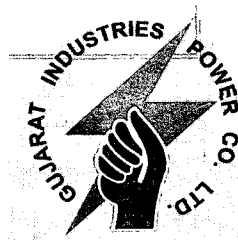
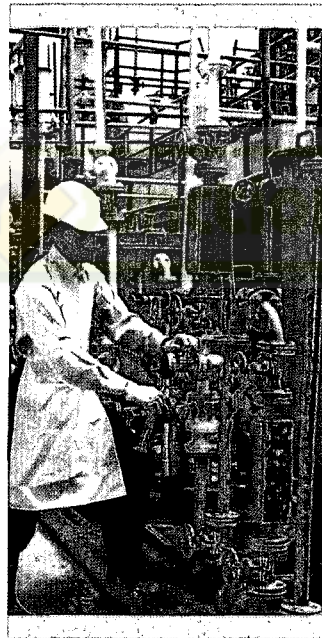
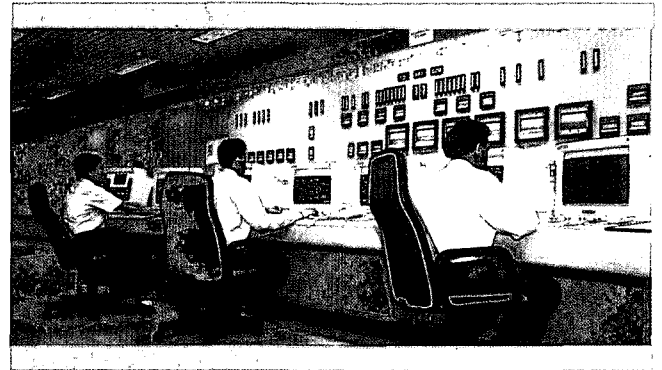


ANNUAL REPORT 2006-07



GUJARAT INDUSTRIES POWER COMPANY LTD.

GIPCL IMAGES





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TWENTY SECOND ANNUAL GENERAL MEETING

DAY : SATURDAY, 29TH SEPTEMBER, 2007
TIME : 11.00 A.M.
PLACE : REGISTERED OFFICE
P.O. PETROCHEMICAL – 391 346,
DIST. VADODARA

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GUJARAT INDUSTRIES POWER COMPANY LIMITED

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

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Gujarat Industries Power Company Limited

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Board of Directors

Smt. Vijaylaxmi Joshi, IAS
 Shri P. K. Taneja, IAS
 Shri A. K. Joti, IAS
 Shri A. Khandual
 Prof. Shekhar Chaudhuri
 Shri G. P. Mohapatra, IAS
 Prof. Kirankumar Joshi
 Dr. P. K. Das, IAS (Retd.)
 Shri P. H. Rana
 Shri L. Chuaungo, IAS

Chairperson
 Director
 Director
 Director - IDBI Nominee
 Director
 Director
 Director
 Director
 Director
 Managing Director

Senior Executives

Shri D. G. Naik
 Shri D. N. Bhatia
 Shri R. K. Nair
 Shri A. N. Shah
 Shri P. N. Trivedi
 Shri K. C. Brahma
 Shri K. K. Shah
 Shri D. K. Roy

Executive Director (Technical)
 General Manager & Chief Finance Officer
 General Manager (SLPP)
 General Manager (Baroda Operations)
 Addl. General Manager (Commercial & HR & A)
 Addl. General Manager (Mines)
 Addl. General Manager (Finance)
 Addl. General Manager (O&M SLPP)

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. K.C. Mehta & 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 Tuesday, the 18th, September, 2007 to Friday, the 28th September, 2007 (both days inclusive).
2. Members are advised to address all correspondence quoting their Ledger Folio Number (LF No.) or Client ID & DP ID No. and to immediately notify their change of address etc. details, if any, to the Company's 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 investors@gipcl.com or 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 Share 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 not be permitted.
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, Dalai 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, Dalai 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.



