



# GUJARAT INDUSTRIES POWER COMPANY LIMITED



ENERGY FOR BETTER LIFE

# CONTENTS

<b>Particulars</b>	<b>Page No.</b>
Board of Directors	1
Notice and E-voting Instructions	3
Board's Report	17
Management Discussion and Analysis	38
Corporate Governance Report	44
Independent Auditors' Report	57
Balance Sheet	60
Statement of Profit & Loss	61
Cash Flow Statement	62
Notes to the Financial Statements	64
Independent Auditors' Report on Consolidated Financial Statements	82
Consolidated Financial Statements and Notes thereto	84
Attendance Slip & Proxy Form	103



## 30<sup>th</sup> ANNUAL GENERAL MEETING

**DAY & DATE** : SATURDAY, 19<sup>TH</sup> SEPTEMBER, 2015  
**TIME** : 11.00 AM.  
**PLACE** : REGISTERED OFFICE:  
**P.O.:** PETROCHEMICALS – 391 346,  
**DIST.:** VADODARA, GUJARAT.

**Registered Office & Works** : P.O.: Petrochemicals – 391 346,  
 Dist.: Vadodara, Gujarat, India.  
 (Tel.) (0265) 2232768, 2230420, 2230159.  
 (Fax) (0265) 2231207, 2230473.  
 Email : genbaroda@gipcl.com  
 Website: www.gipcl.com  
 CIN : L99999GJ1985PLC00768

**Surat Lignite Power Plant** : At & Post : Nani Naroli, Taluka Mangrol,  
 Dist.: Surat – 394 110, Gujarat, India.  
 (Tel.) (02629) 261063 to 261072.  
 (Fax) (02629) 261073 & 261074.  
 Email : genslpp@gipcl.com

**Registrar & Transfer Agent** : Link Intime India Private Limited  
 B-102 & 103, Shangrila Complex,  
 First Floor, Opp. HDFC Bank,  
 Near Radhakrishna Char Rasta,  
 Akota, Vadodara – 390 020.  
 Email : vadodara@linkintime.com

### Bankers:

#### Vadodara Plant

Central Bank of India  
 Dena 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  
 The Karur Vysya Bank Ltd.  
 Union Bank of India  
 United Bank of India  
 Dena Bank  
 Bank of Baroda  
 Central Bank of India  
 Kotak Mahindra Bank Ltd.

**Statutory Auditors** : VCA & Associates,  
 Chartered Accountants, Vadodara.

**Cost Auditors** : Y S Thakar & Co.,  
 Cost Accountants, Vadodara.

**Secretarial Auditor** : J J Gandhi & Co.,  
 Practising Company Secretaries,  
 Vadodara.

### BOARD OF DIRECTORS:

Shri L Chuaungo, IAS	Chairman (w.e.f. 07-04-2015) Managing Director (upto 26-04-2015)
Shri D J Pandian, IAS	Chairman (upto 30-08-2014)
Prof. Shekhar Chaudhuri	Director
Dr. P K Das, IAS (Retd.)	Director
Prof. K M Joshi	Director
Shri D C Jain	Director (upto 11-08-2014)
Shri Raj Gopal, IAS	Director (upto 30-08-2014)
Shri H R Brahmabhatt	Director
Shri A K Dalvi	Director (upto 27-09-2014)
Smt. Padma Betai	Director (w.e.f. 02-09-2014)
Smt. Shahmeena Husain, IAS	Director (w.e.f. 20-09-2014)
Shri A M Tiwari, IAS	Director (w.e.f. 27-09-2014)
Shri Sanjeev Kumar, IAS	Director (w.e.f. 02-11-2014)
Dr. Ajay N Shah	Director (w.e.f. 31-03-2015)
Shri S B Dangayach	Director (w.e.f. 31-03-2015)
Dr. B A Prajapati	Director (w.e.f. 31-03-2015)
Smt. Sonal Mishra, IAS	Managing Director (w.e.f. 27-04-2015)

### Company Secretary & DGM (Legal):

CS A C Shah

### SENIOR EXECUTIVES:

CA S P Desai	Chief General Manager & Chief Finance Officer
Shri D K Roy	General Manager (SLPP)
Shri N K Purohit	General Manager (Mines)
Shri N K Singh	Addl. General Manager (SLPP)
Shri V B Bhadola	Addl. General Manager (Admin.)
Shri Y J Bhatt	Addl. General Manager (B.O.)
Shri S N Purohit	Addl. General Manager (O&M)
Shri P J Sheth	Addl. General Manager (Finance)
Shri K S Munshi	Addl. General Manager (TS)
Shri C M Patel	Addl. General Manager (O&M-SLPP)
Shri S H Purohit	Dy. Gen. Mgr. - HR&A



# Gujarat Industries Power Company Limited

## ATTENTION

- Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, 18<sup>th</sup> August, 2015 to Thursday, the 20<sup>th</sup> August, 2015 (both days inclusive)**.
- The Companies Act, 2013 and Clause 35B of the Listing Agreement requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions to be passed at General Meetings. The instructions for e-voting are given on page nos. 7 to 9 of this Annual Report.
- Members holding shares in physical mode 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., if any, to the Company or its Registrar and Transfer Agents (RTA) viz. Link Intime India Private Limited.
  - Members holding shares in demat mode (i.e. electronic mode) 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.**
- Members may visit the Shareholders' Service under the Investors page on the website of the Company **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 NECS mandate for registration of E-mail Address for "Go Green" initiatives etc.
- 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.
- The new Nomination Form No. SH-13 (to register Nominee), Form SH-14 (to change / cancel the Nominee) and Form SH-4 (Share Transfer Form) as prescribed under the Companies Act, 2013 are available on the website of the Company viz. **www.gipcl.com**.
- Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, companies are required to transfer its unpaid / unclaimed dividend after expiry of seven (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 past years up to 2006-2007 have been transferred to the Central Government Account / Fund.
- 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.

Members are requested to note that the dividends FY 2007-08 to 2013-14 shall be due for transfer to "Fund" on the dates as given below:-

Particulars	FY	Due for Transfer to Fund
13 <sup>th</sup> Dividend	2007-2008	September, 2015
14 <sup>th</sup> Dividend	2008-2009	September, 2016
15 <sup>th</sup> Dividend	2009-2010	September, 2017
16 <sup>th</sup> Dividend	2010-2011	September, 2018
17 <sup>th</sup> Dividend	2011-2012	September, 2019
18 <sup>th</sup> Dividend	2012-2013	September, 2020
19 <sup>th</sup> Dividend	2013-2014	September, 2021

**Members are requested to lodge their claims for the above mentioned past year's dividends, if any, with the Company or to its R&T Agent immediately.**



## Gujarat Industries Power Company Limited

Regd. Office: P.O.: Petrochemicals – 391 346, Dist.: Vadodara, Gujarat, India. Tel.: (0265) 2232768, Fax: (0265) 2230473, Email: genbaroda@gipcl.com, Website: www.gipcl.com, CIN : L99999GJ1985PLC00768.

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Thirtieth (30<sup>th</sup>) Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on **Saturday, the 19<sup>th</sup> day of September, 2015 at 11.00 am** at the Registered Office of the Company at P.O.: Petrochemicals – 391 346, Dist.: Vadodara, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri H R Brahmhatt, (DIN: 06360175), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Smt. Shahmeena Husain, IAS (DIN: 03584560), who retires by rotation and is eligible for re-appointment.
5. Appointment of Statutory Auditors:

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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) K C Mehta & Co., Chartered Accountants (Registration No. FRN 106237W), Vadodara, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company for a period of five financial years of the Company i.e. from 2015-16 to 2019-2020, to hold office from the conclusion of this 30<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 35<sup>th</sup> AGM of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to Service Tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

### SPECIAL BUSINESS:

6. To appoint Dr. Ajay N Shah (DIN:01141239), as Director pursuant to the provisions of Section 161 of the Companies

Act, 2013 and in this regard 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 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 86 and 98 of the Articles of Association of the Company, Dr. Ajay N Shah (DIN:01141239), Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 30<sup>th</sup> AGM till the 35<sup>th</sup> AGM of the Company and that he shall not be liable to retire by rotation.”

7. To appoint Shri S B Dangayach (DIN:01572754), as Director, pursuant to the provisions of Section 161 of the Companies Act, 2013 and in this regard 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 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 86 and 98 of the Articles of Association of the Company, Shri S B Dangayach (DIN:01572754), Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 30<sup>th</sup> AGM till the 35<sup>th</sup> AGM of the Company and that he shall not be liable to retire by rotation.”

8. To appoint Dr. B A Prajapati (DIN:01431661), as Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**



# Gujarat Industries Power Company Limited

**“RESOLVED THAT** pursuant to the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 86 and 98 of the Articles of Association of the Company, Dr. B A Prajapati (DIN:01431661), Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 30<sup>th</sup> AGM till the 35<sup>th</sup> AGM of the Company and that he shall not be liable to retire by rotation.”

9. To grant approval for material Transactions with Related Parties (RPTs) pursuant to the provisions of Section 188 of the Companies Act, 2013 (the Act) and Clause 49 of the Listing Agreement and in this regard 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 Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Clause 49 VII of the Listing Agreement (LA) with Stock Exchanges (as amended), consent of the Members be and is hereby accorded to the following material Related Party Transactions (RPTs) in the ordinary course of business at arms’ length price for the Financial Year 2014-15, as recommended and approved by the Audit Committee of Directors and the Board of Directors.”

Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2014-15 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station. (ii) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Power Station. (iii) Power Purchase Agreement (PPA) dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP-I). (iv) Power Purchase Agreement (PPA) dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP-II). (v) Power Purchase Agreement (PPA) dated Dec 18, 2010 for 5 MW Solar Power Plant.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri L Chuaungo, IAS. 2. Smt. Shahmeena Husain, IAS 3. Shri Sanjeev Kumar, IAS	Promoter	Sale of Electricity	22/05/2015 22/05/2015	95,015.08
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	Shri H R Brahmabhatt	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	16,694.25
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri A M Tiwari, IAS	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	14,272.16



**“FURTHER RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Clause 49 VII of the Listing Agreement (LA) with Stock Exchanges (as amended), consent of the Members be and is hereby accorded to the following material Related Party Transactions (RPTs) in the ordinary course of business at arms’ length price, for Financial Year 2015-16, as recommended and approved by the Audit Committee of Directors and the Board of Directors:

Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2015-16 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station. (ii) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Power Station. (iii) Power Purchase Agreement (PPA) dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP-I). (iv) Power Purchase Agreement (PPA) dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP-II). (v) Power Purchase Agreement (PPA) dated Dec 18, 2010 for 5 MW Solar Power Plant. (vi) Power Purchase Agreement (PPA) dated April 28, 2015 for 10.5 MW Wind Power Project and for 40.5 MW PPA yet to be executed.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri L Chuaungo, IAS. 2. Smt. Shahmeena Husain, IAS 3. Shri Sanjeev Kumar, IAS	Promoter	Sale of Electricity	22/05/2015 22/05/2015	125,000.00
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	Shri H R Brahmhatt	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	22,500.00
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri A M Tiwari, IAS	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	20,000.00



## Gujarat Industries Power Company Limited

10. 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 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 86 and 98 of the Articles of Association of the Company, Smt. Sonal Mishra, IAS (DIN: 03461909), Director of the Company, who holds such office upto the date of this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company not liable to retire by rotation.”
- “FURTHER RESOLVED THAT** pursuant to the provisions of Sections 161, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 95 of the Articles of Association (AoA) of the Company, approval of the Members, be and is hereby accorded to the appointment of Smt. Sonal Mishra, IAS, (DIN: 03461909) as Managing Director of the Company with effect from 27<sup>th</sup> April, 2015 vice Shri L Chuaungo, IAS (DIN:00032867), for a period of five (05) years or till further communication from the Government of Gujarat (GoG), whichever is earlier, and that the Board of Directors is hereby authorise to consider and agree to the terms as to remuneration, including any revision therein from time to time, as may be communicated by the GoG, during her tenure as Managing Director of the Company.”
11. To ratify remuneration payable to Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2016 and in this regard 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded to the remuneration of ₹ 1,00,000 Lac (Rupees One Lac) plus applicable Service Tax, reimbursement of reasonable out of pocket expenses and ₹ 15,000/- (Rupees Fifteen Thousand) for conversion of data from Cost Sheet to XBRL format for FY 2015-16, payable to Y S Thakar & Associates (Registration No. 000318), Cost Auditors of the Company, as recommended by the Board of Directors.”
12. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. Shekhar Chaudhuri (DIN: 00052904), Independent Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 30<sup>th</sup> AGM till the 35<sup>th</sup> AGM of the Company and that he shall not be liable to retire by rotation.”
13. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. KM Joshi (DIN: 00501563), Independent Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 30<sup>th</sup> AGM till the 35<sup>th</sup> AGM of the Company and that he shall not be liable to retire by rotation.”
14. 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 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. P K Das, IAS (Retd.) (DIN: 00501499), Independent Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 30<sup>th</sup> AGM till the 35<sup>th</sup> AGM of the Company and that he shall not be liable to retire by rotation.”

15. To approve to pay Special pay @ five per cent (5%) of Salary to Shri L Chuaungo, IAS (DIN: 00032867) and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956 including Schedule XIII thereto and the applicable Rules there under, provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the Act), if any and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 96 of the Articles of Association (AoA) of the Company and Order of even No. AIS-45-2005-5857-G dated 16-05-2015 of the Govt. of Gujarat (GoG), approval of the Members be and is hereby accorded to pay Special pay @ five per cent (5%) of Salary to Shri L Chuaungo, IAS (DIN: 00032867), for the period from 05-10-2004 to 17-04-2015, in accordance with the pay scale applicable to him from time to time, for holding additional charge as Managing Director of the Company.”

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

**(CS A C Shah)  
Company Secretary  
& DGM (Legal)**

**Place: Gandhinagar  
Date: 22<sup>nd</sup> May, 2015.**

**Registered Office:**  
P.O.: Petrochemicals – 391 346,  
Dist.: Vadodara. Gujarat.

## NOTES:

- MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total Share Capital of the Company. A Member holding more than ten per cent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. **PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representative(s) to attend and vote at the Meeting.
- Relevancy of questions and the order of the Shareholders to speak at the Meeting will be decided by the Chairman.

## Voting through electronic means:

The Company is pleased to offer remote e-voting facility to all its Members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for remote e-voting are as under:

## SECTION A - E-VOTING PROCESS –

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Wednesday, 16<sup>th</sup> September, 2015 at 9.00 am and ends on Friday, 18<sup>th</sup> September, 2015 at 5.00 pm. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 12<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting upon expiry of the e-voting period on Friday, 18<sup>th</sup> September, 2015 at 5.00 pm.
- (ii) For casting their Vote, Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and follow the instructions given herein below at Sr. No. (iii) to (xviii).



# Gujarat Industries Power Company Limited

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their Income Tax PAN with the Company / Depository Participant are requested to use the sequence number which is printed on e-voting instruction Slip indicated in the Income Tax PAN column.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the User ID / Folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password

Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN (No.: 150709001) for Gujarat Industries Power Company Limited (GIPCL) on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat Shareholder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

## SECTION B - OTHER E-VOTING INSTRUCTIONS

- i. The voting rights of shareholders shall be in proportion to their share of the Paid Up Equity Share Capital of the Company.
- ii. J J Gandhi & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iii. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- iv. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website **www.gipcl.com** and on the website of CDSL **https://www.evotingindia.co.in** within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, National Stock Exchange of India Limited and Vadodara Stock Exchange, where the shares of the Company are listed.
- v. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vi. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

## Contact Details:

**Company** : **Gujarat Industries Power Company Limited**  
 Regd. Office: P.O.: Petrochemicals - 391 346,  
 District : Vadodara, Gujarat, India.  
 CIN: L99999GJ1985PLC007868  
 E-mail ID: **csacshah@gipcl.com**

**Registrar and Transfer Agent** : **Link Intime India Private Limited**  
 : B-102-103, Shangrila Complex,  
 Near Radhakrishna Char Rasta,  
 Opp. HDFC Bank, Akota,  
 Vadodara – 390 020.  
 Phone: +91-265-2356573/ 2356794  
 Fax: +91-265-2356791  
 E-mail: **vadodara@linkintime.co.in**

**e-Voting Agency** : **Central Depository Services (India) Limited**  
 E-mail ID: **helpdesk.evoting@cdslindia.com**

**Scrutinizer** : **J J Gandhi & Co., Vadodara.**  
 Practising Company Secretaries.  
 E-mail ID : **jjgandhics@gmail.com**

## ANNEXURE TO NOTICE OF THE 30<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, THE 19<sup>TH</sup> DAY OF SEPTEMBER, 2015.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### Item Nos. 6, 7 and 8

Pursuant to the provisions of Section 161 of the Companies Act, 2013, (the Act) the Board of Directors appointed Dr. Ajay N Shah (DIN:01141239), Shri S B Dangayach (DIN: 01572754) and Dr. B A Prajapati (DIN:01431661) as Additional Directors and Independent Directors on the Board of Directors at its Meeting held on 31-03-2015. They hold the office of Director until the conclusion of this Annual General Meeting.

The Company has received requisite Notice pursuant to the provisions of Section 160(1) of the Act, together with a deposit of ₹ 1,00,000/- (Rupees One Lac) each, from the Members of the Company proposing appointment of Dr. Ajay N Shah, Shri S B Dangayach and Dr. B A Prajapati as Independent Directors of the Company for a period of five years, from this 30<sup>th</sup> Annual General Meeting (AGM) till the 35<sup>th</sup> AGM of the Company and that they shall not be liable to retire by rotation.

The above Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.



# Gujarat Industries Power Company Limited

The Company has also received declarations from said Directors that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board of Directors of the Company, Dr. Ajay N Shah, Shri S B Dangayach and Dr. B A Prajapati fulfill the conditions for appointment as Independent Directors as specified in the Act and the Rules made there under and that they are independent of the Management.

Keeping in view their rich experience and vast knowledge in their fields, it will be in the interest of the Company that Dr. Ajay N Shah, Shri S B Dangayach and Dr. B A Prajapati are appointed as Independent Directors of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resumes of Dr. Ajay N Shah, Shri S B Dangayach and Dr. B A Prajapati are as follows:

### Dr. Ajay N Shah (DIN:01141239):

Dr. Ajay Shah has Ph.D. in Economics from the University of Southern California, Los Angeles and B.Tech. in Aeronautical Engineering from IIT, Mumbai. He has held prestigious positions at the Centre for Monitoring Indian Economy (Mumbai), Indira Gandhi Institute for Development Research (Mumbai) and the Ministry of Finance, and now co-leads the Macro/Finance Group as a Professor at National Institute of Public Finance and Policy, New Delhi. He is engaged in academic and policy-oriented research in the fields of Indian economic growth, open economy macroeconomics, public finance, financial economics and pensions. In the past decade, he was extensively involved in the policy process in the reforms of the equity market and the New Pension System.

He is Director on the Board of Directors of:

Sr.No.	Company
1	Gujarat State Fertilizers & Chemicals Limited
2	Centre for Monitoring Indian Economy Pvt. Limited
3	National Bulk Handling Corporation Pvt. Ltd.
4	Ascent Capital Advisors India Pvt. Ltd.

### Shri S B Dangayach (DIN: 01572754):

Shri S B Dangayach has done B.Sc. (Physics) from Bombay University and MBA from IIM, Ahmedabad. He is the Managing Director of Sintex Industries Limited. He has a proven track record of innovation and entrepreneurship. He has pioneered and created products and solutions in nationally vital domains like water storage and harvesting, building and construction, affordable housing, solid and liquid waste management, renewable energy and environment, Health and Social

Infrastructure. He has received the 'Best Manager' award instituted by Ahmedabad Management Association for the year 1998. He has held many other positions like Member-Advisory Committee, Vibrant Gujarat Summit and Chairman, National Advisory Board of Plastindia Foundation. He played active part in many foreign delegations of Govt. of India and Govt. of Gujarat. He has conceptualized and anchored popular series of lectures at AMA under title of "New Paradigm in Health – Illness to Wellness and Beyond".

He is Director on the Board of Directors of:

Sr. No.	Company
1	Sintex Industries Limited
2	Sintex International Limited
3	Narita Trade Links Private Limited
4	Sintex Infra Projects Limited
5	Zillion Infracorps Private Limited
6	GVFL Limited
7	GVFL Advisory Services Pvt. Ltd.
8	Gujarat Mineral Development Corporation Limited

### Dr. B A Prajapati (DIN:01431661):

Professor and Head of the Post Graduate Department of Commerce and Management, Sevantilal Kantilal School of Business Management of Hemchandracharya North Gujarat University (HNGU), Patan, Dr. Prajapati possesses over 33 years of teaching and research experience. Under his guidance, thirty nine students have been awarded Ph. D. Degree and six more are pursuing at present. He has published more than thirty five research papers and more than seventy articles in different magazines and journals of repute. He has authored/co-authored five books. He has been awarded All India Level Best Case Writer Award by Association of Indian Management Schools.

He has served as the Pro Vice-Chancellor and Vice-Chancellor (In-Charge) at the HNGU, Patan and also of Veer Narmad South Gujarat University, Surat. He has acted as the Dean of Management Faculty, Member of Senate and Syndicate of the HNGU, Patan.

Dr. Prajapati's areas of interest include Corporate Finance, Strategic Management, Strategic Cost Management and Management Control Systems.

He is Director on the Board of Directors of:

Sr. No.	Company
1	Uttar Gujarat Vij Company Limited.

Your Directors recommend the Resolutions at Item No. 6,7 and 8 of the Notice as Ordinary Resolutions.



None of the Directors or Key Managerial Personnel except Dr. Ajay N Shah, Shri S B Dangayach and Dr. B A Prajapati is in any way interested or concerned in the said Resolutions.

## Item No. 9

Consequent upon the enactment of the Companies Act, 2013 (the Act) and the Rules made there under, there have been widespread changes in the entire gamut of corporate functions and compliance requirements.

One such compliance requirement pursuant to the Section 188 of the Act pertains to Related Party Transactions (RPTs) where the net of coverage criteria has been widened to a great extent.

In terms of the above, the Board of Directors of the Company has approved a Policy on Related Party Transactions (RPTs).

The said Policy requires that the Company shall not enter into any contract or arrangement with a 'Related Party' without approval of the Audit Committee of Directors (the Audit Committee).

The Companies (Meetings of the Board and its Power) Rules, 2014 (the Rules) read with Clause 49(VII)(C) of the Listing

Agreement (LA) require that the Company shall not enter into a contract or arrangement with any related party, inter alia, for sell, purchase or supply of any goods or material directly or through appointment of agents, exceeding 10% of Annual Consolidated Turnover of the Company as per the Last Audited Financial Statements of the Company, without approval of the Members of the Company by a Special Resolution.

Accordingly, considering Turnover of the Company for FY 2014-15 of ₹ 1,20,906.00 Lacs and the value of transactions with related parties viz. Gujarat Urja Vikas Nigam Ltd. (GUVNL), Gujarat State Fertilizers & Chemicals Ltd. (GSFC), Gujarat Alkalies & Chemicals Ltd. (GACL), Promoters of the Company, valued at about ₹ 95,015.08 Lacs, ₹ 16,694.25 Lacs, ₹ 14,272.16 Lacs, respectively, in the ordinary course of business at arms' length price, during the Financial year 2014-15, which are exceeding the prescribed limit of 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statements of the Company (Clause 49 (VII)(C) of the Listing Agreement), the following transactions with RPTs are placed for approval of the Members:

Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2014-15 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station. (ii) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Power Station. (iii) Power Purchase Agreement (PPA) dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP-I). (iv) Power Purchase Agreement (PPA) dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP-II). (v) Power Purchase Agreement (PPA) dated Dec 18, 2010 for 5 MW Solar Power Plant.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri L Chuaungo, IAS. 2. Smt. Shahmeena Husain, IAS 3. Shri Sanjeev Kumar, IAS	Promoter	Sale of Electricity	22/05/2015 22/05/2015	95,015.08
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	Shri H R Brahmhatt	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	16,694.25



## Gujarat Industries Power Company Limited

Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2014-15 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri A M Tiwari, IAS	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	14,272.16

Further as recommended by the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company is required for following transactions with Related Parties, in the ordinary course of business at arms' length price, which are likely to exceed the prescribed limit of 10% of the Annual Consolidated Turnover of the Company during the FY 2015-16.

Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2015-16 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station. (ii) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Power Station. (iii) Power Purchase Agreement (PPA) dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP-I). (iv) Power Purchase Agreement (PPA) dated October 1, 2009 for 250 MW Surat Lignite Power Plant (SLPP-II). (v) Power Purchase Agreement (PPA) dated Dec 18, 2010 for 5 MW Solar Power Plant. (vi) Power Purchase Agreement (PPA) dated April 28, 2015 for 10.5 MW Wind Power Project and for 40.5 MW PPA yet to be executed.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri L Chuaungo, IAS. 2. Smt. Shahmeena Husain, IAS 3. Shri Sanjeev Kumar, IAS	Promoter	Sale of Electricity	22/05/2015 22/05/2015	125,000.00
2	Memorandum of Understanding (MoU) dated May 3, 1989.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	Shri H R Brahmhatt	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	22,500.00



Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2015-16 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
3	Memorandum of Understanding (MoU) dated May 3, 1989.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri A M Tiwari, IAS	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	20,000.00

Your Directors recommend the Resolution at Item No. 9 as a Special Resolution.

Shri L Chuaungo, IAS, Smt. Shahmeena Husain, IAS and Shri Sanjeev Kumar, IAS being Directors of GUVNL, Shri A M Tiwari, IAS being Managing Director of GACL and Shri H R Brahmhatt, being employee of GSFC, representing the Promoters of GIPCL, be deemed to be interested or concerned in the said Resolution.

None of the Directors or Key Managerial Personnel (KMP) except above mentioned Directors is in any way interested or concerned in the said Resolution.

None of the Directors or KMP has any pecuniary relationships or transactions vis-a-vis the Company.

#### Item No. 10

Pursuant to the provisions of Article 95 of the Articles of Association of the Company (AoA), Notification No. AIS/35.2015 /10/G dated 23<sup>rd</sup> April, 2015 of the Govt. of Gujarat (GoG), the Board of Directors at its Meeting held on 30<sup>th</sup> April, 2015 appointed Smt. Sonal Mishra, IAS (DIN: 03461909), as Director and Managing Director of the Company vice Shri L Chuaungo, IAS (DIN:00032867) with effect from 27<sup>th</sup> April, 2015 for a period of five (05) years or till further communication from the GoG, whichever is earlier and, that the Board of Directors be and is hereby authorised to consider and agree to terms as to remuneration including any revision therein from time to time, as may be communicated by the GoG, during her tenure as Managing Director of the Company.

Shri L Chuaungo, IAS (DIN: 00032867), continues as Chairman of GIPCL.

#### The brief Resume of Smt. Sonal Mishra, IAS (DIN: 03461909):-

Smt. Sonal Mishra, IAS (DIN: 03461909) is B A (Hons.) and LL.B. from the University of Delhi. She is Gujarat cadre IAS officer of 1997 batch. She has vast and rich experience of administration and management and has held various important positions in different departments of the State Government viz.

as Asst. Collector, District Development Officer, Municipal Commissioner & Collector. She has held position as Deputy Secretary, Energy & Petrochemicals Dept., Director Petroleum, Director Municipal Admn., Urban Development Dept. and Commissioner of Employment & Training, Gandhinagar. Lastly she held the position as Secretary Tourism, Civil Aviation, Devasthanam Management and Pilgrimage, Industries & Mines Department, Government of Gujarat.

Your Directors recommend her appointment as Director and Managing Director of the Company, as proposed in the Resolution at Item No.10 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel except Smt. Sonal Mishra, IAS, is in any way interested or concerned in the said Resolution.

#### Item No. 11

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Y S Thakar & Associates (Registration No. 000318), Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,00,000/- (Rupees One Lac) plus applicable Service Tax, Reimbursement of reasonable out of pocket expenditure payable to the Cost Auditor are to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.11 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31<sup>st</sup> March, 2016.

None of the Directors or Key Managerial Personnel of the Company is in any way, concerned or interested in the resolution set out at Item No.11 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.11 of the Notice for approval by the Members.



# Gujarat Industries Power Company Limited

## Item Nos. 12, 13 and 14

Pursuant to the provisions of Section 149, 150 and 152 of the Companies Act, 2013, it is proposed to appoint Prof. Shekhar Chaudhuri (DIN:00052904), Prof. K M Joshi (DIN: 00501563) and Dr. P K Das, IAS (Retd.) (DIN:00501499), the existing Independent Directors, as non retiring Independent Directors for a term / period of five years from this Annual General Meeting (AGM) till the 35<sup>th</sup> AGM.

Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.) are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.) that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board of Directors of the Company, Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.) fulfill the conditions for appointment as Independent Directors as specified in the Act and the Rules made there under and they are independent of the management.

Keeping in view their vast experience and knowledge, it will be in the interest of the Company that Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.) are appointed as Independent Directors of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resumes of Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.) are as follows:

### **Prof. Shekhar Chaudhuri (DIN 00052904):**

Professor Shekhar Chaudhuri is Director on the Board of Directors of the Company since 13.04.2004.

