October 7, 2013

To,
Mr. Avishkar Naik
Chief Manager, Surveillance
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400051

Dear Mr. Naik:

Sub: Your letter numbered NSE/CM/Surveillance/R-1285 dated October 7, 2013

With reference to your captioned letter, we state as under:

The Supreme Court of India passed an order on 30th September, 2013 to the effect that the Union Government should make available Compressed Natural Gas ("CNG") to Gujarat under the Administered Price Mechanism ("APM"), as is provided by it to Delhi and Mumbai.

With the order, the Supreme Court dismissed the appeal filed by the Union Government against the order of the Gujarat High Court passed on July 25, 2012, in a Public Interest Litigation in which the High Court had directed the Central Government to supply CNG to Ahmedabad for domestic and vehicular consumption under the APM. The High Court has also directed the State Government to make necessary legislation within one year making it compulsory for all four wheelers registered in Gujarat to convert to natural gas.

As a result of the above order of Supreme Court, on CNG being available to Gujarat at the APM, the retail prices of CNG in the State may come down.

As CNG cylinders account for about 50% of the company's production capacity and sales, the increase in the price of the shares of the company during last week may be due to the perception that due to the expected reduction in the CNG price in Gujarat, the demand for CNG vehicles in the State may go up, which would also increase in the demand of the CNG cylinders that the company manufactures.

For your ready reference, the press reports on the above matter printed on 1st October, 2013 in The Economic Times and Business Standard are attached.

For **Everest Kanto Cylinder Limited**

Kanika Sharma
Company Secretary

Encl: As above.

EVEREST KANTO CYLINDER LIMITED

Manufacturers of high pressure Seamless Gas Cylinders

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Gujarat welcomes Supreme Court directive to centre for allocation of cheaper gas

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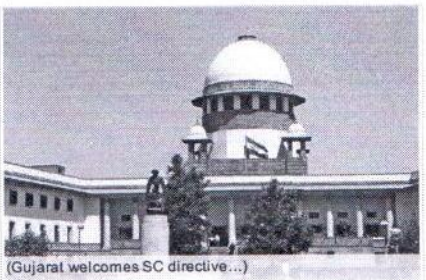
Mitul Thakkar, ET Bureau Sep 30, 2013, 06.53PM IST

Tags: Value Added Tax | UPA government | UN Court | Supreme Court | Saurabh Dalal | natural gas | Inflation | Gujarat | energy minister | Central Government | APM

NEW DELHI: Gujarat's energy minister Saurabh Dalal stated that Supreme Court's directive to Central government for allocation of cheaper natural gas to Gujarat will benefit lakhs of compressed natural gas (CNG) consumers in the state. His statement came after the apex court gave its order in response to a public interest litigation filed by a Gujarat based non government organisation.



(Gujarat welcomes SC directive...)

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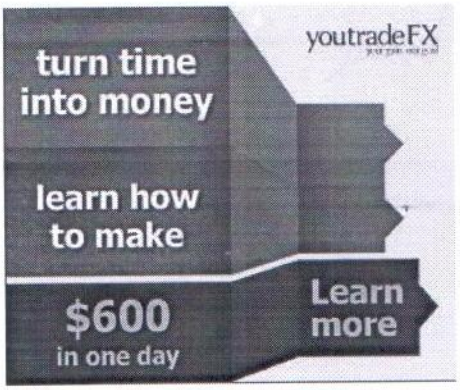
A media statement by the information department of the government of Gujarat said apex court has clearly directed the central government to allocate natural gas under the formula of administered price mechanism to Ahmedabad, Gujarat like other states.

Natural gas allocation has been bone of contention between the BJP government of Gujarat and centre's UPA government for last about five years. The centre has been arguing that Gujarat has been allocated adequate natural gas, which it is diverting to the industrial users. Also, central government is critical of Gujarat for lewying highest 15% value added tax on natural gas trade in the country. Gujarat has been suffering due to fall in natural gas production from RIL's D6 block on East Coast. Gujarat accounts for one third India's natural gas consumption.

Expensive imported natural gas coupled with higher VAT has made Gujarat's natural gas market most expensive in the country. Gujarat is the only state where CNG is sold for about Rs 65 per kg as compared to about Rs 50 in Mumbai and Delhi markets.

Dalal called Supreme Court directive as Gujarat's victory against centre's bias against the state in gas allocation policy. He hoped that the centre will act as per the Supreme Court's order promptly. ""Gujarat's 2.35 lakh vehicle owners using CNG will benefit in the times of inflation if the centre act immediately as per the court order. The apex court's directive has also showcased that centre government is unfriendly towards Gujarat in natural gas allocation. The development has revealed the lies of centre,"" said Dalal who has been vocally criticising the centre for inadequate natural gas allocation to the state.



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SC upholds HC order on CNG to Gujarat under APM

A bench of Justice H L Dattu and Justice M I Iqbal on Monday upheld Gujarat high court's order passed last year

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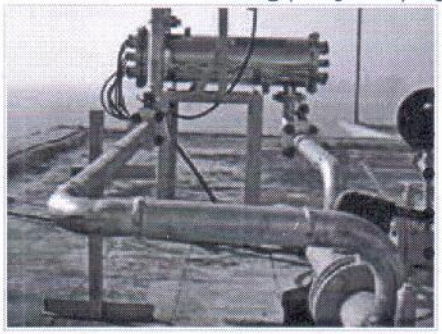

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The Supreme Court on Monday has directed the Union government to provide compressed natural gas (CNG) to Gujarat on the same rate as it is given to Delhi and Mumbai.

A bench of Justice H L Dattu and Justice M I Iqbal on Monday upheld Gujarat high court's order passed last year that the Centre should provide CNG to Gujarat at the price it supplies to Delhi and Mumbai, and dismissed the appeal filed by the Union government. It further directed that at the same time, the state government will have to pass necessary laws to make it compulsory for all four wheelers registered in Gujarat to covert to natural gas.

The Gujarat high court on July 25, 2012 had asked the Centre to supply gas to Ahmedabad for domestic and vehicular under the administered price mechanism (APM). The order was pronounced based on a public interest litigation (PIL). The Central government had appealed against this decision before Apex Court, which was dismissed today.

In the order passed last year, the High Court had given one year's time to the state government to make legislation thereby imposing stringent restrictions to reduce pollution by levels of emission to the minimum.

Hailing the SC judgement Gujarat Energy Minister Saurabh Patel said the court has given this judgment during a hearing on a public interest litigation regarding CNG prices in Gujarat. Patel termed the verdict as Gujarat's victory against the Centre's injustice towards the state. He demanded to implement the court's decision with immediate effect so that over 0.24 million vehicle owners of Gujarat can get CNG on the lower rates. This will ease lives of large number of rickshaw drives and vehicle owners in present scenario of heavy price-rise, he added.

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He further added that the verdict has exposed the center's policy of favoritism in CNG allocation. "The apex court has clearly said the center cannot discriminate between two states while allocating the gas. This has uncovered center's step-motherly treatment towards Gujarat and its double-standards", Patel said.

"Even after the Gujarat High court's order to center, directing it to give CNG to Gujarat on the same rates as other states, the union ministers were harping blatant lies that there was no injustice to Gujarat. The supreme court's verdict makes it clear that what they were saying was utter lie," he stated in an official statement.

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