THE KEROSENE (RESTRICTION OF USE AND FIXATION OF PRICES) ORDER, 1993

MINISTRY OF PETROLEUM AND NATURAL GAS

New Delhi, the 2nd September 1993

G.S.R.584 (E) - In Exercise of the powers conferred by section 3 of the Essential Commodities Act,1955 (10 of 1955), the Central Government hereby makes the following order namely:-

1. Short title and commencement

(1) This order may be called Kerosene (Restriction on Use and Fixation of Ceiling Price)Order,1993.

(2) It extends to the whole of India.

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

(a) "Chief Controller of Explosives" shall have the same meaning as assigned to it in the Indian Explosives Act,1984 (4 of 1984);

(b) "Consumer" means a person, firm, company, institution association of persons, co-operative Society or organisation who is authorised by the Central or State Government to use Kerosene for cooking and illumination.

(c) "Dealer" means a person, firm, association of persons company, institution, organisation of a Co-operative Society approved by Government Oil Company or Central or State Government or a parallel marketer and engaged in the business of buying and selling kerosene;

(d) "declared price" in relation to kerosene sold under the Public Distribution System means the maximum selling price declared by the Central Government, from time to time with reference to an area and shall include such other charges, rates, duties and taxes, prescribed:-

(i) by the State Government or District Collector in the case of an area in a State/or (ii) by the Administrator of the Union Territory, in the case of an area in a Union Territory ; (iii) "Kerosene" means a middle distillate mixture of hydrocarbons meeting BIS specification No.IS-1459 of 1974 with important characteristics of flash point at a minimum of 35 C and smoke point at a minimum of 18 mm

f) "Government Oil Company" means

i) the Indian Oil Corporation Limited.

ii) the Bharat Petroleum Corporation Limited.

iii) The Hindustan Petroleum Corporation Limited.

iv) The IBP Co. Limited,

v) The Oil and Natural Gas Commission

vi) the Gas Authority of India Limited.

vii) the Oil India Limited, or

viii) any other Government company or a statutory body declared by notification to be a Government Oil Company by the Central Government for the purpose of this Order; (g) "Indian Standard" shall have the same meaning as assigned to it in Clause (g) of section 2 of the Bureau of Indian Standards Act, 1986 (63 of 1986)

(h) "Parallel marketeer" means any person, firm, company institution, association of persons,Co-operative Society or Organisation, carrying on the business of importing, storing, refining, producing, packing marketing distributing and selling kerosene under the parallel marketing system.

(i) "Parallel marketing system" means the system other than the Public Distribution System, under which a person imports, stores, transport, packs, distributes or sells kerosene under his own arrangement; G.O.Ms.No. 4, Co-operation, Food and Consumer Protection dept,.Dt. 04.01.99.

(j) "Public Distribution System" means the system of distribution marketing or selling of kerosene at declared price through a distribution system approved by the Central or State Government;

(k) "Storage Point" means the premises approved or licensed by the Chief Controller of Explosives;

(l) "Transporter" means a person authorised by a Government Oil Company, Parallel Marketeer or distributor for transportation of kerosene.

3. Restriction on use of kerosene supplies under Public Distribution System—

(1)No person shall use kerosene supplied under the Public Distribution System for any purpose other than cooking and illumination;

Provided that the Central or State Government may by order permit any person to use kerosene for such other purposes as it may specify in that order.

(2) No dealer appointed under the Public Distribution System or a transporter shall sell, distribute or supply kerosene under the Public Distribution System to any person other than the person to whom the supplies are meant for;

GSR 639(E) dt. 21.10.98 (G.O.Ms.No. 4, Co-op, Food and Consumer Protection Dept dt.04.01.99

Clause 3A : Restriction on sale and use of kerosene imported under Parallel Marketing System:

No person shall sell or use kerosene imported under the Parallel Marketing System as a fuel or as additive to the fuel in a motor vehicle.

Clause 3B: Restriction on sale of kerosene of by persons not authorised:

No person other than the dealers or Government Oil company in Parallel Marketer shall sell Kerosene to any person.

