



**CORRIGENDUM No. 1 dated 29.05.2020**  
**TO**  
**REQUEST FOR EXPRESSION OF INTEREST (EOI) FOR**  
**EQUITY PARTICIPATION OF GAIL IN GAS EXCHANGE COMPANY**  
**EOI DOCUMENT REF NO. GAIL/ND/BD/EOI/GasEx/001**

**CORRIGENDUM No. 1 dated 29.05.2020**

EOI Document Ref. No. : GAIL/ND/BD/EOI/GasEx/001 Dated 22.05.2020  
EOI : REQUEST FOR EXPRESSION OF INTEREST (EOI) FOR EQUITY PARTICIPATION OF GAIL  
IN GAS EXCHANGE COMPANY

The terms & conditions of the EOI document reference cited above are modified to the extent indicated under column  
“MODIFICATION / ADDITIONS”

Sl. No.	Reference of the Request for EOI				Modifications / Additions
	Section No.	Page No.	Clause No.	Subject	
1.	3.0	3	3.1 (a)	ESSENTIAL QUALIFICATION CRITERIA	Clause 3.1 (a) is modified as under :  <i>“Party registered and incorporated in India as per Companies Act, 1956 or 2013 and having successfully operated commodity exchange and associated trading platforms on its own at least for the past 1 year in India (as on the date of submission of this EOI)</i>  <i>OR</i>  <i>Party registered and incorporated in India as per Companies Act, 1956 or 2013 and having successfully operated commodity exchange and associated trading platforms through one of its JV / Subsidiary / Affiliates, at least for the past 3 years in India (as on the date of submission of this EOI)”</i>



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2.	3.0	4	3.2.1 (1)	OTHER QUALIFICATION CRITERIA : Commercial Qualification Criteria	<p>Clause 3.2.1 (1) is modified into 3.2.1 (1) (a) and 3.2.1 (1) (b) as under:</p> <table border="1"> <thead> <tr> <th style="text-align: center;"><i>S.No.</i></th> <th style="text-align: center;"><i>Qualification Criteria</i></th> <th style="text-align: center;"><i>Marks</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><i>1</i></td> <td><i>Formation of Gas exchange company (Max 5 marks)</i></td> <td></td> </tr> <tr> <td style="text-align: center;"><i>(a)</i></td> <td><i>The Party has already formed / established a Gas Exchange company in India as on the date of submission of this EOI</i></td> <td style="text-align: center;"><b>5</b></td> </tr> <tr> <td style="text-align: center;"><i>(b)</i></td> <td><i>The Party has applied to the relevant regulator for forming / establishing a Gas Exchange company in India as on the date of submission of this EOI</i></td> <td style="text-align: center;"><b>3</b></td> </tr> </tbody> </table>	<i>S.No.</i>	<i>Qualification Criteria</i>	<i>Marks</i>	<i>1</i>	<i>Formation of Gas exchange company (Max 5 marks)</i>		<i>(a)</i>	<i>The Party has already formed / established a Gas Exchange company in India as on the date of submission of this EOI</i>	<b>5</b>	<i>(b)</i>	<i>The Party has applied to the relevant regulator for forming / establishing a Gas Exchange company in India as on the date of submission of this EOI</i>	<b>3</b>
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3.	3.0	6	3.3.1	DOCUMENTARY EVIDENCE : Documents to be submitted in support of Criteria 3.1 above	<p>First Row of the table is modified as under:</p> <table border="1"> <tbody> <tr> <td style="text-align: center;"><b><i>For 3.1 (a)</i></b></td> <td><i>“The Party must submit the certificate of incorporation and documentary proof of successful operation of commodity exchange and associated trading platforms to meet the Essential Qualification Criteria 3.1(a)”</i></td> </tr> </tbody> </table>	<b><i>For 3.1 (a)</i></b>	<i>“The Party must submit the certificate of incorporation and documentary proof of successful operation of commodity exchange and associated trading platforms to meet the Essential Qualification Criteria 3.1(a)”</i>										
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4.	3.0	7	3.7	-	<p>Clause 3.7 is modified as under:</p> <p><i>“In case the Party agrees to form a Gas exchange company within 60 days of its EOI being shortlisted and communicated by GAIL (as per 3.1 (b) above), its EOI must be accompanied with the Affidavit (Annexure-3) confirming to form a Gas</i></p>												



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					<i>exchange company and also submit the proposed investment route for the Gas exchange company. Further, appropriate guarantee / assurance (to be mutually agreed between GAIL and the Party) shall be taken from such Party within 15 days of being shortlisted and communicated by GAIL.”</i>
5.	4.0	7	4.2 (c)	SUBMISSION OF DOCUMENTS	Clause 4.2 (c) is modified as under :  <i>“Documentary proof of successful operation of commodity exchange and associated trading platforms to meet the Essential Qualification Criteria 3.1(a)”</i>
6.	4.0	7	4.2 (d)	SUBMISSION OF DOCUMENTS	Clause 4.2 (d) is modified as under :  <i>“Details of the Gas exchange company, if already formed, including Certificate of incorporation of the Gas exchange company, Memorandum of Association, Articles of Association OR If the Party has applied to the relevant regulator for forming / establishing a Gas Exchange company in India as on the date of submission of this EOI, then, the copies of relevant documentary evidence in this regard”</i>
7.	4.0	-	New Clause	SUBMISSION OF DOCUMENTS	Following Clause is added:  <i>“Clause 4.2(k): Specify the proposed investment route for the Gas exchange company in case the Party has not formed /</i>



