

Gujarat Gas Company Limited

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380006

Open Offer for acquisition of up to 33,345,000 Equity Shares ("Offer") of Gujarat Gas Company Limited (the "Target Company") from the equity shareholders of the Target Company by GSPC Distribution Networks Limited ("GDNL" or the "Acquirer") along with Gujarat State Petroleum Corporation Limited ("GSPC" or the "PAC 1"), Gujarat State Petronet Limited ("GSPN" or the "PAC 2"), and GSPC Gas Company Limited ("GSPC Gas" or the "PAC 3") as the persons acting in concert (together the "PAC") with the Acquirer

This detailed public statement ("DPS") is being issued by JM Financial Institutional Securities Private Limited, the manager to the Offer (the "Manager"), for and on behalf of the Acquirer and the PAC, in compliance with regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "SAST Regulations") as well as pursuant to the Public Announcement (the "PA") filed on October 3, 2012 with the BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE"), the Ahmedabad Stock Exchange Limited ("ASE") and the Vadodra Stock Exchange Limited ("VSE") and sent on October 4, 2012 to the Securities Exchange Board of India ("SEBI"), and the Target Company at its registered office, in terms of regulations 3(1) and 4 of the SAST Regulations.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

1. Acquirer and PAC

(a) GSPC Distribution Networks Limited (Acquirer)

- The Acquirer is a public limited company incorporated on February 21, 2012 under the Companies Act, 1956 (the "Companies Act"). The name of the Acquirer has not been changed since its incorporation. The registered office of the Acquirer is situated at 3rd Floor, Block No. 15, Udyog Bhavan, Sector - 11, Gandhinagar - 382010, Gujarat, India.
- The Acquirer is promoted by GSPC Gas Company Limited and belongs to the GSPC group.
- The main objects of the Acquirer include carrying on the sale, purchase, supply, distribution, transportation of and trading in natural gas, compressed natural gas ("CNG"), liquefied natural gas ("LNG"), liquefied petroleum gas ("LPG"), and other gases through pipelines, trucks / trains or such other suitable mode for transportation and distribution.
- The shares of the Acquirer are not listed on any stock exchange.
- The present directors of the Acquirer are Shri Tapan Ray, IAS, Shri Bose Babu Nallapaneni, Shri Ravindra Agrawal, Shri Manish Kumar Verma and Shri P.P.G. Sarma.
- Currently, the Acquirer, its directors and key employees do not have any ownership interest in the Target Company and there are no directors on the board of directors of the Target Company representing the Acquirer.
- The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act"), or under any of the regulations made under the SEBI Act.
- The key financial information of the Acquirer from the date of incorporation, being February 21, 2012, upto June 30, 2012 as derived from its limited reviewed financial statements is as follows:

(₹ in million except for EPS)

Particulars	
Total Revenue	Nil
Net Income	(0.06)
EPS	(1.26)*
Net worth / Shareholders' Funds	0.44

Source: Based on certificate dated October 3, 2012 from M/S Ashok Chhajed and Associates, Chartered Accountants, who are the statutory auditors

*Not Annualized

(b) Gujarat State Petroleum Corporation Limited (PAC 1)

- The PAC 1 is a public company limited by shares originally incorporated as Gujarat State Petrochemicals Corporation Limited on January 29, 1979 under the Companies Act. Subsequently, on November 10, 1994, its name was changed to Gujarat State Petroleum Corporation Limited. The registered office of the GSPC is situated at GSPC Bhavan, Behind Udyog Bhavan, Sector - 11, Gandhinagar - 382010, Gujarat, India.
- GSPC is one of the largest integrated energy companies based in India with a significant presence in the state of Gujarat. GSPC has presence across the entire energy value chain through its upstream and gas marketing businesses and through its subsidiaries and joint ventures in other businesses including gas transmission, power generation, city gas distribution and LNG terminal. GSPC has grown from a small oil and gas producing company in Gujarat into a vertically integrated energy company.
- GSPC is promoted by the Government of Gujarat ("GoG") acting through the Governor of Gujarat. The GoG holds 87.42% of the total equity share capital in GSPC. The other key shareholders include undertakings of the GoG and together with GoG hold 96.17% of the equity share capital in GSPC, as on the date of the DPS. The other key shareholders in GSPC include financial institutions such as State Bank of India, IDBI Bank Limited and IFCI Limited.
- The Acquirer is promoted by GSPC Gas, which is a subsidiary of GSPC.
- The shares of GSPC are not listed on any stock exchange.
- The present directors of GSPC are Shri A.K. Joti, IAS, Shri Viresh Sinha, IAS, Shri Kuniyil Kailashnathan, IAS, Shri D.J. Pandian, IAS, Shri Ujjit Ravindra Patel, Shri Yogesh Behari Sinha, Shri Ravichandran Narasimhan, Shri Harinarayana Tirumalachetty and Shri Tapan Ray, IAS.
- Currently, GSPC, its directors and key employees do not have any ownership interest in the Target Company and there are no directors on the board of directors of the Target Company representing GSPC.
- GSPC has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.
- The brief standalone audited financials of GSPC for the last three financial years ended March 31, 2012 and standalone financials based on limited review for the quarter ended June 30, 2012, are as under:

