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Gujrat Gas Ltd—BUY—550—INR

Sector -- Oil & Gas
Regd.Off -- 2 Shantisadan Society, Near Parimal Garden, Ellis Bridge Ahmedabad Gujarat 380006
Listed — BSE, NSE.

Company Overview—

Gujarat Gas Company (GGCL) is one of the largest private sector LPG marketing companies and is a subsidiary of British Gas, UK, in India. Gujarat Gas Company Limited (GGCL) pioneered the private distribution of Natural Gas in India, through the establishment of an independent network of pipelines to industrial, commercial & domestic customers in Southern Gujarat. Gujrat gas have following subsidiaries –(1) Gujaratgas Trading Company Limited-Gujaratgas Trading Company Limited (GTCL), a 100% subsidiary of GGCL acts as a licensed dealer for selling gas to bulk industrial customers. (2) Gujarat Gas Financial Services Ltd-- GGCL set up Gujarat Gas Financial Services Limited (GFSL) in 1994 with a view to provide financial support to its customers. GFSL now has a wide range of products and services for GGCL's customers including Natural Gas connection finance.(3)Sensus Metering Systems India Limited--GGCL has a 49:51 joint venture with UGI Global Ltd., UK for manufacture of international quality domestic gas meters in India. The company has a production unit at Pune which commenced production of meters in 1996. Its meters have found a ready domestic market and the company is also exporting meters to many countries. SMSIL has ISO 9001-2000 certification for its operations in Pune.

Products & Services—

GGCL pioneered the concept of combined natural gas distribution to the industrial, commercial and domestic customers in Ankleshwar and Bharuch in 1989. In 1991, it expanded its operations to Surat city. GGCL also pioneered the concept of CNG for automobiles in India. Company's pipeline network spans more than 1800 kilometers. GGCL has established its base in one of the most industrialized belts of the country - the Golden Corridor of Gujarat. Specifically, the three cities of Surat, Bharuch, and Ankleshwar form the nucleus of its current operations. GGCL has also extended the network to Jhagadia. The potential for growth derives from the ever-increasing energy demand-supply gap in this economically vibrant area.

Gujarat Gas, India's first and largest private sector natural gas distributing company, is committed to building adequate infrastructure for continuous availability of natural gas. GGCL has invested more than Rs. 100 Crore for setting up the Hazira Ankleshwar pipeline. Apart from providing its customers the benefit of multiple sources, the spare capacity in the pipeline is used for third party transportation. Currently, this pipeline is used to transport approximately 3.4 mmscmd of gas.

Financials—

FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30, SEPTEMBER 2004

Sr. No.	Particulars	3 Months ending on 30-09-2004	3 Months ending on 30-09-2003
1	Net Sales / Income from Operations	16,308.92	18,043.69
2	Other Income	179.70	256.98
3	Total Expenditure including:	12,859.60	15,204.31
(a)	(Increase) / Decrease of stock in - trade		-
(b)	Consumption of raw material	11,592.95	14,076.73
(c)	Staff cost	554.58	457.16
(d)	Other Expenditure	712.07	670.42
4	Profit before interest, depreciation and tax (1+2-3)	3,629.02	3,096.36
5	Interest	3.15	2.49
6	Depreciation	499.88	467.67
7	Profit before tax (4-5-6)	3,125.99	2,626.20
8	Provision for taxation - Current tax	935.00	726.01
9	Provision for taxation - Deferred tax	244.36	95.00
10	Provision for tax for earlier years	-	-
11	Profit after tax (7-8-9-10)	1,946.63	1,805.19
12	Minority Interest	18.55	27.02
13	Profit attributable to group	1,928.08	1,778.17
14	Paid-up Equity Share Capital (Face Value Rs. 10/- each)	1,282.50	1,282.50
15	Reserves excluding revaluation - reserves		-
16	Basic & Diluted Earnings Per Share (Rs.)	15.03	13.86

Valuations—

Gujrat gas was one of the first to establish a CNG station for using it as a fuel in the transportation sector. Company set another milestone by introducing CNG run autorickshaw in the city of Surat , GGCL looks towards a cleaner environment and minimizing pollution levels. Company is planning for Major capacity Expansion to fulfill the need of coming years. Gujrat Government is trying to convert all commercial pulic transport on CNG and this will give boost company's earning in the long run. Company is paying Dividend consistently. **We Recommend Investors to BUY Gujrat Gas for medium to Long term investment Horizon.**

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