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					<i>established Gas exchange company and agrees to form a Gas exchange company within 60 days of its EOI being shortlisted and communicated by GAIL.”</i>						
8.	Annexure -2	13	3	CHECKLIST OF ACREED TERMS AND CONDITIONS	<p>Sl. no. 3 of Checklist of Agreed Terms and Conditions is modified into 3(a) and 3(b) as under:</p> <table border="1"> <tr> <td>3 (a)</td> <td><i>Whether the Party has successfully operated commodity exchange and associated trading platforms on its own at least for the past 1 year in India</i></td> <td><b>Yes / No</b></td> </tr> <tr> <td>3 (b)</td> <td><i>In case the reply to S.No. 3(a) is 'No', Whether the Party has successfully operated commodity exchange and associated trading platforms through one of its JV / Subsidiary / Affiliates, at least for the past 3 years in India (as on the date of submission of this EOI)”</i></td> <td><b>Yes / No</b></td> </tr> </table>	3 (a)	<i>Whether the Party has successfully operated commodity exchange and associated trading platforms on its own at least for the past 1 year in India</i>	<b>Yes / No</b>	3 (b)	<i>In case the reply to S.No. 3(a) is 'No', Whether the Party has successfully operated commodity exchange and associated trading platforms through one of its JV / Subsidiary / Affiliates, at least for the past 3 years in India (as on the date of submission of this EOI)”</i>	<b>Yes / No</b>
3 (a)	<i>Whether the Party has successfully operated commodity exchange and associated trading platforms on its own at least for the past 1 year in India</i>	<b>Yes / No</b>									
3 (b)	<i>In case the reply to S.No. 3(a) is 'No', Whether the Party has successfully operated commodity exchange and associated trading platforms through one of its JV / Subsidiary / Affiliates, at least for the past 3 years in India (as on the date of submission of this EOI)”</i>	<b>Yes / No</b>									
9.	Annexure -2	13	5	CHECKLIST OF ACREED TERMS AND	Sl. no. 5 of Checklist of Agreed Terms and Conditions is modified into 5(a) and 5(b) as under:						



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				CONDITIONS	5 (a)	<i>Whether the Party has already formed / established a Gas exchange company in India (as on the date of submission of this EOI). Party to confirm submission of relevant documentary evidence</i>	<b>Yes / No</b>
					5 (b)	<i>In case the reply to S.No. 5 (a) is 'No', whether the Party has applied to the relevant regulator for forming / establishing a Gas Exchange company in India (as on the date of submission of this EOI). Party to confirm submission of relevant documentary evidence</i>	<b>Yes / No</b>
10.	Annexure-3	15	3	AFFIDAVIT	Sl. no. 3 of the Affidavit is modified as under:  <i>“That _____ (mention name of the company) has successfully operated commodity exchange and associated trading platforms on its own for the past 1 year in India as on ..... (as on due date of submission of the EOI);</i> <b>OR</b> <i>That _____ (mention name of</i>		

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					<i>the company) has successfully operated commodity exchange and associated trading platforms through _____ (mention the name of the JV / Subsidiary / Affiliate), at least for the past 3 years in India as on ..... (as on the date of submission of this EOI)”</i>
11.	Annexure-3	15	4	AFFIDAVIT	<p>Sl. no. 4 of the Affidavit is modified as under:</p> <p><i>“That _____ (mention name of the company) has formed / established the Gas exchange company _____ (mention name of the Gas exchange company)</i></p> <p><i>[OR]</i></p> <p><i>That _____ (mention name of the company) has applied to the relevant regulator for forming / establishing a Gas Exchange company in India (documentary proof in this regard is submitted) and also agree and guarantee to form the Gas exchange company in India within 60 days of this EOI being shortlisted and communicated by GAIL and shall submit appropriate guarantee / assurance (to be mutually agreed with GAIL) within 15 days of being shortlisted and communicated by GAIL;</i></p> <p><i>[OR]</i></p> <p><i>That _____ (mention name of the company) agree and guarantee to form the Gas exchange company in India within 60 days of this EOI being shortlisted and communicated by GAIL and shall submit appropriate guarantee / assurance (to be mutually agreed with GAIL)</i></p>



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					<i>within 15 days of being shortlisted and communicated by GAIL”</i>
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All other terms & conditions of the Request for EOI remain unaltered.

Note: This Corrigendum No. 1 shall form an integral part of the Request for EOI and same shall be signed, stamped and submitted along with the EOI.

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**Dated 22.05.2020**



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**Dated: 22.05.2020**

**1.0 BACKGROUND**

**1.1. GAIL (India) Limited (“GAIL”)** is India’s leading Natural Gas (NG) Company with the presence along entire natural gas value chain comprising of Exploration & Production, LNG imports, Gas Transmission & Marketing, Gas Processing, Petrochemicals, LPG transmission and City Gas Distribution. GAIL is listed on the National Stock Exchange of India, the Bombay Stock Exchange and the London Stock Exchange (in the form of GDRs). GAIL’s revenue for the year ended 31<sup>st</sup> March 2019 was Rs. 75,127 crore with a net profit of Rs. 6,026 crore.

