Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623 **Website:** www.gujaratgas.com

POSTAL BALLOT FORM **Serial No.**

1. Name(s) & Registered Address of the sole / first named shareholder :

2. Name(s) of the Joint-Holder(s), if any: :

3. Registered Folio No./ * DP ID No. & Client ID No. [*Applicable to Shareholders holding shares in dematerialised form] :

4. Number of Share(s) held :

5. I / We hereby exercise my / our vote in respect of the under noted resolution to be passed through Postal Ballot / E-voting, by sending my / our assent or dissent to the said resolution by placing tick (✔) mark in the appropriate box below:

Description of Resolution	No. of shares	I/We assent to the resolution (FOR)	I/We dissent from the resolution (AGAINST)
Approval of the Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distribution Networks Limited.			

Place :
Date :

Signature of the Shareholder/
Power of Attorney Holder/
Authorised Representative

Notes :

(i) LAST DATE FOR RECEIPT OF POSTAL BALLOT FORM: 3RD JANUARY 2015 (6 P.M.)

(ii) Please read the instructions printed overleaf carefully before exercising your vote.

GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
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POSTAL BALLOT / E-VOTING OF EQUITY SHAREHOLDERS OF GUJARAT GAS COMPAY LIMITED

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NOTICE OF POSTAL BALLOT /E-VOTING TO PUBLIC SHAREHOLDERS

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES 2014 AND CIRCULAR NO. CIR/CFD/DIL/5/2013 DATED 4 FEBRUARY 2013 AND CIRCULAR NO. CIR/CFD/DIL/ 8/2013 DATED 21 MAY 2013 ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI")

Dear Shareholders,

Notice is hereby given to you to consider, and, if thought fit, approve the arrangement embodied in the proposed Composite Scheme of Arrangement in the nature of amalgamation of GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL") and Gujarat Gas Trading Company Limited ("GTCL") with GSPC Distribution Networks Limited ("GDNL") and Restructuring of share capital of GSPC Distribution Networks Limited under section 391 to 394 read with section 100 to 103 and other relevant provisions of the Companies Act, 1956 (hereinafter referred to as "the Scheme"). Clause 5.16 of Securities and Exchange Board of India ("SEBI") Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013 ("SEBI Circular") requires the Scheme to be put for voting by public shareholders through postal ballot and e-voting. This notice is given accordingly in terms of such SEBI Circular for consideration of the following resolution by postal ballot and e-voting pursuant to Section 110 and other applicable provisions of the Companies Act, 2013:

Proposed Resolution:

I. To consider and if thought fit to pass with or without modifications the following Resolution:-

RESOLVED THAT *pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified), pursuant to the observation letters 5th November 2014, 7th November 2014, 10th November 2014 and 11th November 2014 issued by National Stock Exchange of India Limited, BSE Limited, Ahmedabad Stock Exchange and Vadodara Stock Exchange respectively and in terms of the listing agreements entered into with the stock exchanges, where the shares of the Company are listed and also the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013, Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and Circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, issued by the SEBI and enabling provisions in the Company's Memorandum and Articles of Association, and subject to the requisite approval of the High Court of Gujarat at Ahmedabad or such other competent authority, as the case may be, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the Composite Scheme of Arrangement in the nature of amalgamation of GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL") and Gujarat Gas Trading Company Limited ("GTCL") with GSPC Distribution Networks Limited ("GDNL") and Restructuring of share capital of GSPC Distribution Networks Limited under section 391 to 394 read with section 100 to 103 and other relevant provisions of the Companies Act, 1956 for the amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL, be and is hereby approved.*

RESOLVED FURTHER THAT *any of the Directors and / or the Company Secretary be and are / is hereby jointly and severally authorized by the Company to undertake such acts, deeds and matters, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard, including but not limited to making requisite filings with the Registrar of Companies, that may be required to give effect to the aforesaid resolution.*"

Approval to the said Scheme is sought by this notice of postal ballot and e-voting in addition to approval to the said Scheme by shareholders of M/s. GUJARAT GAS COMPANY LIMITED at their physical meeting to be held on Monday, 5th January 2015 in terms of orders dated 20th November 2014 and 28th November 2014 of the High Court of Gujarat at Ahmedabad in Company Application No. 284 of 2014 ("Court Convened Meeting"). The notice of the Court Convened Meeting with the documents accompanying the same, being copy of the said Scheme, statement

under Section 393 of the Companies Act, 1956, observation letters of stock exchanges, complaints' report, and proxy form sent to concerned persons. Sections 391 to 394A of the Companies Act, 1956 continue to be in force with certain other provisions of the said Act having been re-enacted by enforcement of various Sections of the Companies Act, 2013 as mentioned in the Table attached to General Circular No.07/2014 issued by the Ministry of Corporate Affairs on 1st April, 2014. For the said provisions and new Sections, reference may be made to the said Table accordingly.

It is clarified that votes may be cast by shareholders either by postal ballot or e-voting and casting of votes by postal ballot and e-voting does not disentitle them from attending the Court Convened Meeting. It is further clarified that votes through postal ballot cannot be permitted through a proxy.

The Postal Ballot Form along with instructions for voting are also enclosed herewith ("Postal Ballot Form"). The instructions for e-voting are also included therein. The Company has appointed Shri Manoj Hurkat, a Practicing Company Secretary, Ahmedabad as Scrutinizer for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

In accordance with Clause 35B of the Equity Listing Agreement entered into by the Company with BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE"), Ahmedabad Stock Exchange ("ASE") and Vadodara Stock Exchange ("VSE") on which the equity shares of GGCL are listed, and the provisions of Section 110 and other applicable provisions of the Companies Act 2013 and applicable rules read with SEBI Circular bearing No. CIR/CFD/DIL/5/2013 dated 4 February 2013 & CIR/CFD/DIL/8/2013 21 May 2013 respectively, GGCL is pleased to provide electronic voting ("e-voting") facility as an alternative to its shareholders to enable them to cast their votes electronically.

GGCL has engaged Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities to the shareholders of GGCL. If a Shareholder has voted through e-voting facility, he is not required to send the Postal Ballot Form. If a Shareholder votes through e-voting facility and also sends his vote through the Postal Ballot Form, the votes cast through postal ballot shall be considered by the Scrutinizer. The e-voting period commences on 5th December 2014 (9 a.m.) and ends on 3rd January 2015 (6 p.m.). During this period shareholders' of GGCL, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

Please refer to the instructions given for e-voting provided in the Postal Ballot form for the purpose and the manner in which e-voting has to be carried out. Shareholders opting to vote through physical mode i.e. sending the Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the form duly completed and signed in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 3rd January 2015. The postage will be borne and paid for by GGCL. Postal ballots received after this date will be treated as invalid. Alternatively, you may cast your votes by responding electronically (e-voting) in the manner described in the said instructions. The e-voting period commences on 5th December 2014 (9 a.m.) and ends on 3rd January 2015 (6 p.m). Responses received after this date will be treated as invalid.

The Scrutinizer will submit his report to the Chairman appointed for the Court Convened Meeting and / or to the Board of Directors / Managing Directors of the Company, or in his absence to any other Director authorized by the Chairman, after completion of the scrutiny. The results of the Postal Ballot and e-voting will be announced on 12th January 2015 and will be subsequently published in at least one English and one Guajarati newspaper circulating in Ahmedabad. The result of the Postal Ballot will also be displayed at the Registered Office of the Company, website of the Company besides being communicated to BSE Ltd, National Stock Exchange of India Limited, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Ltd. The date of declaration of the result of the Postal Ballot shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

A copy of the said Scheme and Explanatory Statement under Section 393 of the Companies Act, 1956, e-voting details, Postal Ballot Form and Pre-paid envelop are enclosed.

NOTES:

1. The Explanatory Statement with reasons for proposing the Resolution as stated in the notice is annexed hereto.

2. The Notice of the Postal Ballot has been sent to the registered address of all the Public Shareholders whose names appear in the Register of Members / Beneficial Owners as per the details furnished by the Depositories as on 28th November 2014. The Public Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode have also been sent the Notice of Postal Ballot by e-mail.

3. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the Shareholders as on 28th November 2014.

4. A Shareholder may request the company for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e., close of working hours i.e. 6 p.m. on 5th January 2015.

5. The voting period for postal ballot ends at 6 p.m. on 3rd January 2015 and voting period for e-voting commences on 5th December 2014 (9 a.m.) and ends on 3rd January 2015 (6 p.m.).

6. The e-voting module shall also be disabled by CDSL for voting thereafter.

7. All the material documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Shareholders at the Registered Office of GGCL at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, during office hours on all working days between 11.00 a.m. and 1.00 p.m. up to the last date for receipt of the postal ballot specified in the accompanying Notice (except Saturdays, Sundays and Government Holidays).

8. Shareholders are also requested to carefully read the instructions printed behind the Postal Ballot Form before exercising their vote.

INSTRUCTIONS FOR VOTING

Kindly note that each Equity Shareholder can opt for only one mode for voting i.e. either by Postal Ballot or by E-voting. If you opt for E-voting, then please do not vote by Postal Ballot and vice versa. In case Member(s) casting their vote via both modes i.e. Postal Ballot as well as E-voting, then voting done through Postal Ballot shall prevail and E-Voting of that member shall be treated as invalid.

VOTING THROUGH POSTAL BALLOT

The detailed procedure is as under:

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Shri Manoj Hurkut, a Practising Company Secretary, Ahmedabad in the enclosed self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the Shareholder will also be accepted

2. The self-addressed business reply envelope bears the name and postal address of the Scrutinizer appointed by the Board

3. The Postal Ballot Form should be completed and signed by the Member. Any unsigned Postal Ballot Form will be rejected.

4. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder. A member may sign the Postal Ballot Form through an Attorney; in such case certified true copy of the Power of Attorney should be attached to the Postal Ballot Form.

5. Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours i.e. 6 p.m. on 3rd January 2015. All Postal Ballot Forms received after this date will be invalid and strictly treated as if the reply from such Shareholder has not been received.

6. There will be only one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint Shareholder(s).

7. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (✔) in the appropriate column. Postal ballot form bearing (✔) mark in both the column will render the form invalid.

8. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority Letter.

9. A Shareholder may request the company for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e., close of working hours i.e. 6 p.m. on 5th January 2015.

10. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Shareholders as on cut-off date i.e. 28th November 2014.

11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed business reply envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.

12. A Shareholder need not use all the votes nor does he need to cast all the votes in the same way.

13. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

14. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

15. The result of the Postal Ballot will also be posted on the website of the Company www.gujaratgas.com and also in the newspaper(s) for the information of the Shareholders.

16. The Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

(**Voting through electronic means (e-voting):**

In compliance with provisions of Section 108 and 110 of the Companies Act, 2013 and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholders voting electronically are as under:

(I) The voting period begins on Friday, 5 December 2014 at 09:00 a.m. and ends on Saturday, 3 January 2015 at 06.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, being 28 November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) · Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. · In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. · Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the "EVSN" alongwith "GUJARAT GAS COMPANY LIMITED".

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

In case of Institutional shareholders:

i. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.

ii. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com

iii. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

iv. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

v. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

The voting period begins on Friday, 5 December 2014 at 09:00 a.m. and ends on Saturday, 3 January 2015 at 06.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, being 28 November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623
Website: www.gujaratgas.com

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND PURSUANT TO SEBI CIRCULAR NO. CIT/CFD/DIL/5/2013 DATED 4 FEBRUARY 2013 AND SEBI CIRCULAR NO. CIR/CFD/DIL/8/2013 DATED 21 MAY 2013 TO THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN GSPC GAS COMPANY LIMITED AND GUJARAT GAS COMPANY LIMITED AND GUJARAT GAS FINANCIAL SERVICES LIMITED AND GUJARAT GAS TRADING COMPANY LIMITED AND GSPC DISTRIBUTION NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

1. Pursuant to the approval of the Composite Scheme of Amalgamation and Arrangement, a meeting through postal ballot and e-voting of the Equity Shareholders of Gujarat Gas Company Limited , is being convened for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement in the nature of amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited with GSPC Distribution Networks Limited and Restructuring of share capital of GSPC Distribution Networks Limited. Notice of the said meeting together with the copy of the Composite Scheme of Amalgamation and Arrangement is sent herewith. This statement explaining the terms of the Scheme of Arrangement is being furnished as required u/s 102 of the Companies Act, 1956.

2. **Background of each companies**

2.1 Gujarat Gas Company Limited ("GGCL")

a. GGCL was incorporated on 17th January 1980 under the Companies Act, 1956, in the name and style of Gujarat Amino Chem Limited in the office of the Registrar of Companies, Gujarat. The name of the company was changed to Gujarat Gas Company Limited vide the fresh certificate of incorporation dated 7th June 1988.

b. The registered office of GGCL is situated at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of GGCL as on 31st March, 2014 is as under:

Particulars	**Amount (in Rs mn)**
Authorized Share Capital	
140,000,000 Equity shares of Rs. 2/- each	280.00
17,000,000 7.5% Redeemable Preference Shares of Rs. 10/- each	170.00
TOTAL	**450.00**
Issued, subscribed and paid-up Share Capital	
128,250,000 Equity Shares of Rs 2/- each fully paid-up	256.50
TOTAL	**256.50**

The Equity Shares of GGCL are at present listed on the BSE Limited, National Stock Exchange of India Limited, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Ltd.

d. GGCL is a listed public limited company. The shares are listed on Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange. It is mainly engaged in the business of transmission and distribution of Natural Gas and serves the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The total income of the company during the fifteen months ended on 31st March 2014 was Rs. 3989.12 crores and the profit before tax was Rs. 611.93 crores. The company has built up reserves of Rs. 1199.83 crores. Furthermore, based on Unaudited Provisional accounts of the Company, for the quarter ended 30th June 2014, the Company recorded total income of Rs 712.78 crores and made profit before tax of Rs 139.46 crores. As on 30th June, 2014, it has reserves of Rs 1290.02 crores. Thus, it is a profit making company with positive net worth and bright scope for future growth

2.2 GSPC Gas Company Limited ("GSPC Gas")

a. GSPC Gas was incorporated on 11th March 1999 as a public limited company under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat, in the name and style of Gujarat State Fuel Management Company Limited. The name of the company was changed to GSPC Gas Company Limited vide the fresh certificate dated 14th December 2005. Vide an order dated 11th April 2007, passed by Hon'ble High Court of Gujarat, Retail Gas business of Gujarat State Petroleum Corporation Limited was de-merged and transferred to GSPC Gas.

b. The registered office of GSPC Gas is situated at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 011, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of GSPC Gas as on 31st March, 2014 is as under:

Particulars	**Amount (in Rs mn)**
Authorized Share Capital	
200,000,000 Equity shares of Rs. 10/- each	2,000.00
TOTAL	**2000.00**
Issued, subscribed and paid-up Share Capital	
84,619,630 Equity shares of Rs. 10/- each fully paid up	846.20
TOTAL	**846.20**

d. GSPC Gas was originally incorporated as Gujarat State Fuel Management Company Limited for providing fuel advisory services. The company had acquired good knowledge about the gas sector by providing advisory services on commercial and legal aspects related to gas contracts. With a view to leverage the strength of the Company, it ventured into City Gas Distribution Business. The company under the new name, GSPC Gas Company Limited, has initiated work for developing City Gas Distribution Network in various cities/ towns /locations/villages in the State of Gujarat. The Company has also entered into tie up with IOC, BPCL and HPCL for developing CNG Stations. Since the Company was focusing on development of City Gas Distribution Network in the state of Gujarat, it acquired existing Retail Gas Business of GSPC. The total income of the Company during the financial year ended on 31st March 2014 was Rs. 4,667.59 crores. However, due to financial costs during the previous year, the company made before tax loss of Rs. 134.68 crores. However it has reserves of Rs. 474.71 crores as on 31st March 2014. Furthermore, based on Unaudited Provisional accounts of the Company, for the quarter ended 30th June 2014, the Company recorded total income of Rs 1,796.02 crores and made profit before tax of Rs. 195.77 crores. As on 30th June, 2014, it has reserves of Rs 592.00 crores. It is a company with positive net worth and bright scope for future growth.

2.3 Gujarat Gas Financial Services Limited ("GFSL")

a. GFSL was incorporated on 11th April 1994 under the provisions of the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat.

b. The registered office of the GFSL is situated at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of the GFSL as on 31st March, 2014 is as under:

Particulars	**Amount (in Rs mn)**
Authorized Share Capital	
7,000,000 Equity Shares of Rs. 10/- each	70.00
5,000,000 Preference Shares of Rs. 10/- each	50.00
TOTAL	**120.00**
Issued, subscribed and paid-up Share Capital	
2,000,000 Equity shares of Rs. 10/- each fully paid up	20.00
TOTAL	**20.00**

d. GFSL is a subsidiary of Gujarat Gas Company Limited, another Transferor Company in this scheme of Arrangement. GFSL is mainly engaged in the business of sale of gas connections in India to its holding company i.e. Gujarat Gas Company Limited and to other commercial and non-commercial customers within India. Total income of Rs. 66.72 crores was achieved during the fifteen months ended on 31st March 2014 and the company made profit before tax of Rs. 7.34 crores. It has reserves of Rs. 33.36 crores. Furthermore, based on Unaudited Provisional accounts of GFSL, for the quarter ended 30th June 2014, the Company recorded total income of Rs 11.09 crores and made profit before tax of Rs. 0.41 crores. As on 30th June, 2014, it has reserves of Rs 33.63 crores

2.4 Gujarat Gas Trading Company Limited ("GTCL")

a. GTCL was incorporated on 26th December 1980 as a private limited company under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat, in the name and style of K.K. Chemicals and Dyes Private Limited. The name of the company was changed to K.K. Chemicals and Dyes Limited vide the fresh certificate of incorporation dated 13th November 2001. Subsequently, the name of the company was changed to Gujarat Gas Trading Company Limited vide the fresh certificate of incorporation dated 6th December 2001.

b. The registered office of GTCL is situated at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of the GTCL as on 31st March, 2014 is as under:

Particulars	**Amount (in Rs mn)**
Authorized Share Capital	
10,000 Equity Shares of Rs. 100/- each	1.00
TOTAL	**1.00**
Issued, subscribed and paid-up Share Capital	
9,000 Equity shares of Rs. 100/- each fully paid up	0.90
TOTAL	**0.90**

d. GTCL is the wholly owned subsidiary of Gujarat Gas Company Limited, one of the Transferor companies in the present scheme. It is mainly engaged in the business of distribution of gas from

sources of supply to centers of demand and / or to the end customers. Total income of Rs. 35.54 crores was achieved during the fifteen months ended on 31st March 2014 and the company made profit before tax of Rs. 0.99 crores. It has reserves of Rs. 14.29 crores as on 31 March 2014. Furthermore, based on Unaudited Provisional accounts of the Company, for the quarter ended June 2014, the Company recorded total income of Rs 0.46 crores and made profit before tax of Rs 0.44 crores. As on 30th June, 2014, it has reserves of Rs 14.71 crores

2.5 GSPC Distribution Networks Limited ("GDNL")

a. GDNL, the Transferee Company, was incorporated on 21st February 2012 as a public limited company under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat.

b. The registered office of GDNL is situated at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 011, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of the Transferee Company as on 31st March, 2014 is as under:

Particulars	**Amount (in Rs mn)**
Authorized Share Capital	
1,500,000,000 Equity Shares of Rs. 10/- each	15,000.00
TOTAL	**15,000.00**
Issued, subscribed and paid-up Share Capital	
90,00,50,000 Equity shares of Rs. 10/- each fully paid up	9000.50
TOTAL	**9000.50**

d. GDNL, the Transferee Company, has been recently incorporated company with the primary object to carry on, sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous forms through Pipelines, Trucks/Trains or such other suitable mode for transportation / distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Forms. During the financial year ended on 31st March 2014, it had income only through its investments. Due to financial costs, it has made before tax loss of Rs. 70.10 crores for the financial year ended 31st March 2014 and based on the provisional accounts for quarter ended 30th June 2014 it recorded a before tax loss of Rs 46.65 crores. It is envisaged that upon scheme being effective, it shall undertake the commercial activities of all the Transferor Companies as the composite unit

3. **RATIONALE AND PURPOSE OF THE SCHEME:**

As a measure to consolidate the City Gas Distribution business, GSPC Group management has decided to amalgamate the city gas distribution business of GSPC Gas, GGCL, GFSL and GTCL (collectively referred to as "Transferor Companies") into GDNL by way of a Court approved Scheme of Amalgamation. The amalgamation, inter alia, would result in the following benefits:

a) Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage for the stakeholders. Further, the proposed consolidation will provide an opportunity to better leverage the combined asset and capital base, build a stronger and sustainable business and improve the potential for further growth and expansion of the business of the merged entity;

b) The proposed amalgamation will not only bring about operational rationalisation, organisational efficiency but also will result in multiple synergies. By pooling together various resources, administrative, managerial and other expenditures will also reduce. The proposed amalgamation will strengthen significantly the position of the combined entity in the industry in terms of asset base, revenue, business volume and market share;

c) The amalgamated entity will benefit from improved organizational leadership, arising from the combination of people from all the companies, who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive Oil & Gas industry more particular in City Gas Distribution Business;

d) The combined entity would have greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities. It will have large net worth and borrowing capacity to expand its business at a faster rate. The combined entity will improve the potential for further expansion of the businesses by way of increased borrowing strength of the combined entity;

e) Further, the amalgamation will result in a significant reduction in the multiplicity of legal and regulatory & other applicable compliances required at present to be carried out by all the Companies.

4. In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and vide resolutions passed at respective Board Meetings dated 21st April 2014, proposed the composite scheme for amalgamation of the four companies for the transfer and vesting of the entire Undertaking and business of the Transferor Companies with and into the Transferee Company and other matters herein, so as to benefit the shareholders, employees and other stakeholders of the Transferor Companies and the Transferee Company.

5. In furtherance of the aforesaid, the proposed Scheme of Arrangement provides for:

a) the amalgamation of the transferor companies with the transferee company;

b) consequential reduction of share capital of the transferee Company; and

c) various other matters consequential or otherwise integrally connected herewith;

Pursuant to Sections 391 to 394 read with Section 100 to 103 and other relevant provisions of the Companies Act, 1956 in the manner provided for in the proposed Scheme of Arrangement.

6. The material provisions of the proposed Scheme of Arrangement are as under:

1. DEFINITIONS

1.2 "**Appointed Date**" means April 1, 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal or any other appropriate authority.

1.5 "**Effective Date**" means last of the dates on which the certified true copies of the orders sanctioning this Scheme passed by the High Court of Judicature of Gujarat, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Gujarat.

References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.

1.16 **"Record Date"** means such date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of Transferor Companies viz. GSPC Gas, GGCL, and GFSL, after the sanction of this Scheme by the High Court or such other competent authority as is empowered to sanction the Scheme, to determine the members of Transferor Companies viz. GSPC Gas, GGCL, and GFSL to whom equity shares of Transferee Company will be allotted.

1.17 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.

1.19 "**Undertakings**" in relation to the Transferor Companies, as the context may require, shall mean whole of the undertakings and business of the Transferor Companies as a going concern, including (without limitation):

(a) all the businesses, properties, assets and liabilities of whatsoever kind and wheresoever situated as on the Appointed Date;

(b) without prejudice to the generality of the foregoing clause, Undertakings shall include all rights, powers, authorities, privileges, liberties and all properties and assets whether movable or immovable, tangible or intangible, current or noncurrent, freehold or leasehold, real or corporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including, without limited to plant and machinery, office equipments, inventories, furniture and fixtures, capital work in progress, power lines, railway sidings, depots, contingent rights or benefits, benefit of any deposits, financial assets, leases and hire purchase contracts, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, assignments and grants in respect thereof, operating agreements, investment of all kinds (including investment in shares, scrips, stocks, bonds, debenture stock, units, mutual funds), sundry debtors, cash and bank balances, loans and advances, amount receivable from ESOP trust, leasehold improvements, accrued interest, vehicles, appliances, computers, software, accessories, registrations, lease, claims, allotments, approvals, consents, letters of intent, registrations, licences including licences with respect to city gas distribution business, contracts, agreements with Ministry of Petroleum and Natural Gas ("MoPNG") and / or Petroleum and Natural Gas Regulatory Board ("PNGRB") and / or with any such regulatory authority, credits, titles, interest, import quotas and other quota rights, right of user, right of way to lay pipelines, municipal permissions or powers of every kind, nature and description whatsoever in connection and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest, and advances and or moneys paid or received, all statutory licences, and / or permissions to carry on the operations, deferred tax benefits and any other direct / indirect tax benefits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests together with all present and future liabilities (including contingent liabilities), all the provisions including provision for tax, benefits of tax relief including the Income tax Act, 1961 such as credit for advance tax, taxes deducted at source, MAT, unutilised deposits or credits, benefits under the VAT / sales tax law, sales tax credit, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / service tax credits, etc, all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received, all necessary books, records, files, papers, records of standard operating procedures, computer programmes along with their licences, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, all earnest monies and / or deposits, all permanent and / or temporary employees; and

(c) All liabilities, including, without being limited to, secured and unsecured debts (whether in Indian rupees or Foreign currency), sundry creditors, advances / deposits from customer, deferred revenues, duties and obligation and provisions of every kind, nature and description of whatsoever and howsoever arising, raised, incurred or utilized.

4. TRANSFER AND VESTING OF UNDERTAKINGS

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, all the Undertakings shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become Undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" asspecified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme**.**

4.2 All assets, estate, rights, title, interest, etc acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date for operation of Transferor Companies or pertaining to or relating to the Transferor Companies shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. The transfer and vesting of assets, estate, rights, title, interest, etc, will be treated as an acquisition of assets and liabilities i.e. acquisition of business of the Transferor Companies on and from the Appointed Date**.**

4.3 All assets of the Transferor Companies, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and / or endorsement and delivery or by operation of law, pursuant to order of the Court, shall be vested in the Transferee Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company.

4.4 In respect of such of the assets of the Transferor Companies other than those referred to in clause 4.3 above including investment in shares, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, deposits, if any, with Government, semi-Government, local and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act upon effectiveness of the Scheme. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

4.5 All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. Transferee Company shall upon the order of the Court sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective and upon payment of applicable stamp duty, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. Transferee Company shall subsequent to scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property

in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

4.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4.7 Any statutory licences, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, provident fund, ESI, Reserve Bank of India, or other registrations, no objection certificates, or any consents to carry on the operations of the Transferor Companies shall stand transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of the Transferee Company so as to empower and facilitate the continuation of the operations of the Transferee Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to Transferor Companies.

4.8 All registrations, licences, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc pertaining to the Transferor Companies, if any, shall stand vested in Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the sanction of the Scheme and upon this Scheme becoming effective.

4.9 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) payable by or refundable to the Transferor Companies with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to the Transferor Companies, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.

4.10 Any third party or authority required to give effect to any provisions of this Scheme, shall take on record the order of the Court sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such High Court order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.11 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Companies in relation to Undertakings shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

4.12 Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297 and 372A, etc, of the Act, read with the rules and regulations made there under, shall stand transferred to and vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/ complied with by the Transferee Company.

4.13 Upon this Scheme becoming effective, the secured creditors of the respective Transferor Company and/ or other security holders having charge over the properties of the respective Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the respective Transferor Company, as existed immediately prior to the effectiveness of this Scheme, and the secured creditors of the Transferee Company and/or other security holders having charge over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existed immediately prior to the scheme becoming effective. It is hereby clarified that pursuant to amalgamation, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and vice versa, and hence such assets of the respective Transferor Company and the Transferee Company, as the case may be, which are not currently encumbered, shall remain free and shall remain available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.14 Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Companies have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Companies.

4.15 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature which the Transferor Companies owns or to which the Transferor Companies are party to and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature in Trust for the benefit of the Transferee Company in terms of this Scheme, till such time as the transfer is affected.

5. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of Undertakings or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same

manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

9. **TAXATION MATTERS**

9.1 It is expressly clarified that upon the Scheme becoming effective, all taxes payable by the Transferor Companies on and after the Appointed Date shall be treated as the tax liability of the Transferee Company. Similarly, all credits for taxes including but not limited to tax deduction at source of the Transferor Companies shall be treated as credits for taxes of the Transferee Company.

9.2 All taxes of any nature, duties, cess or any other like payment or deductions made by the Transferor Companies to any statutory authorities such as income tax, sales tax, service tax, CENVAT, etc. or any tax deduction or collection at source, relating to the period after the Appointed Date but up to the Effective Date shall be deemed to have been on account of or paid on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of the Scheme and upon relevant proof and documents being provided to the said authorities.

