



GUJARAT GAS COMPANY LIMITED

Schedule B

[see regulations 4 (1) and 5 (6)]

Application form for submitting expression of interest by an entity desirous of laying, building, operating or expanding a CGD network

“Expression of Interest for Bhavnagar Geographical Area in the state of Gujarat”

A. Only an entity which complies with the minimum eligibility criteria as per regulation 5 (6) 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 is eligible to submit its application for submission of expression of interest to the Board.

As per (B) below.

B. Entities must enclose documentary proof in support of its meeting the minimum eligibility criteria.

Documentary proof in support of meeting the minimum eligibility criteria is enclosed as under;

Annexure II: Meeting minimum eligibility criteria as per regulation 5 (6) of the regulations mentioned in point A above.

- a. Technical capability of laying and building CGD networks as per regulation 5(6)(b)
- b. Technical capability of operating and maintaining CGD networks as per regulation 5(6)(c)
- c. Financial strength - Auditor's Certificate on GGCL's net worth as on 31st December 2007 as per regulation 5(6) (e)

C. The entity submitting the expression of interest must submit the following information:

1	General Details
A	Name of the Entity: Gujarat Gas Company Ltd.
B	Type of firm - Public Limited Company/ Private Limited Company /Partnership firm / Proprietorship firm I Others (please specify) Public Limited Company



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C	<p>Date of incorporation and date of commencement of business: Date of incorporation for GGCL: 17th January 1980. Date of Commencement: Certificate of business commencement received on 14th August 1980 Gas flow started in the district of Bharuch in March 1989 and in the district of Surat in September 1991.</p>
D	<p>Address of Registered office 2, Shantisadan Society, Near Parimal Garden, Ellis Bridge, Ahmedabad-380006, Gujarat. Tel.: +91-79-26462980, 26460095 Fax: +91-79-26466249</p>
2	<p>Basic Data</p>
A	<p>1. Population and number of households under the proposed CGD network. The population of the proposed geographical area stood at 6.6 lakhs as per census 2001 with an estimated 1.2 lakhs households.</p> <p>2. Geographical area in square kilometers and segregated in different categories in terms of the provisions under regulation 2 (c) 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. The area should also be depicted in a physical map. The proposed network shall cater to the geographical area consisting of areas in Bhavnagar taluka and Sihor taluka (including contiguous areas). Proposed Geographical area is of approximately 290 sq. kms. The proposed area is depicted in physical map attached as Annexure I</p> <p>3. Economic activity in the proposed geographical area in terms of industrial and commercial activity (number of units and fuel mix) Bhavnagar is one of the major coastal districts of Gujarat. The Diamond-cutting industry is one of the major sources of revenue for Bhavnagar. Apart from agricultural activities, the place also exports cotton and ship machinery. Industrial development in Bhavnagar district can be attributed to the presence of a large number cement & gypsum, chemicals, food processing, ship breaking yards,</p>



	<p>diamond cutting & polishing units, salt & marine chemicals, plastics and metallurgical industries. Bhavnagar stands second in diamond cutting & polishing industry after Surat in India, with 6000 units operating from the district and employing more than 3 lakh people. Maximum numbers of industries in Bhavnagar are engaged in repairing & servicing, textiles, chemicals, glass & ceramics, and wood products. Bhavnagar has about 150 units manufacturing plastic monofilaments and more than 400 units manufacturing plastic cloth, twine, ropes, films & multifilament yarn. Around 4460 Small Scale Industries (SSI) units are present in Bhavnagar taluka, witnessing investments to the tune of INR 99.6 Crs. Bhavnagar falls under seismic zone 3.</p> <p>4. Vehicular population profile</p> <p>The estimated vehicular population profile for the areas of Bhavnagar district included above is:</p> <ol style="list-style-type: none">1. Auto/Taxi - 97282. Car/ MUV - 78283. Buses/ HCV - 877
B	<p>Preliminary Assessment of the potential demand for natural gas in the proposed CGD network amongst various Customer segments.</p> <p>Estimated demand of the CGD network is 0.12 MMSCMD and is projected to be 0.34 MMSCMD by year 2025. The segment wise estimated demand is as shown below:</p> <ol style="list-style-type: none">1. Domestic - 0.01 mmscmd2. Commercial - 0.001 mmscmd3. Transport - 0.01 mmscmd4. Industrial - 0.10 mmscmd
C	<p>Likely source of supply of natural gas and plans for access to the natural gas pipeline.</p> <p>Gas Supply Sources:</p> <p>GGCL intends to serve the license area from a combination of sources from its existing portfolio and from newer sources like KG basin, long term LNG purchase etc. GGCL shall tie-up for supply / transmission of gas with sources within the stipulated</p>



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	<p>time as prescribed in regulations notified by PNGRB.</p> <p>Access to transmission Pipelines:</p> <p>Gujarat State Petronet Limited (“GSPL”), is building a high pressure transmission pipeline starting from a tap-off near Dhandhuka and passing through Bhavnagar and going to Jafrabad. The pipeline is expected to be completed and commissioned by Q3 of year 2009. This pipeline shall act as backbone for supply of natural gas to various consumers along the route including the City Gas Distribution Projects. GGCL proposes to feed the City Gas network for Bhavnagar area from GSPL pipeline. Thus with established sources of gas and tie up with transmission system to transport gas from source to City Gate Station, GGCL shall be in position to meet the gas requirements for the distribution of natural gas within Bhavnagar Geographical Area.</p>
D	<p>Whether the states or the Union Territories, in whose jurisdiction the proposed CGD network is located, has enacted any legislation or taken any administrative action to promote the use of natural gas in the said city? If the reply to the question is yes, then provide copy of the said enactment or administrative order.</p> <p>Government of Gujarat had earlier enacted Gujarat Gas Act, 2001 for the development of Gas Sector in the state and subsequently issued Interim Policy on Gas Distribution to promote the development of CGD Networks in the state. However Supreme Court of India has ruled that the said act is ultra vires the constitution and hence is void.</p>
3	<p>Application fee of Rs. 8,00,000 [Eight Lakhs only] paid vide demand draft/ pay order number 852593 and dated 04-September-08 drawn on HDFC bank and branch Kailash Bldg, Delhi</p>

Date: September 10, 2008

Place: Ahmedabad

[AKHIL MEHROTRA]

Name and signature of entity or authorized signatory