

GGL/SEC/2016/254

7th July, 2016

To,

Bombay Stock Exchange Limited, Phiroze Jijibhoy Tower, Dalal Street, Mumbai Company Code: BSE-GUJGAS,	Ahmedabad Stock Exchange Limited, Kamdhenu Complex,Nr. Panjara Pole, Ambawadi,Ahmedabad – 380 015
Vadodara Stock Exchange Limited, 3rd Floor, Fortune Towers, Sayajigunj,Vadodara	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Company Code: NSE-GUJGASLTD.

Kind Attn.: Manager Listing /Market Operations.

Dear Sir/Madam,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we request you to note the following:


“Pursuant to the letter from the PNGRB dated 4th July 2016 for Grant of Authorisation to Gujarat Gas Limited (GGL) to lay, build, operate, or expand City or Local Natural Gas Distribution network (“CGD network”) for the Geographical Areas of Panchmahal District and Anand District (excluding the area already authorized) in the State of Gujarat, GGL has accepted both the authorisation in Schedule D of the PNGRB vide a confirmation letter to PNGRB on 7th July 2016.

As per the provisions of the PNGRB (Exclusivity for City or Local Natural Gas Distribution Networks) Regulation, 2008, GGL has been granted 300 months of infrastructure exclusivity i.e. valid up to 3rd July 2041 and 60 months of marketing exclusivity valid up to 3rd July 2021 for each of the CGD network. Further, the Authorised area for laying, building, operating or expanding the proposed CGD Network shall cover a geographical area of 3,304 sq. kms for Panchmahal District and 1,888.96 sq. kms for Anand District (excluding the area already authorized).”

We request to take the above on record.

Thanking you,

For, Gujarat Gas Limited


Rajeshwari Sharma
Company Secretary



1/1

GUJARAT GAS LIMITED (A GSPC Group Company – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)

Corporate Office : 2, Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

Tel.: +91-79-26462980, 26460095 **Fax :** +91-79-26466249

Registered Office : Block No. 15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar – 382 011, Gujarat, India.

Website : www.gujaratgas.com, www.gspcgroup.com **CIN :** L40200GJ2012SGC069118

Schedule D

[see regulations 10 (1) and 18 (7)]

Grant of authorization for laying, building, operating or expanding CGD network

To

M/s Gujarat Gas Limited

(Kind Attn: Shri Nitin Patil, CEO)

2, Shantiniketan Society, Near Parimal Garden

Ellisbridge, Ahmedabad -380006

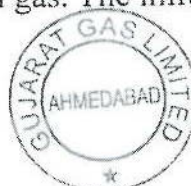
Subject: Grant of Authorization to Gujarat Gas Limited (GGL) for development of City Gas Distribution Network in the Geographical Area of Panchmahal District.

Sir,

With reference to your application-cum-bid for grant of authorization for laying, building, operating or expanding the CGD network in Panchmahal District, it has been decided to grant you the authorization subject to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and the following terms and conditions:

1. The Authorized Area for laying, building, operating or expanding the proposed CGD Network shall cover an area of 3,304 square kilometer and as depicted in the enclosed drawing.
2. The activities of laying, building, operating or expansion of the CGD Network to commence within a period of 270 days from the date of this authorization.
3. The activities permitted above shall have to be completed as per the approved time schedule enclosed at Annexure 1. Any failure on the part of the entity in complying with the milestones prescribed in the time schedule shall lead to consequences as specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
4. The entity shall design and install an optimal size of the infrastructure in terms of various types including steel belting of the authorized area, online facilities of adequate capacity for compressing of natural gas into CNG, allied facilities in the CGD network as identified in its DFR depending on the demand for natural gas. The infrastructure in the CGD network

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ARVIND KUMAR
अपर सलाहकार
Additional Adviser
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Petroleum & Natural Gas Regulatory Board
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1st Floor, World Trade Centre
बाबर रोड, नई दिल्ली-110001
Babar Road, New Delhi-110001



For Gujarat Gas Limited

Nitin Patil
Nitin Patil
(Authorised Signatory)

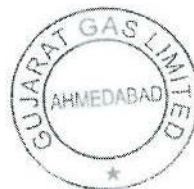
should be adequate to maintain uninterrupted flow of natural gas in the pipelines and be also able to maintain supplies at adequate pressure to online CNG stations.

