

MINISTRY OF PETROLEUM & NATURAL GAS

ORDER

New Delhi, the 16th April, 1999

G.S.R. 272(E).—In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955, (10 of 1955), in order to regulate production, storage and supply of petroleum products in the interest of sustaining public life, economy and protecting consumers interest, the Central Government hereby makes the following Order, namely :—

1. Short title, extent and commencement. — (i) This order may be called the Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999.

(ii) 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) **“bulk sale”** means sale of petroleum products other than retail sale;
- (b) **“dealer”** means any person, firm or company who carries on, directly or otherwise, the business of storage, distribution and sale of petroleum products, in bulk or retail.
- (c) **“depot”** means any premises approved or licenced by the Chief Controller of explosives for storage of petroleum products;
- (d) **“installation”** means any premises wherein any place has been specially prepared for the storage of petroleum in bulk, but does not include a well-head tank or service station;
- (e) **“oil marketing companies”** means any person, firm or company engaged in sale of petroleum products to dealers or consumers in bulk or retail;

- (f) “**oil refining companies**” means any person, firm or company engaged in refining crude or re-refining of crude oil or any derivatives thereof;
- (g) “**petroleum products**” means crude oil or any product manufactured out of crude oil or from another petroleum product including Aviation Turbine Oil, Motor Spirit, High Speed Diesel, Liquified Petroleum Gas, Superior Kerosene Oil, Naphtha and Solvent or any derivative.
- (h) “**retail outlet**” means filling station in which one or more dispensing pumps have been provided for retail sale of Motor Spirit and/or High Speed Diesel or an LPG distributorship or a Kerosene dealership.
- (i) “**retail sale**” means sale of petroleum products not exceeding 2500 litres to any one customer at a time.

3. **Maintenance of production of petroleum products** – (1) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may by order in writing, direct any oil refining company to maintain or cause to be maintained a level of production of such product or mix subject to such terms and conditions as may be specified :

Provided that no such direction shall be passed by that Government unless the parties are given reasonable opportunity of being heard.

(2)(i) The direction under sub clause (1) may provide for the maintenance of the production of any petroleum product for such period and in such quantities or proportions and of such specification as may be specified therein.

(ii) Such direction may also contain such supplemental or incidental provisions as the Central Government may consider necessary.

(3) In issuing the direction under sub clause (1), the Central Government shall have regard to –

- (i) the capacity of oil-refining company to produce any petroleum product on the date of issuing such direction;
- (ii) the highest average quantity of production of such product or products of the company for the preceding five years or since inception whichever is later, after taking into account seasonal fluctuations in production;

- (iii) type of crude oil availability and operational flexibility existing in the refinery;
- (iv) any other relevant factor including economic viability of the refining operation.

4. Maintenance of stocks of petroleum products – (1) If, with a view to ensuring the maintenance of adequate supplies of petroleum products, the Central Government is of opinion that it is necessary in the public interest so to do, it may, by an order in writing, direct all or any oil-refining company or companies or oil marketing company or companies to maintain, or cause to be maintained, by such date and for such period as may be specified in the said order, such stock of petroleum products as may be specified therein and to maintain an inventory of such stock in such form and in such manner as may be specified therein.

(2) Such order may also contain such supplemental or incidental directions as the Central Government may consider necessary.

(3) Before issuing any order under sub clause (1), the Central Government shall have due regard to –

- (i) the operating level of the associated refineries, dead stocks, periodic cleaning of tanks, minimum storage space required for receiving fresh supplies from tank wagons, pipeline or tanker or both, and cushion for absorbing variations in operations and tanker arrival schedules;
- (ii) any other relevant factor.

5. Regulation of supply and distribution of petroleum products.— (1) The Central Government for uninterrupted and equitable distribution and availability of petroleum products may, by order, require any oil marketing company to supply or cause to be supplied one or more petroleum products from the stocks held by it at any place in India to installations or depots of any oil marketing companies in such quantities and in such manner as may be specified therein and for this purpose may, by the same or a different order, require any oil refining company to make available to the oil marketing company such petroleum product or products for a period specified in the order.

(2) Every person-in-charge of any installation or depot, shall on receipt of the petroleum product or products supplied by any oil marketing company whether in

pursuance of any order made under sub-clause (1) or otherwise, distribute and sell the same in such areas and such manner, as specified;

Provided that the Central Government at any time, may, issue such further directions to the person-in-charge of a depot or installation as may be necessary for equitable distribution of such petroleum product or products;

Provided further that the Central Government may by general or special order authorise any State Government or its officers, to issue such directions to the person-in-charge of a depot or installation as may be necessary for the equitable distribution, of such petroleum product or products subject to such terms and conditions, as may be specified.

(3) The order referred to in sub-clause (1) may contain such supplemental or incidental provisions relating to the supply of any petroleum product including prices and other charges as the Central Government may consider necessary.

