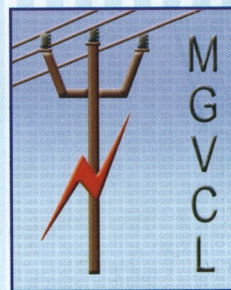


8th **Annual Report** 2010-11



MADHYA GUJARAT VIJ COMPANY LIMITED

An ISO Certified Company
(A Wholly Owned Subsidiary of Gujarat Urja Vikas Nigam Ltd.)



Our Vision

- Customer satisfaction through service excellence

Our Mission

- To provide reliable and quality power at competitive cost
- To reach global standards in reducing distribution losses

Our Core Values

- Customer satisfaction
- Participative work culture
- Pride of belongingness
- Excellence
- Being ethically and socially responsive

**BOARD OF DIRECTORS**

(As on 22-12-2011)

Shri Mukesh Puri, IAS
Shri H.P. Desai
Prof. Kirankumar Joshi
Shri K. M. Shringarpure
Shri C. J. Macwan
Shri A.N. Khatri, IAS

Chairman
Director
Director
Director
Director
Managing Director

COMPANY SECRETARY

Shri K. M. Antani

SENIOR EXECUTIVES

Shri S. M Godkhindi
Shri K. M. Dave
Shri K. R. Shah

Chief Engineer (T&O)
Chief Engineer (Proj.)
General Manager (F&A)

BANKERS

UCO Bank
State Bank of India
Bank of Baroda
Dena Bank
Bank of India
Central Bank of India
Canara Bank
Corporation Bank

Syndicate Bank
Union Bank of India
Vijaya Bank
Allahabad Bank
Indian Bank
Indian Overseas Bank
Karur Vysya Bank

AUDITORS

M/s. K.C.Mehta & Co.
Chartered Accountants
Vadodara.

COST AUDITORS

M/s. Diwanji & Associates
Cost Accountants
Vadodara.

REGISTERED OFFICE

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara-390 007.

Phone No. : (0265) 2310582-86

Fax No. : (0265) 2337918, 2338164

Website : www.mgvcl.com

E-mail : info.mgvcl@gebmil.com

CONTENT

Sr. No.	Particulars	Page No.
1.	Notice	02-03
2.	Directors' Reports	04-13
3.	Certificate from C & AG	14
4.	Auditors' Report	15-19
5.	Balance Sheet	20
6.	Profit & Loss A/c.	21
7.	Cash Flow Statement	22-23
8.	Sechedules	24-51
9.	Balance Sheet Abstract	52

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the members of **Madhya Gujarat Vij Company Limited** will be held on Monday, 26th December, 2011 at 5.30 p.m. at the Board Room of the Company, Third Floor, Sardar Patel Vidyut Bhavan, Race Course, Vadodara- 390 007, to transact the following Ordinary and Special Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon along with NIL Comments of the Comptroller & Auditor General of India.
2. To appoint a Director in place of Prof. Kirankumar Joshi, who retires by rotation and eligible for re-appointment.
3. To decide the remuneration payable to Statutory Auditors appointed by the Comptroller and Auditor General of India (C & AG), New Delhi, for the audit of accounts of the Company for the financial year 2011-12.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Shri Mukesh Puri, who was appointed as an Additional Director of the Company effective from 3rd August, 2011, under Section 260 of the Companies Act, 1956 and who holds such office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

5. To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Shri Chandravadan J. Macwan, who was appointed as an Additional Director of the Company effective from 28th September, 2011, under Section 260 of the Companies Act, 1956 and who holds such office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

By Order of the Board

Date : 22nd December, 2011
Place : Vadodara

K.M Antani
Company Secretary

REGISTERED OFFICE

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara-390 007.

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, is annexed hereto as “Annexure to the Notice”.

**ANNEXURE TO THE NOTICE****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956****Item no. 4**

Shri Mukesh Puri, IAS was appointed as an Additional Director by the Board of Directors effective from 3rd August, 2011, under Section 260 of the Companies Act, 1956 and he holds office up to the date of this Annual General Meeting. He represents Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, pursuant to Article 57 of the Articles of Association of the Company. He was also appointed as the Chairman of the Board of Directors of the Company.

Shri Mukesh Puri, IAS, is a Senior IAS officer of 1988 batch. He did his Graduation in Economics and Post Graduation in International Politics and International Economics. At present, he is the Managing Director of Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company. He has held various important positions in the Government. He has long, rich and varied experience in various areas.

Your Directors recommend the resolution for your approval.

None of the Directors, except Shri Mukesh Puri, IAS, is interested or concerned in this resolution.

Item no. 5

Shri Chandravadan J. Macwan was appointed as an Additional Director by the Board of Directors effective from 28th September, 2011, under Section 260 of the Companies Act, 1956 and he holds office up to the date of this Annual General Meeting. He represents the Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, pursuant to Article 57 of the Articles of Association of the Company.

He has rich and varied experience in various capacities and is presently working as Deputy Secretary (Tax) in Finance Department of Government of Gujarat.

Your Directors recommend the resolution for your approval.

None of the Directors, except Shri Chandravadan J. Macwan, is interested or concerned in this resolution.

By Order of the Board

Date : **22nd December, 2011**

Place : **Vadodara**

**K.M Antani
Company Secretary**

REGISTERED OFFICE

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara-390 007.

**DIRECTORS' REPORT**

To,
The Members,

Your Directors are pleased to present the 8th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

A summary of the financial results for the year under review is as below:

(₹ in Lacs)		
Particulars	2010-11	2009-10
Total Income	334101.94	276214.76
Profit before Depreciation, Interest and Tax	20812.90	18668.71
Depreciation	9846.34	8365.64
Interest and Finance Charges	7739.74	8013.67
Profit before Tax	3226.82	2289.40
Provision for Tax	768.73	583.94
Profit after Tax and available for appropriation	2458.09	1705.46

DIVIDEND

Your Directors have not recommended any dividend on Equity Shares for the year under review.

FINANCIAL PERFORMANCE

The key highlights of the financial performance of the Company for the year 2010-11 are as under:

- ❖ Revenue Assessment (without Electricity Duty, Surplus Power Sale and Unscheduled Interchange Income) increased to ₹ 2833.64 crores during financial year 2010-11 from ₹ 2597.37 crores in F.Y. 2009-10 showing an increase of ₹ 236.27 crores (+9.10%) in a year.
- ❖ The average rate of realization from consumer per unit leveled at ₹ 4.48 per unit (without Electricity Duty, Surplus Power Sale and Unscheduled Interchange Income).
- ❖ Total income increased to ₹ 3341.02 crores as against ₹ 2762.15 crores in the previous financial year, an increase of 20.96 %.
- ❖ Profit before tax increased to ₹ 32.27 crores as compared to ₹ 22.89 crores in the previous financial year, an increase of ₹ 9.38 crores (+40.98 %).
- ❖ The average cost to serve per unit sold decreased to ₹ 4.71 per unit during the year compared to ₹ 4.76 per unit of last year.

OPERATIONAL PERFORMANCE

- ❖ Power sale of units sold registered a new height of 6328 MUs during the year compared to 5759 MUs showing an increase of 9.88 % over last year.
- ❖ Over all Distribution losses during the financial year 2010-11 are 11.83% which are decreased from 13.08%.
- ❖ Transformer failure rate reduced from 5.06% to 4.97%.



- ❖ Power availability maintained at 99.48 % (without load shedding).
- ❖ The consumer base increased from 24.05 lakh to 25.47 lakh.
- ❖ Under various normal development schemes, 130 HT Industrial, 1,722 LT Industrial and 53,927 Domestic connections were released.
- ❖ Continuous efforts are being made for prevention of theft of energy. The vigilance team of the Company carried out intensive inspection drives during the year 2010-11. 3,13,185 connections were checked and 6,421 connections were detected for theft and mal-practice with total assessment of ₹ 684 lakh and total recovery of ₹ 297 lakh.

SYSTEM IMPROVEMENT

Several initiatives are taken during the year under review for strengthening of distribution network and to improve system operations:

- ❖ Detailed analysis was carried out for feeders having high Ampere loading and low tail end voltages and accordingly, such feeders were bifurcated as per system improvement (SI) norms. Total 25 such feeders were bifurcated under SI.
- ❖ Conductor renovation of 1,228 KM is carried out under system improvement.
- ❖ 109 nos. of Transformers are covered under distribution transformer centre (DTC) review.
- ❖ 3,251 transformers are installed under High Voltage Distribution System (HVDS) to reduce hooking in rural areas and to reduce the LT line losses.

OTHER PROJECTS / SCHEMES

- ❖ R-APDRP (Restructured APDRP), a central sector scheme was launched during the XI th Five Year Plan to continue the support to distribution reforms. The R-APDRP primarily aims at reducing Aggregate Technical and Commercial (AT&C) losses in urban areas.

Under part A of R-APDRP, projects for 17 towns of the Company at an estimated cost of ₹ 93.75 crores were sanctioned. Anand city, a pilot town, is made live from 15th August, 2011. The infrastructure works in all towns are completed. GIS & AMR works are under progress.

Under part B, projects for 13 towns of the Company at an estimated cost of ₹ 103.03 crores were sanctioned. The work is under progress in all towns.

- ❖ SCADA/DMS System provides Real time monitoring & control, loss minimization/load balancing and considerable improvement in voltage/VAR profiles. It would also facilitate proper handling of loads while load shedding & restoration, efficient planning of network for future growth by using proven power system planning tools.

The existing SCADA system in Vadodara City is approved for up-gradation under Part-A of R-APDRP at an estimated cost of ₹ 26.18 crores. The tender for appointment of implementing agency has been floated.

- ❖ Distribution Reforms Upgrades and Management (DRUM) project, a part of USAID programme, was initiated to establish centre of excellence at Umreth sub-division. Break through projects aimed to showcase new technology under DRUM are completed in March 2011. Key Performance Indicators (KPI) defined under the project shall be introduced in other sub-division offices. Due to infrastructure and other facilities crated under DRUM project, there is a remarkable improvement in customer satisfaction level.



- ❖ Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), launched by the Ministry of Power, New Delhi, for 100% electrification of villages, habitations in the country and supply of power to Below Poverty Line (BPL) families free of cost, is implemented in all districts of the Company. During the year under review, in Anand District 2,999, in Vadodara District 7,506, in Kheda District 15,448 and in Dahod 13,969 i.e. Total 39,222 BPL beneficiaries are electrified. For Anand and Vadodara districts, the work is completed during the year. However, a list of 8,234 beneficiaries allotted houses under Indira Aawas Yojna was forwarded by Collector, Anand, to be covered under the benefits of the scheme. These beneficiaries will be electrified by the Company departmentally for which service connection charges will be reimbursed by Rural Electrification Corporation (REC). For Kheda & Dahod districts the work is under progress.
- ❖ Under State Government sponsored Scheme, 6,944 connections are released under Zupadpatti Vijalikaran Scheme, and 6,251 connections are released in 'Kutir Jyoti Scheme' in tribal areas for the year 2010-11.
- ❖ In Agriculture sector, electrification of wells carried out for-
 - 947 wells under Special Project Agriculture (SPA) Scheme.
 - 3,589 wells under Tribal Area Sub Plan (TASP) Scheme.
 - 40 wells in other scheme.
- ❖ In tribal areas :
 - electrification carried out for 51 Petaparas under Tribal Area Sub Plan (TASP) and 380 connections under Scheduled Caste Sub Plan (SCSP) are provided .
 - 18 Solar villages in Vadodara district and 4 villages in Dahod district are conventionally electrified and 28 (16 solar to conventional and 12 un-electrified) Petaparas are electrified in Vadodara district.
- ❖ There is a heavy back-log of agriculture application under normal scheme and in TASP scheme. Applicants have to wait for their turn for a long period. To help such applicants Government has approved the **Tatkal Scheme-2010**.

