

Pooja Ganatra

From: Jayanti Pradhan <jayanti.pradhan@bseindia.com>
Sent: 04 February 2025 19:23
To: Pooja Ganatra; rajeshwari.s@gspec.in
Cc: Sandeep Dave; Snehal Modi; Moti Chaudhary; Ashok Kumar Singh; BSE Schemes
Subject: RE: BSE Scrip Code: 539336 - Scheme of Arrangement and Amalgamation - Payment of processing fees to BSE
Attachments: REVISED OBSERVATION LETTER.pdf

Dear Team,

Please find attached herewith the revised "**Observation Letter**" pursuant to Draft Composite Scheme of Amalgamation And Arrangement between Gujarat State Petroleum Corporation Limited ("GSPC"/ "Transferor Company 1"), Gujarat State Petronet Limited ("GSPL"/ "Transferor Company 2"), GSPC Energy Limited ("GEL"/ "Transferor Company 3"), Gujarat Gas Limited ("GGL"/ "Transferee Company"/ "Demerged Company") and GSPC Transmission Limited ("GTL"/ "Resulting Company") and their respective shareholders under Regulation 37, SEBI (LODR), 2015 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Please refer the following details are to be part of the disclosures to the shareholders pursuant to Point n of the observation letter:

1. In cases of Demerger, apportionment of losses of the listed company among the companies involved in the scheme.
2. Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA).
3. Any type of arrangement or agreement between the demerged company/resulting company/merged/amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.
4. In the cases of capital reduction/ reorganization of capital of the Company, Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.
5. In the cases of capital reduction/ reorganization of capital of the Company, Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.
6. In the cases of capital reduction/ reorganization of capital of the Company, Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.
7. In the cases of capital reduction/ reorganization of capital of the Company, the built up of the accumulated losses over the years, certified by CA.
8. Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.
9. In case of Composite Scheme, details of shareholding of companies involved in the scheme at each stage
10. Whether the Board of unlisted Company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof.
11. List of comparable companies considered for comparable companies' multiple method, if the same method is used in valuation.
12. Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.
13. Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years.

14. Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.
15. Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.
16. In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.
17. How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.
18. Tax/other liability/benefit arising to the entities involved in the scheme, if any.
19. Comments of the Company on the Accounting treatment specified in the scheme to conform whether it is in compliance with the Accounting Standards/Indian Accounting Standards.
20. If the Income Approach method used in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.
21. Confirmation that the valuation done in the scheme is in accordance with applicable valuation standards.
22. Confirmation that the scheme is in compliance with the applicable securities laws.
23. Confirmation that the arrangement proposed in the scheme is yet to be executed.

Regards,

Jayanti Pradhan

Assistant Manager

Listing Operations

BSE Limited,

P J Towers, Dalal Street, Mumbai -400001, India

Phone (Direct) : 8125 Mobile : 9967027113

www.bseindia.com



This mail is classified as 'PUBLIC' by jayanti.pradhan on February 04, 2025 at 19:23:19.

From: Toshika Sharma <Toshika.Sharma@bseindia.com>

Sent: 03 February 2025 13:27

To: Pooja.Ganatra@GUJARATGAS.com; rajeshwari.s@gspc.in

Cc: Sandeep.Dave@GUJARATGAS.com; Snehal Modi <Snehal.Modi@GUJARATGAS.com>; Moti Chaudhary <Moti.Chaudhary@GUJARATGAS.com>; Ashok

DCS/AMAL/TS/R37/3510/2024-25

'Revised Letter'

February 04, 2025

The Company Secretary,
Gujarat Gas Ltd.,
Sector 5/C, Gujarat Gas CNG Station,
Gandhi Nagar, Gujarat, 382006

The Company Secretary,
Gujarat State Petronet Ltd.,
GSPC Bhavan, Sector - 11, Behind Udyog
Bhavan, Gandhi Nagar, Gujarat, 382010

Dear Sir,

Sub: Observation letter regarding the Draft Composite Scheme of Amalgamation And Arrangement between Gujarat State Petroleum Corporation Limited ("GSPC"/ "Transferor Company 1"), Gujarat State Petronet Limited ("GSPL"/ "Transferor Company 2"), GSPC Energy Limited ("GEL"/ "Transferor Company 3"), Gujarat Gas Limited ("GGL"/ "Transferee Company"/ "Demerged Company") and GSPC Transmission Limited ("GTL"/ "Resulting Company") and their respective shareholders.

We are in receipt of the Draft Composite Scheme of Amalgamation And Arrangement between Gujarat State Petroleum Corporation Limited ("GSPC"/ "Transferor Company 1"), Gujarat State Petronet Limited ("GSPL"/ "Transferor Company 2"), GSPC Energy Limited ("GEL"/ "Transferor Company 3"), Gujarat Gas Limited ("GGL"/ "Transferee Company"/ "Demerged Company") and GSPC Transmission Limited ("GTL"/ "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 & 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS Div/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated January 31, 2025 has inter alia given the following comment(s) on the Draft Scheme of arrangement:

- a. "The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme".
- b. "The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges".
- c. "The Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company".
- d. "Company is advised that the information pertaining to all the unlisted companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable."



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- e. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable".
- f. "The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders".
- g. "The company is advised that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only".
- h. "The Company is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document".
- i. "The Company shall ensure that no changes to the draft scheme except those mandated by the regulators / authorities / tribunals shall be made without specific written consent of SEBI."
- j. "The Company is advised that the observations of SEBI / Stock exchanges shall be incorporated in the petition to be filed before NCLT, and the company is obliged to bring the observations to the notice of NCLT".
- k. "The Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme".
- l. "The Companies are advised that the "Scheme" shall be acted upon subject to the companies involved in the scheme of arrangement complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023, and relevant clauses mentioned in the scheme document".
- m. "The Company is advised to ensure that the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision:
 - I. Need, rationale and synergies of the scheme along with its impact on the shareholders;
 - II. Rationale for reduction in securities premium account and reclassification of GSPCL;
 - III. a write up on the history of the amalgamating companies;
 - IV. details of assets, liabilities, net worth, revenue of the companies involved in the scheme, for both pre and post scheme of arrangement;
 - V. latest net worth certificate along with statement of assets and liabilities of all the companies involved in the scheme of arrangement for both pre and post the scheme of arrangement;
 - VI. comparison of revenue and net worth of amalgamating company with the total revenue and net worth of the amalgamated company for last three financial years;
 - VII. "Company is advised that applicable additional information, if any, to be submitted to SEBI along with the draft scheme of arrangement as advised by BSE email dated February 04, 2025 shall form part of the disclosures to the shareholders."




- n. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders; while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

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

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Ashok Kumar Singh
Deputy General Manager



Jayanti Pradhan
Assistant Manager