

Ref No - TGPL/GA-10.40/20-21/BAR/FD06

Date: 17.12.2020

To,

**Nodal Officer**

17, Rana Pratap Marg, Lucknow (UP)

### **Undertaking**

Dear Sir,

M/s Torrent Gas Private Limited has been awarded Authorisation to lay, build and operate a City or Local Gas Distribution Network in Barabanki & Gonda Districts, Uttar Pradesh by Petroleum & Natural Gas Regulatory Board (PNGRB) vide letter No. PNGRB/CGD/BID/10-2018/GA/10.40 /Schedule-D dated 29<sup>th</sup> March 2019 (Copy Enclosed).

As nearest Natural Gas Pipeline is owned by M/s GAIL (India) Limited, M/s Torrent Gas Private Limited applied for providing natural gas from its pipeline. M/s GAIL (India) Limited has signed Hook-Up agreement dated 19.09.2019 with M/s Torrent Gas Private Limited to provide Natural Gas from its **integrated HVJ Natural Gas Pipeline at RR54, IGFL Terminal, Jagdishpur, Amethi** (Copy enclosed).

The Barabanki and Gonda CGD Project of national importance and is being executed in the interest of public. It is being implemented in time bound manner. Hence you are requested to kindly accord necessary permission to Torrent Gas Pvt. Ltd. for laying of proposed Natural Gas Pipeline on priority please.

Thanking you,

**For Torrent Gas Pvt. Ltd.**

  
**Mithilesh Kumar Singh**  
(Manager)  




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EX 976049

**AGREEMENT FOR HOOKING-UP FACILITIES**

This Agreement for Hooking-Up of ENTITY's Facilities ("Agreement") is made on the 19th day of SEP. 2019 ("Execution Date"), between:

**M/s GAIL (India) Limited**, a company incorporated under the Companies Act, 2013 and having its registered office at GAIL Bhawan, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi- 110 066, India, (which expression shall, where the context so requires or admits of, be deemed to include its successors or assigns) hereinafter referred to as "**OWNER**" of the **First Part**

**M/s Torrent Gas Private Ltd (TGPL)**, a company incorporated under the Companies Act, 2013 and having its registered office at Samanvay, 600, Tapovan, Ambawadi, Ahmedabad - 380015 (which expression shall, where the context so requires or admits of, be deemed to include its successors or assigns), hereinafter referred to as "**ENTITY**" of the **Second Part**

Parties of the First and Second Part are individually referred to as a "**Party**" and collectively referred to as the "**Parties**"

**REGITALS:**

- A. **WHEREAS**, OWNER is engaged in the business of transmission/processing of gas and owns & operates natural gas pipelines/processing plants. Further, OWNER may build new transmission facilities or buy capacity from any other OWNER for the purpose of providing Transmission Services.
- B. **WHEREAS**, ENTITY has received authorization from PNGRB for development of City Gas Distribution Network in Geographical Area (GA-10.40) of Gonda and Barabanki Districts of Uttar Pradesh.





- C. **WHEREAS**, the ENTITY has requested OWNER to create necessary facilities at the Hooking-up Point for measurement and pressure regulation of Gas to be transported/delivered from Integrated HVJ Natural Gas Pipeline (Auraiya - Jagdishpur Section) to ENTITY's City Gas Distribution (CGD) Network through Hooking-Up Point.
- D. **WHEREAS**, ENTITY owns a Sub-transmission pipeline ("ENTITY's Pipeline") from its City Gate Station to the boundary limit of Integrated HVJ Natural Gas Pipeline (Auraiya - Jagdishpur Section) at RR-54 IGFCL Terminal, Jagdishpur, Amethi in the state of Uttar Pradesh and desires to hook-up the ENTITY's Pipeline with Integrated HVJ Natural Gas Pipeline (Auraiya - Jagdishpur Section) for transportation/delivery of Gas through the Hooking-Up Point to its CGD Network in the Authorized Geographic Area of Gonda and Barabanki Districts for the purpose of City Gas Distribution.
- E. **WHEREAS**, ENTITY and the OWNER have executed a GSA and/or GTA dated \_\_\_\_\_ for supply and/or transportation of Natural Gas from \_\_\_\_\_ (Name of Owner Pipeline) pipeline to the ENTITY's Pipeline. (to be executed later )
- F. **WHEREAS**, the Parties hereto set forth this agreement regarding the design, construction, installation, operation, maintenance, ownership and cost of Hooking-Up Facilities to connect the Integrated HVJ Natural Gas Pipeline (Auraiya - Jagdishpur Section) to ENTITY's Pipeline at the Hooking-up Point.

