

## **CHAPTER VII LICENCES**

### **141. Grant of licence. –**

Licences under these rules may be granted by the licensing authorities set forth in the First Schedule in the forms specified for the purpose and on payment of a fee specified therein.

### **142. Period for which licences may be granted or renewed. –**

(1) A Licence in Form III or Form XVII may be granted for such period as the licensing authority may deem necessary subject to a maximum of one year.

(2) Every other licence granted or renewed under these rules will remain in force until the 31st day of December of the year up to which the licence is granted or renewed subject to a maximum of three years.

(3) Notwithstanding anything contained in sub rule (1) or sub-rule (2), the licensing authority where it is satisfied that a licence is required for a specific work or festival which is not likely to last up to the 31st day of December of the year up to which the licence is granted or renewed, may grant or renew a licence for such period as is actually necessary.

### **143. Application for licence. –**

(1) A person wishing to obtain or renew a licence under these rules shall submit an application in writing to the authority empowered to grant such a licence.

(2) An application for the grant of a licence to transport petroleum in bulk by road in mechanically propelled vehicles shall be in Form VII and to transport petroleum class A/B in bulk on land for onsite fuelling of aircraft's, heavy vehicles/machineries and stationary equipment by a mechanically propelled vehicle viz. Refueller shall be in Form VIII. An application for licence to import and store petroleum shall be in Form IX and to decant kerosene (petroleum class B) from mechanically propelled vehicles containers shall be in Form X.

### **144. No-objection certificate. –**

(1) Where the licensing authority is the Chief Controller or the Controller, as the case may be, an applicant for a new licence other than a licence in Forms III, XI, XVII, XVIII, or XIX shall apply to the District Authority with two copies of the site-plan showing the location of the premises proposed to be licensed for a certificate to the effect that there is no objection, to the applicant receiving a licence for the site proposed and the District Authority shall, if he sees no objection, grant such certificate to the applicant who shall forward it to the licensing authority with his application Form IX.

(2) Every certificate issued by the District Authority under sub-rule (1) shall be accompanied by a copy of the plan of the proposed site duly endorsed by him under his official seal.

(3) The Chief Controller or the Controller as the case may be, may refer an application not accompanied by certificate granted under sub-rule (1) to the District Authority for his observations.

(4) If the District Authority, either on a reference being made to him or otherwise, intimates to the Chief Controller or the Controller as the case may be, that any licence which has been applied for should not, in his opinion, be granted, such licence shall not be issued without the sanction of the Central Government.

(5) The District Authority shall complete his inquiry for issuing NO OBJECTION CERTIFICATE (NOC) under sub-rule (1) and shall complete the action for issue or refusal of the NOC, as the case may be, as expeditiously as possible but not later than three months from the date of receipt of application by him.

### **145. Particulars of licence. –**

(1) Every licence granted under these rules shall be held subject to the conditions specified therein and shall contain all the particulars which are contained in the Form specified under these rules.

(2) One copy of the plan or plans for the licensed premises signed in token of approval by the licensing authority shall be attached to the licence which shall form part 81 of such licence, and an identical copy shall be filed for record in the office of the licensing authority, except in the case of licence in Form XVIII.

**146. Prior approval necessary for alterations in the licensed premises. –**

- (1) No alteration shall be carried out in the licensed premises until a drawing or drawings showing such alteration has been approved in writing by the licensing authority.
- (2) A person wishing to carry out any alteration in the licensed premises shall submit to the licensing authority-
  - (i) three copies of a properly drawn plan of the licensed premises showing in distinct colour or colours the proposed alteration and the reasons and therefore.
  - (ii) a fee of rupees four hundred for scrutiny of the proposed alteration.
- (3) If the licensing authority, after scrutiny of the plan showing the proposed alteration and after making such enquiries as he deems fit, is satisfied that the proposed alteration may be carried out, he shall return to the licensee one copy of the plan signed by him and conveying his sanction subject to such condition or conditions as he may specify.
- (4) The holder of the licence, shall apply to the licensing authority for the amendment of the licence as soon as the sanctioned alteration has been carried out.

**147. Amendment of licence. –**

- (1) Any licence granted under these rules may be amended by the authority empowered to grant such a licence.
- (2) The fee for amendment of a licence shall be rupees five hundred plus the amount, if any, by which the fee that would have been payable if the licence had originally been issued in the amended form exceeds the fee originally paid for the licence.
- (3) A licensee who desires to have his licence amended shall submit to the licensing authority-
  - (i) an application duly filled in and signed in Form VII if the licence has been granted for transport of petroleum in bulk by road, in Form VIII, if the licence has been granted for refueller in Form XIX, in Form IX if the licence is granted to import and store petroleum and in Form X, if the licence is granted to decant kerosene (Petroleum Class B) from mechanically propelled vehicles in containers.
  - (ii) the licence sought to be amended together with the approved plans attached to it;
  - (iii) where any alteration in the licensed premises has been carried out three copies of the properly drawn plan shown in the alteration sanctioned under rule 146 by the licensing authority;
  - (iv) fee for the amendment of a licence as specified in sub rule (2);
  - (v) a certificate of testing of the tank or tanks, if required under rule 126;
  - (vi) a certificate of safety, if required under rule 130.

