



॥ श्री गणेशाय नमः ॥

# Shree Shakti Metal Rolling Mill

S.S. Flats, Rounds, Hex Manufacturer.

Block No. 19, Village-Palla Na Math, Taluka-Dehgam, Dist.-Gandhinagar-382305.

To,

The Secretary,  
Petroleum & Natural Gas Regulatory Board (PNGRB),  
1st Floor, World Trade Centre, Babar Road  
Barakhamba Road,  
New Delhi — 110001.

Date: 14/07/2019

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Subject:- Intimation to lay, build & operate the dedicated 3.5 km MDPE Natural Gas Pipeline to meet our requirement and not for resale ;to evacuate Domestic Gas from small/isolated fields from ONGC GGS, Gamij (gas source) to Shree Shakti Metal Rolling Mill., Village: Palla Na Math, Ta: Dehgam, Gandhinagar, Gujarat, 382305

Ref:-Policy no. L-16016/2/2011-GP dated 8<sup>th</sup> July, 2013 of MoPNG, Government of India for Allocation of Domestic Gas from small/isolated fields; and Section 2 (d), 2(i), 2(j) of the PNGRB Act 2006 and Sections 2(f)(i) and 19(2) of G.S.R. 340(E), the PNGRB Regulations 2008 to lay, build & operate the dedicated 3.5 km MDPE Natural Gas Pipeline.

Dear Madam,

We would like to introduce ourselves as Shree Shakti Metal Rolling Mill based at Ta: Dehgam District- Gandhinagar in Gujarat a reputed manufacturer of SS Patta Patti.

As you may be aware that in order to monetize and make available scarce natural resources specifically natural gas and in order to minimize import dependence of energy and fulfil the vision of Honourable Prime Minister of India, ONGC is making efforts to explore and allocate Natural Gas from **small isolated fields on as is where is basis** to the all the interested successful bidders. Accordingly the ONGC as per the guidelines of MoPNG invited open tender vide e-bid/Tender Number-D16HC18002 of ONGCL (the said tender), GGS-GAMIJ, from all interested bidders including existing & prospective gas suppliers, distributors (CGD Entities) & consumers.

We have participated in above mentioned tender of ONGCL and in the competitive bidding process, we have emerged as successful bidder and ONGCL has allocated 3300 SCMD gas vide it's letter no. ONGC.AMD.ST/TCM/10/NDMC/ALLOC-1SSMRM/1920 dated 23.05.2019 (copy attached as **Annexure-1** to this letter) from ONGC's, Gamij-1 GGS, **to meet our requirement at our plant and not for resale;**

As per the GoI's subject policy of evacuating natural gas in a time bound manner of within 90 days from the date of gas allocation, we are required to lay the dedicated pipeline of about 3.5 km and other required infrastructure : at our own expense from ONGC's GGS GAMIJ-1 to our premise. We wish to reiterate that it would be a **dedicated pipeline laid to transport natural gas to our above mentioned plant alone (a specific customer) to meet our requirement and not for resale.**

ONGC GGS-GAMIJ 1, Gandhinagaris expected to deliver wet gas (containing slug, condensate liquid, heavy hydrocarbons) on fall back and as is where is basis from it's marginal & isolated field having delivery pressure of approx. 1 Bar and hence MDPE pipeline is suitable to be constructed. The gas supply from this isolated field is expected to continue for a period of approximate 5 (Five) years from the start date. The gas is specifically allocated to us for use at our production facilities at our plant, and not for "resale".

We are obligated to evacuate the allocated gas within 90 days and are carrying obligation of take or pay charges apart from National loss of flaring off precious Natural Gas. Therefore, it becomes crucial from business point of view and as well as on moral grounds to make use of scarce resource of Natural Gas for economic activities and contribute to the economic well being of Nation's growth and development.

The starting point for proposed pipeline to evacuate 3300 SCMD gas allocated to us on fall back basis by ONGC under e-bid/Tender Number-D16HC18002 from GGS, Gamij-1, as per the guidelines of MoPNG will act as source of natural gas supply.

The 'Delivery Point that is End Point of proposed dedicated Natural Gas pipeline from GGS, Gamij-1 to our site M/s. Shree Shakti Metal & Rolling Mill is inside our production plant at Block 19, Village Pallana Math, Ta: Dehgam, Dist: Gandhinagar Gujarat 382305. The relevant details along with Layout Drawing pertaining to the said dedicated pipeline are enclosed at Annexure- A.

