

EXTRACTS OF MINUTES OF THE 339TH MEETING OF BOARD OF DIRECTORS OF GAIL (INDIA) LIMITED HELD ON 09TH JULY, 2015 AT GAIL CORPORATE OFFICE, NEW DELHI

ITEM NO. 339.20

SUB: APPROVAL FOR LAYING OF VIJAIPUR - AURAIYA - PHULPUR SPURLINE

A detailed presentation on Vijaipur-Auraiya-Phulpur Spurline (VAPPL), inter-alia, covering requirement of VAPPL, gas demand, pipeline configuration, capex, estimated tariff, sensitivity analysis, execution methodology etc. was made to the Board.

It was informed that Project Appraisal Committee in its 16th meeting held during the earlier part of the day has recommended laying of VAPPL to Board for approval.

It was informed that project cost has been reduced by 10% from cost mentioned in DFR prepared by EIL, based on execution experience of pipeline projects during last 10 years.

It was also brought out that GAIL has submitted its proposal to PNGRB on 20.02.2015 for laying a spur line from Vijaipur to Phulpur. PNGRB web hosted the same for public consultation. After receiving the comments open house meeting was convened by PNGRB on 24.03.2015. However on 24.04.2015, PNGRB informed that before deciding on the request for laying the proposed VAPPL spur line, GAIL's request for considering HVJ-GREP-DVPL and DVPL-GREP upgradation pipeline network as a single integrated network would first be decided by PNGRB as it has tariff implication. It was also informed to Board that GAIL has reiterated their position on VAPPL to PNGRB again on 08.07.2015 stating that as per extant notified regulatory position it is deemed to be a spur line and its status does not change whether HVJ/HVJ up-gradation network is considered as an integrated network or separate network.

It was also informed to the Board that laying of VAPPL is not changing the capacity of the pipeline systems respectively.

The Board after discussions approved the agenda and passed the following *modified* resolution:

“RESOLVED THAT the investment approval for laying of Vijaipur-Auraiya-Phulpur spurline (VAPPL) is approved by the Board at an estimated cost of Rs.4309.34 crore including IDC & FC (Vijaipur-Auraiya pipeline section:36”x357 KM pipeline with an estimated cost of Rs.2881.40 crore and Auraiya-Phulpur pipeline section:24”x315 KM pipeline with an estimated cost of Rs.1427.94 crore), considering VAPPL as spurline.”

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