

M-11021(16)/1/2024-Distribution-PNG
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
Dated the 07th April, 2025

To

The Chief Secretary of all the States/UTs and Other Stake holders.

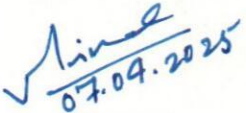
Subject: Inviting comments of Stake holders on "Draft PDS SKO Policy"- reg.

Sir/Madam,

I am directed to refer to the "Draft PDS SKO Policy" hosted on the website of MOPNG (copy enclosed) and to request you to offer your comments, if any, on the same **within 15 days.**

Encl. : As above

Yours faithfully,


07.04.2025
(Mrinal)

Under Secretary to the Govt. of India
Tele : 011-23386935

PDS SKO Allocation Policy

The Ministry of Petroleum and Natural Gas, Government of India (GOI) presently makes allocation of PDS Superior Kerosene Oil (SKO) to States/UTs under two categories-

- a) Public Distribution System (PDS) subsidised Superior Kerosene Oil (PDS subsidized SKO) for cooking and lighting purpose
- b) PDS non- subsidized SKO for fisheries, mela, exhibitions, pandemic, calamity etc.

2.1 The Government of India allocates PDS SKO on quarterly basis to States and UTs for distribution through the Public Distribution System (PDS) for cooking and lighting purposes only as per the Kerosene Control Order, 1993.

2.2 Petroleum Planning & Analysis Cell (PPAC) redistributes the States/UTs allocation among the three OMCs.

2.3 The responsibility for further distribution within the states/UTs through their PDS network lies with the concerned State/UT governments. Scale and Criteria of distribution are also decided by respective States/UTs

3. As far as allocation of PDS non-subsidized SKO is concerned, the Ministry of Petroleum & Natural Gas has vide its order dated 21.08.2012 has allowed States/UTs to draw an allocation of one month's quota of PDS SKO at Non-Subsidized rate for special needs such as natural calamities, religious functions, fisheries, various yatras melas etc. The additional allocation of non- subsidized PDS SKO is decided on the request of respective State government on the grounds of natural calamities, religious functions, various yatras, melas and fisheries on case-to-case basis.

4. The allocation of PDS subsidised SKO to States and UTs is being made on the basis of the status of LPG penetration, increased electrical connectivity and lapsed quota of the previous financial year.

5. With effect from 1.03.2020, Retail Selling Price of PDS SKO is being maintained at Nil Under Recovery level on Pan India Basis.

6. As kerosene is a polluting fuel and adversely impacts public health , Government of India since 2011, has been making efforts to discourage the usage of kerosene through various interventions like -reforms in Kerosene Subsidy Regime, Direct Benefit Transfer in PDS SKO Scheme 2016, maintaining selling price of PDS SKO at nil Under Recovery, Launch of Pradhan Mantri Ujjwala Yojana to provide clean cooking ecosystem to poor households, Launch of Saubhagya Scheme to provide electricity connection and rationalization of PDS SKO Allocation to states/UTs.

7. Owing to consistent efforts of GOI and with the support of States Governments/UT Administrations, there has been a substantial reduction in PDS SKO allocation made during the last 15 years. As of now, 13 states/UTs have declared themselves as PDS SKO free. In

addition to this, 4 States/UTs did not uplift PDS Subsidized SKO during 2023-24 and so, no allocation of PDS Subsidized SKO was made to these 4 States/UTs during 2024-25. Further, till Q3, 2024-25, two States have not uplifted any quantity and one state has uplifted less than 4 % of allocation made to it. Thus, 20 States/UTs may not require regular annual SKO allocation. The list of 20 states is at **Annexure I**.

8. However, some of the remaining states have been requesting for additional allocation of PDS Subsidised and Non-subsidised SKO. Accordingly, consultations were made by the Ministry with these states.

9. In view of the consultations held with the state governments, there is a need for relook into the present PDS SKO allocation to the States/UTs and to come up with revised PDS SKO Allocation Policy for States/UTs.

10. As the price of both PDS subsidised and non- subsidised PDS SKO is same, so from 2025-26 onwards, there will be no separate allocation for cooking & lighting and for special needs. The allocation is proposed to be made under a single category-“PDS SKO Allocation to States/UTs”.

