



GUJARAT GAS

Annexure XIX

**GUJARAT
GAS
LIMITED**

**INFORMATION
MEMORANDUM**

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**GUJARAT GAS LIMITED**

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CIN: U40200GJ2012SGC069118

Website: www.gujaratgas.com

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Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited and the name was changed to Gujarat Gas Limited vide the fresh certificate of incorporation, pursuant to change of name dated 15th May 2015 granted by Registrar of Companies, Ahmedabad. The Company was incorporated on 21 February 2012 as a public limited company under the Companies Act, 1956.

**INFORMATION MEMORANDUM FOR LISTING OF 137,678,025 EQUITY SHARES OF
RS. 10/- EACH, PURSUANT TO THE COMPOSITE SCHEME OF AMALAGAMTION
AND ARRANGEMENT (THE SCHEME)**

As per the Scheme, with effect from 14th May 2015 (the Effective Date), GGL has reduced its Equity Share Capital from Rs. 9,000,500,000 to Rs. 131,578,950 after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by erstwhile GSPC Gas Company Limited (one of the transferor company) and has reduced 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.

Further, the Committee of the Board of Directors at its meeting held on 2nd June 2015 allotted 124,520,130 fully paid up Equity Shares of Rs. 10/- each aggregating to Rs. 1,245,201,300, pursuant to the said Scheme.





GENERAL RISK
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity shares of Gujarat Gas Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the shares of Gujarat Gas Limited. For taking an investment decision investors must rely on their own examination of the Company including the risks involved.
ISSUER'S ABSOLUTE RESPONSIBILITY
Gujarat Gas Limited having made all reasonable enquiries accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Gujarat Gas Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
REGISTRAR AND SHARE TRANSFER AGENT
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Financial District, Nanakamguda, Serilingampally Mandal, Hyderabad – 500032 Ph: 040 – 67161500 040 – 67161606
LISTING ARRANGEMENT
The Equity Shares of the Company are proposed to be listed on BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”), Ahmedabad Stock Exchange Limited (“ASE”) and Vadodara Stock Exchange Limited (“VSE”). Our Company has submitted this Information Memorandum to the NSE, the BSE, the ASE and the VSE, and the same is available on the Company’s website www.gujaratgas.com . The Information Memorandum would also be made available on the websites of the BSE, at www.bseindia.com and the NSE, at www.nseindia.com .

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**SECTION 1 – GENERAL****1.1.DEFINITIONS AND ABBREVIATIONS & INDUSTRY RELATED TERMS**

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

APTEL	Appellate Tribunal for Electricity
ASE	Ahmedabad Stock Exchange
AY	Assessment Year
BCM	Billion Cubic Meters
BIFR	Board for Industrial and Financial Reconstruction
BPCL	Bharat Petroleum Corporation Limited
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CBM	Coal Bed Methane
CDSL	Central Depository Services Limited
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGD	City Gas Distribution
CNG	Compressed Natural Gas
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings Per Share
ESI	Employee State Insurance
ESOP	Employee Stock Option Plan
FII	Foreign Institutional Investor
FOB	Free on Board
GA	Geographical Area
GAIL	Gas Authority of India Limited
GDNL	GSPC Distribution Networks Limited
GFSL	Gujarat Gas Financial Services Limited
GGCL	Gujarat Gas Company Limited
GGL	Gujarat Gas Limited
GIC	General Insurance Corporation of India
GIGL	GSPL India Gasnet Limited
GIPL	Guj Info Petro Limited
GITL	GSPL India Transo Limited
GoG	Government of Gujarat
GoI	Government of India





GPPC	GSPC Pipavav Power Company Limited
GSEG	Gujarat State Energy Generation Limited
GSPC	Gujarat State Petroleum Corporation Limited
GSPC Gas	GSPC Gas Company Limited
GSPC Group	Gujarat State Petroleum Corporation Limited Group
GSPL	Gujarat State Petronet Limited
GTCL	GujaratGas Trading Company Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
HOEC	Hindustan Oil and Exploration Company. Limited
HPCL	Hindustan Petroleum Corporation Limited
ICICI	Industrial Credit and Investment Corporation of India
IDBI	Industrial Development Bank of India
IEA	International Energy Agency
IFCI	Industrial Finance Corporation of India
IGL	Indraprastha Gas Limited
IOCL	Indian Oil Corporation Limited
IT Act	Income Tax Act, 1961
ITSL	IDBI Trusteeship Services Limited
LIC	Life Insurance Corporation of India
LPG	Liquefied Petroleum Gas
MAT	Minimum Alternate Tax
mmbtu	Million British Thermal Units
mmscmd	Million Metric Standard Cubic Meter per Day
MMPA	Million Metric Tonne Per Annum
MODVAT	Modified Value Added Tax
MoPNG	Ministry of Petroleum and Natural Gas
NCV	Net Calorific Value
NIA	The New India Assurance Company Limited
NIC	National Insurance Company Limited
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange
OFG	Oriental Fire and General Insurance Company Limited
OMC	Oil Marketing Company
PAT	Profit After Tax
PNG	Piped Natural Gas
PNGRB	Petroleum and Natural Gas Regulatory Board
RLNG	Re Gasified Liquefied Natural Gas
ROU	Right of Use
Rs	Rupees





SCORES	SEBI Complaints Redress System
SEBI	Securities and Exchange Board of India
SGL	Sabarmati Gas Limited
SIDBI	Small Industries Development Bank of India
SPV	Special Purpose Vehicle
STT	Securities Transactions Tax
UIFG	The United India Fire and General Insurance Co. Ltd
UTI	Unit Trust of India
VAT	Value Added Tax
VSE	Vadodara Stock Exchange
w.e.f	With effect from





1.2.CERTAIN CONVENTIONS AND MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of India.

For definitions, please see the section titled “*Definitions and Abbreviations & Industry related terms*” of this Information Memorandum.

All references to “India” contained in this Information Memorandum are to the Republic of India.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness is not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. The information, if any, included in this Information Memorandum about the various other companies is based on their respective Annual Reports and information made available by the respective companies.

We have included statements in this Information Memorandum that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward looking statements”. Similarly, statements that describe our objectives, plans or goals are also forward looking statements.

1.3.FORWARD-LOOKING STATEMENTS

All forward looking statements are subject to risks, uncertainties and assumptions about us, that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India;
- Our ability to successfully implement our growth strategy;
- Our ability to respond to technological changes;
- Changes in laws and regulations relating to the industry in which we operate;
- The loss of our key employees and staff;
- Increasing competition in and the conditions of the industry in which we operate.

For further discussion of factors that could cause our actual results to differ, refer to the section entitled “Risk Factors”. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



SECTION 2 – RISK FACTORS

Investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information contained in this Information Memorandum including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment.

RISKS (INTERNAL AND EXTERNAL) ENVISAGED BY THE MANAGEMENT

1. Gas infrastructure

The growth and sustenance of any utility/ downstream gas business places significant reliance on the uninterrupted development and availability of natural gas fields (onland, onshore or offshore), re-gasification LNG terminals, storage facilities, natural gas pipeline grid etc. India is still in its nascent stage of development of natural gas market as compared to the developed natural gas economies like USA, UK, Korea and Japan amongst others. Therefore unlike the developed gas markets globally where the industry is moving to near to perfect competition enabling those markets to determine prices based on the demand supply corrections, India would duly graduate to those levels in the coming decades. Till then the deficit in upstream and midstream infrastructure would drive the market economics and would have a direct bearing on the growth of the downstream sector in India.

2. Availability of natural gas and price

India is amongst one of the fastest growing energy economies in the world which is reflected in the widening gap between the increase in the production of natural gas eclipsed by the much faster increase in the consumption of natural gas driven by growth in sectors like power, fertilizer and city gas distribution (CGD). The increasing gap of demand and supply of natural gas availability domestically is gradually intensifying the dependence on imported re-gasified liquefied natural gas (RLNG).

However, in a positive development for the CGD sector, the Ministry of Petroleum and Natural Gas (MoPNG) during end of 2013 mandated allocation of domestic natural gas for the CNG and PNG (domestic) segments of all authorized CGD infrastructure in the country. This allocation ensures availability of domestic gas for the current consumption and future growth in these segments within a CGD, providing a boost to the industry.

