

JOINT VENTURE AGREEMENT  
BETWEEN  
GAIL (INDIA) LIMITED  
AND  
GREATER CALCUTTA GAS SUPPLY CORPORATION LIMITED  
FOR  
IMPLEMENTATION OF CITY GAS DISTRIBUTION PROJECT IN THE STATE OF  
WEST BENGAL

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पश्चिमबङ्ग पश्चिम बंगाल WEST BENGAL

AA 569719

JOINT VENTURE AGREEMENT

THIS AGREEMENT made on this 24<sup>th</sup> day of July at 2018 BY AND BETWEEN:

**GAIL (INDIA) LIMITED**, a Government company incorporated under the Companies Act, 1956 (No.1 of 1956), having its registered office at 16, Bhikaiji Cama Place, R.K. Puram, New Delhi-110 066 (hereinafter referred to as "GAIL") which term, unless repugnant to the context, thereof, shall mean and include its successors and permitted assigns, of the **FIRST Part**,

AND

**GREATER CALCUTTA GAS SUPPLY CORPORATION LIMITED**, a State Government Undertaking of the Government of West Bengal, incorporated under the Companies Act 1956 and having its registered office at 14, Canal West Road, Kolkata 700071 and corporate office at 12 Park Street, Kolkata-71 (herein after referred to as "GCGSCL") which unless it be repugnant to the context or meaning thereof shall mean and include its successors and permitted assigns of the **SECOND Part**,

Both **GAIL & GCGSCL** are collectively referred to as "**Parties**" and individually as "**Party**".

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Sl. No. .... Sold to..... *Greater Calcutta Gas Supply. Compn*  
Address..... *LD*

**A. K. Maity**

*14, Canal West Rd  
K9-21*

Licensed Stamp Vendor

10, Old Post Office Street

Kolkata - 700001

Rs. 100/- (Rupees One Hundred) only

Issue Date:....., Sign.....  
*[Signature]*

*23 JUL 2018*

WHEREAS

- A) GAIL, a Maharatna Central Public Sector Enterprise under the administrative control of the Ministry of Petroleum and Natural Gas ("MoPNG"), Government of India, is engaged, inter-alia, in the business of processing, transmission, distribution and marketing of natural gas and its fractions, produced in the country or imported, for use in the country.
- B) GAIL has significant experience and expertise in construction, commissioning, operations and maintenance of Gas pipelines and has set up city gas distribution networks in various metropolitan cities of the country through joint venture companies and its subsidiary, GAIL Gas Limited. GAIL is in the process of expanding its natural gas pipeline network at various locations to match its supply and distribution of natural gas to the end users.
- C) GCGSCL is a State Government Undertaking, 100% owned by Government of West Bengal under the administrative control of the Department of Industry, Commerce and Enterprise, Government of West Bengal. GCGSCL is presently in the business of distribution and marketing of 'Coal Gas' in the city of Kolkata and adjoining areas.
- D) GCGSCL as a successor in interest of erstwhile Oriental Gas Company Limited is distributing coal gas as a fuel for industrial, commercial and domestic consumer in and around Kolkata, Howrah, and a part of Hooghly Districts. Being the pioneer in manufacturing and distributing gas in India, GCGSCL had approached, MoPNG, Government of India for awarding the position of "existing entity" and PNGRB vide their circular No INFRA/II/I/2008/Vol II/Kolkata CGD dated 02.02.2016 accepted the position of GCGSCL as an "existing entity".
- E) GCGSCL with an aim and objective of carrying on business with natural gas adopted the state policy which was finally approved and accepted by the Cabinet Committee on Industries, Employment and Infrastructure wherein it was decided that the Government has allowed GCGSCL to the process of identification of JV/SPV partners to carry on the business of natural gas.
- F) GCGSCL with the same aim and objective has executed Bank guarantee amounting to Rs 13.10 Crore in favour of PNGRB. The CGD Network for Kolkata and adjoining areas for Howrah, Hooghly, North 24 Parganas, South 24 Parganas has been exclusively awarded to GCGSCL for business in coming 25 years starting from the commencement of the operation by the GCGSCL.
- G) Kolkata GA was authorized by Central Government to GCGSCL and subsequently accepted as Central Government authorized network by PNGRB in February-2016. GCGSCL and GAIL earlier worked out a memorandum of understanding for implementation of CGD project in and around Kolkata city. Meanwhile, Hon'ble NGT-EZ Kolkata on OA No. -56 of 2015 directed the State Government to consider revival of the earlier memorandum of understanding in the interest of public for implementation of CGD project. Based upon the decision taken on 21.09.2016 by Cabinet Committee on Economic Affairs, Government of India (CCEA) for the development of CGD network in Kolkata by GAIL in collaboration with the State Government, GAIL has approached Government of West Bengal (GoWB) to implement CGD network in Kolkata city and parts of adjoining districts of North 24 Parganas, South 24 Paraganas, Howrah, Hooghly and Nadia ("**Kolkata GA**") through a joint venture company between GAIL and GCGSCL.
- H) GoWB vide letter dated 23.02.2017 has conveyed the decision taken by the State Government on 21.02.2017 to execute the Kolkata CGD network project through joint venture between GAIL and GCGSCL in the proportion eventually of 74% and 26% respectively and do further course of actions in the matter towards framing of MoU/agreements etc.
- I) GAIL and GCGSCL have agreed to form a Joint Venture Company for undertaking the project to lay, build, operate and expand City Gas Distribution networks along with the