(₹ in millions except for EPS)

Particulars	Quarter Ended June 30, 2012	Financial Year Ended March 31, 2012	Financial Year Ended March 31, 2011	Financial Year Ended March 31, 2010
Total Revenue	28,419.80	85,347.91	48,060.48	38,955.28
Net Income	2,511.01	6,077.37	3,299.46	3,176.62
EPS	1.09*	2.72	1.45	1.50
Net worth / Shareholders' Funds ⁽¹⁾	51,598.40	48,327.00	42,228.43	31,584.92

Source: Based on certificate dated October 5, 2012 from M/S Talati & Talati, Chartered Accountants, who are the statutory auditors

* Not Annualized

(1) Networth includes share application money

(c) Gujarat State Petronet Limited (PAC 2)

- The PAC 2 is a public limited company incorporated on December 23, 1998 under the Companies Act. There has been no name change since incorporation. The registered office of GSPN is situated at GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar - 382010, Gujarat, India.
- GSPN is into the business of development and operation of natural gas transmission pipeline. GSPN owns and operates the second largest natural gas transmission network with over 2,065 kms in Gujarat and is also a co-developer for the purpose of developing pipeline infrastructure in the Dahaj Special Economic Zone and the Panoli Special Economic Zone. GSPN has also set up wind power project of 52.5 MW in the state of Gujarat.
- GSPN is promoted by GSPC and is part of the GSPC group. GSPN is one of the promoters of GSPC Gas, which has, in turn promoted GDNL.
- GSPC holds 37.73% of the total equity share capital in GSPN. As on October 5, 2012, the other key shareholders of GSPN include Gujarat Maritime Board which holds 6.59% of the equity share capital in GSPN and Life Insurance Corporation of India which holds 6.28% of the equity share capital in GSPN.
- The shares of GSPN are listed on the BSE and the NSE.
- The present directors of GSPN are Shri M.M. Srivastava, IAS (Retd.), Shri Viresh Sinha, IAS, Shri D.J. Pandian, IAS, Shri R. Vaidyanathan, Shri N.K. Mitra and Shri Tapan Ray, IAS.
- Currently, GSPN, its directors and key employees do not have any ownership interest in the Target Company and there are no directors on the board of directors of the Target Company representing GSPN.
- GSPN has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.

- The brief audited financials of GSPC for the last three financial years ending March 31, 2012 and financials based on limited review for the quarter ended June 30, 2012 are as under:

(₹ in million except for EPS)

Particulars	Quarter Ended June 30, 2012 ⁽¹⁾	Financial Year Ended March 31, 2012 ⁽²⁾	Financial Year Ended March 31, 2011	Financial Year Ended March 31, 2010
Total Revenue	2,851.56	11,721.46	10,681.52	10,167.19
Net Income	1,248.47	5,194.26	5,063.82	4,137.70
Basic EPS	2.22*	9.69	9.00	7.36
Diluted EPS	2.22*	9.68	8.97	7.35
Net worth / Shareholders' Funds ⁽³⁾	25,921.14	25,609.59	20,065.73	15,638.24

