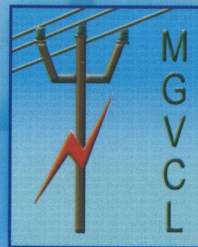




9th

Annual Report 2011-12



MADHYA GUJARAT VIJ COMPANY LIMITED

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

OUR VISION

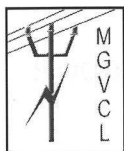
- ❖ **Customer satisfaction through service excellence**

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**



MADHYA GUJARAT VIJ COMPANY LIMITED

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2011-12

BOARD OF DIRECTORS

(As on 11-12-2012)

Shri Raj Gopal, IAS	Chairman
Shri H. P. Desai	Director
Prof. Kirankumar Joshi	Director
Shri K. M. Shringarpure	Director
Shri C. J. Macwan	Director
Shri S. B. Khyalia	Managing Director

COMAPNAY SECRETARY

Shri K. M. Antani

SENIOR EXECUTIVES

Shri S. M. Godkhindi	Chief Engineer (T&O)
Shri K. M. Dave	Chief Engineer (Proj.)
Shri K. R. Shah	General Manager (F&A)

BANKERS

UCO Bank	Syndicate Bank
State Bank of India	Union Bank of India
Bank of Baroda	Vijaya Bank
Dena Bank	Allahabad Bank
Bank of India	Indian Bank
Central Bank of India	Indian Overseas Bank
Canara Bank	Karur Vysya Bank
Corporation Bank	

AUDITORS

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

COST AUDITORS

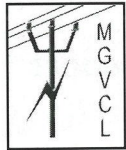
M/s. R. K. Patel & Co.
Cost Accountants
Vadodara.

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@gebmail.com

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NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of **Madhya Gujarat Vij Company Limited** will be held on Thursday, 13th December, 2012 at 11.00 a.m. at the Board Room of the Company, Third Floor, Sardar Patel Vidyut Bhavan, Race Course Circle, 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, 2012, Statement of 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 Shri H. P. Desai, 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 2012-13.

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 Raj Gopal, IAS, who was appointed as an Additional Director of the Company from 9th July, 2012, 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 S. B. Khyalia, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and also as Managing Director of the Company, effective from 25th July, 2012, and who holds office as Director up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company and who shall not be subject to retirement by rotation until such time that he is the Managing Director of the Company”.

By Order of the Board

Date : 11-12-2012

Place: Vadodara

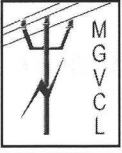
K. M. Antani
Company Secretary

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”.



MADHYA GUJARAT VIJ COMPANY LIMITED

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ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 4

Shri Raj Gopal, IAS was appointed as an Additional Director by the Board of Directors effective from 9th July, 2012, under Section 260 of the Companies Act, 1956 and 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 Raj Gopal, IAS, is a Senior IAS officer of 1987 batch. 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 Raj Gopal, IAS, is interested or concerned in this resolution.

Item no. 5

Shri S. B. Khyalia was appointed as an Additional Director by the Board of Directors effective from 25th July, 2012 under Section 260 of the Companies Act, 1956 and 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 is a Chartered Accountant and was working as Executive Director (Finance) of GUVNL. He was also nominated as Managing Director of the Company by GUVNL, on deputation basis. He has worked at various positions in GUVNL and has long experience in Finance, Accounts, Commerce and other fields.

Your Directors, recommend the resolution for your approval.

None of the Directors, except Shri S.B. Khyalia is interested or concerned in this resolution.

By Order of the Board

Date : 11-12-2012

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 have pleasure in presenting the 9th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

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

(Rs. in lacs)

Particulars	Financial year ended 31 st March	
	2012	2011
Total Income	3,95,232.25	3,34,101.94
Profit before Depreciation, Interest and Tax	23,378.23	20,812.90
Depreciation	10,694.73	9,846.34
Interest and Finance Charges	8,075.58	7,739.74
Profit before Tax	4,607.92	3,226.82
Provision for Tax	1,010.74	768.73
Profit after Tax and available for appropriation	3,597.18	2,458.09

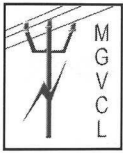
DIVIDEND

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 financial year 2011-12 are as under:

- ❖ Revenue Assessment (without Electricity Duty, Surplus Power Sale and Unscheduled Interchange Income) increased to Rs.3,321.40 crores during financial year 2011-12 from Rs. 2,852.54 crores in F.Y. 2010-11 showing an increase of Rs. 468.86 crores (+16.44%) in F.Y. 2011-12.
- ❖ The average rate of realization from consumer per unit increased to Rs. 4.87 per unit (without Electricity Duty, Surplus Power Sale and Unscheduled Interchange Income) compared to Rs.4.51 per unit in F.Y. 2010-11.
- ❖ Total income increased to Rs.3,952.32 crores as against Rs. 3,341.02 crores in the previous financial year showing an increase of 18.30%.
- ❖ Profit before tax increased to Rs.46.08 crores as compared to Rs.32.27 crores in the previous financial year, an increase of Rs.13.81 crores (+42.80%).



- ❖ Total arrears of consumers reduced to Rs.167.63 crores at the year end of 2011-12 compared to Rs.189.35 crores of previous year end.

OPERATIONAL PERFORMANCE

- ❖ Power sale of units sold registered 6,825 MUs during the year compared to 6,328 MUs showing an increase of 497 MUs (+7.86%) over last year.
- ❖ Over all Distribution losses during the financial year 2011-12 are 12.18% which are decreased from 14.68%.
- ❖ Transformer failure rate reduced from 4.97% to 4.63%.
- ❖ Power availability maintained at 99.68 % (without load shedding).
- ❖ The consumer base increased from 25.17 Lacs to 26.29 Lacs.
- ❖ Under various normal development schemes, 138 HT Industrial, 1,815 LT Industrial and 46,700 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 2011-12. 3,27,856 connections were checked and 5,300 connections were detected for theft and mal-practice with total assessment of Rs. 615 Lacs and total recovery of Rs. 361 Lacs.

SYSTEM IMPROVEMENT

To strengthen distribution network and to improve system operations, several initiatives taken are as under:

- ❖ 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 39 such feeders were bifurcated under SI.
- ❖ Conductor renovation of 608 KM is carried out under system improvement.
- ❖ 3,096 transformers are installed under High Voltage Distribution System (HVDS) to reduce hooking in rural areas and to reduce the LT line losses.

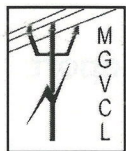
OTHER PROJECTS / SCHEMES

- ❖ 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 Rs.89.49 crores were sanctioned. The infrastructure works in all towns are completed. GIS & AMR works are also completed. The Company has integrated all the 17 towns with Data Center and declared 8 towns Go-Live.

Under part B, projects for 13 towns of the Company at an estimated cost of Rs. 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.

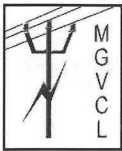


The existing SCADA system in Vadodara City is approved for up-gradation under Part-A of R-APDRP at an estimated cost of Rs.26.18 crores. The tender for appointment of implementing agency has been floated.

- ❖ 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 1,369, in Vadodara District, 1,475, in Kheda District, 6,479 and in Dahod 12,650 i.e. Total 21,973 BPL beneficiaries are electrified. For Anand and Vadodara districts, the work was completed. For Kheda & Dahod districts majority work was completed.
- ❖ Under State Government sponsored Scheme, 41,250 connections are released under 'Zupadpatti Vijalikaran Scheme', and 5,717 connections are released in 'Kutir Jyoti Scheme' in tribal areas for the year 2011-12.
- ❖ In Agriculture sector, electrification of wells carried out for-
 - 787 wells under Special Project Agriculture (SPA) Scheme.
 - 4,392 wells under Tribal Area Sub Plan (TASP) Scheme.
 - 3,196 wells under Tatkal Scheme
 - 12 wells in other scheme.
- ❖ In tribal areas:
 - electrification carried out for 94 Petaparas under Tribal Area Sub Plan (TASP) and 468 connections under Scheduled Caste Sub Plan (SCSP) are provided.

