



21st Annual Report 2005-2006

TWENTY FIRST ANNUAL GENERAL MEETING

DAY : FRIDAY, 29TH SEPTEMBER, 2006
TIME : 11.30 A.M.
PLACE : REGISTERED OFFICE
P.O. PETROCHEMICAL - 391 346
DIST. VADODARA



GUJARAT INDUSTRIES POWER COMPANY LIMITED

P.O. PETROCHEMICAL - 391 346, DIST. VADODARA (GUJARAT)



Gujarat Industries Power Company Limited

CONTENTS

Board of Directors	3
Notice	5
Directors' Report	10
Management Discussion and Analysis Report	17
Report on Corporate Governance	27
Auditors' Report	41
Balance Sheet	44
Profit & Loss Account	45
Schedules	46
Cash Flows Statement	63



21st Annual Report 2005-2006

Board of Directors

Shri Balwant Singh, IAS	Chairman
Shri P. K. Taneja, IAS	Director
Shri A. K. Joti, IAS	Director
Shri A. Khandual	Director - IDBI Nominee
Prof. Shekhar Chaudhuri	Director
Shri M. S. Agarwal	Director
Prof. Kirankumar Joshi	Director
Dr. P. K. Das	Director
Shri A. N. Mandke	Director
Shri L. Chuaungo, IAS	Managing Director

Senior Executives

Shri D. G. Naik	Executive Director (Technical)
Shri S. L. Bose	General Manager (SLPP)
Shri D. N. Bhatia	General Manager (Finance)
Shri R. K. Nair	Addl. General Manager (O & M - SLPP)
Shri S. C. Pathak	Addl. General Manager (HR & A)
Shri P. N. Trivedi	Addl. General Manager (Commercial)
Shri K. K. Shah	Addl. General Manager (Finance)

Company Secretary

Shri V. V. Vachhrajani

Bankers

Baroda Stations

Central Bank of India
Dena Bank
Punjab National Bank
State Bank of India
Bank of Baroda
Oriental Bank of Commerce

Surat Lignite Power Plant

Syndicate Bank
State Bank of Saurashtra
Oriental Bank of Commerce
Indian Overseas bank
Vijaya Bank
ING Vysya Bank
Karur Vysya Bank Ltd.

Auditors

M/s. C.C. Chokshi & Co. Vadodara

Registrar & Transfer agent

Intime Spectrum Registry Limited
308, Jaldhara Complex
Opp. Manisha Society
Off Old Padra Road, Vasna Road
Baroda - 390 015
(Tel) (0265) 2250241, 3249857
(Fax)(0265) 2250246
e-mail: vadodara@intimespectrum.com

Registered Office & Works

P.O. Petrochemical - 391 346, Dist.
Vadodara
(Tel.) (0265) 2232768, 2232213, 2230159
(Fax) (0265) 2232143, 2231207. 2230473
e-mail: info@gipcl.com

Surat Lignite Power Plant

At & Post Nani Naroli, Taluka - Mangrol
Dist. Surat - 394 110
(Tel.) (02629) 261063 to 261072
(Fax) (02629) 261073 & 261074
e-mail : slpp@gipcl.com



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 Monday, the 18th September, 2006 to Thursday, the 28th September, 2006 (both days inclusive).
2. Members are advised to address all correspondence quoting their Ledger Folio Number (LF No.) Client-ID & DP ID No. and to immediately notify their change of address etc. details if any, to the Company's new Registrar and Transfer Agents viz. Intime Spectrum Registry Limited, 308, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vasna Road, Baroda - 390 015, Gujarat, India. Members may also send in their queries etc. by e-mail at vadodara@intimespectrum.com.
3. Members who are holding Shares 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 Agents.
4. Members are advised to hold Shares jointly to simplify the procedure of transmission in the event of death of any holder.
5. Members holding shares in physical form and are holding more than one Share Certificate in the same name under different folios are requested to apply for consolidation of such folios into one folio and send relevant Sahre Certificates to the Company to make necessary endorsements.
6. **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.**
7. **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.**
8. Individual shareholders can now avail the facility of nomination. The nominee shall be the person to whom all rights of transfer and/or amount payable in respect of the

