



GUJARAT GAS

**GUJARAT
GAS
LIMITED**

UPDATED INFORMATION MEMORANDUM

**GUJARAT GAS LIMITED**

Registered Office: Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar – 382 011,
Gujarat **Tel No.:** +91-79-26462980 **Fax No.:** +91-79-26466249

CIN: U40200GJ2012SGC069118

Website: www.gujaratgas.com

Contact Person: Rajeshwari Sharma, Company Secretary

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.

Equity shares of Rs. 10 each allotted on 2nd June, 2015, have been credited by the Depositories into the shareholders account on 25th June, 2015 and the physical share certificates have been dispatched on 26th June, 2015 by Karvy Computershare Pvt. Ltd. The ISIN for the said equity shares is INE844O01022, which is suspended as per High Court Order regarding issue of shares pursuant to Amalgamation. In-principle approval for listing of 137,678,025 equity shares of Rs. 10/- each of the Company was received from BSE Limited on 3rd August, 2015, NSE on 5th August, 2015, VSE on 5th August, 2015 & ASE on 7th August, 2015. Securities and Exchange Board of India (SEBI) granted in principle relaxation under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957 vide its letter dated 3rd August, 2015.



**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**

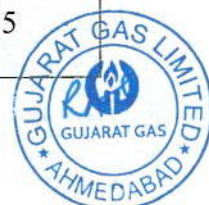
Karvy Selenium Tower B, Plot No. 31-32,
Financial District, Nanakamguda, Serilingampally Mandal,
Hyderabad – 500032
Ph: 040 – 67161500
040 – 67161606

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.

TABLE OF CONTENTS

PARTICULARS	PAGE NO.
SECTION 1 – GENERAL	
1.1.DEFINITIONS AND ABBREVIATIONS	6-8
1.2.CERTAIN CONVENTIONS AND MARKET DATA	9
1.3. FORWARD LOOKING STATEMENTS	9
SECTION 2 – RISK FACTORS	10-12
SECTION 3 – INTRODUCTION	
3.1.SUMMARY	13
3.2.INDUSTRY STRUCTURE & DEVELOPMENT	13-14
3.3.BUSINESS SUMMARY OF THE COMPANY	14
3.3.1. FINANCIAL INFORMATION OF THE COMPANY	15
3.4.COMPOSITE SCHEME OF ARRANGEMENT IN NATURE OF AMALGAMATION OF GSPC GAS, GGCL, GFSL AND GTCL	15





WITH GGL (FORMELY KNOWN AS GSPC Distribution Networks Limited) AND RESTRUCTURING OF SHARE CAPITAL OF GGL (FORMELY KNOWN AS GSPC Distribution Networks Limited)	
3.4.1. SALIENT FEATURES OF THE SCHEME	16-30
3.4.2. BRIEF HIGHLIGHTS OF THE SCHEME WITH RESPECT TO ALLOTMENT AND LISTING OF SHARES & OTHER CONSEQUENTIAL ASPECTS	31-33
3.4.3. RATIONALE FOR COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT	34-35
3.4.4. APPROVAL AND SANCTION OF THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT	35-36
SECTION 4 – GENERAL INFORMATION	37-38
SECTION 5 – CAPITAL STRUCTURE OF THE COMPANY	
5.1. CAPITAL STRUCTURE	39-40
5.2. EQUITY SHARE CAPITAL HISTORY	40-44
SECTION 6 – STATEMENT OF POSSIBLE TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY	45
SECTION 7 – ABOUT THE COMPANY	45-47
7.1. MANAGEMENT DISCUSSION AND ANALYSIS	
7.1.1 INDUSTRY OUT LOOK & DEVELOPMENT	47-48
7.1.2 OPPORTUNITIES AND CHALLENGES	48-49
7.1.3 FUTURE OUTLOOK	49
7.2. MANAGEMENT	
7.2.1. BOARD OF DIRECTORS	49-55
7.3. CORPORATE GOVERNANCE	55-57
7.4. EMPLOYEE STOCK OPTION SCHEME	57-63
7.5. GSPC GROUP PROFILE	63
7.6. PROMOTERS	63
7.6.1. GUJARAT STATE PETROLEUM CORPORATION LIMITED	64-65
7.6.2. GUJARAT STATE PETRONET LIMITED	65-66
7.6.3. GUJARAT STATE ENERGY GENERATION LIMITED	66-68
7.6.4. GOVERNMENT OF GUJARAT	68
7.7. GROUP COMPANIES	
7.7.1. GSPC PIPAVAV POWER COMPANY LIMITED	68-69
7.7.2. GSPC (JPDA) LIMITED	69-70
7.7.3. GSPC LNG LIMITED	70-71
7.7.4. GUJ INFO PETRO LIMITED	71-72
7.7.5. GSPL INDIA TRANSCO LIMITED	72-73
7.7.6. GSPL INDIA GASNET LIMITED	73-74
7.7.7. SABARMATI GAS LIMITED	74-76
SECTION 8 - LEGAL AND OTHER INFORMATION - OUTSTANDING LITIGATION AND MATERIAL INFORMATION	77
8.1 PROVISION IN THE SCHEME	77
8.2 OUTSTANDING LITIGATIONS INVOLVING THE AMALGAMATING COMPANIES	77-82





8.3 OUTSTANDING LITIGATIONS INVOLVING THE PROMOTERS	82-113
SECTION 9 - GOVERNMENT APPROVALS AND REGULATORY AND STATUTORY DISCLOSURES	114-118
SECTION 10 – PROVISIONS OF THE ARTICLES OF ASSOCIATION AND MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	119-133
SECTION 11 – DECLARATION	134



**SECTION 1 – GENERAL****1.1.DEFINITIONS AND ABBREVIATIONS**

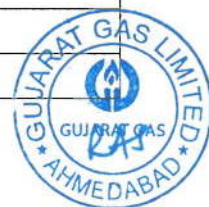
Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

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
MMTPA	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. Gas pipeline connectivity:

Availability of gas is crucial to the operations of the CGD Company as there have been many instances where connectivity with the transmission pipeline had been delayed by months or years as compared to initial estimates. Delay in pipeline connectivity delays effective project start-up leading to stretched economics and mismatches in cash flows. For such connectivity, the CGD Company has to depend on the transmission pipeline company, the bargaining power of the CGD entity with respect to the transmission pipeline company remains limited, given the much larger size of the latter. Besides, once pipeline project commences, as mentioned above, laying of new pipelines might get delayed due to several reasons including delay in securing right of use (ROU), delays in approvals, local activism etc.

4. 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.





5. 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

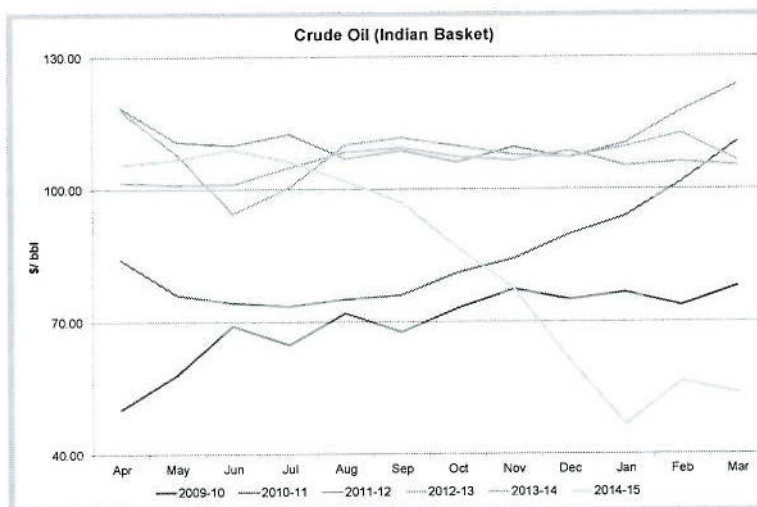
YOU SHOULD READ THE FOLLOWING SUMMARY TOGETHER WITH THE RISK FACTORS AND THE MORE DETAILED INFORMATION ABOUT THE COMPANY AND FINANCIAL DATA INCLUDED ELSE WHERE IN THIS INFORMATION MEMORANDUM

(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 and Diu.

¹ <http://pib.nic.in>





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.

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 about 97,600 new household customers on Natural Gas for the period ended till July 31, 2015 (April 2014 to July 2015), taking the total number of domestic customers on the Company's network to around 10,28,000. Around 1,55,500 vehicles served daily with CNG in the Company's operating areas. Gujarat Gas Limited has so far laid a State-of-Art pipeline network of more than 15,000 KMs (including Steel and PE Pipeline) catering to more than 647 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

The Company had made an application to Honorable High Court of Gujarat for reopening of accounts of the Company for F.Y. 2013-2014 in order to reflect the true and fair financial position of the Company, pursuant to which Honourable High Court of Gujarat had issued an Order dated 06/07/2015, where in it was permitted to re-open & revise the accounts of the Company for FY 2013-2014.

Pursuant to the direction of the Court, the Annual Accounts for Financial Year 2013-2014 had been re-opened and audited by J.S. Maheshwari & Co, Chartered Accountants, as the Statutory Auditors for F.Y. 2013-2014. The Annual Accounts for FY ended on 31st March, 2015 have been audited by Manubhai & Shah, the Statutory Auditors of the Company for F.Y. 2014-2015. The Board of Directors at its Meeting held on 13th August, 2015 had approved the said Financial Statements for F.Y. 2013-14 and 2014-15 which shall be placed before the Shareholders at the Annual General Meeting (AGM) to be held in due course. The Board of Directors at its said meeting also recommended the Dividend of Rs.5.00 per fully paid up equity share of Rs. 10/- each on 137678025 equity shares for the Financial Year 2014-15 for payment to the equity shareholders subject to the approval of the members at the Annual General Meeting to be held in due course.

The said Audited Financial Statements for F.Y. 2013-14 and F.Y. 2014-15 and the Unaudited Financial Results of the Company for the Quarter ended on 30th June, 2015 as per the format under clause 41 of the Listing Agreements are attached at Annexure 1.

3.4 COMPOSITE SCHEME OF ARRANGEMENT IN NATURE OF AMALGAMATION OF GSPC GAS, GGCL, GFSL AND GTCL WITH GGL (FORMELY KNOWN AS GSPC Distribution Networks Limited) AND RESTRUCTURING OF SHARE CAPITAL OF GGL (FORMELY KNOWN AS GSPC Distribution Networks 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 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





“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.
- 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.
- 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.

- 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.
- 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.
 - 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.
- 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.
 - 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**

- **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.

- 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%

- 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





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.

○ 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.
- 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



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 has obtained 19(2) (b) exemption from SEBI vide its letter No CFD/DIL-1/BNS/SD/21663/2015 dated 3rd August, 2015 addressed to BSE and NSE, for listing the equity shares of Gujarat Gas Limited issued pursuant to the Scheme. Further Company has also received In-principle approval for listing of 137,678,025 equity shares of Rs. 10/- each of the Company received from BSE Limited on 3rd August, 2015, NSE on 5th August, 2015, VSE on 5th August, 2015 & ASE on 7th August, 2015.

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 has published an advertisement in Financial Express - All Edition : English : Mumbai, Pune, Ahmd (Eng. /Guj.), Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, B'lore, Hyderabad, Jansatta - All Edition (Hindi): Delhi, Chandigardh, Lucknow, Kolkatta, 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 has drawn a specific reference to the availability of this Information Memorandum on the website, www.gujaratgas.com.

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. G.R. Aloria, IAS, Director & Chairman (Promoter Director)
- 2 Mr. L. Chuaungo, IAS, Director (Promoter Director)
- 3 Mr. Atanu Chakraborty, IAS, Director (Promoter Director)
- 4 Mr. Sanjeev Kumar, IAS, Director (Promoter Director)
- 5 Mr. Mukesh Kumar, IAS, Director (Promoter Director)
- 6 Mr. Jal Patel, Independent Director
- 7 Mr. Ajit Kapadia, Independent Director
- 8 Mr. K. D. Chatterjee, Independent Director
- 9 Prof. Pradip Khandwalla, Independent Director
- 10 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
YES Bank Limited
IndusInd Bank

Bank of Baroda
Oriental Bank of Commerce
UCO Bank





GUJARAT GAS

Page | 38

HDFC Bank Limited
Kotak Mahindra Bank Limited
Gujarat State Financial Services Limited
The Kalupur Commercial Co-Operative Bank Limited
HUDCO
IDBI Bank Limited

Corporation Bank
ICICI Bank Limited
Bank of Maharashtra
State Bank of India
Axis Bank

AUDITORS:

M/s Manubhai & Shah, Chartered Accountants
2nd Floor, 'B' Wing, Premium House, Near Gandhigram Rly. Station,
Navrangpura, Ahmedabad - 380 009. Gujarat, India.
Phone: +91 79 26580956, 26580966, 26582484, 26585064
Fax: +91 79 26583573

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:

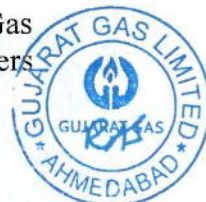
PARTICULARS	Rs.
<u>AUTHORISED SHARE CAPITAL</u>	
1,735,100,000 equity shares of Rs.10/- each	17,351,000,000
17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each	170,000,000
5,000,000 (Five million only) Preference shares of Rs. 10/- each	50,000,000
<u>ISSUED, SUBSCRIBED 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:

- 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
	24/05/2015	Reduction of Share Capital as on effective date, pursuant	13,157,895	10	Share Capital reduced to ensure that the Company has a serviceable	Part of the equity shares (being part of pre merger share





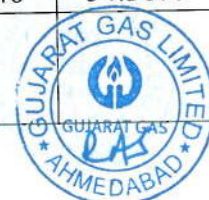
		to the Composite Scheme of Amalgamation & Arrangement			equity capital base	capital) shall be locked in for Three years from the date of listing
4.	02/06/2015	Issuance of Equity Shares pursuant to the Composite Scheme of Amalgamation & Arrangement	124,520,130	10	Issued as per swap ratio pursuant to the 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.

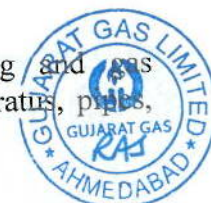
Gujarat Gas Limited (Formerly GSPC Distribution Networks Limited) was incorporated by erstwhile GSPC Gas Company Limited as its 100% subsidiary for acquiring controlling stake in GGCL. In October 2012, GSPC announced that it had signed definitive agreement for acquiring 65.12% equity stake in GGCL from 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:

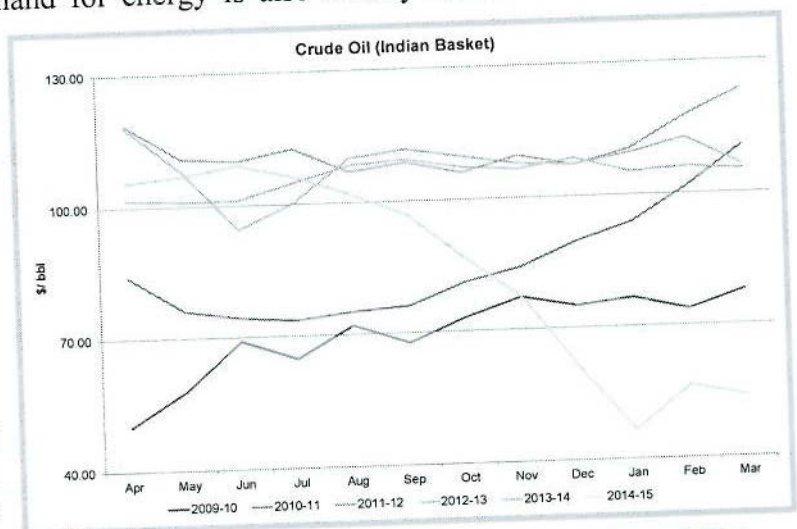
38. To establish subsidiaries, companies, amalgamate with, or enter into partnership or into any arrangement for sharing profits, union of interest, joint venture, reciprocal concessions or co-operation with, any person or company carrying on, engaged in, or proposing to carry on or engage in, any business 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.