Prof. Chaudhuri graduated from the Indian Institute of Technology (IIT) Kharagpur, in 1972 with a B.Tech. (Hons.) in Mechanical Engineering and did his doctorate in Management, with specialization in Business Policy - from the Indian Institute of Management (IIM), Ahmedabad, and was awarded the title of Fellow (Ph.D equivalent) in 1980. He was associated with IIM, Ahmedabad, as a faculty member for about twenty seven (27) years from March 1981 to January 2008. During the period May 2000 to December 2001 he was the Dean of the Vinod Gupta School of Management at his alma mater IIT, Kharagpur.

In November 2002 he was appointed as Director of IIM, Calcutta for a period of five years and in January 2008 he was re-appointed as Director of IIMC for a new term of five years. On completion of his tenure as Director, IIMC he joined the Shiv

Nadar University, near Greater Noida in the state of UP as the Founding Director of the School of Management and Entrepreneurship in May 2013 on extra-ordinary leave from IIM Calcutta.

Prof. Chaudhuri has to his credit very rich teaching, research and consulting experience in various fields of management encompassing various key areas like - Strategic Management, International Management and Management of Technology and Innovation, etc. He has published a number of research papers in national and international peer reviewed journals and chapters in edited books and written a large number of teaching cases. He has also co-authored a book on "Entry Strategies" which was published by Oxford University Press in 2001.

Prof. Chaudhuri has conducted a large number of executive education programmes in the areas of general management, acquisition and assimilation of technology, management of technology and Japanese Management at IIM, Ahmedabad, IIT, Kharagpur and IIM, Calcutta. He has been a consultant to several organizations including the World Bank. During the mid 90s he led the India part of a multi-institutional, multi-country study titled, 'Policy and Institutional Priorities for Industrial Technology Development', which was sponsored by the World Bank.

Prof. Chaudhuri has been honoured with several awards during his long academic career. He has been a recipient of a Senior Fulbright Fellowship at the University of California, Berkeley and was a Visiting Professor in the College of Business and Administration at the Southern Illinois University at Carbondale in Illinois, USA during 1989 to 1991. He also received the "Bharat Asmita Acharya Shrestha Award 2009" (Best Teacher in Management) in the field of management education from H.E. the Vice President of India on February 3, 2009 and the Ravi Matthai National Fellow Award by the Association of Indian Management Schools in August 2012.

He is a Director on the Board of Directors of the following companies:

Sr. No.	Company
1	Gontermann-Peipers (India) Ltd.
2	West Bengal Electronics Industry Development Corporation Limited
3	Oil India Limited

### **Prof. K M Joshi (DIN: 00501563):**

Prof. Joshi is a Commerce Graduate and has done his Masters in Economics from The M S University of Baroda, Vadodara. He has done his Ph.D. in Economics from Gujarat University.

He was Professor of Business Economics, Faculty of Management Studies, The M S University of Baroda, Vadodara. He is a renowned academician with rich and varied experience of more





than thirty (30) years in academics and research work. He has written numerous research articles on the contemporary subjects and has completed various research projects. He has been a regular visiting faculty at renowned academic institutes and corporate across Gujarat.

He is Director on the Board of Directors of:

Sr. No.	Company
1	Madhya Gujarat Vij Company Limited.

**Dr. P K Das, IAS (Retd.) (DIN: 00501499):**

Dr. P K Das, IAS (Retd.) has done his BA (Hon.) in Political Science from Utkal University of Orissa, MA (Political Science) from University of Allahabad, UP, Law graduate from Gujarat University and has done his Masters in Public Administration and Ph.D. in Political Science from the University of South Carolina, Columbia, SC, USA.

Dr. Das is a very senior officer of Indian Administrative Service of 1965 batch and retired from the service in the year 2001. Dr. Das specializes in the Public Policy (Administration, Practice and Analysis) with special interest in Energy Policy, Privatization Strategies, Reform and reinventing the Government, Modeling Policy Results, Policy Forecasting, Governance issues of Civil Societies, e-Governance, Public Sector Management, Strategic Management and Business Policy. Dr. Das has held key positions in the Government of Gujarat right from the level of Asst. Collector to the position of Additional Chief Secretary and has worked with key depts. of Govt. of Gujarat including the position of Member (Finance) and later as the Chairman of Gujarat Electricity Board, Addl. Chief Secretary, Energy & Petrochemicals Dept. etc. He also had rich experience of managing companies like Gujarat Alkalies and Chemicals Ltd., Gujarat State Fertilizers and Chemicals Ltd. and GSIC as Managing Director during his service.

Dr. Das was the first State Chief Information Commissioner of Gujarat State.

He is Director on the Board of Directors of:

Sr. No.	Company
1	GSPC Pipavav Power Company Ltd.

The relatives of Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.), may be deemed to be interested in the resolutions set out respectively at Item Nos. 12, 13 and 14 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the Directors or Key Managerial Personnel except Prof. Shekhar Chaudhuri, Prof. K M Joshi and Dr. P K Das, IAS (Retd.) is in any way interested or concerned in the said Resolution set out at Item Nos. 12, 13 and 14 respectively.

The Board recommends the Special Resolutions set out at the Item Nos. 12, 13 and 14 of the Notice for approval by the Members.

**Item No.: 15**

Shri L Chuaungo, IAS was appointed as Managing Director of GIPCL by the Board of Directors in terms of Government of Gujarat (GoG) Notification No. AIS / 35.2003 / 10/G dated 28<sup>th</sup> April, 2003 vice Shri G.L. Bhagat, IAS w.e.f. 01-05-2003.

Thereafter, GoG vide its Notification No. AIS / 35.2004 / 46/G dated 4<sup>th</sup> October, 2004, appointed Shri L Chuaungo, IAS, as Member (Administration), GEB (Now GUVNL) and accordingly the Board of Directors of the Company approved continuation of his services as MD – GIPCL holding additional charge till further orders of the GoG.

Further, the Board of Directors in terms of the GoG Notification No. AIS/35.2015/10/G dated 23-04-2015, appointed Smt. Sonal Mishra, IAS as Managing Director of GIPCL vice Shri L Chuaungo, IAS effective from 27-04-2015.

Further, the GoG vide its orders of even Nos. AIS-45-2005-5857-G viz.(1) dated 27-12-2005 and (2) dated 16-05-2015 has approved Special Pay @5% of Salary to Shri L Chuaungo, IAS (DIN: 00032867) for the period from 05-10-2004 to 17-04-2015 during which he held additional charge as Managing Director of GIPCL.

As per the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (the Acts), payment of this special pay to Shri L Chuaungo, IAS being increase in his remuneration is placed to seek approval of the Members of the Company in this Annual General Meeting.

Your Directors recommend the Ordinary Resolution set out at Item No.15 of the Notice for approval by the Members.

None of the Directors, or Key Managerial Personnel, except Shri L Chuaungo, IAS, is in any way, concerned or interested in the resolution set out at Item No.15 of the Notice.

**Inspection of documents:**

All documents referred to in this Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 9.30 am and 12.30 pm on all working days of the Company prior to the date of the Meeting.

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

(CS A C Shah)

**Company Secretary  
& DGM (Legal)**

**Place: Gandhinagar**

**Date: 22<sup>nd</sup> May, 2015.**

**Registered Office:**

P.O.: Petrochemicals – 391 346,

Dist.: Vadodara. Gujarat.



## Gujarat Industries Power Company Limited

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES:

Name of Director	Shri H R Brahmbhatt.	Smt. Shahmeena Husain, IAS
DIN	06360175	03584560
Date of Birth	14.12.1954.	06.03.1972.
Date of Appointment	17.08.2012.	20.09.2014.
Qualifications	B.E. (Chemical) from The Maharaja Sayajirao University of Baroda, Vadodara.	M.Sc with Zoology and IAS.
Nature of Expertise / Experience	He is Executive Director of Gujarat State Fertilizers and Chemicals Limited, Vadodara, (GSFC). He has a rich experience of around 38 years of operating various chemical plants like Acids and Phosphatic Group of plants. He was also in charge of Urea / Melamine plants along with PG plants. Presently, he is looking after Operations and Maintenance of Utility / Co-generation / Environment Control Unit, Safety & Fire Services, Central Laboratory, Energy Management Cell, Integrated Management System and Personnel Department.	Held various position in Government of Gujarat. At present she is Director (Administration) of Gujarat Urja Vikas Nigam Limited and Chairperson in two group Companies of GUVNL.
Names of other Companies in which Directorship is held	<ol style="list-style-type: none"> <li>1. Vadodara Enviro Channel Limited.</li> <li>2. Gujarat Green Revolution Company Limited.</li> <li>3. GSFC Agrotech Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gujarat Urja Vikas Nigam Limited</li> <li>2. Gujarat State Electricity Corporation Limited</li> <li>3. Gujarat Energy Transmission Corporation Limited</li> <li>4. Uttar Gujarat Vij Company Limited</li> <li>5. Madhya Gujarat Vij Company Limited</li> <li>6. Dakshin Gujarat Vij Company Limited</li> <li>7. Paschim Gujarat Vij Company Limited</li> <li>8. Mahaguj Collieries Limited.</li> <li>9. Gujarat Industrial Development Corporation.</li> </ol>
Name of the Private Companies in which, Directorship held thro' relatives	NA	NA
Membership / Chairmanship of Committee(s)	Member of Securities Transactions & Stakeholders' Relationship Committee.	Member of Nomination and Remuneration Committee.
No. of Shares held	He holds 150 (One Hundred Fifty) Equity Shares of the Company.	NIL



## BOARD'S REPORT

To  
The Members,

Your Directors have pleasure to present the Thirtieth Annual Report on the performance of your Company together with Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2015 and the report of the Auditors thereon:

### Financial Performance:

	(₹ in Lacs)	
	2014-15	2013-14
Net Sales	1,20,906	1,37,104
Other Receipts	4,882	3,646
Total Expenditure	79,191	90,636
Gross Profit : (1+2-3) (before deducting any of the following)	46,597	50,114
(a) Finance Cost	7,800	8,827
(b) Depreciation	12,003	15,551
(c) Provision for Deferred Tax	5,783	2,141
(d) Provision for Current Income Tax (including MAT credit entitlement and Wealth Tax)	6,333	4,416
(e) Tax adjustment of earlier years	196	591
(f) Exceptional Item	1,851	0
Net Profit:	12,631	18,588
Add : Balance brought forward from Previous Year	8,809	7,145
<b>TOTAL</b>	<b>21,440</b>	<b>25,733</b>
Less: Appropriations :		
(i) General Reserve	7,500	7,500
(ii) Expansion Reserve	5,000	5,000
(iii) Proposed Dividend On Equity Shares (including Dividend Tax)	4,556	4,424
(iv) Carried to Balance Sheet	4,384	8,809
<b>TOTAL</b>	<b>21,440</b>	<b>25,733</b>

### Dividend:

Your Directors are happy to recommend a Dividend of ₹ 2.50 (Rupees Two and Paise Fifty) per share on 15,12,51,188 Equity Shares of ₹ 10/- each fully paid up, for the year ended on 31<sup>st</sup> March, 2015. The total outgo on account of Dividend would be about ₹ 4,556 Lacs including Corporate Tax on

Dividend. The Dividend, if approved by the shareholders at the ensuing 30<sup>th</sup> Annual General Meeting, shall be paid to all those Members, whose names appear on the Register of Members of the Company on the Books Closure Date i.e. on Tuesday, the 18<sup>th</sup> August, 2015.

### OPERATIONS:

#### Vadodara Stations:

##### Station – I (145 MW):

During the year under review, the Station generated 679.893 Million Units (MUs) at a Plant Load Factor (PLF) of 53.53 % as against generation of 880.56 MUs at PLF of 69.32% during the preceding year. The Plant Availability Factor (PAF) was at 95.84% during the year under review as against 97.30% during the preceding year.

During the year under review, Hot Gas Path Inspection (HGPI) with Residual Life Assessment (RLA) of Gas Turbines (GT)-1 was carried out; Annual Inspection of Heat Recovery Steam Generator (HRSG) is also completed as per the schedule.

##### Station – II (165 MW):

During the year under review, the generation was 38.253 Million Units (MUs) at a Plant Load Factor (PLF) of 2.65% as against generation of 159.15 MUs at a PLF of 11.01% in the preceding year. The Plant Availability Factor (PAF) for the Station was 95.18% for the year under review as against 99.63% during the preceding year.

During the year under review, Planned Shutdown of GT-4 and Annual Inspection of HRSG-4; were successfully completed.

Your Directors are also glad to inform that owing to consistent efforts to operate plant auxiliaries at Optimum Level and energy conservation measures vis-à-vis Reduced PLF of Station-I & II, have made it possible to maintain the auxiliary consumption at 2.63% for the year under reference, which is less than the normative level of 3%.

It is also heartening to note that despite the aging of main plant equipments, the operating parameters i.e. output and heat rate have been maintained due to proactive operation and maintenance practice and vigilant monitoring of the performance.

The lower PLF for the Stations is due to continuously depleting supply of domestic gas from GAIL and RIL-Niko. The status of RIL's imposition of full curtailment of gas supply from their KG D-6 field with effect from 1<sup>st</sup> March 2013 has remained unchanged, under Priority sector guidelines of MoP&NG. The reduced generation is also on account of plant operation on partial load and / or prolonged backing down of the plant by



# Gujarat Industries Power Company Limited

State Load Dispatch Centre (SLDC) due to higher generation cost on imported R-LNG as fuel. However, continuous efforts are made to maintain optimum available supply of gas for the Stations at Vadodara. Currently, out of total gas requirements of 1.55 to 1.60 MMSCMD for Vadodara Stations, 0.91 MMSCMD gas including R-LNG is tied up with GAIL (India) Ltd. (GAIL) and RIL-NIKO on long term basis. The remaining quantity is tied up with GAIL, Gujarat State Petroleum Corporation Ltd (GSPCL), and BPCL for supply of Spot gas on “as and when required” basis.

Long term agreements have been signed with Hettich India Pvt. Ltd., Vadodara, for supply of De-mineralized (DM) Water, and with Ishedu a Div. of Jayant Agro, for sharing the available spare capacity of infrastructure of Joint Water Supply Scheme (JWSS) of GIPCL and GACL. Services like Third Party Water Sample Analysis facilities on chargeable basis are also provided to interested parties.

During the year under review, implementations of various energy conservation measures as well as new initiatives were undertaken. Major energy conservation and efficiency improvement measures by way of modification in various auxiliary equipments and redefining operational parameters have been successfully implemented as elaborated in the Annexure to this Report.

## **Safety Performance:**

The health and safety of all the employees is prime concern of the Company. Your Directors are happy to inform that your Company is making sincere and committed efforts to maintain the safety of plant equipments and creating a safe and healthy working environment for the employees. The Company has been spending appropriate and sufficient amount for the health and safety related activities. Constant efforts are made to maintain accident free operations at all the locations. Your Company has adopted a comprehensive Health and Safety policy under the Integrated Management System (IMS). Vadodara Plant successfully completed accident free operations for the entire year under review viz. FY 2014-15.

## **Surat Lignite Power Plant (SLPP):**

### **Phase-I (2 x 125 MW Units 1 & 2):**

During the year under review, Phase-I generated 1424.954 Million Units (MUs) at a Plant Load Factor (PLF) of 65.07 % as against 1488.481 MUs at a PLF of 67.97% during the previous year i.e. FY 2013-14. Plant Availability Factor was 70.55% as against 83.95% during the previous year.

Commercial availability was at 64.09% as against 67.44% during the previous year.

During the year under review, the Unit - 1 (125MW) tripped on 29.11.2014 due to a technical snag in the Stator Winding of the Generator differential protection. BHEL, OEM, carried out all required tests at their Hyderabad works and on technical assessment of the said results finally termed the damage to the Stator as irreparable. The Company therefore placed order for a new Stator assembly on BHEL – the OEM- using the Company’s existing Stator frame/casing and the Unit was synchronized with the Grid on 3<sup>rd</sup> April, 2015. Your Company is adequately insured against material damage and business interruption loss aspects arising on account of the said Stator failure.

### **Phase II (2 x 125 MW Units 3 & 4):**

During the year under review, Phase-II generated 1841.638 MUs at a PLF of 84.09% as against 1528.982 MUs at a PLF of 69.82% during the preceding year. Plant Availability Factor was 89.17% as against 84.78% during the previous year. Commercial availability was at 85.70% as against 72.47% during the previous year.

Constant endeavors are being made to improve the overall performance of the Station, including technology improvement and modifications. The required maintenance program for the upkeep of the Units was undertaken during the year under review.

Your Directors are happy to inform that the SLPP Station has received National Excellence Award for Energy Management instituted by Confederation of Indian Industries (CII) as an “EXCELLENT ENERGY EFFICIENT UNIT” for the year 2014.

## **Mining:**

Your Directors are happy to inform that the performance of the Mining Division was satisfactory during the year under review. Total requirement of lignite was met from our captive Vastan Lignite Mine and Mangrol - Valia Lignite Mine. To meet the demand of all the four Units, sufficient quantity of Lignite has been stocked for the operations during the monsoon.

It is heartening to inform that the Vastan Lignite Mine of your Company has won First Prize in the category ‘Lowest Injury Frequency Rate (LIFR) per Million Cubic Meter of Output for two consecutive years viz. 2011 and 2012 at the National Safety Awards (Mines) held at Vigyan Bhavan, New Delhi. The said Awards, instituted for betterment of safety standards and to recognise outstanding safety performance, were received at the hands of Hon’ble President of India.

Your Directors are pleased to inform that the Vastan Limestone Mine has bagged two First Prizes viz. ‘Mines workings and General Safety’ and ‘Publicity propaganda and Housekeeping’ and the Valia Mine has bagged three First Prizes viz. ‘Overall of open cast Lignite Mines’, ‘Records Maintenance’ and ‘Health,



First Aid and Vocational Training' at the 'Gujarat Lignite Mines Safety Week-2015' celebrated under the aegis of Directorate General of Mines Safety (DGMS), Ahmedabad and Surat Regions.

### **5 MW PV based Solar Power Plant:**

During the year under review, 5 MW PV based Solar Power Plant at SLPP generated 8.02 MUs with 18.31% PLF.

### **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.

#### **Vadodara Plant:**

Your Directors are pleased to inform that the initiative taken by your company in 2012 for providing water as well as oil testing analysis services to interested parties on chargeable basis as a part of diversification of activities and optimization of use of available infrastructure and resources for increasing revenues has received encouraging response.

Your Company has also imposed total ban on using thermocol and plastic below 40 micron size packing material for all incoming goods. Disposal of e-waste generated has been arranged through Central Pollution Control Board (CPCB) registered vendors.

#### **Surat Lignite Power Plant (SLPP):**

During the year under review, your company replaced internals of six fields (out of twelve fields) of Unit-I Electrostatic precipitator during the annual overhauling at a total expenditure of ₹ 288.90 lacs to reduce suspended particulate matter (SPM) emission through stack / chimney.

Your Company replaced the online dust and opacity monitoring system of Phase-I and II with a total expenditure of ₹ 10.74 lacs for monitoring and maintaining the stack emission parameters.

Your Company planted 1927 nos. of saplings (more than 90% survival rate) in the plant premises for better green coverage.

Your Directors feel proud to inform you that the Surat Lignite Power Plant (SLPP) has been recognized as 'Best in Water Use' under a United Nations (UN) backed Project for Green Rating of Thermal Power Plants in India undertaken by Centre for Science and Environment, a Delhi based NGO. The said Green Rating Project Awards also known as 'The Five Leaves Award' was conferred at a function held at Ministry of Environment, Forests and Climate Change (MoEFCC) in February, 2015.

### **Expansion Plans:**

#### **51 MW Wind based Power Project:**

The Company has placed order on Leitwind Shriram Manufacturing Ltd. (LSML) on EPC turnkey basis for setting up wind based Power Project-27 MW at Village Kotadapitha and 24 MW at Village Jambarvada, Taluka Babra, Dist.: Amreli, Gujarat respectively. 2 x 1.5 MW Wind Turbine Generators (WTGs) have been commissioned in May, 2015. Power Purchase Agreement (PPA) for 10.5 MW has been signed with GUVNL in May, 2015. Civil and other works for remaining WTGs is going on in full swing and the said WTGs are likely to be commissioned by August, 2015.

#### **Up to 250 MW Wind Power Project:**

Your Directors would like to inform that your Company has invited offers through International Competitive Bidding (ICB) route for setting up an up to 250 MW Wind Power Project on turnkey Engineering, Procurement, Construction (EPC) basis. The bids received are under evaluation.

### **Accreditation for Integrated Management System (IMS) under ISO certifications:**

Your Directors are pleased to inform that during the year under review your Company has successfully maintained standard guidelines for 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) and ISO 50001:2011 for Energy Management System (EnMS) Certification for its Power Stations at Vadodara and SLPP. Your Company is one of the first group of Power Plants to have implemented and obtained ISO 50001:2011 Certification. Surveillance Audit for all the standards have been successfully conducted and accredited by TUV India Ltd. in May, 2015.

### **Subsidiary:**

Your Directors are happy to inform that during the year under review, the Company's wholly owned subsidiary GIPCL Projects and Consultancy Company Limited (GIPCO) has continued to perform successfully in the growing but highly competitive service sector. The Company has offered trouble-shooting and expert services for O&M practice and spares management to different operating power plants.

The Company under Employee Excellence Enhancement (EEE) program conducted various training programs for Power Plant personnel and Engineering Students round the year. The training activity has received encouraging response from the energy sector.



# Gujarat Industries Power Company Limited

## Public Deposits:

During the year 2014-15, your Company has not accepted / renewed any Fixed Deposit. As at the date of this Report, there is No Deposit either unpaid / unclaimed or due for transfer to Investors Education & Protection Fund (IEPF).

## Listing Agreement Compliance:

Equity Shares of your Company are listed on Bombay Stock Exchange Ltd. (BSE), National Stock Exchange of India Ltd. (NSE) and Vadodara Stock Exchange Ltd. (VSE) and their Listing Fees for the FY 2015-16 have been paid and the conditions of the Listing Agreement have been complied with.

## Insurance:

The properties and the insurable interest of the Company are adequately insured. The Company has also taken necessary insurance cover as required under the Public Liability Insurance Act, 1991.

## Corporate Social Responsibility Initiatives:

As part of its initiatives under "Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Education, Livelihood, Health, Water, Sanitation, etc. These projects are in accordance with Schedule VII to the Companies Act, 2013.

Report on CSR activities is annexed to this Report as "Annexure A".

Your Directors are pleased to inform that Development Efforts for Rural Economy & People (DEEP), a Trust promoted by your Company at its SLPP location, has bagged Award for 'Outstanding Achievement in Social Welfare Program by an NGO' instituted by The Southern Gujarat Chambers of Commerce and Industries (SGCCI) for the year 2013-14. This is the third consecutive year when DEEP has been honored with this Award.

## Energy Conservation and Technology Absorption:

The measures taken by your Company towards energy conservation and Technology Absorption are given in the Annexure 'C' to this Report.

## Related Party Transactions:

All Related Party Transactions that were entered during the year were on arm's length price basis and in ordinary course of business. There were no materially significant Transactions made by the Company with Promoters, Directors or Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company. During the year under review, the Company has done transactions of sale of electricity to Gujarat Urja Vikas Nigam Ltd. (GUVNL),

Gujarat Alkalies & Chemicals Ltd. (GACL) and Gujarat State Fertilizers & Chemicals Ltd. (GSFC), Promoters of the Company. Your Directors recommend for your approval the said transactions entered into with GUVNL, GACL and GSFC as stated in Resolution at Sr. No.9 of the Notice of 30<sup>th</sup> Annual General Meeting (AGM).

All related party transactions are placed before the Audit Committee as also the Board for approval. Ominibus approval of the Audit Committee has been obtained for transactions which are of repetitive nature.

The Policy on Related Party Transactions (RPTs) is uploaded on the website of the Company and can be accessed on the following link: <http://www.gipcl.com/pages/corporate-policies>

None of the Directors or Key Managerial Personnel has pecuniary relationships or transactions vis-à-vis the Company.

## Vigil Mechanism / Whistle Blower Policy:

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The said Policy is explained in the Corporate Governance Report and also posted on the website of the Company at following link: <http://www.gipcl.com/pages/corporate-policies>

## Directors' Responsibility Statement:

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- 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 31<sup>st</sup> March, 2015 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Annual Accounts have been prepared on a going concern basis.
- internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and operating effectively.
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## Corporate Governance:

Your Company has been following good Corporate Governance practices and has complied with the requirements of Clause 49 of the Listing Agreement. A detailed report on Corporate Governance along with Certificate dated 22<sup>nd</sup> May, 2015 issued by CS Niraj Trivedi, Practicing Company Secretary, Vadodara is annexed forming part of this Report.

## Management Discussion and Analysis:

A report on Management Discussion and Analysis dealing with Business Operations and Performance, Research and Development, Expansion Project, Safety and Environment, Human Resource Development, Corporate Social Responsibility etc. is annexed forming part of this Report.

## Risk Management:

Your Company has constituted a Committee of Directors, presently consisting of Dr. P K Das, IAS (Retd.), Chairman of the Committee, Shri A M Tiwari, IAS and Smt. Sonal Mishra, IAS. The Report on Risk Management and Risk Minimization is reviewed by the Board on quarterly basis.

## Directors:

During the year under review, Shri A K Dalvi, General Manager (O&ES), was nominated as Director on the Board of Directors of the Company by GACL vice Shri M S Dagur, IAS.

The Board places on record its sincere appreciation for the valuable guidance and support extended by Shri M S Dagur, IAS during his tenure as Director of the Company.

Vide Government of Gujarat (GoG) Notification dated 30.8.2014, Shri D J Pandian, Chairman of the Company and Additional Chief Secretary, Energy & Petrochemicals Dept., GoG was transferred as Additional Chief Secretary, Industries & Mines Department, GoG. Consequent to his transfer, he resigned from the Board of Directors of the Company w.e.f. 30.08.2014.

The Board places on record its sincere appreciation for the valuable services and guidance as well as support extended by Shri D J Pandian, IAS, during his tenure as Chairman of the Company.

During the year, Smt. Padma Betai was nominated by IDBI Bank Ltd. as its Nominee Director on the Board of the Company vice Shri D C Jain.

The Board places on record its sincere appreciation for the valuable guidance and support extended by Shri D C Jain, during his tenure as Director of the Company.

Gujarat Urja Vikas Nigam Ltd. (GUVNL) nominated Smt. Shahmeena Husain, IAS as Director on the Board of Directors of the Company vice Shri Raj Gopal, IAS.

The Board places on record its sincere appreciation for the valuable guidance and support extended by Shri Raj Gopal, IAS during his tenure as Director of the Company.

During the year under review, Gujarat Alkalies & Chemicals Ltd. nominated Shri A M Tiwari, IAS as Director on the Board of Directors of the Company vice Shri A K Dalvi.

The Board places on record its sincere appreciation for the valuable guidance and support extended by Shri A K Dalvi, during his tenure as Director of the Company.

Vide its Notification dated 27.10.2014, the GoG has nominated Shri Sanjeev Kumar, IAS, as its Nominee Director on the Board of Directors of the Company.

Shri H R Brahmbhatt and Smt. Shahmeena Husain, IAS, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend for your approval resolutions at Sr. No. 3 and 4 of the Notice dated 22.05.2015 of the 30<sup>th</sup> AGM regarding reappointment of Shri H R Brahmbhatt and Smt. Shahmeena Husain, IAS, as Directors.

Pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 (the Act) and amended Clause 49 of the Listing Agreement, your Directors recommend for your approval Special Resolutions at Sr. No. 12, 13 and 14 of the Notice dated 22.05.2015 of the 30<sup>th</sup> AGM regarding appointment of Prof. Shekhar Chaudhuri (DIN:00052904), Prof. K M Joshi (DIN:00501563) and Dr. P K Das, IAS (Retd.) (DIN:00501499), as Independent Directors, to hold office for the second term, for a period of five consecutive years, from this Annual General Meeting (AGM) till 35<sup>th</sup> AGM, not liable to retire by rotation.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement with Stock Exchanges, the Board of Directors of the Company, at its Meeting held on 31/03/2015, appointed Dr. Ajay N Shah (DIN:01141239), Shri S B Dangayach (DIN:01572754) and Dr. B A Prajapati (DIN:01431661) as Additional Directors and Independent Directors of the Company, under Section 161(1) of the Act and the Articles of Association of the Company (AoA). They hold office as Directors upto the date of ensuing 30<sup>th</sup> AGM.

The Company has received Declaration of Independence from all the Independent Directors as required under Section 149(6) of the Companies Act, 2013.



# Gujarat Industries Power Company Limited

Your Directors recommend for your approval Ordinary Resolutions at Sr. Nos. 6, 7 and 8 of the Notice dated 22.05.2015 of 30<sup>th</sup> AGM regarding their appointment as Independent Directors, for the first term, to hold office for a period of five consecutive years from this AGM till 35<sup>th</sup> AGM of the Company.

Pursuant to the provisions of Article 89 of the Articles of Association of GIPCL, the GoG vide its Notification dated 07.04.2015 nominated Shri L Chuaungo, IAS as Chairman of the Company vice Shri D J Pandian, IAS.

