



## 25th Annual Report 2009-2010

### **TWENTY FIFTH ANNUAL GENERAL MEETING**

DAY : SATURDAY, 18TH SEPTEMBER, 2010  
TIME : 11.00 A.M.  
PLACE : REGISTERED OFFICE  
P.O. PETROCHEMICAL – 391 346,  
DIST. VADODARA

**GUJARAT INDUSTRIES POWER COMPANY LIMITED**

P.O. PETROCHEMICAL - 391 346, DIST. VADODARA (GUJARAT)

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## Gujarat Industries Power Company Limited

### Contents.....

<b>B</b> oard of Directors	<b>3</b>
<b>N</b> otice	<b>5</b>
<b>D</b> irectors' Report	<b>11</b>
<b>M</b> anagement Discussion and Analysis Report	<b>18</b>
<b>R</b> eport on Corporate Governance	<b>25</b>
<b>A</b> uditors' Report	<b>39</b>
<b>B</b> alance Sheet	<b>42</b>
<b>P</b> rofit & Loss Account	<b>43</b>
<b>C</b> ash Flow Statement	<b>44</b>
<b>S</b> chedules	<b>46</b>
<b>B</b> alance Sheet Abstract	<b>62</b>
<b>A</b> ttendance Slip & Proxy Form	<b>63</b>



## 25th Annual Report 2009-2010

### Board of Directors

Shri D.J. Pandian, IAS	Chairman
Prof. Shekhar Chaudhuri	Director
Dr. P.K. Das, IAS (Retd.)	Director
Prof. Kirankumar 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 C.L. Meena, IAS	Director
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 & HR & A)
Shri S.P. Desai	Chief Finance Officer
Shri D.K. Roy	Addl. General Manager (O & M – SLPP)
Shri N.K. Purohit	Addl. General Manager (Mines)

### 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  
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.

### 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, 1<sup>st</sup> Floor,  
Opp. Manisha Society, Off. Old Padra Road,  
Vadodara -390015, Gujarat, India  
Tel 0265 225 0241, 3249857  
Fax -0265 2250246  
Email-vadodara@linkintime.co.in

### Registered Office & Works\*

P.O. Petrochemical-391346, 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. Petrochemicals-391346, District Vadodara

### Surat Lignite Power Plant

At and Post Nani Naroli, Taluka Mangrol,  
Dist. Surat -394110, Gujarat, India  
Tel. (02629) 261063 to 261072  
Fax : 02629 261073 & 261074  
Email. :- genslpp@gipcl.com



## Gujarat Industries Power Company Limited

### ATTENTION

- 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 30<sup>th</sup> August, 2010 to Wednesday, the 8<sup>th</sup> September, 2010 (both days inclusive).
- 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](mailto:investors@gipcl.com) or [vadodara@linkintime.co.in](http://vadodara@linkintime.co.in).
  - 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. immediately.**
- 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 etc.
- Members who have neither received nor encashed their Dividend Warrant(s) are requested to write to us or to the Company's Registrar and Transfer Agents.
- Members holding shares in physical form and are 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.
- 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 shareholders 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.
- Members may note that the Company's Securities are listed on the following Stock Exchanges:
  - Vadodara Stock Exchange Limited  
3<sup>rd</sup> 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, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051.

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, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 and with Central Depository Services (India) Ltd. (CDSL), 25<sup>th</sup> Floor, Sir P.J. Tower, Dalal Street, Fort, Mumbai – 400 001. The Demat ISIN Numbers in NSDL & CDSL for Equity Shares is INE162A01010.
- 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.
- 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.
- 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.



## 25th Annual Report 2009-2010

### NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Saturday, the 18th day of September, 2010 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, 2010 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 Guruprasad Mohapatra, IAS who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Prof. Kiran Kumar Joshi 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. 2009-2010.
5. To consider , and if thought fit, to pass , with or without modification(s) , the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 224A, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. VCA & Associates, Chartered Accountants, Vadodara, be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring Auditors M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors and reasonable out-of-pocket expenses actually incurred by them in connection with the audit.”

### 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** Shri D.J. Pandian, IAS who was appointed as Additional Director of the Company under Section 260 and other applicable provisions, if any, of

the Companies Act, 1956, read with the relevant Article/s of the Articles of Association of the Company, if any, and who holds such office upto the date of this Annual General Meeting and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- (Rupees Five Hundred Only) from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Non-Rotational Director of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Article 17 of the Articles of Association of the Company, and in terms of the Notification of the General Administration Department (GAD), Government of Gujarat communicating continuance of the services of Shri L. Chuaungo, IAS as Managing Director of the Company till further orders, ratification and approval of the Company be and is hereby accorded to the extension / re- appointment of the term of Office of Shri L. Chuaungo, IAS, as the Managing Director of the Company w.e.f. 1st May, 2010 for a further period of five years or until further orders of Government of Gujarat, whichever is earlier, holding additional charge, as per terms and conditions as contained in the Resolution No. GIPC-15-2003-3054-k dated 24.6.2003 issued by Energy & Petrochemical Dept., Govt. of Gujarat, except for remuneration (other than accommodation and car provided by the Company) and specific notice pursuant to the provisions of Section 316 of the Companies Act, 1956 issued for the purpose to the Board of Directors and unanimous ratification/ approval of extension/ re-appointment of his further term as accorded by the Board of Directors as aforesaid.”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company is hereby authorized to agree to and approve / ratify any variation, modification or amendment, in terms and conditions of appointment and payment of any remuneration and providing any perquisites (including free accommodation and a car etc.) to Shri L. Chuaungo, IAS, the Managing Director of the Company,



## Gujarat Industries Power Company Limited

if required, or as may be, prescribed / approved / altered by the Government of Gujarat without going back to the Members again for the purpose.”

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

Registered Office :  
P.O. Petrochemical – 391 346,  
Dist. Vadodara.  
Date: 25<sup>th</sup> May ,2010 .

Sd/-  
**C.H. Patni**  
Company Secretary

### 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.
- The Explanatory Statement setting out the material facts concerning the special business mentioned under Item nos. 06 and 07 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 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:

#### 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 part of the Notice.

#### Item No.02 (Brief Resume of Shri Guruprasad Mohapatra, IAS)

Shri Guruprasad Mohapatra, IAS was appointed as an Additional Director on 10th January, 2007. His brief resume reads as under –

Shri Guruprasad Mohapatra, IAS is M.A. in Political Science and M. Phil in Diplomacy (International Relation) and M.B.A. and is a senior Officer of Indian Administration Service (IAS) of 1986 batch.

He has a long stint in development and regulatory administration as District Development Officer of Surendranagar, as Collector and District Magistrate of Junagadh and Rajkot, as Municipal Commissioner of Surat, as Special Commissioner (Enforcement) in Sales Tax Department. He has also worked as Member (Administration) in erstwhile Gujarat Electricity Board, (presently Gujarat Urja Vikas Nigam Ltd.), as Managing Director of Gujarat State Electricity Corporation Ltd. and as Commissioner of Transport, Government of Gujarat. Presently, he is the Chairman of Uttar Gujarat Vij Company Ltd. and Managing Director of Gujarat Alkalies and Chemicals Ltd. (GACL). He also holds Directorships in various Corporations promoted by M/s GACL.

Shri Guruprasad Mohapatra, IAS is also a Director in the following Company:

Sr.	Name of the Company	Nature of Interest
1.	Uttar Gujarat Vij Company Ltd. (UGVCL)	Chairman
2.	Dow – GACL Solventure Ltd.	Chairman
3.	Paschim Gujarat Vij Company Ltd. (PGVCL)	Director
4.	Gujarat Alkalies and Chemicals Ltd. (GACL)	Managing Director
5.	Gujarat Narmada Valley Fertilizers and Chemicals Ltd. (GNFC)	Managing Director (Addl. Charge)
6.	Gujarat Guardian Ltd.	Nominee of GACL
7.	Gujarat Alumina And Bauxite Ltd.	Nominee of GACL
8.	Gujarat Chemical Port Terminal Co. Ltd.	Nominee of GACL
9.	Bhavnagar Energy Co. Ltd.	Nominee of GACL

Shri Guruprasad Mohapatra, IAS also holds Membership/ Chairmanship of the various Committees as given below:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Gujarat Alkalies and Chemicals Ltd. (GACL)	Shares/Debentures Transfers and Investors' Grievances Committee	Member



## 25th Annual Report 2009-2010

Sr. No.	Name of the Company	Name of the Committee	Position held
2.	Gujarat Alkalies and Chemicals Ltd. (GACL)	Project Committee	Member
3.	Gujarat Alkalies and Chemicals Ltd. (GACL)	Personnel Committee	Member
4.	Uttar Gujarat Vij Company Ltd. (UGVCL)	Purchase Committee	Chairman
5.	Paschim Gujarat Vij Company Ltd. (PGVCL)	Procurement Committee	Chairman
6.	Gujarat Industries Power Company Ltd.	Shares/Debentures Transfers and Investors' Grievances Committee	Member
7.	Gujarat Industries Power Company Ltd.	Personnel Committee	Member
8.	Gujarat Industries Power Company Ltd.	Project Committee	Member
9.	Bhavnagar Energy Co. Ltd.	Personnel Committee	Member
10.	Bhavnagar Energy Co. Ltd.	Project Committee	Member

Prof. Joshi is a renowned professional and academician with varied experience. He has written various articles on contemporary subjects and has completed various research projects in different areas.

Prof. Joshi has written many books and monographs and has been a regular visiting faculty on different subjects at renowned institutes and also to various companies in and around Baroda and across Gujarat. He has also presented various papers on contemporary subjects in various seminars and workshops.

Prof. Joshi has also to his credit the following:

- He is Member of the MS University Senate (2002-2007).
- He is Elected Secretary of Baroda University Teachers Association (BUTA).
- He is the Chairman of Board of Studies, Faculty of Management Studies, MS University, Vadodara.
- He is the executive member of Gujarat Economic Association.

Besides this Prof. Kirankumar Joshi is a Director in Madhya Gujarat Vij Company Ltd. and he is a member of Audit Committee and Personnel Committee of Gujarat Industries Power Company Ltd.

Your Directors recommend the passing of the resolution at Item No. 2 appointing Shri Guruprasad Mohapatra, IAS as Director of the Company. None of the Directors except Shri Guruprasad Mohapatra is in any manner interested or concerned in the said resolution.

### ITEM NO. 03 (Brief Resume of Prof. Kirankumar Joshi) :

Prof. Kirankumar Joshi was appointed as Additional Director on the Board of the Company on 1<sup>st</sup> July, 2006. He is Professor of Business Economics, Faculty of Management Studies, Maharaja Sayajirao University, Vadodara (MS University, Vadodara).

He is a renowned academician with rich exposure in the field of corporate management. Prof. Joshi, when re-appointed shall continue to be an Independent Director on the Board of the Company.

His brief resume reads as follows :

On the academics front Prof. Joshi is a Commerce Graduate (Accountancy as a major subject), MA (Economics) from M S University and has done his Ph.D. in Economics from Gujarat University in the year 1987.

Your Directors recommend the passing of the resolution at Item No. 3 appointing Prof. Kirankumar Joshi as Director of the Company.

None of the Directors except Prof. Kirankumar Joshi is in any manner interested or concerned in the said resolution.

### ITEM NO. 05

M/s. K. C. Mehta & Co., Chartered Accountants have been associated with the Company as the Statutory Auditors since 21<sup>st</sup> Annual General Meeting i.e. 29<sup>th</sup> September, 2006. They were re-appointed Auditors at the last Annual General Meeting (AGM). Your Directors have, with a view to follow better Corporate Governance practice, decided to rotate the Statutory Auditors of the Company with the tenure of their Office for about three to five years. Accordingly, it is proposed to appoint M/s. VCA & Associates, Chartered Accountants, Vadodara as the Statutory Auditors in place of retiring auditors.

The Company has received a Notice under Section 190 of the Companies Act, 1956 from a shareholder of the Company proposing M/s. VCA & Associates, Chartered Accountants, Vadodara for appointment as Auditors at the forthcoming AGM.



## Gujarat Industries Power Company Limited

M/s. VCA & Associates, Chartered Accountants is a well known Audit firm in Vadodara. They have consented for appointment as Auditors of the Company. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified to be appointed, within the meaning of Sub-Section (3) of Section 226 of the Companies Act, 1956.

The holding of Gujarat Urja Vikas Nigam Ltd., a Government of Gujarat undertaking, is more than 25% of the subscribed share capital of the Company and hence, the appointment of M/s.VCA & Associates, Chartered Accountants, Vadodara as Statutory Auditors of the Company, is required to be made by a Special Resolution, as contemplated under Section 224A of the Companies Act, 1956. Your Directors, therefore, recommend the resolution for your approval.

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

### ITEM NO. 06 (Brief Resume of Shri D.J. Pandian, IAS) :

Shri D. J. Pandian, IAS (Chairman of the Company) was appointed as Director vide Resolution No. GUV-1108-1336-K dated 10th December, 2009 issued by Energy and Petrochemical Dept, Government of Gujarat vice Shri S. Jagadeesan, IAS in terms of Article 12 of Articles of Association of the Company.

Brief resume of Shri D.J. Pandian, IAS reads as below –

He is aged about 55 years, and a senior IAS Officer of 1981 batch. Shri D.J Pandian, IAS on academic front holds Bachelor's Degree in Business Administration (BBA) from Madras University and also MBA in Market Research. He is presently functioning as Principal Secretary, Energy and Petrochemical Department, Government of Gujarat. He has to his credit rich experience of holding key positions in different departments in Govt. of Gujarat and Govt. of India. He held the position of Director, External Commercial Borrowings, Ministry of Finance, Govt. of India and was deputed as Advisor to Board of Directors of World Bank, Washington, D.C. He has long stint of Administrative and Corporate experience of more than 25 years.

Apart from that he is also a Director in the following Companies:

Sr. No.	Name of the Company	Nature of interest
1.	Gujarat Urja Vikas Nigam Ltd.(GUVNL)	Chairman
2.	Gujarat State Electricity Corporation Ltd. (GSECL)	Chairman
3.	Gujarat Energy Transmission Corporation Ltd. (GETCO)	Chairman
4.	GSPC Pipavav Power Company Ltd.	Chairman
5.	Gujarat Power Corporation Ltd.(GPCL)	Chairman
6.	Gujarat State Energy Generation Ltd.	Chairman
7.	GSPC Gas Company Ltd.	Chairman
8.	Gujarat State Petroleum Corporation Ltd.	Director
9.	Gujarat Alkalies and Chemicals Ltd.( GACL)	Director
10.	Gujarat Narmada Valley Fertilizers and Chemicals Ltd. (GNFC)	Director
11.	Gujarat State Fertilizers and Chemicals Ltd. (GSFC)	Director
12.	Gujarat State Petronet Ltd.	Director
13.	Mahaguj Collieries Ltd.	Director

Shri Pandian, IAS does not hold Membership / Chairmanship of any Committees of the above Companies except as Chairman of Project Committee of Gujarat Industries Power Company Ltd. Shri Pandian, IAS holds 100 Equity Shares of the Company of face value of Rs.10/- each.

Your Directors recommend the passing of the resolution at Item No. 6 appointing Shri D.J. Pandian, IAS as Director of the Company.

None of the Directors except Shri D.J. Pandian, IAS is in any manner interested or concerned in the said resolution.

### ITEM NO:7

The services of Shri L. Chuaungo, IAS were placed at the disposal of Energy & Petrochemical Department (E&PD) vide Government of Gujarat (GOG), General Administration Department (GAD) Notification No. AIS/35.2003/10/G dated 28th April,2003.

The Energy & Petrochemical Department, Govt. of Gujarat vide its Resolution No. GIP-15-2003-3054-K dated 25th June, 2003, deputed Shri L. Chuaungo, as Managing Director of the Company and also prescribed the terms and conditions of his Foreign Service as Managing Director of GIPCL.





## 25th Annual Report 2009-2010

The Board of Directors of the Company vide its Resolution No. 2583 dated 24th June, 2003 had appointed Shri L. Chuaungo, IAS as Managing Director for a period from 1st May, 2003 to 30th April, 2005 by approving his appointment with the terms and conditions as the Managing Director.

The said appointment was also approved by Members of the Company at the 18th Annual General Meeting held on 27th September, 2003 pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII of The Companies Act, 1956 read with Article 17 of the Articles of Association of the Company.

Thereafter, General Administration Department (GAD), Government of Gujarat vide its Notification continued the services of Shri L. Chuaungo, IAS as Managing Director of the Company holding additional charge as the Managing Director of the Company till further orders. Thus the term of appointment of Shri L. Chuaungo, which would have otherwise expired on 30/04/2005 was effectively extended till further orders by Government of Gujarat.

The Board of Directors of the Company vide its Resolution No. 3278 dated 23<sup>rd</sup> July, 2008 extended the term /re-appointed Shri L. Chuaungo, IAS as Managing Director for a further period from 1st May, 2005 to 30th April, 2010 by approving his extension of term / re-appointment as the Managing Director.

The said extension of term / re-appointment was approved by Members of the Company at the 23rd Annual General Meeting held on 20<sup>th</sup> September, 2008 pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII of the Companies Act, 1956 read with Article 17 of the Articles of Association of the Company.

Although the term of appointment of Shri L. Chuaungo has been extended until further orders by Government of Gujarat, however the applicable provisions of Companies Act, 1956 stipulates fixed period of appointment for Managing Director of a Company and in due compliance of the Companies Act, 1956 provisions stated as aforesaid, it is required to ratify/ approve the extension of appointment of Shri L. Chuaungo, IAS, presently holding additional charge as Managing Director, for a period of five years w.e.f. 1st May, 2010 till further orders of Govt. of Gujarat, whichever is earlier, and hence the Board of Directors of the Company have recommended this resolution for approval of the Members.

Further this being an additional charge as the Managing Director, in addition to his functioning as the Managing

Director of Gujarat Urja Vikas Nigam Ltd., a wholly owned Government Company u/s 617 of the Companies Act, 1956, as abundant precaution and in due compliance of Section 316 of the Companies Act, 1956, a specific notice for extension/ re-appointment of his term for the period from 1st May, 2010 for a period of five years or till further orders of Government of Gujarat, whichever is earlier, was circulated and unanimous resolution was also passed by the Board of Directors for his aforesaid extension as the Managing Director of the Company by approval / ratification thereof, subject to the approval of the Members of the Company in the ensuing 25th Annual General Meeting (AGM).

It is, therefore, proposed to ratify and approve the extension of appointment of Shri L. Chuaungo, IAS, holding additional charge as Managing Director of the Company w.e.f. 1st May, 2010 for a further period of five years or until further orders of Government of Gujarat, whichever is earlier.

Since Shri L. Chuaungo, IAS does not draw any remuneration from the Company, except for furnished accommodation and Company's car, the above may also be regarded as an abstract and memorandum of concern or interest as required under section 302 of the Companies Act, 1956.

The brief Resume of Shri L. Chuaungo, IAS is thus – He is an Arts Graduate and IAS Officer of the 1987 batch. He has worked with various departments of the State and the Central Government and before he took over as the Managing Director of the Company he was the Collector – Valsad, Gujarat State. The total experience of Shri L. Chuaungo, IAS is more than 22 years. He is also functioning as the Managing Director of Gujarat Urja Vikas Nigam Ltd. (GUVNL), a wholly Owned Government Company u/s 617 of the Companies Act, 1956.