Source: Based on certificate dated October 4, 2012 from M/S P. Singhvi & Associates, Chartered Accountants, who are the statutory auditors. GSPC received a letter on August 13, 2012 from Office of the Comptroller and Auditor General of India, for appointment of Ms. Jain Seth & Co., Chartered Accountants as the statutory auditors for the financial year 2012-2013

*Not Annualized

(1) Standalone Financials are disclosed

(2) During the FY 2011-2012, GSPC has incorporated two subsidiary companies and accordingly accounts have been prepared on a consolidated basis for FY 2011-2012

(3) Networth includes employee stock option outstanding

(d) GSPC Gas Company Limited (PAC 3)

- The PAC 3 is a public limited company originally incorporated as Gujarat State Fuel Management Company Limited on March 11, 1999 under the Companies Act. Subsequently, on December 14, 2005, its name was changed to GSPC Gas Company Limited. The registered office of GSPC Gas is situated at Block No. 15, 3rd floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382010, Gujarat, India.
- GSPC Gas was established to complete the presence of GSPC group in the energy value chain by having presence in downstream activities also. GSPC Gas supplies natural gas to domestic households, commercial and non-commercial segments and industrial customers. GSPC Gas also supplies natural gas in the form of CNG in the state of Gujarat.
- GSPC and GSPC are the major shareholders and promoters of GSPC Gas, holding 98.56% of the equity capital of GSPC Gas. GSPC Gas is the promoter of the Acquirer.
- The shares of GSPC Gas are not listed on any stock exchange.
- The present directors of GSPC Gas are Shri D. J. Pandian, IAS, Shri Tapan Ray, IAS, Shri Atanu Chakraborty, IAS, Ms. S. Aparna, IAS and Shri K. D. Chatterjee.
- Currently, GSPC Gas, its directors and key employees do not have any ownership interest in the Target Company and there are no directors on the board of directors of the Target Company representing GSPC Gas.
- GSPC Gas has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.
- The brief standalone audited financials of GSPC Gas for the last three financial years ending March 31, 2012 and standalone financials based on limited review for the quarter ended on June 30, 2012 are as under:

(₹ in million except for EPS)

Particulars	Quarter Ended June 30, 2012	Financial Year Ended March 31, 2012	Financial Year Ended March 31, 2011	Financial Year Ended March 31, 2010
Total Revenue	10,405.64	32,374.64	19,069.73	12,370.83
Net Income	120.92	1,060.64	1,471.54	339.50
Basic and Diluted EPS	2.04*	17.91	24.85	5.73
Net worth / Shareholders' Funds ⁽¹⁾	6,445.10	6,324.18	4,832.35	3,170.79

Source: Based on certificate dated October 3, 2012 from M/S A.R. Sulakhe & Co., Chartered Accountants, who are the statutory auditors of GSPC Gas

*Not Annualized

(1) Networth includes share application money

2. Details of BG Asia Pacific Holdings Pte Limited ("BG Asia" or the "Seller")

- BG Asia is a private limited company originally incorporated as British Gas Asia Pacific Holdings Pte Limited on May 24, 1995 under the laws of Singapore. Subsequently, on May 31, 2005, its name was changed to BG Asia Pacific Holdings Pte Limited. The registered office of Seller is situated at 8 Marina View, #11-03 Asia Square Tower 1, Singapore - 018960.
- The Target Company is currently promoted by BG Asia, which belongs to the BG Group plc.
- The shares of BG Asia are not listed on any stock exchange.
- The shareholding of BG Asia in the Target Company, as on the date of the Public Announcement, is 83,518,750 Equity Shares, constituting 65.12% of the fully paid-up capital of the Target Company.
- BG Asia has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.

3. Gujarat Gas Company Limited (Target Company)

- Gujarat Gas Company Limited is a public limited company originally incorporated as Gujarat Amino Chem Limited on January 17, 1980 under the Companies Act. Subsequently, on June 8, 1988, its name was changed to Gujarat Gas Company Limited. The registered office of the Target Company is situated at 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380006, Gujarat, India.
- The Equity Shares of the Target Company are currently listed on the BSE, the NSE, the ASE and the VSE (hereinafter collectively referred to as "Stock Exchanges").
- The Equity Shares of the Target Company have been frequently traded on the NSE during the preceding twelve calendar months prior to the month of PA in terms of regulation 2(1)(i) of the SAST Regulations.
- The brief consolidated audited financials of the Target Company for the last three financial years and interim limited reviewed financials, from January 1, 2012 to June 30, 2012, are as under:

(₹ in million except for EPS)

Particulars	Six Months Ended June 30, 2012	Financial Year Ended December 31, 2011	Financial Year Ended December 31, 2010	Financial Year Ended December 31, 2009
Total Revenue	15,341.58	24,750.78	18,717.25	14,463.05
Net Income	1,179.20	2,748.25	2,590.15	1,750.22
Basic and Diluted EPS	9.10*	21.23	20.00	13.48
Net worth / Shareholders' Funds	9,121.85	8,106.22	8,654.38	7,848.74

Source: Based on certificate dated October 5, 2012 from M/S Shah & Shah, Chartered Accountants

*Not Annualized

- As on December 31, 2011, the total authorized share capital of the Target Company was ₹ 450 million consisting of 140,000,000 fully paid up equity shares of ₹ 2/- each ("Equity Shares") and 17,000,000 7.5% redeemable cumulative non-convertible preference shares of ₹ 10/- each ("Preference Shares"). As on the date of the PA, the issued, subscribed and paid-up share capital of the Target Company is ₹ 256.50 million comprising of 128,250,000 Equity Shares ("Voting Capital"), 14,400,000 Preference Shares have already been redeemed at par on March 30, 2012. As on the date of PA, there are no partly paid up equity shares, no outstanding convertible securities, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Target Company has 835,500 employee stock options outstanding as on October 8, 2012, of which 145,000 are vested and not exercised as on October 8, 2012. In accordance with the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP Scheme"), no shares are required to be allotted against exercise of options and subsequently no dilution shall occur pursuant to exercise of the options.

4. Details of the Offer

- The Acquirer, together with PAC, namely GSPC, GSPN and GSPC Gas, are making this Offer to acquire up to 33,345,000 Equity Shares ("Open Offer Shares") representing 26% of the Voting Capital of the Target Company at a price of ₹ 314.17/- (Rupees Three Hundred Fourteen and Seventeen Paise only) per Equity Share (the "Offer Price") payable in cash in accordance with the provisions of the SAST Regulations and subject to the terms and conditions set out in this DPS and the letter of offer that will be circulated to the shareholders in accordance with the provisions of the SAST Regulations ("Letter of Offer"). Save and except for the PAC, no other person is acting in concert with the Acquirer for the purpose of this Offer.

- This Offer is being made to all the shareholders of the Target Company (other than the parties to the SPA). This Offer is subject to the receipt of the statutory approvals and fulfillment of other conditions as mentioned in paragraph VI of this DPS. In terms of Regulation 23 of the SAST Regulations, in the event that such statutory approvals are refused and conditions precedent are not fulfilled, this Offer shall stand withdrawn.

- The PAC will not acquire any Equity Shares being tendered and accepted in this Offer and pursuant to the SPA. All the Equity Shares validly tendered and accepted in this Offer and pursuant to the SPA will be acquired by the Acquirer only.

- This Offer is not conditional on any minimum level of acceptance by the Equity Shareholders of the Target Company and is not a competing offer in terms of regulation 20 of the SAST Regulations.

- The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared therefor.

- In terms of regulation 23 of the SAST Regulations, in the event that any of the conditions mentioned in paragraph VI are not obtained or are finally refused or are otherwise not met with for reasons outside the reasonable control of the Acquirer, this Offer shall stand withdrawn. In the event of such withdrawal, a public announcement will be made, within two working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, Stock Exchanges and to the Target Company at its registered office.

- Neither the Acquirer nor the PAC has acquired any Equity Shares of the Target Company during the twelve (12) months period prior to the date of this DPS.

- In terms of regulation 25(2) of the SAST Regulations, the Acquirer does not currently propose to alienate any material assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise outside the ordinary course of business, for a period of two years from the closure of the Offer. The Acquirer further undertakes that in the event such alienation of assets of the Target Company or its subsidiaries is required, such alienation shall not be undertaken without a special resolution passed by shareholders of the Target Company, by way of a postal ballot, wherein the notice for such postal ballot shall inter alia contain reasons as to why such alienation is necessary. Post completion of the Offer, the Acquirer along with PAC, may explore possible means to strategically integrate the business of the Target Company within the GSPC group to maximize synergy of operations. The Acquirer hereby confirms that presently, it does not have any intention of delisting the Equity Shares of the Target Company.

