



Gujarat State Petronet Ltd.

GSPL Bhavan,
E-18, GIDC Electronics Estate, Nr. K-7 Circle,
Sector-26, Gandhinagar-382028.
Tel.: +91-79-23268500/600 Fax : +91-79-23268506
Web site : www.gspcgroup.com

Ref : GSPL/S&L/2016-17
Date: 20th May, 2016

To,
Manager- Listing Department
National Stock Exchange
"Exchange Plaza, Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051.
Fax No. : 022-26598237/38

Dear Sir,

Company Code: GSPL

Sub : Material Information under Clause 30 of the Listing Regulations - Grant of Authorization issued by Petroleum and Natural Gas Regulatory Board (PNGRB).

This is to inform you that Petroleum and Natural Gas Regulatory Board has issued vide its letter dated 10th May, 2016, the Grant of Authorisation to GSPL for developing City Gas Distribution (CGD) Network in the Geographical Area of Bhatinda and the same was accepted by GSPL on 19th May, 2016.

The Authorized Area for laying, building, operating or expanding proposed CGD Network shall cover a geographical area of 3357 square Kms.

The letter of authorization issued by PNGRB to GSPL is enclosed herewith.

This is for your information and public dissemination.

Thanking you,

Yours faithfully,

For Gujarat State Petronet Limited

Reena Desai
Company Secretary

Schedule D

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

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

To,

M/s Gujarat State Petronet Limited
[Kind Attn: Mr. Ravindra Agrawal- ED (Gas Business)],
GSPL Bhavan,
E-28, GIDC Electronics Estate,
Near K-7 Circle, Sector – 26,
Gandhi Nagar – 382028

Subject: Grant of Authorization to M/s Gujarat State Petronet Limited for development of City Gas Distribution Network in the Geographical Area of Bhatinda District.

Sir,

With reference to your application-cum-bid for grant of authorization for laying, building, operating or expanding the CGD network in **Bhatinda 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 **3357** 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 **180** 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.

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



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अरविन्द कुमार
ARVIND KUMAR
Additional Adviser
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, बल्लभ पटेल रोड, 110001
1st Floor, World Trade Centre
Bhatinda, Punjab
Bhatinda Road, New Delhi-110001

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 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:

अरविन्द कुमार
ARVIND KUMAR

Additional Adviser

पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board

पेट्रोलियम, गैस, बल्लू, गैस, को-ऑर्डिनेट
1st Floor, World Trade Centre
बाबर रोड, नई दिल्ली-110001
Babar Road, New Delhi-110001

Ar. K.



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 12 Crore (Rupees Twelve 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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ARVIND KUMAR
अपर सलाहकार
Additional Adviser
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
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Babar Road, New Delhi-110001

Arvind Kumar



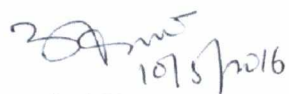
14. In case the authorization of the entity is terminated, the Board may assign the rights and obligations of the entity to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations 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:

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

Yours faithfully,


(Arvind Kumar)
Additional Adviser

Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter ref. PNGRB/CGD/BID/6/2015/9/GA-Bhatinda District-Bid Evaluation dated 10th May, 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 Bhatinda District.

Date: 13.05.2016

Place: GANDHINAGAR



Signature of the Entity or Authorized
Signatory



ANNEX 1 - GA of Bhatinda 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
1209	13695

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%)
1209	242	605	967	1088	1209

Year wise Break Up of targets					
Infrastructure for PNG Domestic Connections.	Year1	Year 2 (15%)	Year 3 (50%)	Year 4 (70%)	Year 5 (100%)
13695	-	2054	6848	9587	13695

