

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

UNSTARRED QUESTION NO:4203

ANSWERED ON:19.08.2010

BLACK MARKETING OF PETROLEUM PRODUCTS

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

- (a) whether the incidences of black-marketing/shortage of various petroleum products, including LPG and kerosene have been reported from various parts of the country;
- (b) if so, the details thereof, state-wise;
- (c) the details action taken by each of the Public Sector Oil Marketing Company against the culprits;and;
- (d) the steps taken to check recurrence of such incidents?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (d): There is no shortage of petroleum Products including PDS Kerosene and Liquefied Petroleum Gas (LPG) in the country. However, the possibility of diversion/ black marketing of PDS Kerosene and domestic LPG by unscrupulous elements to derive monetary benefit cannot be ruled out due to the price being highly subsidized.

In order to check the black marketing/diversion 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 cannot sell PDS kerosene at a price higher than the price fixed by the Government or OMCs and that the PDS kerosene dealers should prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place.

Under the Control Orders issued by the Government to prevent diversion and black-marketing of kerosene under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in black-marketing and other irregularities.

The following measures have been taken to prevent the diversion/black marketing of domestic LPG cylinders for commercial purposes:

(i) Under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 the diversion/black marketing of domestic LPG cylinders for commercial purposes by the distributors of public sector OMCs is prohibited. The State Governments are empowered to take action against erring distributors under the provisions of this Order.

(ii) The officials of public sector OMCs carry out random checks at distributors godown, delivery point,as well as en-route to ensure that no diversion/black marketing takes place. As per the MDG, in case established cases of diversion/black marketing of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor:

(i) Fine of Rs 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

(ii) Fine of Rs 50,000 plus the price of LPG diverted at commercial rates for 2nd offence,and

(iii) Termination of the distributorship for 3rd offence.

The details of actions taken by Public Sector Oil Marketing Companies (OMCs) Viz. Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited against the erring dealers are available with their respective Directors (Marketing).