- In the event that the post Offer shareholding of the Acquirer and PAC in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, as amended ("SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the Listing Agreement.

II. BACKGROUND TO THE OFFER

- The Acquirer has entered into a share purchase agreement (the "SPA") on October 3, 2012 with BG Asia, the promoter of the Target Company, and BG Energy Holdings Limited, the holding company of BG Asia, and acting as the guarantor for the Seller's obligations under the SPA, for acquisition of 83,518,750 Equity Shares of the Target Company ("Sale Shares") constituting 65.12% of the Voting Capital of the Target Company for a purchase amount not exceeding ₹ 24,638,031,250/- (Rupees Twenty Four Billion Six Hundred Thirty Eight Million Thirty One Thousand and Two Hundred and Fifty only).
- This Offer is a mandatory offer being made by the Acquirer and PAC in compliance with Regulations 3(1) and 4 of the SAST Regulations.
- A summary of the salient features of the SPA, which are all subject to detailed terms in the SPA, include the following:

- The Acquirer has agreed to acquire the Sale Shares from the Seller for a maximum consideration of ₹ 24,638,031,250/-, payable in cash, subject to the satisfaction of various conditions precedent as set out in the SPA. The consideration payable to the Seller is subject to a downward adjustment ("Negotiated Amount") at the closing of the transaction contemplated by the SPA ("Closing"), in the event that the cash balance of the Target Company, as on the date of the fulfillment of the conditions precedent under the SPA, is less than ₹ 4,638,108,000 (Rupees Four Billion Six Hundred and Thirty Eight Million One Hundred and Eight Thousand). The amount of consideration to be remitted to the Seller shall be subject to receipt of the ruling of Authority for Advance Rulings ("AAR") on withholding tax.

- One of the regulatory consents required for the purpose of the consummation of the transaction contemplated under the SPA is a written approval from the Reserve Bank of India ("RBI") for manner of payment of the Negotiated Amount to the Seller, including through an escrow mechanism, if required. However, this requirement may be waived jointly by the Seller and the Acquirer, and once waived in accordance with the SPA, the Seller and the Acquirer shall proceed to complete the transactions contemplated by the SPA, subject to the other terms and conditions of the SPA.

- The Seller has agreed not to undertake certain actions or cause the Target Company to undertake certain actions between the date of execution of the SPA and Closing, without prior written consent of the Acquirer, including, inter alia, entering into any new agreement or commitment with the Seller and / or any of its affiliates in respect of any gas supply arrangement for the period up to June 30, 2013; entering into any contract, other than gas supply arrangements, with the Seller and / or any of its affiliates, for a value or expenditure exceeding ₹ 10 million; entering into any material new agreement of commitment in respect of any gas supply arrangement for the period beyond July 1, 2013; any purchase and / or sale of tangible assets by the Target Company other than in ordinary course of business; incurring any borrowing or debts by the Target Company other than in ordinary course of business; allotting or issuing any securities of the Target Company.

- The transaction under the SPA shall be completed upon the fulfillment of the conditions precedent agreed between the Acquirer and the Seller in the SPA, including completion of the Offer and receipt of statutory approvals set out in paragraph VI of this DPS.

- The SPA contains certain non-compete provisions whereby the Seller has agreed and undertaken to procure the Seller and its affiliates (excluding the Target Company and its subsidiaries) to agree to not engage in natural gas distribution business within the geographic area that includes specified areas in the districts of Surat, Bharuch and Tapi in the state of Gujarat as duly signed and stamped by the Petroleum and Natural Gas Regulatory Board and communicated to the Target Company in a letter bearing File No. S-Infra/11/2008-Vol/II Surat-Bharuch-Ankl-GA dated February 17, 2012 (the "Geographic Area") for a period of 5 years from the Closing and to not enter into any transaction to sell natural gas to any existing industrial customer within the Geographic Area for a period of 3 years from the Closing. There is no separate consideration being paid for this non-compete obligation of the Seller and its affiliates.