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

### **CLAUSE 1- DEFINITIONS AND INTERPRETATION**

#### **1.1 Definitions:**

Except as stated otherwise, capitalized terms used in this Agreement shall have the following meanings:

- a) **"Actual Expenditure"** shall mean any expenditure of direct, indirect, fixed or variable nature incurred to complete and commission the Hooking-Up facility but not limited to the design, procurement, installation, construction, commissioning, supervision etc., of the Hooking-Up facility. The Hooking-Up Facilities comprises of metering facility, gas monitoring equipment, pressure regulators, filters, telecom, telemetry, power source, piping work / pipeline between Tap-off Point and Hooking-Up Facility inter-alia any such other equipment, facilities necessary to hook up with the CGD Entity's Pipeline/ Facilities at the Exit Point
- b) **"Affiliate"** means an associated person in relation to the OWNER / ENTITY or the OWNER / ENTITY in relation to an associated person-

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- (i) Who participates directly or indirectly or through one or more intermediaries in the management or control or capital of the OWNER/ ENTITY or an associated person, as the case may be;
  - (ii) Who holds, directly or indirectly, shares carrying not less than 26% of the voting power in the OWNER/ ENTITY or associated person, as the case may be;
  - (iii) Who appoints more than half of the board of directors or members of the governing board, or one or more executive directors or executive members of the governing board of the OWNER/ ENTITY or the associated person, as the case may be; or
  - (iv) Who guarantees not less than 10% of the total borrowings of the OWNER/ ENTITY or the associated person, as the case may be
- c) **"Authorised Area"** means the specified Geographical Area for a city or local natural gas distribution network (hereinafter referred to as CGD network) authorized under PNGRB regulations for laying, building, operating or expanding the CGD network which may comprise of the following categories, either individually or in any combination thereof, depending upon the criteria of economic viability and contiguity as stated in Schedule A, namely:-
- (i) Geographic Area, in its entirety or in part thereof, within a municipal corporation or municipality, any other urban area notified by the Central or the State Government, village, block, tehsil, sub-division or district or any combination thereof; and
  - (ii) Any other area contiguous to the Geographical Area mentioned in sub-clause (i)
- d) **"Battery Limit"** means the point where Gas will be delivered by OWNER to the ENTITY, which point shall be the Custody Transfer Flange.
- e) **"British Thermal Unit"** and its abbreviation "Btu" means the quantity of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at an absolute pressure of fourteen decimal six nine six pound per square inch (14.696 psi).
- f) **"City Gate Station"** means the point where custody transfer of Natural Gas from natural gas pipeline to the city or local Natural Gas distribution network takes place.
- g) **"City or Local Natural Gas Distribution Network"** means an interconnected network of gas pipelines and the associated equipment used for transporting Natural Gas from a bulk supply high pressure transmission main to the medium pressure distribution grid and subsequently to the service pipes supplying Natural Gas to domestic, industrial or commercial premises and CNG stations situated in a specified Geographical Area.
- h) **"Commissioning Date"** has the meaning provided to such term in Clause 5.1.

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- i) **"Contracted Capacity"** shall have the meaning as defined in the Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines Regulations, 2008
- j) **"Delivery Point"** shall have the meaning as defined in the "Operating Code", a supplementary agreement to the GTA and/or as per provision in the GSA.
- k) **"Entity Facilities"** shall mean the ENTITY facilities downstream of Exit Point
- l) **"Exit Point"** shall have the meaning as defined in the Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines Regulations, 2008
- m) **"Event of Default"** shall mean an ENTITY Event of Default and/or OWNER Event of Default as defined in the GSA and/or GTA as the context may require.
- n) **"Financial Year"** means the period starting from 06:00 hours on 1<sup>st</sup> of April of each calendar year and ending by 05:59 hours of 1<sup>st</sup> of April of the succeeding calendar year.
- o) **"Force Majeure"** shall have the meaning given to that expression in the GSA and/or GTA and shall be governed by the provision of the GSA and/or GTA.
- p) **"Government Instrumentality"** means the Government of India, Petroleum & Natural Gas Regulatory Board ("Board"), the Government of any other state in India, or any political subdivision, ministry, department, agency, corporation, commission or any regional, local or municipal authority or governmental body thereof or any other governmental or statutory body under the direct or indirect control of the Government of India or any other state in India, or of any political subdivision, ministry, department, agency, corporation, commissioner any regional, local or municipal authority or governmental body thereof, and shall include, without limitation, any other governmental or statutory body or regulatory body having jurisdiction over the ENTITY's Facilities or OWNER's Facilities, as the case may be, or over the performance of any part of work or the works or any obligation of the of either Part under this Agreement.
- q) **"GSA"** shall mean the Gas Sales Agreement between OWNER and the ENTITY and any amendments thereto.
- r) **"GTA"** shall mean the Gas Transmission Agreement between OWNER and the ENTITY and any amendments thereto.
- s) **"Hooking-Up Charges"** shall mean the charges for providing 'Hooking-Up Facilities at the Exit Point' payable by the ENTITY to OWNER which shall inter-alia comprise of Actual Expenditure and additional 18% of such Expenditure to cover overheads, interest and profits, as per PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations. Applicable Taxes shall be paid by the ENTITY as per the prevailing tax rates. Further, "Hooking Up Charges" on actuals for any subsequent alteration/expansion in 'Hooking-Up Facilities at the Exit Point' shall also be payable by the ENTITY to OWNER, including applicable taxes as per the prevailing tax rates.

