



NATURAL GAS SOCIETY

(Registration number: S54893)
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No: NGS:Covid Impact:CGD:20

Dated: 12th May 2020

**Shri D.K.Sarraf,
Chairman,
Petroleum & NG Regulatory Board,
I Floor, World Bank Trade Centre,
Babar Road,
New Delhi.**

Dear Sir,

At the outset, we, at the Natural Gas Society, hope that you and all the team at the PNGRB are well and safe. We would also like to thank you for the consistent and exemplary support and encouragement that the City Gas segment of the industry has always received from you. Sir, we are taking the liberty of addressing this communication to you in view of the now further extension of the lockdown till 3rd of May. We hope that despite this there could be a gradual recommencement of business activity.

As you are well aware Sir, the CGD sector has been among the worst hit during the current lockdown with consumption reduced by over 80% and now, with the further extension of the lockdown, this will only bring additional hardship to the industry. Barring Domestic PNG, all segments under the CGD have shown a sharp fall in gas offtake. With falling demand, majority of the CGD entities are facing steep fall in revenue and margins and cash flow problems which could impact the ability to maintain the required investment/capex. Slowdown in the overall economic activity can be a dampener for infrastructure capex plans especially under the newly awarded GAs.

The CGD entities are fully committed to the Government's goals and objectives and therefore, at this critical moment, seek your supportive action to expeditiously revive and accelerate the growth in the sector.

While there are, as you are aware, various aspects which need attention and you had only a few months back, taken stock, along with the Ministry of Petroleum and Natural Gas, at the National Gas Conclave, the current situation would need fiscal as well as process interventions to provide for a speedy return to normalcy. The three most important aspects which need intervention and support to revive growth are Minimum Work Programme (MWP), and Assistance in Speedy Generation of Demand, and Project implementation.

It is in this context, NGS organised a Web meeting with the MDs / CEOs / Senior officials of CGD sector to discuss the impact of COVID 19 on CGD Sector on 4th May 2020. The list of Members who participated in the web meeting is attached as Annexure II.

Detailed discussions were held on the above mentioned specific aspects viz. Revenue & Fiscal aspects, Demand Generation, Project Implementation covering extensively Minimum Work Programme, Statutory requirements and compliances, Capital funding and working capital requirement, Performance Bank Guarantee, etc.

Based on the discussions, a detailed recommendations of the CGD sector representatives seeking support of PNGRB is attached as Annexure I. Further, a group of MDs / CEOs of CGD sector along with the representative of NGS could meet you to further explain the requirements of the sector in further detail.

It is requested that a convenient date and time may be given to us for a meeting.

Thanking you and with best regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Vivek Joshi', with a horizontal line underneath.

(Vivek Joshi)
Executive Director

Encl: as above

Copy to: Mr. Satpal Garg, Member(C&M), PNGRB, World Bank Trade Centre, Babar Road, New Delhi.