In the dynamic natural gas market, the assured supply of gas at competitive price will always play an important role for the growth and development of robust downstream sector. With the advent of new gas pricing mechanism coupled with 100% allocation of domestic gas to CNG and PNG (domestic) segments the economics of switching to gas becomes more attractive for the end consumers, which in turn is expected to drive growth in consumption. The gas demand of the commercial and industrial segments is met by the costlier RLNG which has its linkage to the global volatility of availability and price.





3. Regulatory Regime

The Petroleum and Natural Gas Regulatory Board (PNGRB) which has been constituted under the Act notified by the Parliament, governs and regulates the downstream gas industry through various notified bylaws, guidelines, etc. for growth and sustenance of the downstream gas business. In an endeavor for developing more City or Local Natural Gas Distribution Networks (CGD) to foster growth and development of the sector, the PNGRB has been inviting competitive bids for developing gas infrastructure including development of new cross country pipelines and CGD networks in the country. With the expected spurt in the expansion of Natural Gas infrastructure in coming years including additional Regasification terminals being erected and commissioned, nationwide cross country pipeline grid being laid and new CGD licenses being issued, the reliance on Natural Gas as a primary source of energy in the overall energy basket is envisaged to increase significantly by the end of the current decade and thereafter. This would make the overall business environment very competitive. Some of the challenges anticipated of the Regulated environment are:

a) Marketing Exclusivity:

Post-marketing exclusivity, an authorized entity is subject to competition and is governed by relevant regulations for Open Access. However, with the first mover advantage and better understanding of the needs of its customers, the Company is capable of retaining its position in the market.

b) CGD networks in new areas:

In order to ensure sustainable growth and presence in the country's CGD sector the Company has actively participated in various bid rounds and endeavors to do so in the upcoming bid rounds too. The greener pastures brings along with it the responsibility on the Company to ensure equitable development of the CGD infrastructure in such geographies through judicious use of the scarce resources.

Entering new geographies could lower the geographical concentration risk, but the same could also translate into risks of value realization & maximization, given the several challenges posed by but not limited to the ever dynamic governmental policies, consumption mix, quantum of capital expenditure, etc.

4. Statutory & local administrative approvals

The implementation and operation of a CGD network requires a host of approvals from a number of agencies, such as the National Highways Authority of India, Railways, Forest Authorities, Municipal Corporations, Gram Panchayats, Public Works Departments, Roads & Building Department, Pollution Control Boards, etc. Obtaining such multiple approvals from various statutory and local administrative authorities consumes enormous time of the ever scarce resources leading to possible delays in execution and value realization and maximization; however the Company manages the same to an extent by way of advance planning.





SECTION 3 – INTRODUCTION

3.1.SUMMARY

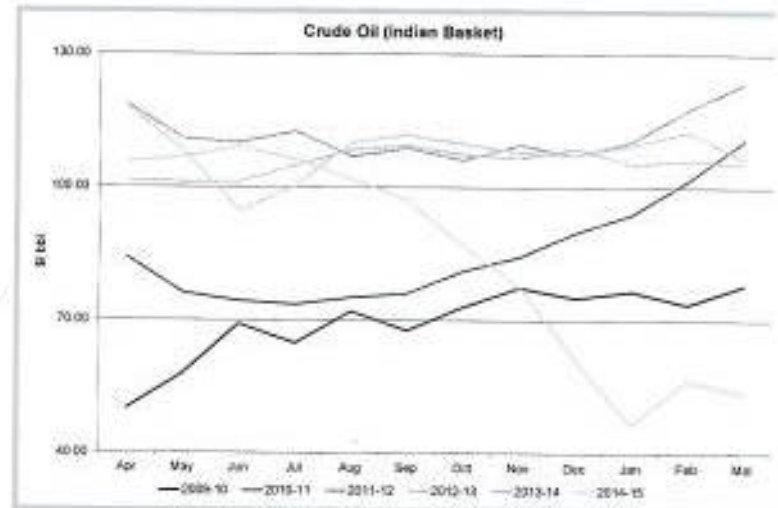
YOU SHOULD READ THE FOLLOWING SUMMARY TOGETHER WITH THE RISK FACTORS AND THE MORE DETAILED INFORMATION ABOUT THE COMPANY AND FINANCIAL DATA INCLUDED ELSE WHERE IN THIS INFORMATION MEMORANDUM

(Sources: The information presented in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government and its various ministries, reports published by the Company and has not been independently prepared and verified by the company. The information provided is based on present business activities of the company.)

3.2. INDUSTRY STRUCTURE & DEVELOPMENT

Natural Gas is been used as a fuel since more than a century, but the emergence of Natural Gas as a preferred, clean and safe energy solution has been prevalent only in the last couple of decades. This year Gujarat Gas Limited (GGL or the Company) faced major challenges due to the increasing volatility in the global crude oil prices. The crude oil price (Indian Basket)¹ has fallen by around 50% since the beginning of the year, when it was around \$100+ a barrel. This comes after nearly five years of stability. The oil price is partly determined by actual supply and demand, and partly by expectation.

Even though this global volatility of crude created competition for Natural Gas from polluting fuels, however Natural Gas continues to emerge preferred fuel and remain a vital energy source amongst various available resources in world's energy consumption and by most of the Company's environment conscious customers. It is one of the cleanest conventional fuels with very low level of greenhouse gas emissions in comparison to other conventional sources. Natural gas is traditionally consumed in the residential, commercial sectors, mostly for heating in the transport sector and in the industrial sector – sometimes industrials such as fertilizer producers use Natural Gas as raw material, and in the power sector.



The Petroleum and Natural Gas Regulatory Board (PNGRB) which governs and regulates the downstream gas industry is actively contributing in the growth of City or Local Natural Gas Distribution (CGD) sector by awarding licenses to lay, build, operate and expand CGD business in new geographies including Bhavnagar, Jamnagar, Kutch (East & West) for the round - 3 of CGD bidding and nine new geographies in the round – 4 of CGD bidding including Amritsar, Bengaluru Rural and Urban Districts, UT of Dadra and Nagar Haveli, UT of Daman, Ernakulam.

¹ <http://pib.nic.in>





Panipat, Raigarh, Thane and Pune. Continuing its endeavor for developing more CGDs to foster growth and development of the sector, the PNGRB has been inviting competitive bids for developing gas infrastructure including development of new cross country pipelines and CGD networks in the country. With the expected spurt in the expansion of Natural Gas infrastructure in coming years including additional Regasification terminals being erected and commissioned, nationwide cross country pipeline grid being laid and new CGD licenses being issued the reliance of Natural Gas as a primary source of energy in the overall energy basket is envisaged to increase drastically by the end of the current decade and thereafter.

3.3.BUSINESS SUMMARY OF THE COMPANY

Gujarat Gas Limited (GGL) has its presence in around 19 districts in the State of Gujarat and Maharashtra committed for an inclusive CGD development in rural, coastal and tribal areas along with urban areas with an objective to carry on, sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other gases through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other gaseous form.

GGL has connected over 77,700 new household customers on Natural Gas during the year 2014-2015, taking the total number of domestic customers on the Company's network to around 10,08,000. Around 3,00,000 vehicles now ply in the Company's operating areas on CNG. Gujarat Gas Limited has so far laid a State-of-Art pipeline network of more than 13,000 KMs (including Steel and PE Pipeline) catering to more than 600 cities / villages across the State of Gujarat.

GGL has been continuously scouting for greener pastures for expanding the horizons of growth beyond its existing areas of operation and in this pursuit has won some more coveted Bid for the geographic area of Thane and Dadra & Nagar Haveli in the PNGRB CGD fourth bid round, pursuant to which the company has been awarded license by the PNGRB to lay, build, operate or expand the city gas distribution network in the areas comprising of Thane district (excluding areas already authorized) and the new district of Palghar and the UT of Dadra & Nagar Haveli. This adds to another 9500 sq. km of geographic areas under our areas of operation. GGL has been granted 300 months of infrastructure exclusivity i.e. valid up to April 2040 and 60 months of marketing exclusivity valid up to April 2020 for the CGD network. GGL having accepted the authorization will begin its operations in the newly awarded geographic area with full vigor and determination to develop new geographies.

GGL experienced the major volatility in the crude oil prices that was ever encountered in the recent past. This impacted the sales of industrial volumes temporarily on account of few industries switching to cheaper alternates though the same is not expected to sustain for long. The optimal sourcing mix and affordable product pricing is expected to reinstate the volumes lost along with an anticipated growth through greener pastures. GGL continues focus on placing Natural Gas to affordable markets and has set-up an internal application development center and endeavors improving fuel efficiencies in certain processes targeting to regain the loss volumes and also fuel growth by adding new industries currently using alternate fuel.