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 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 G.R. Aloria, IAS	13 th August, 2015	1. Sardar Sarovar Narmada Nigam Limited 2. Urban Ring Development Corporation Limited





2.	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
3.	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
4.	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
5.	Mr. Mukesh Kumar, IAS	21 st April 2015	The Gujarat State Civil Supplies Corporation Limited
6.	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
7.	Mr. Ajit Kapadia	21 st April 2015	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
8.	Mr. K. D. Chaterjee	21 st April 2015	-
9.	Prof. Pradip Khandwalla	21 st April 2015	1. Grow Talent Company Limited 2. Cadilla Pharmaceuticals Limited 3. Aga Khan Rural Support Programme (India)
10.	Mrs. Manjula Shroff	21 st April 2015	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



**Profile of the Board of Directors:****1. Mr G.R. Aloria, IAS, Director & Chairman (Promoter Director)**

Shri G R Aloria, IAS, is the Non-Executive Chairman of the Company. He is a Graduate in Economics and Law. Shri Aloria has wide experience in public administration. He has served as Additional Chief Secretary Home, Principal Secretary, Urban Development, Vice Chairman and Managing Director of State Road Transport Corporation; Joint Managing Director, Sardar Sarovar Narmada Nigam Ltd etc. amongst many other important assignments. He is presently Chief Secretary, Government of Gujarat.

2. 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.

3. 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 as 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.

4. 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.

5. 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

6. 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.

7. 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.

8. 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.





9. 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.

10. 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 Perna - a school for dyslexics.

Any relationship between directors:

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

- 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		
	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

• **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.

Details of Gujarat Gas Company Limited Employee Stock Option Plan 2008:

Sr. No.	Particulars	Details
1.	Total number of Options granted	Gujarat Gas Company Limited Employee Stock Option Plan - 2008 <ul style="list-style-type: none"> – 14,80,000 Options (2008) – 3,40,000 Options(2009) – 4,03,000 Options (2010) – 84,000 Options (2011)
2.	Pricing Formula	The Pricing Formula as approved by the Shareholders of the Company provides that the Exercise Price for Grants made in November, 2008, shall be calculated at 10% discount of the latest available closing price of the Shares on the Stock Exchange on which there was highest trading volumes on the date of the Board Meeting in which the grant of Options is approved. The Compensation Committee has decided the Exercise Price for all subsequent grants. The Exercise Price has been calculated as rounded off to the nearest integer.
3.	Exercise Price	<ul style="list-style-type: none"> – Rs. 95.00, adjusted on allocation of bonus for 13,93,000 Options granted in November, 2008, (Rs. 189.00, calculated at 10% discount of the Rs. 210.00 being the closing price of the Shares on the NSE having highest trading volumes on 23 October 2008). – Rs. 115.00, adjusted on allocation of bonus for 2,89,000 Options granted in May 2009, (Rs. 230.00, calculated at 10% discount of the Rs. 255.00 being the closing price of the





		<p>Shares on the BSE having largest trading volumes on 29th April 2009).</p> <ul style="list-style-type: none"> – Rs. 143.00, adjusted on allocation of bonus for 21,000 Options granted in August 2009, (Rs. 286.00 calculated at 10% discount of the Rs. 317.40 being the closing price of the Shares on the BSE having largest trading volumes on 27 July 2009). – Rs. 219.00, for 95,000 Options granted in March 2010, (Rs. 219.00 calculated at 10% discount of the Rs. 242.95 being the closing price of the Shares on the NSE having largest trading volumes on 3 March 2010). – Rs. 277.00, for 1,90,000 Options granted in 22 July 2010, (Rs. 277.00 calculated at 10% discount of the Rs. 308.00 being the closing price of the Shares on the NSE, having largest trading volumes on 23 July 2010). – Rs. 352.00, for 1,18,000 Options granted in October 2010, (Rs. 352.00 calculated at 10% discount of the Rs. 391.00 being the closing price of the Shares on the NSE having largest trading volumes on 27 October 2010). – Rs. 337.00, for 84,000 Options granted in April 2011, (Rs. 337.00 calculated at 10% discount of Rs. 374.45 being the closing price of the Shares on the NSE having largest trading volumes on 27 April 2011)
4.	Total number of Options vested	<p>3,38,750 numbers (2010) 7,24,500 numbers (2011) 5,63,000 numbers (2012) 2,07,750 numbers (2013-14) 2,08,500 numbers (2014-15)</p>
5.	Total number of Options exercised	<p>2,80,000 numbers (2010) 4,34,250 numbers (2011) 8,26,750 numbers (2012) 1,28,500 numbers (Jan'13-Mar'14) 2,08,500 numbers (Apr'14-Mar'15)</p>
6.	The total number of shares a result of exercise of Options	<p>No new equity shares were issued on exercise of options. The first Vesting Date under the ESOP was 1 November 2010 and accordingly, Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the “Mandate of Sale”, whereby the Trustees had to sell 2,70,000 equity shares in December 2010, through open market and the difference between the sale price</p>





and the exercise price, net of charges and taxes were given to the option holders as per ESOP. Also, as per the ESOP, one of the Option holders, upon vesting, had exercised his right by opting to have 10,000 shares transferred in his name instead of giving the Mandate of sale. Therefore, the Trustees had transferred to the concerned Option holder, these 10,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price). Under the ESOP, further options vested on 11 May 2011, 1 August 2011 and 1 November 2011. Accordingly, the Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 6,250 equity shares in March 2011, 91,500 equity shares in August 2011, 5,000 equity shares in September 2011 and 3,31,500 Equity shares in December 2011, 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 ESOP. Under the ESOP, further options vested on 4 March 2012, 11th May 2012, 26 July 2012, 1 August 2012 and 1 November 2012, accordingly Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,59,250 equity shares in March 2012, 1,250 equity shares in May 2012, 34,147 equity shares in June 2012, 16,353 equity shares in August 2012, 77,250 equity shares in September 2012, 3,32,250 Equity shares in November 2012, and 86,250 Equity Shares in December 2012 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 ESOP. Also, as per the ESOP, two of the Option holders, upon vesting, had exercised their right by opting to have 20,000 shares transferred in their name instead of giving the Mandate of Sale. Therefore, the Trustees had transferred to the concerned Option holder, these 20,000 equity shares at the pre-determined Exercise





		Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price). Under the ESOP, further options vested on 4 March 2013, 11 May 2013, 26 July 2013 and 1 August 2013. As per the ESOP, some of the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 7,306 equity shares in March 2013, 52,694 equity shares in June 2013, 500 equity shares in August 2013, 55,500 equity shares in November 2013, 10,000 equity shares in February 2014, 1,28,250 equity shares in May 2014, 58,250 equity shares in June 2014, 11,000 equity shares in August 2014, 7,750 equity shares in September 2014, 4,750 equity shares in November 2014, 1000 equity shares in March 2015 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 ESOP.
7.	Total number of Options lapsed	292,750 (till December 2012) 41,000 (During Jan'13 to March'14) 11,250 (During Apr'14 to March'15)
8.	Variation of terms of Options	N.A
9.	Money realised by exercise of Options	Rs. 23.96 Crores till 31 March 2015
10.	Total number of Options in force	25,500 as on 31 March 2015
11.	Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	N.A.
12.	Method of calculation of employee compensation cost	The employee compensation cost has been calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula.
13.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	N.A
14.	The impact of this difference on	N.A





	profits and on EPS of the company	
15.	Weighted-average exercise prices and weighted-average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock.	The weighted average exercise price per Option is Rs. 334/- of the outstanding options as at 31-March-2015. The weighted average fair value per Option at the grant date is Rs 124/- of the outstanding options as at 31-March-2015.
16.	A description of the method significant assumptions used during the year to estimate the fair values of options	N.A

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

1. Upon coming into effect of this Scheme, in respect of stock options granted by GGCL under the ESOP, Gujarat Gas Limited shall issue stock options taking into account the Share Exchange Ratio and on terms and conditions not less favorable than those provided under the ESOP. Such stock options will be issued by Gujarat Gas Limited under a New ESOP to be created Gujarat Gas Limited, inter alia, for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme;
 2. It is hereby clarified that upon this Scheme becoming effective, options granted by GGCL to Eligible Employees under ESOP shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to Eligible Employees under ESOP, fresh options shall be granted Gujarat Gas Limited to the Eligible Employees on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. The Exercise Price payable for options granted by GGCL to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the New Stock Option Plan as adjusted after taking into account the effect of the Share Exchange Ratio;
 3. ESOP Trust currently holds sufficient shares of GGCL, which may be required, to meet obligation in respect of vested as well as unvested ESOP issued to Eligible Employees. Upon the coming into effect of this Scheme, all the shares of GGCL held by the ESOP Trust shall stand cancelled and fresh shares of Gujarat Gas Limited shall be issued to the ESOP Trust on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. It is hereby clarified that Fractional entitlement, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be taken care as per mechanics mentioned in clause 14.2.5 of this Scheme.
 4. The grant of options to the Eligible Employees pursuant to sub clause 8.2 of this Scheme shall be effected as an integral part of this Scheme and the consent of the shareholders of Gujarat Gas Limited to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the New Stock Option Plan, without limitation, for the purpose of creating New Stock Option Plan, and all related matters. No further approval of the shareholders of Gujarat Gas Limited would be required in this connection under Section 81(1A) of the Act (Corresponding notified section 62(1)(c) of the Companies Act, 2013).
- It is hereby clarified that in relation to the options granted under New Stock Option Plan to Eligible Employees, the period during which the options granted by ESOP were held or





deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law or agreement or deed for stock options granted under the New Stock Option Plan;

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

Gujarat Gas Limited undertakes to adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges post listing.

Shareholding of Directors / Key Management Personnel:

	Name of the Directors / KMP	Designation	Number of shares held in GGL
1	Mr G.R. Aloria, IAS	Promoter Director	NIL
2	Mr. L. Chuaungo, IAS	Promoter Director	NIL
3	Mr. Atanu Chakraborty, IAS	Promoter Director	NIL
4	Mr. Sanjeev Kumar, IAS	Promoter Director	NIL
5	Mr. Mukesh Kumar, IAS	Promoter Director	NIL
6	Mr. Jal Patel	Independent Director	NIL
7	Mr. Ajit Kapadia	Independent Director	NIL
8	Mr. K. D. Chaterjee	Independent Director	NIL
9	Prof. Pradip Khandwalla	Independent Director	NIL
10	Mrs. Manjula Shroff	Independent Director	NIL
11	Mr. P.P.G Sarma	KMP-CEO	800
12	Mr. Rahul Devi	KMP-CFO	5
13	Mrs. Rajeshwari Sharma	KMP-CS	NIL

The Articles do not require the Directors of the Company to hold any qualification shares.

7.5 GSPC GROUP PROFILE

GSPC Group is recognized today as an “Integrated Energy Company” evolving a total energy infrastructure in the State of Gujarat. The group has a high level of managerial and technical competence and has played a pioneering role in transforming Gujarat into a gas based economy, marketing its presence across the energy value chain through its subsidiaries & associates companies, each playing a pivotal role in driving the State’s energy initiatives.

7.6 PROMOTERS

Sr No.	Name of the Promoters	Shareholding – Pre Scheme	Shareholdings – Post Scheme
1	Gujarat State Petronet Limited	350,000,000	35,468,471
2	Gujarat State Petroleum Corporation Limited	-	39,106,328
3	Government of Gujarat	-	8,995,462
4	Gujarat State Energy Generation Limited	-	266,447





7.6.1 GUJARAT STATE PETROLEUM CORPORATION LIMITED

GSPC is public limited company originally incorporated as Gujarat State Petrochemicals Corporation Limited on January 29, 1979 under the Companies Act 1956. Subsequently, on November 10, 1994, name of the company has been changed to Gujarat State Petroleum Corporation Limited. The company is mainly promoted by Government of Gujarat (GoG) along with its public sector undertakings with the aim to discover oil and gas from the acquired fields and also to provide green gas such as CNG, PNG and other gaseous fuels to the citizens of State of Gujarat.

Shareholding pattern of GSPC as on 31st March 2014 Equity shares of Rs. 1 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Government of Gujarat	2,147,962,140	86.39%
Gujarat State Investment Limited	192,592,441	7.75%

Board of Directors of GSPC

<i>Gujarat State Petroleum Corporation Limited</i> <i>List of Directors as on 29 May 2015</i>		
1	Dr. J. N. Singh, IAS	Director
2	Shri L. Chuaungo, IAS	Director
3	Dr. Manjula Subramaniam, IAS (Retd.)	Independent Director
4	Shri M. M. Srivastava, IAS (Retd.)	Director
5	Shri K.Kailashnathan, IAS (Retd.)	Director
6	Dr. T. Harinarayana	Director
7	Dr. Ravindra Dholakia	Independent Director
8	Dr. N. Ravichandran	Independent Director
9	Prof. Yogesh Singh	Independent Director
10	Shri Atanu Chakraborty, IAS	Managing Director

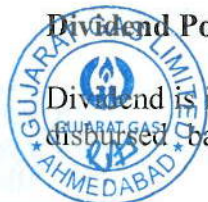
Financial Performance of GSPC

(Rs. in Crores)

Particulars	31 st March 2014
Sales & Other Income	12,037.82
PAT	35.49
Equity Capital	248.62
Reserves	6,862.30
EPS (Rs.)	0.15

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders'





approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31st March 2014.

GSPC has the following subsidiaries:

1. Gujarat State Petronet Limited
2. GSPC Pipavav Power Company Limited
3. GSPC (JPDA) Limited
4. GSPC LNG Limited
5. Guj. Info Petro Limited
6. GSPL India Transco Limited
7. GSPL India Gasnet Limited
8. Gujarat Gas Limited (Formerly GSPC Distribution Networks limited)

7.6.2 GUJARAT STATE PETRONET LIMITED

GSPL is a Promoter of the Company. GSPL was incorporated under the provisions of the Act on 23rd December 1998. The business of the Company is to develop and operate natural gas transmission network. GSPL made an initial public offering of its equity shares and allotted the equity shares in February 2006; which equity shares are listed on BSE and NSE

Details of Promoters of GSPL

Sr. No.	Name	Address
1.	Gujarat State Petroleum Corporation Limited	GSPC Bhavan, Behind Udyog Bhavan, Sector – 11, Gandhinagar 382 010, Gujarat

Shareholding pattern of GSPL as on 31st March 2014

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters Holding	212,305,270	37.72%
2.	Non-Promoter Holding	350,515,807	62.28%
	Total	562,821,077	100.00%

Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petroleum Corporation Limited	212,305,270	37.73%
Gujarat Maritime Board	37,088,000	6.59%



**Board of Directors of Gujarat State Petronet Limited (as on 22 May 2015)**

Name	Designation
Shri M M Srivastava, IAS (Retd.)	Chairman
Shri L Chuaungo, IAS	Non Executive Director
Dr. J N Singh, IAS	Non Executive Director
Smt. Shridevi Shukla	Non Executive Director
Dr. R Vaidyanathan	Independent Director
Prof. Yogesh Singh	Independent Director
Dr. Bakul Dholakia	Independent Director
Shri Atanu Chakraborty, IAS	Managing Director

Financial Performance of GSPL as on 31st March 2014 (Rs. in Crores)

Particulars	31 st March 2014
Sales & Other Income	1,105.88
PAT	419.14
Equity Capital	562.74
Reserves	2,732.09
EPS (Rs.)	7.45

Dividend Policy

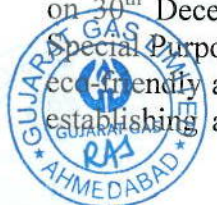
Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. GSPL declared dividend of Rs. 1 per share for the year ended 31 March 2014.

GSPL has the following subsidiaries:

1. GSPL India Transco Limited
2. GSPL India Gasnet Limited

7.6.3 GUJARAT STATE ENERGY GENERATION LIMITED

GSEG is a Promoter of the Company. GSEG was incorporated under the provisions of the Act on 30th December 1998. GSEG is engaged in the business of power generation. GSEG is a Special Purpose Vehicle (SPV) formed by GSPC to generate power in Gujarat by harnessing the eco-friendly and economical natural gas. GSEG is part of the GSPC Group's overall strategy of establishing a presence in both the upstream and downstream segments of the energy value





chain. The company is committed to using innovative, advanced and reliable technology for producing gas-based power. GSEG was set up in 1998 as a power generation company. GSEG owns and operates a gas based power plant in Hazira that was commissioned in 2002. The plant was set up to provide electricity for the Gujarat state grid, with all electricity currently produced at the plant sold to Gujarat Urja Vikas Nigam Limited (GUVNL), a Government of Gujarat owned electricity company.

