



GUJARAT INDUSTRIES POWER COMPANY LIMITED
REGD. OFFICE: P.O.: PETROCHEMICALS – 391 346, DISTRICT: VADODARA.
PHONE NOS: (0265) 2232768 / 2230182, FAX NO: (0265) 2230029
E-mail: investors@gipcl.com, Website: www.gipcl.com
CIN – L99999GJ1985PLC007868.

CHAIRMAN'S SPEECH

Thirty Second Annual General Meeting held on Monday, the 18th September, 2017 at 11:00 a.m. at the Regd. Office of the Company.

Dear Members,

It gives me great pleasure to extend a very warm welcome to all of you at the 32nd 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.

OPERATIONAL HIGHLIGHTS:

310 MW Vadodara Stations:

During the year under review, the Vadodara Stations achieved combined generation of 761 Million Units (MUs) as against 954 MUs during the preceding year.

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

During the first five months of current FY 2017-18 i.e. from April to August, 2017, 145 MW Station I generated 262 MUs as against 267 MUs during the corresponding period last year.

2 x 250 MW Surat Lignite Power Plant (SLPP):

SLPP achieved combined generation of 3178 MUs during the year under review as against 3084 MUs during the preceding year.

During the first five months of current FY 2017-18 i.e. from April to August, 2017, SLPP generated 1271 MUs as against 1401 MUs during the corresponding period last year.

7 MW Solar Power Plants:

During the year under review and also during the preceding year 5 MW PV based Solar Power Plant at SLPP generated same number of Units i.e. 8 MUs at 18% Capacity Utilization Factor (CUF). The said Solar Power Plant achieved generation of 2.87 MUs during the first five months of current financial year i.e. from April to August, 2017 as against 2.86 MUs during the corresponding period last year.

2 x 1 MW Distributed Solar Power Plants (DSPPs) at Amrol and Vastan generated about 1.3 MUs each at a CUF of 17%.

112. 4 MW Wind Farms:

I am glad to inform that during the year under review, the 97.4 MW Wind Farms have been commissioned in phased manner, at various locations in Gujarat. The said Wind Farms achieved combined generation of about 50 MUs during the year under review. During the first five months of current financial year i.e. from April to August, 2017, the Wind Farms achieved combined generation of about 132 MUs.

15 MW Kotadapitha Wind Farm commissioned in phased manner by November, 2016, generated about 32 MUs during the year under review. The said Wind Farm achieved generation of about 21 MUs during the first five months of current financial year i.e. from April to August, 2017 as against 18 MUs during the corresponding period last year.

ACHIEVEMENTS / AWARDS:

Vadodara Stations

I feel pleased to inform that 145 MW Station – I at Vadodara achieved highest daily PLF of 90.10% on 21.03.2017.

Your Company has achieved highest sale of De-mineralized (DM) Water of 54,160 Kilo Litres (KL) during the year 2016-17 as against sale of 21,881 KL achieved during the preceding year, an increase of 147%.

I am glad to inform that the Vadodara Plant has been conferred two National Level awards viz. First prize at “National Energy Conservation Award - 2016” in Thermal Power Plant Sector category by the Ministry of Power (MoP), Govt. of India and “Energy Efficient Unit – Award – 2016” by the Confederation of Indian Industry (CII), Hyderabad.

2 x 1 MW Distributed Solar Power Plants (DSPPs) have been acknowledged as one of the innovative Projects, in the “Book on Innovations – for the PM Award for Excellence” released by the Hon’ble Prime Minister of India. Further, I am glad to inform that this novel concept of Agri Solar Power Project has received National Level “Golden Peacock Eco-Innovation” Award of the Institute of Directors, New Delhi.

2 x 250 MW SLPP(Phase – I & II).

I am happy to inform that all the four Units of SLPP achieved continuous running of 52 days (from 26/01/2017 to 18/03/2017) surpassing the earlier record of 33 days (from 17/04/2015 to 19/05/2015). All the said four Units also achieved highest ever monthly Plant Availability Factor (PAF) of 100% in February, 2017.

It gives me immense pleasure to inform you that SLPP has been awarded the “Energy Efficient Unit, 2016-17” by the CII, Hyderabad at the 18th National Awards for Excellence in Energy Management.

MINING:

I am glad to inform that performance of Mining Division was excellent.

During the year under review, Valia Lignite Mine produced highest ever quantity of lignite - 28.05 Lakh Tons.

Valia Lignite Mine has won prizes for ‘Overall’, ‘Thrust Area (Slope Stability)’, ‘Health, First Aid & Vocational Training’, ‘Survey Office, Plans and Sections’, ‘Best Publicity, Propaganda & House Keeping’ categories and Vastan Lignite Mine has won prizes for ‘Maintenance of HEMM’ and ‘Health, First Aid & Vocational Training’ categories, at Gujarat Lignite Mine Safety Week-2017 celebration under the aegis of Director General of Mines Safety.

