

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

UNSTARRED QUESTION NO:3597
ANSWERED ON:15.12.2014
BLACK MARKETING OF PETROLEUM PRODUCTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Union Government has conferred powers to State Governments to check the black marketing of petroleum products;
- (b) if so, the details thereof and the role play by the Union Government in this regard ; and
- (c) the concrete steps taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) & (b) : In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), in order to regulate the marketing of petroleum products and Liquefied Petroleum Gas (LPG), the Central Government has enacted following Control Orders :

- (1) Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993;
 - (2) Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999;
 - (3) Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of use in Automobiles) Order, 2000;
 - (4) Naphtha (Acquisition, Sale, Storage and Prevention of use in Automobiles) Order, 2000;
 - (5) Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000;
 - (6) Motor Spirit and High Speed Diesel (Regulation of Supply and Distribution and Prevention of Malpractices) Order, 2005;
- Under these Control Orders, State Governments are empowered to take action against those indulging in malpractices such as black marketing of petroleum products and LPG.

(c) Public Sector Oil Marketing Companies (OMCs) undertake regular and surprise inspection of Retail Outlets and take action under the provisions of the Marketing Discipline Guidelines (MDG) and Dealership Agreements against the outlets found indulging in irregularities/malpractices including black marketing. Other initiatives to prevent irregularities in Retail Outlets include Automation of Retail Outlets, Third Party Certification of Retail outlets and Monitoring of movement of tank trucks through Global Positioning System (GPS).

OMCs carryout surprise inspections at distributors premises, conduct refill audits, checks at customers premises, en-route checking of delivery vehicles etc. for detecting malpractices such as pilferage from and diversion of domestic LPG cylinders. If LPG distributors are found guilty of any malpractice, punitive action is taken in accordance with the provisions of the Marketing Discipline Guidelines (MDG). Moreover, various initiatives have been taken by the Government viz. capping on supply of subsidized cylinders, de-duplication, introduction of Transparency Portal, KYC exercise and Pahal Scheme (DBTL) which will reduce the misuse and diversion of subsidized LPG cylinders.