The registration under the said scheme accepted from registered pending applicants who have registered their applications up to 30.09.2010 except dark zone area. 80% cost of Technical Sanction (TS) excluding service chare is recovered from applicant and 20% cost is borne by the Company. If applicant adopts Drip Irrigation, 50% cost is recovered from applicant and 50% cost is borne by the Company. Priority shall be as per the original priority of the date of registration of application and not as first come first basis to opt for the scheme.

The Company has received 7,814 applications under the said scheme, out of which it is likely that 3,880 connections will be released and 3,934 applications are cancelled as on the date of this report due to non- payment / non-availability of bore etc.

IT INITIATIVES

- ❖ Information Technology
 - E payment facility from anywhere;
 - Pre paid Meters: Dual layer authentication methodology was implemented to generate token for PREPAID meters at Limkheda sub division.



- **Photo Metering:** Concept of photo metering was established at Umreth (rural) sub division of Anand Circle. Meter reading using Personal Digital Assistant (PDA) Mobile having in built Camara was utilized for 10,000 consumers at Umreth (Rural) Sub division. The concept will be installed and implemented at other locations having high feeder loss.
- GPRS leased HHE billing in the periphery of Baroda City Circle resulted into on time availability of billing data.
- Vigilance information available to vigilance staff on their Mobile instrument.

❖ 'E-urja' end to end ERP Solution

The Company is implementing an 'Enterprise Resource Planning' (a project named as e-URJA) solution. This will help in better housekeeping, billing efficiency, effective maintenance, asset management, consumer relation management, inventory management, finance management, HR management etc.

❖ E-gram Panchayats

Government of Gujarat has designated various Gram Panchayats as E-Gram Panchayats (E-GPs), who qualified as per eligibility criteria for e-governance and modernization of various villages of Gujarat. In order to make such E-GPs self-sustained by increasing their income and also to facilitate the consumers of the Company for payment of energy bills in their villages itself, GOG has decided to award the agency of collection of energy bills to such E-GPs. There are 2,809 E-GPs under 5 Districts of the Company. All these E-GPs have started bill collection work and many villagers are utilizing this new facility of paying their electricity bills through E-GPs.

CUSTOMER SERVICES

The Company continued its thrust towards improving customer services during the year through continuous improvements in systems and processes.

- ❖ 31 Fully computerized All Time Payment (ATP) machines have been installed to facilitate consumers to pay their energy bills at any time.
- ❖ The Company has launched the e-payment facility in June, 2010, as a part of providing web enabled bill payment facility to consumers. With the help of this facility, the Consumers are now able to make the payment of their electricity bill through internet either by using net banking or Credit/debit Card at their own convenience at any time from anywhere within the due date of payment of electricity bill. The above arrangement has been made with more than 20 banks covering all major Public Sector Banks and Private Sector Banks.
- ❖ Billing with hand held instruments is in place in urban areas of Baroda City, Nadiad, Anand, Godhara, Dahod, Dabhoi, Petlad, Kapadwanj, Khambhat and Mahemdavad towns.
- ❖ The Company's web site is regularly updated to make it more informative and customer friendly.
- ❖ Consumer Grievances Redressal Forum is in place as mandated by the Electricity Act, 2003 and the regulations notified there under.
- ❖ 04 new sub-divisions are created at Vasna, Ghoghamba, Kothamba and Fatepura to provide better services to the consumers.

CORPORATE SOCIAL RESPONSIBILITY

Traffic Island in Akota area was developed to ease traffic problems and to avoid accidents.

The Company also undertook the responsibility to develop a Solar Children Park at Akota Garden in



Vadodara City. An exhibition hall is constructed wherein demonstration / information would be available for renewable energy sources in general and solar energy in particular. Solar roof top has been erected which would produce energy and feed to grid at the same time serve as a model to general public for understanding the basics of solar power generation and also the set up required for adopting such power generation in homes and offices.

AWARDS & ACHIEVEMENTS

Your directors are pleased to inform you that Council of Power Utilities (CPU), New Delhi, had awarded INDIA POWER AWARD-2010 to the Company for Overall Utility Performance-(Distribution)-Non Urban Area and also for innovation in Design and Execution of Projects.

REGULATORY MANAGEMENT

The Gujarat Electricity Regulatory Commission (GERC) is authority to regulate the working of electricity utilities in the State and is entrusted with various functions including the determination of retail tariff rates for the end users of electrical energy. In May, 2011, your Company had filed a Multi Year Tariff (MYT) petition for 'truing up' of financial year 2009-10, Annual Performance Review (APR) for financial year 2010-11 and determination of Aggregate Revenue Requirement (ARR) for the second MYT control period of financial year 2011-12 to financial year 2015-16 and determination of tariff for financial year 2011-12. Various hearings for the petition are already completed by GERC and Tariff Order is also issued by the Commission effective from 01-09-2011. The Company is also preparing its ARR petition for financial year 2012-13 to file the same with GERC.

INTRA-STATE ABT

As per directive of Gujarat Electricity Regulatory Commission, to maintain grid discipline, Intra-State ABT (Availability Based Tariff) is implemented by the Company from 05th April, 2010. Area Load Dispatch Center (ALDC) constantly monitors and ensures minimum gap between scheduled energy and actual drawl. It also endeavors to over-draw during higher frequency and under-draw during lower frequency to get maximum benefit from UI pool. Accordingly, the Company earned ₹ 117.65 crores net as UI charges due to close monitoring and controlling of power drawn. The state of art technology and software installed at ALDC with OFC links from SLDC to ALDC for collection of relative data.

HUMAN RESOURCE DEVELOPMENT

To develop competency of employees, need based training and development programs are organized. Industrial Relations continue to be cordial.

DIRECTORS

Since the last Annual General Meeting, Shri Munindra A Bhatt had resigned as Director effective from 30th April, 2011. Shri Biren Parmar appointed as Additional Director effective from 22nd June, 2011 resigned on 22nd September, 2011. The Board places on record its appreciation of the services rendered by them during their tenure as Directors of the Company.

Shri L. Chuaungo, IAS resigned as Director and Chairman of the Board of Directors of the Company effective from 13th July, 2011. The Board places on record its sincere appreciation of significant contribution, direction, commitment, matured advice and valuable services rendered by Shri L Chuaungo, IAS, during his tenure as Chairman and Director of the Company.



Shri Mukesh Puri, IAS, was appointed as an Additional Director as well as Chairman of the Board of Directors of the Company, effective from 3rd August, 2011 and Shri C.L. Macwan was appointed as an Additional Director effective from 28th September, 2011, in accordance with Article 57 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. They hold their office as such up to the date of ensuing Annual General Meeting. They are proposed to be appointed as Director of the Company at the ensuing Annual General Meeting.

Prof. Kirankumar Joshi, Director, retires at the ensuing Annual General Meeting and is eligible for re-appointment. He is proposed to be re-appointed as Director of the Company at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. in the preparation of annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. accounting policies have been selected and consistently applied and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the annual accounts for the financial year ended 31st March, 2011, have been prepared on a going concern basis.

AUDIT COMMITTEE

Your Company has constituted the Audit Committee of the Board pursuant to Section 292 A of the Companies Act, 1956, which as on the date of report, stands as under :

Prof. Kirankumar Joshi	...	Chairman
Shri. H. P. Desai	...	Member
Shri. K. M. Shringarpure	...	Member
Shri. C.J. Macwan	...	Member

DISCLOSURES

(a) Particulars of Employees:

There was no employee during the year drawing remuneration in excess of the ceilings prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

(b) Energy Conservation & Technology Absorption:

Information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in the Annexure I to this Report and forms part of this report.

**(c) Foreign Exchange Earnings & Outgo:**

During the year under review, there was no foreign exchange earning or outgo.

AUDITORS

M/s. K. C. Mehta & Co., Chartered Accountants, has been appointed as the Statutory Auditors of the Company by the Comptroller and Auditor General of India, New Delhi, (C & AG) to audit the accounts of the Company for the year ended 31st March, 2012. As per the provisions of Section 224 of the Companies Act, 1956, their remuneration is required to be fixed by the Company in General Meeting.

COST AUDITORS

In accordance with the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an Audit of Cost Accounts relating to 'electricity' every year. The Company has appointed M/s. Diwanji & Associates, Cost Accountants, Vadodara, as Cost Auditor for Financial Year 2010-11 and has been approved by the Central Government. The Cost Auditors prepared the cost audit report for the Financial Year 2010-11. The Cost Audit Report which was due for filing within 180 days from close of financial year 2010-11 was filed by Cost Auditor with the Central Government on 30th September, 2011.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the Central Government, Government of Gujarat particularly Energy & Petrochemicals Department, Gujarat Electricity Regulatory Commission, holding Company Gujarat Urja Vikas Nigam Limited, Bankers, Financial Institutions, suppliers and other business associates during the year under review.

Your Directors also recognize the contribution of the esteemed consumers in the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them.

For and on behalf of the Board,

Vadodara
22nd December, 2011

Mukesh Puri
Chairman



ANNEXURE I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY :

a) Measures taken for Conservation of Energy

- High-loss feeders are closely monitored to reduce the technical losses. Meters are provided on Transformer Centres to identify the weak pockets with high losses.
- Purchase of energy efficient Transformers which ultimately result in reduction of distribution losses,
- Pamphlets explaining energy saving measures and its efficient use along with energy bills are circulated for public awareness. The seminar on energy conservation was also arranged during the year with participation of all categories of consumers.
- Mass awareness campaign for consumers through stalls, exhibition for the Energy Conservation, safety awareness measures, Micro drip irrigation etc.
- In offices of the Company, all tube lights are replaced from conventional choke tube light to T5 energy conservation tube lights. No offices use incandescent bulbs.
- Consumers are educated for reducing energy usage. Domestic consumers are advised to use compact fluorescent lamps, T5 tube lights & agriculture consumers are educated to use energy efficient pumps & capacitors on motors.

b) Additional investment and proposal, if any, being implemented for reduction of Consumption of Energy

- Aerial Bunch conductor in place of bare conductor in theft prone areas to reduce pilferage of energy by direct hooking.
- XLPE coated service line in zupadpatti / low income areas to eliminate theft by tapping of service lines.
- A pilot project of Bachat Lamp Yojana under Demand side Management programme. A Dahod district has been selected for this pilot project.

c) Impact of the measures at a) and b) above for reduction of energy consumption and consequent impact on the cost of production of Goods.

Improvement in voltage level, saving in electricity, reliability of power and reduction in technical losses.

**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption as per Form B.

FORM B

(Disclosure of particulars with respect to Technology Absorption)

Research and Development (R&D)**1. Specific areas in which R & D carried out by the Company.**

The Company proposes to use the following materials.