Your Directors recommend the extension of appointment of Shri L. Chuaungo, IAS, as Managing Director, as proposed in the Resolution at Item No.7 as Ordinary Resolution.

None of the Directors except Shri L. Chuaungo, IAS is in any way interested or concerned in the said Resolution.

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

**Registered Office :  
P.O. Petrochemical – 391 346,  
Dist. Vadodara.  
Date: 25<sup>th</sup> May, 2010**

**Sd/-  
C.H. Patni  
Company Secretary**



## Gujarat Industries Power Company Limited

### FOR THE INFORMATION OF MEMBERS

The members are advised that with the commencement of the Companies (Amendment) Act, 1999, effective from 31<sup>st</sup> October, 1998, the Companies are required to transfer its unpaid/unclaimed dividend after the expiry of 7 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 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. The Company has not declared any dividend in respect of Financial Year 2000-01, Financial Year 2001-02 and Financial Year 2002-03. 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 <sup>th</sup> Dividend	2003-2004	04/10/2011
02.	10 <sup>th</sup> Dividend	2004-2005	04/10/2012
03.	11 <sup>th</sup> Dividend	2005-2006	04/10/2013
04.	Interim Dividend	2006-2007	29/03/2014
05.	12 <sup>th</sup> Dividend	2006-2007	04/10/2014
06.	13 <sup>th</sup> 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).**



## 25th Annual Report 2009-2010

### DIRECTORS' REPORT

To,  
The Members

The setting up of your Company in June, 1985, heralded a new era of Joint Sector Power Generation in the State of Gujarat and in the Country and now your Company will be completing 25 years of its business on 1st June, 2010. Your Directors have immense pleasure to present the Twenty-Fifth Annual Report together with Audited Statement of Accounts of your Company for the Financial Year ended 31st March, 2010:

#### (A) Financial Results

(Rs. in Lacs)

	2009-10	2008-09
1. Net Sales	93,912	1,15,499
2. Other Receipts	1,385	1,619
3. Total Expenditure	72,032	94,484
4. Gross Profit : (1 + 2-3)	23,265	22,634
(before deducting any of the following)		
(a) Interest	1,624	2,956
(b) Depreciation	8,804	8,788
(c) Impairment of Assets	-	47
(d) Provision for Deferred Tax	(324)	162
(e) Provision for Current Income Tax	2,220	2,107
(f) Fringe Benefit Tax	-	42
(g) Tax adjustment of earlier years	263	-
5. Net Profit:	10,678	8,532
Add : Balance brought forward from Previous Year	10,071	11,432
	20,749	19,964
6. Less: Appropriations :		
(i) General Reserve	2,000	2,000
(ii) Expansion Reserve	4,000	4,000
(iii) Proposed Dividend On Equity Shares (including Dividend Tax)	4,409	3,893
(iv) Carried to Balance Sheet	10,340	10,071
<b>TOTAL</b>	<b>20,749</b>	<b>19,964</b>

#### (B) Dividend

Your Directors are happy to recommend Dividend for the year ended 31st March, 2010 @ Rs 2.50 per equity share (i.e. 25%) on 15,12,51,188 Equity Shares. The net outgo on account of Dividend shall be Rs. 4,409 Lacs including Corporate Dividend Tax.

The Dividend, if approved at the ensuing 25th 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 8th September, 2010.

#### (C) Operations :

##### > VADODARA STATION – I (145 MW CCPP):

Your Directors are happy to inform that Gas Based Station-I at Vadodara achieved Highest ever Plant Load Factor (PLF) of 94.85% - since commissioning of this plant in 1991-92 - for the year under review.

The Station during the year under review generated 1204.73 Million Units at a PLF of 94.85% as compared to 1061.67 Million Units at a PLF of 83.58% in the preceding year. The PLF of the year under review has improved considerably due to increased availability of Gas from RIL NIKO. Planned shut downs including the Major inspection of GT1 were taken during the year. The availability factor was maintained at 96.38% during the Financial Year under review.

##### > VADODARA STATION – II (165 MW CCPP):

During the year under review the Station generated 1064.38 Million Units at a PLF of 73.64% as compared to 1118.19 Million Units at a PLF of 77.36% in the preceding year. The Station has undergone scheduled overhaul during the financial year under review. The Station had a high availability factor of 93.42% for the year. The PLF achieved was lower by about 4% as compared to previous year mainly on account of backing down of the Plant due to 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 total gas requirements of 1.55 to 1.60 MMSCMD for both Vadodara Station I & Station II, 1.01 MMSCMD is tied up with M/s. GAIL (India) Ltd and RIL-NIKO on firm long term basis. The remaining quantity is tied up on fall back basis with RIL NIKO and Gujarat State Petroleum Corporation Ltd. (GSPCL).

Your Directors are happy to inform that during the financial 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.



## Gujarat Industries Power Company Limited

### Safety Performance:

Your Directors are happy to inform that your Company completed 4269 days (11 years) of accident free Plant Operation at Vadodara Plant. Constant efforts are made to maintain accident free operations at all the locations.

### ➤ SURAT LIGNITE POWER PLANT (SLPP):

The Station achieved a Plant Load Factor (PLF) of 83.41% with Generation of 1826.753 Million Units as compared to 1747.472 Million Units at a PLF of 79.79% in the preceding year.

The Station also achieved lowest raw water consumption (2.39 MGD) during the year. Constant endeavors are being made to improve the overall performance of the Station, including technology improvement and modifications. The required maintenance programme for the up keep of the units was undertaken during the year.

### MINING:

Performance of the Mining Division remained very good during the year under review. The total quantity of lignite and limestone were met from our captive Vastan Mine. To meet the demand of Units 3 & 4 of SLPP Expansion, overburden removal of Mangrol Mine was also started from 25<sup>th</sup> December, 2009 and at the end of the financial year, the total overburden removal in the Mangrol mine was 5.3 Million CuM and expected to supply nearly 2 lacs tonnes of lignite before the monsoon of 2010. The total quantity of lignite and limestone mined from Vastan Lignite Mine in the Financial Year 2009-10 were 18.36 lakh Te and 1.59 lakh Te respectively, which is an all time record. The overburden removal in the year 2009-10 was 30.97 million CuM against the last year's overburden removal of 21.06 Million CuM, which is also an all time record, and thereby ensuring sufficient lignite exposure and stock also for all the Units before monsoon of 2010.

### Expansion Plans:

#### (i) SLPP Phase II : 2x125 MW (Unit-3 & 4) Expansion Project

##### Unit -3

Your Directors would like to inform that Unit 3 of 2x125 MW Expansion Project was synchronized on 22<sup>nd</sup> December, 2009. After synchronization, the machine faced some technical problems relating to Electrical Power System thereby causing tripping of the said Machine. At that time certain damages were noticed in Turbine-Generator components. Hence certain parts of the said Unit 3 Machine had to be shipped to M/s. BHEL at their Hyderabad works as the repairing of the same was not possible at site. After repairs those materials/equipments were received during the first fortnight of March, 2010 at Project Site. Then after carrying out required erection activities the Machine was put back in operation after such balance work.

The said Unit 3 was again synchronized and your Directors are happy to inform you that this Unit of 125 MW - pending its Performance Guarantee test and capitalization in the books of accounts - was declared commercially available to the State grid in terms of Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited (GUVNL) from 19<sup>th</sup> April, 2010 and has been supplying power to the State grid in accordance with PPA provisions.

##### Unit -4

Unit 4 of 125 MW at Surat Lignite Power Plant was synchronized in March, 2010 and some oil leakage was noticed. Accordingly, EPC Contractor namely M/s BHEL team set right the said problem and the Unit was put to full load in April, 2010. Your Directors are pleased to inform you that Unit 4 of 125 MW also - pending its performance guarantee test and capitalization in the books of Accounts - was declared commercially available to the State grid in terms of PPA with GUVNL from 28<sup>th</sup> April, 2010 and has been supplying power to the grid in accordance with PPA provisions.

The Mining Division including the work of overburden removal is progressing well. Sufficient quantity of Lignite has been stocked for the operation of both the Units 3 and 4 during monsoon.

#### (ii) SLPP Station –II: 2x250 MW + 20% Power Project

Your directors are pleased to inform that your Company is also in 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 Bid/ tender documents for International Competitive Bid (ICB) route for 2x250 MW (+20%) at SLPP are being finalized and tenders inviting bids will be published in the first week of June,2010.

#### ➤ ACCREDITATION FOR INTEGRATED MANAGEMENT SYSTEM UNDER ISO CERTIFICATIONS:

Your Directors are pleased to inform that during the year under review your Company has got re- certification for 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) for its Power Stations at Vadodara and SLPP from M/s TUV India Ltd.



## 25th Annual Report 2009-2010

### (D) Secured Term Loans:

During the year, the Company repaid a sum of Rs 3570 lacs as per the schedule of repayment to the Banks and Financial Institutions who have extended term loan finance for the Vadodara Plants and SLPP.

### (E) Public Deposits:

An amount of Rs 6.34 lacs relating to 46 depositors was due but not claimed by the depositors for repayment as on 31st March, 2010.

### (F) Listing of Shares and Depositories:

Your Company's shares are listed on The Bombay Stock Exchange Limited (BSE), National Stock Exchange Ltd. (NSE) and Vadodara Stock Exchange Ltd. (VSE). Voluntary de-listing application made to the Calcutta Stock Exchange Association Ltd. has been approved. Your Directors wish to state that the Equity Shares of your Company are compulsorily traded in the dematerialized form w.e.f.26/06/2000. Presently 68.12% of shares are held in electronic/dematerialized form.

### (G) Insurance:

The Company's Power Plants and Mines are covered under the 'Industrial All Risk Policy', which provides a comprehensive insurance cover for fire, earthquake, and loss of profit due to fire/ Machinery break down and also due to damage to Customer and Supplier's Premises for Vadodara Plants.

The properties and the insurable interest of the Company including mines, buildings (including township at SLPP), Plant and Machinery and Stocks are also adequately insured.

### (H) Directors:

Shri D.J.Pandian, IAS, Principal Secretary, Energy and Petrochemical Dept., Government of Gujarat has been appointed effective 10th December, 2009 as the Non-Rotational Director and also as the Chairman by the Government vide its Resolution dated 10th December, 2009 vice Shri S. Jagadeesan, IAS.

Shri Guruprasad Mohapatra, IAS, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Prof. Kiran Kumar Joshi, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Shri C.L. Meena, IAS, Principal Secretary (Expenditure), Finance Department, Government of Gujarat has been appointed as Nominee Director representing Government of Gujarat vice Shri A.K. Joti, IAS.

Your Directors place on record their deep appreciation for the vision and leadership provided by Shri S.

Jagadeesan, IAS during his tenure as Chairman of your Company. Your Directors also place on record the valuable contribution made by Shri A.K. Joti, IAS during his tenure as Director of the Company. The appropriate resolutions for appointment / reappointment of Directors are being placed before the shareholders for approval.

### (I) Human Resources:

Humans are considered as one of the most critical resources in the business which can be continuously smoothed to maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company.

The strength of your Company lies in its team of highly competent and highly motivated personnel at Vadodara and SLPP. This has made it possible for your Company to make significant improvement and progress in all areas of activities of the Company. The employees had taken on the challenge to improve the performance of the plants through efficiency, productivity and economy. During the year 2009-2010, the Company maintained its high standard of Safety. Your Directors place on record their sincere appreciation for the unstinting efforts and contribution put in by the employees of the Company.

The Company continued in its endeavor to impart appropriate and relevant training to its employees to upgrade skill to meet the challenges that are ahead and to enhance their performance in the best interest of the Company. The Company has also taken up an exercise on career growth & planning by identifying potentials & training needs of employees by engaging professionals in the field.

The industrial relations during the year remained cordial.

### (J) Particulars of Employees:

There are no employees in the Company who are in receipt of salary of Rs. 24,00,000/- p.a. or Rs.2,00,000/- p.m., if employed for part of the year. Hence the Statement of Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended till date is not required to be attached.

### (K) Auditors :

#### (i) Statutory Auditors

M/s K. C. Mehta & Co., Chartered Accountants, Vadodara who are the Statutory Auditors of the Company hold office up to the conclusion of the forthcoming 25<sup>th</sup>



## Gujarat Industries Power Company Limited

Annual General Meeting. They have been associated with the Company as Statutory Auditors since 21<sup>st</sup> Annual General Meeting i.e. 29th September, 2006. Your Directors have decided to follow the principles of Corporate Governance, and as part of that decision, it has been also decided to rotate the Statutory Auditors with the tenure of their Office for about three to five years. Accordingly, it is proposed to appoint M/s. VCA & Associates, Chartered Accountants, Vadodara as the Statutory Auditors in place of retiring auditors viz. M/s K. C. Mehta & Co.

M/s. VCA & Associates, Chartered Accountants, Vadodara have under Section 224 (1-B) of the Companies Act, 1956 furnished a certificate of their eligibility for appointment as such. The members are requested to appoint the Statutory Auditors and fix their remuneration.

### (ii) Internal Auditor

M/s. K.N. Mehta & Co., Chartered Accountants, Vadodara has been appointed as Internal Auditors for conducting Internal Audit of the Company for Vadodara and Surat Lignite Power Project (SLPP).

### (iii) Cost Auditor

The Government of India, Ministry of Finance has issued Cost Audit Order under Section 233(B) of the Companies Act, 1956 to appoint Cost Auditor to audit the Cost records maintained by the Company in respect of "Electricity". Accordingly, the Board of Directors has appointed M/s. Kailash Sankhlecha & Associates, Vadodara, as Cost Auditors of the Company for the Financial Year 2010-11 to conduct Cost Audit of Electricity products in both the Plants at Vadodara and Surat Lignite Power Plant (SLPP). Approval of the Central Government to their appointment as Cost Auditors of the Company has been received.

### (L) Social Responsibility and Welfare:

Being a conscientious corporate body, your Company has been actively involved in the socio-economic development and welfare of the people living around the Power Plants at Vadodara and SLPP. Various activities are undertaken through Society for Village Development in Petrochemicals Area (SVADES) and Urja Foundation at Vadodara and through Company promoted NGO - Development Efforts for Rural Economy and People (DEEP) at SLPP.

Major social responsibility initiatives revolve around community empowerment especially of unprivileged and poor. Focus on women issues and their role in development is placed at core include drinking water, sanitation, School Infrastructure development, Village.

Infrastructure development like roads, culverts, check dam, water tanks, panchayat house, milk dairy co-operative society building, drainage etc. environment up gradation in surrounding villages. The Company is also co-sponsoring a Mid day meal Scheme at Vadodara where about 30,000 children of Government schools are given food without any charge.

A special focused project namely Integrated Development in Mineral Bearing Villages (IDMBV) aims at poverty alleviation, strengthening health & education efforts of Government and addressing livelihood issues by way of self employment related training and opportunities.

### (M) Environmental Protection:

The Company recognizes Environment Management as an integral function of the operation. Towards this end the Company has adopted appropriate technology for control of pollutants at source. Circulating Fluidised Bed Combustion Boilers for SO<sub>2</sub> and NO<sub>x</sub> control and Electrostatic Precipitators for control of particulate emission in the lignite based Power Plant at Mangrol are some of the actions taken by the Company in this direction.

Though your Company has open cast mine to feed lignite to its Power Plant, due care has been taken to ensure that such operations do not result in creation of wastelands by preserving the fertile top soils and spreading them over the back-filled portion of the mine. This enabled restoration of the lands for productive agricultural use and for development of plantations.

Towards environment protection measure, the Company has developed in-house technology by assembling Gas Turbine Air Filter Cleaning Machine which will reduce dust generation in atmosphere and also protect and enhance occupational health and safety of Personnel.

### (N) Energy Management and Energy Audit :

#### Energy Management

Energy Management Cell has been established under the leadership of Energy Managers and it is in operation. Energy Audit by an External expert agency accredited by Bureau of Energy Efficiency India has been conducted and its compliance activities are undertaken in the current financial year to comply with statutory requirement of the State and the Centre.

### (O) Conservation of Energy:

Several energy conservation measures are taken at Vadodara Plants and SLPP during the year, and some of the measures which have significant results are indicated below:



## 25th Annual Report 2009-2010

### At Vadodara:-

Thermal Insulation of 8" Dia Discharge Pipeline from Condensate Extraction Pump to Condensate Pre- Heater of HRSG –IV. This will result in annual saving of around 272160 Units i.e. @ Rs. 5.79 lacs per year.

Optimization of Voltage in Lighting Circuit and Power Supply system for Admn. Building and Executive Wing. This will save around 22705 Units annually.

Modification of Power circuit of 1000 kva Transformer to cater to "C"Plot lighting saving @8000 Units per year.

Optimization of Air compressor Set Pressure saving @6800 Units per year.

Installation of energy efficient passenger lift which will save @16500 Units per annum.

### At SLPP:-

Installation of new energy efficient 'ENCON' make cooling tower fans was done in cell no.3/1 & 2/2. Power consumption reduced by 36.85% in cell no.2/2 & 27.73% in cell no.1/3 respectively with same operating parameters. This energy efficient fan will be installed in balance 16 cells in phased manner in near future.

Chlorination system of CW pump house was replaced with modified 'CHLOROTECH' make chlorination system in which no booster pumps are required for chlorine dosing. This has resulted in saving of 45464 units per year.

CRT based computer monitors were replaced with energy efficient TFT based computer monitors.

### (P) Technology Absorption:

The disclosures of particulars as per Form B are given in the Annexure hereto.

### (Q) Foreign Exchange Earning and Outgo:

During the year there was no earning in foreign exchange. As regards outgo in foreign exchange, please refer to Item No. 05 of Schedule 21 to the Notes forming part of Accounts appended hereto.

### (R) Director's Responsibility Statement:-

The Board of Directors of the Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards have been

followed along with proper explanation relating to material departure;

2. 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, 2010 and of the profit of the Company for the year ended on that date;
3. 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
4. That the Annual Accounts have been prepared on a going concern basis.

### (S) Report on Corporate Governance and Management Discussion & Analysis Report:

Your Company has complied with all the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with Stock Exchanges, with which the Company is listed. A separate report on the Corporate Governance along with the Certificate of Practising Company Secretary forms part of this Annual Report. The Management Discussion and Analysis report also forms the part of this Annual Report.

### (T) Acknowledgement:

The Board of Directors place on record their appreciation for the co-operation, valuable guidance, assistance and support received from the Government of Gujarat, Government of India, Participating Units and BHEL. The Board of Directors acknowledge the sincere co-operation and assistance received from all Financial Institutions, Banks and other agencies. Your Directors also wish to express their gratitude to investors for their continued support and faith reposed by them in the Company.

For and On behalf of the Board

Date : 25<sup>th</sup> May, 2010.  
Place : Gandhinagar

Sd/-  
D.J. Pandian, IAS  
Chairman



## Gujarat Industries Power Company Limited

### ANNEXURE TO DIRECTOR'S REPORT

#### FORM-B

Disclosure of particulars with respect to Technology Absorption

#### (A) Research & Development (R & D)

##### 1. Specific area in which R&D carried out by the Company

The Company has undertaken the R&D activities on Underground Lignite (Coal) Gasification (UCG) in Vastan area, forming a consortium with a strong capable partner M/s.Oil and Natural Gas Corporation Ltd (ONGC) and after having signed an MOU, number of activities in the direction have been carried out. The major activities in this field of R&D are as below:-

- a. Identification and completion of Geological Survey Work at chosen site.
- b. Application for Environment Clearance and Pilot bore forwarded to Ministry of Environment and Forest (MOEF). Terms Of Reference (TOR) issued by the Ministry.
- c. Trial Seismic Zone Report carried out by ONGC and detailed Seismic Survey for mapping of lignite deposits in the said area.
- d. Negotiations with SIM, Russia, Drilling Companies, Surface facilities design and construction activities are parallelly taken up.
- e. Agreement signed with IIT, Mumbai for 3 years for process modeling of UCG process in Lab.
- f. Studies for sustained and economical viable utilization of Underground Lignite (Coal) Gasification, (UCG) taking care of environment. Option of chemical production, power and mixing of UCG with city gas are being explored.

