

www  
by Dir (G) / (30) / 10-9 11/7/7

No.L-14014/44/'06-GP  
Government of India  
Ministry of Petroleum & N.G.

Shastri Bhavan, New Delhi.  
Dated the July 6, 2007.

Shantaram  
- Dir (G)  
- Dir (P)  
copy to - Dir (P)  
To - Dir (P) MCA

11/7/7  
Dir (P) / (30) / 10-9  
For further info. pl. - A  
9/7

The Chairman & Managing Director  
GAIL (India) Ltd.  
New Delhi.

Sub:- Grant of Authorisation for Jagdishpur Haldia Pipeline.

Sir,  
With reference to this Ministry's letter of even number dated March 15, 2007 on the above subject, authorization is hereby granted for construction of Jagdishpur Haldia Pipeline. The construction of the pipeline is subject to the following conditions:-

1. The design capacity of the pipeline should be at least 16 MMSCMD (at a pressure of 90 kg/cm<sup>2</sup>).
2. The ownership of the proposed pipeline would be that of GAIL (India) Ltd. or as may be decided by them.
3. GAIL or its associate shall have the right of first use for 12 MMSCMD. The additional capacity of 4 MMSCMD would be available for use on common carrier basis to a third party on an ~~open access and non-discriminatory basis throughout the life of the pipeline.~~
4. Any third party meeting the eligibility criteria, as stipulated in notification inviting EOIs issued by Ministry of Petroleum & Natural Gas for this pipeline, may approach GAIL to seek capacity



Sh. Jasbir Singh  
Jul 10/7

Dir  
GAIL (P-ri)  
GAIL  
11/7/7

on common carrier basis in this pipeline, subject to para 3 above. GAIL shall provide access to the third party on an open access and non-discriminatory basis, as provided in the Petroleum and Natural Gas Regulatory Board Act, 2006 and Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks.

5. In case there is no demand from any other person to use the capacity available for use on common carrier basis, it may be used by GAIL or its associate, till there arises a demand by any person other than GAIL or its associate.
6. The gas pipeline would be connected to any other gas pipeline, as directed by the Government and/or any other statutory authority.
7. GAIL will furnish an irrevocable bank guarantee of Rs.20 crores or 2% of the project outlay, whichever is lower, to the Government or the Statutory Authority set up in this behalf under any law for the time being in force, as a guarantee for commissioning the pipeline project as per the approved time schedule and in accordance with other specified conditions. The project must be commissioned within 36 months of the start of the project. The date of start of the project shall be the date of the publication in official gazette of notification under sub-section (1) of Section 3 of the Petroleum & Minerals Pipeline Act, 1962 ~~pertaining to land relating to this pipeline.~~ If there are more than one notifications pertaining to different parcels of land, the date of publication of the first of these would be considered as the date of start of project.

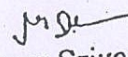
*P. 16*

8. If the project is delayed beyond the stipulated period or the milestones and/or any other conditions of authorization are not adhered to, the bank guarantee of the owner may be forfeited and the authorization cancelled.
9. Once the project is commissioned, the bank guarantee would convert into a performance guarantee, and would provide guarantee for satisfactory compliance of the conditions stated in the authorization during the life of the project.
10. The ROU acquisition would be commenced after execution of Bank Guarantee and its deposit with the Government or statutory authority.
11. The Bank Guarantee may be deposited within 30 days of issue of this letter, failing which authorization would stand withdrawn.
12. Officers, as proposed by the respective State Government, will be considered for working as Competent Authority under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962.
13. Permission of Ministry of Petroleum & Natural Gas will be required prior to any change of ownership of the pipeline.
- ~~14. GAIL is required to furnish quarterly progress report of the pipelines to this Ministry.~~
15. The tariff and operation of the proposed pipeline would be subject to laws, rules, regulations and Control Orders that may be

*[Handwritten signature]*

enacted/notified/issued by the Government or the Statutory Authority set up in this behalf under any law for the time in force.

Yours faithfully,

  
(Manu Srivastava)  
Director  
Tel.No.233 81029