For additional information on GAIL, please visit <http://www.gailonline.com>

**1.2.** GAIL invites online offers from **Party** who shall submit Expression of Interest (EOI) offering equity participation to GAIL in their Gas Exchange company established / proposed to be established in India, for setting up gas exchange for natural gas trading and access on pan-India basis.

**1.3.** Other basic details of this EOI are :

<b>EOI Download</b>	EOI may be downloaded from any of the Websites as below: (i) <a href="http://www.gailonline.com">www.gailonline.com</a> (ii) GAIL’s Tender Website – <a href="http://www.gailtenders.in">www.gailtenders.in</a> (iii) Govt. CPP Portal - <a href="https://eprocure.gov.in">https://eprocure.gov.in</a>
<b>EOI Cost</b>	NIL
<b>EOI Due date of submission &amp; time</b>	03 June 2020 @ 1400 hrs
<b>EOI Opening date &amp; time</b>	03 June 2020 @ 1500 hrs
<b>EOI Submission mode</b>	Through email <a href="mailto:gasexchange@gail.co.in">gasexchange@gail.co.in</a>

**2.0 INTRODUCTION**

In order to increase the share of natural gas in primary energy basket in India, it is imperative to drive investments in the overall gas value chain – including domestic



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production, re-gasification of imported LNG, transportation (pipelines) and end-use consumption (industrial, commercial and residential applications). A transparent and neutral natural gas trading platform commonly known as “Gas Exchange” can further facilitate market-based mechanism. Additionally, the Gas Exchange is also expected to drive competition, leading to innovative business models and cost-efficient structures, thus supporting the overall affordability of gas.

Over the years, GAIL as a major pipeline operator has contributed to the growth and development of natural gas pipeline infrastructure and natural gas market and has existing ~12,000 Kms of robust gas pipeline infrastructure on pan India basis. GAIL targets to further expand the NG pipeline network by another ~7600 km in the next 5 years. GAIL markets approx. 96 MMSCMD of gas while approx. 108 MMSCMD gas is transported through its pipelines.

In order to further boost the consumption of natural gas in the country, Government is considering the establishment of a Gas Trading Hub / Exchange, where natural gas can be traded and supplied through a market based mechanism. It is understood that some studies have already been commissioned by PNGRB on the operating model, the overseeing mechanism and settlement processes.

In this backdrop, GAIL invites online offers from **Party** who fulfils the qualification criteria to submit Expression of Interest (EOI) offering equity to GAIL in their Gas exchange company established or proposed to be established in India. **GAIL may shortlist one or more parties for taking equity in their gas exchange company in near future.**

### **3.0 QUALIFICATION CRITERIA**

#### **3.1. ESSENTIAL QUALIFICATION CRITERIA**

The Party must satisfy the following Essential Qualification Criteria for submitting the EOI:

- a) Party registered and incorporated in India as per Companies Act, 1956 or 2013 and having successfully operated commodity exchange and associated trading platforms at least for the past 5 years in India (as on the date of submission of this EOI); and
- b) Party having already formed Gas exchange company in India as on the date of submission of this EOI or willing to form Gas exchange company in India (within 60 days of its EOI being shortlisted and communicated by GAIL),



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with majority stake and interested to continue to hold the majority shareholding (>50%) in either case, till any regulation disallows, and follow all the statutory norms as prescribed from time to time by Government of India or Regulator appointed by GoI for the purpose; and

- c) Party to allow GAIL as a promoter with 26% equity on par basis in the Gas exchange company (formed / proposed to be formed) and grant GAIL the right to nominate Directors on the Board of the company proportionate to GAIL's shareholding (rounded up to nearest whole number) but not less than 02 nos. of Directors unless mutually agreed to reduce or reduced by statutory provisions / regulations.

### 3.2. OTHER QUALIFICATION CRITERIA

Subject to fulfilling the Essential Qualification Criteria at 3.1, the evaluation of the EOI of the Party shall be carried out of a total of 100 marks allocated under the various Commercial Criteria (80 marks) and Financial Criteria (20 marks) as per table below. The Party shall submit the relevant documentation in conformance to the respective qualification criteria:

S.No	Qualification Criteria	Marks
<b>3.2.1.</b>	<b>COMMERCIAL QUALIFICATION CRITERIA (80 marks)</b>	
1.	The Party has already formed /established a Gas exchange company in India as on the date of submission of this EOI	<b>5</b>
2.	The Party has set up requisite Gas exchange infrastructure including hardware, gas trading software and deployment of manpower in the Gas Exchange company as on the date of submission of this EOI	<b>10</b>
3.	Market share of the Party (either directly or through its Subsidiary / JV / affiliates) in the energy commodity trading on exchange in India for the year 2018-2019 / 2019-2020 ( <b>Max 5 marks</b> )	
(a)	<i>At least 25% share in the energy commodity trading on exchange in India</i>	<b>5</b>
(b)	<i>Less than 25% share in the energy commodity trading on exchange in India</i>	<b>2</b>
4.	Agree that Promoter Status shall not be offered, in future, to any other Shareholder in the Gas exchange company until written consent from GAIL is taken.	<b>10</b>
5.	Allow GAIL to participate / take equity in other gas exchange companies promoted by other companies ( <b>Max 15 marks</b> )	
(a)	<i>With no restriction / lock-in period</i>	<b>15</b>



