



## **TWENTY SEVENTH ANNUAL GENERAL MEETING**

DAY : FRIDAY, 21ST SEPTEMBER, 2012.

TIME : 11.00 A. 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  
Prof. Shekhar Chaudhuri  
Dr. P.K. Das, IAS (Retd.)  
Prof. Kirankumar M. Joshi  
Shri P.H. Rana  
Shri G.A. Tadas  
Shri M.S. Dagur, IAS  
Shri Atanu Chakraborty, IAS  
Shri Mukesh Puri, IAS  
Shri D.C. Jain,  
Shri Raj Gopal, IAS  
Shri H. R. Brahmabhatt  
Shri L. Chuaungo, IAS

Chairman  
Director  
Director  
Director  
Director (upto 21-10-2011)  
Director (upto 28-05-2012)  
Director  
Director (upto 17-08-2012)  
Director (from 21-10-2011 upto 05-07-2012)  
Director (from 28-05-2012)  
Director (from 05-07-2012)  
Director (from 17-08-2012)  
Managing Director

## Senior Executives

Shri S.L. Bose  
Shri A.N. Shah  
Shri P.N. Trivedi  
CA S.P. Desai  
Shri D.K. Roy  
Shri N.K. Purohit  
Shri N.K. Singh  
Shri V.B. Bhadola  
Shri V.N. Patel  
Shri Y.J. Bhatt  
Shri S.N. Purohit

Executive Director (SLPP)  
Chief General Manager (BO)  
Chief General Manager (Commercial)  
Chief General Manager & Chief Finance Officer  
General Manager (O&M – SLPP)  
General Manager (Mines - SLPP)  
Addl. General Manager (Projects-SLPP)  
Addl. General Manager (HR&A)  
Addl. General Manager (O&M-SLPP)  
Addl. General Manager (Maintenance)  
Addl. General Manager (BO)

## Company Secretary & DGM (Legal)

CS A.C. Shah

## Bankers

### Vadodara Stations

Central Bank of India  
Dena 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  
The Karur Vysya Bank Ltd.  
Union Bank of India  
United Bank of India  
Dena Bank  
Bank of Baroda  
Central Bank of India  
Kotak Mahindra Bank Ltd.

## Auditors

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

## Cost Auditors

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

## Registrar & Transfer Agent

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, India.  
(Tel.) (0265) 2232768, 2232213, 2230159.  
(Fax) (0265) 2231207, 2230473.  
Email : genbaroda@gipcl.com

## 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



## 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 11<sup>th</sup> September, 2012 to Friday, the 21<sup>st</sup> September, 2012 (both days inclusive).**
2. (a) Members holding shares in physical mode 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) **Members holding shares in demat mode (i.e. electronic mode) 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 mode.**
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" initiatives etc.
4. Members holding shares in physical mode 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. As per the SEBI Circulars dated May 20, 2009 and January 7, 2010, all transactions involving transfer and transmission of shares of listed Companies held in physical mode, it is 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 dematerialized (demat) mode as mandated by the SEBI - ISIN - INE162A01010. **Therefore, those members who hold shares in physical mode are advised to get their shares dematerialized (i.e. conversion of physical shares into electronic mode) at the earliest.**  
  
Members may note that the Company's equity shares are available for dematerialization 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 so that the information required by the members may be made available at the meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of name(s) 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.



## 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 the expiry of seven 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 Members may please note that the unpaid/unclaimed dividends of past years upto 2003-2004 have been transferred to the Central Government Account / Fund. The Company has not declared any dividend in respect of Financial Year from 2000-01, 2001-02 and 2002-03.

Members are requested to note that the dividends for FY 2004-05 to 2010-11 shall be due for transfer to "Fund" on the dates as given below:

Sr No.	Particulars of Dividend	Financial Year	Due Date
1.	10th Dividend	2004-2005	30/09/2012
2.	11th Dividend	2005-2006	29/09/2013
3.	Interim Dividend	2006-2007	29/03/2014
4.	12th Dividend	2006-2007	29/09/2014
5.	13th Dividend	2007-2008	20/09/2015
6.	14th Dividend	2008-2009	19/09/2016
7.	15th Dividend	2009-2010	18/09/2017
8.	16th Dividend	2010-2011	23/09/2018

***Members are requested to lodge their claims, if any, with the Company or to its R&T Agent, immediately.***

## 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 mode

are requested to register their e-mail address with their Depository Participants. Members holding shares in physical mode 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.



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on **Friday, the 21<sup>st</sup> day of September, 2012 at 11.00 am** 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, 2012 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 at this meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri H. R. Brahmbhatt, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
4. To declare a dividend.
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 reimbursement of 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, 2013.”