IT INITIATIVES

- ❖ Information Technology
 - E-payment facility from anywhere was started during the year 2011-12.
 - Interruption Analysis (DAR): Online Daily activity report, which includes daily interruption on feeders (Transient Tripping (TT), TT due to SDT, Sustained Fault, Emergency Shutdown, Transformer maintenance, Installation checking activity, T&D loss reducing activity like replacement of meters, seals, accident details etc.
 - Reliability indices: SAIFI / SAIDI / CAIDI / MAIFI / CAIFI, software for these indices is developed in-house by using consumer database and interruption on feeders.
 - SMS based system: In house development of SMS based system viz. consumer registration through SMS/Web portal, SMS based consumer complaint and its feed back by respective office, SMS based information i.e. bill information.
 - GPRS based HHE billing in the periphery of Vadodara City Circle as well Vadodara Rural circle resulted into timely completion of billing period. This helps in providing better services to the consumers and also monitoring the billing related activity.
 - Automatic Meter Reading(AMR): AMR was successfully installed at all HT consumers.
 - Vigilance information available to vigilance staff on their Mobile instrument.
 - The Company's web site and Portal are maintained in house and also updated on regular basis to make it more interactive, informative and customer/employee friendly.



❖ '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.

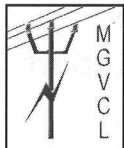
CUSTOMER SERVICES

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

- ❖ Company has commissioned fully computerized 24x7 centralized Customer Care Center at Subhanpura, Vadodara. The customers of all four Circles can register their complaints in this Customer Care Centre.
- ❖ 33 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 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. The above arrangement has been made with more than 20 banks covering all major Public Sector Banks and Private Sector Banks.
- ❖ Consumer Grievances Redressal Forum is in place as mandated by the Electricity Act, 2003 and the regulations notified there under.
- ❖ 11 new sub-divisions are created at Ras, Manjusar, Bhalej, Chaklasi, Haldarvas, Mogri, Balasinor-II, Timba, Garbada, Vejalpur, Padra-II to provide better services to the consumers.
- ❖ 14 Mini Maintenance Gangs are created at Tribal sub-division.
- ❖ 05 Maintenance Gangs are created at Taluka places without sub-division.
- ❖ 01 Maintenance Gang is created for Viththal udyognagar GIDC under V.V. Nagar s/dn of Anand circle.

AWARDS & ACHIEVEMENTS

Your Directors are pleased to inform you that the Company had been selected for **Bronze Shield** by Ministry of Power for meritorious performance under Distribution category for the year 2009-10. The Shield was awarded on 22/03/2012 by H'ble Union Minister of Power.



Various performance criteria such as improving AT&C losses, financial turn around, metering, reliability in power supply, open access and consumer indexing were taken into consideration while judging the performance of distribution Companies.

REGULATORY MANAGEMENT

The Gujarat Electricity Regulatory Commission (GERC) is an 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 June, 2012, GERC had issued tariff Order for 'truing up' of financial year 2010-11, and determination of tariff for financial year 2012-13. Various hearings for the petition are already completed by GERC and Tariff Order is also issued by the Commission effective from 01-06-2012. The Company is also preparing its ARR petition for financial year 2013-14 to file the same with GERC.

INTRA-STATE ABT AND OPEN ACCESS

Intra-state ABT is implemented as per the Regulation of Hon'ble Gujarat Electricity Regulatory Commission (GERC). The scheduled energy and actual energy is constantly monitored by Area Load Dispatch Centre (ALDC) ensuring minimum gap aligning with system frequency.

The Open Access Regulation dated 1.06.2011 by Hon'ble Gujarat Electricity Regulatory Commission (GERC) allows the consumers to avail power supply from the sources other than the Company. Hon'ble GERC has initiated suo-motu petition about jurisdiction for determination of tariff of the consumers of 1 MW and above, in light of the consideration of such consumers as deemed open access consumers. The order of Hon'ble GERC is awaited.

DEMAND SIDE MANAGEMENT (DSM)

The Regulation on Demand Side Management (DSM), Notification no. 1 of 2012 is notified by Hon'ble Gujarat Electricity Regulatory Commission (GERC) in the month of May 2012. The DSM activities are to encourage consumers to amend their electricity consumption patterns, both with respect to timing and level of electricity demand so as to help the customers to use electricity more efficiently.

The Company has initiated actions in compliance to the DSM Regulation, and is in process of formation of separate cell to take up dedicated DSM activities as per the Regulation.

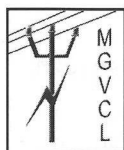
HUMAN RESOURCE DEVELOPMENT

To develop competency of employees and thereby enhance organizational effectiveness and productivity, many need based training and development programs are organized with special emphases on fostering a culture of innovation. Industrial Relations continue to be cordial.

DIRECTORS

Since the last Annual General Meeting, Shri A. N. Khatri, IAS, Managing Director of the Company retired on attaining the age of superannuation on 30/06/2012. The Board places on record its sincere appreciation of able leadership, direction, contribution and valuable services rendered by him during his tenure as Managing Director of the Company.

Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, nominated Smt. Shahmeena Husain, IAS, Director (Administration) of GUVNL, as the Managing Director of the Company vice Shri A.N. Khatri, IAS.



MADHYA GUJARAT VIJ COMPANY LIMITED

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GUVNL nominated Shri S. B. Khyalia, as Managing Director of the Company effective from 25th July, 2012 and Smt. Shahmeena Hussain resigned as Managing Director effective from the said date.

Shri Mukesh Puri, IAS, resigned as Director and Chairman of the Board of Directors of the Company effective from 2nd July, 2012. The Board places on record its sincere appreciation of commitment, matured advice, significant contribution and valuable services rendered by him during his tenure as Chairman of the Board of Directors of the Company.

Shri Raj Gopal, IAS, was nominated by GUVNL as Director as well as Chairman of the Board of Directors of the Company, effective from 9th July, 2012.

Shri Raj Gopal and Shri S. B. Khyalia hold their offices 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.

Shri H. P. Desai, 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

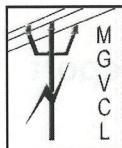
Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. in the preparation of annual accounts for the financial year ended 31st March, 2012, 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, 2012 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, 2012, 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 C. J. Macwan	... Member
Shri H. P. Desai	... Member
Shri K. M. Shringarpure	... 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, 2013. 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. R. K. Patel & Co., Cost Accountants, Vadodara, as Cost Auditor for Financial Year 2011-12 and has been approved by the Central Government. The Cost Auditors have prepared the cost audit report for the financial year 2011-12 and will be filed with the Central Government before the extended statutory period i.e. 31/12/2012 or any further extension thereof.

ACKNOWLEDGEMENTS

The Directors are thankful to 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.

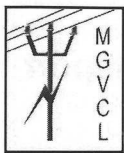
Your Directors also wish to place on record the appreciation for the continued support and co-operation of the consumers.

Finally, we appreciate and value the contributions made by all our employees.

