

The Kerosene (Restriction on use and Fixation of Ceiling Price) Order, 1993

UNION OF INDIA

India

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Rule

THE-KEROSENE-RESTRICTION-ON-USE-AND-FIXATION-OF-CEILING- of 1993

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The Kerosene (Restriction on use and Fixation of Ceiling Price) Order, 1993Published vide Notification Gazette of India (Extraordinary), Part 2, Section 3 (1), dated 2nd September, 1993, vide Notification No. G.S.R. 584 (E), dated September 2, 1993Last Updated 26th July, 2019In 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 the Kerosene (Restriction on Use Fixation of Ceiling Price), Order, 1993.(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)"Chief Controller of Explosives" shall have the same meaning as assigned to it in the [Indian Explosives Act, 1884] [Now Explosives Act, 1984.](4 of 1884);(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 or a co-operative society approved by Government Oil Company or Central or State Government or a parallel marketeer and engaged in the business or 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 of 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.(e)"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 Oil 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, refining, producing, packing, marketing, distribution 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, transports, packs, distributes sells kerosene under under his own arrangement;(j)"public distribution system" means the system of distribution, marketing or selling of kerosene at declared price through a distribution system or approved by the Central or State Government;(k)"storage point" means a premises approved or licensed by the Chief Controller of Explosives;(l)"transporter" means a person authorised by a Government Oil Company, parallel marketeer or a distributor for transportation of kerosene.

3. Restriction on use of kerosene supplied 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.

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 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 stocks 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 concerned 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 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 particular as the Government or Government Oil Company may order in writing, specify in this regard.

6. Maintenance of Registers, Accounts Books and submission of returns by a dealer under the public distribution system.

- Every dealer appointed under the public distribution system shall maintain proper accounts of daily purchase, sale and storage of kerosene at the business premises, everyday 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 of the day; and(v)such other particular as the Government or Government Oil Company may order in writing, specify in this regard.

7. Maintenance of records and furnishing of information by parallel marketer.

(a)every parallel marketer before commencing the import, transportation, packing, marketing, distribution or 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 marketer 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 marketer 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.

7A. [Assessment and Certification/Rating of parallel marketers. [Inserted by G.S.R. 507 (E), dated June 19, 1995.]

(1)(a)No parallel marketer shall commence any activity such as import, transport, marketing, distribution, sale or any activity incidental thereto, 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 to carry out professed business and deliver goods and services promised, by

an agency listed in Schedule A to this Order: Provided that a parallel marketer who commences any such activity, before the commencement of this Order, shall within three months, get himself evaluated and rated by the said agency: [Provided further that a parallel marketer carrying on the business of transportation, distributing or selling of Kerosene, as an agent of another parallel marketer, who has obtained a rating certificate, shall not be required to obtain a rating certificate. Explanation. - For the purpose of this clause, a parallel marketer shall be deemed to be an agent of another parallel marketer if the former is appointed as such agent for the above purposes by the latter through a legal instrument.] (b) 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. (c) The rating certificate shall, - (i) be valid for a period of one year from the date of its issue, and (ii) require renewal by the rating agency, annually. (2) Every parallel marketer announcing details of this activity or inviting offers of any kind in the field of import, transport, marketing, distribution or sale of Kerosene, either in a newspaper, handout, pamphlet, leaflet or by any other means of communication or advertising shall indicate the rating awarded to him 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 marketer, a fee at the rate of 0.05 per cent 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 marketer, a fee of one-tenth of that required to be paid for such a certificate. (4) The agency listed for purpose of evaluation shall, on payment of the fee by the parallel marketer, evaluate the parallel marketer whose case is either referred to it or who approaches it, on the basis of, inter alia, the parameters indicated and the information to be provided by such parallel marketer in the pro forma as given in Schedule D to this Order and such other information as called for by the rating agency. (5) Every parallel marketer shall file a certified true copy of the certificate of rating with the Ministry of Petroleum and Natural Gas, Oil Coordination Committee, Ministry of Food and Civil Supplies of the Central and the State Governments and the Collector of the District in which he imports, transports, markets, distributes or sells kerosene. All letterheads or communications of parallel marketer shall have the following description of rating: (i) Name of the rating agency, (ii) Rating awarded to him, and (iii) Date of Issue. (6) No parallel marketer shall either give incomplete, incorrect, misleading or vague information in the newspaper, handout, pamphlet, leaflet, advertisement etc. or submit such information to the rating agency.]

8. Kerosene under public distribution system to be made distinguishable.

- 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 office not below the rank 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 thereunder had 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 about to be used in contravention of this Order; (ii) enter or search any place with such aid 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, along with 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 seizures under this Order.

10. Overriding effect of the Order.

- The provisions of this Order shall have the overriding effect notwithstanding 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 regards anything done or omitted to be thereunder before such commencement

11. [Power to exempt. [Substituted by Notification No G.S.R. 126 (E), dated March 8, 1996.]