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(b)	<i>Upto 6 months lock-in period</i>	<b>12</b>
(c)	<i>Upto 9 months lock-in period</i>	<b>9</b>
(d)	<i>Upto 12 months lock-in period</i>	<b>6</b>
(e)	<i>Above 12 months lock-in period</i>	<b>3</b>
(f)	<i>Not Allowed</i>	<b>0</b>
6.	Allow GAIL to take equity (as per Point 5 above) and allow to become promoter in other gas exchange companies formed by other companies	<b>5</b>
7.	Allow GAIL to exit from the Gas exchange company ( <b>Max 10 marks</b> )	
(a)	<i>With No restriction / lock-in period</i>	<b>10</b>
(b)	<i>Upto 12 months lock-in period</i>	<b>8</b>
(c)	<i>Upto 24 months lock-in period</i>	<b>6</b>
(d)	<i>Upto 36 months lock-in period</i>	<b>4</b>
(e)	<i>Above 36 months lock-in period</i>	<b>0</b>
8.	Offering Rights to GAIL to nominate its representatives to all sub-committees of the Board in the Gas exchange company	<b>5</b>
9.	Right of First Refusal (ROFR) to GAIL in case of transfer of Other Promoters' equity shareholding to other interested parties	<b>5</b>
10.	Allow GAIL to transfer its share to Affiliates, at any time	<b>5</b>
11.	Tag-Along Rights, in case of transfer of Other Promoters' equity shareholding to other interested parties	<b>5</b>
	<b>[A] MAXIMUM MARKS – COMMERCIAL CRITERIA</b>	<b>80</b>
<b>3.2.2.</b>	<b>FINANCIAL QUALIFICATION CRITERIA (20 marks)</b>	
1.	Operating Income in any of the last 3 financial years ( <b>Max 10 marks</b> )	
(a)	<i>Above Rs. 200 crore</i>	<b>10</b>
(b)	<i>Between Rs. 100 - 200 crore</i>	<b>5</b>
(c)	<i>Below Rs. 100 crore</i>	<b>2</b>
2.	Net Worth in the immediately preceding financial year ( <b>Max 10 marks</b> )	
(a)	<i>Above Rs. 200 crore</i>	<b>10</b>
(b)	<i>Between Rs. 100 – 200 crore</i>	<b>5</b>
(c)	<i>Below Rs. 100 crore but positive</i>	<b>2</b>
(d)	<i>Negative</i>	<b>0</b>
	<b>[B] MAXIMUM MARKS – FINANCIAL CRITERIA</b>	<b>20</b>
	<b>MAXIMUM QUALIFICATION MARKS [A] + [B]</b>	<b>100</b>



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Note: Any regulations, as and when they become effective, shall prevail over the relevant criteria / conditions of this EOI.

**3.2.3.** There will be no partial marking in any of the criteria in 3.2.1 and 3.2.2 above. Minimum qualifying marks shall be **70%** in aggregate. GAIL may select / shortlist more than one Party and consider taking equity in one or more companies formed or to be formed by the qualified Parties in near future depending on the necessary approvals and business requirement. The decision of GAIL in this matter shall be final and binding.

**3.3. DOCUMENTARY EVIDENCE**

**3.3.1. Documents to be submitted in support of Criteria 3.1 above**

<b>For 3.1 (a)</b>	The Party must submit the certificate of incorporation and documentary proof of successful operation of exchange in the last 5 years.
<b>For 3.1 (b)</b>	(i) <u>If the Gas exchange company has been already formed in India:</u> The Party must submit the certificate of incorporation of the Gas Exchange company, Memorandum of Association, Articles of Association in support of the same (ii) <u>If it is ready to form Gas Exchange in India :</u> An Affidavit as in Annexure : 3 (signed by CEO) stating its readiness
<b>For 3.1 (c)</b>	Affidavit as in Annexure : 3

**3.3.2. Documents to be submitted in support of Criteria 3.2 above**

For 3.2.1 : Commercial Qualification Criteria

The relevant documentary evidence and necessary Affidavit, as in Annexure: 3, stating Party's position on each of the Qualification Criteria.

For 3.2.2 : Financial Qualification Criteria

Copy of Audited Financial Statements, including Balance Sheets, Profit & Loss Account for last three preceding financial years duly certified by CFO and "Details of financial capability of bidder" in prescribed format (Annexure-4, Format F-1) duly signed and stamped by a practicing chartered accountant and countersigned by CFO.



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In case EOI submission date is up to 30th September of the relevant financial year and audited financial results of the immediate 3 preceding financial years are not available, the party has an option to submit the audited financial results of the 3 years immediately prior to that. Wherever EOI submission date is after 30th Sept. of the relevant financial year, party has to compulsorily submit the audited financial results for the immediate 3 preceding financial years.

