

MINISTRY OF PETROLEUM AND NATURAL GAS ORDER

New Delhi] the 19th December,2005

G.S.R.729(E).- In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955) and in supersession of Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 1998 except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following Order, namely:-

1. Short title, extent and commencement:-

- (1) This Order may be called the Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005;
- (2) It extends to the whole of India;
- (3) It shall come into force on the date of its publication in the Official Gazette.

2. Definitions - In this Order, unless the context otherwise requires,-

- (a) "adulteration" means the introduction of any foreign substance into motor spirit or high speed diesel illegally or unauthorisedly with the result that the product does not conform to the requirements of the Bureau of Indian Standards specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively or any other requirement notified by the Central Government from time to time;
- (b) "authorized officer" means an officer authorized under the provisions of clause 7;
- (c) "consumer" means a person who purchases product from an oil company or a dealer appointed by an oil company and stores or utilizes the product for his own consumption and include his representative, employees and agents;
- (d) "dealer" means a person duly appointed by an oil company to purchase, receive, store and sell motor spirit and high speed diesel oil whether or not in conjunction with any other business and shall include his representatives, employees and agents;
- (e) "high speed diesel" means any hydrocarbon oil, excluding mineral colza oil and turpentine substitute, which meets the requirements of Bureau of Indian Standards Specification number IS 1460;
- (f) "Malpractices" shall include the following acts of omission and commission in respect of Motor Spirit and High Speed Diesel :-
 - (i) Adulteration,
 - (ii) Pilferage,
 - (iii) stock variation,
 - (iv) unauthorized exchange
 - (v) unauthorized purchase,
 - (vi) unauthorized sale,
 - (vii) unauthorized possession,
 - (viii) over-charging,
 - (ix) sale of off-specification product, and
 - (x) short delivery;
- (g) "motor spirit" means any hydrocarbon oil, excluding crude mineral oil, which meets the requirements of Bureau of Indian Standards specification number IS 2796;
- (h) "oil company" means the Indian Oil Corporation Limited, the Hindustan Petroleum Corporation Limited, the Bharat Petroleum Corporation Limited, the IBP Co. Limited or any person, firm or company duly authorized by the Central Government who is engaged in marketing and sale of motor spirit or high speed diesel directly to consumers or dealers in accordance with the stipulations laid down by the Central Government from time to time;

- (i) "petroleum" shall have the meaning assigned to it in the Petroleum Act, 1934;
- (j) "pilferage" means stealing or attempt to steal product from a container used for transportation of the product or from a receptacle used for storage of the product and shall include any unauthorized attempt or act of tampering with such container or receptacle;
- (k) "product" means motor spirit and high speed diesel;
- (l) "Schedule" means The Schedule appended to this order;
- (m) "stock variation" means variation beyond the norms for permissible variation in stock as specified in Schedule I;
- (n) "transporter" means a person duly authorized by an oil company, a dealer or a consumer, to transport motor spirit or high speed diesel and shall include his representatives, employees and agents;
- (o) "unauthorized exchange" means transfer or receipt of the product from a dealer or consumer to another dealer or consumer or to any other person in contravention of the directives issued by the State Government or the oil companies;
- (p) "unauthorized purchase" means purchase of the product from sources other than those authorized by the oil companies;
- (q) "unauthorized sale" means sale of product by a dealer or consumer to another dealer or consumer or to any other person in contravention of the directive issued for the purpose by the State Government or the oil companies or in contravention of any provision of this order;
- (r) "unauthorized possession" means keeping of motor spirit or high speed diesel or any petroleum product or its mixture, in contravention of the provisions of this order, under the control of dealer or any other person without valid sales documents issued by the concerned oil company;
- (s) "over charging" means sale of motor spirit or high speed diesel by a dealer at a price/rate higher than that authorized by an oil company from which the dealer has purchased the product;
- (t) "sale of off specification product" means sale of motor spirit or high speed diesel by dealer of quality not conforming to Bureau of Indian Standards specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively.