Policy for allocation of PDS SKO

- (i) This policy will be applicable for allocation of PDS SKO to States/UTs from 2025-26 onwards for a period of three years i.e. from 2025-26 to 2027-28.
- (ii) For a financial year, States/UTs will be allocated PDS SKO equal to the highest annual uplifted quantity of both PDS Subsidized SKO and PDS Non-Subsidized SKO during the last 3 years.
Sample calculation sheet for allocation of PDS SKO to a state is given at **Annexure -II**.
- (iii) The Allocation will be made on Quarterly basis. States/UTs will ensure lifting of the entire quarterly allocation within the quarter itself. No carry forward of unlifted quantity, if any, to the subsequent quarter would be allowed except in case of exigencies such as natural calamities.
- (iv) The States shall have liberty to sub- allocate PDS SKO for cooking and lighting or for special needs (fisheries, mela, exhibitions, pandemic, calamity etc.) based on their specific requirement. Scale and Criteria of distribution will continue to be decided by respective States/UTs. However, PDS SKO for Cooking and Lighting purpose will continue to be distributed through Public Distribution System. The present system of distribution of PDS SKO for purposes other than cooking and lighting in states/UTs may continue.
- (v) State Governments/UT Administration will ensure that allocated PDS SKO is not diverted for adulteration with Petrol/Diesel or any other unintended use.
- (vi) Any request for allocation of PDS SKO on the grounds only of Natural Calamities, Pandemic, Melas, Yatras etc. to the States/UTs will be considered on case-to- case basis.

11. Since March 2020, PDS SKO is being sold at Nil Under Recovery level (Ex MI)) by PSU OMCs, the existing pricing methodology of PDS SKO will continue.

12. The state will continue with the responsibility of determining the price to be charged to the consumers at PDS/Retail Shop within the state as per the existing mechanism. This policy does not entail any change in the existing distribution mechanism of PDS SKO within State/UT

The policy may be reviewed after three years of its operation.

List of States/UTs which do not require PDS SKO

S.No.	State/UT
1	Andaman & Nicobar Islands
2	Andhra Pradesh
3	Chandigarh
4	Dadra & Nagar Haveli and Daman And Diu
5	Delhi
6	Goa
7	Gujarat
8	Haryana
9	Himachal Pradesh
10	Jammu and Kashmir
11	Ladakh
12	Lakshadweep
13	Madhya Pradesh
14	Nagaland
15	Puducherry
16	Punjab
17	Rajasthan
18	Telangana
19	Uttar Pradesh
20	Uttarakhand

SAMPLE CALCULATION FOR ALLOCATION OF PDS SKO TO A STATE FOR FY 2025-26

	2022-23					2023-24					2024-25					2025-26	Remark
States	Allocation Subsidized	Upliftment Subsidized	Allocation Non Subsidized	Upliftment Non Subsidized	Total upliftment	Allocation Subsidized	Upliftment Subsidized	Allocation Non Subsidized	Upliftment Non Subsidized	Total upliftment	Allocation Subsidized	Upliftment Subsidized	Allocation Non Subsidized	Upliftment Subsidized	Total upliftment	2025-26 ALLOCATION [Highest Uplift during last 3 years OR requested quantity which ever is less]	
	A	B	C	D	E=B+D	F	G	H	I	K=G+I	L	M	N	O	P=M+O	Q	
State- A	17856	6344	9172	7924	14268	8832	5208	2684	2684	7892	3552	3329	732	732	4061	14268	Highest total upliftment year 2022-23

SAMPLE CALCULATION FOR ALLOCATION OF PDS SKO TO A STATE FOR FY 2026-27

	2023-24					2024-25					2025-26	2026-27		
States	Allocation Subsidized	Upliftment Subsidized	Allocation Non Subsidized	Upliftment Non Subsidized	Total upliftment	Allocation Subsidized	Expected upliftment based on lase quota till Q3	Allocation Non Subsidized	Upliftment/ Expected upliftment Non Subsidized	Total upliftment	SKO Allocation (Notional)	SKO Upliftment (Notional)	2026-27 ALLOCATION [Highest Uplift during last 3 years OR requested quantity which ever is less]	Remark
	A	B	C	D	E=B+D	F	G	H	I	J=G+I	K	L	M	
State- A	8832	5208	2684	2684	7892	3552	3329	732	732	4061	14268	12840	12840	Highest total upliftment year 2025-26

Remark : Allocation for the FY 2027-28 will be calculated based on highest total uplift made during last 3 years i.e. 2024-25, 2025-26, and 2026-27.