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

Place: Vadodara. **(CS A C Shah)**  
Date: 17<sup>th</sup> August, 2012. Company Secretary & DGM (Legal)

### 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(s) 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 27<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, THE 21<sup>ST</sup> DAY OF SEPTEMBER, 2012.

### 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 Co. Ltd.

Place: Vadodara. **(CS A C Shah)**  
Date: 17<sup>th</sup> August, 2012. Company Secretary & DGM (Legal)

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING 27<sup>TH</sup> ANNUAL GENERAL MEETING  
OF THE MEMBERS OF THE COMPANY**

(IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

<b>Name of Director</b>	<b>Prof. Shekhar Chaudhuri</b>	<b>Shri H. R. Brahmbhatt</b>
Date of Birth	04.08.1951	14.12.1954
Date of Appointment	15.03.2004	17.08.2012
Qualifications	B.Tech. (Hons.) degree in Mechanical Engineering. Doctoral programme (in Management - specialized in Business Policy) from Indian Institute of Management (IIM), Ahmedabad in 1979.	B.E. (Chemical)
Nature of Expertise / Experience	<p>Prof. Shekhar Chaudhuri graduated from Indian Institute of Technology (IIT) Kharagpur in 1972 with a B.Tech (Hons) degree in Mechanical Engineering and did his doctoral programme (in Management - specialized in Business Policy) from Indian Institute of Management (IIM), Ahmedabad in 1979.</p> <p>He was associated with IIM Ahmedabad as a faculty member for about 27 years. In November 2002 he joined IIM Calcutta as the Director.</p> <p>He has to his credit very rich experience in various fields of management including the corporate experience at very senior positions. His 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.</p> <p>He was conferred the "Bharat Asmita Acharya Shrestha Award 2009" in the field of management education by H.E. Vice President of India on February 3, 2009.</p>	<p>Shri H.R. Brahmbhatt is working with Gujarat State Fertilizers and Chemicals Limited (GSFC) since 1976 in different positions from time to time. He has a rich experience of operating various chemical plants like Acids and Phosphatic Group of plants. He was also in charge of Urea / Melamine plants along with PG plants. Presently, he is looking after Operation and Maintenance of Utility / Co generation / Environment Control Unit, Safety &amp; Fire Services, Central Laboratory, Energy Management Cell and Integrated Management System.</p>
Names of other Companies in which Directorship is held	<ol style="list-style-type: none"> <li>1. Gontermann-Peipers (India) Ltd.</li> <li>2. West Bengal Electronics Industry Development Corporation Limited (WEBEL)</li> <li>3. Garden Reach Shipbuilders &amp; Engineers Ltd.</li> </ol>	None
Names of Committees of Directors in which Membership / Chairmanship is held	<ol style="list-style-type: none"> <li>1. Gujarat Industries Power Company Ltd. - Audit Committee - Member</li> <li>2. West Bengal Electronics Industry Development Corporation Limited (WEBEL) Audit Committee - Chairman</li> <li>3. Gontermann-Piepers (India) Ltd. Audit Committee - Member Shareholder's Grievance Committee - Member</li> </ol>	None



## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure to present the Twenty-Seventh Annual Report on the performance of your Company together with Audited Balance Sheet and Profit & Loss Account for the Financial Year ended 31st March, 2012 and the report of the Auditors thereon:

### Financial Performance:

(₹ in Lacs)

	2011- 12	2010- 11
1. Net Sales	1,29,099	1,07,795
2. Other Receipts	1,493	1,553
3. Total Expenditure	87,673	77,572
4. Gross Profit : ( 1+2-3) (before deducting any of the following)	42,919	31,776
(a) Finance Cost	11,893	7,160
(b) Depreciation	16,869	12,508
(c) Provision for Deferred Tax	(502)	(2,983)
(d) Provision for Current Income Tax	2,822	2,415
(e) Tax adjustment of earlier years	1	(3,619)
5. Net Profit:	11,836	16,295
Add : Balance brought forward from Previous Year	12,240	10,340
<b>TOTAL</b>	<b>24,076</b>	<b>26,635</b>
6. Less: Appropriations :		
(i) General Reserve	5,000	3,000
(ii) Expansion Reserve	7,500	7,000
(iii) Proposed Dividend On Equity Shares (including Dividend Tax)	4,395	4,395
(iv) Carried to Balance Sheet	7,181	12,240
<b>TOTAL</b>	<b>24,076</b>	<b>26,635</b>

### Dividend

Your Directors are happy to recommend a Dividend of ₹ 2.50 per share on 15,12,51,188 Equity Shares of ₹ 10/- each fully paid up, for the year ended on 31<sup>st</sup> March, 2012. The total outgo on account of Dividend would be about ₹ 4395.00 Lacs including Corporate Tax on Dividend. The Dividend, if approved by the shareholders at the ensuing 27<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 Friday, 21<sup>st</sup> September, 2012.

