



GUJARAT GAS

GGLIC&M2019-20A-21043

October 10, 2019

To,
Ms. Vandana Sharma
Secretary
Petroleum and Natural Gas Regulatory Board ("PNGRB/Board")
1st Floor, World Trade Centre,
Babar Road, New Delhi – 110001

Sub.: Review of tariff under the provisions of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008, for Natural Gas Pipeline due to change in the Income Tax Rates.

Ref: PNGRB Draft PCD no. PNGRB/COM/2-NGPL Tariff (4)/2019 P-596 dated 26th September, 2019

Dear Madam,

This is with reference to the above mentioned Draft Public Consultation Document ("PCD") webhosted by the Honourable PNGRB soliciting views from the stakeholders on Natural Gas Pipeline ("NGPL") tariff review due to revision in income tax rates.

The Government of India has brought in Taxation Laws (Amendment) Ordinance, 2019 to make certain amendments in the Income-tax Act, 1961 and the Finance (No.2) Act 2019. Based on the above amendments the Income Tax rates applicable to domestic company has been revised.

Further, as per the provisions of sub- clause (9) of clause 9 of Schedule A to the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 ("NGPL Tariff Regulations"):

".....The Board may, either on its own or on the entity's request, carry out a review of the unit natural gas pipeline tariff any time between two tariff reviews, as the case may be, considering –

- (i) Applicable nominal rate of income tax used for grossing- up the rate of return on capital employed;
- (ii) Sudden change in any parameter used in the determination of the unit natural gas pipeline tariff."

Gujarat Gas Limited ("GGL") appreciates the prompt action of the Honourable Board and supports the action to review NGPL tariff of various pipelines authorised prior to the appointed date. Since the impact may be only due to change in income tax rates, the review shall be limited to this specific change only.

We trust that the Honourable Board shall find the same in order and we would be happy to provide any further clarifications should they be required by the Honourable Board in this regards.

Thanking You,
For Gujarat Gas Limited

Maqsood Shaikh
Executive Vice President- Commercial & Marketing

GUJARAT GAS LIMITED (A GSPC Group Company – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)

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