For and on behalf of the Board of Directors,

Vadodara
11th December, 2012

Raj Gopal
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

The Company is making all efforts to conserve energy by monitoring energy costs and periodically reviewing the consumption of energy.

a) Measures taken for Conservation of Energy

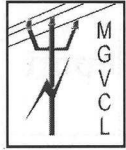
- ❖ High-loss feeders are closely monitored to reduce the technical losses. Meters are provided on Transformer Centres to identify the weak pockets with high losses.
- ❖ Purchase of energy efficient Transformers i.e. Star Rated Transformers by Bureau of Electrical Energy having low losses than current IS level & thereby reduction in power consumption by the transformers which ultimately result in reduction of distribution losses,
- ❖ Meters with low burden also significantly reduce distribution losses.
- ❖ Cables & conductors with more cross sectional area are utilised to reduce resistance which also reduces distribution losses.
- ❖ Regular and periodical maintenance of lines and equipments.
- ❖ 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 banners, stalls, exhibition for the Energy Conservation, safety awareness measures, Micro drip irrigation etc.
- ❖ 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.
- ❖ Provided Energy efficient tube light to all offices.
- ❖ Solar Roof Top Photovoltaic Power Plant are installed at 7 field offices.
- ❖ Additionally, Umreth sub-division was electrified by solar rooftop system of 15 kw. under DRUM project.

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.

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 KWH, peak demand, 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)

The Company perse did not carry out any basic R & D work during the year. However, due to various initiatives carried out through indigenous sources, resulted into improvement in the performance and system improvement.

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

- ❖ The use of Polymeric insulators in place of porcelain insulators.
- ❖ The use of Polymeric AB Switch & Polymeric DO fuse.

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

- ❖ Reduction in faults.
- ❖ Improvement in quality of stability & safety of distribution system.

3. Future plan of Action

Nil

4. Expenditure on R & D

Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continuously makes efforts towards research and developmental activities and has been constantly active in tapping the best technology in the industry.

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

- ❖ Solar Roof Top Photovoltaic Power Plant are installed at 7 field offices.
- ❖ Additionally Umreth sub division was electrified by solar rooftop system of 15 kw. under DRUM Project.

2. Benefits derived as a result of the above efforts

- ❖ Reduction in own usage of electricity.
- ❖ Environment improvement by reducing carbon use.

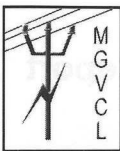
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information is furnished.

Not Applicable.

For and on behalf of the Board of Directors,

Vadodara
11th December, 2012

Raj Gopal
Chairman



MADHYA GUJARAT VIJ COMPANY LIMITED

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COMMENTS OF THE COMPTROLLER & 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 2012.

The preparation of financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2012 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurances 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 18 September 2012.

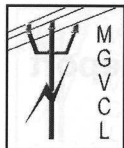
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a 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 Statutory Auditor's Report under section 619(4) of the Companies Act, 1956.

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

Sd/-
(Meera Swarup)
Accountant General
(E & RSA), Gujarat

Place : Ahmedabad.

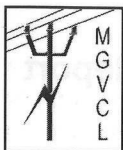
Date : 21-11-2012



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, 2012, the Statement of Profit and Loss 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 2011-12 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;



MADHYA GUJARAT VIJ COMPANY LIMITED

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- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss 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:
- in the case of Balance Sheet, the state of affairs of the Company as at 31st March, 2012;
 - in the case of Statement of Profit and Loss, of the Profit for the year ended on that date.
 - 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

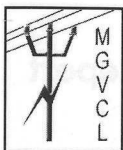
Place : **Vadodara**
Date : **18th September, 2012**



(ANNEXURE TO THE AUDITORS' 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 Gujarat Urja Vikas Nigam Limited (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.

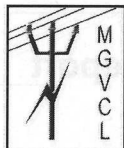
In view of (a) above, sub-clause (b) is not applicable.

- 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.

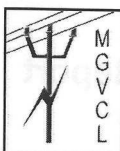
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

- 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, 2012 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.



MADHYA GUJARAT VIJ COMPANY LIMITED

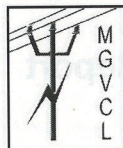
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- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have not been used for long term investment.
- xviii. The Company 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 report 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 : **18th September, 2012**



MADHYA GUJARAT VIJ COMPANY LIMITED

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BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	(Rs. in Lacs)	
		AS AT 31 ST MARCH, 2012	AS AT 31 ST MARCH, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	24,264.14	24,264.14
(b) Reserves and Surplus	3	31,983.86	28,386.66
(c) Deferred Government Grants, Subsidies and contributions	4	73,351.95	53,336.09
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	27,360.74	35,116.32
(b) Other Long-Term Liabilities	6	56,189.27	51,771.49
(c) Long-Term Provisions	7	7,894.44	6,616.44
3 Current Liabilities			
(a) Short-Term Borrowings	8	216.33	132.99
(b) Trade Payables	9	17,958.94	5,960.73
(c) Other Current Liabilities	10	17,606.39	20,438.46
(d) Short-Term Provisions	11	1,126.24	802.44
TOTAL		2,57,952.30	2,26,825.76
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	1,81,318.77	1,64,590.68
(ii) Capital work-in-progress	13	5,575.04	4,228.64
(b) Non-current investments	14	0.03	-
(c) Long-Term Loans and advances	15	3,587.49	2,920.11
(d) Other non-current assets	16	1,155.04	1,409.44
2 Current Assets			
(a) Inventories	17	16,804.60	16,907.84
(b) Trade receivables	18	42,107.66	30,956.27
(c) Cash and cash equivalents	19	4,965.27	3,586.93
(d) Short-Term Loans and advances	20	1,157.75	1,148.20
(e) Other Current Assets	21	1,280.66	1,077.65
TOTAL		2,57,952.30	2,26,825.76
Significant Accounting Policies and notes to financial statements	1-51		

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

VISHAL P. DOSHI
Partner
Membership No.101533

For and on behalf of Board of Directors

RAJ GOPAL, IAS
Chairman

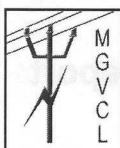
S. B. KHYALIA
Managing Director

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

K. M. ANTANI
Company Secretary

Place : Vadodara
Date : 18th September, 2012

Place : Vadodara
Date : 18th September, 2012



MADHYA GUJARAT VIJ COMPANY LIMITED

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	(Rs. in Lacs)	
		Year ended 31 st March, 2012	Year ended 31 st March, 2011
INCOME			
Revenue from Operations	22	3,85,188.77	3,25,228.23
Other Income	23	10,043.47	8,873.71
TOTAL		3,95,232.25	3,34,101.94
EXPENSES			
Purchase of Power	24	3,42,427.70	2,87,773.66
Employee Costs	25	26,159.16	22,593.55
Interest and Finance Charges	26	8,075.58	7,739.73
Depreciation & Amortization Expenses	27	10,694.73	9,846.33
Other Expenses		8,763.60	8,203.95
TOTAL		3,96,120.77	3,36,157.22
Less: Expenses Capitalised	28	5,546.63	4,584.80
TOTAL		3,90,574.14	3,31,572.42
Profit before Extra-ordinary / Prior Period Adjustments		4,658.11	2,529.48
Extra-ordinary items	29	-	48.15
Prior Period adjustments	30	50.18	(745.48)
Profit Before Tax		4,607.92	3,226.81
Provision for			
- Current Tax		1,010.74	768.73
Net Profit after Tax available for appropriation		3,597.19	2,458.08
Basic & Diluted Earning Per Share including extra-ordinary items (in Rs.)		1.48	1.01
Basic & Diluted Earning Per Share excluding extra-ordinary items (in Rs.)		1.48	1.03
Face value per Equity share Rs.		10.00	10.00
Significant Accounting Policies and notes to financial statements	1-51		

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

For and on behalf of Board of Directors

VISHAL P. DOSHI
Partner
Membership No.101533

RAJ GOPAL, IAS
Chairman

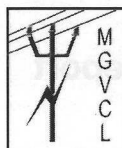
S. B. KHYALIA
Managing Director

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

K. M. ANTANI
Company Secretary

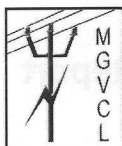
Place : Vadodara
Date : 18th September, 2012