shares shall vest in the event of death of shareholder(s). A minor can also be a nominee provided the name of guardian is given in Nomination Form. The facility of nomination is not available to non-individual shareholding such as Bodies Corporate, Institutional Investors, Kartas of Hindu Undivided Families, holders of Power of Attorney etc. In case of any assistance please contact Mr. V.V. Vachhrajani, Company Secretary at the registered office of the Company or Intime Spectrum Registry Limited, the Registrar and Share Transfer Agents of the Company.

9. Members may note that the Company's Securities are listed on the following Stock Exchanges:

Vadodara Stock Exchange Limited
3rd Floor, Fortune Tower, Sayajigunj,
Vadodara - 390 005.

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai-400 001.

The Calcutta Stock Exchange Association Limited
(Application for Delisting is Pending with them)
7, Lyons Range,
Kolkata - 700 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051.

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 & CDSIL for Equity Shares is INE 162A01010.

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-400 001.

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

Members are requested to fill in the ECS (Electronic Clearing Services) Mandate Form which forms the part of this Annual Report and send the same duly filled in at the address of the Company's Registrars or at the registered office of the Company. THE DISCRETION / DECISION OF THE COMPANY REGARDING ECS SHALL BE FINAL AND BINDING ON THE SHAREHOLDERS.



21st Annual Report 2005-2006

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Friday, the 29th day of September, 2006 at 11.30 A.M. at the Registered Office of the Company at P.O. Petrochemical – 391 346, Dist. Vadodara to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and Profit & Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Prof. Shekhar Chaudhuri who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri P K Taneja, IAS who retires by rotation and being eligible offers himself for reappointment.
4. To declare dividend on Equity Shares for FY 2005-2006.

5. 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 Sections 224A, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. K C Mehta & Co., Chartered Accountants, Vadodara be and are hereby appointed Auditors of the Company, in place of the retiring Auditors M/s. C. C. Chokshi & Co., Chartered Accountants, Vadodara to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors and reasonable out-of-pocket expenses actually incurred by them in connection with the audit."

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 Prof. Kirankumar Joshi who was appointed as Additional Director of the Company under Section 260 and other applicable provisions, if any, of the Companies Act, 1956, read with the relevant Article/s of the Articles of Association of the Company, if any, 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 Dr.P K Das who was appointed as Additional Director of the Company under Section 260 and other applicable provisions, if any, of the Companies Act, 1956, read with the relevant Article/s of the Articles of Association of the Company, if any, 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."

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

"RESOLVED THAT A N Mandke who was appointed as Additional Director of the Company under Section 260 and other applicable provisions, if any, of the Companies Act, 1956, read with the relevant Article/s of the Articles of Association of the Company, if any, 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."

For Gujarat Industries Power Co. Ltd.

Registered Office:
P.O. Petrochemical – 391 346,
Dist. Vadodara.

Date: 21 / 08 / 2006

NOTES :

1. **THE MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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.**

sd/-

V. V. Vachhrajani
Company Secretary



Gujarat Industries Power Company Limited

2. The Explanatory Statement setting out the material facts concerning the special business mentioned under Item nos. 05 and 08 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 members 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 after the expiry of the 7 years from the date from which they become due for payment to the special fund called "Investors Education and Protection Fund (Fund)". 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, 1995-96, 1996-97 & 1997-1998 has been transferred to the General Revenue Account of the Central Government / Investor Education and Protection Fund and the Dividend declared in respect of financial year 1998-1999 is due for transfer at the expiry of 7 years to the fund on 26/10/2006. Members are requested to take note of the same.
4. Relevancy of questions and the order of the speakers at the meeting will be decided by the Chairman.

