



1999
555 MW

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
A.C.M	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
VE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



1997
305 MW

1992
145 MW

GUJARAT INDUSTRIES POWER CO. LTD.
13th ANNUAL REPORT 1997-98





Gujarat Industries Power Co. Ltd.

P.O. Petrofils, Dist. Vadodara (Gujarat) INDIA.

Phone No. : 322768, 373213, 373159

Fax : (0265) 373207

ADDENDUM TO THE NOTICE DATED 25TH JULY, 1998 CONVENING THE 13TH ANNUAL GENERAL MEETING OF GUJARAT INDUSTRIES POWER COMPANY LIMITED ON SATURDAY, THE 26TH SEPTEMBER, 1998 AT 10.00 A.M.

TO THE MEMBERS,

Further to the notice dated 25th July, 1998 notice is hereby given that the following additional business is proposed to be transacted at the ensuing 13th Annual General Meeting of the Company to be held at the Registered Office of the Company at P.O. Petrofils 391 347, Dist. Baroda on Saturday, the 26th September, 1998, at 10.00 A.M. over and above the business from Item Nos. 1 to 7 to be transacted at that meeting:

AS A SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and of the Memorandum and Articles of Association of the Company and such approvals, consents, permissions and/or sanctions of the Government of Gujarat, Government of India, Reserve Bank of India, the Securities and Exchange Board of India (SEBI) and such other authorities, Financial Institutions and other bodies as may be prescribed, stipulated or imposed by any of them, the Board of Directors of the Company, be and is hereby authorised to issue and allot Equity Shares or a composite issue comprising of Equity Shares and/or Warrants of one or more types referred to above (hereinafter collectively referred to as "the Securities") upto par value of Rs.110.00 Crores (Rupees One Hundred Ten Crores), at such price as may be arrived at under the SEBI formula prescribed in the SEBI Guidelines on Preferential Allotment dated 4th August, 1994 and as amended from time to time and such securities may be offered for subscription to any

person whether or not such person is an existing member of the Company including without prejudice to the generality thereof by way of Public Issue or Rights Issue or Private Issue by way of Private Placement as may be considered appropriate by the Board of Directors of the Company and that any of the said Securities may be offered for subscription by any one or more or a combination of the above modes/ methods or otherwise in one or more tranche / tranches to such persons including the Members, Promoters, Non Resident Indians, Overseas Corporate Bodies, Indian and Foreign Investment Institutions, Financial Institutions, Mutual Funds, Bodies Corporate and other entities on such terms and conditions including premium on Equity Share, terms of conversion/ exchange, subscription, rates of interests, voting rights etc. as the case may be, to be decided/ determined by the Board in accordance with the applicable provisions of the Companies Act, 1956, Memorandum and Articles of Association of the Company and guidelines, directives or rules or conditions issued or framed or stipulated by SEBI and/or Reserve Bank of India or any other concerned authority in this regard, provided however, that resulting Equity Share Capital shall not exceed the Company's existing Authorised Equity Share Capital of Rs.225.00 Crores."

"FURTHER RESOLVED THAT the Equity Shares to be issued as aforesaid and/or warrants shall be subject to and in accordance with Memorandum and Articles of Association of the Company, the provisions of the Companies Act, 1956 and the terms of the issue and that such shares shall be entitled to pro rata dividend, if any declared, from the date of allotment for the Financial Year in which they are allotted."

"FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution the Board of Directors of the Company is hereby authorised with power to further delegate and authorise the Managing Director and/or Committee of Directors, to do all such acts, deeds, matters and things as it may in its absolute discretion, deem fit and necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilisation of the issue proceeds of the said securities for the Company's Projects and other Corporate needs as may be deemed fit."

"FURTHER RESOLVED THAT during the currency of this Resolution the Board, be and is hereby, authorised to accept any modification to or modify the terms of the said new Equity Shares subject to the provisions of the Companies Act, 1956 and subject to the SEBI guidelines and regulations, without they being required to seek further approval of the Company in General Meeting."