Polymeric Insulators :

The Polymeric material being composition of glass core rod and silicon shed has great characteristic of protection against tracking, leakage of current, salt fog and severely contaminated environment and has very high hydrophobicity. It is therefore proved to be better insulating and protective shield compared to porcelain material and hence provides more immunity to ground faults. Polymeric Insulators are highly resistant to chemical & UV rays & their surface hydrophobicity is maintained over a long period. Hence they give excellent performance in polluted environment. The design of polymeric insulators permits self cleaning by wind & rain hence same are maintenance free. They are highly resistant to breakages & easy in handling.

Looking to excellent properties of polymeric insulators over porcelain insulators, their use can reduce line faults due to insulators & supply quality can be improved to great extent.

Fault Passage Indicators:

Fault passage Indicators (FPI) locate exact passage of faults on overhead lines. Earth faults, phase to phase faults, transient & permanent faults can be easily detected & indicated with the help of FPI. Hence faults are attended speedily, power failure time is reduced & helps to consumer satisfaction.

Voltage Detectors:

Voltage detectors are used to check on line existing voltage in distribution network. They provide warning of charged AC high voltage, unknown sources of unshielded and potentially hazardous AC voltages from a safe distance. They are exceptionally sensitive to warn the user the presence of on line voltage from a safe distance. Thus use of voltage detectors increase safety of personnel working on line.

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

- Improve stability & safety of distribution system.

3. Future plan of Action (for system improvement)

- For reduction in technical losses.
 - New Sub-stations
 - Feeder Bifurcation
 - Re-conductoring of Network (HT & LT)
 - Use of XLPE Cable



- Load balancing of DTR
- Review of DTR
- Augmentation/ de-augmentation of Dist. Transformers
- Adoption of HVDS System
- For reduction in commercial losses.
 - For each feeder, maps are prepared indicating the details of consumers mix, assets, etc.
 - Use of AB Cable and Coated conductors
 - DTR Metering
 - Feeder wise / DTR wise billing
 - Use of smaller capacity of Dist Transformers
 - Appoint qualified meter reader for accurate meter reading and for completing billing program as per schedule.
 - Rectifying the HT, LT crossings (JGY and Ag)
 - Surveillance
 - Personal field visit from Corporate Office to High Loss Feeders, analysis, planning, implementation (Report)
 - Quality Installation Checking
 - Replacing Non-Working/ Faulty Meters
 - Replacement of old meters by quality meters
 - Concentrating more on metering/ billing activities
 - Replacement of deteriorated service lines
 - Making the installation full proof

4. Expenditure on R & D

Company has incurred ₹ 17.84 crores during the year under review for system improvement, HVDS, Aerial Bunch Conductors, Underground Cables.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Pilot project is initiated for installing roof type solar power system in eight locations.

For and on behalf of the Board,

Vadodara
22nd December, 2011

Mukesh Puri
Chairman

**COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MADHYA GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2011.**

The preparation of financial statement of Madhya Gujarat Vij Company Limited for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statuary Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28 September 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the Statuary Auditors and is limited primarily to inquiries of the statuary auditors and company personnel and selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statuary Auditor's Report under Section 619(4) of the Companies Act, 1956.

**For and on behalf of he
Comptroller & Auditor General of India**

Place : **Ahmedabad**
Date : **02 / 12 / 2011**

Sd/-
(Dr. Prasenjit Mukherjee)
Principal Accountant General



AUDITORS' REPORT

To,

The Members of Madhya Gujarat Vij Company Limited

1. We have audited the attached Balance Sheet of **Madhya Gujarat Vij Company Ltd.** as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the provisions of The Electricity Act, 2003 read with rules and the regulations issued thereunder. Section 616 (C) of the Companies Act, 1956, also provides that special Acts like Electricity Act, will apply to the extent the provisions of the Companies Act are inconsistent with provisions of those Acts. Accordingly, the financial statements of the Company for the year 2010-11 are compiled and reported.
4. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of the books;
 - c. The Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report are in compliance with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable.
 - e. According to Notification No. GSR-829(E) dtd 21.10.2003 issued by Govt. of India, the provisions of Section 274(1) (g) of the Companies Act, 1956 are not applicable to the Company.



- f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
- i. in the case of Balance Sheet, the state of affairs of the Company as at 31st March, 2011;
 - ii. in the case of Profit and Loss account, of the Profit for the year ended on that date.
 - iii. in the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

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

Vishal P.Doshi
Partner
Membership No. 101533

Place : **Vadodara**
Date : **28th September, 2011**



(ANNEXURE TO THE AUDITOR'S REPORT)

(referred to in paragraph (4) thereof)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. 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 its fixed assets during the year and therefore, do not affect the going concern assumption.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (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) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. According to the information and explanations given to us, the Company has not taken / granted any loans, secured or unsecured from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore, the provisions of clause (iii) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v. (a) The Company has entered in to contracts / arrangements with GUVNL being the holding Company. As per the information and explanations given to us, the transactions pursuant to these contracts and/or arrangements are not falling under the provisions of Section 301 of the Companies Act, 1956 and accordingly these transactions are not entered into the register maintained under Section 301 of the Companies Act, 1956.
In view of (a) above, sub-clause (b) is not applicable.
- vi. The Company has not accepted any deposits during the year from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and therefore, the provisions of Clause (vi) of the Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.



- viii. According to the information and explanations given to us, the Company has maintained prescribed accounts and records under Section 209 (1) (d) of the Companies Act, 1956. We have, however not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax and custom duty were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no dues of Sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute.
- x. In our opinion and according to information and explanations given to us, the Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions in respect of loans raised by the Company and loans transferred from GUVNL. As regards to the loans transferred from GUVNL, we have relied on the representation received from GUVNL. The Company has not obtained any borrowings from debenture holders.
- xii. 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 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of Clause (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments and therefore, the provisions of Clause (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of Clause (xv) of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given by the management, security deposits from consumers are long term fund. Considering the same and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have not been used for long term investment.



- xviii. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore, the provisions of clause (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, during the period of audit the Company has not issued any secured debentures and therefore, the provisions of Clause (xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year and therefore, the provisions of Clause (xx) of the Order are not applicable to the Company.
- xxi. Based on the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Vishal P.Doshi
Partner
Membership No. 101533

Place : **Vadodara**
Date : **28th September, 2011**



BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule Number	[₹ in Lakh]	
		AS AT 31 st MARCH 2011	AS AT 31 st MARCH 2010
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUND</u>			
Share Capital.	1	24264.14	24264.14
Reserves & Surplus.	2	28386.66	25928.57
Deferred Government Grants, Subsidies and Contributions.	3	53336.09	47554.08
<u>LOAN FUNDS</u>			
Secured Loans.	4	29502.34	24664.08
Unsecured Loans.	5	17633.46	25996.85
TOTAL		153122.69	148407.72
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block.	6	214992.00	191392.03
Less : Accumulated Depreciation.		50401.32	40267.56
Net Block		164590.68	151124.47
Assets not in Use.	7	19.34	39.35
Capital expenditure in progress.	8	6423.54	7241.04
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories.	9	16907.84	18008.34
Sundry Debtors.	10	34370.53	34566.12
Cash & Bank balances.	11	3586.93	2879.06
Loans & Advances.	12	2595.77	1577.46
Other Current Assets.	13	1199.73	12648.80
		58660.80	69679.78
<u>LESS : CURRENT LIABILITIES & PROVISIONS</u>	14		
Current Liabilities.		69152.79	72293.38
Provisions.		7418.88	7383.54
		76571.67	79676.92
NET CURRENT ASSETS/(-)LIABILITIES		(-)17910.87	(-)9997.14
MISCELLANEOUS EXPENDITURE	15	-	-
(To the extent not written off or adjusted)			
TOTAL		153122.69	148407.72
Significant Accounting Policies and Notes on Accounts	29		

As per our attached report of even date

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place: **Vadodara**
Date: **28th September, 2011**

For and on behalf of the Board of Directors

MUKESH PURI
Chairman

K.R.SHAH
General Manager (F&A)

Place: **Vadodara**
Date: **28th September, 2011**

A.N.KHATRI
Managing Director

K.M.ANTANI
Company Secretary



MADHYA GUJARAT VIJ COMPANY LIMITED

8th
Annual Report
2010-11

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

Particulars	Schedule Number	[₹ in Lakh]	
		Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
INCOME			
Revenue from Sale of Power.	16	316177.21	259737.01
Revenue Subsidies and Grants.	17	7161.21	7802.56
Other Income.	18	10763.52	8675.19
TOTAL		334101.94	276214.76
EXPENDITURE			
Purchase of Power.	19	287773.66	228712.40
Repairs and Maintenance.	20	3223.59	3606.34
Employee Costs.	21	22593.56	23665.79
Administration and General Expenses.	22	3900.27	3649.22
Other Miscellaneous Expenses.	23	1080.09	2196.49
Depreciation.	24	9846.34	8365.64
Interest and Finance Charges.	25	7739.74	8013.67
TOTAL		336157.25	278209.55
Less: Other Expenses Capitalised.	26	4584.80	5006.55
TOTAL		331572.45	273203.00
Profit before Extraordinary / Prior Period Adjustments		2529.49	3011.76
Extra-ordinary items.	27	48.15	-
Net Prior Period Expenses / (-)Income.	28	(-) 745.48	722.36
Profit Before Tax		3226.82	2289.40
Provision for			
-Current Tax.		768.73	583.94
Net Profit after Tax available for appropriation		2458.09	1705.46
Balance brought forward from last Balance Sheet.		5836.06	4130.60
Balance carried to the Balance Sheet.		8294.15	5836.06
Basic & Diluted Earning Per Share including extra ordinary items (In ₹)		1.01	0.79
Basic & Diluted Earning Per Share excluding extra ordinary items (In ₹)		1.03	0.79
Face value per Equity share ₹		10	10
Significant Accounting Policies and Notes on Accounts.	29		

As per our attached report of even date

For and on behalf of the Board of Directors

For K. C. Mehta & Co.
Chartered Accountants

MUKESH PURI
Chairman

A.N.KHATRI
Managing Director

Vishal P. Doshi
Partner
Membership No. 101533

K.R.SHAH
General Manager (F&A)