- 3.4. The EOI must be **valid for a period of 4 months** from the due date of opening of EOI.
- 3.5. The EOI of the Party failing to meet the criteria under 3.1 above shall be **Rejected**.
- 3.6. GAIL reserves the right to call the Party for making Presentation(s) before GAIL team / management, seek additional information (if required) and also negotiate on terms and conditions (if required). The decision of GAIL in this regard shall be final and binding on the Party.
- 3.7. In case the Party agrees to form a Gas exchange company within 60 days of its EOI being shortlisted and communicated by GAIL (as per 3.1 (b) above), its EOI must be accompanied with the Affidavit (Annexure-3) confirming to form a Gas exchange company. Further, appropriate guarantee / assurance (to be mutually agreed between GAIL and the Party) shall be taken from such Party within 15 days of being shortlisted and communicated by GAIL.

**4.0 SUBMISSION OF DOCUMENTS**

- 4.1. The EOI complete in all respects should be filled, signed, stamped and submitted through email to the email ID **gasexchange@gail.co.in** on or before the due date of submission i.e. 3<sup>rd</sup> June 2020 @ 1400 hrs. No physical EOI shall be accepted.
- 4.2. EOI shall consist of the following :
- (a) Covering letter (as per Annexure -1 signed by authorized signatory of the Party along with Annexure – 1(a) signed by the CEO of the Party)
  - (b) Details of Registration – certificate of incorporation as per Companies Act, 1956 or 2013
  - (c) Documentary proof of successful operation of commodity exchange and associated trading platforms in the last 5 years
  - (d) Details of the Gas exchange company, if already formed, including Certificate of incorporation of the Gas Exchange company, Memorandum of Association, Articles of Association



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- (e) Documentary evidence towards having set up requisite gas exchange infrastructure including hardware, gas trading software and deployment of manpower in the Gas Exchange company as on the date of submission of this EOI
- (f) Documentary evidence of the Market Share of the Party in the energy trading on exchange in India for the year 2018-2019 / 2019-2020
- (g) Checklist of Agreed Terms and Conditions (Annexure -2) signed by authorized signatory of the Party
- (h) Party's Affidavit (Annexure – 3) signed by CEO of the Party
- (i) Format F-1, "Details of financial capability of bidder" duly signed and stamped by a practising chartered accountant and countersigned by CFO (Annexure – 4)
- (j) Copy of Audited Financial Statements, including Balance Sheets, Profit & Loss Account for last three preceding financial years duly certified by CFO

4.3. Additional documents pertaining to the financial data, if any, submitted as documentary evidence must be certified by the CFO of the Party.

4.4. All pages of the EOI and the enclosures must be certified / attested by the Authorised Signatory.

**5.0 GENERAL INSTRUCTIONS ON SUBMISSION OF EOI**

5.1. The Party to note that the EOI is to be submitted at email id **gasexchange@gail.co.in** only within due date & time, without marking its copy to any other e-mail ID's of GAIL as the EOIs are to be opened in a secured way only at the appointed time and date. Any failure on part of the Party to comply above may lead to disqualification of its EOI.

5.2. Any communication/e-mail received to above mentioned e-mail ID after **due date and time**, shall be categorically ignored.

5.3. To avoid delayed delivery of e-mail(s) containing the EOI to above mentioned e-mail ID due to varying reasons including delays due to e-mail server, network problem etc., Party is advised to submit their EOI well in advance as no cognizance shall be given to the e-mail(s) received to above mentioned e-mail ID after due date & time, due to any reason whatsoever.

5.4. While submitting EOI, the following may please be noted:



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- (i) If a large document is attached with email, there is a chance of delivery failure due to mailbox size limitation. Therefore, the Party is required not to send large sized mails, and maximum size of a single mail be restricted to **10 MB**. Party may send multiple mails if the mail size of each mail is more than **10 MB** (preferably not more than 6-7 MB to be on the safer side). Party is also required to compress the mails before sending such mails, preferably in PDF format.
- (ii) Party should ensure the emails and attachments are free from virus etc., as GAIL's E-mail gateway, may drop such infected files.
- 5.5.** EOI must be complete in all respects leaving no scope for ambiguity. It is in the interest of the Party to submit complete and comprehensive proposal leaving no scope for GAIL to raise any further questions. Any deviation to this EOI shall make the offer liable for rejection.
- 5.6.** To assist in the examination and evaluation of Offers, GAIL may seek clarifications regarding the Party's credentials, documents, information, etc., submitted as part of its EOI.
- 5.7.** Clarification, if any, through e-mail, can be obtained from **Mr. Santanu Roy**, Executive Director (BD & PD), GAIL (India) Limited, 16, Bhikaji Cama Place, New Delhi – 110066, India. Email : [sroy@gail.co.in](mailto:sroy@gail.co.in) ; Contact No. 011-26174353; Mob: 9910200344
- 5.8.** This request for EOI is being issued with an intent to partner in Gas Exchange in India and its provisions are non-binding in nature. GAIL reserves the right to terminate EOI process at any point of time without assigning any reason.
- 5.9.** If the information submitted in the requisite format is found to be incorrect at a later stage, GAIL shall have the right to reject / terminate the EOI.
- 5.10.** Further, GAIL also reserves the right to reject any or all EOI received without assigning any reason.
- 5.11.** No Party or its Parent / Affiliates shall contact GAIL on any matter relating to its EOI after last date of submission of EOI unless requested by GAIL in writing. Any effort by the Party or its Parents or its Affiliates to influence GAIL in the decision making in respect of EOI will result in the rejection of the EOI.