4. Procurement, storage and sale of kerosene under the Public Distribution System:- (1) No dealer having stocks of kerosene supplied under the Public Distribution System at the business premises, including the place of storage:-

a) shall, unless otherwise directed by the Government or Government Oil Company,refuse to sell, distribute or supply the kerosene to any consumer on any working day, during working hours.

b) shall keep his business premises, including the place of storage, closed during working hours on any working day, without the prior written permission of the Government or the Government Oil Company,

c) Shall sell, distribute or shall supply kerosene at a price higher than that fixed by the Government or Government Oil Company.

2) Every dealer appointed under the Public Distribution System shall take all reasonable steps to ensure that adequate stock of kerosene are available at the business premises including the place of storage at all times.

Explanation:- for the purpose of sub-clause (1) the expression “Working Hours” means the working hours fixed by the concern oil company in accordance with the shops and establishments Act in Force in the respective State or Union Territory.

5. Display of stock and price by dealers appointed under Public Distribution System:- Every dealer appointed under the Public Distribution System shall prominently display at the place of business including the place of storage on a conspicuous place a stock-cum-price board showing:-

i) the Opening stock of kerosene;

ii) the quantity received during the day,

iii) the quantity sold, delivered or otherwise disposed of during the day;

iv) the closing stock of the day, and

v) such other particulars as the Government or Government Oil Company may by order in writing, specify in this regard.

6. Maintenance of registers, Account Books and submission of returns by a dealer under the Public Distribution System—

Every dealer appointed under the Public Distribution System shall maintain proper account of daily purchase sale and storage of kerosene at the business premises every day indicating therein;--

i) the opening stock of kerosene.

ii) the quantity received during the day;

iii) the quantity sold, delivered or otherwise disposed of during the day;

iv) the closing stock; and

v) such other particulars as the Government or Government Oil Company may by Order in writing specify in this regard.

7. Maintenance of records and furnishing of information by Parallel marketeer— (a) Every parallel marketeer before commencing the import, store transportation, packing, marketing,distribution of sale of kerosene shall intimate to the Central Government in the Ministry of Petroleum and Natural Gas his intention to engage in all or any one of the above activities specifying therein his capability to do so, and other relevant particulars.

(b) The Parallel Marketeer of kerosene shall submit a monthly return before the 15th day of the following month giving details of Kerosene imported port-wise to the Central Government in the Ministry of Petroleum and Natural Gas.

(c) The Parallel marketeer shall furnish to the Central Government in the Ministry of Petroleum and Natural Gas or to such authority as may be specified by that Government in this regard, such other information as may be required. (GSR 639(E) dt.21-10-98 (G.O.Ms.No.4 Co-op., Food & C.P. dt.04-01-99))

(d) The parallel marketeers shall file end use certificate from industrial consumers to whom be selling the kerosene and also furnish customer wise sales to the State Civil Supplies authorities by whatever name called on a quarterly basis.

(e) The Parallel marketeers shall ensure that quality checks are carried out to ensure that kerosene meets Bureau of Indian standards specification No.IS-1459 in all respects before the imported kerosene is discharged into the storage infrastructure at the port or sold to any person

Clause 7A inserted by the Central Government through Kerosene [Restriction on use and fixation of ceiling price] amendment Order 1995 in GSR: 509 (E) Dt. 19.06.1955.

7A – Assesment and Certification on Rating of Parallel Marketeers:

(1) (a) No parallel marketer shall commence any activity such as import, store , transport marketing, distribution , sale or any activity incidentical there to, relating to the business of kerosene without obtaining a rating certificate on the basis of evaluation and rating for his capability infrastructure network and readiness promised by an agency listed in schedule – A to this order:

Explanation: For the purpose of their clause a parallel marketeer shall be deemed to be an agent of another parallel marketeer if the former is appointed as such agent for the above purposes by the latter through a legal instrument.

(f) The rating certificate shall be issued in the format as prescribed in Schedule – B to this Order and as per the forwarding letter given in schedule – C

(i) Tobe valid for a period of one year from the date of issue and

(ii) Require renewal by the rating agency annually

(2) Every parallel marketeer announcing details of this activity or inviting offer of any kind in the field of import transport marketing distribution or sale of kerosene, either in a newspaper handout, pamphlet, leaflet or by every other means of communication or advertising shall indicate the rating awarded to his and prominently publish the rating certificate as given by the rating agency.