3.3.1 FINANCIAL INFORMATION OF THE COMPANY

As per Annexure 1

3.4 COMPOSITE SCHEME OF ARRANGEMENT IN NATURE OF AMALGAMATION OF GSPC GAS, GGCL, GFSL AND GTCL WITH GDNL (NOW GUJARAT GAS LIMITED) AND RESTRUCTURING OF SHARE CAPITAL OF GDNL (NOW GUJARAT GAS LIMITED)

As mentioned above, the Honorable High Court of Gujarat at Ahmedabad sanctioned the Scheme vide common oral order dated 30th March 2015 (certified copy received by the Company on 18th April 2015). A copy of the authenticated Order has been filed with the office of the Registrar of Companies on 14th May 2015. Accordingly, the Effective Date for the Scheme is 14th May 2015. As per the Scheme, the CGD Business of GSPC Gas, GGCL, GFSL and GTCL was transferred and vested in Gujarat Gas Limited.

Since, GGCL was listed on BSE, NSE, ASE and VSE, accordingly, as per the requirement of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013, GGCL obtained Observation Letters from the NSE, BSE, ASE and VSE vide their letters dated 5 November 2014, 7 November 2014, 10 November 2014 and 11 November 2014, respectively. Further, the Scheme was approved by an overwhelming majority of its Shareholders and unanimously by its Creditors at their meetings held on 5th January 2015 & 6th January, 2015. As per the Scheme, all assets, debts, liabilities, duties and obligations of every kind pertaining to CGD of the Transferor Companies have vested in Gujarat Gas Limited.

3.4.1. SALIENT FEATURES OF THE SCHEME

The Composite Scheme of Amalgamation and Arrangement is under Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and provides for Arrangement in nature of amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL (Now Gujarat Gs Limited) and Restructuring of share capital of GDNL (Now Gujarat Gs Limited).

The Composite Scheme of Amalgamation and Arrangement comprise of the following parts:

- **“Appointed Date”** means 1st April 2013 or such other date as may be fixed or approved by the Honorable High Court of Gujarat at Ahmedabad or National Company Law Tribunal or any other appropriate authority.
- **“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. (i.e. 14th May 2015 date on which certified true copies of the order filed with ROC) 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;
- **“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; i.e. 28 May 2015

- **“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

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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

• **TRANSFER AND VESTING OF UNDERTAKINGS**

- 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.
- 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.
- 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.
- 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.

- 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.
- 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.

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.

- 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.
- 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.
- 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.
- 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.

- o 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.
- o 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.
- o 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.
- o 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.

- **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.

- **TAXATION MATTERS**

- 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.
- 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.
- 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.

- **DECLARATION OF DIVIDENDS**

- 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.





- 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.
 - 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.
- **ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEE COMPANY**
- Consolidation of Authorised Share Capital of Transferor Companies
 - 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.;
 - 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, (Corresponding 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.

o Amendment to Object Clause of the Transferee Company

▪ 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."

▪ 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.

o Alteration to the Name Clause

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

- o 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.

• **ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL**

o 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.

- o 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%

- o Issuance and Allotment of Shares
 - 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.

- 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.
- 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.
- 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.

- 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.
- 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.
- The new equity shares shall be issued in dematerialized form to those equity shareholders who hold the shares of Transferor Companies in dematerialised 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.
- 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.

- 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.

o REORGANIZATION OF SHARE CAPITAL

- 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.

- 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.
- 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%

- 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.

- 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.
- 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.
- 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.

• 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:

- 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.
- 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.
- 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.
- 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.
- 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.

- o 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.

• DISSOLUTION OF THE TRANSFEROR 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.

3.4.2 BRIEF HIGHLIGHTS OF THE SCHEME WITH RESPECT TO ALLOTMENT AND LISTING OF SHARES & OTHER CONSEQUENTIAL ASPECTS

1. Appointed Date for the Scheme:

"Appointed Date" means 1st April 2013 or such other date as may be approved by the High Court for the purposes of this Scheme.

2. 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 Gujarat Gas Limited, the shareholders of the Transferor Companies should be allotted shares of Gujarat Gas Limited as per below details:

To the Shareholders of GSPC Gas:

Gujarat Gas Limited 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:

Gujarat Gas Limited should, without any further application, act, instrument or deed, issue to the equity shareholders of GGCL including ESOP Trust but excluding Gujarat Gas Limited,





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:

Gujarat Gas Limited 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.

3. Issuance and Allotment of Shares:

Upon issuance of shares based on the share swap ratio as mentioned above, Gujarat Gas Limited would have an expanded capital base which may not be appropriate and required. This wide capital base would further lead to a corresponding fictitious asset which would adversely impact the Net worth and Earning per Share of Gujarat Gas Limited. In order to ensure that Gujarat Gas Limited 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 Gujarat Gas Limited as per below details:

To the Shareholders of GSPC Gas:

Gujarat Gas Limited 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:

Gujarat Gas Limited 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:

Gujarat Gas Limited 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.

4. Treatment of fractional entitlements:

No fractional shares shall be issued by Gujarat Gas Limited. The Board of Directors of Gujarat Gas Limited 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 Gujarat Gas Limited shall appoint in this behalf, who shall hold the new equity shares issued by Gujarat Gas Limited 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 Gujarat Gas Limited) 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.

5. Listing of equity shares of Gujarat Gas Limited:

The Equity Shares of Gujarat Gas Limited shall be listed on all the stock exchanges on which the shares of GGCL are listed as on the Effective Date, subject to SEBI granting relaxation under Rule 19(2)(b) of SCRR. Gujarat Gas Limited shall also fulfill the Exchange's criteria for listing and shall also comply with SEBI Act, Rules, Regulations, Directions of SEBI, and Rules, Byelaws, and Regulations of the Exchange, and other applicable statutory requirements and compliances with the necessary procedures that may be required. However, the listing of shares of Gujarat Gas Limited is at the discretion of the Stock Exchanges.

6. Re-organization of Share Capital:

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 Gujarat Gas Limited, Gujarat Gas Limited 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.

7. Mode of allotment of New Equity Shares:

The new equity shares issued pursuant to the Scheme shall be in dematerialized form to those equity shareholders who held shares of Transferor Companies in dematerialised form, provided all details relating to account with depository participant are available with Gujarat Gas Limited. All those equity shareholders who held shares of Transferor Companies in physical form shall be issued new equity shares in Gujarat Gas Limited in physical or electronic form, at the option of such shareholders exercised by them on or before the record date. \

3.4.3 RATIONALE FOR COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

GSPC Gas was incorporated in India under the provisions of the Act, on 11th March 1999. GSPC Gas is engaged in the business of distribution of natural gas. GSPC Gas catered to the natural gas requirements of the retail segments, which comprises of industrial, commercial, CNG and residential customers. GSPC Gas was an unlisted company and owned 44.45% stake in GDNL. Besides GSPC Gas, GSPL owned 38.88% in GDNL and GSFC owned the balance 16.67% in GDNL.

GDNL was incorporated in India under the provisions of the Act, on 21 February 2012. GDNL, an unlisted company held 73.70 % stake in GGCL.

GGCL was incorporated in India under the provisions of the Act, on 17 January 1980. GGCL was engaged in the business of transmission and distribution of Natural Gas. GGCL served the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The equity shares of GGCL were listed on BSE, NSE, ASE and VSE.

GFSL was incorporated in India under the provisions of the Act, on 11 April 1994. GFSL was 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 was an unlisted company. GGCL held 69.88% equity stake in GFSL.

GTCL was incorporated in India under the provisions of the Act, 26 December 1980. GTCL was engaged in the business of distribution of gas from sources of supply to centres of demand and/or to the end customers. GTCL was an unlisted company. GTCL was a wholly owned subsidiary of GGCL.

All the above companies are part of the GSPC Group and were engaged in the similar line of business i.e. City Gas Distribution. The management of GSPC Group is now desirous of consolidating operations of these companies as they are engaged into similar businesses.

As a measure to consolidate the City Gas Distribution business, GSPC Group management had 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.

3.4.4 APPROVAL AND SANCTION OF THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

The Honorable High Court of Gujarat at Ahmedabad, vide its Common Oral Order dated 30th March 2015 (Certified copy of the scheme received by the Company on 18th April 2015), has sanctioned the Composite Scheme of Amalgamation and Arrangement between GSPC Gas, GGCL, GFSL and GTCL with GDNL (Now Gujarat Gas limited) and consequent reduction of share capital of GDNL (Now Gujarat Gas limited).