FOR THE INFORMATION OF SHAREHOLDERS

Those shareholders who have not yet encashed/claimed dividend warrants in respect of dividends declared during the Financial Years 1998-99, 1999-2000, 2003-2004 & 2004-2005, are requested to note that the said dividends are / will be due for transfer to "Investors Education and Protection Fund (IEPF)" on the dates as given below:

Sr. No.	Particulars of Dividend	Financial Year	Date of Transfer to IEPF
01.	7th Dividend	1998-1999	26/10/2006
02.	8th Dividend	1999-2000	04/11/2007
03.	9th Dividend	2003-2004	04/10/2011
04.	10th Dividend	2004-2005	04/10/2012

Shareholders are requested to lodge their claims, if any, with the Company in order to enable us to send the necessary payment. However, as a measure of good investor service the Company is normally sending intimation letters to the concerned shareholders who have not claimed their dividend before the amount is transferred to the said fund.

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. 02 (Brief Resume of Prof. Shekhar Chaudhuri) :

The brief resume of Prof. Chaudhuri, currently the Director, Indian Institute of Management, Kolkata reads thus – He is Graduate Engineer (Mechanical Engineering) from Indian Institute of Technology, Kharagpur and did his Doctoral program from Indian Institute of Management, Ahmedabad. He has to his credit rich experience of more than 34 years in various fields of management including the corporate experience at very senior positions. Prof. Chaudhuri's exposure encompass through various key business management areas like – Strategic Management, International Management and Management of Technology and Innovation etc. Besides the corporate experience he is consultant to several organisations including the World Bank.

Prof. Chaudhuri is also a director in the following Companies:

Name of the Company	Position Held
➤ Gontermann Pipers (India) Ltd.	Director
➤ West Bengal Electronics Industry Development Corporation Ltd.	Director
➤ GVFL Trustee Company Ltd.	Director
➤ Indian Institute of Management, Kolkata	Director

Prof. Chaudhuri also holds Membership / Chairmanship of the various committees as given below:

Sr. No.	Name of Company	Name of Committee	Position Held
01.	Gujarat Industries Power Co. Ltd.	Audit Committee	Member
02.	Gontermann Pipers (India) Ltd.	Audit Committee	Member

None of the Directors except Prof. Shekhar Chaudhuri, is in any manner interested or concerned in the said resolution.

ITEM NO. 03 (Brief Resume of Shri P K Taneja, IAS) :

Shri P K Taneja, IAS is retiring by rotation at the ensuing General Meeting and being eligible has offered himself for reappointment. The brief resume of Shri P K Taneja, IAS reads thus - Shri P K Taneja is a senior IAS officer of the 1984 batch and is presently the Director (Finance) of Gujarat Urja Vikas Nigam Ltd. (erstwhile Gujarat Electricity Board) and is also holding additional Charge of Managing Director - Gujarat Alkalies & Chemicals Ltd., Baroda. Mr. Taneja has occupied various key positions before holding the present charge at the Govt. of Gujarat and Govt. of India Level. Mr. Taneja on the academic front is an Electronics Engineer (BE – Electronics). Shri P K Taneja, IAS has total experience of more than 23 years.



21st Annual Report 2005-2006

Apart from this he is holding directorship in reputed Companies as follows :

Sr. No.	Name of The Company	Nature of Interest
01	Gujarat Urja Vikas Nigam Ltd.	Director (Finance)
02	Gujarat Alkalies & Chemicals Ltd.	Managing Director
03	Madhya Gujarat Vij Company Ltd.	Chairman
04	Gujarat Energy Transmission Corporation Ltd.	Director
05	Gujarat Alumina Bauxite Ltd.	Director
06	Gujarat Chemical Port Terminal Company Limited	Director
07	Gujarat Guardian Limited	Director
08	Dakshin Gujarat Vij Company Ltd.	Director
09	Torrent Power AEC Ltd.	Director
10	Gujarat Power Corporation Ltd.	Director
11	Gujarat State Energy Generation Ltd.	Director