We want to assure the PNGRB that the dedicated pipeline asset shall be laid complying with technical & safety norms and shall be used for the said purpose only and no resale activity shall be carried out.

We wish to most humbly submit and intimate the Hon'ble PNGRB about our requirement & intent of laying , building & operating the dedicated 3.5 km MDPE Natural Gas Pipeline from ONGC GGS, Gamij -1 , Gandhinagar to our plant to evacuate Natural Gas **for own use & not for resale** in a time bound manner of 90 days and provide us an acknowledgment of submission of this letter.

Should you require any further information, we will be happy to provide the same.

Thanking you,

yours sincerely,

For Shree Shakti Metal Rolling Mill,

*L. M. Sharma .*

Authorised Signatory,

**Enclosure:-**

- (1) Annexure – 1- Copy of allotment letter of gas from ONGCL under Tender No. D16HC18002.
- (2) Annexure-A- Relevant details along with detailed Layout Drawing pertaining to the said dedicated pipeline.
- (3) Annexure- B - GOI Policy no. L-16016/2/2011-GP dated 8<sup>th</sup> July, 2013

Annexure - A

ONGC GAMIJ GGS-1 TO  
SHREE SHAKTI METAL ROLLING MILL



TOTAL LENGTH = 2084.40

LEGENDS		
MARK	SYMBOL	NAME OF ITEM
SH	↑ ↓	SHRINKER
RF	⊥	FLANG
ST	△	TEE JOINT
SAF	⊞	SAFE
BD	□	BUILDING
TEMPLE	⊙	TEMPLE
DL	—	DRAINAGE LINE

L.M. Shama.

No. L-16016/2/2011-GP  
Government of India  
Ministry of Petroleum & Natural Gas  
\* \* \* \*

Shastri Bhawan, New Delhi  
Dated the July 8, 2013

To

1. The Chairman & Managing Director, ONGC, New Delhi.
2. The Chairman & Managing Director, GAIL, New Delhi.
3. The Chairman & Managing Director, OIL, New Delhi.

Subject:- Allocation of domestic gas from small/isolated fields.  
\* \* \* \*

Sir,

In supersession of this Ministry's "Guidelines for Selection of Customers for Allocation of Domestic Gas from Small/Isolated Fields" forwarded with this Ministry's letter of even number dated 16.1.2012, please find enclosed herewith the **revised** "Guidelines for Selection of Customers for Allocation of Domestic Gas from Small/Isolated Fields". Further, necessary action for allocating gas to customers from such small/isolated fields may be taken in accordance with these revised guidelines and such gas allocated to various customers may be informed to this Ministry.

2. These revised guidelines have the approval of Minister for Petroleum & Natural Gas.

Yours faithfully,



(P.K. Singh)

Joint Secretary to the Government of India  
Tel.No. 23382418

Copy to:- Technical Director (NIC) for hosting the guidelines in the  
Ministry's website.

**MINISTRY OF PETROLEUM AND NATURAL GAS  
GOVERNMENT OF INDIA**

**GUIDELINES FOR SELECTION OF CUSTOMERS FOR  
DOMESTIC GAS AVAILABLE FROM SMALL/ ISOLATED  
FIELDS**

**Date: 8<sup>th</sup> July, 2013**

**1. Guidelines for selection of customers for domestic gas available from small/ isolated fields**

Government had come out with guidelines for selection of customers for domestic gas available from small/ isolated fields on 16.01.2012. The guidelines had been issued with a provision to review the policy after one year. Several representations have been received from various quarters for reviewing the policy. Based on the experience after issue of guidelines and the issues raised by various stakeholders as well as keeping intact the initial goal of the policy aimed at early monetization of gas, the guidelines have been reviewed.

**2. Definition of the Fields to which these guidelines will apply**

The Fields that will be covered by this Policy will be the existing producing or new fields from nominated blocks satisfying one of the following two conditions:

“Fields whose peak production is less than 0.1 mmscmd and they are situated more than 10 Km away from the gas grid,

**OR**

Fields whose peak production is less than 0.1 mmscmd and have a gas pressure which is less than the grid pressure”

These fields will be called **small and isolated fields** hereafter.