9.3 Upon this Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax, value added tax and any other statutory returns and filings under the tax laws, notwithstanding that the period of filing / revising such return may have lapsed and period to claim refund / advance tax and withholding tax credit, etc, also elapsed pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to refund and / or set-off all amounts paid by the Transferor Companies under income tax, value added tax, service tax, excise duty or any other tax etc or any other disputed amount under appeal, if any, upon this Scheme becoming effective.

13. ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY

13.1 Consolidation of Authorised Share Capital of Transferor Companies

13.1.1 The authorised share capital of the Transferor Companies as specified in clause 2.2 to clause 2.5 aggregating to 235,100,000 shares of Rs 10 each shall stand transferred to and combined with the authorised share capital of the Transferee Company and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased. The resolution approving the Scheme shall be deemed to be the approval of increase and re-classification in the authorised share capital of the Transferee Company under Section 94 of the Act (Corresponding notified Section 61 of the Companies Act, 2013) and other applicable provisions of the Act. Accordingly, upon sanction of this Scheme and from the date of this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies.;

13.1.2 Clause V of the Memorandum of Association of the Transferee Company and clause 4 of Article of Association of the Transferee Company relating to authorised share capital shall respectively, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94, (Corresponsing notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act and other applicable provisions of the Act, as the case may be and be replaced with the following clause:

<u>Clause V of Memorandum of Association of Transferee Company</u>

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

Clause 4 of Articles of Association of Transferee Company.

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

13.2 Amendment to Object Clause of the Transferee Company

13.2.1 Upon the Scheme becoming effective, the following clause shall be inserted in the Main Objects clause of the Memorandum of Association of the Transferee Company after clause 5:

6. "To carry on business of dealing with all aspects of negotiations, procurement, imports, storage, handling processing, distribution and transportation of Natural Gas, Liquefied Natural Gas ("LNG"), Coal Bed Methane ("CBM"), Naphtha, Fuel Oils, Crude Oil & other Petroleum Products, coal and any other fuels and utilization thereof.

7. To administer fuel supply and purchase contracts on behalf of State Government and promoter Companies

8. To develop expertise, provide consultation and render advisory services for various technical, legal and commercial aspects of Fuel Supply Management business and facilitating implementation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuel projects

9. To act as an advisory body to the Government / any other agency appointed by State Government for all aspects related to Policy and regulation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuels import / utilization.

10. To promote and make strategic investment in infrastructure projects and facilities meant for augmenting fuel supply."

13.2.2 Upon the Scheme becoming effective, it shall be deemed that the members of the Transferee Company have also resolved and accorded to relevant consents as applicable under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013). It is further clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013) for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Companyshall file the requisite forms with the Registrar of Company, Gujarat, for amending the main objects in accordance with the clause 13.2.1 of this Scheme.

13.3 Alteration to the Name Clause

13.3.1 Upon the Scheme becoming effective, the name of GSPC Distribution Networks Limited shall be deemed to have been changed to GSPC Gas Limited or such other alternative name as may be permitted by Registrar of Companies, Gujarat in accordance with Section 21 (Corresponding notified section 13 of the Companies Act, 2013), and other relevant provisions of the Act.

13.3.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 21 (Corresponding notified section 13 of the Companies Act, 2013) or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Transferee Company.

13.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. change in the Capital Clause, Object Clause and Name Clause, referred above, shall become operative upon the Scheme becoming effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 21, 31, 94 (Corresponding notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act, or any other provisions of the Act, and there shall not be a requirement to pass separate resolutions as required under the Act.

14. ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL

14.1 Share Swap Ratio

As per the share swap ratio recommended by the Valuer, M/S/ SSPA & Co., Chartered Accountants, upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertakings of the Transferor Companies to the Transferee Company, the shareholders of the Transferor Companies should be allotted shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

TO THE SHAREHOLDERS OF GTCL

The entire issued, subscribed and paid up share capital of GTCL is held by GGCL. Upon the Scheme becoming effective, GGCL would be amalgamated with the Transferee Company from the Appointed Date and hence no shares of the Transferee Company shall be issued and allotted in consideration of the amalgamation and the share capital of GTCL shall stand cancelled.

14.1.2 If the shares are issued as per above swap ratio, the resultant shareholding pattern of the Transferee Company, upon merger would be as follows:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	3,185,795,015	60.89%
Public and Others	2,045,969,960	39.11%
Total	**5,231,764,975**	**100%**

14.2 Issuance and Allotment of Shares

14.2.1 Upon issuance of shares based on the share swap ratio as mentioned above, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

14.2.2 The equity shares of the Transferee Company to be issued to the members of the Transferor Companies in terms of clause 14.2.1 above shall be subject to the provisions of Articles of Association of the Transferee Company and shall rank pari-passu, in all respects with the existing equity shares of the Transferee Company.

14.2.3 Upon the implementation of this scheme, the paid up equity share capital of GGCL held by GDNL, the paid up equity share capital of GDNL held by GSPC Gas, and the paid up equity share capital of GGCL into GFSL and GTCL shall, ipso facto, without any further act or deed

stand cancelled on the Effective Date, and no shares of the Transferee Company will be issued or allotted with respect to the equity shares so cancelled.

14.2.4 Since lower number of shares will be issued to the shareholders of Transferor Companies as mentioned in clause 14.2.1 above, in order to ensure that interest of none of the shareholders is jeopardised, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as prescribed in clause 14.3.1. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain as mentioned in clause 14.1.2.

14.2.5 No fractional shares shall be issued by the Transferee Company. The Board of Directors of the Transferee Company shall consolidate all fractional entitlements, if any, arising due to issuance of shares pursuant to amalgamation of the Transferor Companies and allot new equity shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the new equity shares issued by the Transferee Company in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times (not later than 15 days from the date of listing of new equity shares of the Transferee Company) and at such price or prices and to such person or persons, as he / they may deem fit and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

14.2.6 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 81(1A) (Corresponding notified section 62(1)(c) of the Companies Act, 2013) and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

14.2.7 The new equity shares shall be issued in dematerialized form to those equity shareholders who hold the shares of Transferor Companies in demateralised form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold shares of Transferor Companies in physical form shall be issued new equity shares in Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the record date, by giving a notice in writing to the Transferee Company. Such physical equity share certifications (if any), shall be sent by Transferee Company to the equity shareholders of the Transferor Companies at their respective registered addresses as appearing in the register of member maintained by the Transferor Companies as of record date with respect to their shareholders (or in case of joint shareholders – to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

14.2.8 In the event of their being any pending share transfer, whether lodged or outstanding, of any shareholders of the Transferor Companies, the Board of Directors of the Transferee Company or any committee / person duly authorized in this regard by the Board of Directors of Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme.

14.2.9 The existing equity shares after giving effect to reduction as per clause 14.3.1 and after considering issue of new equity shares to the shareholders of the Transferor Companies as per clause 14.2.1 of this Scheme will be listed and / or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009, as amended from time to time, on all the stock exchanges on which shares of GGCL are listed on the effective date. The Transferee Company shall enter into such arrangement and give such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Transferee Company with the formalities of the said stock exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchanges. There shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval of National Stock Exchange of India Limited dated 05.11.2014 and BSE Limited dated 07.11.2014.

14.3 REORGANIZATION OF SHARE CAPITAL

14.3.1 In order to ensure that the interest of none of the shareholders is jeopardized as discussed in clause 14.2.4, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as follows:

On the effective date and after securing necessary approvals and permissions and after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL as per clause 14.2.3, the Transferee Company shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 divided into 500,000,000 shares of Rs 10 each to Rs 131,578,950 divided into 13,157,895 shares of Rs 10 each.

14.3.2 The differential amount arising upon reduction of share capital of the Transferee Company as per above clause shall be utilised in the manner specified in clause 15.5.

14.3.3 Upon issuance of shares as per clause 14.2.1 above and reduction of share capital as per clause 14.3.1 above, the resultant shareholding pattern of the Transferee Company would be as below:

Name of the Shareholder	**No. of shares**	**Resultant Shareholding (%)**
Promoter and Promoter Group	83,836,710	60.89%
Public and Others	53,841,315	39.11%
Total	**137,678,025**	**100%**

14.3.4 The reduction of share capital as contemplated in clause 14.3.1 above shall be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme at the Court conveyed meeting, shall be deemed to be their approval under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital. The Transferee Company shall not be required to undertake any separate proceedings for the same. The Order of the High Court sanctioning the Scheme shall be deemed to be an Order under section 102 of the Act. Further, since the said proposal for reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholders of any paid up share capital, the procedure prescribed under section 101 shall not be required to be undertaken.

14.3.5 Notwithstanding the reduction as mentioned above, the Transferee Company shall not be required to add “and reduced” as suffix to its name and the Transferee Company shall continue in its existing name.

14.3.6 The share certificates of the Transferee Company in relation to the shares held by its equity shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled pursuant to the reduction of capital

It is expressly clarified that shares issued and allotted pursuant to clause 14.2.1 above, shall not be subject to reduction proposed in clause 14.3.1 above.

14.3.7 The shares and share certificates of the Transferor Companies and / or Transferee Company held by the members of the Transferor Companies and / or Transferee Company shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and non-negotiable and be of no effect on and from the Effective Date.

15. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as per the "Purchase Method" as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, such that:

15.1 The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Transferee Company, pursuant to the Scheme and shall be recorded by the Transferee Company, at their respective fair values, as determined by the Board, as on the Appointed Date.

15.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment of GSPC Gas in GDNL, the investment of GDNL in GGCL and the investment of GGCL into GFSL and GTCL shall stand cancelled.

15.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.

15.4 The Transferee Company shall credit to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to clause 14.2.1 of this Scheme.

15.5 The difference in the value of net assets of Transferor Companies to be vested in the Transferee Company as per clause 4.1 above and issue of shares as per clause 14.2.1 above, after adjustment of the cancellation of investment of GSPC Gas into GDNL, investment of GDNL into GGCL and investment of GGCL into GFSL and GTCL as per clause 14.2.3, reduction of share capital of GDNL as per clause 14.3.1 and adjustment of differential amount arising as per clause 14.3.2, shall be credited by Transferee Company to "Reserves" or debited to "Goodwill Account", as the case may be.

15.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date would be adjusted in accordance with Accounting Standard – 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

16. DISSOLUTION OF THE TRANFEROR COMPANIES

Upon the Scheme being effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act."

The features set out above being only the salient features of the Composite Scheme of Amalgamation and Arrangement, the members are requested to read the entire text of the Composite Scheme of Amalgamation and Arrangement (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Composite Scheme of Amalgamation and Arrangement.

7. Pursuant to the scheme and clause 14 of the scheme, the investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL shall be cancelled;

8. Furthermore, the Resulting Unlisted Company i.e. the Transferee Company ("GSPC Distribution Network Limited") is proposing to issue shares to the shareholders of the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report, as detailed herein below; However, special attention is drawn to clause 14.2.1 of the scheme which clarifies the justification for the same- "Upon issuance of shares based on the share swap ratio as mentioned in the valuation report, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company."

   Swap Ratio – as per valuation report

   - For GSPC Gas - 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each;
   - For GGCL - 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each;
   - For GFSL - 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each.

   Issuance of shares pursuant to amalgamation

   - For GSPC Gas - 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each;
   - For GGCL - 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each;
   - For GFSL - 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each.

9. As mentioned above, since lower number of shares will be issued to the shareholders of GSPC Gas, GGCL and GFSL as mentioned above, in order to ensure that interest of none of the shareholders is jeopardized, GDNL shall reduce its existing equity share capital proportionately i.e. GDNL shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 divided into 500,000,000 shares of Rs 10 each to Rs 131,578,950 divided into 13,157,895 shares of Rs 10 each. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain the same.

10. Vide the Resolutions passed at the respective Board Meetings dated 21 April 2014, the Board of Directors of the aforesaid companies resolved that subject to such approvals of the Equity Shareholders and Creditors, if so required, of the aforesaid companies and subject to such directions and sanctions of the Hon'ble High Court of Gujarat, as may be required in law, and subject to such consents and permissions of the Central Government and other authorities as may be necessary, the Composite Scheme of Amalgamation and Arrangement be made between the companies. Pursuant to clause 24 (f) of the Listing Agreement and SEBI circulars dated 4th February 2013 and 21st May 2013, GGCL, the only listed public limited company has obtained the requisite approval in form of Observation Letters of the concerned stock exchanges viz. National Stock Exchange of India Limited, BSE Limited, Ahmedabad Stock Exchange, Vadodara Stock Exchange and Securities and Exchange Board of India.

11. Furthermore, in compliance with the requirements prescribed by SEBI Circulars (CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013), GGCL shall also obtain approval from its

Public Shareholders to the proposed Scheme of Arrangement through Postal ballot and e-voting after giving individual notice and all the material information in the Explanatory statement.

12. The financial position of the Transferee Company will not be adversely affected by the Composite Scheme of Amalgamation and Arrangement. It will continue to remain strong and it will be able to meet and pay its debts as and when they arise. The rights and interests of the members and the creditors of the Transferor Companies as well as the Transferee Company will not be prejudicially affected by the Scheme.

13. The Scheme will not adversely affect the rights of any of the creditors of the said Companies in any manner whatsoever and due provisions have been made for payment of liabilities as and when the same fall due in usual course.

14. No investigation proceedings have been instituted or are pending in relation the Transferor Companies as well as the Transferee Company under Sections 235 and 250A of the Companies Act, 1956 or the corresponding provisions as per the Companies Act, 2013

15. The Background of the Board of Directors as on 30 November, 2014:

GUJARAT GAS COMPANY LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Prof. Pradip N. Khandwalla	Non-executive - Independent Director	74 Years	Associate member of Institute of Chartered Accountants of India (ICAI).
2.	Shri Jal Patel	Non-executive - Independent Director	77 Years	Associate member of Institute of Chartered Accountants of India (ICAI)
3.	Shri Ajit Kapadia	Non-executive - Independent Director	72 Years	B.Sc (Hons.) M. Che. (Chemical Engineering)
4.	Ms. Manjula Shroff	Non-executive - Independent Director	50 Years	Post-graduate degree in Political Science from Utkal University
5.	Shri D. J. Pandian, IAS	Non-executive – Promoter / Director	59 years	MBA
6.	Shri. Atanu Chakraborty, IAS	Non-executive – Promoter / Director	54 years	BE Electronics & Communication & MBA (UK)

GSPC DISTRIBUTION NETWORKS LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri P.P.G Sarma	Director	52 years	BE Mechanical
2.	Shri Manish Verma	Director	44 years	BA Economics, CAIIB
3.	Shri Ravindra Agrawal	Director	43 years	BE Electrical, MBA Finance
4.	Shri N Bose Babu	Director	47 years	BE Production

GSPC GAS COMPANY LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri D.J. Pandian, IAS	Director	59 years	MBA
2.	Shri Atanu Chakraborty, IAS	Director	54 years	BE Electronics & Communication & MBA (UK)
3.	Shri L Chuaungo, IAS	Director	52 years	BA History
4.	Shri K.D Chatterjee	Director	73 years	BSC, AICWAI

GUJARAT GAS FINANCIAL SERVICES LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri M. K. Das, IAS	Director	47 years	B- Tech (Hons) Computer Science & Engineering From IIT Kharagpur
2.	Shri Ravindra Agrawal	Director	43 years	BE Electrical, MBA Finance
3.	Shri P.P.G Sarma	Director	52 years	BE Mechanical

GUJARATGAS TRADING COMPANY LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri PPG Sarma	Director	52 years	BE Mechanical
2.	Prof. Pradip N. Khandwalla	Director	74 Years	Associate member of Institute of Chartered Accountants of India (ICAI)
3.	Shri Manish Verma	Director	44 Years	BA Economics, CAIIB

16. The Directors of the transferor and transferee companies may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said Directors are common directors in the companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the companies. Their interest in these companies shall not be treated in any way differently than the other shareholders of the companies. The respective shareholding (singly or jointly as first holder) of Directors in the transferor companies and the respective shareholding (singly or jointly as first holder) of Directors and Key Management Personnel in the transferee company as on date is annexed herewith and marked as "*Annexure - A*".

17. The Directors of either the transferor companies or the transferee company have not given any loans to any of the companies.

18. The shareholding pattern of GDNL, the Transferee Company as on 30th September, 2014 - pre-amalgamation and post amalgamation is as follows:

Description		GSPC Distribution Networks Limited (Transferee Company)			
		Pre-arrangement		Post-arrangement	
		No. of shares	%	No. of shares	%
(A) Shareholding of Promoter and Promoter Group					
1 Indian					
(a) Individuals/ Hindu Undivided Family					
(b) Central Government/ State Government(s)					
(c) Bodies Corporate					
	Gujarat State Petroleum Corporation Limited			39,106,329	28.41%
	Gujarat State Petronet Limited	350,000,000	38.89%	35,468,472	25.76%
	GSPC Gas Company Limited	400,050,000	44.45%		
	Gujarat State Energy Generation Limited			266,447	0.19%
	Government of Gujarat			8,995,462	6.53%
(d) Financial Institutions/ Banks					
(e) Any Others					
Sub Total(A)(1)		**750,050,000**	**83.33%**	**83,836,710**	**60.89%**
2 Foreign					
(a) Individuals (Non-Residents Individuals/ Foreign Individuals)					
(b) Bodies Corporate					
(c) Institutions					
(d) Any Others					
Sub Total(A)(2)		**-**	**0.00%**	**-**	**0.00%**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**750,050,000**	**83.33%**	**83,836,710**	**60.89%**

(B)	**Public shareholding**					
1	**Institutions**					
(a)	Mutual Funds/ UTI	Various			1,693,076	1.23%
(b)	Financial Institutions/ Banks	Various			146,725	0.11%
(c)	Central Government/ State Government(s)	-				
(d)	Venture Capital Funds	-			-	-
(e)	Insurance Companies	Various			1,238,423	0.90%
(f)	Foreign Institutional Investors	Various			20,265,904	14.72%
(g)	Foreign Venture Capital Investors	-				
(h)	Any Other	-				
	Sub-Total (B)(1)		**-**	**0.00%**	**23,344,128**	**16.96%**
2	**Non-institutions**					
(a)	Bodies Corporate		150,000,000	16.67%	21,342,428	15.50%
(b)	Individuals					
I	Individuals -					
i.	Individual shareholders holding nominal share capital up to Rs 1 lakh				8,462,965	6.15%
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.				296,201	0.22%
(c)	Any Other				395,593	0.29%
	Sub-Total (B)(2)		**150,000,000**	**16.67%**	**30,497,187**	**22.15%**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**		**150,000,000**	**16.67%**	**53,841,315**	**39.11%**
	TOTAL (A)+(B)		**900,050,000**	**100.00%**	**137,678,025**	**100.00%**
(C)	Shares held by Custodians and against which DRs have been issued					
	GRAND TOTAL					
	(A)+(B)+(C)		**900,050,000**	**100.00%**	**137,678,025**	**100.00%**

19. The financial statements of all the companies in form of the Abridged balance sheets for last three years is annexed herewith as "*Annexure – B*"

20. The following documents will be available for inspection by the Shareholders and/or Creditors at the Registered Office of respective Companies on all working days except Saturdays, Sundays and Public Holidays between 10 A.M. and 1 P.M. up to the date of the ensuing Meetings and at the venue of the Meetings on the date of the Meetings during the Meeting hours.

    i. Copy of the Orders passed by the Hon'ble High Court of Gujarat dated 20th November 2014 and 28th November 2014 directing convening or dispensing with the meetings passed in Company Applications No. 283, 284, 285, 286 and 287 of 2014.

    ii. Copies of the Memorandum of Association and Articles of Association of all the Companies :

    iii. Copy of Audited Annual Accounts of all the Companies for the year ended on 31 March 2014 and Unaudited results for three months period ended 30 June 2014;

    iv. Copy of Composite Scheme of Amalgamation and Arrangement;

    v. Copy of Valuation Report dated 19th April 2014;

    vi. Copy of Fairness Opinion dated 19th April 2014

    vii. Observation letters to the Scheme received from the BSE Limited, National Stock Exchange of India Limited, Ahmedabad Stock Exchange and Vadodara Stock Exchange;

    viii. Copy of Complaints Reports dated 3rd June 2014 and 21st July 2014;

    A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Company and / or at the office of the Advocate Mrs. Swati Soparkar, 301, Shivalik 10, Opp. SBI Zonal Office, Near Excise Chowky, S.M.Road, Ahmedabad 380 015.

Annexure A

Shareholding details of the Directors / Key Management Personnel

Name of the Directors/ Key Management Personnel	Shareholding in GFSL	Shareholding in GTCL	Shareholding in GDNL	Shareholding in GGCL	Shareholding in GSPC Gas
Shri P.P.G Sarma	800 shares	1 shares (as a nominee shareholder of GGCL)	10 shares (as a nominee shareholder of GSPC Gas)	NIL	NIL
Shri Manish Verma	NIL	1 shares (as a nominee shareholder of GGCL)	NIL	NIL	NIL
Shri Ahmed Khan	NIL	NIL	10 shares (as a nominee shareholder of GSPC Gas)	NIL	NIL
Shri Ravindra Agarwal	NIL	1 shares (as a nominee shareholder of GGCL)	10 shares (as a nominee shareholder of GSPC Gas)	NIL	NIL
Shri D.J. Pandian, IAS	NIL	NIL	NIL	NIL	NIL
Shri Atanu Chakraborty, IAS	NIL	NIL	NIL	NIL	NIL
Shri L Chuaungo, IAS	NIL	NIL	NIL	NIL	NIL
Shri K.D Chatterjee	NIL	NIL	NIL	NIL	NIL
Prof. Pradip N. Khandwalla	NIL	NIL	NIL	NIL	NIL
Shri Jal Patel	NIL	NIL	NIL	NIL	NIL
Shri Ajit Kapadia	NIL	NIL	NIL	NIL	NIL
Ms. Manjula Shroff	NIL	NIL	NIL	NIL	NIL
Shri N Bose Babu	NIL	NIL	NIL	NIL	NIL
Shri L Chuaungo, IAS	NIL	NIL	NIL	NIL	NIL
Shri K.D Chatterjee	NIL	NIL	NIL	NIL	NIL
Shri M. K. Das, IAS	NIL	NIL	NIL	NIL	NIL
Shri Nitesh Bhandari	NIL	NIL	NIL	NIL	NIL
Ms. Rajeshwari Sharma	NIL	1 shares (as a nominee shareholder of GGCL)	NIL	NIL	NIL
Shri Rahul Devi	NIL	NIL	NIL	NIL	NIL
Shri Rohan Sampat	NIL	NIL	NIL	NIL	NIL

Annexure B

GSPC GAS COMPANY LIMITED

Abridged Balance Sheets (amount in crores)

Years/Period ended on		**2013-14**	**2012-13**	**2011-12**
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	84.62	84.62	59.21
(b)	Reserves and surplus	474.71	578.17	397.18
Share application money pending allotment		-	-	176.02
Non-current liabilities		-	-	-
(a)	Long-term borrowings	1,092.43	365.29	390.85
(b)	Deferred tax liabilities (Net)	106.01	137.30	99.31
(b)	Other Long term liabilities	-	-	-
(d)	Long-term provisions	4.19	2.94	1.55
Current liabilities		-	-	-
(a)	Short-term borrowings	3.69	10.83	-
(b)	Trade payables	358.13	259.55	171.97
(c)	Other current liabilities	535.67	916.34	359.65
(d)	Short-term provisions	7.67	51.43	26.80
	TOTAL	**2,667.13**	**2,406.47**	**1,682.56**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	1,483.53	1,257.31	1,057.11
	Intangible assets	107.83	98.73	79.36
	Capital work-in-progress	199.43	351.74	281.42
	Intangible assets under development	0.20	0.20	0.20
	Total Fixed Assets (Net Block)	1,790.98	1,707.99	1,418.09
(b)	Non-current investments	400.16	0.16	0.11
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	20.95	373.00	21.73
(e)	Other non-current assets	0.01	0.01	0.02
Current assets				
(a)	Current investments	-	-	-
(b)	Inventories	7.31	6.62	3.10
(c)	Trade receivables	409.02	240.27	206.05
(d)	Cash and cash equivalents	4.51	4.52	14.69
(e)	Short-term loans and advances	18.26	57.95	8.51
(f)	Other current assets	15.93	15.96	10.24
	TOTAL	**2,667.13**	**2,406.47**	**1,682.56**

GSPC GAS COMPANY LIMITED

Abridged Profit and Loss Accounts:

Years/Period ended on	**2013-14**	**2012-13**	**2011-12**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	**4,658.74**	**4,211.68**	**3,235.41**
Other income	8.86	8.56	2.05
Total	**4,667.59**	**4,220.24**	**3,237.46**
Expenses:			
Cost of materials consumed	508.11	517.52	328.60
Purchases of Stock-in-Trade	3,925.41	3,338.50	2,519.79
Changes in inventories of finished goods and Stock-in-Trade	(0.36)	(1.69)	-
Employee benefits expense	40.96	29.19	21.83
Finance costs	111.81	58.08	47.55
Depreciation and amortization expense	71.25	59.40	48.28
Other expenses	144.95	121.11	96.82
Total	**4,802.13**	**4,122.12**	**3,062.87**
Profit/(Loss) before exceptional and extraordinary items and tax	(134.54)	98.12	174.59
(a) Prior period items (Net)	0.14	0.06	0.30
(b) Exceptional items	-	0.14	0.22
Profit/(Loss) Before Tax (PBT) for the year.	**(134.68)**	**97.93**	**174.08**
Less: (a) Current tax	-	19.74	34.91
Less: (b) Deferred tax	(31.29)	37.99	33.10
Profit (Loss) for the year	**(103.39)**	**40.20**	**106.06**
Balance carried to Balance Sheet	**(103.39)**	**40.20**	**106.06**

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31-03-2014	31-12-2012	31-12-2011
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	25.65	25.65	40.05
(b)	Reserves and surplus	1199.83	916.24	739.47
Share application money pending allotment		-	-	-
Non-current liabilities		-	-	-
(a)	Long-term borrowings	-	-	-
(b)	Deferred tax liabilities (Net)	119.92	93.25	80.05
(b)	Other Long term liabilities	306.95	268.90	254.32
(d)	Long-term provisions	-	-	4.81
Current liabilities		-	-	-
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	123.70	101.64	121.67
(c)	Other current liabilities	111.29	137.16	120.34
(d)	Short-term provisions	5.70	8.25	187.71
	TOTAL	**1,893.04**	**1,551.09**	**1,548.42**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	863.43	750.98	651.95
	Intangible assets	42.48	45.90	14.51
	Capital work-in-progress	56.12	105.01	96.44
	Intangible assets under development	-	1.36	21.07
	Total Fixed Assets (Net Block)	962.03	903.25	783.97
(b)	Non-current investments	2.53	2.53	2.53
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	14.32	20.42	37.45
(e)	Other non-current assets	0.75	1.01	1.09
Current assets				
(a)	Current investments	664.64	370.64	487.79
(b)	Inventories	27.72	24.33	15.75
(c)	Trade receivables	176.86	183.45	164.71
(d)	Cash and cash equivalents	30.89	30.02	9.26
(e)	Short-term loans and advances	8.77	3.82	17.98
(f)	Other current assets	4.53	11.62	27.89
	TOTAL	**1,893.04**	**1,551.09**	**1,548.42**

Gujarat Gas Company Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	**31-03-2014 (15 months)**	**31-12-2012 (12 months)**	**31-12-2011 (12 months)**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	3,901.12	3,092.13	2,415.94
Other income	88.00	65.43	54.50
Total	**3,989.12**	**3,157.56**	**2,470.44**
Expenses:			
Cost of materials consumed	3,018.99	2,483.75	1,839.68
Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	78.81	63.51	60.36
Finance costs	0.52	0.16	0.15
Depreciation and amortization expense	96.50	65.36	59.33
Other expenses	182.37	139.94	120.74
Total	**3,377.19**	**2,752.72**	**2,080.26**
Profit/(Loss) before exceptional and extraordinary items and tax	**611.93**	**404.84**	**390.18**
(a) Prior period items (Net)	-	-	-
(b) Exceptional items	-	-	-
Profit/(Loss) Before Tax (PBT) for the year.	**611.93**	**404.84**	**390.18**
Less: (a) Current tax	165.41	107.50	108.10
Less: (b) Income Tax provision for earlier years written back	-	(2.52)	-
Less: (c) Deferred tax	26.67	13.20	8.20
Profit (Loss) for the year	**419.85**	**286.66**	**273.88**
Balance carried to Balance Sheet	**242.89**	**138.91**	**(82.69)**

