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1999

2000

Gas Authority Of India Limited

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BOARD OF DIRECTORS



Sitting L to R: Shri J.K. Jain, Shri C.R. Prasad and Shri Ravi Saxena.
Standing L to R: Shri S.P. Rao, Shri S. Niyogi, Shri K.S. Govindarajan and Shri H.P. Chandna.

Shri C.R. Prasad

*Chairman &
Managing Director*

Shri Ravi Saxena,
IA&AS

Shri M.C. Bagrodia *(From 28.04.99)*

Shri C.L. Bashal

Shri J.K. Jain *Director (Finance)*

Dr. Amit Mitra *(From 28.04.1999)*

Shri S. Niyogi *Director (HR)*

Shri K.S. Govindarajan *(From 28.04.1999)*

Shri H.P. Chandna *Director (Planning)*

Shri Ashwin C. Muthiah *(From 28.04.1999)*

Shri S.P. Rao *Director (Projects)
(From 22.10.1999)*

Shri N.K. Nagpal

Company Secretary

16TH ANNUAL REPORT • GAS AUTHORITY OF INDIA LIMITED

**M/s Jain Kapila
Associates**Chartered Accountants
New Delhi**M/s J.N. Sharma & Co**Chartered Accountants
Kanpur**M/s Bansal & Co**Chartered Accountants
Bhopal**State Bank of India****Bank of Baroda**Corporate Accounts
Group Branch
Vijaya Building
Barakhamba Road
New Delhi 110 001Bhikaiji Cama Place
R.K. Puram
New Delhi 110 066**Bank of India****Indian Overseas Bank**Overseas Branch
Vijaya Building
Barakhamba Road
New Delhi 110 001Prakash Deep Building
Tolstoy Marg
New Delhi 110 001**REGISTERED OFFICE**16, Bhikaiji Cama Place
R.K. Puram, Ring Road, New Delhi 110 066

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**DETAILS OF STOCK EXCHANGES WHERE THE
SHARES OF THE COMPANY ARE LISTED**

**The Delhi Stock
Exchange Association
Ltd.**

DSE House
3/1 Asaf Ali Road
New Delhi

**Mumbai Stock
Exchange**

The Stock Exchange, Mumbai
Phiroze Jee Jee Bhoy Tower
20th Floor, Dalal Street
Mumbai 400 013

**National Stock
Exchange**

The National Stock Exchange
of India Ltd.
Trade World
Senapati Bapat Marg
Lower Parel
Mumbai 400 013

**The London Stock
Exchange**

Concourse Entrance (Main)
Old Broad Street
London EC2N 1HP

Report

REGISTRAR AND TRANSFER AGENT

M/s. MCS Limited

212 A Sri Venkatesh Bhawan
Shahpurjat
Near Asiad Village
New Delhi 110 049

16TH ANNUAL REPORT • GAS AUTHORITY OF INDIA LIMITED

DIRECTORS' REPORT: 1999-2000

To
The Members,

The Directors have pleasure in presenting the 16th Annual Report of your 'Navratna' Company together with Audited Accounts for the year ended March 31, 2000.

PHYSICAL PERFORMANCE

During the year, your Company recorded overall growth in operation and sales as under:

	1999-2000	1998-99
Sale of Gas (BCM)	20.521	20.129
LPG Production (MTs)	756,140	676,674
(including blended LPG)		
Propane/Pentane/SBP Production (MTs)	110,169	99,843
Polymer Production (MTs)	118,769	1,884

