

CHAPTER II IMPORTATION OF PETROLEUM

PART I General

14. Licence for import of petroleum. –

Petroleum, other than petroleum, which may be stored without a licence under sections 7, 8 and 9 of the Act, shall not be imported into India except under a licence granted under these rules: Provided that, such Petroleum products may also be imported by a person not having a licence if adequate advance arrangements are made by such person to receive and store the imported petroleum products in licensed premises.

15. Petroleum exempted. –

(1) Nothing in this chapter applies to petroleum Class B or petroleum Class C comprising in a ship's stores and manifested as such;

(2) Nothing in rules 14, 19 and 26 shall apply to petroleum imported by the Defence Forces of the Union.

PART II IMPORTATION BY SEA

16. Ports into which petroleum may be imported. –

(1) Petroleum shall not be imported into India by sea except through the ports which are duly approved for this purpose by the Ministry of Shipping, Government of India, in consultation with the Chief Controller and declared as Custom's ports by the Commissioner of Customs.

(2) Notwithstanding anything contained in sub-rule (1), the Commissioner of Customs may, on the recommendation of the Chief Controller, allow import of petroleum Class B or petroleum Class C, otherwise than in bulk, through any other port.

(3) Adequate fire fighting facilities as per OISD Standard-156 shall be provided at the ports handling petroleum.

(4) Person(s) desirous of seeking approval in respect of proposed facilities for unloading of petroleum for the purpose of import under sub-rule(1) or of making modifications in the existing facilities shall submit to the Chief Controller an application alongwith -

(a) specification and plans drawn to scale in quadruplicate, clearly indicating-

(i) surroundings and all protected works within 500 metres of the unloading facilities on all sides showing therein the location, available draft, navigation channel, turning circle, route of transfer pipeline(s),

(ii) mooring or berthing facilities, service platform/berth, mode of unloading , fire fighting facilities, illumination arrangements, navigational facilities, control room, spill collection/ containment arrangements etc., and

(iii) piping and instrumentation diagram of the petroleum pipeline(s) at the unloading area;

(b) comprehensive project report elaborating the scheme and methodology of import, safety and security features including those mentioned in (a) (i), (ii) and

(iii) of this sub-rule;

(c) Environment Impact Assessment and Risk Analysis Report indicating qualitative and quantitative risks, probable failure scenarios, LFL distances and consequent hazards and damages with damage distances and remedies recommended;

(d) scrutiny fee of rupees two thousand, and

(e) copies of clearances obtained from the following authorities. -

(i) Ministry of Shipping or State Maritime Board as the case may be.

(ii) Ministry of Environment and Forests or State Pollution Control Board, as the case may be, and

(iii) Commissioner of Customs.

(5) Unloading of petroleum in bulk shall be either by mechanized arm or by armoured hose as approved by Chief Controller. All hoses, pipes and other appliances used in unloading of petroleum shall be electrically and mechanically continuous and duly tested as per codes/standards.

17. Declaration by the master of the ship carrying petroleum or by the ship's agent. –

(1) The master of every ship carrying petroleum shall deliver to the pilot before entering any port approved under sub-rule (1) of rule 16, a written declaration in Form I under his signature:

Provided that no such declaration is necessary if the agent of the ship deliver such a declaration signed by him to the Conservator before the arrival of such ship.

(2) The pilot shall make over the said declaration to the Conservator without delay and the Conservator shall forward the declaration to the Commissioner of Customs of the port with all convenient dispatch.

18. Anchorage of ships carrying petroleum. –

(1) Every ship having petroleum on board shall be anchored at such anchorage as the Conservator shall specify in this behalf and shall not leave such anchorage without the general or special order of the Conservator and subject to such conditions as may be specified in such order.

(2) The anchorage shall in no case be the same as that for vessel laden with explosives and shall be at such distance from the anchorage for vessels laden with explosives as to render it impossible for a fire originating at the former anchorage to affect vessels at the latter: Provided that nothing in this rule shall apply to ships having on board petroleum Class C.

19. Production of certificate and licence for import. –

(1) Every person desiring to import petroleum shall furnish personally or through his agent to the Commissioner of Customs. -

(a) certificate of storage accommodation in Form II signed by such person or his agent; and
(b) the licence or an authenticated copy of the licence for the import and storage of such petroleum: Provided that nothing in this rule shall apply to the importation, otherwise than in bulk of petroleum exempted under sections 7, 8, 9 and 10 of the Act: Provided further that the furnishing of a licence under clause (b) shall not be necessary for the importation of petroleum class C in bulk in quantity exempted under section 7 of the Act.

(2) Notwithstanding anything contained in sub-rule (1) a person may import petroleum Class A in bulk, even if -

(i) he is not holding a licence for storage at the port of importation; or

(ii) the storage accommodation in the premises licensed in his name is not sufficient to hold the quantity of petroleum intended to be imported: Provided in both cases adequate advance arrangements to the satisfaction of the Conservator are made by the importer to distribute the petroleum from the post of import to premises licensed to store such petroleum.

