



24th Annual Report 2008-2009

TWENTY FOURTH ANNUAL GENERAL MEETING

DAY : SATURDAY, 19TH SEPTEMBER, 2009
TIME : 11.00 A. M.
PLACE : REGISTERED OFFICE
P.O. PETROCHEMICAL - 391 346,
DIST. VADODARA

Report  junction.com

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	18
Report on Corporate Governance	24
Auditors' Report	39
Balance Sheet	42
Profit & Loss Account	43
Cash Flow Statement	44
Schedules	46
Balance Sheet Abstract	62



24th Annual Report 2008-2009

Board of Directors

Shri S. Jagadeesan, IAS	Chairman
Shri A.K. Joti, IAS	Director
Prof. Shekhar Chaudhuri	Director
Dr. P.K. Das, IAS (Retd.)	Director
Prof. Kirankumar M. Joshi	Director
Shri G.P. Mohapatra, IAS	Director
Shri P.H. Rana	Director
Shri H.V. Patel, IAS	Director
Shri G.A. Tadas	Director
Shri L. Chuaungo, IAS	Managing Director

Senior Executives

Shri D.G. Naik	Executive Director (Technical)
Shri S.L. Bose	Executive Director (SLPP)
Shri A.N. Shah	Chief General Manager (Baroda Operations)
Shri P.N. Trivedi	General Manager (Commercial & HR&A)
Shri S.P. Desai	Chief Finance Officer
Shri Gora Koley	Chief General Manager (Mines-SLPP)
Shri K. K. Shah	Addl. General Manager (Finance-SLPP)
Shri D.K. Roy	Addl. General Manager (O&M – SLPP)

Company Secretary

Shri C.H. Patni

Bankers

Vadodara 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 India
Oriental Bank of Commerce
Indian Overseas Bank
Vijaya Bank
ING Vysya Bank
The Karur Vysya Bank Ltd.

Auditors

M/s K.C. Mehta & Co., Chartered Accountants, Vadodara

Cost Auditors

M/s K.G. Goyal & Co., Cost Accountants, Jaipur

Registrar & Transfer Agent

Link Intime India Private Limited
(Formerly Intime Spectrum Registry Limited)
308, Jaldhara Complex, 1st Floor,
Opp. Manisha Society, Off. Old Padra Road,
Vadodara – 390 015, Gujarat, India
(Tel) (0265) 2250241, 3249857
(Fax) (0265) 2250246
Email – vadodara@linkintime.com

Registered Office & Works

*P.O. Petrochemical – 391 346, Dist. Vadodara, Gujarat, India
(Tel.) (0265) 2232768, 2230420, 2230159
(Fax) (0265) 2231207, 2230473
Email : - genbaroda@gipcl.com

* w.e.f. 15.01.2004 P O Petrofils has been merged with P O Petrochemical – 391 346, District Vadodara.

Surat Lignite Power Plant

At & Post Nani Naroli, Taluka Mangrol,
Dist. Surat – 394 110, Gujarat, India
(Tel.) (02629) 261063 to 261072
(Fax) (02629) 261073 & 261074
Email : - genslpp@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 7th September, 2009 to Wednesday, the 16th September, 2009 (both days inclusive).
2. (a) Members, who hold shares in physical form are advised to address all correspondence quoting their Ledger Folio Number (LF No.) and to immediately notify their change of address, change of Bank details, Deletion / Transmission of shares, Loss of share certificate etc. details, if any, to the Company or its Registrar and Transfer Agents viz. Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), 308, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vasna Road, Vadodara – 390 015, Gujarat, India. Members may also send in their queries etc. by e-mail at investors@gipcl.com or vadodara@linkintime.com.

(b) Members, who hold shares in demat form are advised to address all correspondence in respect of Change of Address, Change of Bank Details, Deletion / Transmission of shares, to their DP (Depository Participant) only by quoting their Client ID & DP ID No. promptly.
3. Members who have not received or have not encashed their Dividend Warrant(s) are requested to write to us or to the Company's Registrar and Transfer Agents.
4. Members holding shares in physical form and 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.
5. Members are advised to hold Shares jointly to simplify the procedure of transmission in the event of death of any holder OR 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 if any assistance is required please contact Mr. C.H. Patni, Company Secretary at the Registered Office of the Company or Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), the Registrar and Share Transfer Agents of the Company.
6. Members may note that the Company's Securities are listed on the following Stock Exchanges:

Vadodara Stock Exchange Limited
3rd Floor, Fortune Tower, Sayajiganj,
Vadodara – 390 005.