Place : Vadodara
Date : 18th September, 2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lacs)	
	For the year 31 st March, 2012	For the year 31 st March, 2011
Cash Flow from Operating Activities		
Net Profit Before Tax	4,607.92	3,226.81
Adjustments For: :Add / (Less) :-		
Prior Period Credit / Charges	50.18	(745.48)
Other Miscellaneous Expenses	-	132.37
Govt. Grants / Cons. contribution Written Back	(8,150.22)	(5,926.26)
Prov for Bad & Doubtful Debts	271.45	816.76
Profit on Sale of Fixed Assets	(16.82)	(57.32)
Provisions no longer Required	-	(1,146.79)
Loss on Sale of Fixed Assets	-	7.61
Provision for Leave Encashment	1,138.96	362.67
Depreciation	10,694.73	9,846.34
Interest and financing charges	8,075.58	7,739.74
Exceptional Items	-	48.15
Operating Profit Before Working Capital Changes	16,671.78	14,304.60
Adjustments for Changes in Working Capital		
(Increase) / Decrease in Inventories	103.24	1,043.98
(Increase) / Decrease in Trade Receivables	(11,104.20)	(656.85)
(Increase) / Decrease in Loans & advances	(489.98)	(459.75)
(Increase) / Decrease in Other Current Assets	(167.36)	11,449.08
Increase / (Decrease) in Current Liabilities	17,561.38	(2,683.56)
CASH GENERATED FROM OPERATIONS	22,574.86	22,997.50
Direct Tax Paid	(653.10)	(1,654.63)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	21,921.76	21,342.87
Exceptional Items	-	(48.15)
Prior Period Credit / Charges	(48.85)	1,706.10
A. NET CASH FROM OPERATING ACTIVITIES	21,872.91	23,000.82
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(0.03)	-
Purchase of Fixed Assets	(27,435.52)	(23,656.68)
Sale of Fixed Assets / (Increase) / Decrease in asset not in use	33.52	102.82
(Increase) / Decrease in CWIP	(1,533.34)	817.50
B. NET CASH FROM INVESTING ACTIVITIES	(28,935.37)	(22,736.36)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lacs)	
	For the year 31 st March, 2012	For the year 31 st March, 2011
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds From Borrowings	(11,649.69)	(3,525.13)
(Repayment)/Proceeds from Consumer Contribution /		
Grants / subsidies	28,166.08	11,708.27
Interest Paid	(8,075.58)	(7,739.74)
C. NET CASH USED IN FINANCING ACTIVITIES	8,440.80	443.40
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1,378.34	707.86
CASH AND CASH EQUIVALENT (OPENING BALANCE)	3,586.93	2,879.06
CASH AND CASH EQUIVALENT (CLOSING BALANCE)	4,965.27	3,586.93

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 cash flow & Cash Equivalent as on 01-04-2011 & 31-03-2012 are as per Note 19 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 **K. C. Mehta & Co.**
Chartered Accountants

VISHAL P. DOSHI
Partner
Membership No.101533

For and on behalf of Board of Directors

RAJ GOPAL, IAS
Chairman

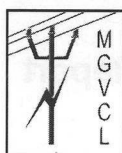
S. B. KHYALIA
Managing Director

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

K. M. ANTANI
Company Secretary

Place : Vadodara
Date : 18th September, 2012

Place : Vadodara
Date : 18th September, 2012

**NOTES FORMING PART OF FINANCIAL STATEMENT****Note : 1 Significant Accounting Policies**

(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 there under, prevail wherever the same are inconsistent with the provision of the Companies Act, 1956.

(2) Basis of Preparation of Financial Statements:

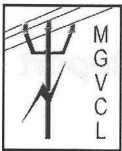
The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the requirements of the Companies Act, 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 Statement of Profit and Loss.
- (iv) **Interest Income:** Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

**NOTES FORMING PART OF FINANCIAL STATEMENT****(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.

(b) Capital work-in-progress:

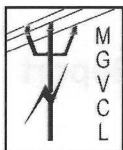
Capital work-in-progress includes the cost incurred on fixed assets that are not yet ready for the intended use and is capitalized whenever ready for use. All expenditures are allocated to the projects on pro rata basis to the accretion made to respective projects. However, common expenditure of Corporate 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 Rs. 5,000/- 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

**NOTES FORMING PART OF FINANCIAL STATEMENT**

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 Statement of Profit and Loss. 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) Investment:

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

(9) 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 Statement of Profit and Loss on accrual basis.

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

(10) Inventories:

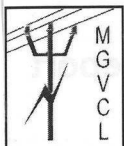
The inventories of the Company are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

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

(11) 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 Statement of Profit and Loss.
- 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 Statement of Profit and Loss 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.

**NOTES FORMING PART OF FINANCIAL STATEMENT****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.

(12) 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 Statement of Profit and Loss.

(13) 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.

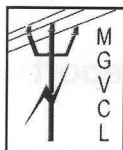
Deferred Tax is recognized subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward 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.

(14) Provisions, Contingent liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a 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. Contingent assets are neither recognized nor disclosed. Contingent Assets are neither recognized nor disclosed.

(15) 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 Statement of Profit and Loss.



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 2 Share Capital

(a) Share Capital consists of the following:

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Authorised 50,00,00,000 Equity Shares of Rs. 10/- each	50,000.00	50,000.00
Issued 24,30,18,764 Equity Shares of Rs. 10/- each	24,301.88	24,301.88
Subscribed & Paid up 24,26,41,422 Equity Shares of Rs. 10/- each fully paid	24,264.14	24,264.14
Total	24,264.14	24,264.14

(b) Reconciliation of Number of Shares and amount outstanding at the beginning and at the end of the reporting period is as under:

Particulars	Equity Shares	
	Number	(Rs. in Lacs)
Equity Shares outstanding at 1st April, 2010	24,26,41,422	24,264.14
Additions / (Reduction)	—	—
Equity Shares outstanding at 31st March, 2011	24,26,41,422	24,264.14
Equity Shares outstanding at 1st April, 2011	24,26,41,422	24,264.14
Additions / (Reduction)	—	—
Equity Shares outstanding at 31st March, 2012	24,26,41,422	24,264.14

(c) Details of Shares held by the holding Company are classified as under:

All the 24,26,41,422 nos. of Equity Shares (Previous year 24,26,41,422) are held by Gujarat Urja Vikas Nigam Limited, the holding Company & its Nominees.

(d) Shares in the Company held by share holders holding more than 5% is as under:

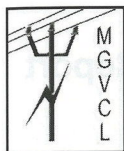
Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited	24,26,41,422	100%	24,26,41,422	100%

(e) Aggregate number of Shares allotted as fully paid up, without payment being received in cash in past 5 years:

Out of the above, 6,69,75,018 Equity Shares of Rs. 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.

