



In the Adulthood

Annual Report
2000-2001

GUJARAT INDUSTRIES POWER COMPANY LTD.

GIPCL - Images



In the Consolidation Stage ...



16TH ANNUAL REPORT 2000-2001

Sixteenth Annual General Meeting

DAY : FRIDAY, THE 28TH SEPTEMBER, 2001

TIME : 3.00 P.M.

PLACE : REGISTERED OFFICE,
P.O. PETROFILS - 391 347,
DIST. BARODA (GUJARAT)



GUJARAT INDUSTRIES POWER COMPANY LIMITED

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Board of Directors

Shri Vijay Ranchan	Chairman
Shri M.M. Srivastava	Director
Shri D.V. Buch	Director
Shri H.M. Shah	Director
Shri J. John	IDBI Nominee
Shri A.M. Solanki	Director
Shri G.L. Bhagat	Managing Director

Audit Committee

Shri J. John
Shri D. V. Buch
Shri H. M. Shah
Shri M. M. Srivastava

Share/ Debenture Transfer and Investors' Grievance Committee

Shri H. M. Shah
Shri D. V. Buch
Shri M. M. Srivastava
Shri G. L. Bhagat

Senior Executives

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

Asst. Company Secretary

Shri V.V. Vachhrajani

Main Bankers

ICICI Bank Ltd.
Syndicate Bank
Central Bank of India
Dena Bank
Vijaya Bank

Auditors

M/s C.C. Chokshi & Co., Baroda

Solicitors

M/s Bhaishanker Kanga & Girdharlal, Mumbai
--

Registrar & Transfer Agent

MCS Ltd.

1st Floor, Neelam Apartment,
88, Sampatrao Colony, Productivity Road,
Alkapuri, Baroda - 390 007, Gujarat, India
(Tel.) (0265) 339397, 314757
(Fax) (0265) 341639
E-mail : mcs.brd@lwbdcq.lwbbs.net

Registered Office & Works

P.O. Petrofils - 391 347, Dist. Baroda
(Tel.) (0265) 272768, 273213, 273159
(Fax) (0265) 272143, 273207
E-mail : info@gipcl.com
Website : www.gipcl.com

Surat Lignite Power Plant

At & Post Nani Naroli,
Taluka - Mangrol, Dist. Surat - 394 110
(Tel.) (02629) 61063 to 61072
(Fax) (02629) 61073 & 61074
E-mail : gipclslpp@satyam.net.in



GUJARAT INDUSTRIES POWER COMPANY LIMITED

ATTENTION

1. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 13th September, 2001 to Friday, the 21st September, 2001 (both days inclusive).
2. Members are advised to address all correspondence quoting their Ledger Folio Number (LF No.)/DPID & CLIENT ID No. and to immediately notify their change of address, Bank A/c details if any, to the Company's Registrar and Transfer Agent MCS Ltd. 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Productivity Road, Alkapuri, Baroda - 390 007, Gujarat, India. Members may also send in their queries etc. by e-mail.
3. 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. 01-12-1996 till the actual date of payment. In this regard Company has already issued Final Notice dt. 19-06-2001, which may please be noted. Company reserves the right to forfeit the PCDs.
4. **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 Company's Registrar and Transfer Agent.**
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 into one folio and send relevant Share / Debenture Certificates 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.

- Vadodara Stock Exchange Limited
3rd Floor, Fortune Tower, Sayajigunj,
Vadodara - 390 005.
- The Stock Exchange, Ahmedabad
Kamdheni Complex,
Opp. Sahajanand College, Panjara Pole,
Ahmedabad - 380 015.
Code : GIPCLER
- The Stock Exchange, Mumbai
Sir Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai - 400 001.
CODE : 17300
- The Delhi Stock Exchange Association Limited
DSE House, 3/1, Asaf Ali Road,
New Delhi - 110 002.
CODE : 107024
- The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata - 700 001.
- Madras Stock Exchange Limited
Exchange Building, Post Box No.183,
11, Second Line Beach, Chennai - 600 001
- National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051.
CODE : GIPCLEQ

With effect from 26-06-2000, Equity Shares of the Company are compulsorily traded in dematerialised (demat) form as mandated by Securities and Exchange Board of India (SEBI). The Demat ISIN Numbers in NSDL & CDSL for Equity Shares are: 1) INE162A01010, 2) IN9162A01018 (only for privately placed equity shares allotted on 22-03-1999)

Members may note that the Company's Equity Shares are available for dematerialisation with National Securities Depository Ltd., Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and with Central Depository Services (India) Ltd., 28th Floor, Sir P J Tower, Dalal Street, Fort, Mumbai - 400 023.

