

Guidelines for Supply of SKO (Non-PDS) to Parallel Marketeers.

The guidelines are as follows:

1. General requirement :

- i. Parallel Marketeers seeking SKO (Non-PDS) supplies either through imports or from indigenous stock should fulfill requirements provided under the scheme of Parallel Marketeers vide MOP&NG notification nos. GSR584 (E) dtd. 2-9-1993, GSR509 (E) dtd. 9-6-1995, GSR 510 (E) dtd 19.6.1995, GSR638 (E) dtd. 21-10-1998 and/or any other statutory provision stipulated by the Govt.(Central/State) before their requests are considered.
- ii. Vide Gazette Notification No. GSR405 (E) dtd. 6th July,2006 amendment to SKO Control Order 1993 was made and Parallel Marketeers were allowed to source SKO (Non-PDS) either through imports or indigenously produced stocks.
- iii. The Parallel Marketeers should submit required documents as provided under the scheme of Parallel Marketeers while furnishing their requests for supply of SKO (Non-PDS) and any other documents needed by Oil Company in this regard. The Parallel Marketeers should also submit information as per **Annexure –I**.
- iv. On supply of SKO (Non-PDS), the concerned Oil Company shall intimate details of supplies like name of the Parallel Marketeer with full address, quantity, supply location, and period of supply to the respective State Government department at the end of calendar month.
- v. The Parallel Marketeers would comply with the guidelines finalized by the respective State Govt. and supplying Oil Company for procurement of SKO (Non-PDS) on inter-state basis.

B. SKO (Non-PDS) supplies from indigenous stocks :

- i. The Parallel Marketeers should sign specific agreement for a period separately in the format provided by PSU Oil Cos.
- ii. The Parallel Marketeers should possess (a) valid storage license from the competent authority where SKO (Non-PDS) would be stored by them. (b) Sales tax registration (c) Any other license/registration certificate required by the Govt.(Central/State) in connection with the business of Parallel marketing. (d) The Parallel Marketeers should also inform in writing about the detailed plans of Parallel marketing business to the District Collectors where they would be storing/distributing/marketing SKO (Non-PDS) procured under the scheme.
- iii. Parallel Marketeer shall put up an indent for requisite quantity at the assigned depot/ terminal of Oil Company along with advance payment by a Demand Draft in favour of Oil Company.
- iv. The Parallel Marketeer will also arrange a suitable transport for carrying the same cargo, which must comply with relevant laws like Explosive License, Weights and Measure Certificate, Road Permit, etc. The supplies will be made on ex-MI (Main Installation) basis.
- v. Supplies would be made at the rates applicable for non-PDS SKO customers, against advance payment only.

- vi. Invoice will be made in the name of Parallel Marketeers only.
- vii. Cenvat-able invoice, if applicable, will be made available to the Parallel Marketeer, who should have appropriate registration with the Excise Dept.

C. SKO (Non-PDS) supplies from imported sources:

- i. Parallel Marketeers should give total SKO (Non-PDS) demand at the time of placement of indent, so that options can be considered for giving supplies either from indigenous stock (depending on availability) or through imports.
- ii. Application for supply of SKO (Non-PDS) should be made by the Parallel Marketeers giving details of parcel size, confirmation of storage facilities, delivery period, destination port etc.
- iii. Details of facilities with the Parallel Marketeers like tankage, pipelines, ship unloading facilities should also be furnished. Currently, no tankage /storage facilities will be made available by Oil Company for discharging of vessel.
- iv. In order to source SKO (Non-PDS) on economical basis, the Parallel Marketeers or association of Parallel Marketeers should procure parcel size of approx. 25 TMT at one time or as per parcel size restricted based on the available draft at intended destination port. SKO (Non-PDS) would be sold on High-Sea- Sales basis.
- v. In case of multiple Parallel Marketeers joining to import one parcel, there shall be one Lead Parallel Marketeer amongst them, who should have a legally-enforceable Power of Attorney, with whom alone the Oil Company shall deal. The lead Parallel Marketeer will ensure quick communication and decisions to / from all other Parallel Marketeers and Oil Company.
- vi. The Parallel Marketeers should sign specific agreement for a period separately in the format provided by PSU Oil Cos.
- vii. Processing fees of Rs.25,000/-per application would be payable by the Parallel Marketeers in advance at the time of submission of application. This fee will be adjusted against actual import only.
- viii. Parallel Marketeers should submit Demand Draft of any scheduled bank in favour of Oil Company covering 110% value based on the SKO (Non-PDS) price, prevailing on the day of placement of order, equivalent to the quantity of cargo to be imported.
- ix. All imports shall be carried out on CIF basis.
- x. Facilitation charges shall be charged @ 2.5% of CIF cost of product.
- xi. Customs formalities and payment of Custom duties shall be completed by the Parallel Marketeer.
- xii. Wharfage shall be paid by the Parallel Marketeer.
- xiii. Settlement of Port Charges will be addressed by seller or his vessel owners.
- xiv. Demurrage charges @ Rs.500/- Per MT shall be taken in advance. However, actual demurrage shall be charged to the Parallel Marketeer, as per the claim lodged by supplier/vessel owner at the time of settlement. While the total demurrage shall be quantified as above, in case of multiple party/multi-port discharge, the demurrage shall be pro-