(f) Right, preferences and restrictions attached to Shares:

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

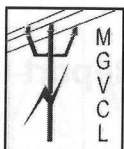
one vote in respect of each share held. Any dividend declared by the Company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Note : 3 Reserves and Surplus

Reserves and Surplus	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
a. Securities Premium Account		
Opening Balance	20,092.51	20,092.51
Closing Balance	20,092.51	20,092.51
b. Surplus in the statement of profit and loss		
Opening balance	8,294.16	5,836.03
(+) Net Profit for the current year	3,597.19	2,458.12
Closing Balance	11,891.35	8,294.15
Total	31,983.86	28,386.66

Note : 4 Deferred Government Grants, Subsidies and Contributions

Deferred Government Grants, Subsidies and Consumers Contribution	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
a. Government Grants, Subsidies towards Capital Assets		
Opening Balance	35,591.19	32,196.69
Add : Grants & Subsidies received during the year	17,299.66	7,349.08
Less : Grants & Subsidies transferred to Statement of Profit and Loss	5,289.08	3,954.58
Closing Balance	47,601.77	35,591.19
b. Consumers' Contribution towards Capital Assets		
Opening balance	17,744.90	15,357.39
Add : Contribution received during the year	10,866.41	4,359.19
Less : Consumers' Contribution transferred to Statement of Profit and Loss	2,861.13	1,971.68
Closing Balance	25,750.18	17,744.90
Total	73,351.95	53,336.09



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 5 Long-Term Borrowings

Particulars	(Rs. in Lacs)			
	Long-Term Borrowings		Other Current Liabilities	
	As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2011
Secured				
(a) Term loans				
(i) from banks (raised by GUVNL) (Refer Sub-Note 5.01 to 5.11 below)	-	828.07	828.07	4,142.75
(ii) from banks (raised by MGVCL) (Refer Sub-Note 5.12 and 5.13 below)	7,500.00	11,250.00	3,750.00	3,229.17
(iii) from Financial Institutions (raised by MGVCL) (Refer Sub-Note 5.14 to 5.16 below)	5,963.93	6,128.14	164.21	191.08
(b) Deferred payment liabilities (Refer Sub-Note 5.17 below)	1,553.46	2,513.05	959.58	982.10
	15,017.39	20,719.26	5,701.86	8,545.09
Unsecured				
(c) Term loans				
(i) from banks (raised by GUVNL)	-	-	-	252.05
(ii) from Financial Institutions (raised by GUVNL)	-	528.10	528.10	842.82
(iii) from Financial Institutions (raised by MGVCL)	814.75	762.32	19.33	14.50
(iv) State Government Loan under APDRP	1,096.61	1,207.12	110.51	110.51
(v) ADB Prog. & Proj. Loan (Refer Sub-Note 5.18 below)	4,540.16	4,916.64	376.48	371.88
(d) Bonds				
(i) Bonds	5,891.82	6,982.88	1,091.07	1,310.12
(ii) SLR Bonds (Refer Sub-Note 5.19 below)	-	-	-	334.51
Sub Total	12,343.34	14,397.06	2,125.49	3,236.39
Total	27,360.74	35,116.32	7,827.35	11,781.49

Nature of security and terms of repayment for Secured Borrowings

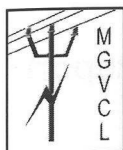
- 5.01 Loan from Bank of Baroda (outstanding Nil, Previous year Rs.256 Lacs) is secured against the 1st hypothecation charge on the assets of Rajkot, Amreli, Bhuj O & M Circle & Jamnagar Rural Division of PGVCL. Rate of interest 9.50% p.a.– (a) (i)
- 5.02 Loan from State Bank of India (outstanding Nil, Previous year Rs.342 Lacs) is secured against the 1st hypothecation charge on the assets of Gondal, Jetpur, Rajkot, Jamnagar, Dhoraji and Ranasan TR. Division of GETCO. Rate of interest 10.25% p.a.– (a) (i)
- 5.03 Loan from Indian Overseas Bank (outstanding Rs.82 Lacs, Previous year Rs.164 Lacs) is secured against the 1st hypothecation charge on the assets of Dhangadhra and



- Surendranagar O & M Division of PGVCL. Outstanding amount repayable in 4 Quarterly installments of Rs.20.50 Lacs each. Rate of interest 8.50% p.a.– (a) (i)
- 5.04 Loan from Dena Bank (Outstanding Rs. 58 Lacs, Previous year Rs.591 Lacs) is secured against the 1st hypothecation charge on the assets of Amreli, Dhasa & Vertej TR. Division of GETCO. Outstanding amount repayable in 5 monthly installment of Rs.11.56 Lacs each. Rate of interest 10.75 p.a.– (a) (i)
- 5.05 Loan from Indian Overseas Bank (outstanding Rs. 91 Lacs, Previous year Rs.189 Lacs) is secured against the 1st hypothecation charge on the assets of Vijapur, Mehsana & Chhatral TR. Division of GETCO. Outstanding amount repayable in 11 monthly installment of Rs. 8.23 Lacs each. Rate of interest 9.50% p.a.– (a) (i)
- 5.06 Loan from Union Bank of India (outstanding Rs.49 Lacs, Previous year Rs.148 Lacs) is secured against the 1st hypothecation charge on the assets of Soja, Dhansura & Chhatral TR. Division of GETCO. Outstanding amount repayable in one half yearly installment of Rs. 49 Lacs each. Rate of interest 10.75% p.a.– (a) (i)
- 5.07 Loan from Allahabad Bank (outstanding Rs. 148 Lacs, Previous year Rs.346 Lacs) is secured against the 1st hypothecation charge on the assets of Sabarmati, Gandhinagar & Bavla O & M Division of UGVCL. Outstanding amount repayable in 3 quarterly installments of Rs. 49.40 Lacs each. Rate of Interest 9% p.a.– (a) (i)
- 5.08 Loan from State Bank of India (outstanding Rs. Nil Lacs, Previous year Rs.586 Lacs) 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. Rate of interest 10.25% p.a.– (a) (i)
- 5.09 Loan from Bank of Baroda (outstanding Rs. Nil Lacs, Previous year Rs.289 Lacs) 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. Rate of interest 9.50% p.a.– (a) (i)
- 5.10 Loan from Syndicate Bank (outstanding Rs. Nil Lacs, Previous year Rs.939 Lacs) is secured against the hypothecation charge on the assets of Palanpur Transmission Circle of GETCO. Rate of interest 10% p.a.– (a)(i)
- 5.11 Loan from Canara Bank (outstanding Rs.400 Lacs, Previous year Rs.1120 Lacs) is secured against hypothecation charge on the assets of Godhra and Baroda O&M Divisions of MGVCL. Outstanding amount repayable in 10 monthly installments of Rs. 10 Lacs each. Rate of interest 10.75% p.a.– (a) (i)
- 5.12 Loan from Kalupur Commercial Co-operative Bank Ltd (outstanding Rs.3,125 Lacs, Previous year Rs.4,479 Lacs) is secured against transformer, lightening arestors, shackle insulators, static meters under HVDS project of MGVCL. Outstanding amount repayable in 30 monthly installments of Rs. 104.17 Lacs each. Rate of interest 10.75% p.a. – (a) (ii)
- 5.13 Loan from Bank of Baroda (outstanding Rs.8,125 Lacs, Previous year Rs.10,000 Lacs) is secured against charge on meters and transformers and assets created under the project ND & R-APDRP scheme of Chaklasi, Godhra, Nadiad and Kapadwanj Town of MGVCL. Outstanding amount repayable in 39 monthly installments of Rs.208.33 Lacs each. Rate of interest 11.25% p.a.– (a) (ii)