##### 2. Benefits derived as a result of the above R&D

The process is undertaken in India for the first time and Vastan is found to be only site suitable out of 7 sites. If Pilot Studies are successful at this Site, this can become a process providing a vast alternative source in the Form of low Bgs Syn-gas from an unminable lignite reserves @ 200-250 MT deposits explored ( due to geological reasons mainly). This when carried out successfully shall benefit the State and the Nation at large.

##### 3. Future plan of action

After carrying out Pilot Trial, integrated commercially viable Project can be conceived and implemented with beneficial end use and by integration of various efficient energy utilization processes. GIPCL - ONGC can form a strategic JV independently or with other suitable JV Partner for the larger scale commercial Project.

##### 4. Capital Expenditure

Uptill now Rs 39.04 Lacs of expenditure (along with consortium Partner ONGC) has already been made.

##### 5. Recurring Expenditure

During the R&D till Pilot Trial, there is no recurring expenditure.

#### (B) Technology absorption, adaptation & innovation

##### 1. Efforts in brief, made towards technology ...

- i) Constant endeavors are being made to improve the overall performance of the Stations and to improve efficiency by energy conservation measures.
- ii) SIEMENS DCS TELEPERM ME 220 EA Operating system OS220EA up gradation done from version-2 to version-4 in unit -2. Also I/O CONTROL MODULE & BUS INTERFACE MODULE in 04 nos. of the participant was replaced with new 6DS-1332-8RS COMBINED MODULE.





## 25th Annual Report 2009-2010

- iii) New Siemens make numerical 7UR64 type relay retrofitted in Unit-2 Generator Relay Panel.
  - iv) Complete 110 V UPS battery set-1 replaced in Unit-1 & 2.
  - v) LHS Control room –Siemens PLC up gradation done from S5 to S7 and up gradation was also done of SCADA COROS to WinCC Software.
  - vi) Provision for online greasing was made for motor bearings of AC & DC JOP, MOP-1, 2, DC EOP in both units during annual overhauling.
2. Benefits derived as a result ...
- i) Energy saving measures shall result in improved efficiency, performance and reliability of machines. It will also contribute in reduction of auxiliary power consumption.
  - ii) To improve reliability and response time for better control. Problem analysis by retrieving past data will be possible. Availability of spares and services for both hardware and software is assured.
  - iii) Reliability and Availability of the Unit is enhanced.
  - iv) Reliability of uninterrupted power supply to DCS System enhanced.
  - v) Reliability of System operation enhanced. Diagnosis of problems will be easier. Spares availability and service support from the OEM is ensured.
  - vi) Reliability of emergency equipments has increased.

3. Imported Technology...

No New Technology was imported during the year under review.



## Gujarat Industries Power Company Limited

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10

#### INTRODUCTION – A SILVER JUBILEE JOURNEY

Gujarat Industries Power Company Limited (GIPCL) was incorporated in the year 1985. The Company will be completing 25 successful years of its incorporation on 1<sup>st</sup> June 2010.

GIPCL is promoted by Gujarat Urja Vikas Nigam Limited (GUVNL) (erstwhile Gujarat Electricity Board–GEB), Gujarat State Fertilizers & Chemicals Limited (GSFC), Gujarat Alkalies & Chemicals Limited (GACL) and Petrofils Co-operative Limited (under liquidation).

It is a matter of pride that GIPCL has to its credit following achievements in the last twenty five years' span:

- The First Joint Sector Power Plant in the Country and First Independent Power Producer (IPP) in India to have installed GE Frame IX Gas Turbine manufactured by M/s BHEL.
- Man /MW Ratio (0.64:1).
- The Company's Gas Based Station-I in Vadodara achieved Highest ever Plant Load Factor (PLF) of 94.85% for the year under review i.e F.Y. 2009-10.
- Your Company's SLPP Mining Division won the National Safety Awards (Mines) instituted by the Ministry of Labour and Employment, Government of India for two consecutive contest years 2004 and 2005 in the category "Lowest Injury Frequency Rate" of mechanized open cast Coal Mines.
- Your Company's Vadodara Stations received prestigious 'National Award for Meritorious Plant Performance' for two consecutive years viz. 2004-2005 and 2005-2006. This award is constituted by the Ministry of Power and the Central Electricity Authority.
- Vastan Mines of GIPCL was adjudged as the best in overall performance amongst the Lignite Mines in Gujarat for the year 2005-06 by the Director General, Mines Safety, Udaipur.
- Vastan Lignite Open Cast Mine received National Award for effective utilization of Fly Ash at Company's Surat Lignite Power Plant (SLPP) for the year 2005 constituted by the Government of India's, Ministry of Power, Ministry of Environment & Forest and Dept. of Science and Technology.
- Your Company completed 4269 days (11 years) of accident free Plant Operation at Vadodara Plant.
- First Company in Power Sector in India to have adopted SAP R 3 Version 4.7 and shortly migrating to IFRS compliant SAP ECC 6 for Baroda and Surat Lignite Power Plant (SLPP) for integrated SAP implementation

including Plant Operation & Maintenance, Finance and Materials Management & HR Management.

- Your Company has got renewed Qualitative ISO Certification.
- Your Company enthusiastically promotes activities of two Trusts viz. Development Efforts for Rural Economy and People (DEEP) at SLPP and Urja Foundation Trust at Vadodara. The activities aim at developing infrastructure for public purposes, approach roads, Water Supply and water harvesting, Medical facilities, animal husbandry activities, providing green cover to preserve and protect environment, construction of culverts and bridges, community halls, panchayats buildings, bus stands, rooms for schools etc., and also co-sponsoring a Mid day meal scheme at Vadodara, helping the local authorities by way of donations to various schemes having good social cause etc. as a part of Corporate Social Responsibility (CSR).

#### INDUSTRY OVERVIEW

Power is said to be the catalyst for economic development. Sustained socio-economic growth depends on the availability of adequate and reliable power at reasonable rates. Power is a vital building block for development and growth of all the sectors of the economy.

However, Power Generation industry is capital intensive in nature and mobilizing adequate financial resources at competitive cost for developing generation, transmission and distribution infrastructure has always been a challenge for the Power Sector. This has been a major factor that contributed to less than required generation and transmission capacity addition in the Country.

Economic growth of India is closely linked with that of power sector.

Electricity is one of the most important indicators of development of a Village, District, State or a Region. Looking at the consumption profile of electricity across various regions of the Country, direct co-relation between the per capita consumption of electricity and level of economic development can be seen. India's peak power deficit registered shortage of about 12.6% in the F.Y. 2009-10 (updated upto January, 2010) due to marginal fall in demand and better capacity addition. **(Source: Websites of Power Ministry GOI)**

There has been a remarkable growth in the Power Sector after the Independence. It is worthwhile to note that generation (installed) capacity of the Nation has increased to 1,56,783 MW till January, 2010 as compared to 1750 MW at the time of inception of the Planning era.

India's ranking is attractive in terms of Electricity Generation after USA, China, Japan, Russia and Canada. However, this generation capacity falls short of the requirement due to the sheer size of consumer base and the economy.



## 25th Annual Report 2009-2010

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10 (Contd.)

In the recent past, the Centre and State Governments have significantly raised their focus on the Power Sector which in turn has created huge growth opportunities for the all sectors in the Power Industry.

The share in generation of the States declined from 82.5% in 1979 to 50% till January, 2010 whereas there has been increase in the share of the Central Sector from 12 % to 32% during the same period. The share of private Sector has also gone up from 5.2% to 18% (Source: Power Min Data as on 31.01.2010)

In this context, the Ministry of Power has set a goal-Mission 2012: Power for all

A comprehensive Blueprint for Power Sector development has been prepared encompassing an integrated strategy for the sector development with following objectives:-

- Sufficient power to achieve GDP growth rate of 8%.
- Reliable Power
- Quality Power
- Optimum Power cost
- Commercial viability of power industry
- Power for all

Amongst the strategies framed to achieve the aforesaid objectives, the following bear significance for generation of power.

Power Generation Strategy with focus on low cost generation, optimization of capacity utilization, controlling the input cost, optimization of fuel mix, Technology upgradation and utilization of Non-Conventional energy sources.

Regulation Strategy is aimed at protecting Consumer interests and making the sector commercially viable whereas financing strategy aims to generate resources for required growth of power sector.

Conservation Strategy is aimed to optimize the utilization of electricity with focus on Demand Side Management, Load Management and Technology upgradation to provide energy efficient equipment/gadgets. (Data Source: Websites of Power Ministry-GOI)

#### 11TH PLAN – NEW VISION FOR POWER

As against the total generation capacity addition of 68,693 MW in the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> Plan, a capacity addition Programme of 78,700 MW is made for the 11<sup>th</sup> Plan.

Moreover, about 14,000 MW is expected from renewable energy sources and another 12,000 MW is likely to be added by way of captive Power Plants of which about 5000 MW is expected to be available to the Grid.

The proposed capacity addition of 78,700 MW comprises of 36,874 MW (46.9%) in the Central Sector, 26,783 MW (34%)

in the State Sector and 15,043 MW (19.1%) in the Private Sector as has been proposed during the 11<sup>th</sup> Plan. (Source: Power min website).

Projects of 19582 MW i.e. about 24.88 % out of 78,700 MW have been commissioned and 62,374 MW i.e. about 75.12% of the proposed capacity are likely to be commissioned.

Coal will continue to be the prime fuel requirement of the 11<sup>th</sup> Plan Projects. About 54,300 MW is on coal / lignite and over 90 % of the 11<sup>th</sup> Plan coal based Projects have already got the coal linkage. Super critical technology is likely to be introduced in the country in a big way in the 11<sup>th</sup> Plan and it is expected that over 8,000 MW (15% of coal based capacity planned) would be coming up in this category. (Source: Websites of Ministry of Power -GOI).

#### Power Sector in Gujarat

With the bifurcation of the State of Gujarat from the State of Maharashtra in the 1960, Gujarat has developed its capabilities and expertise in the Power Sector, which has contributed to the healthy industrial growth of the State. The current per capita electrical energy consumption in Gujarat is approximately 1400 units, which is double the national average. The total installed capacity of power generation for the State as of now is approximately 12008 MW as on 31.03.2010. Gujarat is one of the first States in India to appoint a Regulator for the Electricity Sector. The Gujarat Electricity Regulatory Commission (GERC/the Commission) has been functional since 2000.

The Gujarat Electricity Industry (Re-organisation and Regulation) Act, 2003 was enacted for the Power Sector Reforms in Gujarat. Corporatization of the erstwhile Gujarat Electricity Board (GEB) has been completed and all the successor entities have started independent functions since April, 2005.

Total Installed Capacity of Power Generation for Gujarat from conventional sources (after decommissioning of Unit I to IV and duration of Unit V and VI of Dhuvaran Stage I of GSECL) is as under:

Particulars	Installed Capacity (MW) at the end of 10th Plan	Installed Capacity (MW) As on 31.03.2010
1. Share in Central Sector Stations	2177	2724
2. State Projects (GSECL)	4968	5216
3. Independent Power Producers (IPPs)	2416	4068
<b>Total</b>	<b>9561</b>	<b>12008</b>



## Gujarat Industries Power Company Limited

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10 (Contd.)

The above table indicates that Gujarat has been successful in attracting private sector investment in power generation. Gujarat has a robust intra- state transmission and distribution system for evacuation of electricity generated from the power stations for meeting the demand of consumers across the State.

#### Non Conventional sources

The growing consumption of energy has resulted in the country becoming increasingly dependent on fossil fuels such as coal, oil and gas. Rising prices of oil, gas and potential shortages in future lead to concerns about the security of energy supply, which is needed to sustain our economic growth. Increased use of fossil fuels also causes environmental problems both on local and global scales.

In view of this, the Ministry of Non- Conventional Energy Sources has been implementing comprehensive programmes for the development and utilization of various renewable energy sources in the country .

The following are the Potential of Renewable Energy Sources in the State:

Wind	: 10,000 MW
Solar	: 5.6 kwh/ square meter/day ( 10,000MW)
Biomass	: 900 MW
Geothermal	: 200 MW

Of the above, Wind Power Source has following highlighting features :

- Installed Wind Power Capacity in the State is 1782 MW as on 31st March, 2010.
- Gujarat was awarded first Prize for highest Wind capacity addition during F.Y. 2007-08 in the Country.
- Plans for further Wind Power capacity addition of about 4000 MW in the next five years.
- Conductive Solar Power Policy notified and Wind Power Policy amended to attract private sector participation.
- Solar Power Capacity allotted : 716 MW ( Photovoltaic - 365 MW , Thermal -351 MW)
- Studies for tapping Geothermal and Wave energy potential planned.
- Renewable energy generation to contribute 10% of the Conventional Power in the next five years.
- Clean Development Mechanism (CDM).
- 100% Electricity Duty exemption in case of wheeling.
- Exemption from Demand Cut in case of wheeling.

#### ➤ INITIATIVES OF GOVERNMENT OF GUJARAT:

The State of Gujarat had taken initiatives in Power Sector Reforms by passing the Gujarat Electricity Industry (Re-organisation & Regulation) Act, 2003, the key highlights of the Act are:-

- ☞ Regulation of the Power industry by an independent body called Gujarat Electricity Regulatory Commission (GERC).
- ☞ Unbundling of erstwhile Gujarat Electricity Board into One Holding Company, One Generation, one Transmission and four Distribution Utilities.
- ☞ Setting up of specific benchmarks for customers' service.
- ☞ Setting up of standards of system efficiency.
- ☞ Deterrent measures for achieving reduction of power theft.

The efforts of the Govt. of Gujarat have yielded results and it has been one of the best performing States in the Power Sector during the past three years.

The passage of Gujarat Electricity (Re-organisation and Regulation) Act, 2003, by Govt. of Gujarat is a step taken in this direction. The main function of GERC encompass the regulation on purchase, transmission, distribution, supply and utilisation of electricity, the quality of service, the tariff and charges payable for the transmission, distribution or supply of electricity having regard to the interest of both the consumers and other persons availing the services and the utilities and the procedure thereof for trading of electricity.

#### ➤ OUTLOOK, OPPORTUNITIES AND THREATS:

The per capita consumption of power in India in the year 2009-10 was 700 kWh which is low as compared to global average of around 3000 kWh and this certainly reflects the demand supply gap and prospects and opportunities for the growth of Power Sector.

The Gujarat Industries Power Company Ltd. has the advantage of the support of the Govt. of Gujarat (GOG) while at the same time full functional freedom is given to it. The Company is managed by a team of personnel headed by the Managing Director who is a Secretary level IAS Officer and the Chairman of the Company is also a Senior IAS Officer of Principal Secretary Level.

The outlook for the Company in the times to come will be more focused on:-

- ☞ Enhancing operational efficiencies.
- ☞ Ensuring better operational flexibility with the usage / adoption of multi fuel technology.



## 25th Annual Report 2009-2010

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10 (Contd.)

- ☞ Further expansion of capacities based on available Lignite reserves.
- ☞ Cost efficiency to enable supply of cheap and reliable power to customers/State.
- ☞ Environment protection and improvement.
- ☞ Exploring the avenues of consultancy in O&M of gas based and CFBC based thermal power plants.
- ☞ Exploring the avenues and Diversification into the areas of underground gasification of unmineable lignite reserves and power distribution business.
- The generation during the F.Y. 2009-10 has been 638.10 Billion Units at an average Plant Load Factor of 76.65% upto January, 2010 (Provisional).
- Minimum overall **3%** rate of return to each utility with immediate effect
  - Fuel Cost Adjustment (FCA) to be automatically incorporated in the tariff.
  - A package of incentives and disincentives to encourage and facilitate implementation of tariff.
  - No sector shall pay less than 50% of the average cost of supply [cost of generation plus transmission and distribution].

### ENERGY CONSERVATION

The Government of India has enacted the Energy Conservation Act, 2001 laying down legal framework, institutional arrangement and a regulatory mechanism both at Central and State to ensure efficient use of energy and its conservation. The Act came into effect in March, 2002. The Bureau of Energy Efficiency (BEE) was set up as a nodal statutory body in 2002 at the central level, to facilitate the implementation of the Energy Conservation Act.

Bureau of Energy Efficiency (BEE) lays emphasis on energy conservation and efficiency thereby estimating that 15% saving of energy is possible by such exercise. Short term and long term measures have also been initiated which includes pilot phase of programme for energy efficiency in Government buildings and prepare action plan for wider dissemination and implementation.

### NATIONAL KEY POWER STATISTICS:

#### ⇒ POWER GENERATION:

The overall generation in the country has increased from 531.60 Billion Units (BUs) during 2002-03 to 638.10 BUs during 2009-10 upto January, 2010 (Provisional).

The overall generation (Thermal + Nuclear + Hydro) in public utilities in the country over the years are as under:-

F.Y. of Generation	Billion Units (BU's)
2002-03	531.60
2003-04	558.30
2004-05	587.42
2005-06	617.51
2006-07	662.52
2007-08	704.45
2008-09	723.80
<b>2009-10</b>	<b>638.10 upto 31.01.2010</b>

(Source: Websites of Power Ministry/ CEA –GOI)

#### ➤ THE NATIONAL ELECTRICITY POLICY

The National Electricity Policy (NEP) was notified by the Central Government on 12<sup>th</sup> February, 2005 in furtherance of Electricity Act, 2003 which aims at achieving the following objectives :-

- Total village electrification by 2009.
- Availability of Power – Power to all by 2012. Energy and peaking shortages to be overcome and adequate spinning reserve to be available.
- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates should be available to public at large.
- Per capita availability of electricity to be increased to over 1000 units by 2012.
- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.
- Financial Turnaround and Commercial Viability of Electricity Sector.
- Protection of consumers' interests.

#### ENVIRONMENT POLICY

The Company has formulated an Environment Policy to comply with and excel the statutory limits and norms of pollution prevention and control. This includes conservation of energy and water resources in the Company operations and minimizing liquid and solid waste generation and striving for fruitful utilization of waste.

Further striving for continuous improvement in protecting the environment by enhancement of technology, systems and skills in conduct of our business also form part of the Policy.

Inculcating a strong commitment for protection of environment amongst employees, vendors, contractors and other stakeholders in our business is also considered as one of the measure of the policy.



