

359
MOST URGENT

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

Shastri Bhavan,
New Delhi, 29th October 2007

To

Director (Marketing),
IOC,
Mumbai.

Sub : Amendment in Corpus Fund Scheme for LPG distributors.

Sir,

I am directed to refer to your letter No. SLJS/1703 dated 5th September 2007 on the above-mentioned subject. The matter has been examined and it has been decided to make applicable floating interest rate method (i.e. weighted average PLR plus 1%, as recommended by industry) for the beneficiaries of the Corpus Fund Scheme (CFS) with effect from 1st October 2007. In respect of existing cases where the recoveries have not yet been completed, an option may be given to CFS cases for switching over to new floating interest rate scheme from the date the scheme is implemented.

2. I am also directed to point out that since the intention behind the CFS is not to earn profit, the cases where recoveries of interest have been made on much higher rates as compared to the weighted average PLR during the last few years needs to be reviewed. You are requested to review the cases where high rates of interest were charged and submit a proposal, on industry basis, latest by 15th November 2007, positively.

3. A compliance report in the matter may be sent to this Ministry, urgently.

Yours faithfully,

(Prem Kumar)

Under Secretary to the Government of India
Tel. 2338 9464

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

o/c
@/h/s
29/10/07