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NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Saturday, the 29th day of September, 2007 at 11.00 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, 2007 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 Shri A K Joti, IAS who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Prof. Kirankumar Joshi who retires by rotation and being eligible offers himself for reappointment.
4. To declare dividend on Equity Shares for FY 2006-2007.
5. To appoint M/s. K C Mehta & Co., Chartered Accountants, Vadodara as Statutory Auditors to hold the 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 P.H. Rana 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 Article 13 of the Articles of Association of the Company 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 Company Ltd.

Registered Office:
P.O. Petrochemical – 391 346,
Dist. Vadodara.
Date: 05/05/2007

sd/-
V. V. Vachhrajani
Company Secretary

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.**
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under Item no. 06 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 7 years from the date from which they become due for payment to the special fund called “ Investors Education and Protection Fund (IEPF)”. No claims will lie for the amounts so transferred. The Shareholders may please note that the unpaid/unclaimed dividends of financial years 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-1998 & 1998-99 have been transferred to the General Revenue Account of the Central Government / Investor Education and Protection Fund and the unclaimed Dividend declared in respect of financial year 1999-2000 is due for transfer at the expiry of 7 years to the fund on **04/11/2007**. 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 1999-2000, 2003-2004 & 2004-2005, are requested to note that the said dividends are / will be



Gujarat Industries Power Company Limited

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.	8 th Dividend	1999-2000	04/11/2007
02.	9 th Dividend	2003-2004	04/10/2011
03.	10 th Dividend	2004-2005	04/10/2012

Shareholders are requested to lodge their claims, if any, with the Company/Registrars 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 Shri A K Joti, IAS) :

Brief resume of **Shri A K Joti, IAS** reads thus - He is a Senior Officer of Indian Administrative Service of 1975 batch.

On the academic front Shri A K Joti, IAS is B. Sc. (Hons.) with Chemistry, Physics and Maths and M.Sc. with Chemistry. He has the total experience of 33 years. During his tenure he has held various key positions at the Government level and has rich experience of various administrative and corporate affairs.

Shri A K Joti, IAS is the Director in following Companies :

Sr.	Name of the Company	Nature of Interest
1.	Gujarat Maritime Board	Chairman
2.	Gujarat State Road Transport Corporation	Chairman
3.	Gujarat State Civil Supplies Corporation Ltd.	Director
4.	Gujarat Agro Industries Corporation Ltd.	Director
5.	Gujarat Power Corporation Ltd.	Director
6.	Gujarat Water Infrastructure Ltd.	Director
7.	Gujarat State Financial Corporation Ltd.	Director
8.	Gujarat Lease Financial Ltd.	Director
9.	Gujarat Water Resources Development Corporation	Director
10.	Gujarat Water Supply & Sewerage Board	Director
11.	Gujarat Industries Power Company Ltd.	Director

ITEM NO. 03 (Brief Resume of Prof. Kirankumar Joshi) :

Prof. Kirankumar Joshi has been appointed as Additional Director on the Board of the Company w.e.f. 1st July, 2006.

He is a renowned academician with rich exposure in the field of corporate management. Prof. Joshi, 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.
- He is the executive member of Gujarat Economic Association.

Besides this Prof. Kirankumar Joshi is the Director in Madhya Gujarat Vij Company Ltd. and he is the member of Audit Committee and Personnel Committee of Gujarat Industries Power Company Ltd.

ITEM NO. 06 :

Shri Praful H Rana has been nominated by Gujarat Urja Vikas Nigam Ltd. (GUVNL) on the Board of Company in terms of Article 13 and accordingly he was appointed as Additional Director of the Company w.e.f 05/05/2007



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The brief resume of Shri P H Rana reads thus – On the academic front he is Bachelor of Engineering (BE) – Electrical of 1965 from Sardar Patel University, Birla Vishwakarma Mahavidyalaya, Vidyanagar, (Gujarat). Currently he is occupying the key position of Director (Technical) of Gujarat Urja Vikas Nigam Ltd. (GUVNL-erstwhile Gujarat Electricity Board) During his tenure with GUVNL he has occupied vital positions and has a very rich experience in the different facets of the power sector encompassing Generation, Transmission and Distribution.