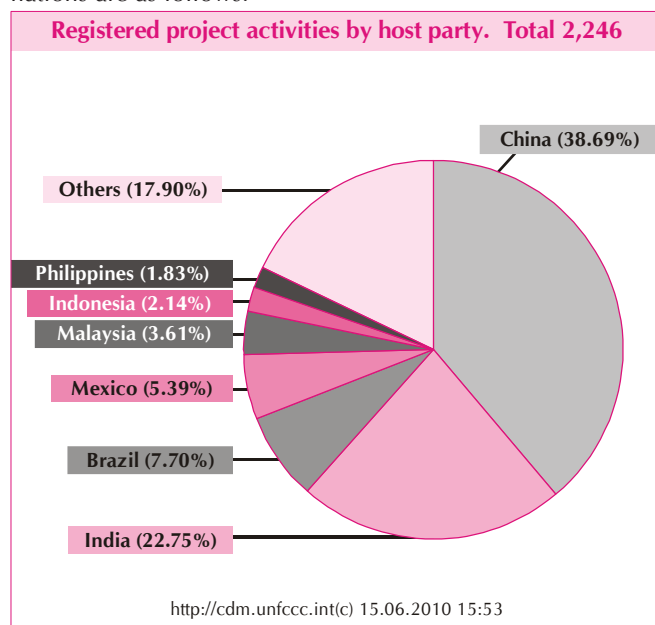
## Gujarat Industries Power Company Limited

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10 (Contd.)

Finally, policy emphasizes on work to earn recognition from society as an environment friendly company.

#### Carbon Trading /CDM Activities

India signed and ratified the Kyoto Protocol on 2nd August, 2002 and has emerged as a world leader in reduction of greenhouse gases by adopting Clean Development Mechanism (CDM) in the past few years. India is presently hosting 511 registered CDM projects which is the second largest portfolio of registered CDM projects across the globe. Distribution of registered CDM projects by all the Host nations are as follows:



In India power generation from renewable energy projects (e.g. grid connected wind, biomass and hydro) has emerged as one of the most prominent sectors to successfully complete the CDM registration process with United Nations Framework Convention on Climate Change (UNFCCC). A brief synopsis outlining various types of registered CDM projects in India over last couple of years are as follows:

Sr. No.	Type of Project	Number of projects registered with UNFCCC
1	Afforestation	03
2	Grid Connected Wind Power Plant	50
3	Biomass Energy	47
4	Hydro Power Plant	32

5	Solar PV – Not connected to the national or regional grid	02
6	Methane recovery in waste water treatment	04
7	Landfill	09
8	Fugitive – Flare gas recovery & utilisation	02
9	Other GHGs (N <sub>2</sub> O, SF <sub>6</sub> , PUF)	08
10	Waste Heat Recovery – Captive Power Plant or for Thermal application	21
11	Gas based grid connected CCGT plant	03
12	Energy Efficiency	18
Total number of registered CDM project in India (2008 - 2010)		199

(Source: Website UNFCCC)

At GIPCL, we have committed ourselves to reduce the emission affecting the green house and have taken up several activities like (i) fuel switch over of station-II from Naphtha to gas (ii) Adoption of CFBC technology for all lignite based plants at Surat (Total Capacity is 250 + 250 MW).

#### Solar Energy Promotion

In order to promote economically sustainable growth and also to meet India's energy requirements with a focus on mitigation of challenges posed by global warming, the Hon'ble Prime Minister in the recent International meet on Climate change in Copenhagen announced that India would reduce their carbon emission by 20% by 2020 without any legal binding, and shall accelerate the growth of clean technology in India. Thereafter, the Government of India has launched the Jawaharlal Nehru National Solar Mission (JNNSM) as a quick step towards the goal announced by Hon'ble Prime Minister and to make the progress of Solar based generation, an economically viable renewable energy source in India.

The Government of Gujarat has taken note of growing recognition of impacts of climate change at the local, national and global levels. The Government has recognized the urgent need to tackle challenges that arise on account of these impacts through integrated policy prescriptions and programmes aimed at mitigation of impacts and adaptation to reduce vulnerability of systems.



## 25th Annual Report 2009-2010

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10 (Contd.)

The State Government proposes to encourage solar power generation projects as means for socio-economic development of the backward regions through livelihood creation for the local population. These areas have potential to transform into an "Integrated Solar Generation Hub" for entire nation.

After careful consideration to have a comprehensive policy to actively promote solar power- as an additional and alternative source of energy- the Gujarat State Government has introduced the Solar Power Policy-2009, with the following objectives:

- Promoting generation of green and clean power in the State using Solar energy.
- To put in place an appropriate investment climate, that could leverage the Clean Development Mechanism (CDM).
- Productive use of the wastelands, thereby engendering a socio-economic transformation.
- Employment generation and Skill Enhancement of local youth.
- Promotion of R & D and facilitation of technology transfer.
- Establish core technical competence in professionals in the State to initiate and sustain use and effective management of newer applications.
- Promotion of local manufacturing facilities.
- Creation of environmental consciousness among citizens.

Simultaneously, the Energy and Petrochemicals Dept, Government of Gujarat also issued a Policy in January, 2010 seeking to promote "green and clean" power using solar energy. As such the original Solar Power Policy of 2009 also envisaged installation of 500 Megawatt(MW) on solar up to 2014. It is a happy and progressive indication that 24 parties have signed Power Purchase Agreements (PPA) with Gujarat Urja Vikas Nigam Ltd. for (GUVNL) setting up of Solar Power Projects for total installed capacity of 345 MW. Each of the signatories of the PPA have provided performance Bank Guarantee of Rs. 50 lacs per MW to GUVNL to demonstrate their commitment to actually develop the Projects. This could be considered the biggest and most significant steps taken in the Country towards development of solar based generation.

The Policy seeks to turn Gujarat's barren wastelands into India's "Integrated Solar Generation Hub." The State Energy Department noted that Gujarat has high solar radiation levels, with more than 300 days of clear Sun. Gujarat Energy

Development Agency (GEDA) quotes that just 1% utilization of about 45,000 square kilometers of the waste land available in the Kutch region of Gujarat can help generate 10,000 MW of Solar Power. (Source : GUVNL data)

#### ➤ RISKS & CONCERNS:

GIPCL is dependent on the domestic market for its business and revenues. The Company's power generating and distribution facilities are located in Gujarat and virtually all of the Company's revenues are derived from the domestic market. These factors may potentially expose the Company to any risk of a significant nature to the State economy and any adverse changes in the Policies and Regulations related to the Power Sector.

However, the Government of India has been pursuing progressive policies on economic liberalization and reforms in the Power Sector including considerable reduction in Government interference. In addition, the Company closely monitors the Government Policy measures to identify and mitigate any possible business risks.

Generation of Power at the Company's Power Stations can be affected due to various factors including non-availability of fuel, grid disturbances and such other factors in load management in the grid. The Company has entered into agreements with gas suppliers for adequate supply of fuel for its gas-based stations at Baroda, thus, mitigating the fuel availability risk. To remain unaffected by the grid differences the Company has developed systems to island its power stations from the grid.

The Company endeavors to achieve the highest efficiency in its operations and has been implementing cost reduction measures in order to enhance its competitiveness and maintain profitability.

Power projects are highly capital intensive. Such highly capital-intensive projects run the risks of –

- (I) Longer development period due to statutory clearances, financial and infrastructural requirements.
- (II) Delay in completion of project
- (III) Performance risk and
- (IV) Cost over-runs.

#### ➤ INTERNAL CONTROL SYSTEM & ITS ADEQUACY :

The Company has adequate internal control systems and procedures commensurate with the size of the Company, which include internal audit and review by external firm of Chartered Accountants and pre-audit of payments by internal team of Accountants/Agencies. All



## Gujarat Industries Power Company Limited

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10 (Contd.)

major payments and statutory payments pass through the strict scrutiny by pre-audit team before release of the same to parties. The internal control measures such as defining various levels of the authority through delegation of powers, well laid down purchase procedures, checks and balances in the financial system to safeguard the Company's assets, budgetary controls and variance analysis are in place.

The procurement and operational maintenance activities are planned well in advance to avoid any possible risk of late delivery of materials, delay in attending to maintenance needs etc. The Company stores and maintains all the relevant data and information as a back up, to avoid any possible risk of losing important business data.

The qualified and independent Audit Committee of the Board periodically reviews the internal audit reports and the status of implementation of actions recommended.

#### ⇒ FINANCIAL REVIEW:

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 1956 and comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

GIPCL's total income for the year ended 31<sup>st</sup> March, 2010 is Rs.95,297 Lacs compared to Rs.1,17,118 Lacs in the previous year. The total income includes earnings from sale of electrical energy at Rs.93,912 Lacs as compared to Rs.1,15,499 Lacs recorded last year. The revenues are lower in spite of increased generation because the expenditure on Fuel (input costs under the tariff) was lower during the year.

The net profit of Rs. 10,678 Lacs has been arrived at after taking into account the provision for current Income Tax Rs. 2,220 Lacs, Deferred Tax Liability of Rs. (324) Lacs and Tax adjustment of earlier year Rs. 263 Lacs.

The fuel cost reduced from Rs.84,866 Lacs to Rs.61,087 Lacs on account of availability of cheaper Gas. With the full repayment of Debt of earlier projects and judicious management of working capital funds, Interest expenditure has reduced to Rs. 1,624 Lacs as compared to Rs. 2,956 Lacs.

The 165 MW Station-II at Baroda and 250 MW Surat Lignite Power Plant (SLPP) Phase – I at Surat are eligible for the tax holiday under Section 80IA of the Income Tax Act, 1961 for a period up to Assessment Year 2012-13 (in case of 165 MW Baroda Station II) and

Assessment Year 2015-16 (in case of 250 MW SLPP Phase I) and hence the effective tax rate for the Company as a whole is 19.43% of profit.

The Corporate Tax Liability for the year was Rs. 2,220 Lacs compared to Rs. 2,107 Lacs in the previous year.

The total dividend pay out (proposed) for the year at Rs. 2.50 per Equity Share i.e.(25%) is Rs. 4,409 Lacs including dividend tax.

Expenditure on 250 MW Expansion Project at SLPP is Rs. 1,57,678 Lacs as on 31<sup>st</sup> March, 2010.

As on 31<sup>st</sup> March 2010, the net worth of the Company stood at Rs. 1,23,331 Lacs.

#### ➤ HUMAN RESOURCE & INDUSTRIAL RELATIONS:

Please refer the relevant para of the Directors' Report to Shareholders, which forms the part of this Annual Report.

#### ⇒ SEGMENT WISE GROWTH :

The Company has no separate segments and hence there is no reporting on the segment wise growth.

#### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis in the Directors' Report, describing the objectives, projections, estimates, expectation and predictions of the Company may be "Forward Looking" statements within the meaning of applicable security regulations and laws. These statements are based on certain assumption and expectation of future events. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or event.

Actual results could differ substantially or materially from those expressed or implied from what the Directors envisage in terms of future performance and outlook. Important developments that could affect the financial conditions and Operations of the Company include a downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India, tax laws, litigation, labour relations and interest costs.

The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profits for the year.

(Data Source: Websites of Power Ministry-GOI)

For and on behalf of the Board of Directors

Date : 25th May, 2010  
Place : Gandhinagar

Sd/-  
D.J. Pandian, IAS  
Chairman





## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE

#### 1. THE BASIC PHILOSOPHY OF CODE OF CORPORATE GOVERNANCE :

##### The Philosophy :

Corporate Governance is aimed primarily to present the management with tools essential for the business practices required for legal and ethical conduct and fair financial reporting in tune with committed corporate response based on transparency, accountability and integrity. It stems from the management's mindset and cannot be regulated by legislation alone and involves necessarily a creative, generative and positive thinking attitude adding ethical value to various stakeholders which are served as end customers of the Corporate entity.

It is about how to manage an organization, that is to say, how to manage its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Proper, accurate and timely disclosure of information regarding the affairs of the company, its financial position, performance, ownership and governance is an integral part of the philosophy of Corporate Governance. The enhancement of the shareholders' value was, is and will remain Company's topmost priority and to substantiate this, the Company's Mission Statement contains this as one of the end results of all its economic activities.

##### Our perspective:

The Company's Corporate Governance philosophy is based on following principles:

1. Follow the laws of land, not only in letter, but in spirit too.
2. Transparent, truthful and complete disclosure of information.
3. Distinguish between personal conveniences and company's resources and properties.
4. Management is not the owner, it is the trustee of its stakeholders.

The Company's Corporate Governance Policy emanates from the very basics of the Shareholders' own institution (a Company) which they own, that is to say the number of shares they hold. The apex governing body of the Company viz. the Board of Directors believes that there should be proper admixture of responsibility and accountability of the Board and it is vital for all the constituents like Consumers, Investors, Employees and regulatory authorities.

The Company believes and proclaims that the shareholders are the cause of and ultimate beneficiaries of our business.

##### Our endeavor:

Your Board of Directors is proud to assert that much before the Code of Corporate Governance, in its present state, was thought of, GIPCL was following it in strict as well as literal sense. The Company's Board formally adopted the recommendations of good Governance as enunciated by CII long back.

The Company is managed and controlled through a professional Board. The Board consists as such of entirely independent Directors, even the Chairman and Managing Director are independent since they are nominated by the Govt. of Gujarat. The Company's Board comprises of eminent persons with considerable vision, expertise and experience in their relevant fields.

All Committees of the Board like Share/Debt Transfer and Investors' Grievance Committee, Audit Committee, etc. that are required under the Code of Corporate Governance have been constituted since long and are meeting regularly.

#### 2. CODE OF BUSINESS CONDUCT AND ETHICS:

The Code of Conduct generally encompasses acceptable pattern of behavior expected of Directors and senior management team with a view to maintain high standards of professionalism and ethics. Inter alia, the code should include honesty and integrity in transactions affecting the Company, conflict of interest, insider trading, acceptance of gifts and donations, protection of assets, communication, whistle blower policy. The code cannot remain static and will have to be modified as per moral, cultural and ethical sense of values encountered from time to time by the Company.

##### ➤ Code of Conduct for Corporate Governance:

The Board of Directors of the Company formally adopted the Code of Conduct at its meeting held on 25<sup>th</sup> January, 2006. The code has been made applicable to the Board and also to the senior officers of the Company in the rank of Additional General Manager and above and Company Secretary of the Company.

The Directors and senior management team self certify their adherence and compliance of the code of conduct at the end of each financial year.

The declarations with regard to the compliance to the Code of Conduct have been received for the Financial Year 2009-2010. The Board of Directors has noted the adherence to the code of conduct. Company's Code of Conduct is available on its website at [www.gipcl.com](http://www.gipcl.com).



## Gujarat Industries Power Company Limited

### REPORT ON CORPORATE GOVERNANCE (Contd.)

#### ➤ Code for Prohibition of Insider Trading:

The Company has a comprehensive code of conduct for its Directors, Management, and designated employees for prevention of insider trading and procedure to deal in securities. The code was formally adopted by the Board of Directors at its meeting held on 28<sup>th</sup> September, 2002. Securities and Exchange Board of India (SEBI) has vide its Notification dated 19<sup>th</sup> November, 2008 amended the SEBI (Prohibition of Insider Trading) Regulations, 1992 and brought into force amended regulations called SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008. In view of same, the Board of Directors of the Company amended the Code of Conduct at its meeting held on 21<sup>st</sup> March, 2009.

The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with securities of the Company. The purpose of the code is also to guide Company's transactions and dissemination of price sensitive information to outside agencies and to ensure timely and adequate disclosures thereof to regulatory authorities on a continuous basis. The company management has identified designated employees and related persons as 'Insider' who are expected to strictly adhere to the Code for prohibition of Insider Trading. All Directors are also identified as 'Insiders' for the purpose.

For the year under review, all the Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said Code.

### 3. BOARD OF DIRECTORS : (Composition and Category of Directors)

Directors as on 31/03/2010 :

Sr.	Name of Directors & Qualifications	Category (Designation)	*No. of Board Mtgs. Held during FY 2009-10.	No. of Meetings attended	No. of Membership on the Board of other Companies	Whether attended last AGM dt. 19/09/09
1	**Shri D J Pandian, IAS, M.A.(Fin. Mgmt.), BBA & M.B.A (Market Research) (Nominated by Govt. of Gujarat)	Chairman (Non Executive)	03	02	14	NA
2	Prof. Shekhar Chaudhuri M.E.(IIT – Kharagpur)	Director (Independent)	07	02	02	YES
3	Prof. Kirankumar Joshi B.Com., M.A., Ph.D.	Director (Independent)	07	07	01	YES
4	Dr. P. K. Das, IAS (Retd.) M.A., LLB., MPA, Ph.D.	Director (Independent)	07	07	01	YES
5	Shri G.P. Mohapatra, IAS M.A., M.Phil, MBA (Nominated by Gujarat Alkalies & Chemicals Ltd.)	Director (Non Executive)	07	05	08	YES
6	Shri P.H. Rana (Nominated by Gujarat Urja Vikas Nigam Ltd.)	Director (Non Executive)	07	07	09	YES
7	Shri H. V. Patel, IAS B.Com (Advanced Accountancy) (Nominated by Gujarat State Fertilizers & Chemicals Ltd.)	Director (Non Executive)	07	05	06	YES
8	Shri G. A. Tadas B.A, MA, MBA & CAIIB (Nominated by IDBI Ltd.)	IDBI Nominee Director (Independent)	07	02	00	YES
9	***Shri C. L. Meena, IAS, M.A. (Nominated by Govt. of Gujarat)	Director (Independent)	02	01	06	NA
10	Shri L. Chuaungo, IAS B.A.	Managing Director (Executive)	07	07	14	YES

\* No. of Meetings held since date of appointment.

\*\* Shri D J Pandian, IAS has been appointed as Chairman by Government of Gujarat w.e.f. 10<sup>th</sup> December, 2009 vice S. Jagadeesan, IAS, who was transferred by Govt of Gujarat.

\*\*\*Shri C L Meena, IAS has been appointed as Director w.e.f. 16<sup>th</sup> December, 2009 vice Shri A K Joti, IAS, who was transferred by Govt. of Gujarat.



## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE (Contd.)

- None of the Directors hold any shares in the Company except Shri D. J. Pandian who holds 100 shares of the Company.
- Shri S Jagadeesan, IAS and Shri A K Joti, IAS ceased to be Directors on the Board of the Company during F Y 2009-10.
- **BRIEF RESUME OF DIRECTORS UNDER APPOINTMENT/RE-APPOINTMENT :**

For resume of Shri G P Mohapatra, IAS and Prof. Kirankumar Joshi it is requested to refer to the explanatory statement annexed to the notice convening the 25<sup>th</sup> Annual General Meeting of the Company, which forms part of this Annual Report.

- **RESUME OF SHRI D. J. PANDIAN, IAS, CHAIRMAN**

Shri D. J. Pandian, IAS (Chairman of the Company) was appointed as Director vide Resolution No. GUV-1108-1336-K dated 10<sup>th</sup> December, 2009 issued by Energy and Petrochemical Dept, Government of Gujarat vice Shri S. Jagadeesan, IAS in terms of Article 12 of Articles of Association of the Company.

Brief resume of Shri D.J. Pandian, IAS reads as below –

He is aged about 55 years, and a senior IAS Officer of 1981 batch. Shri D.J Pandian, IAS on academic front is M.A. (Fin. Mgmt.) and holds Bachelor's Degree in Business Administration (BBA) and MBA (Market Research) from Madras University and is presently functioning as Principal Secretary, Energy and Petrochemical Department, Government of Gujarat. He has to his credit rich experience of holding key positions in different departments in Govt. of Gujarat and Govt. of India. He held the position of Director, External Commercial Borrowings, Ministry of Finance, Govt. of India and was deputed as Advisor to Board of Directors in World Bank, Washington, D.C. He has long stint of Administrative and Corporate experience of more than 25 years.

