

## **FURNACE OIL (FIXATION OF CEILING PRICE AND DISTRIBUTION) ORDER, 1974**

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## **FURNACE OIL (FIXATION OF CEILING PRICE AND DISTRIBUTION) ORDER, 1974**

G. S. R. 150 (E), dated the 29th March, 1974- In exercise of the powers conferred by Sec. 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely :

### **1. Short title, extent and commencement :-**

- (1) This Order may be called the Furnace Oil (Fixation of Ceiling Prices and Distribution) Order, 1974.
- (2) It extends to the whole of India.
- (3) It shall come into force on the 1st day of April, 1974.

### **2. Definitions :-**

In this Order, unless the context otherwise requires,-

- (a) "dealer" means a person who carried on, directly or otherwise, the business of sale, or the storage for purpose of sale, of furnace oil; and includes his representative or agent but does not include an oil company;
- (b) "declared price," in relation to furnace oil sold in area, means

the maximum selling price declared, in accordance with the provisions of CI. 3,-

(1) by the State Government or District Collector, in the case of an area in a State, or

(2) by the Administrator of a Union Territory, in the case of an area in a Union Territory, or

(3) by such officer as the State Government, or the Administrator of a Union Territory, as the case may be, may empower in this behalf, as the price at which furnace oil is to be sold by a dealer in that area from the date of commencement of this Order, or from the date of the declaration of price by the aforesaid authorities;

(c) "free delivery zone," in relation to a zone where furnace oil is stored by an oil company, means any place in such zone, the distance of which from the storage point to such place and from such place to the storage point does not exceed, in the aggregate, 39 kilometres;

(d) the expression "furnace oil" shall have the meaning assigned to it in Item No. 10 of the first Schedule to Central Excises and Salt Act, 1944;

(e) "oil company" means an oil distributing company specified in the First Schedule appended to this Order:

(f) "schedule price", in relation to furnace oil sold in any area, means the basic ceiling selling price of furnace oil at the nearest main port of the refinery, as the case may be, as specified in the Second Schedule appended to this Order: Provided that, in so far as the port of Goa is concerned, the schedule price specified in column 2 of the said Schedule against the entry Goa in column I thereof shall apply only to sales of furnace oil effected within that part of the Union Territory of Goa, Daman and Diu, as is not included in the areas comprising Daman and Diu.

### **3. Fixation of maximum selling price of furnace oil :-**

On and from the date of commencement of this Order, no dealer shall sell furnace oil to any person at a price which is in excess of the declared price which shall include the following, namely:

(a) the schedule price:

(b)

(i) the railway freight actually payable on the date of commencement of this Order for transporting the quantity of furnace oil from the nearest port of installation, or the refinery, as the case may be, to the place of sale and the increase or decrease, if any, in such freight after that date;

(ii) a surcharge of Rs. 6.25 per kilometre in respect of deliveries of furnace oil within the free delivery zone;

(iii) the delivery charges beyond the free delivery zone at the rates applicable on the date of commencement of this order, for the delivery of furnace oil by road, by the dealer from the nearest storage or selling point of any oil company to the place of sale, as the State Government or with the previous approval of the State Government, the District Collector, or the Deputy Commissioner of the area, or the Administrator of a Union Territory, as the case may be, allow and the increase or decrease therein, if any, after that date;

(c) the sales-tax and other local tax payable on the date of commencement of this Order on the quantity of furnace oil and the increase or decrease, if any, therein after that date;

(d) the surcharge, if any, over the selling basic ceiling prices mentioned in the Second Schedule appended to this Order which may be imposed by the Central Government from time to time;

(e) any other charges considered appropriate by the State Government, or with the previous approval of the State Government, the District Collector or Deputy Commissioner of the area, or the Administrator of a Union Territory, as the case may be, to be allowed to the dealer for return on his capital employed and operating costs.

