



00 KM of Pipeline. Rs. 294 crore turnover. Rs. 36 EPS.  
ivering continuous growth.



GUJARAT GAS COMPANY LIMITED

The Health, Safety and Environment of our Customers and Staff remains a top priority.

GGCL recognises that superior HS&E performance is critical to overall business success. Sound HS&E performance demands involvement of not only GGCL staff, but also contractors, customers, suppliers and the community where we do business. Consequently HS&E initiatives have been

introduced that involve all. These have included a Road Traffic Safety campaign, the introduction of the "14-Point Tool Kit" and an on-going "Safety First" initiative plus a "Kaun Banega Champion HS&E Ka?" based on the hugely popular TV programme "Kaun Banega Crorepati".

*GGCL - Delivering superior performance for our shareholders*





## GGCL continues to create shareholder value by delivering exceptional performance:



This year's growth was particularly impressive as it was achieved during a period of economic downturn for many of our industrial customers. Turnover increased by 21% and profit before interest and tax by 38% over the previous year. Earnings per share also reached



record levels at Rs. 36.08 per share against Rs. 29.78 in 1999 (annualised).

GGCL acquired an additional 250,000 scm/day of supply from

GSPCL/Niko, all of which was placed in the market from October 2000. The full benefit of this increase will be delivered in 2001.

During 2000 the customer base increased by 11,042 meeting targets and exceeded 120,000, for the first time. Gujarat Gas Financial Services Ltd. (GFSL), a subsidiary of GGCL, continued to help this expansion by providing finance to assist customers with conversion costs.

GGCL is finding new ways to  
increase revenue:



- We organized the first "Annual Mumbai-Delhi CNG Rally". The Rally helped focus local opinion leaders, the press and government on the environmental benefits compressed natural gas vehicles can deliver.
- Our project management expertise is now making returns for shareholders outside Gujarat State. GGCL has signed a Project Management and Construction Contract with Mahanagar Gas Limited to build a gas pipeline network in Maharashtra.
- After successfully launching the Car and House Loan Scheme in Surat, GFSL continues to work with ICICI and has recently expanded to Ahmedabad.







## GUJARAT GAS COMPANY LIMITED

### BOARD OF DIRECTORS

HASMUKH SHAH, *Chairman*  
ROSS STOBIE  
P. K. LAHERI, *IAS*  
ANGUS McCALLUM  
DOUGLAS REID  
PRADIP KHANDWALLA (From 1.3.2001)  
JAL RATANSHAW PATEL (From 1.3.2001)  
ROBERT THOMAS, *Managing Director*  
(From 29.9.2000)  
CLAIRE HAWKINGS (Ms) (upto 11.5.2000)  
EDWIN BOWLES, *Managing Director*  
(upto 28.9.2000)

J. A. MEHTA, *Company Secretary*

### GROUP HEADS

R. SRIKANTH, *Finance Director*  
U. K. Dey, *Commercial Director*  
M. K. SINHA, *Vice President*  
(HS&E, Technology & Social Welfare)  
N. M. DAVE, *General Manager*  
(Management Services,  
Infotech & Procurement)  
H. K. UPADHYAY, *General Manager*  
(External Affairs)  
P. P. G. Sarma, *General Manager*  
(Engineering)

### BANKERS

State Bank of India  
HDFC Bank Limited  
Standard Chartered Bank

### AUDITORS

PRICE WATERHOUSE,  
Chartered Accountants  
PW Centre, Saidulajab,  
Mehrauli-Badarpur Road,  
Opp. D Block, Saket,  
New Delhi 110 030

### CORPORATE & REGISTERED OFFICE

2, Shantisadan Society,  
Near Parimal Garden, Ellisbridge,  
Ahmedabad 380 006, India

### OFFICES

#### SURAT

Mayavanshi Mohalla, Post Box No.915,  
P.O.Navyug College, Adajan Gam,  
Surat-395 009

#### ANKLESHWAR

Surti Bhagol, Umarwada Road,  
Via Piraman Naka, Ankleshwar - 393 001

### 21<sup>ST</sup> Annual General Meeting

Date: 25<sup>th</sup> June, 2001  
Day: Monday  
Time: 10.00 a.m.  
Venue: Tagore Hall, Paldi,  
Ahmedabad 380 007

