

Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005

UNION OF INDIA

India

Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005

Rule

MOTOR-SPIRIT-AND-HIGH-SPEED-DIESEL-REGULATION-OF-SUPPLY of 2005

- Published on 21 December 2005
- Commenced on 21 December 2005
- [This is the version of this document from 21 December 2005.]
- [Note: The original publication document is not available and this content could not be verified.]

Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005 Published vide Notification Gazette of India, Extra, Part 2, Section 3(i), dated 21.12.2005 Last Updated 7th February, 2020 G.S.R. 729(E), dated 19.12.2005. - 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 [presence of marker in motor spirit and high speed diesel and/or] [Inserted by Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f. 21.12.2005).] 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 [and also does not contain any traces of marker] [Inserted by Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f. 21.12.2005).];(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; (f1) ["marker" means a chemical substance approved by the Central Government from time to time for blending in kerosene and other petroleum products with the objective of preventing their diversion or adulteration of motor spirit or high speed diesel;] [Inserted by Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f.

21.12.2005).]; (g) "motor spirit" means any hydrocarbon oil, excluding crude mineral oil, which meets the requirements of Bureau of Indian Standards specification number IS 2796 [and also does not contain any traces of marker] [Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f.

21.12.2005).]; (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; (m1) ["test kit" means a set of equipment used to determine the presence of marker in kerosene, motor spirit, high speed diesel & other petroleum products;] [Notification No. G.S.R. 18(E) dated 12.1.2007

(w.e.f. 21.12.2005).]; (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 [having traces of marker and/ or] [Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f. 21.12.2005).] 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;

3A. [Special provision for door-to-door delivery of high speed diesel. [Inserted by Notification No. G.S.R. 903(E), dated 10.12.2019.]

(1). Notwithstanding anything contrary contained in this Order, any person duly authorised by an oil company may purchase high speed diesel from such oil company, in a mobile container or tank-truck with dispenser duly certified as per the provisions of clause 3, only for the purpose of

reselling of the same by way of door to door delivery to the consumers: Provided that for securing compliance with the aforesaid provisions, the powers conferred under clauses 7 and 8 of this Order shall be exercised only by an authorized officer of the Central Government or State Government. (2) [The person duly authorised by the oil company shall take delivery of High Speed Diesel from any supply location of the oil company on ex-supply location basis or from any retail outlet of an oil company, having facility for loading mobile dispensers and he shall be solely responsible for the quality, quantity, safety and handling of the product from the point of delivery at supply location or retail outlet.] (3) It shall also be the responsibility of the person duly authorised by the oil company to obtain all approvals or licences as required under this Order or any other order or regulation made by the Central Government or any State Government for operation of the said mobile container or tank-truck with dispenser. Explanation. - For the purpose of this clause, "person" shall include any company or association or body of individuals, whether incorporate or not.]

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 authorisation to market and sell motor spirit and high speed diesel, shall submit an application to the Central Government in the application form given in Schedule II alongwith the fee specified therein either by cheque or demand draft in favour of the Pay and Accounts Officer, Ministry of Petroleum and Natural Gas, payable at New Delhi. (2) After scrutiny of the application form referred to in sub-clause (1), the Central Government may, if it is satisfied with the details furnished by the applicant, after requiring the applicant to furnish bank guarantee and other payments as specified by it, issue authorisation to market motor spirit and high speed diesel indicating the terms and conditions of such authorisation.] [Substituted by Notification No. G.S.R. 830(E), dated 8.11.2019 (w.e.f. 21.12.2005).] (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.

6A. [[Substituted by Notification No. G.S.R. 728(E), dated 29.6.2017 (w.e.f. 21.12.2005).]

(1)The Central Government may permit the direct sale of bio-diesel (B-100) for blending with high speed diesel to all consumers, in accordance with the specified blending limits and the standards specified by the Bureau of Indian Standards.(2)The owner of every outlet selling bio-diesel (B-100) shall prominently display at the place of business the permissible limits specified by the manufacturers of vehicles and the standards specified by the Bureau of Indian Standards for blending of bio-diesel (B-100) for use of consumers in their vehicles.Explanation. - For the purposes of this clause, "oil company" means the Indian Oil Corporation Limited, the Hindustan Petroleum Corporation Limited, the Bharat Petroleum Corporation Limited, any private bio-diesel manufacturers, the authorized dealer of such oil companies and joint ventures of public sector oil marketing companies authorised by the Central Government.]

6A. [Limited purpose of direct sale of bio-diesel blending with high speed diesel. [Inserted by Notification No. G.S.R. 621 (E), dated 10.8.2015 (w.e.f. 21.12.2005).]- (1) The Central Government may permit the sale of bio-diesel (B-100) for blending with high speed diesel to bulk consumers, in accordance with the standards specified by Bureau of Indian Standards, namely :-(i) the Railways;(ii) the State Transport Undertakings; and(iii) other bulk consumers having minimum requirement of bio-diesel for their own consumption by a tank truck load supply which shall not be less than twelve thousand litres.(2) For the purposes of clause (1), "oil company" means the Indian Oil Corporation Limited, the Hindustan Petroleum Corporation Limited, the Bharat Petroleum Corporation Limited, any private bio-diesel manufacturers, the authorised dealers of such oil companies and Joint Ventures of Public Sector Oil Marketing Companies authorised by the Central Government.]