5. The entity shall maintain an uninterrupted supply of natural gas to all categories of customers in the CGD network. In the event of any disruption in the supply of natural gas in the CGD Network, first priority shall be accorded to restoration of supplies to domestic PNG customers. In case of disruption of supply to domestic PNG customers for more than twelve hours, the entity shall compensate to the domestic customer on the following basis:-

- (a) the normative volume of natural gas consumption for the first domestic PNG connection for cooking requirements based on last three months weighted average consumption per day to be applied for each day's disruption and multiplied by ten;
 - (b) normative value of natural gas consumption shall be based on last three months' weighted average billing price of natural gas for supplies to the first domestic PNG connection for cooking requirements; and
 - (c) the value of compensation shall be equal to normative volume of natural gas consumption as per clause (a) multiplied by normative value as per clause (b) and shall be adjusted by allowing a credit to the domestic PNG Customer in the next billing cycle or in the next pre-paid smart card in case of smart card metering.
 - (d) In case the disruption of supplies is attributed to any fault of the domestic PNG customer, no compensation shall be payable by the entity.
6. The entity is allowed an exclusivity period under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, in respect of the following:
- (a) 300 months from the date of issue of this communication for laying, building and expansion of the CGD network; and
 - (b) 60 months from the date of issue of this communication in terms of an exemption from the purview of common carrier or contract carrier for the CGD network:

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Babar Road, New Delhi-110001

It is stated that the entity meets the obligations in line with the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008:



For Gujarat Gas Limited

Nitin Patil
(Authorised Signatory)

Provided further that the period of exclusivity allowed under sub-clause (a) or sub-clause (b) may be terminated before the expiry of the period mentioned above in line with the provisions under Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008.

7. The authorized entity shall be required to take prior approval from the Board for creation of any lien, charge or hypothecation of the CGD network to secure finances for the project and furnish details of utilization of funds. However, in case of raising funds from any financial institution or bank, the entity will be required to only inform the Board of the sanction of the funds within a period of seven days.
8. The entity shall submit a detailed and clear financial closure report to the Board within a period of one hundred and eighty days from the date of authorization issued by the Board under regulation 10 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
9. The entity shall publish on its website the network tariff for transportation of natural gas as well as the compression charge for CNG in the CGD network in the authorized area which is also annexed to this schedule.
10. The entity shall publish the applicable retail selling price of PNG for all categories of customers and also for the purpose of invoicing in Rs./MMBTU.
11. The entity shall publish and display the retail selling price of CNG for the purpose of invoicing to CNG customers in Rs./ Kg at all CNG dispensing stations.
12. The furnishing of performance bond of **Rs. 662 crore (Rupees Six Hundred and Sixty Two crore only)** is a guarantee for timely commissioning of the project as per the prescribed targets in the bid and for meeting the service obligations during the operating phase of the project.
13. The entity shall comply with the applicable provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008, the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, relevant regulations for technical standards and

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Babar Road, New Delhi-110001



For Gujarat Gas Limited
Nitin Patil
Nitin Patil
(Authorised Signatory)

specifications, including safety standards, any other regulations as may be applicable and the provisions of the Act.

14. In case the authorization of the entity is terminated, the Board may assign the rights and obligations of the entity to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the CGD network at the same level till another agency or entity appointed by the Board takes over the full control of the CGD network.

You are requested to confirm your acceptance by filling-in the acceptance of the grant of authorization provided below and return the same in original. (Please note that all pages along with the Annexure are to be initialed & stamped).

Yours faithfully,

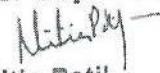
Dated: 4th July 2016

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अपर सलाहकार
Additional Adviser
पेट्रोलियम और प्राकृतिक गैस विभाग
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1st Floor, World Trade Centre
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Baber Road, New Delhi-110001

Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter Ref. PNGRB/CGD/BID/6/2015/GA-Panchmahal District –Bid Evaluation dated 4th July 2016 and agree to comply with all the terms and conditions subject to which I/ We have been granted the authorization for laying, building, operating or expanding city or local natural gas distribution network in the authorized area of Panchmahal District.

For Gujarat Gas Limited


Nitin Patil
(Authorised Signatory)

Date: 07 JUL 2016

Place: AHMEDABAD



Signature of the Entity or Authorized Signatory

ANNEX 1 - GA of Panchmahal District

Minimum Work Programme as per BID

Minimum Work Program as per Regulations (to be completed during first five years of exclusivity)	
Inch- Kms of Pipeline to be Laid.	No. of Domestic PNG Connections
1189	15191

Year wise Break Up of targets					
Total Inch- Kms of Pipeline to be Laid.	Year1 (20%)	Year 2 (50%)	Year 3 (80%)	Year 4 (90%)	Year 5 (100%)
1189	238	595	952	1070	1189

Year wise Break Up of targets					
Infrastructure for PNG Domestic Connections.	Year1	Year 2 (15%)	Year 3 (50%)	Year 4 (70%)	Year 5 (100%)
15191	-	2279	7596	10634	15191

	Rate
Network Tariff (from 1-25 Years) Rs. per MMBTU	0.01
Compression Charge (from 1-25 Years) Rs. per Kg.	0.01

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Babar Road, New Delhi-110001



For Gujarat Gas Limited

Nitin Patil
Nitin Patil
(Authorised Signatory)

Schedule D

[see regulations 10 (1) and 18 (7)]

Grant of authorization for laying, building, operating or expanding CGD network

To

M/s Gujarat Gas Limited

(Kind Attn: Shri Nitin Patil, CEO)

2, Shantiniketan Society, Near Parimal Garden

Ellisbridge, Ahmedabad -380006

Subject: Grant of Authorization to Gujarat Gas Limited (GGL) for development of City Gas Distribution Network in the Geographical Area of Anand District (excluding the area already authorized).