Vide Notification dated 23.04.2015, the GoG placed the services of Smt. Sonal Mishra, IAS, at the disposal of Energy & Petrochemicals Dept., GoG for appointment as Managing Director of your Company vice Shri L Chuaungo, IAS. Your Directors recommend for your approval Ordinary Resolution at Sr. No. 10 of the Notice dated 22.05.2015 of 30<sup>th</sup> AGM regarding appointment of Smt. Sonal Mishra, IAS as Managing Director of the Company vice Shri L Chuaungo, IAS.

## **Policy on Directors' Appointment and Remuneration:**

The Company has formulated and adopted a Policy on Directors' Appointment and Remuneration and the same is accessible on the website of the Company : [www.gipcl.com](http://www.gipcl.com).

## **Performance Evaluation of Board, Committees and Directors:**

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013, your Company has constituted a Nomination & Remuneration (NR) Committee of Directors to evaluate the performance of Directors on the Board.

Appraisal of each Director of the Company is based on the broad criteria mentioned below as required under the provisions of the Section 134 (3)(p) of the Companies Act, 2013 (the Act).

1. Knowledge of the Job Profile;
2. Various directions provided in the best interest of the Company on key issues; review of compliance management;
3. Achievement of Targets budget v/s actual and reasons for deviations; contribution towards new projects;
4. Detailed analysis of internal control functions;
5. Thorough compliance with the Code of conduct;

The NR Committee shall evaluate the performance of each member of the Board of Directors with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Act and as per the evaluation criteria mentioned above.

Evaluation of Independent Directors shall be carried out by the entire Board in the same way as it is done for other Directors of

the Company. The interested Director shall not participate in the evaluation/s.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criterion.

Evaluation of Executive Director of the Company is done by the entire Board except the Director being evaluated. The meeting for the purpose of evaluation of performance of Board Members is held at least once in a year and the Company has disclosed the criteria laid down by the Nomination and Remuneration Committee for performance evaluation on its web site for the reference and also in the Annual Report of the Company.

## **Particulars of Employees:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is not applicable as no Employee was paid remuneration during the year in excess of ₹ 60.00 Lacs when employed throughout the year and ₹ 5.00 Lacs per month when employed for a part of the year. Further, there was no employee holding 2% or more of the equity shares of the Company during 2014-15. The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. None of such employees is a relative of any Director of the Company. None of such employees hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the Company.

## **Auditors:**

### **(i) Statutory:**

The Board of Directors of the Company has appointed K C Mehta & Co., Chartered Accountants (Registration No. FRN 106237W), Vadodara, as Statutory Auditors of the Company in place of VCA & Associates, Chartered Accountants, Vadodara, whose term of appointment expires at the conclusion of this Annual General Meeting. As required under the provisions of Section 139 of the Act, the Company has obtained written confirmation from K C Mehta & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section. Members are requested to appoint Statutory Auditors at this





Meeting for five consecutive financial years i.e. from FY 2015-16 to FY 2019-20 and to fix their remuneration. Pursuant to the provisions of Section 139 of the Act, appointment of Statutory Auditors will be ratified by the Members at every AGM. Resolution at Sr. No. 5 of the Notice dated 22.05.2015 of 30<sup>th</sup> AGM is recommended for approval of the Members for the appointment of Statutory Auditors and to fix their remuneration.

The Auditors' Report to the Shareholder for the FY 2014-15, issued by VCA Associates, Chartered Accountants, Vadodara, Statutory Auditors of the Company for FY 2014-15, does not contain any reservation, qualification or adverse remark.

**(ii) Cost:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of "Electricity" are required to be audited. Accordingly, the Board of Directors, on the recommendation of the Audit Committee, has appointed Y S Thakar & Co., (Registration No. 000318) Vadodara, as Cost Auditor of the Company for the Financial Year 2015-16. Ordinary Resolution at Sr. No. 11 of the Notice dated 22.05.2015 of 30<sup>th</sup> AGM is recommended for ratification of the Members for the remuneration payable to Cost Auditors for the FY 2015-16.

**(iii) Secretarial:**

Pursuant to the enactment of the Companies Act, 2013, J J Gandhi & Co., Practicing Company Secretaries, Vadodara (CP No. 2515) have been appointed as Secretarial Auditor of the Company for the year 2014-15. Report of J J Gandhi & Co. for the Financial Year 2014-15 ended on 31<sup>st</sup> March, 2015 in the prescribed Form-MR 3 is annexed to this Report as **Annexure 'B'**. The Secretarial Auditor Report to the Shareholder for the FY 2014-15, does not contain any reservation, qualification or adverse remark.

**Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed to this Report as **"Annexure D"**.

Your Directors further state that during the year under review, there was no case reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Acknowledgements:**

The Board of Directors places on record its gratitude and appreciation to the Government of India, Government of

Gujarat, Financial Institutions, Banks, Insurance companies, Business Associates, Promoters, Shareholders and Employees of the Company for their valuable support and faith reposed by them in the Company.

**For and On behalf of the Board**

**Date: 23<sup>rd</sup> July, 2015.**  
**Place: Gandhinagar.**

**L. Chuaungo, IAS**  
**Chairman**

## ANNEXURE 'A' TO BOARD'S REPORT

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes and the CSR Policy is stated herein below:

Major Corporate Social Responsibility (CSR) initiatives by your Company revolve around building community infrastructure, focus on women empowerment and their role in development. Interventions include Education, Community Health, Livelihood Development and Rural Infrastructure Development like roads, culverts in surrounding villages. Your Company is also co-sponsoring a Mid-day meal Scheme at Vadodara where more than 50,000 children of Government schools are provided hygienic food.

The CSR Policy is accessible on the following link of the website of the Company : <http://www.gipcl.com/pages/corporate-policies>

2. Composition of the CSR Committee as on 31<sup>st</sup> March, 2015:  
Shri L Chuaungo, IAS, Chairman  
Dr. P K Das, IAS (Retd.)- Independent Director  
Smt. Shahmeena Husain, IAS.
3. Average net profit of the Company for last three financial years:  
Average net profit: ₹ 174.37 Crores.
4. Prescribed CSR Expenditure (two percent of the amount as at Sr. 3 above):  
The Company is required to spend ₹ 3.49 Crores towards CSR.
5. Details of CSR spend for the financial year:
  - a. Total amount spent for the financial year: ₹ 4.24 Crores.
  - b. Amount unspent, if any: Not Applicable



# Gujarat Industries Power Company Limited

- c. Manner in which the amount spent during the financial year 2014-15 is detailed below:

(₹ in Lacs)

Sr. No.	Project / Sector	Amt. spent in surrounding villages of facilities at		Total Amount spent
		Vadodara	SLPP	
i	Health	00.00	142.71	142.71
ii	Education	65.86	20.59	86.45
iii	Livelihood	0.00	18.99	18.99
iv	Village Infrastructure Development	3.00	78.43	81.43
v	Resource Centre for Training	0.00	9.92	9.92
vi	Publication	0.00	6.02	6.02
vii	Contingency	12.90	2.52	15.42
viii	Bamboo Plantation (Environment Improvement)	00.00	4.70	4.70
xi	Administrative Expenses	00.00	57.98	57.98
<b>Total</b>		<b>81.76</b>	<b>341.86</b>	<b>423.62</b>

## CSR POLICY

(approved by the Board of Directors on 5<sup>th</sup> May, 2014)

### CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Gujarat Industries Power Company Limited is committed to the cause of socio economic development of people, particularly those whose sources of livelihood is affected by our business. We are committed to taking up projects and activities that aim at raising their Human Development Index including but not limited to projects or programmes listed out in the Schedule VII to the Companies Act 2013 as amended. It shall remain our endeavor to involve them as stakeholders by following participatory approach through which we will address their concerns, priorities, needs and aspirations. We shall remain conscious of our obligations as a responsible corporate entity to the cause of society at large by taking up activities that contribute to – promotion of social harmony, increasing opportunities to socially and economically disadvantaged sections of society, and to mitigation of environmental degradation.

## ANNEXURE 'B' TO BOARD'S REPORT SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31<sup>st</sup> March, 2015)

FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Gujarat Industries Power Company Ltd.,  
P.O.: Petrochemicals – 391 346,  
Dist.: Vadodara.

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Gujarat Industries Power Company Ltd.** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the **Gujarat Industries Power Company Ltd.** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.



5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable to the Company during the Audit Period;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - Not mandatory for the Company to comply with during the Audit Period.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, Vadodara Stock Exchange Ltd. and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Further, as per representation of management letter, considering its products, process and location, the following Acts are specifically applicable to the Company.

1. The Electricity Act, 2003;

2. The Mines Act, 1952 and
3. The Mines & Minerals (Development Regulations) Act, 1957.
4. The Land Acquisition Act, 1894(The Right to Fair Compensation and Transparency, Rehabilitation and Resettlement Act, 2013);
5. The Environment(Protection) Act, 1986;
6. The Air(Prevention and Control of Pollution), Act, 1981; and
7. The Water ((Prevention and Control of Pollution), Act, 1974.

### **We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The compliance of Secretarial Standards were not mandatory during the Audit Period, however, many of them were complied with by the Company.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**for J. J. Gandhi & Co.  
Practising Company Secretaries**

**(J. J. Gandhi)  
Proprietor  
FCS No. 3519 and CP No. 2515**

**Place: Vadodara  
Date: 22<sup>nd</sup> May, 2015**

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.



## ANNEXURE TO SECRETARIAL AUDIT REPORT

Date: 22<sup>nd</sup> May, 2015

To,  
The Members,  
Gujarat Industries Power Company Ltd.,  
PO. Petrochemicals,  
Vadodara – 391 346

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**for J. J. Gandhi & Co.**  
**Practising Company Secretaries**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

## ANNEXURE 'C' TO BOARD'S REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

#### A. Conservation of Energy :

**Energy Conservation measures taken, additional investments and proposals, if any, being implemented for reduction of consumption of energy and impact of the measures for reduction of energy consumption and consequent impact on the cost of production.**

Several energy conservation measures are taken at Vadodara and SLPP during the year under review. Some of the measures which have significant results are indicated below:

#### At Vadodara:

- 11 KW/15 HP Induction Motor driven Oil Mist Eliminator of Gas Turbine No. 2 in Station-I was modified and connected to Variable Frequency Drive for load regulation, which resulted in to electrical unit saving of 0.415 Lakh KWh annually. Thermal Insulation of Gas Turbine No. 1, 2, 3 and HRSG 1, 2, 3 in Station I - was replaced in affected hot zone, which resulted in to electrical unit saving of 0.597 Lakhs KWh annually.
- Revamping job of 132 KV Switchyard in Station I was accomplished with modification in lighting system arrangement with newly designed distribution panel resulted in to electrical unit saving of 0.321 Lakhs KWh annually. Plant General Lighting - Existing arrangement of 70 nos. of 70 Watts - High Pressure Sodium Vapour lamp replaced with 23 Watts – CFL spiral lamps, resulted in to electrical unit saving of 0.188 Lakhs KWh annually. Stage reduction in Raw Water Pump and subsequent revamping and modification job in the pumping system, resulted in to electrical unit saving of 0.460 Lakhs KWh annually. Common utility area of compressed air system strengthened and modified, resulted in to electrical unit saving of 0.346 Lakhs KWh annually.

#### At SLPP:

- Air ingress in the flue gas duct in all four units was arrested during Annual overhauling (AOH) which helped to save 35.53 Lacs kWh electrical energy per annum.
- In cooling towers of Phase-I units, clogged fills of total 03 no. cooling tower cells were replaced. With this, Cooling



Water temperature at Condenser inlet was improved by 0.34 Deg. C. This helped to improve station heat rate by 6.73 Kcal/ kWh.

- As proposed in previous year, HPSV street lighting fixtures at Patna pump house, Bodhan pump house and colony were replaced with LED fixtures. This resulted into saving of 0.61 Lac kWh electrical energy per annum.
- In instrument air system, pneumatic positioners were replaced with smart positioners. This helped to reduce consumption of instrument air and saving of electrical energy to the tune of 0.38 Lac kWh per annum.
- As proposed in previous year, energy efficient hydraulic coating was applied on internal surface of CW pump-1B and 2A. This helped to conserve 2.94 Lacs kWh electrical energy per annum.
- As proposed in previous year, total 4 nos. conventional cooling tower fan blades assembly of Phase-II cooling tower was replaced with aerodynamically design energy efficient fan blades assembly. This helped to conserve 4.37 Lacs kWh electrical energy during the year.
- As proposed in previous year, running of Phase-II AC cooling tower and condenser water pump was optimized by utilizing cooling water from main plant Cooling Water system. This modification helped to save 1.98 Lacs kWh electrical energy per annum.
- Colony and plant potable water pump discharge lines were interconnected which helped to eliminate operation of plant potable water pump. By this, total 0.48 Lac kWh electrical energy per annum saved during the year.
- Discharge lines of Guard pond pump and fire hydrant pump were interconnected which helped to eliminate operation of fire hydrant pump. By this, total 365000 M<sup>3</sup> service water and 12.48 Lacs kWh electrical energy could be saved during the year.
- Operating hours of Phase-II Fly ash silo fluidizing blower was optimized which helped to conserve 0.98 Lac kWh electrical energy per annum.
- During annual overhauling of all units, cleaning of condenser tubes and maintenance of cooling towers was carried out which helped to increase plant generation by 110.4 Lacs kWh per annum.
- New practice has been adopted in Phase-II units to switch-off Generator Transformer during annual overhauling which helped to conserve 0.55 Lac kWh electrical energy per annum.
- Bypass line in Unit-3 CCW pumps was provided which resulted into saving of electricity by 6.33 Lacs kWh per annum.

- Removal of 15 kVA UPS installed in new administrative building helped to save 0.22 Lac kWh electrical energy per annum.
- Illumination level at Phase-II TG floor was optimized which helped to save 0.62 Lac kWh electrical energy per annum.
- Chemical cleaning of Phase-2 AC plant condenser tubes was carried out resulting in to saving of 0.86 Lac kWh electrical energy per annum.
- Total 1200 M<sup>3</sup> DM water and 0.03 Lac kWh electrical energy could be saved by reusing DM water after Boiler hydro test and cooling down of Boiler before commencement of overhauling.
- In Ash handling system, modification carried out in bed material conveying system to transfer bed material from Unit-1 to Unit-2 and vice-a-versa resulted in to saving of electrical energy to the tune of 0.36 Lac kWh per annum.
- Modification carried out in Lignite conveyors of Phase-I units helped to conserve 1.54 Lacs kWh electrical energy per annum.
- In Lignite Handling system, existing EDS (Eccentric Disk Screen) was replaced by modified EDS which helped to save 0.62 Lac kWh electrical energy per annum.
- In Lignite Handling system, two nos. plough feeder (stationary equipment) have been installed for feeding lignite to the Unit-3 bunkers. This Arrangement helped to eliminate movement of travelling tripper. Due to this, total 7.45 Lacs kWh electrical energy could be saved during the year.

## Energy Conservation Proposals:

### At Vadodara:

- Variable Frequency Drive for 11 KW/15 HP Oil Mist Eliminator of Gas Turbine no. 1 & 3 of Station I. Additional small capacity Condenser Cooling Water Pump in Station I to cater condenser cooling water requirement of condenser of Steam Turbine in parallel with existing 355 KW CW pump when Station I loading is as technical minimum to optimize Plant auxiliary energy consumption at Part Load operation of Station. Stage Reduction in one out of two Condenser Extraction Pump of Station I to optimize Plant auxiliaries' energy consumption at Part Load operation of Station-I. Revamping job of Station II - 132 KV Switchyard with modification in lighting system arrangement with newly designed distribution panel.
- Replacement of general lighting arrangement of 70 Watts – High Pressure Sodium Vapour lamps in HPBFPs, LPBFPs and HRSG – 4 areas of Station II by 23 Watts – CFL spiral lamps.



# Gujarat Industries Power Company Limited

- Optimization of HIGHBAY lighting arrangement at Gas Turbine - 4, ACW / CW Pump House, Air Compressor House in Station-II.

## At SLPP:

- Energy efficient hydraulic coating will be applied on internal surface of Raw Water pumps during annual overhauling. By this, saving of 0.70 Lac kWh electrical energy per annum is expected.
- Use of aerodynamically designed energy efficient cooling tower fan blades (4 Nos.) in Phase-2. Saving of 4.37 Lacs kWh electrical energy per annum is expected.
- Attending Air Pre Heater (APH) and flue gas leakages in Units 1 & 2 would result in load reduction in ID fans and expected annual saving of 10.88 Lacs kWh electrical energy.
- Use of Primary air in ash cooler instead of blower air. This will result in reduction of running hours of ash cooler blower in Ph-II. Expected saving of electricity is 8.44 Lacs kWh per annum.
- Change in operation philosophy for charging turbine gland sealing during lit up in Phase-I units. This will help to reduce steam consumption and time duration between unit light up to synchronization. Total 4 Lacs kWh electrical energy and 1600 m<sup>3</sup> DM water saving is expected by this modification.
- In Phase-I units, provision will be made for operation of Cooling Tower fans from DCS. This will help to stop CT fans during unplanned partial loading like backing down by SLDC, outage of equipment, etc. for prolonged period. Due to this, CT fans running hours will be minimized and saving of total 0.52 Lac kWh electrical energy per annum is expected.
- In Phase-I instrument air compressor system, baffle plate will be installed which will help to divert hot air discharge from motors reaching to the compressor suction. This will help to improve compressor efficiency and saving of 0.47 Lac kWh electrical energy per annum is expected.

The information required to be disclosed in **Form A** of the Annexure is not applicable since the Company is not covered within the List of Industries specified in the Schedule thereto.

## B. Technology Absorption :

### RESEARCH & DEVELOPMENT (R & D)

1. **Specific Area in which R&D carried out by the Company:** NIL
2. **Benefits derived as a result of the above R&D:** NA

### 3. **Future plan of action:** NIL

### 4. **Expenditure on R & D:** NIL

- (a) Capital
- (b) Recurring

### C. **Foreign Exchange Earnings and Outgo:**

During the year there was no earning in Foreign Exchange. Foreign Exchange, outgo during the year was to the tune of ₹ 11.79 Lacs (₹ 17.61 Lacs during preceding year).

## TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

### 1. **Efforts, in brief, made towards technology absorption, adaptation and innovation:**

#### At Vadodara:

1. Power Transducers of accuracy class 0.5 installed & commissioned for monitoring energy consumption of Low Tension Auxiliaries & Lighting Transformers.
2. In Station-I, existing old, Human Machine Interface of Steam Turbine Governing System was replaced / upgraded by State of the Art latest S+ Platform software of ABB make.

#### At SLPP:

1. Installation of rod gate in lignite bunker.
2. Installation of Flow diverter plate at the bottom of Lignite bunkers in Phase-I units.
3. Material of construction of head end sprocket and return idler of lignite drag chain conveyor in Phase-I units was upgraded from C-45 to EN-353. Also, profile of both sprocket and idler was changed suitably.
4. Development of single piece forged link with scrapping ears instead of welded assembly for Phase-I lignite chain conveyors.
5. Installation of metallic duct (Stainless Steel) between Lignite Rotary Air Lock Feeder and Seal pot instead of Non Metallic Expansion Joint with Constant Load Hanger in Phase-I Boilers.
6. Installation of additional one number fluidizing nozzle in ash cooler empty chamber.
7. Hot correction of combustor water wall panel to remove bow in unit-1 Boiler.
8. Combustor water wall panel tube fins thickness was increased from 6 mm to 8 mm.
9. Installation of diverter plate in SA duct before Start-Up Burner in Phase-II Boiler.
10. Change of Material of construction of Economizer casing plate from SA 387 Gr.12 to SA 387 Gr. 22.



11. Installation of double door for ESP fields inspection manhole in Phase-I Boiler.
  12. Pouring of Saw dust in Fore-bay for U-2 Condenser tube leakage.
  13. Unit 1 & 2 PHEs acid cleaning (CCW side).
  14. Phase 1 & 2 Service air line interconnection.
  15. Application of Kirloskar make Corro-coating on internal parts of Phase-I CW Pump - 1B & 2A during overhauling.
  16. "ENCON" make energy efficient blades with Addax Rexnord make light weight composite metal shaft were installed in four cooling tower cells in Phase-II.
  17. Use of energy efficient oil additive "LUPROMAX" in gear box of cooling tower cell.
  18. Use of Air Operated Double Diaphragm pump (AODD) for Hydrochloric Acid unloading application in Phase-II DM plant.
  19. AC Condenser tube de-scaling by chemical method to increase the heat transfer.
  20. Air Washer system revival by PVC Make suction louvers & drift eliminators in place of Galvanized Iron make.
  21. Air washer Discharge Damper has modified the design with bearing greasing arrangement.
  22. 110 V AC UPS system panels in Unit-1 have been upgraded with parallel redundant configuration and retaining Bypass panel, Batteries, ACDBs.
  23. Lignite Handling system: Installation of wireless communication system for interfacing between out plant Stacker-Reclaimer and LHS Main PLC system replacing conventional CCRD (Control Cable reeling Drum) communication.
  24. Installation of system for Digital Display Board at Main Plant Gate for Environmental data display and provision for linking of data to GPCB website.
  25. Logic modification in PLC for auto stopping of Phase-II cooling Tower fans based on process parameters.
  26. Lignite handling system: Conventional profibus cable communication has been replaced by reliable Fiber optic communication cable between Main PLC Panel and remote I/O Panels.
  27. In maxLINK Station of Phase -II units, new RS 485 to Ethernet converter was installed to convert all communication to Ethernet.
  28. Installation of vibration transducers in Unit-3 Cooling Tower fans to have online vibration readings.
  29. Installation of smart positioners (17 Nos.) for the pneumatic Control valves.
  30. In house retrofitting of numerical Generator protection relay and Overall differential relay in place of old electromagnetic relays in Unit-2.
  31. Installation of numerical motor protection relays in Raw water pumps and Phase-II Vacuum pumps in place of electromagnetic relay.
  32. Replacement of old HPSV lamps with energy efficient LED street lights in river water pump house (Bodhan & Patna pump house) and township.
  33. Development of indigenous 3-phase, 415 V AC motor in place of 1-phase, 110V imported motor for PA fan Lube oil pumps of unit-1.
  34. Installation of additional tripping coil in three nos. 6.6 kV breakers (PA fan - 1A, PA fan - 1B & BFP - 1B) in Unit-1.
  35. In Lignite Handling system, two nos. plough feeder (stationary equipment) have been installed for feeding lignite to the Unit-3 bunkers.
  36. In Lignite Handling system, existing EDS (Eccentric Disk Screen) was replaced by modified EDS.
  37. Development of indigenous spare parts for German make gear box of Bucket Wheel Reclaimer (Lignite handling system).
  38. In Ash handling system, modification was carried out to facilitate transfer of bed material from Unit-1 to Unit-2 and vice versa.
- 2. Benefits derived as a result of the above efforts:**
- At Vadodara:**
1. Better Monitoring & Energy Management System resulted in to access to all control room executives to monitor energy consumption of Low Tension auxiliaries of Station I made it easy to take corrective actions.
  2. Better trending of operating parameters & its archive during normal as well in emergency condition made easy for control room executive to make root cause analysis.
- At SLPP:**
1. This has helped in quick isolation / normalization of lignite bunker gates. Also, helped in minimize lignite flow interruption from bunker and uniform loading of lignite drag chain conveyor.
  2. This modification helped to achieve lignite flow in a controlled way due to which choking of guides of lignite chain conveyor got reduced drastically. After modification, chain conveyor loading got reduced to 14-16 Amps from 25-30 amps. Also, failure rate of conveyor links got reduced. This helped to conserve 1.54 Lacs kWh electrical energy per annum.



3. Failure rate of head end sprocket and return idler has been minimized owing to upgraded quality of Material of Construction. Changes carried out in profile helped to prevent shifting of drag chain conveyor from return idlers which in turn helped to minimize breakdowns.
  4. This has helped to avoid breaking of scraping ears due to overloading of conveyer in case of wet lignite.
  5. Problem of failure of Non Metallic Expansion Joint due to direct impingement of ash, lignite and flue gas mixture has been permanently resolved.
  6. This helped to improve flow of bed ash from ash cooler empty chamber to bundle chamber and faster draining of bed ash.
  7. This has helped in increase the life of tubes and reduces the possibilities of water wall tube failure due to erosion as erosion rate of straight tubes is less compared to bow tubes.
  8. This modification helped to increase life of the fins and reduce bed material leakages through fins. This in turn helped to minimize plant outages.
  9. This has helped to avoid direct impingement of air flow to refractory. Due to this, life of refractory has been improved and boiler tube leakages due to erosion have been minimized.
  10. This modification helped to withstand high temperature and avoid distortion of economizer casing plate.
  11. This has helped to prevent air ingress into the ESP area and enhance the life of collecting electrodes and ESP casing. This has further resulted into reduction of ID fan loading and subsequent auxiliary power consumption.
  12. By this method we avoided Unit-2 forced outage. Tube leakage attended temporarily without shutting down of plant. Condenser tube leakage attended in next opportunity when boiler tube leakage occurred on 31.01.15.
  13. Due to this new innovative method high scale plates of CCW side were cleaned more effectively than our normal hydro jet method which reflects in high heat transfers.
  14. Improved the plant reliability & operation flexibility.
  15. About 12 kWh & 28.9 kWh electrical energy could be saved respectively after application.
  16. About 4.79 Lacs kWh electrical energy could be saved in the year. Use of light weight shaft helped to reduce vibration level of cooling tower drive system.
  17. This helped to minimize friction loss inside the Gearbox and reduce gearbox temperature by 3 to 4 °C.
  18. Application of this pump has helped to avoid risk during acid handling with zero maintenance.
  19. Power saving of 12kWh achieved after condenser tube de-scaling.
  20. Proper cooling effect with long lasting life of PVC make as compared to GI make in air washer system.
  21. Bearing greasing arrangement in air washer discharge dampers add the smooth functioning of air washer dampers.
  22. This has helped to improve UPS system reliability.
  23. This resulted into better communication between two PLC & improved equipment availability.
  24. This has helped in better transparency of environment data being maintained at SLPP.
  25. Operation of cooling tower fan system could be optimized which helped to conserve substantial amount of electrical energy.
  26. This has helped to improve reliability and availability of Lignite handling PLC system.
  27. This has helped to overcome the distance limitation with ease in maintenance work.
  28. This has helped to improve plant monitoring, history & analysis.
  29. This helped to reduce consumption of compressed air and subsequent energy consumption.
  30. This has improved reliability and accuracy of protection system with easy post fault analysis. This has also helped to minimize number of relays for the protection system.
  31. This has helped to incorporate more nos. of motor protections with increased reliability and accuracy.
  32. This has helped to conserve 0.22 Lac kWh and 0.39 Lac kWh electrical energy per annum respectively.
  33. This has helped to improve reliability of lube oil system and reduce tripping of the equipment.
  34. This has increased redundancy of breaker tripping circuit and will protect the equipment.
  35. This arrangement helped to eliminate movement of travelling tripper. Due to this, total 7.45 Lacs kWh electrical energy could be saved during the year.
  36. This has helped to save 0.62 Lac kWh electrical energy per annum.
  37. This has helped to reduce lead time for spare procurement and its cost.
  38. This has resulted in to saving of electrical energy to the tune of 0.36 Lac kWh per annum.
- 3. Imported Technology.**
- No New Technology was imported during the year under review.





**ANNEXURE 'D' TO BOARD'S REPORT  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2015  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

<b>I. REGISTRATION AND OTHER DETAILS</b>	
CIN	L99999GJ1985PLC007868
Registration Date	1 <sup>st</sup> June, 1985
Name of the Company	GUJARAT INDUSTRIES POWER COMPANY LTD.
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	P.O. Petrochemicals – 391 346, Dist.: Vadodara. Tele No.: 0265-2232768 Email:genbaroda@gipcl.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited B/102- 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Opp. HDFC Bank Akota, Vadodara – 390 020. Email: vadodara@linkintime.com
<b>II. PRINCIPAL BUSINESS OF THE COMPANY</b>	Generation of Electricity.