6. Regulation of retail supply of petroleum products – (1) Where under any agreement between a dealer and an oil marketing company, a petroleum product is to be supplied at a retail outlet, and the central Government is of the opinion that such petroleum product may not be available at the retail outlet for any reason whatsoever, either wholly or partially to meet the demand of the general public, it may, by order in writing, direct any other oil marketing company to deliver, for such period as may be specified in the order or such period by which the original supplying company is able to restore the supply, such petroleum product at such retail outlet and thereupon it shall be the duty of the oil marketing company specified in the order to deliver, and of the dealer to receive and sell the petroleum product so ordered to be delivered against price and other charges.

(2) The order may under sub-clause (1) shall have effect notwithstanding anything to the contrary contained in any agreement between the dealer and the oil distributing company.

(3) No suit, prosecution, legal proceedings or any other action shall lie against the oil marketing company or a dealer for storing, receiving and selling any petroleum product in accordance with the order made under sub-clause (1).

7. Take over of retail outlets and other business premises of dealers – (1) If, with a view to ensuring adequate supplies of petroleum products and their equitable distribution, the Central Government, after giving opportunity of hearing to the dealer or dealers, is of the opinion that it is necessary in the public interest so to do, it may, by an order in writing, direct all or any oil marketing companies or any officer of the

Central Government or State Government not below the rank of District Supply Officer as may be specified, to take over or cause to take over and operate, either by themselves or any other person appointed by them, any retail outlet and/or business premises like showroom, godown, office, storage premises, tanks and dispensing equipment of dealers for sale of any petroleum products for such period as specified in the order subject to such conditions and directions as may be considered necessary and expedient.

(2) The Order referred in sub-clause (1) may contain such supplemental or incidental provisions relating to the take over including such payment as the Central Government may consider necessary.

(3) The Order made under sub-clause (1) shall have effect notwithstanding anything to the contrary contained in any other control order or agreement between the dealer and the oil marketing company.

8. Collection of information - (1) Every oil refining company shall furnish to the Central Government or an agency nominated by Central Government any and every information that may be asked for in regard to the procurement, stocking, movements (on shore or off shore), transfers, imports, exports and sales of crude oil and or all products at such period, in such manner and from such of the sources, as may be specified from time to time, in addition to information relating to the following matters and within the time mentioned against each in respect of such petroleum product or products as may be specified by the Central Government, namely :-

- (i) figures of actual production of each petroleum product and the total crude throughput in each of the refineries of the oil refining companies in respect of the preceding month by the 4th day of every month;
- (ii) product-wise production programme and expected crude throughput in respect of each refinery of the oil refining companies for the next month by the 10th day of every month;
- (iii) figures of stock separately, of petroleum products held on each preceding Monday or on the first day of the preceding month, as may be specified in the refinery's tanks, every Wednesday or 5th day of the subsequent month, as the case may be;
- (iv) actual coastal shipments of petroleum products made by it to any port in India in the preceding month by the 4th day of every month;

(v) information about each tanker shipment of petroleum products made by it together with the information on the following matters;

- (a) Name of tanker;
- (b) Cargo carried, stating separately the quantities of each petroleum product;
- (c) Destination of the shipment;
- (d) Date of sailing of the tanker with the expected date of its arrival at the destination;
- (e) Actual date of arrival of the tanker at the destination;
- (f) Name of the consignee of the shipment and, where there is more than one consignee, the quantities to be delivered to each consignee within two days of each sailing of tanker and arrival thereof;

(vi) figures of total quantities of supplies made on shore in each week or month as may be specified to each supply area, separately for each petroleum product, for the preceding week ending on Sunday/month, as the case may be, every Wednesday or 5th day of the subsequent month.

(2) Every oil marketing company shall furnish to the Central Government or an agency nominated by Central Government any and every information that may be asked for in regard to the refining, stocking, movements (on shore or off shore), transfers, imports, exports and sales of petroleum crude and any or all products, refined there from, at such periods, in such manner and from such of the sources as may be specified from time to time, in addition to information relating to the following matters and within the time mentioned against each matter in respect of such petroleum product or products as may be specified by the Central Government, namely;

- (i) stocks of petroleum products held by it on the preceding Monday or on the first day of the preceding month as may be specified at every main port installation or any depot and separately stocks of petroleum products in transit for each such port installation or depot, by following Wednesday or 5th day of the subsequent month, as the case may be;
- (ii) quantity of petroleum products sold party-wise during the month by 10th day of the subsequent month;

(iii) actual coastal shipments of petroleum products made by it to any port in India in the preceding month, by the 4th day of every month;

(iv) information about each tanker shipment of petroleum products made by it together with the information on the following matters: -

- (a) Name of tanker;
- (b) Cargo carried, stating separately the quantities of each petroleum product;
- (c) Destination of the shipment;
- (d) Date of sailing of the tanker with the expected date of its arrival at the destination;
- (e) Actual date of arrival of the tanker at the destination;
- (f) Name of the consignee of the shipment and, where there is more than one consignee, the quantities to be delivered to each consignee within two days of each sailing of the tanker and arrival thereof;

(v) figures of total quantities of supplies made to different customers on the shore in each week of month as may be specified to each supply area, separately for each petroleum product, for the preceding week ending on Sunday or month, as the case may be, by every Wednesday, or 5th day of the subsequent month.

