

14th Annual Report 1998 - 99





GIPCL's vision is to transform itself into a formidable national level power sector enterprise, through relentless pursuit of growth and excellence. Our vision will be realized by an effective combination of our winning team, our technological edge, focus on quality and efficiency and our commitment to environment and society.

Mission

GIPCL's mission is to emerge as a formidable power sector enterprise in India, delivering reliable power at competitive price.

We aim to become a 2010 MW company by 2010 A.D.

To realise our mission, we will strengthen our organisational practices, which can be benchmarked with the best professional and technological practices internationally.

Our mission encompasses strong stake holder relationships. These will be reflected in:

- * Enhancing shareholder value*
- * Developing our people to perform at their fullest potential*
- * Providing price advantage to our customers*
- * Encouraging environment friendly attitudes and concern for society.*



GIPCL Vision & Mission Our Journey

Human factor in the organisation gives it dynamism, aspirations, will to survive, excel and progress. It is the Human factor that dreams, accepts challenges and responsibilities, acts and reacts, faces success and failure yet continues to look forward to future with hopes in hearts. GIPCL has witnessed similar situations ever since its inception.

The Company has added feathers of achievements in its cap one after another with 145 MW plant, then 160 MW expansion and now 250 MW SLP. Time therefore is ripe to think ahead, to consolidate the position, cherish a dream for future, strengthen and mobilise human synergies to realise these dreams.

*Process of generating **VISION & MISSION STATEMENT FOR GIPCL** began with Developmental Agenda for GIPCL in December 1998 with a nod from Board of Directors. Involvement of employees across the Hierarchy and Locations was to be harnessed. A Dialogue with GIPCL employees was opened with introductory sessions on the subject by Prof. Mayank Dholakiya, who contributed in the entire process as a Facilitator. Major tasks undertaken were in terms of identifying and defining Strengths, Weaknesses, Opportunities and Threats (SWOT), Core values & Core purpose, along with Short Term, Medium Term and Long Term milestones to be achieved. A representative group of employees was identified while the Senior most group of executives participated as facilitator attached to each representative group during Two Day Residential Workshop. Regular and continuous flow of information to all employees on the progress of Vision & Mission generation led to high level of enthusiasm, active interest and a sense of ownership among members of GIPCL team.*

The representative group outlined the Vision, the Mission and Strategic Growth plans for GIPCL and consensus was reached through opinion poll at the residential workshop which reflected democratic spirit in its true sense.

The dream is carved out, as depicted on cover page 2. Tasks ahead are thrilling, demanding and call for sustained commitments on the part of GIPCL family. The challenge is to own and live the Vision.

This report is printed on environment friendly paper

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FOURTEENTH ANNUAL GENERAL MEETING

Date : Saturday, the 25th September, 1999

Time : 10.00 a.m.

Place : Registered Office, P.O. Petrofils - 391 347, Dist. Vadodara. (Gujarat)

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GUJARAT INDUSTRIES POWER CO. LTD.

P.O. Petrofils - 391 347, Dist : Vadodara. (Gujarat)



Gujarat Industries Power Company Ltd.



Board of Directors

Board of Directors

Shri S. G. Mankad, IAS	Chairman
Shri D. V. Buch	
Shri M. M. Srivastava, IAS	
Shri H. V. Shah	
Shri C. Bhattacharya	
Shri Sanjay Gupta, IAS	Govt. Nominee
Shri R. Sathyamurthy	IDBI Nominee
Shri G. S. Tauliker	ICICI Nominee
Shri J. N. Singh, IAS	Managing Director

Senior Executives

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

M/s. 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
E-mail : mcs.brd@lwbdq.lwbbs.net

Registered Office & Works

P.O. Petrofils - 391 347
Dist. Vadodara

Surat Lignite Power Project

Village Nani Naroli,
Taluka Mangrol, Dist. Surat

Visit our Website on www.GIPCL.Com

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Attention

1. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 15th September, 1999 to Tuesday, the 21st September, 1999 (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 15th September, 1999. 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.** Members may also send in their queries etc., by e-mail at the following address: MCS.brd@lwbdf.lwbbs.net
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 who are holding Shares/Debentures in the Company and have not received or have not encashed their Dividend/Interest warrants are requested to write to us or to the Companies' Registrars and Transfer Agents.**
6. Members are advised to hold Shares/Debentures jointly to simplify the procedure of transmission in the event of death of any holder.
7. 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/Debenture Certificates to the Company to make necessary endorsements.
8. 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.
9. 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.
10. 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,
Kamdhenu 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.
11. **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, Kamia Mill Compound, Lower Parel, Mumbai - 400 013



Gujarat Industries Power Company Ltd.



