



GUJARAT INDUSTRIES POWER COMPANY LIMITED
REGD. OFFICE: P.O.: PETROCHEMICALS – 391 346, DISTRICT: VADODARA.
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34th Annual General Meeting on Friday, 20th September, 2019 at 12:00 noon at the Registered Office of the Company.

CHAIRMAN'S SPEECH

Dear Members,

It gives me great pleasure to extend a very warm welcome to all of you at the 34th Annual General Meeting (AGM) of your Company.

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

FINANCIALS:

(Rs. In Crore)

Particulars	FY 2018-19	FY 2017-18
Sale of Electrical Energy	1401	1348
Profit Before Exceptional Items and Tax (PBT)	446	317
Exceptional Item [Loss in value of investment in Bhavnagar Energy Company Limited (BECL)]	(218)	-
Profit Before Tax	228	317
Profit After Tax (PAT)	176	245
Net worth	2571	2459
Dividend Per Share	Rs.2.90	Rs.2.70
Earning Per Share	Rs.11.66	Rs.16.17

OPERATIONAL HIGHLIGHTS:

310 MW Vadodara Gas based Stations:

During the year under review, the Vadodara Stations achieved combined generation of 698 Million Units (MUs) as against 712 MUs during the preceding year.

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

During the first five months of current FY 2019-20 i.e. from April to August, 2019, the Vadodara Stations generated 273 MUs as against 278 MUs during the corresponding period last year.

Your Company is making efforts for more allocation of lower cost domestic gas with the Ministry.

4 x 125 MW (500 MW) Surat Lignite Power Plant (SLPP):

SLPP achieved combined generation of 3522 MUs during the year under review as against 3272 MUs during the preceding year.

During the first five months of current FY 2019-20 i.e. from April to August, 2019, SLPP generated 1379.146 MUs as against 1327.167 MUs during the corresponding period last year.

Mining:

During the year under review, Valia Lignite Mine recorded the highest ever lignite production of 30.27 Lakh Te as against 29.06 Lakh Te during the preceding year and highest ever lignite production of 33.11 Lakh Te from Vastan and Mangrol-Valia Lignite Mine as against 31.21 Lakh Te during the preceding year.

During the first five months of current FY 2019-20 i.e. from April to August, 2019, Mining Division produced Lignite of 12.48 Lakh Te compared to 11.25 Lakh Te in the corresponding period last year.

7 MW Solar Power Plants:

During the year under review the 5 MW PV based Solar Power Plant at SLPP generated 6.75 MUs. The said Solar Power Plant achieved generation of 2.38 MUs during the first five months of current financial year i.e. from April to August, 2019 as against 2.51 MUs during the corresponding period last year.

The 2 x 1 MW Distributed Solar Power Plants (DSPPs) at Amrol generated 1.427 MUs at a Capacity Utilization Factor (CUF) of 16.29 and the 1 MW Vastan DSPP generated 1.315 MU at a CUF of 15.01% respectively.

During the first five months of current FY 2019-20 i.e. from April to August, 2019, 1 MW Vastan DSPP generated 0.47 MU as against 0.48 MU during the corresponding period last year.

2 x 40 MW Solar Power Plants at Charanka Solar Park

During the year under review, Plot – 1 (40 MW) has generated 76.812 MUs with 21.92% CUF whereas Plot – 3 (40 MW) has generated 77.299 MUs with 22.06%.

During the first five months of current FY 2019-20 i.e. from April to August, 2019, the said Solar Power Plant generated 63.82 MUs at a CUF of 21.73%.

112.4 MW Wind Farms

During the year under review, the 112.4 MW Wind Farms generated 261.68 MUs at a CUF of 26.58% as against 252.7 MUs preceeding year.

During the first five months of current FY 2019-20 i.e. from April to August, 2019, the said Wind Farms generated 143.89 MUs as against 151.60 MUs during the corresponding period last year.

75 MW(AC) Solar Power Projects at Gujarat Solar Park, Charanka:

I am pleased to inform that your Company's 75 MW Solar Project at Gujarat Solar Park, Charanka under implementation was commissioned in three phases and fully commissioned on 4th June, 2019 and has generated 34.09 MUs electrical energy at a CUF of 15.04% in F.Y. 2019-20 up to August, 2019.

ACHIEVEMENTS:

I am pleased to inform that SLPP Station (Phase-I & II together) achieved highest ever PLF 80.40% in Financial Year 2018-19 since last 6 years and second highest PLF since commissioning (earlier record: 82.36% PLF in F.Y. 2012-13). Further, SLPP Units achieved new heights in terms of Units' continuous running and minimum Unit outages. Better Plant performance helped to gain incentive in both SLPP Phase-I and SLPP Phase-II.

Highest ever lignite production of 30.27 Lakh Te from the Valia Lignite Mine and 4.52 Lakh Te of limestone production was recorded from the Vastan Limestone Mine during the year under review.