- The Central Government may, if it considers necessary, for avoiding hardship or for any consideration 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, either generally or for any specific purpose, subject to such conditions as may be specified in the 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. [Schedule A] [Added by Notification No. G.S.R. 509 (E), dated June 19, 1995.] [See Clause 7-A (1)(a)] Name and address of agencies for evaluation/rating of Parallel Marketeer

Name Address

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|----|--|---|
| 1. | CRISIL(The Credit Rating Information Services of India Ltd.) | Nirlon House, 2nd Floor, 254-B, Annie Besant Road, Worli, Bombay-400025 |
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| 2. | CARE(Credit Analysis & Research Ltd.) | RBC, Mahindra Towers, 5th Floor, Road No 13, Worli, Bombay-400018 |
| 3. | MDRA(Marketing & Development Research Associates) | Secular House, 9/1 Institutional Area, Opp. JNU, New Delhi-67 |
| 4. | ICRA(Investment/Information Credit Rating Agency of India Ltd.) | Kailash Building, 4th Floor 26, Kasturba Gandhi Marg, New Delhi-1 |

B

[See Clause 7-A (1) (b) of Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993] Rating Certificates for Parallel Marketeer

	Date of Issue:
Name of the Firm/Company	:
Registered Office Address	:
Name of promoter/ Chairman/ Managing Director	:
Activities	:
Particulars of Bankers	:
	Overall Rating:

Rating Scale

1. Good
2. Satisfactory
3. Low Risk
4. High Risk

Signature and Seal of the Rating Agency

C

[See Clause 7-A(1)(b)] Forwarding Letter for Certificate of rating To 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 a 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 explanations which to the best of our knowledge and belief were necessary for the purpose of issuing this certificate. This certificate issued by us is as a result of our examination of the documents, records and assessment of the information obtained by us and the evaluation of capability, infrastructure network, and readiness to carry out professed business, deliver goods and services promised by the parallel marketer. We are satisfied that the information and particulars 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 up to date.

3. Promoter's equity.

4. Area of operation.

5. Proposed/likely date of commissioning.

****Name of the parallel marketer to be indicated.(Signature and Seal of the Rating Agency)**

D

[See Clause 7-A (4) and (6)]Pro forma of Information to be submitted by Parallel Marketeer for Evaluation/Rating by the Rating Agency

PARAMETERS DETAILS*

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|----|---------------------------------|---|
| 1. | Market Standing of the Company: | |
| A. | | Constitution of the firm: |
| B. | | Registered Office |
| C. | | Location and Addresses of Existing Businesses. |
| D. | | Name of Promoters/Directors/Partners. |
| E. | | Background and full antecedents ofPromoters/Directors/Partners. |
| F. | | Net worth of Promoters/Directors/Partners. |
| G. | | Current Activity. |
| H. | | Details of existing operations of the Parallel Marketeerand/or his group of companies. |
| I. | | Audited A/cs. for three years of the promoter firm and groupconcerns with details of promoters constitution. |
| J. | | Working capital requirement for new business pertaining toParallel Marketing with resume of proposed scheme. |
| K. | | Implementation record of typical projects already undertaken,in terms of cost, time, nature of projects and technologyinvolved. |
| L. | | Business plans and projected cash flows. |
| M. | | |

- | | | |
|-----|---|---|
| | | Sourcing of funds for existing and proposed Business. |
| | N. | Performance of Parallel Marketeer 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 Locations Identified. |
| | B. | Proposed size of import parcels. |
| | C. | Status of approvals (ports/statutory/State Government/Chief Controller of Explosives/ environment/milestone achieved with squared 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 consortium for kerosene (if own facilities are not planned): | |
| | A. | Any tie-up arrangement finalised with importer. |
| | B. | The supporting agreements/documents for such tie-up. |
| | C. | The quantum of product to be imported with minimum guarantee. |
| | D. | Details of Storage and Handling of product 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 planned: | |
| | A. | Details of storage facilities of Depots with their capacities. |
| | B. | Status of progress on items mentioned above. |
| | C. | Plant and Equipment/Technological details. |

- D. Details of manpower and the arrangement to handle the product.
 - E. Details of designs and standards to be followed for construction and operation of these facilities.
 - F. Status of approvals for the facilities.
 - G. Whether Kerosene storage facility conforms to code regulations/conditions of storage licence.
 4. Arrangements planned to reach the product to consumption Centres/Markets:
 - A. Details of distributor network planned/already appointed.
 - B. Details of the basis for distributors appointment.
 - C. Details of showroom/sales room/office and godown planned/existing along with status of approvals.
 - D. Details of manpower to be deployed at upcountry/ near consumption centres for Kerosene.
 - E. Details of storage planned at upcountry/near the consumption centres for Kerosene.
 - F. Details of distribution arrangement between the distributors godown and the customers.
 5. Product Familiarity and Training:
 - A. Operational knowledge of product (Kerosene) and its handling.
 - B. The capability and preparedness to meet the safety requirement in Kerosene.
 - C. Plans for training the staff and the customers on safe handling of equipment/product.
 - D. Recruitment policy and standards for the staff.
 - E. Familiarity with Kerosene Control Orders, Explosives Rules and other applicable local Acts.
 - 6.

Marketing Discipline and Guidelines
proposed to be adopted:

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|----|--|
| A. | Code of conduct for distributors/transporters and deliverymen. |
| B. | System to monitor and control adulteration and unauthorised diversion of products. |
| 7. | Organisation in place/proposed for the parallel marketing of Kerosene: |
| A. | Details of Organisational Structure. |
| B. | Level of managerial involvement of the promoter |
| C. | Source of financing the Kerosene parallel marketing including the infrastructure. |
| D. | Any other relevant details which the parallel marketer 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 date..... |
| D. | Proof of A, B and C above. |
- *Extra Sheets may be used, if required.

Date.....Signature.....M/s.....(Parallel Marketeer).....Address:

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