**148. Renewal of licence. –**

- (1) A licence may be renewed by the authority empowered to grant such a licence. Provided that a licence which has been granted by the Chief Controller may be renewed without alteration by a Controller duly authorized by the Chief Controller.
- (2) Every licence granted under these rules, other than a licence in Form III or Form XVII may be renewable for three calendar years where there has been no contravention of the Act or of the rules framed thereunder or of any conditions of the licence so renewed.
- (3) Where a licence which has been renewed for more than one year is surrendered before its expiry, the renewal fee paid for unexpired portion of the licence shall be refunded to the licensee provided that no refund of renewal fee shall be made for any calendar year during which-
  - (a) the licensing authority receives the renewed licence for surrender, or
  - (b) any petroleum is received or stored on the authority of the licence.
- (4) Every application under sub-rule (2) shall be made in Form VII, form VIII, Form IX or Form X as the case may be and shall be accompanied by the licence which is to be renewed together with approved plans attached to the licence, wherever applicable and the renewal fee paid in the manner specified in rule 13.

(5) Every application for the renewal of licence shall be made so as to reach the licensing authority at least thirty days before the date on which it expires, and if the application is so made, the licence shall be deemed to be in force until such date as the licensing authority renews the licence or until an intimation that the renewal of the licence is refused, has been communicated to the applicant.

(6) Where the renewal of a licence is refused, the fee paid for the renewal shall be refunded to the licensee after deducting therefrom the proportionate fee for the period beginning from the date from which the licence was to be renewed up to the date on which renewal thereof is refused.

(7) The same fee shall be charged for the renewal of licence for each calendar year as for the grant thereof: Provided that -

(i) if the application with accompaniments required under sub-rule (4) is not received within the time specified in sub-rule (5), the licence shall be renewed only on payment of a fee amounting to twice the fee ordinarily payable;

(ii) if such an application with accompaniments is received by the licensing authority after the date of expiry but not later than 30 days from the date of expiry, the licence may, without prejudice to any other action that may be taken in this behalf, be renewed on payment of twice the fee ordinarily payable. Provided further that in case of an application for the renewal of a licence for a period of more than one calendar year at a time, the fee prescribed under clause (i) or (ii) of the first proviso, if payable, shall be paid only for the first calendar year of renewal.

(8) No licence shall be renewed if the application for renewal is received by the licensing authority after thirty days of the date of its expiry.

**149. Refusal of no-objection certificate. –**

A district authority refusing to grant a no-objection certificate under rule 144 shall record, in writing, the reasons for such refusal and shall furnish to the applicant a copy of such order: Provided that before refusing to grant a no-objection certificate, the applicant shall be given a reasonable opportunity of being heard.

**150. Cancellation of no-objection certificate. –**

(1) A no-objection certificate granted under rule 144 shall be liable to be cancelled by the District Authority or the state Government, if the District Authority or the state Government is satisfied, that the licensee has ceased to have any right to use the site for storing petroleum : Provided that before cancelling a no-objection certificate, the licensee shall be given a reasonable opportunity of being heard.

(2) A District Authority or a State Government canceling a no-objection certificate shall record, in writing, the reasons for such cancellation and shall immediately furnish to the licensee and to the licensing authority concerned, copy of the order cancelling the no-objection certificate.

**151. Refusal of licence. –**

A licensing authority refusing to grant, amend, renew or transfer a licence, shall record his reason for such refusal in writing.

**152. Suspension and cancellation of licence. –**

(1) Every licence granted under these rules shall.-

(i) stand cancelled, if the licensee ceases to have any right to the site for storing petroleum;

(ii) stand cancelled, if the no-objection certificate is cancelled by the District Authority or the State Government in accordance with sub-rule (1) of rule 150;

(iii) be liable to be suspended or cancelled by an order of the licensing authority for any contravention of the Act or of any rule thereunder or of any condition contained in such licence, or by order of the Central Government, if it is satisfied that there are sufficient ground for doing so: Provided that -

(a) before suspending or cancelling a licence under this rule, the holder of the licence shall be given an opportunity of being heard;

(b) the maximum period of suspension shall not exceed three months; and

(c) the suspension of a licence shall not debar the holder of the licence from applying for its renewal in accordance with the provisions of rule 148.

(2) Notwithstanding anything contained in sub-rule (1), an opportunity of being heard may not be given to the holder of a licence before his licence is suspended or cancelled in cases -

(a) where the licence is suspended by a licensing authority as an interim measure for violation of any of the provisions of the Act or these rules, or of any conditions contained in such licence and in his opinion such violation is likely to cause imminent danger to the public: Provided that where a licence is so suspended, the licensing authority shall give the holder of the licence an opportunity of being heard before the order of suspension is confirmed; or

(b) Where the licence is suspended or cancelled by the Central Government, if that Government considers that in the public interest or in the interest of the security of the State, such opportunity should not be given.