BY ORDER OF THE BOARD

J N SINGH
MANAGING DIRECTOR

Regd. Office:

P.O Petrofils 391 347, District Vadodara.

Date : 22nd August, 1998

EXPLANATORY STATEMENT

Item No. 8

In order to part finance the 2 x 125 MW Surat Lignite Power Project (SLPP) to be set up at a Total Cost of Rs.1530 Crores(including Mining Project) , and as envisaged in the Means of Finance, it is proposed to authorise the Board/ Committee of Directors to issue in aggregate upto 11,00,00,000 Equity Shares of Rs. 10/- each to Promoters/ Promoter Group /NRIs/OCBs at a price of not exceeding the price calculated and determined as per the Securities and Exchange Board of India (SEBI) guidelines dated 4th August,

1994 as amended from time to time and /or those of the Reserve Bank of India as in force on the date of this Notice.

Pursuant to the proposed preferential allotment :

1. there may be a change in the Board of Directors of the Company;
2. there will be a change in the voting rights of the Promoters/ Promoter Group/ NRIs/ OCBs;
3. there will be no change in the control of the Company;
4. there will be a change in the Shareholding Pattern of the Company.

The Directors recommend the Resolution for Member's approval.

The Certificate of the Statutory Auditors of the Company, certifying that the preferential issue of shares is being made in accordance with prevailing guidelines, will be available for inspection by the Members at the place of the meeting.

All other documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10:00 A.M. and 1:00 P.M. on any working day.

The Directors are deemed to be concerned or interested in the said Resolution to the extent the Equity Shares which may be offered to the above referred companies in which they, together with their relatives, if any, are holding the Equity Shares and/or they are directors of any of the aforesaid companies or to the extent of the Share holding of Companies of which they are the nominees on the Board of the Company.

BY ORDER OF THE BOARD

J N SINGH
MANAGING DIRECTOR

Regd. Office:

P.O Petrofils 391 347, District Vadodara.

Date : 22nd August, 1998

Contents

THIRTEENTH ANNUAL GENERAL MEETING

Day : SATURDAY, THE 26TH SEPTEMBER 1998,
Time : 10.00 a.m.
Place : Registered Office, P. O. Petrofils - 391 347, Dist. Vadodara.(Gujarat)

2

BOARD OF DIRECTORS

4

NOTICE

6

DIRECTORS' REPORT

10

AUDITORS' REPORT

12

BALANCE SHEET

13

PROFIT & LOSS ACCOUNT

14

SCHEDULES

32

CASH FLOW STATEMENT



GUJARAT INDUSTRIES POWER CO. LTD.

P. O. PETROFILS - 391 347, DIST : VADODARA. (GUJARAT)



Board of Directors

Shri S. G. Mankad, IAS Chairman
 Shri A. K. Luke, IAS
 Shri J. S. Rana, IAS
 Shri H. V. Shah
 Shri C. Bhattacharya
 Shri S. J. Patel Govt. Nominee
 Shri R. Sathyamurthy IDBI Nominee
 Smt C. D. Kochhar ICICI Nominee
 Shri J. N. Singh, IAS Managing Director

Senior Executives

Shri G. Y. Dewaji Consultant (Technical)
 Shri L. L. Achha General Manager (Expansion SLPP)
 Shri R. Natarajan General Manager (Finance)
 Shri D. V. Iyer General Manager (SLPP)
 Shri D. G. Naik General Manager (O & M)
 Shri S. K. Nakra Dy. General Manager (Mining)
 Shri J. C. Patel Dy. General Manager (P & A)
 Shri A. N. Shah Sr. Manager (Project)
 Shri K. K. Shah Sr. Manager (Finance)

Asst. Company Secretary

Shri V. V. Vachhrajani

Bankers

State Bank Of India
 Dena Bank
 Bank of Baroda
 Punjab National Bank
 ICICI Banking Corporation Ltd.