K.M.ANTANI
Company Secretary

Place: **Vadodara**
Date: **28th September, 2011**

Place: **Vadodara**
Date: **28th September, 2011**



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	[₹ in Lakh]	
	For Year ended 31 st MARCH 2011	For Year ended 31 st MARCH 2010
Cash Flow from Operating Activities		
Net Profit Before Tax	3,226.81	2,289.40
Adjustments For Add / (-) Less :-		
Prior Period Credit / Charges.	(-) 745.48	723.75
Other Miscellaneous Expenses.	132.37	861.67
Government Grants / Consumer contribution Written Back.	(-)5,926.26	(-) 5,283.71
Provision for Bad & Doubtful Debts.	816.76	1,289.23
Profit on Sale of Fixed Assets.	(-) 57.32	(-)18.54
Provisions no longer required.	(-)1,146.79	-
Loss on Sale of Fixed Assets.	7.61	-
Provision for Leave Encashment.	362.67	965.45
Miscellaneous Expenditure Written-off.	-	41.15
Depreciation.	9,846.34	8,365.64
Interest and Financing charges.	7,739.74	8,013.67
Exceptional Items.	48.15	-
Operating Profit Before Working Capital Changes	14,304.60	17,247.71
Adjustments for Changes in Working Capital.		
(-) Increase / Decrease In Inventories.	1,043.98	(-) 2,917.43
(-) Increase / Decrease In Sundry Debtors.	(-) 656.85	(-) 3,529.60
(-) Increase / Decrease In Loan & Advances.	(-) 459.75	1,367.32
(-) Increase / Decrease In Other Current Assets.	11,449.08	11,881.07
Increase / (-) Decrease In Current Liabilities.	(-) 2,683.56	(-) 5,004.59
CASH GENERATED FROM OPERATIONS	22,997.50	19,044.48
Direct Tax Paid.	(-)1,654.63	(-) 331.33
CASH FLOW BEFORE EXTRAORDINARY ITEMS	21,342.87	18,713.15
Exceptional Items.	(-) 48.15	-
Prior Period Credit / Charges.	1,706.10	(-) 570.09
A. NET CASH FROM OPERATING ACTIVITIES	23,000.82	18,143.06
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets.	(-) 23,656.68	(-) 23,620.65
Sale of Fixed Assets / (-) Increase / Decrease in Assets not in use.	102.82	79.98
(-) Increase / Decrease in CWIP.	817.50	(-) 1,638.77
B. NET CASH FROM IN INVESTING ACTIVITIES	(-) 22,736.36	(-) 25,179.44



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	[₹ in Lakh]	
	For Year ended 31 st MARCH 2011	For Year ended 31 st MARCH 2010
CASH FLOW FROM FINANCING ACTIVITIES		
(-) Repayment / Proceeds From Borrowings.	(-) 3,525.13	(-) 3,349.51
(-) Repayment / Proceeds from Consumer Contribution/ Grants/Subsidies.	11,708.27	17,467.54
Interest Paid.	(-) 7,739.74	(-) 8,013.67
C. NET CASH USED IN FINANCING ACTIVITIES	443.40	6,104.36
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	707.86	(-) 932.02
CASH AND CASH EQUIVALENT (OPENING BALANCE)	2,879.06	3,811.08
CASH AND CASH EQUIVALENT (CLOSING BALANCE)	3,586.92	2,879.06

- Notes:** 1) The above cash flow has been prepared under the Indirect Method as set out in the Accounting Standard -3 on Cash flow statements.
 2) Components of cashflow & Cash Equivalents as on 01-04-2010 & 31-03-2011 are as per Schedule 12 to the Balance Sheet.
 3) Previous year's figures have been regrouped/reclassified wherever applicable.
 4) Proceeds from Loan Funds, Consumer Contributions, Subsidy and Grants have been shown as net of receipt/payment.

As per our attached report of even date

For and on behalf of the Board of Directors

For K. C. Mehta & Co.
Chartered Accountants

MUKESH PURI
Chairman

A.N.KHATRI
Managing Director

Vishal P. Doshi
Partner
Membership No. 101533

K.R.SHAH
General Manager (F&A)

K.M.ANTANI
Company Secretary

Place: **Vadodara**
Date: **28th September, 2011**

Place: **Vadodara**
Date: **28th September, 2011**



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011

SCHEDULE: 1 SHARE CAPITAL

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Authorised Share Capital 50,00,00,000 Equity Shares each of ₹10 each.	50000.00	50000.00
Issued Share Capital 24,30,18,764 Equity Shares each of ₹10 each fully paid-up.	24301.88	24301.88
Subscribed and Paid-up Capital 24,26,41,422 Equity Shares each of ₹10 each fully paid-up (All the Equity Shares are held by the holding Company Gujarat Urja Vikas Nigam Limited & its nominees).	24264.14	24264.14
TOTAL	24264.14	24264.14

SCHEDULE: 2 RESERVES & SURPLUS

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Security Premium.(See Note 6 of Schedule 29 (B))	20092.51	20092.51
Profit & Loss Account.	8294.15	5836.06
TOTAL	28386.66	25928.57

SCHEDULE: 3 DEFERRED GOVERNMENT GRANTS, SUBSIDIES & CONTRIBUTIONS

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
GOVERNMENT GRANTS / SUBSIDIES		
Subsidies towards Cost of Capital Assets.	30317.14	26466.04
Grants towards cost of Capital Assets.	5274.05	5730.65
CONSUMER CONTRIBUTIONS		
Consumer Contribution towards Capital Assets.	17744.90	15357.39
TOTAL	53336.09	47554.08



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011

SCHEDULE: 4 SECURED LOANS

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
(A) LOAN FROM BANKS		
(I) Term Loans (Allocated by GUVNL)	4970.82	10312.23
(Due within one year ₹ 4143 Lakh, Pre. year ₹ 5343 Lakh.)		
Interest Accrued and Due.	24.32	26.59
(II) Bills Discounting under DPG (Allocated by GUVNL)	-	1082.97
(Due within one year ₹ Nil , Pre. year ₹ 1083 Lakh.)		
(B) LOAN FROM FINANCIAL INSTITUTIONS (Allocated by GUVNL)	-	129.81
Due within one year ₹ Nil, Pre. year ₹ 130 Lakh.)		
(C) CASH CREDIT FROM BANKS	132.99	1152.74
(D) TERM LOAN FROM BANKS (Raised by MGVCL)	14479.17	5000.00
(Due within one year ₹ 3125 Lakh, Pre. year ₹ 521 Lakh.)		
Interest Accrued and Due.	80.68	-
(E) LOAN FROM FINANCIAL INSTITUTIONS (Raised by MGVCL)	6319.21	3298.11
(Due within one year ₹ 191 Lakh, Prev. year ₹ 141 Lakh)		
(F) BILLS DISCOUNTING UNDER DPG (Raised by MGVCL)	3495.15	3661.63
(Due within one year ₹ 974 Lakh, Pre. year ₹ 860 Lakh)		
TOTAL	29502.34	24664.08

1. Loan from Bank of Baroda (outstanding ₹ 256 Lakh Previous year ₹ 769 Lakh) is secured against the 1st hypothecation charge on the assets of Rajkot, Amreli, Bhuj O & M Circle & Jamnagar Rural Division of PGVCL- (A) (I).
2. Loan from State Bank of India (outstanding ₹ 342 Lakh, Previous year ₹ 855 Lakh) is secured against the 1st hypothecation charge on the assets of Gondal, Jetpur, Rajkot, Jamnagar, Dhoraji and Ranasan TR. Division of GETCO - (A) (I).
3. Loan from Indian Overseas Bank (outstanding ₹ 164 Lakh, Previous year ₹ 246 Lakh) is secured against the 1st hypothecation charge on the assets of Dhrangadhra and Surendranagar O & M Division of PGVCL - (A) (I).
4. Loan from Dena Bank (outstanding ₹ 591 Lakh, Previous year ₹ 1242 Lakh) is secured against the 1st hypothecation charge on the assets of Amreli, Dhasa & Vertej Tr. Division of GETCO - (A) (I). The said charge is created during the year.
5. Loan from Indian Overseas Bank (outstanding ₹ 189 Lakh, Previous year ₹ 288 Lakh) is secured against the 1st hypothecation charge on the assets of Vijapur, Mehsana & Chhatral Tr. Division of GETCO - (A) (I).
6. Loan from Union Bank of India (outstanding ₹ 148 Lakh, Previous year ₹ 247 Lakh) is secured against the 1st hypothecation charge on the assets of Soja, Dhansura & Chhatral TR. Division of GETCO - (A) (I).
7. Loan from Allahabad Bank (outstanding ₹ 346 Lakh, Previous year ₹ 543 Lakh) is secured against the 1st hypothecation charge on the assets of Sabarmati, Gandhinagar & Bavla O & M Division of UGVCL - (A) (I).
8. Loan from State Bank of India (outstanding ₹ 586 Lakh, Previous year ₹ 1698 Lakh) is secured against the 1st hypothecation charge on the assets of Valsad, Surat, Ankleshwar Indl. Divn., Bharuch City Divn., Bharuch O & M Divn. and Ankleshwar O & M Division of DGVCL - (A) (I).

9. Loan from Bank of Baroda (outstanding ₹ 289 Lakh Previous year ₹ 983 Lakh) is secured against the 1st hypothecation charge on the assets of Amreli, Bhuj, Jamnagar Rural Divn, Mahuva O & M Division, Keshod REC Divn., Surendranagar O & M Divn. of PGVCL - (A) (I).
10. Loan from Syndicate Bank (outstanding ₹ 939 Lakh, Previous year ₹ 720 Lakh) is secured against the hypothecation charge on the assets of Palanpur Transmission Circle of GETCO - (A) (I).
11. Loan from Canara Bank (outstanding ₹ 1120 Lakh, Previous year ₹ 960 Lakh) is secured against the extension hypothecation charge on the assets of Godhra and Baroda O&M Divisions of MGVCCL - (A) (I).
12. Loan from Oriental Bank of Commerce (outstanding ₹ Nil, Previous year ₹ 86 Lakh) is secured against the 1st hypothecation charge on the assets of Baroda City Circle and Jambuva O&M Division of MGVCCL - (A) (I).
13. Loan from State Bank of India (outstanding ₹ Nil, Previous year ₹ 121 Lakh) is secured against the 1st hypothecation charge on the assets of Valsad & Surat O&M Circles, Ankleshwar Indl. and O&M Division, Bharuch City and O&M Division and Rajpipla O&M Division of DGVCL - (A) (I).
14. Loan from Central Bank of India (outstanding ₹ Nil, Previous year ₹ 135 Lakh) is secured against the 1st hypothecation charge on the assets of Rajkot Rural Division & Rajkot RSO of PGVCL - (A) (I).
15. Loan from State Bank of Saurashtra (outstanding ₹ Nil, Previous year ₹ 154 Lakh) is secured against the 1st hypothecation charge on the Plant & Machinery of Dhrangadhra O & M Division of PGVCL - (A) (I).
16. Loan from Bank of Baroda (outstanding ₹ Nil, previous year ₹ 494 Lakh) is secured against the 1st hypothecation charge on the assets of Bhavnagar, Junagadh Rural, Botad, Mahuva, Bhavnagar City, Keshod (No.1), Keshod REC & Surendranagar O & M Division of PGVCL - (A) (I).
17. Loan from Canara Bank (outstanding ₹ Nil, Previous year ₹ 771 Lakh) is secured against the 1st hypothecation charge on the assets of to Halol O & M Divn., Baroda O & M Divn and Dabhoi O & M Divn of MGVCCL - (A) (I).
18. Bills Discounting limits availed from ICICI Bank, SIDBI, HDFC Bank, State Bank of India, Allahabad Bank, Bank of Baroda & Union Bank of India are secured under the Deferred Payment Guarantees issued by consortium member banks - (A) (II).
19. Loan from REC (outstanding ₹ Nil, Previous year ₹ 130 lacs)) is secured against the 1st hypothecation charge on the assets of Idar and Talod O & M Divisions of UGVCL - (B).
20. Cash Credit limit is secured against the 1st hypothecation charge in favour of UCO Bank Consortium on the Stocks and Book Debts of the Company - (C).
21. Loan from Kalupur Commercial Co-operative Bank Ltd. (outstanding ₹ 4479 Lakh, Previous year ₹ 5000 Lakh) is secured against transformer, lightening arnestors, shackle insulators, static meters under HVDS project - (D).
22. Loan from Bank of Baroda raised by MGVCCL (outstanding ₹ 10,000 Lakh, Previous year ₹ Nil)) is secured against charge on meters and transformers and assets created under the project ND & RAPDRP scheme of Chaklasi, Godhra, Nadiad and Kapadwanj Town.-(D).
23. Loans from PFC raised by MGVCCL under ADB-DRUM Project, (outstanding ₹ 996 Lakh Previous year ₹ 188 lakh) is secured against charge of movable assets created under DRUM Project of Umreth Sub-Division of MGVCCL - (E).
24. Loan from PFC raised by MGVCCL under R-APDRP Scheme (outstanding ₹ 5143 lakh Previous year ₹ 2813 Lakh) is secured against charge of Plant and Machinery and lines and cables of Anand & Nadiad City Division - (E).
25. Loans from REC under Schemes [No.41150,41090,41095,41097,41098,41107 and 41145] {outstanding ₹ 180 Lakh, previous year ₹ 297 Lakh} are secured against charge on the movable assets consisting of 3 Phase Meters, Quality / Static Meters, Static Meters on Indl. Consumers with MMB, DTCs, 11KV Feeder Bifurcation / Link Line for New Sub-stations, 11 KV Conductor at Baroda City Circle - (E).
26. Bills Discounting limits availed from SIDBI are secured under the Deferred Payment Guarantees issued by consortium member banks - (F).



