

**No. L-16013/3/2012-GP-II**  
**Government of India**  
**Ministry of Petroleum & Natural Gas**

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**Shastri Bhawan, New Delhi**  
**Dated 18.02.2014**

To,

All CGD entities.

**Subject: - Pricing of CNG (transport) and PNG (domestic) by CGD entities.**

The Ministry, vide guidelines dated 3.2.2014, has taken a decision that the requirement of natural gas for CNG (transport) and PNG (domestic) shall be met by allocation of domestic gas to the maximum extent possible. In clause 1(x) of the guidelines, it has been directed that the CGD entities would pass the entire benefit, arising out of the increased supply of domestic gas to the end consumer. Further, it has been provided in the guidelines that the Central Government would have the right to ask for the break-up of CNG (Transport)/PNG (Domestic) price or any other information necessary for this purpose.

2. The issue of pricing of CNG (transport) and PNG (domestic) has been examined in the Ministry. The Ministry is of the view that in order to ensure that the benefit of allocation of domestic gas to CGD entities is passed on to the end consumers and for ensuring transparency in pricing of CNG (transport) and PNG (domestic), the break-up of CNG (transport) and PNG (domestic) price needs to be disclosed by the CGD entities to the consumers.

3. The following directions are accordingly issued in continuation of the guidelines dated 3.02.2014:

- (i) All CGD entities shall
- a. display break-up of CNG price at CNG stations ;
  - b. furnish the break-up of PNG (domestic) price in invoice to the customer;

The entities would give following details in the break-up of CNG (transport) and PNG (domestic) price:

*Cost of gas to the CGD entity, Supply and Distribution cost of CGD entity, Entity's margin, Excise, VAT, Any other Tax.*

- (ii) All CGD entities shall furnish the break-up of CNG (transport) stations and PNG (domestic) price to the Ministry, on annual basis by April 30<sup>th</sup> each year, giving the following details :

*Complete break-up of cost of gas at the entry of their network, Supply and Distribution cost of CGD entity (indicating further break-up of these costs with auditable back-up details), Entity's margin, Excise, VAT, Any other Tax.*

Data for the year 2013-14 may be furnished by April 30<sup>th</sup>, 2014.

- (iii) Non-compliance of above guidelines by CGD entities would lead to cancellation of their domestic gas allocation for CNG (transport) and PNG (domestic).

This issues with the approval of Minister (P&NG).

*Nikunj Kumar Srivastava*

**(Nikunj Kumar Srivastava)**  
**Director (GP)**

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2. CMD, GAIL, New Delhi
3. Director General, PPAC, New Delhi
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