

**Open House discussion on Public Consultation Document webhosted on 26.09.2019 for Tariff Review of Natural Gas Pipelines due to change in Income Tax Rate, held on 11.10.2019**

1. Open House (“OH”) discussion was held on 11.10.2019 on the Public Consultation Document (“PCD”) webhosted on 29.09.2019 for tariff review due to change in the income tax rate of various natural gas pipelines authorised u/r 17 & 18 of the NGPL Authorisation Regulations. Open house was chaired by Chairperson, wherein other Board members viz. Member (C&M) and Member (I&T) were also present. List of other participants is attached.

2. During the OH, points raised/discussed are as follows:

**2.1. Gujarat Gas Limited**

2.1.1. Gujarat Gas supported the PNGRB’s action to review NGPL tariff and requested that since the impact may be only due to change in income tax rates, the review shall be limited to this specific change only.

**2.2. GAIL**

2.2.1. GAIL mentioned that the tax rate provided in the said in the Taxation Laws (Amendment) Ordinance, 2019 is the special tax rate whereas the Tariff Regulations provide for considering the nominal tax rate. Availing the benefit of lower tax under section 115BAA of the Income Tax Act 1961 is optional for the domestic companies subject to the condition of foregoing certain benefits, incentives and exemptions as mentioned in the ordinance.

In this regard, PNGRB asked GAIL to submit their comments within one week i.e. by 18.10.2019 in writing as GAIL has not submitted any comment on PCD.

**2.3. PIL**

2.3.1. PIL requested Board to postpone the tariff review till March, 2020 as amendment in income tax provides time to entity to decide on option to consider the tax rate. PNGRB clarified that delay in tariff review due to change in tax rate will impact

pipeline entity as well as consumers. PNGRB further stated that in case entity opts for the higher tax rate, than the matter will be examined by the PNGRB for the rationale of choosing such tax rate.

2.3.2. PIL asked Board to clarify regarding the next tariff review. PNGRB clarified that the tariff review shall be done as per the tariff review cycle, subject to intermediate review in exceptional circumstances in terms of extant Tariff Regulations.

#### **2.4. Indian Oil Corporation Limited (IOCL)**

2.4.1. IOCL mentioned that PNGRB in its earlier tariff orders is consistently considering the nominal income tax rate for determining the tariff, however, actual tax rate may differ from the nominal tax rates. In this regard, PNGRB clarified that the nominal income tax rate is subject to change from year on year. Accordingly, PNGRB has been following the revised nominal income tax rate in tariff calculations. The current exercise is to update the nominal tax rate in view of aforesaid ordinance, in tariff working.

3. Meeting concluded with a vote of thanks to the Chair.

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**Participants list**

<b>S.No.</b>	<b>Name</b>	<b>Organization</b>	<b>Designation</b>
1	Ms. Vandana Sharma	PNGRB	Secretary
2	Mr. Rakesh Kumar Jain	PNGRB	Joint Adviser
3	Mr. Pankaj Bhutani	PNGRB	Joint Adviser
4	Mr. Tarun Kumar Chopra	PNGRB	Deputy Consultant
5	Mr. Ankur Jain	PNGRB	Assistant Adviser
6	Mr. Aditya Kr. Sharma	AGCL	GM
7	Mr. Neville Desai	GGL	AVP-C&M
8	Mr. V. Krishnan	GAIL	GM (Pricing)
9	Mr. Ashish Purwar	GAIL	GM (F&A)
10	Mr. A.B. Roy	GAIL	DGM (Pricing)
11	Mr. Joy Banerjee	GAIL	CM (Mktg. RA)
12	Mr. EVS Rao	PIL	Head Comm.
13	Mr. Neeraj Pasricha	PIL	V.P
14	Mr. P. Sham Rao	IOCL	GM (PJ)
15	Mr. Hemendra Goyal	IOCL	GM (RA)
16	Mr. M.S. Ali	IOCL	DGM (F)
17	Mr. Sanjay Saxena	IOCL	CM (Gas)