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- t) **"Hooking-Up Facilities"** shall mean the Facilities at the Exit Point to be designed, installed, tested, calibrated and operated by the OWNER which shall comprise multi stream metering facility (1 Working + 1 Standby) having Q-max flow upto 13000 SCMH or as the case may be, gas monitoring equipment, pressure regulators, filters, telecom, telemetry, power source, piping work/ pipeline between Tap-off Point and Hooking-Up Point and such other equipment necessary to hook-up with the ENTITY's Facilities at the Hooking-up Point.
- u) **"Hooking-Up Point"** has the meaning provided to such term in Clause 4.1
- v) **"Interest"** shall mean a charge for late payment on the amount remaining unpaid applicable from the Due Date to the date of actual payment of such amount and the same shall be calculated by multiplying (a) the difference in the amount agreed or determined to be due and payable and the amount actually paid by (b) the ratio of the number of Days from the original Due Date to the date of actual payment to three hundred and sixty five (365) by (c) the State Bank of India's one year MCLR Rate plus six decimal two five percent (6.25%) accruing daily basis and calculated on Simple Interest Basis.
- w) **"MMBtu"** means one million Btu
- x) **"MMSCM"** means one million SCM
- y) **"Natural Gas"** means gas obtained from bore-holes and consisting primarily of hydrocarbons and includes-
- i) Gas in liquid state, namely, liquefied natural gas and re-gasified liquefied Natural Gas,
  - ii) Compressed Natural Gas,
  - iii) Gas imported through transnational pipe lines, including CNG or liquefied Natural Gas,
  - iv) Gas recovered from gas hydrates as Natural Gas,
  - v) Methane obtained from coal seams, namely, coal bed methane, but does not include helium occurring in association with such hydrocarbons;

**Explanation:** For the purposes of this clause, the expressions "high pressure" and "medium pressure" shall mean such pressure as the Central Government may, by notification, specify to be high pressure or, as the case may be, medium pressure.

- z) **"Operating Charges"** has the meaning provided to such term in Clause 6.2
- aa) **"Operating Pressure"** shall have the meaning as defined in the Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines Regulations, 2008.

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- bb) **"Preliminary Cost Estimate"** shall mean cost estimate prepared at the design stage constituting of direct, indirect, fixed or variable nature cost to be incurred to complete and commission the Hooking-Up Facility but not limited to the design, procurement, installation, construction, commissioning, supervision etc., of the Hooking-Up Facility.
- cc) **"Standard Cubic Meter"** and its abbreviation **"SCM"** means the quantity of Gas that occupies a volume of one (1) cubic meter at a temperature of fifteen Degrees Celsius (15°C) under an absolute pressure of one decimal zero one three two five Bar (1.01325 Bar).
- dd) **"Termination of this Agreement"** has the meaning provided in the GSA and/or GTA and shall be governed as per the provision in the GSA and/or GTA.
- ee) **"Upfront Payment"** has the meaning provided to such term in Clause 6.1
- ff) **"Working Day"** shall mean any Day in a Week other than a Sunday or a day declared to be public holiday under the provisions of the Negotiable Instruments Act, 1881 by the Government of India.

## **CLAUSE 2- OBLIGATIONS OF PARTIES**

### **2.1 ENTITY's Obligations:**

- i. To facilitate the OWNER to construct and install the Hooking-up Facility for the ENTITY, the ENTITY at its own cost shall provide developed land of 25mx 30m size or more as per design requirement free from all encumbrances to the OWNER adjacent to the OWNER's Tap off location at RR-54 IGFCL Terminal , Jagdishpur, Amethi in the state of Uttar Pradesh. Further, to protect the Hooking Up facilities, proper industrial type boundary masonry wall conforming to the PNGRB T4S Regulations shall be erected by the ENTITY at its own cost. Upon execution of this agreement, the parties shall sign a side letter once the ENTITY submits all requisite documents related to the actual land for construction and installation of the Hooking-up Facility by the OWNER for the ENTITY.
- ii. ENTITY shall construct, install, test, calibrate, commission, own and operate the ENTITY's Facilities downstream of the Hooking-Up Point. ENTITY shall be solely responsible for all costs associated with the maintenance and repair of the ENTITY's Facilities downstream of the Hooking-up Point.
- iii. ENTITY shall be responsible for acquiring all regulatory and statutory permits including PESO license in its name that are necessary for the construction, commissioning, operation and maintenance of the ENTITY's Facilities downstream of the Hooking-Up Point.
- iv. ENTITY shall ensure best safety practices for operation and maintenance of ENTITY's Pipeline.

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- v. ENTITY shall extend all the cooperation to the OWNER required for commissioning and operating the Hooking-up Facilities.
- vi. Any emergency/event in ENTITY's Pipeline that may affect the supply of Gas through the Hooking-Up Point shall be immediately informed to OWNER by the ENTITY.
- vii. ENTITY shall provide at least fifteen (15) days prior notice in writing to the OWNER in case of any maintenance job required to be undertaken in respect of the ENTITY's Facilities downstream of the Hooking-Up Facilities that may affect the supply of Gas through the Hooking-Up Point.
- viii. The ENTITY under this Agreement shall perform its obligations while ensuring best safety practices and as a reasonable and prudent operator.