(3) A licensing authority or the Central Government suspending or cancelling a licence under sub-rule (1), shall record its reason for so doing in writing.

**153. Procedure on expiration, suspension or cancellation of licence. –**

(1) A person licensed to store petroleum shall, on the expiration, suspension or cancellation of his licence, forthwith give notice to the District Authority of the class and quantity of petroleum in his possession and shall comply with any directions which the District Authority may, on the recommendation of the Chief Controller, give in regard to its disposal.

(2) The District Authority may grant for a term not exceeding three months from the date of expiration, suspension or cancellation, as the case may be, a temporary licence for the storage of petroleum actually held at the time of the issue of the temporary licence: Provided that where the expired, suspended or cancelled licence was granted by an authority, other than the District Authority, no temporary licence shall be granted without the previous consent of such other authority.

(3) The fee chargeable on a licence granted under sub-rule (2) shall bear the same proportion to the fee charged on the expired or cancelled or suspended licence as the period covered by the temporary licence bears to a full year.

**154. Appeals -**

(1) An appeal shall lie against any order refusing to grant, amend or renew a licence or cancelling or suspending a licence to-

(i) the Central Government, where the order is passed by the Chief Controller;

(ii) the Chief Controller, where the order is passed by a Controller;

(iii) the immediate official superior to the District Authority, where the order is passed by the District Authority;

(iv) the immediate official superior to officer appointed under rule 33 in the case of vessels licensed for the carriage of petroleum in bulk.

(2) An appeal against any order of the District Authority refusing to grant or cancelling a no-objection certificate shall lie to the authority which is immediately superior to the said District Authority.

(3) Every appeal shall be in writing and shall be accompanied by a copy of the order appealed against and shall be presented within sixty days of the order passed.

**155. Supply of rules. –**

With every licence granted for the storage of petroleum, an extract of rules 3 to 12, rules 102 to 134, rules 146 to 148 and rules 151 to 159 shall be given free of charge to the licensee.

**156. Transfer of licence for storage. –**

(1) The holder of a licence, for the storage of petroleum may, at any time before the expiry of the licence, apply to the licensing authority to transfer the licence to another person.

(2) Every application for the transfer of a licence shall be accompanied by-

(i) a letter signed by the holder of the licence indicating the full name and address of the person to whom he wishes to transfer the licence and give complete possession of the licensed premises;

(ii) the licence sought to be transferred together with the approved plan or plans attached to it.

(iii) an application in Form IX duly filled in and signed by the person to whom the licence is sought to be transferred;

(iv) a fee of rupees five hundred paid in the manner specified in rule-13.

(3) The licensing authority on receipt of the documents and fee required under subrule

(2) shall, if he approves the transfer, enter upon the licence, under his signature, an endorsement to the effect that the licence has been transferred to the person named.

(4) The person to whom the licence is so transferred shall enjoy the same power and be subject to the same obligations under the licence as the original licensee.

**157. Procedure on death or disability of licensee. –**

(1) If a licensee dies or becomes insolvent or mentally incapable or is otherwise disabled, the person carrying on the business of such licensee shall not be liable to any penalty or confiscation under the Act or these rules of exercising the powers granted to the licensee during such time as may reasonably be required to allow him to make an application for a new licence in his own name for the unexpired portion of the original licence in respect of the year in which the licensee dies or becomes insolvent or mentally incapable or is otherwise disabled: Provided that nothing in this sub-rule shall be deemed to authorize the exercise of any power under this sub-rule by any person after the expiry of the period of the licence.

(2) An application for a new licence for the unexpired portion of the original licence shall be accompanied by a no-objection certificate issued by the District Authority in favour to the person applying for such licence.

(3) A fee of rupees two hundred shall be charged for a new licence for the unexpired portion of the original licence granted to any person applying for it under this rule.

**158. Loss of licence. –**

Where a licence granted under these rules is lost or accidentally destroyed, a duplicate may be granted on submission of a copy of plan or plans identical with those attached to the licence and on payment of a fee of rupees two hundred.

**159. Production of licence on demand. –**

(1) Every person holding or acting under a licence granted under these rules shall produce it, or an authenticated copy of it, at the place to which the licence applies, when called upon to do so by any Inspector.

(2) Copies of any licence may, for the purpose of this rule, be authenticated by the authority which granted the licence -

(a) on payment of a fee of rupees fifty for each authenticated copy, and

(b) on the submission of a copy or copies of the plans identical with the approved plan or plans attached to the licence.

**160. Procedure on reports of infringement. –**

The District Authority shall inform the Chief Controller of the action taken by him on any report of infringements of the Act or of these rules which the Chief Controller may make to him.

**161. Executive control over authorities. –**

Every authority other than the Central Government, acting under this Chapter shall perform its duties subject to the control of the Central Government : Provided that nothing in this rule shall be deemed to affect the powers of executive control of the Chief Controller over the officer subordinate to him.