- The SPA contains provisions prohibiting the Seller and its affiliates from soliciting any director or senior employee of the Target Company for a period of 3 years from Closing. Pursuant to the SPA, the Target Company shall cease to use trademark, or logo in any form held by Seller within such time from the Closing as mentioned in the SPA.

- From the date of execution of the SPA until the earlier of termination of SPA or Closing, the Seller undertakes to have its representatives consult the representatives of the Acquirer regarding the entry into any new agreement or commitment in respect of any gas supply arrangement for the period up to June 30, 2012 for a value greater than US\$ 15.4 million and for the filing of any tariff filing by the Target Company relating to its Hazira-Ankleshwar transmission pipeline.

- The Seller shall cause the resignation of Mr. Sugata Sircar, Mr. Shaleen Sharma and, Mr. Shahram Jahanbani as the directors of the Target Company and Mr. Shahmukh Shah as Chairman of the Target Company and effect the appointment of Mr. Sugata Sircar and other Acquirer nominee directors as directors of the Target Company with effect from Closing.

- The SPA shall automatically terminate in 9 (nine) months from the date of execution of the SPA (the "Long Stop Date") in case the transaction contemplated under the SPA, including conditions precedent as set out in the SPA, are not concluded prior to such date. The Long Stop Date may be extended by mutual written agreement of the parties to the SPA.

- The SPA may be terminated by the Acquirer upon the occurrence of any of the following events (each a "Material Adverse Change"), each of which events are outside the control of the Acquirer:

- any fundamental warranty given by the Seller, becomes accurate, untrue or misleading in any respect at any time before Closing;
- the authorization for the Target Company's Hazira-Ankleshwar natural gas pipeline or the authorization for the Target Company's local natural gas distribution network in the Geographic Area under Regulation 18(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008, or the Gas Sales and Transportation Contract entered into by the Target Company with GAIL (India) Limited on April 18, 2012 in respect of gas from the Panna-Mukta and Mid and South Tapi Fields, are revoked or terminated; or
- any event which occurs after the execution of the SPA and has caused or causes a reduction in the value of the Target Company's consolidated net assets in excess of 20% when compared to the Target Company's consolidated net assets as at June 30, 2012 or a reduction of total aggregate gas sales volumes in excess of 20% in the last four successive completed quarterly periods prior to Closing when compared to the total aggregate gas sales volumes of the immediately preceding four successive completed quarterly periods, provided that no account shall be taken of any loss, damage, costs or liability arising from the event or events to the extent that such loss, damage, costs or liability has been remedied immediately prior to Closing.

- The mode of payment of consideration for acquisition of the Sale Shares by the Acquirer is cash.

- The Acquirer intends to take control over the Target Company and reconstitute the board of directors of the Target Company after the closure of this Offer in accordance with the SAST Regulations, and on closing as per the SPA, by appointing persons nominated by the Acquirer on the board of directors of the Target Company.

- The Acquirer believes that the Target Company offers an attractive investment opportunity and provides synergies in gas sourcing and marketing. The Acquirer is committed to continue to run the existing businesses and to grow the same in the long term through organic or inorganic opportunities and by leveraging on the Acquirer's resources.

III. SHAREHOLDING AND ACQUISITION DETAILS

- As of the date of this DPS, neither the Acquirer nor the PAC, nor their respective directors hold any shares in the Target Company. The proposed shareholding of the Acquirer and PAC in the Target Company and the details of their acquisition shall be as follows:

Details	Acquirer		PAC1		PAC2		PAC3	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Shareholding as on the PA date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shares acquired between the PA date and the DPS date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Post Offer shareholding on diluted basis, as on 10th working day after closing of tendering period (assuming full acceptances)	116,863,750	91.12%	Nil	Nil	Nil	Nil	Nil	Nil

IV. OFFER PRICE

- The Equity Shares of the Target Company are listed on BSE, NSE, ASE and VSE.