Gujarat Gas Financial Services Limited

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31-03-2014	31-12-2012	31-12-2011
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	2.00	2.00	2.00
(b)	Reserves and surplus	33.36	28.40	22.70
Share application money pending allotment		-	-	-
Non-current liabilities		-	-	-
(a)	Long-term borrowings	-	-	-
(b)	Deferred tax liabilities (Net)	-	-	-
(b)	Other Long term liabilities	-	-	-
(d)	Long-term provisions	-	-	-
Current liabilities		-	-	-
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	9.90	3.52	0.85
(c)	Other current liabilities	0.71	0.58	4.72
(d)	Short-term provisions	0.18	0.87	0.85
	TOTAL	**46.15**	**35.37**	**31.12**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	-	-	-
	Intangible assets	-	-	-
	Capital work-in-progress	-	-	-
	Intangible assets under development	-	-	-
	Total Fixed Assets (Net Block)	-	-	-
(b)	Non-current investments	-	-	-
(c)	Deferred tax assets (net)	6.14	7.24	8.20
(d)	Long-term loans and advances	0.01	0.02	0.01
(e)	Other non-current assets	-	-	-
Current assets				
(a)	Current investments	-	-	-
(b)	Inventories	14.33	6.39	8.10
(c)	Trade receivables	7.78	3.24	6.64
(d)	Cash and cash equivalents	10.46	11.62	3.31
(e)	Short-term loans and advances	7.36	6.76	4.63
(f)	Other current assets	0.07	0.10	0.23
	TOTAL	**46.15**	**35.37**	**31.12**

Gujarat Gas Financial Services Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	**31-03-2014 (15 months)**	**31-12-2012 (12 months)**	**31-12-2011 (12 months)**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	65.80	33.72	28.74
Other income	0.92	1.18	1.29
Total	**66.72**	**34.90**	**30.03**
Expenses:			
Cost of materials consumed	58.20	24.78	22.20
Purchases of Stock-in-Trade/Material	-	-	-
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	0.53	0.43	0.42
Finance costs -	-	-	
Depreciation and amortization expense	-	-	0.01
Other expenses	0.65	0.21	0.51
Total	**59.38**	**25.42**	**23.14**
Profit/(Loss) before exceptional and extraordinary items and tax	**7.34**	**9.48**	**6.89**
(a) Prior period items (Net)	-	-	-
(b) Exceptional items	-	-	-
Profit/(Loss) Before Tax (PBT) for the year.	**7.34**	**9.48**	**6.89**
Less: (a) Current tax	1.28	2.13	3.15
Less: (b) Income Tax provision for earlier years written back	-	(0.01)	-
Less: (c) Deferred tax	1.10	0.96	(0.73)
Profit (Loss) for the year	**4.96**	**6.40**	**4.47**
Balance carried to Balance Sheet	**4.96**	**5.06**	**3.33**

Gujaratgas Trading Company Limited

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31-03-2014	31-12-2012	31-12-2011
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	0.09	0.09	0.09
(b)	Reserves and surplus	14.29	13.29	12.29
Share application money pending allotment		-	-	-
Non-current liabilities		-	-	-
(a)	Long-term borrowings	-	-	-
(b)	Deferred tax liabilities (Net)	-	-	-
(b)	Other Long term liabilities	-	1.23	1.23
(d)	Long-term provisions	-	-	-
Current liabilities		-	-	-
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	-	9.29	12.42
(c)	Other current liabilities	0.04	0.48	0.98
(d)	Short-term provisions	-	1.48	1.64
	TOTAL	**14.42**	**25.86**	**28.65**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	-	-	-
	Intangible assets	-	-	-
	Capital work-in-progress	-	-	-
	Intangible assets under development	-	-	-
	Total Fixed Assets (Net Block)	-	-	-
(b)	Non-current investments	-	-	-
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	-	1.23	1.23
(e)	Other non-current assets	-	-	-
Current assets				
(a)	Current investments	14.17	14.87	12.39
(b)	Inventories	-	-	-
(c)	Trade receivables	-	9.34	13.33
(d)	Cash and cash equivalents	0.11	0.39	1.67
(e)	Short-term loans and advances	0.14	0.03	0.03
(f)	Other current assets	-	-	-
	TOTAL	**14.42**	**25.86**	**28.65**

Gujaratgas Trading Company Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	**31-03-2014 (15 months)**	**31-12-2012 (12 months)**	**31-12-2011 (12 months)**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	34.36	115.37	132.67
Other income	1.18	0.99	0.97
Total	**35.54**	**116.36**	**133.64**
Expenses:			
Cost of materials consumed	-	-	-
Purchases of Stock-in-Trade/Material	34.33	115.26	132.53
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	-	-	-
Finance costs -	-	-	
Depreciation and amortization expense	-	-	-
Other expenses	0.22	0.10	0.11
Total	**34.55**	**115.36**	**132.64**
Profit/(Loss) before exceptional and extraordinary items and tax	**0.99**	**1.00**	**1.00**
(a) Prior period items (Net)	-	-	-
(b) Exceptional items	-	-	-
Profit/(Loss) Before Tax (PBT) for the year.	**0.99**	**1.00**	**1.00**
Less: (a) Current tax	-	-	-
Less: (b) Income Tax provision for earlier years written back	-	-	-
Less: (c) Deferred tax	-	-	-
Profit (Loss) for the year	**0.99**	**1.00**	**1.00**
Balance carried to Balance Sheet	**0.99**	**1.00**	**1.00**

GSPC DISTRIBUTION NETWORKS LIMITED

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31/03/2014	31/03/2013	31/03/2012
EQUITY AND LIABILITIES				
1.	Shareholders' funds			
(a)	Share capital	900.05	0.05	-
(b)	Reserves and surplus	(75.27)	(3.86)	-
(c)	Money received against share warrants	-	-	-
2.	Share application money pending allotment	-	348.00	-
3.	Non-current liabilities			
(a)	Long-term borrowings	500.00	1,500.00	-
(b)	Deferred tax liabilities (Net)	-	-	-
(c)	Other Long term liabilities	22.72	3.19	-
(d)	Long-term provisions	-	-	-
4.	Current liabilities			
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	-	-	-
(c)	Other current liabilities	1,645.55	-	-
(d)	Short-term provisions	0.02	2.79	-
	TOTAL	**2,993.06**	**1,850.17**	**-**
ASSETS				
1.	Non-current assets			
(a)	Fixed assets			
	i. Tangible assets	-	-	-
	ii. Intangible assets	-	-	-
	iii. Capital work-in-progress	-	-	-
	iv. Intangible assets under development	-	-	-
(b)	Non-current investments	2,811.14	347.68	-
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	-	-	-
(e)	Other non-current assets	7.97	-	-
2.	Current assets			
(a)	Current investments	-	1,499.91	-
(b)	Inventories	-	-	-
(c)	Trade receivables	-	-	-
(d)	Cash and Cash Equivalents	165.62	0.06	-
(e)	Short-term loans and advances	1.52	0.24	-
(f)	Other current assets	6.81	2.28	-
	TOTAL	**2,993.06**	**1,850.17**	**-**

GSPC DISTRIBUTION NETWORKS LIMITED

Abridged Profit and Loss Accounts:

Years/Period ended on	**2013-14**	**2012-13**	**2011-12**
	Amount in Crores	Amount in Crores	Amount in Crores
INCOME			
Net Turnover	-	-	-
Other Income	122.54	2.27	
TOTAL	**122.54**	**2.27**	
EXPENDITURE			
Cost of materials consumed & Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	-	-	-
Finance costs	189.55	3.24	-
Depreciation and amortization expense	-	-	-
Other expenses	3.09	2.21	-
TOTAL	**192.64**	**5.45**	**-**
Profit Before Prior Period items and Tax	**(70.10)**	**(3.18)**	**-**
(a) Prior period items	-	-	-
(b) Exceptional items	-	-	-
Profit Before Tax for the year	**(70.10)**	**(3.18)**	**-**
Less: Current Income Tax	1.31	0.69	-
Less: Deferred Tax	-	-	-
Profit for the year	**(71.40)**	**(3.86)**	**-**
Balance carried to Balance Sheet	**(71.40)**	**(3.86)**	**-**

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

GSPC GAS COMPANY LIMITED

AND

GUJARAT GAS COMPANY LIMITED

AND

GUJARAT GAS FINANCIAL SERVICES LIMITED

AND

GUJARAT GAS TRADING COMPANY LIMITED

AND

GSPC DISTRBUTION NETWORKS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

GSPC GAS COMPANY LIMITED

AND

GUJARAT GAS COMPANY LIMITED

AND

GUJARAT GAS FINANCIAL SERVICES LIMITED

AND

GUJARAT GAS TRADING COMPANY LIMITED

AND

GSPC DISTRIBUTION NETWORKS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 TO 103 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956

PREAMBLE

(A) DESCRIPTION OF COMPANIES:

GSPC Gas Company Limited ("GSPC Gas") is incorporated in India under the provisions of the Companies Act, 1956. GSPC Gas is engaged in the business of distribution of natural gas. GSPC Gas caters to the natural gas requirements of the retail segments, which comprises of industrial, commercial, CNG and residential customers. GSPC Gas is an unlisted company and owns 44.45% stake in GSPC Distribution Networks Limited ("GDNL"). Besides GSPC Gas, Gujarat State Petronet Limited ("GSPL") owns 38.88% in GDNL and Gujarat State Fertilizers and Chemicals Ltd ("GSFC") own the balance 16.67% in GDNL.

GDNL is incorporated in India under the provisions of the Companies Act, 1956. GDNL, an unlisted company holds 73.7 % stake in Gujarat Gas Company Limited ("GGCL").

GGCL is incorporated in India under the provisions of the Companies Act, 1956. GGCL is engaged in the business of transmission and distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The equity shares of GGCL are listed on Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange.

Gujarat Gas Financial Services Limited ("GFSL") is incorporated in India under the provisions of the Companies Act, 1956. GFSL is currently engaged in the business of sale of gas connections in India to its holding company i.e. GGCL and to other commercial and non commercial customers within India. GFSL is an unlisted company. GGCL holds 69.88% equity stake in GFSL.

Gujarat Gas Trading Company Limited ("GTCL") is incorporated in India under the provisions of the Companies Act, 1956. GTCL is engaged in the business of distribution of gas from sources of supply to centres of demand and/or to the end customers. GTCL is an unlisted company. GTCL is a wholly owned subsidiary of GGCL.

All the above companies are part of the Gujarat State Petroleum Corporation Group (the "GSPC Group") and are engaged in the similar line of business i.e. City Gas Distribution ("CGD"). The management of GSPC Group is now desirous of consolidating operations of these companies as they are engaged into similar businesses.

This Composite Scheme of Amalgamation and Arrangement (the "Scheme") is presented under Sections 391 to 394 read with Section 100 to 103 and other relevant provisions of the Companies Act, 1956 for the amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL.

(B) RATIONALE AND PURPOSE OF THE SCHEME:

Since GSPC Gas and GGCL along with its subsidiaries are engaged into similar business, GSPC Gas wanted to acquire business of GGCL including its assets and liabilities along with its subsidiaries so as to expand its business presence in the State of Gujarat. However, considering the fact that GGCL is a company listed on the stock exchanges in India; GSPC Gas along with Gujarat State Petronet Limited ("GSPL") through GDNL acquired 94,519,080 (73.70%) equity shares of GGCL as below:

- o 83,518,750 (65.12%) equity shares of GGCL were acquired on June 12, 2013 from BG Asia Pacific Holdings Pte. Ltd, as per the Share Purchase Agreement;
- o 11,000,330 (8.58%) equity shares of GGCL were acquired on March 12, 2013 under the Open Offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

At the time of acquisition of GGCL, all requisite approvals viz. approval from Competition Commission of India, Reserve Bank of India, etc, as may be applicable were obtained.

As a measure to consolidate the City Gas Distribution business, GSPC Group management has decided to amalgamate the city gas distribution business of GSPC Gas, GGCL, GFSL and GTCL into GDNL by way of a Court approved Scheme of Amalgamation. The amalgamation, inter alia, would result in the following benefits:

a) Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage for the stakeholders. Further, the proposed consolidation will provide an opportunity to better leverage the combined asset and capital base, build a stronger and sustainable business and improve the potential for further growth and expansion of the business of the merged entity;

b) The proposed amalgamation will not only bring about operational rationalisation, organisational efficiency but also will result in multiple synergies. By pooling together various resources, administrative, managerial and other expenditures will also reduce. The proposed amalgamation will strengthen significantly the position of the combined entity in the industry in terms of asset base, revenue, business volume and market share;

c) The amalgamated entity will benefit from improved organizational leadership, arising from the combination of people from all the companies, who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive Oil & Gas industry more particular in City Gas Distribution Business;

d) The combined entity would have greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities. It will have large net worth and borrowing capacity to expand its business at a faster rate. The combined entity will improve the potential for further expansion of the businesses by way of increased borrowing strength of the combined entity;

e) Further, the amalgamation will result in a significant reduction in the multiplicity of legal and regulatory & other applicable compliances required at present to be carried out by all the Companies.

In consideration of the above mentioned business rationale and related benefits, this Scheme between GSPC Gas, GGCL, GFSL, GTCL and GDNL is being proposed in accordance with the terms set out hereunder.

The Scheme is divided into the following parts –

- § **PART I** – Definitions and Share Capital;
- § **PART II** – Amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL; and
- § **PART III** – General terms and conditions.

PART I: DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

1.1 **"Act" or "the Act"** means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors of the Transferor Companies and the Transferee Company, Section 100 to 103 and Section 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act are reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted..

1.2 **"Appointed Date"** means April 1, 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal or any other appropriate authority.

1.3 "**Board of Directors**" means the Board of Directors of the GSPC Gas, GGCL, GDNL, GFSL or GTCL, as the context may require and includes committee thereof.

1.4 "**CENVAT**" means Central Value Added Tax.

1.5 "**Effective Date**" means last of the dates on which the certified true copies of the orders sanctioning this Scheme passed by the High Court of Judicature of Gujarat, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Gujarat.

References in this Scheme to the date of "**coming into effect of this Scheme"** or "**upon the Scheme being effective**" shall mean the Effective Date.

1.6 "**Eligible Employees**" means the employees of GGCL, who are entitled to ESOP established by GGCL and to whom, as on the Record Date, options of GGCL have been granted but not exercised, irrespective of whether the same are vested or not.

1.7 "**Employees Stock Option Plan**" **or** "**ESOP**" shall mean Employees Stock Option Plan of 2008 established by GGCL as per ESOP guidelines issued by Securities and Exchange Board of India ("SEBI").

1.8 **"ESOP Trust"** means Gujarat Gas Company Limited Employees Welfare Stock Option Trust, created by GGCL and nominated for the purpose of holding shares of GGCL or Transferee Company, as the case may be, for issue / benefit of Eligible Employees of GGCL.

1.9 "**GDNL" or the "Transferee Company"** means GSPC Distribution Networks Limited, a company incorporated under the Act, having its registered office at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 001, Gujarat, India.

1.10 **"GFSL"** means Gujarat Gas Financial Services Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

1.11 "**GGCL**" means Gujarat Gas Company Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

1.12 "**GSPC Gas**" means GSPC Gas Company Limited, a company incorporated under the Act, having its registered office at 2nd Floor, Block No. 15, Udyog Bhavan, Sector 11, Gandhinagar – 382 001, Gujarat, India.

1.13 **"GTCL"** means Gujarat Gas Trading Company Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

1.14 **"High Court" or "Court"** means the High Court of Gujarat at Ahmedabad and shall include National Company Law Tribunal ("NCLT"), if and when applicable.

1.15 "**New Stock Option Plan" or "New ESOP"** shall mean Employees Stock Option Plan established by the Transferee Company as per ESOP guidelines issued by SEBI.

1.16 "**Record Date**" means such date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of Transferor Companies viz. GSPC Gas, GGCL, and GFSL, after the sanction of this Scheme by the High Court or such other competent authority as is empowered to sanction the Scheme, to determine the members of Transferor Companies viz. GSPC Gas, GGCL, and GFSL to whom equity shares of Transferee Company will be allotted.

1.17 **"Scheme"** or "**the Scheme**" or "**this Scheme**" means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.

1.18 "**Transferor Companies**" means GSPC Gas, GGCL, GFSL and GTCL collectively.

1.19 "**Undertakings**" in relation to the Transferor Companies, as the context may require, shall mean whole of the undertakings and business of the Transferor Companies as a going concern, including (without limitation):

(a) all the businesses, properties, assets and liabilities of whatsoever kind and wheresoever situated as on the Appointed Date;

(b) without prejudice to the generality of the foregoing clause, Undertakings shall include all rights, powers, authorities, privileges, liberties and all properties and assets whether movable or immovable, tangible or intangible, current or noncurrent, freehold or leasehold, real or corporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including, without limited to plant and machinery, office equipments, inventories, furniture and fixtures, capital work in progress, power lines, railway sidings, depots, contingent rights or benefits, benefit of any deposits, financial assets, leases and hire purchase contracts, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, assignments and grants in respect thereof, operating agreements, investment of all kinds (including investment in shares, scrips, stocks, bonds, debenture stock, units, mutual funds), sundry debtors, cash and bank balances, loans and advances, amount receivable from ESOP trust, leasehold improvements, accrued interest, vehicles, appliances, computers, software, accessories, registrations, lease, claims, allotments, approvals, consents, letters of intent, registrations, licences including licences with respect to city gas distribution business, contracts, agreements with Ministry of Petroleum and Natural Gas ("MoPNG") and / or Petroleum and Natural Gas Regulatory Board ("PNGRB") and / or with any such regulatory authority, credits, titles, interest, import quotas and other quota rights, right of user, right of way to lay pipelines, municipal permissions or powers of every kind, nature and description whatsoever in connection and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest, and advances and or moneys paid or received, all statutory licences, and / or permissions to carry on the operations, deferred tax benefits and any other direct / indirect tax benefits, privileges, liberties,

easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests together with all present and future liabilities (including contingent liabilities), all the provisions including provision for tax, benefits of tax relief including the Income tax Act, 1961 such as credit for advance tax, taxes deducted at source, MAT, unutilised deposits or credits, benefits under the VAT / sales tax law, sales tax credit, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / service tax credits, etc, all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received, all necessary books, records, files, papers, records of standard operating procedures, computer programmes along with their licences, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, all earnest monies and / or deposits, all permanent and / or temporary employees; and

(c) All liabilities, including, without being limited to, secured and unsecured debts (whether in Indian rupees or Foreign currency), sundry creditors, advances / deposits from customer, deferred revenues, duties and obligation and provisions of every kind, nature and description of whatsoever and howsoever arising, raised, incurred or utilized.

In this Part, unless the context otherwise requires:

1.19.1 the words denoting the singular shall include the plural and vice versa;

1.19.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;

1.19.3 references to the word “include” or “including” shall be construed without limitation;

1.19.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.19.5 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

1.19.6 word(s) and expression(s) which are used in this Scheme and not defined in part, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulations) Act, 1956 or Depositories Act, 1996 or other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 SHARE CAPITAL

2.1 The share capital structure of GDNL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
1,500,000,000 Equity Shares of Rs. 10/- each	**15,000**
Total	**15,000**
Issued, Subscribed and Paid-up:	
50,000 Equity Shares of Rs. 10/- each fully paid up	0.50
Total	**0.50**

Between March 31, 2013 and on the date of filing of this Scheme with the Court, 900,000,000 equity shares of Rs. 10/- each have been issued. Thus, as on the date of filing of this Scheme with the Court, total issued, subscribed and paid-up capital of GDNL is Rs 9,000.5 million consisting of 900,050,000 equity shares of Rs. 10/- each. As on the date of filing of this Scheme with the Court, out of the total equity share capital, 400,050,000 equity shares are held by GSPC Gas, one of the Transferor Company.

2.2 The share capital structure of GGCL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
140,000,000 Equity Shares of Rs 2/- each	280.00
17,000,000 7.5% Redeemable Preference Shares of Rs. 10/- each	170.00
Total	**450.00**
Issued, Subscribed and Paid-up:	
128,250,000 Equity Shares of Rs 2/- each fully paid-up	256.50
Total	**256.50**

As on the date of filing of this Scheme with the Court, out of the above total equity share capital of the GGCL, 94,519,080 equity shares are held by GDNL, the Transferee company. Subsequent to March 31, 2013, there has been no change in the share capital of GGCL.

2.3 The share capital structure of GFSL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
7,000,000 Equity Shares of Rs 10/- each	70.00
5,000,000 Preference Shares of Rs. 10/- each	50.00
Total	**120.00**
Issued, Subscribed and Paid-up:	
2,000,000 Equity Shares of Rs 10/- each fully paid-up	20.00
Total	**20.00**

As on the date of filing of this Scheme with the Court, out of the above total equity share capital of the GFSL, 1,397,500 equity shares are held by GGCL, one of the Transferor company. Subsequent to March 31, 2013, there has been no change in the share capital of GFSL.

2.4 The share capital structure of GTCL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
10,000 Equity Shares of Rs 100/- each	1.00
Total	**1.00**
Issued, Subscribed and Paid-up:	
9,000 Equity Shares of Rs 100/- each fully paid-up	0.90
Total	**0.90**

As on the date of filing of this Scheme with the Court, all the equity shares are held by GGCL and its nominees, one of the Transferor Company. Subsequent to March 31, 2013, there has been no change in the share capital of GTCL.

2.5 The share capital structure of GSPC Gas as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
200,000,000 Equity Shares of Rs. 10/- each	**2,000**
Total	**2,000**
Issued, Subscribed and Paid-up:	
84,619,630 Equity Shares of Rs. 10/- each fully paid up	846.20
Total	**846.20**

Subsequent to March 31, 2013, there has been no change in the share capital of GSPC Gas.

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or directed by the High Court or NCLT or any other appropriate authority shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART II: AMALGAMATION OF GSPC Gas, GGCL, GFSL and GTCL WITH GDNL

4 TRANSFER AND VESTING OF UNDERTAKINGS

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, all the Undertakings shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become Undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

4.2 All assets, estate, rights, title, interest, etc acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date for operation of Transferor Companies or pertaining to or relating to the Transferor Companies shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. The transfer and vesting of assets, estate, rights, title, interest, etc, will be treated as an acquisition of assets and liabilities i.e. acquisition of business of the Transferor Companies on and from the Appointed Date.

4.3 All assets of the Transferor Companies, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and / or endorsement and delivery or by operation of law, pursuant to order of the Court, shall be vested in the Transferee Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company.

4.4 In respect of such of the assets of the Transferor Companies other than those referred to in clause 4.3 above including investment in shares, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, deposits, if any, with Government, semi-Government, local and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act upon effectiveness of the Scheme. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

4.5 All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. Transferee Company shall upon the order of the Court sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective and upon payment of applicable stamp duty, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. Transferee Company shall subsequent to scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

4.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4.7 Any statutory licences, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, provident fund, ESI, Reserve Bank of India, or other registrations, no objection certificates, or any consents to carry on the operations of the Transferor Companies shall stand transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of the Transferee Company so as to empower and facilitate the continuation of the operations of the Transferee Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to Transferor Companies.

4.8 All registrations, licences, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc pertaining to the Transferor Companies, if any, shall stand vested in Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the sanction of the Scheme and upon this Scheme becoming effective.

4.9 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) payable by or refundable to the Transferor Companies with

effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to the Transferor Companies, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.

4.10 Any third party or authority required to give effect to any provisions of this Scheme, shall take on record the order of the Court sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such High Court order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.11 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Companies in relation to Undertakings shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

4.12 Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297 and 372A, etc, of the Act, read with the rules and regulations made there under, shall stand transferred to and vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.

4.13 Upon this Scheme becoming effective, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the respective Transferor Company, as existed immediately prior to the effectiveness of this Scheme, and the secured creditors of the Transferee Company and/or other security holders having charge over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existed immediately prior to the scheme becoming effective. It is hereby clarified that pursuant to amalgamation, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and vice versa, and hence such assets of the respective Transferor Company and the Transferee Company, as the case may be, which are not currently encumbered, shall remain free and shall remain available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.14 Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Companies have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the

Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Companies.

4.15 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature which the Transferor Companies owns or to which the Transferor Companies are party to and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature in Trust for the benefit of the Transferee Company in terms of this Scheme, till such time as the transfer is affected.

5 LEGAL PROCEEDINGS

5.1 If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of Undertakings or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

6 CONTRACTS, DEEDS, ETC.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Companies are party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Effective Date, shall without any further act, instrument or deed, be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company, as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party, to any contract or arrangement to which the Transferor Companies are parties, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Companies, and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

7 EMPLOYEES

7.1 Upon the coming into effect of this Scheme:

7.1.1 All the employees of the Transferor Companies as on the Effective Date shall stand transferred to the Transferee Company without any interruption in service as a result of transfer of Undertakings of the Transferor Companies to the Transferee Company. The position, rank, and designation, terms and conditions (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) of the employees would be decided by the Board of Directors or any committee / sub-committee or person(s) so authorised by the Board of the Transferee Company.

7.1.2 The Transferee Company agrees that the services of all such employees (as mentioned in clause 7.1.1 above) with the Transferor Companies prior to the transfer, as aforesaid, shall be taken into account for

the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Companies. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of calculating statutory benefits, if any.

7.1.3 The existing provident fund, superannuation fund and gratuity fund, if any, of which the aforesaid employees of the Transferor Companies, being transferred under clause 7.1.1 above to the Transferee Company, are members or beneficiaries along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of the Transferor Companies would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Transferee Company. In case, necessary approvals are not received by the Effective Date and there is a delay, all such amounts shall continue to be administered by the Transferee Company as trustee from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Transferee Company [suo moto].

8 EMPLOYEE STOCK OPTION

8.1 Upon coming into effect of this Scheme, in respect of stock options granted by GGCL under the ESOP, the Transferee Company shall issue stock options taking into account the Share Exchange Ratio and on terms and conditions not less favorable than those provided under the ESOP. Such stock options will be issued by the Transferee Company under a New ESOP to be created by Transferee Company, inter alia, for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme;

8.2 It is hereby clarified that upon this Scheme becoming effective, options granted by GGCL to Eligible Employees under ESOP shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to Eligible Employees under ESOP, fresh options shall be granted by Transferee Company to the Eligible Employees on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. The Exercise Price payable for options granted by GGCL to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the New Stock Option Plan as adjusted after taking into account the effect of the Share Exchange Ratio;

8.3 ESOP Trust currently holds sufficient shares of GGCL, which may be required, to meet obligation in respect of vested as well as unvested ESOP issued to Eligible Employees. Upon the coming into effect of this Scheme, all the shares of GGCL held by the ESOP Trust shall stand cancelled and fresh shares of the Transferee Company shall be issued to the ESOP Trust on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. It is hereby clarified that Fractional entitlement, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be taken care as per mechanics mentioned in clause 14.2.5 of this Scheme.

8.4 The grant of options to the Eligible Employees pursuant to sub clause 8.2 of this Scheme shall be effected as an integral part of this Scheme and the consent of the shareholders of Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the New Stock Option Plan, without limitation, for the purpose of creating New Stock Option Plan, and all related matters. No further approval of the shareholders of Transferee Company would be required in this connection under Section 81(1A) of the Act (Corresponding notified section 62(1)(c) of the Companies Act, 2013);

8.5 It is hereby clarified that in relation to the options granted under New Stock Option Plan to Eligible Employees, the period during which the options granted by ESOP were held or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period

required under applicable law or agreement or deed for stock options granted under the New Stock Option Plan;

8.6 The Board of Directors of GGCL and GDNL or any of the committee thereof, shall take such actions to modify and/or execute such further documents as may be necessary or desirable for the purpose of giving effect to the provision of this clause of the Scheme.

9 TAXATION MATTERS

9.1 It is expressly clarified that upon the Scheme becoming effective, all taxes payable by the Transferor Companies on and after the Appointed Date shall be treated as the tax liability of the Transferee Company. Similarly, all credits for taxes including but not limited to tax deduction at source of the Transferor Companies shall be treated as credits for taxes of the Transferee Company.

9.2 All taxes of any nature, duties, cess or any other like payment or deductions made by the Transferor Companies to any statutory authorities such as income tax, sales tax, service tax, CENVAT, etc. or any tax deduction or collection at source, relating to the period after the Appointed Date but up to the Effective Date shall be deemed to have been on account of or paid on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of the Scheme and upon relevant proof and documents being provided to the said authorities.

