Sir,
Please find our submission for consideration, please.
Regards,
F.C. RASTOGI
Secretary,
Petroleum & Natural Gas Regulatory Board,
1st Floor, World Trade Centre,
Babar Road,
New Delhi-110001

Sub: Tariff structure for HVJ-GREP-DVPL (HVJ) & DVPL/GREP Up gradation

Sir,

Gas plays a major role in the Ceramics industry and constitutes a major component in the overall cost and production process. As ours is a process driven industry which requires the heating application on continuous basis, these gases are used to meet our heating requirement and plays a very critical component in overall cost.

Since the industry is going through the tough time because of subdued demand scenario and sudden spur in Brent prices (though the prices have come down from its peak but still in the higher range). Any further increase in total cost of Gas will bring chaos in the sector.

Since, the operating cost and capital cost have not changed and also the higher tariff is being charged for an up-gradation line i.e Rs.53.65/MMBTU-GCV and only very few old customers are paying tariff of Rs.25.46/MMBTU-GCV, who actually supported the Pipe line venture in the beginning when there were no demand for natural gas. As this new price of Rs.97.04/MMBTU-GCV which is 281% higher from the current price of Rs.25.46/MMBTU-GCV will make the existing business unviable. We would request the board that this new integrated tariff, if required to implement, may be applicable to the new customers only.

Our only request is to kindly keep the same price for the existing customers as the sector is going through the tough market situations.

For Kajaria Ceramics Ltd.

(Auth.Signatory)