Notice

NOTICE is hereby given that the Fourteenth 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, Dist. Vadodara on Saturday, the 25th September, 1999 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, 1999 and Profit & 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 G. S. Talauliker, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri H. V. Shah, who retires by rotation and being eligible offers himself for reappointment.
4. To declare dividend on Preference Shares for the year 1998-99.
5. To declare dividend on Equity Shares for the year 1998-99.
6. To appoint M/s C. C. Chokshi & Co., Vadodara as Statutory Auditors of the Company 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 :

7. 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 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company shall be Rs. 386.00 Crores divided into 22,50,00,000 (Twenty Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.225.00 Crores (Rupees Two Hundred Twenty Five Crores only) and 1,61,00,000 (One Crore Sixty One Lacs), 15% Preference Shares of Rs. 100/- (Rupees Hundred Only) each aggregating to Rs. 161.00 Crores (Rupees One Hundred Sixty One Crores Only).

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 Section 16 and all other applicable provisions, if any, of Companies Act, 1956, the existing Clause V of Memorandum of Association of the Company, relating to Share Capital be and is hereby altered by deleting the same and substituting in its place and stead the following as new Clause V :

"CLAUSE V :

The Authorised Capital of the Company shall be Rs. 386 Crores (Rupees Three Hundred Eighty Six Crores only) divided into 22,50,00,000 (Twenty Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs. 225.00 Crores (Rupees Two Hundred Twenty Five Crores only) and 1,61,00,000 (One Crore Sixty One Lacs) 15% Preference Shares of Rs. 100/- (Rupees Hundred only) each aggregating to Rs. 161.00 Crores (Rupees One Hundred Sixty One Crores only) with power to the Company to increase or reduce such capital and to issue any part of the capital, original or increased, with the rights, privileges and conditions attached thereto as may be provided by the Articles of Association of the Company for the time being or by the terms of issue thereof with power to increase or reduce the capital of Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or the terms of issue and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company, subject always to the provisions of the Companies Act, 1956."

9. 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 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead the following as new Article 3 :

"ARTICLE 3 :

The Authorised Capital of the Company shall be Rs. 386 Crores (Rupees Three Hundred Eighty Six Crores only) divided into 22,50,00,000 (Twenty Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs. 225.00 Crores (Rupees Two Hundred Twenty Five Crores only) and 1,61,00,000 (One Crore Sixty One Lacs) 15% Preference Shares of Rs. 100/- (Rupees Hundred only) each aggregating to Rs. 161.00 Crores (Rupees One Hundred Sixty One Crores only) with power to the Company to increase or reduce such capital and to issue any part of the capital, original or increased, with the rights, privileges and conditions attached thereto as may be provided by the Articles of Association of the Company for the time being or

Notice (Contd.)

y the terms of issue thereof with power to increase or reduce the capital of Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or the terms of issue and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company, subject always to the provisions of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to Sections 80, 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactments thereof), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary, from the appropriate authorities or bodies and subject to such conditions and alterations which the Board of Directors of the Company (hereinafter referred to as the 'Board') thinks fit and in the interest of the Company, the Board be and is hereby authorised to issue, offer and allot Cumulative/Convertible Redeemable Preference Shares and/or with any variation (hereinafter referred to as the said Preference Shares) of Rs. 100/- each for aggregate value upto Rs. 86.00 Crores (Rupees Eighty Six Crores only), **with the dividend not exceeding 15% p.a.** in keeping with the guidelines, if any, issued by the Securities and Exchange Board of India, the Central Government or any other authorities, in one or more private offerings, including private placements, in Indian Market to Indian/Foreign investors [whether financial institutions, banks, mutual funds, bilateral agencies, infrastructure funds, or any other body corporate (including companies) or any other person] and whether or not such investors are Members of the Company or not, on such terms and conditions and in such tranches as may be decided by the Board in its absolute discretion."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to vary, modify, alter and amend any terms & conditions so as to determine when the said Preference Shares are to be issued, the types and classes of investors to whom said Preference Shares are to be offered, the number and value of the said Preference Shares to be issued in each tranche, the terms or combination of the terms, subject to which the said Preference Shares are to be issued (including combination of terms for Preference Shares issued at various

points of time), including but not limited to terms relating to dividend, and all such terms as are provided in offerings of like nature".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable, and pay any fees and commission and incur expenses in relation thereto".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise, in regard to the issue, offer or allotment of the said Preference Shares and utilisation of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer or Officers of the Company to give effect to the aforesaid Resolution."

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

"RESOLVED THAT Shri Sanjay Gupta, who was appointed as Director of the Company under Section 262 of the Companies Act, 1956, read with the Article 13, 16B & 21 of the Articles of Association of the Company, to fill up the casual vacancy caused due to the resignation/withdrawal of nomination by Government of Gujarat of Shri Subhash J. Patel, 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 and shall not be liable to retire by rotation."