rated among the group of Parallel Marketeers as based on B/L quantity, irrespective of whether any B/L holder had contributed to the demurrage or not.

- xv. Handling of tanker/vessel at discharge port will be the responsibility of Parallel Marketeers.
- xvi. At Discharge Port, the connection of hoses for unloading shall be responsibility of Parallel Marketeer. For this a copy of agreement between Parallel Marketeer and receiving Terminal shall be furnished by the Parallel Marketeer in advance.
- xvii. Payment will be made as per the Bill of Lading quantity (B/L). B/L shall be endorsed by the Oil Company for sale on high-sea-basis in favour of Parallel Marketeer (importer).
- xviii. The Parallel Marketeer will fully comply with the Govt. regulations on dosing of SKO (Non-PDS) with "Marker" as stipulated from time to time.
- xix. Boarding officer would be provided at disport by the Oil Company, with the limited purpose as following:
 - a) Coordination between the vessel owner and seller vis-à-vis Parallel Marketeers (through their Lead Parallel Marketeer).
 - b) Documentation with regard to commencement and stoppage of pumping, pressure log during discharge, and any other documentation, if any dispute arises prior or during discharge. The documents will be used for final demurrage claim, if any, from the supplier.
 - c) The boarding officer shall be considered only as a witness to all activities related to discharge on behalf of buyers.
- xx. A confirmation from concerned State Government(s) will have to be produced by the Parallel Marketeer that the State Govt.(s) has/have received End Use Certificate for the entire quantity of previous parcel imported by the particular Parallel Marketeer before the next order for import of SKO (Non-PDS) is accepted by the Oil Company.
- xxi. Oil Industry would review these guidelines after six months depending on the practical experience with regard to release of SKO (Non-PDS) to Parallel Marketeers.
- xxii. The Partner / Director of the Company (Parallel Marketeer) would issue an undertaking on the letter head of the company duly signed by the Partner / Director, that the kerosene released under Parallel Marketing Scheme has been released by them to the genuine users, and such undertaking has to be issued before taking next supplies.

Annexure –I

Details of Parallel Marketeers to be submitted along with the application.

1. Constitution of the firm.
2. Registered Office
3. Location and addresses of existing businesses
4. Names and addresses of promoters/directors/partners/sole proprietor
5. Background and full antecedents of promoters/directors/partners/sole proprietor
6. Details of existing operations of the Parallel Marketeers and /or his group of companies
7. Audited account for last three years
8. Performance of Parallel Marketeers in his other group companies for last three years
9. Marketing plans for Kerosene
10. Infrastructure for Kerosene sourcing/handling/storage at all locations with their capacities
11. Import locations identified
12. Proposed size of import parcels and quantum of product to be imported
13. Copies of approvals/licenses(ports/statutory/State Government/Chief Controller of Explosives environment/local authorities)
14. Whether kerosene storage facility conforms to code regulations/conditions of storage license.
15. Storage arrangement for unloading of ship/details of hired or owned tankage and any agreement thereof (lease /ownership).
16. Details of Organizational Structure.
17. Copies of rating certificate issued by the agencies mentioned in the Kerosene Control Orders.
18. Copies of intimations given and returns furnished to Ministry of Petroleum and Natural Gas, New Delhi.
19. Any other relevant details.