

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

UNSTARRED QUESTION NO:4185

ANSWERED ON:18.05.2006

BLACK MARKETING OF KEROSENE

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

- (a) whether the Government is aware that 39 per cent of kerosene oil meant for poor people through public distribution system (PDS) is being sold in black market;
- (b) if so, the number of cases of black marketing of kerosene oil came to the notice of the Government during the last three years and the action taken against the persons found guilty;
- (c) the quantum of kerosene oil seized from black market during the last three years; and
- (d) the steps taken to check black marketing of kerosene oil?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a): With a view to assessing the genuine demand requirement of kerosene in different States/UTs, the Government commissioned in December 2004 the first-ever comprehensive study of the subject through the National Council for Applied Economic Research (NCAER). NCAER in its report has estimated the total leakage/diversion of kerosene meant for distribution under Public Distribution System (PDS) as 38.6%.

(b) & (c): Allocation of PDS kerosene is made by the Government of India to different States/Union Territories (UTs) on a quarterly basis for distribution under Public Distribution System (PDS). Further distribution within the States/UTs through their PDS network is the responsibility of the concerned States/UTs. The Oil Marketing Companies (OMCs) undertake regular and surprise inspections of their SKO dealers and take action against the defaulters under Marketing Discipline Guidelines.

(d): In order to check the black marketing of Public Distribution System (PDS) kerosene, the Central Government have made provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, that dealers cannot sell PDS kerosene at a price higher than the price fixed by the Government or Oil Marketing Companies (OMCs) and that the PDS kerosene dealers should prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place.

Government have also approved a pilot project 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 this cap reverse and eventually eliminate the diversion of PDS kerosene for adulteration. One of the salient features of this scheme is that supplies to the sub-wholesale points will be made under the direct supervision and responsibility of the OMCs. The scheme has been launched on a pilot basis in 413 blocks in the country from 2nd October, 2005.

With a view to checking diversion/pilferage of subsidized kerosene and in order to monitor the movement of Tank Trucks transporting kerosene under the Jan Kerosene Pariyojna (JKP), the Government have advised the OMCs for installing Global Positioning System (GPS) based vehicle tracking system on the tank trucks carrying kerosene under JKP in phased manner. The essential features of the system is that the vehicle carrying PDS SKO is fitted with a device and can be tracked on real time basis from the time it leaves the supply location and till it reaches the destination.