Shri P K Taneja, IAS also holds Membership / Chairmanship of the various committees as given below:

Sr. No.	Name of Company	Name of Committee	Position held
01.	Gujarat Alkalies and Chemicals Ltd.	1. Share / Debenture Transfer Committee 2. Shareholders / Investors Grievance Committee 3. Personnel Committee 4. Project Committee	Member Member Member Member
02.	Gujarat Energy Transmission Corporation Ltd.	1. Project Committee 2. Remuneration Committee 3. Audit Committee 4. Personnel Committee	Member Member Member Member
03.	Gujarat Chemical Port Terminal Co. Ltd.	Audit Committee	Member
04.	Dakshin Gujarat Vij Company Ltd.	Audit Committee	Chairman
05.	Gujarat Urja Vikas Nigam Ltd.	Audit Committee	Member
06.	Gujarat Power Corporation Ltd.	Audit Committee	Member
07.	Gujarat Industries Power Co. Ltd.	1. Audit Committee 2. Share / Debenture Transfer and Investors Grievance Committee 3. Personnel Committee 4. Project Committee 5. Fixed Deposits Committee	Member Member Member Member Member

None of the Directors except Shri P K Taneja, IAS, is in any manner interested or concerned in the said resolution.



Gujarat Industries Power Company Limited

ITEM NO. 05:

M/s. C. C. Chokshi & Co., Chartered Accountants have been associated with the Company as the Statutory Auditors right from the inception. They were reappointed Auditors at the last Annual General Meeting (AGM). Your Directors have with a view to follow better corporate governance practice have decided to rotate the Statutory Auditors of the Company every five years and accordingly it is proposed to appoint M/s. K C Mehta & Co. Chartered Accountants, Vadodara as the Statutory Auditors in place of retiring auditors.

The Company has received a Notice under Section 190 of the Companies Act, 1956 from a shareholder of the Company proposing M/s. K C Mehta & Co. Chartered Accountants, Vadodara for appointment as Auditors at the forthcoming Annual General Meeting.

M/s. K C Mehta & Co., Chartered Accountants is renowned firm in Vadodara and are Statutory Auditors in number of public limited and private limited companies. They have consented for appointment as Auditors of the Company. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified to be appointed, within the meaning of Sub-Section (3) of Section 226 of the Companies Act, 1956.

The holding of Gujarat Urja Vikas Nigam Ltd., a Government of Gujarat undertaking is more than 25% of the subscribed share capital of the Company and hence, the appointment of M/s. K C Mehta & Co., Chartered Accountants, Vadodara as Auditors of the Company, is required to be made by a Special Resolution, as contemplated under Section 224A of the Companies Act, 1956. Your Directors, therefore, commend the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

ITEM NO. 06:

Prof. Kirankumar Joshi has been appointed as Additional Director on the Board of the Company w.e.f. 1st July, 2006. Prof. Joshi is Professor of Business Economics, Faculty of Management Studies, Maharaja Sayaji Rao University, Vadodara (MS University, Vadodara).

He is a renowned academician with rich exposure in the field of corporate management. Prof. Joshi, when appointed shall be an Independent Director on the Board of the Company.

His brief resume reads thus – Prof. Joshi is Professor of Business Economics, Faculty of Management Studies, Maharaja Sayajirao University, Vadodara.

On the academics front Prof. Joshi is a Commerce Graduate (Accountancy as a major subject), MA (Economics) from M S

University and has done his Ph.D. in Economics from Gujarat University in the year 1987.

Prof. Joshi is a renowned professional and academician with varied experience. He has written various articles on the contemporary subjects and has completed various research projects in different areas.

Prof. Joshi has written many books and monographs and has been the regular visiting faculty on different subject at the renowned institutes and also to various companies in and around Baroda and across Gujarat. He has also presented various papers on contemporary subjects in various seminars and workshops.