Shareholding pattern of GSEG as on 31st March 2014
Equity shares of Rs. 10 each fully paid

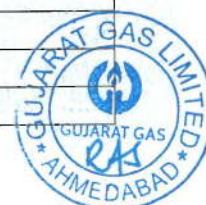
Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petroleum Corporation Limited	113,541,817	32.59%
Krishak Bharati Co-operative Limited	97,195,453	27.90%
State Bank of India	31,250,000	8.97%
Gujarat Urja Vikas Nigam Limited	29,003,636	8.33%
GAIL	20,760,000	5.96%
IFCI Limited	17,590,000	5.05%

Board of Directors of GSEG (as on 31 March 2015)

Name of the Director	Designation
Shri Atanu Chakraborty, IAS	Chairman
Shri I P Gautam, IAS (Retd.)	Director
Shri Anupam Anand, IAS	Managing Director
Shri C J Mecwan	Director
Shri Hareet Shukla, IAS	Director
Shri Haribhai Patel, IAS (Retd.)	Independent Director
Ms. Geeta Goradia	Independent Director
Shri Rajan Chowdhary	Director
Shri R.K Agarwal	Director
Shri V.R Patel	Director
Shri P.K. Pal	Director
Shri B. Venugopala Reddy	Director

Financial Performance of GSEG (Rs. in Crores)

Particulars	31 st March 2014
Sales & Other Income	119.27
PAT	(178.47)
Equity Capital	348.37
Reserves	(288.11)





EPS (Rs.)	(5.12)
-----------	--------

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31 March 2014.

7.6.4 GOVERNMENT OF GUJARAT

Government of Gujarat is a Promoter of the Company.

The Government of Gujarat holds 8,995,462 equity shares i.e. 6.53% of the equity share capital, directly in Gujarat Gas Limited. It acts through the Governor of Gujarat.

7.7 GROUP COMPANIES

7.7.1 GSPC PIPAVAV POWER COMPANY LIMITED

GPPC was incorporated under the provisions of the Act on 22nd February 2006. The business of the GPPC is to carry on any or all businesses of generation of power, energy, electricity from conventional and non-conventional sources and distribution, trade, commerce, transmission, sale and supply of power.

Board of Directors of GPPC (as on 31 March 2015)

Name of the Director	Designation
Shri Pankaj Joshi, IAS	Director
Shri Sanjeev Kumar, IAS	Director
Dr. PK Das, IAS (Retd.)	Independent Director
Dr. Mamata Biswal	Independent Director
Shri S B Khyalia	Managing Director

Shareholding pattern of GPPC as on 31st March 2014

Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petroleum Corporation Limited	376,772,936	100.00%

Financial Performance of GPPC

(Rs. in Crores)

Particulars	31 st March 2014
Sales & Other Income	13.77
Profit	(306.54)
Equity Capital	376.77





Reserves	(315.70)
EPS (Rs.)	(38.62)

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31 March 2014.

7.7.2 GSPC (JPDA) LIMITED

GSPC (JPDA) was incorporated under the provisions of the Act on 13th October 2006. The business of the GSPC (JPDA) is to carry out exploration and production activities in JPDA block (JPDA 06-103) awarded to the company in Joint Petroleum Development Area by Timor Sea Designated Authority. Global Energy Inc, Bharat PetroResources JPDA Limited, Pan Pacific Petroleum (JPDA) Pty Limited, Oilex (JPDA 06-103) Limited and Japan Energy E&P Limited are consortium partners in the said block.

Board of Directors of GSPC (JPDA)

GSPC (JPDA) Limited		
Sr. No.	Name of Director	Designation
1	Smt. Meena Bhatt	Independent Director
2	Prof. Yogesh Singh	Independent Director
3	Shri N. K. Mitra	Director
4	Shri Jayesh Dave	Director
5	Shri Samir Biswal	Whole Time Director

Shareholding pattern of GSPC (JPDA) as on 31st March 2014 Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petroleum Corporation Limited	97,390,060	100.00%

Financial Performance of GSPC (JPDA) (Rs. in Crores)

Particulars	31 st March 2014
Sales & Other Income	0
PAT	(0.20)





Equity Capital	97.39
Reserves	32.68
EPS (Rs.)	(0.03)

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31st March 2014.

7.7.3 GSPC LNG LIMITED

GSPC LNG was incorporated under the Companies Act on 27th February 2007. GSPC LNG proposes to set up a LNG terminal which will have receiving and re-gasification facilities with 5 MMTPA capacity.

Board of Directors of GSPC LNG Limited

Name of the Director	Designation
Shri G R Aloria, IAS	Chairman
Shri Atanu Chakraborty, IAS	Director
Shri L Chuaungo, IAS	Director
Shri Sanjeev Kumar, IAS	Director
Shri Pranav Adani	Director
Dr. Malay Mahadevia	Director
Shri Babulal Prajapati	Independent Director
Ms Tejal Amin	Independent Director

Shareholding pattern of GSPC LNG as on 31st March 2014
Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Government of Gujarat	37,500,000	41.03%
Gujarat State Petroleum Corporation Limited (Including Nominee Shareholders)	8,200,000	8.97%
Adani Enterprise Limited	35,700,000	39.06%
Gujarat Industries Power Co. Limited	10,000,000	10.94%



**Financial Performance of GSPC LNG (Rs. in Crores)**

Particulars	31 March 2014
Sales & Other Income	1.60
PAT	-
Equity Capital	91.40
Reserves	(0.02)
EPS (Rs.)	-

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31st March 2014.

7.7.4 GUJ INFO PETRO LIMITED

GIPL was incorporated under the provisions of the Act on 15th January 2001. The business of GIPL is to provide information technology related services. The areas of operations of GIPL vary from information technology projects implementation/ consultancy, software development and implementation, data centre applications, internet bandwidth (leased line), co-location of servers, mailing solutions, virtual private network with tunneling solutions, video conferencing, bandwidth management software, facility management services and internet protocol television.

Board of Directors of GIPL (1 August 2015)

Name of the Director	Designation
Shri S.K. Nanda, IAS	Director
Shri Atanu Chakraborty, IAS	Director
Shri J.P. Gupta, IAS	Director
Prof. T.P. Rama Rao	Director

Shareholding pattern of GIPL as on 31st March 2014

Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petroleum Corporation Limited	25,000	49.94%
Gujarat Gas Limited	25,000	49.94%

Financial Performance of GIPL

(Rs. In crores)





Particulars	31 st March 2014
Sales & Other Income	44.50
PAT	8.68
Equity Capital	0.05
Reserves	32.30
EPS (Rs.)	1,734.76

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31st March 2014.

7.7.5 GSPL INDIA TRANSCO LIMITED

GITL was incorporated under the provisions of the Act on 13th October 2011 as a subsidiary of GSPL. On 30th April 2012, a Joint Venture Agreement was executed between GSPL, IOCL, BPCL and HPCL. GITL is developing a natural gas pipeline for transmission of natural gas from Mallavarm in Andhra Pradesh to Bhilwara in Rajasthan.

Board of Directors of GITL (as on 4 August 2015)

Name of the Director	Designation
Shri Atanu Chakraborty, IAS	Chairman
Shri Ravindra Agrawal	Director
Shri N. Bose Babu	Director
Shri V. K. Khurana	Director
Shri G. K. Satish	Director
Shri I.S. Rao	Director
Shri H. R. Wate	Director
Shri Manish Seth	Director
Shri Chandrasekhar Mani	Independent Director
Dr. Bharatkumar Modi	Independent Director
Smt. Shobhana Desai	Woman Director

Shareholding pattern of GITL as on 31st March 2014

Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petronet Limited (including Nominee Shareholders)	59,800,000	52.00%
Indian Oil Corporation Limited	29,900,000	26.00%





Bharat Petroleum Corporation Limited	12,650,000	11.00%
Hindustan Petroleum Corporation Limited	12,650,000	11.00%

Financial Performance of GITL (Rs. in Crores)

Particulars	31st March 2014
Sales & Other Income	2.43
PAT	1.64
Equity Capital	115.00
Reserves	2.53
EPS (Rs.)	0.20

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31st March 2014.

7.7.6 GSPL INDIA GASNET LIMITED

GIGL was incorporated under the provisions of the Act on 13th October 2011 as a subsidiary of GSPL. On 30th April 2012, a Joint Venture Agreement was executed between GSPL, IOCL, BPCL and HPCL. GIGL is developing a natural gas pipeline for transmission of natural gas from Mehsana in Gujarat to Srinagar in Jammu & Kashmir.

Board of Directors of GIGL

Name of the Director	Designation
Shri Atanu Chakraborty, IAS	Chairman
Shri Ravindra Agrawal	Director
Shri N. Bose Babu	Director
Shri V. K. Khurana	Director
Shri G. K. Satish	Director
Shri I.S. Rao	Director
Shri H. R. Wate	Director
Shri Manish Seth	Director
Shri Chandrasekhar Mani	Independent Director
Dr. Bharatkumar Modi	Independent Director

Shareholding pattern of GIGL as on 31st March 2014 Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
---------------------	--------------------	-------------------





Gujarat State Petronet Limited (including Nominee Shareholders)	71,250,060	52.00%
Indian Oil Corporation Limited	35,625,030	26.00%
Bharat Petroleum Corporation Limited	15,072,128	11.00%
Hindustan Petroleum Corporation Limited	15,072,128	11.00%

Financial Performance of GIGL**(Rs. in Crores)**

Particulars	31 st March 2014
Sales & Other Income	2.34
PAT	1.58
Equity Capital	137.02
Reserves	2.25
EPS (Rs.)	0.16

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31 March 2014.

7.7.7 SABARMATI GAS LIMITED

Sabarmati Gas Ltd. (SGL) is a joint venture with BPCL, set up in 2006, for the development of city gas distribution networks in Gandhinagar, Sabarkantha and Mehsana districts of north Gujarat.

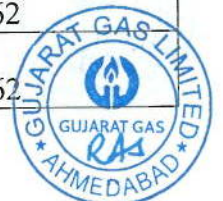
Board of Directors of SGL

Name of the Director	Designation
Shri PPG Sarma	Chairman
Shri K. K. Gupta	Director
Shri I. S. Rao	Director
Shri Jayesh Dave	Director
Shri Ravindra Agrawal	Director
Shri Milind Joshi	Director
Shri K. Mukundan	Director
Smt. Bhavna Rao	Director
Smt. Manjula Shroff	Independent Director
Shri Umed Patel	Independent Director
Shri BGS Mandan	Managing Director



Shareholding pattern of SGL as on 31st March 2014
Equity shares of Rs. 10 each fully paid

Name of Shareholder	No. of Shares held	% of Shareholding
Gujarat State Petroleum Corporation Ltd.	2250000	11.25
Shri Ravindra Agarwal	2100	0.01
Shri Sandeep Dave	2100	0.01
Shri Manish Goswami	2100	0.01
Shri Chintankumar Vyas	2100	0.01
Bharat Petroleum Corporation Limited	5000000	25.00
Shri Sudarsan Paul	2100	0.01
Shri Sudhir Joshi	2100	0.01
Shri Dayanand Naik Bengre	2100	0.01
Shri Rajendra P Natekar	2100	0.01
Shri Yogesh Tripathy	2100	0.01
Shri P Balsubramaniam	2100	0.01
Shri Subhash Dave	2100	0.01
Shri K Prakash	2100	0.01
India Infrastructure Development Fund	3324934	16.62
Gujarat State Petronet Ltd.	2750000	13.75
India Infrastructure Fund	3324933	16.62
IFCI Venture Capital Funds Limited	3324933	16.62



**Financial Performance of SGL****(Rs. in Crores)**

Particulars	31 st March 2014
Sales & Other Income	943.02
PAT	31.15
Equity Capital	20.00
Reserves	162.30
EPS (Rs.)	Basic – 15.57 Diluted – 11.18

Dividend Policy

Dividend is intended to be declared based on the quantum and availability of profits and will be disbursed based on the recommendation of the Board of Directors and on shareholders' approval. However Board of Directors may declare Interim Dividend during the Financial Year. The Company has not declared any dividend, interim or final, for the year ended 31st March 2014.



SECTION 8 - LEGAL AND OTHER INFORMATION - OUTSTANDING LITIGATION AND MATERIAL INFORMATION

8.1 PROVISION IN THE SCHEME

Clause 5 of the Scheme provides for manner of dealing with legal proceedings, which is as under:

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

8.2 OUTSTANDING LITIGATION INVOLVING THE AMALGAMATING COMPANIES

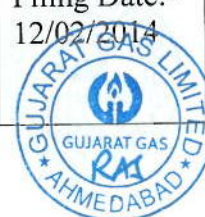
Save as stated herein under, there are no outstanding or pending material litigation, suits, criminal or civil prosecution, proceedings initiated for any offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956) or litigation for tax liabilities and there are no material defaults, non payments or overdue or statutory dues, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits against the Company. No disciplinary action has been taken by SEBI / Stock Exchanges against the Company, its Directors, its Promoters and the Group Companies.

I. ERSTWHILE KNOWN AS GSPC GAS COMPANY LIMITED

Matters before Gujarat High Court:

Matters Filed against the Company

Sr. No.	Name of the Parties	Short Description of the Case	Case No.
1	Indian Auto LPG Coalition (IAC) Versus U.O.I & State of Gujarat & GSPC Gas Co Ltd. Respondent No.8 & others	IAC has filed MCA (for Review) 417 of 2014 against the Common Judgment & order passed by the High Court dt.25.07.2012 in WPIL no. 47 of 2011(PIL) & WPIL No.54 of 2011 (WPIL)	MCA (for Review) 417 of 2014 Filing Date:- 12/02/2014





2	Hindustan Petroleum Corporation Limited Versus U.O.I, State of Gujarat & GSPC Gas Co. Ltd. Respondent No.8 & others	HPCL has filed MCA (for Review) 419 of 2014 against the Common Judgment & order passed by the High Court dt.25.07.2012 in WPIL no.47 of 2011(PIL) & WPIL No.54 of 2011 (WPIL)	MCA (for Review) 419 of 2014 Filing Date:- 12/02/2014
---	---	---	---

Matter before Appellate Tribunal for Electricity at New Delhi*Matter Filed by the Company*

Sr. No.	Name of the Parties	Short Description of the Case	Case No.
1	GSPC GAS Company Limited Versus GAIL(INDIA) LTD & PNGRB	GSPC GAS has filed the Appeal under Section. 33 of PNGRB Act, 2006 against the impugned order of the PNGRB dated 21 st July, 2014.	Appeal No.213 of 2014

Matters before Supreme Court of India*Matter Filed by the Company*

Sr. No.	Name of the parties	Short Description of the Case	Case No.
1	GSPC as Appellant & GSPC GAS Company Limited as impleading party Versus GAIL (INDIA) LTD & others	In this civil Appeal, the instant application is being made by the GSPC GAS seeking impleadment as party in the present proceedings.	I.A Nos. 25-28 of 2014 in Civil Appeal No.2473-2476 of 2014

Matters before Nadiad GA*Matters Filed by the Company*

Sr. No.	Name of the Complainant	Name of the Opponent	Case No:-	Name of the Court	Short Description of the Case	Type of the Case
1	Zonal Head, Central Zone, GSPC GAS Co.	Nimesh Patel	CC No. 2223/212 FIR on 28.09.2012	JMFC Court, Halol	Under Progress	Criminal Case



Matters before National Green Tribunal, Pune

Sr. No.	Name of the Complainant	Name of the Opponent	Case No:-	Name of the Court	Short Description of the Case	Type of the Case
1	Babubhai Saini	GSPC GAS and Others	Original application No. 21 of 2015	National Green Tribunal at Pune West Zone	Pollution matter at Morbi, Gujarat	Original application

Direct and Indirect Tax Matters of GSPC Gas

Sr. No.	Statute Amount	Nature of Dues	Amount involved (net off amount deposited with Court) (Rs. in lacs)	Forum where Dispute is pending
1	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act	6080.20	Commissioner of Income Tax (Appeals) Gandhinagar

II. ERSTWHILE KNOWN AS GUJARAT GAS COMPANY LIMITED

Matters before Surat court

Sr. No.	Name of the Complainant	Name of the Opponent	Case No.	Name of the Court	Short Description of the Case
1	Gujarat State Regional Transport Corporation (GSRTC)	Gujarat Gas Company Limited.	Special Civil Suit No. 492/12	Principal Senior Civil Judge	GSRTC has alleged in the Suit proceedings that GGCL has made unauthorised use of 291 sq metres of the land ("disputed land") at Lambe Hanuman Road (forming part of the CNG station at Lambe Hanuman Road) and claimed a sum of Rs. 1,22,38,840/- for the period beginning from 2007 till 31/01/2012. GSRTC has further claimed expenses of Rs. 1,87,344/- for construction of the compound wall and Rs. 2,00,000/- along with interest @





					15% from the date of this suit till realization of the amount.
--	--	--	--	--	--

Matter filed against company before the Jambusar court

Sr. No.	Name of the Petitioners or Applicant	Name of the Opponent	Case No:-	Name of the Court	Short Description of the Case
1	M/s. SCHOTT Glass India Pvt. Ltd.	Gujarat Gas Company Limited	Regular Civil Suit 87/15	Principal Civil Judge, Jambusar	M/s. Schott Glass India Pvt. Ltd. has filed a case against GGCL and prayed for an injunction against our pipeline laying activity near to their main gate approach road.