Sir,

With reference to your application-cum-bid for grant of authorization for laying, building, operating or expanding the CGD network in Anand District (excluding the area already authorized), it has been decided to grant you the authorization subject to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and the following terms and conditions:

1. The Authorized Area for laying, building, operating or expanding the proposed CGD Network shall cover an area of 1888.96 square kilometer and as depicted in the enclosed drawing.
2. The activities of laying, building, operating or expansion of the CGD Network to commence within a period of 270 days from the date of this authorization.
3. The activities permitted above shall have to be completed as per the approved time schedule enclosed at **Annexure 1**. Any failure on the part of the entity in complying with the **milestones prescribed** in the time schedule shall lead to consequences as specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
4. The entity shall design and install an optimal size of the infrastructure in terms of various types including steel belting of the authorized area, online compressors of adequate capacity for compressing of natural gas into CNG, allied facilities in the CGD network as identified in its DFR depending upon the potential demand for natural gas. The infrastructure in the CGD network

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Additional Manager
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Nitin Patil
(Authorised Signatory)

should be adequate to maintain uninterrupted flow of natural gas in the pipelines and be also able to maintain supplies at adequate pressure to online CNG stations.

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6. The entity is allowed an exclusivity period under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, in respect of the following:

- (a) 300 months from the date of issue of this communication for laying, building and expansion of the CGD network; and
- (b) 60 months from the date of issue of this communication in terms of an

exemption from the purview of common carrier or contract carrier for the CGD network:

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अधीन सलाहकार
Additional Adviser

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that the entity meets the obligations in line with the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008:



For Gujarat Gas Limited
Nitin Patil
Nitin Patil
(Authorised Signatory)

Provided further that the period of exclusivity allowed under sub-clause (a) or sub-clause (b) may be terminated before the expiry of the period mentioned above in line with the provisions under Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008.

7. The authorized entity shall be required to take prior approval from the Board for creation of any lien, charge or hypothecation of the CGD network to secure finances for the project and furnish details of utilization of funds. However, in case of raising funds from any financial institution or bank, the entity will be required to only inform the Board of the sanction of the funds within a period of seven days.
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11. The entity shall publish and display the retail selling price of CNG for the purpose of invoicing to CNG customers in Rs./ Kg at all CNG dispensing stations.
12. The furnishing of performance bond of Rs. 662 crore (Rupees Six Hundred and Sixty Two crore only) is a guarantee for timely commissioning of the project as per the prescribed targets in the bid and for meeting the service obligations during the operating phase of the project.
13. The entity shall comply with the applicable provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008, the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, relevant regulations for technical standards and

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Babar Road, New Delhi-110001



For Gujarat Gas Limited

Nitin Patil
(Authorised Signatory)

specifications, including safety standards, any other regulations as may be applicable and the provisions of the Act.

14. In case the authorization of the entity is terminated, the Board may assign the rights and obligations of the entity to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the CGD network at the same level till another agency or entity appointed by the Board takes over the full control of the CGD network.

You are requested to confirm your acceptance by filling-in the acceptance of the grant of authorization provided below and return the same in original. (Please note that all pages along with the Annexure are to be initialed & stamped).

Yours faithfully,

Dated:

ARVIND KUMAR
Additional Adviser
1st Floor, World Trade Centre
Babar Road, New Delhi-110001

Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter ref. PNGRB/CGD/BID/6/2015/GA-Anand District (excluding the area already authorized)-Bid Evaluation dated 4th July 2016 and agree to comply with all the terms and conditions subject to which I/ We have been granted the authorization for laying, building, operating or expanding city or local natural gas distribution network in the authorized area of Anand District (excluding the area already authorized).

Date: 07 JUL 2016

Place: AHMEDABAD



For Gujarat Gas Limited

Nitin Patil
(Authorised Signatory)

Signature of the Entity or Authorized Signatory

1/11

ANNEX 1 - GA of Anand District (excluding the area already authorized)

Minimum Work Programme as per BID

Minimum Work Program as per Regulations (to be completed during first five years of exclusivity)	
Inch- Kms of Pipeline to be Laid.	No. of Domestic PNG Connections
680	12650

Year wise Break Up of targets					
Total Inch- Kms of Pipeline to be Laid.	Year1 (20%)	Year 2 (50%)	Year 3 (80%)	Year 4 (90%)	Year 5 (100%)
680	136	340	544	612	680

Year wise Break Up of targets					
Infrastructure for PNG Domestic Connections.	Year1	Year 2 (15%)	Year 3 (50%)	Year 4 (70%)	Year 5 (100%)
12650	-	1898	6325	8855	12650

	Rate
Network Tariff (from 1-25 Years) Rs. per MMBTU	0.01
Compression Charge (from 1-25 Years) Rs. per Kg.	0.01

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For Gujarat Gas Limited

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(Authorised Signatory)

