GUJARAT GAS

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of Gujarat Gas Company Limited (Target Company) by GSPC Distribution Networks Limited (GDNL), the acquirer along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC Gas) being the Persons Acting in Concert (PAC), under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

1.	Date	23 January 2013
2.	Name of the Target Company (TC)	Gujarat Gas Company Limited
3.	Details of the Offer pertaining to TC	Open Offer is being made by the Acquirer along with Persons Acting in Concert (PAC) to the equity shareholders of the Target Company for acquiring upto 33,345,000 fully paid-up equity shares of face value of Rs. 2/- (Rupees Two Only) each, of the Target Company constituting 26% of the fully paid up equity share capital of the Target Company, at a price of Rs. 314.17 (Rupees Three Hundred and Fourteen and Seventeen Paise only) per fully paid-up equity share, payable in cash, in accordance with Regulation 3(1) and 4 of the Regulations.
4.	Name(s) of the acquirer and PAC with the acquirer	GSPC Distribution Networks Limited (GDNL) is the acquirer along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC Gas) acting as the Persons Acting in Concert (PAC).
5.	Name of the Manager to the offer	JM Financial Institutional Securities Pvt. Ltd. SEBI Regn No. INM000010361 141, Maker Chambers III, Nariman Point, Mumbai – 400 021. Tel: +91 22 6630 3030 Fax: + 91 22 2204 7185 Email Id: lakshmi.lakshmanan@jmfl.com

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6.	Members of the Committee of the Independent Directors (IDC) *(Please indicate the chairperson of the Committee separately)*	1) Mr. Jal Patel (Chairman) 2) Prof. Pradip Khandwalla 3) Mr. Ajit Kapadia 4) Mr. Sudhir Mankad
7.	IDC Member's relationship with the TC (Director, Equity shares owned, any other contract/ relationship), if any	None of the members of IDC hold any equity shares of the Target Company nor they have any other relationship or interest in the Target Company.
8.	Trading in the Equity shares/ other securities of the TC by IDC Members	None of the IDC Members hold any equity shares of the Target Company and therefore have not done any trading in the equity shares of the Target Company.
9.	IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract/ relationship), if any.	None of the IDC Members is a Director in the Acquirer or holds any equity shares of the Acquirer or has any relationship with the Acquirer.
10.	Trading in the Equity shares/ other securities of the acquirer by IDC Members	IDC Members have not traded in the equity shares of the Acquirer.
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	IDC is of the considered view that the Open Offer Price is fair and reasonable. It may be noted that the Open Offer is subject to the Commercial and Legal risks highlighted in the Letter of Offer, inter alia, including the procurement of the requisite statutory approvals for consummating the Open Offer.

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12.	Summary of reasons for recommendation *(IDC may also invite attention to any other place, eg. Company's website, where its detailed recommendations along with written advice of the independent adviser, if any can be seen by the shareholder)*	IDC recommends acceptance of the Open Offer made by the Acquirer together with the PAC, as the Offer Price of Rs. 314.17 (Rupees Three Hundred and Fourteen and Seventeen Paise only) per fully paid-up equity share is fair and reasonable based on the following reasons: 1) The IDC has perused the Share Valuation Report received from the Independent Advisors which indicates that the Offer Price is higher than the value ascertained by them. 2) The Book Value per Share of the TC is Rs. 71.13 as on 30 June 2012, which is less than the Open Offer Price i.e. Rs. 314.17 . 3) The Offer Price represents 6.5% premium on the per share price payable to the promoters.
13.	Details of Independent Advisors, if any.	Haribhakti & Co., Chartered Accountants, Mumbai
14.	Any other matter(s) to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

For Gujarat Gas Company Ltd

JAL PATEL
Chairman – Independent Directors Committee

Place: Ahmedabad
Date: 23 January 2013

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