- The Equity Shares of the Target Company are frequently traded within the meaning of regulation 2(1)(i) of the SAST Regulations. The annualized trading turnover of the Equity Shares traded during the twelve calendar months preceding October 2012, the month in which the PA was made, is as given below:

Stock Exchange	Total No. of Equity Shares traded during the 12 calendar months prior to the month the PA was made	Total No. of listed Equity Shares	Annualized trading turnover (as a % of total listed Equity Shares)
BSE	7,810,529	128,250,000	6.09%
NSE	26,506,724	128,250,000	20.67%
ASE ⁽¹⁾	N/A	N/A	N/A
VSE ⁽¹⁾	N/A	N/A	N/A

(1) Trading data not available

Source: BSE and NSE websites

- Since the Equity Shares of the Target Company have been frequently traded on NSE, during the 12 calendar months preceding the month in which the PA has been issued, and since the maximum volume

7. In case of any upward revision in the Offer Price or the size of this Offer, the Bank Guarantee Amount and Cash Escrow Amount shall be increased by the Acquirer and the PAC prior to effecting such revision, in terms of regulation 17(2) of the SAST Regulations.

VI. STATUTORY APPROVALS AND OTHER CONDITIONS

- This Offer is subject to receipt of the following statutory approvals:
 - the acquisition of the Sale Shares under the SPA and the acquisition of the Equity Shares pursuant to this Offer shall be subject to the Competition Commission of India ("CCI") or any other appellate authority having either i) declined jurisdiction; ii) granted clearance; or iii) deemed to have granted clearance through the expiration of time period available for their investigation; and
 - written approval from the Reserve Bank of India ("RBI") permitting purchase of Sale Shares at the Negotiated Amount.
- The acceptance by the Acquirer of Offer Shares tendered by overseas corporate bodies ("OCB") pursuant to this Offer is subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 and the regulations made thereunder ("FEMA"), wherever required.
- To the best knowledge and belief of the Acquirer, as on the date of this DPS, there are no other statutory approvals required to implement this Offer other than those mentioned above.
- If any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would also be subject to the receipt of such other statutory approvals.
- Subject to the receipt of statutory approvals and there having been no Material Adverse Change as mentioned in paragraph II (3)(j), the Acquirer and PAC shall complete all procedures relating to this Offer within 10 working days from the date of closure of the tendering period to those Equity Shareholders whose share certificates and / or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
- In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of the SAST Regulations. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer has the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.
- In terms of Regulation 23(1) of the SAST Regulations, if any Material Adverse Change as mentioned in paragraph II (3)(j) occurs or any of the statutory approvals set out in paragraph VI are refused, the sale and purchase of Sale Shares under the SPA shall not be consummated and the Acquirer has a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and the registered office of the Target Company.

VII. TENTATIVE SCHEDULE OF ACTIVITY

No.	Activity	Day and Date
1.	Issue of PA	Wednesday, October 03, 2012
2.	Publication of this DPS in the newspapers	Wednesday, October 10, 2012
3.	Filing of the draft letter of offer with SEBI	Wednesday, October 17, 2012
4.	Last date for public announcement of a competitive offer(s)	Friday, November 02, 2012
5.	Last date for receipt of comments from SEBI on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Friday, November 09, 2012
6.	Identified Date [#]	Thursday, November 15, 2012
7.	Date by which Letter of Offer is to be dispatched to the Equity Shareholders of the Target Company	Thursday, November 22, 2012
8.	Last date for upward revision of the Offer Price / Offer Size	Friday, November 23, 2012
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	Tuesday, November 27, 2012
10.	Date of publication of Offer opening public announcement in the newspapers where this DPS has been published	Thursday, November 29, 2012
11.	Date of commencement of the Tendering Period (Offer Opening Date)	Friday, November 30, 2012
12.	Date of Closure of the Tendering Period (Offer Closing Date)	Thursday, December 13, 2012
13.	Last date for communication of the rejection / acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Friday, December 28, 2012
14.	Last Date for publication of post offer public announcement in the newspapers where this DPS has been published	Friday, January 05, 2013
15.	Last date for submission of the final report with SEBI	Friday, January 05, 2013

The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all the Equity Shareholders (registered or unregistered) of the Target Company (except the Acquirer, PAC, Seller and persons deemed to be acting in concert with Seller) are eligible to participate in this Offer at any time prior to the closure of this Offer.