<b>III. DETAILS OF HOLDING / SUBSIDIARY / ASSOCIATE COMPANY</b>				
Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
GIPCL Projects and Consultancy Company Ltd. 2 <sup>nd</sup> Floor, GIPCL Corporate Building, P.O. Petrochemicals – 391 346, Dist.: Vadodara.	U74999GJ2012PLC076161	Subsidiary	100.00	2(87)
Bhavnagar Energy Company Ltd. 3 <sup>rd</sup> Floor, Block No. 8, Udyog Bhavan, Gandhinagar.	U40102GJ2007SGC051396	Associate	26%	2(6)



# Gujarat Industries Power Company Limited

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i. Category wise Shareholding									
Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual	0	0	0	0	0	0	0	0	0
Central Govt.	0	0	0	0	0	0	0	0	0
State Govt.	0	0	0	0	0	0	0	0	0
Bodies Corporate	84236161	3804100	88040261	58.21	84236161	3804100	88040261	58.21	0
Banks / FIs	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1)</b>	<b>84236161</b>	<b>3804100</b>	<b>88040261</b>	<b>58.21</b>	<b>84236161</b>	<b>3804100</b>	<b>88040261</b>	<b>58.21</b>	<b>0</b>
<b>(2) Foreign</b>									
NRIs- Individual	0	0	0	0	0	0	0	0	0
Others- Individual	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Banks / FIs	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>84236161</b>	<b>3804100</b>	<b>88040261</b>	<b>58.21</b>	<b>84236161</b>	<b>3804100</b>	<b>88040261</b>	<b>58.21</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
Mutual Funds / UTI	9923980	5400	9929380	6.56	9999020	5400	10004420	6.61	0.05
Banks / FI	12371	3400	15771	0.01	35434	3400	38834	0.03	0.02
Central Govt.	8181388	3725333	11906721	7.87	8143888	3725333	11869221	7.85	0.02
State Govt.(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	19553775	0	19553775	12.93	15290132	0	15290132	10.11	2.82
FIs	2553221	0	2553221	1.69	4041990	0	4041990	2.67	0.98
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	<b>40224735</b>	<b>3734133</b>	<b>43958868</b>	<b>29.06</b>	<b>37510464</b>	<b>3734133</b>	<b>41244597</b>	<b>27.27</b>	<b>1.79</b>



Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
<b>a) Bodies Corporate</b>									
Indian	1494673	5750	1500423	0.99	4100428	5750	4106178	2.71	1.72
Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
Individual Shareholders holding nominal share capital upto ₹ 1 lakh	12640612	1558026	14198638	9.39	12326445	1503748	13830193	9.14	0.25
Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2703844	0	2703844	1.79	3151501	0	3151501	2.08	0.29
<b>Others (specify)</b>	0	0	0	0	0	0	0	0	0
Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
Other Foreign Nationals	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
NRI / OCBs	691332	0	691332	0.45	643286	0	643286	0.33	0.12
Clearing Members / Clearing House	147871	0	147871	0.10	144944	0	144944	0.10	0
Trusts	9951	0	9951	0.01	9150	0	9150	0.01	0
Limited Liability Partnership	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	81078	0	81078	0.05	0.05
<b>Sub-Total (B)(2)</b>	17688283	1563776	19252059	12.73	20456832	1509498	21966330	14.52	1.79
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>57913018</b>	<b>5297909</b>	<b>63210927</b>	<b>41.79</b>	<b>57967296</b>	<b>5243631</b>	<b>63210927</b>	<b>41.79</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>142149179</b>	<b>9102009</b>	<b>151251188</b>	<b>100</b>	<b>142203457</b>	<b>9047731</b>	<b>151251188</b>	<b>100</b>	



# Gujarat Industries Power Company Limited

## ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Gujarat Urja Vikas Nigam Limited	38384397	25.38	0.00	38384397	25.38	0.00	0.00
Gujarat Alkalies & Chemicals Ltd.	23088980	15.27	0.00	23088980	15.27	0.00	0.00
Gujarat State Fertilizers & Chemicals Ltd.	22362784	14.79	0.00	22362784	14.79	0.00	0.00
Petrofils Co-operative Limited	3804100	2.52	0.00	3804100	2.52	0.00	0.00
Liquidator Petrofils Co-operative Limited	400000	0.26	0.00	400000	0.26	0.00	0.00
Total	88040261	58.21	0.00	88040261	58.21	0.00	0.00

## iii. Change in Promoters' Shareholding (Please specify if there is no change).

There is no Change in Promoter's Shareholding

## iv. Shareholding Pattern of Top 10 Shareholders(Other than Promoters)

Sr.	Name	No. of Shares held & (%)
1.	ICICI Prudential Life Insurance Company Ltd.	7378424 (4.88)
2.	Life Insurance Corporation of India	5258204 (3.47)
3.	Gujarat Power Corporation of India	4977491 (3.29)
4.	ICICI Prudential Value Fund Series 1	4125620 (2.72)
5.	Gujarat State Petroleum Corporation Ltd.	3697000 (2.44)
6.	UTI Dividend Yield Fund	3037789 (2.00)
7.	Birla Sun Life Trustee Company Pvt. Ltd.	2399815 (1.59)
8.	Gujarat State Electricity Corporation Ltd.	2205882 (1.46)
9.	ICICI Lombard Insurance Company Ltd.	2499999 (1.65)
10.	Comgest Growth PLC A/c Comgest Growth India	1785101 (1.18)

## v. Shareholding of Directors and Key Managerial Personnel

Sr.	Name of Director /Key Managerial Personnel	No. of Shares held
1.	Prof. Shekhar Chaudhuri	Nil
2.	Shri K M Joshi	Nil
3.	Dr. P K Das, IAS (Retd.)	Nil
4.	Shri H R Brahmhatt	150
5.	Smt. Padma Betai	Nil
6.	Smt. Shahmeena Husain, IAS	Nil
7.	Shri A M Tiwari, IAS	Nil
8.	Shri Sanjeev Kumar, IAS	Nil
9.	Dr. Ajay N Shah	Nil
10.	Shri S B Dangayach	Nil
11.	Dr. B A Prajapati	Nil
12.	Shri L Chuaungo, IAS	Nil
<b>Key Managerial Personnel</b>		
1.	CA S P Desai	200
2.	CS A C Shah	Nil



**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ In Lacs

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
(i) Indebtedness at the beginning of the financial year	70030.32	1520.00	NIL	71550.32
(ii) Change in Indebtedness during the financial year	9386.74	1520.00	NIL	10906.74
(iii) Net Change	(9386.74)	(1520.00)	NIL	(10906.74)
Total (i - ii)	60643.58	NIL	NIL	60643.58

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director (Amt. in ₹)**

1. Furnished Accomodation	:	1,18,102.00
2. Electricity	:	99,131.00
3. Tax on perquisites	:	42,982.00
<b>TOTAL</b>	:	<b><u>2,60,215.00</u></b>

**B. Remuneration to other Directors:**

**1. Independent Directors**

(Amount in ₹)

Particulars of Remuneration	Prof. Shekhar Chaudhuri	Prof. K M Joshi	Dr. P K Das, IAS (Retd.)	Total
Sitting Fees	55,000/-	1,50,000/-	1,60,000/-	3,65,000/-
	Dr. Ajay N Shah	Shri S B Dangayach	Dr. B A Prajapati	
Sitting Fees	Nil	Nil	Nil	Nil
			<b>GRAND TOTAL</b>	<b>3,65,000/-</b>

**2. Other Non Executive Directors**

(Amount in ₹)

	Shri H R Brahmbhatt	Smt. Padma Betai	Shri D C Jain	Smt. Shahmeena Husain, IAS	Shri A M Tiwari, IAS	Total
Sitting Fees	70,000/-	60,000/-	20,000/-	50,000/-	20,000/-	2,20,000/-
	Shri D J Pandian, IAS	Shri Raj Gopal, IAS	Shri A K Dalvi	Shri Sanjeev Kumar, IAS	-	-
Sitting Fees	25,000/-	30,000/-	25,000/-	10,000/-	-	90,000/-
					<b>GRAND TOTAL</b>	<b>3,10,000/-</b>

**C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager**

₹ in Lakhs

Sr. No.	Particulars of Remuneration	CA S P Desai, Chief General Manager & Chief Finance Officer	CS A C Shah, Company Secretary & DGM (Legal)	Total Amount
<b>TOTAL</b>	Salary & Allowances	23.50	17.82	41.32

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL.**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
N.A.	N.A.	N.A.	NIL	N.A.	N.A.



# Gujarat Industries Power Company Limited

## Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis : **NIL**
  - (a) Name(s) of the related party and nature of relationship: **N.A.**
  - (b) Nature of contracts/arrangements/transactions: **N.A.**
  - (c) Duration of the contracts / arrangements/transactions: **N.A.**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
  - (e) Justification for entering into such contracts or arrangements or transactions – **N.A.**
  - (f) Date(s) of approval by the Board: **N.A.**
  - (g) Amount paid as advances, if any: **N.A.**
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship : **As per Table below**
  - (b) Nature of contracts/arrangements/transactions : **As per Table below**
  - (c) Date(s) of approval by the Board, if any : **As per Table below**

Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2014-15 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station. (ii) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Power Station. (iii) Power Purchase Agreement (PPA) dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP-I). (iv) Power Purchase Agreement (PPA) dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP-II). (v) Power Purchase Agreement (PPA) dated Dec 18, 2010 for 5 MW Solar Power Plant.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri L Chuaungo, IAS. 2. Smt. Shahmeena Husain, IAS 3. Shri Sanjeev Kumar, IAS	Promoter	Sale of Electricity	22/05/2015 22/05/2015	95,015.08



Sr.	Date of contract / arrangement	Name of the party with which contract is entered into	Name of the interested director(s)	Relation with director/ company/ Nature of concern or interest	Principal terms and conditions	Date of approval at the meeting of the Audit / Board	Amount of contract or arrangement FY 2014-15 (₹ in Lacs)
	(1)	(2)	(3)	(4)	(5)	(7)	
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	Shri H R Brahmbhatt	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	16,694.25
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Power Station.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri A M Tiwari, IAS	Promoter	Sale of Electricity, Water Charges & Chemicals	22/05/2015 22/05/2015	14,272.16

- (d) Duration of the contracts / arrangements/transactions : **Long Term**
- (e) Salient terms of the contracts or arrangements or transactions including the value, if any: **Sale of Electricity**
- (f) Amount paid as advances, if any: **NIL**

For and On behalf of the Board

Date: 23<sup>rd</sup> July, 2015.  
Place: Gandhinagar.

L. Chuaungo, IAS  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS 2014-15

Your Company jointly promoted by Gujarat Electricity Board (GEB) [now Gujarat Urja Vikas Nigam Ltd. (GUVNL)], Gujarat Alkalies and Chemicals Ltd. (GACL), Gujarat State Fertilizers and Chemicals Ltd. (GSFC), and Petrofils Co-operative Ltd. (PCL) to cater to their captive power requirements has completed thirty years on 1<sup>st</sup> June, 2015, since its establishment in the year 1985.

It is a matter of pride that your Company, which began as the first group captive power plant in the country, has transformed into a dynamic Independent Power Producer (IPP) with total installed generation capacity of 815 MW and up to 51 MW Wind Power Project under implementation.

### SECTOR OVERVIEW

#### Power Generation in India: [Source: Central Electricity Authority (CEA)]

The total power generation in the country during FY 2014-15 was 1048.673 Billion Units (BUs) as against the target of 1023 BUs for the year, about 102% of the target for the year. The annual growth in the energy generation during the year has been 8.43% as compared to 6.04% over same period last year i.e. FY 2013-14.

The installed generation capacity in the country, as on 31<sup>st</sup> March, 2015 was 2,71,722 MW. Coal, with more than 60% share, is still the primary source of fuel for power generation in India.

#### Installed Generation Capacity (As on 31/03/2015)

All India	Thermal				Nuclear	Hydro (Renewable)	RES@ (MNRE)	Grand Total
	Coal	Gas	Diesel	Total				
MW*	164636	23062	1200	188898	5780	41267	35776	<b>271722</b>
%	60.59	8.48	0.44	69.50	2.13	15.19	13.17	100.00

\* Figures are rounded off to nearest digit.

#### Electricity - Capacity Addition and Generation Target Vs. Achievement (2014-15):

The Indian power sector has historically been characterized by demand-supply gap which has been increasing over the years. Though the Capacity Addition and Electricity Generation for the 12<sup>th</sup> Plan period (FY 2012 to 2017) is yet to be finalized, the National Electricity Plan (NEP) 2007, has projected total capacity addition of 88537 MW, for the 12<sup>th</sup> Plan as under:

	Hydro	Nuclear	Thermal			Total
			Coal /Lignite	Gas/LNG	Total	
MW	10897	5300	69800	2540	72340	<b>88537</b>
%	12.31	5.99	78.84	2.87	81.71	<b>100</b>

[Source: Central Electricity Authority (CEA)]

The Generation Capacity Addition Target / Achievement for 2014-15 (upto Mar.'15) was as follows:

(a) Generation Capacity Addition / Achievement: (2014-15)

Type / Sector	Target Addition (in MW)			Total	Achievement	
	Central	State	Private		(in MW)	%
Thermal*	14878	13922	43540	72340	57719	65.19
Hydro	6004	1608	3285	10897	2295	2.59
Nuclear	5300	0	0	5300	1000	1.12
<b>Total*</b>	<b>26182</b>	<b>15530</b>	<b>46825</b>	<b>88537</b>	<b>61014</b>	<b>68.91</b>

\*Figures are rounded off to nearest digit.





(c) Electricity Generation Target Vs. Achievement for FY 2014-15:

	Hydro	Thermal	Nuclear	Bhutan (Import)	Total
Target (MU)*	124297	858603	35300	4800	1023000
Achievement up to March, 2015 (MU)*	129244	878320	36102	5007	1048672
%	104	102	102	104	103

\*Figures are rounded off to nearest digit.

[Source: Central Electricity Authority (CEA)]

**Thermal Plant Load Factor (PLF):**

The All India Thermal PLF (%) was low at 64.46% for FY 2014-15 as compared to 65.6% during FY 2013-14. This was mainly on account of coal / Natural Gas shortages, transmission constraints, delay in stabilization of newly commissioned units etc.

**Fuel Availability for Power Generation:**

Availability and quality of coal and availability of gas for power sector continued to be a critical issue for thermal generation growth.

**Coal:**

With about 1,64,636 MW i.e. 60.59% of the installed capacity contributed by coal based Power Plants coal remains a key fuel for power generation.

As per the Report of the Working Group on Power-12<sup>th</sup> Plan (2012-17), Coal-based generation is expected to continue to be the predominant source of electricity during the 12<sup>th</sup> plan period and beyond. Out of the total capacity addition of 88,537 MW envisaged during the 12<sup>th</sup> plan, coal/lignite-based capacity addition is expected to be about 69,800 (78.84%). Hydro, Nuclear and Gas/LNG based generation is expected to constitute about 10,897 MW (12.31%), 5,300 MW (5.99%) and 2,540 MW (2.87%). Thus, estimated coal requirement would be 842 MT at the end of 12<sup>th</sup> Plan and 1040 MT at the end of 13<sup>th</sup> Plan. [Source: Central Electricity Authority (CEA)]

As against the estimated coal requirement of 842 MT by the end of 12<sup>th</sup> Plan (Year 2016-17), the coal availability shall be 550 MT, thus a shortfall of 292 MT. The Power Utilities are expected to resort to import of around 155 MT of coal to meet the shortage in coal supply.

**Gas:**

Owing to the problem of reducing availability of Natural Gas from the domestic gas fields and also due to increasing cost of Imported R-LNG, the gas based generation had a negative growth of 7.74% during FY 2014-15 corresponding to the same period last year. The shortfall in supply to power sector is due to decline in production of gas from the domestic gas fields especially from KG-D6 gas field.

Gas available from KG basin has been allocated to existing projects only and Power sector has been given third priority in gas allocation after Fertilizer and LPG Sectors.

The Ministry of Power (MoP) has recommended that Power sector be given the highest priority as far as domestic gas allocation is concerned in view of power shortage in the country.

**Power Sector – Policy Developments:**

As per Central Electricity Regulatory Commission’s (CERC’s) FY 09-14 Tariff Norms & Regulations, the base rate of Return on Equity (RoE) was raised from 14% (post-tax) to 15.5% to be grossed up with normal tax rate as applicable to the concerned utility in order to make the sector more attractive to developers. Also, there is an additional 0.5% RoE if a project is commissioned within given timelines. [Regulation 15 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009-Appendix II.]

Incentives are linked to plant availability factor instead of PLF for thermal power plants.



## Mega Power Project Policy

Policy guidelines for setting up mega power projects were revised in FY 2010 to smoothen the procedures. A thermal power project of capacity 1000 MW or more is eligible to gain benefits of this Policy. As per the recent amendment mandatory condition of inter-state sale of power for getting mega power project status has been removed. Also, mega power projects can sell power outside the long term Power Purchase Agreement (PPA) in accordance with the National Electricity Policy (NEP), 2005 and Tariff policy, 2006. For projects having requisite power tied up through tariff based competitive bidding, it is no longer required to procure the equipments for the project through International Competitive Bidding (ICB).

## Restructured – Accelerated Power Development & Reforms Programme (R-APDRP)

The APDRP launched in the 10th Plan was continued in the 11th Plan modified and renamed as R-APDRP with the main objective of bringing about actual, demonstrable reduction in Aggregate Technical & Commercial (AT&C) losses, thus improving the quality and reliability of power supply. Establishment of reliable and automated systems for sustained collection of accurate base line data, and the adoption of Information Technology in the areas of energy accounting will be essential before taking up the regular distribution strengthening projects.

Apart from this, certain initiatives viz. the introduction of open access, formulation of guidelines for Competitive Bidding of tariff, setting up of and enhancing the powers of Central and State Regulatory Commissions, restructuring and unbundling of State Electricity Boards (SEBs) into separate generation, transmission and distribution entities, and facilitation of trading of surplus capacity have attracted more players to this Sector.

## Integrated Power Development Scheme

The MoP, GoI vide Office Memorandum No. 26/1/2014-APDRP dated 3/12/2014 implemented the Integrated Power Development Scheme (IPDS) for providing financial assistance under the said Scheme to all Discoms including private sector Discoms and State Power Departments, with the following components :

- (i) Strengthening of sub-transmission and distribution networks in the urban areas;
- (ii) Metering of distribution transformers/feeders/consumers in the urban areas and
- (iii) IT enablement of distribution sector and strengthening of distribution network for completion of targets laid down under R-APDRP for 12<sup>th</sup> and 13<sup>th</sup> Plans by carrying forward the approved outlay for R-APDRP to IPDS.

## Renewable Energy

Considering the ever increasing electricity demand and inadequate availability of fuel, there is a dire need to tap various new sources of energy including renewable energy. Further, growing awareness with regard to benefits of clean energy have also prompted renewed focus on renewable energy by all the stakeholders in the energy ecosystem.

Taking into consideration the growing threat of climate change, the need to develop domestic supply options to the maximum extent and the need to diversify energy sources, renewable energy sources remain important to India's energy Sector.

Renewable Energy accounted for 12.3%, i.e. 27,541.71 MW, of the total installed capacity up to FY 2014-15. [Source: Central Electricity Authority (CEA)].

As per the Ministry of New and Renewable Energy (MNRE), GoI statistics, against a target of 3770 MW of Grid Interactive Power for 2014-15, the Total Deployment in 2014-15 was 4089 MW of which Wind power accounted for about 56.54%, Small Hydro power accounted for about 6.16%, Power from Bagasse based Cogeneration accounted for about 8.80%, whereas Solar power accounted for about 27.19%, Biomass power and Waste to Power etc. accounted for the remaining capacity addition of 1.30%. [Source: Website of MNRE]

With fuel shortage becoming a reality in the last couple of years, it is imperative for India to have a focused strategy for renewable energy. The Government has already started acting on this agenda. Some of the significant steps taken recently are Policy envisaging that all states should mandatorily meet Renewable Purchase Obligations (RPO) of 5 per cent of total generation which goes up by 1 per cent with every passing year till FY2020 to reach a level of 15 per cent. Launch of Jawaharlal Nehru National Solar Mission (JNNSM), which aims to ensure that solar energy technologies in the country achieve grid parity by 2022. It has plans for deployment of 20 GW of solar power by 2022. Imposition of Green Energy Cess of ₹ 50/- per tonne for all domestic and imported coal based projects. The funds raised will be utilized to drive development in the renewable energy sector.

CERC also issued new guidelines for tariff determination for all renewable energy sources to give further impetus to the development of this sector. A new scheme on Generation Based Incentive (GBI) was introduced for the wind power projects and a similar scheme is under development for the solar power projects as well.

With increasing focus on environment related issues, power projects, employing clean and environment-friendly technology (hydroelectric and other renewable energy sources) can also earn carbon credits, which are traded extensively in the international market; thus providing an additional source of revenue.



**OPPORTUNITIES AND CONCERNS**

**Opportunities:**

With the increase in the per capita income levels there will be substantial increase in the per capita electricity demand. The National Electricity Policy (NEP) 2005 aimed at providing a per capita electricity availability of 1000 kWh by FY 2012; against this target, the provisional per capita electricity consumption was 914.41 kWh for FY 2012-13 and 957 kWh (Provisional) for FY 2013-14. [Source: Central Electricity Authority (CEA)].

Based on the studies carried out by CEA, the anticipated power supply position of the Country is presented in the table below:

**Power Supply Position in the Country during 2015-16**

Particulars	Energy (MU)	Peak (MW)
Requirement.	1068923	148,166
Availability.	1,030,785	141,160
Surplus(+)/Shortage(-).	-38,138	-7,006
%Surplus(+)/Shortage(-).	-3.6%	-4.7%

[Source: Load Generation Balance Report 2015-16 of CEA]

Considering the above demand-supply gap, there will be enormous opportunities for the Sector.

In order to provide cheaper power to consumers, large size power projects are being developed at different locations by various project developers.

Your Company is in the process of implementing a 51 MW Wind based Power Projects at Village Kotdapitha and Jamarvada respectively of Taluka Babra, Dist.: Amreli, Gujarat.

India is endowed with huge renewable sources for energy. Both technology routes for conversion of solar radiation into heat and electricity, Solar Thermal and Solar Photovoltaic (PV), can effectively be harnessed providing huge scalability for solar power in India. With the increased focus on Research and Development for reducing the costs of setting up solar power projects and the tariffs being offered for solar power, the sector provides bright opportunities.

**Key risks and Concerns:**

Power sector is a highly capital intensive industry with long gestation periods before commencement of revenue streams (construction/commissioning periods of 4-5 years) and an even longer operating period (over 25 years). Since most of the projects have such a long time frame, there are some inherent risks in both the internal and external environment.

The macroeconomic factors like the growth of the economy, interest rates, as well as the political and economic environment have a significant effect on the business environment and the sector as a whole.

The graduation from the regulated regime to a competitive scenario has made developers conscious of the costs incurred (both capital and operating costs) and delays in equipment delivery schedules due to inadequate manufacturing capacity in the country.

New policies have boosted the security of utilities’ revenue directly impacting both their willingness and ability to pay for the power purchased. Over the long term, unless Aggregate Technical and Commercial (AT&C) losses are reduced, the ability of state utilities to meet their obligations will be of grave concern.

Considering the proposed capacity addition and the capital intensive nature of power projects, high level of debt financing will be required. The company, sector and group level exposures of various banks and insurance companies need to be increased in order to adequately fund the proposed capacity addition.

Your Company is dependent on the domestic market for its business and revenues. The Company’s power generating facilities are located in Gujarat and entire revenue of the Company are derived from the domestic market. The Power Purchase Agreement (PPA) for 165 MW Vadodara Station II is valid upto November 2017. These factors may potentially expose the Company to risks of a significant nature to the state of economy. Adverse changes in the Government policies or regulations, the taxes levied by the central or state Governments or removal of tax concessions, exemptions or incentives, or claims by tax authorities may affect the financial condition and operational results of the Company.

Generation of Power at the Company’s Power Stations can be adversely affected due to various factors including non-availability of lignite/Natural gas, grid disturbances and load management in the grid. Your Company has entered into Agreements with gas suppliers for adequate supply of Natural Gas/R-LNG- for its gas-based Power Stations at Vadodara Plant. However, the dwindling supplies from domestic gas fields at present and increasing price of imported R-LNG shall have a considerable impact on the generation at Vadodara Plant. The Gas Supply Agreement (GSA) with GAIL(India) Ltd. for the supply of domestic gas is valid up to 31-12-2015. Your Company has initiated steps for the extension of the GSA for further period of 5 years.

The increasing price of imported R-LNG has resulted in considerable reduction in use of the fuel for generation of electricity for the Grid. This will attract Take or Pay (ToP) liability as per the GSA dated 26-12-2008, which is valid till 31-12-2028. Your Company has already taken up the matter with GAIL (India) Ltd. for its amicable resolution. To remain unaffected by the grid disturbances, your Company has developed systems to isolate its Power Stations from the grid. To mitigate the concerns,



# Gujarat Industries Power Company Limited

external environment is monitored and internal environment is managed on a continuous basis.

## REVIEW OF COMPANY'S BUSINESS:

The Company currently has a combined installed capacity of 815 MW at its locations at Vadodara Plant and Surat Lignite Power Plant (SLPP) including 5 MW PV based Solar Power Plant at SLPP.

## MANAGEMENT CONTROL, INTERNAL CONTROL AND INTERNAL AUDIT SYSTEMS:

Your Company has put in place internal control systems and processes commensurate with its size and scale of operations. An Enterprise Resource Planning System developed by SAP has been implemented. This System has control processes designed to take care of various audit requirements. In addition, the Company has an Internal Audit and review by external independent firm of Chartered Accountants and pre-audit of payments by internal team of Accountants/Agencies which oversees the implementation and adherence to various systems and processes and preparation of Financial Statements as per Generally Accepted Principles and Practices. The internal control measures such as defining various levels of the authority through delegation of powers, well laid down procurement procedures, checks and balances in the financial system to safeguard the 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/inputs, delay in attending to maintenance needs etc. Your Company stores and maintains all the relevant data and information as a back-up, to avoid any possible risk of loss of any important business data.

A qualified and independent Audit Committee of Directors periodically reviews the internal audit reports.

## FINANCIAL REVIEW:

### ON STAND ALONE BASIS:

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014 have been followed in preparation of these financial statements except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003.

Your Company's total income for the year ended 31<sup>st</sup> March, 2015 was ₹ 1,25,787 Lacs as compared to ₹ 1,40,750 Lacs in the

previous year. The total income includes earnings from sale of electrical energy of ₹ 1,20,906 Lacs as compared to ₹ 1,37,104 Lacs recorded in the previous year.

Your Company has earned ₹ 3,033 Lacs as interest on deposits by parking surplus funds as a result of prudent management of working capital. (P.Y. ₹ 1,804 Lacs).

The fuel cost has decreased from ₹ 70,231 Lacs to ₹ 57,537 Lacs. The decrease in fuel cost due to lower performance of gas based power stations by approx. 12% and outage of SLPP Unit 1 exceeding 120 days was somewhat offset by increase in consumption of lignite used in SLPP Units 3 & 4 (where the generation was higher by more than 20% as compared to last year) and allied fuels used in lignite based power stations due to increased fuel prices and use of imported coal.

Finance cost has decreased from ₹ 8,827 Lacs to ₹ 7,800 Lacs due to reduction of interest on term loan consequent to scheduled repayment of term loans.

Depreciation has decreased from ₹ 15,551 Lacs to ₹ 12,003 Lacs as depreciation on certain power plants' assets which was hitherto charged on straight line method at the rates specified in CERC's Tariff Regulation, 2009 is now charged over the balance useful life as specified by CERC (Terms and Conditions of Tariff Regulations, 2014).

The Profit before tax was ₹ 24,943 Lacs as compared to ₹ 25,736 Lacs in the previous year. The above profit was after considering the cost of replacement of stator and other related expenditure to the tune of ₹ 1,851 Lacs (shown as Exceptional Item) incurred due to technical snag in the stator winding generator of unit 1 at Surat Lignite Power Plant.

If the above mentioned accidental outage of about 4 months were not there, the profit before tax would have been more by about ₹ 2,227 Lacs due to full recovery of fixed costs, in addition to the exceptional cost of ₹ 1851 Lacs incurred as mentioned above.

The Corporate Income Tax Provision for the year was ₹ 6,229 Lacs after adjusting MAT credit entitlement to the tune of ₹ 134 Lacs. During the previous year the same was ₹ 4,416 Lacs after adjusting MAT credit entitlement of ₹ 1,000 Lacs. While filing the income tax return for this year, Company is planning to utilise the said MAT credit entitlement.

The net profit of ₹ 12,631 Lacs has been arrived at after taking into account the above mentioned provision for current Income tax, Deferred Tax liability of ₹ 5783 Lacs, Wealth Tax liability of ₹ 104 lacs and Tax adjustment of earlier years ₹ 197 Lacs.

During the year, Gross Block has increased from ₹ 3,80,635 Lacs to ₹ 3,82,420 Lacs. The increase was mainly in the Buildings, Plant & Machinery and Computer Software.



The capital work in progress includes ₹ 1,797 lacs towards implementation work of 51 MW Wind Project at Taluka Babra, District Amreli, Gujarat with total project cost of ₹ 32,838 Lacs.

The long term advance includes ₹ 6,256 Lacs as secured advance towards the above project and current liabilities includes ₹ 1534 lacs as project creditors towards this project.

The total dividend payout (proposed) for the year @ ₹ 2.50 per Equity Share is ₹ 4,555 Lacs (P.Y. ₹ 2.50 per Equity Share amounting to ₹ 4,424 Lacs) including Corporate Tax on Dividend.

Your Company has further invested ₹ 4718 Lacs during the year in to the Equity Share Capital of M/s Bhavnagar Energy Company Limited (BECL), an Associate, taking the total investment to ₹ 18,108 Lacs as on 31<sup>st</sup> March 2015.

As on 31st March 2015, the net worth of the Company stood at ₹ 1,83,546 Lacs.