The aforesaid order of the Honorable High Court of Gujarat at Ahmedabad was filed by all the companies involved in the Scheme with the ROC, Ahmedabad on 14th May 2015 which is the Effective Date of the Scheme.

Pursuant to the Scheme, the Company has been vested with the CGD Business of GSPC Gas, GGCL, GFSL and GTCL w.e.f. 1st April 2013 (i.e. the Appointed Date under the Scheme) as per the Composite Scheme of Amalgamation and Arrangement as sanctioned by the Honorable High Court of Gujarat at Ahmedabad vide its common oral Order dated 30th March 2015 under Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956.





In accordance with the said Scheme, the Company would require to obtain 19(2) (b) exemption application from SEBI for listing the equity shares of Gujarat Gas Limited issued pursuant to the Scheme. Subject to applicable regulations, the shares of Gujarat Gas Limited, shall be listed and admitted to trading on BSE, NSE, ASE and VSE.

The Company has submitted this Information Memorandum containing information and disclosures in line with the disclosure requirement for public issues, as applicable, to BSE, NSE, ASE and VSE for making the said Information Memorandum available to public through their websites.

This Information Memorandum is made available on the Company's website: www.gujaratgas.com. The Company will publish an advertisement in the newspapers containing its details in line with the details required as per Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013. The advertisement will draw a specific reference to the availability of this Information Memorandum on the website, www.gujaratgas.com, as well as the Stock Exchanges.

The Company also undertakes that all material information about itself shall be disclosed to the Stock Exchanges on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries, if any.

SECTION 4 – GENERAL INFORMATION

Gujarat Gas Limited (formerly GSPC Distribution Networks Limited) was incorporated on 21st February 2012, as a public limited company under the Companies Act, 1956, with its main object to carry on, sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous from through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.

REGISTERED OFFICE:

Block No. 15, 3rd Floor,
Udyog Bhavan, Sector 11,
Gandhinagar – 382 001,
Gujarat

REGISTRATION NO: CIN – U40200GJ2012SGC069118

REGISTRAR OF COMPANIES:

ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad-380013
Phone: 079-27437597,
Fax 079-27438371
roc.ahmedabad@mca.gov.in

COMPLIANCE OFFICER AND COMPANY SECRETARY:

Rajeshwari Sharma





BOARD OF DIRECTORS:

- 1 Mr. L. Chuaungo, IAS, Director (Promoter Director)
- 2 Mr. Atanu Chakraborty, IAS, Director (Promoter Director)
- 3 Mr. Sanjeev Kumar, IAS, Director (Promoter Director)
- 4 Mr. Mukesh Kumar, IAS, Director (Promoter Director)
- 5 Mr. Jal Patel, Independent Director
- 6 Mr. Ajit Kapadia, Independent Director
- 7 Mr. K. D. Chaterjee, Independent Director
- 8 Prof. Pradip Khandwalla, Independent Director
- 9 Mrs. Manjula Shroff, Independent Director

For further details of the Board of Directors of the Company, please see- the section titled "Management".

FINANCIAL INSTITUTIONS / BANKERS TO THE COMPANY:

Dena Bank	Bank of Baroda
YES Bank Limited	Oriental Bank of Commerce
IndusInd Bank	UCO Bank
HDFC Bank Limited	Corporation Bank
Kotak Mahindra Bank Limited	ICICI Bank Limited
Gujarat State Financial Services Limited	Bank of Maharashtra
The Kalupur Commercial Co-Operative Bank Limited	State Bank of India
HUDCO	Axis Bank

AUDITORS:

M/s J. S. Maheshwari & Co.
Chartered Accountants
Ahmedabad

REGISTRAR AND SHARE TRANSFER AGENT:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032
Ph: 040 – 67161500, 040 – 67161606



**SECTION 5 – CAPITAL STRUCTURE OF THE COMPANY****5.1 CAPITAL STRUCTURE**

Consequent to Issue and Allotment of Shares pursuant to the Scheme, the Share Capital of the Company is as follows:

PARTICULARS	Rs.
<u>AUTHORISED SHARE CAPITAL</u>	
1,735,100,000 equity shares of Rs.10/- each	17,351,000,000
17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each	170,000,000
5,000,000 (Five million only) Preference shares of Rs. 10/- each	50,000,000
<u>ISSUED, SUBSCRIBED AND PAID SHARE CAPITAL</u>	
137,678,025 Equity Shares of Rs. 10/- each	1,376,780,250

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.

Prior to issuance, allotment, reduction or cancellation of the equity shares, as per the Scheme, to the shareholders as per their entitlement on the Record Date i.e. 28th May 2015, the Issued, Subscribed and Paid-up Equity Share Capital of the Gujarat Gas Limited (formerly GSPC Distribution Networks Limited) was Rs. 9,000,500,000/- divided into 900,050,000 equity shares of Rs.10/- each.

Upon issuance of shares based on the share swap ratio recommended by the Valuer, M/S/ SSPA & Co., Chartered Accountants, since the capital base would had been expanded and which would not have been appropriate and required. This wide capital base would had further led to a corresponding fictitious asset which would had adversely impacted the Net worth and Earning per Share of Gujarat Gas Limited. In order to ensure that Gujarat Gas Limited has a serviceable equity capital base, instead of issuing shares as per the share swap ratio recommended by the Valuer, the shareholders of GSPC Gas, GGCL and GFSL were allotted proportionately lower number of shares of Gujarat Gas Limited. The swap ratio as recommended by the Valuer was as follows:





- a. 81 (eighty-one) equity shares of Rs.10/- each, credited as fully-paid up of Gujarat Gas Limited, for every 2 (two) equity shares of Rs. 10/- each held by equity shareholders of the GSPC Gas;
- b. 38 (thirty-eight) equity shares of Rs.10/- each, credited as fully-paid up of Gujarat Gas Limited, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of GGCL;
- c. 38 (thirty-eight) equity shares of Rs.10/- each, credited as fully-paid up of Gujarat Gas Limited, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL;

Accordingly, it was decided to reduce proportionately, the equity share capital of Gujarat Gas Limited. Therefore, 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 Gujarat Gas Limited (formerly GSPC Distribution Networks Limited), the Company reduced 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. Effectively, the swap ratio based on which, allotment of equity shares was undertaken was as follows:

- a. 81 (eighty-one) equity shares of Rs.10/- each, credited as fully-paid up of Gujarat Gas Limited, for every 76 (seventy-six) equity shares of Rs. 10/- each held by equity shareholders of the GSPC Gas;
- b. 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Gujarat Gas Limited, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of GGCL;
- c. 1 (one) equity shares of Rs.10/- each, credited as fully-paid up of Gujarat Gas Limited, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL;

As per Resolution of the Committee of Directors of the Company, in its meeting held on 2nd June 2015, the Company allotted 124,520,130 equity shares of Rs. 10/- each to the eligible members of erstwhile Transferor Companies viz. GSPC Gas Company Limited, Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited, as on Record Date i.e. 28th May 2015.

5.2 EQUITY SHARE CAPITAL HISTORY

Sr. No.	Date of Allotment /Reduction	Consideration	No. of Equity shares	Face Value per share	Issue Price	Lock-in Period*
1.	28/02/2012	Cash (Signatories to Memorandum)	50,000	10	10	NA
2.	20/05/2012	Cash (Further Allotment)	900,000,000	10	10	NA
3.	14/05/2015	Reduction of Share Capital as on effective	13,157,895	10	Share Capital reduced to ensure that the Company	Part of the equity shares (being part of





		date, pursuant to the Composite Scheme of Amalgamation & Arrangement			has a serviceable equity capital base	pre merger share capital) shall be locked in for Three years from the date of listing
4.	02/06/2015	Issuance of Equity Shares pursuant to the Composite Scheme of Amalgamation & Arrangement	124,520,130	10	Issued as per swap ratio pursuant to the scheme of amalgamation	Part of the equity shares (20% of promoters shareholding) shall be locked in for Three years from the date of listing

Notes forming part of the Capital Structure:

*Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013, the promoters shares totaling to 27,535,605, being 20% of the post-merger paid-up capital of Gujarat Gas Limited (Formerly GSPC Distribution Networks Limited) and the pre-merger capital of Gujarat Gas Limited (Formerly GSPC Distribution Networks Limited) held by Gujarat State Fertilizers and Chemicals Limited to the extent of 39, 47, 369 shares, shall be locked-in for a period of three years from the date of listing of shares of Gujarat Gas Limited (Formerly GSPC Distribution Networks Limited).

