

and discussions of exit conference before finalizing the audit report. As the report is yet to be finalized by C&AG, no comments can be made on the contents of the draft report.

(b) This Ministry has not received any letter from RIL's Chairman on this issue. However, we have received a letter from Sr. Vice President (Commercial) of RIL stating inter-alia "the subject matter of many of these observations pertain to either legal interpretation of the provisions of the PSC or technical analysis of petroleum systems & operations and it is not clear to us how such serious allegations can be made without having even examined the source data/analysis, which Operator is best placed to provide and explain". A copy of the letter was also marked to Office of Principal Director of Audit, Economic and Service Ministries, New Delhi.

(c) The Ministry has requested the Office of Principal Director of Audit, Economic and Service Ministries, New Delhi to take into consideration RIL's contention and also their response to additional issues and then finalise the draft report.

#### **More kerosene quota for fishermen in Maharashtra**

3686. SHRI SANJAY RAUT:

SHRI GOVINDRAO ADIK:

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

(a) whether the State Government of Maharashtra has requested for increasing allotment of kerosene quota to fishermen for their motorized fishing vessels;

(b) if so, Government's response thereto; and

(c) by when the increased quota of kerosene will be released other than PDS quota for the fishermen, particularly for the weaker sections?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (c) Yes, Sir. A request from the state Government of Maharashtra was received in this Ministry for grant of kerosene quota, other than PDS, for distribution to the fisheries co-operative societies. In response to this, the State Government was requested to submit a formal proposal to this Ministry indicating the quantity of non-subsidized kerosene required.

#### **Large Scale Diversion of PDS Kerosene**

3687. DR. BHALCHANDRA MUNGEKAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the specific measures taken by Government during the last three years to control large scale diversion of PDS kerosene;

(b) whether Government has taken any action against persons responsible for diversion and adulteration of PDS kerosene;

(c) if so, the details thereof; and

(d) the details of the amount of subsidy on PDS kerosene during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) 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. Under this Control Order, State Governments are empowered to take action against those indulging in black-marketing and other irregularities.

Further, in order to check adulteration of transport fuels, owing to diversion of PDS Kerosene, Government has taken several initiatives like monitoring of tank trucks through Global Positioning System (GPS), automation and third party certification of the retail outlets, in addition to regular surprise inspections.

(b) and (c) PDS Kerosene supplies to Kerosene dealers are done on Ex-MI (Marketing Installation) basis by OMCs. Further distribution of PDS kerosene within the State to the ration card holders through ration shops/retailers is controlled by the State Government. The State Civil Supplies Authorities carry out inspection at Kerosene dealers to ensure that the product uplifted is delivered to the fair price shops and to the intended beneficiaries. OMCs have reported that based on the report of respective District/State Authorities, 137 cases of irregularities like pilferage, adulteration and black marketing of PDS Kerosene were detected during the last three years and current year (April-June, 2011). During this period, 12 Kerosene dealers were terminated against proven cases of diversion/black marketing of Kerosene.

(d) The details of fiscal subsidy paid on PDS Kerosene during the last three years are as under:

(Rs. in cores)

Year	PDS Kerosene
2008-09	974
2009-10	957
2010-11	930

In addition to the above fiscal subsidy, the OMCs have incurred under-recoveries on the sale of PDS Kerosene during the last three years as given below :

(Rs. in cores)

Year	Total Under-recoveries on PDS Kerosene *
2008-09	28,225
2009-10	17,364
2010-11	19,484

\*Gross under-recoveries without considering oil bonds/cash assistance

#### **Covering of losses of oil companies**

3688. SHRI TARIQ ANWAR : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has given free hand to oil companies to raise the prices of petroleum products;

(b) if so, how much losses have been covered by the oil companies after every hike in prices;

(c) whether it is also a fact that revenues of Government will automatically rise due to increase in prices of petroleum products; and

(d) the steps Government will take to give maximum relief to oil companies rather than increasing their revenues?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (d) With effect from 1.04.2002, the Administered Pricing Mechanism (APM) for petroleum products was dismantled and it was decided that the pricing of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. This resulted in several