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## NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Gujarat Gas Company Limited will be held on Monday, 25<sup>th</sup> June, 2001, at 10.00 a.m. at Tagore Hall, Paldi, Ahmedabad-380007 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Audited Profit and Loss Account for the year ending on 31<sup>st</sup> December 2000, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pradip N. Khandwalla who was appointed as Director of the Company to fill in the casual vacancy caused by the resignation of Ms. Claire Hawkings and who vacates office at this meeting under Section 262 of Companies Act, 1956 and who is eligible for re-appointment and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Jal Ratanshaw Patel who was appointed as Director of the Company to fill in the casual vacancy caused by the resignation of Mr. Gerard Rees and who vacates office at this meeting under Section 262 of Companies Act, 1956 and who is eligible for re-appointment and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary under various statutes, the Company hereby approves appointment of Mr. Robert W. Thomas as Managing Director of the Company for a period of two years with effect from 29<sup>th</sup> September, 2000 on the terms and conditions of employment including remuneration as detailed in the explanatory statement annexed to the Notice with the liberty to the Board of Directors to alter and vary the terms and conditions including remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof) as may be agreed to between the Board and Mr. Robert W. Thomas."

"RESOLVED FURTHER THAT Mr. Robert W. Thomas shall not be liable to retire by rotation in accordance with Section 255 read with Article 98 (i) and (ii) of the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to make necessary applications and to do all things and deeds to comply with the provisions under various statutes regulating the appointment of Mr. Robert W. Thomas as Managing Director."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of the resolution passed at the earlier Annual General Meeting(s) and subject to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, consent of the Company be and is hereby accorded to the Board of Directors of Company to make investment in Money Market Mutual Funds, private mutual funds, public sector bonds, government securities and call/ inter-corporate deposits, exceeding any or all the percentages prescribed by the Central Government under sub-section (1) of Section 372A of the Act and the provisos thereto, provided however that the maximum amount of investments and / or call/ inter-corporate deposits so made / given shall not exceed sum of Rs. 1500 million (Rupees One Thousand Five Hundred million)."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and



subject to such approvals as may be required, consent of the Company be and is hereby accorded to the Board of Directors of Company to acquire by way of subscription, purchase or other wise the equity shares of Gujarat State Petronet Limited, exceeding any or all the percentages prescribed by the Central Government under sub-section (1) of Section 372A of the Act and the provisos thereto, provided however that the maximum amount of investment so made shall not exceed sum of Rs. 235 million (Rupees Two Hundred Thirty Five million)."

"RESOLVED FURTHER THAT the total investments made or loan or guarantee given by the Company pursuant to Section 372A of the Companies Act, 1956 shall not exceed the sum of Rs. 1950 million (Rupees One Thousand Nine Hundred Fifty million)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all the steps as may be necessary, expedient or desirable to give effect to the above resolutions."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Share Transfer Books and all other relevant records and registers required to be maintained at the registered office of the company be maintained at the office of the Share Transfer Agents viz. MCS Limited, 101, Shatdal Complex, Opp.- Bata Show Room, Ashram Road, Ahmedabad - 380009, situated within the local limits of Ahmedabad city."

By Order of the Board

Jagdish A. Mehta  
Company Secretary

Registered Office

2, Shantisadan Society,  
Near Parimal Garden, Ellisbridge,  
Ahmedabad - 380 006.

Place: Ahmedabad

Date : April 25, 2001

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
3. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
4. Members desirous of getting any information about the accounts and operation of the Company are requested to address their queries to the Company Secretary at the registered office so as to reach him at least seven days before the date of the meeting to enable the management to keep the required information readily available at the meeting.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 3**

Mr. Pradip N. Khandwalla was appointed by the Board of Directors as Director in the casual vacancy caused by the resignation of Ms. Claire Hawkings, in its Meeting held on March 1, 2001. As per the provisions of Section 262, he holds office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit has been received from a shareholder signifying his intention to propose the candidature of Mr. Khandwalla for appointment as Director of the Company.

**Brief Resume and Nature of Expertise**

Mr. Pradip N. 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.

Professor Khandwalla's research and teaching contributions have been in organizational theory and design and restructuring of organizations, management of excellence, innovative turnaround management, effective management of public enterprises and governmental organizations, and creativity and innovation. He has been a consultant to many Indian and international organizations in the areas of team building, innovative excellence, restructuring and creativity training.



He has taught at McGill University, Canada for several years. Since 1975, he has been a professor at the Indian Institute of Management, Ahmedabad. He was L&T Chair Professor of Organizational Behaviour at IIMA from 1985 to 1991 and then the Director of IIMA up to 1996.

He has made excellent contribution in the areas of management, organisational sciences, etc. by authoring nearly a dozen books and over 80 papers and articles in Indian and foreign journals and learned anthologies. He is on the editorial/advisory boards of several Indian and international journals.

He is also on the governing councils of several institutions. He is a member of Government of India's National Renewal Fund, and a trustee of India Brand Equity Fund Trust. He is also a member on Appointments Board for Banking and Financial Institutions of Government of India.

He has won many international and Indian awards. Several international Who's Who carry his biographical entry.