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**ANNEXURES**



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**Annexure – 1**

**COVER LETTER FOR SUBMISSION OF EOI**  
(to be printed on the official stationery / letterhead of the Party)

To

**Mr. Santanu Roy**

Executive Director (BD & PD)

GAIL India Limited

GAIL Bhawan

16, Bhikaji Cama Place

New Delhi - 110066

**Sub : Submission of Expression of Interest for Equity Participation of GAIL in Gas Exchange Company**

With reference to your EOI Document Ref. No. GAIL/ND/BD/EOI/GasEx/001 dated 22.05.2020 and after examining the detailed document, qualification criteria and other details mentioned in the EOI document for **Equity Participation of GAIL in Gas Exchange Company**, we hereby offer to submit our Expression of Interest.

1. All the Annexures (including Affidavit) and documents necessary in this connection are enclosed hereto.
2. All the documents are true and correct to the best of our knowledge and understanding.
3. GAIL is free to reject our EOI document if any of the documents is / are found to be false or forged.
4. We, hereby also declare(s) that our company is not debarred / blacklisted by Federal / Central / State Governments, departments, agency, Public Sector Undertakings, Institutions, Regulators, autonomous organization, etc.
5. The information sought in the EOI is enclosed with this letter.

Yours Sincerely,

**(Signature & Stamp of Authorized Signatory)**

Designation :

Date :

Place :



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**Annexure – 1 (a)**

<b>NAME OF THE EOI : Equity Participation of GAIL in Gas Exchange Company</b>		
1.	Name of the Party	
2.	Registered Address of the Party	
3.	Details of Registration document of the Party <i>(provide details &amp; submit copy of the company / organization 's registration)</i>	
4.	<b>Authorized Signatory Details</b>	
	Name of the Authorized signatory	
	Designation of the Authorized signatory	
	Telephone Contact Details	
	Email :	
	Specimen Signature :	
5.	<b>Chief Financial Officer (CFO) Details</b>	
	Name of the CFO	
	Designation :	
	Telephone Contact Details	
	Email :	
	Specimen Signature :	

**(Signature & Stamp of CEO)**

Designation :

Date :

Place :



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**Annexure – 2**

**CHECKLIST OF AGREED TERMS AND CONDITIONS**  
**(to be used for evaluation of the Qualification criteria)**

<b>Name of the Party _____</b>		
1.	Covering letter submitted (as per Annexure -1 signed by authorized signatory of the Party along with Annexure – 1(a) signed by the CEO of the Party)	<b>Yes / No</b>
2.	Party registered and incorporated in India as per Companies Act, 1956 or 2013	<b>Yes / No</b>
3.	Whether the Party has successfully operated commodity exchange and associated trading platforms at least for the past 5 years (as on the date of submission of this EOI) in India	<b>Yes / No</b>
4.	Whether the Party has submitted the necessary documentary evidence to meet the Essential Qualification Criteria 3.1(a) i.e. S. No. 2 & 3 above	<b>Yes / No</b>
5.	Whether the Party has already formed a Gas exchange company in India	<b>Yes / No</b>
6.	Whether the Party has set up requisite Gas exchange infrastructure including hardware, gas trading software and deployment of manpower in the Gas Exchange company as on the date of submission of this EOI. Party to confirm submission of relevant documentary evidence.	<b>Yes / No</b>
7.	If the Party has already formed a Gas exchange company in India, whether it holds the majority shareholding (>50%) and is interested to continue to hold the majority shareholding (>50%), till any regulation disallows, and follow all the statutory norms as prescribed from time to time by Government of India or Regulator appointed by GoI for the purpose. Party to confirm submission of relevant documentary evidence.	<b>Yes / No</b> <b>_____ %</b> <b>shareholding</b>
8.	In case reply to S. No. 5 is 'No', whether the Party agrees and confirms to form Gas Exchange Company with majority shareholding (>50%) within 60 days of its EOI being shortlisted and communicated by GAIL and is interested to continue to hold the majority shareholding (>50%), till any regulation disallows, and follow all the statutory norms as prescribed from time to time by Government of India or Regulator appointed by GoI for the purpose.	<b>Yes / No</b>
9.	Whether the Party will allow GAIL as a Promoter with 26% equity on par basis in the Gas exchange company (formed / proposed to be formed)	<b>Yes / No</b>
10.	Whether the Party grants GAIL the right to nominate the Directors on the Board of the company proportionate to GAIL's shareholding (rounded up to nearest whole number) but not less than 02 nos. of Directors unless mutually agreed to reduce or reduced by statutory provisions / regulations	<b>Yes / No</b>
11.	Market share of the Party (either directly or through its Subsidiary / JV / affiliates) in the energy commodity trading on exchange in India for the	<b>_____ %</b> <b>share</b>



