

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

UNSTARRED QUESTION NO:1293
ANSWERED ON:26.11.2009
BLACK MARKETING OF KEROSENE
Mahtab Shri Bhartruhari;Sarvey Shri Sathyanarayana

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

- (a) whether the Government is aware of diversion of PDS kerosene into black market;
- (b) if so, the number of cases detected of such black-marketing during the year 2008-09, State-wise;
- (c) the remedial steps taken by the Government in this regard;
- (d) whether the Government is going to introduce smart card system for kerosene and LPG;
- (e) if so, the details thereof;
- (f) whether some States have opposed this move; and
- (g) if so, the details thereof alongwith the reasons therefor?

Answer

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

(a) & (b): 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 21 cases of black-marketing of kerosene oil by wholesale dealers had come to notice in 2008-09. State-wise details of cases of black-marketing and action taken thereon are available with Director (Marketing) of OMCs.

(c) to (e): 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.

In addition to the above, with the objective of ensuring that the benefit of the subsidy reaches the targeted consumers and to check leakage in supply of PDS kerosene and domestic Liquefied Petroleum Gas (LPG), this Ministry has taken in principle decision to issue bio-metric Smart Cards to users of PDS kerosene and domestic LPG customers beginning with some large cities. The pilot project on Smart Card has initially been proposed to be launched in Pune in Maharashtra, Hyderabad in Andhra Pradesh and Bangaluru in Karnataka. Modalities for launch of the scheme are being worked out by the OMCs. Depending upon the success of the pilot project, the scheme will be extended out to other parts of the country.

(f): No States/UTs are against the introduction of Smart Card for distribution of PDS kerosene and domestic LPG.

(g): Does not arise, in view of reply to part (f) above.