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 and Testing] [Substituted by Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f. 21.12.2005).]

- [(1) The authorized officer under clause 7 shall draw 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 Bureau of Indian Standards specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively and in case samples are drawn from retail outlet, the relevant tank truck samples of last two receipts retained by the dealer as required under item (b) of sub-clause (3) of clause 3 shall also be collected for laboratory analysis.] [substituted by Notification No. 352(E) dated 6.5.2014 (w.e.f. 21.12.2005)][(1A) The authorized officer under clause 7 shall draw the sample from the tank, nozzle, vehicle or receptacle, as the case may be, in the test kit and test the product with the aid of test kit, to check whether the product contains any traces of marker. If such traces are found in the product, the authorized officer shall record the same in triplicate which shall be jointly signed by him and the dealer or transporter or concerned person or his representative, as the case may be, and give one copy of such recording to the dealer or transporter or concerned person or his representative and another copy to the oil company concerned, as the case may be.] [Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f. 21.12.2005).](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 he Government in the Official Gazette for this purpose,for analysing with a view to checking weather 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 sprit 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.

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[see clause 2(m)]Detail of norms for permissible stock variationVariation 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] [Substituted by Notification No. G.S.R. 830(E), dated 8.11.2019 (w.e.f. 21.12.2005).][see clause 5(1)]Application form(for issue of authorization to market motor spirit and high speed diesel)Note. - Please refer to Ministry of Petroleum and Natural Gas Resolution No. P-12029(11)/2/2018-OMC-PNG dt. 08.11.2019 for details such as eligibility, terms and conditions and application fees before applying. The applicant can use additional sheets to provide

requisite information. If any item is not applicable to the applicant, the same may be clearly mentioned as "Not applicable". To, The Joint Secretary, Ministry of Petroleum and Natural Gas, Government of India, Shastri Bhawan, New Delhi.

1. Name of applicant (in capitals):

2. Type of firm (strike out whichever is not applicable):

(a) Public Limited Company/ Private Limited Company/ Partnership firm/ Proprietorship/ Others (please specify). (b) Year of incorporation:

3. Address:

(a) Registered Office: (b) Marketing Office: (c) Nature of present business:

4. (a) Names, addresses, Goods and Service Tax Identification Number (GSTIN), Permanent Account Number (PAN) and telephone numbers of all Directors/ Partners/ Proprietor(s).

(b) Name of contact person, address, email Id and telephone numbers

5. Whether applying for authorisation for (please tick the appropriate box):

Retail business; or Bulk business; or Both Retail and Bulk business.

6. Number of retail outlets for which retail business authorisation is sought:

7. Net worth (in INR Crores):

(a) 1st preceding year: Rs. crore (b) 2nd preceding year: Rs. crore (c) 3rd preceding year: Rs. crore
Note. - Please attach audited annual statements for the last three financial years. In case of a new entity, a certificate from a Chartered Accountant certifying the entity's present net worth is to be provided.

8. Details of scheme of marketing:

(a) The source of supply of products to be marketed; (b) tankage and other infrastructure established or proposed to be established and details of their storage; (c) means of transportation of products to depots and to retail outlets; (d) the number and locations of retail outlets proposed to be established and details of their storage and dispensing capacity; (e) year-wise plan for setting up remote area and non-remote area retail outlets separately; (f) the total quantum and type of products to be covered under the marketing scheme; (g) details of redressal of customer complaints; (h) details of marketing

and distribution offices;(i)details regarding use of new technologies for marketing, encouraging digital payments and providing more employment to women and ex-servicemen; and(j)plans for installing facilities for marketing at least one new generation alternate fuels at their proposed retail outletsNote. - Supporting documents with respect to the aforementioned details are to be enclosed, failing which the application is liable to be rejected.

9. The mode of compliance relating to remote area obligations etc.:

(a)Option selected for compliance towards remote area obligations:Option 1 (Upfront payment)Option 2 (Submission of bank guarantee)(b)If Option 2 selected, then:(i)Number of retail outlets proposed to be set up in remote areas including the timelines;(ii)Other marketing infrastructure proposed to be set up in remote areas;(iii)Others (please specify).

10. Details of application fee, whether paid:

for retail business: Twenty five lakh rupees.for bulk business: Twenty five lakh rupees.for both retail and bulk business: Fifty lakh rupees.

11. Whether any disciplinary action or penalty or criminal proceedings have been initiated against the entity by any authority during the last five years? If yes, full details thereof may be provided.

DeclarationCertified 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 stated and if any statement made herein is found to be incorrect at any point of time, I shall be liable for action under the provisions of law.(Signature and Seal of authorized person)Name:Designation:Date:Note. - In case of any misrepresentation or concealment of material details in the application form, detected at any point of time, the application or authorisation of the entity is liable to be rejected or revoked and all or any amount deposited or paid by it to the Government shall stand forfeited, including the bank guarantee(s), which shall be encashed by that Government.

III

[See clause 8(4)]Laboratories for testing of Petroleum Product Samples

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 Corp'n. 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, Gujrat.

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.