

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

UNSTARRED QUESTION NO:545
ANSWERED ON:24.02.2011
DIVERSION OF KEROSENE
Yadav Shri Ranjan Prasad

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

- (a) the total subsidy given on kerosene per litre;
- (b) kerosene price prevailing in neighbouring countries like Bangladesh, Nepal, Bhutan and Sri Lanka;
- (c) whether 4-5 million kilolitres of kerosene has been diverted every year;
- (d) if so, the total quantity of kerosene is diverted in 2009-10;
- (e) whether a substantial quantity of kerosene is also being smuggled in neighbouring countries as the fuel prices is much higher in those countries;
- (f) if so, the details thereof; and
- (g) the steps taken by the Government to plug leakage and to ensure the benefits reaches the target population of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH)

(a): Government is providing a subsidy of Rs. 0.82 per litre on PDS Kerosene from the fiscal budget under the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002" to the Public Sector Oil Marketing Companies (OMCs). In addition to the fiscal subsidy, the OMCs are currently incurring an under-recovery of Rs. 20.57 per litre on PDS Kerosene.

(b): The Retail Selling Price (RSP) of Kerosene in India and neighbouring countries as on 1st February, 2011 in terms of Indian Rupee is given below:

RSP of Kerosene
(Rs. per litre)
Rs. /litre

Bangladesh 28.27

Nepal 40.58

Sri Lanka 20.98

India# 12.73

RSP of PDS Kerosene in Delhi

Note: Data on neighboring countries as provided by Indian Oil Corporation.
The RSP of Kerosene for Bhutan is not available.

(c) & (d): With a view to assess the demand of Kerosene in different States/ Union Territories (UTs), the Government commissioned a comprehensive study of the subject through the National Council for Applied Economic Research (NCAER) in December 2004. NCAER in its report had estimated the total leakage/diversion of Kerosene meant for distribution under Public Distribution System (PDS) at 38.6%.

(e) & (f): Allocation of PDS Kerosene is made by the Government of India to different States/UTs on a quarterly basis for distribution

under PDS. Further distribution within the States/UTs through their PDS network is the responsibility of the concerned States/UTs. This Ministry has not received any information regarding smuggling of PDS Kerosene from India into neighbouring countries.

(g): This Ministry has signed a Memorandum of Understanding (MOU) with Unique Identification Authority of India (UIDAI) to partner in the Project related to distribution of PDS Kerosene and domestic Liquefied Petroleum Gas (LPG) for better targeting of subsidy to the intended beneficiaries.

Further, in view of incidents of pilferage and adulteration, and to further strengthen the monitoring and reinforce anti adulteration efforts, it has, been decided that an effective Marker System will be introduced within a period of six months. State/UT Government have been requested to introduce Global Positioning System (GPS) based vehicular tracking system for vehicles used for transporting PDS SKO similar to the one used by OMCs for Petrol/Diesel tankers.