distribution and marketing of Compressed Natural Gas (CNG), Natural Gas, LNG, Auto LPG and any other gaseous fuels in the State of West Bengal.

- J) AND WHEREAS GAIL and GCGSCL have considered and satisfied themselves regarding contributing their skills, knowledge and resources, transfer of assets of GAIL and GCGSCL including business and manpower, value of all other State support including use of public land for CGD Project for successful implementation of Business through the Company.

NOW THEREFORE in consideration of the mutual covenants and undertakings contained in this Agreement, the Parties hereby agree as follows:

#### ARTICLE 1 – DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions:

When used in this Agreement (including the Recitals) the following terms shall have the following meanings:

- 1.1.1 **"Affiliate"** means, with respect to any Person (including a Party), any other Person which directly or indirectly, Controls, is Controlled by, or is under Common Control with such Person. For the purposes of this Agreement, the Company shall not be considered as an Affiliate of any of the Shareholders. Provided that, for the purposes of this Agreement, the term Affiliate does not in respect of GAIL, include any entity that is owned or Controlled directly or indirectly by the Government of India, other than the entities directly or indirectly Controlled by GAIL. Provided further that for the purposes of this Agreement, the term Affiliate in respect of GCGSCL, include any entity that is owned or Controlled directly or indirectly by the Government of West Bengal.

For the purposes of this Agreement, the meaning of the terms "control" or "controlled" shall include (a) the right to appoint majority of the directors of a Person or (b) to control the management or policy decisions exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner, of such first named Person, or (c) the beneficial ownership, directly or indirectly, of more than 51% of the voting securities of such Person and the terms "holding company" and "subsidiary" shall have the meanings prescribed to them under Section 2(46) and 2(87) respectively of the Companies Act, 2013, or (d) the beneficial ownership, directly or indirectly, of more than 20% of the voting securities of such Person, provided that such Person is engaged in CGD.

- 1.1.2 **"Agreement"** shall mean this joint venture agreement along with the attachments hereto as modified or altered from time to time by agreement in writing between the Parties.
- 1.1.3 **"Articles of Association"** shall mean the articles of association of Joint Venture Company, as amended from time to time, which shall in all respects be consistent with the terms of this Agreement and as mutually agreed between the Parties.
- 1.1.4 **"Board" or Board of Directors"** shall mean the board of Directors of Joint Venture Company.
- 1.1.5 **"Business"** shall mean the business of the Company as described under Scope of the Business of Company under article 2.2.
- 1.1.6 **"Business Day"** means any day other than Saturday, Sunday or a public/Bank/national holiday in the State of West Bengal and Delhi.
- 1.1.7 **"Business Plan"** means a plan relating to the development and implementation of the Project, including, without limitation, financial projections and the financial structuring of the Company and as detailed in this Agreement