

**MOST IMMEDIATE**

No. P – 25011/4/2011-Mkt.  
Government of India  
Ministry of Petroleum & Natural Gas

Shastri Bhawan,  
New Delhi, May 2011

To

✓  
Director (Marketing),  
IOC/ BPCL/HPCL,  
Mumbai.

6th

Sub : **Amendment in Corpus Fund Scheme for LPG distributors.**

Sir,

I am directed to refer to IOC's letter No. SL/1703 dated 18.02.2011 on the above mentioned subject. The matter has been examined and it has been decided that the Corpus Fund Scheme (CFS) be modified keeping in view the intended aim of the Scheme which is to help the under-privileged section of the society and to make this equitable, both to the OMCs and to the beneficiary. The modifications are as under:-

- (i) Land purchased by the OMCs for Agencies under Corpus Fund Scheme be considered as Capital Asset of the respective OMC and expenditure incurred by the OMC towards purchase of Land (including stamp duty / registration charges etc.) may not be recovered from the beneficiary. However, any local administration charges (like property tax etc.) will be paid by the beneficiary.
  - (ii) For recovery of other expenditure on creation of infrastructure (construction of godown / office showroom, delivery vehicles) OMCs may continue LF based recovery @ Rs. 2/- per cylinder. Any excess amount collected earlier under the CFS scheme be adjusted in the coming months.
  - (iii) After the revision in the rates of commission, the rate of LF recovery be enhanced to the proportion in the revised commission pertaining to infrastructure.
  - (iv) After OMCs recover the expenditure incurred by them on infrastructure i.e construction of godown / office showroom, delivery vehicles (excluding expenditure towards purchase of land) plus interest at 1% above PLR, further recovery of LF be stopped and OMCs may recover a token amount of Rs. 1/- per annum as rent towards land cost.
2. You are requested to implement the same with immediate effect and bring the above Amendments approved by the Government in the Corpus Fund Scheme to the notice of the concerned distributors through field officers for taking necessary action in the matter.
  3. A compliance report in the matter may be sent to this Ministry urgently.
  4. This issues with the approval of the Hon'ble Minister (P&NG).

Yours faithfully,

*Arun Kumar Mandal* 06<sup>05</sup>/<sub>2011</sub>  
(Arun Kumar Mandal)

Section Officer (Marketing)

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