## **2.2 OWNER's Obligations:**

- i. Upon receipt of the Upfront /Advance Payment for Hooking-Up Charges from ENTITY by OWNER in accordance with Clause 6.1 and the handing over the possession of developed land by ENTITY to OWNER in accordance with Clause 2.1 of this Agreement, whichever is later, the OWNER shall commence site activities for development of Hooking-Up Facilities. The Hooking-Up Facility shall conform to the requirement of PNGRB T4S Regulations and OISD Standards notified from time to time.
- ii. OWNER shall own and operate the Hooking-up Facilities
- iii. OWNER shall be responsible for acquiring all regulatory and statutory permits that are necessary for the construction, commissioning, operation, and maintenance of the Hooking-up Facilities.
- iv. OWNER shall perform all daily operational activities in connection with the Hooking-up Facilities, including, but not limited to, operation, testing, calibration in accordance with the industry practice and maintenance necessary for the utilization of the Hooking-up Facilities.
- v. Any emergency/event in Integrated HVJ Natural Gas Pipeline that may affect the supply of Gas through the Hooking-up Point shall be immediately informed to ENTITY by the OWNER.
- vi. OWNER shall provide at least fifteen (15) days prior notice to the ENTITY in case of any maintenance job is required to be undertaken in respect of the Hooking-up Facilities that may affect the supply of Gas through the Hooking-up Point.
- vii. OWNER shall extend all cooperation to ENTITY for facilitating the construction, commissioning and operation & maintenance of ENTITY's Facilities downstream of the Hooking-up Point inside the OWNER's premises.
- viii. OWNER shall develop the metering facilities for a flow with Q-Max of 13,000 SCMH @ 20kg/cm<sup>2</sup>g or lower flow as per the initial requirement of ENTITY.

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However, if the ENTITY requires the metering facility for a flow of more than the above capacity at the initial stage, then the OWNER shall install the same considering the requirement of ENTITY subject to Upfront /Advance Payment of corresponding Hooking-Up Charges by the ENTITY.

- ix. The OWNER shall augment the metering facility beyond the capacity indicated at clause 3.1 on request of the ENTITY and at the cost of the ENTITY based on the increased volume plan of the ENTITY. For this, the ENTITY to inform the OWNER well in advance.
- x. The OWNER under this Agreement shall perform its obligations while ensuring best safety practices and as a reasonable and prudent operator.

### **CLAUSE 3- VOLUME AND OPERATING PARAMETERS AND MEASUREMENT**

#### **3.1 Volume of Gas for flow through the Hooking-up Point.**

Subject to Clauses 2.2 and 4.1, it is agreed between the Parties that the Hooking-Up Facilities shall be designed to handle a maximum volume of **0.04341 MMSCM** of Natural Gas per day.

Notwithstanding the above, it is agreed by the Parties that supply/transmission of Natural Gas on a daily basis to the ENTITY at the Exit Point shall be subject to and governed by separate gas Sale/Transmission contract(s) to be entered into between the ENTITY and the OWNER and shall also be subject to operational arrangements/residual pipeline capacity available with the OWNER.

#### **3.2 Pressure and Temperature.**

Parties shall ensure that the following pressure and temperature are maintained at the Hooking-up Point"

- (i) All Gas delivered by OWNER at the Hooking-up Point shall be at pressure of  $30\text{kg/cm}^2\text{g}$  to  $49\text{kg/cm}^2\text{g}$  and the pressure shall not exceed the maximum pressure of  $49\text{kg/cm}^2\text{g}$  and shall not be less than  $30\text{kg/cm}^2\text{g}$ .
- (ii) Temperature shall be up to a maximum of 55 Degree C.

#### **3.3 Measurement of Gas:**

OWNER shall use standard methods generally used in the Gas industry to determine the quantity/quality of the Gas and shall be governed by the "Operating Code", a supplementary agreement to the GTA and/or as per provision in the GSA.

#### **3.4 Joint Tickets:**

The measured quantity shall be communicated by electronic mail by OWNER every fortnight to the ENTITY and Parties shall sign the Joint tickets fortnightly. Joint Ticket shall be prepared as per GSA/GTA.

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## **CLAUSE 4- INSTALLATION OF THE FACILITIES**

### **4.1 OWNER's Responsibilities:**

OWNER shall design, install, test, calibrate and operate the Hooking-Up Facility subject to Clause 5.1, to transport a maximum of **0.04341 MMSCM** of Gas per day from the Integrated HVJ Natural Gas Pipeline (Auraiya - Jagdishpur Section) into the ENTITY's Pipeline.

OWNER shall connect the ENTITY's Facilities at the custody transfer flange identified as "Hooking-up Point" at the battery limit between OWNER and the ENTITY Facilities.

### **4.2 ENTITY's Responsibilities:**

ENTITY shall at its sole risk & cost install the facilities downstream of the Hooking-up Facilities.

## **CLAUSE 5-COMMISSIONING DATE AND TERM**

### **5.1 Commissioning Date:**

"Commissioning Date" shall mean the date to be notified by the OWNER at least seven (7) days in advance after the mechanical completion of the Hooking-Up Facility.

The date for commencement of site activities for installation of Hooking-Up Facility shall be reckoned from the following date, whichever is later:

- (i) The date on which the ENTITY shall credit the Upfront/Advance Payment for Hooking-Up Charges in full including applicable taxes / duties to the OWNER's Bank Account and;
- (ii) The date on which the ENTITY, at its own cost, shall hand over the developed/graded land of size 25m x 30m or more as per design requirement with proper industrial type boundary masonry wall and conforming to the PNGRB Technical Standards Regulations, free from all encumbrances, to the OWNER and;
- (iii) The date of receipt of requisite permissions / RoU acquisition by the OWNER, as may be necessary, for laying of the pipeline between the proposed Tap-Off Point on the OWNER's pipeline and the proposed Hooking-Up Facility of the ENTITY and.

