

26<sup>th</sup>

Annual Report 2010-2011



**GUJARAT INDUSTRIES POWER COMPANY LTD.**





### TWENTY SIXTH ANNUAL GENERAL MEETING

DAY : FRIDAY, 23RD SEPTEMBER, 2011.  
TIME : 3.00 P.M.  
PLACE : REGISTERED OFFICE:  
P.O.: PETROCHEMICALS – 391 346,  
DIST.: VADODARA.

**GUJARAT INDUSTRIES POWER COMPANY LIMITED**

P.O. : PETROCHEMICALS - 391 346, DIST. : VADODARA. GUJARAT.





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## Board of Directors

Shri D.J. Pandian, IAS	Chairman
Prof. Shekhar Chaudhuri	Director
Dr. P.K. Das, IAS (Retd.)	Director
Prof. Kirankumar M. Joshi	Director
Dr. G.P. Mohapatra, IAS	Director (upto 09-08-2011)
Shri P.H. Rana	Director
Shri H.V. Patel, IAS	Director (upto 09-08-2011)
Shri G.A. Tadas	Director
Shri C.L. Meena, IAS	Director (upto 09-08-2011)
Shri M.S. Dagur, IAS	Director (from 09-08-2011)
Shri Atanu Chakraborty, IAS	Director (from 09-08-2011)
Shri L. Chuaungo, IAS	Managing Director

## Senior Executives

Shri S.L. Bose	Executive Director (SLPP)
Shri A.N. Shah	Chief General Manager (Baroda Operations)
Shri P.N. Trivedi	General Manager (Commercial)
CA S.P. Desai	Chief Finance Officer
Shri D.K. Roy	General Manager (O&M – SLPP)
Shri N.K. Purohit	Addl. General Manager (Mines – SLPP)
Shri V. N. Patel	Addl. General Manager (O&M – SLPP)
Shri Y. J. Bhatt	Addl. General Manager (O&M)
Shri S. N. Purohit	Addl. General Manager (O&M)
Shri N. K. Singh	Addl. General Manager (Projects – SLPP)
Shri V.B. Bhadola	Addl. General Manager (HR&A)

## Company Secretary & DGM (Legal)

CS A.C. Shah

## Bankers

### Vadodara Stations

Central Bank of India  
Dena Bank  
Punjab National Bank  
State Bank of India  
Bank of Baroda  
Oriental Bank of Commerce  
IDBI Bank Ltd.

### Surat Lignite Power Plant

Syndicate Bank  
State Bank of India  
Oriental Bank of Commerce  
Indian Overseas Bank  
Vijaya Bank  
ING Vysya Bank Ltd.  
The Karur Vysya Bank Ltd.  
Union Bank of India  
United Bank of India  
Dena Bank  
Bank of Baroda  
Central Bank of India

## Auditors

M/s. VCA & Associates, Chartered Accountants, Vadodara.

## Cost Auditors

M/s. Kailash Sankhlecha & Associates, Cost Accountants, Vadodara.

## Registrar & Transfer Agents

Link Intime India Private Limited  
B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara – 390 020.  
Email: vadodara@linkintime.com

## Registered Office & Works

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

## Surat Lignite Power Plant (SLPP)

At & Post: Nani Naroli, Taluka: Mangrol,  
Dist.: Surat – 394 110, Gujarat.  
(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 Tuesday, the 13<sup>th</sup> September, 2011 to Friday, the 23<sup>rd</sup> September, 2011 (both days inclusive).
2. (a) Members holding 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., if any, to the Company or its Registrar and Transfer Agents (RTA) viz. **Link Intime India Private Limited, B-102 & 103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020.** Members may also send in their queries etc. by e-mail at [investors@gipcl.com](mailto:investors@gipcl.com) or [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)  
(b) **Members holding shares in demat form (i.e. electronic 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. immediately.** The Company or its RTA cannot act on any such request received directly from the members holding shares in demat form.
3. Members may visit the Shareholders' Service page on the website of the Company ([www.gipcl.com](http://www.gipcl.com)) to submit their queries, if any, or to download forms/format to get unclaimed dividend, for issue of duplicate share certificate, for nomination, for ECS mandate, for registration of E-mail Address for "Go Green" initiative etc.
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.
6. The Securities & Exchange Board of India (SEBI) vide Circular No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated January 7, 2010 has clarified that for securities market transactions and off market/private **transactions involving transfer and transmission of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of Income Tax PAN card to the Company/RTA** for registration of such transfer/transmission of shares.
7. 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) and with Central Depository Services (India) Ltd. (CDSL). Shareholders may approach nearest Depository Participant (DP) to open Demat Account.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least fifteen days before the date of the meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. **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.**
11. 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 of Annual Reports.**



## FOR THE INFORMATION OF MEMBERS

Pursuant to the Provisions of Section 205C of the Companies Act, 1956, companies are required to transfer its unpaid/unclaimed dividend after expiry of 7 years from the date on 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. Members may please note that the unpaid/unclaimed dividends of past years upto 1999-2000 have been transferred to the Central Government Account / Fund. The Company has not declared any dividend in respect of Financial Year from 2000-01 to 2002-03.