## **CONSOLIDATED FINANCIAL RESULTS:**

The Consolidated Financial Results are prepared after incorporating financial results of GIPCL Projects and Consultancy Company Limited (GIPCO), 100% subsidiary of GIPCL and Bhavnagar Energy Company Limited (BECL), an Associate as per applicable accounting standards of Indian GAAP.

## **SUBSIDIARY COMPANY:**

Your Company has incorporated a 100% wholly owned Subsidiary under the name and style of "GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED" in 2012. The total income of the Subsidiary Company for the F.Y. 2014-15 was ₹ 9.71 Lacs as compared to ₹ 18.52 Lacs in the previous period.

The Subsidiary Company is expected to expand its operations in the years to come.

## **ASSOCIATE COMPANY:**

Your company has invested ₹ 18108 Lacs in the Equity Share capital of BECL with share holding of 27.67%. The last audited Balance Sheet available for consolidation is of 31.03.2014. Considering the net worth of BECL as on that date our value of investment works out to ₹ 17986 Lacs. BECL is under project implementation stage and yet to start its commercial operations.

## **HUMAN RESOURCE & INDUSTRIAL RELATIONS:**

Humans are considered as one of the most critical resources in the business which can be continuously smoothened to maximize the effectiveness of the Organization. Human resources build the Enterprise and a sense of belonging inculcates the spirit of dedication and loyalty amongst them towards strengthening the Company's sustainable growth. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing their contribution to the Company.

The strength of your Company lies in its team of highly competent and highly motivated personnel. This has made it possible for your Company to make significant improvements and progress in all areas of activities. During the year 2014-2015, the Company maintained its high standards 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. The Company has also taken up an exercise on career growth and planning by identifying potentials and training needs of employees by engaging professionals in the field.

It is a matter of great pride that your Company has been presented with the "Gold Award" in the area of "Innovation in Employee Retention Strategies" by Greentech Foundation, New Delhi under its Greentech HR Award.

The industrial relations remained cordial throughout the year at Vadodara and SLPP Plants.

## **CORPORATE 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 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 Corporate Social Responsibility (CSR) initiatives by your Company revolve around building community infrastructure, focus on women empowerment and their role in development. Interventions include Education, Community Health, Livelihood Development and Rural Infrastructure Development like roads, culverts in surrounding villages. Your Company is also co-sponsoring a Mid-day meal Scheme at Vadodara where more than 50,000 children of Government schools are provided hygienic food.

## **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis forming part of the Board's 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 assumptions and expectations 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 events.



## CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance in the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement, as amended, is set out below:

### A. MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

##### The Philosophy:

At GIPCL, the 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 involves necessarily a creative, generative and positive thinking attitude adding value to various stakeholders which are served as end customers of the Company.

#### 2. BOARD OF DIRECTORS:

##### (1) Composition of the Board:

The Board of Directors comprises of total Twelve (12) Directors as on 31<sup>st</sup> March, 2015. Managing Director is an Executive and Non Independent Director, all other Directors are Non Executive.

##### (2) Brief Resume of Directors:

###### a) Under Reappointment (Retiring by rotation):

The resume of Shri H.R. Brahmabhatt (DIN:06360175) and Smt. Shahmeena Husain, IAS,(DIN:03584560) are given in the Explanatory Statement annexed to the Notice convening the 30<sup>th</sup> Annual General Meeting of the Company, forming part of this Annual Report.

###### b) Reappointment of Independent Directors:

The resume of Prof. Shekhar Chaudhuri (DIN:00052904), Prof. K M Joshi (DIN:00501563), Dr. P.K. Das, IAS (Retd.) (DIN:00501499), Dr. Ajay N Shah(DIN:01141239), Shri S B Dangayach (DIN:0572754) and Dr. B A Prajapati (DIN:01431661) are given in the Explanatory Statement annexed to the Notice convening the 30<sup>th</sup> Annual General Meeting of the Company, forming part of this Annual Report.

##### (3) Number of Board Meetings held and Dates thereof:

During the year 2014-15, Nine (09) Board Meetings were held viz.

Quarter	Date(s) of Meeting
1 <sup>st</sup> Quarter - From April to June, 2014.	7 <sup>th</sup> April and 28 <sup>th</sup> May,2014
2 <sup>nd</sup> Quarter - From July to September, 2014.	4 <sup>th</sup> July, 5 <sup>th</sup> August and 20 <sup>th</sup> September, 2014
3 <sup>rd</sup> Quarter - From October to December, 2014.	07 <sup>th</sup> November, 2014
4 <sup>th</sup> Quarter - From January to March, 2015.	27 <sup>th</sup> January, 7 <sup>th</sup> February and 31 <sup>st</sup> March, 2015



**(4) Attendance of Directors at the Board Meetings, last AGM and their Directorships and Committee Memberships in other Companies:**

Name	No. of Board Meetings attended	Attendance at last AGM held on 20.09.2014	Directorships in other Companies	Audit Committee and Securities Transactions and Stakeholders' Relationship Committee	
				Membership	Chairmanship
Shri D J Pandian, IAS, Chairman. (Upto 30.08.2014)	04	NO	14	–	–
Prof. Shekhar Chaudhuri	04	YES	03	02	01
Prof. K M Joshi	08	YES	01	–	–
Dr. P K Das, IAS (Retd.)	07	YES	01	–	–
Shri D C Jain (Upto 30.08.2014)	03	NO	NO	–	–
Shri Raj Gopal, IAS, (Upto 30.08.2014)	04	NO	11	–	–
Shri H R Brahmhatt	07	YES	03	01	01
Shri A K Dalvi (upto 27.09.2014)	04	YES	01	–	–
Smt. Padma Betai (from 16.09.2014)	04	YES	01	–	–
Smt. Shahmeena Husain, IAS (from 20.09.2014)	03	NO	09	–	–
Shri A M Tiwari, IAS (from 27.09.2014)	02	NA	02	02	–
Shri Sanjeev Kumar, IAS (from 15.11.2014)	01	NA	08	–	–
Dr. Ajay N Shah (from 31.03.2015)	–	NA	04	–	–
Shri S B Dangayach (from 31.03.2015)	–	NA	08	–	–
Dr. B A Prajapati (from 31.03.2015)	–	NA	01	–	–
Shri L Chuaungo, IAS, Managing Director	08	YES	04	–	–

- Shri H R Brahmhatt holds 150 Equity Shares of the Company. The shareholding of other Directors and their relatives as on 31<sup>st</sup> March, 2015 was NIL.
- None of the Directors are interrelated.
- In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanships of only Audit and Securities Transactions and Stakeholders' Relationship Committees in all public limited companies have been considered.

**(5) Board Agenda and Minutes of Proceedings of Board Meetings:**

The Agenda and Notes on agenda along with enclosures are circulated to Directors in advance. All material information is incorporated in the Agenda Notes and where it is not practicable to circulate documents, it is tabled before the Board with specific mention of same in the Agenda. Additional and supplementary items on the Agenda are permitted in special circumstances with the permission of Chairman.

The Company Secretary records minutes of proceedings of each Board Meeting. Draft Minutes are circulated to Directors for confirmation. The minutes are entered in the Minutes Book within thirty (30) days from the conclusion of the Meeting.



# Gujarat Industries Power Company Limited

### 3. GENERAL BODY MEETINGS:

The details as to the, date, time and venue of last three Annual General Meetings (AGM) of the Company held, are as under:

DATE AND NO. OF AGM	TIME	VENUE OF AGMs	SPECIAL RESOLUTION(S) PASSED AT AGMs
21.09.2012 27 <sup>th</sup> AGM	11:00 A.M.	Registered Office of the Company at P.O.: Petrochemicals-391 346, District Vadodara.	Appointment of Statutory Auditors of the Company.
21.09.2013 28 <sup>th</sup> AGM	11:00 A.M.		Appointment of Statutory Auditors of the Company.
20.09.2014 29 <sup>th</sup> AGM	11:00 A.M.		a) Power to create Security on the assets of the Company. b) Power to borrow U/s 180(1)(c) of the Companies Act, 2013. c) To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

#### Postal Ballot:

During last year, the Company has not passed any Special Resolution by Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of Special Resolution by Postal Ballot.

### 4. BOARD COMMITTEES :

#### (i) The Board of Directors of the Company has constituted following Committees:

- (A) Audit Committee.
- (B) Securities Transactions and Stakeholders' Relationship (STSR) Committee.
- (C) Nomination and Remuneration (NR) Committee.
- (D) Corporate Social Responsibility(CSR) Committee

The Company Secretary acts as Secretary to all the above Committees.

#### (ii) Committee Minutes :

Minutes of all the aforesaid Committees are prepared by the Company Secretary, approved by the Chairman of the Committee/Meeting and circulated to Directors along with Agenda of next succeeding Meeting for confirmation of same.

#### (A) Audit Committee :

##### (a) Composition

As at 31.3.2015, the Audit Committee comprised of four (04) Non Executive Directors viz.:  
Dr. P K Das, IAS (Retd.), Chairman of Audit Committee,  
Prof. Shekhar Chaudhuri,  
Prof. K M Joshi, and  
Shri D C Jain (upto 30.08.2014)  
Smt. Padma Betai (from 16.9.2014)

##### (b) Terms of Reference

The terms of reference of Audit Committee are commensurate with the requirements of Clause 49 of Listing Agreement as amended and the provisions of Section 177 of the Companies Act, 2013. It includes review and recommendation for approval to the Board, quarterly and annual audited / unaudited financial results, review adequacy of internal control system and procedures, recommend for approval to the Board appointment of Statutory Auditors, Cost Auditors and Internal Auditors, approval of the Related Party Transactions (RPTs) and recommend the same for approval by the Shareholders at Annual General Meeting, review of Revenue and Capital Budgets, review of Cost Audit Report, review of the reports and performance of Internal Auditors and action taken by respective Departments on the matters reported by Internal Auditors etc.





**(c) Meetings and Attendance**

During the year 2014-15, four (04) Meetings of Audit Committee were held viz.:

28.05.2014	05.08.2014	07.11.2014	07.02.2015
------------	------------	------------	------------

Details of Attendance:

Name	No. of Meetings attended
Dr. P K Das, IAS (Retd.)	03
Prof. Shekhar Chaudhuri	02
Prof. K M Joshi	04
Shri D C Jain (upto 30.08.2014)	01
Smt. Padma Betai (from 16.09.2014)	02

**(B) Securities Transactions and Stakeholders' Relationship Committee:**

**(a) Composition**

As at 31.3.2015, the Committee comprised of four (04) Directors viz.:

Dr. P K Das, IAS (Retd.), Chairman of the Committee  
 Prof. K M Joshi,  
 Shri H R Brahmhatt and  
 Shri L Chuaungo, IAS.

**(b) Terms of Reference**

The Committee considers and approves all securities related transactions and also looks into redressal of investors' complaints, reviews the system and procedure of redressal and recommends measures to strengthen the same in line with statutory framework of applicable laws.

The Board has designated CS A C Shah, Company Secretary & DGM (Legal) as the Compliance Officer. His contact details are as follows:

Gujarat Industries Power Company Ltd.  
 P.O. Petrochemicals - 391 346,  
 Dist. Vadodara.  
 Ph No.:0265-2230159 Fax No: 0265-2230473  
 Email: investors@gipcl.com  
 Website : www.gipcl.com

**(c) Meetings and Attendance**

During the year 2014-15, four (04) Meetings of the Committee were held viz.:

07.04.2014	05.08.2014	07.11.2014	07.02.2015
------------	------------	------------	------------

Details of Attendance:

Name	No. of Meetings attended
Dr. P K Das, IAS (Retd.)	03
Prof. K M Joshi	04
Shri H R Brahmhatt	03
Shri L Chuaungo, IAS	04

To facilitate timely approval/registration of securities related transactions up to 1000 Equity shares, powers have been delegated to a Sub-Committee comprising of Managing Director, Chief General Manager & Chief Finance Officer and Company Secretary & DGM (Legal), which meets at regular interval of around ten days and approves Securities related transactions.

**(d) Details of Shareholders' Complaints - Received, Solved and Pending:**

During 2014-15, four (04) Complaints have been received and all of them have already been attended and resolved to the satisfaction of shareholders. No Shareholders' Complaint(s) and share transfer request(s) are pending as on 31<sup>st</sup> March, 2015.



# Gujarat Industries Power Company Limited

## (C) Nomination and Remuneration Committee:

### (a) Composition and Meetings

As at 31<sup>st</sup> March, 2015, the Committee comprised of four (04) Directors viz.:

Dr. P K Das, IAS (Retd.), Chairman of the Committee,

Prof. K M Joshi,

Shri Raj Gopal, IAS (upto 30.08.2014)

Smt. Shahmeena Husain, IAS (from 20.09.2014) and

Shri L Chuaungo, IAS.

### (b) Terms of Reference

- To consider and approve appointments and promotion of Senior executives and to make recommendations to the Board regarding Personnel and HR matters and policies.
- To consider and approve appointment, remuneration and evaluation of performance of Directors.

### (c) Meetings and Attendance

During 2014-15, two (02) meetings of the Committee were held on 05.08.2014 and 31.03.2015.

Details of Attendance

Name	No. of Meetings attended
Dr. P K Das, IAS (Retd.)	1
Prof. K M Joshi	2
Shri Raj Gopal, IAS(upto 30.08.2014)	1
Smt. Shahmeena Husain, IAS (from 20.09.2014)	1
Shri L Chuaungo, IAS	2

## (D) CSR Committee:

### (a) Composition and Meetings

As at 31<sup>st</sup> March, 2015, the Committee comprised of three (03) Directors viz.:

Shri L Chuaungo, IAS, Chairman of the Committee,

Dr. P K Das, IAS (Retd.),

Shri Raj Gopal, IAS(upto 30.08.2014), and

Smt. Shahmeena Husain, IAS(from 20.09.2014)

### (b) Terms of Reference

To design, review and recommend for approval of the Board of Directors, CSR policy for socio economic development of people, particularly those whose sources of livelihood is affected by GIPCL's business by taking up projects and activities that aim at raising their Human Development Index including but not limited to projects or programs listed out in the Schedule VII to the Companies Act 2013 as amended. To involve all the stakeholders by following participatory approach to address their concerns, priorities, needs and aspirations and take up activities that contribute to – promotion of social harmony, increasing opportunities to socially and economically disadvantaged sections of society, and to mitigate environmental degradation.

### (c) Meetings and Attendance

During 2014-15, four (04) meetings of the Committee were held viz.

05-05-2014	04-07-2014	07-11-2014	07-02-2015
------------	------------	------------	------------

Details of Attendance

Name	No. of Meetings attended
Shri L Chuaungo, IAS	04
Dr. P K Das, IAS (Retd.)	03
Shri Raj Gopal, IAS	01
Smt. Shahmeena Husain, IAS	01



## Remuneration Policy

The Company has formulated a Remuneration Policy for its Directors and the same is available on its website: [www.gipcl.com](http://www.gipcl.com).

## Details of Remuneration paid to Directors:

### Executive Director:

Shri L Chuaungo, IAS, has been reappointed as the Managing Director of the Company for a further period till his services are withdrawn by Government of Gujarat subject to limit of five years pursuant to provisions of Section 317 of the Companies Act, 1956.

Details of remuneration paid to Managing Director during 2014-15:

Particulars	Amount (In ₹)
Furnished Accommodation and Electricity	2,17,233/-
Tax on Perquisites	42,982/-
<b>Total</b>	<b>2,60,215/-</b>

- **Non Executive Directors:**

Name	Relationship with other Directors	Business relationship with the Company, if any	***Sitting Fees paid per meeting (in ₹)		
			For Board Meetings	For Committee Meetings	Total
Shri D J Pandian, IAS*	No	No	20000/-	5000/-	25000/-
Prof. Shekhar Chaudhuri	No	No	30000/-	25000/-	55000/-
Prof. K M Joshi	No	No	65000/-	85000/-	150000/-
Dr. P K Das, IAS (Retd.)	No	No	60000/-	100000/-	160000/-
Shri H R Brahmbhatt	No	No	50000/-	20000/-	70000/-
Smt. Padma Betai, ** Nominee – IDBI Bank Ltd.	No	Banker / Lender	40000/-	20000/-	60000/-
Smt. Shahmeena Husain, IAS*	No	No	30000/-	20000/-	50000/-
Shri A M Tiwari, IAS*	No	No	20000/-	–	20000/-
Shri D C Jain** Nominee - IDBI Bank Ltd.	No	Banker / Lender	15000/-	5000/-	20000/-
Shri Raj Gopal, IAS*	No	No	20000/-	10000/-	30000/-
Shri A K Dalvi	No	No	25000/-	–	25000/-
Shri Sanjeev Kumar, IAS	No	No	10000/-	–	10000/-
<b>Total</b>			<b>385000/-</b>	<b>290000/-</b>	<b>675000/-</b>

\* Fees Deposited in Govt. Treasury.

\*\* Fees Deposited with IDBI Bank Ltd.

\*\*\*Sitting Fees enhanced from ₹ 5,000/- to ₹ 10,000/- per meeting w.e.f. 20/09/2014.

## 5. DISCLOSURES:

- The Company does not have any 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 have potential conflict with the interest of the Company at large. Transactions with related parties are set out in the Note No. 28 of the Standalone Financial Statements, forming part of this Annual Report.



## Gujarat Industries Power Company Limited

- b) Senior Executives of the Company have to disclose on Annual basis to the Board of Directors about any material and commercial transaction, where they have personal interest that may have a potential conflict with the interest of the Company at large. No such transaction has taken place during 2014-15.
- c) The Company has complied with the requirements of regulatory authorities on capital markets viz. SEBI, Stock Exchanges, MCA and no penalties or strictures have been imposed against the Company during last three years.
- d) All the mandatory requirements under Clause 49 of Listing Agreement in respect of Corporate Governance have been complied with.
- e) The Company has a Whistle Blower Policy and Vigil Mechanism in place and the same is accessible on the following link of its website <http://www.gipcl.com/pages/corporate-policies> No person has been denied access to the Audit Committee during the year under review. In respect of adoption of other non-mandatory requirements, the Company will review its implementation at appropriate time.
- f) Disclosure pursuant to Clauses 5A I and 5A II of the Listing Agreement in respect of unclaimed shares in demat mode lying in a separate Demat suspense account:

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of the FY2014-15	19	2508
Add: No. of Shares credited during FY2014-15 pursuant to introduction of Clause 5A II.	2	200
Total	21	2708
Less: No. of Shareholders who approached and to whom shares were transferred during the year	00	00
At the end of the FY2014-15	21	2708

### Quarterly Compliance Report:

The Company has submitted Corporate Governance Compliance Report in the prescribed format within prescribed time limit for each Quarter during 2014-15 to the Stock Exchanges where the equity shares of the Company are listed viz. VSE, BSE and NSE as follows:

Quarter ended on	Date of submission to Stock Exchanges
30 <sup>th</sup> June, 2014.	3 <sup>rd</sup> July, 2014.
30 <sup>th</sup> September, 2014.	6 <sup>th</sup> October, 2014.
31 <sup>st</sup> December, 2014.	15 <sup>th</sup> January, 2015.
31 <sup>st</sup> March, 2015.	15 <sup>th</sup> April, 2015.

### Code of Conduct:

The Board of Directors of the Company has adopted 'Code of Conduct' including duties of Independent Directors for its members and senior executives of the Company. The said Code of Conduct has been placed on the website of the Company accessible on the following link: <http://www.gipcl.com/pages/code of conduct>

Directors and senior executives have affirmed compliance with the 'Code of Conduct' during the year 2014-15. A declaration by Managing Director to this effect is attached and forming part of this Report.

### Insider Trading:

The Company has in place Code for Prevention of Insider Trading on the lines prescribed by the SEBI (Prohibition of Insider Trading) Regulations, 1992. It is applicable to Directors and designated employees of the Company. Trading Window would remain closed for them during the period when price sensitive information is unpublished. The Window closure period for the said purpose is three trading days before the date of Board Meeting and one trading day after the Board Meeting.

Company Secretary has been designated as Compliance Officer for the purpose.



## Risk Management:

The Company has laid down system and procedure of regular monitoring of various kinds of risks that are inherent to the nature of its business and operations. Regular reporting on quarterly basis is done to the Board of Directors on Risk assessment and steps taken to mitigate/minimize the same.

## Accounting Treatment Related Disclosure:

The Company has followed uniform accounting practices and has adhered to all the applicable accounting standards under the Companies Act, 2013 in the preparation of its Annual Financial Statements.

## CEO and CFO Certification:

Pursuant to Clause 49 of Listing Agreement, Chief Executive Officer (CEO) and Chief Finance Officer (CFO) have issued Certificate which is annexed to and forms part of this Report.

## Independent Directors:

1. A separate meeting of the Independent Directors of the Company was held on 07-02-2015.
2. Details of Familiarization Programme of Independent Directors are available on the website of the Company at <http://www.gipcl.com/downloads>

## 6. 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 language newspaper. The Financial Results and Shareholding Pattern of the Company are posted on the BSE Listing Centre and NEAPS portals regularly.

Unaudited/Audited Financial Results, Pattern of Shareholding, details of Directors, latest full Annual Report and other information pertaining to the Company are also available on the Company's website [www.gipcl.com](http://www.gipcl.com). The Company also sends Annual Report to each shareholder at the address registered with the Company/Depositories. As a part of green initiative, the Company has started sending Annual Report and other correspondence by e-mail to those shareholders who have furnished e-mail address to their DPs or to the Company.

Financial Results of the Company were published as follows:

Period FY 2014-15	Date of Approval by Board	Date of publication	Newspapers
Q1 UFR*	05/08/2014	07/08/2014	Financial Express (All editions)
Q2 UFR*	07/11/2014	08/11/2014	Loksatta – Vadodara (Gujarati) edition
Q3 UFR*	07/02/2015	08/02/2015	Business Standard (All editions)
Full year AFR**	22/05/2015	23/05/2015	Loksatta – Vadodara (Gujarati) edition

\* UFR - Unaudited Financial Results      \*\* AFR- Audited Financial Results

Corporate Announcements, if any released during the year, which are materially significant in nature, are also displayed on the company's website immediately on release of the same.

No presentations were made to institutional investors or to analysts.

## Subsidiary Company:

The Company has promoted a wholly owned non material unlisted Indian subsidiary Company viz. GIPCL Projects and Consultancy Company Ltd. (GIPCO) incorporated on 30th August, 2012 having CIN U74999GJ2012PLC071761. GIPCO has obtained Certificate to Commence Business on 8<sup>th</sup> October, 2012. The said company has already commenced commercial activity. The minutes of subsidiary company are placed before the Company's Board regularly.

## 7. GENERAL INFORMATION TO SHAREHOLDERS:

Financial Year of the Company	1 <sup>st</sup> April to 31 <sup>st</sup> March
Power Plant Locations	
145 MW Station I and 165 MW Station II	P. O. : Petrochemicals - 391 346, District Vadodara.
500 MW Surat Lignite Power Plant and 5 MW PV based Solar Power Plant	At & P.O. Village Nani Naroli, Taluka Mangrol, District Surat – 394 110.



## Gujarat Industries Power Company Limited

Listing on Stock Exchanges with Scrip Code / Symbol	1. Vadodara Stock Exchange Ltd. Scrip Code : 129 2. BSE Ltd. Scrip Code : 517300 3. National Stock Exchange of India Ltd. Scrip Symbol : GIPCL- EQ
Books Closure Dates	From Tuesday, the 18 <sup>th</sup> August, 2015 to Thursday, the 20 <sup>th</sup> August, 2015 (both days inclusive).
Day, Date, Time and Venue of 30 <sup>th</sup> AGM	The 30 <sup>th</sup> Annual General Meeting of the Company will be held on Saturday, the 19 <sup>th</sup> September, 2015 at 11.00 AM at the Registered Office of the Company at P.O.: Petrochemicals – 391 346, Dist.: Vadodara.
ISIN No. allotted by NSDL and CDSL to Equity Shares	INE162A01010
Time taken for processing of share transfer request and dispatch thereof	Within 15 days
Time taken for processing of dematerialization requests	Within 15 days
Dividend Payment date	Dividend shall be paid, subject to approval of the Shareholders on or before 23-09-2015.
Name and Address of Compliance Officer of the Company	CS A C Shah Company Secretary & DGM (Legal) P.O.: Petrochemicals - 391 346, Dist.: Vadodara. Fax No:0265-2230473 E-mail: investors@gipcl.com CIN: L99999GJ1985PLC007868
Name and Address of Registrars and Transfer Agents (R & T Agents) of the Company for the communication for securities related transactions by shareholders holding shares in physical mode.	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020. Ph. Nos.(0265) 2356573/2366794 Fax Nos.(0265) 2356791 E-mail:vadodara@linkintime.co.in
No. of Employees	592

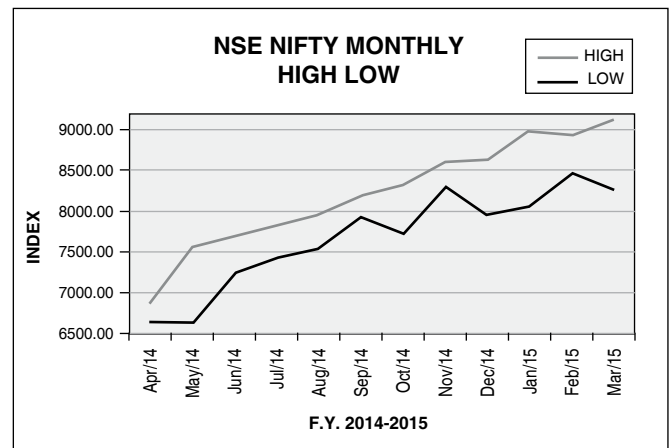
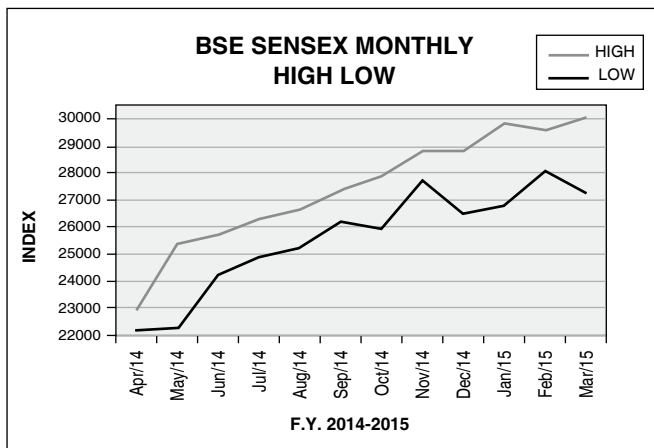
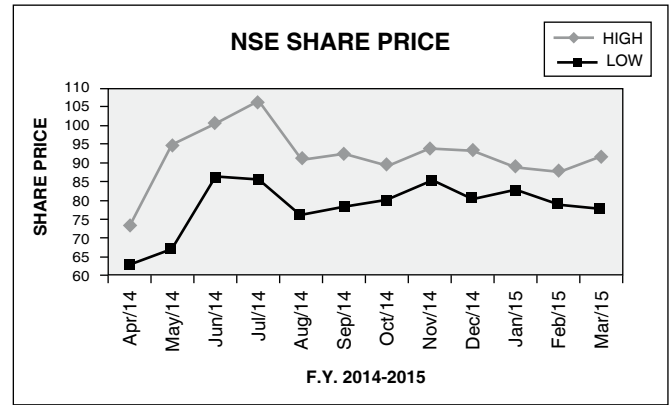
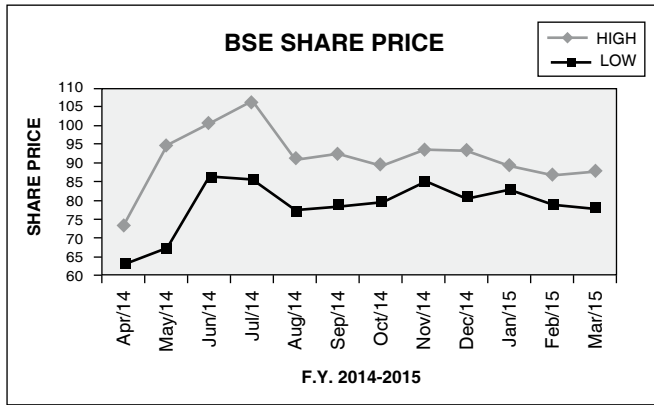
### 8. DATA OF SHARE PRICE ON BSE AND NSE:

Monthly High and Low Market price of the Company's Equity shares traded on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during April 2014 to March 2015 are:

Month	BSE		NSE	
	High	Low	High	Low
APRIL 2014	73.60	63.20	73.60	63.00
MAY 2014	95.00	67.25	95.00	67.05
JUNE 2014	100.60	86.25	100.60	86.00
JULY 2014	106.40	85.55	106.50	85.40
AUGUST 2014	91.00	77.35	91.25	76.05
SEPTEMBER 2014	92.65	78.75	92.50	78.50
OCTOBER 2014	89.50	79.50	89.80	80.00
NOVEMBER 2014	93.35	84.90	93.90	85.05
DECEMBER 2014	93.30	81.00	93.40	81.00
JANUARY 2015	89.40	83.00	89.30	83.05
FEBRUARY 2015	86.70	78.70	87.95	79.05
MARCH 2015	84.95	78.20	91.90	78.00



Graphical presentations of Monthly High / Low Share prices on BSE and NSE and Monthly High/Low movement of BSE Sensex and NSE- Nifty during the period from April 2014 to March 2015:



**Share Transfer System:**

To ensure expeditious and timely approval and registration of securities related transactions up to 1000 Equity Shares, powers have been delegated to a Sub-Committee of Senior Officials of the Company under the Chairmanship of Managing Director. For requests of more than 1000 shares and issue of duplicate share certificates in lieu of lost ones are considered and approved by Securities Transactions and Stakeholders Relationship Committee of Directors. Duly transferred share certificates are normally returned within a period of 15 days from the date of receipt of the same, provided all the required documents and attachments are in order.