**3. Methodology to be followed for allocation of Gas from Small/Isolated Fields:**

- i. Supplies to existing customers from small/isolated fields shall continue as per their APM allocations or the fallback non-APM allocations or both and shall be restricted at a level equal to the average supply made to such customers in the last six months. Revised Gas Supply Agreement for these quantities shall be finalized by the NOCs within 30 days. Gas supplies shall be made to the existing customers based on this level subject to availability of gas. NOCs shall charge the notified APM price for supplies made against APM allocation

- and at non-APM price, as notified by the Government from time to time, for the balance supplies (supply level frozen now minus the supply of APM gas).
- ii. In case of additional availability of gas after providing for gas supplies to the existing customers as indicated at 3 (i) above, and for any new production from the small / isolated fields, supply of gas will be decided through open competitive bidding.
  - iii. There shall be no sectoral priority and the existing as well as new customers shall be treated equally.
  - iv. The bids shall be based on the price and shall be awarded to the highest bidder. In order to ensure higher monetization NOCs shall fix a minimum reserve price equal to the price of non-APM gas for the particular region, as notified by the Government from time to time.
  - v. An advertisement / NIT and e-Tender will be brought out for such additional quantity of gas available from small and isolated fields from NOCs mentioned in 3 (ii) above in at least one local language daily & one national daily mentioning inter alia the quality, tentative date of availability, compression charges (if any), duration of availability, quantity, location and delivery point of the gas field. Detailed information on the evaluation criteria along with broad salient features of Gas Sale/Transportation Agreement (as applicable) to be executed shall also be made known.
  - vi. In view of limited life of the field the prospective customers shall also be advised to explore maintenance of dual fuel capability, if so warranted.
  - vii. In addition to the price bid, the bid submitted by the applicants shall also indicate the quantity of gas required and date of off take of gas.
  - viii. Applicants may be asked to furnish other financial/operational/commercial details as deemed fit.
  - ix. NOCs shall also furnish all information sought by applicants during the pre-bid conference.
  - x. In order to ensure early monetization, only such projects shall be selected that are ready to offtake gas within 90 days from the date of readiness indicated by the NOCs.

- xi. In case of multiple applicants quoting the same price, the gas will be first fully allocated to the applicant who indicates the earliest date of offtake. If more than one applicant indicates the same date of offtake, it will be allocated to all such applicants in proportion to their requirement. Allocation letters will be issued to such applicants and Gas Supply Agreements will be concluded with successful applicants. If any surplus gas is left after such allocation then applicants with second highest price bid can be considered, and the process shall be repeated until all the gas is exhausted.
- xii. All applicants, without relaxation of any kind whatsoever, are to furnish Security Deposit (SD) as part of the Bid to cover minimum six weeks Gas cost in form of either:
- a. Unconditional Irrevocable Bank Guarantees (BGs) (six separate BGs each covering 1 week of cost of gas allocated)
- OR
- b. Irrevocable Letter of Credit with instructions which allow the beneficiary to perform multiple part encashment.
- Such SD shall be issued by a scheduled/nationalized bank. The Security Deposit/s should be valid for at least one year from the date of opening of bids or for a period of six months beyond the promised date of offtake, whichever is later. It should be ensured that funds can be realised on a weekly basis in the event of delay in utilization of gas as per the offtake date stated by the customer in the bid document. The delay should be attributable to delay on the part of the customer. After retaining the pro-rata amount for the actual number of days delayed from the SD amount, the balance amount shall be refunded to the customer. In case of allocation lesser than that required by the applicant, this SD shall be moderated to the actual allocation level. The copy of SD shall also be communicated to the banker (of the customers providing the SD) to ensure that SD is in order. These provisions shall be adequately and a priori be explained to the customers and written consent for these conditions will be obtained from the customers.