- 5.14 Loans from PFC under ADB-DRUM Project, (outstanding Rs.854 Lacs, Previous year Rs.996 Lacs) is secured against charge of movable assets created under DRUM Project of Umreth Sub-Division of MGVCL. Outstanding amount payable in 24 quarterly installments each of Rs.35.59 Lacs each. Rate of interest 12.50% p.a.– (a) (iii)
- 5.15 Loan from PFC under R-APDRP Scheme (outstanding Rs. 5,143 Lacs, Previous year Rs.5,143 Lacs) is secured against charge of Plant and Machinery and lines and cables of Anand & Nadiad City Division of MGVCL. – (a) (iii). As per terms of Part-A & SCADA, the loan of Rs. 3,598 Lacs may be converted into capital grant on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan is repayable in 70 equal monthly installments over a period of 10 years of Rs.51.40 Lacs each, starting from June-2013. As per terms of Part-B of R-APDRP Scheme, the loan of Rs.1,545 Lacs will be converted into Grant upto 50% on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan will be repayable in 150 equal monthly installments over a period of 15 years of Rs.10.30 Lacs each, starting from June,2013. Rate of Interest 9% p.a.– (a) (iii)
- 5.16 Loan from REC under Scheme No.41150 outstanding Rs.131 Lacs, (previous year Rs.180 Lacs) is 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 of MGVCL. The Company has, under scheme of transfer, acquired the movable Plant & Machinery as referred above, which are subjected to charge created by the GEBerst, the transferor entity. As per the provisions of the Companies Act, the Company is required to register the charge in respect of these assets with the Registrar of Companies, Gujarat. Due to application of common funds for all the operations of GEBerst, funds were raised against the charge over common assets. The Company, therefore, has not registered the charge on the assets with the Registrar of Companies, Gujarat. Outstanding amount repayable in 6 equal yearly installment of Rs. 21.85 Lacs each. Rates of interest 8.50%, 9.25% & 11.% p.a.– (a)(iii)
- 5.17 Bills Discounting limits availed from SIDBI are secured under the Deferred Payment Guarantees issued by consortium member banks. Outstanding amount repayable in 561 monthly installments of various amounts ranging from Rs. 0.88 Lacs to Rs. 13.31 Lacs each upto July,2015. Rates of Interest ranging from 8.50% to 11.75% – (b)
- 5.18 Terms of repayment for Long-term borrowings-Unsecured**
- ❖ Loan from GSFS outstanding Rs.528 Lacs (previous year Rs.1,371 Lacs) will be repayable in 10 equal monthly installments of Rs. 52.81 Lacs each upto January, 2013. Rate of interest 9% – (c) (ii)
 - ❖ Various loans from REC under RGGVY Scheme will be repayable in 160 yearly equal installments ranging from Rs.0.02 Lacs to 9.06 Lacs payable up to March 2027. Rate of interest ranging from 11% to 13%. Other loan amounting Rs. 16.24 Lacs repayable will be in 12 installments ranging from Rs.1.76 Lacs to Rs. 0.83 Lacs. Rate of interest 9% – (c) (iii)
 - ❖ State Government loan under APDRP Rs. 1,096.61 will be repayable in 12 annual installments ranging from Rs.110.51 Lacs to 1.98 Lacs. Rate of interest 12.18% – (c) (iv).
 - ❖ ADB Prog and Project Loan amounting to Rs. 4,550.16 Lacs will be repayable in 15 yearly installments ranging from Rs. 380.03 Lacs to Rs. 6.22 Lacs Rate of interest 10.69% – (c) (v)

**5.19 Maturity profile of Unsecured Bonds**

Public Bonds (Allocated By GUVNL) (Unsecured)	Maturity Profile (Rs. in Lacs)			
	2013-14	2014-15	2015-16	2016-17
11.75 % Bonds – Series VI (option II)	144.37	192.50	—	—
7.50 % Bonds – Series VI (option III)	266.80	355.73	—	—
11.25 % Bonds – Series VII (Option II)	9.39	—	—	—
11.50 % Bonds – Series VII (Option III)	315.59	—	—	—
8.95 % Bonds – Series – VIII	—	862.77	862.77	1,150.36
8 % Bonds – Series IX	—	137.13	137.13	182.85
8% Bonds – Series X	—	382.32	382.32	509.77

5.20 All the bonds are guaranteed by Government of Gujarat. The Company has no power to reissue the redeemed Bonds

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

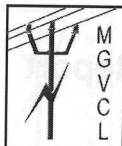
- (i) As per clause 3(2) of the Gujarat Electricity Industries (Reorganization & Regulation) Act and Comprehensive Transfer Scheme, 2003 if the assets of the undertaking transferred are subject to security document in favour of third party (Lender) for any financial obligation or arrangement entered 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 amounting to Rs. 48,495.87 Lacs (balance of such loans as on 31st March,2012 **Rs.14,462.82 Lacs**, (Previous year Rs. 21,827.46 Lacs), which 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 Lender wise” 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 2011-12, GUVNL has apportioned Rs. Nil (Previous year Rs. 2,160.40 Lacs). 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.



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 6 Other Long-Term Liabilities

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Staff Retirement cum Death Benefit Scheme	1,664.97	1,649.27
Security deposit from consumers in cash	47,144.71	43,022.92
Deposits for Electrification & Service connection	7,379.59	7,099.30
Total	56,189.27	51,771.49

Note : 7 Long-Term Provisions

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Provision for Employee Benefits		
Provision for Leave Encashment	7,894.44	6,616.44
Total	7,894.44	6,616.44

Note : 8 Short-Term Borrowings

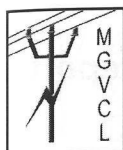
Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Cash Credit From Banks	216.33	132.99
Total	216.33	132.99

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.

Note : 9 Trade Payables

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Liability for Purchase of Power-Wind Farm	211.53	253.66
Liability for O & M Supplies / Works	5,597.94	3,152.56
Payables to companies under the same management - Gujarat Urja Vikas Nigam Limited	12,149.47	2,554.51
Total	17,958.94	5,960.73

Refer Note No.38



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 10 Other Current Liabilities

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Current maturities of long-term debt (Refer Note : 5)	7,827.35	11,781.49
Interest accrued but not due on borrowings	1,967.54	1,763.31
Interest accrued and due on borrowings	81.68	105.00
Interest payable on consumers security Deposit	2,225.47	2,088.01
Liability for Capital Supplies / Works *	4.63	2.00
Staff Related Liabilities	30.52	27.83
Staff Retirement cum Death Benefit Scheme	97.20	116.89
Staff Welfare Scheme	67.10	64.56
Deposits & Retentions from Suppliers & Contractors	2,303.58	2,244.43
Financial Participation from Consumers	0.80	3.58
Other Liabilities	1,228.91	1,076.32
Provision for Expenses	1,701.94	1,138.02
Provision for Bonus	26.94	27.02
Credit Balance in current accounts	42.73	-
Total	17,606.39	20,438.46

* Refer Note No.38

Note : 11 Short-Term Provisions

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
(A) Provision for Employee Benefits		
Provision for Leave Encashment	594.34	733.38
(B) Others		
(i) Provision for Fringe Benefit Tax (Net of Advance Tax)	16.93	16.93
(ii) Provision for Taxation (Net of Advance Tax)	514.42	52.13
(ii) Provision for Wealth Tax (Net of Advance Tax)	0.55	-
Total	1,126.24	802.44

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note : 12 Fixed assets Tangible assets

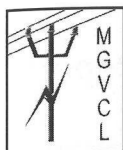
Particulars	Gross Block				Depreciation			Net Block	
	As at 1st April, 2011	Addition during the year	Deletion/ Adjust- ment during the year	As at 31st March, 2012	As at 1st April, 2011	For the year	Deletion/ Adjust- ment during the year	As at 31st March, 2012	As at 31st March, 2011
Land & Land rights	37.49	2,255.57	-	2,293.06	-	20.22	-	2,272.84	37.49
Buildings	3,383.02	253.40	-	3,636.42	338.16	57.26	-	3,241.00	3,044.86
Hydraulic works	17.16	-	-	17.16	7.13	0.81	-	9.22	10.03
Other Civil works	894.48	129.46	-	1,023.94	62.51	14.19	0.06	947.18	831.97
Plant & Machinery	35,066.39	5,043.52	9.03	40,100.88	8,206.80	1,877.28	(3.88)	30,020.68	26,859.59
Lines & Cable Net Works	1,72,549.28	19,499.59	-	1,92,048.87	40,144.96	8,451.02	2.63	1,43,450.25	1,32,404.32
Vehicles	131.41	49.56	3.64	177.33	80.56	14.61	(2.75)	84.91	50.85
Furniture & Fixtures & Electrical Lightings	755.12	98.89	-	854.01	201.68	54.81	3.27	594.25	553.44
Office Equipments	1,688.32	1,05.53	-	1,793.85	913.65	204.53	0.69	674.98	774.67
Assets taken over from licensees pending final valuation (Refer Note No:-1)	469.33	-	-	469.33	445.87	-	-	23.46	23.46
Total	2,14,992.00	27,435.52	12.67	2,42,414.85	50,401.33	10,694.73	0.02	1,81,318.77	1,64,590.68
Previous Year	1,91,392.03	23,656.68	56.70	2,14,992.00	40,267.56	9,846.33	287.42	1,64,590.68	1,51,124.47