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011

SCHEDULE: 5 UNSECURED LOANS

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Term loan from Banks (Allocated by GUVNL) (Due within one year ₹ 216 Lakh, Pre. year ₹ 956 Lakh)	252.05	1367.69
Loans from Financial Institutions (Allocated by GUVNL) (Due within one year ₹ 843 Lakh, Pre. year ₹ 5549 Lakh)	1370.92	5959.26
Bonds (Allocated by GUVNL) (Due within one year ₹ 846 Lakh, Pre. year ₹ 809 Lakh)	8627.52	9436.25
<u>Borrowings by MGVCL</u>		
Term Loan from Bank - IOB (Corporate Guarantee given by GUVNL) (Due within one year ₹ Nil, Pre. year ₹ 1500 Lakh)	-	1500.00
Loan from Financial Institution (Raised by MGVCL) (Due within one year ₹ 26 Lakh, Pre. year ₹ 17 Lakh)	776.82	692.46
Total	11027.31	18955.66
State Government Loans (Allocated by GUVNL)		
Loan under APDRP.	1317.63	1428.14
ADB Prog. & Proj. Loan. (Due within one year ₹ 482 Lakh, Pre. year ₹ 435 Lakh for both of the above loans)	5288.52	5613.05
Total	6606.15	7041.19
TOTAL	17633.46	25996.85

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE: 6 FIXED ASSETS

[₹ in Lakh]

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April, 2010	Addition during the year	Deletion/ Adjustment during the year	As at 31st March, 2011	As at 1st April, 2010	For the year	Deletion/ Adjustment (Refer Note No 2 Below)	As at 31st March, 2011	As at 31st March, 2010	
Land & Land rights.	37.49	-	-	37.49	-	-	-	37.49	37.49	
Buildings.	2741.26	642.85	1.09	3383.02	286.04	50.96	1.16	3044.86	2455.23	
Hydraulic Works.	17.16	-	-	17.16	6.28	0.85	-	10.03	10.87	
Other Civil Works.	781.42	113.06	-	894.48	47.06	13.87	1.58	831.97	734.36	
Plant & Machinery.	29277.34	5821.12	32.07	35066.39	6424.81	1645.99	136.00	26859.59	22852.53	
Lines & Cable Net Works.	155835.57	16713.71	-	172549.28	32163.40	7856.80	124.76	132404.32	123672.17	
Vehicles.	88.89	42.52	-	131.41	58.24	22.59	(-)0.27	50.85	30.65	
Furniture & Fixtures & Electrical Lightings.	655.66	99.65	0.19	755.12	135.30	45.07	21.31	553.44	520.36	
Office Equipments.	1487.91	223.77	23.36	1688.32	700.56	210.21	2.88	774.67	787.35	
Assets taken over from Licensees pending final valuation (Refer Note No:-1).	469.33	-	-	469.33	445.87	-	-	23.46	23.46	
TOTAL	191392.03	23656.68	56.71	214992.00	40267.56	9846.34	287.42	164590.68	151124.47	
Previous Year	167913.26	23620.65	141.88	191392.03	31948.38	8365.63	46.45	151124.47	135964.87	

Notes:-

- 1: The value and life of Assets taken over from the Licensee (Vadodara Mahanagar Palika) is provisional and subject to approval of the State Government. On approval from the State Government, same will be debited to the respective account head of the assets.
- 2: It includes the amount of Depreciation related to prior period for certain class of assets.


SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011
**SCHEDULE: 7
ASSETS NOT IN USE**

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Written down Value of Obsolete / Scrapped Assets		
Plant & Machinery.	9.50	37.37
Lines & Cable Net Works.	-	-
Vehicles.	0.41	1.87
Furniture & Fixtures.	-	0.03
Office Equipments.	9.43	0.08
TOTAL	19.34	39.35

**SCHEDULE: 8
CAPITAL WORKS IN PROGRESS**

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Capital Works-in-progress.	3337.03	6050.82
Interest Charges to be Capitalised.	826.47	325.79
Provision for Completed Works.	65.14	98.69
Total Assets at Construction Stage	4228.64	6475.30
Advances to Suppliers / Contractors (Capital).	2194.90	765.74
TOTAL	6423.54	7241.04

**SCHEDULE: 9
INVENTORIES**

(As taken, Valued and certified by Management)

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Stores , Spares and Scrap		
Stock of materials and Scrap.	12443.49	13888.39
Material under pending Inspection.	-	27.10
Materials at Site (O&M).	1157.71	581.38
Materials in Transit.	189.03	293.43
Other Materials Accounts.	2708.07	3014.78
Materials Stock Excess / Shortage Pending Investigation.	409.54	203.26
TOTAL	16907.84	18008.34



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011

SCHEDULE: 10 **SUNDRY DEBTORS**

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Sundry Debtors for Sale of Power.	10822.46	12767.77
Provision for Unbilled Revenue.	25164.42	23247.73
Dues from PDC (Net of SD forfeited).	10228.29	10036.64
Sundry Debtors for Miscellaneous Receipts from Consumers.	575.44	605.15
Total	46790.61	46657.29
Less : Unposted Receipts.	5.02	8.37
Total	46785.59	46648.92
Less : Provision for Doubtful Dues from Consumers.	9914.66	9314.58
Total	36870.93	37334.34
Less : Deferred ED & TSE from Consumers.	2500.40	2768.22
TOTAL	34370.53	34566.12
Out of the above -		
- Outstanding for a period exceeding six months	17852.43	14963.60
- Others	28938.18	31693.69
Total	46790.61	46657.29

NOTE:- Debtors are secured and considered good to the extent of security deposit received from the respective consumers.

SCHEDULE: 11 **CASH AND BANK BALANCES**

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Cash on Hand.	6.76	6.83
Cheques on Hand.	545.19	384.46
Balance with Scheduled Banks in Current Accounts.	3032.86	2352.04
Remittance in Transit.	2.12	135.73
TOTAL	3586.93	2879.06


SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011
**SCHEDULE: 12
LOANS AND ADVANCES**

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
<u>Secured Considered Good</u>		
Loans & Advances to staff -Interest Bearing.	1020.85	859.31
Interest Accrued & Due on Staff Loans & Advances.	105.32	80.80
<u>Unsecured considered Good for which Company holds no security other than the personal security</u>		
Advances for O & M Supplies / Works.	664.43	240.43
Loans & Advances to staff - Interest free.	149.66	156.45
Advance Income Tax / deduction at source (Net of Provisions).	617.02	58.46
Advance Wealth Tax (Net of Provisions).	0.02	0.02
Loans & Advances - Others.	38.47	181.99
TOTAL	2595.77	1577.46

**SCHEDULE: 13
OTHER CURRENT ASSETS**

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Debtors for Sale of Scrap.	5.59	-
Income accrued but not due.	802.73	810.75
Amount recoverable from Employee / Ex - Employees.	20.15	26.19
Electricity Duty & Tax on sale of Electricity.	44.39	57.46
Receivables from Government.	78.31	23.07
Other Claims & Receivables.	145.70	0.26
Deposits.	30.83	31.21
Amount recoverable from Licensees Account.	15.29	15.29
<u>Other Inter/Intra-Company receivables from Companies under the same management</u>		
- Gujarat Urja Vikas Nigam Limited.	-	11549.23
- Gujarat Energy Training & Research Institute.	56.74	135.34
TOTAL	1199.73	12648.80



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011
SCHEDULE: 14
CURRENT LIABILITIES AND PROVISIONS

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
CURRENT LIABILITIES		
Liability for Purchase of Power - Wind Farms.	253.66	426.84
Liability for Capital Supplies / Works.	2.00	7.17
Liability for O & M Supplies / Works.	3152.56	5245.47
Staff related Liabilities.	27.83	348.25
Welfare Schemes.	1830.71	1842.07
Deposits & Retentions from Suppliers & Contractors.	2244.43	3860.52
Interest Accrued but not due.	1763.31	1046.67
Other Liabilities and Provisions.	3944.93	5816.61
Security Deposit from Consumers in Cash.	43022.92	39755.30
Interest payable on Security Deposit from Consumers.	2088.01	1783.97
Deposits for Electrification & Service Connection etc.	7099.30	5991.62
Provision for Bonus.	27.02	34.57
Provisions for Expenses.	1138.02	6130.74
Financial Participation from Consumers.	3.58	3.58
Other Inter / Intra-company payables to the companies under the same management		
- Gujarat Urja Vikas Nigam Limited.	2554.51	-
Total	69152.79	72293.38
PROVISIONS		
Provision for Leave encashment.	7349.82	6987.15
Provision for MAT (Net of Advance Tax).	52.13	379.46
Provision for Wealth Tax (Net of Advance).	-	-
Provision for Fringe Benefit Tax (Net of Advance).	16.93	16.93
Total	7418.88	7383.54
TOTAL	76571.67	79676.92



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011

SCHEDULE: 15

MISCELLANEOUS EXPENDITURE (To the extent not written off)

Particulars	[₹ in Lakh]	
	As at 31 st MARCH 2011	As at 31 st MARCH 2010
Preliminary Expenses		
Opening Balance.	-	41.03
Less: Written off during the year	-	41.03
Closing Balance	-	0.00
Preoperative Expenses		
Opening Balance.	-	0.13
Less: Adjusted during the year	-	0.13
Closing Balance	-	0.00
Deferred Leave Encashment Liability		
Addition during the year	-	-
Less: Adjusted during the year	-	-
Closing Balance	-	-
TOTAL	0.00	0.00