**Pattern of Shareholding as on 31<sup>st</sup> March, 2015:**

Category	No. of Shares held	(%) to Share Capital
Promoters	88040261	58.21
Central/State Govt. Bodies Corporate	11869221	7.85
Institutional Investors	25333386	16.75
Foreign Institutional Investors/ NRI	4766354	3.15
Indian Public	21241966	14.04
<b>GRAND TOTAL</b>	<b>151251188</b>	<b>100.00</b>



# Gujarat Industries Power Company Limited

## Distribution of Shareholding as on 31<sup>st</sup> March, 2015:

Category (No. of Shares)		No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Total No. of Shareholders
From	To				
Upto 5000 Shares		61084	99.4351	13615307	9.0018
5001 – 10000		164	0.2670	1210076	0.8000
10001 – 20000		75	0.1221	1074116	0.7102
20001 – 30000		31	0.0505	789846	0.5222
30001 – 40000		13	0.0212	472496	0.3124
40001 – 50000		7	0.0114	326101	0.2156
50001 – 100000		16	0.0260	1243707	0.8223
100001 and above		41	0.0667	132519539	87.6155
<b>TOTAL</b>		<b>61431</b>	<b>100</b>	<b>151251188</b>	<b>100</b>

## Summary of Shareholders and Shares held in Physical and Demat mode as on 31<sup>st</sup> March, 2015:

Particulars	Physical	Demat NSDL	Demat CDSL	Total
Total Shareholders(Nos.)	12830	35569	13032	61431
Percentage to Total Shareholders (%)	20.89	57.90	21.21	100
Total shares(Nos.)	9047731	135296339	6907118	151251188
Percentage to Total Share Capital (%)	5.9819	89.4514	4.5667	100

The Company's equity shares are available for trading on VSE, BSE & NSE through the depository system of NSDL and CDSL. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the year 2014-15.





## CEO AND CFO CERTIFICATION

We, Smt. Sonal Mishra, IAS, Managing Director and S.P. Desai, Chief General Manager & Chief Finance Officer, responsible for the finance function certify that:

- a) We have reviewed the financial statements and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015 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) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2015 which 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) We have indicated, where ever applicable, to the Auditors and the Audit Committee of :
  - i) significant changes, if any, in internal control over financial reporting during the year under reference;
  - ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances, 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**

**CA S P Desai  
Chief General Manager  
& Chief Finance Officer**

**Sonal Mishra, IAS  
Managing Director**

Date : 22/05/2015.  
Place: Vadodara.

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

This is to certify that the Members of the Board and Senior Management have furnished affirmation that they have complied with the Code of Conduct for the financial year 2014-15.

**For Gujarat Industries Power Company Ltd.**

Date : 22/05/2015.  
Place: Vadodara.

**Sonal Mishra, IAS  
Managing Director**



# Gujarat Industries Power Company Limited

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**GUJARAT INDUSTRIES POWER COMPANY LIMITED.**  
Vadodara.

We have examined the compliance of the conditions of Corporate Governance by **Gujarat Industries Power Company Limited**, for the financial year ended March 31, 2015 as stipulated in Clause 49, as amended, of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of 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 the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that as per the records maintained, no investor complaint/grievance against the Company is pending for a period exceeding one month before Securities Transactions & Stakeholders' Relationship Committee.

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

Place: Vadodara.  
Date: 22<sup>nd</sup> May, 2015.

**CS Niraj Trivedi**  
Company Secretary  
CP. No. 3123



## INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF  
GUJARAT INDUSTRIES POWER COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Industries Power Company Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards



# Gujarat Industries Power Company Limited

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003;

- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the Company has disclosed the impact of pending litigations and claims having an adverse impact on its financial position in its financial statements – Refer Note 28 to the financial statements;
  - (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
M.No: 048169

Place: Vadodara

Dated: 13<sup>th</sup> June, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

- (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 assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off a substantial part of fixed assets during the year and therefore, do not affect the going concern assumption.
- ii. (a) As explained to us, 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 the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- 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 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases 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 control system.
- v. The Company has not accepted any deposits from the public during the current financial year.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- vii. (a) The company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, custom duty, service tax, 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, 2015 for a period of more than six months from the dates they become payable.
- (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.
- xi. 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.
- xii. 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 VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
M.No: 048169

Place: Vadodara  
Dated: 13<sup>th</sup> June, 2015

In respect of Income Tax as at 31<sup>st</sup> March, 2015 which has 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)
Income Tax	Commissioner of Income Tax of Appeals, Baroda	A.Y. 2012-13	42.28
Income Tax	Income Tax Appellate Tribunal	A.Y. 2006-07	1.51
	<b>Total</b>		<b>43.79</b>

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. In our opinion, the company has no accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- ix. 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.
- x. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (x) of the Order are not applicable to the Company.



# Gujarat Industries Power Company Limited

## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	(₹ in Lacs)	
		AS AT 31-03-2015	AS AT 31-03-2014
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	15,125.12	15,125.12
Reserves and Surplus	2	168,526.94	160,451.69
<b>Non-current Liabilities :</b>			
Long-term borrowings	3	43,170.64	53,682.72
Deferred tax liabilities (Net)	28.12	20,003.07	14,220.34
Other long term liabilities	4	1,103.52	1,080.49
Long-term provisions	5	2,964.82	2,425.31
<b>Current Liabilities :</b>			
Short-term borrowings	6	6,960.86	7,355.52
Trade payables	7	8,758.40	8,334.54
Other current liabilities	8	28,477.85	31,346.89
Short-term provisions	9	6,092.11	5,208.92
<b>TOTAL</b>		<b>301,183.33</b>	<b>299,231.54</b>
<b>II. ASSETS</b>			
<b>Non - Current Assets :</b>			
<b>Fixed Assets :</b>			
Tangible Assets	10	188,414.13	198,807.64
Intangible Assets	10	453.31	249.21
Capital Work in Progress	10	4,283.07	2,079.27
Mines Development Expenditure (To be amortised)	11	5,756.56	6,660.40
Non-current Investments	12	20,713.68	15,995.68
Long-term loans and advances	13	11,144.05	4,840.76
Other non-current assets	14	1,811.55	182.00
<b>Current Assets :</b>			
Inventories	15	14,786.08	12,011.12
Trade Receivables	16	12,843.99	22,263.24
Cash and Bank Balances	17	36,557.94	31,546.61
Short-term loans and advances	18	2,534.67	3,936.47
Other current assets	19	1,884.30	659.14
<b>TOTAL</b>		<b>301,183.33</b>	<b>299,231.54</b>
Significant Accounting Policies	27		
See Accompanying notes to the financial statements	28		

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuanguo**  
Chairman

**A. C. Shah**  
Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

<b>Particulars</b>	<b>Note No.</b>	<b>(₹ in Lacs)</b>	
		<b>For the Year ended 31-03-2015</b>	<b>For the Year ended 31-03-2014</b>
<b>REVENUE :</b>			
Revenue from Operations	20	121,465.69	137,667.60
Other Income	21	4,322.05	3,082.44
<b>TOTAL REVENUE</b>		<b>125,787.74</b>	<b>140,750.04</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	22	57,536.75	70,231.39
Generation Expenses	23	11,294.72	10,897.83
Employee Benefits Expense	24	6,747.78	6,057.29
Finance Cost	25	7,800.27	8,827.13
Depreciation	10	12,003.27	15,550.82
Expenses Amortised	28.20	255.27	255.27
CSR Expenses	28.14	423.62	661.14
Other expenses	26	2,932.51	2,533.10
<b>TOTAL EXPENSES</b>		<b>98,994.19</b>	<b>115,013.97</b>
<b>Profit before exceptional item and tax</b>		<b>26,793.55</b>	<b>25,736.07</b>
<b>Exceptional Items (Replacement &amp; major repairs)</b>	<b>28.4</b>	<b>1,850.74</b>	<b>0.00</b>
<b>Profit before Tax</b>		<b>24,942.81</b>	<b>25,736.07</b>
<b>Tax Expenses</b>			
Current Tax (Net of MAT Credit Adjustment)		6,229.00	4,416.00
Wealth Tax		103.81	0.00
Deferred Tax		5,782.73	2,140.74
Tax adjustment for earlier years		196.54	591.53
<b>Profit for the Period</b>		<b>12,630.73</b>	<b>18,587.80</b>
Proposed Dividend		3,781.28	3,781.28
Corporate Dividend Tax		774.20	642.63
Earning Per Share (Basic and Diluted) including prior period adjustments (In Rupees)		8.35	12.29
Earning Per Share (Basic and Diluted) excluding prior period adjustments (In Rupees)		8.35	12.29
Significant Accounting Policies	27		
See Accompanying notes to the financial statements	28		

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuango**  
Chairman

**A. C. Shah**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

Sr. No.	Particulars	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>A</b>	<b>Cash Flow From Operating Activities :</b>		
	Net Profit before Taxes and Extraordinary items	24,942.81	25,736.07
	Adjustment for :		
	Depreciation	12,003.27	15,550.82
	Amortisation of share issue expenses	255.27	255.27
	Finance costs	7,800.27	8,827.13
	Loss on sale / write off of assets	20.00	3.90
	(Profit) on sale / write off of assets	0.00	(0.59)
	Interest Income	(3,447.49)	(2,137.24)
	Dividend	(44.13)	(39.62)
		<u>16,587.19</u>	<u>22,459.67</u>
	<b>Operating Profit Before Working Capital Changes</b>	<b>41,530.00</b>	<b>48,195.74</b>
	Adjustment for :		
	Trade Receivables	9,419.25	(5,117.30)
	Inventories	(2,774.96)	68.66
	Loans and Advances	(3,844.29)	(828.25)
	Other Assets	(2,240.52)	(76.95)
	Trade payables	446.89	2,246.72
	Other current liabilities and provisions	(2,368.30)	(269.99)
		<u>(1,361.93)</u>	<u>(3,977.11)</u>
	<b>Cash Generated from Operations</b>	<b>40,168.07</b>	<b>44,218.63</b>
	Payment of Direct Taxes	(6,882.82)	(4,385.39)
	<b>Net Cash Flow from Operating Activities (TOTAL - A)</b>	<b>33,285.25</b>	<b>39,833.24</b>
<b>B</b>	<b>Cash Flow from Investing Activities :</b>		
	Purchase/Adj. of Fixed Assets including Capital Work in Progress	(4,039.72)	(2,614.52)
	Purchase of Investments	(4,718.00)	(9,090.00)
	Sale of Fixed Assets	2.06	2.09
	Mines Development Expenditure (To be amortised)	903.84	920.40
	Interest Received	2,578.03	2,108.04
	Dividend Received	44.13	39.62
	<b>Net Cash Flow from Investing Activities (TOTAL - B)</b>	<b>(5,229.66)</b>	<b>(8,634.37)</b>





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lacs)

Sr. No.	Particulars	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>C</b>	<b>Cash Flow from Financing Activities :</b>		
	Repayment of long-term borrowings	(10,512.08)	(10,512.08)
	Net increase / (decrease) in working capital borrowings	1,125.34	(1,931.67)
	Repayment of other short-term borrowings	(1,520.00)	(1,520.00)
	Finance Cost Paid	(7,834.45)	(8,866.83)
	Dividend on Equity Paid	(3,660.44)	(3,715.56)
	Tax on Dividend Paid	(642.63)	(642.63)
	<b>Net Cash Flow from Financing Activities (TOTAL - C)</b>	<u>(23,044.26)</u>	<u>(27,188.77)</u>
	<b>Net Increase in Cash and Cash Equivalents (TOTAL - A+B+C)</b>	<u>5,011.33</u>	<u>4,010.10</u>
	<b>Opening Cash and Cash Equivalents</b>	<b>31,546.61</b>	27,536.51
	<b>Closing Cash and Cash Equivalents</b>	<b>36,557.94</b>	31,546.61
<b>Notes:</b>			
1. The Cash flow statement has been prepared by the indirect method as set out in the Accounting Standard-3 on "Cash Flow Statements".			
2. Cash and Cash equivalents includes :			
	Cash on hand	1.87	1.48
	With Scheduled Banks :		
	Current Accounts	364.04	13.88
	Deposit Accounts	<u>36,192.03</u>	<u>31,531.25</u>
		<u>36,556.07</u>	<u>31,545.13</u>
	<b>TOTAL</b>	<u><u>36,557.94</u></u>	<u><u>31,546.61</u></u>

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuaungo**  
Chairman

**A. C. Shah**  
Company Secretary



## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
		AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 1 - SHARE CAPITAL</b>			
<b>Authorised</b>			
32,50,00,000	Equity Shares of ₹ 10/-each	32,500.00	32,500.00
61,00,000	Cumulative Redeemable Preference Shares (With dividend not exceeding 15% p.a.) of ₹ 100/- each.	6,100.00	6,100.00
<b>TOTAL</b>		<b>38,600.00</b>	<b>38,600.00</b>
<b>Issued, subscribed and paid up</b>			
15,12,51,188	Equity Shares of ₹ 10/-each fully paid	15,125.12	15,125.12
<b>TOTAL</b>		<b>15,125.12</b>	<b>15,125.12</b>

### List of share holders holding more than 5% shares

Name of Share Holders	2014-15		2013-14	
	Percentage (%)	No. of shares	Percentage (%)	No. of shares
Gujarat Urja Vikas Nigam Ltd.	25.38	38384397	25.38	38384397
Gujarat Alkalies & Chemicals Ltd.	15.27	23088980	15.27	23088980
Gujarat State Fertilizers & Company Ltd.	14.79	22362784	14.79	22362784

		(₹ in Lacs)	
		AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 2 - RESERVES AND SURPLUS</b>			
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet		3,455.88	3,455.88
<b>Expansion Reserve</b>			
As per last Balance Sheet		61,000.00	56,000.00
Add : Transferred from Profit and Loss Account		5,000.00	5,000.00
		<b>66,000.00</b>	61,000.00
<b>Securities Premium Account</b>			
As per last Balance Sheet		33,316.97	33,316.97
<b>General Reserve</b>			
As per last Balance Sheet		53,870.00	46,370.00
Add : Transferred from Profit and Loss Account		7,500.00	7,500.00
		<b>61,370.00</b>	53,870.00
<b>SURPLUS</b>			
As per last Balance Sheet		8,808.84	7,144.95
Add : Profit available for appropriation		12,630.73	18,587.80
Amount available for appropriation		21,439.57	25,732.75
Less : Appropriations :			
Transfer to Expansion Reserve	5,000.00	5,000.00	
Transfer to General Reserve	7,500.00	7,500.00	
Proposed Dividend	3,781.28	3,781.28	
Corporate Dividend Tax	774.20	642.63	
		<b>4,384.09</b>	8,808.84
<b>TOTAL</b>		<b>168,526.94</b>	<b>160,451.69</b>

All above reserves except capital redemption reserve are free reserves.



**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	AS AT 31-03-2015	AS AT 31-03-2014
<b>(₹ in Lacs)</b>		
<b>NOTE NO. 3 - LONG TERM BORROWINGS</b>		
<b>Secured Loans :</b>		
Term Loan From Banks	43,170.64	53,682.72
<b>TOTAL</b>	<b>43,170.64</b>	<b>53,682.72</b>

**NOTE NO. 3(a)**

The Term Loans from Banks 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 Plants (Phase II - Unit 3 and 4) at Surat.

**NOTE NO. 3(b)**

Name of Banks	Outstanding Amt. as on 31.03.2015	Maturity Period from 31.03.2015 (in Months)	Amount of Instalments per quarter	Oustanding Amt. as on 31.03.2014
Central Bank of India	5,000.00	60	250.00	6,000.00
State Bank of India	2,625.00	63	125.00	3,125.00
Bank of Baroda	5,250.00	63	250.00	6,250.00
Oriental Bank of Commerce	10,000.00	60	500.00	12,000.00
Union Bank of India	10,500.00	63	500.00	12,500.00
IDBI Bank Ltd.	7,182.72	57	378.02	8,694.80
State Bank of Bikaner & Jaipur	2,625.00	63	125.00	3,125.00
Canara Bank	5,000.00	60	250.00	6,000.00
Karur Vysya Bank Ltd.	5,500.00	66	250.00	6,500.00
<b>TOTAL</b>	<b>53,682.72</b>		2,628.02	64,194.80

	AS AT 31-03-2015	AS AT 31-03-2014
<b>(₹ in Lacs)</b>		
<b>NOTE NO. 4 - OTHER LONG TERM LIABILITIES</b>		
Trade Payable	1,048.06	1,012.98
Others	55.46	67.51
<b>TOTAL</b>	<b>1,103.52</b>	<b>1,080.49</b>

**NOTE NO. 5 - LONG TERM PROVISIONS**

Employee Benefits	2,964.82	2,425.31
<b>TOTAL</b>	<b>2,964.82</b>	<b>2,425.31</b>



## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 6 - SHORT TERM BORROWINGS :</b>		
<b>Secured Loans :</b>		
Working Capital Loans from Banks	6,960.86	5,835.52
<b>Unsecured Loans</b>		
From Others	0.00	1,520.00
<b>TOTAL</b>	<b>6,960.86</b>	<b>7,355.52</b>

### NOTE NO. 6(a)

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.

<b>NOTE NO. 7 - TRADE PAYABLE</b>		
Micro and Small Enterprises	94.53	62.50
Other than Micro and Small Enterprises	8,663.87	8,272.04
<b>TOTAL</b>	<b>8,758.40</b>	<b>8,334.54</b>

### NOTE NO. 8 - OTHER CURRENT LIABILITIES

Current Maturities of long term debts	10,512.08	10,512.08
Interest Accrued but not due on borrowings	31.14	65.32
Advance from customers	25.88	48.01
Items covered by IEPF*		
Unclaimed Dividends	357.94	237.10
Unclaimed Interest on Debentures/Deposits	2.20	2.20
Security Deposits	1,287.18	1,574.82
Other Payable	2,083.93	4,930.70
Project Creditors	13,976.58	13,761.41
Statutory Dues	200.92	215.25
<b>TOTAL</b>	<b>28,477.85</b>	<b>31,346.89</b>

\* Amounts due and outstanding to be credited to Investor Education & Protection Fund ₹ Nil (Previous year ₹ 14.05 Lacs which was transferred on 22.04.2014)

### NOTE NO. 9 - SHORT TERM PROVISIONS

Employee Benefits	352.77	304.88
Current Tax (Net of Advance)	1,183.86	480.13
Proposed Dividend	3,781.28	3,781.28
Corporate Dividend Tax	774.20	642.63
<b>TOTAL</b>	<b>6,092.11</b>	<b>5,208.92</b>



**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 10 - FIXED ASSETS**

(₹ in Lacs)

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
	As at 01-04-2014	Addition/Adjustment during the year	Adjustment/Deduction during the year	As on 31-03-2015	Upto 01-04-2014	For the Year	Adjustment/Deduction during the Year	Upto 31-03-2015	As on 31-03-2015	As at 31-03-2014
<b>A. TANGIBLE ASSETS</b>										
(1) Land										
Lease hold	603.85	0.00	0.00	603.85	136.43	6.10	0.00	142.53	461.32	467.42
Free hold	18,097.21	313.74	(30.75)	18,380.20	0.00	0.00	0.00	0.00	18,380.20	18,097.21
(2) Buildings										
Factory Buildings	35,768.94	722.40	0.00	36,491.34	9,797.92	1,345.60	0.02	11,143.54	25,347.80	25,971.02
Non Factory Buildings	8,187.83	6.16	(3.12)	8,190.87	1,762.79	274.09	(0.75)	2,036.13	6,154.74	6,425.04
(3) Plant and Machinery	307,610.87	353.51	(31.94)	307,932.44	162,029.00	9,801.33	(10.80)	171,819.53	135,604.96	145,073.92
(4) Capital Spares	7,062.17	0.00	0.00	7,062.17	5,768.95	313.57	0.00	6,082.52	979.65	1,293.22
(5) Furniture and Fixtures	548.15	11.25	0.00	559.40	278.48	22.17	0.38	301.03	258.37	269.67
(6) Office equipments	2,022.32	162.16	(18.01)	2,166.47	851.18	138.82	(17.09)	972.91	1,193.56	1,171.14
(7) Vehicles	110.49	0.00	0.00	110.49	71.49	5.46	0.01	76.96	33.53	39.00
<b>TOTAL - A</b>	380,011.83	1,569.22	(83.82)	381,497.23	180,696.24	11,907.14	(28.23)	192,575.15	188,414.13	198,807.64
<b>B. INTANGIBLE ASSETS</b>										
(8) Computer Software	517.48	300.23	0.00	817.71	268.27	96.13	0.00	364.40	453.31	249.21
(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
<b>TOTAL - B</b>	622.82	300.23	0.00	923.05	373.61	96.13	0.00	469.74	453.31	249.21
<b>TOTAL (A+B)</b>	380,634.65	1,869.45	(83.82)	382,420.28	181,069.85	12,003.27	(28.23)	193,044.89	188,867.44	199,056.85
Previous year	379,391.35	1,705.04	(461.74)	380,634.65	165,554.16	15,550.82	(35.13)	181,069.85	199,056.85	
<b>Capital Work-in-Progress</b>									4,283.07	2,079.27

**Notes:**

1. Leasehold land is obtained as a permitted transferee as per agreement with GIDC/ IPCL.
2. The conveyance of title for 1.04 hectares of free hold land of value ₹ 15.54 Lacs (previous year 1.04 hectares of value ₹ 15.54 Lacs) in favour of the Company are awaiting completion of legal formalities.
3. Land includes 27.63 hectares of value ₹ 397.38 Lacs (Previous Year 30.25 hectares of value ₹ 441.84 Lacs), the process of possession and conveyance of title in favour of the Company are awaiting of legal formalities.
4. The Government of Gujarat vide its various orders have granted mining lease for lignite for 30 years from respective dates covering the area of 3565 hectares. The said lease provides to use all lignite excavated from the above area for captive use in existing / proposed power plants of the company. The said areas include 80 hectares of land for lime stone also.



## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31-03-2015	AS AT 31-03-2014
(₹ in Lacs)		
<b>NOTE NO. 11 - MINES DEVELOPMENT EXPENDITURE (To be amortised)</b>		
Initial Development Expenses	5,756.56	6,660.40
<b>TOTAL</b>	<b>5,756.56</b>	<b>6,660.40</b>
<b>NOTE NO. 12 - NON-CURRENT INVESTMENTS</b>		
(Trade - unless otherwise specified)		
Investments in Equity Instruments		
<b>QUOTED</b>		
11,03,360 Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	551.68	551.68
<b>UNQUOTED</b>		
<b>With Subsidiary</b>		
2,50,000 Equity Shares of GIPCL Project & Consultancy Company Limited of ₹ 10 each (Fully paid)	25.00	25.00
<b>With Associate</b>		
18,10,80,000 Equity Shares of Bhavanagar Energy Company Limited of ₹ 10 each (Fully paid) (Previous year 13,39,00,000 shares) *	18,108.00	13,390.00
<b>With Others</b>		
97,18,181 Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid)	1,019.00	1,019.00
1,00,000 Equity Shares of GSPC Gas Company Limited of ₹ 10 each (Fully paid)	10.00	10.00
1,00,00,000 Equity Shares of GSPC LNG Limited of ₹ 10 each (Fully paid)	1,000.00	1,000.00
<b>TOTAL</b>	<b>20,162.00</b>	<b>15,444.00</b>
Aggregate cost of Quoted Investments	551.68	551.68
Market value of Quoted Investments	1,764.27	2,007.56
Aggregate cost of Unquoted Investments	20,162.00	15,444.00
* Refer Note No. 28.6		
<b>NOTE NO. 13 - LONG TERM LOANS &amp; ADVANCES</b>		
<b>Secured (Considered good)</b>		
Loan to Employees	0.83	1.77
Capital Advance	7,019.18	4.12
<b>Unsecured (Considered good)</b>		
Capital Advance	93.82	838.15
Security Deposits	146.47	150.45
Other loans & Advances	12.50	1,032.22
Advance Tax (Net of Provisions)	3,871.25	2,814.05
<b>TOTAL</b>	<b>11,144.05</b>	<b>4,840.76</b>



**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 14 - OTHER NON CURRENT ASSETS</b>		
<b>Unsecured (Considered good)</b>		
Trade Receivables	0.00	0.00
Escrow Account (Mines Closure)	1,662.78	0.00
Others	148.77	182.00
<b>TOTAL</b>	<u>1,811.55</u>	<u>182.00</u>
<b>NOTE NO. 15 - INVENTORIES</b>		
Raw Materials (Fuel)	3,940.86	2,029.32
Stores and Spares	10,845.22	9,981.80
<b>TOTAL</b>	<u>14,786.08</u>	<u>12,011.12</u>
<b>NOTE NO. 16 - TRADE RECEIVABLES</b>		
<b>Unsecured (Considered good)</b>		
Over Six Months	0.00	0.00
From Related Parties	10,023.24	18,755.73
Others	2,820.75	3,507.51
<b>TOTAL</b>	<u>12,843.99</u>	<u>22,263.24</u>
<b>NOTE NO. 17 - CASH &amp; BANK BALANCES</b>		
Cash on hand	1.87	1.48
<b>Other bank balances :</b>		
Current Accounts	364.04	13.88
Deposit Accounts	36,192.03	31,531.25
	<u>36,556.07</u>	<u>31,545.13</u>
<b>TOTAL</b>	<u>36,557.94</u>	<u>31,546.61</u>
<b>NOTE NO. 18 - SHORT TERM LOANS AND ADVANCES</b>		
<b>Secured (Considered good)</b>		
Loan to Employees	1.30	2.81
<b>Unsecured (Considered good)</b>		
Loans & Advances to related Parties	3.87	2.45
Other loans & Advances	2,529.50	2,931.21
<b>MAT Credit Entitlement:</b>		
Opening Balance	1,000.00	0.00
Add : Addition during the year	134.00	1,000.00
	<u>1,134.00</u>	<u>1,000.00</u>
Less : MAT credit utilised	1,134.00	0.00
Closing Balance	0.00	1,000.00
<b>TOTAL</b>	<u>2,534.67</u>	<u>3,936.47</u>
<b>NOTE NO. 19 - OTHER CURRENT ASSETS</b>		
Unamortised expenses	106.36	255.27
Other receivables	508.18	3.57
Interest Accrued	1,269.76	400.30
<b>TOTAL</b>	<u>1,884.30</u>	<u>659.14</u>



## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year ended 31-03-2015	(₹ in Lacs) For the Year ended 31-03-2014
<b>NOTE NO. 20 - REVENUE FROM OPERATIONS</b>		
Sale of Electrical Energy	120,905.87	137,103.55
Sale of services	37.07	0.00
Other operating Revenues	529.90	571.09
Excise Duty	(7.15)	(7.04)
<b>TOTAL</b>	<b>121,465.69</b>	<b>137,667.60</b>
Refer Note no. 28.10		
<b>NOTE NO. 21 - OTHER INCOME</b>		
Interest on Deposits (Tax deducted at source ₹ 186.30 Lacs Previous year ₹ 157.16 Lacs)	3,033.02	1,803.66
Other Interest	414.47	333.58
Dividend	44.13	39.62
Insurance Claims	717.00	497.65
Liquidated Damages	35.53	329.47
Miscellaneous	77.90	78.46
<b>TOTAL</b>	<b>4,322.05</b>	<b>3,082.44</b>
<b>NOTE NO. 22 - COST OF MATERIAL CONSUMED</b>		
Consumption of Gas	33,782.58	50,050.17
Consumption of Lignite	27,163.26	25,625.01
Consumption of Lime Stone	2,631.14	726.51
Consumption of Furnace oil	1,381.07	1,254.56
Consumption of Imported Coal	840.52	0.00
Lignite Extraction Expenses *	20,187.79	17,682.94
Inter Division transfer	(28,449.61)	(25,107.80)
<b>TOTAL</b>	<b>57,536.75</b>	<b>70,231.39</b>
* Refer Note No 28.5		
<b>NOTE NO. 23 - GENERATION EXPENSES</b>		
Consumption of Stores and Spares	4,399.23	4,116.54
Water Charges	1,356.44	1,290.56
Electricity Charges	1,039.35	695.64
Insurance	528.01	852.72
Operation Expenses	2,578.37	2,089.89
Repairs and Maintenance to Plant and Machinery	1,393.32	1,852.48
<b>TOTAL</b>	<b>11,294.72</b>	<b>10,897.83</b>





**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>NOTE NO. 24 - EMPLOYEES BENEFIT EXPENSES</b>		
Salary and Wages	4,236.69	4,152.36
Contribution to Provident, Pension and Superannuation Fund	386.99	364.55
Welfare Expenses and Other Benefits	2,124.10	1,540.38
<b>TOTAL</b>	<b>6,747.78</b>	<b>6,057.29</b>
<b>NOTE NO. 25 - FINANCE COST</b>		
Interest on :		
Fixed Term Loans	6,476.39	7,707.15
Cash Credit / Working Capital Demand Loans	24.18	8.11
Others	318.07	148.81
Bank Charges and Commission	123.33	118.19
Cash Rebate on Sales	858.30	844.87
<b>TOTAL</b>	<b>7,800.27</b>	<b>8,827.13</b>
<b>NOTE NO. 26 - OTHER EXPENSES</b>		
Repairs and Maintenance :		
Buildings	666.32	492.99
Others	184.77	92.14
Rent	1.55	5.00
Rates and Taxes	236.93	237.38
Communication Expenses	67.19	72.70
Travelling & Conveyance Expenses	360.82	376.62
Legal, Professional and Consultancy Fees	93.61	72.23
Miscellaneous Expenses (includes membership, office, security, advertisement, software maintenance, audit fees and registrar & transfer fees etc.)	1,321.32	1,184.04
<b>TOTAL</b>	<b>2,932.51</b>	<b>2,533.10</b>



## NOTE NO. 27 : 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 as described under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rule, 2014 have been followed in preparation of these financial statement, except in so far as the said provisions are inconsistent with the provision of the Electricity Act,2003.

