



4th June, 2016 **GUJARAT GAS**

GGL/SEC/231/2016

To,

Bombay Stock Exchange Limited, Phiroze Jijibhoy Tower, Dalal Street, Mumbai	Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Nr. Panjara Pole, Ambawadi, Ahmedabad – 380 015
Company Code: BSE-GUJGAS,	
Vadodara Stock Exchange Limited, 3 rd Floor, Fortune Towers, Sayajigunj, Vadodara	National Stock Exchange of India Ltd. Exchange Plaza, 5 th 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.

Company Code: BSE-GUJGAS, NSE-GUJGASLTD.

Dear Sirs,

Sub: Acceptance of Grant of Authorisation for the GA of Amreli District

Pursuant to the SEBI (Listing Obligations and disclosures Requirements) Regulations, 2015, we hereby inform you that PNGRB vide its letter dated 27th May 2016 and received on 4th June 2016, has granted to Gujarat Gas Limited (GGL), an authorisation to lay, build, operate, or expand City or Local Natural Gas Distribution network (“CGD network”) for the Geographical Area of Amreli District in Gujarat. GGL has accepted the attached authorisation in Schedule D of the PNGRB vide a confirmation letter to PNGRB on 4th June 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 26th May 2041 and 60 months of marketing exclusivity valid up to 26th May 2021 for the CGD network. Further, the Authorised area for laying, building, operating or expanding the proposed CGD Network shall cover a geographical area of 7,477 sq. kms.

We request to take the above on record.

Thanking you,

Yours faithfully,
For Gujarat Gas Limited


Rajeshwari Sharma
Company Secretary

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



GUJARAT GAS

REG\PNGRB\GR 2\2016\024

June 04, 2016

To,

Shri Upamanyu Chatterjee, IAS

Secretary,

Petroleum and Natural Gas Regulatory Board ("PNGRB/Board")

1st Floor, World Trade Centre,

Babar Road, New Delhi – 110001

Sub: Grant of Authorization to M/s Gujarat Gas Limited for development of City Gas Distribution Network in the Geographical Area of Amreli District

Ref: PNGRB Letter No. PNGRB/CGD/BID/6/2015/8/GA-Amreli District- Bid Evaluation dated May 27, 2016 received on June 04, 2016

Dear Sir,

At the outset Gujarat Gas Limited ("GGL") would like to thank the Honourable PNGRB for granting authorization for the Geographical Area of Amreli District in the State of Gujarat with respect to the bid submitted by GGL during the PNGRB CGD Sixth Bid Round.

As requested, please find attached the duly signed and stamped acceptance of the grant of authorization ("Schedule D") for laying, building, operating or expanding city or local natural gas distribution in the GA of Amreli District.

We trust the attached Acceptance of Schedule-D meets the requirement of the Honourable Board.

Thanking you,

For Gujarat Gas Limited,

Nitin Patil

I/C - Chief Executive Officer

Encl: Signed and stamped Schedule- D for the GA of Amreli District

Schedule D

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

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

To

Chief Executive Officer,
Gujarat Gas Limited,
2, Shantisadan Society,
Near Parimal Garden,
Ellisbridge, Ahmedabad - 380006,
Gujarat

Subject: Grant of Authorization to Gujarat Gas Limited for development of City Gas Distribution Network in the Geographical Area of Amreli district.

Sir,

With reference to your application-cum-bid for grant of authorization for laying, building, operating or expanding the CGD network in **Amreli 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 **7,477** square kilometers 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 pipelines of various types including steel belting of the authorized area, online compressors of adequate capacity for compressing of natural gas into CNG, allied equipments and 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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Babar Road, New Delhi-110001



For Gujarat Gas Limited

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:

Provided 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:

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

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For Gujarat Gas Limited
Nitin Patil
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(Authorised Signatory)

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 44 crore (Rupees Forty Four 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 specifications, including safety standards, any other regulations as may be applicable and the provisions of the Act.

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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).