9.3 Upon this Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax, value added tax and any other statutory returns and filings under the tax laws, notwithstanding that the period of filing / revising such return may have lapsed and period to claim refund / advance tax and withholding tax credit, etc, also elapsed pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to refund and / or set-off all amounts paid by the Transferor Companies under income tax, value added tax, service tax, excise duty or any other tax etc or any other disputed amount under appeal, if any, upon this Scheme becoming effective.

10 SAVING OF CONCLUDED TRANSACTIONS

10.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Companies as per this Scheme and the continuance of the proceedings by or against the Transferee Company under clause 4 and clause 5 hereof shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Effective Date, to that end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as acts deeds and things done and executed by and on behalf of the Transferee Company.

11 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

11.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies shall be deemed to have been carrying on all business on account of and in trust for the Transferee Company. All profits accruing to the Transferor Companies or losses including tax losses, arising or incurred by the Transferor Companies for the period commencing from the Appointed Date and up to and including the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.

11.2 The Transferor Companies hereby confirms that it has, and shall continue upto the Effective Date, to preserve and carry on the business with diligence, prudence and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose off any Undertakings or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or conclude settlements with unions or employees or undertake substantial expansion to the Undertakings, other than expansions which have already commenced prior to the Appointed Date.

12 DECLARATION OF DIVIDENDS

12.1 The Transferor Companies shall be entitled to declare or pay dividend, whether interim or final, to their equity shareholders in respect of any accounting period prior to the Effective Date, but only consistent with past practice, or in the ordinary course. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies shall be subject to the prior approval of the Board of Directors of the Transferee Company and in accordance with applicable laws.

12.2 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividend, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

12.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, subject to such approvals of the shareholders, as may be required.

13 ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY

13.1 **Consolidation of Authorised Share Capital of Transferor Companies**

13.1.1 The authorised share capital of the Transferor Companies as specified in clause 2.2 to clause 2.5 aggregating to 235,100,000 shares of Rs 10 each shall stand transferred to and combined with the authorised share capital of the Transferee Company and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased. The resolution approving the Scheme shall be deemed to be the approval of increase and re-classification in the authorised share capital of the Transferee Company under Section 94 of the Act (Corresponding notified Section 61 of the Companies Act, 2013) and other applicable provisions of the Act. Accordingly, upon sanction of this Scheme and from the date of this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies.

13.1.2 Clause V of the Memorandum of Association of the Transferee Company and clause 4 of Article of Association of the Transferee Company relating to authorised share capital shall respectively, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94, (Corresponsing notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act and other applicable provisions of the Act, as the case may be and be replaced with the following clause:

Clause V of Memorandum of Association of Transferee Company

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

Clause 4 of Articles of Association of Transferee Company.

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million

and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

13.2 Amendment to Object Clause of the Transferee Company

13.2.1 Upon the Scheme becoming effective, the following clause shall be inserted in the Main Objects clause of the Memorandum of Association of the Transferee Company after clause 5:

6. *"To carry on business of dealing with all aspects of negotiations, procurement, imports, storage, handling processing, distribution and transportation of Natural Gas, Liquefied Natural Gas ("LNG"), Coal Bed Methane ("CBM"), Naphtha, Fuel Oils, Crude Oil & other Petroleum Products, coal and any other fuels and utilization thereof.*

7. *To administer fuel supply and purchase contracts on behalf of State Government and promoter Companies*

8. *To develop expertise, provide consultation and render advisory services for various technical, legal and commercial aspects of Fuel Supply Management business and facilitating implementation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuel projects*

9. *To act as an advisory body to the Government / any other agency appointed by State Government for all aspects related to Policy and regulation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuels import / utilization.*

10. *To promote and make strategic investment in infrastructure projects and facilities meant for augmenting fuel supply."*

13.2.2 Upon the Scheme becoming effective, it shall be deemed that the members of the Transferee Company have also resolved and accorded to relevant consents as applicable under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013). It is further clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013) for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Company, Gujarat, for amending the main objects in accordance with the clause 13.2.1 of this Scheme.

13.3 **Alteration to the Name Clause**

13.3.1 Upon the Scheme becoming effective, the name of GSPC Distribution Networks Limited shall be deemed to have been changed to GSPC Gas Limited or such other alternative name as may be permitted by Registrar of Companies, Gujarat in accordance with Section 21 (Corresponding notified section 13 of the Companies Act, 2013), and other relevant provisions of the Act.

13.3.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 21 (Corresponding notified section 13 of the Companies Act, 2013) or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Transferee Company.

13.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. change in the Capital Clause, Object Clause and Name Clause, referred above, shall become operative upon the Scheme becoming effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 21, 31, 94 (Corresponding notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act, or any other provisions of the Act, and there shall not be a requirement to pass separate resolutions as required under the Act.

14 ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL

14.1 Share Swap Ratio

14.1.1 As per the share swap ratio recommended by the Valuer, M/S/ SSPA & Co., Chartered Accountants, upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertakings of the Transferor Companies to the Transferee Company, the shareholders of the Transferor Companies should be allotted shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

TO THE SHAREHOLDERS OF GTCL

The entire issued, subscribed and paid up share capital of GTCL is held by GGCL. Upon the Scheme becoming effective, GGCL would be amalgamated with the Transferee Company from the Appointed Date and hence no shares of the Transferee Company shall be issued and allotted in consideration of the amalgamation and the share capital of GTCL shall stand cancelled.

14.1.2 If the shares are issued as per above swap ratio, the resultant shareholding pattern of the Transferee Company, upon merger would be as follows:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	3,185,795,015	60.89%
Public and Others	2,045,969,960	39.11%
Total	**5,231,764,975**	**100%**

14.2 Issuance and Allotment of Shares

14.2.1 Upon issuance of shares based on the share swap ratio as mentioned above, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth

and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

14.2.2 The equity shares of the Transferee Company to be issued to the members of the Transferor Companies in terms of clause 14.2.1 above shall be subject to the provisions of Articles of Association of the Transferee Company and shall rank pari-passu, in all respects with the existing equity shares of the Transferee Company.

14.2.3 Upon the implementation of this scheme, the paid up equity share capital of GGCL held by GDNL, the paid up equity share capital of GDNL held by GSPC Gas, and the paid up equity share capital of GGCL into GFSL and GTCL shall, *ipso facto*, without any further act or deed stand cancelled on the Effective Date, and no shares of the Transferee Company will be issued or allotted with respect to the equity shares so cancelled.

14.2.4 Since lower number of shares will be issued to the shareholders of Transferor Companies as mentioned in clause 14.2.1 above, in order to ensure that interest of none of the shareholders is jeopardised, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as prescribed in clause 14.3.1. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain as mentioned in clause 14.1.2.

14.2.5 No fractional shares shall be issued by the Transferee Company. The Board of Directors of the Transferee Company shall consolidate all fractional entitlements, if any, arising due to issuance of shares pursuant to amalgamation of the Transferor Companies and allot new equity shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the new equity shares issued by the Transferee Company in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same

in the market at such time or times (not later than 15 days from the date of listing of new equity shares of the Transferee Company) and at such price or prices and to such person or persons, as he / they may deem fit and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

14.2.6 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 81(1A) (Corresponding notified section 62(1)(c) of the Companies Act, 2013) and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

14.2.7 The new equity shares shall be issued in dematerialized form to those equity shareholders who hold the shares of Transferor Companies in demateralised form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold shares of Transferor Companies in physical form shall be issued new equity shares in Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the record date, by giving a notice in writing to the Transferee Company. Such physical equity share certifications (if any), shall be sent by Transferee Company to the equity shareholders of the Transferor Companies at their respective registered addresses as appearing in the register of member maintained by the Transferor Companies as of record date with respect to their shareholders (or in case of joint shareholders – to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

14.2.8 In the event of their being any pending share transfer, whether lodged or outstanding, of any shareholders of the Transferor Companies, the Board of Directors of the Transferee Company or any committee / person duly authorized in this regard by the Board of Directors of Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme.

14.2.9 The existing equity shares after giving effect to reduction as per clause 14.3.1 and after considering issue of new equity shares to the shareholders of the Transferor Companies as per clause 14.2.1 of this Scheme will be listed and / or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009, as amended from time to time, on all the stock exchanges on which shares of GGCL are listed on the effective date. The Transferee Company shall enter into such arrangement and give such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Transferee Company with the formalities of the said stock exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval of National Stock Exchange of India Limited dated 05.11.2014 and BSE Limited dated 07.11.2014.

14.3 **REORGANIZATION OF SHARE CAPITAL**

14.3.1 In order to ensure that the interest of none of the shareholders is jeopardized as discussed in clause 14.2.4, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as follows:

On the effective date and after securing necessary approvals and permissions and after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL as per clause 14.2.3, the Transferee Company shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 *divided into 500,000,000 shares of Rs 10 each* to Rs 131,578,950 *divided into 13,157,895 shares of Rs 10 each*.

14.3.2 The differential amount arising upon reduction of share capital of the Transferee Company as per above clause shall be utilised in the manner specified in clause 15.5.

14.3.3 Upon issuance of shares as per clause 14.2.1 above and reduction of share capital as per clause 14.3.1 above, the resultant shareholding pattern of the Transferee Company would be as below:

Name of the Shareholder	**No. of shares**	**Resultant Shareholding (%)**
Promoter and Promoter Group	83,836,710	60.89%
Public and Others	53,841,315	39.11%
Total	**137,678,025**	**100%**

14.3.4 The reduction of share capital as contemplated in clause 14.3.1 above shall be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme at the Court conveyed meeting, shall be deemed to be their approval under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital. The Transferee Company shall not be required to undertake any separate proceedings for the same. The Order of the High Court sanctioning the Scheme shall be deemed to be an Order under section 102 of the Act. Further, since the said proposal for reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholders of any paid up share capital, the procedure prescribed under section 101 shall not be required to be undertaken.

14.3.5 Notwithstanding the reduction as mentioned above, the Transferee Company shall not be required to add "and reduced" as suffix to its name and the Transferee Company shall continue in its existing name.

14.3.6 The share certificates of the Transferee Company in relation to the shares held by its equity shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled pursuant to the reduction of capital

It is expressly clarified that shares issued and allotted pursuant to clause 14.2.1 above, shall not be subject to reduction proposed in clause 14.3.1 above.

14.3.7 The shares and share certificates of the Transferor Companies and / or Transferee Company held by the members of the Transferor Companies and / or Transferee Company shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and non-negotiable and be of no effect on and from the Effective Date.

15 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as per the "Purchase Method" as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, such that:

15.1 The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Transferee Company, pursuant to the Scheme and shall be recorded by the Transferee Company, at their respective fair values, as determined by the Board, as on the Appointed Date.

15.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment of GSPC Gas in GDNL, the investment of GDNL in GGCL and the investment of GGCL into GFSL and GTCL shall stand cancelled.

15.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.

15.4 The Transferee Company shall credit to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to clause 14.2.1 of this Scheme.

15.5 The difference in the value of net assets of Transferor Companies to be vested in the Transferee Company as per clause 4.1 above and issue of shares as per clause 14.2.1 above, after adjustment of the cancellation of investment of GSPC Gas into GDNL, investment of GDNL into GGCL and investment of GGCL into GFSL and GTCL as per clause 14.2.3, reduction of share capital of GDNL as per clause 14.3.1 and adjustment of differential amount arising as per clause 14.3.2, shall be credited by Transferee Company to "Reserves" or debited to "Goodwill Account", as the case may be.

15.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date would be adjusted in accordance with Accounting Standard – 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

16 DISSOLUTION OF THE TRANFEROR COMPANIES

Upon the Scheme being effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

PART III: GENERAL TERMS AND CONDITIONS

17 APPLICATIONS TO HIGH COURT

17.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions to the High Court, where the registered offices of the Transferor Companies and the Transferee Company are situated, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 391 to 394 of the Act and other applicable provisions of the Act.

18 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

18.1 The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the

Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the High Court, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Transferee Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.

18.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19 SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is and shall be conditional upon and subject to the followings:

19.1 The requisite consent, approval or permission of any statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;

19.2 The Scheme being approved by respective requisite majorities in numbers and value of such classes of persons including the member and creditors of the companies as may be directed by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority as may be applicable;

19.3 Approval and agreement by the public shareholders of GGCL through resolution passed through postal ballot and e-voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution), and that the votes cast by public shareholders in favor of the proposal are more than the number of votes cast by public shareholders against it in accordance with the SEBI Circular no. CIR/CFD/DIL/5/2013 issued on February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 issued on May 21, 2013 subject to modification, if any, in accordance with any subsequent circulars and amendment that may be issued by SEBI from time to time.

19.4 The Scheme being sanctioned by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority, as may be applicable under Section 391 to 394 of the Act; and

19.5 Certified Copies of the Order of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

20 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

20.1 In the event of any of the said sanctions and approvals referred to in clause 19 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

21 COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or High Court's order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

Gujarat Gas Company Limited

Fairness Opinion Certificate on the proposed amalgamation of Gujarat Gas Company Limited into GSPC Distribution Networks Limited (GDNL)

SBI Capital Markets Limited

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade, Mumbai – 400 005

April 2014

GUJARAT GAS COMPANY LIMITED A'BAD

SBI Capital Markets Limited

GUJARAT GAS COMPANY LIMITED
A'BAD

SBI Capital Markets Limited

Disclaimer

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GUJARAT GAS COMPANY LIMITED RAJ A'BAD

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Neither SBICAP nor State Bank of India or any of its associates, nor any of their respective Directors, employees or advisors make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them with respect to the accuracy, completeness or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set forth in this certificate, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company. This certificate is divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this certificate may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this certificate.

This certificate is furnished on a strictly confidential basis and is for the sole use of the person to whom it is addressed. Neither this certificate, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above, without the prior written approval from SBICAP. By accepting a copy of this certificate, the recipient accepts the terms of this Notice, which forms an integral part of this certificate.

This certificate is issued by SBI Capital Markets Limited without any liability/undertaking/ commitment on the part of itself or State Bank of India or any other entity in the State Bank Group, except where it is explicitly stated. Further, in case of any commitment on behalf of State Bank of India or any other entity in the State Bank Group, such commitment is valid only when separately confirmed by that entity.

GUJARAT GAS COMPANY LIMITED AHMEDABAD

CERTIFIED TRUE COPY

For, GUJARAT GAS COMPANY LTD.

RAJESHWARI SHARMA
COMPANY SECRETARY

SBI Capital Markets Limited

1 Background

1.1 About Company

GGCL was incorporated on January 17, 1980. GGCL has evolved to become India's largest player in distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain – Residential, Industrial, Commercial and CNG. GGCL currently operates two key industrial districts of Surat and Bharuch in Gujarat. GSPC Gas through GSPC Distribution Network Limited (GDNL) acquired majority equity stake of approximately 73.70% i.e. by way of open offer 8.58% in March 13 and 65.12% in June 2013 by acquisition of shares from BG Asia Pacific Holdings Pte. Ltd. GGCL holds 100% equity stake in Gujarat Gas Trading Company Limited (GTCL) and 69.88% equity stake in Gujarat Gas Financial Services Limited (GFSL). The Shares of GGCL are listed on The National Stock Exchange of India Limited, BSE Limited; Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

1.2 Transaction Overview

We have been informed that the management of the Companies viz. GGCL, GTCL, GFSL and GSPC Gas Limited are considering a proposal for the amalgamation of GSPC Gas, GGCL, GTCL and GFSL into GDNL (hereinafter referred to as "amalgamation") pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "Scheme"). Subject to necessary approvals, GSPC Gas, GGCL and GFSL would be merged into GDNL with effect from the Appointed Date of April 1, 2013. In consideration for the amalgamation, equity shares of GDNL would be issued to the shareholders of GSPC Gas, GGCL and GFSL.

1.3 Role of SBI Capital Markets

SBI Capital Markets Limited (SBICAP) was appointed by the GGCL to issue fairness opinion certificate as required under clause 24(f) and 24(h) of the listing agreement and SEBI Regulations, as amended. The certificate has been issued on the valuation report provided by an independent valuer, SSPA & Co; Chartered Accountants ("SSPA").

GUJARAT GAS COMPANY LIMITED RAJ A'BAD

1.4 Sources of information

We have relied upon the following sources of information provided by the management.

(a) Audited financial statements of GSPC Gas for the financial year ended March 31, 2013.

(b) Audited financial statements of GDNL for the financial year ended March 31, 2013.

(c) Audited financial Statements of GGCL and its subsidiaries i.e. GTCL and GFSL for the financial year ended March 31, 2013.

(d) Draft Scheme of Amalgamation u/s 391 to 394 and other applicable provisions of the Companies Act, 1956.

(e) Financial Projections of GSPC Gas for FY 2013-14 to FY 2026-27.

(f) Financial Projections of GGCL and GFSL for the calendar year (CY) 2014 to 2026.

(g) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.

(h) Such other information and explanations as we required and which have been provided by the Management.

2 SBICAP view on the fairness of the transaction

SSPA has analyzed various valuation methologies like Underlying Asset approach, Income approach and Market price approach and has used Income approach for valuing shares of GGCL. Under Income approach, Discounted Cash Flow (DCF) method has been used to value equity shares of GGCL.

Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and estimated tax liability; have been discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. Considering an appropriate mix between debt and equity for the Company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.

Value for equity shareholders is arrived at after making adjustment for cash & cash equivalents, loan funds, contingent liabilities adjusted for probability of devolvement, value of investment, outflow on account of Interim dividend plus dividend distribution tax thereon and amount recoverable from trust after considering the tax impact wherever applicable.

The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share.

Considering the fact that, after the amalgamation, the business of the Companies is intended to be continued on a "going concern" basis, to arrive at relative value of GGCL, it may be considered appropriate to value the shares under the "income" approach.

Based on the facts, information and explanations given to us, we are of the opinion that the proposed merger of GGCL with GDNL at the Value ascertained is fair and reasonable to the holders of equity shares of GGCL.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, a ratio of exchange in the event of amalgamation of GGCL, GSPC Gas, GTCL and GFSL into GDNL would be as under:

38 (Thirty Eight) equity shares GDNL of INR 10 each fully paid up for every 1 (One) equity share of GGCL of INR 2 each fully paid up.

SBI Capital Markets Limited

81 (Eighty One) equity shares GDNL of INR 10 each fully paid up for every 2 (Two) equity share of GSPC Gas of INR 10 each fully paid up.

38 (Thirty Eight) equity shares GDNL of INR 10 each fully paid up for every 1 (One) equity share of GFSL of INR 10 each fully paid up.

The Exchange Ratio is based on a Valuation report submitted by M/s SSPA & Co Chartered Accountants.

Based on the above, in our opinion, we consider the transaction to be fair.

Yours Sincerely

For SBI Capital Markets Limited

Name: Mr. Rajesh Agarwal
Designation: Senior Vice President, SBI capital Markets Ltd
Date: 19/04/2014

GUJARAT GAS COMPANY LIMITED RAJ A'BAD

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/2257

November 05, 2014

The Company Secretary,
Gujarat Gas Company Limited
2, Shanti Sadan Society
Near Piramal Garden, Ellisbridge
Ahmedabad - 380006

Kind Attn: Ms. Rajeshwari Sharma

Dear Madam,

Sub.: Observation letter for Draft Composite Scheme of Arrangement between GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distrbution Networks Limited and their respective shareholders under sections 391 to 394 read with sections 100 to 103 and other relevant provisions of the companies Act, 1956

This has reference to Draft Composite Scheme of Arrangement between GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distrbution Networks Limited and their respective shareholders under sections 391 to 394 read with sections 100 to 103 and other relevant provisions of the companies Act, 1956 to NSE vide your letter dated April 25, 2014.

Based on our letter reference no Ref: NSE/LIST/241056-V submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. SEBI has vide letter dated October 31, 2014 has given following comments on the draft scheme of Arrangement:

a) The company to ensure that the explanatory statement to be forwarded by the company to the shareholders u/s 393 of Companies Act, 1956 should clearly mention the fact that the resulting unlisted company is proposing to issue shares to the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report.

b) The company shall duly comply with various provisions of the Circulars.

Accordingly, we do hereby convey our „No-Objection" with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the Scheme with the Hon"ble High Court.

However, the listing of equity shares of GSPC Distrbution Networks Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, GSPC Disrbution Networks Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange"s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of GSPC Distrbution Networks Limited is at the discretion of the Exchange.

The listing of GSPC Distrbution Networks Limited, pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about GSPC Distrbution Networks Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the company.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

2. To publish an advertisement in the newspapers containing all the information about GSPC Distribution Networks Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about GSPC Distribution Networks Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

(a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

(b) "There shall be no change in the shareholding pattern or control in GSPC Distribution Networks Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 05, 2014, within which the scheme shall be submitted to the Hon"ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon"ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

BSE Limited Registered Office: Floor 25, P.J. Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/35 F: +91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

Ref: DCS/AMAL/CS/24(f)/199/2014-15

November 07, 2014

The Company Secretary
Gujarat Gas Company Ltd.
2, Shantisadan Society,
Near Parimal Garden, Ellisbridge ,
Ahmedabad- 380 006,
Gujarat.

Dear Sir/Madam.

Sub: Observation letter regarding the Draft Scheme of Arrangement involving amalgamation of Gujarat Gas Company Ltd, GSPC Gas Company ltd, Gujarat Gas Financial Services Ltd & Gujarat Gas Trading Company Ltd with GSPC Distribution Networks Ltd.

We refer to your draft Scheme of Arrangement involving amalgamation under Sections 391 to 394 of the Companies Act, 1956 of Gujarat Gas Company Ltd, GSPC Gas Company ltd. Gujarat Gas Financial Services Ltd & Gujarat Gas Trading Company Ltd (Transferor Company / Demerged Company) into GSPC Distribution Networks Ltd. (Transferee Company / Resulting Company).

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated October 31, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***Company to ensure that explanatory statement to be forwarded by the company to the shareholders u/s 393 of the Companies Act ,1956 should clearly mention the fact that the resulting unlisted company is proposing to issue shares to the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report.***
- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of GSPC Distribution Networks Limited (GDNL) on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular, No .CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, GDNL shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of GDNL is at the discretion of the Exchange. In addition to the above, the listing of GDNL pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about GDNL and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all the information about GDNL in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about GDNL to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i) The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii) "There shall be no change in the shareholding pattern in GDNL between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Status of compliance with the Observation Letter/s of the stock exchanges;
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,

Nitin Pujari
Manager

Bhuvana Sriram
Dy. Manager

Ahmedabad Stock Exchange Limited

Regd. Office : Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad- 380 015.
Tel. : 079-26307971 to 74 **Fax :** 079-26308877 **E-mail :** info@aselindia.org **Web Site :** www.aselindia.org

10th November, 2014.
Ref.No: 395

To,
Gujarat Gas Company Limited
2, Shantisadan Society, Nr. Parimal Garden,
Ellisbridge, Ahmedabad-380 006.

Dear Sir,

Sub.: Observation letter regarding the Scheme of Arrangement involving amalgamation of Gujarat Gas Company Ltd, GSPC Gas Company Ltd, Gujarat Gas Financial Services Ltd and Gujarat Trading Co. Ltd with GSPC Distribution Networks Ltd u/s 391 to 394 of the Companies Act, 1956.

This refers to the draft scheme of arrangement submitted by your company, along with the enclosures, as well letter dtd.07.11.14 of BSE-DSE (Designated Stock Exchange) issued pursuant to SEBI letter dtd.31.10.14.

Accordingly, ASEL hereby conveys its "No Objection" to the proposed scheme, with limited reference to those matters having on listing delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable your company to file the same with the respective Hon'ble High Court(s)..

You are advised to kindly, arrange to list the securities of transferee Company(s), subject to SEBI's relaxation granted under Rule (19) (2) (b) of the Securities Contract (Reg.) Rules 1957 along with approval granted by the DSE and file all the documents together, which are filed with DSE, in compliance to listing agreement and other applicable Rules, Regulations and Acts.

Further, you are advised to kindly, comply with the requirements and provisions as enumerated by BSE-DSE in its letter dtd.07.11.14, including post approval compliance by the respective Hon'ble High Courts()s) and Complaints Report etc.

ASEL reserves its right to withdraw this "No Objection", at any stage if, the information submitted to ASEL is found to be incomplete/incorrect/misleading/ false or for any contravention of Rules, Bye-Laws and Regulations of ASEL, Listing Agreement, Guidelines/Regulations issued by any Statutory Authorities, at any point of time.

For, Ahmedabad Stock Exchange Ltd

Authorized Signatory

VADODARA STOCK EXCHANGE LIMITED

3rd Floor, Fortune Tower, Sayajigunj, Vadodara - 390 005
Tel. : (0265) 2361534 • Fax : (0265) 2361452
• E-mail : vse@d2visp.com • UID No. : 100009563
• Website : www.vselindia.com
For Investor grievance : igc@vselindia.com
CIN : U67110GJ2005PLC046708

VSE/MD-CS/LISTING/2014/01
11TH NOVEMBER, 2014

To,
The Company Secretary,
Gujarat Gas Company Limited
Near Parimal Garden,
Ellisbridge,
Ahmedabad – 380006

Sub: To consider & give In-principal approval for the Scheme of Amalgamation / Arrangement (including reduction in capital)

This is with reference to your letter No. GGCL/SEC/2014/13639 dated 25th April, 2014 seeking approval for the Scheme of Amalgamation / Arrangement (including reduction in capital) between Gujarat Gas Company Limited("GGCL or the Company or the Transferor Company"), Gujarat Gas Financial Services Limited("GFSL or the Transferor Company"), Gujarat Gas Trading Company Limited("GTCL or the Transferor Company"), GSPC Gas Company Limited("GSPC Gas or the Transferor Company") and GSPC Distribution Network Limited ("GDNL or the Transferee Company")

In this regard, the submissions of the company vide letter No.GGCL/SEC/2014/13639 dated 25th April, 2014 have been examined by the Exchange.The Exchange is pleased to grant "in-principal approval" for the Scheme of Amalgamation / Arrangement (including reduction in capital) under Clause 24(f) of the Listing Agreement subject to:

(1) The Company to ensure that the explanatory statement to be forwarded by the company to the shareholders u/s 393 of Companies Act, 1956 should clearly mention the fact that the resulting unlisted company is proposing to issue shares to the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report.

(2) The company to ensure compliance with the related Circulars.

(3) The company shall duly comply with various provisions of the Circulars.

Accordingly, we hereby convey to you that the Exchange's "In-principal Approval" with limited reference to those matters having a bearing on listing/delisting/continuous listing requirements within the provisions of Listing Agreement, so as to enable you to file the Scheme with Hon'ble High Court.

The Exchange reserves its right to withdraw its 'In-principal approval' at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/ Regulations issued by the Statutory Authorities etc.

This in-principal approval is given in terms of Clause 24(f) of the Listing Agreement.

Thanking you,

Yours faithfully,
For Vadodara Stock Exchange Limited;

11/11/14

(G. Someswara Rao)
Managing Director

VADODARA STOCK EXCHANGE LTD.

GUJARAT GAS

GGCL/SEC/2014/17750-17753

3rd June 2014

By Fax and Courier

To,

Bombay Stock Exchange Limited, Phiroze Jijibhoy Tower, Dalal Street, *(17751)* Mumbai Fax No. (022) 2272 3121/ 2272 3719	Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Nr. Panjara Pole, *(17752)* Ambawadi, Ahmedabad – 380 015 Fax No. (079) 2630 8877
Vadodara Stock Exchange Limited, 3rd Floor, Fortune Towers, *(17753)* Sayajigunj, Vadodara Fax No. – (0265) 2361 452	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, *(17750)* Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Fax No. – (022) 2659 8237 / 38 / 47 NSE Scrip Code: GUJRATGAS

Subject: Complaint Report as per Clause 24(f) of the Listing Agreement

Dear Sirs,

This is in reference to our application under clause 24(f) of the Listing Agreement for the proposed Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme") submitted on 25 April, 2014.

In this regard, we are enclosing herewith the Complaint Report in terms of SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 4, 2013.

This is for your kind perusal.

Yours Faithfully,

FOR GUJARAT GAS COMPANY LIMITED

RAKhanna 4/6/14

COMPANY SECRETARY

Encl. As above.

