

Control Order on Diesel Black Marketing

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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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