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

SCHEDULE: 16 REVENUE FROM SALE OF POWER

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Revenue from Sale of Power		
Domestic or Residential.	59943.55	54315.29
Commercial.	31103.07	28617.79
Industrial Low & Medium Voltage.	26929.40	25829.19
Industrial High Voltage.	117872.09	102572.02
Public Lighting.	2374.76	2418.06
Traction Railways.	20049.31	20652.01
Irrigation Agricultural.	13262.57	14487.73
Public Water Works and Sewerage Pumps.	5050.64	4980.22
Power Sold to GUVNL.	19612.14	-
Total	296197.53	253872.31
Electricity Duty & Tax on Sale of Electricity		
Electricity Duty - assessed.	35371.42	31564.55
TSE - assessed.	-	0.22
Total	35371.42	31564.77
Miscellaneous Revenue from Consumers & Others		
Meter charges / Service Line Charges.	3513.41	3331.97
Recoveries for Theft of Power / Malpractices Non-Consumers.	543.91	531.61
Unscheduled Interchange - Income.	13201.08	-
Miscellaneous charges from consumers.	2721.28	2001.12
Total	19979.68	5864.70
Total	351548.63	291301.78
Less: Electricity Duty assessed (contra).	35371.42	31564.55
TSE assessed (contra).	-	0.22
TOTAL	316177.21	259737.01

SCHEDULE: 17 REVENUE SUBSIDIES AND GRANTS

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Agricultural Subsidy.	7161.21	7802.56
TOTAL	7161.21	7802.56



MADHYA GUJARAT VIJ COMPANY LIMITED

8th
Annual Report
2010-11

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

SCHEDULE: 18 **OTHER INCOME**

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Interest on Staff Loans and Advances.	110.91	93.90
Delayed Payment Charges from Consumers.	1889.81	1811.85
Income from Trading (sale of Scrap).	194.29	147.37
Gain on sale of Fixed Assets.	57.32	18.54
Income from Staff Welfare Activities.	-	0.12
Grant for Energy Conservation.	339.31	319.93
Government Grants - Capital (Deferred amount 10% W.Back).	3954.58	3577.41
Consumer contribution (Deferred amount 10% W.Back).	1971.68	1706.30
Provisions no longer required.	1146.79	-
Miscellaneous Receipts.	1098.83	999.77
TOTAL	10763.52	8675.19

SCHEDULE: 19 **PURCHASES OF POWER**

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Power Purchased from GUVNL.	284549.94	227315.03
Power Purchased from CPP / Wind Farms.	1672.81	1397.37
State Load Despatch Center Charges.	114.66	-
Unscheduled Interchange Charges.	1436.25	-
TOTAL	287773.66	228712.40

SCHEDULE: 20 **REPAIRS AND MAINTENANCE**

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Repairs and Maintenance		
Plant and Machinery.	348.27	330.72
Buildings.	185.36	197.39
Lines, Cable Network etc.	2344.00	2833.41
Others.	345.96	244.82
TOTAL	3223.59	3606.34



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE: 21 **EMPLOYEE COSTS**

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Salaries.	10009.78	9799.10
Overtime.	32.80	26.15
Dearness Allowance & Dearness Pay.	4169.12	3089.44
Other Allowances.	2926.56	3036.63
Bonus.	27.44	34.45
Total	17165.70	15985.77
Medical Expenses Reimbursement.	491.45	398.73
Leave Travel Assistance.	19.48	5.28
Earned Leave encashment.	548.93	222.80
Waiver of outstanding HBA Loan & interest.	2.28	7.53
Death & accident compensation.	3.88	7.88
Payment under Workmen's Comp. Act.	11.70	22.59
Board's Contribution Bombay Labour welfare Act.	0.44	0.52
EDLI - Administration charges.	28.41	29.85
Total	1106.57	695.18
Staff Welfare Expenses.	380.37	163.73
Terminal Benefits		
C.P.F.- Employer's Contribution.	1403.33	1251.63
Gratuity.	1745.57	3921.76
Pension Fund - Employer's Contribution.	348.42	335.50
Leave Encashment on Retirement.	443.60	1312.22
TOTAL	22593.56	23665.79



MADHYA GUJARAT VIJ COMPANY LIMITED

8th
Annual Report
2010-11

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

SCHEDULE: 22

ADMINISTRATION AND GENERAL EXPENSES

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Administration Expenses		
Rent including Lease rentals.	18.23	35.72
Rates and Taxes.	27.52	29.09
Penalties on Statutory Levies.	0.26	0.19
Insurance.	20.03	11.27
Testing Charges.	33.50	31.90
Inspection & Installation fees.	83.52	121.14
Communication Expenses.	231.39	284.55
Legal Charges.	19.28	29.24
Audit Fees.	7.72	6.62
Consultancy Charges.	9.52	7.02
Technical Fees.	13.55	4.71
Other Professional fees and expenses.	75.53	61.67
Conveyance & Travel.	1211.01	1067.35
Total	1751.06	1690.47
Other Expenses		
Fees & Subscription.	3.74	11.67
Books & Periodicals.	2.32	1.51
Printing & Stationery.	239.53	180.44
Expenses on Computer Billing & EDP Charges.	214.27	162.89
Advertisements (Other than purchase related).	19.57	16.98
Xerox copy Charges.	32.45	31.09
Electricity Charges.	239.14	243.38
Water Charges.	22.47	15.05
Maintenance to Tree Plantations.	0.72	0.23
Entertainment.	5.95	2.56
Expenses on Meetings & Conferences.	2.76	2.10
Guest House Expenses.	0.40	16.61
Security Expenses.	396.20	355.44
Miscellaneous Expenses.	645.56	650.19
Total	1825.08	1690.14
Freight & Other Purchase related expenses		
Freight.	113.88	119.99
Other Purchase Related Expenses.	68.62	89.87
Fabrication Expenses.	19.26	52.22
Total	201.76	262.08
Revenue Stamps on Receipts issued by the Company.	2.96	2.89
Expenditure on Training to Staff.	119.41	3.64
Total	122.37	6.53
TOTAL	3900.27	3649.22

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011****SCHEDULE: 23
OTHER MISCELLANEOUS EXPENSES**

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Small & Low Value Items Written off.	40.17	3.90
Loss on Sale of Fixed Assets.	7.61	0.70
Miscellaneous Energy Conservation and R&D Expenses.	0.30	4.45
Bad & Doubtful Debts Provision / Written off.	816.76	1289.23
Miscellaneous Losses & Write off.	215.24	857.05
Deferred Revenue Expenses Write off.	0.01	41.16
TOTAL	1080.09	2196.49

**SCHEDULE: 24
DEPRECIATION**

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Depreciation on Buildings.	50.97	40.71
Depreciation on Hydraulic Works.	0.84	0.81
Depreciation on Other Civil Works.	13.87	11.55
Depreciation on Plant & Machineries.	1645.99	1242.86
Depreciation on Lines & Cable Net Works.	7856.80	6819.58
Depreciation on Vehicles.	22.59	9.85
Depreciation on Furniture & Fixtures.	45.07	36.97
Depreciation on Office Equipments.	210.21	203.31
TOTAL	9846.34	8365.64



MADHYA GUJARAT VIJ COMPANY LIMITED

8th
Annual Report
2010-11

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE: 25 INTEREST AND FINANCE CHARGES

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Interest on State Government Loans.	460.96	241.83
Interest on Bonds.	852.95	987.75
Interest on other Loans/Deferred Credits		
Interest on Others.	7.03	25.29
Interest on REC Loans.	104.29	113.68
Interest on Bills Discounting under DPG.	395.70	458.57
Interest to Consumers on advance Payment.	37.55	31.30
Interest on Loans from PFC.	449.72	266.50
Interest to Consumers.	2197.63	2015.08
Total	4505.83	4140.00
Interest on Borrowing for Working Capital.	2495.77	3079.80
Other Interest & Finance Charges		
Discount to Consumers for Timely Payment of Bills.	-	0.98
Interest Charges.	33.39	31.82
Other Interest.	130.30	120.81
Cost of raising Finance.	6.73	54.13
Other Charges		
Other Charges.	477.56	476.04
Guarantee Fees.	90.16	110.09
Total	3233.91	3873.67
TOTAL	7739.74	8013.67

SCHEDULE: 26 OTHER EXPENSES CAPITALISED

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Employee Costs Capitalised.	3483.21	4080.90
Administration & General Expenses Capitalised.	600.91	627.54
Interest & Other Finance Charges Capitalised.	500.68	298.11
TOTAL	4584.80	5006.55

SCHEDULE: 27 EXTRAORDINARY ITEMS

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Extraordinary Debits		
Losses on account of Flood, Cyclone, Fire etc.	48.15	-
TOTAL	48.15	-



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE: 28 NET PRIOR PERIOD (-) CREDITS / CHARGES

Particulars	[₹ in Lakh]	
	Year ended 31 st MARCH 2011	Year ended 31 st MARCH 2010
Prior period expenses / losses		
Short Provision for Power Purchase (Wind Farm).	-	860.87
Employee Costs.	-	13.04
Depreciation under provided.	275.34	-
Interest & Other Finance Charges.	4.89	9.18
Other Charges related to Prior Periods.	79.20	0.49
Other Prior Period Adjustments.	2.91	1.99
Total	362.34	885.57
Prior period Income		
Receipt from Consumers relating to Prior Period.	-	0.73
Excess provision for Depreciation.	4.47	1.39
Employee Costs.	288.91	-
Other excess provision.	607.81	71.93
Other Income.	124.69	7.43
Excess Provision of Interest & Other Finance Charges.	81.94	81.73
Total	1107.82	163.21
TOTAL	(-) 745.48	722.36

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT****SCHEDULE 29:****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF ACCOUNTS****(A) ACCOUNTING POLICIES/PRINCIPLES:**

(1) The Company is one of the subsidiary companies of Gujarat Urja Vikas Nigam Limited. It was promoted as a public limited Company registered under the provisions of Companies Act, 1956 as a part of restructuring plan of Gujarat Electricity Board. The Company is engaged in the business of electricity distribution in Central Gujarat area and is governed by the provisions of the Electricity Act, 2003 and Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003. The provisions of this Act, read with the rules made thereunder, prevail wherever the same are inconsistent with the provision of the Companies Act, 1956.

(2) **Basis of Preparation of Financial Statements:**

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

(3) **Use of Estimates:**

The preparation 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 the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the same are known / materialized.

(4) **Revenue Recognition:**

(i) **Revenue from sale of power:** Revenue from sale of power is recognized on accrual basis of energy supplied in accordance with the tariff orders awarded by the Gujarat Electricity Regulatory Commission (GERC) as applicable to the consumers.

(ii) **Misc. revenue from consumers:** Meter charges, recoveries from theft of power / malpractices, wheeling charges recoveries are recognized on accrual basis. Misc. charges from consumers are recognized on cash basis except when ultimate realization of such income is certain.

(iii) **Revenue subsidies:** Revenue Subsidies are accounted for as allocated by GUVNL (Holding Company) and credited to profit and loss account.

(iv) **Interest Income:** Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

(v) **Other income:**

(a) Income from sale of scrap, insurance claims are accounted for on the basis of actual realization.

(b) Income received in respect of delayed payment charges is accounted for in the subsequent bill, upon realization of the delayed payment made by the consumer.