AWARDS & ACCOLADES:

During the year under review –

- GIPCL was awarded for "SKOTCH ORDER-OF-MERIT" for qualifying amongst top 20 energy project in INDIA for "SOLAR AND WIND POWER PROJECTS IN INDIA" given on 5th December, 2018.
- SLPP received Winner Award in "Power Plant Performance –2018– Lignite" in Thermal O&M "Conference – Expo – Award" on 08th June, 2018 at New Delhi organized by Mission Energy Foundation jointly supported by Central Electricity Authority (CEA), Ministry of Environment & Forest and Climate Change (MoEF and CC), Ministry of Power, Coal, Renewable Energy and Ministry of Science & Technology.
- SLPP received National Energy Management Award - 2018 for Outstanding Performance in Energy Conservation conferred by Confederation of Indian Industry (CII), Hyderabad and recognized as 'Energy Efficient Unit' at a function organized by CII at HICC, Hyderabad.
- SLPP received Environment Excellence Award - 2018 under "Clean Generator of the Year – Lignite" category, conferred by Mission Energy Foundation jointly supported by Ministry of Environment & Forest and Climate Change (MoEF and CC), Ministry of Power (MoP), Coal, Renewable Energy and Ministry of Science & Technology. The Award was received on 21st September, 2018 in a Conference organized at New Delhi.
- National Award conferred to SLPP, as the "Winner" of "National Fly Ash Utilization Award-2019" in Thermal Power Stations Category <= 500 MW by Mission Energy Foundation, supported by Ministry of Environment & Forest and Climate Change, Ministry of Power, Coal, Renewable Energy, Ministry of Road Transport and Highways, Ministry of Science & Technology and Ministry of Urban Development on 28th February, 2019 at Goa.
- Vastan Lignite Mine has won Overall First Prize for the Overall Performance among the lignite mines of Gujarat State, from Director General of Mining Safety during Gujarat Lignite Mines Safety & Swachhata Week 2018-19. Vastan Lignite Mine has also won prizes for 'Mine Workings and General Safety', 'Health, First Aid & Vocational

DIRECTORS:

Consequent on attaining age of superannuation Shri Raj Gopal, IAS, Chairman-GIPCL and Principal Secretary, EPD, GoG, tendered resignation from the Board of Directors of your Company.

The Board places on record its sincere appreciation for the leadership, valuable guidance and support extended by Shri Raj Gopal, IAS, during his tenure as Chairman of the Company from 7th August, 2018 to 31st January, 2019.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Rules made there under, the Board of Directors had appointed Shri Prabhat Singh (DIN:03006541) as Additional and Independent Director of the Company with effect from 30th September, 2018.

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

HUMAN RESOURCES:

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

ACKNOWLEDGEMENTS:

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

: Jai Hind :

Training', 'Publicity, Propaganda & Housekeeping' and 'Record Maintenance' and Valia Lignite Mine has won prizes for 'Swachhata Hi Seva Prize', 'Health, First Aid & Vocational Training' and 'Record Maintenance'.

- Vastan Limestone Mine has won prizes for the 'Mine Working, Haul road, Maintenance & Transportation' and 'Health, Safety, Welfare & Occupational Health Check up facilities, Fire Fighting & Vocational Training' among the 24 Limestone Mines (Chemical and Soda Ash Group) of Gujarat State during 9th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week-2018.
- GIPCL was honoured with two awards viz. CSR Excellence Award for Women Empowerment (FY 2017-18) and for Sanitation (Rural) Swachh Bharat Mission (FY 2017-18) during Gujarat CSR Summit – 2018 a joint event by Corporate Citizens, Tribal Development Department, Government of Gujarat, Janjati Kalyan Ashram, Gujarat along with Faculty of Social Work, M.S. University as Knowledge Partner by worthy hands of Shri Dharmendra Pradhan, Honorable Cabinet Minister, Petroleum, Natural Gas, Skill Development, Entrepreneurship, Government of India & in presence of Shri Ganpatsinh Vasava, Honourable Minister, Tribal Development, Tourism, Forest, Women and Child Welfare, Government of Gujarat on 29.11.2018 at Vadodara.

GROWTH PLANS:

It is heartening to further inform you that your Company has emerged as successful Bidder for 100 MW Solar Power Project at Raghnesda Solar Park, Dist. Patan, Gujarat, during reverse e-auction for 700 MW Solar Power Project held by Gujarat Urja Vikas Nigam Limited (GUVNL).

EXPLORING NEW BUSINESS OPPORTUNITIES:

A dedicated Business Development Cell has been set up to look for new business opportunities.

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

- Development of Solar Parks;
- Opportunities in Wind Farms under Solar-Wind Hybrid and Off shore wind Policy;
- Project management Consultancy & Lender's Engineering Services in the Renewable Energy area of Solar and Wind Energy projects, Energy Audit and Energy Efficiency improvements for large scale energy consumers ;
- Third Party Sale of Gas based Power through Energy Exchange, tapping potential of Peak Power Shortage/Ramping up opportunity in Grid due to increased penetration of Renewables.

SAFETY:

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

I am glad to inform that your Company has successfully completed accident free operations for the entire year under review i.e. FY 2018-19.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In line with Swachh Bharat program introduced by the Hon'ble Prime Minister of India, your Company, as a part of CSR has constructed 554 toilets during the FY 2018-19 and so far 4162 toilets till March, 2019. As per our recent survey, 99% beneficiaries are using the toilets constructed by your Company.

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

CORPORATE GOVERNANCE:

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

ACCREDITATIONS:

Your Company has maintained Integrated Management System (IMS) covering ISO:9001:2008, ISO:14001:2004 and OHSAS 18001:2007 certification for Quality Management System (QMS), Environment Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS). Your Company is one of the first group of Power Plants to have implemented and obtained ISO 50001:2011 Certification for Energy Management System (EnMS). Surveillance Audit for all the standards including up gradation of Quality and Environment Management System Standards (2015 version) have been successfully conducted in May, 2019 which is accredited by TUV India Limited and is also valid for FY 2019-20.