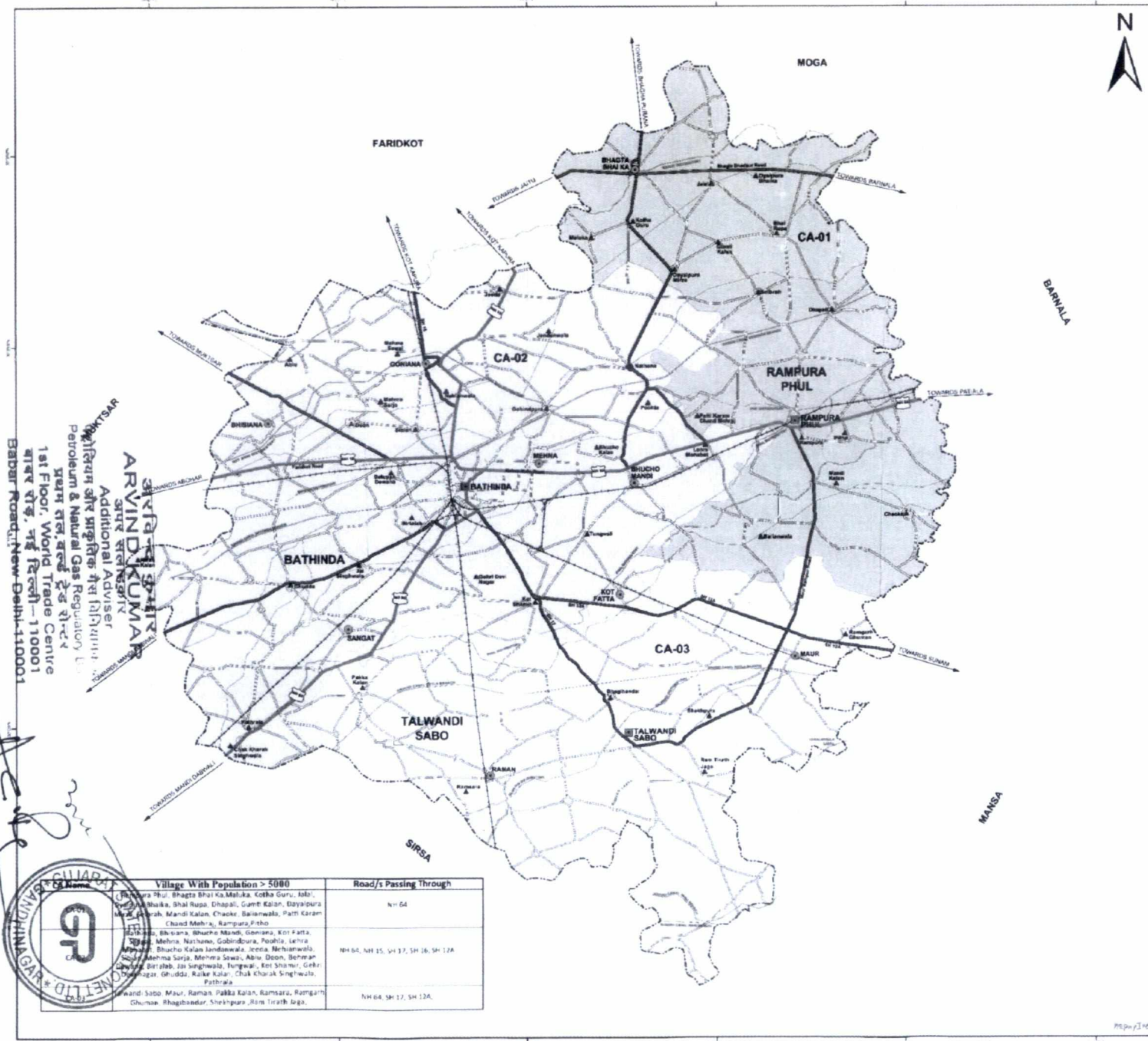
	Rate
Network Tariff (from 1-25 Years) Rs. per MMBTU	0.01
Compression Charge (from 1-25 Years) Rs. per Kg.	0.01

(Signature)

(Signature)

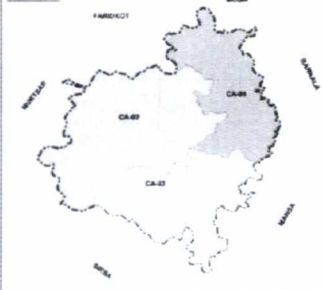
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BATHINDA DISTRICT GEOGRAPHICAL AREA (PUNJAB)

KEY MAP



Total Population within the Geographical Area as per 2011	
13.88 Lacs (Approx.)	
Total Geographical Area (Sq.Kms)	No. Charge Areas
3,352	3
Charge Areas Identification	Tahsil Names
CA-01	Rampura Phul
CA-02	Bathinda
CA-03	Talwandi Sabo

LEGEND

LANDMARKS

- DISTRICT HEAD QUARTER
- TAHSIL HEAD QUARTER
- MAJOR TOWNS

VECTORS

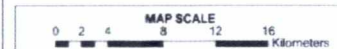
- NATIONAL HIGHWAY
- STATE HIGHWAY
- MAJOR ROAD
- RAILWAY
- GA BOUNDARY
- WATER BODIES

VILLAGE POPULATION

- VILLAGE WITH POPULATION 5000 AND ABOVE

REMARKS:-

- Landmarks are indicative in nature.
- Each charge area is depicted in different 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 bid document for the Bathinda District Geographical area.



PETROLEUM AND NATURAL GAS REGULATORY BOARD
1st Floor, World Trade Centre, Babar Road, New Delhi-110001

Map No.	PNGRB/CGD/BID/6/2015/GA-Bathinda District
Date	June-2015
Map Title	Bathinda District Geographical Area

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Additional Adviser
Petroleum & Natural Gas Regulatory Board
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Village With Population > 5000	Road/s Passing Through
Bathinda	NH 64
Rampura Phul	NH 64, NH 25, SH 37, SH 16, SH 12A
Talwandi Sabo	NH 64, SH 17, SH 12A