- xiii. In case of delay by customer beyond six weeks, the allocation need not be cancelled provided the customer provides additional SD for a further period of 6 weeks on the same terms and conditions as in para 3(xii). In case it is not provided within seven days from the expiry of the first 6 week period, the allocation to that customer shall stand cancelled and gas can be allotted to the applicant with second highest price bid, or a new bid can be invited if no valid prior bids are available.
- xiv. The final allocation of gas made shall be hosted on the company's website and also communicated to MoP&NG.
- xv. Cases not covered under these guidelines, if any, may be referred to Government for a decision.
- xvi. In case gas production from a field exceeds 0.1 mmscmd after the initial allocation, the matter shall be brought to the notice of MoP&NG for further orders.
- xvii. The applicants shall be informed that in case the overall production from the small/isolated field increases beyond 0.1 mmscmd and the field gets connected to the grid at a later stage, the existing customers shall be assured of domestic gas supply only for a period of one year from such connection to the grid. Thereafter, the gas shall be allocated as per prevailing gas utilisation policy of Government of India, in case there is unfulfilled gas demand from a higher priority customer on the grid
- xviii. In case the production increases to a higher level than initially expected/advertised as part of the buildup (but remains less than 0.1 mmscmd) and is expected to remain so on a sustained basis, the additional gas can be offered to existing allottees up to the requirement indicated in their bids, and thereafter offered to others.
- xix. In case of decrease in production from a particular field, supplies would be cut on a pro-rata basis for all the customers being supplied from that particular field.
- xx. In case of reservoir failure, the request for supply of gas to customers of that reservoir shall be given priority in the bidding process for supply of new /

additional gas from a nearby field. Such existing customers may participate in the bidding process or match the highest price in the bidding process. Such existing customers shall also give an undertaking to lay the pipeline and any other required infrastructure at their own expense for taking gas from the nearby field.

- xxi. In case of revision in price of Non-APM gas in future to a level higher than what is being paid by customer/s, the NOCs shall revise the price and charge the higher notified non-APM price from the date of such revision.
- xxii. NOCs shall regularly send a status report to MoP&NG on the fields that are proposed to be allotted before and after the allotment and MoP&NG reserves the right to allot gas outside this policy.
- xxiii. The guidelines for selection of customers for domestic gas available from small/ isolated fields dated 16.01.2012 will be superseded from the date of issue of these guidelines.

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ऑयल एन्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड  
अहमदाबाद परिसम्पत्ति  
**Oil and Natural Gas Corporation Limited**  
Ahmedabad Asset

ONGC.AMD.ST/TCM/10/NDMC/ALOC1-SSMRM/1920

Dated: 23-May-2019

To,

**M/s Shree Shakti Metal Rolling Mill**

Block 19, Village Palla na math, Ta: Dahegam,

Distt: Gandhinagar Gujarat Pin 382305

Email: shreeshaktimetal07@gmail.com

Sub: Allocation of gas on fall-back basis to your unit by ONGC from Gamij field of Ahmedabad Asset through e-tender (Tender No. D16HC18002).

Ref: Your bid response No. 650096296 submitted through ONGC's e-bidding engine.

Sir,

This is with reference to ONGC's Tender No. D16HC18002 for sale of **3,300 SCMD** gas from Gamij field of Ahmedabad Asset and your bid response No. 650096296 submitted through ONGC's e-bidding portal for sourcing 3,300 SCMD gas.

I am directed to inform that your bid is accepted by ONGC and 3,300 (Three thousand Three hundred) SCMD gas has been allocated to you in terms of Article 4.4 of BEC provided in Annexure-III of tender document. The gas supplies will be on 'fall-back' and 'as is where is' basis from ONGC's Gamij field of Ahmedabad Asset at the prevailing domestic gas price on GCV basis notified by Govt. of India from time to time plus your quoted **premium of USD 1.67/MMBTU** (One Dollar and Sixty Seven cents only per MMBTU) on GCV basis. The domestic gas price notified by Govt. of India for the period Apr'19 to Sept'19 is USD 3.69/MMBTU (on GCV basis), therefore, present applicable gas price is USD 5.36/MMBTU (USD Five Dollars and Thirty Six cents only per MMBTU) on GCV basis, which will be revised as & when revised domestic gas price is notified.

The above price is exclusive of VAT and all other applicable taxes on sale of gas as specified in the tender document. The marketing margin of ₹ 200/MSCM-(Rupees two hundred only per MSCM) on NCV basis would be charged in addition to the gas price.