#### Directorship

Apart from Gujarat Gas Company Limited, Mr. Khandwalla holds directorship and membership of the following Companies / Committees:

#### Directorship

Sr. No.	Name of the Company	Designation
1.	Bharat Petroleum Corporation Limited	Director
2.	National Thermal Power Corporation Limited	Director
3.	Mudra Communications Pvt. Ltd.	Director

#### Membership of Committees

Sr. No.	Name of the Company	Designation
1.	Audit Committee - Bharat Petroleum Corporation Limited	Member
2.	Audit Committee - Gujarat Gas Company Limited	Member
3.	Shareholders Grievance Committee - Gujarat Gas Company Limited	Chairman

Your Directors recommend appointment of Mr. Pradip N. Khandwalla as Director.

No Director, other than Mr. Pradip N. Khandwalla, is in any way interested or concerned in the said resolution.

#### ITEM NO. 4

Mr. Jal Ratanshaw Patel was appointed by the Board of Directors as Director in the casual vacancy caused by the resignation of Mr. Gerard Rees, in its Meeting held on March 1, 2001. As per the provisions of Section 262, he holds office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit has been received from a shareholder signifying his intention to propose the candidature of Mr. Patel for appointment as Director of the Company.

#### Brief Resume and Nature of Expertise

Mr. Jal Ratanshaw Patel is an Associate Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India. He possesses professional experience of 40 years.

He has been with the German FAG Group of Companies since 1962. His progress with the group has been remarkable. He joined FAG India Pvt. Ltd. in 1962 as Chief Accountant and took over the reins of FAG Precision Bearings Limited (now FAG Bearings India Limited) as Managing Director in 1997 and Vice Chairman and Managing Director in 1999. He has been elevated to the position of the Chairman from January, 2001.

His area of expertise includes Finance, Accounts and Administration.

#### Directorship

Apart from Gujarat Gas Company Limited, Mr. Jal Ratanshaw Patel holds directorship of FAG Bearings India Limited.

He is also actively involved with various Co-operative Banks, Associations and Federations as well as various Trusts.

#### Membership of Committees

Sr. No.	Name of the Company	Designation
1.	Audit Committee - Gujarat Gas Company Limited	Chairman
2.	Shareholders Grievance Committee - Gujarat Gas Company Limited	Member

Your Directors recommend appointment of Mr. Jal Ratanshaw Patel as Director.

No Director, other than Mr. Jal Ratanshaw Patel, is in any way interested or concerned in the said resolution.



**ITEM NO. 6**

Mr. Edwin Bowles has resigned as Managing Director of the Company w.e.f. September 29, 2000. Consequently, Mr. Robert W. Thomas has been nominated as Managing Director by British Gas Asia Pacific Holdings Pte. Ltd. with effect from September 29, 2000 in terms of Article 98 (i) of the Articles of Association of the Company, subject to the approval of shareholders and other statutory approvals as may be necessary.

**Brief Resume and Nature of Expertise**

Mr. Robert W. Thomas holds a Bachelor's degree in Economics from University of Wales, UK and a Master's Degree in Management from DE Montfort University, UK. On completion of his study, he joined BG plc (BG), a reputed and pioneer company involved in exploration, production, transmission and distribution of gas and oil.

Mr. Robert W. Thomas has been associated with BG group of Companies since 1975 and has held various positions associated with the core business of gas transmission and distribution. He has worked in various functions including Engineering, Management Services, Marketing and Finance and has a broad experience of all aspects of the business. Since 1995, he has worked both in UK and Overseas, within the International group, which has operations in over 20 countries.

The present scenario of the gas industry in country requires a person having considerable experience in the gas and oil industry. Since the Indian Government has opened up the Gas Industry for private investors, it will be essential for any organisation to have a person who has considerable experience of this industry and can grow the organisation. With various projects related to increasing available gas supply coming up in the State of Gujarat, the company will have a competitive advantage to have Mr. Robert W. Thomas as Managing Director to lead the company.

The appointment of Mr. Robert W. Thomas as Managing Director, will help the company to achieve future growth targets alongwith optimising the resources available and taking the company to greater heights of performance. The leadership qualities of Mr. Robert W. Thomas will drive the company forward and position it to meet all future challenges, to become established as the leading private sector gas company in India.

**Directorship of Mr. Robert W. Thomas:**

Apart from Gujarat Gas Company Limited, Mr. Robert W. Thomas holds directorship and membership of the following Companies / Committees:

**Directorship**

Sr. No.	Name of the Company	Designation
1.	Gujarat Gas Financial Services Limited	Chairman
2.	UGI Gujaratgas India Limited	Chairman

**Membership of Committees**

Sr. No.	Name of the Company	Designation
1.	Shareholders Grievance Committee – Gujarat Gas Company Limited	Member

**Tenure of Appointment:**

Two years with effect from 29<sup>th</sup> September, 2000.

