

**NOTIFICATION**

New Delhi, the 15th September, 2006

G.S.R. 573(E).—In exercise of the powers conferred by Sub-section (3) of Section 43 read with clause (i) of Sub-section (2) of Section 60 of the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006), the Central Government hereby makes the following rules, namely :—

1. **Short title and commencement.** - (1) These rules may be called the Petroleum and Natural Gas Regulatory Board (Payment of Compensation) Rules, 2006.
  - (2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.** - In these rules, unless the context otherwise requires, -
  - (a) "Act" means the Petroleum and Natural Gas Regulatory Board Act, 2006;
  - (b) "collector" shall mean the collector of the revenue district in which the property referred to in the notification issued under sub-section (1) of section 43 of the Act is situated;
  - (c) "person interested" includes all persons claiming an interest in compensation to be made on account of the taking over of control and management of facilities and business premises of any entity and retail outlets or entrusting to any Agency of the Central or State Government to manage it under the Act;
  - (d) All other words and expressions used in these rules and not defined, but defined in the Act shall have the same meanings respectively assigned to them in the Act.
3. **Principles and method of determining compensation.** -
  - (1) Wherever control and management of facilities and business premises of any entity and retail outlets are to be taken over or entrusted to any Agency of the Central or State Government to manage it in the manner directed by the Central Government, the amount of compensation payable shall be determined by the Collector in the manner and in accordance with the principles hereinafter set out, that is to say-

- (a) where the amount of compensation can be fixed by an agreement, it shall be paid in accordance with such agreement;
- (i.) where no such agreement can be reached, the collector shall ask the persons interested to make application before him stating therein the amount of compensation claimed by him under each heads separately and he shall, after receiving such evidence as may be adduced before him and after making such enquiries as he may deem fit, and after giving to the parties to the dispute a reasonable opportunity of being heard, shall determine the compensation payable, and shall also apportion such compensation among the persons interested in the entity or retail outlet and such determination shall be communicated by the collector to the person or persons in whose favour the determination has been made:

Provided that the collector may also consult any person of eminence and take their advice for determining the compensation payable;

- (c) that collector shall complete the compensation determination proceedings and determine the compensation within four months of the receipt of application by him from the persons interested:

Provided that the Central Government may, if it thinks fit, extend the period for determining the compensation either before or after the expiry of such period;

- (d) the collector shall pass his order in writing setting forth therein the grounds for his determination and sign such order;
- (e) the collector shall thereafter deliver and / or send by registered post to all the parties to the dispute a copy of the order.

- (2) The matters to be considered in determining the amount of compensation payable, -

- a) a recurring payment in respect of the period of taking over control and management of facilities and business premises of any entity and retail outlet or entrusting to any Agency of the Central or State Government to manage it, of a sum equal to the rent which would have been payable for the use and occupation of the entity or retail outlet, if it had been taken on Lease for that period;

- b) the profit and loss made by the entity or retail outlet in the previous financial year; and
- c) such sum or sums, if any, as may be found necessary to compensate the person interested for all or any of the following matters, namely,-
  - i) pecuniary loss due to taking over control and management of facilities and business premises of any entity and retail outlet or entrusting to any Agency of the Central or State Government to manage it;
  - ii) expenses on account of vacating the premises;
  - iii) expenses on account of re-occupying the premises upon release.

4. **Powers of Collector and Procedure to be followed.** - The Collector may summon such witness or record as he may consider necessary for the purpose of discharging his functions under these rules.

5. **Payment of compensation.** - Compensation as determined shall be paid by the collector quarterly in arrears for the period for which control and management of facilities and business premises of any entity and retail outlets have been taken over or have been entrusted to any Agency of the Central or State Government to manage it. The compensation shall be paid either in cash or by cheque at the discretion of the collector.