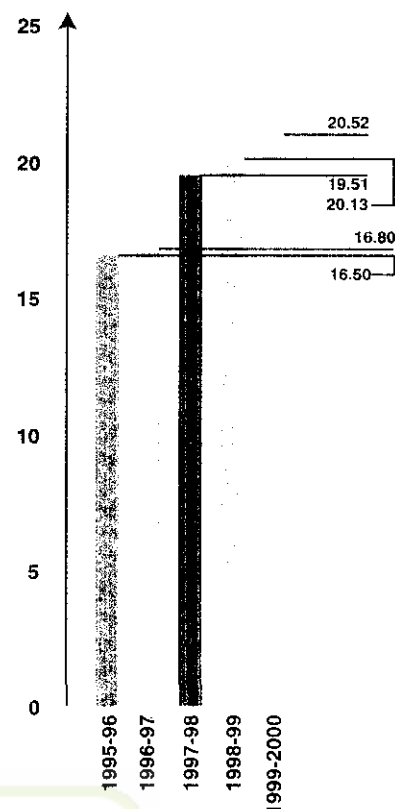
FINANCIAL PERFORMANCE

During the year, the sales of your Company has increased to Rs. 7710 Crores from Rs. 6193 Crores over the previous year and profit after tax is Rs. 861 Crores as against Rs. 1060 Crores which included other income of Rs. 149 Crores and Rs. 251 Crores, respectively. Salient financial parameters during the current year as compared to the previous year are mentioned below:

	(Rs. in Crores)	
	1999-2000	1998-99
Sales	7,710	6,193
Other Income	89	77
Total Revenue	7,799	6,270
Cost of Sales	6173	4,778
EBIDTA (Operations)	1627	1492
Non Recurring Income	60	174
Interest	167	92
Depreciation/Write-off	489	339
PBT	1031	1235
Provision for Tax	170	175
Profit after Tax	861	1,060
Proposed Dividend	282	329
(including tax on dividend)		

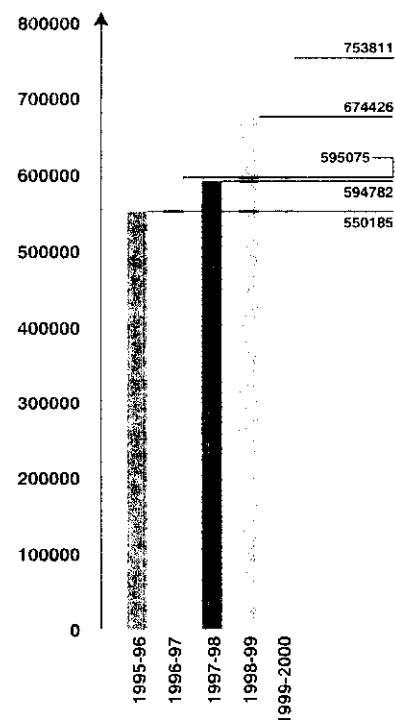
Sales Quantity Gas

in BCM



Sales Quantity LPG

in MT





GAS AUTHORITY OF INDIA LIMITED

(A Government of India Undertaking)

REGD. OFFICE: 16, BHIKAJI CAMA PLACE, NEW DELHI-110066

NOTICE OF THE 16TH ANNUAL GENERAL MEETING - 2000

NOTICE is hereby given that **SIXTEENTH Annual General Meeting** of the Members of **GAS AUTHORITY OF INDIA LIMITED (GAIL)** will be held on **Wednesday, the 27th day of September, 2000 at 10:30 A.M. at SCOPE Convention Centre, Core 8, SCOPE Complex, 7, Lodhi Road, New Delhi-110003** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, Audited Profit & Loss Account for the year ended 31st March, 2000, Board's Report and addendum thereto, Auditor's Report and the comments thereupon of Comptroller & Auditor General of India.
2. To declare dividend for the financial year ended on 31st March, 2000. The Board has approved interim dividend @30% of paid-up share capital and recommend the same as final dividend for the year ended 31st March, 2000.
3. To appoint a Director in place of Shri S. Niyogi, Director (HR) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri H.P. Chandna, Director (Planning) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri C.L. Bashal, Joint Secretary, Ministry of Petroleum & Natural Gas as Director who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Ravi Saxena, Joint Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas as Director who retires in terms of his appointment at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolution(s):-

