

Shri R. K. Anand
27/1/06

No. P - 25011/7/2003-Mkt.
Government of India
Ministry of Petroleum & Natural Gas

439

Mr. (LPS)

Shastri Bhavan,
New Delhi, 23rd January 2006

To
Director (Marketing),
IOCL,
Mumbai.

Sub: Amendment in Corpus Fund Scheme for LPG distributors.

Sir,

I am directed to refer to IOCL's letter no. SL/TD/1601 dated 19th December 2005 on the above subject and to convey the approval of Government for the amendments in Corpus Fund Scheme for LPG distributors as suggested in the aforesaid letter.

You are requested to kindly bring the amendments approved by the Government in Corpus Fund Scheme to the notice of the concerned distributors through field officers for taking necessary action in the matter.

Yours faithfully,
Nangia
(Pramod Nangia)
Director (Marketing),
Tele. 011-23385339.

Copy to:- Director (Marketing), BPCL / HPCL / IBP, Mumbai.

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Nangia
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24 JAN 2006

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SLTD/1601

इंडियन ऑयल कॉर्पोरेशन लिमिटेड

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Indian

विपणन प्रभाग

Marketing Division

SLTD/1601

December 19, 2005

Director (PN)
Ministry of Petroleum & Natural Gas,
Shastri Bhavan,
New Delhi.

9/e

Sub : Amendment in Corpus Fund scheme for LPG distributors.

Sir,

Kindly refer to your letter no. P-25011/7/2003-Mkt dtd. 18.11.2005 advising to put up the the subject amendments for concurrence of MOP&NG. In line with the in-principal approval conveyed through the letter, the draft - containing the revised amendments incorporating the changes - is given as follows:-

1. In all cases where the amount spent by the Oil Companies towards setting up of the infrastructure provided is recovered, LF recovery will automatically be stopped. However, excess amount recovered, if any, will not be refunded.
2. The calculation of balance of the investment made will be done at reducing balance method after taking into account the interest at 1% over the PLR applicable at the time of making the investment towards setting up of the infrastructure. Such balance at the end of every year would be communicated to the distributors till LF recovery is stopped.
3. In all cases where the amount spent is yet to be recovered, the distributor would henceforth be given open offer to settle the outstanding amount through any of the following options :-
 - a) Graded LF system - To pay LF at a fixed rate so that the repayment is completed within a period of 15 years (from the time of making the investment by the Oil Co.). The rate will be worked out accordingly under three slabs i.e. Rs 2/-, Rs 3/- or maximum Rs 4/- per cylinder. The LF recovery will be stopped at the end of 15th year. Leftover amount at the end of 15th year, if any, will be debited in the distributor's account. However, in case of unforeseen situation beyond the control of the distributor, Oil Co. may extend the pay back period suitably based on merit.
 - b) Accelerated LF recovery - To pay LF at a fixed rate in excess of Rs. 4/- per cylinder as per the convenience of the distributor - so as to clear the outstanding much before the end of 15th year - and stop paying LF thereafter.