As a measure of economy, the Company does not distribute copies of the Annual Report at the Meeting. Members, therefore, are requested to bring their copies with them.



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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Friday, the 28th September, 2001 at 3.00 p.m. at the Registered Office of the Company at P.O. Petrofils - 391 347, Dist. Baroda to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 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 M.M. Srivastava, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri D.V. Buch, who retires by rotation and being eligible offers himself for reappointment.
4. To declare dividend on Preference Shares for the year 2000-2001.
5. 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

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

"RESOLVED THAT Shri H.M. Shah, who was appointed as Director of the Company under Section 262 and other applicable provisions, if any, of the Companies Act, 1956, read with the Article 16A & 21 of the Articles of Association of the Company, to fill up the casual vacancy caused due to the withdrawal of nomination of Shri H.V. Shah, by Gujarat State Fertilizers & Chemicals Ltd. 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 along with 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."

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

"RESOLVED THAT Shri Vijay Ranchan, IAS, who was appointed as Director of the Company under Section 262 and other applicable provisions, if any, of the Companies Act, 1956, read with the Article 12, 16B & 21 of the Articles of Association of the Company, to fill up the casual vacancy caused due to the withdrawal of nomination of Shri S.G. Mankad, IAS by Government of Gujarat, be and is hereby appointed as Director of the Company and shall not be liable to retire by rotation and in respect of whom the Company has received a notice in writing along with 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."

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

"RESOLVED THAT Shri Arunkumar M. Solanki, IAS who was appointed as Director of the Company under Section 262 and other applicable provisions, if any, 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 withdrawal of nomination of Shri Sanjay Gupta, IAS by Government of Gujarat, 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 along with 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."

For Gujarat Industries Power Company Ltd.

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

sd/-
V V Vachhrajani
Asst. Company Secretary

Date: 29th June, 2001.



GUJARAT INDUSTRIES POWER COMPANY LIMITED

NOTES

- **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.**
- The Explanatory Statement setting out the material facts concerning the special business mentioned under Item nos. 6 to 8 of the notice as required under Section 173 of The Companies Act, 1956 is annexed hereto.
- 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 a 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 & 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.
- Relevancy of questions and the order of the speakers at the meeting will be decided by the Chairman.

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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 NO. 6 to 8

Shri H M Shah was appointed as Director to fill up the casual vacancy caused due to the withdrawal of nomination of Shri H V Shah by Gujarat State Fertilizers & Chemicals Ltd. w.e.f. 24.03.2001 and he will hold office till the date upto which Shri H V Shah would have continued, had the nomination been not withdrawn by the Gujarat State Fertilizers & Chemicals Ltd. i.e. upto the date of the ensuing Annual General Meeting.

Shri Vijay Ranchan, IAS (Chairman of the Company) was appointed as Director to fill up the casual vacancy caused due to the withdrawal of nomination of Shri S.G. Mankad, IAS by Government of Gujarat, w.e.f. 28.04.2001 and he will hold office till the date upto which Shri S.G. Mankad, IAS, the then Chairman, would have continued, had the nomination been not withdrawn by the Government of Gujarat.

Shri Arunkumar M. Solanki, IAS was appointed as Director to fill up the casual vacancy caused due to the withdrawal of nomination of Shri Sanjay Gupta, IAS, by Government of Gujarat w.e.f. 29.06.2001.

Looking to their vast experience and standing in the relevant fields the Board of Directors of the Company recommend the appointment of Shri H M Shah as Rotational Director and appointment of Shri Vijay Ranchan, IAS, and Shri Arunkumar M. Solanki, IAS as Non-rotational Directors of the Company as proposed in the Resolutions at the Item nos. 6 to 8 as Ordinary Resolutions.

None of the Directors except Shri H M Shah, Shri Vijay Ranchan, IAS, and Shri Arunkumar M. Solanki, IAS 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. Baroda.

sd/-
V V Vachhrajani
Asst. Company Secretary

Date : 29th June, 2001.

