



# GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Fertilizernagar - 391 750. Vadodara, Gujarat, INDIA.

CIN : L99999GJ1962PLC001121

Date: 31.10.2018

Secretary,  
Petroleum and Natural Gas Regulatory Board,  
1<sup>st</sup> Floor, World Trade Centre,  
Babar Road,  
New Delhi – 110 001  
Email: [secretary@pngrb.gov.in](mailto:secretary@pngrb.gov.in)

Kind Attn: Ms. Vandana Sharma

Sub.: Comments in response to Public Notice No. PNGRB/M(C)/65-Vol-II dated 18.10.2018

Respected Madam,

This is with regard to the captioned Public Notice issued by your Office i.e. Petroleum and Natural Gas Regulatory Board (PNGRB) inviting comments on the Consultation Paper published on your website. The PNGRB has solicited views and comments on determination of tariff for Natural Gas Pipeline.

GSFC is receiving High Pressure gases from GAIL under HVJ APM, PMT APM/PSC, Western Offshore (WoS) & RLNG contracts. The present tariff for the above mentioned contracts under Zone-I is 19.83 INR/MMBTU for HVJ pipeline and 42.46 INR/MMBTU for DVPL-GREP up gradation applicable on WoS contract. As proposed by GAIL in the public consultation document (PCD), GAIL has proposed to increase the tariff substantially for HVJ and HVJ Up gradation to 175.20 INR/MMBTU & 88.09 INR/MMBTU.

GSFC is an integrated Fertilizers & Chemicals plant wherein domestic gas is used for production of fertilizers which is supported by Government subsidy and for price sensitive chemicals imported RLNG is being used. On implementation of the new proposed tariff of 175.20 INR/MMBTU for HVJ pipeline and 88.09 INR/MMBTU for HVJ up gradation pipeline, the burden of incremental tariff shall be to the tune of Rs.226.69 Cr. INR per annum on levelized basis(Annexure-A), which will also burden the subsidy bill and lead to un-

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**ISO 9001, ISO 14001, OHSAS 18001 & ISO 50001 Certified Company**



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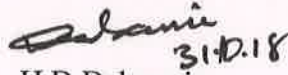
competitiveness for market driven chemicals. It is also to be highlighted that since Non-Urea fertilizers are covered under NBS (Nutrient Based Subsidy) such adhoc price shall directly impact farmers.

It is hereby submitted that the proposed tariff by GAIL is exorbitantly high and shall not only impact the companies but also to the government and the farmers. Therefore proposal under consultation may not be acceptable to GSFC.

Thanking You,

Yours truly,

For Gujarat State Fertilizers & Chemicals Ltd

  
31.10.18

H D Dalasania

Sr.VP (Instrument, Elect, Civil, U&EC, FU & PU)

CC:

1. Chief General Manager (Mktg.-RA)

GAIL (India) Limited

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GAIL Transportation Tariff				INR/USD	70.00
	HP APM	PMT	RLNG	PMT PSC	ONGC Block Western Offshore
Existing Zonal Tariff US\$/MMBTU on GCV Basis (Incl GST & Vat)	0.36	0.36	0.36	0.36	0.78
Existing Levelised Tariff US\$/MMBTU on GCV Basis (Incl GST & Vat)	0.47	0.47	0.47	0.47	0.99
Proposed GAIL Levelised Tariff US\$/MMBTU on GCV Basis (Incl GST & Vat)	3.22	3.22	3.22	3.22	1.41
Difference (USD/MMBTU)	2.76	2.76	2.76	2.76	0.42
GCV	9526.94	9536.73	9539.68	9536.90	9535.72
Difference (INR/SCM)	7.29	7.30	7.30	7.30	1.12
Avg Supply (SCMD) (H1_FY18- 19)	284372	25883	477144	17416	301764
Annual Impact (Lac INR)	7568.08	689.54	12715.39	464.00	1232.00
Yearly Total Impact (Cr. INR)	226.69				