(3) There shall be paid in respect of every application to a rating agency:-

(i) for the rating certificate awarded to the parallel marketeer a fee at the rate of 0.05 percent of the project cost, subject to a minimum of rupees fifty thousand and maximum of rupees ten lakhs and

(ii) For the renewal of the rating certificate by the parallel marketeer a fee of one tenth of that required to be paid for such a certificate

(4) The agency listed for the purpose of evaluation shall on payment of the fee by the parallel marketeer evaluate every parallel marketeer whose case is either referred to it or who approaches it, on the basis of interalia the parameters indicated and the information to be provided by such parallel marketeer in the proforma as given in schedule D to this order and such other information as called for by the rating agency.

(5) Every parallel marketeer shall file a certified the copy of the certificate of rating with the ministry of Petroleum and Natural Gas Oil Co-ordination Committee, Minister of Civil Supplies of the Central and the State Governments and the Collector of District in which he imports, transports, markets, distributed or sles kerosene. All letter heads or communications of parallel marketeer shall have the following description of rating.:

(6) No parallel marketeers shall either give incomplete, in correct misleading or vague information in the newspaper handout pamphlet, leaflet advertisement etc or submit such information to the rating agency.

(GSR 639(E) dt.21-10-98 (G.O.Ms.No.4 Co-op., Food & C.P. dt.04-01-99))

8. Kerosene under Public Distribution System to be made distinguish able.

Kerosene supplied through Public Distribution System shall be made distinguishable from the kerosene to be imported, sold or distributed under parallel marketing system by use of suitable measures to be adopted by the Government Oil Companies as and when necessary.

9. Power of entry, search and seizure—

a. An Officer of the Department of Food and Civil Supplies of the Government not below the rank of an Inspector authorised by such Government and notified by the Central Government or any officer authorised and notified by the Central Government or any officer not below the rank of a Sales Officer of a Government Oil Company authorised by the Government and notified by the Central Government may, with a view to ensuring compliance with the provisions of this order, with such assistance as may be required, for the purpose of satisfying himself that this order or any order made the rounder has been complied with:

i) Stop and search any vessel or vehicle or any other conveyance which the Officer has reason to believe, has been or is being or is about to be used in contravention of this order.

ii) enter or search any place with such said or assistance as may be necessary:and

iii) seize and remove with such aid or assistance as may be necessary, books, registers and other records pertaining to kerosene business,alongwith vehicle, vessel or any other conveyance used for carrying such stock. If he has reason to believe that any provision of this Order has been or is being or is about to be contravened and thereafter take or authorise the taking of all measures necessary for securing the production of the kerosene at the Office of the Government Oil Company and the vehicle vessel or other conveyance so seized before the Collector having jurisdiction under the provisions of Essential Commodities Act, 1955 (10 of 1955) for their safe custody pending such procedures.

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

10. Over riding effect of the Order:-

The provisions of this order shall have the overriding effect not withstanding anything to the contrary contained in any order made by a State Government or a Union Territory or by an officer of such State Government or Union Territory before the commencement of this Order, except as regard, anything done or omitted to be done there under before such commencement.

GSR (E) 639 (E) dt.21.10.98

11. Power to exempt:-

The Central Government may, if it considers necessary and public interest, by notification in the Official Gazette, except any person or class of order, subject to such conditions, if any , as may be specified in that notification.

12. Repeal and saving—

(1) The Kerosene (Restriction on Use and Fixation of Price) Order, 1966 and Kerosene(Fixation of Ceiling Prices) Order, 1970 are hereby repealed except respects things done or omitted to be done under these Orders before the commencement of this Order.

(2) Notwithstanding such repeal anything done or any action taken under the said Orders shall be deemed to have been done or taken under the corresponding provisions of this Order.

(No.P.11013 393-Dist.)
DEVI DAYAL Jt.Secy.