Apart from that he is also a Director in the following Companies:

Sr. No.	Name of the Company	Position held
1.	Gujarat Urja Vikas Nigam Ltd.(GUVNL)	Chairman
2.	Gujarat State Electricity Corporation Ltd. (GSECL)	Chairman
3.	Gujarat Energy Transmission Corporation Ltd. (GETCO)	Chairman
4.	GSPC Pipavav Power Company Ltd.	Chairman
5.	Gujarat Power Corporation Ltd.(GPCL)	Chairman
6.	Gujarat State Energy Generation Ltd	Chairman
7.	GSPC Gas Company Ltd.	Chairman
8.	Gujarat State Petroleum Corporation Ltd	Director
9.	Gujarat Alkalies and Chemicals Ltd.( GACL)	Director
10.	Gujarat Narmada Valley Fertilizers and Chemicals Ltd. (GNFC)	Director
11.	Gujarat State Fertilizers and Chemicals Ltd. (GSFC)	Director
12.	Gujarat State Petronet Ltd.	Director
13.	Mahaguj Collieries Ltd.	Director

Shri Pandian, IAS does not hold Membership / Chairmanship of any Committees of the above Companies. Shri Pandian, IAS holds 100 Equity Shares of the Company of face value of Rs.10/- each.

- **RESUME OF SHRI C. L. MEENA, IAS, DIRECTOR**

Shri C. L. Meena, IAS was appointed as Government Nominee Director vide Government of Gujarat's Resolution No. GUV-13-2009-706516 dated 16<sup>th</sup> December, 2009 vice Shri A K Joti, IAS in terms of Article 13 of the Articles of Association of the Company.



## Gujarat Industries Power Company Limited

### REPORT ON CORPORATE GOVERNANCE (Contd.)

The brief resume of Shri C. L. Meena, IAS is as follows:

Shri C L Meena, IAS, aged about 57 years, is a senior IAS officer of 1984 batch and holds Masters of Arts Degree from Rajasthan University. He started his career as Lecturer at Jaipur Government College of Rajasthan University. Thereafter he has served the Police Service and Administrative Service of Rajasthan Government. Prior to his elevation as Principal Secretary (Expenditure), Finance Dept., Government of Gujarat, Shri C L Meena, IAS has held, with distinction, several Government posts such as District Development Officer of Surendranagar and Valsad, Collector of Surendranagar, Valsad and Panchmahals, Deputy Secretary Industries and Mines Department and also as Commissioner, (Youth Service & Cultural Activities), Commissioner, (Geology and Mines), Commissioner, (Higher Education and Technical Education) and Commissioner (Entertainment-Taxes). He has also functioned as Revenue Inspection Commissioner & Secretary, Revenue Department, Govt. of Gujarat.

Presently he also holds Directorship in following Companies:

Sr.No.	Name of the Company	Position held
1.	Gujarat State Civil Supplies Corporation Limited	Director
2.	Gujarat Agro Industries Corporation Limited	Director
3.	Gujarat Water Supply and Sewerage Board	Director
4.	Gujarat Water Infrastructure Limited	Director
5.	Gujarat Maritime Board	Director
6.	Gujarat Energy Transmission Corporation Limited(GETCO)	Director
7.	Gujarat State Electricity Corporation Limited(GSECL)	Director
8.	GSPC Gas Co. Limited	Director
9.	Gujarat State Financial Corporation	Director

#### 4. BOARD MEETINGS:

##### ➤ MEETINGS OF BOARD OF DIRECTORS HELD DURING F.Y.2007-08:

Sr. No.	Dates of Board meeting
01.	22/06/2009
02.	28/07/2009
03.	19/09/2009
04.	30/10/2009
05.	03/12/2009
06.	30/01/2010
07.	30/03/2010

##### ➤ AVAILABILITY OF INFORMATION TO THE BOARD OF DIRECTORS

The Board of Directors of the Company are updated about all relevant and significant information and developments in the functioning of the Company which facilitates them to take Corporate decisions. The Company has also appointed M/s. K N Mehta & Co., Chartered Accountants as internal auditors whose reports are put up to the Audit Committee. There are comprehensive management reporting systems involving preparation of operating results by divisions and their review by senior management and by the Board at every Board Meeting.

The Board of Directors have complete access to any information within the Company and to any of its employees. At meetings of the Board, senior executives of the Company, and if required managers who can provide additional insights into the agenda items being considered at Board Meetings, are required to remain present.

Apart from the matters which mandatorily require Board's approval, following is regularly put up to the Board for information:

1. Quarterly and Annual Operating Performance, plans, budgets and updates.
2. Minutes of Meetings of Audit Committee, Investor Grievance Committee, Project Committee, as well as abstracts of circular resolutions passed and confirmed since the date of last Board Meeting.



## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE (Contd.)

3. General Notice of Interest.
4. Information on recruitment and remuneration of senior officers just below the Board level and also Company Secretary, including their appointment or removal, if any.
5. Information on the position of receivables, statutory payments, short term loan, inter corporate deposits or borrowings from the date of last Board meeting.
6. Materially important litigations, show cause notices, demand, prosecution and penalty notices, if any.
7. Fatal or serious accidents or dangerous occurrences having bearing on the safety and welfare of employees and property of the Company.
8. Future expansion plans, their progress and action plan for achievement thereof.
9. A certificate of compliance with all the applicable laws to the Company is being put up to the Board on quarterly and annual basis.
10. Report on Risk Management on quarterly basis.

#### ➤ DETAILS OF THE MEMBERSHIP OF AUDIT COMMITTEE AND INVESTORS' GRIEVANCE COMMITTEE :

Sr. No.	NAME OF DIRECTORS	AS MEMBER OF THE COMMITTEE(S)	AS CHAIRMAN OF THE COMMITTEE(S)
01.	*Shri D J Pandian, IAS	00	01
02.	Prof. Shekhar Chaudhuri	02	01
03.	Prof. Kirankumar Joshi	01	01
04.	Dr. P K Das, IAS (Retd.)	00	01
05.	Shri P H Rana	04	00
06.	Shri G P Mohapatra, IAS	03	00
07.	Shri H V Patel, IAS	03	01
08.	Shri G A Tadas	01	00
09.	**Shri C L Meena, IAS	02	00
10.	Shri L. Chuaungo, IAS	05	00

\* Shri D J Pandian, IAS has been appointed as Chairman by Government of Gujarat w.e.f. 10/12/2009 vice Shri S. Jagadeesan, IAS, who was transferred by Govt. of Gujarat.

\*\* Shri C L Meena, IAS has been appointed as Director w.e.f. 16/12/2009 vice Shri A.K. Joti, IAS, who was transferred by Govt. of Gujarat.

None of the Directors hold membership of more than 10 Committees and Chairmanship of more than 05 Committees across all the Companies in which they are Directors.

#### 5. AUDIT COMMITTEE:

##### ⇒ Purview :

As measure of good Corporate Governance and to assist the Board of Directors in fulfilling its responsibilities, an Audit Committee was formed long back in February, 1990 and its first meeting was held in August 1991 and the scope of the Audit Committee was strengthened in the light of Corporate Governance provisions in April 2001. The Audit Committee consists of Independent Directors and the main functions of Audit Committee encompass the following main areas:

- Review of the adequacy of internal control systems and Internal Audit reports and their Compliance thereof.
- Overseeing Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review of financial statements with the Management before they are put up to the Board.



## Gujarat Industries Power Company Limited

### REPORT ON CORPORATE GOVERNANCE (Contd.)

#### ⇒ COMPOSITION OF & ATTENDANCE AT AUDIT COMMITTEE :

During financial year 2009-2010 the Audit Committee met 05 times as follows:

Sr. No.	Dates of Audit Committee
01.	22/06/2009
02.	28/07/2009
03.	30/10/2009
04.	30/01/2010
05.	30/03/2010

The present composition of Audit Committee and attendance details for same are as follows:

Sr.	Name of Director		No. of meetings attended*
1.	Dr. P K Das, IAS (Retd.)	Chairman of Audit Committee is Independent Director	05
2.	Shri G A Tadas	Independent Director	01
3.	Prof. Shekhar Chaudhuri	Independent Director	01
4.	Prof. Kirankumar Joshi	Independent Director	05
5.	Shri H V Patel, IAS	Non Executive Director	03

\* No. of meetings held since date of appointment as member of Committee.

The Chairman of Audit Committee Dr. P K Das, IAS (Retd.), attended the 24<sup>th</sup> Annual General Meeting held on 19/09/2009. The Company Secretary acts as Secretary to the Audit Committee.

The meetings of the Audit Committee were also attended by Managing Director (as Special Invitee), Chief Finance Officer, Internal Auditors viz. M/s. K N Mehta & Co., Chartered Accountants, Statutory Auditors viz. M/s. K C Mehta & Co., Chartered Accountants and Company Secretary.

#### ➤ Subsidiary Company :

The Company does not have any Subsidiary Company.

#### ➤ Accounting Treatment Related Disclosure:

Since the Company has followed uniform accounting practices and has adhered to the applicable accounting standards no explanation by the management is therefore warranted from any deviations thereof.

The details of utilization of funds mobilized through Public Issue is given in note No.14 of Schedule 21 (Notes forming part of Accounts) of the Audited Accounts for the year 2009-2010.

### 6. REMUNERATION COMMITTEE:

Since the Company does not have any Whole time Director except the Managing Director, whose term of appointment as to remuneration, perquisites etc. is fixed by the State Government, and the constitution of the Remuneration Committee being Non-Mandatory requirement, the said committee is not constituted. The Company during F.Y. 2009-2010, has paid remuneration to Managing Director, Shri L Chuaungo, IAS as per following details:



## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr.No.	Component of Remuneration	Amount (Rs.)
01.	Salary	-
02.	Dearness Allowance	-
03.	Furnished Accommodation	110529.00
04.	Free Electricity	76800.00
05.	Car Perquisites	—
06.	LTC	—
07.	Tax on Perquisites	47367.00
08.	Pension contribution	—
09.	Leave Salary	—
	Total Perks (Sr. 2 to 9)	234696.00
	<b>Total Remuneration</b>	<b>234696.00</b>

In case of Non-Executive Directors, Sitting Fees @ Rs.3500/- per meeting and Incidental expenses @ Rs.1500/- per day is paid by Company. Sitting Fees in respect of IAS Directors is deposited with the Government Treasury. Mileage Allowance at fixed rate per Kilometer is reimbursed to the Directors, if they use their vehicle for attending the Board and/or Committee Meetings. No sitting fee is payable to the Managing Director.

#### 7. SHARE/DEBENTURE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE :

As a measure of good Corporate Governance and accepting the shareholders as its esteemed customers the Company has well designed investors' grievance redressal system where the average time taken for grievance redressal is quite less and the aforesaid Committee monitors the investors' grievance redressal periodically. There are no major complaints pending which are not redressed to satisfaction of the shareholders. There are no Share transfers pending except under sellers' notice/court cases under injunction order, if any.

This Committee consists of the following independent Directors:

1. Shri H V Patel, IAS - Non Executive Director-Chairman of Committee
2. Shri G P Mohapatra, IAS - Non Executive Director
3. Shri L Chuauango, IAS - Managing Director(Executive Director)

With a view to facilitate and ensure timely transfer, transmission, issue of duplicate shares, consideration of demat/remat requests etc. the Board of Directors has constituted a sub-committee comprising of following with a power to consider such requests involving upto 1000 Equity shares per request for transfer, transmission, duplicate shares etc.:

1. Managing Director
2. Chief Finance Officer
3. Company Secretary

During the F.Y. 2009-10, apart from Sub Committee fortnightly meetings, the Committee met on 20/7/2009, 19/09/2009 & 30/01/2010.

The jurisdiction of the Committee and sub- committee encompasses the following areas:

- Timely transfer of Shares and Debentures,
- Dematerialisation and/or Rematerialisation of shares,
- Transmission of Shares / Deletion of Name in case of death of the shareholder/s
- Issue of Duplicate shares/debentures in case of lost/misplaced/torn/mutilated ones.
- Timely redressal of complaints pertaining to the non-receipt of dividends, interests on debentures, redemption amount of Non Convertible Debentures / Partly Convertible Debentures redeemed.
- Any other related issue/s.

The sub committee meets once in every fortnight to consider and approve transfers/transmission/duplicate requests and report on investors' correspondence received during the period.



## Gujarat Industries Power Company Limited

### REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company Secretary of the Company is the Compliance Officer for the purpose. The Company monitors & supervises the operations of Registrar and Share Transfer Agents to ensure that all statutory compliances are fulfilled and that there are no delays or lapses in the system.

The shares received for transfer are being processed and dispatched within one month of lodgment and compliance of the Listing requirement under Clause 47c in that respect is verified and certified by a Practicing Company Secretary every six months.

During the F.Y. 2009-10, the Company has received 150 nos. of Complaints (out of which 06 complaints pertain to F.Y. 2008-09 and were outstanding as on 31.3.2009) and resolved 148 nos. of complaints to the satisfaction of the Shareholders. Of the 02 complaints outstanding as on 31.3.2010 all have been attended to and resolved and as on date of this report NO complaints pertaining to and received during the F.Y. 2009-10 are outstanding.

#### OTHER COMMITTEES:

##### • PERSONNEL COMMITTEE

The Company also has a Personnel Committee to formulate personnel policies, negotiate wage settlement, etc. and it presently consists of following Directors:

Sr.	Name		Meetings held during the FY
1.	Dr. P K Das, IAS (Retd.)	Chairman of Committee & Non Executive Director	22/07/2009
2.	Prof. Kirankumar Joshi	Non Executive Director	6/03/2010
3.	Shri G P Mohapatra, IAS	Non Executive Director	
4.	Shri H V Patel, IAS	Non Executive Director	
5.	Shri L Chuaungo, IAS	Managing Director (Executive Director)	

##### • PROJECT COMMITTEE

In view of the expansion projects on hand, the Company had constituted a Project Committee to decide and finalize and implement the activities related to expansion projects and matters related thereto. The Committee presently consists of following Directors:

Sr.	Name		Meetings held on
1.	*Shri D J Pandian, IAS	Chairman of the Committee & Non Executive Director	22/06/2009
2.	Dr. P K Das, IAS (Retd.)	Non Executive Director	30/10/2009
3.	Shri P H Rana	Non Executive Director	30/03/2010
4.	Shri G P Mohapatra, IAS	Non Executive Director	
5.	Shri H V Patel, IAS	Non Executive Director	
6.	Shri L Chuaungo, IAS	Managing Director (Executive Director)	

\* Shri D J Pandian, IAS has been appointed as Chairman by Government of Gujarat w.e.f. 10<sup>th</sup> December, 2009 vice Shri S. Jagadeesan, IAS, who was transferred by Govt of Gujarat.

##### • PROJECT FINANCE COMMITTEE

In view of the expansion projects on hand, the Company has constituted a Project Finance Committee consisting of following Directors to decide and finalize the activities related to financing of expansion projects. The Committee had met on 02/8/2006 & 10/11/2006. During financial years 2007-2008 to 2009-10, no meeting of the Committee was held.





## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE (Contd.)

#### 08. GENERAL BODY MEETINGS :

⇒ Date And Venue of The Last Three Annual General Meetings :

Date	Venue	Time	No. of Special Resolutions Passed
29/09/2007	Registered Office at P O Petrochemical – 391 346, District Vadodara	11.00 A.M.	No Special Resolution
20/09/2008	Registered Office at P O Petrochemical – 391 346, District Vadodara	11.00 A.M.	02 (Two)
19/09/2009	Registered Office at P O Petrochemical – 391 346, District Vadodara	11.00 A.M.	03 (Three)

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

#### 09. DISCLOSURES:

There are no materially significant related party transactions i.e. transactions material in nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. that may potentially conflict with the Company at large.

The disclosure regarding related party transactions is contained in the Annual Accounts of the Company which forms a part of this Annual Report.

There are no non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

The Company complies with all the mandatory requirements as per Clause 49 of the Listing Agreement on Code of Corporate Governance.

Disclosure for the F.Y. 2009-10 pursuant to Clause 5A of the Listing Agreement in respect of unclaimed shares in demat form lying in separate demat suspense account:

Sr.	Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
1.	At the beginning of the year	6	1232
2.	No. of Shareholders who approached during the year	1	154
3.	No. of Shareholders to whom shares were transferred during the year	1	154
4.	No. of Shareholders and unclaimed Shares at the end of the year i.e. as on 31 <sup>st</sup> March, 2010	5	1078

#### 10. RISK MANAGEMENT:

The Board of Directors and the Senior Management team is conscious and vigilant on the material developments taking place in the industry. There is a system of regular monitoring of various kinds of risks that are inherent to the nature of business and operations of the Company. The reporting on Risk Management is done to the Board and Board is made abreast of various steps that are taken to mitigate/minimize these risks. Such reporting is done on quarterly basis at the Board Meetings held for considering Quarterly and Annual Financial Statements.

#### 11. MEANS OF COMMUNICATION:

Apart from furnishing the copies of the Unaudited Quarterly & Half Yearly Results and Audited Annual results to all the Stock Exchanges where the shares of the Company are listed, the Company publishes the results in one English Newspaper and one Vernacular Newspaper. The Financial Results and Shareholding Pattern of the Company are posted on the EDIFAR section of the SEBI's website regularly.

The Company's financial results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchange's website. The Financial Results of the Company and other information pertaining to the Company is available on the Company's web site at [www.gipcl.com](http://www.gipcl.com). The Company also provides copies of its financial results to investors if so



## Gujarat Industries Power Company Limited

### REPORT ON CORPORATE GOVERNANCE (Contd.)

requisitioned for without any charge, at the same time they are available on the Company's website also and can be downloaded from there. The Management Discussion and Analysis Report will form part of the Directors' Report to shareholders.

Quarterly Report on Corporate Governance under Clause 49 of the Listing Agreement have been submitted to Stock Exchange(s) as follows:

Quarterly Report for the quarter ended	Submitted to Stock Exchange(s) on
30/06/2009	07/07/2009
30/09/2009	05/10/2009
31/12/2009	01/01/2010
31/03/2010	01/04/2010

In view of recent amendment in Clause 47(f) of Listing Agreement, the Company has designated an email account specifically for investor service and the same is disclosed on the website of the Company. Investors may e-mail their queries at [investors@gipcl.com](mailto:investors@gipcl.com)

### 12. GENERAL INFORMATION TO SHAREHOLDERS:

Financial Year of the Company	1 <sup>st</sup> April to 31 <sup>st</sup> March
Power Plant Locations	
<b>145 MW Station I and 165 MW Station II</b>	P. O. Petrochemicals 391 346, District Vadodara
<b>500` MW Surat Lignite Power Plant</b>	At & P.O. Village Nani Naroli, Taluka Mangrol, District Surat – 394 110
Stock Exchanges where the Company's equity shares are listed and Scrip Code/Symbol	1. Vadodara Stock Exchange Ltd. Scrip Code : 129 2. Bombay Stock Exchange Limited Scrip Code : 517300 3. National Stock Exchange of India Limited Scrip Symbol : GIPCL- EQ
Book Closure Date(s)	From <b>Monday, the 30th August, 2010 to Wednesday, the 8th September, 2010</b> (both days inclusive).
Date of next AGM(25 <sup>th</sup> )	The next Annual General Meeting(25 <sup>th</sup> ) of the Company will be held on <b>Saturday the 18th September, 2010 at 11:00 A.M. at the Registered Office of the Company at P.O. Petrochemical – 391 346, Dist. Vadodara.</b>
Details of Annual Listing Fees paid to Stock Exchanges for FY 2010-11	Annual Listing fees for FY 2010-11 paid to Vadodara, Mumbai and National Stock Exchange in April 2010.
ISIN No. allotted by NSDL and CDSL to the Company's Equity Shares	INE162A01010
Percentage of shares held in Dematerialized form as on 31.03.2010	68.12%
Details of Annual Custody Charges paid to Depositories viz. NSDL & CDSIL for FY 2010-11	Annual Custody Charges for FY 2010-11 paid to NSDL & CDSIL in April 2010.
Time taken for processing of share transfer request and dispatch thereof	30 days
Time taken for processing of dematerialization requests	15 days
Dividend on Equity Shares	Dividend @ <b>Rs.2.50 per Equity Share (i.e.25%)</b> for FY 2009-10 is recommended by Board of Directors of the Company which shall be paid, subject to member's approval thereat, within 30 days from date of 25 <sup>th</sup> Annual General Meeting.



## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE (Contd.)

Name and Address of Compliance Officer of the Company	<b>Mr. C H Patni</b> <b>Company Secretary</b> P.O. Petrochemical - 391 346, Dist. Vadodara Fax No:0265-2230473 Email: cs@gipcl.co.in or investors@gipcl.com Website: www.gipcl.com
Name and Address of Registrars and Transfer Agents of the Company	<b>Link Intime India Pvt. Ltd.</b> (formerly Intime Spectrum Registry Ltd.) 308, Jaldhara Complex, 1 <sup>st</sup> Floor, Opp. Manisha Society, Off. Old Padra Road, Vadodara – 390 015. Ph Nos.(0265) 2250241 Fax Nos.(0265) 2250246 Email:vadodara@linkintime.co.in
<b>Financial Calendar</b>	
Unaudited Financial Results for quarter ended 30 <sup>th</sup> June, 2009	22 <sup>nd</sup> July, 2009
Unaudited Financial Results for quarter ended 30 <sup>th</sup> September, 2009	30 <sup>th</sup> October, 2009
Unaudited Financial Results for quarter ended 31 <sup>st</sup> December, 2009	30 <sup>th</sup> January, 2010
Audited Financial Results for year ended on 31 <sup>st</sup> March, 2010	25 <sup>th</sup> May, 2010
<b>No. of Employees</b>	525

### 13. SHARE PRICE PERFORMANCE ON BSE AND NSE

⇒ The Market price data (Monthly High / Low) of Company's Equity shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) during the period April 2009 to March 2010 is given below :

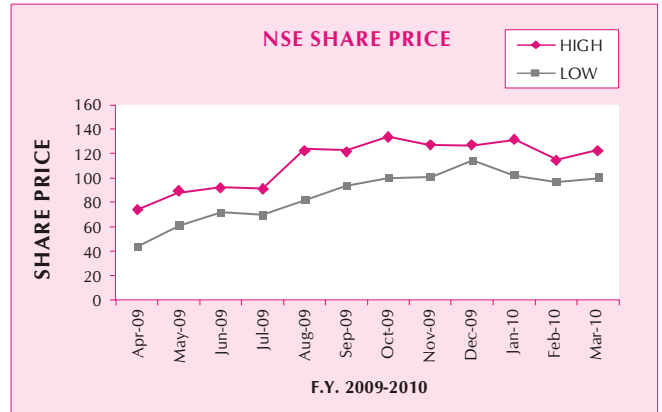
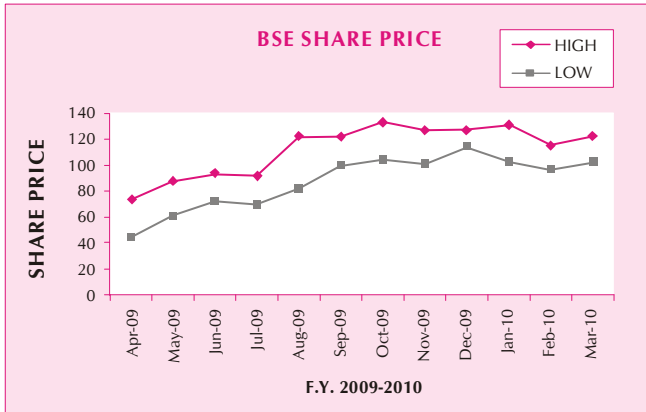
Month & Year	BSE				NSE			
	PRICE (Rs.)		SENSEX		PRICE (Rs.)		NIFTY	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APRIL 2009	73.50	45.20	11492.10	9546.29	74.5	44.35	3517.25	2965.70
MAY 2009	87.90	61.00	14930.54	11621.3	87.9	61.05	4509.4	3478.7
JUNE 2009	93.75	72.45	15600.30	14016.95	92.8	72.1	4693.2	4143.25
JULY 2009	91.60	70.00	15732.81	13219.99	92	70.05	4669.75	3918.75
AUG. 2009	122.70	82.00	16002.46	14684.45	123.5	82.1	4731.45	4353.45
SEPT. 2009	121.90	100.00	17142.52	15356.72	122.75	93.55	5087.6	4576.6
OCT. 2009	133.00	105.00	17493.17	15805.20	133.8	100.35	5181.95	4687.5
NOV. 2009	127.05	101.00	17290.48	15330.56	127.15	101	5138	4538.5
DEC. 2009	127.20	114.10	17530.94	16577.78	126.75	114	5221.85	4943.95
JAN. 2010	131.30	102.00	17790.33	15982.08	131	102	5310.85	4766
FEB. 2010	115.35	96.50	16669.25	15651.99	115.6	96.6	4992	4675.40
MAR. 2010	122.70	102.20	17793.01	16438.45	123.00	100.05	5329.55	4935.35



## Gujarat Industries Power Company Limited

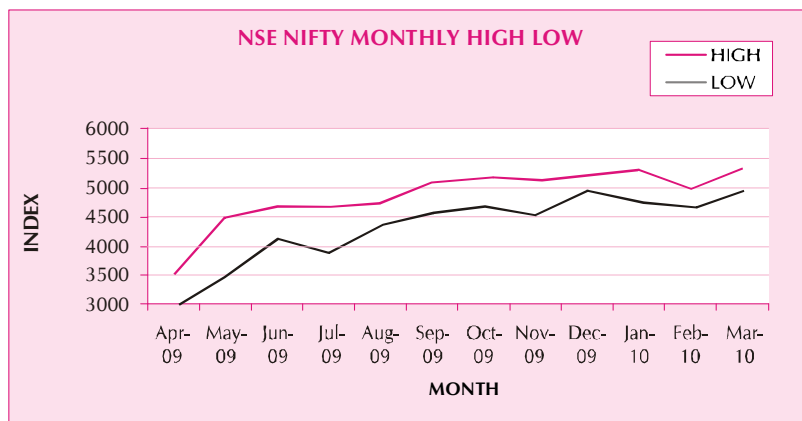
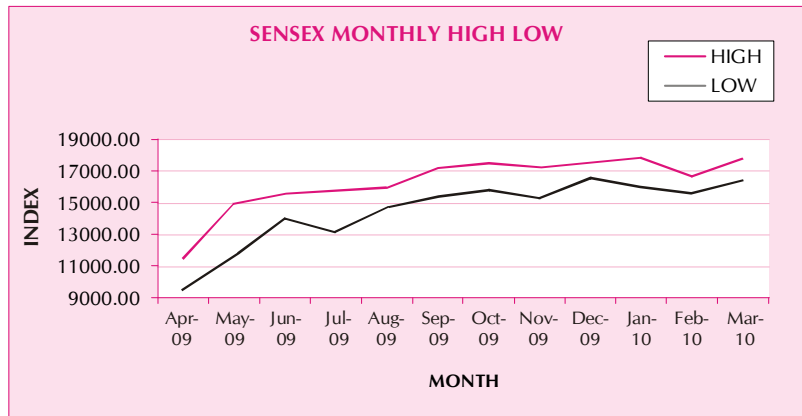
### REPORT ON CORPORATE GOVERNANCE (Contd.)

The following graphical presentations depict the movement of monthly high low share prices of Company's Shares on BSE and NSE during the period from April 2009 to March 2010:



Note: The above graphs represent BSE and NSE Share prices - Monthly High/Low.

- A graphical presentation showing monthly High/Low movement of BSE - Sensex and NSE - Nifty during the period from April 2009 to March 2010 is given below:





## 25th Annual Report 2009-2010

### REPORT ON CORPORATE GOVERNANCE (Contd.)

#### 14. SHAREHOLDING: PATTERN AND DISTRIBUTION AS ON 31ST MARCH, 2010

##### Pattern

HOLDER CATEGORY	NO. OF SHARES HELD	(%) OF TOTAL SHARE CAPITAL
<b>Promoter Companies/Bodies Corporate</b>	88040261	58.208
<b>Central/State Govt. Bodies Corporate</b>	11906721	7.872
<b>Institutional Investors</b>		
Insurance Companies	14882596	9.840
Mutual Funds/UTI	10389729	6.869
Banks/Financial Institutions	5150	0.003
<b>Foreign Investors</b>		
Foreign Institutional Investors	3624108	2.396
Non Resident Indians(Individuals)	761879	0.504
<b>Indian Public</b>		
Indian Individuals/HUF	18960210	12.536
Indian Bodies Corporate/Trusts/Partnership	2160706	1.429
Clearing Members	519828	0.344
<b>GRAND TOTAL</b>	<b>151251188</b>	<b>100.000</b>

##### Distribution

Category (No. of Shares) From To	No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Total No. of Shares
Upto 5000 Shares	77088	99.5532	16848210	11.1392
5001 – 10000	166	0.2144	1252032	0.8278
10001 – 20000	76	0.0981	1117879	0.7391
20001 – 30000	29	0.0375	75123	0.4965
30001 – 40000	12	0.0155	439700	0.2907
40001 – 50000	7	0.0090	317044	0.2096
50001 – 100000	15	0.0194	1104845	0.7305
100001 and above	41	0.0529	129420455	85.5666
<b>TOTAL</b>	<b>77434</b>	<b>100</b>	<b>151251188</b>	<b>100</b>

#### 15. SUMMARY OF HOLDERS AND HOLDING AS ON 31ST MARCH, 2010

Particulars	Physical	DematNSDL	DematCDSL	Total
Total Shareholders(Nos.)	15107	47589	14738	77434
Percentage (%)	19.51	61.45	19.04	100.00
Total shares(Nos.)	48213887	96641906	6395395	151251188
Percentage (%)	31.88	63.89	4.23	100.00



## Gujarat Industries Power Company Limited

### CEO AND CFO CERTIFICATION

We, L Chuaungo, Managing Director and S.P. Desai, Chief Finance Officer, responsible for the finance function certify that:

- a. We have reviewed the financial statements for the year ended 31<sup>st</sup> March, 2010 and to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference;  
ii) There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and  
ii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Gujarat Industries Power Company Limited**

Sd/-  
**S.P. Desai**  
Chief Finance Officer

Sd/-  
**L Chuaungo**  
Managing Director

Place: Gandhinagar  
Date : 25/05/2010

### DECLARATION

#### Declaration regarding Compliance of Code of Conduct by Directors and Senior Management Personnel of the Company

This is to certify that the Board Members and the Members of Senior Management (i.e. one layer below the Board of Directors) have given declaration regarding the adherence to the Code of Conduct as enunciated by the Company for the year ended 31<sup>st</sup> March 2010 as required under Clause 49 of the Listing Agreement.

For Gujarat Industries Power Company Ltd.

Sd/-  
**L. Chuaungo**  
Managing Director

Place : Gandhinagar  
Date : 25/05/2010.

### CERTIFICATE

#### To the Members of Gujarat Industries Power Company Ltd .

We have examined the compliance of the conditions of Corporate Governance by Gujarat Industries Power Company Limited for the year ended 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management . Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance . It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us , we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2010, no investor grievances are pending against the Company , as per the records maintained by the Company and presented to the Share / Debenture Transfer & Investor's Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date : 26<sup>th</sup> May, 2010  
Place : Vadodara

Sd/-  
**S. Samdani**  
Practicing Company Secretary  
S. Samdani & Associates  
Company Secretaries  
CP No. 2863



## 25th Annual Report 2009-2010

### AUDITOR'S REPORT

#### TO, THE MEMBERS OF GUJARAT INDUSTRIES POWER COMPANY LIMITED

1. We have audited the attached Balance Sheet of **Gujarat Industries Power Company Limited** as at 31<sup>st</sup> March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
  - e. on the basis of the written representations received from the directors of the Company, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
    - (ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date;
    - (iii) in the case of cash flow statement, of the Cash Flow for the year ended on that date.

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No.106237W

Place: Vadodara  
Date : 25<sup>th</sup> May, 2010

Sd/-  
**Milin Mehta**  
Partner  
Membership No. 38665



## Gujarat Industries Power Company Limited

### ANNEXURE TO THE AUDITORS' REPORT

(referred to in paragraph (3) thereof)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the year as per the phased programme of physical verification of fixed assets. As informed to us, the programme is such that all the fixed assets will get physically verified in three years time. In our opinion, the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- c) The Company has not disposed off a substantial part of its fixed assets during the year and therefore, do not affect the going concern assumption.
- ii. a) The inventory has been physically verified by the management at the year end.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- iii. The Company has neither granted any loans nor taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of a special nature and their prices cannot be compared with alternative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. In our opinion and according to the information and explanations given to us, there are no transactions made by the company in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- vi. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Order made by the Central Government for the maintenance of cost records u/s 209 (1) (d) of the act and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records.
- ix. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31<sup>st</sup> March, 2010 for a period of more than six months from the dates they become payable.





## 25th Annual Report 2009-2010

### ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- b) According to the information and explanations given to us, there are no dues of customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

In respect of Stamp Duty and Income tax as at 31<sup>st</sup> March, 2010 which have not been deposited on account of any dispute, the details are as under:

Particulars	Forum where the dispute is pending	Period to which the amount relates	Amount (Rs. in lakhs)
Stamp Duty	Dy. Collector, Stamp Duty Valuation Office, Baroda	1996-97	452.60
Income Tax	Commissioner of Income Tax of Appeals, Baroda	A.Y. 2008-09	725.01
Income Tax	Commissioner of Income Tax of Appeals, Baroda	A.Y. 2003-04	6.40
Income Tax	Commissioner of Income Tax of Appeals, Baroda	A.Y. 2000-01	9.20

- x. In our opinion, the Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution or bank.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities debentures and other investments. The Company is investing surplus funds in marketable securities and bonds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have made therein. The investments in marketable securities have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution and therefore, the provisions of clause (xv) of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long term investment.
- xviii. According to the information and explanations given to us, during the period covered by our audit report, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, during the period of audit the Company has not issued any secured debentures.
- xx. The Company has not raised any money by public issue during the year and therefore, the provisions of clause (xx) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No.106237W

Place: Vadodara  
Date : 25<sup>th</sup> May, 2010

Sd/-  
**Milin Mehta**  
Partner  
Membership No. 38665



## Gujarat Industries Power Company Limited

### BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	AS AT 31-03-10	(Rs. in Lacs) AS AT 31-03-09
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	15,125.12	15,125.12
Reserves and Surplus	2	109,482.39	103,213.33
<b>Loan Funds :</b>			
Secured Loans	3	104,406.75	79,019.80
Unsecured Loans	4	2,000.00	5,000.00
Deferred Tax Liability ( Net )		7,637.20	7,960.93
<b>TOTAL</b>		<b>238,651.46</b>	<b>210,319.18</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	5	193,602.32	192,796.22
Less : Depreciation/Impairment		120,965.83	112,190.20
Net Block		72,636.49	80,606.02
Capital Work in Progress		8.98	4.03
Expenditure on New Project	6	161,587.20	117,575.00
Mines Development Expenditure (To be amortised)	7	13,944.41	11,454.42
		248,177.08	209,639.47
<b>Investments</b>	8	2,709.68	6,221.28
<b>Current Assets, Loans and Advances :</b>			
Interest Accrued		0.09	143.72
Inventories	9	10,354.72	8,968.78
Sundry Debtors	10	13,726.05	17,906.45
Cash and Bank Balances	11	156.21	343.35
Loans and Advances	12	4,906.51	4,665.07
		29,143.58	32,027.37
<b>Less : Current Liabilities and Provisions :</b>			
Current Liabilities	13	34,943.40	31,995.74
Provisions	13	7,711.81	6,849.53
Net Current Assets		(13,511.63)	(6,817.90)
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		1,276.33	1,276.33
<b>TOTAL</b>		<b>238,651.46</b>	<b>210,319.18</b>
Significant Accounting Policies	20		
Notes to Accounts	21		

As per our report of even date attached  
For **K. C. Mehta & CO.**  
Chartered Accountants

**Milin Mehta**  
Partner  
Membership No. 38665

Place : Vadodara  
Date : 25<sup>th</sup> May, 2010

**L. Chuaungo**  
Managing Director

**S. P. Desai**  
Chief Finance Officer

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2010

**D. J. Pandian**  
Chairman

**C. H. Patni**  
Company Secretary

Directors  
**Prof. Shekhar Chaudhuri**  
**Dr. P. K. Das**  
**Prof. K. M. Joshi**  
**G. P. Mohapatra**  
**P. H. Rana**  
**H. V. Patel**



## 25th Annual Report 2009-2010

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		(Rs. in Lacs)	
Particulars	Schedule	For the Year ended 31-03-10	For the Year ended 31-03-09
<b>INCOME :</b>			
Sale of Electrical Energy		93,911.89	115,499.01
Other Income	14	1,385.69	1,618.82
<b>TOTAL</b>		<b>95,297.58</b>	<b>117,117.83</b>
<b>EXPENDITURE :</b>			
Generation Expenses	15	67,464.36	90,605.31
Personnel Expenses	16	2,743.60	2,282.02
Administration and Other Expenses	17	1,824.47	1,545.69
Interest & Finance Charges	18	1,623.86	2,955.92
Prior Period Adjustments	19	0.00	50.41
Depreciation		8,804.05	8,788.25
Impairment of Assets		0.00	47.02
<b>TOTAL</b>		<b>82,460.34</b>	<b>106,274.62</b>
<b>Profit Before Tax</b>		<b>12,837.24</b>	<b>10,843.21</b>
<b>Provision for Taxation</b>			
- Current Tax		2,220.00	2,107.00
- Fringe Benefit Tax		0.00	42.24
- Deferred Tax		(323.73)	162.21
- Tax adjustment for earlier years		262.56	0.00
<b>Profit After Tax</b>		<b>10,678.41</b>	<b>8,531.76</b>
Balance brought forward from Previous Year		10,070.48	11,431.76
<b>Balance available for Appropriation</b>		<b>20,748.89</b>	<b>19,963.52</b>
<b>APPROPRIATIONS :</b>			
General Reserve		2,000.00	2,000.00
Expansion Reserve		4,000.00	4,000.00
Proposed Dividend		3,781.28	3,327.53
Corporate Dividend Tax		628.07	565.51
Balance carried to Balance Sheet		10,339.54	10,070.48
		<b>20,748.89</b>	<b>19,963.52</b>
Earning Per Share (Basic and Diluted) including prior period adjustments	Rupees	7.06	5.64
Earning Per Share (Basic and Diluted) excluding prior period adjustments	Rupees	7.06	5.67
Significant Accounting Policies	20		
Notes to Accounts	21		