(3) Every crude oil manufacturing company/crude oil importer shall furnish to the Central Government or an agency nominated by Central Government any and every information that may be asked for in regard to the refining, stocking, movements (on shore or off shore), transfers, imports, exports and sales of petroleum crude and any or all products, refined there from, at such periods, in such manner and from such of the sources as may be specified from time to time, in addition to information relating to the following matters and within the time mentioned against each matter in respect of such petroleum product or products as may be specified by the Central Government, namely: -

(i) stocks of petroleum crude held by it on the preceding Monday or on the first day of the preceding month as may be specified at every main crude production centre or any other intermediate crude storage centre and separately stocks of crude in transit for each such crude storage centre,

by following Wednesday or 5th day of the subsequent month as the case may be;

- (ii) quantity of petroleum crude produced by it during the preceding month by the 5th day of every month;
- (iii) actual coastal shipments of crude made by it to any port in India in the preceding month, by the 4th day of every month;
- (iv) information about each tanker shipment of crude made by it together with the information on the following matters: -
 - (a) Name of tanker;
 - (b) Cargo carried;
 - (c) Destination of the shipment;
 - (d) Date of sailing of the tanker with the expected date of its arrival at the destination;
 - (e) Actual date of arrival of the tanker at the destination;
 - (f) Name of the consignee of the shipment and, where there is more than one consignee, the quantities to be delivered to each consignee within two days of each sailing of the tanker and arrival thereof;
- (v) figures of total quantities of supplies made to different customers on the shore in each week of month as may be specified to each refinery, for the preceding week ending on Sunday/month, as the case may be, by every Wednesday, or 5th day of the subsequent month.

(4) Every company importing petroleum products either for its own consumption or for marketing purposes shall furnish to the central Government or an agency nominated by Central Government any and every information that may be asked for in regard to the refining, stocking, movements (on shore or off shore), transfers, imports, exports and sales of petroleum crude and any or all products, refined there from, at such periods, in such manner and from such of the sources as may be specified from time to time, in addition to information relating to the following matters and within the time mentioned against each matter in respect of such petroleum product or products as may be specified by the Central Government, namely: -

- (i) stocks of petroleum products held by it on the preceding Monday or on the first day of the preceding month as may be specified at every main port installation or any depot and separately stocks of petroleum products in transit for each such port installation or depot, by following Wednesday or 5th day of the subsequent month as the case may be;
- (ii) quantity imported, separately for each petroleum product during the month together with source of import, name of the port and date of import, by 5th day of the subsequent month;
- (iii) quantity of petroleum products sold party-wise during the month by 10th day of the subsequent month;
- (iv) actual coastal shipments of petroleum products made by it to any port in India in the preceding month, by the 4th day of every month;
- (v) information about each tanker shipment of petroleum products made by it together with the information on the following matters:
 - (a) Name of tanker;
 - (b) Cargo carried, stating separately the quantities of each petroleum product;
 - (c) Destination of the shipment;
 - (d) Date of sailing of the tanker with the expected date of its arrival at the destination;
 - (e) Actual date of arrival of the tanker at the destination;
 - (f) Name of the consignee of the shipment and, where there is more than one consignee, the quantities to be delivered to each consignee within two days of each sailing of the tanker and arrival thereof;
- (vi) figures of total quantities of supplies made to different customers on the shore in each week of month as may be specified to each supply area, separately for each petroleum product, for the preceding week ending on Sunday/month, as the case may be, by every Wednesday, or 5th day of the subsequent month.

9. Power of entry, search and seizure – Any Gazetted Officer of Central or State Government or any police officer not below the rank of Deputy Superintendent of Police duty authorised by general or special order by Central Government or State Government as the case may be or any officer of a government oil company, not below rank of Sales Officer, may, with a view to securing compliance with this order or to satisfy himself that this order or any order made thereunder has been complied with : –

- (a) Stop and search any vessel or vehicle used or capable of being used for the transport of any petroleum product;
- (b) Enter and search any place;
- (c) Seize stocks of any crude oil or petroleum product in respect of which he has reason to believe that a contravention of this order has been, or is being, or is about to be made.

Explanation : For the purpose of this clause “government oil company” means an oil refining company or oil marketing company which is a government company as defined under Section 617 of Companies Act, 1956;

10. Repeal and Saving – (1) The Petroleum Products (Collection of Information) Order 1966, the Petroleum Products (Maintenance of Production Order 1970, the Petroleum Products (Regulation of Supply to retail Outlets) Order 1974, the Petroleum Products (Supply and Distribution) Order 1972, and the Petroleum (Storage) Order 1971 are hereby repealed except in respect of things done or omitted to be done under those orders before the commencement of this order.

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

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DEVI DAYAL, Addl. Secy.