limit for new SKO-LDO dealerships, including those falling under the Scheduled Castes/Scheduled Tribes category and those awarded to widows. However, sometimes, the monthly allocation of SKO to a dealer goes down below this limit in a few cases for various reasons, one of them being that the allocation of SKO in all the States has been reducing gradually over the last few years in view of the release of LPG connections. However, the oil companies make efforts, in coordination with the district civil supplies authorities, to gradually bring their allocation to the viability level. Further, in order to increase the profitability/viability of SKO-LDO dealers, they have been permitted to market lubricants. There is also a proposal under consideration of Government to get a study conducted of the 'felt' demand for kerosene at various prices, and to strengthen the distribution system of kerosene. While the commission for SKO-LDO dealers is advised by the Union Government, the retail selling price (RSP) for SKO, meant for public distribution system, is fixed by the State Governments. The RSP takes into account the dealer commission, which covers various expenses, including Demand Draft charges.