(a) The value and life of Assets taken over from the Licensee (Vadodara Mahanagar Palika) is provisional and subject to approval of the State Government. The provisional value of the assets has been directly debited to the respective account head of the fixed assets.

(b) The opening gross value of Fixed Assets, accumulated depreciation and net block of fixed assets pertaining to year 2005-06 were stated at values notified by Government of Gujarat. Notification No. GUV-206-91-GW-1106-590-K dated 3rd October, 2006 and continue to be same.

(c) 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.

(d) Certain premises of the Company have been given on lease. The Company does not have any information regarding its gross block, depreciation block and net block and hence disclosure for leased out property have not been given separately as required as per Revised Schedule-VI.



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 13 Capital work-in-progress

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Capital Works-in-progress	4,150.87	3,337.03
Interest Charges to be Capitalised	1,366.28	826.47
Provision for completed works	57.89	65.14
Total	5,575.04	4,228.64

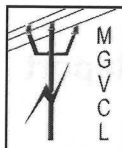
Above interest includes Interest on PFC loan given for R-APDRP Project Rs. 1,118.32 (previous year Rs. 669.09 Lacs) and Rs.247.97 Lacs (previous year Rs. 157.38 Lacs) for RGGVY Scheme. As per the terms of the R-APDRP project, the same may be partially converted into Grant by GOI on meeting the conditions of conversion from Loan to Grant. In view of above, the total fund disbursed by PFC is treated as Long Term Borrowing and interest liability is shown under the head "Other Non-Current Liabilities".

Note : 14 Non-current investments

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Long-term investment (Unquoted)		
Equity Shares - Kalupur Commercial Bank Ltd. (250 Share of Rs. 10 Each (P.Y. Nil))	0.03	-
Total	0.03	-
Aggregate amount of unquoted investment	0.03	-

Note : 15 Long-Term Loans and advances

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Secured Considered Good		
Loans & Advances to staff - interest Bearing	1,205.65	725.21
Unsecured Considered Good		
Advances to Suppliers / Contractors (Capital)	2,381.84	2,194.90
Total	3,587.49	2,920.11



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 16 Other Non-Current Assets

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Secured, considered good		
Interest Accrued & Due on Staff Loans	64.52	45.76
Interest Accrued But Not Due on Staff Loans	848.21	802.73
Unsecured, considered good		
Amount recoverable from Licensees Account	15.29	15.29
Dues from PDC (Net of SD forfeited)	227.02	545.66
Unsecured, considered doubtful		
Dues from PDC (Net of SD forfeited)	9,869.92	9,682.63
Less : Prov. for Doubtful Dues from Consumers	(9,869.92)	(9,682.63)
Total	1,155.04	1,409.44

Note : 17 Inventories

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Stores, Spares and Scrap		
Stock of materials and Scrap	11,118.29	12,443.49
Materials at Site (O&M)	920.11	1,157.71
Materials in Transit	203.46	189.03
Other Materials Accounts	4,344.16	2,708.07
Mat.Stock Excess / Shortage Pending Investigation	218.58	409.54
Total	16,804.60	16,907.84

Above Inventories are as valued, taken and certified by the Management. For basis of valuation Refer Note No. 1 (10).

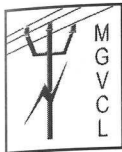
Note : 18 Trade receivables

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Unsecured considered Good *		
Receivables for Sale of Power	43,653.17	33,456.67
Unsecured considered doubtful		
Receivables for Sale of Power	286.40	232.03
Less : Prov. for Doubtful Dues from Consumers	(286.40)	(232.03)
Less : Deferred ED & TSE from Consumers	(1,545.51)	(2,500.40)
Total	42,107.66	30,956.27

Out of the above:

- Trade Receivables not due/overdue for a period less than 6 months	37,077.90	26,064.55
- Trade Receivables overdue for a period more than 6 months	6,861.67	7,624.14
	43,939.57	33,688.69

* Trade receivables are secured and considered good to the extent of Security deposit received from the respective consumers.



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012

Note : 19 Cash and cash equivalents

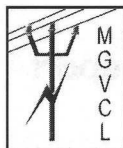
Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Cash on hand	6.58	6.76
Cheques on Hand	1,255.51	545.19
Balance with Scheduled Banks	3,676.22	3,032.86
Remittance in Transit	26.96	2.12
Total	4,965.27	3,586.93

Note : 20 Short-term loans and advances

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Unsecured Considered Good		
Advances for O&M Supplies/Works	446.05	664.43
Loans & Advances to staff	491.89	445.30
Loans And Advances - Others	219.81	38.47
Total	1,157.75	1,148.20

Note : 21 Other current assets

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2012	As at 31 st March, 2011
Interest Accrued & Due on Staff Loans	54.34	59.56
Trade receivables for sale of scrap	-	5.59
Amount recoverable from employee / ex-employees	19.04	20.15
Advance Income tax (Net of Provisions)	640.67	617.02
Advance Fringe Benefit tax (Net of Provisions)	81.55	-
Advance Wealth tax (Net of Provisions)	0.02	0.02
Electricity Duty & Tax on sale of Electricity	31.03	44.39
Other claims & Receivable	347.00	224.01
Deposits	45.77	30.83
Assets Not in use	14.03	19.34
<u>Receivables from associates under the same management</u> - Gujarat Energy Training & Research Institute	47.21	56.74
Total	1,280.66	1,077.65



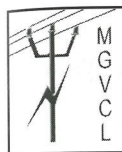
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

Note : 22 Revenue from Operations

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Revenue from Sale of Power		
Domestic or Residential	71,554.13	59,943.55
Commercial	16,440.56	31,103.07
Industrial low & medium voltage	49,861.65	26,929.40
Industrial high voltage	137,527.77	1,17,872.09
Public lighting	2,719.03	2,374.76
Traction railways	21,880.04	20,049.31
Irrigation agricultural	17,573.15	13,262.57
Public water works and sewerage pumps	6,215.89	5,050.64
Power Sold to GUVNL	35,422.51	19,612.14
Unscheduled interchange - Income	10,297.92	13,201.08
Sub Total	3,69,492.65	3,09,398.61
Electricity duty	41,140.83	35,371.42
Other operating revenues		
Meter charges / Service line charges	3,843.54	3,513.41
Recoveries for theft of power / Malpractices	497.97	543.91
Delayed payment charges from consumers	1,985.57	1,889.81
Misc. charges from consumers	2,041.04	2,721.28
Sub Total	8,368.12	8,668.41
Agricultural subsidy	7,328.00	7,161.21
Total	4,26,329.60	3,60,599.65
Less: Electricity duty	41,140.83	35,371.42
TOTAL	3,85,188.77	3,25,228.23

