



GUJARAT INDUSTRIES POWER COMPANY LIMITED
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35th Annual General Meeting on Tuesday, 15th December, 2020 at 04:00 p.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM)

CHAIRPERSON'S SPEECH

Dear Members,

It gives me great pleasure to extend a very warm welcome to all of you at the 35th 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 Crores)

Particulars	FY 2019-20	FY 2018-19
Sale of Electrical Energy	1374	1401
Profit Before Exceptional Items and Tax (PBT)	305	446
Exceptional Item*	---	218
Profit Before Tax	305	228
Profit After Tax (PAT)	248	176
Net worth	2748	2571

OPERATIONAL HIGHLIGHTS:

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

SLPP achieved combined generation of 3360 Million Units (MUs) during the year under review as against 3522 MUs during the preceding year. During this year, scheduled Turbine Capital Overhauling (COH) of the Unit -2 and Unit -3 was carried out after gap of 11 years and 9 years of Unit's operation respectively resulting in lower generation. Further, Generation during this year was affected due to partial loading owing to heavy and continuous rain during monsoon.

During the first eight months of current FY 2020-21 i.e. from April to November, 2020, SLPP generated 2080 MUs as against 2163 MUs during the corresponding period last year.

310 MW Vadodara Gas based Stations:

During the year under review, the Vadodara Stations achieved combined generation of 713 Million Units (MUs) as against 698 MUs during the preceding year.

The Higher generation of Vadodara Stations was mainly on account of short term open access purchased by GUVNL.

During the first eight months of current FY 2020-21 i.e. from April to November, 2020, the Vadodara Stations generated 539 MUs as against 475 MUs during the corresponding period last year.

Your Company is making continuous efforts to maintain optimum available supply of gas at competitive price.

Mining:

During the year under review, Valia Lignite Mine recorded the highest ever lignite production of 30.63 Lakh Te as against 30.27 Lakh Te during the preceding year and highest ever monthly lignite production of 4.76 Lakh Te in the month of May, 2019.

During the first eight months of current FY 2020-21 i.e. from April to November, 2020, Mining Division recorded Lignite production of 19.97 Lakh Te compared to 15.72 Lakh Te in the corresponding period last year from the Vastan Lignite Mine and Valia Lignite Mine.

162 MW Solar Power Plants:

During the year under review, 162 MW Solar Power Plants generated 273 MUs at a CUF of 19.26% as against 163 MUs at a CUF of 21.48% during the preceding year. Higher generation during FY-2019-20 is due to commissioning of 75 MW Solar Power Project in August, 2019.

During the first eight months of current FY 2020-21 i.e. from April to November, 2020, the Solar Power Projects generated 207 MUs as against 162 MUs during the corresponding period last year.

112.4 MW Wind Farms:

During the year under review, the 112.4 MW Wind Farms generated 262 MUs at a CUF of 26.55% as against 262 MUs at a CUF of 26.58% during the preceding year.

During the first eight months of current FY 2020-21 i.e. from April to November, 2020, the said Wind Farms generated 149 MUs against 176 MUs during the corresponding period last year. Wind Generation during current the year is affected due to low wind velocity.

ACHIEVEMENTS:

I am pleased to inform that SLPP Station (Phase-I & II together) achieved generation of 3360 MUs with 75.60% PLF during the year under review which is its second highest generation in last 7 years. SLPP Unit - 4 created a new record of Highest ever Generation (950 MUs), PLF (86.73%) and Availability (94.00%) during calendar year 2019. SLPP Unit - 1 achieved Highest Generation (851 MUs) in F.Y. 2019-20 in last 7 years. SLPP Phase- II (Unit - 3 & 4 together) created a new record of continuous running for 84 days (01/03/2019 to 25/05/2019) since commissioning.