Your Company has received three National Safety Awards from the Ministry of Labour & Employment, Govt. of India, at the hands of Hon’ble President of India viz. two Winner Awards for Vastan Lignite Mine for the years 2013 & 2014 and one Runner Award for Mangrol Lignite Mine for the year 2013.

FINANCIALS:

The Sale of Electrical Energy was ₹. 1311.00 Crores as against ₹. 1352.00 Crores during the previous year.

Profit Before Tax (PBT) was ₹. 301.00 Crores for the FY 2016-17 as against ₹. 250.00 Crores during the preceding year. Profit After Tax (PAT) for the year under review was ₹.229.00 Crores as compared to ₹. 188.00 Crores during the preceding year.

I am glad to inform that your Directors have recommended a Dividend of ₹.2.70 per equity share for the Financial Year 2016-17 (Preceding Year ₹ 2.70 per equity Share).

I feel happy to inform that your Company achieved Earning Per Share (EPS) of ₹ 15.16 for the FY 2016-17 as compared to ₹. 12.45 for the preceding year.

The Net worth of your Company stood at ₹. 2517.00 Crores as on 31st March, 2017 as compared to ₹. 1974.00 Crores as on 31st March, 2016.

CAPACITY EXPANSION:

As a step towards committed efforts to reduce 'Carbon Footprints' your Company has forayed into Renewable Energy Sector.

97.4 MW Wind Farms:

I am pleased to inform that during the year under revueyour Company has successfully commissioned 97.4 MW Wind Power Projects at various locations in Gujarat, well ahead of the scheduled commissioning dates. With this, the aggregate Wind Energy generation capacity of your Company has reached 112.4 MW.

2 x 40 MW Solar Power Projects at Gujarat Solar Park, Charanka:

I am glad to inform that your Company has successfully commissioned 80 MW (2 x 40 MW) Solar Power Projects at Charanka Solar Park, Dist.: Patan, Gujarat, by mid September, 2017, in phased manner.

NEW BUSINESS OPPORTUNITIES:

Your Company is exploring new business opportunities in:

- Solar Park and Roof Top Solar;
- Wind Farms/Repowering;
- Energy Audit;
- Micro Grid;
- Floating Solar;
- O & M and Consultancy Services; and
- Energy generation through Bio Gas and Municipal Solid Waste (MSW).

SAFETY:

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

I am glad to inform you that the Vadodara Stations have achieved 1500 accident free days and SLPP has achieved 692 accident free days as on 27/08/2017.

CORPORATE GOVERNANCE:

I would like to re-iterate 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 to be fully apprised about the developments at GIPCL.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

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.

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 has been successfully conducted and accredited by TUV India Ltd. in May, 2017.

DIRECTORS:

During the year under review, GUVNL nominated Shri Pankaj Joshi, IAS as Director vice Smt. Shahmeena Husain, IAS w.e.f. 20/10/2016.

On behalf of the Board of Directors, I place on record sincere appreciation for the valuable guidance and support extended by Smt. Shahmeena Husain, IAS, during her tenure as Director of the Company.

Vide Notification dated 12/05/2017, the General Administration Dept.,(GAD), Government of Gujarat (GoG) has placed the services of Smt. Shahmeena Husain, IAS, for appointment, holding additional charge, as Managing Director of your Company vice Smt. Sonal Mishra, IAS.

Accordingly, the Board of Directors has appointed Smt. Shahmeena Husain, IAS as Director and Managing Director of the Company w.e.f. 20/05/2017 vice Smt. Sonal Mishra, IAS.

I on my behalf and on behalf of the Board of Directors, place on record, sincere appreciation for the leadership and valuable contributions made by Smt. Sonal Mishra, IAS, during her tenure as Managing Director of the Company.

IDBI Bank Limited nominated Shri S M Awale as Nominee Director vice Shri Ashok Kumar w.e.f. 20/10/2016.

Thereafter, IDBI Bank Limited nominated Shri Janakiraman M. as Nominee Director vice Shri S M Awale w.e.f. 10/08/2017.

Dr. Ajay N. Shah has resigned as Director of the Company w.e.f. 11/01/2017.

Consequent to transfer of Shri Sanjeev Kumar, IAS by the Govt. of Gujarat (GoG) vide GAD Notification dated 13th June, 2017, the Finance Department, GoG vide its Order dated 15.07.2017 nominated Shri Milind Torawane, IAS, Secretary (Expenditure) as Director on the Board of Directors vice Shri Sanjeev Kumar, IAS.

I, on my behalf and on behalf of the Board of Directors, place on record sincere appreciation for the valuable guidance and support extended by Shri Sanjeev Kumar, IAS, Shri Ashok Kumar, Shri S M Awale and Dr. Ajay N Shah during their tenure as Directors of the Company.

Shri P K Gera, IAS and CS V V Vachharajani, Directors of the Company retire by rotation at this Meeting and being eligible, offer themselves for re-appointment.

The Directors recommend for your approval resolutions at Sr. Nos. 3, 4, 6, 7 and 8 of the Notice of the 32nd AGM.

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 behalf 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 :