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 P H Rana as Rotational Director as proposed in the Resolution at item no. 06 as Ordinary Resolution.

Shri Praful H Rana is the Director in the following companies :

Name of the Company	Position held
➤ Gujarat Urja Vikas Nigam Ltd.	Director (Technical)
➤ Paschim Gujarat Vij Company Ltd.	Chairman
➤ Gujarat State Electricity Corporation Ltd.	Director
➤ Gujarat Energy Transmission Corporation Ltd.	Director

None of the Directors except Shri P H Rana, 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: 05/05/2007

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Gujarat Industries Power Company Limited

DIRECTORS' REPORT

To,
The Members

Your Directors are pleased to present the Twenty Second Annual Report together with Audited Statement of Accounts of your Company for the Financial Year ended 31st March, 2007:

(A) Financial Results

(Rs. in Lacs)

	2006-07	2005-06
1. Net Sales	79558	75659
2. Other Receipts	8721	4262
3. Total Expenditure	55851	47175
4. Gross Profit : (1 + 2 - 3) (before deducting any of the following)	32428	32746
(a) Interest	5118	6395
(b) Depreciation	8985	9138
(c) Prior Period Items	0	(167)
(d) Loan Resetting Premium (Received)/paid	72	(148)
(e) Impairment of Assets	102	279
(f) Provision for Deferred Tax	(3249)	0
(g) Provision for Current Income Tax	3070	5750
(h) Fringe Benefit Tax	38	18
5. Net Profit:	18292	11481
Add : Balance brought forward from Previous Year	13262	13937
Add : Transfer from Capital Redemption Reserve	4044	0
	35598	25418
6. Less: Appropriations :		
(i) General Reserve	6000	2000
(ii) Expansion Reserve	5500	8000
(iii) Dividend On Equity Shares (including Dividend Tax)		
• Interim Dividend	2586	0
• Proposed Dividend	885	2156
(iv) Carried to Balance Sheet	20627	13262
TOTAL	35598	25418

(B) Dividend

Your Directors are happy to recommend payment of Final Dividend for the year ending 31st March, 2007 @ 05% i.e. Rs. 0.50 per Share on the 15,12,51,188 Equity Shares in addition to the Interim Dividend @ 15.00% already paid on 29th March, 2007. The net outgo on account of Final Dividend shall be Rs. 884.79 Lacs including Corporate Dividend Tax. The Dividend shall be paid to all those members whose names shall appear on the Register of Members of the Company on the Book Closure Date i.e. on **Tuesday, 18th September, 2007.**

(C) Operations :

➤ STATION - I (145 MW CCPP) :

The station during the year under review generated 1109.70 Million Units at a Plant Load Factor (PLF) of 87.36 % as compared to 1105.06 Million Units at a PLF of 87.00% in the preceding year. Your Directors are pleased to inform that the PLF achieved was higher than as compared to that of previous year.

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, 1.25 MMSCMD is tied up with GAIL (India) Ltd. and GSPC - Niko on firm basis. In addition to these quantities your Company has also arranged for additional quantities of RLNG from GSPC for supply from Shell Hazira on fall back basis.

The scheduled maintenance of the station was successfully carried out during the financial year under review. The availability factor has been maintained at 95.38% during the Financial Year under review.

➤ STATION - II (160 MW CCPP) :

During the year under review the Station generated 1043.81 Million Units at a PLF of 74.47% as compared to 1216.62 Million Units at a PLF of 86.76% in the preceding year. The Station has undergone scheduled major overhaul during the financial year under review.

The Station has operated on Gas during the period under review with the availability factor of 88.87%.