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	year 2018-2019 / 2019-2020	
12.	The Party confirms that Promoter status shall not be offered, in future, to any other Shareholder in the Gas exchange company until written consent from GAIL is taken	<b>Yes / No</b>
13.	Allow GAIL to participate / take equity in other any gas exchange companies promoted by other companies	<b>Yes / No With _____ lock-in period</b>
14.	Allow GAIL to take equity (as per 13 above) and allow to become promoter in any other gas exchange companies formed by other companies	<b>Yes / No With _____ lock-in period</b>
15.	Allow GAIL to exit from the Gas exchange company	<b>Yes / No With _____ lock-in period</b>
16.	Offering Rights to GAIL to nominate its representatives to all sub-committees of Board in the Gas exchange company	<b>Yes / No</b>
17.	Granting Right of First Refusal (ROFR) in case of transfer of Other Promoters' equity shareholding to other interested parties	<b>Yes / No</b>
18.	Allow GAIL to transfer its share to Affiliates, at any time	<b>Yes / No</b>
19.	Tag-Along Rights, in case of transfer of Other Promoters' equity shareholding to other interested parties	<b>Yes / No</b>
20.	Whether the Affidavit (Annexure : 3) submitted	<b>Yes / No</b>
21.	Whether Format F-1 (Annexure : 4 ), "Details of financial capability of bidder" duly signed and stamped submitted	<b>Yes / No</b>
22.	Whether the Proof of Operating Income (for any of the last three financial years) submitted	<b>Yes / No</b>
23.	Whether the Proof of Net Worth for the preceding financial year submitted	<b>Yes / No</b>
24.	Confirm that no deviation has been taken on the terms and conditions of the EOI.	<b>Confirmed / Not Confirmed</b>

**Place :**

**(Sign. and Seal of Authorised Signatory)**

**Date :**



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**Annexure : 3**

(On Party's Letter head to be signed by CEO)

**AFFIDAVIT**

I \_\_\_\_\_ the Chief Executive Officer of \_\_\_\_\_ (*mention name and complete address of the Party*) do hereby solemnly affirm and declare as under :

1. That our company i.e. \_\_\_\_\_ (*mention name of the company*) is registered and incorporated in India, vide Registration No. under the provisions of \_\_\_\_\_ (*mention the name of the Act*) and the documentary proof in this regard is submitted;
2. That \_\_\_\_\_ (*mention name of the company*) has applied in response to request for EOI, Document Ref. No. GAIL/ND/BD/EOI/GasEx/001 dated 22.05.2020 titled 'Equity participation of GAIL in Gas exchange company';
3. That \_\_\_\_\_ (*mention name of the company*) has successfully operated commodity exchange and associated trading platforms for the past 5 years in India as on ..... (*as on due date of submission of the EOI*);
4. That \_\_\_\_\_ (*mention name of the company*) has formed the Gas exchange company \_\_\_\_\_ (*mention name of the Gas exchange company*) [or] agree and guarantee to form the Gas exchange company in India within 60 days of this EOI being shortlisted and communicated by GAIL and shall submit appropriate guarantee / assurance (to be mutually agreed with GAIL) within 15 days of being shortlisted and communicated by GAIL;
5. That \_\_\_\_\_ (*mention name of the Gas exchange company*) has set up requisite Gas exchange infrastructure including hardware, gas trading software and deployment of manpower in the Gas Exchange company as on the date of submission of this EOI and the documentary proof in this regard is submitted.
6. That \_\_\_\_\_ (*mention name of the company*) holds the majority shareholding (>50%) in \_\_\_\_\_ (*mention name of the Gas exchange company if established*) and is interested to continue to hold the



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majority shareholding (>50%), till any regulation disallows, and follow all the statutory norms as prescribed from time to time by Government of India or Regulator appointed by GoI for the purpose. The documentary proof in this regard is submitted.

OR

That \_\_\_\_\_ (*mention name of the company*) agrees to hold majority stake (>50%) in the Gas exchange company proposed to be formed/established, and is interested to continue to hold the majority shareholding (>50%), till any regulation disallows, and shall follow all the statutory norms as prescribed from time to time by Government of India or Regulator appointed by GoI for the purpose;

7. That our company \_\_\_\_\_ (*mention name of the company*) agrees to allow GAIL as a Promoter with 26% equity on par basis in \_\_\_\_\_ (*mention name of the Gas exchange company if established*) [or] the Gas exchange company proposed to be formed /established;
8. Further, agree to grant GAIL the right to nominate Directors on the Board of \_\_\_\_\_ (*mention name of the Gas exchange company if established*) [or] the Gas exchange company proposed to be formed/established, proportionate to GAIL's shareholding (rounded up to the nearest whole number) but not less than 02 nos. of Directors unless mutually agreed to reduce or reduced by statutory provisions / regulations;
9. That our company \_\_\_\_\_ (*mention name of the company*) has \_\_\_\_\_ % of market share in energy commodity trading on exchange in India for the year 2018-2019 / 2019-2020, directly / through our Subsidiary \_\_\_\_\_ / through our Joint Venture \_\_\_\_\_;
10. That our company \_\_\_\_\_ (*mention name of the company*) offers and agrees to GAIL the following in the \_\_\_\_\_ (*mention name of the Gas exchange company if established*) [or] the Gas exchange company proposed to be formed/established:
  - a. that Promoter status shall not be offered, in future, to any other Shareholder until written consent from GAIL is taken
  - b. allow to participate / take equity in other gas exchanges promoted by other companies with No lock-in period [or] upto \_\_\_\_\_ months lock-in period [or] not allowed to participate / take equity in other gas exchanges promoted by other companies
  - c. allow to take equity and allow to become promoter in other gas exchange



