

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

UNSTARRED QUESTION NO:3258  
ANSWERED ON:06.09.2007  
BLACK MARKETING OF PETROLEUM PRODUCTS  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether black marketing of petroleum products is flourishing in the country;
- (b) if so, the details and the reasons therefor;
- (c) the number of gas agencies/petrol pumps found guilty during the last three years; and
- (d) the action against the guilty gas agencies/petrol pumps by the Government?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b): Possibility of Black Marketing of petroleum products like PDS Kerosene/LPG cylinders cannot be ruled out by some unscrupulous elements to derive monetary benefits by use of PDS Kerosene/subsidized LPG for black marketing, due to huge difference in the prices of subsidized Kerosene, non-subsidized kerosene and other petroleum products like MS,HSD.The Government commissioned in December 2004 a study through the National Council for Applied Economic Research (NCAER). NCAER, in its report interalia estimated diversion of PDS SKO to open market (black marketing) at 17.9% of total sale of PDS SKO in 2004.

(c) & (d): During the last three years, Public Sector Oil Marketing Companies (OMCs) detected 5661 number of malpractices at retail outlets and action against them was taken as per provisions of Marketing Discipline Guidelines (MDG)/dealership agreements.During the same period 226 number of LPG distributors were penalized for committing various irregularities as per MDG.