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

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

The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata – 700 001.
(Application for delisting is pending with them)

W.e.f. 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). Therefore, those members who hold shares in physical form are advised to get their shares dematerialized (i.e. conversion of physical shares into electronic form) at the earliest.

Members may note that the Company's equity shares are available for dematerialisation with National Securities Depository Ltd. (NSDL), Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 and with Central Depository Services (India) Ltd. (CDSL), 28th Floor, Sir P.J. Tower, Dalal Street, Fort, Mumbai – 400 001. The Demat ISIN Numbers in NSDL & CDSL for Equity Shares is INE162A01010.
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 not be permitted.
9. As a measure of economy, the Company does not distribute copies of Annual Report at the venue of Annual General Meeting. Therefore, members desirous of attending the Meeting are requested to bring along their copies.



24th Annual Report 2008-2009

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Saturday, the 19th day of September, 2009 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, 2009 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 Chuadhuri, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri H.V. Patel, IAS who retires by rotation at this meeting and being eligible offers himself for re-appointment.
4. To declare dividend on Equity Shares for F.Y. 2008-2009.
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 in supersession of the Ordinary Resolution passed by the Members in Extra-Ordinary General Meeting held on 4th December, 2004, pursuant to the provisions of section 293 (1) (d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to Board of Directors to borrow any sum or sums of money from time to time from any one or more of the Company's Lender(s)/ Bankers and / or from any one or more persons, firms, bodies corporate or financial Institutions, Foreign Financial Institutions, OCBs, Mutual Funds, bilateral agencies, infrastructure funds, NBFCs, whether by way of cash credit, advances or deposits, loans or bill, mortgage, charge, hypothecation or lien or pledge of the Companies assets and properties whether leased out or given to various clients on hire purchase, whether movable or stock in trade (including raw materials, stores, spare parts and components in stock or in transit) and all or any of the undertaking of the Company notwithstanding that the money to be borrowed together with the money (s) already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers/other entities in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however that the total amount upto which the money may be borrowed by the Board of Directors and outstanding at any time , over and above the paid up capital and free reserves,

shall not exceed the sum of Rs. 4000 Crores (Rupees Four Thousand Crores Only) exclusive of interest and Board of Directors is hereby further authorized to execute such deeds of mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the directors deem fit and proper."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors to mortgage/ create charge in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favor of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed by way of loans (in foreign currency/rupee currency) and Securities comprising of fully/partly paid Convertible Debentures and/ or Non Convertible Debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds, issued/ to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest, in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium, if any, on redemption, all other costs, charges and expenses, including any increases as result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other documents, entered into/to be entered into between the Company and the Lender(s), Agent(s) and Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agents / Trustee(s).



Gujarat Industries Power Company Limited

"FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

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

"RESOLVED THAT in terms of applicable provisions of the Companies Act, 1956 the existing Authorized Share Capital of 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% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each be altered and re-classified into 32,50,00,000 (Thirty Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.325.00 Crores (Rupees Three Hundred Twenty Five Crores only) and 61,00,000 (Sixty One Lacs) Preference Shares (with dividend not exceeding 15% p.a.) of Rs. 100/- (Rupees Hundred Only) each aggregating to Rs. 61.00 Crores (Rupees Sixty One Crores Only)."

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as 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 Authorized Capital of the Company shall be Rs. 386 Crores (Rupees Three Hundred Eighty Six Crores only) divided into 32,50,00,000 (Thirty Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs. 325.00 Crores (Rupees Three Hundred Twenty Five Crores only) and 61,00,000 (Sixty One Lacs) Preference Shares (with dividend not exceeding 15% p.a.) of Rs. 100/- (Rupees Hundred Only) each aggregating to Rs. 61.00 Crores (Rupees 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."

10. To consider, and if thought fit, to pass with or without modification(s), the following resolution as 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 Authorized Capital of the Company shall be Rs. 386 Crores (Rupees Three Hundred Eighty Six Crores only) divided into 32,50,00,000 (Thirty Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs. 325.00 Crores (Rupees Three Hundred Twenty Five Crores only) and 61,00,000 (Sixty One Lacs) Preference Shares (with dividend not exceeding 15% p.a.) of Rs.100/- (Rupees Hundred Only) each aggregating to Rs. 61.00 Crores (Rupees 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."