### **5.2 Term:**

The term of this Agreement shall be for an initial period of **Ten (10) years** commencing from the Execution Date with a mid-term review after completion of **Five (05) year** period.

Thereafter, this Agreement may be extended further under the mutual agreement of the Parties.

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## **CLAUSE 6 –HOOKING-UP CHARGES, OPERATING CHARGES & ANY OTHER CHARGES**

### **6.1 HOOKING-UP CHARGES:**

- i) It is agreed between the Parties that an estimated amount of **Rs. 2.87 crores** (as interest free Upfront / Advance Payment for Hooking-Up Charges) is payable by the ENTITY to the OWNER for providing Hooking-up Facilities in accordance with Clause 4.1, at the Hooking-Up Point for Hooking-Up Integrated HVJ Natural Gas Pipeline with ENTITY's Pipeline. Applicable Taxes on the Hooking-Up Charges shall be payable as per the prevailing tax rates with Up-front / Advance payment.

The above estimated amount of Upfront / Advance Payment for Hooking-Up Charges has been calculated considering normative requirement of 200 meters piping work from tap-off location to the Hooking-Up Facility. In case the land provided by the ENTITY necessitates piping work of more than 200 meters, the Upfront / Advance Payment for Hooking-Up Charges shall be reworked by OWNER and informed to ENTITY after the location of land is provided by the ENTITY to the OWNER. The revised estimated amount of Upfront / Advance Payment for Hooking-Up Charges shall be payable by the ENTITY to the OWNER.

- ii) The Upfront / Advance Payment for Hooking-Up Charges plus the applicable taxes, shall be payable by the ENTITY to the OWNER upfront as per the Demand Letter. In case at any point in time if Upfront / Advance Payment is considered insufficient then OWNER may revise the estimate upwards and call for differential payment upfront from the ENTITY, to be paid by ENTITY within **four (4) working days** of receipt of subsequent Demand Letter from the OWNER.
- iii) OWNER shall deliver Demand Letter to the ENTITY as soon as possible on execution of this Agreement towards the Upfront / Advance Payment for Hooking-Up Charges together with the applicable taxes and ENTITY shall make payment to OWNER forthwith within **four (4) working days** of receipt of such Demand. On receipt of the payment, OWNER shall issue acknowledgement to the ENTITY within **four (4) working days**.
- iv) The minimum Upfront/ Advance Payment for "Hooking-up Charges" payable by the ENTITY shall be **Rs 2.0 Crores** (or as per "Preliminary Cost Estimate", whichever is higher) as advance plus additional **18% of Rs 2.0 Crore** (or as per "Preliminary Cost Estimate", whichever is higher) to cover overhead, interest and profits. Applicable Taxes on the Hooking-Up Charges shall be payable as per the prevailing tax rates.

However, the aforesaid amount is subject to adjustment w.r.t. Actual Expenditure incurred by the OWNER plus additional 18 % of such expenditure vis-à-vis advance payment made by the ENTITY for providing Hooking-Up facility to the CGD ENTITY within **ninety (90) days of commissioning** of the Hooking-Up Facility. For this, the OWNER shall raise Tax Invoice w.r.t. Hooking-Up Charges which shall inter-alia comprise of Actual Expenditure and additional 18 % of such Expenditure to cover overheads, interest and profits, as per extant PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations 2008. Applicable Taxes shall be paid by the CGD Entity as per prevailing tax rates.

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v) It is agreed between the Parties that in the event of early termination of this Agreement for any reason whatsoever prior to the expiry of the initial term as provided above in Clause 5.2, ENTITY shall not have any claim on the Hooking-Up Facilities and Hooking-Up Charges paid to the OWNER. Operating Charges shall not be applicable after the termination of this Agreement.

vi) Based on ENTITY request, Hooking Up Charges for any future expenditure in respect of alteration, expansion, addition, replacement and modification of equipment in the Hooking-Up Facilities at existing Exit Point shall be informed by the OWNER to the ENTITY and such "Hooking-up Charges" shall be paid by the ENTITY in advance which shall also be subject to adjustment as per actuals.

Except technical urgency, which is to be attended immediately, the need for replacement of the metering facilities shall be reviewed after every five years and shall be subject to mutual agreement. However, if such requirement arises before the scheduled review, the ENTITY has to inform the OWNER well in advance.

## 6.2 OPERATING CHARGES:

i) The ENTITY shall pay to the OWNER an Operating Charges @2.5% of cumulative Hooking-Up Charges (including subsequent Hooking-Up Charges, if any) with 5% escalation on annual basis. The Operating Charges shall be collected in advance with applicable taxes.

ii) The escalation of 5% per annum shall be reckoned from the beginning of the next Financial Year on yearly rest basis, immediately following the Financial Year in which commissioning of the Hooking-Up Facilities took place.

iii) The OWNER shall raise the invoice for the Operating Charges within fifteen (15) days of commissioning date as per clause 4.1 above on pro rata basis for the period remaining in such Financial Year and then onwards in advance on annual basis within 15 days from the beginning of new Financial Year and the ENTITY shall pay the invoice amount within four (4) working days of receipt of the invoice from the OWNER. Any delay in making such payment shall attract "Interest", which shall be payable by the ENTITY.

