



**GUJARAT INDUSTRIES POWER COMPANY LIMITED**  
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CIN – L99999GJ1985PLC007868.

### **CHAIRMAN'S SPEECH**

#### **33<sup>rd</sup> Annual General Meeting on Thursday, 27<sup>th</sup> September, 2018 at 3:00 p.m. at the Registered Office of the Company.**

Dear Members,

It gives me great pleasure to extend a very warm welcome to all of you at the 33<sup>rd</sup> Annual General Meeting (AGM) of your Company.

Your Company has continued its “sustained growth” using innovative eco-friendly technologies to combat the challenges of adverse climate change.

Since the Annual Report has been with you for some time, with your permission, I will highlight only some of the key aspects of performance of your Company.

#### **FINANCIALS:**

(Rs. In crores)

Particulars	FY 2017-18	FY 2016-17
Sale of Electrical Energy	1364	1311
Profit Before Tax (PBT)	317	301
Profit After Tax (PAT)	245	229
Net worth	2459	2236
Dividend per equity share	Rs.2.70	Rs.2.70
Earning Per Share (EPS)	Rs.16.17	Rs. 15.16

#### **OPERATIONAL HIGHLIGHTS:**

##### **310 MW VADODARA GAS BASED STATIONS:**

During the year under review, the Vadodara Stations achieved combined generation of 712 Million Units (MUs) as against 761 MUs during the preceding year.

The lower generation of Vadodara Stations was mainly on account of reduced availability of domestic natural gas and high cost of Spot Re-Liquified Natural Gas (R-LNG) resulting into merit order restrictions.

During the first five months of current FY 2018-19 i.e. from April to August, 2018, the Vadodara Stations generated 278 MUs as against 262 MUs during the corresponding period last year.

The Company is making efforts with ministry for higher allocation of lower cost domestic gas.

**4 x 125 (500 MW) SURAT LIGNITE POWER PLANT (SLPP):**

SLPP achieved combined generation of 3272 MUs during the year under review as against 3178 MUs during the preceding year.

During the first five months of current FY 2018-19 i.e. from April to August, 2018, SLPP generated 1327.167 MUs as against 1271.328 MUs during the corresponding period last year.

**MINING:**

During the year under review, Valia Lignite Mine recorded the highest ever lignite production of 29.06 Lakh Te as against 28.05 Lakh Te during the preceding year and highest ever limestone production of 2.86 Lakh Te from Vastan Limestone Mine as against 2.52 Lakh Te during the preceding year.

During the first five months of current FY 2018-19 i.e. from April to August, 2018, Mining Division recorded produced Lignite of 11.25 Lakh Te compared to 10.81 Lakh Te in the corresponding period last year.

**7 MW SOLAR POWER PLANTS:**

During the year under review the 5 MW PV based Solar Power Plant at SLPP generated 6.97 MUs. The said Solar Power Plant achieved generation of 2.51 MUs during the first five months of current financial year i.e. from April to August, 2018 as against 2.84 MUs during the corresponding period last year.

The 2 x 1 MW Distributed Solar Power Plants (DSPPs) at Amrol and Vastan generated about 2.74 MUs at Capacity Utilization Factor (CUF) of 15.64%.

During the first five months of current FY 2018-19 i.e. from April to August, 2018, the said DSPPs generated 1.07 MUs as against 1.14 MUs during the corresponding period last year.

### **2 x 40 MW SOLAR POWER PLANTS:**

I am glad to inform you that during the year under review the 2 x 40 MW Solar Project at Charanka was commissioned in phased manner. The said Solar Power Plants achieved combined generation of 71.54 MUs at a CUF of 19.53%.

During the first five months of current FY 2018-19 i.e. from April to August, 2018, the said Solar Power Plant generated 59.20 MUs at a CUF of 20.15%.

### **112.4 MW WIND FARMS:**

During the year under review, the 112.4 MW Wind Farms generated 243.02 MUs at a CUF of 24.68%.

During the first five months of current FY 2018-19 i.e. from April to August, 2018, the said Wind Farms generated 146.15 MUs as against 146.78 MUs during the corresponding period last year.

### **ACHIEVEMENTS:**

The SLPP Stations of your Company achieved combined generation of 3272 MUs during the year under review which was the highest during the last five years.

Highest ever lignite production of 29.06 Lakh Te and 2.86 Lakh Te of limestone production was recorded from the Valia Lignite Mine and Vastan Limestone Mine, respectively during the year under review.

### **AWARDS AND ACCOLADES:**

During the year under review-

- Valia Lignite Mine has won overall second prize for the overall performance among the lignite mines of Gujarat State, from Director General of Mining Safety during Gujarat Lignite Mines Safety & Swachhata Week 2017-18. Valia Mine has also won prizes for 'Record Maintenance', 'Publicity, Propaganda & House Keeping and Thrust Area (Safety Management Plan)' and Vastan Lignite Mine has won prizes for 'Health, First Aid & Vocational Training', 'Survey Office, Plans & Sections' and 'Mine Illumination & Electrical Installations'.
- Vastan Limestone Mine has won first prize for the Systematic & Scientific Development among the 74 Limestone and Bauxite Mines of Gujarat State during 25<sup>th</sup> Environment & Mineral Conservation Week FY 2017-18. Vastan Limestone Mine has also won prizes for 'Mineral Conservation' and 'Publicity, Propaganda & House Keeping'.