Shareholding Pattern of the Company before and after the Scheme:

Description		Gujarat Gas Limited			
		Pre-arrangement 31.3.2015		Post-arrangement 02.06.2015	
		No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	0	0		
(b)	Central Government/ State Government(s)	0	0	8995462	6.53%
(c)	Bodies Corporate	750,050,000	83.33%	74841246	54.36%
(d)	Financial Institutions/				





	Banks					
(e)	Any Others					
	Sub Total(A)(1)		750,050,000	83.33%	83836708	60.89%
2	Foreign					
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)					
(b)	Bodies Corporate					
(c)	Institutions					
(d)	Any Others					
	Sub Total(A)(2)		0	0.00%	0	0.00%
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		750,050,000	83.33%	83836708	60.89%
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI				4450028	3.23%
(b)	Financial Institutions / Banks				135019	0.10%
(c)	Central Government/ State Government(s)	-				
(d)	Venture Capital Funds	-			-	-
(e)	Insurance Companies				2371946	1.72%
(f)	Foreign Institutional Investors				16906193	12.28%
(g)	Foreign Venture Capital Investors	-				
(h)	Any Other	-			0	0.00%
	Sub-Total (B)(1)				23863186	17.33%
2	Non-institutions					
(a)	Bodies Corporate		150,000,000	16.67%	15990651	11.61%
(b)	Individuals					





I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh				7825160	5.68%
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.				500609	0.36%
(c)	Any Other				5661711	4.12%
(d)	Qualified Foreign Investors				0	0.00%
	Sub-Total (B)(2)		150,000,000	16.67%	29978131	21.77%
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)		150,000,000	16.67%	53841317	39.11%
	TOTAL (A)+(B)		900,050,000	100.00%	137678025	100.00%
(C)	Shares held by Custodians and against which DRs have been issued					
	GRAND TOTAL (A)+(B)+(C)		900,050,000	100.00%	137678025	100.00%

Notes:

1. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of the Company.
2. There was no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the Hon'ble High Court till this application of listing of the equity shares allotted as per the Scheme.
3. There is only one denomination for the equity shares of the Company, subject to applicable regulations and the Company will comply with such disclosure and accounting norms specified by SEBI, from time to time.
4. The Company has 27763 members as on the Record Date, i.e. 28th May 2015.





5. None of equity shares of the Company were under lock-in prior to the Scheme. However, Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013, the promoters shares totaling to 27,535,605, being 20% of the post-merger paid-up capital of Gujarat Gas Limited (formerly GSPC Distribution Networks limited) and the pre-merger capital of Gujarat Gas Limited (formerly GSPC Distribution Networks limited) held by Gujarat State Fertilizers and Chemicals Limited to the extent of 39, 47, 369 shares, shall be locked-in for a period of three years from the date of listing of shares of Gujarat Gas Limited.

SECTION 6 – STATEMENT OF POSSIBLE TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

As per Annexure 2

SECTION 7 – ABOUT THE COMPANY

Gujarat Gas Limited (Formerly GSPC Distribution Networks Limited) was incorporated on 21st February 2012 as a public limited company, in the name and style of GSPC Distribution Networks Limited, under the Companies Act, 1956, in the office of the Registrar of Companies, Gujarat, with an initial Authorised Capital of Rs. 1,000,000 and paid up capital of Rs. 5,00,000 which was further increased to Rs. 15,000,000,000 and Rs. 9,000,500,000, respectively. The Registered office of the Company is situated at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 001, Gujarat.

Gujarat Gas Limited (Formerly GSPC Distribution Networks Limited) was incorporated by erstwhile GSPC Gas Company Limited as its 100% subsidiary for acquiring controlling stake in GGCL. In October 2012, GSPC announced that it had signed definitive agreement for acquiring 65.12% equity stake in GGCL from London-based British Gas Group through Gujarat Gas Limited (Formerly GDNL). Gujarat Gas Limited (Formerly GDNL) paid Rs. 295 per share to BG Group for acquiring its 65.12% equity stake in GGCL, aggregating to Rs. 2463.46 Crore. Gujarat Gas Limited (Formerly GDNL) acquired further 8.58% stake through an open offer made at a price of Rs. 314.17 per share, aggregating to Rs. 347.68 Crore. Thus, total consideration for acquiring 73.70% stake in GGCL amounted to Rs. 2811.14 Crore. The same has been funded by equity investment of Rs. 900 Crore, NCD issue of Rs. 500 Crore and balance by way of bridge finance from Gujarat State Financial Services Limited.

The Members of the Board at its meeting held on 24th February 2014 granted its "in-principle" approval to the consolidation by way of amalgamation of the Company, GSPC Gas, GGCL, GFSL and GTCL through a High Court approved Composite Scheme of Amalgamation and Arrangement. The Board at its meeting held on 21st April 2014 approved the Scheme of Amalgamation.

The Company along with the Transferor Companies had filed a petition in Honorable High Court of Gujarat at Ahmedabad requiring CGD Business of the Transferor Companies to transfer and vest in the Company i.e. Gujarat Gas Limited (Formerly GDNL) from the Appointed Date as given in the Scheme i.e. 1st April, 2013. From 14th May 2015, the Scheme became effective. The Main Objects of the Company are set out hereunder:





1. To carry on, sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous from through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form;
2. To lay, design, construct, fabricate, install and maintain gas processing and gas manufacturing plants, gas installations including gas storage, machinery apparatus, pipes, valves, fittings, meters and other allied accessories necessary and useful for the manufacture, supply and distribution of gas energy;
3. To manufacture, produce, to acquire concessions, licences or orders from any authority for supply and distribution of all forms of conventional and/or nonconventional types of energy, including gaseous fuel and products derived from natural gas for domestic, commercial, industrial lighting, heating, motive power or any other purposes;
4. To act as technical advisors, consultants for undertaking market survey, techno-economic feasibility reports, basic knowhow, design, detail engineering including procurement, executing, testing, revamping of the existing installations and commissioning services, required for the manufacture, supply and distribution of gas energy;
5. To carry out in India and in any part of the world, business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packaging, selling, transporting, distributing, importing, exporting and disposing:
 - All types of alcohols, chemicals, heavy chemicals, acids, alkalies, agro chemicals, explosive and their by-products, derivatives and mixtures thereof and maintaining and rendering assistance and services of all and every kind of any description for selling, exchanging, altering, improving and dealing in alcohols and artificial and other fertilizers, heavy chemicals, agro chemicals and their by-products of every description whether required for civil commercial or military defence purposes and requirement or otherwise;
 - All fertilizers, petro-chemicals, plastics methanol, melamine, derivatives thereof whether liquid, solid or gaseous and including specifically benzene, ethylene, propylene, propane ethane, butane, tutadene isoprene, oxides, glycols and poly glycols of ethylene, propylene and butadebe chlorinated hydro carbons, aliphatic and aromatic alcohols, aldehydes, ketones, aromatic acids, anhydrides, vinyl acetate, vinylchloride, acrylics, esters of artho, meta and teraphathalic acids and all gases;
 - All organic and inorganic chemicals, synthetic chemicals, derived from petroleum, hydrocarbons, elements, chemicals and compounds and products of any nature and kind whatsoever including by-products, derivatives and mixtures thereof
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.

