Schedule D
[see Regulations 10 (J) and 18 (7)]
Grant of authorization for laying, building, operating or expanding
Kutch (E) CGD network

To

M/s Jay Madhok Energy Private Limited,
(Attention: Shri Satinder Singh Madhok, Director),
D-143, Defence Colony,
New Delhi – 110 024

Subject: Grant of authorization for laying, building, operating or expanding
CGD network in the authorized area of Kutch (E) 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

Sir,

With reference to the application-cum-bid submitted by M/s Jay Madhok
Energy Pvt. Limited led Consortium for grant of authorization for laying, building,
operating or expanding the CGD network in Kutch (E), it has been decided to
grant the authorization to M/s Jay Madhok Energy Pvt. Limited led Consortium
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 on the following terms and conditions:

1. The Authorized Area for laying, building, operating or expanding the
proposed CGD Network shall cover an area of 6278 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-I. 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.
Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.

4. 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 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 also be 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 customers in the next billing cycle or in the next prepaid smart card in case of smart card metering. In case the disruption of supplies is attributed to any fault of the domestic PNG customers, no compensation shall be payable by the entity.

6. The entity is allowed 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
13. The entity shall abide by-

(a) the service obligations as specified under Regulation 14 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;

(b) the service obligations specified under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008;

(c) the service obligations specified in Schedule-I 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;

(d) the quality of service standards as specified under Regulation 15 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.

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.

15. 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, Petroleum and Natural Gas Regulatory Board (Determination of Network Tariff for City or Local Distribution Networks and Compression Charge for CNG) Regulations, 2008, 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.

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 authorization provided below and return the same in original.

Yours faithfully,

Encl: As Above

Dated: 12th March 2015

(K. Rajeswara Rao)
Officer on Special Duty (R)

ने. राजेश्वर राव/ K. Rajeswara Rao
ऑफिशर (सी) OSD (डी)
पेट्रोलियम और प्राकृतिक गैस (प्रधानमंत्री कार्यालय)
Petroleum & Natural Gas Regulatory Board
प्रधान मंत्री, भारत ग्रुप सेंटर
1st Floor, World Trade Centre
बाबर रोड, नई दिल्ली-110001
Babar Road, New Delhi-110001
Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter ref. PNGRB/CGD/BID/R-3/3/GA- Kutch (East) dated 12th March, 2015 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 Kutch (East).

Date: 12th March, 2015
Place: NEW DELHI

Signature of the Entity or Authorized Signatory
## ANNEXURE – 1

Milestones for the Project Implementation for Geographical Area of Kutch(East) as per BID

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of domestic customers</th>
<th>Inch-Kilometer of steel pipelines</th>
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<td>Year 1</td>
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</tr>
<tr>
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<td>Year 5</td>
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