6.3 OWNER shall install the metering facilities as per the requirement of ENTITY. The measurement aspects and related issues shall be governed by relevant clauses under GSA/ GTA as applicable.

6.4 Any tax, levy or cess levied by any Government Instrumentality on any activity undertaken pursuant to the terms of this Agreement shall be paid on actual basis by ENTITY and ENTITY shall indemnify and hold OWNER harmless in respect thereof.

## CLAUSE 7- MISCELLANEOUS

7.1 Parties agree and acknowledge that nothing contained in this Agreement is intended to create any obligation upon the OWNER to transport Gas to the ENTITY. Any transportation of Gas through the Hooking-Up Facilities will be performed under the terms and conditions of one or more separate written agreements between the Parties.

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- 7.2 Neither Party shall be liable to the other in contract, tort or otherwise for any indirect loss or any Consequential Loss or for any other consequential, incidental, special, punitive or exemplary damages, including any loss of profit, arising out of or in connection with this Agreement for any reason whatsoever; provided, however, such limitation shall not apply to the indemnity obligations owed by a party to another party with respect to indemnification for claims made by Third Parties.
- 7.3 OWNER shall indemnify, defend and hold harmless ENTITY from and against any and all losses on account of any claims brought by any third party or by any Government instrumentality, caused by or resulting from ( or attributable to ) the installation existence, ownership, possession, operation or maintenance of Hooking-Up Facilities or arising out of the wilful misconduct of OWNER in the exercise of its rights or the performance of its obligations under this Agreement, except to the extent contributed to by the wilful misconduct or material breach of this Agreement by ENTITY.
- 7.4 ENTITY shall indemnify, defend and hold harmless OWNER from and against any and all losses on account of any claims brought by any third party or by any Government instrumentality, caused by or resulting from ( or attributable to ) the installation, existence, ownership, possession, operation or maintenance of ENTITY's Facilities downstream of the Hooking-up Facilities or arising out of the wilful misconduct of ENTITY in the exercise of its rights or the performance of its obligations under this Agreement, except to the extent contribution to by the wilful misconduct or material breach of this Agreement by OWNER.
- 7.5 ENTITY shall take prior consent of OWNER for any modification job in respect of the ENTITY's Facilities and equipment up to ENTITY's mother station, downstream of the Hooking-Up Facilities.
- 7.6 The OWNER shall not be liable in any manner for any disruption in gas supply upstream and/or downstream of the Hooking-Up Facility due to ENTITY's inability to source gas at the Delivery Point.
- 7.7 Hooking-Up Facility at the Exit Point shall be provided by the OWNER from existing nearby IP/SV stations. SV station shall be considered only if IP stations are not available.
- 7.8 The OWNER reserves the right of installing, operating, maintaining and modifying any facilities at the Hooking-Up Facility for other entities as & when required.
- 7.9 ENTITY Event of Default and/or OWNER Event of Default as defined in the GSA and/or GTA as the context may require shall be governed by the provision of the GSA and/or GTA.
- 7.10 It is agreed between the Parties that in the event of early Termination of this Agreement for any reason whatsoever prior to the expiry of the initial term as provided above, the Termination of this Agreement shall be in concurrence with the other agreements like GTA and/or GSA signed between the parties.
- 7.11 Any Force Majeure issues shall be governed by the provision of the GSA and/or GTA.
- 7.12 All other terms and conditions for supply and/or transportation of gas by the OWNER to the ENTITY shall be governed by the GSA and/or GTA and its associated CT agreement, Operating Codes.

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#### 7.13 Severability

If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of this Agreement, and the validity and enforceability of the other provisions shall remain in force and shall not be affected.

#### 7.14 Amendments

Any amendment to this Agreement shall be expressly agreed in writing and shall not be valid unless duly signed and executed by the Parties through side letter(s).

- 7.15 All notices, bills, statements, requests or notifications, to be given by one Party to the other under this Agreement, shall be in writing and delivered by hand to the Party in question or sent to such Party by recorded delivery letter, or facsimile or email addressed to that Party at such address, facsimile transmission number or email address as the Party in question shall from time to time designate by written notice and until such notice shall be given, the addresses and the facsimile number of the Parties shall be as follows:

##### OWNER

M/s GAIL (India) Limited  
Fortuna Tower, 3<sup>rd</sup> Floor, 10,  
Rana Pratap Marg,  
Lucknow- 226001 U.P

##### ENTITY

M/s Torrent Gas Private Limited  
Samanvay, 600, Tapovan,  
Ambawadi, Ahmedabad  
Gujarat - 380015

#### 7.16 Governing Law and Jurisdiction

The Contract shall be governed by and construed in accordance with the laws in force in India. The Parties hereby submit to the exclusive jurisdiction of the Courts/ Tribunals situated at New Delhi for adjudication of disputes, injunctive reliefs, actions and proceedings, if any, arising out of this Agreement.

#### 7.17 Disputes between CPSE's / Government Departments / Organisations

Subject to conciliation as provided above, in the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs/ Port Trusts inter se and also between CPSEs and Government Departments /Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018.

Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 15 days from the date of receipt of decision of the Committee at First level, through its administrative Ministry/Department, whose decision will be final and binding on all concerned.

- 7.18 The Hooking-Up facility shall be governed by the relevant regulations notified by PNGRB from time to time.