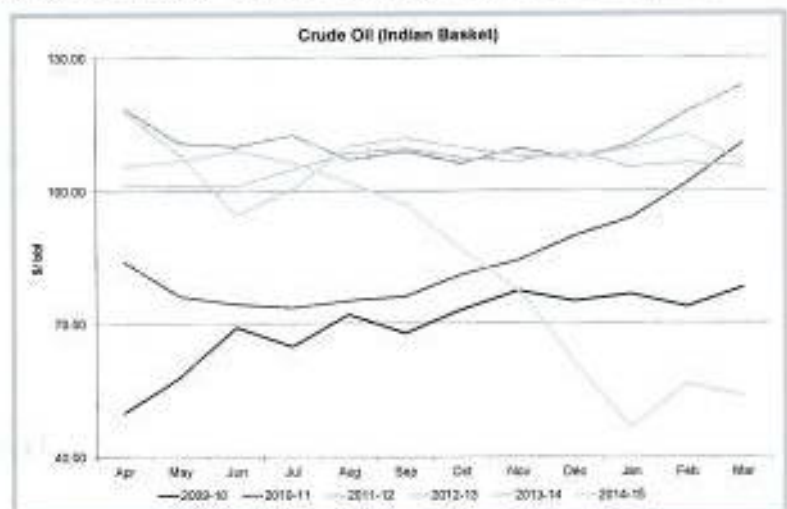
The Objects Incidental or Ancillary to the Attainment of Main Objects are set out hereunder:

38. To establish subsidiaries, companies, amalgamate with, or enter into partnership or into any arrangement for sharing profits, union of interest, joint venture, reciprocal concessions or co-operation with, any person or company carrying on, engaged in, or proposing to carry on or engage in, any business or transaction which the Company is authorized to carry on or engaging or which is capable of being conducted so as directly or indirectly to benefit the Company, and to take or otherwise acquire and hold shares, stock, securities, obligations or other interests in any such person or company, and to subsidize or otherwise assist any such persons or company.

7.1 MANAGEMENT DISCUSSION AND ANALYSIS

7.1.1. INDUSTRY OUTLOOK AND DEVELOPMENTS

Natural Gas is been used as a fuel since more than a century, but the emergence of Natural Gas as a preferred, clean and safe energy solution has been prevalent only in the last couple of decades. This year Gujarat Gas Limited (GGL or the Company) faced major challenges due to the increasing volatility in the global crude oil prices. The crude oil price (Indian Basket) 2 has fallen by around 50% since the beginning of the year, when it was around \$100+ a barrel. This comes after nearly five years of stability. The oil price is partly determined by actual supply and demand, and partly by expectation. Demand for energy is also closely related to economic activity. The Organization of Petroleum Exporting Countries, which controls nearly 40% of the world market, had failed to reach at an agreement on production curbs, sending the price tumbling further. However the crude price recovery had started. Also hard hit are oil-exporting countries such as Russia (where the rouble has hit record lows), Nigeria, Iran and Venezuela.





Even though this global volatility of crude created competition for Natural Gas from polluting fuels, however Natural Gas continues to emerge preferred fuel and remain a vital energy source amongst various available resources in world's energy consumption and by most of the Company's environment conscious customers. It is one of the cleanest conventional fuels with very low level of greenhouse gas emissions in comparison to other conventional sources. Natural gas is traditionally consumed in the residential, commercial sectors, mostly for heating in the transport sector and in the industrial sector – sometimes industrials such as fertilizer producers use Natural Gas as raw material, and in the power sector. Natural gas will continue to increase its share of the global energy mix, growing at 2.4% per year until 2018. Demand for Natural Gas is expected to be more than 50% higher in 2040, and the only fossil fuel growing significantly at that time. Natural Gas is set to increase its weight in the global energy mix with LNG gaining momentum and contributing to increased energy security as per the projections of International Energy Agency (IEA).² Currently Natural Gas accounts for 24.4% of total global energy consumption mix³.

With expanding economy comes an increasing demand for energy and, if current trends continue, India will be the world's third largest energy consumer by 2020. India increasingly relies on imported LNG accounting to less than 6% of global imports. India's LNG imports are forecasted to increase at a CAGR of 33 per cent till 2017.⁴

The Petroleum and Natural Gas Regulatory Board (PNGRB) which governs and regulates the downstream gas industry is actively contributing in the growth of City or Local Natural Gas Distribution (CGD) sector by awarding licenses to lay, build, operate and expand CGD business in new geographies including Bhavnagar, Jamnagar, Kutch (East & West) for the round - 3 of CGD bidding and nine new geographies in the round - 4 of CGD bidding including Amritsar, Bengaluru Rural and Urban Districts, UT of Dadra and Nagar Haveli, UT of Daman, Ernakulam, Panipat, Raigarh, Thane and Pune. Continuing its endeavor for developing more CGDs to foster growth and development of the sector, the PNGRB has been inviting competitive bids for developing gas infrastructure including development of new cross country pipelines and CGD networks in the country. With the expected spurt in the expansion of Natural Gas infrastructure in coming years including additional Regasification terminals being erected and commissioned, nationwide cross country pipeline grid being laid and new CGD licenses being issued the reliance of Natural Gas as a primary source of energy in the overall energy basket is envisaged to increase drastically by the end of the current decade and thereafter.

7.1.2. Opportunities and Challenges

The Ministry of Petroleum and Natural Gas (MoPNG) and the PNGRB have sent positive signals to the sector with bundle of sops through their policy directive and also by offering new areas for bidding with a concentrated effort to give the much needed boost to the sector. The MoPNG has issued a revised directive for 100% allocation of indigenous (domestic) gas to the CGD sector to boost the demand of CNG (transport) and household (domestic segment) for sustainable growth. While, the quantum of the domestic source available with the Company was reduced as an arrangement to adhere to this directive issued by the MoPNG, however the

² <http://www.iea.org>

³ BP Energy Outlook 2035

⁴ <http://indiainbusiness.nic.in/>





Company has benefitted by securing replacement gas volumes from another domestic source, that is cheaper and assured, supporting sustainable future growth of CNG and household markets, which would have otherwise been challenging to develop with RLNG as source of supply. Further the MoPNG and PNGRB, both review the continuous growth and progress of the sector thereby ensuring structured growth and development all across in the sector. The PNGRB issued the tentative list of 71(41 immediate and 30 subsequently) upcoming CGD areas in the last quarter of the previous calendar year and out of which 20 new geographies have been offered for bid. The PNGRB is aggressively looking for the roll out of the CGD development plan across the length and breadth of the country. This give ample opportunity to the Company which has immensely experienced technical and commercial resources in the gas markets to lead this market from the front. The Company is actively evaluating the geographic areas for bid in order to expand its horizon for growth.

The enduring focus of the Company continues to be on the strong industrial growth coupled with well penetrated presence of gas transportation network and an encouraging business environment attracting large investments in the state of Gujarat. The state and union budgetary announcements indicate plans for significant additional investments in manufacturing and urban facilities. It is expected that these investments will continue to fuel further growth of the CGD sector in Gujarat in the near to medium term. The volatility in the global crude oil prices impacted the overall stability maintained during the last five preceding years. The Company was also wedged due to the unexpected steep decline in the oil prices which made the alternate conventional polluting fuels cheaper temporarily eating away some portion of the key industrial sector. The Company could however bravely sustain the tempest due to its strong parentage and the depth & quality of the customer profile couple with optimal gas sourcing decisions. The reliance on imported fuel continued during the preceding year had ensured the gas supplies inspite of the continuous decline in the available indigenous domestic gas and no new major gas finds in the country. The demand of Natural Gas is expected to rise going forward and reinstate the loss of volume in the near future as the volatility is expected to stabilize soon.

7.1.3. FUTURE OUTLOOK

The demand for Natural Gas is expected to increase going forward to satiate the ever increasing energy needs in the country. Natural Gas having the merits of being a preferred fuel over the conventional polluting fuel due to its efficiencies and economies coupled with the advantage of the boost from the policy directive is expected to impact the demand of the sector positively. The emphasis on infrastructure development through aggressive roll out by the Regulatory body gives further impetus for the growth of the sector. The global volatility in crude prices is expected to settle down sooner than later to further add to the demand in near future. The Company would continue its focused efforts on growth of volume across its segments of residential, commercial, transport and more specifically in industrial segment through expanding further in the existing areas of operations as well as in the green field opportunities secured through competitive bidding.