CIN : L23203GJ1980PLC003623
Website : www.gujaratgas.com

GUJARAT GAS COMPANY LIMITED
Near Parimal Garden, Ellisbridge, Ahmedabad -380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

Complaints Report from 10 May 2014 to 30 May 2014 ***(i.e. period from the date of filing the application under clause 24(f) of Listing Agreement and hosting the draft scheme on the website of the Designated Stock Exchange and expiry of 21 days from such date)*** **in terms of SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 4, 2013 with respect to Composite Scheme of Amalgamation and Arrangement of Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL"), GSPC Gas Company Limited ("GSPC Gas") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders.**

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	**Nil**	**Nil**	**Nil**

FOR GUJARAT GAS COMPANY LIMITED

RASharma

COMPANY SECRETARY

CIN : L23203GJ1980PLC003623
GUJARAT GAS COMPANY LIMITED
Website : www.gujaratgas.com
Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

GGCL/SEC/2014/17806 21st July, 2014

By Fax and Courier

To,
Bombay Stock Exchange Limited,
Phiroze Jijibhoy Tower,
Dalal Street, **(17806)**
Mumbai
Fax No. (022) 2272 3121/ 2272 3719

Sub : Complaint Report as per Clause 24 (f) of the Listing Agreement

Dear Sirs,

Please refer to your email dated 18 July 2014 and our application under clause 24(f) of the Listing Agreement for the proposed Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme") submitted on 25 April, 2014.

In this regard, as requested, we are enclosing herewith the Revised Complaint Report.

This is for your kind perusal.

Yours faithfully,
FOR GUJARAT GAS COMPANY LIMITED

Rajhanna
COMPANY SECRETARY

Encl. As above.

CIN : L23203GJ1980PLC003623
Website : www.gujaratgas.com
GUJARAT GAS COMPANY LIMITED
Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

Complaint report from 1st June 2014 to 21 July 2014 *(i.e. period after last filing of Complaints Report till date)***in terms of SEBI circular No. CIR/CFD/DIL/5/2013, dated February 4, 2013 with respect to Composite Scheme of Amalgamation and Arrangement of Gujarat Gas Company Limited, ("GGCL") Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") GSPC Gas Company Limited ("GSPC Gas"), and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders.**

Part A

Sr.No.	Particulars	Numbers
1	Number of complaints received directly.	0
2	Number of complaints forwarded by Stock Exchange	0
3	Total number of complaints / comments received (1 + 2)	0
4	Number of complaints resolved	0
5	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of Complaints	Status (Resolved/ pending)
1	Nil	Nil	Nil

FOR GUJARAT GAS COMPANY LIMITED

RAJ Sharma

COMPANY SECRETARY

CIN : L23203GJ1980PLC003623
Website : www.gujaratgas.com
GUJARAT GAS COMPANY LIMITED
Near Parimal Garden, Ellisbridge, Ahmedabad -380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623
Website: www.gujaratgas.com

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS OF GUJARAT GAS COMPAY LIMITED

Day	Monday
Date	5th January 2015
Time	11.00 A.M.
Venue	H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

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GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623
Website: www.gujaratgas.com

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION

COMPANY APPLICATION NO 284 OF 2014

In the matter of Composite Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956

AND

In the matter of Gujarat Gas Company Limited. A company incorporated under the Companies Act, 1956 and having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat.

AND

In the matter of Composite Scheme of Arrangement in the nature of amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited, and Gujarat Gas Trading Company Limited with GSPC Distribution Networks Limited and Restructuring of share capital of GSPC Distribution Networks Limited.

Gujarat Gas Company Limited

[CIN: L23203GJ1980PLC003623]

A company incorporated under the Companies Act, 1956 and having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat

NOTICE OF CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF GUJARAT GAS COMPANY LIIMTED

To,

The Equity Shareholders of Gujarat Gas Company Limited ("GGCL")

TAKE NOTICE that by Orders made on the 20th day of November 2014 and 28th November 2014, the Hon'ble High Court of Gujarat, has directed that a Meeting of the Equity Shareholders of GGCL be convened and held at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, in the state of Gujarat, on Monday, 5th January 2015 at 11.00 A.M. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement in the nature of

amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited with GSPC Distribution Networks Limited and Restructuring of share capital of GSPC Distribution Networks Limited (the "Scheme").

TAKE FURTHER NOTICE that in pursuance of the said Orders, and as directed therein a meeting of the Equity Shareholders of GGCL will be convened and held at the H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, in the state of Gujarat on Monday, 5th January 2015 at 11.00 A.M. which you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the Registered Office of GGCL at Ahmedabad, not later than 48 (forty-eight) hours before the meeting.

The Hon'ble High Court of Gujarat has appointed Shri M. K. Das (IAS), Joint Managing Director of Gujarat State Petroleum Corporation Limited, and failing him Shri Manish Verma, Executive Director of Gujarat State Petroleum Corporation Limited, and failing him Shri Ahmed Khan, General Manager of GSPC Gas Company Limited, and failing him Shri Sandeep Dave, Company Secretary, Gujarat State Petroleum Corporation Limited, as Chairman of the meeting.

A copy of each of the Composite Scheme of Amalgamation and Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip is enclosed.

Dated this 1st Day of December 2014
Ahmedabad

Sd/-
Shri M.K. Das (IAS)
Chairman appointed for the meeting

Registered Office:
2 Shanti Sadan Society, Near Parimal Garden,
Ellisbridge, Ahmedabad – 380 006

Note:

1 All alterations made in the form of proxy should be initialed.

2 Only registered Equity Shareholders of GGCL may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body corporate or Foreign Institutional Investor (FII) which is a registered Equity Shareholder of GGCL may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate / FII is deposited at the registered office of GGCL not later than 48 (forty eight) hours before the time of the meeting authorising such representative to attend and vote at the Equity Shareholders meeting. Proxy need not be a member.

3 A registered equity shareholder or his Proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.

4 Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID for easy identification of the attendance at the meeting.

5 Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of GGCL in respect of such joint holding will be entitled to vote.

GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623
Website: www.gujaratgas.com

EXPLANATORY STATEMENT UNDER SECTION 393(1) OF THE COMPANIES ACT, 1956 TO THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN GSPC GAS COMPANY LIMITED AND GUJARAT GAS COMPANY LIMITED AND GUJARAT GAS FINANCIAL SERVICES LIMITED AND GUJARAT GAS TRADING COMPANY LIMITED AND GSPC DISTRIBUTION NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. Pursuant to the Orders dated 20th November 2014 and 28th November 2014, passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Application No. 284 of 2014, a meeting of the Equity Shareholders of Gujarat Gas Company Limited , is being convened for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation and arrangement embodied in the Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distribution Networks Limited and their respective shareholders. Notice of the said meeting together with the copy of the Composite Scheme of Amalgamation and Arrangement is sent herewith. This statement explaining the terms of the Scheme of Amalgamation and Arrangement is being furnished as required u/s 393 (1) (a) of the Companies Act, 1956.

2. **Background of each companies**

2.1 Gujarat Gas Company Limited ("GGCL")

a. GGCL was incorporated on 17th January 1980 under the Companies Act, 1956, in the name and style of Gujarat Amino Chem Limited in the office of the Registrar of Companies, Gujarat. The name of the company was changed to Gujarat Gas Company Limited vide the fresh certificate of incorporation dated 7th June 1988.

b. The registered office of GGCL is situated at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of GGCL as on 31st March, 2014 is as under:

Particulars	Amount (in Rs mn)
Authorized Share Capital	
140,000,000 Equity shares of Rs. 2/- each	280.00
17,000,000 7.5% Redeemable Preference Shares of Rs. 10/- each	170.00
TOTAL	**450.00**
Issued, subscribed and paid-up Share Capital	
128,250,000 Equity Shares of Rs 2/- each fully paid-up	256.50
TOTAL	**256.50**

The Equity Shares of GGCL are at present listed on the BSE Limited, National Stock Exchange of India Limited, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Ltd.

d. GGCL is a listed public limited company. The shares are listed on Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange. It is mainly engaged in the business of transmission and distribution of Natural Gas and serves the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The total income of the company during the fifteen months ended on 31st March 2014 was Rs. 3989.12 crores and the profit before tax was Rs. 611.93 crores. The company has built up reserves of Rs. 1199.83 crores. Furthermore, based on Unaudited Provisional accounts of the Company, for the quarter ended 30th June 2014, the Company recorded total income of Rs 712.78 crores and made profit before tax of Rs 139.46 crores. As on 30th June, 2014, it has reserves of Rs 1290.02 crores. Thus, it is a profit making company with positive net worth and bright scope for future growth

2.2 GSPC Gas Company Limited ("GSPC Gas")

a. GSPC Gas was incorporated on 11th March 1999 as a public limited company under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat, in the name and style of Gujarat State Fuel Management Company Limited. The name of the company was changed to GSPC Gas Company Limited vide the fresh certificate dated 14th December 2005. Vide an order dated 11th April 2007, passed by Hon'ble High Court of Gujarat, Retail Gas business of Gujarat State Petroleum Corporation Limited was de-merged and transferred to GSPC Gas.

b. The registered office of GSPC Gas is situated at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 011, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of GSPC Gas as on 31st March, 2014 is as under:

Particulars	**Amount (in Rs mn)**
Authorized Share Capital	
200,000,000 Equity shares of Rs. 10/- each	2,000.00
TOTAL	**2000.00**
Issued, subscribed and paid-up Share Capital	
84,619,630 Equity shares of Rs. 10/- each fully paid up	846.20
TOTAL	**846.20**

d. GSPC Gas was originally incorporated as Gujarat State Fuel Management Company Limited for providing fuel advisory services. The company had acquired good knowledge about the gas sector by providing advisory services on commercial and legal aspects related to gas contracts. With a view to leverage the strength of the Company, it ventured into City Gas Distribution Business. The company under the new name, GSPC Gas Company Limited, has initiated work for developing City Gas Distribution Network in various cities/ towns /locations/villages in the State of Gujarat. The Company has also entered into tie up with IOC, BPCL and HPCL for developing CNG Stations. Since the Company was focusing on development of City Gas Distribution Network in the state of Gujarat, it acquired existing Retail Gas Business of GSPC. The total income of the Company during the financial year ended on 31st March 2014 was Rs. 4,667.59 crores. However, due to financial costs during the previous year, the company made before tax loss of Rs. 134.68 crores. However it has reserves of Rs. 474.71 crores as on 31st March 2014. Furthermore, based on Unaudited Provisional accounts of the Company, for the quarter ended 30th June 2014, the Company recorded total income of Rs 1,796.02 crores and made profit before tax of Rs. 195.77 crores. As on 30th June, 2014, it has reserves of Rs 592.00 crores. It is a company with positive net worth and bright scope for future growth.

2.3 Gujarat Gas Financial Services Limited ("GFSL")

a. GFSL was incorporated on 11th April 1994 under the provisions of the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat.

b. The registered office of the GFSL is situated at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of the GFSL as on 31st March, 2014 is as under:

Particulars	Amount (in Rs mn)
Authorized Share Capital	
7,000,000 Equity Shares of Rs. 10/- each	70.00
5,000,000 Preference Shares of Rs. 10/- each	50.00
TOTAL	**120.00**
Issued, subscribed and paid-up Share Capital	
2,000,000 Equity shares of Rs. 10/- each fully paid up	20.00
TOTAL	**20.00**

d. GFSL is a subsidiary of Gujarat Gas Company Limited, another Transferor Company in this scheme of Arrangement. GFSL is mainly engaged in the business of sale of gas connections in India to its holding company i.e. Gujarat Gas Company Limited and to other commercial and non-commercial customers within India. Total income of Rs. 66.72 crores was achieved during the fifteen months ended on 31st March 2014 and the company made profit before tax of Rs. 7.34 crores. It has reserves of Rs. 33.36 crores. Furthermore, based on Unaudited Provisional accounts of GFSL, for the quarter ended 30th June 2014, the Company recorded total income of Rs 11.09 crores and made profit before tax of Rs. 0.41 crores. As on 30th June, 2014, it has reserves of Rs 33.63 crores

2.4 Gujarat Gas Trading Company Limited ("GTCL")

a. GTCL was incorporated on 26th December 1980 as a private limited company under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat, in the name and style of K.K. Chemicals and Dyes Private Limited. The name of the company was changed to K.K. Chemicals and Dyes Limited vide the fresh certificate of incorporation dated 13th November 2001. Subsequently, the name of the company was changed to Gujarat Gas Trading Company Limited vide the fresh certificate of incorporation dated 6th December 2001.

b. The registered office of GTCL is situated at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of the GTCL as on 31st March, 2014 is as under:

Particulars	Amount (in Rs mn)
Authorized Share Capital	
10,000 Equity Shares of Rs. 100/- each	1.00
TOTAL	**1.00**
Issued, subscribed and paid-up Share Capital	
9,000 Equity shares of Rs. 100/- each fully paid up	0.90
TOTAL	**0.90**

d. GTCL is the wholly owned subsidiary of Gujarat Gas Company Limited, one of the Transferor companies in the present scheme. It is mainly engaged in the business of distribution of gas from

sources of supply to centers of demand and / or to the end customers. Total income of Rs. 35.54 crores was achieved during the fifteen months ended on 31st March 2014 and the company made profit before tax of Rs. 0.99 crores. It has reserves of Rs. 14.29 crores as on 31 March 2014. Furthermore, based on Unaudited Provisional accounts of the Company, for the quarter ended June 2014, the Company recorded total income of Rs 0.46 crores and made profit before tax of Rs 0.44 crores. As on 30th June, 2014, it has reserves of Rs 14.71 crores

2.5 GSPC Distribution Networks Limited ("GDNL")

a. GDNL, the Transferee Company, was incorporated on 21st February 2012 as a public limited company under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat.

b. The registered office of GDNL is situated at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 011, in the state of Gujarat, India.

c. As per the latest audited Balance Sheet, the share capital of the Transferee Company as on 31st March, 2014 is as under:

Particulars	Amount (in Rs mn)
Authorized Share Capital	
1,500,000,000 Equity Shares of Rs. 10/- each	15,000.00
TOTAL	**15,000.00**
Issued, subscribed and paid-up Share Capital	
90,00,50,000 Equity shares of Rs. 10/- each fully paid up	9000.50
TOTAL	**9000.50**

d. GDNL, the Transferee Company, has been recently incorporated company with the primary object to carry on, sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous forms through Pipelines, Trucks/Trains or such other suitable mode for transportation / distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Forms. During the financial year ended on 31st March 2014, it had income only through its investments. Due to financial costs, it has made before tax loss of Rs. 70.10 crores for the financial year ended 31st March 2014 and based on the provisional accounts for quarter ended 30th June 2014 it recorded a before tax loss of Rs 46.65 crores. It is envisaged that upon scheme being effective, it shall undertake the commercial activities of all the Transferor Companies as the composite unit

3. **RATIONALE AND PURPOSE OF THE SCHEME:**

As a measure to consolidate the City Gas Distribution business, GSPC Group management has decided to amalgamate the city gas distribution business of GSPC Gas, GGCL, GFSL and GTCL (collectively referred to as "Transferor Companies") into GDNL by way of a Court approved Scheme of Amalgamation. The amalgamation, inter alia, would result in the following benefits:

a) Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage for the stakeholders. Further, the proposed consolidation will provide an opportunity to better leverage the combined asset and capital base, build a stronger and sustainable business and improve the potential for further growth and expansion of the business of the merged entity;

b) The proposed amalgamation will not only bring about operational rationalisation, organisational efficiency but also will result in multiple synergies. By pooling together various resources, administrative, managerial and other expenditures will also reduce. The proposed amalgamation will strengthen significantly the position of the combined entity in the industry in terms of asset base, revenue, business volume and market share;

c) The amalgamated entity will benefit from improved organizational leadership, arising from the combination of people from all the companies, who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive Oil & Gas industry more particular in City Gas Distribution Business;

d) The combined entity would have greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities. It will have large net worth and borrowing capacity to expand its business at a faster rate. The combined entity will improve the potential for further expansion of the businesses by way of increased borrowing strength of the combined entity;

e) Further, the amalgamation will result in a significant reduction in the multiplicity of legal and regulatory & other applicable compliances required at present to be carried out by all the Companies.

4. In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and vide resolutions passed at respective Board Meetings dated 21st April 2014, proposed the composite scheme for amalgamation of the four companies for the transfer and vesting of the entire Undertaking and business of the Transferor Companies with and into the Transferee Company and other matters herein, so as to benefit the shareholders, employees and other stakeholders of the Transferor Companies and the Transferee Company.

5. In furtherance of the aforesaid, the proposed Scheme of Arrangement provides for:

a) the amalgamation of the transferor companies with the transferee company;

b) consequential reduction of share capital of the transferee Company; and

c) various other matters consequential or otherwise integrally connected herewith;

Pursuant to Sections 391 to 394 read with Section 100 to 103 and other relevant provisions of the Companies Act, 1956 in the manner provided for in the proposed Scheme of Arrangement.

6. The material provisions of the proposed Scheme of Arrangement are as under:

1. DEFINITIONS

1.2 "**Appointed Date**" means April 1, 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal or any other appropriate authority.

1.5 "**Effective Date**" means last of the dates on which the certified true copies of the orders sanctioning this Scheme passed by the High Court of Judicature of Gujarat, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Gujarat.

References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.

1.16 **"Record Date"** means such date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of Transferor Companies viz. GSPC Gas, GGCL, and GFSL, after the sanction of this Scheme by the High Court or such other competent authority as is empowered to sanction the Scheme, to determine the members of Transferor Companies viz. GSPC Gas, GGCL, and GFSL to whom equity shares of Transferee Company will be allotted.

1.17 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.

1.19 "**Undertakings**" in relation to the Transferor Companies, as the context may require, shall mean whole of the undertakings and business of the Transferor Companies as a going concern, including (without limitation):

(a) all the businesses, properties, assets and liabilities of whatsoever kind and wheresoever situated as on the Appointed Date;

(b) without prejudice to the generality of the foregoing clause, Undertakings shall include all rights, powers, authorities, privileges, liberties and all properties and assets whether movable or immovable, tangible or intangible, current or noncurrent, freehold or leasehold, real or corporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including, without limited to plant and machinery, office equipments, inventories, furniture and fixtures, capital work in progress, power lines, railway sidings, depots, contingent rights or benefits, benefit of any deposits, financial assets, leases and hire purchase contracts, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, assignments and grants in respect thereof, operating agreements, investment of all kinds (including investment in shares, scrips, stocks, bonds, debenture stock, units, mutual funds), sundry debtors, cash and bank balances, loans and advances, amount receivable from ESOP trust, leasehold improvements, accrued interest, vehicles, appliances, computers, software, accessories, registrations, lease, claims, allotments, approvals, consents, letters of intent, registrations, licences including licences with respect to city gas distribution business, contracts, agreements with Ministry of Petroleum and Natural Gas ("MoPNG") and / or Petroleum and Natural Gas Regulatory Board ("PNGRB") and / or with any such regulatory authority, credits, titles, interest, import quotas and other quota rights, right of user, right of way to lay pipelines, municipal permissions or powers of every kind, nature and description whatsoever in connection and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest, and advances and or moneys paid or received, all statutory licences, and / or permissions to carry on the operations, deferred tax benefits and any other direct / indirect tax benefits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests together with all present and future liabilities (including contingent liabilities), all the provisions including provision for tax, benefits of tax relief including the Income tax Act, 1961 such as credit for advance tax, taxes deducted at source, MAT, unutilised deposits or credits, benefits under the VAT / sales tax law, sales tax credit, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / service tax credits, etc, all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received, all necessary books, records, files, papers, records of standard operating procedures, computer programmes along with their licences, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, all earnest monies and / or deposits, all permanent and / or temporary employees; and

(c) All liabilities, including, without being limited to, secured and unsecured debts (whether in Indian rupees or Foreign currency), sundry creditors, advances / deposits from customer, deferred revenues, duties and obligation and provisions of every kind, nature and description of whatsoever and howsoever arising, raised, incurred or utilized.

4. TRANSFER AND VESTING OF UNDERTAKINGS

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, all the Undertakings shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become Undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" asspecified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme**.**

4.2 All assets, estate, rights, title, interest, etc acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date for operation of Transferor Companies or pertaining to or relating to the Transferor Companies shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. The transfer and vesting of assets, estate, rights, title, interest, etc, will be treated as an acquisition of assets and liabilities i.e. acquisition of business of the Transferor Companies on and from the Appointed Date**.**

4.3 All assets of the Transferor Companies, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and / or endorsement and delivery or by operation of law, pursuant to order of the Court, shall be vested in the Transferee Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company.

4.4 In respect of such of the assets of the Transferor Companies other than those referred to in clause 4.3 above including investment in shares, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, deposits, if any, with Government, semi-Government, local and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act upon effectiveness of the Scheme. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

4.5 All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. Transferee Company shall upon the order of the Court sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective and upon payment of applicable stamp duty, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. Transferee Company shall subsequent to scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property

in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

4.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4.7 Any statutory licences, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, provident fund, ESI, Reserve Bank of India, or other registrations, no objection certificates, or any consents to carry on the operations of the Transferor Companies shall stand transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of the Transferee Company so as to empower and facilitate the continuation of the operations of the Transferee Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to Transferor Companies.

4.8 All registrations, licences, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc pertaining to the Transferor Companies, if any, shall stand vested in Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the sanction of the Scheme and upon this Scheme becoming effective.

4.9 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) payable by or refundable to the Transferor Companies with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to the Transferor Companies, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.

4.10 Any third party or authority required to give effect to any provisions of this Scheme, shall take on record the order of the Court sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such High Court order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.11 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Companies in relation to Undertakings shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

4.12 Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297 and 372A, etc, of the Act, read with the rules and regulations made there under, shall stand transferred to and vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/ complied with by the Transferee Company.

4.13 Upon this Scheme becoming effective, the secured creditors of the respective Transferor Company and/ or other security holders having charge over the properties of the respective Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the respective Transferor Company, as existed immediately prior to the effectiveness of this Scheme, and the secured creditors of the Transferee Company and/or other security holders having charge over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existed immediately prior to the scheme becoming effective. It is hereby clarified that pursuant to amalgamation, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and vice versa, and hence such assets of the respective Transferor Company and the Transferee Company, as the case may be, which are not currently encumbered, shall remain free and shall remain available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.14 Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Companies have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Companies.

4.15 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature which the Transferor Companies owns or to which the Transferor Companies are party to and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature in Trust for the benefit of the Transferee Company in terms of this Scheme, till such time as the transfer is affected.

5. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of Undertakings or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same

manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

9. **TAXATION MATTERS**

9.1 It is expressly clarified that upon the Scheme becoming effective, all taxes payable by the Transferor Companies on and after the Appointed Date shall be treated as the tax liability of the Transferee Company. Similarly, all credits for taxes including but not limited to tax deduction at source of the Transferor Companies shall be treated as credits for taxes of the Transferee Company.

9.2 All taxes of any nature, duties, cess or any other like payment or deductions made by the Transferor Companies to any statutory authorities such as income tax, sales tax, service tax, CENVAT, etc. or any tax deduction or collection at source, relating to the period after the Appointed Date but up to the Effective Date shall be deemed to have been on account of or paid on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of the Scheme and upon relevant proof and documents being provided to the said authorities.

9.3 Upon this Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax, value added tax and any other statutory returns and filings under the tax laws, notwithstanding that the period of filing / revising such return may have lapsed and period to claim refund / advance tax and withholding tax credit, etc, also elapsed pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to refund and / or set-off all amounts paid by the Transferor Companies under income tax, value added tax, service tax, excise duty or any other tax etc or any other disputed amount under appeal, if any, upon this Scheme becoming effective.

13. ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY

13.1 Consolidation of Authorised Share Capital of Transferor Companies

13.1.1 The authorised share capital of the Transferor Companies as specified in clause 2.2 to clause 2.5 aggregating to 235,100,000 shares of Rs 10 each shall stand transferred to and combined with the authorised share capital of the Transferee Company and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased. The resolution approving the Scheme shall be deemed to be the approval of increase and re-classification in the authorised share capital of the Transferee Company under Section 94 of the Act (Corresponding notified Section 61 of the Companies Act, 2013) and other applicable provisions of the Act. Accordingly, upon sanction of this Scheme and from the date of this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies.;

13.1.2 Clause V of the Memorandum of Association of the Transferee Company and clause 4 of Article of Association of the Transferee Company relating to authorised share capital shall respectively, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94, (Corresponsing notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act and other applicable provisions of the Act, as the case may be and be replaced with the following clause:

<u>Clause V of Memorandum of Association of Transferee Company</u>

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

Clause 4 of Articles of Association of Transferee Company.

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

13.2 Amendment to Object Clause of the Transferee Company

13.2.1 Upon the Scheme becoming effective, the following clause shall be inserted in the Main Objects clause of the Memorandum of Association of the Transferee Company after clause 5:

6. "To carry on business of dealing with all aspects of negotiations, procurement, imports, storage, handling processing, distribution and transportation of Natural Gas, Liquefied Natural Gas ("LNG"), Coal Bed Methane ("CBM"), Naphtha, Fuel Oils, Crude Oil & other Petroleum Products, coal and any other fuels and utilization thereof.
7. To administer fuel supply and purchase contracts on behalf of State Government and promoter Companies
8. To develop expertise, provide consultation and render advisory services for various technical, legal and commercial aspects of Fuel Supply Management business and facilitating implementation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuel projects
9. To act as an advisory body to the Government / any other agency appointed by State Government for all aspects related to Policy and regulation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuels import / utilization.
10. To promote and make strategic investment in infrastructure projects and facilities meant for augmenting fuel supply."

13.2.2 Upon the Scheme becoming effective, it shall be deemed that the members of the Transferee Company have also resolved and accorded to relevant consents as applicable under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013). It is further clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013) for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Companyshall file the requisite forms with the Registrar of Company, Gujarat, for amending the main objects in accordance with the clause 13.2.1 of this Scheme.

13.3 Alteration to the Name Clause

13.3.1 Upon the Scheme becoming effective, the name of GSPC Distribution Networks Limited shall be deemed to have been changed to GSPC Gas Limited or such other alternative name as may be permitted by Registrar of Companies, Gujarat in accordance with Section 21 (Corresponding notified section 13 of the Companies Act, 2013), and other relevant provisions of the Act.

13.3.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 21 (Corresponding notified section 13 of the Companies Act, 2013) or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Transferee Company.

13.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. change in the Capital Clause, Object Clause and Name Clause, referred above, shall become operative upon the Scheme becoming effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 21, 31, 94 (Corresponding notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act, or any other provisions of the Act, and there shall not be a requirement to pass separate resolutions as required under the Act.

14. ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL

14.1 Share Swap Ratio

As per the share swap ratio recommended by the Valuer, M/S/ SSPA & Co., Chartered Accountants, upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertakings of the Transferor Companies to the Transferee Company, the shareholders of the Transferor Companies should be allotted shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

TO THE SHAREHOLDERS OF GTCL

The entire issued, subscribed and paid up share capital of GTCL is held by GGCL. Upon the Scheme becoming effective, GGCL would be amalgamated with the Transferee Company from the Appointed Date and hence no shares of the Transferee Company shall be issued and allotted in consideration of the amalgamation and the share capital of GTCL shall stand cancelled.

14.1.2 If the shares are issued as per above swap ratio, the resultant shareholding pattern of the Transferee Company, upon merger would be as follows:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	3,185,795,015	60.89%
Public and Others	2,045,969,960	39.11%
Total	**5,231,764,975**	**100%**

14.2 Issuance and Allotment of Shares

14.2.1 Upon issuance of shares based on the share swap ratio as mentioned above, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

14.2.2 The equity shares of the Transferee Company to be issued to the members of the Transferor Companies in terms of clause 14.2.1 above shall be subject to the provisions of Articles of Association of the Transferee Company and shall rank pari-passu, in all respects with the existing equity shares of the Transferee Company.

14.2.3 Upon the implementation of this scheme, the paid up equity share capital of GGCL held by GDNL, the paid up equity share capital of GDNL held by GSPC Gas, and the paid up equity share capital of GGCL into GFSL and GTCL shall, ipso facto, without any further act or deed

stand cancelled on the Effective Date, and no shares of the Transferee Company will be issued or allotted with respect to the equity shares so cancelled.

14.2.4 Since lower number of shares will be issued to the shareholders of Transferor Companies as mentioned in clause 14.2.1 above, in order to ensure that interest of none of the shareholders is jeopardised, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as prescribed in clause 14.3.1. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain as mentioned in clause 14.1.2.