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

"RESOLVED THAT Shri C. Bhattacharya, who was appointed as Director of the Company under Section 262 of the Companies Act, 1956, read with the Articles 16A & 21 of the Articles of Association of the Company, to fill up the casual



Gujarat Industries Power Company Ltd.



Notice (Contd.)

vacancy caused by the resignation of Shri J. K. Desai, 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 and shall be liable to retire by rotation."

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

"RESOLVED THAT Shri D. V. Buch, who was appointed as Director of the Company under Section 262 of the Companies Act, 1956, read with the Articles 16A & 21 of the Articles of Association of the Company, to fill up the casual vacancy caused due to the withdrawal of nomination by Gujarat Alkalies and Chemicals Ltd. of Shri A. K. Luke, 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 and shall be liable to retire by rotation."

For Gujarat Industries Power Company Ltd.

Registered Office :
P.O. Petrofils - 391 347,
Dist. Vadodara.

J. N. Singh
Managing Director

Date : 24th July, 1999

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 OF THE COMPANY. 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. 7 to 13 of the notice as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. With the commencement of the Companies (Amendment) Act, 1999, effective from 31st October, 1998, the shareholders are advised that the Companies are now not required to transfer its unpaid/unclaimed dividend after the expiry of 3 years to the General Revenue Account of the Central Government, but the same will be transferred to the special fund called "**Investors Education and Protection Fund**" after the expiry of the 7 years from the date from which they become due for payment. No claims will lie for the amounts so transferred. The shareholders may please note that the dividends declared for the financial year 1992-93, 1993-94 and 1994-95 has been transferred to the General Revenue Account of the Central Government and the dividends declared from the financial year 1995-96 onwards will be transferred after the expiry of 7 years to the fund as mentioned above. Members are therefore requested to take the note of the above.
4. Relevancy of questions and the order of the speakers at the meeting will be decided by the Chairman.

Annexure to Notice

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

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

ITEM NOS. 7 TO 10 :

In order to enable the Company to part finance its Surat Lignite Power Project, and to complete the financial closure, it is proposed to alter the Authorised Share Capital of the Company so as to consist of Rs. 225.00 Crores worth Equity Shares of Rs. 10/- each and 15% Preference Shares of Rs. 161.00 Crores of Rs. 100/- each, which will enable the Company to raise the funds by way of issuance of Preference Shares aggregating Rs. 86.00 Crores, with a coupon rate not exceeding 15% in one or more different tranches to any individual, bodies corporates, FIs, Banks, Cooperative Banks etc.

Your Directors recommend the passing of resolutions in Item Nos. 7 to 10 as a Special Resolutions.

None of the Directors are concerned or interested in the resolutions contained in Item Nos. 7 to 10.

ITEM NOS. 11 TO 13 :

Shri Sanjay Gupta was appointed as Director to fill up the casual vacancy caused due to the withdrawal of nomination of Shri Subhash J. Patel by Government of Gujarat w.e.f. 26.09.1998 and he will hold office till the date upto which Shri Subhash J. Patel would have continued, had the nomination been not withdrawn by the Government of Gujarat i.e. upto the date of the ensuing Annual General Meeting.

Similarly, Shri C. Bhattacharya was appointed as Nominee Director of Petrofils Cooperative Limited w.e.f. 25.07.1998 to fill up the casual vacancy caused due to the resignation of Shri J. K. Desai. Shri C. Bhattacharya will hold office till the date upto which Shri J. K. Desai would have continued had he not resigned i.e. upto the date of the ensuing Annual General Meeting.

Similarly, Shri D. V. Buch was appointed as Nominee Director of Gujarat Alkalies and Chemicals Ltd. w.e.f. 12.12.1998 to fill up the casual vacancy caused due to the withdrawal of nomination of Shri A. K. Luke. Shri D. V. Buch will hold office till the date upto which Shri A. K. Luke would have continued had he not resigned, i.e. upto the date of the ensuing Annual General Meeting.

Looking to their vast experience in the relevant fields the Board of Directors of the Company recommend the appointment of Shri Sanjay Gupta, Shri C. Bhattacharya and Shri D. V. Buch as Directors of the Company as proposed in the Resolutions in the Item Nos. 8 to 10 as Ordinary Resolutions.

None of the Directors except Shri Sanjay Gupta, Shri C. Bhattacharya and Shri D. V. Buch are in any way interested or concerned in the said resolutions.

For Gujarat Industries Power Company Ltd.

Registered Office :

P.O. Petrofils - 391 347,

Dist. Vadodara.

Date : 24th July, 1999.

J. N. Singh
Managing Director



Gujarat Industries Power Company Ltd.