7.2 MANAGEMENT

7.2.1 BOARD OF DIRECTORS

Sr. No.	Name of the Directors	Date of Appointment	Other Directorship
1.	Mr. L. Chuaungo, IAS	21 st April 2015	<ol style="list-style-type: none"> 1. Gujarat Urja Vikas Nigam Limited 2. Gujarat Industries Power Company Ltd. 3. Gujarat Energy Transmission Corporation Limited 4. Gujarat State Electricity Corporation Limited 5. Gujarat State Petroleum Corporation Limited 6. Gujarat State Petronet Limited 7. Gujarat Power Corporation Limited 8. Gujarat State Fertilizers & Chemicals Limited
2.	Mr. Atanu Chakraborty, IAS	16 th April 2015	<ol style="list-style-type: none"> 1. Gujarat State Petronet Limited 2. Torrent Pipavav Generation Limited 3. Gujarat State Petroleum Corporation Limited 4. ONGC Petro Additions Limited 5. Petronet LNG Limited 6. GSPC LNG Limited
3.	Mr. Sanjeev Kumar, IAS	21 st April 2015	<ol style="list-style-type: none"> 1. Gujarat Water Infrastructure Limited 2. GSPC LNG Limited 3. GSPC Pipavav Power Company Limited 4. Gujarat Energy Transmission Corporation Limited 5. Gujarat Industries Power Company Limited 6. Gujarat Urja Vikas Nigam Limited 7. Bhavnagar Energy Company Limited 8. Gujarat State Police Housing Corporation Limited 9. Gujarat State Water Supply & Sewerage Board 10. Gujarat Maritime Board
4.	Mr. Mukesh	21 st	The Gujarat State Civil





	Kumar, IAS	April 2015	Supplies Corporation Limited
5.	Mr. Jal Patel	21 st April 2015	<ol style="list-style-type: none"> 1. ABC Bearings Limited 2. Shri Dinesh Mills Limited 3. Styrolution ABS (India) Limited 4. Jewel Consumer Care Private Limited 5. Munjal Auto Industries Limited 6. Elecon Engineering Company Limited
6.	Mr. Ajit Kapadia	21 st April 2015	<ol style="list-style-type: none"> 1. Quanta Process Solutions Private Limited 2. Quanta Modular Plant Private Limited 3. Entegra Limited 4. Enertech Biofuels Limited 5. Asian Oilfield Services Limited 6. Green Kurpan Power Private Limited 7. Green Mountain Hydro Power Private Limited 8. Hurla Valley Power Private Limited
7.	Mr. K. D. Chaterjee	21 st April 2015	-
8.	Prof. Pradip Khandwalla	21 st April 2015	<ol style="list-style-type: none"> 1. Grow Talent Company Limited 2. Cadilla Pharmaceuticals Limited 3. Aga Khan Rural Support Programme (India)
9.	Mrs. Manjula Shroff	21 st April 2015	<ol style="list-style-type: none"> 1. Allen Enterprises (P) Limited 2. Altus Learning Pvt. Ltd 3. C3PO Avionics Private Limited 4. Calorx Advance Learning and Research Foundation 5. Calorx Education and Research Foundation 6. Calorx Foundation 7. Eimco Elecon (India) Limited 8. E-Infochips Institute of training research and academics 9. E-Infochips Limited 10. Kishangarh Environmental Development Action (P) Ltd 11. Lenio Charitable Foundation 12. MS Telecom Investment (P) Ltd 13. Neelanchal Aqua Farms Pvt. Ltd 14. Odisha Television Limited 15. Smart Guard System Pvt Ltd





			16. Surangi Services Ltd 17. Visamo Kids Foundation 18. Yali Education Company (P) Ltd
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Profile of the Board of Directors:

1. Mr. L. Chuaungo, IAS, Director (Promoter Director)

Shri. L. Chuaungo, IAS, is an Arts Graduate and an IAS Officer of the 1987 batch. He has been Managing Director, Executive Non-Independent Director of Gujarat Industries Power Company Limited. He was placed at the disposal of Energy & Petrochemicals Department (EPD) vide Government of Gujarat (GoG), General Administration Department (GAD) dated 28th April, 2003. He has worked with various departments of the State and the Central Government, he has also worked as the Collector — Valsad, Gujarat State. He was also functioning as the Managing Director of Gujarat Urja Vikas Nigam Ltd. Presently he is working as Principal Secretary, Energy & Petrochemicals Department, Govt. of Gujarat.

2. Mr. Atanu Chakraborty, IAS, Director (Promoter Director)

Shri Atanu Chakraborty, IAS, is Managing Director, GSPC. Shri Atanu Chakraborty, IAS, is an Engineering Graduate with specialization in Electronics and Communication and has done his Post Graduate Diploma in Business Finance and subsequently MBA from UK (Business Administration). He has wide experience of working in various State as well as Central Government Departments and Public Sector Undertakings. Shri Chakraborty has served in the districts of Vadodara, Sabarkantha and was Collector of Amreli district. At Gandhinagar, he has served in Finance, Home, Tribal Development and Labour Departments. Shri Atanu Chakraborty, IAS has also worked as Principal Secretary, (Economic Affairs), Finance Department, Govt. of Gujarat. Shri Atanu Chakraborty, IAS has also served a Managing Director, Gujarat State Financial Services Ltd., Chief Executive Officer, Gujarat Infrastructure Development Board, CEO of Gujarat Maritime Board and Executive Director, Gujarat State Fertilizers and Chemicals Ltd. In the Central Government, he served as Joint Secretary, Ministry of Finance. Shri Atanu Chakraborty, IAS has been contributing Articles on issues relating to PPP and Natural gas transportation etc. Shri Chakraborty is a voracious reader and areas of his interest includes subjects such Finance, Economics, Infrastructure, etc.

3. Mr. Sanjeev Kumar, IAS, Director (Promoter Director)

Shri Sanjeev Kumar, IAS holds degree of B. Tech. (Civil) Engineering Graduate from Indian Institute of Technology, Kharagpur. He is an IAS Officer having rich experience and wide exposure. Presently, he is a Secretary to Government of Gujarat, Finance Department (Expenditure). Shri Sanjeev Kumar is a member on the Board of Directors of GSPC LNG Limited, GSPC Pipavav Power Company Limited, Gujarat Industries Power Company Limited, Gujarat Urja Vikas Nigam Limited, Gujarat Energy Transmission Corporation Limited and Gujarat Gas Company Limited.

4. Mr. Mukesh Kumar, IAS, Director (Promoter Director)





Shri Mukesh Kumar, IAS is a State Project Director, Sarva Shiksha Abhiyan and Ex-officio Commissioner of Primary Education and Mid-day meals, Education Dept. Govt. of Gujarat. Shri Mukesh Kumar, IAS is a B. Tech with specialization in Electrical Engineering from Indian Institute of Technology, Kanpur and has done his Executive Masters in Public Administration from Syracuse University, USA. Shri Mukesh Kumar, IAS has served as Collector in the Dang District and as Municipal Commissioner at Rajkot and Bhavnagar. Shri Mukesh Kumar has also worked as Managing Director, Industrial Extension Bureau (INDEXTB), Industries Dept, Govt. of Gujarat

5. Mr. Jal Patel, Independent Director

Shri Jal Patel, an Associate Member of the Institute of Chartered Accountants of India as well as of the Institute of Company Secretaries of India, has a professional experience of more than 45 years. He was associated with the German FAG group of Bearing companies since 1962 where he handled various managerial functions. In 1977, he took over as the Managing Director of the company. Subsequently, he was promoted as the Vice Chairman and Managing Director before retiring in 2000. His areas of expertise include Finance, Accounts and Administration. He is also actively involved with various social and welfare associations and federations as well as various trusts.

6. Mr. Ajit Kapadia, Independent Director

Mr Ajit Kapadia is B.Sc. (Hons.) and M. Che. (Chemical Engineering). He has worked with Girdler Corporation of Louisville and Engineers India Limited (EIL). At EIL, Mr Kapadia had full involvement with Bombay High's development plan and especially with natural gas processing and transportation. In 1982, he was appointed as the head of the Gas Task Force, a group formed by the Petroleum Ministry to review the entire country's natural gas availability and utilization pattern. In 1984, Mr Kapadia was appointed as the first Director (Planning) with Gas Authority of India Limited (GAIL). After three years at GAIL, he joined Hindustan Oil and Exploration Company Limited (HOEC) as the first employee and was soon invited to join the Board as the Managing Director. He has spent 17 years establishing HOEC as the first private sector oil company in India.

7. Mr. K. D. Chatterjee, Independent Director

Shri Krishna Das Chatterjee has done a B.Sc. from University of Calcutta in 1959 and is a member of the Institute of Cost and Works Accountants of India (ICWAI). Shri Chatterjee was awarded the V.Srinivasan Memorial Gold Medal. Shri Chatterjee had worked with Dunlop India Limited and Gujarat State Fertilizers & Chemicals Limited. He was Executive Director (Finance) of Gujarat Narmada Valley Fertilizers Company Limited. He has rich experience in the field of Finance, Human Resources Development, Marketing, Information Systems and Administration functions.

