

## PRESS NOTE

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Government of India, Ministry of Petroleum & Natural Gas, in exercise of the powers conferred under Section 1(3) of the Petroleum & Natural Gas Regulatory Board Act, 2006 have appointed on 01.10.07 as the date on which the provisions of the said Act, except Section 16, shall come in to force vide notification dated 01.10.07. Ministry of Petroleum & Natural Gas have also rescinded the notification no. G.S.R. 459(E) dated 25.06.07 and notified the establishment of the Petroleum & Natural Gas Regulatory Board with immediate effect vide notification dated 01.10.07. As such, all the provisions of the said Act, except Section 16, have come into force w.e.f. 01.10.07.

2. The attention of the general public is drawn to the provisions of Section 17(1) of the said Act as per which an entity which is laying, building, operating or expanding, or which proposes to lay, build, operate or expand, a pipeline as a common carrier or contract carrier shall apply in writing to the Board for obtaining an authorization under the Act provided that any entity which had been authorized by the Central Government at any time before the appointed day for these activities shall furnish the particulars of such activities to the Board within six months from the appointed day.

3. Similarly, as per the provision of Section 17(2), an entity which is laying, building, operating or expanding, or which proposes to lay, build, operate or expand, a city or local natural gas distribution network is also required to apply in writing for obtaining an authorization under the Act provided that any entity authorized by the Central Government at any time before the appointed day to undertake these activities shall furnish the particulars of such activities to the Board within six months from the appointed day.

4. The procedure for grant of authorization has been laid down under Section 19 of the Act. The Board is engaged in finalizing draft regulations prescribing the form, the manner, and the fees for making an application for authorization in terms of Section 17(3).

5. Section 48 of the Act lays down the penal consequences of undertaking the said activities without authorization as per which a person shall be liable for punishment with imprisonment for a term which may extend to three years or penalty of Rs. 25 crore or with

both. In case of continuing contravention the entity responsible shall be liable for additional fine which may extend to Rs. 10 Lakh for every day during which the contravention continues.

6. In view of the above provisions, all entities which propose to undertake any or all of the said activities are hereby informed not to initiate any action till the applications for undertaking such activities are decided and authorization granted in terms of the regulations being finalized. As far as entities which have initiated any of these activity or activities prior to 01.10.07 without any authorization by the Central Government are concerned, they may apply for authorization under the provisions of the PNGRB Act, 2006, and in the meantime are required not to undertake any such new or incremental activity or activities without obtaining authorization.

7. Those entities which have undertaken these activities with authorization by the Central Government issued prior to 01.10.07 are required to furnish the particulars of such activities to the Board within six months from the appointed day. However, in view of the steep penalties for violation provided in the Act, it is necessary that the concerned entities establish at the earliest with the Board that their activities are covered under the authorization granted by the Central Government. In view of this, **all entities engaged in the said activities with or without authorization by the Central Government are hereby notified to submit all relevant details to the Board as per the prescribed Proforma available on the web site at [www.engineersindia.com](http://www.engineersindia.com) within a period of 30 days from the date of this Press Note with all relevant details.** The prescribed Proforma can also be obtained from the office of The Petroleum & Natural Gas Regulatory Board, World Trade Centre, 1<sup>st</sup> Floor, Babar Road, New Delhi-110 001 and/ or Engineers India Limited, EIL Bhavan, Bhikaji Cama Place, R.K.Puram, New Delhi-110 066.

Dated: October 30, 2007

New Delhi.