Matters before Gujarat High Court

Matters Filed against the Company

Sr. No.	Name of the Parties	Short Description of the Case	Case No.
1	Indian Auto LPG Coalition (IAC) Versus U.O.I & State of Gujarat & Gujarat Gas Co. Ltd. Respondent No.7 & others	IAC has filed MCA (for Review) 417 of 2014 against the Common Judgment & order passed by the High Court dt.25.07.2012 in WPIL no.47 of 2011(PIL) & WPIL No.54 of 2011 (WPIL)	MCA (for Review)418 of 2014 Filing Date:- 12/02/2014
2	Hindustan Petroleum Corporation Limited Versus U.O.I, State of Gujarat & Gujarat Gas Co. Ltd. Respondent No.7 & others	HPCL has filed MCA (for Review) 419 of 2014 against the Common Judgment & order passed by the High Court dt.25.07.2012 in WPIL no.47 of 2011(PIL) & WPIL No.54 of 2011 (WPIL)	MCA (for Review) 419 of 2014 Filing Date:- 12/02/2014

Matters before Supreme Court of India

Matters Filed against the Company

Name of the parties	Short Description of the Case	Case No.
State of Gujarat & Others Versus	Govt. of Gujarat has challenge the impugned common	Special Leave to Appeal (C)





	BG Exploration & Production (India) Ltd., Gujarat Gas Ltd. as respondent 6 & Others	judgment and order dated 08.05.2015 passed by Hon'ble High court of Gujarat at Ahmedabad. The impugned judgment is of sale outside the state of Gujarat beyond the preview of the State of Gujarat to levy of sales tax under the provision of GST Act, 1969 read with CST Act, 1956	19190-19196 of 2015
--	---	--	---------------------

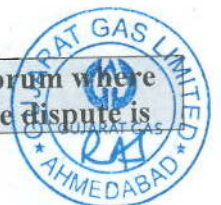
Matter before the Appellate Tribunal for Electricity at New Delhi

Matter Filed by the Company

Sr. No.	Name of the Parties	Short Description of the Case	Case No.
1	Gujarat GAS Company Ltd Versus PNGRB & United Phosphorus Ltd	UPL a customer of GGCL filed a complaint against GGCL alleging charging of tariff illegally under the CGNDA. The matter was decided against GGCL. GGCL has preferred an appeal at APTEL	Appeal No.292 of 2014
2	Gujarat GAS Company Ltd Versus PNGRB	Vide an order dated September 4, 2013 the Petroleum and Natural Gas Regulatory Board (PNGRB) has determined the provisional initial unit natural gas pipeline tariff for Gujarat Gas Company Limited's (GGCL) Hazira Ankleshwer Pipeline's (HAPi Pipeline) (Tariff Order) under the provisions of the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008. In the Tariff Order the provisional initial unit natural gas tariff (the Tariff) has been determined to INR 4.92/ mmbtu (GCV basis) as compared to the tariff of INR 7.20/ mmbtu (GCV basis) as submitted by GGCL on 3rd October 2012 and with a retrospective effect. GGCL has filed an appeal at APTEL challenging the said Tariff Order.	Appeal No.298 of 2013

Indirect Tax Matters of Erstwhile Known as Gujarat Gas Company Ltd.

Sr. No.	Name of statute	Nature of dues	Amount (Rs. in	Period to which the	Forum where the dispute is
---------	-----------------	----------------	----------------	---------------------	----------------------------





			Crores) Net off amount paid under protest	amount relates	pending
1	Finance Act, 1994	Service Tax (including interest and penalty)	25.56	2005-14	CESTAT & Commission rate

III. GUJARAT GAS LIMITED

Matters before Delhi High Court:

Matters Filed by the Company

Sr. No.	Name of the Parties	Short Description of the Case	Case No.
1	Gujarat Gas Limited Versus Petroleum & Natural Gas Regulatory Board	GGL has filed the Writ petition for seeking relief from this Hon'ble Court against the arbitrary actions of the Respondent above named of : (a) acting in violation of the stay order issued by the Hon'ble APTEL , in IA NO. 457/2014 in Appeal No. 292/2014; (b) levying an inapplicable fine under PNGRB Act, 2006 and (c) arbitrarily rejecting bid submitted by the Petitioner, which are ultra vires the provisions of the PNGRB Act	Diary No. 405652/2015 filed on 14.08.2015

8.3 OUTSTANDING LITIGATION INVOLVING THE PROMOTERS

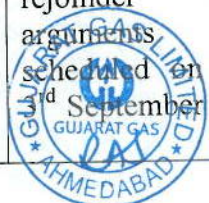
a. Gujarat State Petroleum Company Ltd. (GSPC)

Sr. No.	Name of the Parties	Short Description of the Case	Case No.	Present Status / Next Date of Hearing
---------	---------------------	-------------------------------	----------	---------------------------------------



**LITIGATIONS AGAINST GSPC**

1.	Tuff Drilling Private Limited V/S GSPC	<p>The matter pertains to and arises from Platform Drilling Rig Contract dated May 22, 2010 which was terminated by GSPC due to failure of Tuff to deliver the Platform Drilling Rig at DDW Location in time. Tuff has filed application on 21.04.2011 u/s 9 of Arbitration & Conciliation Act before District & Sessions Court, Gandhinagar seeking interim measures to restrain GSPC from awarding new contract and making payment to any third party in relation to platform drilling rig services.</p> <p>Court initially granted an ex-parte interim order restraining GSPC from making any payment to any third party in relation to platform drilling rig contract. The said interim order was modified on April 27, 2011 upon representation of GSPC allowing GSPC to make payments to third parties however ensuring that separate accounts are maintained in relation to such payments. However, no stay as prayed for by Tuff has been granted.</p>	(AA No. 38/2011 District & Sessions Court Gandhinagar)	After the modification of the interim Order, the matter has not been pursued and the same is pending.
2.	Tuff Drilling Private Limited v/s. GSPC	<p>The matter pertains to and arises from Platform Drilling Rig Contract dated May 22, 2010 which was terminated by GSPC due to failure of Tuff to deliver the Platform Drilling Rig at DDW Location in time. Tuff has invoked arbitration clause of the Contract and appointed its arbitrator on 11.04.2011. Tuff has alleged that the termination of the Contract dated May 22, 2010 by GSPC is illegal and claimed damages for such alleged illegal termination. Total Claims made by Tuff in the Arbitration Proceedings amount to Rs. 719.33 Crores.</p> <p>GSPC has also made counter-claim on Tuff amounting to Rs. 515.65 Crores on account of additional interest burden, cost of deploying jack-up rig and other damages suffered by GSPC due to breach of Contract by Tuff.</p>	Arbitration Tribunal comprising of JJs. R A Mehta, D K Trivedi and M B Shah	For the cross-examination of the Claimant's witnesses, the schedule is fixed on 22 nd and 23 rd September, 2015.
3.	NIKO Resources Limited v/s GSPC	NIKO has issued Arbitration notice dated 25.03. 2011 under a Memorandum of Understanding dated October 3, 2002 in relation to 36" Hazira – Mora Pipeline. NIKO is seeking specific performance of the MOU asking for retransfer of 36" Hazira-Mora	Arbitration Tribunal comprising of JJs. R C	Final rejoinder arguments scheduled on 3 rd September 2015





		<p>Pipeline to the Hazira JV and a share in the revenues generated / to be generated from the Hazira – Mora Pipeline as damages in addition to or in lieu of specific performance of the MOU.</p> <p>NIKO has pleaded that in accordance with the MOU, GSPC had agreed to regain the possession of 36" Hazira – Mora Pipeline from GSPL and agreed to retransfer the pipeline to the Hazira JV (formed under Hazira Field PSC where GSPC holds 67% PI while NIKO holds 33% PI). NIKO has alleged that GSPC has breached the said terms of the MOU and failed in causing the retransfer of the Pipeline.</p> <p>However, it is GSPC's case that GSPC is required to cause the retransfer of the Hazira – Mora Pipeline only after Cost Recovery to the HMPL has been granted by the Government of India under the Hazira PSC. Till date, the said 36" Pipeline has not been granted cost-recovery status and therefore GSPC's obligation under the MOU has not arisen and therefore GSPC is not in any breach of the MOU. Additionally, GSPC has also questioned the jurisdiction of the Arbitration Tribunal to adjudicate the claims of NIKO since the MOU does not have an arbitration clause.</p> <p>NIKO has made total claims amounting to approximately Rs. 200 Crores on GSPC in the nature of damages as per the latest Witness Statement filed by NIKO.</p>	Lahoti, A M Ahmadi and M B Shah	2015.
4.	NIKO Resources Limited v/s Union Of India & GSPC	<p>The matter arises from the Production Sharing Contract for the Hazira Field under which JV of NIKO and GSPC had proposed allowance of cost recovery status to the 36" Hazira-Mora Pipeline which proposal was rejected by the DGH/MOPNG on August 6, 1999. The said decision of DGH / MOPNG was challenged in an arbitration proceeding under the PSC. The arbitration tribunal in the said proceedings passed a Majority Award on December 23, 2009 allowing cost-recovery status to the Hazira – Mora Pipeline. However, the UOI challenged the said Majority Award under Section 34 of the A&C Act, 1996 and</p>	FAO OS No. 358/201 2 Delhi High Court	Order Reserved





		<p>preferred an appeal before the Delhi High Court Single Judge in April 2010.</p> <p>The Single Judge of Delhi High Court, vide Judgment and Order dated July 2, 2012, allowed the appeal preferred by UOI and set aside the Majority Award resulting into cost recovery status to the Hazira – Mora Pipeline being rejected.</p> <p>NIKO has preferred appeal against the said judgment of Single Judge under Section 37 of the A&C Act. The Division Bench of Delhi High Court has heard the final arguments of the Parties and the Order is reserved since December 4, 2014.</p>		
5.	Gujarat State Energy Generation Limited v/s NIKO Resources Limited and GSPC	<p>GSEG has invoked arbitration clause of the Gas Sales Agreement dated February 16, 2000 under which GSEG is the Buyer while NIKO and GSPC are the Sellers.</p> <p>GSEG has alleged that in terms of the GSA, NIKO and GSPC as Sellers were required to supply certain minimum quantities of gas on daily basis (called the Minimum Supply Obligation). GSEG further alleges that the JV of NIKO and GSPC was unable to supply such MSO commencing from August 2010 resulting into Short Supply under the GSA. GSEG has alleged that GSEG is entitled to Liquidated Damages in accordance with the GSA for such short supply to be recovered from the JV of GSPC and NIKO.</p> <p>GSEG has made a claim of approx. USD 129 Million as Liquidated Damages against the JV of NIKO and GSPC where NIKO holds 33% PI while GSPC holds 67% PI.</p> <p>However, it is the case of NIKO and GSPC that the short supply under the GSA is attributable to unexpected decrease and depletion in the Reservoir of Hazira Field due to natural acts of ingress of water and sand into the Reservoir which is a natural geological and geophysical phenomenon and is Force Majeure situation. NIKO and GSPC have therefore put GSEG to notice that the short-supply under the GSA on account of the Force Majeure situation and therefore there is</p>	Sole Arbitrat or – Justice M B Shah	Issues framed by the Tribunal vide its Order dated April 15, 2015. Matter now placed for hearing in September 2015 for recording of evidence.



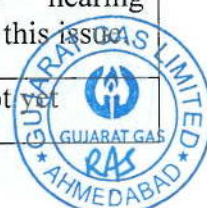


		no liability on part of JV to make payment to GSEG towards Liquidated or other Damages under the GSA.		
6.	Saipem Portugal Comercio Meritimo v/s GSPC	<p>Arbitration proceedings have been initiated by Saipem against GSPC on 31-03-2008, pursuant to a dispute in relation to the contractual obligations of Saipem under the contract for services rendered under the Contract dated April 1, 2004 for charter hire of offshore jack up rig in KG Block.</p> <p>Saipem's primary contention is that the Contract is a Time Based Contract and the day rate of 61,800 USD was valid for 600 days only taking into consideration two extension options available to GSPC. Saipem has also raised other several allegations and breaches on part of GSPC.</p> <p>GSPC's primary contention is that the Contract is a Well Based Contract and the day rate of 61, 800 USD is valid for drilling of (4+6+2) 12 wells irrespective of time.</p> <p>Saipem has made a claim of USD 143.45 Million being difference in the market rate for charter hire and contractual rate for entire period after expiry of 600 days during which GSPC utilized the rig.</p> <p>GSPC has also made counter-claim on Saipem amounting to USD 36.90 Million on account of non-performance time attributable to Saipem, time lost in extraction of legs of rig due to failure of jetting mechanism of rig and BOP related costs.</p>	Arbitration on tribunal Consisting of JJs. S. P. Bharucha, A M Ahmadi & B N Srikrishna	Hearing concluded. Order Reserved.
7.	British Gas v. GoG & Others (GSPCL)	<p>BG has challenged the constitutional validity and legality of imposition of sales tax vide order dated March 25, 2010 by the Deputy Commissioner of Commercial Tax, Ahmedabad on the sale of natural gas to several entities. The AO was inclusive of sales tax in respect of sale of gas and levies in respect of transportation and processing costs. GSPC has stated that it is not a necessary or proper party for this matter.</p> <p>The High Court <i>vide</i> its judgment dated May 08, 2015 allowed the petition of BG and held</p>	SLP (C) no. 19190 of 2015 Supreme Court of India	Posted for hearing of SLP on August 31, 2015.





		that State of Gujarat has no authority to levy sales tax under the provisions of Gujarat Sales Tax Act. The judgment recorded no adverse finding against the GSPC. The State of Gujarat has preferred an appeal before Supreme Court by way of special leave (SLP) to appeal impugning the judgment of High Court together with a prayer for stay of the said judgment. GSPC is made one of the respondents being Respondent no. 7 in the SLP.	SCA no. 5159 of 2010 Gujarat High Court	
8.	Reliance Industries Limited v. Bonthu Veera & others (including GSPC as 5 th Respondent)	RIL has filed the suit claiming that RIL should be indemnified by Respondents for additional compensation that it had to pay to the Land Owners in the sale transaction relating to certain survey numbers. GSPC has been made a respondent simply because the subject properties were also proposed to be purchased by GSPC even though RIL had already beneficial interest in the said lands.	OS No. 146/2010 Civil Court Kakinada	Arguments concluded, Matter is posted for judgment
9.	Katari Sitha Rama Raju and others v. K V Reddy and others (GSPC)	The dispute is pertaining to a property situated in Puducherry and Katari seeks a declaration that the compromise deed entered between him & Reddy and the subsequent sale deeds entered between Katari and GSPC are null and void, on the grounds that the same have been obtained through coercion and misrepresentation by the defendants.	OS no. 8 of 2008 Civil Court Yanam	Case listed for Evidence. Last date fixed was 08 th July' 2015. Case Transferred to Yanam Court on ground of Pecuniary Jurisdiction. However, Plaintiff has argued to keep the matter at Puducherry Court itself, upon which Puducherry Court would issue Notice for hearing on this issue.
10.	Essar Power	GSPC has entered into Gas Purchase	Civil	Not yet