A.M. SWAMINATHAN
Secretary to Government.
Chennai – 600 009

// TRUE COPY //

GSR.509(E) dated 19.06.1995:

Schedule A

Clause 7 (A) (1) (a)

NAME AND ADDRESS OF AGENCIES FOR EVALUATION / RATING OF PARALLEL MARKETEER

Name	Address
CRISIL (The Credit Rating Information Services of India Limited) CARE (Credit Analysis & Research Ltd.,) MDRA (Marketing & Development Research Associates) ICRA (Investment Information Credit Rating Agency of INdia Ltd.,)	Nirlong House , 2nd Floor 254 B, Annie Besand Road, Worli, Bombay – 400 025 RBC, Mahindra Towers, 5th Floor, Road No.13, Worli, Bombay – 400 018 Secular House 9/1, Institutional Area Opp.JNU, New Delhi – 67 Kartash Building, 4th Floor 26, Kasurba Gandhi Marg, New Delhi

SCHEDULE – B

See clause 7A (1)(b) of Kerosene (Restriction use and fixation of ceiling price) Order , 1993 Rating Certificate for parallel marketeer.

Date Of Issue:

Name of the Firm / Company:
Registered Office Address :
Name of Promoter / Chairman / Managing Director :
Activities :
Particulars of Bankers Rating Scale:
(1) Good (2) Satisfactor (3) Low Risk (4) High Risk

Signature and Seal of the Rating Agency

SCHEDULE – C (See Clause 7A(1)(B)

Forwarding Letter for certificate of rating Whomsoever it may concern

This is to certify that we have made an evaluation of M/S----------for the purpose of issuing a certificate and rating to them in accordance with the provisions of the Kerosene (Restriction on use and fixation of ceiling price) Order, 1993.

We have obtained all the information and explanation which to the best of our knowledge and belief were necessary the purpose of issuing this certificate, this certificate issued by us is as a result of our examination of the documents, records and assesment of the information obtained by us and the evaluation of capability, infrastructure network and readiness to carryout professed business deliver goods and services promised by the parallel marketeer. We are satified that the information and particular received and collected by us are sufficient enough to enable us to evaluate M/s. ---------- for providing the rating as prescribed.

M/s.----------are awarded ----------rating. Salient facts about M/s.----------are as follows:-

1. Total Investment Planned
2. Total investment made upto date
3. Promoter Equity
4. Area of Operation
5. Proposed / likely date of Commissioning

Name of the parallel marketeer to be indicated

(Signature and Seal of the Rating Agency)

SCHEDULE – D

(See Clause 7A(4) and (6))

Proforma of information to be submitted by parallel marketeers for evaluation/ rating by the Rating Agency:

PARAMETERS:-

1. MARKET STANDING OF THE COMPANY:-

a. Constitution of the Firm
b. Registered Office
c. Locations & Addresses of existing business
d. Name of the Promoters / Directors / Partner
e. Background and full anticedents of Promoters / Directors / Partner
f. Networth of Promoters / Directors / Partner
g. Current Activity
h. Details of existjng operation of the parallel Marketeers and / or his group of companies i. Audited A/Cs for three years of the Promoter firm and Group concern with details of promoters constitution.
j. Working Capital requirement for new business pertaining to parallel working with resume of proposals scheme
k. Implementation record of typical projects already undertaken in terms of cost , time , nature of projects and the technology involved.
l. Business Plans and projected cash flows
m. Sourcing of Funds for existing and proposed business
n. Performance of Parallel marketeers in his other group companies for last three years with Income Tax Clearance Certificate.

2. MARKETING PLANS FOR KEROSENE:

2.1 Infrastructure for Kerosene sourcing / handling

a. Import location identify
b. Proposed size of import parcels
c. Status of approvals (Ports / Statutory / State Govt. / Chief Comptroller of explosive / Environment / Milestone Achieved with Squad Network / Local Authorities)
d. Status of Progress
e. Details of technological tie ups if any
f. Business Proposals / Project Feasibility Report Financial Details and Financial Risk Analysis

2.2 Commercial arrangements and / or consarlium for Kerosene (If Own facilities are not planned)

a. Any tie up arrangement finalised with importer
b. The supporters agreements / documents for such tie up

