

Ref: NSE/LIST/2257

November 05, 2014

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

**Kind Attn: Ms. Rajeshwari Sharma**

Dear Madam,

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

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

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

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

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

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

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

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

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



2. To publish an advertisement in the newspapers containing all the information about GSPC Distribution Networks Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about GSPC Distribution Networks Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
  - (b) "There shall be no change in the shareholding pattern or control in GSPC Distribution Networks Limited between the record date and the listing which may affect the status of this approval."

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

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

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

Yours faithfully,  
For National Stock Exchange of India Limited

Kamlesh Patel  
Manager

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

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