<p>Limited, Essar Steel Limited and others v. UOI and others together with GSPC v/s UoI, Petronet LNG Limited, GAIL, IOCL, BPCL & others</p>	<p>Agreements with GAIL, IOCL and BPCL in February 2004 for a long tenure of 15 years. The said GSAs were back-to-back arrangement in relation to Gas sourced on long term by PLL from Ras Laffan Natural Gas Company of Qatar for a period of 25 years. GAIL, IOCL and BPCL being the designated Off-takers of the Gas so procured / imported by PLL from Qatar. Under the said GSAs, the price of the Gas was fixed for the first tenure of Five Years i.e. upto December 31, 2008. The said further provides that the Price of Gas can be varied before December 31, 2008 only to the extent Ras Laffan Natural Gas Company Limited revises the price or in accordance with any change in law.</p> <p>During the said initial term of the GSA, the Union if India directed PLL vide a communication dated March 6, 2007 to charge a "uniform pooled price" for all the long term gas procured by PLL. A copy of the said communication was also marked to GAIL, IOCL and BPCL being the Offtakers of PLL Gas.</p> <p>GAIL, IOCL and BPCL alleged that the said communication requiring pooling of gas price was in the nature of "change in law" and therefore GSPC shall also be charged such Pooled Gas Price instead of the price fixed under the GSA.</p> <p>GSPC challenged the said "communication" requiring pooling of gas prices by way of Special Civil Application before Gujarat High Court. Gujarat High Court, on May 16, 2008, passed a Majority Judgment upholding the validity of the said communication directing pooling of gas prices.</p> <p>The said judgment of Gujarat High Court dated May 16, 2008 has been challenged by GSPC as well as by ESL, EPL and others before Supreme Court. The SLPs have been admitted and converted to Civil Appeals. The matter is still sub-judice.</p>	<p>Appeal 4610 and 4609 of 2009 before Supreme Court</p>	<p>announced</p>
<p>Mr. V. Manga Tayru v. GSPC and</p>	<p>Mr. V. Manga Tayaru has preferred OS No. 65 of 2013 before Yanam Sub Court disputing ownership of GSPC over certain portions of</p>	<p>OS NO. 65 of 2013</p>	<p>Advocate Commissione r has filed his</p>





	another	land at survey no. 7/1 and 7/8 in Yanam Area through which sub-marine pipeline passes. Mr. Tayaru has also preferred an interim injunction application. Matter was posted for report of the court commissioner and enquiry. Commissioner has filed his Report GSPC has filed its Objections.	Civil Court Kakinada	Report to which we have filed our Objections. Matter fixed for Arguments.
12.	Mr. Bhairava Murthy v. GSPC and others	Mr. Bhairava Murthy has preferred OS No. 76 of 2013 before Yanam Sub Court disputing ownership of GSPC over certain portions of land at survey no. 5/1 and 5/10 in Yanam Area through which sub-marine pipeline passes. Mr. Tayaru has also preferred an interim injunction application. Matter was posted for report of the court commissioner and enquiry. Commissioner has filed his Report GSPC has filed its Objections.	OS No. 76 Of 2013 Civil Court Kakinada	GSPC has filed its Reply. Matter earlier fixed for Arguments.
13.	NIKO Resources Limited v/s GSPC	NIKO has issued arbitration Notice dated August 27, 2013 under Joint Operating Agreement for Hazira Field claiming that GSPC failed to manage Gas Sales Agreement with GSEG effectively and failed to raise take or pay claims and invoke force majeure provisions causing losses to JV. However, in the Statement of Claim, NIKO has claimed that GSPC failed to ensure timely payments under all the Hazira GSAs during the period of 2002-03 to 2014-15 and also did not raise interest claims on customers for late payment. NIKO alleges that GSPC is therefore liable under the JOA to pay interest to NIKO (amounting to approx. Rs. 8.5 Crores) for delayed payments made by Hazira Customers under the Hazira GSAs. NIKO has further alleged that in relation to GSEG GSA, GSPC has agreed to indemnify NIKO for any liability arising under the GSEG GSA after a period of 10 years from the date of the GSA. Accordingly, NIKO alleges that NIKO is entitled to a declaratory relief against GSPC to the effect that any claim that may be awarded to GSEG under the arbitration proceedings initiated by GSEG should be solely borne by GSPC. GSPC's stand is that neither the interest claims nor the claim for declaratory relief raised by		GSPC has filed its Statement of Defence on 27 th April, 2015. Next hearing date not announced yet.





		<p>NIKO are covered by NIKO's Arbitration Notice and therefore the Arbitration Tribunal which was constituted to adjudicate claims as described in the Arbitration Notice does not have jurisdiction to adjudicate upon entirely different claims as now raised by NIKO in the Statement of Claim. It is also GSPC's case that interest claims that NIKO is now claiming do not arise out of JOA since the same arises out of the respective GSAs while the indemnity claims also do not arise out of JOA. It is also GSPC's case that NIKO has not been able to produce any indemnity agreement between GSPC and NIKO. In any case all the interest claims made by NIKO are either time-barred or are wrongly raised.</p>		
14.	Deep Drilling 1 Pte Ltd v/s GSPC	<p>Deep Drilling 1 Pte. Ltd. DD1 has initiated arbitration proceedings against GSPC under the Jack Up Rig Contract dated June 18, 2010. DD1 has claimed for payment in lieu of notice period for termination for convenience as envisaged under the Contract. GSPC had issued a location named DDW – EXT – 1 as the last location to be drilled by DD1 under the Contract. However, the said location was not approved by the Marine Warrantor of the Contractor for an "all year operation". The Marine Warrantor approved the location for drilling only till September 30 and not beyond. GSPC, vide e-mail dated August 30, 2012, terminated the Contract with immediate effect and asked the Contractor to leave the location after demobilization of all the GSPC personnel and equipments. Such demobilization happened on September 14, 2012 and accordingly, GSPC has paid relevant day rate to the Contractor till that date.</p> <p>However, DD1 has termed the termination as termination for convenience and claimed payments for balance days of the 30 day notice period required in case of termination for convenience and raised a claim of approx. USD 1.6 Million on GSPC.</p> <p>It is GSPC's case that requirement of MWS Approval does not arise out of the Contract and that the termination of the Contract by GSPC was in view of DD1's failure to</p>	<p>Arbitration Tribunal comprising JJs MB Shah, M S Parikh and C K Buch</p>	<p>Order reserved by the Tribunal.</p>





		commence drilling at the location designated by GSPC in accordance with Contract. GSPC has also pleaded in the alternate that even assuming without admitting that termination of Contract was for convenience of GSPC, the Contract does not provide for any payment upon termination for convenience and therefore no payment is due to DD1 in any case.		
15.	Enquest Petro Solution Pvt. Ltd. v. GNRL & GSPC	<p>M/s Enquest has filed a suit under Order XXXVII (Summary suit) of CPC for recovery of Rs.91,05,021.00 towards principal amount and Rs.92,77,528.00 towards interest due @ 18% p.a (Total = 1,83,82,549.00) alongwith further interest against GNRL as well as GSPC before the Court of Addl. Sr. Civil Judge, Ahmedabad (Rural) at Mirzapur, Ahmedabad.</p> <p>M/s Enquest has alleged that GNRL which is the operator in oil and gas fields of Allora, North Kathana and Kanawara in Gujarat has failed to make payment of its invoice amount of Rs.91,05,021.00 raised by it towards providing drilling project management services in July' 2009. Accordingly, GSPC also being a JV partner in GNRL alongwith GNRL itself would be liable to pay the outstanding amounts to M/s Enquest.</p>	Spl Summary Suit No. 107/2014	Next date is 24 th August, 2015.
16	Jayesh Somabhai Patel v. GSPCL	GSPC has issued two tenders for carrying out EIA studies (1) RFQ No: GSPC/Onshore/CB-ON/2/EIA, RA& DMP Studies/14-15/AS-681/247 and (2) RFQ No: GSPC/Onshore/CB-ONN-2000/1/EIA & EC/14-15/249 on 25 th Feb 2015 and 26 th Feb 2015 for Seismic Activities in Tarapur Block and Drilling of 19 wells of Exploratory/Appraisal/Development nature in Ahmedabad Block respectively. These tenders were issued by GSPC in accordance with the Terms of Reference (TOR) issued by Ministry of Environment and Forest ("MOEF"). Pursuant to the communication of MOEF it was required by GSPC that the Consultants involved in the preparation of EIA/EMP report after accreditation with Quality Council of India/National Accreditation Board of Education and Training (QCI/NABET) would	Gujarat HC SCA 4730/2015	Next date is 23 th September 2015





		<p>need to include a certificate in this regard.</p> <p>Later, <i>vide</i> a letter dated 05 March, 2015 an objection has been raised by</p> <p>Environmental Consultants Association (through its President -Jayesh Somabhai Patel) with regard to the requirement of mandatory certificate of accreditation with NABET/QCI. A reference has been made to the stay granted by Hon'ble Gujarat High Court in Special Civil Application no. 10311/2012 on the Office Memorandum which was issued on 2nd December, 2009 by MOEF mandating accreditation of the EIA Consultants with QCI/NABET.</p> <p>A special civil application has been filed by Shri Jayesh Somabhai Patel in the Gujarat High Court wherein it was requested to quash and set aside the tender/request for quotation (RFQ) issued by GSPC.</p> <p>The High Court has allowed GSPC to continue its tendering process but the same will be subject to the decision of the Supreme Court on this issue.</p>		
17	Kotipalli Venkateswara Rao v. GSPC & Ors.	Injunction Suit filed for seeking stay against laying of pipeline beneath the Plaintiff's land in an extent of Ac.0-22cents covered by Survey.No.105/7 alleging minimal compensation paid to it by GSPC for grant of ROU in the said plaintiff's land.	Civil Judge, Rajmundry (OS No. 516 of 2014)	Matter is at the stage of framing of issues. Next date is 17 th August, 2015
18	M/s A. R. Infrastructure v. GSPC & Ors.	It's a case filed against GSPC & M/s EIL and one of its sub – contractor – M/s Avinash EM Projects Pvt. Ltd. for Recovery of an amount of Rs.39.50 Lakhs	A D Judge, Kakinada (OS No. 309 of 2014)	Last date was 17 th August 2015 for filing of EIL reply.
19	M/s Emmel Infrastructures (P) Ltd. v. GSPC (2 CASES)	Petition for appointment of Arbitrator along with Sec. 9 Application.	Principal District Judge, Rajmundry AOP 31	Next Date is 26 th Aug' 2015 for Filing Counter Reply.





			/ 15	
<u>LITIGATIONS BY GSPC</u>				
20	GSPC v. GAIL/BPCL/IOC (SC) Interconnectivity Charges	<p>The matter arises from the Gas Sales Agreements dated February 2004 signed between GSPC and GAIL/IOC/BPCL. Under the said GSAs, for effecting supplies of PLL Gas, GAIL, IOC and BPCL were using a 500 Meters Interconnectivity Pipeline and the charges for use of the said 500 Meters Interconnectivity was agreed in the GSA.</p> <p>However, even after GSPL having completed the direct connecting pipeline to PLL's Dahej Terminal, GSPC was not allowed to use the said direct connectivity and was forced to use and pay for the 500 Meters Pipeline. Further, GAIL IOCL and BPCL also started levying full transportation tariff approved by PNGRB for DVPL Pipeline of GAIL instead of the tariff agreed in the GSA.</p> <p>GSPC challenged the said action of forcing use of interconnectivity and charging heavily for same on part of GAIL, IPCL and BPCL before PNGRB. PNGRB by majority decision held that the said actions of GAIL, IOCL and BPCL were restrictive trade practices and directed GAIL to allow GSPC to use direct connectivity of GSPL.</p> <p>GSPC as well as GAIL/IOC/BPCL filed appeals before the APTEL challenging the Order of PNGRB holding GAIL/IOC/BPCL guilty of RTP from the appointed day of the PNGRB Act but affording remedy to GSPC only from the date of filing the complaint. GSPC was allowed direct connectivity but the same was not enforced in view of appeals filed by GAIL/IOC/BPCL.</p> <p>APTEL passed Judgment dated December 18, 2013 holding that there is no RTP on part of GAIL/IOCL/BPCL since the GSAs were entered into by GSPC at its free will. APTEL reversed the direct-connectivity given to GSPC also and asked GSPC to make payment of differential interconnectivity charges to GAIL.</p>	Civil Appeal No. 2473/2476 of 2014 (Supreme Court)	Not announced yet.



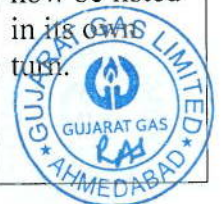


			<p>GSPC has challenged the aforesaid judgment of APTEL before Supreme Court. On February 28, 2014, SC has passed an Order to the effect that GSPC shall make payment to GAIL at lump-sum amount of Rs. 12 per MMBTU (in place of 19.83 per MMBTU as per APTEL Judgment) as interim arrangement.</p> <p>On 8th April, 2015 GSPC has filed an application for expedited hearing of the matter.</p>		
21	GSPC NIKO	v/s	<p>The matter arises from a Gas Balancing Agreement signed between NIKO and GSPC under which NIKO had agreed to compensate GSPC for management of short fall supplies effected by GSPC on behalf of NIKO-GSPC JV to various Hazira Customers.</p> <p>From early 2006, Hazira Field started depleting and production from Hazira Field reduced to such an extent that it was not sufficient even to meet the total Minimum Guaranteed Offtake obligations under the Hazira GSAs. For the purpose of saving the JV from claims of Liquidated Damages for short supply under the Hazira GSAs, GSPC started to supply gas to hazira customers from its gas trading portfolio. GSPC continued to manage the short supply right from March – April 2006 till June 2008.</p> <p>For the purpose of compensating GSPC for management of the aforesaid shortfall, a Gas Balancing Agreement was signed where NIKO agreed that NIKO will compensate GSPC by either (i) supplying Five Times NIKO's Share of Shortfall Gas from RIL KG D6 Field to GSPC; or (ii) supplying Five Times NIKO's Share of Shortfall Gas from any other source to GSPC; or (iii) making a onetime payment in accordance with formula defined in the GBA.</p> <p>When GSPC asked NIKO in early 2011 to either supply Five times Gas or to make payment under the GBA in early 2011, NIKO stated that the GBA had not come into force since the same was subject to RIL KG D6 Agreement being signed between RIL-NIKO and GSPC. NIKO stated that since KG D6 Agreement could not be signed in view of Gas Utilization Policy, the said Condition</p>	Arbitration Tribunal comprising of JJs. S P Bharucha, A M Ahmadi and SN Variava	Matter is listed for final arguments during August 31, September 1 and 2, 2015.





		<p>Precedent was not fulfilled and therefore the GBA had not come into force.</p> <p>Accordingly, GSPC has raised arbitration against NIKO claiming cash compensation of USD 18.72 Million (plus 5% escalation every year and plus interest on the said compensation) under the GBA. It is GSPC's case that NIKO has always admitted to GSPC making up the short fall on its behalf and that NIKO has always acknowledged its obligations under the GBA on various occasions. It is GSPC's case that GBA has come into force and GSPC is entitled to compensation under the GBA.</p>		
22	GSPC v. IDBI & Republic of Yemen	<p>GSPC led consortium have terminated Production Sharing Agreement (PSA) for 3 blocks awarded in Republic of Yemen. PSAs have been terminated on the ground of existence of force majeure vide letter dated 13th February, 2013. The Company had an apprehension that the Bank Guarantee of 42 Million USD provided by the consortium may be invoked by the Yemen Government and thus the Consortium has filed this civil suit.</p> <p>Consortium has filed series of litigations including civil suit before the City Civil Court at Ahmedabad on 14th February, 2013 for declaring the Injunction against IDBI from invoking the Bank Guarantee's amounting to USD 42 million. However since stay was not granted, an appeal was preferred before the High Court on 16th February, 2013. The SCA application before Gujarat High Court has been disposed off with directions to City Civil Court to hear the matter expeditiously and the stay will continue to operate till the disposal of the application before the City Civil Court.</p>	(CS no. 349 of 2013 City Civil Court Ahmedabad)	Stay has been granted in favour of GSPC Consortium. The same continues. Next Date Not yet announced
23	GSPC v. Mamta Steel	<p>GSPC has preferred SLP against Judgment of Gujarat HC in relation to plot allotted by GIDC. Allotment was held to be irregular by HC where both GSPC and GIDC were asked to bear 50% costs each in relation to such allotment. However, GSPC is a bonafide purchaser and has no role in allotment process by GIDC.</p> <p>SLP admitted by SC. Notice issued returnable</p>	SLP C No. 27610 of 2013 Supreme Court	The leave has been granted. The civil appeal will now be listed in its own turn.