Members are requested to note that the dividends for FY 2003-04 to 2009-10 shall become due for transfer to "Fund" on the dates as given in the table herein after:

FINANCIAL YEAR	DUE DATE OF TRANSFER TO IEPF (FUND)
2003-2004	04/10/2011
2004-2005	04/10/2012
2005-2006	04/10/2013
2006-2007 (Interim)	29/03/2014
2006-2007	04/10/2014
2007-2008	25/09/2015
2008-2009	24/09/2016
2009-2010	23/09/2017

**Members are requested to immediately lodge their claims for past years unclaimed Dividends, if any, with the Company or to its R&T Agents.**

## GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has vide its Circulars No.17/2011 dated 21.04.2011 and No.18/2011 dated 29.04.2011 has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies by way of service of notice/documents including Annual Report by e-mail to its members. To support this green initiative of the Government in full measure, Members holding shares in

electronic form are requested to register their e-mail address with their Depository Participants. Members holding shares in physical form may submit their e-mail address through post or submit the same online on the Shareholders' Service page of the Company's website [www.gipcl.com](http://www.gipcl.com). Form for registration of e-mail address is also annexed to this Annual Report together with Attendance Slip and Proxy Form.





## Gujarat Industries Power Company Limited

### NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Friday, the 23<sup>rd</sup> day of September, 2011 at 3.00 pm at the Registered Office of the Company at P.O. Petrochemicals – 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, 2011 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 P.H. Rana who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. P.K. Das, IAS (Retd.), who retires by rotation at this meeting and being eligible offers himself for re-appointment.
4. To declare dividend on Equity Shares for the FY 2010-2011.
5. To appoint Statutory Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** M/s. VCA & Associates, Chartered Accountants, Vadodara, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration and service tax, travelling, lodging, boarding and other out of pocket expenses actually incurred by them, as may be recommended by the Audit Committee and approved by the Board of Directors of the Company in connection with the audit of Accounts of the Company for the year ending 31<sup>st</sup> March, 2012.”

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

(CS A C Shah)  
Company Secretary & DGM (Legal)

Place: Vadodara.  
Date: 24<sup>th</sup> May, 2011.

#### NOTES:

- 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.
- Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing 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 OF THE 26<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, THE 23<sup>RD</sup> SEPTEMBER, 2011

#### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956:

##### Item No.5

As per the provisions of Sections 224 and 224A of the Companies Act, 1956, the shareholders of the Company shall be required to pass a Special Resolution at this Annual General Meeting (AGM) as set out at Item No.5 of the Notice to appoint Statutory Auditors to hold office from the conclusion of this Meeting until the conclusion of the next AGM, since more than 25% of the Subscribed Share Capital is held by the Government of Gujarat, Government Companies or Boards, Public Financial Institutions and Nationalized Banks.

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

#### Inspection of documents:

All documents referred to in this Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 9.30 am and 12.30 pm on any working day of the Company prior to the date of the Meeting.

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

(CS A C Shah)  
Company Secretary & DGM (Legal)

Place: Vadodara.  
Date: 24<sup>th</sup> May, 2011.





## DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING 26<sup>TH</sup> ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Shri P.H. Rana	Dr. P.K. Das, IAS (Retd.)
Date of Birth	15.05.1943	11.06.1941
Date of Appointment	05.05.2007	22.07.2006
Qualifications	Bachelor of Engineering (BE) – Electrical	BA (Hon.) in Political Science, MA (Political Science) LLB, Masters in Public Administration, Ph.D. in Political Science and IAS (Retd.).
Nature of Expertise / Experience	<p>Presently, Shri P.H. Rana, is Director (Technical) Gujarat Urja Vikas Nigam Ltd. (GUVNL). He represents GUVNL, pursuant to Article 16A of the Articles of Association of the Company.</p> <p>He joined GUVNL in the year 1965 as Dy. Engineer. During his tenure with GUVNL he has occupied vital positions and reached to the position of Director (Technical). He has a very rich experience on the different facets of the power sector encompassing Generation, Transmission and Distribution.</p>	<p>Dr. Das is Senior IAS Officer and retired from services of Govt. of Gujarat.</p> <p>Post retirement, Dr. Das was appointed as the first Chief Information Commissioner of Gujarat State until May, 2006. He is associated with Centre for Good Governance and Policy from March, 2008 at Pandit Deendayal Petroleum University (PDPU).</p> <p>Dr. Das has made numerous Presentations and delivered lectures on the contemporary subjects at national and international forums. He is prolific writer and has been regular contributor to various journals and magazines and newspapers. Dr. Das has widely travelled both nationally as well as internationally during his various assignments and he is the Life Member of Institute of Public Administration.</p>
Names of other Companies in which Directorship is held	<p>Gujarat Urja Vikas Nigam Ltd. Gujarat Energy Transmission Corpn. Ltd. Gujarat State Electricity Corpn. Ltd. Gujarat Power Corporation Ltd. Paschim Gujarat Vij Co. Ltd. Dakshin Gujarat Vij Co. Ltd. Bhavnagar Energy Co. Ltd. Baitarni west Coal Co. Ltd. Mahaguj Collieries Ltd.</p>	GSPC Pipavav Power Company Ltd.
Names of Committees of Directors in which Membership / Chairmanship is held	<p>Gujarat Industries Power Co. Ltd. Project Committee - Member</p>	<p>Gujarat Industries Power Co. Ltd. Audit Committee - Chairman. Project Committee - Member. Personnel Committee - Chairman.</p>



# Gujarat Industries Power Company Limited

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure to present the Twenty-Sixth Annual Report on the performance of your Company together with Audited Balance Sheet and Profit & Loss Account for the Financial Year ended 31st March, 2011 and the report of the Auditors thereon:

### Financial Performance:

	(₹ in Lacs)	
	2010-11	2009-10
1. Net Sales	1,07,795	93,912
2. Other Receipts	1,553	1,353
3. Total Expenditure	77,698	72,000
4. Gross Profit : (1+2-3) (before deducting any of the following)	31,650	23,266
(a) Interest	7,034	1,624
(b) Depreciation	12,508	8,804
(c) Provision for Deferred Tax	(2,983)	(324)
(d) Provision for Current Income Tax	2,415	2,220
(e) Tax adjustment of earlier years	(3,619)	263
5. Net Profit	16,295	10,678
Add: Balance brought forward from Previous Year	10,340	10,071
	<u>26,635</u>	<u>20,749</u>
6. Appropriations :		
General Reserve	3,000	2,000
Expansion Reserve	7,000	4,000
Proposed Dividend (including Dividend Tax)	4,395	4,409
Carried to Balance Sheet	12,240	10,340
<b>TOTAL</b>	<u>26,635</u>	<u>20,749</u>

### Dividend

Your Directors are happy to recommend a Dividend of ₹ 2.50 per share (i.e. @ 25%) on 15,12,51,188 Equity Shares of ₹10/- each fully paid up, for the year ended on 31<sup>st</sup> March, 2011. The total outgo on account of Dividend shall be about ₹ 4395.00 Lacs including Corporate Tax on Dividend. The Dividend, if approved by the shareholders at the ensuing 26<sup>th</sup> Annual General Meeting, shall be paid to all those Members, whose names shall appear on the Register of Members of the Company on the Books Closure Date i.e. on Tuesday, the 13<sup>th</sup> September, 2011.

### OPERATIONS:

#### Vadodara Station – I (145 MW CCPP):

Your Directors are happy to inform that Gas Based Station-I at Vadodara achieved Plant Load Factor (PLF) of 80.10% for the year under review.

During the year under review the Station generated 1017.46 Million Units (MUs) at a PLF of 80.10% as compared to 1204.73 MUs at a PLF of 94.85% in the preceding year. Planned shut downs including the major inspection of GT 2 were taken during the year. The Plant Availability Factor (PAF) was maintained at 94.72% during the year.

#### Vadodara Station – II (165 MW CCPP):

During the year under review the Station generated 843.55 MUs at a PLF of 58.36% (Commercial PLF of 81.7%) as compared to 1064.38 MUs at a PLF of 73.64% in the preceding year. The Station has undergone scheduled overhaul during the year under review. The Station had PAF of 89.21% for the year. The PLF achieved was considerably lower as compared to preceding year mainly on account of shortage of gas from RIL-Niko's KG D6 field and also due to backing down of the Plant as per 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