14.2.5 No fractional shares shall be issued by the Transferee Company. The Board of Directors of the Transferee Company shall consolidate all fractional entitlements, if any, arising due to issuance of shares pursuant to amalgamation of the Transferor Companies and allot new equity shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the new equity shares issued by the Transferee Company in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times (not later than 15 days from the date of listing of new equity shares of the Transferee Company) and at such price or prices and to such person or persons, as he / they may deem fit and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

14.2.6 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 81(1A) (Corresponding notified section 62(1)(c) of the Companies Act, 2013) and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

14.2.7 The new equity shares shall be issued in dematerialized form to those equity shareholders who hold the shares of Transferor Companies in demateralised form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold shares of Transferor Companies in physical form shall be issued new equity shares in Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the record date, by giving a notice in writing to the Transferee Company. Such physical equity share certifications (if any), shall be sent by Transferee Company to the equity shareholders of the Transferor Companies at their respective registered addresses as appearing in the register of member maintained by the Transferor Companies as of record date with respect to their shareholders (or in case of joint shareholders – to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

14.2.8 In the event of their being any pending share transfer, whether lodged or outstanding, of any shareholders of the Transferor Companies, the Board of Directors of the Transferee Company or any committee / person duly authorized in this regard by the Board of Directors of Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme.

14.2.9 The existing equity shares after giving effect to reduction as per clause 14.3.1 and after considering issue of new equity shares to the shareholders of the Transferor Companies as per clause 14.2.1 of this Scheme will be listed and / or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009, as amended from time to time, on all the stock exchanges on which shares of GGCL are listed on the effective date. The Transferee Company shall enter into such arrangement and give such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Transferee Company with the formalities of the said stock exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchanges. There shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval of National Stock Exchange of India Limited dated 05.11.2014 and BSE Limited dated 07.11.2014.

14.3 REORGANIZATION OF SHARE CAPITAL

14.3.1 In order to ensure that the interest of none of the shareholders is jeopardized as discussed in clause 14.2.4, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as follows:

On the effective date and after securing necessary approvals and permissions and after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL as per clause 14.2.3, the Transferee Company shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 divided into 500,000,000 shares of Rs 10 each to Rs 131,578,950 divided into 13,157,895 shares of Rs 10 each.

14.3.2 The differential amount arising upon reduction of share capital of the Transferee Company as per above clause shall be utilised in the manner specified in clause 15.5.

14.3.3 Upon issuance of shares as per clause 14.2.1 above and reduction of share capital as per clause 14.3.1 above, the resultant shareholding pattern of the Transferee Company would be as below:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	83,836,710	60.89%
Public and Others	53,841,315	39.11%
Total	**137,678,025**	**100%**

14.3.4 The reduction of share capital as contemplated in clause 14.3.1 above shall be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme at the Court conveyed meeting, shall be deemed to be their approval under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital. The Transferee Company shall not be required to undertake any separate proceedings for the same. The Order of the High Court sanctioning the Scheme shall be deemed to be an Order under section 102 of the Act. Further, since the said proposal for reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholders of any paid up share capital, the procedure prescribed under section 101 shall not be required to be undertaken.

14.3.5 Notwithstanding the reduction as mentioned above, the Transferee Company shall not be required to add “and reduced” as suffix to its name and the Transferee Company shall continue in its existing name.

14.3.6 The share certificates of the Transferee Company in relation to the shares held by its equity shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled pursuant to the reduction of capital

It is expressly clarified that shares issued and allotted pursuant to clause 14.2.1 above, shall not be subject to reduction proposed in clause 14.3.1 above.

14.3.7 The shares and share certificates of the Transferor Companies and / or Transferee Company held by the members of the Transferor Companies and / or Transferee Company shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and non-negotiable and be of no effect on and from the Effective Date.

15. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as per the "Purchase Method" as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, such that:

15.1 The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Transferee Company, pursuant to the Scheme and shall be recorded by the Transferee Company, at their respective fair values, as determined by the Board, as on the Appointed Date.

15.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment of GSPC Gas in GDNL, the investment of GDNL in GGCL and the investment of GGCL into GFSL and GTCL shall stand cancelled.

15.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.

15.4 The Transferee Company shall credit to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to clause 14.2.1 of this Scheme.

15.5 The difference in the value of net assets of Transferor Companies to be vested in the Transferee Company as per clause 4.1 above and issue of shares as per clause 14.2.1 above, after adjustment of the cancellation of investment of GSPC Gas into GDNL, investment of GDNL into GGCL and investment of GGCL into GFSL and GTCL as per clause 14.2.3, reduction of share capital of GDNL as per clause 14.3.1 and adjustment of differential amount arising as per clause 14.3.2, shall be credited by Transferee Company to "Reserves" or debited to "Goodwill Account", as the case may be.

15.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date would be adjusted in accordance with Accounting Standard – 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

16. DISSOLUTION OF THE TRANFEROR COMPANIES

Upon the Scheme being effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act."

The features set out above being only the salient features of the Composite Scheme of Amalgamation and Arrangement, the members are requested to read the entire text of the Composite Scheme of Amalgamation and Arrangement (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Composite Scheme of Amalgamation and Arrangement.

7. Pursuant to the scheme and clause 14 of the scheme, the investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL shall be cancelled;

8. Furthermore, the Resulting Unlisted Company i.e. the Transferee Company ("GSPC Distribution Network Limited") is proposing to issue shares to the shareholders of the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report, as detailed herein below; However, special attention is drawn to clause 14.2.1 of the scheme which clarifies the justification for the same- "Upon issuance of shares based on the share swap ratio as mentioned in the valuation report, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company."

   Swap Ratio – as per valuation report

   - For GSPC Gas - 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each;
   - For GGCL - 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each;
   - For GFSL - 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each.

   Issuance of shares pursuant to amalgamation

   - For GSPC Gas - 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each;
   - For GGCL - 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each;
   - For GFSL - 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each.

9. As mentioned above, since lower number of shares will be issued to the shareholders of GSPC Gas, GGCL and GFSL as mentioned above, in order to ensure that interest of none of the shareholders is jeopardized, GDNL shall reduce its existing equity share capital proportionately i.e. GDNL shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 divided into 500,000,000 shares of Rs 10 each to Rs 131,578,950 divided into 13,157,895 shares of Rs 10 each. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain the same.

10. Vide the Resolutions passed at the respective Board Meetings dated 21 April 2014, the Board of Directors of the aforesaid companies resolved that subject to such approvals of the Equity Shareholders and Creditors, if so required, of the aforesaid companies and subject to such directions and sanctions of the Hon'ble High Court of Gujarat, as may be required in law, and subject to such consents and permissions of the Central Government and other authorities as may be necessary, the Composite Scheme of Amalgamation and Arrangement be made between the companies. Pursuant to clause 24 (f) of the Listing Agreement and SEBI circulars dated 4th February 2013 and 21st May 2013, GGCL, the only listed public limited company has obtained the requisite approval in form of Observation Letters of the concerned stock exchanges viz. National Stock Exchange of India Limited, BSE Limited, Ahmedabad Stock Exchange, Vadodara Stock Exchange and Securities and Exchange Board of India.

11. Furthermore, in compliance with the requirements prescribed by SEBI Circulars (CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013), GGCL shall also obtain approval from its

Public Shareholders to the proposed Scheme of Arrangement through Postal ballot and e-voting after giving individual notice and all the material information in the Explanatory statement.

12. The financial position of the Transferee Company will not be adversely affected by the Composite Scheme of Amalgamation and Arrangement. It will continue to remain strong and it will be able to meet and pay its debts as and when they arise. The rights and interests of the members and the creditors of the Transferor Companies as well as the Transferee Company will not be prejudicially affected by the Scheme.

13. The Scheme will not adversely affect the rights of any of the creditors of the said Companies in any manner whatsoever and due provisions have been made for payment of liabilities as and when the same fall due in usual course.

14. No investigation proceedings have been instituted or are pending in relation the Transferor Companies as well as the Transferee Company under Sections 235 and 250A of the Companies Act, 1956 or the corresponding provisions as per the Companies Act, 2013

15. The Background of the Board of Directors as on 30 November, 2014:

GUJARAT GAS COMPANY LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Prof. Pradip N. Khandwalla	Non-executive - Independent Director	74 Years	Associate member of Institute of Chartered Accountants of India (ICAI).
2.	Shri Jal Patel	Non-executive - Independent Director	77 Years	Associate member of Institute of Chartered Accountants of India (ICAI)
3.	Shri Ajit Kapadia	Non-executive - Independent Director	72 Years	B.Sc (Hons.) M. Che. (Chemical Engineering)
4.	Ms. Manjula Shroff	Non-executive - Independent Director	50 Years	Post-graduate degree in Political Science from Utkal University
5.	Shri D. J. Pandian, IAS	Non-executive – Promoter / Director	59 years	MBA
6.	Shri. Atanu Chakraborty, IAS	Non-executive – Promoter / Director	54 years	BE Electronics & Communication & MBA (UK)

GSPC DISTRIBUTION NETWORKS LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri P.P.G Sarma	Director	52 years	BE Mechanical
2.	Shri Manish Verma	Director	44 years	BA Economics, CAIIB
3.	Shri Ravindra Agrawal	Director	43 years	BE Electrical, MBA Finance
4.	Shri N Bose Babu	Director	47 years	BE Production

GSPC GAS COMPANY LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri D.J. Pandian, IAS	Director	59 years	MBA
2.	Shri Atanu Chakraborty, IAS	Director	54 years	BE Electronics & Communication & MBA (UK)
3.	Shri L Chuaungo, IAS	Director	52 years	BA History
4.	Shri K.D Chatterjee	Director	73 years	BSC, AICWAI

GUJARAT GAS FINANCIAL SERVICES LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri M. K. Das, IAS	Director	47 years	B- Tech (Hons) Computer Science & Engineering From IIT Kharagpur
2.	Shri Ravindra Agrawal	Director	43 years	BE Electrical, MBA Finance
3.	Shri P.P.G Sarma	Director	52 years	BE Mechanical

GUJARATGAS TRADING COMPANY LIMITED

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Shri PPG Sarma	Director	52 years	BE Mechanical
2.	Prof. Pradip N. Khandwalla	Director	74 Years	Associate member of Institute of Chartered Accountants of India (ICAI)
3.	Shri Manish Verma	Director	44 Years	BA Economics, CAIIB

16. The Directors of the transferor and transferee companies may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said Directors are common directors in the companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the companies. Their interest in these companies shall not be treated in any way differently than the other shareholders of the companies. The respective shareholding (singly or jointly as first holder) of Directors in the transferor companies and the respective shareholding (singly or jointly as first holder) of Directors and Key Management Personnel in the transferee company as on date is annexed herewith and marked as "*Annexure - A*".

17. The Directors of either the transferor companies or the transferee company have not given any loans to any of the companies.

18. The shareholding pattern of GDNL, the Transferee Company as on 30th September, 2014 - pre-amalgamation and post amalgamation is as follows:

Description		GSPC Distribution Networks Limited (Transferee Company)			
		Pre-arrangement		Post-arrangement	
		No. of shares	%	No. of shares	%
(A) Shareholding of Promoter and Promoter Group					
1 Indian					
(a) Individuals/ Hindu Undivided Family					
(b) Central Government/ State Government(s)					
(c) Bodies Corporate					
	Gujarat State Petroleum Corporation Limited			39,106,329	28.41%
	Gujarat State Petronet Limited	350,000,000	38.89%	35,468,472	25.76%
	GSPC Gas Company Limited	400,050,000	44.45%		
	Gujarat State Energy Generation Limited			266,447	0.19%
	Government of Gujarat			8,995,462	6.53%
(d) Financial Institutions/ Banks					
(e) Any Others					
Sub Total(A)(1)		**750,050,000**	**83.33%**	**83,836,710**	**60.89%**
2 Foreign					
(a) Individuals (Non-Residents Individuals/ Foreign Individuals)					
(b) Bodies Corporate					
(c) Institutions					
(d) Any Others					
Sub Total(A)(2)		**-**	**0.00%**	**-**	**0.00%**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**750,050,000**	**83.33%**	**83,836,710**	**60.89%**

(B)	**Public shareholding**					
1	**Institutions**					
(a)	Mutual Funds/ UTI	Various			1,693,076	1.23%
(b)	Financial Institutions/ Banks	Various			146,725	0.11%
(c)	Central Government/ State Government(s)	-				
(d)	Venture Capital Funds	-			-	-
(e)	Insurance Companies	Various			1,238,423	0.90%
(f)	Foreign Institutional Investors	Various			20,265,904	14.72%
(g)	Foreign Venture Capital Investors	-				
(h)	Any Other	-				
	Sub-Total (B)(1)		**-**	**0.00%**	**23,344,128**	**16.96%**
2	**Non-institutions**					
(a)	Bodies Corporate		150,000,000	16.67%	21,342,428	15.50%
(b)	Individuals					
I	Individuals -					
i.	Individual shareholders holding nominal share capital up to Rs 1 lakh				8,462,965	6.15%
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.				296,201	0.22%
(c)	Any Other				395,593	0.29%
	Sub-Total (B)(2)		**150,000,000**	**16.67%**	**30,497,187**	**22.15%**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**		**150,000,000**	**16.67%**	**53,841,315**	**39.11%**
	TOTAL (A)+(B)		**900,050,000**	**100.00%**	**137,678,025**	**100.00%**
(C)	Shares held by Custodians and against which DRs have been issued					
	GRAND TOTAL (A)+(B)+(C)		**900,050,000**	**100.00%**	**137,678,025**	**100.00%**

19. The financial statements of all the companies in form of the Abridged balance sheets for last three years is annexed herewith as "*Annexure – B*"

20. The following documents will be available for inspection by the Shareholders and/or Creditors at the Registered Office of respective Companies on all working days except Saturdays, Sundays and Public Holidays between 10 A.M. and 1 P.M. up to the date of the ensuing Meetings and at the venue of the Meetings on the date of the Meetings during the Meeting hours.

    i. Copy of the Orders passed by the Hon'ble High Court of Gujarat dated 20th November 2014 and 28th November 2014 directing convening or dispensing with the meetings passed in Company Applications No. 283, 284, 285, 286 and 287 of 2014.

    ii. Copies of the Memorandum of Association and Articles of Association of all the Companies :

    iii. Copy of Audited Annual Accounts of all the Companies for the year ended on 31 March 2014 and Unaudited results for three months period ended 30 June 2014;

    iv. Copy of Composite Scheme of Amalgamation and Arrangement;

    v. Copy of Valuation Report dated 19th April 2014;

    vi. Copy of Fairness Opinion dated 19th April 2014

    vii. Observation letters to the Scheme received from the BSE Limited, National Stock Exchange of India Limited, Ahmedabad Stock Exchange and Vadodara Stock Exchange;

    viii. Copy of Complaints Reports dated 3rd June 2014 and 21st July 2014;

    A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Company and / or at the office of the Advocate Mrs. Swati Soparkar, 301, Shivalik 10, Opp. SBI Zonal Office, Near Excise Chowky, S.M.Road, Ahmedabad 380 015.

Annexure A

Shareholding details of the Directors / Key Management Personnel

Name of the Directors/ Key Management Personnel	Shareholding in GFSL	Shareholding in GTCL	Shareholding in GDNL	Shareholding in GGCL	Shareholding in GSPC Gas
Shri P.P.G Sarma	800 shares	1 shares (as a nominee shareholder of GGCL)	10 shares (as a nominee shareholder of GSPC Gas)	NIL	NIL
Shri Manish Verma	NIL	1 shares (as a nominee shareholder of GGCL)	NIL	NIL	NIL
Shri Ahmed Khan	NIL	NIL	10 shares (as a nominee shareholder of GSPC Gas)	NIL	NIL
Shri Ravindra Agarwal	NIL	1 shares (as a nominee shareholder of GGCL)	10 shares (as a nominee shareholder of GSPC Gas)	NIL	NIL
Shri D.J. Pandian, IAS	NIL	NIL	NIL	NIL	NIL
Shri Atanu Chakraborty, IAS	NIL	NIL	NIL	NIL	NIL
Shri L Chuaungo, IAS	NIL	NIL	NIL	NIL	NIL
Shri K.D Chatterjee	NIL	NIL	NIL	NIL	NIL
Prof. Pradip N. Khandwalla	NIL	NIL	NIL	NIL	NIL
Shri Jal Patel	NIL	NIL	NIL	NIL	NIL
Shri Ajit Kapadia	NIL	NIL	NIL	NIL	NIL
Ms. Manjula Shroff	NIL	NIL	NIL	NIL	NIL
Shri N Bose Babu	NIL	NIL	NIL	NIL	NIL
Shri L Chuaungo, IAS	NIL	NIL	NIL	NIL	NIL
Shri K.D Chatterjee	NIL	NIL	NIL	NIL	NIL
Shri M. K. Das, IAS	NIL	NIL	NIL	NIL	NIL
Shri Nitesh Bhandari	NIL	NIL	NIL	NIL	NIL
Ms. Rajeshwari Sharma	NIL	1 shares (as a nominee shareholder of GGCL)	NIL	NIL	NIL
Shri Rahul Devi	NIL	NIL	NIL	NIL	NIL
Shri Rohan Sampat	NIL	NIL	NIL	NIL	NIL

Annexure B

GSPC GAS COMPANY LIMITED

Abridged Balance Sheets (amount in crores)

Years/Period ended on		2013-14	2012-13	2011-12
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	84.62	84.62	59.21
(b)	Reserves and surplus	474.71	578.17	397.18
Share application money pending allotment		-	-	176.02
Non-current liabilities		-	-	-
(a)	Long-term borrowings	1,092.43	365.29	390.85
(b)	Deferred tax liabilities (Net)	106.01	137.30	99.31
(b)	Other Long term liabilities	-	-	-
(d)	Long-term provisions	4.19	2.94	1.55
Current liabilities		-	-	-
(a)	Short-term borrowings	3.69	10.83	-
(b)	Trade payables	358.13	259.55	171.97
(c)	Other current liabilities	535.67	916.34	359.65
(d)	Short-term provisions	7.67	51.43	26.80
	TOTAL	**2,667.13**	**2,406.47**	**1,682.56**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	1,483.53	1,257.31	1,057.11
	Intangible assets	107.83	98.73	79.36
	Capital work-in-progress	199.43	351.74	281.42
	Intangible assets under development	0.20	0.20	0.20
	Total Fixed Assets (Net Block)	1,790.98	1,707.99	1,418.09
(b)	Non-current investments	400.16	0.16	0.11
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	20.95	373.00	21.73
(e)	Other non-current assets	0.01	0.01	0.02
Current assets				
(a)	Current investments	-	-	-
(b)	Inventories	7.31	6.62	3.10
(c)	Trade receivables	409.02	240.27	206.05
(d)	Cash and cash equivalents	4.51	4.52	14.69
(e)	Short-term loans and advances	18.26	57.95	8.51
(f)	Other current assets	15.93	15.96	10.24
	TOTAL	**2,667.13**	**2,406.47**	**1,682.56**

GSPC GAS COMPANY LIMITED

Abridged Profit and Loss Accounts:

Years/Period ended on	**2013-14**	**2012-13**	**2011-12**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	**4,658.74**	**4,211.68**	**3,235.41**
Other income	8.86	8.56	2.05
Total	**4,667.59**	**4,220.24**	**3,237.46**
Expenses:			
Cost of materials consumed	508.11	517.52	328.60
Purchases of Stock-in-Trade	3,925.41	3,338.50	2,519.79
Changes in inventories of finished goods and Stock-in-Trade	(0.36)	(1.69)	-
Employee benefits expense	40.96	29.19	21.83
Finance costs	111.81	58.08	47.55
Depreciation and amortization expense	71.25	59.40	48.28
Other expenses	144.95	121.11	96.82
Total	**4,802.13**	**4,122.12**	**3,062.87**
Profit/(Loss) before exceptional and extraordinary items and tax	(134.54)	98.12	174.59
(a) Prior period items (Net)	0.14	0.06	0.30
(b) Exceptional items	-	0.14	0.22
Profit/(Loss) Before Tax (PBT) for the year.	**(134.68)**	**97.93**	**174.08**
Less: (a) Current tax	-	19.74	34.91
Less: (b) Deferred tax	(31.29)	37.99	33.10
Profit (Loss) for the year	**(103.39)**	**40.20**	**106.06**
Balance carried to Balance Sheet	**(103.39)**	**40.20**	**106.06**

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31-03-2014	31-12-2012	31-12-2011
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	25.65	25.65	40.05
(b)	Reserves and surplus	1199.83	916.24	739.47
Share application money pending allotment		-	-	-
Non-current liabilities		-	-	-
(a)	Long-term borrowings	-	-	-
(b)	Deferred tax liabilities (Net)	119.92	93.25	80.05
(b)	Other Long term liabilities	306.95	268.90	254.32
(d)	Long-term provisions	-	-	4.81
Current liabilities		-	-	-
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	123.70	101.64	121.67
(c)	Other current liabilities	111.29	137.16	120.34
(d)	Short-term provisions	5.70	8.25	187.71
	TOTAL	**1,893.04**	**1,551.09**	**1,548.42**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	863.43	750.98	651.95
	Intangible assets	42.48	45.90	14.51
	Capital work-in-progress	56.12	105.01	96.44
	Intangible assets under development	-	1.36	21.07
	Total Fixed Assets (Net Block)	962.03	903.25	783.97
(b)	Non-current investments	2.53	2.53	2.53
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	14.32	20.42	37.45
(e)	Other non-current assets	0.75	1.01	1.09
Current assets				
(a)	Current investments	664.64	370.64	487.79
(b)	Inventories	27.72	24.33	15.75
(c)	Trade receivables	176.86	183.45	164.71
(d)	Cash and cash equivalents	30.89	30.02	9.26
(e)	Short-term loans and advances	8.77	3.82	17.98
(f)	Other current assets	4.53	11.62	27.89
	TOTAL	**1,893.04**	**1,551.09**	**1,548.42**

Gujarat Gas Company Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	**31-03-2014 (15 months)**	**31-12-2012 (12 months)**	**31-12-2011 (12 months)**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	3,901.12	3,092.13	2,415.94
Other income	88.00	65.43	54.50
Total	**3,989.12**	**3,157.56**	**2,470.44**
Expenses:			
Cost of materials consumed	3,018.99	2,483.75	1,839.68
Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	78.81	63.51	60.36
Finance costs	0.52	0.16	0.15
Depreciation and amortization expense	96.50	65.36	59.33
Other expenses	182.37	139.94	120.74
Total	**3,377.19**	**2,752.72**	**2,080.26**
Profit/(Loss) before exceptional and extraordinary items and tax	**611.93**	**404.84**	**390.18**
(a) Prior period items (Net)	-	-	-
(b) Exceptional items	-	-	-
Profit/(Loss) Before Tax (PBT) for the year.	**611.93**	**404.84**	**390.18**
Less: (a) Current tax	165.41	107.50	108.10
Less: (b) Income Tax provision for earlier years written back	-	(2.52)	-
Less: (c) Deferred tax	26.67	13.20	8.20
Profit (Loss) for the year	**419.85**	**286.66**	**273.88**
Balance carried to Balance Sheet	**242.89**	**138.91**	**(82.69)**

Gujarat Gas Financial Services Limited

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31-03-2014	31-12-2012	31-12-2011
EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	2.00	2.00	2.00
(b)	Reserves and surplus	33.36	28.40	22.70
Share application money pending allotment		-	-	-
Non-current liabilities		-	-	-
(a)	Long-term borrowings	-	-	-
(b)	Deferred tax liabilities (Net)	-	-	-
(b)	Other Long term liabilities	-	-	-
(d)	Long-term provisions	-	-	-
Current liabilities		-	-	-
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	9.90	3.52	0.85
(c)	Other current liabilities	0.71	0.58	4.72
(d)	Short-term provisions	0.18	0.87	0.85
	TOTAL	**46.15**	**35.37**	**31.12**
ASSETS				
Non-current assets				
(a)	Fixed assets			
	Tangible assets	-	-	-
	Intangible assets	-	-	-
	Capital work-in-progress	-	-	-
	Intangible assets under development	-	-	-
	Total Fixed Assets (Net Block)	-	-	-
(b)	Non-current investments	-	-	-
(c)	Deferred tax assets (net)	6.14	7.24	8.20
(d)	Long-term loans and advances	0.01	0.02	0.01
(e)	Other non-current assets	-	-	-
Current assets				
(a)	Current investments	-	-	-
(b)	Inventories	14.33	6.39	8.10
(c)	Trade receivables	7.78	3.24	6.64
(d)	Cash and cash equivalents	10.46	11.62	3.31
(e)	Short-term loans and advances	7.36	6.76	4.63
(f)	Other current assets	0.07	0.10	0.23
	TOTAL	**46.15**	**35.37**	**31.12**

Gujarat Gas Financial Services Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	**31-03-2014 (15 months)**	**31-12-2012 (12 months)**	**31-12-2011 (12 months)**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	65.80	33.72	28.74
Other income	0.92	1.18	1.29
Total	**66.72**	**34.90**	**30.03**
Expenses:			
Cost of materials consumed	58.20	24.78	22.20
Purchases of Stock-in-Trade/Material	-	-	-
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	0.53	0.43	0.42
Finance costs -	-	-	
Depreciation and amortization expense	-	-	0.01
Other expenses	0.65	0.21	0.51
Total	**59.38**	**25.42**	**23.14**
Profit/(Loss) before exceptional and extraordinary items and tax	**7.34**	**9.48**	**6.89**
(a) Prior period items (Net)	-	-	-
(b) Exceptional items	-	-	-
Profit/(Loss) Before Tax (PBT) for the year.	**7.34**	**9.48**	**6.89**
Less: (a) Current tax	1.28	2.13	3.15
Less: (b) Income Tax provision for earlier years written back	-	(0.01)	-
Less: (c) Deferred tax	1.10	0.96	(0.73)
Profit (Loss) for the year	**4.96**	**6.40**	**4.47**
Balance carried to Balance Sheet	**4.96**	**5.06**	**3.33**

Gujaratgas Trading Company Limited

Abridged Balance Sheets (amount in crores)

Years/Period ended on	31-03-2014	31-12-2012	31-12-2011
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	0.09	0.09	0.09
(b) Reserves and surplus	14.29	13.29	12.29
Share application money pending allotment	-	-	-
Non-current liabilities	-	-	-
(a) Long-term borrowings	-	-	-
(b) Deferred tax liabilities (Net)	-	-	-
(b) Other Long term liabilities	-	1.23	1.23
(d) Long-term provisions	-	-	-
Current liabilities	-	-	-
(a) Short-term borrowings	-	-	-
(b) Trade payables	-	9.29	12.42
(c) Other current liabilities	0.04	0.48	0.98
(d) Short-term provisions	-	1.48	1.64
TOTAL	**14.42**	**25.86**	**28.65**
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	-	-	-
Intangible assets	-	-	-
Capital work-in-progress	-	-	-
Intangible assets under development	-	-	-
Total Fixed Assets (Net Block)	-	-	-
(b) Non-current investments	-	-	-
(c) Deferred tax assets (net)	-	-	-
(d) Long-term loans and advances	-	1.23	1.23
(e) Other non-current assets	-	-	-
Current assets			
(a) Current investments	14.17	14.87	12.39
(b) Inventories	-	-	-
(c) Trade receivables	-	9.34	13.33
(d) Cash and cash equivalents	0.11	0.39	1.67
(e) Short-term loans and advances	0.14	0.03	0.03
(f) Other current assets	-	-	-
TOTAL	**14.42**	**25.86**	**28.65**

Gujaratgas Trading Company Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	**31-03-2014 (15 months)**	**31-12-2012 (12 months)**	**31-12-2011 (12 months)**
	Amount in Crores	Amount in Crores	Amount in Crores
Revenue from operations (Net)	34.36	115.37	132.67
Other income	1.18	0.99	0.97
Total	**35.54**	**116.36**	**133.64**
Expenses:			
Cost of materials consumed	-	-	-
Purchases of Stock-in-Trade/Material	34.33	115.26	132.53
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	-	-	-
Finance costs -	-	-	
Depreciation and amortization expense	-	-	-
Other expenses	0.22	0.10	0.11
Total	**34.55**	**115.36**	**132.64**
Profit/(Loss) before exceptional and extraordinary items and tax	**0.99**	**1.00**	**1.00**
(a) Prior period items (Net)	-	-	-
(b) Exceptional items	-	-	-
Profit/(Loss) Before Tax (PBT) for the year.	**0.99**	**1.00**	**1.00**
Less: (a) Current tax	-	-	-
Less: (b) Income Tax provision for earlier years written back	-	-	-
Less: (c) Deferred tax	-	-	-
Profit (Loss) for the year	**0.99**	**1.00**	**1.00**
Balance carried to Balance Sheet	**0.99**	**1.00**	**1.00**

GSPC DISTRIBUTION NETWORKS LIMITED

Abridged Balance Sheets (amount in crores)

Years/Period ended on		31/03/2014	31/03/2013	31/03/2012
EQUITY AND LIABILITIES				
1.	Shareholders' funds			
(a)	Share capital	900.05	0.05	-
(b)	Reserves and surplus	(75.27)	(3.86)	-
(c)	Money received against share warrants	-	-	-
2.	Share application money pending allotment	-	348.00	-
3.	Non-current liabilities			
(a)	Long-term borrowings	500.00	1,500.00	-
(b)	Deferred tax liabilities (Net)	-	-	-
(c)	Other Long term liabilities	22.72	3.19	-
(d)	Long-term provisions	-	-	-
4.	Current liabilities			
(a)	Short-term borrowings	-	-	-
(b)	Trade payables	-	-	-
(c)	Other current liabilities	1,645.55	-	-
(d)	Short-term provisions	0.02	2.79	-
	TOTAL	**2,993.06**	**1,850.17**	**-**
ASSETS				
1.	Non-current assets			
(a)	Fixed assets			
	i. Tangible assets	-	-	-
	ii. Intangible assets	-	-	-
	iii. Capital work-in-progress	-	-	-
	iv. Intangible assets under development	-	-	-
(b)	Non-current investments	2,811.14	347.68	-
(c)	Deferred tax assets (net)	-	-	-
(d)	Long-term loans and advances	-	-	-
(e)	Other non-current assets	7.97	-	-
2.	Current assets			
(a)	Current investments	-	1,499.91	-
(b)	Inventories	-	-	-
(c)	Trade receivables	-	-	-
(d)	Cash and Cash Equivalents	165.62	0.06	-
(e)	Short-term loans and advances	1.52	0.24	-
(f)	Other current assets	6.81	2.28	-
	TOTAL	**2,993.06**	**1,850.17**	**-**

GSPC DISTRIBUTION NETWORKS LIMITED

Abridged Profit and Loss Accounts:

Years/Period ended on	**2013-14**	**2012-13**	**2011-12**
	Amount in Crores	Amount in Crores	Amount in Crores
INCOME			
Net Turnover	-	-	-
Other Income	122.54	2.27	
TOTAL	**122.54**	**2.27**	
EXPENDITURE			
Cost of materials consumed & Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods and Stock-in-Trade	-	-	-
Employee benefits expense	-	-	-
Finance costs	189.55	3.24	-
Depreciation and amortization expense	-	-	-
Other expenses	3.09	2.21	-
TOTAL	**192.64**	**5.45**	**-**
Profit Before Prior Period items and Tax	**(70.10)**	**(3.18)**	**-**
(a) Prior period items	-	-	-
(b) Exceptional items	-	-	-
Profit Before Tax for the year	**(70.10)**	**(3.18)**	**-**
Less: Current Income Tax	1.31	0.69	-
Less: Deferred Tax	-	-	-
Profit for the year	**(71.40)**	**(3.86)**	**-**
Balance carried to Balance Sheet	**(71.40)**	**(3.86)**	**-**

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

GSPC GAS COMPANY LIMITED

AND

GUJARAT GAS COMPANY LIMITED

AND

GUJARAT GAS FINANCIAL SERVICES LIMITED

AND

GUJARAT GAS TRADING COMPANY LIMITED

AND

GSPC DISTRBUTION NETWORKS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

GSPC GAS COMPANY LIMITED

AND

GUJARAT GAS COMPANY LIMITED

AND

GUJARAT GAS FINANCIAL SERVICES LIMITED

AND

GUJARAT GAS TRADING COMPANY LIMITED

AND

GSPC DISTRIBUTION NETWORKS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 TO 103 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956

PREAMBLE

(A) DESCRIPTION OF COMPANIES:

GSPC Gas Company Limited ("GSPC Gas") is incorporated in India under the provisions of the Companies Act, 1956. GSPC Gas is engaged in the business of distribution of natural gas. GSPC Gas caters to the natural gas requirements of the retail segments, which comprises of industrial, commercial, CNG and residential customers. GSPC Gas is an unlisted company and owns 44.45% stake in GSPC Distribution Networks Limited ("GDNL"). Besides GSPC Gas, Gujarat State Petronet Limited ("GSPL") owns 38.88% in GDNL and Gujarat State Fertilizers and Chemicals Ltd ("GSFC") own the balance 16.67% in GDNL.

