

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

UNSTARRED QUESTION NO:749

ANSWERED ON:29.07.2010

DIVERSION OF SUBSIDIZED KEROSENE OIL TO OPEN MARKET

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**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 alongwith the number of cases that came to light during the last two years, State-wise;
- (c) the action taken thereon, State-wise; and
- (d) the steps taken to check the recurrence of such cases?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c): The possibility of diversion of petroleum product like Public Distribution System (PDS) Kerosene by some unscrupulous elements to derive monetary benefit cannot be ruled out due to huge price difference between PDS Kerosene and petrol and diesel. Oil Marketing Companies (OMCs) have reported that 66 cases of diversion/black marketing of PDS Kerosene had come to the notice during the years 2008-09 and 2009-10. State-wise details of cases of diversion/black marketing of PDS Kerosene and action taken thereon are available with Director (Marketing) of OMCs.

(d): In order to check the black marketing of 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 have to sell PDS kerosene at a price fixed by the Government or OMCs and have to prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place.

PDS kerosene is an item distributed by the State Govt./UTs through the Fair Price Shop network. State Governments are empowered to take action against those indulging in black-marketing and other irregularities under the provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955.