

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Ind. & Com. (IP) Deptt. - Sanction of Rs.2000.00 lakhs for reimbursement of differential amount to the Ferro Alloy Units in Andhra Pradesh towards concessional power tariff during 2005-2006 - Orders - Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.40

Date: 4-2-2006

Read the following :

- 1) Representation from the Andhra Pradesh Ferro Alloys Producers' Association, Dated 28-4-2004
- 2) From the CoI, letter No.30/1/0311/0311/ID, Dated 9-5-2005
- 3) G.O.Rt.No.309, Finance (Expr. I & C) Deptt., Dt.1-2-2006.

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ORDER

In the reference 1st read above, the Andhra Pradesh Ferro Alloys Producers' Association made a representation regarding withdraw of the proposed increase of their power tariff.

2) Government have constituted a committee in G.O.Rt.No.7, Energy (Power-II) Dept., Dt.10-1-05 to examine the representation made by Andhra Pradesh Ferro Alloys Producers' Association. The Committee held detailed discussions and has recommended the following :

1. Rebate on th Ferro Alloys Tariff will be given by Government at 22 paise per unit, which would mean a concessional tariff of Rs.2.65 ps/kwhr during 2005-2006.
2. While APTRANSCO will charge Ferro Alloy Units at Rs.2.87/kw hr or as approved by APERC, the difference between Rs.2.87 and Rs.2.65 per kwhr will be reimbursed to the Ferro Alloys Units by Industries & Commerce Dept. and that will obtain necessary funds from Fin. Dept. to reimburse the differential amount to the Ferro Alloy Units.

3) The Commissioner of Industries in the reference 2nd read above, has informed that the differential amount i.e. (Rs.2.87 to Rs.2.65 = 22 paise) would be Rs.0.22 ps., which has to be reimbursed by the Government to Ferro Alloys units. As per the report of the Committee, the Ferro Alloys units are having consumption of 1063 MU per annum at present. The differential amount to be reimbursed to these Ferro Alloys units would be approximately to a tune of Rs.23,38,60,000/- (i.e., 1063000000 x 0.22 paise) per annum as per committee's report and Ferro Alloys units are made ineligible for 25% concessional power tariff vide G.O.Ms.No.379, Ind. & Com. (IP) Deptt. Dt.27-7-89. The Commissioner of Industries has requested the Government to provide adequate budget provisions for reimbursement of differential amount to the units as envisaged also in the Industrial Investment Promotion Policy 2005-2010.

4) After careful examination, Government hereby accord sanction for an amount of Rs.2000.00 lakhs (Rupees two thousand lakhs only) for reimbursement of differential amount to the Ferro Alloys Units in Andhra Pradesh towards concessional power tariff of Rs.2.65 Ps/KW hr during 2005-06.

5) The expenditure sanctioned in para (2) above shall be debited to the following head of account :

“2852 - Industries - 80-General-MH 800 - Other Expenditure -
G.H.11-NSP-SH (13) - Power Subsidy for Industries - 310 -Grants -
in-aid 312 - Other Grants-in-aid” (to be opened)

and shall be met in relaxation of Treasury Control and Quarterly Regulation Orders pending provision of funds by obtaining supplementary Grant during the current financial year 2005-06.

6) The Commissioner of Industries is authorized to draw and disburse the amount sanctioned in para 4 above and incur the expenditure for the purpose for which it is sanctioned.

7) Necessary proposals shall be sent at appropriate time to obtain supplementary grant to cover the expenditure actually incurred.

8) This order issues with the concurrence of Fin. (Exp. I & C) Dept. vide their U.O.No.724/93/Exp.I&C/2006, Dt.1-2-2006 and Budget Release Order issued in G.O.Rt.No.309, Finance (Expr. I & C) Deptt., Dt.1-2-2006.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D. LAKSHMI PARTHASARATHY
PRINCIPAL SECRETARY TO GOVERNMENT & CIP