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भारत सरकार/Government of India

पेट्रोलियम और प्राकृतिक गैस मंत्रालय/Ministry of Petroleum and Natural Gas

शास्त्री भवन, नई दिल्ली/

Shastri Bhawan, New Delhi

Dated: 23rd January, 2020

To,

Dr. Deben Buragohain,
Chief Executive Officer,
Indra Dhanush Gas Limited,
Oil India Limited, PO- Udayan Vihar,
Narangi, Guwahati, Assam-781171

Subject: Capital Grant required as Viability Gap Funding (VGF) to Indradhanush Gas Grid Limited (IGGL) for setting up the North East Natural Gas Pipeline Grid (NEGG).

Sir,

I am directed to refer to above subject and to inform that Cabinet Committee on Economic Affairs in its meeting held on 8.1.2020 has inter-alia approved the following proposal on above subject:-

- i. The North East Gas Grid project of Indradhanush Gas Grid Limited with Viability Gap Funding (VGF) /Capital Grant at 60% of the estimated cost of Rs 9,265 crore (Including interest during construction). Quantum of Viability Gap Funding would be capped at 60% of estimated project cost of Rs 9,265 crore and would not be linked with upward capital cost variation.
- ii. To ensure smooth flow of resources, year-wise budget provision for capital grant to IGGL for NEGG project may be as tabulated below:

Year	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
Capital grant in Rs. Crore	278	834	1,946	1,946	555	5,559

- iii. MoPNG shall identify milestones for major activities for this project and link the same for releases of capital grant of the project.
- iv. For effective monitoring of the project implementation, a Committee comprising of officials from Ministry of Petroleum & Natural Gas, Department of Expenditure, Ministry of Development of North East Region, Ministry of Environment, Forest & Climate Change, and Department of Fertilizers, may be formed, which would

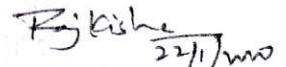
periodically review the progress in implementation of the project and take steps to smoothen out any issues in execution.

v. To take following actions on priority basis to ensure that the project is financially viable and sustainable:

- (a) Signing of firm Gas Supply and Transmission Agreements (GSTA) with IGGL by the identified Government anchor customers within one year of the approval of CCEA.
- (b) Prohibition of creation of duplicate/dedicated pipeline infrastructure in North-East region along the pipeline grid till the situation so demands as assessed by MoPNG.
- (c) Giving flexibility to IGGL for changing pipeline configuration (route, length & size) to deal with local conditions or changing demand dynamics within the recommended project cost. However, the scope of work for the project should not be compromised while using this flexibility.
- (d) Capital grant amount, in absolute terms, would be restricted to the original cost estimate recommended above, and will be met through Budgetary Grant from Government of India.

2. An statement on major milestone and target dates as mentioned in the CCEA Note is attached.

Yours faithfully,


22/1/2020

(Raj Kishore)

Under Secretary to the Govt. of India

Tel:23389464

STATEMENT ON MAJOR MILESTONES AND TARGET DATES

Subject: Capital Grant required as Viability Gap Funding (VGF) to Indradhanush Gas Grid Limited (IGGL) for setting up the North East Natural Gas Pipeline Grid (NEGG)

Entire North-East Gas Grid may be planned to be implemented in 3 phases based on requirement of statutory clearance, route terrain, linkage with Highway corridor widening works, difficulty in work execution etc. Phasing of various sections of North-East gas grid is proposed as under:

S. No.	Major milestones	Time Frame for completion/ Target date
1	Completion of Phase-I Sections with plain agricultural terrain and no requirement of Environmental Clearance i.e. (a) Guwahati- Numaligarh Pipeline section with spur line to Itanagar and Numaligarh; and (b) Numaligarh/Dergaon (Jorhat) - Dimapur Pipeline section and 5 feeder lines from ONGC gas fields	By the end of September, 2022
2	Completion of Phase-II Sections in hilly terrain and having requirement of Environmental Clearance i.e. (a) Guwahati- Shillong - Silchar – Panisagar Pipeline section and Banaskandi gas source feeder line; (b) Panisagar- Agartala Pipeline section and spur line to NEEPCO power plant; and (c) Panisagar - Aizawl spurline	By the end of September, 2022
3	Completion of Phase-III Sections in hilly terrain, requirement of Environmental Clearance and feasibility of laying of pipeline linked to highway width widening i.e. (a) Dimapur - Kohima Pipeline Section; (b) Kohima - Imphal Pipeline Section; and (c) Siliguri - Gangtok Pipeline Section	By the end of November, 2023