Dated: 27/5/16

Yours faithfully,

Arvind Kumar
27/5/2016

(Arvind Kumar)
Additional Adviser

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Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter ref. PNGRB/CGD/BI/6/2015/8/CA-Amreli District - Bid dated 27 May 2016 ^{evn. no. 10} received on 04 June 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 Amreli district.

Date: 04 JUN 2016

Place: Ahmedabad

Signature of the Entity or Authorized Signatory



For Gujarat Gas Limited

Nitin Patil
Nitin Patil
(Authorised Signatory)

ANNEX 1 - GA of Amreli 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
1,800	14,742

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%)
1,800	360	900	1,440	1,620	1,800

Year wise Break Up of targets					
Infrastructure for PNG Domestic Connections.	Year1	Year 2 (15%)	Year 3 (50%)	Year 4 (70%)	Year 5 (100%)
14,742	-	2,211	7,371	10,391	14,742

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

Don't

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For Gujarat Gas Limited
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AMRELI DISTRICT GEOGRAPHICAL AREA (GUJARAT)



Total Population within the Geographical Area as per 2011
 15.14 Lac. (Approx.) No Change Areas.

Change Areas Identification

CA No.	Block Name	Taluk Name
CA-01	Babra	Babra
CA-02	Kunkavav	Kunkavav
CA-03	Vadia	Vadia
CA-04	Amreli	Amreli
CA-05	Lathi	Lathi
CA-06	Lilla	Lilla
CA-07	Savar Kundla	Savar Kundla
CA-08	Dhari	Dhari
CA-09	Khambha	Khambha
CA-10	Rajula	Rajula
CA-11	Jafraabad	Jafraabad

