

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

UNSTARRED QUESTION NO:4335

ANSWERED ON:12.12.2016

Adulteration of Kerosene

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

- (a) the number of cases of adulteration, misuse and blackmarketing of subsidized kerosene reported/noticed by the Government in the country during the last three years and the current year, State/UT-wise;
- (b) the action taken by the Government on such complaints along with the steps taken/being taken to ensure that actual beneficiaries get the subsidised kerosene;
- (c) whether any study has been conducted by the Government on the usage of kerosene for household purposes in the rural and urban areas and if so, the details and the findings thereof separately for urban and rural areas, State/UT-wise;
- (d) whether kerosene is being used as fuel in the country, if so, the details thereof and steps taken/proposed to be taken to check it;
- (e) whether the Government has noticed that kerosene quota allocated to some States gets lapsed due to delay in release because of non-availability of vehicles etc. and if so, the concrete steps taken/being taken by the Government in this regard;
- (f) whether the PDS kerosene quota to BPL category has been reduced drastically in some States particularly Karnataka and if so, the details thereof along with the steps taken/being taken in this regard, State/UT-wise; and
- (g) whether the Government has received any request from various State Governments to make it mandatory to mark in the ration card, at the time of new gas connections as well as refilling, so that LPG connection holders may be excluded from the list of Direct Benefit Transfer in Kerosene and if so, the action taken in this regard, State/UT-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (d) : Public Distribution System (PDS) kerosene is supplied to the Kerosene Dealers from the Marketing Installations by Public Sector Oil Marketing Companies (OMCs). Distribution of PDS kerosene within the State to the ration card holders through ration shops/retailers is done through the State Government. The State Civil Supplies Authorities make arrangements that the product uplifted is delivered to the fair price shops and to the intended beneficiaries.

Public Sector OMCs have reported that based on the inspections conducted by them and reports received from respective District/State Authorities, 101 cases of irregularities like adulteration, black marketing, hoarding, diversion and irregularities in distribution of PDS kerosene were detected during the last three years and current year (April-September, 2016). During this period, 2 kerosene dealers were terminated against proven cases of diversion, black marketing etc. of kerosene. State-wise details of irregularities detected and action taken thereon for last three year and current year (April-September, 2016) is at Annexure-I.

The Government of India (Ministry of Petroleum and Natural Gas) makes allocation of PDS Kerosene to States/UTs for the purpose of cooking and lighting only on quarterly basis. However, in order to check black marketing, adulteration, diversion etc. 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, as per which 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. Further, PDS kerosene released is dyed with blue dye to facilitate detection of PDS kerosene in non-PDS uses. Under this Control Order, State Governments are also empowered to take action against those indulging in black-marketing and other irregularities.

Field Officers of OMCs inspect the Kerosene Dealerships and check for irregularities like non-observance of Government/OMCs regulations, black marketing/over charging, unauthorized purchase and stock variation. In case of any irregularities, action is taken as per the Marketing Discipline Guidelines (MDG).

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OMCs have hosted a web portal which enables public access to the movement of PDS Kerosene tank trucks. It provides details of the tank truck movement carrying PDS Kerosene from their Dispatch Units/Depots/ Installations to the various dealers along with their names, invoice number, quantity of product, time of dispatch, tank truck number, etc. on the websites on real time basis.

Based on the 68th round of survey on household consumer expenditure conducted by National Sample Survey, the data on energy sources used by Indian households, rural and urban, in cooking and lighting (in 2011-12) for major States and All India is given at

Annexure-II.

(e) : PSU OMCs have informed that there are no reported cases of kerosene quota lapsed due to non-availability of vehicles/tankers

(f) : As already stated above, the Government of India (Ministry of Petroleum and Natural Gas) makes allocation of PDS Kerosene to States/UTs for the purpose of cooking and lighting only on quarterly basis. Further distribution of PDS kerosene within the State to the ration card holders through ration shops/retailers is done through the State Government. The scale of distribution of PDS Kerosene to various categories of ration cardholders including BPL category is also decided by the respective State/UT.

(g) : Ministry of Petroleum and Natural Gas had sent communication to all States/UTs proposing implementation of Direct Benefit Transfer in PDS Kerosene (DBTK) Scheme. Under the DBTK Scheme, PDS Kerosene is sold to the identified beneficiaries at non-subsidized rates and the applicable subsidy is directly transferred into the individual bank account of the beneficiaries. Implementation of DBTK will result in better subsidy management through direct transfer of subsidy into bank accounts of beneficiaries. This would result in reducing expenditure on subsidy and also help in curbing diversion of subsidized kerosene.

Based on the request received from the State Government of Rajasthan, OMCs have been directed to obtain details of ration cards of the prospective LPG consumers at the time of release of new LPG connections, by making necessary changes in the Know Your Customer (KYC) Form, for better coordination between distribution channels of PDS Kerosene and LPG.