**Remuneration:**

Remuneration payable to Mr. Robert W. Thomas is as follows:

**I Salary:**

Rs. 2,62,500/- per month.

**II Perquisites and Allowances :**

Perquisites and allowances of Rs.38,00,000/- per annum to be allowed in addition to salary, classified into two categories A and B as detailed below:

**CATEGORY 'A'****Housing**

(i) The Managing Director to be provided rent free furnished accommodation in company owned / maintained accommodation. The Managing Director to have free use of the house, furniture and other consumer durables, when and if required.

**(ii) Other perquisites/allowances**

- The expenditure incurred by the Managing Director on gas, electricity, water and furnishing to be reimbursed by the Company.
- Soft furnishing to be provided, if required.
- All medical expenses incurred by the Managing Director for himself and his family to be reimbursed, upto a ceiling of one month's salary.
- Fees for Clubs subject to a maximum of two clubs; excluding admission and life membership fees.
- Leave Travel Concession to hometown in U.K. for self, once in a year.
- Rest and relaxation trip to U.K. for self, once in a year.
- Premium for Personal Accident Insurance. The



premium not to exceed Rs. 10,000/-.

- (h) Children's education and hostel allowance.
- (i) Any other payment in the nature of perquisites and allowances.

#### CATEGORY 'B'

- I. Encashment of Earned / Privilege leave as per Rules of the Company.
- II. The Managing Director to be provided chauffeur driven Company car, for official use.
- III. Telephone to be provided at the Managing Director's residence for official use. Personal long distance calls to be reimbursed to the Company.
- IV. No contribution to be made to Provident Fund and pension/ superannuating fund.
- V. Gratuity as per the provisions of Payment of Gratuity Act, 1972.

#### (iii) Performance Bonus/Commission

A performance bonus up to Rs. 80,00,000/- p.a. to be paid based upon achievement of targets as defined by the Board, pertaining to the Company's business plan.

Such amount of bonus in addition to Salary and monetary value of perquisites stated herein above for each financial year to be fixed by the Board of Directors or a Committee of Board, should not exceed the overall ceiling laid down in Section 198 of the Companies Act, 1956.

Company's contribution to gratuity as per rules of the company and encashment of earned leave shall not be included in the computation of ceiling on perquisites.

No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or any Committee thereof.

#### Duties and Responsibilities:

The Managing Director shall be responsible for the management of the entire affairs of the Company subject to the superintendence, control and direction of the Board of Directors and shall perform such specific functions and duties as the Board of Directors may entrust from time to time. He shall exercise such powers, as the Board may delegate to him from time to time, provided that such powers shall be exercised subject to the provisions and restrictions, if any, contained in the Companies Act, 1956, Memorandum and Articles of Association of the Company and / or any restrictions / conditions laid down by the Company in General Meeting or by

the Board of Directors.

The Managing Director is permitted to give personal consulting services to BG International and its subsidiaries.

Your Directors recommend appointment of Mr. Robert W. Thomas as Managing Director.

No Director, other than Mr. Robert W. Thomas, is in any way interested or concerned in the said resolutions.

#### ITEM NO. 7

The Shareholders in the last Annual General Meeting had approved investments of surplus funds in money market mutual funds and call / inter-corporate deposits with an upper cap of Rs. 900 million. Considering the projected generation of surplus funds, the sanctioned limit is likely to get exhausted. It is, therefore, proposed to increase the investment limit from Rs. 900 million to Rs. 1500 million.

Your Company is presently negotiating an equity stake of approximately 6% at par / premium in Gujarat State Petronet Limited (GSPL), at present a wholly owned subsidiary of Gujarat State Petroleum Corporation Limited. GSPL is incorporated with the objective of laying pipelines to transmit natural gas / LNG throughout the State of Gujarat. Accordingly, an investment of Rs. 235 million is envisaged by your Company. Your Directors believe that the investment in equity of GSPL would be of strategic significance to your Company. The above investment would be made out of surplus funds available with the Company.

Section 372A of the Companies Act, 1956 provides that no loan or investment shall be made or guarantee given exceeding 60% of the paid up capital and free reserves or 100% of the free reserves of the Company, whichever is more, unless the same has been previously authorised by a Special Resolution passed by the shareholders in the general meeting.

As the aggregate amount of investment made, loan and guarantee given by the Company (duly approved by the Shareholders under Section 372A of the Companies Act, 1956) is higher than the limits specified under Section 372A, the proposed investment can be made only under approval of Shareholders by way of Special Resolution.