GDNL is incorporated in India under the provisions of the Companies Act, 1956. GDNL, an unlisted company holds 73.7 % stake in Gujarat Gas Company Limited ("GGCL").

GGCL is incorporated in India under the provisions of the Companies Act, 1956. GGCL is engaged in the business of transmission and distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The equity shares of GGCL are listed on Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange.

Gujarat Gas Financial Services Limited ("GFSL") is incorporated in India under the provisions of the Companies Act, 1956. GFSL is currently engaged in the business of sale of gas connections in India to its holding company i.e. GGCL and to other commercial and non commercial customers within India. GFSL is an unlisted company. GGCL holds 69.88% equity stake in GFSL.

Gujarat Gas Trading Company Limited ("GTCL") is incorporated in India under the provisions of the Companies Act, 1956. GTCL is engaged in the business of distribution of gas from sources of supply to centres of demand and/or to the end customers. GTCL is an unlisted company. GTCL is a wholly owned subsidiary of GGCL.

All the above companies are part of the Gujarat State Petroleum Corporation Group (the "GSPC Group") and are engaged in the similar line of business i.e. City Gas Distribution ("CGD"). The management of GSPC Group is now desirous of consolidating operations of these companies as they are engaged into similar businesses.

This Composite Scheme of Amalgamation and Arrangement (the "Scheme") is presented under Sections 391 to 394 read with Section 100 to 103 and other relevant provisions of the Companies Act, 1956 for the amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL.

(B) RATIONALE AND PURPOSE OF THE SCHEME:

Since GSPC Gas and GGCL along with its subsidiaries are engaged into similar business, GSPC Gas wanted to acquire business of GGCL including its assets and liabilities along with its subsidiaries so as to expand its business presence in the State of Gujarat. However, considering the fact that GGCL is a company listed on the stock exchanges in India; GSPC Gas along with Gujarat State Petronet Limited ("GSPL") through GDNL acquired 94,519,080 (73.70%) equity shares of GGCL as below:

- o 83,518,750 (65.12%) equity shares of GGCL were acquired on June 12, 2013 from BG Asia Pacific Holdings Pte. Ltd, as per the Share Purchase Agreement;
- o 11,000,330 (8.58%) equity shares of GGCL were acquired on March 12, 2013 under the Open Offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

At the time of acquisition of GGCL, all requisite approvals viz. approval from Competition Commission of India, Reserve Bank of India, etc, as may be applicable were obtained.

As a measure to consolidate the City Gas Distribution business, GSPC Group management has decided to amalgamate the city gas distribution business of GSPC Gas, GGCL, GFSL and GTCL into GDNL by way of a Court approved Scheme of Amalgamation. The amalgamation, inter alia, would result in the following benefits:

a) Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage for the stakeholders. Further, the proposed consolidation will provide an opportunity to better leverage the combined asset and capital base, build a stronger and sustainable business and improve the potential for further growth and expansion of the business of the merged entity;

b) The proposed amalgamation will not only bring about operational rationalisation, organisational efficiency but also will result in multiple synergies. By pooling together various resources, administrative, managerial and other expenditures will also reduce. The proposed amalgamation will strengthen significantly the position of the combined entity in the industry in terms of asset base, revenue, business volume and market share;

c) The amalgamated entity will benefit from improved organizational leadership, arising from the combination of people from all the companies, who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive Oil & Gas industry more particular in City Gas Distribution Business;

d) The combined entity would have greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities. It will have large net worth and borrowing capacity to expand its business at a faster rate. The combined entity will improve the potential for further expansion of the businesses by way of increased borrowing strength of the combined entity;

e) Further, the amalgamation will result in a significant reduction in the multiplicity of legal and regulatory & other applicable compliances required at present to be carried out by all the Companies.

In consideration of the above mentioned business rationale and related benefits, this Scheme between GSPC Gas, GGCL, GFSL, GTCL and GDNL is being proposed in accordance with the terms set out hereunder.

The Scheme is divided into the following parts –

- § **PART I** – Definitions and Share Capital;
- § **PART II** – Amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL; and
- § **PART III** – General terms and conditions.

PART I: DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

1.1 **"Act" or "the Act"** means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors of the Transferor Companies and the Transferee Company, Section 100 to 103 and Section 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act are reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted..

1.2 **"Appointed Date"** means April 1, 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal or any other appropriate authority.

1.3 "**Board of Directors**" means the Board of Directors of the GSPC Gas, GGCL, GDNL, GFSL or GTCL, as the context may require and includes committee thereof.

1.4 "**CENVAT**" means Central Value Added Tax.

1.5 "**Effective Date**" means last of the dates on which the certified true copies of the orders sanctioning this Scheme passed by the High Court of Judicature of Gujarat, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Gujarat.

References in this Scheme to the date of "**coming into effect of this Scheme"** or "**upon the Scheme being effective**" shall mean the Effective Date.

1.6 "**Eligible Employees**" means the employees of GGCL, who are entitled to ESOP established by GGCL and to whom, as on the Record Date, options of GGCL have been granted but not exercised, irrespective of whether the same are vested or not.

1.7 "**Employees Stock Option Plan**" **or** "**ESOP**" shall mean Employees Stock Option Plan of 2008 established by GGCL as per ESOP guidelines issued by Securities and Exchange Board of India ("SEBI").

1.8 **"ESOP Trust"** means Gujarat Gas Company Limited Employees Welfare Stock Option Trust, created by GGCL and nominated for the purpose of holding shares of GGCL or Transferee Company, as the case may be, for issue / benefit of Eligible Employees of GGCL.

1.9 "**GDNL" or the "Transferee Company"** means GSPC Distribution Networks Limited, a company incorporated under the Act, having its registered office at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 001, Gujarat, India.

1.10 **"GFSL"** means Gujarat Gas Financial Services Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

1.11 "**GGCL**" means Gujarat Gas Company Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

1.12 "**GSPC Gas**" means GSPC Gas Company Limited, a company incorporated under the Act, having its registered office at 2nd Floor, Block No. 15, Udyog Bhavan, Sector 11, Gandhinagar – 382 001, Gujarat, India.

1.13 **"GTCL"** means Gujarat Gas Trading Company Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

1.14 **"High Court" or "Court"** means the High Court of Gujarat at Ahmedabad and shall include National Company Law Tribunal ("NCLT"), if and when applicable.

1.15 "**New Stock Option Plan" or "New ESOP"** shall mean Employees Stock Option Plan established by the Transferee Company as per ESOP guidelines issued by SEBI.

1.16 "**Record Date**" means such date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of Transferor Companies viz. GSPC Gas, GGCL, and GFSL, after the sanction of this Scheme by the High Court or such other competent authority as is empowered to sanction the Scheme, to determine the members of Transferor Companies viz. GSPC Gas, GGCL, and GFSL to whom equity shares of Transferee Company will be allotted.

1.17 **"Scheme"** or "**the Scheme**" or "**this Scheme**" means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.

1.18 "**Transferor Companies**" means GSPC Gas, GGCL, GFSL and GTCL collectively.

1.19 "**Undertakings**" in relation to the Transferor Companies, as the context may require, shall mean whole of the undertakings and business of the Transferor Companies as a going concern, including (without limitation):

(a) all the businesses, properties, assets and liabilities of whatsoever kind and wheresoever situated as on the Appointed Date;

(b) without prejudice to the generality of the foregoing clause, Undertakings shall include all rights, powers, authorities, privileges, liberties and all properties and assets whether movable or immovable, tangible or intangible, current or noncurrent, freehold or leasehold, real or corporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including, without limited to plant and machinery, office equipments, inventories, furniture and fixtures, capital work in progress, power lines, railway sidings, depots, contingent rights or benefits, benefit of any deposits, financial assets, leases and hire purchase contracts, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, assignments and grants in respect thereof, operating agreements, investment of all kinds (including investment in shares, scrips, stocks, bonds, debenture stock, units, mutual funds), sundry debtors, cash and bank balances, loans and advances, amount receivable from ESOP trust, leasehold improvements, accrued interest, vehicles, appliances, computers, software, accessories, registrations, lease, claims, allotments, approvals, consents, letters of intent, registrations, licences including licences with respect to city gas distribution business, contracts, agreements with Ministry of Petroleum and Natural Gas ("MoPNG") and / or Petroleum and Natural Gas Regulatory Board ("PNGRB") and / or with any such regulatory authority, credits, titles, interest, import quotas and other quota rights, right of user, right of way to lay pipelines, municipal permissions or powers of every kind, nature and description whatsoever in connection and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest, and advances and or moneys paid or received, all statutory licences, and / or permissions to carry on the operations, deferred tax benefits and any other direct / indirect tax benefits, privileges, liberties,

easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests together with all present and future liabilities (including contingent liabilities), all the provisions including provision for tax, benefits of tax relief including the Income tax Act, 1961 such as credit for advance tax, taxes deducted at source, MAT, unutilised deposits or credits, benefits under the VAT / sales tax law, sales tax credit, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / service tax credits, etc, all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received, all necessary books, records, files, papers, records of standard operating procedures, computer programmes along with their licences, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, all earnest monies and / or deposits, all permanent and / or temporary employees; and

(c) All liabilities, including, without being limited to, secured and unsecured debts (whether in Indian rupees or Foreign currency), sundry creditors, advances / deposits from customer, deferred revenues, duties and obligation and provisions of every kind, nature and description of whatsoever and howsoever arising, raised, incurred or utilized.

In this Part, unless the context otherwise requires:

1.19.1 the words denoting the singular shall include the plural and vice versa;

1.19.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;

1.19.3 references to the word “include” or “including” shall be construed without limitation;

1.19.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.19.5 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

1.19.6 word(s) and expression(s) which are used in this Scheme and not defined in part, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulations) Act, 1956 or Depositories Act, 1996 or other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 SHARE CAPITAL

2.1 The share capital structure of GDNL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
1,500,000,000 Equity Shares of Rs. 10/- each	**15,000**
Total	**15,000**
Issued, Subscribed and Paid-up:	
50,000 Equity Shares of Rs. 10/- each fully paid up	0.50
Total	**0.50**

Between March 31, 2013 and on the date of filing of this Scheme with the Court, 900,000,000 equity shares of Rs. 10/- each have been issued. Thus, as on the date of filing of this Scheme with the Court, total issued, subscribed and paid-up capital of GDNL is Rs 9,000.5 million consisting of 900,050,000 equity shares of Rs. 10/- each. As on the date of filing of this Scheme with the Court, out of the total equity share capital, 400,050,000 equity shares are held by GSPC Gas, one of the Transferor Company.

2.2 The share capital structure of GGCL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
140,000,000 Equity Shares of Rs 2/- each	280.00
17,000,000 7.5% Redeemable Preference Shares of Rs. 10/- each	170.00
Total	**450.00**
Issued, Subscribed and Paid-up:	
128,250,000 Equity Shares of Rs 2/- each fully paid-up	256.50
Total	**256.50**

As on the date of filing of this Scheme with the Court, out of the above total equity share capital of the GGCL, 94,519,080 equity shares are held by GDNL, the Transferee company. Subsequent to March 31, 2013, there has been no change in the share capital of GGCL.

2.3 The share capital structure of GFSL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
7,000,000 Equity Shares of Rs 10/- each	70.00
5,000,000 Preference Shares of Rs. 10/- each	50.00
Total	**120.00**
Issued, Subscribed and Paid-up:	
2,000,000 Equity Shares of Rs 10/- each fully paid-up	20.00
Total	**20.00**

As on the date of filing of this Scheme with the Court, out of the above total equity share capital of the GFSL, 1,397,500 equity shares are held by GGCL, one of the Transferor company. Subsequent to March 31, 2013, there has been no change in the share capital of GFSL.

2.4 The share capital structure of GTCL as on March 31, 2013 was as follows:

Particulars	**Amount in Rs Million**
Authorised:	
10,000 Equity Shares of Rs 100/- each	1.00
Total	**1.00**
Issued, Subscribed and Paid-up:	
9,000 Equity Shares of Rs 100/- each fully paid-up	0.90
Total	**0.90**

As on the date of filing of this Scheme with the Court, all the equity shares are held by GGCL and its nominees, one of the Transferor Company. Subsequent to March 31, 2013, there has been no change in the share capital of GTCL.

2.5 The share capital structure of GSPC Gas as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
200,000,000 Equity Shares of Rs. 10/- each	**2,000**
Total	**2,000**
Issued, Subscribed and Paid-up:	
84,619,630 Equity Shares of Rs. 10/- each fully paid up	846.20
Total	**846.20**

Subsequent to March 31, 2013, there has been no change in the share capital of GSPC Gas.

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or directed by the High Court or NCLT or any other appropriate authority shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART II: AMALGAMATION OF GSPC Gas, GGCL, GFSL and GTCL WITH GDNL

4 TRANSFER AND VESTING OF UNDERTAKINGS

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, all the Undertakings shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become Undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

4.2 All assets, estate, rights, title, interest, etc acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date for operation of Transferor Companies or pertaining to or relating to the Transferor Companies shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. The transfer and vesting of assets, estate, rights, title, interest, etc, will be treated as an acquisition of assets and liabilities i.e. acquisition of business of the Transferor Companies on and from the Appointed Date.

4.3 All assets of the Transferor Companies, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and / or endorsement and delivery or by operation of law, pursuant to order of the Court, shall be vested in the Transferee Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company.

4.4 In respect of such of the assets of the Transferor Companies other than those referred to in clause 4.3 above including investment in shares, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, deposits, if any, with Government, semi-Government, local and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act upon effectiveness of the Scheme. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

4.5 All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. Transferee Company shall upon the order of the Court sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective and upon payment of applicable stamp duty, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. Transferee Company shall subsequent to scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

4.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4.7 Any statutory licences, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, provident fund, ESI, Reserve Bank of India, or other registrations, no objection certificates, or any consents to carry on the operations of the Transferor Companies shall stand transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of the Transferee Company so as to empower and facilitate the continuation of the operations of the Transferee Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to Transferor Companies.

4.8 All registrations, licences, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc pertaining to the Transferor Companies, if any, shall stand vested in Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the sanction of the Scheme and upon this Scheme becoming effective.

4.9 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) payable by or refundable to the Transferor Companies with

effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to the Transferor Companies, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.

4.10 Any third party or authority required to give effect to any provisions of this Scheme, shall take on record the order of the Court sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such High Court order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.11 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Companies in relation to Undertakings shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

4.12 Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297 and 372A, etc, of the Act, read with the rules and regulations made there under, shall stand transferred to and vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.

4.13 Upon this Scheme becoming effective, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the respective Transferor Company, as existed immediately prior to the effectiveness of this Scheme, and the secured creditors of the Transferee Company and/or other security holders having charge over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existed immediately prior to the scheme becoming effective. It is hereby clarified that pursuant to amalgamation, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and vice versa, and hence such assets of the respective Transferor Company and the Transferee Company, as the case may be, which are not currently encumbered, shall remain free and shall remain available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.14 Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Companies have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the

Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Companies.

4.15 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature which the Transferor Companies owns or to which the Transferor Companies are party to and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature in Trust for the benefit of the Transferee Company in terms of this Scheme, till such time as the transfer is affected.

5 LEGAL PROCEEDINGS

5.1 If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of Undertakings or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

6 CONTRACTS, DEEDS, ETC.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Companies are party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Effective Date, shall without any further act, instrument or deed, be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company, as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party, to any contract or arrangement to which the Transferor Companies are parties, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Companies, and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

7 EMPLOYEES

7.1 Upon the coming into effect of this Scheme:

7.1.1 All the employees of the Transferor Companies as on the Effective Date shall stand transferred to the Transferee Company without any interruption in service as a result of transfer of Undertakings of the Transferor Companies to the Transferee Company. The position, rank, and designation, terms and conditions (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) of the employees would be decided by the Board of Directors or any committee / sub-committee or person(s) so authorised by the Board of the Transferee Company.

7.1.2 The Transferee Company agrees that the services of all such employees (as mentioned in clause 7.1.1 above) with the Transferor Companies prior to the transfer, as aforesaid, shall be taken into account for

the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Companies. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of calculating statutory benefits, if any.

7.1.3 The existing provident fund, superannuation fund and gratuity fund, if any, of which the aforesaid employees of the Transferor Companies, being transferred under clause 7.1.1 above to the Transferee Company, are members or beneficiaries along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of the Transferor Companies would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Transferee Company. In case, necessary approvals are not received by the Effective Date and there is a delay, all such amounts shall continue to be administered by the Transferee Company as trustee from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Transferee Company [suo moto].

8 EMPLOYEE STOCK OPTION

8.1 Upon coming into effect of this Scheme, in respect of stock options granted by GGCL under the ESOP, the Transferee Company shall issue stock options taking into account the Share Exchange Ratio and on terms and conditions not less favorable than those provided under the ESOP. Such stock options will be issued by the Transferee Company under a New ESOP to be created by Transferee Company, inter alia, for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme;

8.2 It is hereby clarified that upon this Scheme becoming effective, options granted by GGCL to Eligible Employees under ESOP shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to Eligible Employees under ESOP, fresh options shall be granted by Transferee Company to the Eligible Employees on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. The Exercise Price payable for options granted by GGCL to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the New Stock Option Plan as adjusted after taking into account the effect of the Share Exchange Ratio;

8.3 ESOP Trust currently holds sufficient shares of GGCL, which may be required, to meet obligation in respect of vested as well as unvested ESOP issued to Eligible Employees. Upon the coming into effect of this Scheme, all the shares of GGCL held by the ESOP Trust shall stand cancelled and fresh shares of the Transferee Company shall be issued to the ESOP Trust on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. It is hereby clarified that Fractional entitlement, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be taken care as per mechanics mentioned in clause 14.2.5 of this Scheme.

8.4 The grant of options to the Eligible Employees pursuant to sub clause 8.2 of this Scheme shall be effected as an integral part of this Scheme and the consent of the shareholders of Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the New Stock Option Plan, without limitation, for the purpose of creating New Stock Option Plan, and all related matters. No further approval of the shareholders of Transferee Company would be required in this connection under Section 81(1A) of the Act (Corresponding notified section 62(1)(c) of the Companies Act, 2013);

8.5 It is hereby clarified that in relation to the options granted under New Stock Option Plan to Eligible Employees, the period during which the options granted by ESOP were held or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period

required under applicable law or agreement or deed for stock options granted under the New Stock Option Plan;

8.6 The Board of Directors of GGCL and GDNL or any of the committee thereof, shall take such actions to modify and/or execute such further documents as may be necessary or desirable for the purpose of giving effect to the provision of this clause of the Scheme.

9 TAXATION MATTERS

9.1 It is expressly clarified that upon the Scheme becoming effective, all taxes payable by the Transferor Companies on and after the Appointed Date shall be treated as the tax liability of the Transferee Company. Similarly, all credits for taxes including but not limited to tax deduction at source of the Transferor Companies shall be treated as credits for taxes of the Transferee Company.

9.2 All taxes of any nature, duties, cess or any other like payment or deductions made by the Transferor Companies to any statutory authorities such as income tax, sales tax, service tax, CENVAT, etc. or any tax deduction or collection at source, relating to the period after the Appointed Date but up to the Effective Date shall be deemed to have been on account of or paid on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of the Scheme and upon relevant proof and documents being provided to the said authorities.

9.3 Upon this Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax, value added tax and any other statutory returns and filings under the tax laws, notwithstanding that the period of filing / revising such return may have lapsed and period to claim refund / advance tax and withholding tax credit, etc, also elapsed pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to refund and / or set-off all amounts paid by the Transferor Companies under income tax, value added tax, service tax, excise duty or any other tax etc or any other disputed amount under appeal, if any, upon this Scheme becoming effective.

10 SAVING OF CONCLUDED TRANSACTIONS

10.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Companies as per this Scheme and the continuance of the proceedings by or against the Transferee Company under clause 4 and clause 5 hereof shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Effective Date, to that end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as acts deeds and things done and executed by and on behalf of the Transferee Company.

11 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

11.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies shall be deemed to have been carrying on all business on account of and in trust for the Transferee Company. All profits accruing to the Transferor Companies or losses including tax losses, arising or incurred by the Transferor Companies for the period commencing from the Appointed Date and up to and including the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.

11.2 The Transferor Companies hereby confirms that it has, and shall continue upto the Effective Date, to preserve and carry on the business with diligence, prudence and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose off any Undertakings or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or conclude settlements with unions or employees or undertake substantial expansion to the Undertakings, other than expansions which have already commenced prior to the Appointed Date.

12 DECLARATION OF DIVIDENDS

12.1 The Transferor Companies shall be entitled to declare or pay dividend, whether interim or final, to their equity shareholders in respect of any accounting period prior to the Effective Date, but only consistent with past practice, or in the ordinary course. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies shall be subject to the prior approval of the Board of Directors of the Transferee Company and in accordance with applicable laws.

12.2 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividend, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

12.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, subject to such approvals of the shareholders, as may be required.

13 ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY

13.1 **Consolidation of Authorised Share Capital of Transferor Companies**

13.1.1 The authorised share capital of the Transferor Companies as specified in clause 2.2 to clause 2.5 aggregating to 235,100,000 shares of Rs 10 each shall stand transferred to and combined with the authorised share capital of the Transferee Company and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased. The resolution approving the Scheme shall be deemed to be the approval of increase and re-classification in the authorised share capital of the Transferee Company under Section 94 of the Act (Corresponding notified Section 61 of the Companies Act, 2013) and other applicable provisions of the Act. Accordingly, upon sanction of this Scheme and from the date of this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies.

13.1.2 Clause V of the Memorandum of Association of the Transferee Company and clause 4 of Article of Association of the Transferee Company relating to authorised share capital shall respectively, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94, (Corresponsing notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act and other applicable provisions of the Act, as the case may be and be replaced with the following clause:

Clause V of Memorandum of Association of Transferee Company

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

Clause 4 of Articles of Association of Transferee Company.

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million

and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

13.2 Amendment to Object Clause of the Transferee Company

13.2.1 Upon the Scheme becoming effective, the following clause shall be inserted in the Main Objects clause of the Memorandum of Association of the Transferee Company after clause 5:

6. *"To carry on business of dealing with all aspects of negotiations, procurement, imports, storage, handling processing, distribution and transportation of Natural Gas, Liquefied Natural Gas ("LNG"), Coal Bed Methane ("CBM"), Naphtha, Fuel Oils, Crude Oil & other Petroleum Products, coal and any other fuels and utilization thereof.*

7. *To administer fuel supply and purchase contracts on behalf of State Government and promoter Companies*

8. *To develop expertise, provide consultation and render advisory services for various technical, legal and commercial aspects of Fuel Supply Management business and facilitating implementation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuel projects*

9. *To act as an advisory body to the Government / any other agency appointed by State Government for all aspects related to Policy and regulation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuels import / utilization.*

10. *To promote and make strategic investment in infrastructure projects and facilities meant for augmenting fuel supply."*

13.2.2 Upon the Scheme becoming effective, it shall be deemed that the members of the Transferee Company have also resolved and accorded to relevant consents as applicable under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013). It is further clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013) for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Company, Gujarat, for amending the main objects in accordance with the clause 13.2.1 of this Scheme.

13.3 **Alteration to the Name Clause**

13.3.1 Upon the Scheme becoming effective, the name of GSPC Distribution Networks Limited shall be deemed to have been changed to GSPC Gas Limited or such other alternative name as may be permitted by Registrar of Companies, Gujarat in accordance with Section 21 (Corresponding notified section 13 of the Companies Act, 2013), and other relevant provisions of the Act.

13.3.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 21 (Corresponding notified section 13 of the Companies Act, 2013) or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Transferee Company.

13.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. change in the Capital Clause, Object Clause and Name Clause, referred above, shall become operative upon the Scheme becoming effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 21, 31, 94 (Corresponding notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act, or any other provisions of the Act, and there shall not be a requirement to pass separate resolutions as required under the Act.

14 ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL

14.1 Share Swap Ratio

14.1.1 As per the share swap ratio recommended by the Valuer, M/S/ SSPA & Co., Chartered Accountants, upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertakings of the Transferor Companies to the Transferee Company, the shareholders of the Transferor Companies should be allotted shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

TO THE SHAREHOLDERS OF GTCL

The entire issued, subscribed and paid up share capital of GTCL is held by GGCL. Upon the Scheme becoming effective, GGCL would be amalgamated with the Transferee Company from the Appointed Date and hence no shares of the Transferee Company shall be issued and allotted in consideration of the amalgamation and the share capital of GTCL shall stand cancelled.

