

**[AS PASSED BY THE SENATE]**

A

BILL

*further to amend the Petroleum Act, 1934*

WHEREAS it is expedient further to amend the Petroleum Act, 1934 (XXX of 1934), in the manner and for the purposes hereinafter appearing;

It is hereby enacted as follows: -

1. **Short title and commencement.** - (1) This Act shall be called the Petroleum (Amendment) Act, 2025.

(2) It shall come into force at once.

2. **Amendment of section 2, Act XXX of 1934.** - In the Petroleum Act, 1934 (XXX of 1934), hereinafter called as the said Act, in section 2, in clause (ba), for the word “below”, occurring for the first time, the word “of” shall be substituted.

3. **Amendment of section 4, Act XXX of 1934.** — In the said Act, in section 4, in clause (k), the word “and” at the end shall be omitted and thereafter the following new clause shall be inserted, namely: -

“(kk) prescribing the mechanism for real-time and information technology enabled digital tracking, storage monitoring and dispensing of petroleum products at petrol stations, storage points and *en route* by coordinating actions of authorities either jointly or separately; and”.

4. **Amendment of section 23, Act XXX of 1934.** - (1) In the said Act, in section 23,-  
(a) in sub-section (3), for clauses (a) and (b) the following shall be substituted, namely:-

“(a) illegally imports, transports, stores, sales produce, refines or blends any petroleum shall be punishable with the fine of one million rupees; or

(b) whoever repeats offence under clause (a), shall be liable to pay fine of five million rupees.”;

(b) after sub-section (3), amended as aforesaid, the following new sub-sections shall be inserted, namely: -

“(3A) Any facility used for storage and selling of petroleum products to general public, without having obtained prior license thereof from relevant authority in terms of

rules made under section 4, shall be liable to sealing and all machinery, equipment, materials, storage tanks, receptacles and petroleum products being employed or sold therein shall be liable to confiscation by the Deputy Commissioner or any officer authorized by him not below the rank of Assistant Commissioner, as the case may be and the owner thereof shall fine of ten million Rupees.

(3B) Any facility selling petroleum products whose license for storage granted by the Department of Explosives in form K, under the rules made in terms of section 4, has either expired or cancelled shall be allowed a grace period of six months, from the date of expiry or cancellation of such license, to get the license renewed or restored under the applicable laws failing which such facility shall be liable to closure and all machinery, equipment, materials, storage tanks, receptacles and petroleum products being employed or sold therein shall be liable to confiscation by the Deputy Commissioner or any officer authorized by him not below the rank of Assistant Commissioner, as the case may be and the owner thereof fine of one million Rupees:

Provided that the Department of Explosives shall renew the license within one month from the date of receipt of the application, required documents, and the prescribed fee. If the concerned officer fails to renew the license within the stipulated period, he shall record, in writing, the reasons for such delay:

Provided further that an appeal against the refusal or failure to renew a license shall lie to the Secretary of the Petroleum Division. Appeal may be filed within thirty days from the date of the announcement of the decision of the officer concerned.

(3C) Any premises or facility and its owner licensed in terms of rules made under section 4 that is found to be involved in the storage or sale of smuggled petroleum products shall be liable to closure and all machinery, equipment, materials, storage tanks and petroleum products being employed or sold therein shall be liable to confiscation by the Deputy Commissioner or any officer authorized by him not below the rank of Assistant Commissioner, as the case may be, and a fine of hundred million Rupees, and the Department of Explosives shall cancel the license of such premises or facility, as the case may be.

(3D) Any means of transportation involved in transporting smuggled petroleum products, and petroleum products contained therein, shall be confiscated by the appropriate officers as notified under clause (b) of section 2 of the Customs Act, 1969 (IV of 1969).

(3E) Any goods confiscated by the Deputy Commissioner or any officer authorized by him not below the rank of Assistant Commissioner, as the case may be, shall be handed over to appropriate Officers of Customs in accordance with the provisions of the Customs Act, 1969 (IV of 1969) and the provisions of the said act shall *mutatis mutandis* apply to the detention, seizure, adjudication and confiscation of such goods."

5. Amendment of section 24, Act XXX of 1934.- In the said Act, in section 24, -

(a) in subsection (1), for the expression, " , the convicting Magistrate" the expression "and convicted, the Deputy Commissioner, or any officer authorized by him not below

the rank of Assistant Commissioner, as the case may be having jurisdiction" shall be substituted; and

(b) for sub-section (2), the following shall be substituted, namely: -

"(2) Any person aggrieved by the decision or order made under sub-section (1) may prefer an appeal before the concerned Court of sessions within thirty days from the date of communication of such decision or order."

6. **Amendment of section 25, Act XXX of 1934.**- In the said Act, in section 25, for the expression "a Judicial Magistrate of the first class", the expression "Court of Sessions" shall be substituted.

7. **Amendment of section 26, Act XXX of 1934.**- In the said Act, in section 26, in sub-section (1) for the expression "seize", the expression "seal, seize" shall be substituted.

8. **Amendment of section 27, Act XXX of 1934.**- In the said Act, in section 27, for the word "in", occurring for the third time, the word "and" shall be substituted.

#### **STATEMENT OF OBJECTS AND REASONS.**

##### **Bill to amend the Petroleum Act, 1934**

1. The word "Below" and "in" was typed mistakenly in the Act, hence corrected accordingly.
2. Inserted a new Clause for IT-based tracking of Petroleum products, to curb the smuggling of Petroleum products.
3. New Clauses have been added to curb the smuggling of Petroleum products and to initiate strict action against illegal transportation and decantation of Petroleum products along with actions to be taken against illegal petrol pumps.
4. New clauses have been inserted for confiscation by Officers notified as per Customs Act, 1969 and Deputy Commissioner or the Assistant Commissioner, before and after conviction, to provide for stringent administrative action against illegal activities.
5. For prompt action against dispensing/storage/transportation of illegal petroleum products, new Clause have been added for vesting the powers relating to trial of persons involved in illegal activities with the "Court of Sessions" while powers related to illegal activities in respect of petroleum products will now vest to the office of Deputy Commissioner or the Assistant Commissioner.
6. New clause has been added to provide right of appeal in the High Court.

The bill is designed to achieve the aforesaid purpose.

Sd/-

**(Ali Pervaiz Malik)**

Minister for Petroleum Division