20. Permission of Commissioner of Customs to land petroleum. –

(1) No imported petroleum shall be landed except with the permission of the Commissioner of Customs.

(2) If the Commissioner of Customs after receiving-

(a) of the testing officer's report on the petroleum;

(b) the certificate of storage accommodation in Form II if required under rule 19; and

(c) the licence or an authenticated copy of the licence if required under rule 19, 18 and after making such further inquiries, as he deems necessary, is satisfied that the petroleum can be lawfully imported and that there is suitable accommodation for it, he shall permit it to be landed.

(3) If the Commissioner of Customs is satisfied that any petroleum imported otherwise than in bulk is not intended to be stored in India but is intended to be dispatched immediately after landing to any place outside India, he may waive the requirements of rules 14 and 19 and by written order permit subject to such conditions as he may specify such petroleum to be landed for the purpose of immediate dispatch to that place. The Commissioner of Customs shall ensure that

the goods are immediately moved to destination country. In the event of road breaches etc. occurring maximum time of 30 days may be allowed from the date of landing of the goods upto the date of dispatch to the destinations outside of India.

(4) Nothing in this rule shall affect the power of the Commissioner of Customs to detain the petroleum under any other law or rule for the time being in force.

21. Landing of petroleum Class B or petroleum Class C in anticipation of the testing officer's report. –

(1) Not with standing anything contained in Rule 20 where the consignee furnishes a guarantee to re-ship the petroleum if the testing officer's report proves unfavourable, the Commissioner of Customs may in anticipation of the testing officer's report permit any petroleum which he believes to be petroleum Class B or petroleum Class C to be discharged into boats or to be landed.

(2) The permission granted under sub-rule (1) shall be subject to the conditions that the boats into which the petroleum is discharged shall remain at such place as the Conservator may specify or that the petroleum shall be landed at a landing place duly specified for the purpose by him and stored in an installation licensed under these rules.

22. Unloading of petroleum in bulk. –

Subject to the provisions of Part II of Chapter III, petroleum imported in bulk shall be discharged into storage tanks on shore either 19 directly or by means of barges or lighters specially constructed for carrying petroleum in bulk and only at such places as the Conservator may by general or special order direct.

23. Unloading of petroleum otherwise than in bulk. –

(1) Subject to the provisions of Part II of Chapter III, petroleum imported otherwise than in bulk shall be landed either at jetties provided for the purpose, or in barges or lighters and only at any such places as the Conservator shall direct.

(2) No petroleum contained in containers shall be landed unless such containers are free from leakage and are of such strength or construction as not to be liable to be broken or to leak except in cases of gross negligence or extraordinary accident: Provided that petroleum contained in containers, which do not satisfy the requirements of this sub-rule, may subject to provisions of Part II of Chapter III and to such conditions as the Conservator may impose, be landed at separate landing place approved for the purpose.

24. Transshipment of petroleum. –

Petroleum may be transhipped from one ship to another for conveyance to any other port, whether within or beyond the territory of India subject to the provisions of Part II of Chapter III.

PART III IMPORTATION BY LAND

25. Petroleum to be imported by land only at authorized places. –

No petroleum shall be imported into India by land except at places specially authorized for the purpose by the Central Government.

26. Declaration and certificate to be furnished and licence to be produced before importing petroleum by land.-

Every person desiring to import petroleum by land shall furnish to the Commissioner of Customs²⁰

(a) a declaration in Form I signed by him or his agent;

(b) a certificate of storage accommodation in Form II signed by him or his agent; and

(c) the licence or an authenticated copy of the licence held for the importation and storage of such petroleum : Provided that nothing in this rule shall apply to the importation of petroleum exempted under sections 7,8 and 9 of the Act: Provided further that the furnishing of licence under clause

(c) shall not be necessary for the importation of petroleum class C, in bulk, in quantity exempted under section 7 of the Act.

27. Permission of the Commissioner of Customs to unload petroleum. –

(1) No petroleum shall be unloaded except with the permission of the Commissioner of Customs.

(2) If the Commissioner of customs, after receiving:-

(a) the testing officer's report on the Petroleum;

(b) the certificate in Form II, if required by rule 26; and

(c) the licence, if required by rule 26; and after making such further inquiries as he deems necessary, is satisfied that the petroleum can be lawfully imported and that there is suitable accommodation for it, he shall permit it to be unloaded.

(3) If the Commissioner of Customs is satisfied that any petroleum imported is not intended to be stored in India but is intended to be dispatched immediately after unloading to any place outside India, he may waive the requirements of rules 14 and 26 and by written order permit, subject to such conditions as he may specify, such petroleum to be unloaded for the purpose of immediate dispatch to that place.

(4) Nothing in this rule shall affect the power of the Commissioner of Customs to detain petroleum under any other law or rule for the time being in force.