PARAMETERS

c. The quantum of product to be imported with minimum guarantee
d. Details of shortage and handling of products at the import location / tie up agreement e. Fall back arrangement to meet the shortfall in case the tie up arrangement does not materialise .
3. STORAGE AND DISTRIBUTION ARRANGEMENT FOR KEROSENE PLAANED:
a. Details of shortage facilities of depots with their capacities
b. Status of progress on item mentioned above
c. Plant and equipment / technological details
d. Details of manpower and arrangement to handle the product
PARAMETERS
e. Details of designs and standards to be followed for construction and operation of these facitlities
f. Status of approvals for the facilities
g. Whether Kerosene storage facility conforms to code regulation /condition of storage licence.
4. Arrangements planned to reach the product to consumption centres/Market a .Details of distribution network planned/already apppointed.

b.details of the basis for distributors appointed.
c.Details of showroom /salesroom/office and godown planned/existing alongwith status if approvals.
d.Details of manpower to be deployed at up country/near the consumption centres for kerosene. e.Details of storage planned at up country/near the consumption centre for kerosene.

PARAMETERS.

5.Product Familiarities and Training:
a. Operational Knowledge of product (kerosene) and its handling.

b.The Capacity of prepassdren to meet the safety requirement in kerosene.
c.Plans for traning the staff and the consumers on safe handlings of equipment/product. d.Recruitment policy and standards for the staff.
e.Familiarity with kerosene control orders,explosive rules and other applicable local acts.
6.MARKETING DISCIPLINE AND GUIDELINES PROPOSED TO BE ADOPTED a Code of conduct for distribution/transporter and delivery men.

b.System to monitor and control adulteration and unauthorised diversion of products.
7.ORGANISATION IN PLACE/PROPOSED FOR THE OARALLEL MARKETING OF KEROSENE
a.Details of organisational structure.

b.Level of managerial involvement of the promoter.

c.source of financing then kerosene parallel marketing including the infrastructure.
d.Any other relevant details
which the parallel marketers would like to provide.
8.FINANCIAL COMMITMENT;
a) Total estimated project cost.

b) Planned (phase-wise) resource mobilisation.

c) Resources arranged and investment made as of dateProof of A,B,and C above.

GOVERNMENT OF TAMILNADU

ABSTRACT

CONTROL ORDERS -Kerosene (Restriction on use and Fixation of Coiling Price) Order, 1993 Amendment published in the Gazette of India Extraordinary dated 23 rd October, 1998 - Republication Orders - Issued.

COOPERATION FOOD AND CONSUMER PROTECTION DEPARTMENT

G.O.(Ms) No. 04 Dated: 04.01.99

Read:

From the Government of India, Ministry of Petroleum and Natural Gas letter No.P-11013/3/08 Dist dated 03.11.98.

ORDERS

The appended notification to this order shall be published in English in the Tamil Nadu Government Gazette and in Tamil in all the District Gazettes. A Malayam version will also be published in the District Gazettes of Kanyakumari, Thirunelveli and the Nilgiris.

2. Six Copies of the notification are sent to the Tamil Development Culture (Tamil Translation) Department. That Department is requested to forward immediately a Tamil and Malayam version of the notification to the Director of Stationery and Printing, who is requested to arrange for the immediate publication in the district Gazettes concerned.

(BY ORDER OF THE GOVERNOR)

M.RAMU
SECRETARY TO GOVERNMENT.

To
The Works Manager, Government Press, Madras -79
(For publication in the next issue of Tamil Nadu Government Gazette).

The Commissioner of Civil Supplies and Consumer Protection, Madras -5.(5 copies) The Tamil Development Culture (Translation) Department, Madras - (6 copies)

The Registrar of Co.operative Societies, Madras -10.
All Collectors
All District Revenue Officers
The Joint Commissioner, Revenue Administration Department, Chepauk, Madras -5.

The Managing Director, Tamil Nadu Civil supplies Corporation Chennai -10.
The Director of Division of Rural Economic, Economics Department, Reserve bank of India, Mumbai.

The Director of Statistics, Madras -6.
The Deputy Inspector-General of Police, Civil Supplies, C.I.D., Madras -10. The Commissioner of Police, Madras -8.

Copy to:

The Secretary to Government of India,
Ministry of Petroleum & Chemicals,
Department of petroleum and Natural Gas,
New Delhi (15 copies).