Prof. Joshi has also to his credit the following:

- He is Member of the MS University Senate (2002-2007)
- He is Elected Secretary of Baroda University Teachers Association (BUTA)
- He is the Chairman of Board of Studies, Faculty of Management Studies, MS University Vadodara.
- He is the executive member of Gujarat Economic Association.

His induction on the Board will certainly contribute to the growth of GIPCL.

Your Directors therefore recommend the appointment of Prof. Joshi as Rotational Director as proposed in the Resolution at item no. 06 as an Ordinary Resolution.

None of the Directors except Prof. Kirankumar Joshi is in any manner interested or concerned in the said resolution.

Item No. 07 :

Dr. Prafull Kumar Das, IAS (Retd.) has been appointed as Additional Director on the Board of the Company w.e.f. 1st July, 2006. Dr. Das has been inducted on the Board of Directors of the Company with a view of further strengthen the Board of Directors and to avail the benefit of his versatile expertise in diverse fields of Corporate significance.

His brief resume reads thus - He is a very senior officer of Indian Administrative Service of 1965 batch and retired from the service in the year 2001.

On the academic front Dr. Das is BA (Hon.) in Political Science from Utkal University of Orissa, MA (Political Science) from University of Allahabad, Uttar Pradesh, Law graduate from Gujarat University and has done his Master of Public Administration and Ph.D. in Political Science from the University of South California, Columbia, USA.

Dr. Das specialises in the Public Policy (Administration, Practice and Analysis) with special interest in Energy Policy, Privatization Strategies, Reform and Reinventing the Government, Modeling Policy Results, Policy Forecasting,



21st Annual Report 2005-2006

Governance Issues of Civil Societies, e-Governance, Public Sector Management, Strategic Management and Business Policy.

Dr. Das has held key positions in the Government of Gujarat right from the level of Asst. Collector to the position of Additional Chief Secretary and has worked with key departments of Government of Gujarat including the position of Member (Finance), & Chairman of Gujarat Electricity Board, Addl. Chief Secretary (Energy and Petrochemicals Dept.) etc. He also had rich experience of Managing Companies like Gujarat Alkalies and Chemicals Ltd., Gujarat State Fertilizers and Chemicals Ltd. and GSIC as Managing Director at different point of his service.

After his retirement from Government Service, Dr. P K Das was appointed as the first Chief Information Commissioner of Gujarat State from where he retired in May 2006.

Dr. Das has made various presentations and delivered lectures on the contemporary subjects at various forums national as well as international. He is a prolific writer and has been regular contributor to the various journals and magazines and newspapers.

Dr. Das has widely traveled both nationally as well as internationally during his various assignments and he is the Life Member of Institute of Public Administration.

His induction on the Board will certainly contribute to the growth of GIPCL.

Your Directors therefore recommend the appointment of Dr. Das as Rotational Director as proposed in the Resolution at item no. 07 as Ordinary Resolution.

None of the Directors except Dr. Prafull Kumar Das, is in any manner interested or concerned in the said resolution.

Item No. 08 :

Shri Arun Narayan Mandke has been nominated by Gujarat Alkalies and Chemicals Ltd. (GACL) vice Shri C S Mani on the Board of Company in terms of Article 16A and accordingly he was appointed as Additional Director of the Company w.e.f. 22nd July, 2006.

The brief resume of Shri A N Mandke reads thus – On the academic front he is Bachelor of Engineering (BE) – Mechanical of 1971. His experience has been very varied and has held various positions in the Government and in the Private Sector organisations. He is currently holding a very important position of General Manager (Co-Generation Power Plant) at the GACL's, Dahej plant. He has a rich experience in various key technical areas and his induction on the Board of the Company will be of immense benefit to the Company.

Your Directors therefore recommend the appointment of Shri A N Mandke as Rotational Director as proposed in the Resolution at item no. 08 as Ordinary Resolution.