Auditors

C. C. Chokshi & Co., Vadodara

Solicitors

M/s Bhaishanker Kanga & Girdharlal, Mumbai

Registrars & Transfer Agents

MCS Limited
 1st Floor, Neelam Apartment
 88, Sampatrao Colony,
 Behind Federation Building,
 R. C. Dutt Road, Vadodara - 390 005.
 Tel. : (0265) 339397, Fax : (0265) 341639

Registered Office & Works

P. O. Petrofils - 391 347
 Dist. Vadodara.

Surat Lignite Power Project

Village Nani Naroli,
 Taluka Mangrol, Dist. Surat



13th ANNUAL REPORT

FOR MEMBERS

ATTENTION

1. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 16th September, 1998 to Saturday, the 26th September, 1998 (both days inclusive) for the purpose of determining entitlement to dividend.
2. Dividend, upon its declaration at the Annual General Meeting, will be paid, to those members whose names appear on the Register of Members of the Company on Wednesday, the 16th September, 1998. The Members who receive the dividend are requested to deposit the dividend warrant before the expiry of the validity period. The Company reserves the right to issue A/c Payee Cheques in lieu of Dividend Warrants received for revalidation thereafter.
3. Members are advised to address all correspondence quoting their Ledger Folio Number (LF No.) and to immediately notify their change of address, Bank A/c details if any, to the Company's Registrars and Transfer Agents at: **MCS Limited, 1st Floor, Neelam Apartment, 88 Sampatrao Colony, Behind Federation Building, R.C. Dutt Road, Vadodara - 390 005.**
4. Those shareholders who have not paid the allotment money on Partly Convertible Debentures allotted & issued on Rights basis for the Rights issue held in August 1996 are requested to make the payment of allotment money together with the interest @18% p.a. w.e.f. 1st December, 1996 till the actual date of payment.
5. Members are advised to hold Shares / Debentures jointly to simplify the procedure of transmission in the event of death of any holder.
6. Members holding more than one Share / Debenture Certificate in the same name under different folios are requested to apply for consolidation of such folios in one folio and send relevant Share / Debentures Certificates to the Company to make necessary endorsements.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least fifteen days before the date of the meeting, so that the information required by the members may be made available at the meeting.
8. Members attending the meeting are requested to bring with them the Attendance Slip and hand over the same at the entrance of the meeting hall, failing which admission to the meeting may be refused.
9. Members may note that the Company's Securities are listed on the following Stock Exchanges and the Company has paid the listing fees to all the Stock Exchanges in time and has never made any default in the Payment of listing fees in past :
 - (1) Vadodara Stock Exchange Limited,
3rd Floor, Fortune Tower, Dalal Street, Sayajigunj,
Vadodara - 390 005.
 - (2) The Stock Exchange, Ahmedabad,
Kamdheni Complex, Opp. Sahajanand College,
Near Panjrapole, Ahmedabad - 380 015.
 - (3) The Delhi Stock Exchange Association Limited,
West Plaza, I. G. Stadium, Indraprasth Estate,
New Delhi - 110 002.
 - (4) The National Stock Exchange of India Limited,
Trade World, Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.
 - (5) The Madras Stock Exchange Limited,
"Exchange Building", Second Line Beach II,
Chennai - 600 001.
 - (6) The Calcutta Stock Exchange Association Limited,
7, Lyons Range, Calcutta - 700 001.
 - (7) The Stock Exchange, Mumbai,
25th Floor, Sir P. J. Towers, Dalal Street,
Mumbai - 400 001.
10. As a measure of economy, the Company does not distribute the copies of the Annual Report at the Meeting. Members, therefore, are requested to bring their copies with them.

Members may note that the company's equity shares are also available for dematerialisation with National Securities Depository Ltd., Trade World, Kamla Mill Compound, Lower Parel, Mumbai - 400 013.