### OPERATIONS :

#### Vadodara Station – I (145 MW) :

During the year the Station generated 833.65 Million Units (MUs) at a Plant Load Factor (PLF) of 65.45% as against generation of 1017.46 MUs at PLF of 80.10% during the preceding year. The Plant Availability Factor (PAF) was at 97.73% during the year under review as against 94.72% during the preceding year.

The lower PLF achieved during the year is mainly due to considerable reduction in supply of Domestic gas (APM gas) from GAIL. Increasing price of Spot R-LNG has resulted in increased generation cost, leading to reduction in drawl of power by all the Constituents and also backing down of machine(s).

All planned shut downs including Hot Gas Path Inspection of GT-3 were completed during the year under review.

#### Vadodara Station – II (165 MW) :

During the year under review the generation was 668.74MUs at a PLF of 46.16% as against generation of 843.55 MUs at a PLF of 58.36% in the preceding year. Residual Life Assessment (RLA) Study of HRSG#4 was carried out on completion of one lakh operating hours of the Station. The PAF for the Station was also higher at 91.65% for the year under review as against 89.21% during the preceding year.

The PLF achieved from Vadodara Station was considerably lower as compared to preceding year mainly on account of reduction in supply of domestic gas i.e. from GAIL's onshore / offshore fields & RIL-Niko's KG D6 field, increasing cost of Imported Spot gas 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 maintain adequate supply of gas for the gas based Power Stations at Vadodara. Currently out of total gas requirements of 1.55 to 1.60 MMSCMD for Vadodara Stations, 0.98 MMSCMD is tied up with GAIL (India) Ltd. including R-LNG





and RIL-NIKO on long term basis. The remaining quantity is tied up with Gujarat State Petroleum Corporation Ltd. (GSPCL) and GAIL for supply of Spot gas on “as and when required” basis.

Your Directors are happy to inform that for optimum utilization of the available capacity and pipeline network of Joint Water Supply Scheme - JWSS - with GACL, your Company has started service of sharing this spareable capacity to other neighboring Industries from June 2011, on payment of charges.

Further, in order to optimally utilize available capacity of De-mineralized Water (DM Water) Plant at Vadodara, your Company has taken initiative of supplying DM Water to interested parties on chargeable basis.

During the year under review major energy conservation and efficiency improvement measures by way of modification in various auxiliaries and redefining operational parameters have been successfully implemented as elaborated in the Annexure to this Report.

#### **Safety Performance :**

The health and safety of all the employees is prime concern of the Company. Your directors are happy to inform that your Company is making sincere and committed efforts to maintain the safety of plant equipment and creating a safe and healthy working environment for the employees. The Company is exclusively spending an appropriate and sufficient amount for the health and safety related activities. Constant efforts are made to maintain accident free operations at all the locations. Your Company has adopted a comprehensive Health and Safety policy under the Integrated Management System (IMS).

#### **Surat Lignite Power Plant (SLPP) :**

##### **Phase I (2 x 125 MW Units 1 & 2) :**

During the year under review, Unit – 1 suffered from unexpected and unusual forced outage for a total period of ninety six days due to major failure of the Rotor. This resulted into lower generation by Phase-I i.e. 1475.794 MUs at a PLF of 67.20% as against 1743.79 MUs at a PLF of 79.63% during the preceding year. During this outage period, various jobs related to annual overhaul have been carried out by advancing annual planned shutdown schedule which would result in higher availability of the Unit in the next financial year. After total repair works, this Unit has started generating w.e.f. 6.4.2012 and the performance is very satisfactory.

##### **Phase II (2 x 125 MW Units 3 & 4) :**

After commencing operations in April, 2010, various initial teething problems have been satisfactorily resolved during the year under review. As a result, Phase-II achieved higher generation of 1452.80 MUs at a PLF of 66.16% as against 874.34

MUs at a PLF of 42.55% of the preceding year. Your Directors wish to inform that SLPP would now be able to give much better performance during the coming years.

Constant endeavors are being made to improve the overall performance of the Station, including technology improvement and modifications. The required maintenance programme for the upkeep of the Units was undertaken during the year under review.

#### **Mining :**

Your Directors are happy to inform that the performance of the Mining Division remained very good during the year under review. Total requirement of lignite was met from our captive Vastan Mine and Mangrol Mine and Limestone from Vastan Mine. To meet the demand of all the four Units, sufficient quantity of Lignite has been stocked for the operations during monsoon. During the year under review, Mangrol Mine has supplied 13,30,182 MT of lignite to the Power Plant.