3. Product supply and transportation:-

- (1) The product from the supply point shall be transported by the transporter in a container or tank-truck certified to be fit by the explosives authorities, transport authorities and oil company to carry the product with accurate calibration as certified by the weights and measures authorities and supported by delivery documents and deliver the same to the storage or dispensing point in the same condition as delivered to him by the originating supply point both in respect of quality and quantity.
- (2) The transporter shall ensure that the product is transported only in containers or tank truck which is properly sealed and locked.
- (3) The dealer or consumer shall inspect such container or tank-truck in which he receives the product to ensure,-
 - (a) that the container or tank truck, including the seal and lock is not in any manner tampered with;
 - (b) that the quantity and quality of the product is as per delivery documents issued by the oil company and the quality of the product conforms to the requirements of the Bureau of Indian Standard specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively. For this purpose, the oil company shall indicate density of the product at 15 degrees centigrade in the delivery documents and the dealer or consumer shall maintain a record of densities and keep samples of product duly signed jointly by him and the driver of tank truck and also take other measures as prescribed by the oil company. The variation in density at 15 degrees centigrade of the product in tank truck compared to the density

mentioned in delivery documents should not be more than ± 0.0030 ;

(4) No person other than the dealer or oil company shall be engaged in the business of selling product;

(5) No person shall sell or agree to sell any petroleum product or its mixture other than motor spirit or high speed diesel or any other fuel authorized by the Central Government in any form, under any name, brand or nomenclature, which can be and is meant to be used as fuel in any type of automobile vehicles fitted with spark ignition engines or compression ignition engines;

(6) No dealer, transporter, consumer or any other person shall indulge in any manner in any one or more of the malpractices.

(7) The delivery or sale of motor spirit and high speed diesel shall be made by a dealer of oil company only from authorized retail pump outlet;

4. Restriction on marketing of motor spirit and high speed diesel - No person, other than those authorized by the Central Government, shall market and sell motor spirit or high-speed diesel to consumers or dealers.

5. Grant of authorization to market motor spirit and high speed diesel-

(1) Whosoever desires to secure authorization to market and sell motor spirit and high speed diesel shall submit an application to Central Government as per the form given in Schedule II alongwith a fee of rupees tens lacs either by way of banker's cheque or demand draft in favour of Pay and Accounts Officer, Ministry of Petroleum and Natural Gas payable at New Delhi.

(2) After scrutiny of the application, the Central Government shall, if it is satisfied with the details furnished by the applicant, after requiring the applicant to furnish bank guarantee for an amount specified by the Government, issue authorization to market motor spirit and high speed diesel indicating the terms and conditions of such authorization.

(3) The Central Government, if is satisfied that any of the conditions relating to the authorization as specified in clause have been violated, may cancel the authorization issued under this clause: Provided that before cancellation of the authorization shall be afforded an opportunity of being heard.

6. Supply of motor spirit and high-speed diesel blended with ethanol and bio-diesel -

The Central Government may by an order, make it mandatory to supply motor spirit and high speed diesel blended with a specified quantity of anhydrous ethanol and/ or bio-diesel in the whole or any part of the territory of a State or whole of the territory of the Indian Union.

7. Power of search and seizure -

(1) Any Gazetted officer of the Central Government or a State Government or any police officer not below the rank of Deputy Superintendent of Police duly authorized, by general or special order of the Central Government or a State Government, as the case may be, or any officer of the oil company, not below the rank of sales officer, may, with a view to securing compliance with the provisions of this Order, or for the purpose of satisfying himself that this Order or any order made there under has been complied with or there is reason to believe that all or any of the provisions of this Order have been and are being or are about to be contravened.-

(a) enter and search any place or premises of a dealer, transporter, consumer or any other person who is an employee or agent of such dealer or transporter or consumer,

(b) stop and search any person or vehicle or receptacle used or intended to be used for movement of the product;

(c) take samples of the product and seize any of the stocks of the product and the vehicle or

receptacle or any other conveyance used or suspected to be used for carrying such stocks and thereafter take or authorize the taking of all measures necessary for securing the production of stocks or items so seized before the Collector or District Magistrate having jurisdiction under the provisions of the Essential Commodities Act, 1955 and for their safe custody pending such production;

(d) inspect, seize and remove with, such aid or assistance as may be necessary, books, registers, any other records or documents of the dealer, transporter, consumer or any other person suspected to be an employee or agent of the dealer, transporter or consumer;

(2) While exercising the power of seizure provided under sub-clauses (c) and (d) above, the authorized officer shall record in writing the reasons for doing so and a copy of such recording shall be provided to the dealer, transporter, consumer or any other concerned person, as the case may be.

(3) The provisions of section 100 of the Code of Criminal Procedure, 1973 (2 of 1974), relating to search and seizure shall, as far as may be, apply to searches and seizures under this Order.