#### **4. Furnace oil stock to be displayed :-**

Every dealer shall cause to be prominently displayed on a special board to be maintained for this purpose at or near the entrance of the place of sale-

(a) the stock of furnace oil held by him from time to time and ready for delivery;

(b) the declared price of furnace oil; and

(c) the price at which he proposes to sell furnace oil.

## **5. Prohibition against sale :-**

(1) No dealer having stock of furnace oil shall withhold it from sale to a person who is authorised by the Central Government to purchase such oil; unless he can establish that the stock of furnace oil held by him is reserved for a specific industrial consumer consequent on a contract entered into with such consumer.

(2) No dealer shall sell furnace oil to another dealer.

(3) No person other than a dealer <sup>1</sup> [or an oil company] shall sell furnace oil.

1. Ins by G.S.R. 242 (E), dated the 18th May, 1974, Cl. 2.

## **6. Inspection and maintenance of books of accounts, documents and records :-**

Any officer authorised in this behalf by the State Government in relation to a territory in a State or, as the case may be, by the Administrator, in relation to a territory in a Union Territory, may, with a view to securing compliance with this Order,-

(i) require a dealer to maintain and produce for inspection such books of accounts or other documents and records relating to his business and to furnish such information relating thereto, as may be specified in such authorisation, and

(ii) specify the manner in which accounts of furnace oil shall be kept.

## **7. Power of entry, search and seizure :-**

(1) <sup>1</sup>[Any police officer not below the rank of a sub-inspector or any other officer of Government of or above an equivalent rank] authorised in this behalf by the State Government in relation to a territory in a State or, as the case may be, by the Administrator, in relation to a territory in a Union Territory, may, with a view to securing compliance with this Order or to satisfying himself that this Order has been complied with and with such assistance, if any, as he thinks fit-

(i) enter, inspect or break open and search any place or premises, vehicle or vessels which he has reason to believe has been or is being used for the contravention of this Order, and

(ii) Search, seize and remove stocks of furnace oil and the animals, vehicles, vessels, or other conveyance used in carrying furnace oil

in contravention of the provisions of this Order, and thereafter take or authorise the taking of all measures necessary for securing the production of the said stocks and the animals, vehicles, vessels or other conveyance so seized, in a court and for their safe custody pending such production.

(2) The provisions of <sup>2</sup> [S.100 Code Of Criminal Procedure, 1973 relating to search and seizure shall, so far as may be, apply to searches and seizures under this Order],

1. Subs. by G.S.R. 569 (E). dated the 29th November, 1975.
2. Subs.. by G.S.R. 242 (E). dated the 18th May, 1974.

#### SCHEDULE 1

##### THE FIRST SCHEDULE

[See Cl. 2 (e)] Oil Companies 1. M/s. Indian Oil Corporation Limited, a company incorporated in India 2. M/s. Indo Burma Petroleum Company Limited, a company incorporated in India. 3. M/s. Burmah Shell Oil Storage and Distributing Company of India Limited, a company incorporated in the United Kingdom and carrying on business in India. 4. M/s. Esso Eastern Inc., a company incorporated in the United States of America and carrying on business of India. 5. M/s. Caltex (India) Limited, a company incorporated in the Bahama Islands and carrying on business in India. 6. M/s. Assam Oil Company Limited, a company incorporated in the United Kingdom and carrying on business in India.

#### SCHEDULE 2

##### "THE SECOND SCHEDULE"

] [See Cls. 2(f) and 3(d)] Basic Ceiling Selling Prices of Furnace Oil in bulk per Kilolitre ex-Main Port I Refinery:- SI. NO. \ \MainPort/Refinery \ \Ex-storage points \ \ \ \ \ \ \ \Rs. 1. Bombay/K:oyali/Mathura/Cochin/ \ \3628.83 Madras/Visakhapatnam/Haldia/Digboi/Guwahati/Barauni/Bongaigaon SI. NO. \MainPort/Refinery \Ex-storage points 2. Calcutta \ \3656.14 3. Kandia \ \3670.93 4. Okha \ \3682.64 5. Goa \ \3666.14