



NATURAL GAS SOCIETY

(Registration number: S54893)
129, PARC Building, GAIL Training Institute
Plot No. 24, Sector-16A, NOIDA-201301

Tel: 0120 4222849, 4220882
Email: naturalgasindia.ngs@ gmail.com

NGS/COVID19/CGD/20
Dated: 12th May 2020

**Shri Tarun Kapoor,
Secretary,
Ministry of Petroleum & Natural Gas
Shastri Bhavan,
New Delhi- 110 001**

Dear Sir,

At the outset, we, at the Natural Gas Society (NGS), hope that you and all the team at the Ministry are well and safe. We would also like to take this opportunity to extend a warm welcome to you as Secretary, MoP&NG, on behalf of our Members, the Governing Council and the Society. The City Gas industry has been fortunate to have received consistent and exemplary support and encouragement from the Ministry of Petroleum and Natural Gas and we look forward to your support in the present difficult times.

Sir, NGS (ngsindia.org), is a representative body of Companies in the Natural Gas, specially the CGD sector and we are taking the liberty of addressing this communication to you in view of the now further extension of the lockdown beyond 3rd of May. We hope that despite this there could be a gradual recommencement of business activity.

As you would be aware, Sir, the CGD sector has been among the worst hit during the current lockdown with consumption reduced by over 80% and now, 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, 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 the Honorable Minister and the MoP&NG team had only a few months back, taken stock at the National Gas Conclave and also persuaded States to ease the processes, 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 attention and support to revive growth are Revenue and Fiscal, 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 specific above mentioned 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, with due respect, we are seeking support of MoP&NG in the areas as outlined in Annexure I, which could considerably help the sector to play its role in the expansion of gas share and the path to a gas based economy. Further, a group of MDs / CEOs of CGD sector along with the representative of NGS could meet you to further explain the above requirements of the sector in detail.

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

Thanking you for your consideration and with the warmest regards,

Yours sincerely



(Vivek Joshi)
Executive Director

Encl: as above.

Copy to: Shri Ashish Chatterjee, Joint Secretary(GP&M), MoP&NG, Shastri Bhavan, New Delhi..