Your Directors are happy to inform that the total quantity of lignite and limestone mined from Vastan Lignite Mine during the year under review was 17,11,954 MT and 2,18,464 MT respectively, which is an all time record.

#### **5 MW PV based Solar Power Plant :**

Your Directors are happy to inform that your Company has forayed in promoting Green Energy under Government of Gujarat (GoG) Solar Policy 2009 – a step towards control of carbon emission – by successfully commissioning a 5 MW PV based Solar Power Plant at SLPP on 27<sup>th</sup> January, 2012 i.e. within 7 months of selection of the Site.

The Solar Power Plant has generated 1528.54 MW (1.52854 MUs) till 31<sup>st</sup> March, 2012.

#### **Environmental Protection :**

The Company recognizes Environment Management as an integral function of the operation. Towards this end, your Company has adopted appropriate technology for control of pollutants at source.

#### **Vadodara Plant :**

The Company has installed on-line flow meter and pH meter for better control over discharge of effluent as per the guidelines of the State Pollution Control Board.

Additional pH meters have also been installed at strategic places for optimum usage of chemicals in cooling water system.

Your Company has also imposed total ban on using thermocol and plastic below 40 micron size packing material for all incoming goods.



Disposal of e-waste generated has been arranged through Central Government approved vendors. This is as per recently issued guidelines by MoEF-Gol for protection of environment and land contamination.

## Expansion Plans :

### SLPP, Station – II: 2x250 MW + 20% Power Project

Your Directors are pleased to inform that your Company is also in the process of setting up a 2 x 250 MW (+ 20%) thermal Power Project (SLPP Station II) based on Circulating Fluidised Bed Combustion (CFBC) technology including development of a captive lignite mine thus increasing the generating capacity of SLPP to 1000 MW plus.

The Bids have been invited through International Competitive Bid (ICB) route for the said Project. The Bids received are under evaluation.

### Accreditation for Integrated Management System (IMS) under ISO certifications :

Your Directors are pleased to inform that during the year under review your Company has successfully maintained standard guidelines for IMS covering ISO:9001:2008, ISO: 14001:2004 and OHSAS 18001:2007 certification for Quality Management System (QMS), Environment Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) for its Power Stations at Vadodara and SLPP and has achieved renewal of the Certification by M/s. TUV India Ltd.

## Public Deposits :

During the year 2011-12, your Company has not accepted/renewed any Fixed Deposit. The Company has repaid on time all claimed Deposits along with Interest up to the due date. As at the date of this report five Deposits aggregating to ₹ 80,000/- have remained un-encashed/unclaimed.

## Listing Agreement Compliance :

Equity Shares of your Company are listed on Bombay Stock Exchange Ltd. (BSE), National Stock Exchange of India Ltd. (NSE) and Vadodara Stock Exchange Ltd. (VSE) and their Listing Fees for the FY 2012-13 have been paid and the conditions of the Listing Agreement have been complied with.

## Insurance :

All the properties and the insurable interest of the Company are adequately insured. The Company has also taken necessary insurance cover as required under the Public Liability Insurance Act, 1991.

## Energy Conservation and Technology Absorption :

Pursuant to the provisions of Section 217(1)(e) of the Companies

Act, 1956 read with the Companies (Disclosures of Particulars in the report of the Board of Directors) Rules, 1988, required information is given in Annexure-I forming part of this Report.

## Directors' Responsibility Statement :

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- that the selected accounting policies were applied consistently and Directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Annual Accounts have been prepared on a going concern basis.

## Corporate Governance :

Your Company has been following good Corporate Governance practices and has complied with the requirements of Clause No. 49 of the Listing Agreement. A detailed report on Corporate Governance along with Certificate dated 30<sup>th</sup> May, 2012 issued by Practicing Company Secretary is annexed forming part of this Report.

## Management Discussion and Analysis :

A report on Management Discussion and Analysis dealing with Business Operations and Performance, Research and Development, Expansion Project, Safety and Environment, Human Resource Developments, Corporate Social Responsibility etc. is annexed forming part of this Report.

## Directors :

Prof. Shekhar Chaudhuri and Shri H. R. Brahmabhatt, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri P H Rana, ceased to be Director w.e.f. 21<sup>st</sup> October, 2011 consequent to his resignation as Nominee Director of Gujarat Urja Vikas Nigam Ltd. (GUVNL).

Your Directors place on record their deep appreciation for the vision and leadership provided by Shri P H Rana during his tenure as Director of the Company.