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- companies formed by other companies
- d. allow to exit from \_\_\_\_\_ (*mention name of the Gas exchange company if established*) [or] the Gas exchange company proposed to be formed/established with No lock-in period [or] upto \_\_\_\_\_ months lock-in period [or] not allow exit from the Gas exchange company
  - e. offer rights to GAIL to nominate its representatives to all the Sub-committees of the Board in the Gas exchange company
  - f. grants Right of First Refusal (ROFR) in case of transfer of Other Promoters' equity shareholding to other interested parties
  - g. allows GAIL to transfer its share to Affiliates, at any time
  - h. Tag-Along Rights, in case of transfer of Other Promoters' equity shareholding to other interested parties
11. That the company \_\_\_\_\_ (*mention name of the company*) has not been affected by any of the following events, conditions or circumstances in the last Three Financial Years immediately preceding the due date :
- (i) that having been categorized as a wilful defaulter in accordance with Applicable Laws or laws of the country;
  - (ii) that being subject to proceedings for declaration of or being declared bankrupt, being wound up, or having its affairs administered or conducted by any court, administrator, receiver; or
  - (iii) that having been declared by a court or other competent authority as being unable to pay its debts or having made any composition or arrangements with creditors or having had the repayment of its debts suspended.
12. That the company \_\_\_\_\_ (*mention name of the company*) has not been convicted or otherwise being found responsible (or having any of its directors, partners, trustees, officers or managers convicted or being found responsible) by any court, tribunal, regulatory, public or other competent authority for a breach of any laws or regulations which:
- (i) related to any act of fraud or dishonesty for which a fine, penalty, damages, compensation or other payment was levied against the Party or any of its directors, partners, trustees, officers or managers; or,
  - (ii) resulted in the permanent or temporary suspension of the rights of the Party to provide any service or carry on any type of business or operations.
13. Recognize that any false declaration / fake documentation by our company shall lead to the rejection of EOI submitted by the Party



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14. That if any information, document or declaration submitted in/with our EOI, is found to be incorrect at a later date, we indemnify GAIL( India) Limited against any loss due to this and GAIL may take any action as deemed fit.
15. That all information, documents and declarations submitted in/with this EOI are correct to the best of our knowledge and understanding.

**(Signature & Stamp of CEO)**

**Designation :**

**Date :**

**Place :**



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**Annexure : 4**

**FORMAT F-1**

**(Page 1 of 2)**

**FORMAT FOR FINANCIAL CAPABILITY OF THE PARTY  
(to be certified by Practicing Chartered Accountant)**

Undersigned has verified the Audited Financial Statements (Standalone basis) and other relevant records of the company \_\_\_\_\_ (*mention name of the company*) and certify the following:

**1.0 OPERATING INCOME OF LAST THREE FINANCIAL YEARS :**

YEAR	AMOUNT (CURRENCY)
Year 1 :	
Year 2 :	
Year 3 :	

**2.0 NETWORTH AS PER LATEST AUDITED ANNUAL FINANCIAL STATEMENT :**

	YEAR _____
DESCRIPTION	AMOUNT (CURRENCY)
1. Net Worth	

**Notes :**

- (i) It is further certified that the above mentioned applicable figures are matching with the returns filled with Registrar of Companies (ROC)
- (ii) We confirm that above figures are after referring instructions at Page 2 of 2 of FORMAT F-1

\_\_\_\_\_  
(Sign. of CFO)

Name :

Date:

\_\_\_\_\_  
(Sign. and Seal of Practicing Chartered Accountant)

Name:

Membership No.:

Date:



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**FORMAT F-1**

**(Page 2 of 2)**

**Instructions**

- a) The financial year would be the same as one normally followed by the Party for its Annual Report.
- b) The Party shall provide the audited annual financial statements as required for this EOI. Failure to do so would result in the EOI being considered as non- responsive.
- c) For the purpose of this EOI document, all financial criteria shall be based on standalone financial statement of the Party :
  - (i) “Operating Income” shall be Income from Operation
  - (ii) Net Worth shall be the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- d) Above figures shall be calculated after considering the qualification, if any, made by the statutory auditor on the audited financial statements of the Party including quantified financial implication.
- e) In case EOI submission date is up to 30<sup>th</sup> September of the relevant financial year, and audited financial results of the immediate preceding financial year is not available, in such case the audited financial results of the year immediately prior to that year will be considered as last financial year for Operating Income and Net worth calculation. Wherever EOI submission date is after 30<sup>th</sup> September of the relevant financial year, bidder has to compulsorily consider audited financial results for the immediate preceding financial years for such calculation.
- f) The format to be signed by CFO and certified by practicing Chartered Accountant.

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