It is heartening to inform that your Company's efforts towards energy conservation and environment management have been recognized by way of –

- 'National Energy Management Award - 2017' received by SLPP for Outstanding Performance in Energy Conservation conferred by Confederation of Indian Industry (CII), Hyderabad and recognized as 'Energy Efficient Unit'.
- 'Environment Excellence Award- 2017' received by SLPP for Outstanding Performance in Environment Management conferred by the Mission Energy Foundation jointly promoted by Ministry of Power (MoP), Ministry of Environment and Forest & Climate Change (MoEF and CC) and Ministry of Science and Technology.
- 'The National Award for Fly Ash Utilization' - F.Y. 2017-18 was awarded to SLPP by Mission Energy Foundation jointly supported by Ministry of Environment & Forest and Climate Change (MoEF & CC), Ministry of Power, Coal, Renewable Energy, Ministry of Road and Highways, Ministry of Science and Technology & Ministry of Urban Development.

#### **GROWTH PLANS:**

I am pleased to inform you that during the year under review your Company successfully commissioned the 2 x 40 MW Solar Power Projects at Gujarat Solar Park, Charanka, Patan, Gujarat and is in the process of installing additional 75 MW (AC) Solar Power Project at same location awarded under competitive Bidding of Gujarat Urja Vikas Nigam Limited (GUVNL).

#### **EXPLORING NEW BUSINESS OPPORTUNITIES:**

The Company is also exploring business opportunities in the following areas:

- Development of Solar Parks.
- Solar Roof Top & Floating Solar Power Projects.
- Wind Farms under Solar-Wind Hybrid and Off shore wind Policy.
- Project management Consultancy & Lender's Engineering Services in the Renewable Energy area of Solar and Wind Energy projects, Energy Audit and Energy Efficiency improvements for large scale energy consumers.
- Emerging Area of Electric Vehicles (EV) & its value chain.

#### **SAFETY:**

Your Company has adopted a comprehensive Health and Safety Policy under the Integrated Management System (IMS).

I am glad to inform that your Company has successfully completed accident free operations for the entire year under review i.e. FY 2017–18.

Safety Audit is conducted through external competent agency to ensure zero accident and cover all employees and contract workmen for safety related training.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In line with Swachh Bharat program introduced by the Hon'ble Prime Minister of India, your Company as a part of CSR has constructed 959 toilets during the FY 2017-18 and so far, we have constructed 3608 of house hold toilets. Further we have a work plan of constructing 412 more toilets during F.Y. 2018-19. Moreover as per our recent survey 99 % beneficiaries are using the toilets constructed by us.

Continuing its philosophy and commitment of achieving all inclusive growth and improvement in the quality of life of the people in and around its Facilities, your Company undertook and completed CSR projects/programs during the year encompassing various areas viz. Health, Education, Women empowerment, Village Infrastructure Development, Sanitation etc.

**CORPORATE GOVERNANCE:**

I would like to reiterate your Company's strong commitment for good Corporate Governance. We continuously strive to improve the quality, content and timeliness of disclosures. I suggest that Members should regularly access website [www.gipcl.com](http://www.gipcl.com) to be fully apprised about the developments at GIPCL.

**ACCREDITATIONS:**

Your Company has maintained Integrated Management System (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). Your Company is one of the first group of Power Plants to have implemented and obtained ISO 50001:2011 Certification for Energy Management System (EnMS). Surveillance Audit for all the standards including up gradation of Quality and Environment Management System Standards (2015 version) have been successfully conducted in May, 2018 which is accredited by TUV India Limited and is also valid for FY 2018-19.

**DIRECTORS:**

The Board of Directors has appointed Shri Raj Gopal, IAS, Principal Secretary, Energy & Petrochemicals Department, as Chairman of your Company vice Shri Sujit Gulati, IAS, w.e.f. 7<sup>th</sup> August, 2018, and Smt. Vatsala Vasudeva, IAS as an Additional Director and Managing Director of your Company vice Smt. Shahmeena Husain, IAS, w.e.f. 20<sup>th</sup> August, 2018, pursuant to Notifications from Government of Gujarat.

IDBI Bank Limited has vide its letter dated 10<sup>th</sup> May, 2018 withdrawn the nomination of Shri Janakiraman M.

I, on my and on behalf of the Board of Directors, place on record sincere appreciation for the leadership, valuable guidance and support extended by Shri Sujit Gulati, IAS during his tenure as Chairman of the Company, the leadership and valuable contributions made by Smt. Shahmeena

Husain, IAS, during her tenure as Managing Director of the Company and guidance and support extended by Shri Janakiraman M, during his tenure as Director of the Company.

I and the Board of Directors assure the Stakeholders' of the Company that we will continue to work diligently towards better performance of your Company.

**HUMAN RESOURCES:**

Your Company is endowed with a team of highly competent and motivated personnel, which is very well demonstrated by the significant improvements and progress in all areas of activities of your Company. The employees constantly strive to improve their performance through sustained efficiency, productivity and economy. The Industrial relations remained cordial throughout the year at Vadodara and SLPP.

**ACKNOWLEDGEMENTS:**

I, on my and on behalf of my colleagues on the Board, place on record our sincere gratitude and appreciation for the co-operation and assistance received from the Government of India, Government of Gujarat, Participating Units, Financial Institutions, Banks, Insurance Companies and Business Associates. I also wish to express our gratitude to the valued investors for their unstinted support and faith reposed by them in the Company. Last but not least, I once again place on record our deep sense of appreciation for the dedicated services rendered by the employees of your Company.

**: Jai Hind :**