As per our report of even date attached

For **K. C. Mehta & CO.**  
Chartered Accountants

**Milin Mehta**

Partner  
Membership No. 38665

Place : Vadodara

Date : 25<sup>th</sup> May, 2010

**L. Chuaungo**  
Managing Director

**S. P. Desai**  
Chief Finance Officer

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2010

**D. J. Pandian**  
Chairman

**C. H. Patni**  
Company Secretary

Directors  
**Prof. Shekhar Chaudhuri**  
**Dr. P. K. Das**  
**Prof. K. M. Joshi**  
**G. P. Mohapatra**  
**P. H. Rana**  
**H. V. Patel**



## Gujarat Industries Power Company Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	For the Year ended 31-03-10	For the Year ended 31-03-09
		(Rs. in Lacs)
<b>A Cash Flow From Operating Activities :</b>		
Net Profit before Taxes and Extraordinary items	12837.24	10843.21
Adjustment for :		
Depreciation	8804.05	8788.25
Impairment of Assets	0.00	47.02
Interest debited to Profit & Loss Account	1623.86	2955.92
Loss on Sale of Assets	0.22	1.28
Profit on Sale of Assets	(1.55)	(0.02)
Interest Received	(260.34)	(777.05)
Dividend	(51.03)	(64.12)
	10115.21	10951.28
<b>Operating Profit Before Working Capital Changes</b>	<b>22952.45</b>	<b>21794.49</b>
Adjustment for :		
Trade Receivables	4180.40	(1194.15)
Inventories	(1385.94)	(598.84)
Loans and Advances	(345.67)	(47.87)
Trade Payables	(335.35)	2597.51
	2113.44	756.65
<b>Cash Generated from Operations</b>	<b>25065.89</b>	<b>22551.14</b>
Payment of Direct Taxes	(2307.57)	(2393.91)
<b>Net Cash Flow from Operating Activities (Total - A)</b>	<b>22758.32</b>	<b>20157.23</b>
<b>B Cash Flow from Investing Activities :</b>		
Purchase/Adj. of Fixed Assets including Capital Work in Progress	(846.89)	(1343.10)
Expenditure on New Project (net of project creditors)	(40284.17)	(37934.28)
Purchase of Investments	(1200.00)	(435.60)
Sale of Fixed Assets	8.75	9.72
Mines Development Expenditure (To be amortised)	(2489.99)	(571.90)
Sale of Investments	4711.60	4000.00
Proceeds from Deposits with bank matured	0.00	4264.82
Interest Received	403.97	910.10
Dividend	51.03	64.12
<b>Net Cash Flow from Investing Activities (Total - B)</b>	<b>(39645.70)</b>	<b>(31036.12)</b>



## 25th Annual Report 2009-2010

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

Particulars	(Rs. in Lacs)	
	For the Year ended 31-03-10	For the Year ended 31-03-09
<b>C Cash Flow from Financing Activities :</b>		
Proceeds from Term Borrowings	30808.16	30241.80
Proceeds from other Loans	2114.02	5000.00
Repayment of Term Borrowing	(2440.59)	(11200.78)
Repayment of other loans	(8080.00)	(8091.70)
Interest Paid	(1757.97)	(3019.43)
Dividend on Equity Paid	(3377.87)	(3761.85)
Tax on Dividend Paid	(565.51)	(642.63)
<b>Net Cash Flow from Financing Activities (Total - C)</b>	<b>16700.24</b>	<b>8525.41</b>
<b>Net Increase In Cash and Cash Equivalents (Total - A+B+C)</b>	<b>(187.14)</b>	<b>(2353.48)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>343.35</b>	<b>2696.83</b>
<b>Closing Cash and Cash Equivalents (Refer Schedule 11)</b>	<b>156.21</b>	<b>343.35</b>
<b>Note : 1.</b> The Cash flow statement has been prepared by the indirect method as set out in the Accounting Standard-3 on "Cash Flow Statements".		
<b>2.</b> Cash and Cash equivalents includes:		
- Cash on hand	2.22	2.01
With Scheduled Banks :		
- Current Accounts	152.43	339.65
- Deposit Accounts	1.56	1.69
	<b>153.99</b>	<b>341.34</b>
<b>TOTAL</b>	<b>156.21</b>	<b>343.35</b>

As per our report of even date attached  
For **K. C. Mehta & CO.**  
Chartered Accountants

**Milin Mehta**  
Partner  
Membership No. 38665

Place : Vadodara  
Date : 25<sup>th</sup> May, 2010

**L. Chuaungo**  
Managing Director

**S. P. Desai**  
Chief Finance Officer

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2010

**D. J. Pandian**  
Chairman

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Company Secretary

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**Prof. K. M. Joshi**  
**G. P. Mohapatra**  
**P. H. Rana**  
**H. V. Patel**



## Gujarat Industries Power Company Limited

### SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	(Rs. in Lacs)	
	As At 31-03-10	As At 31-03-09
<b>SCHEDULE 1 – SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
32,50,00,000 Equity Shares of Rs.10/-each (Previous year 22,50,00,000 Shares)	<b>32,500.00</b>	22,500.00
61,00,000 Cumulative Redeemable Preference Shares (With dividend not exceeding 15% p.a.) of Rs. 100/- each. (Previous year 1,61,00,000 Shares)	<b>6,100.00</b>	16,100.00
<b>TOTAL</b>	<b>38,600.00</b>	<b>38,600.00</b>
<p>During the year 22,50,00,000 Equity shares of Rs.10/- each and 1,61,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each were re-classified as 32,50,00,000 Equity Shares of Rs. 10/- each and 61,00,000 Cumulative Redeemable Preference Shares (with dividend not exceeding 15% p.a.) of Rs. 100 each.</p>		
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
15,12,51,188 Equity Shares of Rs.10/-each fully paid	<b>15,125.12</b>	15,125.12
<b>TOTAL</b>	<b>15,125.12</b>	<b>15,125.12</b>

Out of the above, 3,80,22,018 Equity shares of Rs. 10 each were allotted on conversion of Debentures.

<b>SCHEDULE 2 – RESERVES AND SURPLUS</b>		
<b>1. Capital Redemption Reserve</b>		
As per last Balance Sheet	<b>3,455.88</b>	3,455.88
<b>2. Expansion Reserve</b>		
As per last Balance Sheet	<b>27,500.00</b>	23,500.00
Add : Transferred from Profit and Loss Account	<b>4,000.00</b>	4,000.00
	<b>31,500.00</b>	27,500.00
<b>3. Share Premium Account</b>		
As per last Balance Sheet	<b>33,316.97</b>	33,316.97
<b>4. General Reserve</b>		
As per last Balance Sheet	<b>28,870.00</b>	26,870.00
Add : Transferred from Profit and Loss Account	<b>2,000.00</b>	2,000.00
	<b>30,870.00</b>	28,870.00
<b>5. Profit and Loss Account</b>	<b>10,339.54</b>	10,070.48
<b>TOTAL</b>	<b>109,482.39</b>	<b>103,213.33</b>



## 25th Annual Report 2009-2010

### SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	(Rs. in Lacs)	
	As At 31-03-10	As At 31-03-09
<b>SCHEDULE 3 – SECURED LOANS</b>		
<b>(A) From Banks</b>		
- Term Loans	92,450.00	62,052.43
- Working Capital Loans	11,866.75	11,752.73
Interest Accrued & Due on 31st March	0.00	14.64
<b>TOTAL (A)</b>	<b>104,316.75</b>	<b>73,819.80</b>
<b>(B) From Financial Institutions</b>		
- Term Loans	90.00	2,120.00
- Working Capital Loans	0.00	3,080.00
<b>TOTAL (B)</b>	<b>90.00</b>	<b>5,200.00</b>
<b>TOTAL (A + B)</b>	<b>104,406.75</b>	<b>79,019.80</b>

- i) The Term Loans from Banks and Financial Institutions are secured by way of first mortgage and charge created/ to be created, ranking pari passu , on all immovable properties i.e. fixed assets, both present and future, pertaining to the Company's respective Plants at Baroda and Surat.

Of the above, certain Term loans are secured by a first charge by way of hypothecation of all the movables (save and except book debts) including tangible movable machinery, spares, tools and accessories, both present and future, ranking pari passu, subject to prior charges created/to be created on current assets and receivables in favour of Company's Bankers for working capital arrangement.

- ii) The Working Capital Loan from financial institution was secured by way of pledge of 7700 numbers of 8.50% Non- Convertible Bonds of the face value of Rs 1 Lac each ( P.Y. Rs.60,000/- redeemed per bond )Series VI Option – 1 of Gujarat Urja Vikas Nigam Ltd, which were fully redeemed in the month of November, 2009.
- iii) The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capital facilities for Company's Plants at Baroda and Surat. These facilities are secured by a first charge by way of hypothecation in favour of Banks on the company's current assets and receivables, both present and future, ranking pari passu inter se, the members of the consortium relating to the respective Plants.

	(Rs. in Lacs)	
	As At 31-03-10	As At 31-03-09
<b>SCHEDULE 4 – UNSECURED LOANS</b>		
Short Term Loan from Institutions	0.00	5000.00
Short Term Loan from Banks	2000.00	0.00
<b>TOTAL</b>	<b>2000.00</b>	<b>5000.00</b>

## SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

### SCHEDULE 5 - FIXED ASSETS

(Rs.in Lacs)

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				IMPAIRMENT	NET BLOCK	
	As at 01-04-09	Addition during the year	Adjustment/ Deduction during the year	As on 31-03-10	Total upto 01-04-09	For the period	Adjustment/ Deduction during the period	Upto 31-03-10	As on 31-03-10	As at 31-03-10	As at 31-03-09
<b>A. TANGIBLE ASSETS</b>											
(1) Land											
- Lease hold	603.85	0.00	0.00	603.85	105.94	6.10	0.00	112.04	0.00	491.81	497.91
- Free hold	3,775.03	51.77	0.00	3,826.80	0.00	0.00	0.00	0.00	0.00	3,826.80	3,775.03
(2) Buildings											
- Factory Buildings	15,758.98	23.58	0.00	15,782.56	4,945.35	539.84	0.00	5,485.19	0.00	10,297.37	10,813.63
- Non Factory Buildings	4,406.41	0.00	0.00	4,406.41	807.24	71.95	0.00	879.19	0.00	3,527.22	3,599.17
(3) Plant and Machinery	161,070.19	623.54	(5.26)	161,688.47	101,354.16	7,482.64	(5.26)	108,831.54	507.95	52,348.98	59,208.08
(4) Capital Spares	5,952.57	0.00	0.00	5,952.57	3,638.57	620.07	0.00	4,258.64	0.00	1,693.93	2,314.00
(5) Furniture and Fixtures	255.61	17.29	0.00	272.90	158.62	13.22	0.00	171.84	0.00	101.06	96.99
(6) Office equipments	657.95	28.73	(20.64)	666.04	467.04	35.43	(14.44)	488.03	0.00	178.01	190.91
(7) Vehicles	102.07	0.00	(9.94)	92.13	59.94	7.52	(8.72)	58.74	0.00	33.39	42.13
<b>Sub Total - A</b>	192,582.66	744.91	(35.84)	193,291.73	111,536.86	8,776.77	(28.42)	120,285.21	507.95	72,498.57	80,537.85
<b>B. INTANGIBLE ASSETS</b>											
(8) Computer Software	108.22	97.03	0.00	205.25	40.05	27.28	0.00	67.33	0.00	137.92	68.17
(9) Technical Know-How Fees	105.34	0.00	0.00	105.34	105.34	0.00	0.00	105.34	0.00	0.00	0.00
<b>Sub Total - B</b>	213.56	97.03	0.00	310.59	145.39	27.28	0.00	172.67	0.00	137.92	68.17
<b>TOTAL (A + B)</b>	192,796.22	841.94	(35.84)	193,602.32	111,682.25	8,804.05	(28.42)	120,457.88	507.95	72,636.49	80,606.02
Previous year	191,250.78	1,577.74	(26.18)	192,802.34	102,915.32	8,788.25	(15.20)	111,688.37	507.95	80,606.02	
(10) Capital Work-in-Progress										8.98	4.03

Notes : Note : Leasehold land is obtained as a permitted transferee as per agreement with GIDC/ IPCL.







## 25th Annual Report 2009-2010

### SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

(Rs. in Lacs)

	As At 31-03-10	As At 31-03-09
<b>SCHEDULE 6 – EXPENDITURE ON NEW PROJECT</b>		
<b>(A) SURAT LIGNITE POWER PROJECT (UNIT 3 &amp; 4)</b>		
Capital Work In Progress (including Advances)	121,767.64	105,400.56
Interest and Finance Charges	11,351.77	4,926.71
Preoperative Expenditure for Project ( Pending allocation)	5,173.46	1,251.56
<b>TOTAL - A</b>	<b>138,292.87</b>	<b>111,578.83</b>
<b>(B) MINING PROJECT</b>		
Capital Work In Progress (including Advances)	14,280.57	1,440.86
Interest and Finance Charges	1,286.77	565.07
Preoperative Expenditure for Project (Pending allocation)	3,817.52	414.82
<b>TOTAL - B</b>	<b>19,384.86</b>	<b>2,420.75</b>
<b>(C) EXPANSION PROJECT ( SLPP PHASE - II)</b>		
Capital Work In Progress (including Advances)	3,714.67	3,464.89
Preoperative Expenditure for Project ( Pending allocation)	194.80	110.53
<b>TOTAL - C</b>	<b>3,909.47</b>	<b>3,575.42</b>
<b>TOTAL (A + B + C)</b>	<b>161,587.20</b>	<b>117,575.00</b>

### SCHEDULE 7 – MINES DEVELOPMENT EXPENDITURE (To be amortised)

Initial Development Expenses	6,465.10	7,412.12
Overburden Removal Cost	7,479.31	4,042.30
<b>TOTAL</b>	<b>13,944.41</b>	<b>11,454.42</b>

### SCHEDULE 8 – INVESTMENTS

LONG TERM (Trade - unless otherwise specified)		
<b>QUOTED</b>		
11,03,360 Equity Shares of Gujarat Alkalies and Chemicals Limited of Rs. 10/- each (Fully paid )	551.68	551.68
<b>UNQUOTED</b>		
Gujarat Urja Vikas Nigam Limited Bonds : (a Company under the same management)		
0 8.50% Bond of Rs. 1,00,000/ each (Fully Redeemed (previous year Rs. 60,000/- redeemed per bond))	0.00	4,711.60
72,54,545 Equity Shares of Gujarat State Energy Generation Limited of Rs. 10 each (Fully paid)	748.00	748.00
1,00,000 Equity Shares of GSPC Gas Company Limited of Rs. 10 each (Fully paid )	10.00	10.00
1,40,00,000 Equity Shares of Bhavanagar Energy Company Limited of Rs. 10 each (Fully paid) (Previous year 20,00,000 Shares)	1,400.00	200.00
<b>TOTAL</b>	<b>2,158.00</b>	<b>5,669.60</b>
<b>TOTAL</b>	<b>2,709.68</b>	<b>6,221.28</b>
Aggregate cost of Quoted Investments	551.68	551.68
Market value of Quoted Investments	1,387.48	650.98
Aggregate cost of Unquoted Investments	2,158.00	5,669.60



## Gujarat Industries Power Company Limited

### SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	(Rs. in Lacs)	
	As At 31-03-10	As At 31-03-09
<b>SCHEDULE 9 – INVENTORIES</b>		
Stores and Spares	8,399.40	8,322.94
Raw Materials ( Fuel )	1,955.32	645.84
<b>TOTAL</b>	<b>10,354.72</b>	<b>8,968.78</b>
<b>SCHEDULE 10 – SUNDRY DEBTORS</b>		
(Unsecured - Considered Good )		
Over Six Months	0.00	0.00
Others	13,726.05	17,906.45
<b>TOTAL</b>	<b>13,726.05</b>	<b>17,906.45</b>
(includes Rs.12319.97 lacs ( Previous year Rs.14171.50 lacs ) receivable from Gujarat Urja Vikas Nigam Limited, a company under the same management).		
<b>SCHEDULE 11 – CASH AND BANK BALANCES</b>		
Cash on hand	2.22	2.01
Balances with Scheduled Banks in:		
- Current Accounts	152.43	339.65
- Deposit Accounts	1.56	1.69
<b>TOTAL</b>	<b>153.99</b>	<b>341.34</b>
<b>TOTAL</b>	<b>156.21</b>	<b>343.35</b>
<b>SCHEDULE 12 – LOANS AND ADVANCES</b>		
Secured (Considered good)		
Loan to Employees against hypothecation of Vehicles	39.82	54.93
Unsecured (Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,298.34	937.56
Advance Tax (Net of Provisions )	3,568.35	3,672.58
<b>TOTAL</b>	<b>4,866.69</b>	<b>4,610.14</b>
<b>TOTAL</b>	<b>4,906.51</b>	<b>4,665.07</b>



## 25th Annual Report 2009-2010

### SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	As At 31-03-10	As At 31-03-09
<b>(Rs. in Lacs)</b>		
<b>SCHEDULE 13 – CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>Current Liabilities :</b>		
Sundry Creditors :		
Micro and Small Enterprises	15.82	13.21
Other than Micro and Small Enterprises ;		
- For Projects Supplies and Services	22,657.57	18,929.54
- Others	10,788.09	11,750.85
Security Deposits	1,338.04	984.43
Items covered by IEPF*		
- Unclaimed Dividends	114.30	164.64
- Unclaimed Matured Deposits	6.34	10.36
- Unclaimed Interest on Debentures/Deposits	19.27	32.29
- Unclaimed Share Application Money	0.47	0.47
Interest accrued but not due		
- On Secured Loans	3.50	109.95
	<b>34,943.40</b>	31,995.74
<b>Provisions for :</b>		
Employee Benefits	1,082.46	807.25
Fringe Benefit Tax	0.00	42.24
Current Tax	2,220.00	2,107.00
Proposed Dividend	3,781.28	3,327.53
Corporate Dividend Tax	628.07	565.51
	<b>7,711.81</b>	6,849.53
<b>TOTAL</b>	<b>42,655.21</b>	38,845.27

\* Amounts due and outstanding to be credited to Investor Education & Protection Fund Rs. Nil (Previous year Rs. Nil)



## Gujarat Industries Power Company Limited

### SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

	For the Year ended 31-03-10	For the Year ended 31-03-09
<b>(Rs. in Lacs)</b>		
<b>SCHEDULE 14 – OTHER INCOME</b>		
Interest on Deposits / Bonds (Tax deducted at source Rs.81.64 lacs Previous year Rs.197.20 Lacs )	259.35	773.96
Other Interest	0.99	3.09
Bad Debts Recovered	145.04	105.10
Dividend	51.03	64.12
Insurance Claims	102.09	291.41
Liquidated Damages	157.85	15.25
Consultancy Income	334.28	0.00
Miscellaneous	335.06	365.89
<b>TOTAL</b>	<b>1,385.69</b>	<b>1,618.82</b>
<b>SCHEDULE 15 – GENERATION EXPENSES</b>		
Fuel	61,087.49	84,865.67
Consumption of Stores and Spares	2,908.18	2,470.37
Water Charges	893.78	850.16
Electricity Charges	565.75	586.39
Insurance	181.39	200.17
Operation Expenses	757.66	878.04
Repairs and Maintenance to Plant and Machinery	1,070.11	754.51
<b>TOTAL</b>	<b>67,464.36</b>	<b>90,605.31</b>
<b>SCHEDULE 16 – PERSONNEL EXPENSES</b>		
Salary and Wages	1,610.86	1,389.53
Contribution to Provident and Pension Fund	131.85	113.33
Welfare Expenses and Other Benefits	1,000.89	779.16
<b>TOTAL</b>	<b>2,743.60</b>	<b>2,282.02</b>



## 25th Annual Report 2009-2010

### SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

	For the Year ended 31-03-10	For the Year ended 31-03-09
<b>(Rs. in Lacs)</b>		
<b>SCHEDULE 17 – ADMINISTRATION AND OTHER EXPENSES</b>		
Repairs and Maintenance :		
- Buildings	298.22	292.91
- Others	23.76	51.99
Rent, Rates and Taxes	75.82	111.93
Communication Expenses	56.40	69.27
Travelling & Conveyance Expenses	130.21	132.65
Legal, Professional and Consultancy Fees	45.99	59.57
Bank Charges and Commission	99.86	82.14
Social Welfare Expenses	563.52	216.99
Miscellaneous Expenses (includes membership, office, security, advertisement, software maintenance, audit fees and registrar & transfer fees)	530.69	528.24
<b>TOTAL</b>	<b>1,824.47</b>	<b>1,545.69</b>
<b>SCHEDULE 18 – INTEREST &amp; FINANCE CHARGES</b>		
Fixed Term Loans	193.83	1,070.34
Short Term Loan	246.42	385.13
Cash Credit / Working Capital Demand Loans	542.98	889.01
Others	8.14	110.73
Cash Rebate on Sales	632.49	500.71
<b>TOTAL</b>	<b>1,623.86</b>	<b>2,955.92</b>
<b>SCHEDULE 19 – PRIOR PERIOD ADJUSTMENTS</b>		
Professional Fees	0.00	1.50
Lignite Extraction Cost	0.00	48.91
<b>TOTAL</b>	<b>0.00</b>	<b>50.41</b>



## Gujarat Industries Power Company Limited

### SCHEDULE 20 – SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the requirements of the Companies Act, 1956 of India have been followed in preparation of these financial statement.