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GUJARAT INDUSTRIES POWER COMPANY LIMITED

DIRECTORS' REPORT

To,
The Members

Your Directors are pleased to present the Sixteenth Annual Report together with Audited Statement of Accounts of your Company for the Financial Year ended 31st March, 2001:

(A) Financial Results

(Rs. in Lacs)

Sr. No.	Particulars	2000-2001	1999-2000
1.	Net Sales	79853	47409
2.	Other Receipts	977	892
3.	Total Expenditure	45702	32018
4.	Gross Profit: (1+2-3) (before deducting any of the following)	35128	16283
	(a) Interest	21178	6130
	(b) Provision for depreciation	12253	4415
	(c) Provision for Income Tax	136	0
	(d) Others, if any-Prior Period adjustments	0	0
	(e) Short provision of Income Tax for earlier year	0	0
5.	Net Profit:	1562	5738
	Add: B/fd. From Last Balance Sheet	2294	32
		3856	5770
	Add: Reserves Provided earlier written back		
	• Expansion Reserve	6210	3200
	• Replacement Reserve	0	750
	• Deferred Taxation Reserve	0	650
	Balance available for appropriation	10066	10370
6.	Less: Transferred to		
	(i) Debenture Redemption Reserve	7299	770
	(ii) Contingency Reserve	107	107
	(iii) Expansion Reserve	250	3000
	(iv) Replacement Reserve	0	0
	(v) General Reserve	0	450
	(vi) Proposed Dividend (including Dividend Tax)		
	• On Equity Shares	0	2704
	• On Preference Shares	1211	1045
	(vii) Carried to Balance Sheet	1199	2294
	TOTAL	10066	10370

The Company has written back Special Reserve viz. Expansion Reserve which was created for specific purpose as the purpose for which it was created has been met.

(B) Reply to Auditors Observation on Annual Accounts

The Statutory Auditors have made certain observations regarding the non provision of Rs. 715.42 Lacs towards doubtful dues in respect of Book Debts, Inter Corporate Deposits and Discounted Bills mentioned at point no. 3 of the Auditor's Report to shareholders. In this regard your Directors would like to inform that the Outstanding amount of Rs. 415.42 Lacs in respect of the Power supply billed is considered as good as the Company has filed the necessary civil suit for the recovery of the said amount from the defaulting party. It is proposed to take necessary action in making provision for the debt depending upon the progress in the case during the next financial year. As regards the outstanding amount of Rs. 300 Lacs in respect of Inter Corporate Deposit and Bills of Exchange held on Discounting, your Company has instituted necessary Civil/ Criminal proceedings against the Corporate Entity and is hopeful of recovery and hence no provision has been made in the Books of Accounts.

(C) Dividend

Your Directors wish to inform that in view of the inadequate profit available for appropriation and creation of Statutory Debenture Redemption Reserve in respect of 11 % Non Convertible Debentures, no Dividend on Equity Shares is recommended for payment.

However, in respect of Preference Shares the Board of Directors recommends the Interim Dividend already paid, as Final Dividend on the Preference Shares @ 13.00 % for the Preference Shares under Option A (Maturity Period 3 years) and @ 13.50 % for the Preference Shares under Option B (Maturity Period 5 years).

(D) Operations

STATION I (145 MW CCPP)

The Station during the year under review has generated 726.504 Million Units at a Plant Load Factor (PLF) of 57.20% (as compared to the PLF of 86.13% for the previous year) which is lower mainly on account of less availability of Gas from the GAIL's Gandhar Gas terminal. The plant would have certainly achieved higher generation had there been adequate supply of Gas.

Your Directors would like to inform that the Company has laid a pipeline from GAIL's Jawaharnagar terminal at Baroda for obtaining HBJ Gas and are sure that this will create the facility to augment the supply of Gas for both the Stations at Baroda.

The Company in its continuous efforts to explore the availability of Gas, has engaged the services of Gujarat State Fuel Management Company Ltd. to design the long term fuel strategy for the Company which will have positive impact in the time to come. Your Directors also wish to inform that alternative sources of fuel are also being firmed up.

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 93.61%.

So far during the current year also, the Gas Turbines and Steam Turbine are performing satisfactorily.