			on October 17, 2013.		
24	GAIL PNGRB GSPCL	v &	<p>GSPC had approached GAIL for reserving common carrier capacities in its DBNPL and DVPL pipelines on “reasonable endeavour (RE) basis” but GAIL refused to provide the same on RE basis and asked GSPC to book on Firm Basis. GSPC complained before PNGRB under the PNGRB Act and Rules / Guidelines alleging that Common Carrier capacities have to be offered by GAIL on RE basis. GSPC also pointed out that GAIL was in fact providing capacities on RE basis to its certain customers.</p> <p>PNGRB passed order on December 20, 2013 stating that GAIL could not have discriminated between GSPC and its other customers and it should provide capacity on RE basis to GSPC also if they are providing the capacity on RE basis to other customers. A penalty was also imposed by PNGRB on GAIL.</p> <p>Thereafter, GAIL appealed against the PNGRB order before the Appellate Tribunal of Electricity (APTEL). APTEL also held that GAIL has discriminated in booking common carrier capacity leading to restrictive trade practice and has upheld the PNGRB order and penalty.</p> <p>Subsequently, GAIL filed Civil Appeal against the APTEL judgment in the Supreme Court of India along with an application seeking stay on the APTEL judgment and permission to participate in the bid invited by PNGRB for Ennore-Tuticorin natural gas pipeline.</p> <p>The Supreme Court has vide its interim order December 18, 2014 partly allowed the Application of stay filed by GAIL and directed that PNGRB should consider the bid of GAIL for Ennore-Tuticorin natural gas pipeline.</p>	CA 11450/1 4 Supreme Court	<p>Matter was listed on 17th March but hearing couldn’t take place.</p> <p>Next date of hearing is not decided yet.</p>
25	GSPC Alkor	v.	<p>Gujarat State Petroleum Corporation Ltd. (“GSPC”), GeoGlobal Resources (Barbados) Inc. (“GGR”), and Alkor Petroo Limited (“Alkor”) (hereinafter collectively referred to as the “Consortium”) have entered into a Concession Agreement dated March 9, 2008</p>	Arbitrati on tribunal comprisi ng of JJs C K	<p>Preliminary meeting was held on 15th December, 2014. GSPC has filed its</p>





		<p>("Concession Agreement") with the Arab Republic of Egypt ("A.R.E.") and Ganoub El-Wadi Holding Petroleum Company ("GANOPE") for South Diyar Block and North Hap'y Blocks in Egypt. GSPC has been designated as Operator for the said Block.</p> <p>The said Minimum Work Program and other operations in the Block were carried out as the Joint Operations under the JOA by GSPC. In accordance with Article 8.1 of the JOA, all the costs and expenditures incurred by GSPC in carrying out such Joint Operations have to be borne by the Consortium in the proportion of their Participating Interest (i.e. 80% by GSPC and 20% by Alkor). GSPC has been raising Cash Calls / Joint Interest Billing ("JIB") on Alkor for its share of expenditure in the Block. However, Alkor has stopped making payment towards the Cash Calls / JIBs raised by GSPC and amount of USD 7.64 Million (for South Diyar Block) and USD 35.89 Million (for North Hap'y Block) remain unpaid till date in addition to any and all interest (including interest at Agreed Default Interest Rate) and other penal claims that GSPC may have against Alkor in this regard.</p> <p>Accordingly dispute had arisen and GSPC has initiated Arbitration proceedings against Alkor for South Diyar and North Hap'y Blocks, Egypt.</p> <p>GSPC has filed Statement of Claims claiming an amount of USD 35.86 Million for North Hap'y Block and USD 7.64 Million for South Diyar Block.</p>	<p>Buch, M B Shah and D A Mehta</p>	<p>statement of claim on 31st January 2015.</p> <p>Alkor has filed SOD and GSPCL has filed rejoinder. Next date is 17.10.2015.</p>
26	GSPC v. Alkor, IVRCL	<p>To secure the outstanding amount in relation to North Hap'y Block and South Diyar in Egypt, GSPC has filed Section 9 Application for Interim injunction against Alkor and its parent company IVRCL. The Learned Principle District Judge passed an <i>ex parte</i> order dated 20.07.2015 wherein it directed Alkor and IVRCL to produce conditional bank guarantee, till then they are restrained from transferring, alienating or disposing off or creating any interest in any manner in any of its immovable properties.</p>	<p>Principle District Judge, Gandhinagar</p>	<p><i>Ex Parte</i> order was upheld by the Principle District Judge.</p>





		A Civil Miscellaneous Application (No. 126/2015) was filed by IVRCL for vacating the <i>ex parte</i> order.		
27	GSPC v. Deewanchand Ramsaran Industries Pvt. Limited.	<p>GSPC has preferred two appeals (CMA No. 95 and 96 of 2015) under Section 34 of the Arbitration & Conciliation Act, 1996 against DRIPL arising out of two arbitration awards (one in relation to 1000 HP Rig and the other in relation to 2000 HP rig) – both awards being dated February 23, 2015. The Arbitration Tribunal, under the Award for 1000 HP Rig has awarded an amount of Rs. 7,35,00,000/- in favour of M/S DRIPL while under the Award for 2000 HP Rig, has awarded an amount of Rs. 16,00,00,000 in favour of M/S DRIPL.</p> <p>GSPC has challenged both the arbitral awards under Section 34 of the Act inter alia on the grounds that (a) the Tribunal has exceeded its jurisdiction and travelled beyond the scope of the Contract by awarding the damages which are not allowed by the Contract; and (b) that the Award suffers from patent illegality and manifest error in calculation of the amounts of damages awarded and that such calculation of damages is against the binding precedents of the Supreme Court of India.</p>	Before Principal District Judge, Gandhinagar CMA No. 95 and 96 of 2015	The Appeals have been filed on May 21, 2015 within the statutory timeline of 90 days. Matter has not been listed yet.

Direct Tax Litigation

Sr. No.	Gross Amount involved	Issues Involved	Nature of Dues	Appeal Preferred by	Appeal No.	Pending Before
	(In Lacs)					
1	1,801.64	Reopening	Tax & Interest	Department	547 of 2009	ITAT
2	3,239.46	Claim U/s. 42, Claim U/s. 80IB(9), Securitization charges etc.	Tax & Interest	Department	3029 of 2004	ITAT
3		Contribution to Science City, Disallowance of Proportionate Interest Exp. etc.		GSPC	2697 of 2004	ITAT
4	7,909.78	Claim U/s. 42, Claim U/s. 80IB(9), Claim U/s.	Tax & Interest	Department	125 of 2006	ITAT





		32, Securitization charges, etc.				
5		Contribution to Science City, Disallowance of Proportionate Interest Exp. etc.		GSPC	2605 of 2005	ITAT
6	16,310.86	Claim U/s. 42, Claim U/s. 80IB(9), Claim U/s. 32, Securitization charges, etc.	Tax & Interest	Department	2461 of 2006	ITAT
7		Proportionate Interest Expenses, Preoperative Expenses, Business Promotion Expenses etc.		GSPC	2290 of 2006	ITAT
8	16,065.58	Claim U/s. 42, Claim U/s. 80IB(9) etc.	Tax & Interest	Department	1726 of 2007	ITAT
9		Proportionate Interest Expenses, Preoperative Expenses, etc.		GSPC	1511 of 2007	ITAT
10	22,886.44	Claim U/s. 80IB(9), Payment made to Non Resident etc.	Tax & Interest	Department	3183 of 2008	ITAT
11		Claim U/s. 42, Preoperative Expenses, etc.		GSPC	2688 of 2008	ITAT
12	18,216.06	Claim U/s. 42, Claim U/s. 80IB(9) & Closing stock	Tax & Interest	Department	2564 of 2009	ITAT
13		Claim U/s. 42 & Rebate, etc.		GSPC	2242 of 2009	ITAT
14	17,165.80	Claim U/s. 42, Claim U/s. 80IB(9), Rebate, Income from Testing Well etc.	Tax & Interest	GSPC		CIT(A) G'nagar
15	30,184.14	Claim U/s. 42, Claim U/s. 80IB(9), Rebate, Income from Testing Well etc.	Tax & Interest	GSPC		CIT(A) G'nagar
16	32,577.16	Claim U/s. 42, Claim U/s. 80IB(9), Rebate, Income from Testing Well etc.	Tax & Interest	GSPC		CIT(A) G'nagar
17		TDS for payment made towards Hiring Charges of Helicopter			845 of 2014	High Court
18	19,807.07	Claim U/s. 42, Income from Testing Well, Bidding Expenses etc.	Tax & Interest	Department	331 of 2014	ITAT





19		Claim U/s. 80IB(9), Rebate, Business Promotion Expenses, Expenses U/s. 14A, Suppression of Closing Stock etc.		GSPC	3062 of 2013	ITAT
20	25,943.68	Claim U/s. 42, Reduction in the addition made on account of suppression of closing stock, etc.	Tax & Interest	Department	2980 of 2014	ITAT
20		Claim U/s. 80IB(9), Rebate, Business Promotion Expenses, Expenses U/s. 14A, Suppression of Closing Stock etc.		GSPC	3092 of 2014	ITAT
22	33,733.89	Claim U/s. 42, Claim U/s. 80IB(9), Rebate, Income from Testing Well, Addition on account of suppression of closing stock etc.	Tax & Interest	GSPC		CIT(A) G'nagar

Indirect Tax Litigation

Sr. No.	Gross Amount involved (In Lacs)	Issues Involved	Nature of Dues	Appeal Preferred by	Appeal No.	Pending Before
1	Rs. 1131.62 + Interest + Penalty	Service tax demand on various services/goods procured for usage in KG block	Tax + Interest + Penalty	GSPCL	ST/76/2009	Comm.in view of CESTAT order
2	Rs. 13.03 + Interest + Penalty	Service tax demanded as per Audit revenue paras of GSPL	Tax + Interest + Penalty	GSPCL	OIO 70/AD C(SC)/2010, OIA 132/20 11(Ahd -III)	CESTAT

b. SABARMATI GAS LIMITED**Matters pending at Gujarat High Court: -***Matters Filed against the Company*



Sr.No	Name of the Parties	Short Description of the Case	Case No.	Next Date of Hearing
1	SGL v/s Visnagar Nagar Palika	Visnagar Nagar Palika raised the demand against SGL for the amount of ROU/ROW for laying pipeline in Visnagar city. The Company has approached Hon'ble High Court opposing the demand and the case is pending for judgment.	Special Civil application No. 4923 of 2014	Not decided yet

Matter at Appellate Tribunal for Electricity at New Delhi: -

Matter Filed by the Company

Sr.No	Name of the Parties	Short Description of the Case	Case No.	Next Date of Hearing
1	SGL Vs. GAIL and BPCL	<p>PNGRB vide its Judgment dated 13th February, 2015 in the matter "SGL v. BPCL & Ors." has determined that the APTEL Appeal No. 1, 2 & 5 Judgment is not applicable to the facts of the present case and have directed BPCL & GAIL to cease the restrictive trade practice of preventing access to SGL of the GSPL's pipeline with immediate effect.</p> <p>Against the said Judgment of</p>	Appeal no. 14 of 2014	Not decided yet





		<p>PNGRB, BPCL has filed its appeal (Appeal No. 105/2015) before the APTEL and the same came up for hearing / admission on 1st May' 2015. Appeal was admitted and notice was issued on it.</p> <p>The matter is pending with APTEL hearing.</p>		
--	--	--	--	--

Matters at Supreme Court of India: -*Matter Filed by the Company*

Sr.No	Name of the parties	Short Description of the Case	Case No.	Next Date of Hearing
1	PNGRB against IGL arising out of Delhi High Court's Judgment dated June 1, 2012.	<p>Sabarmati Gas Limited has filed an Intervention Application before Supreme Court for intervening. Delhi High Court in the said Judgment, had quashed an Order of PNGRB determining the MRP of CNG Price to be charged by IGL in NCT of Delhi and held that PNGRB has no power to determine MRP of CNG.</p> <p>SGL has supported the stand of IGL that PNGRB does not have power to determine the MRP and that in any case,</p>	SLP (C) No. 22273 of 2013	Not finalized





		<p>such powers may not be exercised retrospectively by PNGRB. The Intervention Application has been allowed by SC.</p> <p>Supreme Court finally vide its order dated 01st July' 2015 DISMISSED the Appeal of PNGRB and has HELD that <i>"the power to fix tariff has not been given to the Board. In view of that the Board cannot frame a Regulation which will cover the area pertaining to determination of network tariff for city or local gas distribution network and compression charge for CNG."</i></p>		
2	GSPC v/s BPCL GAIL and others	<p>GSPC has appealed to Supreme Court against APTEL order in case of GAIL connectivity issue. SGL has joined GSPC appeal by way of impleadment application in the matter of GAIL Inter connectivity charges pending before Supreme Court to protect its interest. Intervention application is</p>	Civil Appeal 2473-2476/2014	Not finalized





		admitted by Supreme Court		
--	--	------------------------------	--	--

Direct and Indirect Tax Matters of Sabarmati Gas Limited

Sr. No.	Statute Amount	Nature of Dues	Amount (in lacs)	Remarks
1	Commissioner of Central Excise and Customs, Ahmedabad-III	Service tax applicability on Initial Connection charges Issue	46.63	Pending as on 31 st March 2015
2	Income-tax Act, 1961	Income tax Assessment Order A.Y.2007-08	232.50	The Disputed demand of Income Tax on Initial Connection Charges, Depreciation, Disallowance of additional depreciation and Closing Stock
3	Income-tax Act, 1961	Income tax Assessment Order A.Y.2008-09	409.36	
4	Income-tax Act, 1961	Income tax Assessment Order A.Y.2009-10	27.09	
5	Income-tax Act, 1961	Income tax Assessment Order A.Y.2010-11	408.89	

C. Gujarat State Petronet Limited

Status of the pending cases before Supreme Court

Sr No	Case No	Petitioner	Respondent	Description	Additional Compensation (in Rs.)	Next Hearing Date	Remarks
Litigation Against GSPL							
1	Appeal No 21/2010 & 22/2010	Meenaben Maganlal Mehta and Ghanshyam Rohitbhai Mehta	1)Res. Manager, Secon 2)GSPL 3)PNGRB	Order dtd 6/05/2009 of APTEL has been challenged. Earlier they had filed a complaint before the	N.A	Next date of hearing is not notified	The matter is admitted and the Supreme Court has appointed amicus curie. The matter is





				PNGRB alleging that GSPL had laid pipelines in their land in violation of Section 19 and 48 of the PNGRB Act, which was dismissed by Board as well as PNGRB. However in appeal before S.C. they have also challenged the virus of Gujarat RoU Act with PMP Act. The matter is admitted.			currently pending for hearing.
2	Appeal Civil No7169/2012	GAIL	PNGRB, GSPL & Ors	Order dated 6/02/2012 of APTEL dismissing the appeal of GAIL against the decision of PNGRB to technically qualify the bid of GSPL led consortium for MBBVPL has been challenged. The matter is admitted.	N.A.	Next date of hearing is not notified	The matter is admitted and currently pending for hearing. No stay has been granted against Project.
Litigation By GSPL							
1	TC 639/2015	GSPL	PNGRB & Anr	Transfer petition seeking transfer of		Next date of hearing is not	Notice has been issued.





				SCA pertaining to challenge to GTA guidelines from Gujarat High Court.		notified	
2	SCA 13216/2013	High Court of Gujarat	CLP India Limited	Praying for restraining GSPL from invoking LC against Ship or Pay charges in view of Model GTA Guidelines issued by PNGRB. GSPL has filed affidavit for dismissal of SCA as being infructuous in view of Delhi High Court order dated 11.09.14 wherein relevant part of GTA has been struck down		15/06/2015	The matter is admitted.
HIGH COURT OF GUJARAT							
1	SCA 8715/2015	High Court of Gujarat	Essar Power Limited	PNGB & GSPL	To restrain GSPL from invoking the letter of credit in relation to ship or pay charges.	10.06.2015	The matter is admitted.
2	SCA 14604/2014	High Court of Gujarat	Torrent Power Limited	UoI, PNGRB & GSPL	Zonal levelised Tariff order dated 11/07/2014 and regulation 5 of PNGRB Tariff Determination Regulation	N.A. Next hearing date is not notified.	The matter is admitted.





DELHI HIGH COURT								
1	WP(C) No. 2090 of 2013	Del hi Hig h Cou rt	GAIL (INDI A) LTD	PNGRB, GSPL & GIGL	LoA issued by PNGRB to GSPL led consortium for MBPL Project has been challenged on issue of functioning of Board as Multi Member Board. MBPL project is also challenged on the ground that MBPL is not required.	N.A.	2/11/2015	The matter is on admission stage.
Litigation By GSPL								
1	SCA 13842 /2013	High Court of Gujar at	GSPL	PNGRB & UoI	Validity and legality of Model GTA Guidelines issued by PNGRB have been challenged	N.A.	10/06/2015	

Status of the pending cases of GSPL at APTEL as on 15/05/2015

Sr No	Case No	Petitioner	Respondent	Description	Additional Compensation (in Rs.)	Next Hearing Date	Remarks
1	Appeal No 113/2015	NIKO Resources Ltd	GSPL	Letter of Authorization dated 19/03/2013 issued for GSPL's Low Pressure Gas Grid to the extent it covers 36" Hazira Mora Pipeline is challenged on the ground that the said pipeline is co-owned by NIKO and GSPL has wrongfully obtained authorization in respect of said pipeline.	N.A.	3/07/2015	The matter is on admission stage.