AS AN ORDINARY RESOLUTION

7. **"RESOLVED THAT** Shri S.P. Rao, appointed as Director by the President of India vide letter No.F.No.L-11013/1/98-GP(Vol.-II) dated 21.10.1999 be and is hereby appointed as a Director of the Company liable to retire by rotation. "

SPECIAL RESOLUTION

To consider and if thought fit, to pass with or without modification(s) the following resolution(s):-

8. "RESOLVED THAT the Board do hereby recommend to the shareholders for their approval to insert the following clauses in the Main Objects of Memorandum of Association of the Company as clause No.21 and 22."

Clause No. 21

'To plan, establish, develop and to lay cables, provide, operate and maintain all types of telecommunication services including telephony, telex as well as wireless, data communication, telematics and other forms of communication and to maintain and manage, to acquire from any person, from body corporate or other establishment whether in India and/or outside India, technical information, know-how, process engineering, manufacturing and operating data, plans layouts and blue prints useful for designing, erection, construction, commissioning, operation and maintenance of the plant and equipment required for any of the business of the company and to acquire or grant license and other rights and benefits in the foregoing matters and things, to act as carriers/carrier, domestic and international long distance operators, basic service provider, cellular service provider, Internet service provider, broad band provider, video conferences facilities, to maintain and manage distance leased services, to provide technical specifications, standards and norms of services in the local and long distance communication, to provide inter-connection of the local network services, long distance transmission systems and overseas communications systems.'

Clause No. 22

To build, construct, maintain, improve, develop, manage and control any buildings, offices, godowns, warehouses, shops, machinery and plant and telephone exchanges, telegraph office, coaxial stations, microwave stations, repeaters stations, telecommunication lines, cables, towers or any other equipments pipelines, machinery connected with design, development, construction, maintenance and operation of telecommunication services and conveniences, which may seem or calculated, directly or indirectly, to advance the interests of the company and to subsidize, contribute to or otherwise assist or take part in doing any of these things, and/or to join with any other person and/or company and/or with any Governmental authority in doing any of these things.

By Order of the Board
For Gas Authority of India Limited

Sd/-
(N.K. NAGPAL)
COMPANY SECRETARY

Place: New Delhi
Date : 28.8.2000

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

ITEM NO.7

Sh.S.P. Rao was appointed vide letter No. F.No.L-11013/1/98-GP(Vol.-II) dated 21.10.1999 Director (Projects), by President of India on whole time basis in exercise of power under Article 75 (4) of the Articles of Association of the Company for a period of five years or till the date of superannuation whichever is earlier on such remuneration terms and conditions of his appointment as fixed by the President of India. The Board recommends that he may be appointed as Director liable to retire by rotation.

Your Directors recommend the resolution for approval of the shareholders.

Sh. S.P. Rao is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is in any way concerned/interested in the proposed resolution.

ITEM NO.8

The National Telecom Policy (NTP) of 1999 has provision for the use of back bone network of public and private power transmission companies, railway, GAIL, ONGC etc. for National Long Distance Data Communication and long distance voice communication.

The Company has a variety of telecommunication system on its existing pipeline infrastructure for communication and Supervisory Control and Data Acquisition (SCADA) to ensure smooth operations. The facilities created are predominantly for captive use so far. The unutilised capacities available in the existing system and further capacities enhancement is possible at low investment. The optical fibre cable is the best and most reliable for telecommunication and in addition provide tremendous potential in enhancement of capacity at low cost. Your company has optical fibre network on upgraded HBJ gas pipeline and optical fibre cable network is being created on Kandla-Loni LPG pipeline for captive use. Telecom services can be conveniently and advantageously combined with the business of the company.

As per the estimates of Telecom Regulatory Authority of India (TRAI) there is demand for Long Distances Communication. The major demand centres are coming up in the states where Company's infrastructure is available and can be further expanded.