(c) Other income except mentioned above is recognized on accrual basis except when ultimate realization of such income is uncertain.



- (d) Amount in respect of unclaimed Security Deposit, Earnest Money Deposit and Misc. Deposit of suppliers and contractors which is pending for more than three years and which, as per policy of management, is not payable, is considered as income.

(5) Fixed Assets:

- (a) Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition. The opening gross value of fixed assets, accumulated depreciation and net block of fixed assets are stated at values notified by Govt. of Gujarat notification No. GUV-2006-91-GW-1106-590-K dt. 3rd October, 2006.

(b) **Capital work-in-progress:**

Capital work-in-progress includes the cost incurred on fixed assets that are not yet ready for the intended use and is capitalized whenever ready for use. All expenditures are allocated to the projects on pro rata basis to the accretion made to respective projects. However, common expenditure of Corporate Office and field offices are allocated to Capital work-in-progress at the predetermined rate.

(6) Depreciation:

- (i) Depreciation is provided on Straight Line Method as per rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Assets having original cost up to ₹ 5000/- have been fully charged to revenue in the year in which assets are purchased.
- (iii) Depreciation on addition/deletion of fixed assets is provided on pro rata basis from the date on which the asset is put to use/discarded.

(7) Impairment of Assets:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication of impairment exists, recoverable amount of the asset is estimated. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount so reassessed.

(8) Leases:

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

(9) Inventories:

The inventories of the Company are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

- (a) Stores and Spares - At cost (Weighted Average Method.)
- (b) Scrap - Net Realizable Value

**(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 performance 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) Borrowing Costs:

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

(12) 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.

Deferred Tax is recognized subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty except for carried forward losses and unabsorbed depreciation which is recognized on virtual certainty that the asset will be realized in future.

(13) Provisions and contingent liabilities:

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(14) Capital Grants from Government & Consumer Contributions:

Consumers' Contribution and capital grants towards cost of capital assets are not reduced from cost of assets. All receipts of consumer contributions and capital grants are treated as deferred credit and 10% of the year end balance is transferred to profit & loss account.



(B) NOTES FORMING PART OF ACCOUNTS:

1. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹16,344.26 Lakh. (Previous Year ₹ 14,122.67 Lakh.).

2. The Contingent Liabilities not provided for in respect of :

(₹ in Lakh)

Particulars	2010-11	2009-10
1. Income Tax	Nil	11.92
2. Various claims against Company not acknowledged as debt.	1,174.88	1,403.25
3. Charges created on Company's assets for which loan have been pass on to other Companies by GUVNL.	22,211.49	19039.83
4. Various Claims by the employees before various courts against erstwhile GEB	Amount is not ascertainable	Amount is not ascertainable

3. Auditors' Remuneration (Excluding Service tax) :

(₹ in Lakh)

Particulars	For the Year ended 31st March	
	2011	2010
Statutory Audit Fee	7.00	6.00
Certifications	---	2.50
Tax Audit	1.25	1.00
Out of pocket expenses	---	0.75
TOTAL	8.25	10.25

4. Managerial Remuneration :

(₹ in Lakh)

Particulars	For the Year ended 31st March	
	2011	2010
Salaries	5.73	-
Allowances	0.71	-
Medical reimbursement	0.46	-
TOTAL	6.90	-

**5. Leases:****Expenses**

The Company has obtained office premises for its business operations (including furniture & fittings, therein as applicable) under leave and license agreement. These are generally not non-cancelable lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.

Lease payments are recognized in the Profit and Loss Account as "Rent Expenses" under Schedule-22.

Income

The Company has let out its fully furnished owned office premises under operating lease during the year. Rent Income is recognized in the Profit and Loss Account as "Rent Income" under Schedule-18.

6. Equity Share Capital :

50090 Nos of Equity Shares of ₹ 10 each were allotted by the Company in the year 2004-05 to the GEB-erst & its nominees, which were transmitted w.e.f 1st April 2005 by operation of law in the name of Gujarat Urja Vikas Nigam Limited (GUVNL- Holding Company) & its nominees. The 6,69,75,018 Equity Shares of ₹ 10 each were allotted to GUVNL & its Nominees as a consideration for transfer of undertaking by GEB-erst, in light of GoG Notification No: GHU-(203)-GUV-1106-590-K dated 12.12.2008 for bifurcating & notifying revised equity structure effective from 01.04.2008 by splitting of equity capital into equity share capital & share premium in the ratio of 25:75. During the year 2008-09, the Company had issued Equity shares worth of ₹145.63 Crores of ₹ 10 each at par to the Holding Company (GUVNL) towards the financial assistance received for implementation of Jyoti Gram Yojna in non tribal area. During the year 2009-10 the Company had issued Equity Shares worth of ₹30 Crores towards the financial assistance received under the Financial Restructuring Plan.

7. Secured and unsecured Loans:

a) Loan transferred under the Financial Restructuring Plan as on 01.04.2005

(i) As per clause 3(2) of the Gujarat Electricity Industries (Reorganization & Regulation) Act and Comprehensive Transfer Scheme, 2003 if the assets of the undertaking transferred are subject to security document in favour of third party (Lender) for any financial obligation or arrangement entered in to by GEB-erst and the said loans are required to be apportioned to different transferee companies, the Government may, by order, do so and up-on such apportionment, the Security will be applicable only to those apportioned liabilities, by operation of Law.

(ii) The Government has in FRP notification apportioned total Loans of erstwhile GEB as Long Term and Short Term Loans ₹ 48,495.87 Lakh (balance of such loans as on 31st March, 2011 ₹21,827.46 lacs, Schedule-4 & 5) respectively have been transferred to the Company.



- (iii) The loans which were raised by erstwhile GEB from Bonds, Banks, PFC, REC, LIC, Financial Institutions and other Lenders against the assets relating to generation transmission and distribution activities and were used for common purposes are continued in the Books of GEB / (now GUVNL) on behalf of all transferee companies and the same have been apportioned under FRP Notification dated 3rd October 2006, based on their purpose and usage amongst all transferee companies and the same loans have been accounted by the Company as "Loans allocated from GUVNL Lenderwise" in separate accounts. The repayments and interest thereon are reimbursed by the Company to GUVNL.

The said Loans are classified and grouped either as Secured Loans or Unsecured Loans as per the classification & charges on the assets created by erstwhile GEB.

- b) Additional Loans raised by GUVNL after 01-04-2005:

After 01-04-2005, GUVNL has raised several loans for common usage of transferee companies. During the year 2010-11, GUVNL has apportioned ₹2160.40 Lakh. (Previous year ₹ 5472.99 lacs Schedule- 4 & 5). The repayments and interest thereon are reimbursed by the Company to GUVNL.

The said Loans are classified and grouped either as Secured loans or Unsecured Loans as per the classification & charges on the assets created by GUVNL (Holding Company) and its subsidiary companies.

- c) Joint consortium agreement between the Company and UCO Bank, lead Bank is executed in 2006-07, cash credit from banks is secured against hypothecation charge on the stocks and book debts of the Company ranking pari-passu interse.

8. Registration of charge in-respect of proportionate Secured Loans transferred by GEB-erst:

The Company has, under a scheme of transfer, acquired the movable Plant & Machinery under Baroda City Circle, which are subjected to charge created by the GEB-erst, a transferor entity. As per the provisions of the Companies Act, the Company is to register the charge in respect of these assets with the Registrar of Companies, Gujarat. Due to the common funds for all the operations of GEB-erst, funds were raised against the charge over common assets. The Company, therefore, has not registered the charge on the above mentioned assets with the Registrar of Companies, Gujarat. (Allocated loan to MGVCL outstanding as on 31.03.2011 is ₹ 180 Lakh, Previous year ₹ 297 Lakh).

9. Legal ownership (titles) of immovable properties:

The immovable properties, in respect of which the account balances have been transferred, are held in the name of GEB erst. The procedure for the registration and /or transfer in the name of the Company is under process.

10. Unscheduled Interchange and Power sold to GUVNL :

Hitherto the Company was not recognizing income and expenditure of UI Charges. During the year, Hon'ble GERC through order dated 2nd April 2010 has given directive to SLDC (State Load Dispatch Centre) to take necessary action for commercial operation of Intra State ABT (Availability Based Tariff) w.e.f. 05.04.2010. Accordingly, SLDC has started working out the intra



State UI for each of the participating units including DISCOMs w.e.f. 05.04.2010. In view of these directives, the Company has since started the accounting of UI in its books of accounts as the amount payable/receivable under intra State UI. The Company has thus accounted UI Receivable of ₹ 13,201.08 Lakh and UI Payable of ₹ 1,436.24 Lakh during the year.

Pursuant to modality of intra state ABT w.e.f. 05.04.2010 as above, surplus power sold to GUVNL for sale through bilateral transactions or power trading exchange amounting to ₹ 19,612.14 Lakh.

11. Compensation of usage of inter Company assets :

Consequent upon unbundling of business of GEB-erst, various assets including lands and buildings belonging to the companies are used by Holding Company/other fellow subsidiary companies. Common expenses for maintenance/usage of such assets have been apportioned and debited to Holding Company/other fellow subsidiary companies based on reasonable basis. However, for such other un-identifiable expenses or income, no provision has been made for any such charges receivable or payable to or by the Company.

12. Employee Benefits:

i. Defined contribution plans

The Company has recognised ₹ 1,403.33 Lakh (Previous Year 1,251.63 Lakh) for Provident Fund Contribution as expenses under the defined contribution plan in the Profit & Loss account.

ii. Defined benefit plan

The Company recognizes the liability towards the gratuity at each balance sheet date.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2011 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2011.

(₹ in Lakh)

Particulars	Gratuity	
	2010-11	2009-10
Changes in the present Value of obligation		
Present value of obligation (opening)	10972.87	7325.65
Interest Cost	877.83	586.05
Past Service Cost	410.913	431.31
Current Service Cost	454.98	410.91
Curtailment cost / (-) Gain	Nil	Nil
Settlement Cost / (-)Gain	Nil	Nil
Benefits Paid	(-) 1324.06	(-) 616.63
Actuarial Losses / (-) Gain	842.94	(-)164.42
Present Value of obligation (Closing)	11824.57	10972.87



(Continued from Page...47)

(₹ in Lakh)

Particulars	Gratuity	
	2010-11	2009-10
Changes in the fair Value of Plan Assets		
Present value of plan assets (Opening)	4299.36	3063.34
Expected Return on Plan Assets	439.42	333.31
Actuarial Gain / (-) Losses	(-) 5.17	12.43
Employer's Contributions (*)	1976.34	1506.91
Employees' Contributions	Nil	Nil
Benefits paid	(-) 1324.06	(-) 616.63
Fair Value of Plan Assets (Closing)	5385.88	4299.36
(*) Apportioned based on the ratio of closing liabilities of holding and fellow subsidiary companies.)		
Percentage of each category of plan assets to total fair value of Plan Assets at the year end		
Government of India Securities	Nil	Nil
High quality corporate bonds	Nil	Nil
Equity shares of listed companies	Nil	Nil
Property	Nil	Nil
policy of insurance	100%	100%
Bank Balance	Nil	Nil
Amount recognized in the balance sheet		
(Through holding Company GUVNL)		
Present Value of funded obligation as at the year end	5385.88	4299.36
Fair value of plan assets as at the year end	5385.88	4299.36
Funded (-) Asset /Liability recognized in the Balance Sheet	Nil	Nil
Present Value of Unfunded obligation as at the year end	6438.69	6673.52
Un recognised past service cost	Nil	Nil
Un recognized Actuarial (-) Gains / Losses	Nil	Nil
Unfunded net Liability recognized in the balance sheet	6438.69	6673.52
Amount recognized in the balance sheet		
(For Gratuity-through holding Company GUVNL)		
Present Value of obligation as at the year end	11824.57	10972.87
Fair Value of Plan assets as at the year end	5385.88	4299.36
(-) Asset / Liability recognized in the balance sheet	6438.69	6673.52
Expenses recognized in the profit and loss account		
Current Service Cost	454.98	410.92
Past Service Cost	877.83	3431.31
Interest Cost	586.05	586.05
Expected Return on Plan Assets	(-) 439.42	(-) 333.31



(Continued from Page...48)

(₹ in Lakh)

Particulars	Gratuity	
	2010-11	2009-10
Curtailment Cost / (-) Credit	Nil	Nil
Net Actuarial (-) Gain / Loss	848.12	(-) 176.85
Employees Contribution	Nil	Nil
Total Expenses recognized in the profit and loss account.	1741.51	3918.12
Principal actuarial assumption (Rate of Discounting)		
Rate of Discounting	8.00%	8.00%
Expected Return on Plan Assets	9.50%	9.50%
Rate of Increase in Salary	5.00%	5.00%

iii. Experience adjustments:

In absence of availability of relevant information, the experience adjustment on plan liabilities has not been furnished.