**By Order of the Board
For Gujarat Industries Power Company Ltd.**

Registered Office :
P.O. Petrochemical – 391 346,
Dist. Vadodara.
Date: 28th July, 2009.

Sd/-
C.H. Patni
Company Secretary



24th Annual Report 2008-2009

NOTES:

A 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.

The Explanatory Statement setting out the material facts concerning the special business mentioned under Item nos. 06 to 10 of the notice as required under Section 173 of The Companies Act, 1956 are annexed hereto.

Corporate Members are kindly requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting.

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 No. 02 (Brief Resume of Prof. Shekhar Chaudhuri) :

The brief resume of Prof. Shekhar Chaudhuri reads thus :- Prof. Shekhar Chaudhuri was appointed as an Additional Director of the Company w.e.f. 18th May, 2004. He has been inducted on the Board of Directors of the Company with a view to further strengthen the Board of Directors and to avail the benefit of his expertise in the field of Joint Ventures and strategic alliances and corporate matters.

Prof. Shekhar Chaudhuri, is currently a Director of Indian Institute of Management (IIM), Kolkatta. He is Graduate Engineer (Mechanical Engineering) from Indian Institute of Technology, Kharagpur and did his doctoral program from Indian Institute of Management (IIM), Ahmedabad. He has to his credit very rich experience of more than 37 years in various fields of management including the corporate experience at very senior positions. Prof. Shekhar Chaudhuri's exposure encompasses 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 Organizations including the World Bank.

Prof. Shekhar Chaudhuri is also a Director in the following Companies:

Sr.	Name of the Company	Nature of Interest
1.	Gontermann-Peiper (India) Ltd. P.O. Pailon, Diamond Harbour road, Dist. 24 Parganas (South) -743512. West Bengal.	Director
2.	West Bengal Electronics Industry Development Corporation Limite (WEBEL), Webel Bhavan, Block EP & GP , Sector V, Bidhan Nagar, Salt Lake , Kolkatta -700091.	Director

Prof. Shekhar Chaudhuri also holds Membership in Committee as shown below.

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Gujarat Industries Power Company Ltd.	Audit Committee	Member

Your Directors recommend the passing of the resolution at Item No. 2 appointing Prof. Shekhar Chaudhuri as Director of the Company.

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

ITEM No. 3 (Brief Resume of Shri H. V. Patel, IAS):

The brief resume of Shri H. V. Patel, IAS reads thus :- Shri H. V. Patel, IAS was appointed as Director to fill up the casual vacancy caused due to withdrawal of nomination of Shri P.K. Taneja, IAS by Gujarat State Fertilizers and Chemicals Ltd. w.e.f. 13th May, 2008 to hold office till the date upto which Shri P.K. Taneja, IAS would have continued, had the nomination been not withdrawn by Gujarat State Fertilizers and Chemicals Ltd.

Shri H. V. Patel is a Senior IAS Officer of 1982 batch in the rank of Principal Secretary to the Govt. of Gujarat. He is a Bachelor of Commerce with Advance Accountancy. He has held various key positions in the Public Administration like Collector and DDO as Sr. Officer in Gujarat. He has also remained as Addl. Industries Commissioner, Joint Secretary (Industries), Secretary (Information), Secretary (Transport)- Home Department, Commissioner and Principal Secretary (Land Reforms) – Revenue Department.

Over and above this, he possesses rich experience as the Managing Director of Gujarat State Export Corporation, Gujarat Land Development Bank and Gujarat Power Corporation Ltd. and as Vice Chairman & Managing Director of Gujarat Industrial Development Corporation. Apart from that he is on the Board of the following companies :-





Gujarat Industries Power Company Limited

Shri H.V. Patel, IAS

Sr No	Name of the Company	Nature of Interest
1.	Gujarat Green Revolution Co. Ltd.	Director
2.	The Fertilizer Association of India	Director
3.	Tunisian Indian Fertilizers S.A. (TIFERT)	Director
4.	Gujarat Narmada Valley Fertilizers Co.Ltd	Director
5.	Indian Potash Ltd.	Director
6.	Gujarat Chemical Port Terminal Co. Ltd.	Director
7.	GSPC Gas Co. Ltd.	Director
8.	Bhavnagar Energy Company Ltd.	Director
9.	Gujarat State Fertilizers & Chemicals Ltd.	Managing Director

Shri H.V. Patel, IAS also holds Membership / Chairmanship of the various Committees as shown below.