8. Prof. Pradip Khandwalla, Independent Director

Prof. Pradip Khandwalla is an Associate Member of the Institute of Chartered Accountants of India. He has done his MBA from Wharton, Pennsylvania and Ph.D. from Carnegie-Mellon, USA. Prof. Khandwalla's research and teaching contributions have been in organisational theory and design and restructuring of organisations for management of





excellence, innovative turnaround management, effective management of public enterprises and governmental organisations, and creativity and innovation. He taught at McGill University, Canada for several years. He was associated with the Indian Institute of Management, Ahmedabad as a professor from 1975 to 2002. He was L&T Chair Professor of Organisational Behaviour at IIMA from 1985 to 1991 and then the Director of IIMA till 1996. He has made excellent contribution in the areas of management, organisational sciences etc. by authoring over a dozen books and 80 papers and articles in Indian and foreign journals and learned anthologies. He has served on the editorial/advisory boards of several Indian and international journals. He won the 'Lifetime Achievement Award in the field of HR' by the World HRD Congress for his immense contributions in enriching the field of management, science, organisational behavior and leadership.

9. Mrs. Manjula Shroff, Independent Director

An edupreneur, she is regarded by many as the change agent for schooling in the state of Gujarat. As CEO of Calorx, she has been instrumental in founding and managing several premier schools. Calorx, since its inception in 1995, is a name synonymous to professional and excellence in schooling. It has in its umbrella, the Delhi Public Schools, Calorx Olive International School at Ahmedabad and Calorx Public Schools across the Western Belt of India with 40+ educational Institutions and still growing. Calorx is recognized as a quality conscious group with a focus on Innovation and use of Technology in Learning. The one of its kind, sector specific Calorx Teachers' University is developing a creed of teachers to fill the quality gap of Human Capital. She is a postgraduate from York University and executive alumni from London School of Economics. Holding a post-graduate degree from Utkal University and is a Graduate of Management Education Programme IIM, Ahmedabad. Her concern for the marginalized and those with special learning needs is evident through the projects Visamo Kids and Prerna - a school for dyslexics.

Any relationship between directors:

- 1 Mr. L. Chuaungo, IAS, Director (Promoter Director)
- 2 Mr. Atanu Chakraborty, IAS, Director (Promoter Director)
- 3 Mr. Sanjeev Kumar, IAS, Director (Promoter Director)
- 4 Mr. Mukesh Kumar, IAS, Director (Promoter Director)

All of the above directors are related to each other as the Promoter Directors

Interest of Directors:

The interest of the directors is mentioned in Para 7.2.1

Compensation of whole time directors:

The Company does not have any whole time director

Shareholding of directors in Gujarat Gas Limited:

NIL



**Brief profile of the Key Managerial Persons:****1. Mr. PPG Sarma, Chief Executive Officer (CEO)**

Shri P. P. G. Sarma, a Mechanical Engineer, brings with him in-depth experience of more than 20 years in natural gas transmission and distribution business, apart from 9 years' experience in automobile industry in TVS Group. Shri Sarma is credited with setting up GSPC Gas Company Limited, a start-up venture of GSPC Group and attaining the turnover of Rs. 4000 Crores in a short span of 7 ½ years under challenging environment, execution of multi-location projects for PNG & CNG, stabilized O&M including emergency services, customer services, billing & collection and established the brand of GSPC Gas

2. Mr. Rahul Devi, Chief Financial Officer (CFO)

Rahul Devi, Chief Financial Officer of the Company, is B.Com and CA. He holds the post qualification experience of about 27 years. Prior to joining GSPC Gas, Mr. Devi has mainly worked in companies like NIRMA, Reliance Retail and JMC Projects (I) Ltd.

3. Mrs. Rajeshwari Sharma, Company Secretary

Rajeshwari Sharma, Company Secretary of the Company, is B.Com. Associate Member of Institute of Company Secretaries of India and LL.B. She holds the post qualification experience of about 20 years and was the Company Secretary of erstwhile Gujarat Gas Company Limited.

7.3 CORPORATE GOVERNANCE

The provisions of Clause 49 of the listing agreement with respect to corporate governance will be applicable to Gujarat Gas Limited upon the listing of its equity shares on National Stock Exchange of India Limited, BSE Limited, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

Gujarat Gas Limited has appointed independent directors on its Board and has also constituted the Audit Committee and Investors' Grievance Committee as required by Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Details of the Board and its Committees are as follows:

- The Board of Directors:**

Board of Directors		
1	Mr. L. Chuaungo, IAS	Promoter - Director
2	Mr. Atanu Chakraborty, IAS	Promoter - Director
3	Mr. Sanjeev Kumar, IAS	Promoter - Director
4	Mr. Mukesh Kumar, IAS	Promoter - Director
5	Mr. Jal Patel	Independent Director
6	Mr. Ajit Kapadia	Independent Director
7	Mr. K. D. Chaterjee	Independent Director
8	Prof. Pradip Khandwalla	Independent Director





9	Mrs. Manjula Shroff	Independent Director
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- Audit Committee:**

Audit Committee		
1	Mr. Jal Patel	Chairman
2	Mr. Atanu Chakraborty, IAS	Member
3	Mr. Sanjeev Kumar, IAS	Member
4	Prof. Pradip Khandwalla	Member
5	Mr. K. D. Chatterjee	Member

- Risk Management Committee:**

Risk Management Committee		
1	Mr. Atanu Chakraborty, IAS	Chairman
2	Prof. Pradip Khandwalla	Member
3	Mr. Jal Patel	Member
4	Mr. PPG Sarma, CEO	Member
5	Head (Finance & Accounts)	Member

- CSR Committee:**

CSR Committee		
1	Mr. L. Chuaungo, IAS	Chairman
2	Mr. Atanu Chakraborty, IAS	Member
3	Prof. Pradip Khandwalla	Member
4	Ms. Manjula Shroff	Member

- Nomination and Remuneration Committee:**

Nomination and Remuneration Committee		
1	Mr. Ajit Kapadia	Chairman
2	Mr. Atanu Chakraborty, IAS	Member
3	Mr. Mukesh Kumar, IAS	Member
4	Mr. Jal Patel	Member
5	Prof. Pradip Khandwalla	Member

- Stakeholders Relationship Committee:**

Stakeholders Relationship Committee		
1	Mr. Ajit Kapadia	Chairman
2	Mr. Mukesh Kumar, IAS	Member
3	Mr. Sanjeev Kumar, IAS	Member
4	Ms. Manjula Shroff	Member





5	Mr. Jal Patel	Member
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• **Compensation Committee:**

Compensation Committee		
1	Mr. K. D. Chatterjee	Chairman
2	Mr. Mukesh Kumar, IAS	Member
3	Mrs. Majula Shroff	Member

7.4 Employee Stock Option Scheme

The salient features of Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP 2008"):

1. Gujarat Gas Company Limited formed the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust") in November 2008, which administers the ESOP of the Company.
2. IDBI Trusteeship Services Limited ("ITSL"), having its registered office at Asian building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai was appointed as an External Trustee of the Trust w.e.f. 28 April 2011, for providing the trusteeship services to the Trust for an agreed remuneration.
3. Under the ESOP, Options had been granted, which provided the benefit or right but not an obligation for exercising at a future date, equivalent number of equity shares each of the face value of Rs. 2/- each of Gujarat Gas Company Limited against the Options that have vested under the ESOP.
4. The ESOP provides for graded vesting of Options granted, over a period of 4 years from the date of grant. The Options are to be exercised within a maximum period of 2 years from the date of Vesting. Within the Exercise Period, the Option holder has the option to either purchase the shares from the Trust at the Exercise Price or to give a Mandate of Sale of the shares ("the Mandate") to the Trust in accordance with the terms and conditions of the ESOP.
5. As per the terms and conditions of the ESOP, the Trust has purchased out of the funds advanced by the Company, shares from the open market at ruling prices, at different points of time in respect of the underlying options. These shares purchased by the Trustee(s) are held in their capacity as the Trustee(s) till the Options are exercised upon Vesting by the Option holders as per the terms of ESOP. The Trust had purchased from the secondary market 1,995,500 equity shares of Rs. 2/- each in the name of the Trustee(s) of the Trust.
6. Under the ESOP, these Equity Shares are subsequently sold following the Mandate from the Option holders or transferred to the Option holders, as the case may be, at the time of the Exercise of the Options upon Vesting. Accordingly, the Trustee(s) sold equity shares through open market and the difference between the sale price and the Exercise Price, net of charges and taxes were given to the Option holders as per the ESOP. The Trustees are authorized to execute the purchase and sale of shares of the Company, on behalf of the Option holders, in accordance with the ESOP.