The Zonal Manager,
Food corporation of India, Chennai -6.

The Regional Manager,
Food corporation of India, Chennai -18.
The market Intelligence Officer,
Ministry of Food and Agriculture, Shastri Bhavan,
Haddows Road, Chennai-6.
The General manager,
Commercial Banks,
Southern Railway, Chennai -3.

// forwarded // By Order//

Section Officer

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM AND NATURAL GAS

ORDER

New Delhi, the 21 st October, 1998

G.S.R.638(E) In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order to amend the Kerosene (Restriction on use and Fixation of Ceiling Price) Order 1993, namely:-

1. (a) This order may be called the Kerosene (Restriction on use and Fixation of Ceiling Price) (Amendment) Order 1998.

2. In the Kerosene (Restriction on use and Fixation of Ceiling Price) Order 1993,--

(a) in clause 2, in item(h), for the word "importing" the word "importing, storing" shall be substituted:

(b) inclause2, in item(I), for the word "imports" the words "imports, stores" shall be substituted;

(c) after clause 3, the following clauses shall be inserted, namely,--

"3A RESTRICTION ON SALE AND USE OF KEROSENE IMPORTED UNDER PARALLEL MARKETING SYSTEM;--

No person shall sell or use Kerosene imported under the parallel marketing system as a fuel or as additive to the fuel in a motor vehicle"

"**3B RESTRICTION ON SALE OF KEROSENE BY PERSONS NOT AUTHORISED:--**

No person other than the dealer or Government Oil company Parallel Marketeer shall sell Kerosene to any person"

(a) (i) In clause 7, -- after item (C), the following items shall be inserted, namely;-

(b) The Parallel Marketeer shall file and Use Certificates from industrial consumers to whom he sells the Kerosene and also furnish customer-wise sales to the State Civil Supplies Authority by what over name called, on a quarterly basis"

(c) The Parallel Marketeer shall ensure that quality check are carried out to ensure that Kerosene meets Bureau of Indian Standards Specification No. IS-1450 in all respects before the imported Kerosene is discharged in to the storage infrastructure at the portion sold to any person".

(ii) in term (a) for the word "import", the words "import, store" shall be substituted;

(b) in clause 7A,--

(i) in sub clause (1), in term(a), for the word "import", the words "import. store" shall be substituted;

(ii) in sub clause (1), in item (a), the proviso shall be omitted;

(d) For clause II the following clause shall be substituted namely:- 11. Power to exempts,--

The Central Government, if it considers necessary in public interest by notification in the Official Gazette, exempt any person or class of persons from all or any of the provisions of this order subject to such conditions, if any, as may be specified in that notification.

Sd/- xxxxxxxxxxxxxxxxxx
DEVI DAYAL, ADDL.SECY
TO GOVERNMENT OF INDIA.

/ true copy /

SECTION OFFICER.
Chennai - 9

GOI – NOTIFICATION

Notification dated 07.07.94 issued by the Ministry of Petroleum and Natural Gas, Government of India, Published in Gazette of India extraordinary Part II Section 3 (II) No.351 dt.08.07.94 (State Govt. Lr.No.7137/F2/95-1, C,F & CP Department dt.27.02.95)

NOTIFICATION - I

S.O.508(E):- In pursuance of sub-clause (C) of clause 7 of the Kerosene (Destruction or use and fixation of ceiling prices) under 1993, the Central Government hereby authorise the Food and Civil Supplies Department of the respective State Government s / Governments of Union Territories to seek such information and details about their antecedents and etc., from the parallel marketeers as may deem necessary.

NOTIFICATION – II

S.O.509(E):- In exercise of the powers conferred by sub-clause (a) of clause 9 of the Kerosene (Restrictions on use and fixation of ceiling prices) Order 1993 the central Government here by notifies the following Officers of the State Governments, Union Territories and Government Oil Companies below to take necessary action under the provisions of the said Order within their respective jurisdiction.

Tamil Nadu:-

1. All Officers of Civil Supplies and consumer Protection Dept. not below the rank of Checking Inspector in Madras City and Belt Areas

2. All Officers of Revenue Department not below the rank of Deputy Tahsildar in Mofussil Area