

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

STARRED QUESTION NO:298

ANSWERED ON:18.12.2008

BLACK-MARKETING OF KEROSENE

Prasad Shri Hari Kewal;Renge Patil Shri Tukaram Ganpatrao

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

- (a) whether the Government has received complaints about the large scale diversion of subsidized kerosene oil to the open market in various States in the country;
- (b) if so, the number of complaints received in this regard along with the number of cases that came to light during the last two years, State-wise;
- (c) the action taken thereon, State-wise;
- (d) whether the Government proposes to sell the kerosene oil in one litre pack in the open market to curb the diversion;
- (e) if so, the details thereof; and
- (f) the steps taken to check recurrence of such cases?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO 298 TO BE ANSWERED ON 18TH DECEMBER 2008 REGARDING BLACK-MARKETING OF KEROSENE ASKED BY SHRI HARIKEWAL PRASAD AND SHRI TUKARAM GANPATRAO RENGE PATIL

(a) to (c): The possibility of black marketing of Kerosene (SKO) by some unscrupulous elements cannot be ruled out due to the huge price difference between kerosene and petrol & diesel . Oil Marketing Companies (OMCs) have reported that 36 cases of black-marketing of kerosene oil by wholesale dealers had come to notice in 2006-07, 2007-08 and 2008-09 (April – September 2008). State-wise details of cases of black-marketing and action taken thereon is Annexed.

(d) & (e): To assess the acceptability of product in small packs to customers who are not covered under the Public Distribution System (PDS), it was planned initially to introduce sale of kerosene in small packs of one litre on trial basis. Indian Oil Corporation Limited (IOCL) has set up a pilot plant at Rewari (Haryana) for marketing kerosene in one litre glass bottles on a trial basis. The plant has filling capacity of 3,00,000 bottles per month. The production has started with effect from 17.10.2007. Present sale is approximately 100000 bottles per month. The product is now being test marketed in the districts of Faridabad, Gurgaon, Mewat, Rewari and Jhajjar in the State of Haryana.

(f): 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, according to which the dealers cannot sell PDS kerosene at a price higher than the price fixed by the Government or 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. State Governments are empowered to take action against those indulging in black-marketing and other irregularities.

With a view to checking diversion of subsidized kerosene and in order to monitor the movement of Tank Trucks transporting petroleum products, the Government have advised the public sector OMCs for installing Global Positioning System (GPS) based vehicle tracking system on all the tank trucks. 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.

To check adulteration in auto fuels, and also to check diversion of subsidized kerosene, Government have also advised OMCs to introduce marker in adulterants. Public sector OMCs have commenced introduction of marker in kerosene on all India basis with effect from 1.10.2006. Under this system, Marker is being put in kerosene in all depots. With the marker's presence, adulteration even with very low levels of kerosene can be detected. MS/HSD Control Order, 2005, SKO Control Order, 1993 and MDG 2005 have been amended for making provision regarding introduction of marker system in Kerosene to check adulteration. Oil Marketing Companies in the Private sector have also been simultaneously asked to introduce marker in Kerosene as is being done by Public Sector OMCs.

