

Coal Bed Methane policy

Government has been awarding CBM Blocks in a transparent manner through a process of International Competitive bidding similar to NELP Blocks. Under this policy, Government has awarded 30 CBM Blocks. The main salient features of CBM Policy are as under:

- No signature bonus.
- Royalty at the rate of 10% on the value of CBM in accordance with Oilfields (Regulation and Development) Act, 1948 and the Rules framed thereunder payable to the relevant State Government.
- Additionally, ad - valorem biddable Production Level Payment (PLP), payable to the Central Government.
- Freedom to market gas in domestic market at market determined prices.
- Fiscal stability provision in the contract.
- No customs duty on imports required for CBM operations.
- Provisions for assignment of Participating Interest.
- Arbitration provisions governed by Arbitration and Conciliation Act, 1996.
- One time lump sum Commercial Bonus of US \$ zero point three (0.3) million by foreign companies or equivalent amount in Indian Rupees by Indian companies, after declaration of commerciality of CBM.
- Corporate income tax payable as per the Income Tax Act, 1961.