Control Order on Diesel Black Marketing

Prelims: *Current events of national and international importance | Economy*

Why in News?

Recently, The Ministry of Petroleum and Natural Gas has notified the Motor Spirit and High-Speed Diesel (Temporary Regulation of Supply through Retail Outlets) Order, 2026.

- **Aim –** To ***curb black marketing and hoarding of diesel*** and to protect retail consumers during extraordinary demand shifts caused by price differences between bulk and retail diesel.
- **Validity of the order –** 90 days.

Key Provisions of the Order

- **Retail Limit –** Diesel dispensed only into vehicle tanks or PESO-approved containers, capped at *200 litres per day per customer/vehicle.*
- **Restriction –** Industrial, institutional, and commercial bulk consumers prohibited from sourcing diesel at retail outlets; must procure via consumer pumps.
- **Compliance –**
  - Oil Marketing Companies (OMC),
  - IOCL (Indian Oil Corporation Limited),
  - BPCL (Bharat Petroleum Corporation Limited),
  - HPCL (Hindustan Petroleum Corporation Limited), and
  - Dealers responsible for enforcement are punishable under the *Essential Commodities Act, 1955* if violated.
- **Extraordinary Demand –** Bulk consumers shifted procurement to retail outlets due to Rs.40/litre price gap between bulk and retail diesel.
- **Impact –** Public Sector Undertaking (PSU) OMCs recorded 10% growth in diesel sales across 327 districts in May 2026; 80 districts saw 30% growth.
- **Consumer Protection –** PSU OMCs absorbing Rs.500 crore/day losses on petrol, diesel, LPG to shield retail consumers amid West Asia disruption.

- **Energy Security –** India remains the *4th largest refiner and 5th largest exporter of refined petroleum products*; no shortage of fuel.

Reference

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