

## Chapter - 4

### KEROSENE

Kerosene is a middle distillate product and is primarily used in India for cooking and illumination purposes. Due to socio-political considerations, Kerosene has been classified as a common man's fuel and keeping this in view, the price of Kerosene sold through Public Distribution System (PDS) is subsidized. In Oil Industry parlance it is called SKO (Superior Kerosene Oil).

#### 1. PDS Kerosene Allocation

To ensure its equitable distribution, allocation of PDS Kerosene to the States / Union Territories is decided by the Ministry of Petroleum & Natural Gas (MOP&NG).

#### 2. Distribution of PDS Kerosene

- After the quarterly quota for each State is decided by MOP&NG, the company-wise allocation is communicated to the State Level Coordinator (SLC) by the Petroleum Planning & Analysis Cell (PPAC), for release by Oil Companies.
- The Food & Civil Supplies Authorities of each State & UT decide on the allocation to the various districts. The Food and Civil Supplies Authorities role in the distribution of Kerosene in the States include:
  - ❖ District-wise allocation
  - ❖ Retailer-wise allocation
  - ❖ Decide on quota per ration card/rationing unit
  - ❖ Ensure smooth and proper distribution of Kerosene within the state.
- In the distribution of Kerosene, IOCL is responsible for making the product available at their storage points to be uplifted by the whole seller / dealer under the direction of Food and Civil Supplies Authorities. The dealers, after uplifting the product, deliver it to the retailers in accordance with the quantity allocated to them by the Food and Civil Supplies Authorities based on ration card attachment.
- The entire distribution of Kerosene within the States / UTs is monitored and controlled by the Food and Civil Supplies Authorities of the respective States / UTs.

#### 3. Role of Retailers (Ration Shops/Fair Price Shops)

Kerosene being an essential item under the PDS, the retailers (ration shops) is required to maintain adequate stock of the same for distribution to the ration card holders.

#### 4. Kerosene Prices

Under the Kerosene Control Order and also under the Essential Commodities Act, the PDS Kerosene must be sold at the declared price and the consumers are not to pay price over and above the declared price. In case it is found that the retailer or any other person is selling PDS Kerosene at a rate higher than the declared price, it would amount to violation of Kerosene (Fixation of Ceiling price) Order 1966 and action can be initiated against the erring person under the above order.