LEGEND

LANDMARKS

- DISTRICT HEAD QUARTER
- TAHSIL HEAD QUARTER
- MAJOR TOWNS

VECTORS

- NATIONAL HIGHWAY
- STATE HIGHWAY
- MAJOR ROAD
- RAILWAY
- GA BOUNDARY
- WATER BODIES

VILLAGE POPULATION

- VILLAGE WITH POPULATION 5000 AND ABOVE

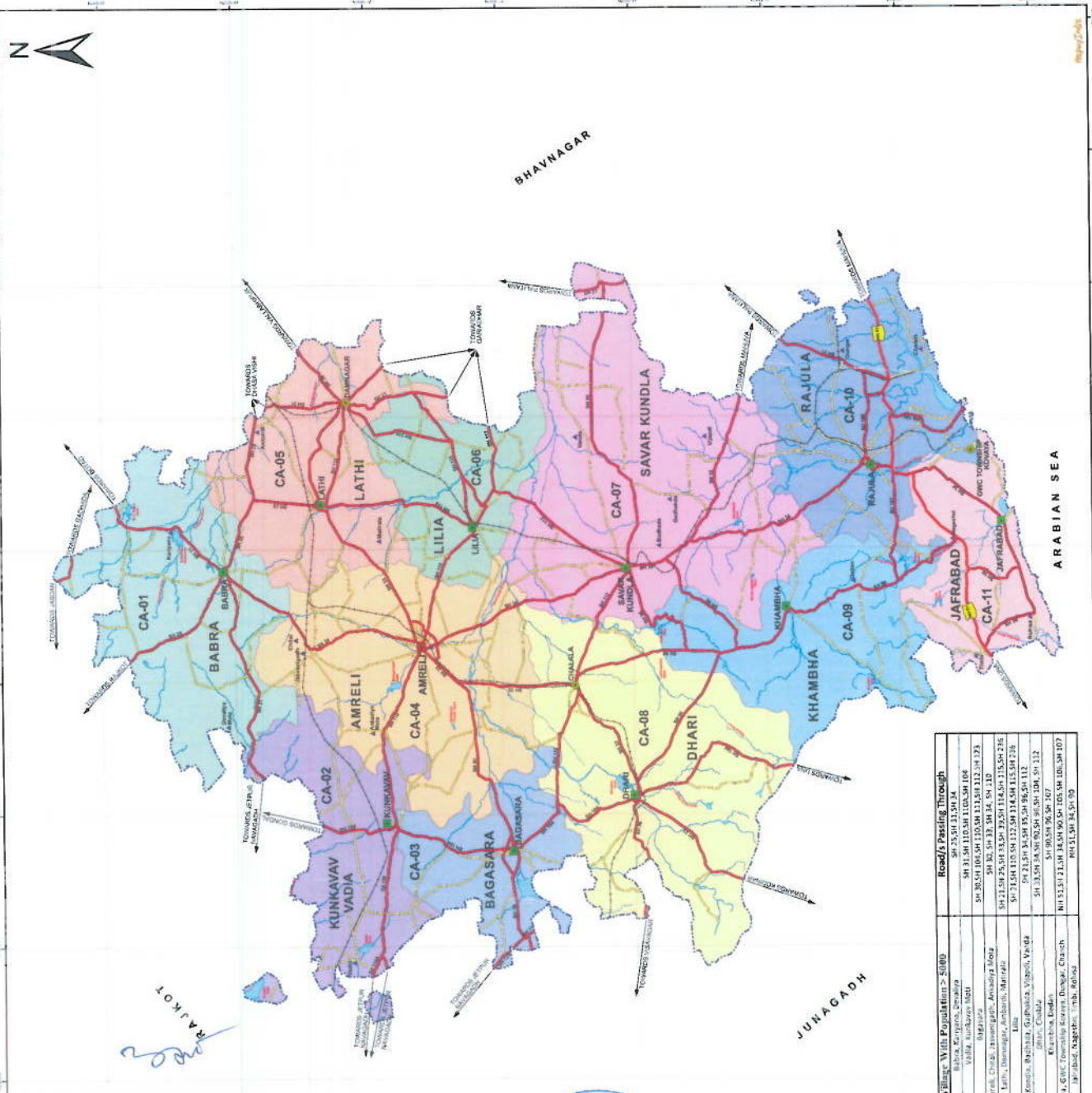
REMARKS:-

- Landmarks are indicated in red.
- GA boundary color and is enclosed by physical features such as roads, rivers, railway tracks or administrative boundaries as shown in the map.
- This map is a part of application cum final document for the Amreli District Geographical Area.



PETROLEUM AND NATURAL GAS REGULATORY BOARD
 1st Floor, 4th Floor, 6th Floor, 8th Floor, New Delhi-110001

Map No. PNR/GC/DG/2015/CA-Amreli District
 Date: June-2015
 Map Title: Amreli District Geographical Area



CA Name	Village With Population > 5000	Roads Passing Through
CA-01	Babra, Kunkavav, Vadia	SH 31, SH 110, SH 110A, SH 104
CA-02	Vadia, Kunkavav, Dhari	SH 85, SH 100, SH 110, SH 112, SH 123
CA-03	Amreli, Dhari, Kunkavav, Vadia, Rajula	SH 32, SH 33, SH 34, SH 110
CA-04	Amreli, Dhari, Kunkavav, Vadia, Rajula	SH 21, SH 25, SH 33, SH 34, SH 35, SH 114, SH 115, SH 216
CA-05	Amreli, Dhari, Kunkavav, Vadia, Rajula	SH 71, SH 110, SH 112, SH 114, SH 115, SH 216
CA-06	Lilla	SH 21, SH 34, SH 35, SH 96, SH 112
CA-07	Savar Kundla, Rajula, Khambha, Vadia, Dhari, Chuhala	SH 13, SH 34, SH 94, SH 104, SH 112
CA-08	Kunkavav, Vadia, Rajula, Khambha, Dhari, Chuhala	SH 13, SH 34, SH 94, SH 104, SH 112
CA-09	Rajula, Khambha, Dhari, Chuhala	SH 13, SH 34, SH 94, SH 104, SH 112
CA-10	Rajula, Khambha, Dhari, Chuhala	SH 13, SH 34, SH 94, SH 104, SH 112
CA-11	Jafraabad, Rajula, Khambha, Dhari, Chuhala	SH 13, SH 34, SH 94, SH 104, SH 112

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