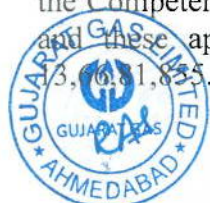
2	DFR No 2360/2014	Essar Steel India Limited	GSPL	Revised tariff order dated 11/07/2014 is challenged on the grounds inter alia that it was not heard by PNGRB before passing such tariff order despite APTEL's directions in the judgment dated 06/01/2014 in Appeal No. 222 of 2012.	N.A.	3/07/2015	The matter is on admission stage.
---	------------------	---------------------------	------	--	------	-----------	-----------------------------------

Status of the Complaints filed & pending cases of GSPL at PNGRB as on 15/05/2015

Sr No	Complaint No	Petitioner	Respondent	Description	Amount of compensation involved	Next Hearing Date
1	53/2013	Essar Power Limited	GSPL	Complaint is filed seeking implementation of the Model GTA Guidelines issued in November, 2012 by PNGRB pertaining to Ship or pay charges GSPL has been directed not to enforce payments provided Essar maintains the value of LC towards the same.	N.A.	Next date of hearing not notified
2	60/2013	CLP India Ltd	GSPL	Complaint is filed seeking implementation of the Model GTA Guidelines and quashing and further restraining GSPL from raising invoices towards ship or pay charges.	N.A.	15/07/2015

Note on cases before Collector -15/05/2015

There are several matters initiated against GSPL are pending before various collectors at Anand, Bharuch, Bhavnagar, Gandhinagar, Jamnagar, Mehsana, Rajkot, Surat, Surendranagar, Vadodara, Valsad, Panchmahal. These matters primarily relate to disputes pertaining to amounts of compensation awarded to various parties as a result of acquisition of right of user in the relevant properties by GSPL. The Competent Authority [under Gujarat Water and Gas Pipelines (Acquisition of Right of User in Land) Act, 2000 and The Petroleum & Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962] has awarded compensation to the appellants in these cases. The Company has paid / offered to pay compensation to such appellants as decided by the Competent Authority. The appellants have filed appeals seeking enhancement of compensation and these appeals are currently pending. The amount of ascertainable claim is approx Rs. 13,76,81,835.



**GSPL: Details of other Litigations**

Sr No	Brief of the Matter
1	Arbitration: GSPL V/s Jindal Pipes Limited
	Pursuant to a purchase order placed by GSPL with Jindal Pipes Limited for supply of steel line pipes for the Mora-Utran pipeline, GSPL alleged that the pipes supplied by Jindal Pipes Limited failed to meet the contractual stipulations and GSPL subsequently invoked the arbitration clause and initiated proceedings against Jindal Pipes Limited. GSPL also invoked two bank guarantees furnished by Jindal Pipes Limited amounting to Rs. 5 million. Further, GSPL has claimed compensation Rs. 31.5 Crores. The matter is pending before the Arbitrator.

Gujarat State Petronet Limited**LIST OF DIRECT & INDIRECT TAX RELATED LITIGATIONS AS ON 05TH AUGUST 2015.**

Matters at Supreme Court of India: -

Matter against the Company

Sr No.	Name of the parties	Short Description of the Case	Case No.	Next Date of Hearing
1	Commissioner of Central Excise & Service Tax, Ahmedabad III	Special Leave Petition against order of Hon'ble Gujarat High Court up holding order of CESTAT setting aside invocation of extended period of limitation and penalty Period : July 2005 to March 2008 April 2008 to March 2009 April 2010 to Mar 2011	SLP (Civil) 3272- 3276/2015	8th August, 2015





		Amt. involved : Rs 735.04 lacs (plus penalty)		
--	--	---	--	--

Matters Pending at Gujarat High Court:

Matters filed against the Company:

Sr No.	Name of the parties	Short Description of the Case	Case No.	Next Date of Hearing
1	Commissioner of Central Excise & Service Tax, Ahmedabad III	Appeal against common order of CESTAT allowing Cenvat credit of input services Period: July 2005 to March 2008 April 2008 to March 2009 Amt. involved : Rs 9729.70 lacs (plus applicable interest & penalty)	Tax Appeal No. 1047 & 1048 of 2013	To be Notified by Hon'ble High Court
2	Commissioner of Income Tax (TDS) v/s GSPL	Order u/s 201(1) & (1A) for A.Y. 2009-10 - alleged short-deduction of TDS in certain cases & interest thereon. Amount Involved : Rs. 14.16 Lacs	764/2013	Not given

Matters filed by the Company

Sr No.	Name of the parties	Short Description of the Case	Case No.	Next Date of Hearing
1	Commissioner of Central	Appeal against	Tax Appeal	To be notified





	Excise & Service Tax, Ahmedabad III	common order of CESTAT disallowing Cenvat credit of capital goods Period : July 2005 to March 2008 April 2008 to March 2009 April 2010 to March 2011 Amt. involved : Rs 9370.58 lacs (plus applicable interest & penalty)	No. 452 to 454 of 2013	by Hon'ble High Court
2	GSPL v/s Dy. Commissioner of Income Tax	Order u/s 143(3) for A.Y. 2005-06 – Claim u/s 35D of I.T. Act, 1961 – Amount Involved – Rs.5.53 lacs	151/2009	Not given

Other Direct and Indirect tax matters:

Sr No.	Statute /Authority	Nature of Dues	Amount (in lacs)	Remarks
1.	Service Tax	Service tax liability on service from non-resident In respect of FY 2002-03, 03-04 & 04-05	17.90*	Appeal filed by department before CESTAT Ahmedabad against order of CCE (Appeals)
2.	Service Tax	Order for disallowing Cenvat credit of capital goods availed during F.Y.2009-10	4019.40*	Appeal Filed by company before CESTAT Ahmedabad
3.	Service Tax	Order for disallowing Cenvat credit of input service availed during F.Y.2009-10	2881.15*	
4.	Service Tax	Service tax	91.01*	





		liability under reverse charge Period covered April 2006 to Mar 2011		
5.	Service Tax	Order for disallowing Cenvat credit of input service availed during F.Y.2010-11	2099.69*	
6.	Service Tax	Order for disallowing Cenvat credit of capital goods availed during F.Y.2011-12	1002.15*	
7.	Service Tax	Order for disallowing Cenvat credit of capital goods availed during F.Y.2012-13	1665.86*	Appeal Filed by company before CESTAT Ahmedabad
8.	Service Tax	Show cause notice disallowing Cenvat credit of input service availed during F.Y.2011-12	3.75*	Matter adjourned sine a die by Asst. Comm. Gandhinagar
9.	Service Tax	Show cause notice disallowing Cenvat credit of capital goods availed during F.Y.2013-14	1521.69*	Reply filed before Commissioner of Central Excise, Ahmedabad
10.	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2003-04 (A.Y. 2004-05)	7.82	Matter remanded back vide ITAT order dated 30.11.2010. Pending disposal at AO
	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2005-06 (A.Y. 2006-07)	30.95	Matter Remanded back vide ITAT order dated 23.09.2011.





				Pending disposal at AO
12.	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2007-08 (A.Y. 2008-09)	272.69	Appeal filed by Co. & IT dept. at ITAT, pending for disposal. Next Hearing Date : 09.09.15
13.	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2008-09 (A.Y. 2009-10)	97.72	Appeal filed by Co. & IT dept. at ITAT, pending for disposal. Next Hearing Date : Not given
14.	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2009-10 (A.Y. 2010-11)	543.50	Appeal Filed by Co. at CIT (Appeals), pending disposal. Next Hearing Date : 07.09.15
15.	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2010-11 (A.Y. 2011-12)	113.99	
16.	Income-tax Act, 1961	Assessment Order u/s 143(3) - F.Y. 2011-12 (A.Y. 2012-13)	96.99	Appeal Filed by Co. at CIT (Appeals), pending disposal. Next Hearing Date : Not Given
17.	Income-tax Act, 1961	Order u/s 201(1A) - F.Y. 2007-08 (A.Y. 2008-09)	12.60	

* plus applicable interest & penalties





SECTION 9 - GOVERNMENT APPROVALS AND REGULAORY AND STATUTORY DISCLOSURES

The Transferor Companies had all registration certificates / licenses with respect to the business of the Companies and the same have been vested with the Gujarat Gas Limited pursuant to the vesting of CGD Business to Gujarat Gas Limited as per the Scheme. The aforesaid registration certificates / licenses are being transferred in the Gujarat Gas Limited's name and the said approvals are valid as on date.

The Company has also received the following from the Government Authorities.

Government approvals/licenses/permissions:

Incorporation Compliances

- 1 Certificate of Incorporation No. U40200GJ2012SGC06911 dated 21st February, 2012 issued by the office of the Registrar of Companies, Gujarat to GSPC Distribution Networks Limited (Name changed to Gujarat Gas Limited vide fresh Certificate of Incorporation with effect from 15th May, 2015).

Income Tax:

- 1 Permanent Account No. AAECG8093Q issued by the Income Tax Department, Government of India.
- 2 TAN Number AHMG05349B issued by Income Tax Department.

Other Approvals:

1. TIN GST Number 24060306250 issued by
2. TIN CST Number 24560306250 issued by Gujarat Commercial Tax Department.
3. Service Tax Number AAECG8093QSD001 issued by Central board of Excise and Customs Department, Ministry of finance – Department of Revenue.
4. Excise No. AAECG8093QEM001 issued by Central board of Excise and Customs Department, Ministry of finance – Department of Revenue
5. Excise No. (Dealer) AAECG8093QED003 issued by Central board of Excise and Customs Department, Ministry of finance – Department of Revenue.
6. Excise No. (Manufacturing – Surat) AAECG8093QEM002 issued by Central board of Excise and Customs Department, Ministry of finance – Department of Revenue.

REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The Honorable High Court of Gujarat at Ahmedabad, vide its Common Oral Order dated 30th March 2015 has approved the Composite Scheme of Arrangement in nature of amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited with GSPC Distribution Networks Limited and Restructuring of share capital of GSPC Distribution Networks Limited. For more details





regarding the Scheme please refer the 'Salient Features of the Scheme'. Pursuant to the Scheme, the CGD of the Transferor Companies is transferred to and vested with Gujarat Gas Limited w.e.f 01/04/2013 in accordance with Sections 391 to 394 read Sections 100 to 104 of the Companies Act, 1956. In accordance with the said scheme, the Equity Shares of the Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE, NSE, ASE and VSE. Such admission and listing is not automatic and will be subject to fulfillment by the Company of the listing criteria of the Stock Exchanges for such issues also subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application by the Company seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 do not become applicable. However, the Company had sought relaxation by making an application to SEBI under sub rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with SEBI Circular no. CIR/CFD/DIL/8/2013 dated 21st May, 2013. The Company has submitted the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. The Company has made the said Information Memorandum available on its website www.gujaratgas.com.

The Company has obtained 19(2) (b) exemption from SEBI vide its letter No CFD/DIL-1/BNS/SD/21663/2015 dated 3rd August, 2015 addressed to BSE and NSE, for listing the equity shares of Gujarat Gas Limited issued pursuant to the Scheme. Further Company has also received In-principle approval for listing of 137,678,025 equity shares of Rs. 10/- each of the Company received from BSE Limited on 3rd August, 2015, NSE on 5th August, 2015, VSE on 5th August, 2015 & ASE on 7th August, 2015.

The Company has published an advertisement on 22nd August, 2015 in Financial Express - All Edition: English: Mumbai, Pune, Ahmd (Eng. /Guj.), Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, B'glore, Hyderabad, Jansatta - All Edition (Hindi): Delhi, Chandigarh, Lucknow, Kolkatta, the newspapers as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 with the details required in terms of para 6 of part B of the said Circular. The advertisement has drawn a specific reference to the availability of this Information Memorandum on the website, www.gujaratgas.com.

Prohibition by Securities and Exchange Board of India

Gujarat Gas Limited and its directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Identification as willful defaulter by Reserve Bank of India

Gujarat Gas Limited has not been identified as willful defaulter by the Reserve Bank of India.

Disclaimer Clause of the BSE Limited

As required, a copy of this updated Information Memorandum is being submitted to BSE, BSE has vide its letter reference no. DCS/AMAL/CS/24(f)/199/2014-15 dated 7th November, 2014,





approved the Composite Scheme of Amalgamation and Arrangement under clause 24 (f) of the Listing Agreement and by virtue of the said approval BSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. The BSE does not in any manner:

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- b. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- c. take any responsibility for the financial or other soundness of this Company; and
- d. It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the National Stock Exchange of India Limited:

As required, a copy of this updated Information Memorandum is being submitted to NSE. NSE has vide its letter reference no. NSE/LIST/2257 dated 5th November, 2014, approved the Composite Scheme of Amalgamation and Arrangement under clause 24(f) of the Listing Agreement and by virtue of the said approval NSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE; nor does NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that the Company's securities will be listed or continue to be listed on the NSE ; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in or in connection with such subscription or acquisition, whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement published in terms of para 6 of part B of SEBI Circular SEBI/CFD/DIL/5/2013 dated 4th February, 2013 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.



**Listing**

Applications have been made to BSE, NSE, ASE and VSE for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the stock exchanges mentioned above within a period as approved by SEBI.

The Company has also received In-principle approval for listing of 137,678,025 equity shares of Rs. 10/- each of the Company received from BSE Limited on 3rd August, 2015, NSE on 5th August, 2015, VSE on 5th August, 2015 & ASE on 7th August, 2015.

Securities and Exchange Board of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957

The Company has obtained 19(2) (b) exemption from SEBI vide its letter No CFD/DIL-1/BNS/SD/21663/2015 dated 3rd August, 2015 addressed to BSE and NSE, for listing the equity shares of Gujarat Gas Limited issued pursuant to the Scheme.

Filing

Copy of this updated Information Memorandum is being filed with Bombay Stock Exchange and the National Stock Exchange.

Demat Credit & Dispatch of Share Certificates

In accordance with the Scheme, new shares have been issued and allotted to the eligible shareholders of all the Transferor Companies on the Record Date i.e. 28th May 2015. Equity shares of Rs. 10 each allotted on 2nd June, 2015, have been credited by the Depositories into the shareholders account on 25th June, 2015 and the physical share certificates have been dispatched on 26th June, 2015 by Karvy Computershare Pvt. Ltd. The ISIN for the said equity shares is INE844O01022, which is suspended as per High Court Order regarding issue of shares pursuant to Amalgamation. In-principle approval for listing of 137,678,025 equity shares of Rs. 10/- each of the Company was received from BSE Limited on 3rd August, 2015, NSE on 5th August, 2015, VSE on 5th August, 2015 & ASE on 7th August, 2015. Securities and Exchange Board of India (SEBI) granted in principle relaxation under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957 vide its letter dated 3rd August, 2015.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Stock Market Data for Equity Shares of the Company

The Equity Shares of the Company are not listed on any stock exchanges. Through this Information Memorandum, the Company is seeking approval for listing of its shares.

Disposal of Investor Grievances

The Company has the following platforms for addressing investors' grievances:





- a. Email id : rajeshwari.sharma@GUJARATGAS.com
- b. SCORES - Shareholders can express their grievances by sending mails to any one of the above 2 mail ids or raise complaints in SCORES (Common Portal introduced by SEBI)

Compliance Officer and Company Secretary

Name: Mrs. Rajeshwari Sharma

Address: 2, Shanti Sadan Society,

Near Parimal Garden, Ellisbridge,

Ahmedabad - 380006

Gujarat

Phone: +91-79-26462980, 26460095

Email Id: rajeshwari.sharma@GUJARATGAS.com





SECTION 10 – PROVISIONS OF THE ARTICLES OF ASSOCIATION AND MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The Company is in the process of altering its Articles of Association. Once the Articles of Association are altered with the approval of the Board of Directors and Shareholders, the Company will submit to the Stock Exchanges.

Below are the provisions, of Articles of Association as on date of filling of this Information Memorandum:

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of Gujarat Gas Limited are detailed below:

Table A to apply

- 1 The regulations contained in Table A, in Schedule 1 to the Companies Act, 1956. shall apply to the Company except in so far as the same are expressly or impliedly excluded or inapplicable to the Company by the regulations contained herein or by any special resolution of the Company or otherwise.

Express exclusion and modifications

- 2 [a] Regulations No.9(2), 64, 65, 66 and 80 shall not apply to the Company,
[b] Regulation No. 16 shall apply with the substitution of the word 'eighteen' for the word 'five' in sub-clause(l).
[c] Regulation No. 18 shall apply with the substitution of the word twelve for the word 'six' in sub-clause (b).
- 3 The exemptions available to a Government Company from the provisions of the Companies Act, 1956 and any other law(s) as in force shall be available to the Company as and when it becomes a Government Company.