14.1.2 If the shares are issued as per above swap ratio, the resultant shareholding pattern of the Transferee Company, upon merger would be as follows:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	3,185,795,015	60.89%
Public and Others	2,045,969,960	39.11%
Total	**5,231,764,975**	**100%**

14.2 Issuance and Allotment of Shares

14.2.1 Upon issuance of shares based on the share swap ratio as mentioned above, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth

and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

14.2.2 The equity shares of the Transferee Company to be issued to the members of the Transferor Companies in terms of clause 14.2.1 above shall be subject to the provisions of Articles of Association of the Transferee Company and shall rank pari-passu, in all respects with the existing equity shares of the Transferee Company.

14.2.3 Upon the implementation of this scheme, the paid up equity share capital of GGCL held by GDNL, the paid up equity share capital of GDNL held by GSPC Gas, and the paid up equity share capital of GGCL into GFSL and GTCL shall, *ipso facto*, without any further act or deed stand cancelled on the Effective Date, and no shares of the Transferee Company will be issued or allotted with respect to the equity shares so cancelled.

14.2.4 Since lower number of shares will be issued to the shareholders of Transferor Companies as mentioned in clause 14.2.1 above, in order to ensure that interest of none of the shareholders is jeopardised, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as prescribed in clause 14.3.1. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain as mentioned in clause 14.1.2.

14.2.5 No fractional shares shall be issued by the Transferee Company. The Board of Directors of the Transferee Company shall consolidate all fractional entitlements, if any, arising due to issuance of shares pursuant to amalgamation of the Transferor Companies and allot new equity shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the new equity shares issued by the Transferee Company in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same

in the market at such time or times (not later than 15 days from the date of listing of new equity shares of the Transferee Company) and at such price or prices and to such person or persons, as he / they may deem fit and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

14.2.6 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 81(1A) (Corresponding notified section 62(1)(c) of the Companies Act, 2013) and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

14.2.7 The new equity shares shall be issued in dematerialized form to those equity shareholders who hold the shares of Transferor Companies in demateralised form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold shares of Transferor Companies in physical form shall be issued new equity shares in Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the record date, by giving a notice in writing to the Transferee Company. Such physical equity share certifications (if any), shall be sent by Transferee Company to the equity shareholders of the Transferor Companies at their respective registered addresses as appearing in the register of member maintained by the Transferor Companies as of record date with respect to their shareholders (or in case of joint shareholders – to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

14.2.8 In the event of their being any pending share transfer, whether lodged or outstanding, of any shareholders of the Transferor Companies, the Board of Directors of the Transferee Company or any committee / person duly authorized in this regard by the Board of Directors of Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme.

14.2.9 The existing equity shares after giving effect to reduction as per clause 14.3.1 and after considering issue of new equity shares to the shareholders of the Transferor Companies as per clause 14.2.1 of this Scheme will be listed and / or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009, as amended from time to time, on all the stock exchanges on which shares of GGCL are listed on the effective date. The Transferee Company shall enter into such arrangement and give such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Transferee Company with the formalities of the said stock exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval of National Stock Exchange of India Limited dated 05.11.2014 and BSE Limited dated 07.11.2014.

14.3 **REORGANIZATION OF SHARE CAPITAL**

14.3.1 In order to ensure that the interest of none of the shareholders is jeopardized as discussed in clause 14.2.4, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as follows:

On the effective date and after securing necessary approvals and permissions and after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL as per clause 14.2.3, the Transferee Company shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 *divided into 500,000,000 shares of Rs 10 each* to Rs 131,578,950 *divided into 13,157,895 shares of Rs 10 each*.

14.3.2 The differential amount arising upon reduction of share capital of the Transferee Company as per above clause shall be utilised in the manner specified in clause 15.5.

14.3.3 Upon issuance of shares as per clause 14.2.1 above and reduction of share capital as per clause 14.3.1 above, the resultant shareholding pattern of the Transferee Company would be as below:

Name of the Shareholder	**No. of shares**	**Resultant Shareholding (%)**
Promoter and Promoter Group	83,836,710	60.89%
Public and Others	53,841,315	39.11%
Total	**137,678,025**	**100%**

14.3.4 The reduction of share capital as contemplated in clause 14.3.1 above shall be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme at the Court conveyed meeting, shall be deemed to be their approval under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital. The Transferee Company shall not be required to undertake any separate proceedings for the same. The Order of the High Court sanctioning the Scheme shall be deemed to be an Order under section 102 of the Act. Further, since the said proposal for reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholders of any paid up share capital, the procedure prescribed under section 101 shall not be required to be undertaken.

14.3.5 Notwithstanding the reduction as mentioned above, the Transferee Company shall not be required to add "and reduced" as suffix to its name and the Transferee Company shall continue in its existing name.

14.3.6 The share certificates of the Transferee Company in relation to the shares held by its equity shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled pursuant to the reduction of capital

It is expressly clarified that shares issued and allotted pursuant to clause 14.2.1 above, shall not be subject to reduction proposed in clause 14.3.1 above.

14.3.7 The shares and share certificates of the Transferor Companies and / or Transferee Company held by the members of the Transferor Companies and / or Transferee Company shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and non-negotiable and be of no effect on and from the Effective Date.

15 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as per the "Purchase Method" as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, such that:

15.1 The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Transferee Company, pursuant to the Scheme and shall be recorded by the Transferee Company, at their respective fair values, as determined by the Board, as on the Appointed Date.

15.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment of GSPC Gas in GDNL, the investment of GDNL in GGCL and the investment of GGCL into GFSL and GTCL shall stand cancelled.

15.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.

15.4 The Transferee Company shall credit to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to clause 14.2.1 of this Scheme.

15.5 The difference in the value of net assets of Transferor Companies to be vested in the Transferee Company as per clause 4.1 above and issue of shares as per clause 14.2.1 above, after adjustment of the cancellation of investment of GSPC Gas into GDNL, investment of GDNL into GGCL and investment of GGCL into GFSL and GTCL as per clause 14.2.3, reduction of share capital of GDNL as per clause 14.3.1 and adjustment of differential amount arising as per clause 14.3.2, shall be credited by Transferee Company to "Reserves" or debited to "Goodwill Account", as the case may be.

15.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date would be adjusted in accordance with Accounting Standard – 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

16 DISSOLUTION OF THE TRANFEROR COMPANIES

Upon the Scheme being effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

PART III: GENERAL TERMS AND CONDITIONS

17 APPLICATIONS TO HIGH COURT

17.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions to the High Court, where the registered offices of the Transferor Companies and the Transferee Company are situated, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 391 to 394 of the Act and other applicable provisions of the Act.

18 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

18.1 The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the

Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the High Court, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Transferee Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.

18.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19 SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is and shall be conditional upon and subject to the followings:

19.1 The requisite consent, approval or permission of any statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;

19.2 The Scheme being approved by respective requisite majorities in numbers and value of such classes of persons including the member and creditors of the companies as may be directed by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority as may be applicable;

19.3 Approval and agreement by the public shareholders of GGCL through resolution passed through postal ballot and e-voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution), and that the votes cast by public shareholders in favor of the proposal are more than the number of votes cast by public shareholders against it in accordance with the SEBI Circular no. CIR/CFD/DIL/5/2013 issued on February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 issued on May 21, 2013 subject to modification, if any, in accordance with any subsequent circulars and amendment that may be issued by SEBI from time to time.

19.4 The Scheme being sanctioned by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority, as may be applicable under Section 391 to 394 of the Act; and

19.5 Certified Copies of the Order of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

20 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

20.1 In the event of any of the said sanctions and approvals referred to in clause 19 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

21 COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or High Court's order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

Gujarat Gas Company Limited

Fairness Opinion Certificate on the proposed amalgamation of Gujarat Gas Company Limited into GSPC Distribution Networks Limited (GDNL)

SBI Capital Markets Limited

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade, Mumbai – 400 005

April 2014

GUJARAT GAS COMPANY LIMITED A'BAD

SBI Capital Markets Limited

GUJARAT GAS COMPANY LIMITED A'BAD

SBI Capital Markets Limited

Disclaimer

This fairness opinion certificate ("Certificate" or "This certificate" or "this certificate") contains proprietary and confidential information regarding Gujarat Gas Company Limited ("the Company" or "GGCL"). This certificate is issued for the exclusive use and benefit of the Company as per the Engagement letter. This certificate has been issued by SBI Capital Markets Limited ("SBICAP") as on April 19, 2014, on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Company and for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the listing agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and it shall not be valid for any other purpose or as at any other date. This certificate is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein, and neither this document nor anything contained herein may form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This certificate has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This certificate may not be all inclusive and may not contain all of the information that the recipient may consider material.

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GUJARAT GAS COMPANY LIMITED RAJ A'BAD

responsibility or liability for any such information or opinions and therefore, any liability or responsibility is expressly disclaimed.

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GUJARAT GAS COMPANY LIMITED A'BAD

CERTIFIED TRUE COPY

For, GUJARAT GAS COMPANY LTD.

RAJESHWARI SHARMA
COMPANY SECRETARY

SBI Capital Markets Limited

1 Background

1.1 About Company

GGCL was incorporated on January 17, 1980. GGCL has evolved to become India's largest player in distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain – Residential, Industrial, Commercial and CNG. GGCL currently operates two key industrial districts of Surat and Bharuch in Gujarat. GSPC Gas through GSPC Distribution Network Limited (GDNL) acquired majority equity stake of approximately 73.70% i.e. by way of open offer 8.58% in March 13 and 65.12% in June 2013 by acquisition of shares from BG Asia Pacific Holdings Pte. Ltd. GGCL holds 100% equity stake in Gujarat Gas Trading Company Limited (GTCL) and 69.88% equity stake in Gujarat Gas Financial Services Limited (GFSL). The Shares of GGCL are listed on The National Stock Exchange of India Limited, BSE Limited; Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

1.2 Transaction Overview

We have been informed that the management of the Companies viz. GGCL, GTCL, GFSL and GSPC Gas Limited are considering a proposal for the amalgamation of GSPC Gas, GGCL, GTCL and GFSL into GDNL (hereinafter referred to as "amalgamation") pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "Scheme"). Subject to necessary approvals, GSPC Gas, GGCL and GFSL would be merged into GDNL with effect from the Appointed Date of April 1, 2013. In consideration for the amalgamation, equity shares of GDNL would be issued to the shareholders of GSPC Gas, GGCL and GFSL.

1.3 Role of SBI Capital Markets

SBI Capital Markets Limited (SBICAP) was appointed by the GGCL to issue fairness opinion certificate as required under clause 24(f) and 24(h) of the listing agreement and SEBI Regulations, as amended. The certificate has been issued on the valuation report provided by an independent valuer, SSPA & Co; Chartered Accountants ("SSPA").

GUJARAT GAS COMPANY LIMITED RAJ A'BAD

1.4 Sources of information

We have relied upon the following sources of information provided by the management.

(a) Audited financial statements of GSPC Gas for the financial year ended March 31, 2013.

(b) Audited financial statements of GDNL for the financial year ended March 31, 2013.

(c) Audited financial Statements of GGCL and its subsidiaries i.e. GTCL and GFSL for the financial year ended March 31, 2013.

(d) Draft Scheme of Amalgamation u/s 391 to 394 and other applicable provisions of the Companies Act, 1956.

(e) Financial Projections of GSPC Gas for FY 2013-14 to FY 2026-27.

(f) Financial Projections of GGCL and GFSL for the calendar year (CY) 2014 to 2026.

(g) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.

(h) Such other information and explanations as we required and which have been provided by the Management.

2 SBICAP view on the fairness of the transaction

SSPA has analyzed various valuation methologies like Underlying Asset approach, Income approach and Market price approach and has used Income approach for valuing shares of GGCL. Under Income approach, Discounted Cash Flow (DCF) method has been used to value equity shares of GGCL.

Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and estimated tax liability; have been discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. Considering an appropriate mix between debt and equity for the Company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.

Value for equity shareholders is arrived at after making adjustment for cash & cash equivalents, loan funds, contingent liabilities adjusted for probability of devolvement, value of investment, outflow on account of Interim dividend plus dividend distribution tax thereon and amount recoverable from trust after considering the tax impact wherever applicable.

The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share.

Considering the fact that, after the amalgamation, the business of the Companies is intended to be continued on a "going concern" basis, to arrive at relative value of GGCL, it may be considered appropriate to value the shares under the "income" approach.

Based on the facts, information and explanations given to us, we are of the opinion that the proposed merger of GGCL with GDNL at the Value ascertained is fair and reasonable to the holders of equity shares of GGCL.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, a ratio of exchange in the event of amalgamation of GGCL, GSPC Gas, GTCL and GFSL into GDNL would be as under:

38 (Thirty Eight) equity shares GDNL of INR 10 each fully paid up for every 1 (One) equity share of GGCL of INR 2 each fully paid up.

81 (Eighty One) equity shares GDNL of INR 10 each fully paid up for every 2 (Two) equity share of GSPC Gas of INR 10 each fully paid up.

38 (Thirty Eight) equity shares GDNL of INR 10 each fully paid up for every 1 (One) equity share of GFSL of INR 10 each fully paid up.

The Exchange Ratio is based on a Valuation report submitted by M/s SSPA & Co Chartered Accountants.

Based on the above, in our opinion, we consider the transaction to be fair.

Yours Sincerely

For SBI Capital Markets Limited

Name: Mr. Rajesh Agarwal
Designation: Senior Vice President, SBI capital Markets Ltd

Date: 19/04/2014

GUJARAT GAS COMPANY LIMITED RAJ A'BAD

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/2257

November 05, 2014

The Company Secretary,
Gujarat Gas Company Limited
2, Shanti Sadan Society
Near Piramal Garden, Ellisbridge
Ahmedabad - 380006

Kind Attn: Ms. Rajeshwari Sharma

Dear Madam,

Sub.: Observation letter for Draft Composite Scheme of Arrangement between GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distrbution Networks Limited and their respective shareholders under sections 391 to 394 read with sections 100 to 103 and other relevant provisions of the companies Act, 1956

This has reference to Draft Composite Scheme of Arrangement between GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distrbution Networks Limited and their respective shareholders under sections 391 to 394 read with sections 100 to 103 and other relevant provisions of the companies Act, 1956 to NSE vide your letter dated April 25, 2014.

Based on our letter reference no Ref: NSE/LIST/241056-V submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated October 31, 2014 has given following comments on the draft scheme of Arrangement:

a) The company to ensure that the explanatory statement to be forwarded by the company to the shareholders u/s 393 of Companies Act, 1956 should clearly mention the fact that the resulting unlisted company is proposing to issue shares to the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report.

b) The company shall duly comply with various provisions of the Circulars.

Accordingly, we do hereby convey our „No-Objection" with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the Scheme with the Hon"ble High Court.

However, the listing of equity shares of GSPC Distrbution Networks Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, GSPC Distrbution Networks Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange"s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of GSPC Distrbution Networks Limited is at the discretion of the Exchange.

The listing of GSPC Distrbution Networks Limited, pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about GSPC Distrbution Networks Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the company.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

2. To publish an advertisement in the newspapers containing all the information about GSPC Distribution Networks Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about GSPC Distribution Networks Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

(a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

(b) "There shall be no change in the shareholding pattern or control in GSPC Distribution Networks Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 05, 2014, within which the scheme shall be submitted to the Hon"ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon"ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013.

Yours faithfully.
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
Corporate Identity Number : U67120MH2005PLC155188

Ref DCS/AMAL/CS/24(f)/199/2014-15

November 07, 2014

The Company Secretary
Gujarat Gas Company Ltd.
2, Shantisadan Society,
Near Parimal Garden, Ellisbridge .
Ahmedabad- 380 006,
Gujarat.

Dear Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Arrangement involving amalgamation of Gujarat Gas Company Ltd, GSPC Gas Company ltd, Gujarat Gas Financial Services Ltd & Gujarat Gas Trading Company Ltd with GSPC Distribution Networks Ltd.

We refer to your draft Scheme of Arrangement involving amalgamation under Sections 391 to 394 of the Companies Act, 1956 of Gujarat Gas Company Ltd, GSPC Gas Company ltd, Gujarat Gas Financial Services Ltd & Gujarat Gas Trading Company Ltd (Transferor Company / Demerged Company) into GSPC Distribution Networks Ltd. (Transferee Company / Resulting Company).

The Exchange has noted the confirmation given by the Company stating that the schemo does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated October 31, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***Company to ensure that explanatory statement to be forwarded by the company to the shareholders u/s 393 of the Companies Act ,1956 should clearly mention the fact that the resulting unlisted company is proposing to issue shares to the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report.***
- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of GSPC Distribution Networks Limited (GDNL) on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No .CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, GDNL shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of GDNL is at the discretion of the Exchange. In addition to the above, the listing of GDNL pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about GDNL and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all the information about GDNL in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about GDNL to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i) The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii) "There shall be no change in the shareholding pattern in GDNL between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Status of compliance with the Observation Letter/s of the stock exchanges;
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,

Nitin Pujari
Manager

Bhuvana Sriram
Dy. Manager

Ahmedabad Stock Exchange Limited

Regd. Office : Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad- 380 015.
Tel. : 079-26307971 to 74 **Fax :** 079-26308877 **E-mail :** info@aselindia.org **Web Site :** www.aselindia.org

10th November, 2014.
Ref.No: 395

To,
Gujarat Gas Company Limited
2, Shantisadan Society, Nr. Parimal Garden,
Ellisbridge, Ahmedabad-380 006.

Dear Sir,

Sub.: Observation letter regarding the Scheme of Arrangement involving amalgamation of Gujarat Gas Company Ltd, GSPC Gas Company Ltd, Gujarat Gas Financial Services Ltd and Gujarat Trading Co. Ltd with GSPC Distribution Networks Ltd u/s 391 to 394 of the Companies Act, 1956.

This refers to the draft scheme of arrangement submitted by your company, along with the enclosures, as well letter dtd.07.11.14 of BSE-DSE (Designated Stock Exchange) issued pursuant to SEBI letter dtd.31.10.14.

Accordingly, ASEL hereby conveys its "No Objection" to the proposed scheme, with limited reference to those matters having on listing delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable your company to file the same with the respective Hon'ble High Court(s)..

You are advised to kindly, arrange to list the securities of transferee Company(s), subject to SEBI's relaxation granted under Rule (19) (2) (b) of the Securities Contract (Reg.) Rules 1957 along with approval granted by the DSE and file all the documents together, which are filed with DSE, in compliance to listing agreement and other applicable Rules, Regulations and Acts.

Further, you are advised to kindly, comply with the requirements and provisions as enumerated by BSE-DSE in its letter dtd.07.11.14, including post approval compliance by the respective Hon'ble High Courts()s) and Complaints Report etc.

ASEL reserves its right to withdraw this "No Objection", at any stage if, the information submitted to ASEL is found to be incomplete/incorrect/misleading/ false or for any contravention of Rules, Bye-Laws and Regulations of ASEL, Listing Agreement, Guidelines/Regulations issued by any Statutory Authorities, at any point of time.

For, Ahmedabad Stock Exchange Ltd

Authorized Signatory

VADODARA STOCK EXCHANGE LIMITED

3rd Floor, Fortune Tower, Sayajigunj, Vadodara - 390 005.
Tel. : (0265) 2361534 • Fax : (0265) 2361452
• E-mail : vse@d2visp.com • UID No. : 100009563
• Website : www.vselindia.com
For Investor grievance : igc@vselindia.com
CIN : U67110GJ2005PLC046708

EMPOWERING INVESTORS
A SEBI Initiative

VSE/MD-CS/LISTING/2014/01
11TH NOVEMBER, 2014

To,
The Company Secretary,
Gujarat Gas Company Limited
Near Parimal Garden,
Ellisbridge,
Ahmedabad – 380006

Sub: To consider & give In-principal approval for the Scheme of Amalgamation / Arrangement (including reduction in capital)

This is with reference to your letter No. GGCL/SEC/2014/13639 dated 25th April, 2014 seeking approval for the Scheme of Amalgamation / Arrangement (including reduction in capital) between Gujarat Gas Company Limited("GGCL or the Company or the Transferor Company"), Gujarat Gas Financial Services Limited("GFSL or the Transferor Company"), Gujarat Gas Trading Company Limited("GTCL or the Transferor Company"), GSPC Gas Company Limited("GSPC Gas or the Transferor Company") and GSPC Distribution Network Limited ("GDNL or the Transferee Company")

In this regard, the submissions of the company vide letter No.GGCL/SEC/2014/13639 dated 25th April, 2014 have been examined by the Exchange.The Exchange is pleased to grant "in-principal approval" for the Scheme of Amalgamation / Arrangement (including reduction in capital) under Clause 24(f) of the Listing Agreement subject to:

(1) The Company to ensure that the explanatory statement to be forwarded by the company to the shareholders u/s 393 of Companies Act, 1956 should clearly mention the fact that the resulting unlisted company is proposing to issue shares to the transferor companies in a swap ratio that is different from that mentioned in the Valuation Report.

(2) The company to ensure compliance with the related Circulars.

(3) The company shall duly comply with various provisions of the Circulars.

Accordingly, we hereby convey to you that the Exchange's "In-principal Approval" with limited reference to those matters having a bearing on listing/delisting/continuous listing requirements within the provisions of Listing Agreement, so as to enable you to file the Scheme with Hon'ble High Court.

The Exchange reserves its right to withdraw its 'in-principal approval' at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/ Regulations issued by the Statutory Authorities etc.

This in-principal approval is given in terms of Clause 24(f) of the Listing Agreement.

Thanking you,

Yours faithfully,
For Vadodara Stock Exchange Limited;

11/11/14

(G. Someswara Rao)
Managing Director

VADODARA STOCK EXCHANGE LTD.

GUJARAT GAS

GGCL/SEC/2014/17750-17753

3rd June 2014

By Fax and Courier

To,

Bombay Stock Exchange Limited, Phiroze Jijibhoy Tower, Dalal Street, *(17751)* Mumbai Fax No. (022) 2272 3121/ 2272 3719	Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Nr. Panjara Pole, *(17752)* Ambawadi, Ahmedabad – 380 015 Fax No. (079) 2630 8877
Vadodara Stock Exchange Limited, 3rd Floor, Fortune Towers, *(17753)* Sayajigunj, Vadodara Fax No. – (0265) 2361 452	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, *(17750)* Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Fax No. – (022) 2659 8237 / 38 / 47 NSE Scrip Code: GUJRATGAS

Subject: Complaint Report as per Clause 24(f) of the Listing Agreement

Dear Sirs,

This is in reference to our application under clause 24(f) of the Listing Agreement for the proposed Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme") submitted on 25 April, 2014.

In this regard, we are enclosing herewith the Complaint Report in terms of SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 4, 2013.

This is for your kind perusal.

Yours Faithfully,

FOR GUJARAT GAS COMPANY LIMITED

RAthauma 4/6/14

COMPANY SECRETARY

Encl. As above.

CIN : L23203GJ1980PLC003623
Website : www.gujaratgas.com

GUJARAT GAS COMPANY LIMITED
Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

Complaints Report from 10 May 2014 to 30 May 2014 ***(i.e. period from the date of filing the application under clause 24(f) of Listing Agreement and hosting the draft scheme on the website of the Designated Stock Exchange and expiry of 21 days from such date)*** **in terms of SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 4, 2013 with respect to Composite Scheme of Amalgamation and Arrangement of Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL"), GSPC Gas Company Limited ("GSPC Gas") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders.**

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

FOR GUJARAT GAS COMPANY LIMITED

RAJhaung

COMPANY SECRETARY

CIN : L23203GJ1980PLC003623
GUJARAT GAS COMPANY LIMITED
Website : www.gujaratgas.com
Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

GGCL/SEC/2014/17806 21st July, 2014

By Fax and Courier

To,
Bombay Stock Exchange Limited,
Phiroze Jijibhoy Tower,
Dalal Street, **(17806)**
Mumbai
Fax No. (022) 2272 3121/ 2272 3719

Sub : Complaint Report as per Clause 24 (f) of the Listing Agreement

Dear Sirs,

Please refer to your email dated 18 July 2014 and our application under clause 24(f) of the Listing Agreement for the proposed Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme") submitted on 25 April, 2014.

In this regard, as requested, we are enclosing herewith the Revised Complaint Report.

This is for your kind perusal.

Yours faithfully,
FOR GUJARAT GAS COMPANY LIMITED

RAJ Sharma
COMPANY SECRETARY

Encl. As above.

CIN : L23203GJ1980PLC003623
Website : www.gujaratgas.com
GUJARAT GAS COMPANY LIMITED
Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

Complaint report from 1st June 2014 to 21 July 2014 *(i.e. period after last filing of Complaints Report till date)***in terms of SEBI circular No. CIR/CFD/DIL/5/2013, dated February 4, 2013 with respect to Composite Scheme of Amalgamation and Arrangement of Gujarat Gas Company Limited, ("GGCL") Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") GSPC Gas Company Limited ("GSPC Gas"), and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders.**

Part A

Sr.No.	Particulars	Numbers
1	Number of complaints received directly.	0
2	Number of complaints forwarded by Stock Exchange	0
3	Total number of complaints / comments received (1 + 2)	0
4	Number of complaints resolved	0
5	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of Complaints	Status (Resolved/ pending)
1	Nil	Nil	Nil

FOR GUJARAT GAS COMPANY LIMITED

Rathauna

COMPANY SECRETARY

CIN : L23203GJ1980PLC003623
Website : www.gujaratgas.com
GUJARAT GAS COMPANY LIMITED
Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. India. Tel: +91-79-26462980, 26460095. Fax: 26466249

GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623
Website: www.gujaratgas.com

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY APPLICATION NO 284 OF 2014

In the matter of Composite Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956

AND

In the matter of Gujarat Gas Company Limited. A company incorporated under the Companies Act, 1956 and having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat.

AND

In the matter of Composite Scheme Arrangement in the nature of amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited with GSPC Distribution Networks Limited and Restructuring of share capital of GSPC Distribution Networks Limited.

Gujarat Gas Company Limited.
[CIN: L23203GJ1980PLC003623]
A company incorporated under the Companies Act, 1956 and having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006, in the state of Gujarat

FORM OF PROXY

I/We, the undersigned, the Equity Shareholder of **Gujarat Gas Company Limited**, do hereby appoint Mr./Ms. ……. of ..... and failing him/her …….…. of …….. as my/our Proxy to act for me/us at the Court convened meeting of the Equity Shareholders of GGCL to be held on Monday, the 5th day of January 2015 at 11.00 A.M, at the H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, in the State of Gujarat, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the arrangement embodied in Composite Scheme of Amalgamation and Arrangement between

GSPC Gas Company Limited and Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited and GSPC Distribution Networks Limited and their respective shareholders, (the "Scheme"), and at such meeting and any adjournment/adjournments thereof, to vote, for me/us and in my/our name on the said Scheme either with or without modification(s) as my/our proxy may approve.

Affix
Revenue
Stamp

Signature across the stamp

Dated this …….. day of 2014

Signature/s of the Member/s .....

Folio No./DP ID - Cliend ID : .....

Name & Address of Member : .....

.....

Signature of the Proxy.....

Notes:

1 The Form of Proxy must be deposited at the Registered Office of the Company at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006 not less than 48(forty eight) hours before the time of holding the aforesaid meeting.

2 A proxy need not be a shareholder of Gujarat Gas Company Limited.

3 All alterations made in the Form of Proxy should be initialed.

4 In case of multiple proxies, the proxy later in time shall be accepted.

GUJARAT GAS

Gujarat Gas Company Limited

Registered Office: 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91-079-26462980 **Fax No.:** +91-079-26466249
CIN: L23203GJ1980PLC003623
Website: www.gujaratgas.com

ATTENDANCE SLIP

Folio No.	
D.P. ID No.-Client I.D. No.*	
Name of Member	
Address	
No. of Equity shares held	
Name of Proxy Holder/ Corporate Representative	

* Applicable to shareholders holding shares in dematerialized form.

I/We hereby record my/our presence at the Court convened meeting, pursuant to the Orders dated 20th November 2014 and 28th November 2014, Hon'ble High Court of Gujarat, of the Equity Shareholders of the Company at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, in the state of Gujarat on Monday, 5th January 2015 at 11.00 A.M.

SIGNATURE OF THE MEMBER/
PROXY HOLDER /
AUTHORISED REPRESENTATIVE: _____

NOTES:

1 Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

2 Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice and the Scheme for reference at the meeting.

3. Shareholders are informed that in case of joint holders attending the meeting, only such joint holder who is higher in order of the names will be entitled to vote.

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PRATIKSHA : 098252 62512