AWARDS AND ACCOLADES:

During the year under review –

- SLPP received “Power Plant Performance Award – 2019 – in ‘Power Plant Performer < 500 MW Lignite” category for second consecutive year in “Thermal Power O&M Conference – Award” function organized by Mission Energy Foundation, New Delhi .
- SLPP received National Energy Management Award - 2019 for Outstanding Performance in Energy Conservation for third consecutive year conferred by Confederation of Indian Industry (CII), Hyderabad and is recognized as ‘Energy Efficient Unit’.
- National Award was conferred to SLPP for third consecutive year, as the “Winner” of “Fly Ash Utilization Award-2020” for efficient management of Fly Ash (100% Ash Utilization) in Thermal Power Stations Category <= 500 MW at the 9th Fly Ash Utilization, Conference Expo Award-2020, organized by Mission Energy Foundation, supported by Ministry of Environment & Forest, Ministry of Power, Ministry of Coal, Ministry of Road Transport and Highways, Ministry of Steel and Ministry of Urban Development.
- Valia Lignite Mine won the Overall Second Prize for its overall performance among the lignite mines of the Gujarat State from the Director General of Mining Safety during the Gujarat Lignite Mines Safety & Swachhata Week 2019-20. Valia Lignite Mine won prizes for ‘Health, First Aid & Vocational Training’, Gazette Notifications under CMR, 2017, ‘Mine Workings and General Safety and Record Maintenance’. Vastan Lignite Mine won prizes for ‘Thrust Area (Welfare and Occupational Health Surveillance of Contractual Employees, ‘Health, First Aid & Vocational Training’ and ‘Publicity, Propaganda & Housekeeping’.
- Vastan Limestone Mine has won prizes for Overall Performance, ‘Mine Working, Haul road, Maintenance & Transportation’ and ‘Safety, Welfare & Occupational Health’ Check up facilities, Fire Fighting & Vocational Training’ among the 22 Limestone Mines (Chemical and Soda Ash Group) of Gujarat State during 9th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week-2019.

GROWTH PLANS:

100 MW Solar Power Project at Raghnesda Solar Park

As informed to the shareholders at the last AGM 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). I would also like to apprise you that the project is under implementation stage and has achieved over all progress of around 60% till date.

Development of 2375 MW Renewable Energy Park at Village Khavda, District Kutch, Gujarat

I am glad to inform that your Company has been allotted land admeasuring 4750 HA for development of 2375 MW Renewable Energy Park (i.e. Wind/Solar/Wind-Solar Hybrid) at Village Khavda, District Kutch, Gujarat, for a period of 40 years on leasehold basis and barring unforeseen circumstances, with the scheduled completion of at least 50% of the total capacity within a period of three (3) years and 100% completion of total capacity within a period of five (5) years.

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:

- Solar Parks;
- Solar Roof Top;
- Wind Farms under Solar-Wind Hybrid and Off shore wind Policy;
- Energy Audit;
- Micro Grid; and
- Consultancy Services

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 2019–20.

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 initiative, has constructed 431 toilets during the FY 2019-20 and a total of 4593 toilets upto March, 2020. 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:

During the year under review, your Company has successfully recertified for Integrated Management System (IMS) with renewal of ISO:9001:2015, ISO:14001:2015 and Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 and ISO 50001:2011 certification for further three years.

DIRECTORS:

Consequent upon transfer as Principal Secretary, Energy & Petrochemicals Dept., (EPD), GoG, Shri Pankaj Joshi, IAS was appointed as the Chairman of your Company w.e.f. 02/11/2019. Thereafter, upon his transfer to Finance Department, GoG, Shri Pankaj Joshi, IAS, relinquished his office as Chairman of your Company w.e.f. 16/12/2019.

The Board places on record its sincere appreciation for the leadership, valuable guidance and support extended by Shri Pankaj Joshi, IAS, during his tenure as Chairman of the Company.

Further, during the year under review, Shri Roopwant Singh, IAS was nominated as Nominee Director of GoG vice Shri Milind Torawane, IAS, transferred and Smt. Shahmeena Husain, IAS was nominated as Nominee Director of Gujarat Urja Vikas Nigam Limited (GUVNL) vice Shri Pankaj Joshi, IAS, transferred.

Thereafter, the EPD, GoG nominated Smt. Sunaina Tomar, IAS as Chairperson of your Company w.e.f. 10/01/2020.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under, the Board of Directors had appointed Dr. (Ms.) Manjula Subramaniam, IAS (Retd.) (DIN:00085783) as an Additional Director and Woman Independent Director of the Company with effect from 18th August, 2020.

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

: Jai Hind :