13th ANNUAL REPORT

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Gujarat Industries Power Company Limited will be held at the Registered Office of the Company at P.O. Petrofils - 391 347, District Vadodara on Saturday, the 26th day of September 1998 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors.
2. To appoint a Director in place of Shri H.V.Shah who retires by rotation and who is eligible for reappointment.
3. To declare dividend for the year 1997-98.
4. To reappoint M/s. C.C. Chokshi & Co., Vadodara as the 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 :

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

"RESOLVED THAT Shri A.K.Luke, who was appointed as Director of the Company under Section 262 of the Companies Act, 1956, read with the Article 21 of the Articles of Association of the Company, to fill up the casual vacancy caused by the resignation of Shri M.R. Padh and who holds such office upto the date of this Annual General Meeting and who is eligible for reappointment and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs. 500/-(Rupees Five Hundred Only) from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri R. Sathyamurthy, who was appointed as Director of the Company in accordance with provision of the Article 15 of the Articles of Association of the Company, and who is eligible for reappointment and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs. 500/-(Rupees Five Hundred Only) from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, and shall not be liable to retire by rotation."

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

"RESOLVED THAT Shri Subhash J. Patel who was appointed as Additional Director of the Company under Section 260 of the Companies Act, 1956, in accordance with provision of the Article 13 of the Articles of Association of the Company, and who is eligible for reappointment and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs. 500/-(Rupees Five Hundred Only) from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

By Order of the Board
For Gujarat Industries Power Company Limited

Registered Office:
P.O. Petrofils - 391 347
Dist. : Vadodara
Date : 25th July, 1998

J.N.SINGH
MANAGING DIRECTOR



13th ANNUAL REPORT

NOTICE

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS MENTIONED UNDER ITEM NOS. 5 TO 7 OF THE NOTICE AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
3. As required under the Rule 4 A of the Companies Unpaid Dividend (Transfer to General Revenue Account of Central Government) Rules 1978, the Company hereby informs its Members that a sum of Rs. 3,39,223 (Rupees Three Lacs Thirty Nine Thousand Two Hundred Twenty Three Only) pertaining to the financial year 1993-94 has been transferred on 10th November, 1997 to the General Revenue Account of the Central Government. The statements containing details of the amounts transferred so far with the name and last known address of the members etc. is available for inspection to the members at the Registered Office of the Company on any working day of the Company except Sundays and Public Holiday between 10.00 a.m. and 5.00 p.m. Members are hereby informed that all Unpaid / Unclaimed Dividends declared for and upto Financial Year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from Registrar of Companies, Gujarat, C. G. O. Complex, Opp. Rupal Park Flats, Near Ankur Bus Stand, Naranpura, Ahmedabad - 380 013. The Unpaid Dividend that are due for transfer to the Central Government are as follows.

Financial Year ended	Div.No.	Due for Transfer on
31-03-1995	3rd	13-11-1998
31-03-1996	4th	28-08-1999
31-03-1997	5th	13-11-2000

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to write to the Company atleast a month before the due date for transfer.

4. Relevancy of questions and the order of speakers at the meeting will be decided by the Chairman.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

In conformity with the provisions of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to the Special Businesses mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NOS. 5, 6 & 7

Shri A.K.Luke was appointed as Director to fill up the causal vacancy caused due to the withdrawal of nomination of Shri M.R. Padh by Gujarat Alkalies & Chemicals Limited w.e.f. 2/05/98 and he will hold the office till the date on which Shri M. R. Padh would have continued i.e. upto the date of ensuing Annual General Meeting.

Similarly Shri R.Sathyamurthy was appointed as Nominee Non Rotational Director vice Shri B.V.Goud by Industrial Development Bank of India w.e.f 25/10/97.

Shri Subhash J. Patel was appointed as an Additional Director on the Board of the Company consequent to the withdrawal of nomination of Dr. K.N. Shelat by Government of Gujarat w.e.f 20/06/98 and whose office will cease on the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956.