The above gas allocation/supply is subject to fulfilling the following conditions:

1. The gas supplies will be on 'fall-back' and 'as is where is' basis as spelt out in tender and the contract period would be five years.
2. You should have dual fuel facilities in your plant, as per Para 14 of 'Special Terms for Sale of Gas' (Annexure-II) of tender.
3. Gas would be delivered ex-fence ONGC's installation **ex-Gamij GGS-I** and you would create or arrange necessary infrastructural facilities including gas transportation arrangement with the available transporter by entering into requisite 'Gas Transportation Agreement' (GTA) with required processing facilities or laying of own pipelines and compressors (if required) for off-take of gas & further transportation to your unit.
4. The gas supply pressure at delivery point would be about **1 Kg/cm<sup>2</sup>g** as par Para 2 of 'Special Terms for Sale of Gas' (Annexure-II) of tender.
5. You are required to submit the requisite statutory clearances as per tender conditions prior to commencement of gas supplies to your plant. This also includes proof of submission of application

*[Signature]*  
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to 'Petroleum & Natural Gas Regulatory Board' (PNGRB) under PNGRB Regulations, 2008 in case you are laying dedicated pipeline from ONGC's installation to your plant.

6. **Scheduled Date of Gas Off-take:** Your obligation to commence gas off-take is within '90' days from **23-May-2019** (Date of NOA), i.e., on or before **20-Aug-2019**. In case of delay, Security Deposit (SD), as submitted by you, shall be encashed for every week of delay on weekly basis [as spelt out under Article 17 A (iv) of 'Special Terms for Sale of Gas' (Annexure-II)] of tender document.
7. **Security Deposit (SD):** You had submitted Security Deposit (SD) of ₹ 21,18,000/- (Rupees Twenty One lakh Eighteen thousand only) (in the form of BG) based on reserve price of USD 3.36/MMBTU with the bid. This is required to be revised at awarded price of USD 5.36/MMBTU (present domestic gas price USD 3.69/MMBTU and premium USD 1.67/MMBTU) as per provision of Article 17 A (iii) of 'Special Terms for Sale of Gas' (Annexure-II) of tender document. Accordingly, you are required to submit the 'additional Security Deposit' of ₹ **11,23,142/-** (Rupees Eleven lakhs Twenty Three thousand One hundred and Forty Two) in six parts to meet the shortfall in SD amount in the form of BG/LC. The RBI reference rate considered is ₹ 69.48=1 USD for the month of March 2019. The required LC/BG's must be submitted within 30 days, i.e., prior to signing of Gas Supply Agreement.
8. **'Performance Security of Payment against gas supply':** At the time of signing Gas Supply Agreement, you are required to submit the 'Performance Security of Payment against gas supply' as per Article 23 of 'Special Terms for Sale of Gas' (Annexure-II and Article 13.13 of the Model GSA enclosed as Annexure IV to the Tender document in the form of irrevocable, revolving and without recourse Letter of Credit (L/C) from Nationalized/Scheduled Commercial Bank to cover the security of payment for the value of sixty (60) days gas supply. The said amount works out to be ₹ **45,68,127/-** (Rupees Forty Five lakh Sixty Eight Thousand One hundred and Twenty Seven only). It may kindly be noted that the gas supply shall not commence unless L/C towards payment security is furnished.
9. As per tender condition on 'Notification of Award' (NOA), Para 27.2 & Para 28 of 'Instructions to the Bidders', this 'Notification of Award' has formed the contract and the NOA shall remain binding between two parties till the Gas Supply Agreement is signed. The "Gas Supply Agreement" based on model Gas Supply Agreement provided in the tender would be separately conveyed to you by Ahmedabad Asset within 7 (seven) working days. You are requested to contact Asset Manager, ONGC, Ahmedabad Asset to conclude the same within 30 (Thirty) days of this letter.
10. All documents pertaining to statutory clearances are to be submitted to Asset Manager, ONGC, Ahmedabad Asset. Further, any correspondence for compliance of NOA be addressed to the Seller of gas, i.e., Asset Manager, Ahmedabad Asset.

Thanking you,

Yours Sincerely,

  
23 MAY 19  
(Hemant Mulka)

हेमंत मुल्का  
**HEMANT MULKA**  
General Manager(P)  
Incharge TechCell & Mktg.  
ONGC, Ahmedabad  
CRC L-III