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Gujarat Industries Power Company Ltd.	Project Committee	Member
2.	Gujarat Industries Power Company Ltd.	Personnel Committee	Member
3.	Gujarat Industries Power Company Ltd.	Audit Committee	Member
4.	Gujarat Industries Power Company Ltd.	Shares / Debentures Transfers & Investors' Grievance Committee	Chairman

Your Directors recommend the passing of the resolution at Item No. 3 appointing Shri H.V. Patel, IAS as Director of the Company.

None of the Directors except Shri H.V. Patel, IAS, is in any manner interested or concerned in the said resolution.

Item No. 6 & 7

The Company's 2 x 125 MW Expansion Project (Phase II) at its Surat Lignite Power Plant is nearing completion and is likely to be commissioned in the third quarter of the current financial year. Over and above the said expansion project, the Company is contemplating expansion of its capacities by setting up a 2 x 250 MW (+20%) lignite based power station (Station II) at the Surat Lignite Power Plant. The Project cost (inclusive of Mining) for the proposed further expansion is approximately Rs. 4000 crores and would be funded in the Debt-Equity ratio of 70:30 / 75:25.

Applying a judicious mix of Debt and Equity for the said Power Project, the resources mobilization for the same may call for debt raising exceeding Rs 3000 Crores.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company in such

form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with Lenders.

The Company will take necessary steps to achieve the financial closure in time and appropriate agencies will be appointed for the same in due course of time.

In view of the above your Directors recommend the resolutions at Sr. 6 and 7 for your approval.

None of the Directors are concerned or interested in the said resolutions.

Item No. 8, 9 and 10

The Company's 2 x 125 MW Expansion Project (Phase II) at its Surat Lignite Power Plant is nearing completion and is likely to be commissioned in the third quarter of current financial year. Over and above the said expansion project, the Company is contemplating expansion of its capacities by setting up a 2 x 250 MW (+20%) lignite based power station (Station II) at the Surat Lignite Power Plant. The Project cost (inclusive of Mining) for the proposed further expansion is approximately Rs. 4000 crores and would be funded in the Debt-Equity ratio of 70:30 / 75:25.

Applying a judicious mix of Debt and Equity for the said Power Project, the resources mobilization for the same may call for debt raising exceeding Rs. 3000 Crores.

The Company will take necessary steps to achieve the financial closure in time and appropriate agencies will be appointed for the same in due course of time.

The Authorized Share Capital of the Company is presently made up of 22,50,00,000 Equity Shares of Rs 10/- each aggregating to Rs. 225 crores and 1,61,00,000 Cumulative Redeemable Preference Shares (with dividend not exceeding 15% p.a.) of Rs. 100/- each aggregating to Rs. 161 crores. However, in order to enable the Company to raise funds as mentioned above, the Authorized Share Capital of the Company needs to be altered suitably by reclassifying the same as proposed. The said alteration will have to be effected in the Capital Clause (Clause V) of Memorandum of Association and also the Article 3 of the Articles of Association of the Company.

In view of the above your Directors recommend the resolutions at Item nos 8,9 and 10 respectively for your approval.

None of the Directors are concerned or interested in the said resolutions.

**By Order of the Board
For Gujarat Industries Power Company Ltd.**

Registered Office :

P.O. Petrochemical – 391 346,

Dist. Vadodara.

Date: 28th July, 2009

Sd/-

C.H. Patni

Company Secretary



24th Annual Report 2008-2009

FOR THE INFORMATION OF MEMBERS

The members are advised that with the commencement of the Companies (Amendment) Act, 1999, effective from 31st October, 1998, the Companies are required to transfer its unpaid/unclaimed dividend after the expiry of the 7 years from the date from which they become due for payment, to a special fund called "Investors Education and Protection Fund (Fund)". No claims will lie for the amounts so transferred. The Members 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, 1999-2000 have 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 2003-04 is due for transfer at the expiry of 7 years to the fund on 04/11/2011. Members are requested to take note of the same.