## CLAUSE 8- CONFIDENTIALITY

The parties agree to treat the Agreement and any information provided by one Party or its Affiliates to the other Party which is specifically marked as confidential or provide on a confidential basis "Confidential Information" as strictly confidential and agree not to disclose any Confidential Information received from each other in connection herewith to any third party (other than to Affiliates, professional advisors or shareholders (present or potential) of the Parties who shall be subject to any restrictions on confidentiality they may have signed with the relevant Party) without the prior consent of the other Party, except for disclosure by a Party to a governmental authority or regulatory authority to the extent necessary to comply with any proper governmental or legal requirement. The Party making any such disclosure to a governmental authority or a regulatory authority shall give reasonable notice thereof to the other Party, and shall use reasonable endeavors to ensure to the extent permissible by law that such third party maintains the confidentiality of the confidential information.

IN WITNESS WHEREOF the Parties hereto acting through their properly constituted representatives have set their hands to cause this Agreement to be signed and executed for and on their behalf as on the Execution Date.

WITNESS

Name:

*Amind K. Gupta*

Company: GAIL (India) Limited

Date: 19.09.2019

FOR AND ON BEHALF OF OWNER

Name:

*R.C. Dey*  
R.C. Dey

Company: GAIL (India) Limited

Date: 19.09.2019



WITNESS

Name: KUNAL SHAH

Company: TORRENT GAS PVT LTD

Date: 19-SEPT-2019

FOR AND ON BEHALF OF ENTITY

Name:

*Parag Agarwal*  
PARAG AGARWAL

Company: TORRENT GAS PVT LTD

Date: 19-SEPT-2019





पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड  
Petroleum and Natural Gas Regulatory Board  
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली - 110001  
1<sup>st</sup> Floor, World Trade Centre, Babar Road, New Delhi - 110001

PNGRB/CGD/BID/10/2018/GA/10.40/Schedule-D

29<sup>th</sup> March 2019

To,  
Torrent Gas Private Limited  
"Samanvay", 600, Tapovan, Ambawadi,  
Ahmedabad - 380015

(Kind Attn: Shri Utkarsh Bhatt, Vice President (Commercial))

**Subject: Grant of Authorisation to Torrent Gas Private Limited for development of City Gas Distribution Network in the Geographical Area of Gonda and Barabanki Districts (GA 10.40).**

Sir,

With reference to submission of Performance Bank Guarantee for Rs. 50 crore vide your letter dated 29.03.2019, as per the requirement under Regulation 10 (1) 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, please find enclosed authorization in Schedule D for the GA of **Gonda and Barabanki Districts** in duplicate.

2. The tariff applicability is as per the Judgement of Hon'ble Supreme Court of India in the SLP No. 22273 of 2012.
3. You are requested to put your stamp & signature on each page of the document and return one copy, within 7 days of receipt of this communication, to the PNGRB for records.
4. The enclosed authorization issues with the approval of the Board.

Yours faithfully,

Encl: As above

*Arvind Kumar*  
29/3/2019

Arvind Kumar  
(Additional Adviser)



UTKARSH BHATT

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



**Schedule D**

**Grant of authorisation for laying, building, operating or expanding CGD network**

To,  
Torrent Gas Private Limited  
"Samanvay", 600, Tapovan, Ambawadi,  
Ahmedabad - 380015

*(Kind Attn: Shri Utkarsh Bhatt, Vice President (Commercial))*

**Subject: Grant of Authorization for laying, building, operating or expanding CGD network in the authorized area of Gonda and Barabanki Districts in the State of Uttar Pradesh under the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008**

Sir,

With reference to your application-cum-bid for grant of authorisation for laying, building, operating or expanding the City Gas Distribution (CGD) network in GA-10.40 (Gonda and Barabanki Districts) in the State of Uttar Pradesh, it has been decided to grant you the authorisation subject to the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and the following terms and conditions, namely:-

1. The Authorised Area for laying, building, operating or expanding the proposed CGD Network shall cover an area of 8405 square kilometer and as depicted in the enclosed drawing or map,
2. The activities of laying, building, operating or expansion of the CGD Network shall commence immediately after the issuance of this authorisation.
3. The activities permitted above shall have to be completed as per the work programme mentioned below, namely: -



**UTKARSH BHATT**

**अरविन्द कुमार**  
**ARVIND KUMAR**  
अपर सलाहकार  
Additional Adviser  
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड  
Petroleum & Natural Gas Regulatory Board  
प्रथम तल, वर्ल्ड ट्रेड सेंटर  
1st Floor, World Trade Centre  
माबर रोड, नई दिल्ली-110001  
Mabar Road, New Delhi-110001



Serial Number	Description of work	Numbers
1	Number of CNG Stations (Online and Daughter Booster stations) to be installed within 8 contract years from the date of authorisation	36
2	Number of domestic Piped Natural Gas connections to be achieved within 8 contract years from the date of authorisation	111600
3	Inch-km of steel pipeline to be laid within 8 contract years from the date of authorisation	756

The entity shall be required to achieve the year-wise work programme within 8 contract years as per details given below:

PNG Connections (cumulative)		CNG Stations (cumulative)		Inch-km of steel pipeline (cumulative)	
By the end of contract year	% of work program	By the end of contract year	% of work program	By the end of contract year	% of work program
1 <sup>st</sup>	Nil	1 <sup>st</sup>	Nil	1 <sup>st</sup>	5
2 <sup>nd</sup>	10	2 <sup>nd</sup>	15	2 <sup>nd</sup>	20
3 <sup>rd</sup>	20	3 <sup>rd</sup>	30	3 <sup>rd</sup>	40
4 <sup>th</sup>	30	4 <sup>th</sup>	45	4 <sup>th</sup>	60
5 <sup>th</sup>	40	5 <sup>th</sup>	60	5 <sup>th</sup>	70
6 <sup>th</sup>	60	6 <sup>th</sup>	75	6 <sup>th</sup>	80
7 <sup>th</sup>	80	7 <sup>th</sup>	90	7 <sup>th</sup>	90
8 <sup>th</sup>	100	8 <sup>th</sup>	100	8 <sup>th</sup>	100

Note - In case derived numbers are in fraction, the same shall be rounded off to the nearest whole number and 0.5 shall be rounded off to next higher whole number.

4. Any failure on the part of the entity in complying with the milestones prescribed in the work programme shall lead to consequences as specified under regulation 16.

5. The entity shall design and install an optimal size of the infrastructure in terms of pipelines of various types including steel belting of the authorised area, online compressors of adequate capacity for compressing of natural gas into CNG, allied equipment and facilities in the CGD network 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.

  
UTKARSH BHATT

अरविन्द कुमार  
ARVIND KUMAR  
अपर सलाहकार  
Additional Adviser  
रेगुलेशन और प्राकृतिक गैस विनियामक बोर्ड  
Petroleum & Natural Gas Regulatory Board  
प्रथम राज, यन्त्र द्रष्टा केन्द्र  
1st Floor, World Trade Centre  
बाबर रोड, नई दिल्ली-110001  
3abar Road, New Delhi-110001



6. 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 the domestic customer on the following manner, namely: -

- (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) above 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.

In case the disruption of supplies is attributed to any fault of the domestic PNG customer, no compensation shall be payable by the entity.

7. 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, namely:

- (a) 300 months from the date of issue of this communication for laying, building and expansion of the CGD network; and
- (b) 96 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:

  
  
**UTKARSH BHATT**

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



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.

8. The authorised 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 utilisation of funds. And, 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.

9. The entity shall submit a detailed and clear financial closure report to the Board within a period of two hundred and seventy days from the date of authorisation issued by the Board under regulation 10.

10. The entity shall publish on its website the transportation rate for CGD and transportation rate for CNG in the authorised area as per the following table namely: -

Serial Number	Description	Rate
1	Transportation rate for CGD - in rupees per million British Thermal Unit (Rs./MMBTU) for the first contract year	30
2	Transportation rate for CNG - in rupees per kilogram (Rs. /kg) for the first contract year	2
Note - Annual escalation shall be considered from the second contract year and onwards based on the "Wholesale Price Index (WPI) Data (2011-12 = 100)" for "All Group / Commodity", as normally available on the website of the Office of the Economic Adviser, Government of India, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion (DIPP) on the link " <a href="http://eaindustry.nic.in/home.asp">http://eaindustry.nic.in/home.asp</a> ."		

11. 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.

12. The entity shall publish and display the retail selling price of natural gas for the purpose of invoicing to CNG customers in Rs. / Kg at all natural gas dispensing stations.

   
**UTKARSH BHATT**

  
**अरविन्द कुमार**  
**ARVIND KUMAR**  
अपर सलाहकार  
Additional Adviser  
Petroleum & Natural Gas Regulatory Board  
1st Floor, World Trade Centre  
महानगर, न. १, १०००  
New Delhi



13. The furnishing of performance bond of Rs. 500 Million is a guarantee for timely commissioning of the project as per the prescribed work programme in the bid and for meeting the service obligations during the operating phase of the project.

14. The entity shall comply with the applicable provisions under the Petroleum and Natural Gas Regulatory Board (Authorising 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.

15. In case the authorisation 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.

16. The entity shall comply with any other term or condition which may be notified by the Board in public interest from time to time.

You are requested to confirm your acceptance by filling-in the acceptance of the grant of authorisation provided below and return the same in original.

Yours faithfully,

Dated: April 03, 2019



VIKARSH BHATT

Name and Designation of Officer  
On behalf of the PNGRB

Official Seal

Acceptance of the Grant of Authorisation

I / We hereby accept the grant of authorisation issued by the PNGRB vide letter ref. PNGRB/CGD/BID/10/2018/GA/10.40/Schedule-D dated 29<sup>TH</sup> MARCH, 2019 and agree to comply with all the terms and conditions subject to which I/ We have been granted the authorisation for laying, building, operating or expanding city or local natural gas distribution network in the authorised area of GA10.40 (Gonda and Barabanki Districts) in the State of Uttar Pradesh.

Date: April 03, 2019

Place: AHMEDABAD

Signature of the Entity or Authorised Signatory  
Name and Official Seal

**UTKARSH BHATT**



24  
**अरविन्द कुमार**  
**ARVIND KUMAR**  
अतिरिक्त सलाहकार  
Additional Adviser  
गैस और नैचुरल गैस डिस्ट्रिब्यूशन  
गैस और नैचुरल गैस डिस्ट्रिब्यूशन  
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