#### 2. USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

#### 3. FIXED ASSETS

- Tangible Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Costs include all expenses incurred to bring the assets to its present location and condition.
- Intangible Assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.
- Mines Development Expenditure under Fixed Assets comprises of initial expenditure for lignite mines and expenditure for removal of overburden. Such expenditure is amortised over quantities of lignite actually extracted. Relevant stripping ratio is also considered while determining amortization of expenditure for removal of overburden.
- Works under erection / installation / execution including advances for capital works are shown as Capital Work-in-progress

#### 4. DEPRECIATION

- Depreciation on all fixed assets except computer software is provided on straight line method at the rates specified under Schedule XIV of the Companies Act, 1956, such rates being not lower than the rates based on management's estimate of useful economic life of the assets.
- Computer software is amortized on straight-line basis over a period of five years.
- Leasehold land is amortized over the period of lease on straight-line basis.

#### 5. INVESTMENTS

Long term Investments are shown at cost. However, when there is decline, other than temporary in the value of a long term investment, the carrying amount is reduced to recognize the decline.

Current Investments are stated at lower of cost and net realizable value.

#### 6. INVENTORIES

Inventories are valued at lower of cost or net realizable value as under:

Inventories	Cost Formula
a. Raw Materials (other than Lignite)	Weighted Average Cost
b. Lignite	Absorption costing. Cost Includes Extraction Cost, Mining overheads including amortized cost as per 3(c) above.
c. Stores and Spares	Weighted Average Cost

#### 7. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognized in the profit and loss account.

#### 8. TAXATION

- Provision for Current Tax is made on the basis of estimated tax payable for the year as per the applicable provisions of the Income Tax Act.



## 25th Annual Report 2009-2010

- b. Deferred tax is recognized subject to consideration of prudence, on timing differences that originate in one period and are capable of reversal in one or more subsequent periods between taxable income and accounting income.

### 9. EMPLOYEE BENEFITS

- a. Post-employment benefits:

- i) Defined Contribution plan

Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Profit and Loss Account.

- ii) Defined Benefit plan

Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation.

- b. Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include incentives.

- c. Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

### 10. REVENUE RECOGNITION

- a. Revenue from sale of energy is recognized when no significant uncertainty as to the measurability or ultimate collection exists.
- b. Interest on investment is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- c. Dividend income is recognised when the right to receive payment is established.
- d. Claims lodged with insurance company in respect of risk insured are accounted on admittance basis.
- e. Delayed payment charges under Power Purchase Agreements are recognised, on grounds of prudence, as and when recovered.
- f. Other income is recognised on accrual basis except when realization of such income is uncertain.

### 11. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### 12. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount in subsequent period.

### 13. BORROWING COST

Borrowing cost including interest and other financial charges which are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of that asset up to the period the project is commissioned or asset is ready for use. Other borrowing costs are recognised as expenses in the period in which they incurred.



## Gujarat Industries Power Company Limited

### SCHEDULE 21 – NOTES FORMING PART OF THE ACCOUNTS

	(Rs. In Lacs)	
	As at 31-03-10	As at 31-03-09
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	39085.72	56044.80
<b>2. Contingent Liabilities not provided for :</b>		
a. Claims against company pending before court (includes certain claims where the amount can not be ascertained)	3090.25	3095.53
b. Demand for Water Reservation Charges and interest thereon from Narmada Water Resources and Water Supply Department relating to Surat Lignite Power Plant is contested and not acknowledged as debt since at the relevant time project was under implementation and regular drawl of water was not made.	1055.63	1093.81
c. Bills of Exchange discounted with Banks in respect of Sales Invoices.	14300	29700.00
d. Interest on delay in payment of Electricity Duty not recovered from participating units and hence not deposited with the Government.	Amount not ascertainable	Amount not ascertainable
e. Demand for difference of Stamp Duty from office of the Deputy Collector, Stamp Duty Valuation Office, Baroda and penalty which can be levied up to 10 times the disputed amount, on Debenture Trust Deed executed on 15/10/1996 for right issue of Partly Convertible Debentures is disputed on the ground of wrong classification and not acknowledged as debt.	452.60	452.60
f. GUVNL had earlier filed a petition with GERC where the independent power producers (IPP) (including GIPCL) were made parties/respondents. The petition was filed for recovery of incentives paid on deemed generation of naphtha during the period of 2000-01 to 2004-05 along with interest. The issue now stands settled by GERC and Tribunal orders and accordingly the liability of contingent nature which was shown in prior year no longer exists in current year.	Nil	265.95 (including interest 115.58)
g. In respect of leasehold land of 165 MW Baroda Power Plant and freehold land in respect of 250 MW Surat Lignite Power Plant, various claims are pending against the company/land acquisition office. Depending upon the final compensation amount determined, the cost of land may change requiring appropriate adjustment then.	Amount not ascertainable	Amount not ascertainable
h. Demand from department of Geology & Mining, Surat for Interest on delayed Royalty Payment on lignite for the period from April 04 to March 07.	24.09	24.09
i. Income Tax Demand contested in Appeal	1824.11	1518.95





## 25th Annual Report 2009-2010

### 3. The particulars in respect of generation of electricity, units exported and consumption of raw materials are :

#### a. Generation and Export Details

	UOM	2009-10	2008-09
		Quantity	Quantity
Installed Capacity	MW	560	560
Units Generated	MUs	4095.856	3927.336
Units Exported *	MUs	3841.286	3687.357

\* (Difference in units generated and units exported is attributed to auxiliary consumption)

#### b. Consumption of Raw Materials

(Rs. in Lacs)

	UOM	2009-10		2008-09	
		Quantity	Amount	Quantity	Amount
Consumption of Gas	000SM <sup>3</sup>	515822.995	45398.91	484070.804	72047.08
Consumption of Lignite	MT	1715838	17180.93	1695806	14375.25
Consumption of HFO	KL	2678.053	661.90	2199.304	624.63
	TOTAL		63241.74		87046.96

(Rs.in Lacs)

		2009-10		2008-09	
		% to total Consumption	Value	% to total Consumption	Value
Imported		-	-	-	-
Indigenous		100.00	63241.74	100.00	87046.96
	TOTAL	100.00	63241.74	100.00	87046.96

The information provided under this note does not include details relating to expansion at Surat Lignite Power Plant under trial run.

#### 4. Managing Director's Remuneration:

(Rs. in lacs)

	2009-10	2008-09
Other perquisites and / or benefits in cash or in kind	1.87	1.46

Note: The Managing Director is also holding the post of Managing Director in Gujarat Urja Vikas Nigam Limited and draws his remuneration from there. Only perquisites payable to him are borne by GIPCL.

#### 5. C.I.F. Value of Imports

(Rs. in lacs)

	2009-10	2008-09
Spares and Components	80.05	35.69



## Gujarat Industries Power Company Limited

### 6. Stores and Spares Consumed

(Rs.in Lacs)

	2009-10		2008-09	
	Value	% to total Consumption	Value	% to total Consumption
Imported	94.84	3.26	106.65	4.32
Indigenous	2813.34	96.74	2363.73	95.68
TOTAL	2908.18	100.00	2470.38	100.00

The information provided under this note does not include details relating to expansion at Surat Lignite Power Plant under trial run.

### 7. Payment to Auditors :

(Rs.in Lacs)

	2009-10	2008-09
<b>a. Statutory Auditors</b>		
- Statutory Audit Fees (Including Service Tax)	7.45	7.48
- Tax Audit Fees	0.62	0.62
- Taxation, certification and other matters	3.97	2.76
- Reimbursement of travelling & Other Expenses	0.03	0.07
	12.07	10.93
<b>b. Cost Auditors</b>	0.55	0.55

### 8. Sale of Electrical energy is net of reversals accepted on commercial considerations as under:

(Rs. in lacs)

	2009-10	2008-09
a. Interest and variable charges adjustments.	182.75	85.29

### 9. The Company has only one reportable business segment namely 'Power Generation' under AS 17.

### 10. In accordance with the Accounting Standard – 22 'Accounting for Taxes on Income' the company has accounted for Deferred Tax on timing differences. Major components of Deferred Tax recognized in the accounts are :-

(Rs. in Lacs)

Particulars	2009-10	2008-09
Deferred Tax Liability		
Depreciation	7908.12	8152.59
Others	204.95	208.65
TOTAL	8113.07	8361.24
Deferred Tax Assets		
Items u/s 43 B	349.60	266.80
Others	126.27	133.51
TOTAL	475.87	400.31
Deferred Tax Liability (Net)	7637.20	7960.93



## 25th Annual Report 2009-2010

### 11. Related Party Disclosures

In accordance with the Accounting Standard 18–Related Party Disclosures, the transactions with related party are given below:

Name of the Related Party	Nature of Relationship
Gujarat Urja Vikas Nigam Ltd Shri L Chuaungo	Promoter (with significant shareholding / influence) Key Management Personnel

#### Details of Transactions

(Rs.in Lacs)

Nature of Transactions	2009-10		2008-09	
	With Promoters	With Key Management Personnel	With Promoters	With Key Management Personnel
<b>(A) Value of transactions</b>				
1 Sales of Electrical Energy (Net of Adjustment)	71218.83	-	91249.48	-
2 Purchase of Electrical Energy	102.34	-	128.69	-
3 Redemption of Non-convertible Bonds	4711.60	-	3541.70	-
4 Bill Discounting Charges Recovered	1321.85	-	3041.84	-
5 Rebate on Sales	632.49	-	500.71	-
6 Interest on Inter Corporate Deposit	-	-	132.63	-
7 Interest Received on Non-convertible Bonds	257.00	-	605.19	-
8 Dividend Paid	844.46	-	959.61	-
9 Salary & Perquisites	-	1.87	-	1.46
10 Inter Corporate Deposit Withdrawn	-	-	4000.00	-
<b>(B) Outstanding balance</b>				
1 Equity Contribution including Share Premium	8635.52	-	8635.52	-
2 Receivables	12319.96	-	14171.50	-
3 Investment in Non-convertible Bonds	-	-	4711.60	-

### 12. In accordance with Accounting Standard 20 - Earnings Per Share, the Basic and Diluted Earning Per Share (EPS) has been calculated as under :

(Rs. in Lacs)

Particulars	2009-10	2008-09
Net Profit after Tax	10678.41	8531.76
Prior Period Adjustments	-	50.41
Net Profit Before Prior Period Adjustments	10678.41	8582.17
Weighted Average number of Equity Shares outstanding (Nos.)	151251188	151251188
Basic and Diluted Earning Per Share of Rs. 10/- each (Rs.) including prior period adjustments	7.06	5.64
Basic and Diluted Earning Per Share of Rs. 10/- each (Rs.) excluding prior period adjustments	7.06	5.67

### 13. Post Employment Benefits:

#### Defined Contribution Plan

The Company makes contributions towards provident fund and pension scheme to Defined Contribution retirement benefit plan for qualifying employees.

The provident fund plan is operated by the Gujarat Industries Power Company Ltd. Provident Fund Trust( the Trust). Eligible employees receive benefits from the said trust which is a defined contribution plan. Under the plan, the



## Gujarat Industries Power Company Limited

Company is required to contribute a specified percentage of employee's salary to the retirement benefit plan to fund the benefits. The Company has recognised Rs.108.05 lacs ( P.Y.Rs.89.52 lacs) for Provident Fund contributions and Rs.32.42 lacs (P.Y.Rs.29.20 lacs) for Pension Scheme in the Profit and Loss Account/ Pre-operative expenditure for project (pending allocation).

The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

### Defined Benefit Plan

The Company recognises the liability towards the gratuity at each Balance Sheet date. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment and Post Retirement Medical Benefits is also recognised in the same manner as gratuity.

Under Post retirement medical benefits, the company would reimburse a fixed amount towards the mediclaim policy (subject to ceiling limits) to its employees. Such payment is not dependent upon the future salary increases, inflation and medical costs trend and therefore the impact of increase / decrease in medical cost trends is not required to be ascertained.

(Rs. in lacs)

	Gratuity (Non Funded)		Post Retirement Medical Benefit Plan (Non Funded)	
	2009-10	2008-09	2009-10	2008-09
<b>I. Reconciliation of opening and closing balances of the present value of the Defined Benefit obligation</b>				
Present Value of Defined Benefit obligation at beginning of the year	355.40	338.71	-	-
Current Service Cost	35.77	32.11	30.07	22.29
Interest Cost	28.93	28.70	-	-
Actuarial (gain)/loss	122.87	(19.91)	-	-
Benefits paid	(35.68)	(24.21)	-	-
Present Value of Defined Benefit obligation at year end	507.29	355.40	30.07	22.29
<b>II. Reconciliation of fair value of assets and obligation</b>				
Fair value of Plan Assets as at the Beginning of the year	-	-	-	-
Present Value of Defined Benefit obligation as at the end of the year	507.29	355.40	30.07	22.29
Liabilities recognized in Balance Sheet	507.29	355.40	30.07	22.29
<b>III. Expense recognized during the year</b>				
Current Service Cost	35.77	32.11	30.07	22.29
Interest Cost	28.93	28.70	-	-
Actuarial (gain)/loss	122.87	(19.91)	-	-
Expected return on plan assets	-	-	-	-
Total Expenses/(Gain) recognized in Profit and loss account	187.57	40.90	30.07	22.29
<b>IV. Actuarial assumptions</b>				
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.00%	7.75%	8.00%	7.75%
Rate of escalation in salary (per annum)	6.00%	6.00%	NA	NA



## 25th Annual Report 2009-2010

### V. Amounts for the current and previous periods

(Rs. in lacs)

	Gratuity (Non Funded)			Post Retirement Medical Benefit Plan (Non Funded)	
	2009-10	2008-09	2007-08	2009-10	2008-09
Defined benefit obligation	507.29	355.40	338.71	30.07	22.29
Experience loss(gain) on plan liabilities	164.17	*	*	NA	NA

\* In the absence of availability , relevant information on the experience adjustments on plan liabilities has not been furnished above.

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### 14. Utilisation of Funds mobilized through Public offer for 250MW expansion Project

(Rs. in Lacs)

Particulars	2009-10	2008-09
Amount Mobilised through Public Offer in October,2005	27500.00	27500.00
Utilization :		
Public Issue Expenses **	1276.33	1276.33
Expenditure / Advance Payments for Expansion Project	26033.37	26033.37
Finance cost	190.30	190.30
	27500.00	27500.00

\*\* Public issue expenses shall be amortised from the date of commercial operation of the expansion project.

15. Based on the information available with the company, the balance due to Micro and Small Enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is Rs. 15.82 lacs (Previous Year Rs.13.21 lacs). Payment made to suppliers beyond the due date during the year was Rs. 289.23 Lacs( P.Y. Rs. Nil). No interest during the year has been paid to Micro and Small Enterprises on delayed payments. Further interest accrued and remaining unpaid at the year end Rs. 1.25 Lacs ( P.Y. Rs. Nil) is not provided in the books as the management is of the opinion that in view of the terms and conditions of the contracts and based on the facts of the matter, the same is not required to be paid.

16. The value of realizations of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

17. Confirmation of balances called from the sundry debtors and creditors are yet to be received from some parties. Debit / credit balances of such parties, so far as these have not been subsequently realized or discharged are subject to confirmation / reconciliation. Confirmation of balances to the extent received have been reconciled.

18. Figures of the previous year have been regrouped/re-cast wherever necessary.

As per our report of even date attached

For **K. C. Mehta & CO.**  
Chartered Accountants

**Milin Mehta**  
Partner  
Membership No. 38665

Place : Vadodara  
Date : 25<sup>th</sup> May, 2010

**L. Chuaungo**  
Managing Director

**S. P. Desai**  
Chief Finance Officer

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2010

**D. J. Pandian**  
Chairman

**C. H. Patni**  
Company Secretary

Directors  
**Prof. Shekhar Chaudhuri**  
**Dr. P. K. Das**  
**Prof. K. M. Joshi**  
**G. P. Mohapatra**  
**P. H. Rana**  
**H. V. Patel**











# GUJARAT INDUSTRIES POWER COMPANY LIMITED

Registered Office: P.O. Petrochemical-391 346, Dist. Vadodara.

## Attendance Slip

DP. id*	
Client Id* Folio No.	
No. of Shares held	

Name and Address of the Registered Member
---

I/We certify that I/we am/are a registered member / proxy for the registered member of the Company. I/We hereby record my/our presence attendance at the 25<sup>th</sup> Annual General Meeting held on Saturday, the 18<sup>th</sup> day of September, 2010 at 11.00 A.M. at the Registered Office of the Company at P.O. Petrochemical-391 346, Dist. Vadodara.

\_\_\_\_\_  
Name of Proxy

\_\_\_\_\_  
Signature of the Member(s)

\_\_\_\_\_  
Signature of the Proxy

\* Applicable for investors holding shares in Electronic form.

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.



# GUJARAT INDUSTRIES POWER COMPANY LIMITED

Registered Office: P.O. Petrochemical-391 346, Dist. Vadodara.

## Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members  
of GUJARAT INDUSTRIES POWER COMPANY LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ as  
my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf, at the 25<sup>th</sup> Annual General Meeting of the  
Company, to be held on Saturday, the 18<sup>th</sup> day of September, 2010 at 11.00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

DP. Id*	
Client Id* Folio No.	
No. of Shares held	

Signature \_\_\_\_\_

Affix  
revenue  
stamp

**NOTE: THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT P.O. PETROCHEMICAL-391 346, DIST. VADODARA. NOT LESS THEN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

\* Applicable for investors holding shares in Electronic form.