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

- Every person holding Equity Shares of the Target Company (other than the parties to the SPA) whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer any time during the tendering period of this Offer.
- Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer as set out in the PA, this DPS and in the Letter of Offer. Alternatively, such holders of Equity Shares of the Target Company may also apply on the form of acceptance-cum acknowledgement in relation to this Offer annexed to the Letter of Offer which may be obtained from the SEBI website (www.sebi.gov.in) or from Karvy Computershare Private Limited ("Registrar to the Offer"). The application is to be sent to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, at their sole risk, at the address mentioned below in Paragraph IX so as to reach the Registrar to the Offer on or before 4:00 p.m. on the date of closure of the tendering period of this Offer (as mentioned in Paragraph VII), together with:
 - In case of registered shareholders holding Equity Shares of the Target Company in physical form, the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers and folio number together with the original equity share certificate/s and valid transfer deeds. Unregistered shareholders can send their application in writing to the Registrar to the Offer on plain paper stating the name & address of the first holder, name(s) & address(es) of joint holder(s) if any, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the original equity share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; or
 - In the case of Equity Shares held in dematerialized form, name of the Depository Participant ("DP"), DP identity, beneficiary account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in favour of the special depository account ("Special Depository Account") opened by the Registrar to the Offer with Karvy Stock Broking Limited. The shareholders tendering Equity Shares in demat form should ensure credit of Equity Shares in the favour of the Special Depository Account prior to closure of tendering period for the Offer. Form of acceptance, in respect of dematerialized Equity Shares not credited to the Special Depository Account on or before 4:00 p.m. on the date of closure of the tendering period for this Offer (as mentioned in Paragraph VII), is liable to be rejected. Details of the Special Depository Account are set out in the table below:

Depository Participant (DP) Name	Karvy Stock Broking Limited
DP ID	IN300394
Beneficiary Account Number / Client ID	18507556
Special Depository Account Name	Gujarat Gas - Open Offer Escrow Demat Account
ISIN	INE374A01029
Depository	National Securities Depositories Limited ("NSDL")
Mode of Instruction	Off-Market

Shareholders having their beneficiary account with Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares of the Target Company in favour of the Special Depository Account with NSDL.

- Shareholders may also (a) download the Letter of Offer from the SEBI website (www.sebi.gov.in) or (b) obtain a copy of Letter of Offer by writing to the Registrar to the Offer or Manager to the Offer superscripting the envelope "Gujarat Gas - Open Offer" with (1) suitable documentary evidence of ownership of the Equity Shares of the Target Company and (2) their folio number, DP identity - Client identity, current address and contact details.
- The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer.**

IX. OTHER INFORMATION

- For the purpose of disclosures in this DPS relating to the Target Company and the Sellers, the Acquirer and the PAC have relied on the information provided by the Target Company and / or the Sellers and have not independently verified the accuracy of details of the Target Company and / or the Sellers.
- The Acquirer and the PAC and their respective directors accept full responsibility for the information contained in the PA and this DPS, and for the fulfillment of their obligations under the SAST Regulations.
- The Acquirer and the PAC will be jointly and severally responsible for fulfillment of applicable obligations under the SAST Regulations.
- Pursuant to regulation 12 of the SAST Regulations, the Acquirer and GSPC Gas have appointed JM Financial Institutional Securities Private Limited as the Manager to the Offer.
- The Acquirer has appointed Karvy Computershare Private Limited as the Registrar to the Offer. Address: Karvy Computershare Private Limited, Plot nos. 17-24, Vithalrao Nagar Madhapur, Hyderabad - 500 081; Tel: +91 40 44655000 / 23420815-23; Fax: +91 40 23431551; E-mail: murali@karvy.com; Contact Person: Mr. M.Murali Krishna / R. Williams).
- This DPS is expected to be available on SEBI's website (www.sebi.gov.in).

**Issued by Manager to the Offer for and on behalf of the Acquirer and the PAC
MANAGER TO THE OFFER**



JM Financial Institutional Securities Private Limited
141, Maker Chambers III, Nariman Point, Mumbai - 400 021
Tel. No.: +91 22 6630 3030; Fax No.: +91 22 2204 7185

Email: lakshmi.lakshmanan@jmf.com; Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration Number: INM000010361

Place : Gandhinagar
Date : October 9, 2012