No.L.12015/13/10-GP
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
Dated 15th November, 2010

Subject:- Scheme for administering subsidy relating to sale of APM Gas in the North Eastern region of India.

1. Short Title

This scheme may be called the Natural Gas Subsidy Scheme. It would replace the scheme made effective from April 1, 2006.

2. Commencement

This scheme will be effective from June 1, 2010. For previous period, the scheme made effective from April 1, 2006 would apply.

3. Definitions

In this scheme, unless the context otherwise requires,

(a) "APM gas" is the natural gas sold by the Participating Companies to customers at Administered Pricing Mechanism (APM) rate as decided by the Government from time to time;

(b) "Consumer Price" is the price payable by APM customers, as decided by the Government from time to time;

(c) "Customers" means APM customers.

(d) "Participating Companies" means Oil India Limited (OIL) and Oil & Natural Gas Corporation (ONGC);

(e) "Producer Price" is the APM price as decided by the Government from time to time which has to be received by the Participating Companies for production of natural gas from nominated gas fields and supplied to APM customers.

4. Coverage

Subsidy under the Scheme will be provided on sale of APM gas to APM customers in the North-Eastern region by Participating Companies.

5. Determination of the amount of subsidy

5.1   Subsidy on Natural Gas will be provided from the budgetary grant of Ministry of Petroleum & Natural Gas.

5.2   The amount of subsidy shall be the difference between the producer price, as applicable to the Participating Companies, and the consumer price, as applicable to customers, for the quantities of APM gas supplied.

6. Settlement of subsidy claims

6.1   The settlement of payments of subsidy will be on monthly basis, as mentioned below.

6.2   Participating Companies will submit audited claims to Petroleum Planning and Analysis Cell (PPAC) latest by the 15th of the succeeding month, i.e., claims for the month of April will be submitted latest by 15th of May. Format for submission of claim is enclosed as Annex-A.

6.3   PPAC will scrutinize the claims of Participating Companies from their books of accounts and cross-check claims from accounts maintained at plant level, where necessary, and for this purpose, may call for any related information or visit and examine records maintained by Participating Companies at site.

6.4   After scrutiny, PPAC will forward the claims to Ministry of Petroleum and Natural Gas within fifteen days of receipt of bills. The Ministry of

Petroleum and Natural Gas will process the claim for payment of subsidy within seven days from receipt of claim from PPAC.

6.5 Ministry of Petroleum and Natural Gas may also call for any related information, visit the site and examine records maintained by the Participating Companies.

7. Submission of information

Participating Companies shall submit such other information as may be advised by the Government.

8. Dispute resolution

Any dispute with regard to interpretation of any provision of the Scheme will be referred to the Ministry of Petroleum and Natural Gas and the decision of the Ministry thereon shall be final and binding on all.

9. Miscellaneous

The Ministry of Petroleum and Natural Gas shall have the power to issue clarifications or directions for smooth implementation of the Scheme.

(Manu Srivastava)
Director
Tel. No. 23381029

To

CMD, ONGC
CMD, OIL
Director, PPAC
US, IFD
Pay & Accounts Officer, MoP&NG
Guard File.

Monthly subsidy claim for Natural Gas

Name of the Oil Company: _____

Month: _____   Year: _____

Name of consumer	Existing Allocation MSCM = MMSCMD ×-----Days	Net Calorific Value (NCV) Kcal/MSCM	Quantity sold MSCM	Consumer Price ₹/MSCM	Producer Price ₹/MSCM	Difference ₹/MSCM	Amount of subsidy claim ₹
Total for the Company							
Cumulative sales quantity & value W.e.f. 1st April----							

The total cumulative sale quantities and the subsidy amount may also be indicated.

Claims certified to be correct: Oil Company Representative

Designation, Department, on behalf
Of Oil Company _____ Name _____

Auditors Certificate & Signature (all attached statements to be certified)