Those Members who have not yet encashed / claimed dividend warrants in respect of dividends declared during the Financial Years 2003-2004, 2004-2005, 2005-2006, Interim Dividend for F. Y. 2006-2007, final dividend F.Y. 2006-2007 and F.Y. 2007-08 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.	9 th Dividend	2003-2004	04/10/2011
02.	10 th Dividend	2004-2005	04/10/2012
03.	11 th Dividend	2005-2006	04/10/2013
04.	Interim Dividend	2006-2007	29/03/2014
05.	12 th Dividend	2006-2007	04/10/2014
06.	13 th Dividend	2007-2008	25/09/2015

Members are requested to lodge their claims, if any, with the Company or to its R&T Agent, in order to enable us to send the necessary unclaimed dividend payment, subject to the confirmation from Bank regarding Paid / Unpaid Status. However, as a measure of good investor service, the Company is normally sending intimation letters to the concerned Members who have not claimed their dividend before the amount is transferred to the above referred fund(IEPF).



Gujarat Industries Power Company Limited

DIRECTORS' REPORT

To,
The Members

Your Directors are pleased to present the Twenty-Fourth Annual Report together with Audited Statement of Accounts of your Company for the Financial Year ended 31st March, 2009:

(A) Financial Results

	(Rs. in Lacs)	
	2008-09	2007-08
1. Net Sales	115499	93555
2. Other Receipts	1619	2689
3. Total Expenditure	94484	68256
4. Gross Profit : (1+2-3) (before deducting any of the following)	22634	27988
(a) Interest	2956	5132
(b) Depreciation	8788	8831
(c) Impairment of Assets	47	0
(d) Provision for Deferred Tax	162	308
(f) Provision for Current Income Tax	2107	2715
(g) Fringe Benefit Tax	42	52
(h) Tax adjustment of earlier years	-	721
5. Net Profit:	8532	10229
Add : Balance brought forward from Previous Year	11432	20627
	<u>19964</u>	<u>30856</u>
6. Less: Appropriations :		
(i) General Reserve	2000	5000
(ii) Expansion Reserve	4000	10000
(iii) Proposed Dividend On Equity Shares (including Dividend Tax)	3893	4424
(iv) Carried to Balance Sheet	10071	11432
TOTAL	<u>19964</u>	<u>30856</u>

(B) Dividend

Your Directors are happy to recommend Dividend for the year ended 31st March, 2009 @ Rs 2.20 per equity share (i.e. 22%) on the 15,12,51,188 Equity Shares. The net outgo on account of Dividend shall be Rs. 3893 Lacs including Corporate Dividend Tax. The Dividend, if approved at the ensuing 24th Annual General Meeting, 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 7th September, 2009.

(C) Operations :

➤ VADODARA STATION – I (145 MW CCPP) :

The Station during the year under review generated 1061.672 Million Units at a Plant Load Factor (PLF) of 83.58% as compared to 1139.00 Million Units at a PLF of 89.45% in the preceding year. The PLF achieved was lower by 6% as compared to previous year mainly due to backing down of the Plant due to lower Grid demand.

The scheduled maintenance of the Station was successfully carried out during the financial year under review. The availability factor has been maintained at 97.00% during the Financial Year under review.

➤ VADODARA STATION – II (165 MW CCPP) :

During the year under review the Station generated 1118.192 Million Units at a PLF of 77.36% as compared to 1126.13 Million Units at a PLF of 79.71% (165 MW) in the preceding year. The Station has undergone scheduled overhaul during the financial year under review. The Station has operated on Gas during the year under review with the availability factor of 95.13%. The reduced PLF is mainly due to backing down of the Plant due to lower Grid demand.

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 Vadodara Station I & Station II, 1.01 MMSCMD is tied up with M/s. GAIL (India) Ltd on firm basis. Long term Agreement for supply of R-LNG has been renewed with M/s. GAIL (India) Ltd for a period of 20 years. On maturity of GSPC – Niko Gas Supply Agreement, this supply got terminated by M/s. GSPC but additional supply has been arranged from M/s. Gujarat State Petroleum Corporation Ltd. (GSPC) for supply of Spot Gas on fall back basis. In addition to this your Company has also tied up a Gas Supply Contract with M/s Reliance Gas for supply of 2.70 M³ KG-D6 Gas.