### 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

- a. 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. The cost may undergo changes, where applicable, subsequent to its acquisition/construction on account of exchange rate variations agreed under Capital Contracts.
- b. Intangible Assets are recognized 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.
- c. 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.
- d. Works under erection/installation /execution (including such work pertaining to a new project) are shown as Capital Work in Progress.
- e. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

### 4. DEPRECIATION

- a. Depreciation on all fixed assets (except those listed below) is provided on straight line method as per rates and methodology notified by the CERC Tariff Regulation, 2014.
- b. Computer software is amortized on straight-line basis over a period of five years.
- c. Leasehold land is amortized over the period of lease on straight-line basis.
- d. Capital Spares are depreciated over the useful life of such spares.

### 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 - Fuel (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

- a. 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, 1961 and Wealth Tax Act, 1957.
- b. Deferred tax is recognized subject to consideration of prudence, on timing differences (including tax holiday period) that originate in one period and are capable of reversal in one or more subsequent periods between taxable income and accounting income. Deferred tax assets and liabilities are measured using the rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
- c. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement.
- d. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision and company intends to settle the asset and liability on a net basis.

## 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 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.



# Gujarat Industries Power Company Limited

- 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.
- g. Unscheduled Interchange (UI) charges receivable/payable is accounted as and when notified by State Load Dispatch Center (SLDC).

## 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.



**NOTE NO. 28 : NOTES TO THE FINANCIAL STATEMENTS**

	(₹ in lacs)	
	As at 31-03-2015	As at 31-03-2014
<b>1. Commitments :</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	<b>25,884.02</b>	480.90
b. The Company has committed to invest in the Equity Share Capital of Bhavnagar Energy Company Limited (BECL), as and when required, to the tune of ₹ 22,000 Lacs (P.Y. 22,000 Lacs). Out of this, ₹ 18,108 Lacs (P.Y. ₹ 13,390 Lacs) has been paid. The Company has also committed to contribute towards Sub Debt financing to the tune of ₹ 2,000 Lacs (P.Y. ₹ 2,000 Lacs). In addition to the above, the Company has committed to contribute towards cost overrun in future, if any, which will be partly by way of contribution towards Equity and partly towards Sub Debt financing.	<b>5,892.00</b>	10,610.00
c. The Company has committed to invest in the Equity Share Capital of International Stone Research Centre (ISRC), as and when required, to the tune of ₹ 37.50 Lacs (Being 37.50% of equity share capital). (P. Y. 25% of equity share).	<b>37.50</b>	25.00
<b>2. Contingent Liabilities not provided for :</b>		
a. Claims against company (Principal amount) pending before court (includes certain claims where the amount cannot be ascertained) :		
By vendors against contractual obligations	<b>2,927.92</b>	2,936.10
By Ex-employee against recovery of notice period	<b>1.02</b>	1.02
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.	<b>775.13</b>	775.13
c. Bills of Exchange discounted with Banks in respect of Sales Invoices.	<b>37,700.00</b>	52,500.00
d. In following cases, 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 :		
Leasehold land of 165 MW Baroda	<b>Amount not ascertainable</b>	Amount not ascertainable
Freehold land at Surat Lignite Power Stations	<b>1,361.12</b>	1,630.68
e. Partial amount of demand from department of Geology & Mining, Surat for Interest on delayed Royalty Payment on lignite for the period from April 04 to March 07 which is contested.	<b>24.09</b>	24.09
f. Income Tax Demand contested in Appeal.	<b>2,651.40</b>	2,756.95
g. Demand of Property Tax under discussion with Grampanchayat, Nani Naroli, Dist. Surat.	<b>94.80</b>	65.00
h. The Maximum amount of Penalty Leviable due to default in Payment of Central excise duty on lignite excavated. The matter is pending with settlement commission.	<b>NIL</b>	306.18
i. Liability likely to arise on account of transportation charges for gas which is under dispute.	<b>448.50</b>	448.50



## Gujarat Industries Power Company Limited

	(₹ in lacs)	
	As at 31-03-2015	As at 31-03-2014
j. The company has been recovering the corporate action on the share holding of Petrofils Cooperative Ltd. A portion of the said shareholding is under dispute at High Court of Gujarat. Subject to its final outcome, the company may be directed by the Honorable Court to make a payment towards the portion of such recovery.	<b>Amount not ascertainable</b>	Amount not ascertainable
k. Cases pending at the High Court of Gujarat for regularization of contract workmen.	<b>Amount not ascertainable</b>	Amount not ascertainable
l. The amount of "Pay for if not taken liability" of ₹ 49.81 Crores is demanded by M/s GAIL on account of R-LNG Contract which the Company has entered in to with M/s GAIL to partially meet with its Fuel (Gas) requirement. The contractual liability demanded by M/s GAIL is for the calendar year 2014. The Company has requested for waiver of the same and is in dialogue with M/s GAIL. The Company has initiated measures to contest the same.  Further, for the First quarter of the current Calendar Year (Jan – March 15), the Company has received intimation from M/s GAIL about the shortfall in quantity to be consumed contractually vis a vis the quantity actually consumed. The amount of such Take or Pay (ToP) Liability intimated by M/s GAIL to the Company is ₹ 94.35 Crores. Since the plant operations of three quarters are still remaining in the current calendar year of 2015, the final liability that is likely to arise at the end of Dec 2015 and the amount thereof cannot be ascertained at this juncture.	<b>4,981.00</b>	NIL
m. Claims and disputes raised by Mines Developer and Operator Contractor of Vastan South Pit on account of change in stripping ratio and diesel price escalation.	<b>7,464.75</b>	NIL
3. Depreciation on certain power plants' assets which was hitherto charged on Straight Line Method at the rates specified in CERC's Tariff Regulation 2009, is now charged over the balance useful life as specified by CERC (Terms and Conditions of Tariff) Regulations, 2014. As a result for the year 2014-15, the depreciation charged is lower by ₹ 3,285.07 Lacs and the Profit is higher by the same amount.		
4. Due to a technical snag in the Stator Winding of the Generator, Unit -1 (125MW) of Surat Lignite Power Plant (SLPP) at Village Nani Naroli, Taluka Mangrol, Dist.: Surat, tripped on 29.11.2014. The costs of replacement and other related expenditure was ₹ 1,850.74 lacs which has been shown as an exceptional item. The unit became operational on 03/04/2015.  As a result of the above accidental outage, sales revenue and profit were further impacted by ₹ 2,227.03 Lacs since the normative availability of SLPP station I could not be achieved and fixed cost remained under recovered to that extent as per PPA. The Company is in process of lodging insurance claim with the insurer for material damage and loss arising on business interruption.		
5. Ministry of Coal, New Delhi, Guideline No. 55011-01-2009-CPAM Dated 7 <sup>th</sup> January 2013, required opening of Tripartite Escrow Account(s) with Banks for estimated Mines Closure Expenditure. During the year ₹ 1,659.25 Lacs have been deposited (P Y ₹ Nil) in these accounts and an amount of ₹ 1284.56 Lacs has been considered as Mines Closure Expenses for the FY 2014-15 (P Y ₹ 1302.03 Lacs) in lignite extraction expenses.		
6. During the year, the company has made additional investment to the tune of ₹ 4,718 Lacs in its associate Bhavnagar Energy Company Ltd. (BECL). The percentage of share holding is as under :		
<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
No. of Equity Shares (F.V. ₹ 10/- each, issued at par)	<b>1,810.80 Lacs</b>	1,339.00 Lacs
Percentage (%) of Shareholding	<b>27.67%</b>	23.98%



**7. C.I.F. Value of Imports**

(₹ in lacs)

	2014-15	2013-14
Spares and Components	11.79	17.61

**8. Stores and Spares Consumed**

	2014-15		2013-14	
	Value	% to total Consumption	Value	% to total Consumption
Imported	12.88	0.29	57.24	1.39
Indigenous	4,386.35	99.71	4,059.30	98.61
<b>TOTAL</b>	<b>4,399.23</b>	<b>100.00</b>	<b>4,116.54</b>	<b>100.00</b>

**9. Payment to Auditors :**

	2014-15	2013-14
Statutory Auditors (Fees including service tax)		
Statutory Audit Fees	9.55	8.76
Tax Audit Fees	0.73	0.73
Domestic Transfer Pricing Fees	0.73	0.73
Taxation, certification and other matters	0.78	0.79
Reimbursement of Travelling & Other Expenses	0.88	0.24
	<b>TOTAL</b>	<b>11.25</b>
Cost Auditors (Fees including service tax)		
Statutory Audit Fees	1.01	1.01
XBRL Fees	0.42	0.20
	<b>TOTAL</b>	<b>1.21</b>

**10. Sale of Electrical Energy is net of reversal/adjustment admitted on commercial consideration as under:**

<u>Particulars</u>	2014-15	2013-14
Interest and Variable Charges	122.13	403.16
Depreciation & Other Fixed Charges	2.11	64.69

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

12. In accordance with the Accounting Standard – 22 'Accounting for Taxes on Income', the company has accounted for Deferred Tax on timing differences (Net of reversal during tax holiday period). Major components of Deferred Tax recognised in the accounts are:

<u>Particulars</u>	2014-15	2013-14
<b>(A) Deferred Tax Liability :</b>		
Depreciation	20,537.00	14,505.78
Others	553.91	592.47
	<b>TOTAL</b>	<b>15,098.25</b>
<b>(B) Deferred Tax Assets :</b>		
Items u/s 43 B	1,087.84	877.91
<b>Deferred Tax Liability (Net)</b>	<b>(A – B)</b>	<b>14,220.34</b>



# Gujarat Industries Power Company Limited

## 13. 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.	Promoter (with significant shareholding / influence)
Shri L Chuaungo	Key Management Personnel
GIPCL Projects and Consultancy Company Ltd.	Subsidiary Company
Bhavnagar Energy Corporation Limited	Associate Company
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the Company	MD and few officers of the company are trustees.
Urja Foundation - Welfare Trust formed by the company.	MD and few officers of the company are trustees.

### Details of Transactions

(₹ in Lacs)

Nature of Transactions	2014-15		2013-14	
	With Promoters	With Key Management Personnel	With Promoters	With Key Management Personnel
<b>(a) Value of transactions</b>				
Sales of Electrical Energy (Net of Adjustment)	90,432.17		104,768.30	
Bill Discounting Charges Recovered	3,724.60		4,387.20	
Rebate on Sales	858.30		844.87	
Dividend Paid	959.61		959.61	
Interest Payable	280.17		143.29	
Perquisites	-	2.60	-	2.43
<b>(b) Outstanding balance</b>				
Equity Contribution including Share Premium	8,635.52		8,635.52	
Receivables	10,023.24		18,755.73	

### Details of Transactions with Subsidiary Company

Nature of Transactions	2014-15	2013-14
<b>(a) Value of transactions</b>		
Facility charges	1.76	3.73
Miscellaneous Payment	0.00	0.26
<b>(b) Outstanding balance</b>		
Contribution towards Equity	25.00	25.00
Receivables	4.11	2.75

### Details of Transactions with Associate Company

Nature of Transactions	2014-15	2013-14
<b>(a) Value of transactions</b>		
Contribution towards Equity	4,718.00	7,240.00
Consultancy Services	32.29	0.00
<b>(b) Outstanding balance</b>		
Contribution towards Equity	18,108.00	13,390.00
Receivables	4.65	0.00





**Details of Transactions with NGO promoted by the Company**

<u>Nature of Transactions</u>	<u>2014-15</u>	<u>2013-14</u>
<b>Value of transactions</b>		
Contribution towards CSR activities	<b>340.51</b>	632.00
Miscellaneous	-	0.13

**14. CSR expenditure for the year 2014-15**

(₹ in Lacs)

(a) Gross amount required to be spent by the company during the year.

348.75

(b) Amount spent during the year on :

<u>Particulars</u>	<u>In Cash</u>	<u>Yet to be paid in cash</u>	<u>Total</u>
i. Construction/acquisition of any asset	0.00	0.00	0.00
ii. On purposes other than (i) above	423.62	0.00	423.62
<b>TOTAL</b>	<u>423.62</u>	<u>-</u>	<u>423.62</u>

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

<u>Particulars</u>	<u>2014-15</u>	<u>2013-14</u>
Net Profit after Tax before prior period adjustment (₹ in Lacs)	<b>12,630.73</b>	18,587.80
Net Profit after Tax after prior period adjustment (₹ in Lacs)	<b>12,630.73</b>	18,587.80
Weighted Average number of Equity Shares outstanding (Nos.)	<b>151251188</b>	151251188
Basic and Diluted Earning Per Share of ₹ 10/- each including prior period adjustment (₹)	<b>8.35</b>	12.29
Basic and Diluted Earning Per Share of ₹ 10/- each excluding prior period adjustment (₹)	<b>8.35</b>	12.29

**16. Post Employment Benefits:**

**Defined Contribution Plan**

The Company makes contributions towards provident fund, pension scheme and Superannuation Fund 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 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 ₹ **275.99 lacs** (P.Y. ₹ 280.26 lacs) for Provident Fund contributions and ₹ **64.43 lacs** (P.Y. ₹ 37.27 Lacs) for Pension Scheme in the Profit and Loss Account.

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.

The superannuation fund plan is operated by Life Insurance Corporation of India (LIC) under its scheme of superannuation. The eligible employees receive benefit under the said scheme from LIC. Under the plan, the Company is required to contribute a specified percentage of employee's basic salary to the retirement benefit plan to fund the benefits. The Company has recognised ₹ **41.45 lacs** (P.Y. ₹ 40.12 lacs) for Superannuation Fund contributions in the Profit and Loss Account.



# Gujarat Industries Power Company Limited

## 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 is also recognised in the same manner as gratuity.

Under Post retirement medical benefits, the company would reimburse a certain 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.

(₹ in lacs)

Particulars	Gratuity (Non Funded)		Post Retirement Medical Benefit Plan (Non Funded)		
	2014-15	2013-14	2014-15	2013-14	
<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	<b>1,287.94</b>	1,166.76	-	-	
Current Service Cost	<b>106.31</b>	84.66	<b>86.89</b>	79.05	
Interest Cost	<b>119.91</b>	96.26	-	-	
Actuarial (gain)/loss	<b>177.42</b>	4.12	-	-	
Benefits paid	<b>(74.42)</b>	(63.86)	-	-	
Present Value of Defined Benefit obligation at year end	<b>1,617.16</b>	1,287.94	<b>86.89</b>	79.05	
<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	<b>1,617.16</b>	1,287.94	<b>86.89</b>	79.05	
Liabilities recognized in Balance Sheet	<b>1,617.16</b>	1,287.94	<b>86.89</b>	79.05	
<b>III. Expense recognized during the year</b>					
Current Service Cost	<b>106.31</b>	84.66	<b>86.89</b>	79.05	
Interest Cost	<b>119.91</b>	96.26	-	-	
Actuarial (gain)/loss	<b>177.42</b>	4.12	-	-	
Expected return on plan assets	-	-	-	-	
Total Expenses/(Gain) recognized in Profit and loss account	<b>403.64</b>	185.04	<b>86.89</b>	79.05	
<b>IV. Actuarial assumptions</b>					
Mortality Table (Indian Assured Lives Mortality)	<b>2006-08 (Ultimate)</b>	2006-08 (Ultimate)	<b>2006-08 (Ultimate)</b>	2006-08 (Ultimate)	
Discount rate (per annum)	<b>7.99%</b>	9.31%	<b>7.99%</b>	9.31%	
Rate of escalation in salary (per annum)	<b>6.00%</b>	6.00%	<b>NA</b>	NA	
<b>V. Amounts for the current and previous periods - Gratuity (Non Funded)</b>					
	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Defined benefit obligation	<b>1617.16</b>	1287.94	1166.76	937.99	744.63
Experience loss(gain) on plan liabilities	<b>17.05</b>	120.54	80.57	111.98	198.50



## VI. Amounts for the current and previous periods - Post Retirement Medical Benefit Plan (Non Funded)

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Defined benefit obligation	<b>86.89</b>	79.05	77.07	52.99	43.57
Experience loss(gain) on plan liabilities	<b>NA</b>	NA	NA	NA	NA

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.

17. 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 ₹ **94.53 Lacs** (Previous Year ₹ 62.50 lacs). Payment made to suppliers beyond the due date during the year was ₹ **Nil** (P.Y. ₹ 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 ₹ **Nil** (P.Y. ₹ Nil).
18. 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.
19. 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. Confirmations of balances to the extent received have been reconciled.
20. During the year, one-fifth of Share issue expenses amounting to ₹ **255.27 Lacs** (Previous Year ₹ 255.27 Lacs) have been amortised on a prorata basis.
21. Ministry of Corporate Affairs vide general circular no. 2/2011 dated 8<sup>th</sup> February, 2011, has granted the general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of certain conditions. The company, having satisfied with the conditions of the circular, is entitled for the exemptions. Necessary information regarding subsidiary has been included in the consolidated financial statements.
22. The company has reclassified the previous year figures as and when required for better presentation.

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuungo**  
Chairman

**A. C. Shah**  
Company Secretary



## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO,  
THE BOARD OF DIRECTORS OF  
GUJARAT INDUSTRIES POWER COMPANY LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Gujarat Industries Power Company Limited** (the Company) and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and associates, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

### **Management's Responsibility for Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (herein referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to the fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under the Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31<sup>st</sup> March, 2015, and their consolidated profit and their cash flows for the year ended on that date.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



## Other Matters

The consolidated financial statements also include the Group's share of net loss of ₹ 1 lakh (post acquisition) for the year ended 31st March, 2014 (Being the last available audited financials), as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company & Subsidiary Company, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations and claims on the consolidated financial position of the Group and its associates – Refer Note 28 to the consolidated financial statements.
  - (ii) The Group and its associates has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company. There is no amount, which is required to be transferred, to the Investor Education and Protection Fund by the Subsidiary company and associate companies.

**For VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
M.No: 048169

Place: Vadodara  
Dated: 13<sup>th</sup> June, 2015



# Gujarat Industries Power Company Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	(₹ in Lacs)	
		AS AT 31-03-2015	AS AT 31-03-2014
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	15,125.12	15,125.12
Reserves and Surplus	2	168,534.97	160,456.20
<b>Non-current Liabilities :</b>			
Long-term borrowings	3	43,170.64	53,682.72
Deferred tax liabilities (Net)		20,003.07	14,220.34
Other long term liabilities	4	1,103.52	1,080.49
Long-term provisions	5	2,964.82	2,425.31
<b>Current Liabilities :</b>			
Short-term borrowings	6	6,960.86	7,355.52
Trade payables	7	8,758.60	8,334.74
Other current liabilities	8	28,477.87	31,346.89
Short-term provisions	9	6,093.67	5,209.60
<b>TOTAL</b>		<b>301,193.14</b>	<b>299,236.93</b>
<b>II. ASSETS</b>			
<b>Non - Current Assets :</b>			
<b>Fixed Assets :</b>			
Tangible Assets	10	188,414.13	198,807.64
Intangible Assets	10	453.31	249.21
Capital Work in Progress	10	4,283.07	2,079.27
Mines Development Expenditure (To be amortised)	11	5,756.56	6,660.40
Non-current Investments	12	20,687.68	15,970.68
Long-term loans and advances	13	11,144.05	4,840.76
Other non-current assets	14	1,811.55	182.00
<b>Current Assets :</b>			
Inventories	15	14,786.08	12,011.12
Trade Receivables	16	12,844.02	22,263.49
Cash and Bank Balances	17	36,596.52	31,578.47
Short-term loans and advances	18	2,530.80	3,934.02
Other current assets	19	1,885.37	659.87
<b>TOTAL</b>		<b>301,193.14</b>	<b>299,236.93</b>
Significant Accounting Policies	27		
See Accompanying notes to the financial statements	28		

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuaungo**  
Chairman

**A. C. Shah**  
Company Secretary



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

		(₹ in Lacs)	
<u>Particulars</u>	<u>Note No.</u>	<u>For the Year ended 31-03-2015</u>	<u>For the Year ended 31-03-2014</u>
<b>REVENUE :</b>			
Revenue from Operations	20	121,472.22	137,683.90
Other Income	21	4,323.63	3,084.66
<b>TOTAL REVENUE</b>		<b>125,795.85</b>	<b>140,768.56</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	22	57,536.75	70,231.39
Generation Expenses	23	11,294.72	10,897.83
Employee Benefits Expense	24	6,747.78	6,057.29
Finance Cost	25	7,800.27	8,827.13
Depreciation	10	12,003.27	15,550.82
Expenses Amortised		255.27	255.27
CSR Expenses		423.62	661.14
Other expenses	26	2,933.96	2,539.35
<b>TOTAL EXPENSES</b>		<b>98,995.64</b>	<b>115,020.22</b>
<b>Profit before exceptional item and tax</b>		<b>26,800.21</b>	<b>25,748.34</b>
<b>Exceptional Items (Replacement &amp; major repairs)</b>		<b>1,850.74</b>	<b>0.00</b>
<b>Profit before Tax</b>		<b>24,949.47</b>	<b>25,748.34</b>
<b>Tax Expenses</b>			
Current Tax (Net of MAT Credit Adjustment)		6,231.15	4,418.39
Wealth Tax		103.81	0.00
Deferred Tax		5,782.73	2,140.74
Tax adjustment for earlier years		196.53	591.53
<b>Profit For the Period before share of Associates</b>		<b>12,635.25</b>	<b>18,597.68</b>
Profit/(Loss) of Associate on consolidation		(1.00)	0.00
<b>Profit For the Period after share of Associates</b>		<b>12,634.25</b>	<b>18,597.68</b>
Proposed Dividend		3,781.28	3,781.28
Corporate Dividend Tax		774.20	642.63
Earning Per Share (Basic and Diluted) including prior period adjustments (In Rupees)		8.35	12.29
Earning Per Share (Basic and Diluted) excluding prior period adjustments (In Rupees)		8.35	12.29
Significant Accounting Policies	27		
See Accompanying notes to the financial statements	28		

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuaungo**  
Chairman

**A. C. Shah**  
Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

Sr. No.	Particulars	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>A.</b>	<b>Cash Flow From Operating Activities :</b>		
	Net Profit before Taxes and Extraordinary items	24,948.47	25748.34
	Adjustment for :		
	Depreciation	12,003.27	15,550.82
	Amortisation of share issue expenses	255.27	255.27
	Finance costs	7,800.27	8,827.13
	Loss on sale / write off of assets	20.00	3.90
	(Profit) on sale / write off of assets	0.00	(0.59)
	Interest Income	(3,450.67)	(2,139.46)
	Dividend	(44.13)	(39.62)
		<u>16,584.01</u>	<u>22,457.45</u>
	<b>Operating Profit Before Working Capital Changes</b>	<b>41,532.48</b>	<b>48,205.79</b>
	Adjustment for :		
	Trade Receivables	9,419.25	(5,117.55)
	Inventories	(2,774.96)	68.66
	Loans and Advances	(3,842.87)	(825.82)
	Other Assets	(2,240.52)	(76.95)
	Trade payables	446.89	2,246.92
	Other current liabilities and provisions	(2,368.28)	(270.21)
		<u>(1,360.03)</u>	<u>(3,974.95)</u>
	<b>Cash Generated from Operations</b>	<b>40,172.45</b>	<b>44,230.84</b>
	Payment of Direct Taxes	(6,884.08)	(4,387.10)
	<b>Net Cash Flow from Operating Activities (TOTAL - A)</b>	<b>33,288.37</b>	<b>39,843.74</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Purchase/Adj. of Fixed Assets including Capital Work in Progress	(4,039.72)	(2,614.52)
	Purchase of Investments	(4,717.00)	(9,090.00)
	Sale of Fixed Assets	2.06	2.09
	Mines Development Expenditure (To be amortised)	903.84	920.40
	Interest Received	2,580.63	2,109.99
	Dividend Received	44.13	39.62
	<b>Net Cash Flow from Investing Activities (TOTAL - B)</b>	<b>(5,226.06)</b>	<b>(8,632.42)</b>





**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lacs)

Sr. No.	Particulars	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Repayment of long-term borrowings	(10,512.08)	(10,512.08)
	Net increase / (decrease) in working capital borrowings	1,125.34	(1,931.67)
	Repayment of other short-term borrowings	(1,520.00)	(1,520.00)
	Finance Cost Paid	(7,834.45)	(8,866.83)
	Dividend on Equity Paid	(3,660.44)	(3715.56)
	Tax on Dividend Paid	(642.63)	(642.63)
	<b>Net Cash Flow from Financing Activities (TOTAL - C)</b>	<u>(23,044.26)</u>	<u>(27,188.77)</u>
	<b>Net Increase in Cash and Cash Equivalents (TOTAL - A+B+C)</b>	<u>5,018.05</u>	<u>4,022.55</u>
	<b>Opening Cash and Cash Equivalents</b>	31,578.47	27,555.92
	<b>Closing Cash and Cash Equivalents</b>	36,596.52	31,578.47
<b>Notes:</b>			
1. The Cash flow statement has been prepared by the indirect method as set out in the Accounting Standard-3 on "Cash Flow Statements".			
2. Cash and Cash equivalents includes :			
	Cash on hand	1.87	1.48
	With Scheduled Banks :		
	Current Accounts	364.27	14.64
	Deposit Accounts	<u>36,230.38</u>	<u>31,562.35</u>
		<u>36,594.65</u>	<u>31,576.99</u>
	<b>TOTAL</b>	<u>36,596.52</u>	<u>31,578.47</u>

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuaungo**  
Chairman

**A. C. Shah**  
Company Secretary



# Gujarat Industries Power Company Limited

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Lacs)	
		AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 1 - SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
32,50,00,000	Equity Shares of ₹ 10/-each	32,500.00	32,500.00
50,00,000	Equity Shares of ₹ 10/-each	500.00	500.00
61,00,000	Cumulative Redeemable Preference Shares (With dividend not exceeding 15% p.a.) of ₹ 100/- each	6,100.00	6,100.00
<b>TOTAL</b>		<b>39,100.00</b>	<b>39,100.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
15,12,51,188	Equity Shares of ₹ 10/-each fully paid	15,125.12	15,125.12
<b>TOTAL</b>		<b>15,125.12</b>	<b>15,125.12</b>

### List of share holders holding more than 5% shares

Name of Share Holders	2014-15		2013-14	
	Percentage (%)	No. of shares	Percentage (%)	No. of shares
Gujarat Urja Vikas Nigam Ltd.	25.38	38384397	25.38	38384397
Gujarat Alkalies & Chemicals Ltd.	15.27	23088980	15.27	23088980
Gujarat State Fertilizers & Company Ltd.	14.79	22362784	14.79	22362784

		(₹ in Lacs)	
		AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 2 - RESERVES AND SURPLUS</b>			
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet		3,455.88	3,455.88
<b>Expansion Reserve</b>			
As per last Balance Sheet		61,000.00	56,000.00
Add : Transferred from Profit and Loss Account		5,000.00	5,000.00
		<b>66,000.00</b>	61,000.00
<b>Securities Premium Account</b>			
As per last Balance Sheet		33,316.97	33,316.97
<b>General Reserve</b>			
As per last Balance Sheet		53,870.00	46,370.00
Add : Transferred from Profit and Loss Account		7,500.00	7,500.00
		<b>61,370.00</b>	53,870.00
<b>SURPLUS</b>			
As per last Balance Sheet		8,813.35	7,139.58
Add : Profit available for appropriation		12,634.25	18,597.68
Amount available for appropriation		21,447.60	25,737.26
Less : Appropriations :			
Transfer to Expansion Reserve		5,000.00	5,000.00
Transfer to General Reserve		7,500.00	7,500.00
Proposed Dividend		3,781.28	3,781.28
Corporate Dividend Tax		774.20	642.63
<b>TOTAL</b>		<b>4,392.12</b>	8,813.35
		<b>168,534.97</b>	<b>160,456.20</b>

All above reserves except capital redemption reserve are free reserves.