SHARES

Authorised Share Capital

- 4 The Authorized Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with powers to increase or reduce the Share Capital and to divide the shares in the capital for the time being into several clauses and to attach thereto respectively such preferential or such other rights, privileges or conditions as may be determined in accordance with the regulations of the company and to vary, modify abrogate any such rights, privileges or conditions in such manner as may be provided by regulations of the Company and consolidate or subdivide the shares, and issue share of higher or lower denomination.
- 5 The company may in accordance with the provisions of Section 208 of the Companies Act, 1956, pay interest on the capital.





- 6 Notwithstanding anything contained in these Articles, but subject to provisions of Section 77A and 77B of the Act, the company may buy back its own shares or other specified securities in accordance with the rules prescribed by the Central Government and/or by Securities and Exchange Board of India in this behalf.
- 7 The Company may, in pursuance of a resolution passed under sub-section (1 A) of section 81 of the Companies Act, 1956 and in accordance with the Unlisted Public Companies (Preferential Allotment) Rules, 2003 and other applicable provisions of the Companies Act, 1956, issue Shares on preferential basis and/or through private placement.
- 8 The Company may, in pursuance of a resolution passed under sub-section (1A) of section 81 of the Companies Act, 1956 and in accordance with the Companies (Issue of Share Capital with differential voting rights) Rules, 2001 and other applicable provisions of the Companies Act, 1956, issue Equity shares with differential rights as to voting, dividend or otherwise. "

Shares at the disposal of the Directors

- 9 Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium or at discount during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Payment in anticipation of call may carry interest

- 10 The Directors may, if they think fit, subject to the provision of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amounts so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.



**Allotment otherwise than cash**

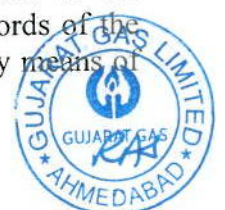
- 11 Subject to the provision of the Act and these Articles, the Board may allot and issue shares in the capital of the company otherwise than cash including, without limitation, as payment or part payment for the property sold or goods transferred or machinery supplied or for services rendered to the company or as sweat equity or otherwise and any shares which may be so allotted may be issued as fully paid up or partly paid up and if so issued shall be deemed to be fully paid up shares or partly paid up shares.

Payment of installments

- 12 If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the shares.

Dematerialization of Shares

- 13 The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.
- The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
 - Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the matter and within the time prescribed, issue to the beneficial owner the required certificates for the securities. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of allottee as the beneficial owner of the securities.
 - All securities held by a Depository shall be dematerialized and be in fungible form.
 - (i) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.
 - (ii) Save as requires by Applicable Law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - (iii) Every Person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a Member of the Company.
 - Notwithstanding anything contained in the Companies Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.





- f. Nothing contained in section 108 of the Companies Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- g. Notwithstanding anything contained in the Companies Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- h. Nothing contained in the Companies Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- i. The register of Members and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the register and index of Members and security holders for the purposes of these Articles.

Joint Holders

- 14 The Company shall be entitled to decline to register more than three persons as the joint holders of any shares.

All calls to be paid

- 15 No shareholder shall be entitled to receive any dividend or exercise any privilege as a shareholder until he shall have paid all calls for the time being, due and payable on every share held by him, whether alone or jointly with any person, together with interest and expenses, if any.

LIEN

Company's lien on shares/Debentures

- 16 The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

Directors may refuse to register transfer

- 17 Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such





transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- 18 Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission by operation of, law of the right to any shares or interest of a member in, share of debentures of the Company.

SURRENDER OF SHARES

- 19 The Directors may, subject to the provisions of the Act, accept surrender of any share from or by member desirous of surrendering them on such terms as they think fit.

BORROWING POWER

- 20 Subject to the provisions of Sections 58A, 292 and 293 of the Act and these Articles the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept, deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purpose of the company from any source, PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course "of business) exceeds the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the company in general meeting. No debt incurred by the company in excess of the limit imposed by this article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
- 21 The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms, and conditions in all respect as the Board of Directors may think fit and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of bonds, debenture and debenture stocks and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

DIRECTORS

Number of Directors

- 22 (a) Unless otherwise determined in a general meeting of the Company and subject to the provisions of Section 252 and other relevant provisions of the Act, the number of Directors of the Company shall not be less than 3 not more than 12, atleast two thirds of whom shall be liable to retire by rotation.
- (b) The following persons shall be the first Directors of the Company.
- 1 Shri Tapan Ray, IAS





2 Shri N Bose Babu
3 Shri Ravindra Agrawal

Chairman

- 23 So long as the Government of Gujarat and/or GSPC Gas Limited and/or their respective nominees are holding not less than 26 percent of shares in the equity share capital of the company either directly or indirectly, the chairman of the Board of Directors shall be nominated/appointed by the Government of Gujarat and/or GSPC Gas Limited and/or their respective nominees, from time to time.

Government Directors

- 24 Subject to the provisions of the Act and the Articles of Association so long as Government of Gujarat and/or GSPC Gas Limited and /or their respective nominees are holding not less than 26 per cent of shares in the equity share capital of the Company either directly or indirectly, the Government of Gujarat and/or GSPC Gas Limited, shall be entitled to nominate and appoint up to one-third of the Directors (including the Chairman of the Board of Directors) (who are herein, referred to as "Government Directors") on the Board of Directors of the Company, who shall be permanent Directors. Each such Director shall not be liable to retire by rotation or be removed by the Company. Each such Director shall hold office until he is either removed from the office or another is nominated and appointed in his place by the Govt. of Gujarat and/or GSPC Gas Limited and/or their respective nominees, or until he vacates the office by resignation or otherwise. The remaining Directors shall be appointed as per the provisions of the Act and these Articles.

Debenture Directors

- 25 Any Trust Deed for securing debentures or debenture stock may if so agreed provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stock, of some person to be a Director of the Company and may empower such Trustees or holder of debentures or debenture stock, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Corporation Directors

- 26 Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), LIC, SIDBI, IIRB, The Industrial Credit and Investment Corporation of India Limited (ICICI), General Insurance Corporation of India and other institution and / or any one or more of its subsidiaries viz. The New India Assurance Co. Ltd. (NIA), National Insurance Co. Ltd., (NIC), The Oriental Fire and General Insurance Co. Ltd., (OFG) and The United India Fire and General Insurance Co. Ltd. (UIFG) (hereinafter collectively referred to as GIC and its subsidiaries), Unit Trust of





India (UTI) IIRB, SIDBI or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, UTI, GIC, NIA, NIC, OFG & UIFG or any other Financing Corporation or Credit Corporation or any other Financing Company or Body is (hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a non-whole time Director or Directors, (which Director or Directors is / are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

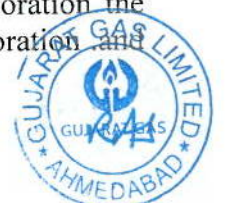
The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures / shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and / or the Meetings of the Committee of which the Nominee Director/s is / are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection, with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

PROVIDED THAT if any such Nominee Director/s is an Officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.





PROVIDED FURTHER that if such Nominee Director/s is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Special Directors

- 27 In connection with any collaboration arrangement with any Company or Corporation or any firm or person for supply of technical know-how and / or machinery or technical advice the Directors may authorise such Company, Corporation, firm or person hereinafter in the clause referred to as "Collaborator" to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation so however that such Special Director shall hold office so long as such collaboration arrangement remains in force.

The collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other Person as Special Director in his place and such appointment or removal shall be made in writing signed by the collaborator or his/ its authorised representative and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director so that if more than one collaborator is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.

SHAREHOLDERS RIGHT TO APPOINT / NOMINATE DIRECTOR

- 28 The Shareholders of the Company holding not less than 25% of the paid up share capital of the Company shall have a right to appoint / nominate atleast one director on the Board of the Company.

Limit on number of non-rotational Directors

- 29 The provisions of Articles are subject to the provisions of Section 255 of the Act and the number of such Directors appointed under Articles excluding the Directors appointed by financial institutions for which special provisions have been made in the respective laws relating to such institutions shall not exceed in the aggregate one third of the total number of Directors for the time being in office. The remaining Directors shall be appointed by the Company in General Meeting. The provisions of this article shall not apply so long as the Company remains a wholly owned Government Company in which case Government of Gujarat shall have right to appoint / nominate / retire the Director's of the Company from time to time and at any time.

Appointment of alternate Director

- 30 The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during absence of the original Director from the State of Gujarat for a period of not less than 3 months. Every such Alternate Director shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purpose





of a quorum and generally at such meeting to have and exercise all the powers and duties and authorities of the original Director. The Alternate Director appointed under this article shall vacate office as and when the original Director returns to the State of Gujarat. If the term of office of the original Director is determined before he returns to the State of Gujarat any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

Director may fill vacancies

- 31 The Directors shall have power at any time and from time to time to appoint- any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Share qualification of Directors

- 32 A Director shall not be required to hold any qualification shares.

Remuneration of Directors

- 33 Every Director shall be paid out of the funds of the Company such sum as the Directors may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board and any other expenses properly incurred by them in connection with the business of the Company.

Extra remuneration to Directors for special work

- 34 Subject to the provisions of Sections 198, 309, 310, 314 and other applicable provisions, if any of the Act, if any Director being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member, of any Committee formed by the Directors or in relation to signing share certificates) or to make special exertion in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in sub-situation for his share in the remuneration above provided.

Travelling or other expenses incurred by Directors on Company's business

- 35 The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.



**Resignation of Directors**

- 36 A Director other than Managerial person may at any time give a notice in writing of his wish to resign by delivering such notice to the Secretary or leaving the same at the registered office of the Company; and there upon his office shall be vacated.

Directors may contract with Company

- 37 Subject to compliance with the provisions of Sections 297, 299, 300, 314 and other applicable provisions, if any of the Act and save as therein provided no Director shall be disqualified from his office by reason of his holding any office or place of profit under the Company or under any Company in which this Company shall be a shareholder or otherwise interested, or from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any arrangement entered into by or on behalf of the Company in which any Director shall be in anyway interested be avoided, nor shall any Director be liable to account to the Company for profit arising from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

Directors may be Director of Companies promoted by the Company

- 38 A Director may be or become a Director of any Company promoted by the Company in which it may be interested as a Vendor, shareholder, or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 314 of the Act may be applicable.

Eligibility for re-election

- 39 A retiring Director shall be eligible for re-election.

Company to fill vacancies

- 40 Subject to Sections 258 and 284 of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.

Company may increase or reduce the number of Directors or remove any Directors

- 41 Subject to the provisions of sections 252, 255 and 259 of the Act, the company may by ordinary resolution from time to time increase or reduce the member of Directors and may prescribe or alter their qualification.

Appointment of Managing Director

- 42 The Board may from time to time appoint any one or more Directors to be the Managing Director/Whole time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time [subject to the provisions of





any contract between him and Company] remove or dismiss him from office and appoint another in his place.

Retirement of Managing / Whole time Director/s

- 43 Subject to the provisions of the Act and these Articles, the Managing Director or the whole time Director shall not while he continues to hold that office be subject to retirement by rotation but he shall subject to the provisions of any contract between him and the Company, be subject to the other Directors of the company and he shall ipso facto and immediately cease to be a Managing Director or whole time Director if he ceases to hold the office of Director due to any cause provided that if at any time the number of Directors (including Managing Director or whole time Director) as are not subject to retirement by rotation shall exceed 1/3 of the total number of the Directors for the time being then such of the Mng. Directors or whole time Directors or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Articles to the extent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration etc of Managing Director

- 44 Managing Director/Whole time Director shall, in addition to the remuneration payable to him as a Director of the Company as sitting fee, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or commission or participation in profit, or perquisites and benefits or by some or all of these modes.

Powers and duties of Managing and / or whole time Directors

- 45 Subject to the superintendence, control and direction of the Board the day to day management of the company shall be in the hands of the Managing Director(s) and / or whole time Director(s) if any, with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Directors or Managing Directors or whole time Directors such of the power vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers of Board meeting

- 46 A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or these articles or the regulations for the time being of the Company are vested in or are exercisable by the Board of Directors generally.



**Directors may appoint committees**

- 47 The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of Act and of these Articles appoint committee of the Board and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated confirm to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect, as it done by the Board.

Meeting of the Committee how to be governed

- 48 The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article.

Remuneration of members of the committee

- 49 Subject to provisions of Act, the Directors may from time to time fix the remuneration to be paid to any members or members of their body consisting of a Committee appointed by the Board and may pay the same.

Act of Board or Committee valid notwithstanding defective appointment

- 50 All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

- 51 The business of the Company shall be managed by the Board who may exercise all such powers of the company and do all such acts and things as are not by the Act, or any other Act or by the Memorandum or by the Articles of company required to be exercised by the company in general meeting, subject nevertheless to these Articles and to the provisions of the Act, or any other Act and to such regulations (being not inconsistent with the aforesaid regulations or provisions) as may be prescribed by the company in general meeting but no regulations made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.



**Right of Government of Gujarat**

- 52 In case the Company becomes a Government Company, the Government of Gujarat, may from time to time, issue such directions or instructions as it may consider necessary in regard to the finance and business affairs of the Company, and in like manner may vary and annual any such directions or instructions. The Company and its Directors shall duly comply with and, give immediate effect to the directions or instructions so issued:

THE SEAL**The Seal, its custody and use**

- 53 (1) The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody, of the Seal for the time being, under such regulations as the Board may prescribe.

(2) The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of at least one Director of the Company and the Secretary of the Company or such other person as the Board may appoint in that behalf who both shall sign every instrument to which the seal is affixed. Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, and their statutory modifications for the time being in force.

Secrecy Clause

- 54 Every Director, Manager, Auditor, Treasures, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Directors before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individual and in matters thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any other provisions, in these presents contained.

Directors' and others' right to indemnity

- 55 Subject to the provisions of Section 201 of the Act, the Managing Director and every Director of the Company and every employee of the Company shall be indemnified by the Company against, and k shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which such Managing Director, Director, Manager, Secretary and other Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Manager, Secretary, Officer or employee or in any way in the discharge of his duties and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.





WINDING UP

56 If the Company shall be wound up and the assets available for distributing among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of winding up, on the shares held by them respectively and if in the winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of capital and up at the commencement of the winding up, the excess shall be distributed amongst members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of share issued upon special terms and conditions.

57 (a) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in Trustees upon such trust for the benefit of the Contributions or any of them as the Liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

Right of Shareholder in case of sale

58 A special resolution sanctioning a sale to any other company duly passed pursuant to section 494 of the Act may, subject to the provisions of the Act. In like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed against the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential right conferred by the said sanction.

General authority:

59 Wherever in the Companies Act, 1956 it has been provided that the Company shall have any right, privilege or authority or that Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, Articles hereby authorize and





empower the Company to have such rights, privileges or Authority and to carry out such transaction as have been permitted by the Companies Act, 1956.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The Company has been incorporated on 21st February, 2012 and has not entered into any contracts that are outside the ordinary course of its business. The Company also confirms that there are no contracts that may materially or adversely impact or affect the business of the Company.

The following contracts/ documents (not being contracts entered in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or to be entered into by our Company. Copies of the following documents will be available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working days, excluding Saturday and Sunday, from the date of the Information Memorandum.

- 1 Memorandum and Articles of Association, as amended till date. Certificate of Incorporation dated 21st February, 2012.
- 2 Copy of the Composite Scheme of Arrangement in nature of amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited with GSPC Distribution Networks Limited and Restructuring of share capital of GSPC Distribution Networks Limited as sanctioned by the High Court of Gujarat at Ahmedabad on 30 March 2015.
- 3 Copy of the Order dated 30 March 2015 of the Hon'ble High Court of Gujarat at Ahmedabad sanctioning the Composite Scheme of Amalgamation and Arrangement.
- 4 Copy of observation letters received from the stock exchanges i.e. BSE, NSE, ASE and VSE.
- 5 Copy of Listing Application filed with National Stock Exchange of India Limited, BSE Limited, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.
- 6 Copy of In-principle approval for listing of 137,678,025 equity shares of Rs. 10/- each of the Company received from BSE Limited on 3rd August, 2015, NSE on 5th August, 2015, VSE on 5th August, 2015 & ASE on 7th August, 2015.
- 7 Copy of letter of Securities and Exchange Board of India (SEBI) granting in principle relaxation under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957 vide its letter dated 3rd August, 2015.



SECTION 11 – DECLARATION

To the best knowledge and belief all statements made in this Information Memorandum are true and correct.

Sd/-
PPG Sarma, CEO

Place: Ahmedabad
Date: 24 August 2015