8. Sampling of Product :-

(1) The authorized under clause 7 shall draw the sample from the tank, nozzle, vehicle or receptacle, as the case may be, in clean aluminum containers, to check whether density and other parameters of the product conform to the requirements of Bureau of Indian Standard specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively. Where samples are drawn from retail outlet, the relevant tank-truck sample retained by the dealer as per clause 3(b) would also be collected for laboratory analysis.

(2) The authorized officer shall take and seal six samples of 1 litre each of the motor spirit or three samples of 1 litre each of the high-speed diesel. Two samples of motor spirit or one of high speed diesel would be given to the dealer or transporter or concerned person under acknowledgement with instruction to preserve the sample in his safe custody till the testing or investigations are completed. Two samples of Motor Spirit or one of High Speed Diesel shall be kept by the concerned oil company or department and the remaining two samples of Motor Spirit or one of High Speed Diesel would be used for laboratory analysis;

(3) The sample label shall be jointly signed by the authorized officer who has drawn the sample, and the dealer or transporter or concerned person or his representative and the sample label shall contain information as regards the product, name of retail outlet, quantity of sample, date, name of the authorized officer, name of the dealer or transporter or concerned person or his representative;

(4) The authorised officer shall forward the sample of the product taken within ten days to any of the laboratories mentioned in Schedule III or to any other such as laboratory when it may be notified by the Government in the Official Gazette for this purpose, for analysing with a view to checking whether the density and other parameters of the product conform to the requirements of Bureau of Indian Standard specifications No. IS 2796 and IS 1460 for motor spirit and high speed diesel respectively.

(5) The laboratory mentioned in sub-clause (4) shall furnish the test report to the authorised officer within twenty days of receipt of sample at the laboratory.

(6) The authorised officer shall communicate the test result to the dealer or transporter or concerned person and the oil company, as the case may be, within five days of receipt of test result from the laboratory for appropriate action.

9 Power of Central Government to issue directions:-

The central Government may, from time to time, by a general or special order issue to any dealer, transporter or concerned or any other person, such directions as it considers necessary regarding shortage, sale, transportation and disposal of motor spirit or high speed diesel at upon the issue of such directions, such dealer, transporter or consumer shall be bound to comply therewith.

10. Overriding effect:-

The provisions of this order shall have overriding effect notwithstanding anything to the contrary contained in any order made by a State Government or by any officer of such State Government before the commencement of this order except as respects anything done or omitted to be done there under before such commencement.

**SCHEDULE I
(see clause 2(m))**

Detail of norms for permissible stock variation

Variation in stocks in underground tanks is considered to be beyond normal operation level when the inspection establishes that the variation in stocks in the underground tanks is beyond +/-4% of tank stock over and above: (i) Evaporation/handling losses in Motor Sprit as follows-

0-75% on annual average sales of 0-600 Kilolitres

0-60% on annual average sales of above 600 Kilolitres.

(ii) Handling losses in High Speed Diesel as follows-

0-25% on annual average sale of 0-600 Kilolitres

0-20% on annual average sales of above 600 Kilolitres.

(Shrinkage losses and temperature variation allowance quantities on Motor Sprit/High Speed Diesel to be taken in the account wherever the same are applicable)

**SCHEDULE II
[see clause 5(1)]****Application form**

(for issue of authorization to market Motor Sprit and High Speed Diesel)

To,

The Joint Secretary,
Ministry of Petroleum and natural Gas,
Government of India, Shastri Bhawan,
New Delhi-110001

1.0 Name of applicant**2.0 Type of firm** (strike out whichever is not applicable)

2.1 Public Limited Company/Private Limited Company/Partnership firm/Proprietorship firm/Others

3.0 Address

3.1 Registered office

4.0 Names, address, telephone numbers of Directors/Partners/Proprietor.**5.0 Detail of investment made and/or proposed to be made in eligible activities along with completion schedule of the project for new and incomplete projects-**

(i) setting up new grass root refineries and/or expansion of the existing refineries along with facilities like crude oil receipt and transportation facilities.

(ii) Exploration and production of hydrocarbons including coal bed methane, and associated facilities like crude oil/natural gas pipelines, crude oil natural gas processing plants.

(iii) Terminals for crude oil/LNG.

(iv) Common carrier natural gas/petroleum products/LPG pipelines;

(v) Investment in the above activities for setting up additional assets for improvement in quality of product to meet environmentally related norms.