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 3 - LONG TERM BORROWINGS</b>		
Secured Loans :		
Term Loan From Banks	43,170.64	53,682.72
<b>TOTAL</b>	<b>43,170.64</b>	<b>53,682.72</b>

**NOTE NO. 3(a)**

The Term Loans from Banks 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 Plants (Phase II - Unit 3 and 4) at Surat.

**NOTE NO. 3(b)**

Name of Banks	Outstanding Amt. as on 31.03.2015	Maturity Period from 31.03.2015 (in Months)	Amount of Instalments per quarter	Oustanding Amt. as on 31.03.2014
Central Bank of India	5,000.00	60	250.00	6,000.00
State Bank of India	2,625.00	63	125.00	3,125.00
Bank of Baroda	5,250.00	63	250.00	6,250.00
Oriental Bank of Commerce	10,000.00	60	500.00	12,000.00
Union Bank of India	10,500.00	63	500.00	12,500.00
IDBI Bank Ltd.	7,182.72	57	378.02	8,694.80
State Bank of Bikaner & Jaipur	2,625.00	63	125.00	3,125.00
Canara Bank	5,000.00	60	250.00	6,000.00
Karur Vysya Bank Ltd.	5,500.00	66	250.00	6,500.00
<b>TOTAL</b>	<b>53,682.72</b>		<b>2,628.02</b>	<b>64,194.80</b>

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 4 - OTHER LONG TERM LIABILITIES</b>		
Trade Payable	1,048.06	1,012.98
Others	55.46	67.51
<b>TOTAL</b>	<b>1,103.52</b>	<b>1,080.49</b>

**NOTE NO. 5 - LONG TERM PROVISIONS**

Employee Benefits	2,964.82	2,425.31
<b>TOTAL</b>	<b>2,964.82</b>	<b>2,425.31</b>



## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 6 - SHORT TERM BORROWINGS</b>		
<b>Secured Loans :</b>		
Working Capital Loans from Banks	6,960.86	5,835.52
<b>Unsecured Loans</b>		
From Others	0.00	1,520.00
<b>TOTAL</b>	<b>6,960.86</b>	<b>7,355.52</b>
<b>NOTE NO. 6 (a)</b>		
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.		
<b>NOTE NO. 7 - TRADE PAYABLE</b>		
Micro and Small Enterprises	94.53	62.50
Other than Micro and Small Enterprises	8,664.07	8,272.24
<b>TOTAL</b>	<b>8,758.60</b>	<b>8,334.74</b>
<b>NOTE NO. 8 - OTHER CURRENT LIABILITIES</b>		
Current Maturities of long term debts	10,512.08	10,512.08
Interest Accrued but not due on borrowings	31.14	65.32
Advance from customers	25.88	48.01
Items covered by IEPF		
Unclaimed Dividends	357.94	237.10
Unclaimed Interest on Debentures/Deposits	2.20	2.20
Security Deposits	1,287.18	1,574.82
Other Payable	2,083.95	4,930.70
Project Creditors	13,976.58	13,761.41
Statutory Dues	200.92	215.25
<b>TOTAL</b>	<b>28,477.87</b>	<b>31,346.89</b>
<b>NOTE NO. 9 - SHORT TERM PROVISIONS</b>		
Employee Benefits	352.77	304.88
Current Tax (Net of Advance)	1,185.42	480.81
Proposed Dividend	3,781.28	3,781.28
Corporate Dividend Tax	774.20	642.63
<b>TOTAL</b>	<b>6,093.67</b>	<b>5,209.60</b>



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 10 - FIXED ASSETS

(₹ in Lacs)

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
	As at 01-04-2014	Addition/ Adjustment during the year	Adjustment/ Deduction during the year	As on 31-03-2015	Upto 01-04-2014	For the Year	Adjustment/ Deduction during the Year	Upto 31-03-2015	As on 31-03-2015	As at 31-03-2014
<b>A. TANGIBLE ASSETS</b>										
(1) Land										
Lease hold	603.85	0.00	0.00	603.85	136.43	6.10	0.00	142.53	0.00	461.32
Free hold	18,097.21	313.74	(30.75)	18,380.20	0.00	0.00	0.00	0.00	0.00	18,380.20
(2) Buildings										
Factory Buildings	35,768.94	722.40	0.00	36,491.34	9,797.92	1,345.60	0.02	11,143.54	0.00	25,347.80
Non Factory Buildings	8,187.83	6.16	(3.12)	8,190.87	1,762.79	274.09	(0.75)	2,036.13	0.00	6,154.74
(3) Plant and Machinery	307,610.87	353.51	(31.94)	307,932.44	162,029.00	9,801.33	(10.80)	171,819.53	507.95	135,604.96
(4) Capital Spares	7,062.17	0.00	0.00	7,062.17	5,768.95	313.57	0.00	6,082.52	0.00	979.65
(5) Furniture and Fixtures	548.15	11.25	0.00	559.40	278.48	22.17	0.38	301.03	0.00	258.37
(6) Office equipments	2,022.32	162.16	(18.01)	2,166.47	851.18	138.82	(17.09)	972.91	0.00	1,193.56
(7) Vehicles	110.49	0.00	0.00	110.49	71.49	5.46	0.01	76.96	0.00	33.53
<b>TOTAL - A</b>	380,011.83	1,569.22	(83.82)	381,497.23	180,696.24	11,907.14	(28.23)	192,575.15	507.95	188,414.13
<b>B. INTANGIBLE ASSETS</b>										
(8) Computer Software	517.48	300.23	0.00	817.71	268.27	96.13	0.00	364.40	0.00	453.31
(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
<b>TOTAL - B</b>	622.82	300.23	0.00	923.05	373.61	96.13	0.00	469.74	0.00	453.31
<b>TOTAL (A+B)</b>	380,634.65	1,869.45	(83.82)	382,420.28	181,069.85	12,003.27	(28.23)	193,044.89	507.95	188,867.44
Previous year	379,391.35	1,705.04	(461.74)	380,634.65	165,554.16	15,550.82	(35.13)	181,069.85	507.95	199,056.85
<b>Capital Work-in-Progress</b>										4,283.07

Notes:

- Leasehold land is obtained as a permitted transferee as per agreement with GIDC/ IPCL.
- The conveyance of title for 1.04 hectares of free hold land of value ₹ 15.54 Lacs (previous year 1.04 hectares of value ₹ 15.54 Lacs) in favour of the Company are awaiting completion of legal formalities.
- Land includes 27.63 hectares of value ₹ 397.38 Lacs (Previous Year 30.25 hectares of value ₹ 441.84 Lacs), the process of possession and conveyance of title in favour of the Company are awaiting of legal formalities.
- The Government of Gujarat vide its various orders have granted mining lease for lignite for 30 years from respective dates covering the area of 3565 hectares. The said lease provides to use all lignite excavated from the above area for captive use in existing / proposed power plants of the company. The said areas include 80 hectares of land for lime stone also.



# Gujarat Industries Power Company Limited

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 11 - MINES DEVELOPMENT EXPENDITURE (TO BE AMORTISED)</b>		
Initial Development Expenses	5,756.56	6,660.40
<b>TOTAL</b>	<b>5,756.56</b>	<b>6,660.40</b>
<b>NOTE NO. 12 - NON -CURRENT INVESTMENTS</b>		
(Trade - unless otherwise specified)		
<b>Investments in Equity Instruments</b>		
<b>QUOTED</b>		
11,03,360 Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	551.68	551.68
<b>UNQUOTED</b>		
<b>With Associate (Bhavanagar Energy Company Limited)*</b>		
Opening Carrying cost of investment	13,390.00	5,000.00
13,39,00,000 Equity Shares of ₹ 10 each (Fully paid) (Previous year 5,00,00,000 shares)		
Add : Purchase value of Investment	0.00	8,269.49
Add : Goodwill on acquisition	0.00	120.51
Add : Loss on consolidation	(1.00)	0.00
Add : Shares Purchased during the Year	4,718.00	0.00
	<b>18,107.00</b>	<b>13,390.00</b>
<b>With Others</b>		
97,18,181 Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid)	1,019.00	1,019.00
1,00,000 Equity Shares of GSPC Gas Company Limited of ₹ 10 each (Fully paid)	10.00	10.00
1,00,00,000 Equity Shares of GSPC LNG Limited of ₹ 10 each (Fully paid)	1,000.00	1,000.00
	<b>20,136.00</b>	<b>15,419.00</b>
<b>TOTAL</b>	<b>20,687.68</b>	<b>15,970.68</b>
Aggregate cost of Quoted Investments	551.68	551.68
Market value of Quoted Investments	1,764.27	2,007.56
Aggregate cost of Unquoted Investments	20,162.00	15,444.00
*Refer Note No. 28.2		
<b>NOTE NO. 13 - LONG TERM LOANS &amp; ADVANCES</b>		
<b>Secured (Considered good)</b>		
Loan to Employees	0.83	1.77
Capital Advance	7,019.18	4.12
<b>Unsecured Considered good</b>		
Capital Advance	93.82	838.15
Security Deposits	146.47	150.45
Other loans & Advances	12.50	1,032.22
Advance Tax (Net of Provisions)	3,871.25	2,814.05
<b>TOTAL</b>	<b>11,144.05</b>	<b>4,840.76</b>



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lacs)	
	AS AT 31-03-2015	AS AT 31-03-2014
<b>NOTE NO. 14 - OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured Considered good)</b>		
Trade Receivables	0.00	0.00
Escrow Account (Mines Closure)	1,662.78	0.00
Others	148.77	182.00
<b>TOTAL</b>	<u>1,811.55</u>	<u>182.00</u>
<b>NOTE NO. 15 - INVENTORIES</b>		
Raw Materials (Fuel)	3,940.86	2,029.32
Stores and Spares	10,845.22	9,981.80
<b>TOTAL</b>	<u>14,786.08</u>	<u>12,011.12</u>
<b>NOTE NO. 16 - TRADE RECEIVABLES</b>		
<b>(Unsecured - Considered Good)</b>		
Over Six Months	0.00	0.00
From Related Parties	10,023.24	18,755.42
Others	2,820.78	3,508.07
<b>TOTAL</b>	<u>12,844.02</u>	<u>22,263.49</u>
<b>NOTE NO. 17 - CASH &amp; BANK BALANCES</b>		
Cash on hand	1.87	1.48
<b>Other bank balances :</b>		
Current Accounts	364.27	14.64
Deposit Accounts	36,230.38	31,562.35
	<u>36,594.65</u>	<u>31,576.99</u>
<b>TOTAL</b>	<u>36,596.52</u>	<u>31,578.47</u>
<b>NOTE NO. 18 - SHORT TERM LOANS AND ADVANCES</b>		
<b>Secured (Considered good)</b>		
Loan to Employees	1.30	2.81
<b>Unsecured Considered good</b>		
Other loans & Advances	2,529.50	2,931.21
<b>MAT Credit Entitlement:</b>		
Opening Balance	1,000.00	0.00
Add : Addition during the year	134.00	1,000.00
	<u>1,134.00</u>	<u>1,000.00</u>
Less : MAT credit utilised	1,134.00	0.00
Closing Balance	0.00	1,000.00
<b>TOTAL</b>	<u>2,530.80</u>	<u>3,934.02</u>
<b>NOTE NO. 19 - OTHER CURRENT ASSETS</b>		
Unamortised expenses	106.36	255.27
Other receivables	507.94	3.57
Interest Accrued	1,271.07	401.03
<b>TOTAL</b>	<u>1,885.37</u>	<u>659.87</u>



## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lacs)	
	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>NOTE NO. 20 - REVENUE FROM OPERATIONS</b>		
Sale of Electrical Energy	120,905.87	137,103.55
Sale of services	43.60	16.30
Other operating Revenues	529.90	571.09
Excise Duty	(7.15)	(7.04)
<b>TOTAL</b>	<b>121,472.22</b>	<b>137,683.90</b>
<b>NOTE NO. 21 - OTHER INCOME</b>		
Interest on Deposits (Tax deducted at source ₹ 186.89 Lacs Previous year ₹ 158.73 Lacs)	3,036.18	1,805.88
Other Interest	414.49	333.58
Dividend	44.13	39.62
Insurance Claims	717.00	497.65
Liquidated Damages	35.53	329.47
Miscellaneous	76.30	78.46
<b>TOTAL</b>	<b>4,323.63</b>	<b>3,084.66</b>
<b>NOTE NO. 22 - COST OF MATERIAL CONSUMED</b>		
Consumption of Gas	33,782.58	50,050.17
Consumption of Lignite	27,163.26	25,625.01
Consumption of Lime Stone	2,631.14	726.51
Consumption of Furnace oil	1,381.07	1,254.56
Consumption of Imported Coal	840.52	0.00
Lignite Extraction Expenses	20,187.79	17,682.94
Inter Division transfer	(28,449.61)	(25,107.80)
<b>TOTAL</b>	<b>57,536.75</b>	<b>70,231.39</b>
<b>NOTE NO. 23 - GENERATION EXPENSES</b>		
Consumption of Stores and Spares	4,399.23	4,116.54
Water Charges	1,356.44	1,290.56
Electricity Charges	1,039.35	695.64
Insurance	528.01	852.72
Operation Expenses	2,578.37	2,089.89
Repairs and Maintenance to Plant and Machinery	1,393.32	1,852.48
<b>TOTAL</b>	<b>11,294.72</b>	<b>10,897.83</b>
<b>NOTE NO. 24 - EMPLOYEES BENEFIT EXPENSES</b>		
Salary and Wages	4,236.69	4,152.36
Contribution to Provident, Pension and Superannuation Fund	386.99	364.55
Welfare Expenses and Other Benefits	2,124.10	1,540.38
<b>TOTAL</b>	<b>6,747.78</b>	<b>6,057.29</b>





**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	For the Year ended 31-03-2015	For the Year ended 31-03-2014
<b>Note No. 25 - FINANCE COST</b>		
Interest on:		
Fixed Term Loans	6,476.39	7,707.15
Cash Credit / Working Capital Demand Loans	24.18	8.11
Others	318.07	148.81
Bank Charges and Commission	123.33	118.19
Cash Rebate on Sales	858.30	844.87
<b>TOTAL</b>	<b>7,800.27</b>	<b>8,827.13</b>
<b>Note No. 26 - OTHER EXPENSES</b>		
Repairs and Maintenance :		
Buildings	666.32	492.99
Others	184.77	92.14
Rent	2.94	8.55
Rates and Taxes	236.93	237.38
Communication Expenses	67.19	72.70
Travelling & Conveyance Expenses	360.86	376.72
Legal, Professional and Consultancy Fees	94.24	72.54
Miscellaneous Expenses (includes membership, office, security, advertisement, software maintenance, audit fees and registrar & transfer fees etc.)	1,320.71	1,186.33
<b>TOTAL</b>	<b>2,933.96</b>	<b>2,539.35</b>



## NOTE NO. 27 : SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENTS

### 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 as described under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rule, 2014 have been followed in preparation of these financial statement, except in so far as the said provisions are inconsistent with the provision of the Electricity Act,2003.

### 2. PRINCIPLES OF CONSOLIDATION :

The Consolidated Financial Statements have been prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), Accounting Standard 21 (AS-21) - "Consolidated Financial Statements", Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements".

- a. The Financial Statements of the Parent Company and its subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating inter - company balances and transactions and resulting unrealised profits or losses unless cost cannot be recovered.
- b. Investment in associates are accounted for using equity method as per Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

### 3. 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.

### 4. FIXED ASSETS

- a. 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. The cost may undergo changes, where applicable, subsequent to its acquisition/construction on account of exchange rate variations agreed under Capital Contracts.
- b. Intangible Assets are recognized 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.
- c. 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.
- d. Works under erection/installation /execution (including such work pertaining to a new project) are shown as Capital Work in Progress.
- e. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

### 5. DEPRECIATION

- a. Depreciation on all fixed assets (except those listed below) is provided on straight line method as per rates and methodology notified by the CERC Tariff Regulation, 2014.
- b. Computer software is amortized on straight-line basis over a period of five years.
- c. Leasehold land is amortized over the period of lease on straight-line basis.
- d. Capital Spares are depreciated over the useful life of such spares.



## 6. 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.

## 7. INVENTORIES

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

Inventories	Cost Formula
a. Raw Materials - Fuel (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

## 8. 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.

## 9. 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, 1961 and Wealth Tax Act, 1957.
- Deferred tax is recognized subject to consideration of prudence, on timing differences (including tax holiday period) that originate in one period and are capable of reversal in one or more subsequent periods between taxable income and accounting income. Deferred tax assets and liabilities are measured using the rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
- MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement.
- Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision and company intends to settle the asset and liability on a net basis.

## 10. 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.

## 11. REVENUE RECOGNITION

- a. Revenue 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. Other income is recognised on accrual basis except when realization of such income is uncertain.

## 12. 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.

## 13. 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.

## 14. 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.



## NOTE NO. 28 : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Considering the general circular No. 39/2014 dated 14<sup>th</sup> October, 2014 the disclosure relevant to consolidated financial statement is provided.
2. Investment in associates are accounted for using equity method as per Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates.

During the year, the company has made additional investment to the tune of ₹ 4,718 Lacs in its associate Bhavnagar Energy Company Ltd. (BECL). The percentage of share holding is as under :

<u>Particulars</u>	<u>2014-15</u>	<u>2013-14</u>
No. of Equity Shares (F.V. ₹ 10/- each, issued at par)	<b>1,810.80 Lacs</b>	1,339.00 Lacs
Percentage (%) of Shareholding	<b>27.67%</b>	23.98%

The Consolidated Financial statements include the share of profit/ loss of said associate considering the last available audited results of 2013-14. Though the Company has made additional investment during the year resulting into a change in the shareholding, the carrying amount of such investments at that time has not been adjusted as the audited / unaudited financial results on the dates of such addition and as on 31.03.2015 are not available.

During the previous year (2013-14), BECL became an associate as on 16.01.2014. The carrying cost of investment as of 31.01.2014 was considered for consolidation in that year and share of profit / loss on consolidation post acquisition was not captured.

Further, during the year 2014-15, the previous year's figures i.e. of 2013-14 has not been considered for comparison taking the audited result as on 31.03.2013 since BECL was not an associate as on that date.

During the year, for consolidation purpose, the profit/ loss of associate as per audited results are not adjusted/recasted to give the effect of different accounting policies adopted by BECL considering the materiality aspect. It may be noted that the associate company BECL is under project implementation stage and yet to start the commercial operations.

The capital commitments and contingent liabilities as mentioned in the last audited balance sheet as on 31.03.2014 of BECL is summarised as under :

I) Capital Commitment :

Estimated Contracts remain to be executed – Not provided for : ₹ 70,930.44 Lacs as on 31/3/2014  
(P.Y. ₹ 144,131.86 Lacs).

II) Contingent Liability not provided for :

- i) Liquidated Damages leviable by Gujarat Urja Vikas Nigam Limited as per PPA, will be ascertained only after commercial operations Unit – 1 & 2.
- ii) Differential amounts due to admissibility of Service Tax charged by the contractors but not acknowledged as debt.
  - Shapoorji Pallonji & Co. Ltd. – ₹ 869.91 Lacs (difference in rate)
  - Tata Consulting Engineers Ltd. – ₹ 3.99 Lacs. (basis of charge)
- iii) Land Acquisition : Demand for upward revision of value of land approx. ₹ 273.58 Lacs. – Not acknowledged as debt.
- iv) Claim of BHEL towards price escalation for Unit – 2 amounting to ₹ 614.41 Lacs. not accepted by Company.
- v) Difference in balance confirmation from major creditors to the tune of ₹ 638.88 Lacs. remain unaccounted in the Books, thereby understating capital work in progress and liability by that amount.



# Gujarat Industries Power Company Limited

### 3. Payment to Auditors :

Particulars	(₹ in Lacs)	
	<u>2014-15</u>	<u>2013-14</u>
Statutory Auditors (Fees including service tax)		
Statutory Audit Fees	9.78	8.99
Tax Audit Fees	0.73	0.73
Domestic Transfer Pricing Fees	0.73	0.73
Taxation, certification and other matters	0.87	0.79
Reimbursement of Travelling & Other Expenses	0.88	0.32
<b>TOTAL</b>	<b>12.99</b>	<b>11.56</b>

### 4. 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	Promoter (with significant shareholding / influence)
Shri L Chuaungo, IAS	Key Management Personnel
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the Company	MD and few officers of the company are trustees.
Urja Foundation - Welfare Trust formed by the company.	MD and few officers of the company are trustees.

#### Details of Transactions

Nature of Transactions	(₹ in Lacs)			
	2014-15		2013-14	
	With Promoters	With Key Management Personnel	With Promoters	With Key Management Personnel
<b>(A) Value of transactions</b>				
Sales of Electrical Energy (Net of Adjustment)	90,432.17		104,768.30	
Bill Discounting Charges Recovered	3,724.60		4,387.20	
Rebate on Sales	858.30		844.87	
Dividend Paid	959.61		959.61	
Interest Payable	280.17		143.29	
Perquisites	-	2.60	-	2.43
<b>(B) Outstanding balance</b>				
Equity Contribution including Share Premium	8,635.52		8,635.52	
Receivables	10,023.24		18,755.42	

#### Details of Transactions with NGO promoted by the Company

Nature of Transactions	(₹ in Lacs)	
	<u>2014-15</u>	<u>2013-14</u>
<b>Value of transactions</b>		
Contribution towards CSR activities	340.51	632.00
Miscellaneous	0.00	0.13



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

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Net Profit after Tax before prior period adjustment (₹ in Lacs)	<b>12,634.25</b>	18,597.68
Net Profit after Tax after prior period adjustment (₹ in Lacs)	<b>12,634.25</b>	18,597.68
Weighted Average number of Equity Shares outstanding (Nos.)	<b>151251188</b>	151251188
Basic and Diluted Earning Per Share of ₹ 10/- each including prior period adjustment (₹)	<b>8.35</b>	12.29
Basic and Diluted Earning Per Share of ₹ 10/- each excluding prior period adjustment (₹)	<b>8.35</b>	12.29

6. 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.
7. 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. Confirmations of balances to the extent received have been reconciled.
8. The company has regrouped/reclassified the previous year figures as and when required for better presentation and comparison.
9. Information as per Schedule III of section 129 of the Companies Act, 2013 is provided as under :

Particulars	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated net assets	Amount (₹ in Lacs)
Parent	Gujarat Industries Power Company Limited	91.26	188,207.54	99.97	12,630.73
Indian Subsidiaries	GIPCL Projects and Consultancy Company limited	0.02	34.03	0.04	4.52
Minority Interests in all subsidiaries	NIL being 100% subsidiary				
Indian Associates (Investment as per the equity method)	Bhavnagar Electricity Company Limited	8.72	17,986.49	(0.01)	(1.00)
<b>TOTAL</b>		<b>100.00</b>	<b>206,228.07</b>	<b>100.00</b>	<b>12,634.25</b>

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169

Place : Vadodara.  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO

Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuaungo**  
Chairman

**A. C. Shah**  
Company Secretary



# Gujarat Industries Power Company Limited

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts)

(₹ in Lacs)

Sr. No.	Name of the subsidiary	GIPCL PROJECTS & CONSULTANCY COMPANY LIMITED
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as parent company
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
3.	Share capital	25.00
4.	Reserves & Surplus	9.03
5.	Total Assets	39.92
6.	Total Liabilities	5.89
7.	Investments	0.00
8.	Turnover	6.53
9.	Profit before taxation	6.66
10.	Provision for taxation	2.14
11.	Profit after taxation	4.52
12.	Proposed Dividend	NIL
13.	% of shareholding	100%
	Names of subsidiaries which are yet to commence operations	Nil
	Names of subsidiaries which have been liquidated or sold during the year.	Nil

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lacs)

Sr. No.	Name of Associates	BHAVNAGAR ENERGY COMPANY LIMITED
1.	Latest audited Balance Sheet Date	31.03.2014
2.	Shares of Associate held by the company on the year ended 31.03.2014	
	No. of Equity Shares of ₹ 10/- each	1339 Lacs
	Amount of Investment in Associates	13,390
	Extend of Holding %	23.98%
3.	Description of how there is significant influence	Shareholding above 20%
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	13,268.49
6.	Profit / (Loss) for the year	(50.18)
	i. Considered in Consolidation	(12.03)
	ii. Not Considered in Consolidation	(38.15)
	Names of associates which are yet to commence operations	BHAVNAGAR ENERGY COMPANY LIMITED
	Names of associates which have been liquidated or sold during the year	Nil

As per our report of even date attached

For **VCA & Associates**  
Chartered Accountants  
FRN: 114414W

**Ashok Thakkar**  
Partner  
Membership No. 48169  
Place : Vadodara  
Date : 13<sup>th</sup> June, 2015.

**Sonal Mishra**  
Managing Director

**S. P. Desai**  
CGM & CFO  
Place : Gandhinagar.  
Date : 22<sup>nd</sup> May, 2015.

**L. Chuaungo**  
Chairman

**A. C. Shah**  
Company Secretary





## GUJARAT INDUSTRIES POWER COMPANY LIMITED

P.O.: PETROCHEMICALS – 391 346, DISTRICT: VADODARA  
PHONE NOS.: 2232768 / 2232213 / 2230159, FAX NO.: (0265) 2230473  
Email : csacshah@gipcl.com Website : www.gipcl.com,  
CIN – L99999GJ1985PLC007868

### ATTENDANCE SLIP

Name of the Shareholder:		
Folio No.	DP ID /Client ID	No. of Shares.
For Physical Holding	For Demat holding	

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting held on Saturday, the 19<sup>th</sup> September, 2015 at 11.00 am at the Registered Office of the Company at P.O.: Petrochemicals – 391346, Dist.: Vadodara, Gujarat, as Shareholder / Proxy.

Name of Proxy (Block Letters).

Signature of the Shareholders/ Proxy.

Notes:

1. Shareholder / Proxy holder wishing to attend the meeting must bring duly signed attendance slip to the meeting and hand over the same at the entrance.
2. Shareholder / Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.

### FORM NO. MGT – 11 PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

CIN : L99999GJ1985PLC007868

Name of the Company: GUJARAT INDUSTRIES POWER COMPANY LIMITED  
Registered Office : P.O.: Petrochemicals – 391 346, Dist. : Vadodara, Gujarat.

Name(s) of Shareholder(s)	
Registered Address	
Email ID:	
Folio No. / DP ID / Client ID.	

I / We, being the Member(s) holding \_\_\_\_\_ equity shares of the above named Company, hereby appoint the following as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 19<sup>th</sup> September, 2015 at 11.00 am at the Registered Office of the Company at P.O.: Petrochemicals – 391346, Dist.: Vadodara, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
Or failing him
2. Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
Or failing him
3. Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Item No.	Description	Option	
		For	Against
	<b>Ordinary Business</b>		
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2015 and the Reports of the Board of Directors and the Auditors thereon.		
2.	Declaration of Dividend on equity shares for the Financial Year ended on 31 <sup>st</sup> March, 2015.		
3.	Re-appointment of Shri H R Brahmbhatt (DIN: 06360175), as Director.		
4.	Re-appointment of Smt. Shahmeena Husain (DIN: 03584560), IAS, as Director.		
5.	Appointment of Statutory Auditors and to fix their remuneration.		
	<b>Special Business</b>		
6.	Appointment of Dr. Ajay N Shah (DIN:01141239), as Independent Director for a period of 5 years.		
7.	Appointment of Shri S B Dangayach (DIN:01572754), as Independent Director for a period of 5 years.		
8.	Appointment of Dr. B A Prajapati (DIN:01431661), as Independent Director for a period of 5 years.		
9.	Approval for material Transactions with Related Parties (RPTs).		
10.	Appointment of Smt. Sonal Mishra (DIN: 03461909) as Director and Managing Director.		
11.	Ratification of Remuneration of Cost Auditors for the Financial Year 2015-16.		
12.	Appointment of Prof. Shekhar Chaudhuri (DIN: 00052904), as Independent Director for a period of 5 years.		
13.	Appointment of Prof. K M Joshi (DIN: 00501563), as Independent Director for a period of 5 years.		
14.	Appointment of Dr. P K Das, IAS (Retd.) (DIN: 00501499), as Independent Director for a period of 5 years.		
15.	To approve payment of Special pay @ 5% of Salary to Shri L Chuaungo, IAS (DIN: 00032867)		

Signed this \_\_\_\_\_ day of August / September, 2015.

Signature of Shareholders.

Signature of Proxy holders(s)

Affix ₹ 1 Revenue Stamp
----------------------------------

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than forty eight (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30<sup>th</sup> Annual General Meeting.
- \*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.
5. **A person can act a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total Share Capital of the Company. A Member holding more than ten per cent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.**



Registered Post / Courier

*If undelivered please return to*

**GUJARAT INDUSTRIES POWER COMPANY LIMITED**  
P. O.: Petrochemicals - 391 346, Dist.: Vadodara, Gujarat, India.