Looking to their vast experience in the relevant fields the Board of Directors of the Company recommend the appointment of Shri A. K. Luke, Shri R. Sathyamurthy and Shri Subhash J. Patel as Directors of the Company as envisaged in the Resolution in Item Nos. 5,6, and 7 as Ordinary Resolutions.

None of the Directors, except Shri A.K.Luke, Shri R. Sathyamurthy and Shri Subhash. J. Patel are interested or concerned in the said resolutions.

By Order of the Board
For Gujarat Industries Power Company Limited

Registered Office:
P.O. Petrofils - 391 347
Dist. : Vadodara
Date : 25th July, 1998

J.N. SINGH
MANAGING DIRECTOR

13th ANNUAL REPORT

Directors' REPORT

To,
The Members,
Your Directors are happy to present the Thirteenth Annual Report together with Audited Accounts of your Company for the year ended 31st March, 1998:

	(Rs. in lacs)	
(A) Financial Results	1997-98	1996-97
1. Net Sales	16726	12056
2. Other Receipts	754	955
3. Total Expenditure	10056	6844
4. Gross Profit :	7424	6167
(before deducting any of the following)		
(a) Interest	2291	1985
(b) Provision for depreciation	2087	1782
(c) Provision for Income Tax	—	—
(d) others, if any-Prior Period adjustments	(1)	(4)
(e) Short provision of Income Tax for earlier year	—	(16)
5. Net Profit:	3047	2387
Add : B/fd. from Last Balance Sheet	596	965
	<u>3643</u>	<u>3352</u>
Less: Transferred to		
(i) Debenture Redemption Reserve	200	390
(ii) Contingency Reserve	107	107
(iii) Expansion Reserve	1200	700
(iv) Replacement Reserve	250	160
(v) General Reserve	250	200
(vi) Proposed Dividend including Corporate Dividend tax	1483	1199
(vii) Carried to Balance Sheet	153	596
TOTAL	<u>3643</u>	<u>3352</u>

(B) Dividend

Your Directors are happy to recommend the payment of Dividend for the year ended 31st March, 1998, @ Rs. 1.80 per equity share of Rs. 10 each (18 %), on the Equity Share Capital of the company. The dividend will be disbursed to all those members whose names appear on the Register of Members of the Company on the Book Closure date, i.e., 16th September, 1998.

(C) Operations

The Company during the year under review has generated 1131.14 Million Units with an average PLF of 89.05% as compared to the PLF of 82.64% for the previous year. The PLF of 89.05% achieved during the current year is the highest ever PLF achieved ever since inception.

Scheduled maintenance of all the units, including major and Hot Gas Path Inspections were carried out during the year. Overall availability factor of the plant was 94.49%.

So far during the current year also, the Gas Turbines and Steam Turbine are performing quiet well and has achieved a PLF of above 86%. The major overhaul of Steam Turbine Generator has been planned during the month of July 1998.

The Company's 160 MW multi fuel fired power plant was commissioned in stages in Open Cycle and Combined Cycle mode of operation during the current year and has achieved the commencement of commercial operation on 21st February 1998. The plant has achieved stabilisation of operations from the date of commencement of commercial operations and has achieved a PLF of 70.84% till 31st March 1998. During the current year also the GT and STG of this plant are performing quite well and has achieved an average PLF of 81.24%.

(D) New Project

The Company's 2 x 125 MW lignite based power plant (SLPP) at Mangrol, District Surat is progressing well. The Company is in possession of the required land and has also set up all infrastructural facilities. The various utilities are nearing completion. Erection works for Boiler No.I and II and the Turbo Generator are in full swing. All major electrical items have been received and installed and the erection work of the power evacuation system is likely to be ready by mid July 1998. Both the units are likely to be commissioned during the last quarter of 1998-99.

The required land for mining has been acquired and the work for overburden removal is progressing well and the mines will be able to supply adequate quantity of lignite at the time of commissioning of the power project.

(E) Secured Term Loans

The Company has repaid during the year Rs. 1375 lacs to Industrial Development Bank of India (IDBI), term lending institutions and the State