Your Company proposes to make foray into Telecom services activities. Pursuant to provisions of section 17 of the Companies Act, 1956, the Company may by Special Resolution alter the Object clause with the approval of the members. Accordingly, the directors of the Company recommend the resolution for approval of the shareholders as a Special Resolution to enable the Company to take up Telecom Services activities.

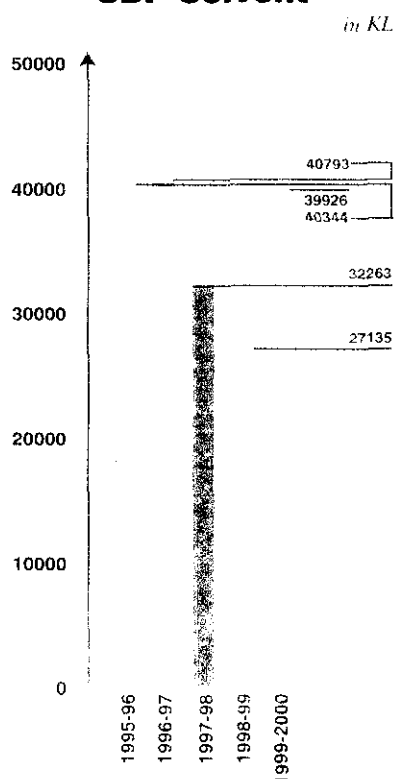
None of the Director of the Company is in anyway concerned or interested.

By Order of the Board
For Gas Authority of India Limited

Sd/-
(N.K. NAGPAL)
COMPANY SECRETARY

Place: New Delhi
Date : 28.8.2000

16TH ANNUAL REPORT * GAS AUTHORITY OF INDIA LIMITED

**Sales Quantity
SBP Solvent****DIVIDEND**

The Directors approved payment of an interim dividend @ 30% for the year 1999-2000 and recommend the same for approval of the members as final dividend for the year ended 1999-2000.

DISINVESTMENT OF GOVERNMENT EQUITY

During the year the Government of India sold 10 % of its equity to ONGC and IOC equally and further disinvested 135 million equity shares in the international market through GDR mechanism thus bringing down its equity holding to 67.34%.

PROJECT COMMISSIONED

During the year LPG plant at Pata with a design capacity of 258,000 TPA of LPG was commissioned. The trial run commenced in November 1999, six months ahead of scheduled completion period and finally commissioned for commercial production in March 2000. The LPG plant at Pata is integrated with the UP Petrochemical Plant. With the commissioning of this plant your Company has reached a designed production capacity of almost one million tonnes per annum of LPG.

MAJOR PROJECTS UNDER IMPLEMENTATION**LPG Pipeline from Jamnagar to Loni**

Your Company launched the construction activities for the world's longest, 1,230-km Jamnagar (Gujarat) to Loni (near Delhi), exclusive LPG Pipeline in October 1999 at a cost of about Rs. 1240 Crores. The project has already achieved overall physical progress of over 80% and would provide efficient and safe evacuation of LPG from surplus states in the west to north of India. The project is expected to be commissioned in phases from October to December 2000 against scheduled commissioning in February 2001.

LPG Plant at Gandhar

The LPG plant at Gandhar is under construction at an estimated cost of Rs. 361 Crores. An overall physical progress of over 53% has been achieved and the plant is progressing ahead of schedule. The plant is expected to be commissioned by May 2001 against the original schedule of January 2002. The plant is designed to produce 207,000 TPA of LPG.

PROJECT UNDER CONCEPTUALISATION**New Business Development**

In line with the long term vision adopted by your Company and keeping in mind its core competencies, your Company has focussed on future growth in the areas of core competence and synergetic diversifications. Since present domestic gas production cannot meet the growing demand, gas supplies would need to be augmented from domestic resources as well as imports for meeting the gas demand. Your Company has, therefore, taken a number of steps for augmenting the gas

**Sales Quantity
Pentane**