None of the Directors except Shri Arun Narayan Mandke, is in any manner interested or concerned in the said resolution.

For Gujarat Industries Power Company Ltd.

Registered Office :
P.O. Petrochemical – 391 346,
Dist. Vadodara.

sd/-
V V Vachhrajani
Company Secretary

Date: 21 / 08 /2006



Gujarat Industries Power Company Limited

DIRECTORS' REPORT

To,
The Members

Your Directors are pleased to present the Twenty First Annual Report together with Audited Statement of Accounts of your Company for the Financial Year ended 31st March, 2006:

(A) Financial Results

(Rs. In Lacs)

	2005-06	2004-05
1. Net Sales	75659	74467
2. Other Receipts	4262	2937
3. Total Expenditure	47893	43644
4. Gross Profit : (1+2-3) (before deducting any of the following)	32028	33760
(a) Interest	5677	9495
(b) Depreciation	9138	9435
(c) Prior Period Items	(167)	(138)
(d) Loan Resetting Premium (Received)/paid	(148)	(1454)
(e) Write back of Diminution in the value of Investment	0	(237)
(f) Impairment of Assets	279	79
(g) Provision for Deferred Tax	0	5065
(h) Provision for Current Income Tax	5750	898
(i) Income Tax Adjustments of Earlier Years	0	250
(j) Fringe Benefit Tax	18	0
5. Net Profit:	11481	10367
Add : Balance brought forward from Previous Year	13937	13585
	25418	23952
Add : Debenture Redemption Reserve- written back	0	1619
Balance available for appropriation	25418	25571
6. Less: Appropriations to		
(i) General Reserve	2000	10000
(ii) Expansion Reserve	8000	0
(iii) Proposed Dividend (including Dividend Tax)		
• On Equity Shares	2156	1579
• On Preference Shares	0	55
(iii) Carried to Balance Sheet	13262	13937
TOTAL	25418	25571

(B) Dividend

Your Directors are happy to recommend the payment of Dividend for the year ended 31st March, 2006 @ 12.50% i.e. Rs.1.25 per Share on the expanded Equity Share Capital of the Company consequent upon the addition of new 40441176 Shares under the follow-on public offering of equity during the month of October 2005. The outgo on account of Dividend shall be Rs. 2155.80 Lacs including corporate dividend tax. The Dividend shall be disbursed to all those members whose name appears on the Register of Members of the Company on the Book Closure Date i.e. from Monday, 18th September, 2006 to Thursday, the 28th September, 2006 (both days inclusive).

(C) Operations :

➤ STATION – I (145 MW CCPP) :

The station during the year under review generated 1105.06 Million Units at a Plant Load Factor (PLF) of 87.00 % as compared to 1127.01 million units at a PLF of 88.73% in the preceding year. Your Directors are pleased to inform that the PLF achieved was higher than the budgeted PLF despite the Planned Major Shut down during the financial year under review.

Your Directors are pleased to inform that your Company has been making all possible efforts to tie up adequate supply of gas for the gas based Power Stations at Vadodara. Currently out of the total gas requirements of 1.55 to 1.60 MMSCMD for both the Baroda Station I & Station II, 1.43 MMSCMD is tied up with GAIL (India) Ltd. and GSPC - Niko. In addition to these quantities your company has also arranged for additional quantities of 0.15 MCMD gas from GSPC-Niko and upto 0.10 MCMD of RLNG from GSPL for supply from Shell Hazira on fall back basis.

The scheduled maintenance of the station including major planned shut down of GT-3 and STG-1 was successfully carried out during the financial year under review. The availability factor was maintained at 90.24% during the Financial Year under review.

➤ STATION – II (160 MW CCPP) :

During the year under review the Station generated 1216.06 Million Units at a PLF of 86.76% as compared to 1133.21 million units at a PLF of 80.85% in the preceding year.

Your Directors are pleased to inform that the station has achieved the highest yearly PLF ever since its