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.

13. Based on the details available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" there are no over dues to micro, small and medium enterprises as at 31st March 2011 on account of principal amount together with interest for delayed payment under the Act (Previous year Nil).

14. Balances of Sundry Debtors and Creditors are subject to confirmation, reconciliation and consequential adjustment, if any.

15. Treatment of Capital work-in-progress and charge of depreciation:

The assets are sometimes not capitalized for want of, technical certificate and other routine procedural requirements despite being put to use. Accordingly, depreciation on the same will be charged from the date put to use and will be treated as prior period depreciation. The amount is unascertainable.

16. Segment Information:

The operations of the Company are limited to one segment, namely, distribution of electricity and ancillary activities.

17. Related Party Disclosures :

As per Para 9 of AS 18 on "Related Party Disclosure", no disclosure is required in the financial statements as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

18. Management is of the opinion that the current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts.

19. Subject to the notes hereof and the method of accounting followed by the Company, management is of the opinion that the provision for all known liabilities is adequate and not in excess of amount reasonably necessary and that there are no contingent liabilities except those stated in the notes.



20. Borrowing Cost :

Govt. vide G R No. GEB-1104-7319-K dtd. 07.11.2008 has resolved to waive the interest on outstanding Govt. loans of ₹5478.99 Lakh. (as on 31.03.2005) which was earlier deferred till 2010-11 while approving the Financial Restructuring Plan of erstwhile GEB. Further, Govt. vide G.R. No. GEB-1104-7319-K dtd. 22.02.2011 resolved that interest waiver period on loans shall be from 01.10.2004 to 30.09.2010. Accordingly, provision of ₹226.02 Lakh has been made for the period from 01.10.2010 to 31.03.2011.

Borrowing cost capitalized during the year is ₹ 500.68 Lakh (Previous year ₹ 298.11 Lakh) for acquisition of long term assets.

21. Earnings per Share :

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

Basic & Diluted EPS

(₹ in Lakh)

Particulars	For the year ended 31st March	
	2010-11	2009-10
Profit After Tax Including Extra Ordinary Items (₹ in Lakh.)	2458.09	1705.44
Profit After Tax Excluding Extra Ordinary Items (₹ in Lakh.)	2506.24	1705.44
Weighted Average number of Equity Shares	242641422	214635735
Face Value per Share (₹)	10	10
Basic & Diluted Earnings per Share of ₹10/- each Including Extra Ordinary Items (₹)	1.01	0.79
Basic & Diluted Earnings per Share of ₹10/- each Excluding Extra Ordinary Items (₹)	1.03	0.79

22. In view of the unabsorbed losses and in the absence of virtual certainty and convincing evidence of sufficient future taxable income, deferred tax assets as at 31st March, 2011 is not recognized.

23. Valuation of assets retired from active use

As per Para 14 of Accounting Standard-10 "Accounting for Fixed Assets" an item of fixed asset that has been retired from its active use and is held for disposal is to be stated at the lower of Net Book Value or Net Realizable Value (NRV).

In respect of all those assets of the companies which are identified as "retired from active use", the management is of the opinion that the NRV is higher than their Net Book Value and that there was an upward trend in the scrap market. In view of this, the Company does not recognize any expected loss in the Profit & Loss Account.



24. Details relating to Purchases and Sales:

Particulars	Units (MUs)	
	2010-11	2009-10
PURCHASES		
Power purchase from GUVNL (MUs)	8,613	7,177
Power purchase from Others (MUs)	52	49
U I Units - Import (MUs)	49	-
Less: U I Units - Export (MUs)	438	-
Less: Trading Units (MUs)	504	-
NET PURCHASE (MUs)	7,772	7,226
SALES		
Power Sold to Consumers (MUs)	6,328	5,759
Units Loss (MUs)	1,444	1,467
T & D Losses (%)	18.58%	20.30%

25. C.I.F value of import during the year is ₹ Nil (Previous year ₹ Nil).

26. Consumption of Stores & Spares:

Particulars	For the year ended 31st March	
	2010-11 %	2009-10 %
Indigenous	100.00	100.00
Imported	Nil	Nil
Total	100.00	100.00

27. Expenditure in foreign currency ₹ Nil (Previous year ₹ Nil).

28. Earning in foreign currency ₹ Nil (Previous year ₹ Nil).

29. Additional information pursuant to provision of paragraph 3.4C, 4D of the Part-II of Schedule VI to the Companies Act, 1956 is given to the extent possible in view of nature of business of the Company.

30. Figures of the previous year have been regrouped, rearranged and reclassified wherever necessary.

For and on behalf of the Board of Directors

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place: **Vadodara**
Date: **28th September, 2011**

MUKESH PURI
Chairman

K.R.SHAH
General Manager (F&A)

Place: **Vadodara**
Date: **28th September, 2011**

A.N.KHATRI
Managing Director

K.M.ANTANI
Company Secretary



MADHYA GUJARAT VIJ COMPANY LIMITED

8th
Annual Report
2010-11

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. **U40102GJ2003PLC42907** State Code **04**
Balance Sheet Date **31-03-2011**

2. Capital Raised during the year (₹ in Thousands)

Public Issue **NIL** Right Issue **NIL**
Bonus Issue **NIL** Private Placement **NIL**

3. Position of Mobilisation and Deployment of Funds (₹ in Thousands)

Total Liabilities **15312269** Total Assets **15312269**

SOURCES OF FUNDS

Paid up Capital **2426414** Share Application Money **NIL**
Reserves & Surplus **2838666** Secured Loans **1763346**
Govt. Grants & Cons Contr. **5333609** Unsecured Loan **2950234**

APPLICATION OF FUNDS

Net Fixed Assets **17103356** Investments **NIL**
Net Current Assets **(-) 1791087** Miscellaneous Expenses **NIL**
Deferred Tax **NIL**

4. Performance of the Company (₹ in Thousands)

Turnover **33410193** Total Expenditure **33087512**
Profit/Loss before tax **+ 322681** Profit/Loss after tax **+ 245808**
Earning per share in ₹ **1.01** Dividend rate % **NIL**

5. Generic Names of Three principal products/services of the Company (as per monetary terms)

Item code No.(ITC code): **NOT APPLICABLE**
Product Description: **Distribution of Energy**

As per our attached report of even date

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place: Vadodara
Date: 28th September, 2011

For and on behalf of the Board of Directors

MUKESH PURI
Chairman

K.R.SHAH
General Manager (F&A)

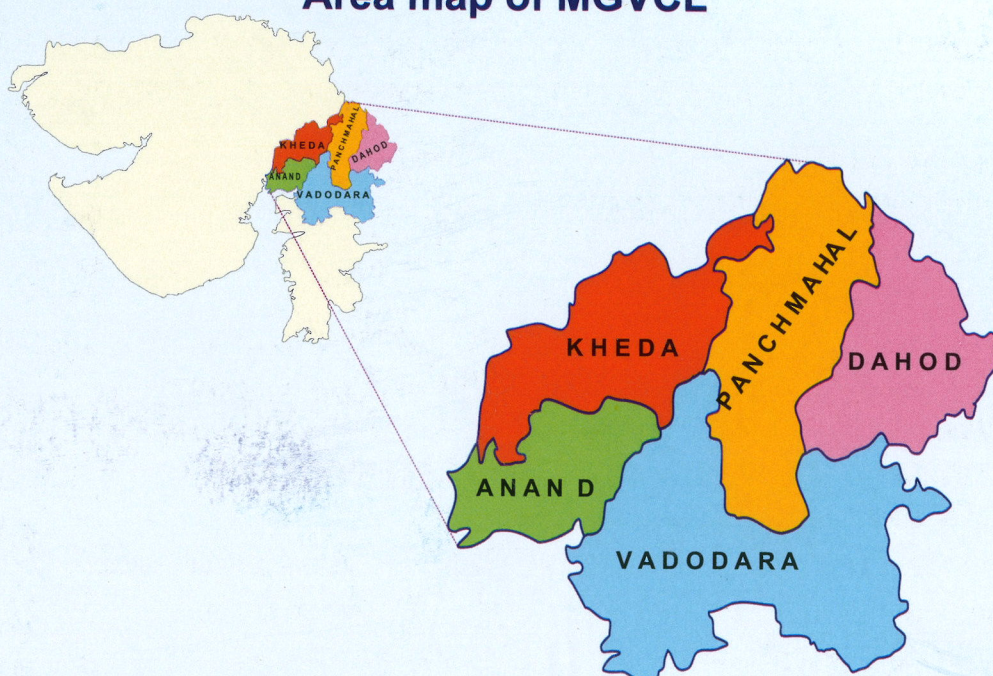
Place: Vadodara
Date: 28th September, 2011

A.N.KHATRI
Managing Director

K.M.ANTANI
Company Secretary



Area map of MGVCL



MGVCL AT A GLANCE (AS ON 31-03-2011)

Total Area (in Sq. Kms.)	23,854
Districts covered	5
No. of Towns	46
No. of Villages	4,404
Population (Census 2001) (Million)	11.18
Total Circles	4
Total Divisions	18
Total Sub-Divisions + Sectional Office	92 (O&M)
Total Sub-Stations	122
Total Transformer Centers	56,177
Total No. of Feeders	1,198
Total H.T. Line (Kms.)	38,048
Total L.T. Line (Kms.)	55,753
Ratio L.T./H.T.	1.47
Total Consumers	25.17 Lacs
Total contracted load in MW	4,287.61
Total Employees	5,968



MADHYA GUJARAT VIJ COMPANY LIMITED

Registered Office :

Sardar Patel Vidhyut Bhavan,
Race Course, Vadodara - 390 007