Note:- The activities other than those specified would not be eligible.

6.0 Time for the completion of new and incomplete projects to be indicated with completion date.

7.0 Details of scheme of marketing-

- (i) the source of supply of product to be marketed;
- (ii) tankage and other infrastructure established/proposed to be established alongwith their capacity;
- (iii) means of transportation of products to depots and retail outlets;
- (iv) the number and location of retail outlets proposed to be established and details of their storage and dispensing capacity;
- (v) the total quantum and type of products to be covered under the marketing scheme.

Note:- Details on the above may be separately attached.

8.0 The mode of compliance relating to retail service obligation and marketing service obligations.

- (i) number of retail outlets proposed to be set up in remote areas/low service areas.
- (ii) other marketing infrastructure proposed to be set up in remote areas /low service areas.
- (iii) Commercial agreements proposed, if any, with the existing marketing companies.
- (iv) Others(please specify)

9. Detail of application fee paid.

10. DECLARATION

Certified that the above information is true to the best of my knowledge and belief and the information as annexures and statements accompanying this application are correct, complete and truly state and if any statement made herein is to be incorrect, I shall be liable for action under the provisions of law.

Date:_____

(Signatur)
Name:_____
Designation:_____

**SCHEDULE III
See clause 8(4)**

1.Marketing and Refinery Laboratories of Oil Companies

- (i) All the Marketing (including Mobile Laboratories) and Refinery Laboratories of Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation, Indian Oil Corporation Limited and IBP Co. Limited;
- (ii) Bongaigaon Oil Refinery Ltd., Refinery Laboratory, P.O. New Bongaigaon, dist. Kokrajhar, Assam;
- (iii) Chennai Petroleum Corpn. Ltd., Refinery Laboratory, Manali, Chennai-600019 Tamil Nadu;
- (iv) Kochi Refinery LTD., Refinery Laboratory, Post Ambalamugal, Kochi-682302, Kerala;
- (v) Manglore Refinery and Petrochemicals Ltd. Refinery Laboratory, Kuthethoor, P.O. Katipalla, Moodapadav, P.B. No. 2, Manglore 574149, Karnatka;
- (vi) Numaligarh Refinery Limited, refinery Laboratory, Numaligarh, Assam; and

(vii) Reliance Petroleum Ltd., Refinery Laboratory, Moti Khavdi
(viii), Digvijaygram (PO) Jamnagar (Dist)-361140, Gujarat.

2. Government Laboratories

- (i) Director of Airworthiness, Civil Aviation Deptt. Laboratory, Block II/III East, R.K. Puram New Delhi 110066;
- (ii) National Test House, 11/1, Judges Court Road, Alipore, Calcutta- 700027;
- (iii) National Physical Laboratory, Pusa, New Delhi-110012;
- (iv) Chemical testing and Analytical Laboratory, Industries and Commerce Department, Government of Tamil Nadu, Guindy; and

3. Defence Laboratories

- (i) Chief Controlrate of Materials, Controlrate General of Stores Laboratory, IGS Kanpur, P.B. No. 229, Kanpur;
- (ii) Inspectorate General of Stores Laboratory (I.G.S.L.), DGI Complex, Chennai-6000114;
- (iii) Inspectorate General of Stores Laboratory, DGI Complex, Hastings, Calcutta-700022; and
- (iv) Inspectorate General of Stores Laboratory, DGI Complex, Vikhroli, Mumbai-400083.

4. Other Laboratories

- (i) Central Power Research Institute, Bangalore;
- (ii) Fuel testing Laboratory, Society for Petroleum Laboratory, B-14, Sector 62, Noida, U.P.;
- (iii) Indian Institute of Petroleum, Dehra Dun 248005;
- (iv) Indian Institute of Technology, Guindy, Chennai;
- (v) Indian Institute of Technology, Hauz Khas, New Delhi;
- (vi) Indian Institute of Technology, Powai, Mumbai;
- (vii) Indian Institute of Technology, Kharagpur;
- (viii) Regional Research Laboratory, Uppal Road, Hyderabad-500007;
- (ix) Ramdev Baba Engineering college, Kalol Road, Nagpur 440013, Maharashtra; and
- (x) Lakshmi Narayan Institute of Technology, Amravati Road, Nagpur 440010 Maharashtra.

5. All Forensic Laboratories in the States/Union Territories

Dist.]

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AJAY TYAGI, Jt. Secy.