Note : 23 Other Income

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Interest on staff loans and advances	153.57	110.91
Interest from others	2.70	-
Income from sale of scrap	167.88	194.29
Gain on sale of fixed assets	16.82	57.32
Grant for energy conservation	382.60	339.31
Capital grants (Deferred amount 10% W.Back)	5,289.08	3,954.60
Cons. contribution (Deferred amount 10% W.Back)	2,861.13	1,971.66
Provisions no longer required	-	1,146.79
Miscellaneous receipts	1,169.69	1,098.83
TOTAL	10,043.47	8,873.71



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

Note : 24 Purchase of Power

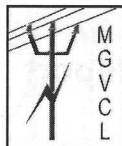
Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Power Purchased from GUVNL	3,37,879.26	2,84,549.94
Power Purchased from CPP / Wind Farms / Solar	1,195.12	1,672.81
State Load Dispatch Center Charges	96.14	114.66
Uninterrupted Interchange Charges	3,257.18	1,436.25
TOTAL	3,42,427.70	2,87,773.66

Note : 25 Employee Costs

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Salaries, Wages & Allowances	21,096.12	18,177.71
Contribution to provident and other funds	4,121.45	3,497.31
Staff Welfare Expenses	941.59	918.53
TOTAL	26,159.16	22,593.55

Note : 26 Interest and Finance Charges

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Interest on State Government Loans	654.86	460.96
Interest on Bonds	735.41	852.95
Interest on other loans, cash credit & deferred credits	3,576.35	3,452.50
Interest to consumers on security deposits etc.	2,389.53	2,235.18
Other Interest Charges	165.26	163.69
Total	7,521.41	7,165.28
Other Finance Charges		
Other Finance and Bank Charges	469.99	484.29
Guarantee Fees	84.18	90.16
Total	554.17	574.45
TOTAL	8,075.58	7,739.73



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

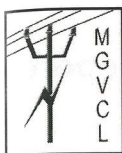
Note : 27 Other Expenses

(a)	Particulars	(Rs. in Lacs)	
		Year ended 31 st March, 2012	Year ended 31 st March, 2011
	<u>Repairs and Maintenance</u>		
	Plant and Machinery	325.69	348.27
	Buildings	193.07	185.36
	Lines, Cable Network etc.	2,871.02	2,344.00
	Others	448.10	345.96
	Total	3,837.88	3,223.59
	<u>Administration Expenses & General Expenses</u>		
	Rent, Rates & Taxes	106.87	45.73
	Insurance	46.65	20.03
	Communication Expenses	230.12	231.39
	Legal Charges	25.59	19.28
	Audit Fees	7.87	7.72
	Consultancy Charges	13.21	9.52
	Technical Fees	23.59	13.55
	Other Professional fees and expenses	44.16	75.53
	Conveyance & Travel	1,434.61	1,211.01
	Printing, Stationery and Xerox Charges	252.02	271.98
	Expenses on Computer Billing & EDP Charges	141.68	214.27
	Consumer Billing & Collection Expenses	310.38	340.92
	Electricity Charges	296.10	239.14
	Bad & Doubtful Debts Written off/Provided for	271.45	816.76
	Security Expenses	556.19	396.20
	GERC License Fees	175.89	85.81
	Freight & Other Purchase related expenses	282.87	201.77
	Other Administration & General Expenses	260.10	213.73
	Miscellaneous Expenses*	446.37	566.02
	Total	4,925.72	4,980.36
	TOTAL	8,763.60	8,203.95

Note : * None of the items individually accounts for more than Rs.1 Lakh or 1% of revenue whichever is higher.

(b) Payments to auditors has been classified as follows:

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
<u>Payments to auditors(Excluding service tax)</u>		
As auditors	7.00	7.00
Tax audit	1.25	1.25



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

Note : 28 Expenses Capitalised

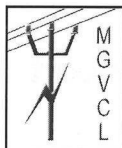
Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Employee Costs Capitalised	4,267.05	3,483.21
Administration & General Expenses Capitalised	739.77	600.91
Interest & Other Finance Charges Capitalised	539.81	500.68
TOTAL	5,546.63	4,584.80

Note : 29 Extra-ordinary items

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Extra-ordinary Debits		
Losses on account of Flood, Cyclone, Fire etc.	-	48.15
TOTAL	-	48.15

Note : 30 Prior Period adjustments

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Prior period expenses / losses		
Short Provision for Power Purchase (wind Farm)	63.45	-
Employee costs	29.81	-
Depreciation under provided	1.33	275.34
Interest & Other Finance Charges	13.76	4.89
Other Charges related to Prior Periods	12.58	79.20
Other Prior Period Adjustments	13.79	2.91
Total	134.72	362.34
Prior period Income		
Excess provision for depreciation	-	4.47
Employee costs	-	288.91
Other excess provision	7.05	607.81
Other income	77.11	124.69
Excess Provision of Interest & Other Finance Charges	0.38	81.94
Total	84.54	1,107.82
TOTAL	50.18	(745.48)


NOTES FORMING PART OF FINANCIAL STATEMENTS

31. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) **Rs.18,526.48 lacs** (Previous Year Rs. 16,344.26 Lacs.).

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

Particulars	(Rs. in Lacs)	
	2011-12	2010-11
1) Income Tax and Fringe Benefit Tax.	105.20	Nil
2) Charges created on Company's assets for which loan have been pass on to other Companies by GUVNL.	7,931.61	22,211.49
3) Labour and other claims against the Company not acknowledged as debt.	2,091.75	1,174.88
4) Various Claims by the employees before various courts against erstwhile GEB.	Amount is not ascertainable	Amount is not ascertainable

33. **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 Statement of Profit and Loss as "Rent Expenses" under Note No.-27.

Income

The Company has let out its fully furnished owned office premises under operating lease during the year. Rent Income is recognized in the Statement of Profit and Loss as "Rent Income" under Note No. 23.

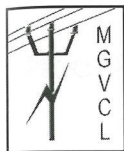
34. **Compensation of usage of inter company assets :**

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.

35. **Employee Benefits:**

i. **Defined Contribution Plan**

The Company has recognised Rs.1,506.42 lacs (Previous year Rs. 1,403.33) for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit and Loss.

**NOTES FORMING PART OF FINANCIAL STATEMENTS****ii. Defined benefit plan**

The Company is a member of a group gratuity scheme of its holding company GUVNL and fellow subsidiaries.

The Company recognizes expenses towards the gratuity liability at each balance sheet date as per the apportionment provided by GUVNL. Present value of Obligation and Plan assets as at balance sheet date is recognized in the financial statements of GUVNL.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2012 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 recognizes 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 recognized in the Company's financial statements as at March 31, 2012.

(Rs. in Lacs)

Particulars	Gratuity	
	2011-12	2010-11
Changes in the present Value of obligation		
Present value of obligation (opening)	11,824.57	10,972.87
Interest Cost	945.97	877.83
Past Service Cost	Nil	410.91
Current Service Cost	486.09	454.98
Curtailment Cost / (Gain)	Nil	Nil
Settlement Cost / (Gain)	Nil	Nil
Benefits Paid	(1,408.01)	(1,324.06)
Actuarial Losses / (Gain)	1,308.10	842.94
Present Value of obligation (Closing)	13,156.72	11,824.57
Changes in the fair Value of Plan Assets		
Present value of plan assets (opening)	5,385.88	4,299.36
Expected Return on Plan Assets	554.77	439.42
Actuarial Gain / (Losses)	(61.81)	(5.17)
Employer's Contributions (*)	2,315.70	1,976.34
Employees' Contributions	Nil	Nil
Benefits paid	(1,408.01)	(1,324.06)
Fair Value of Plan Assets (Closing)	6,786.53	5,385.88
(*) Apportioned based on the ratio of closing liabilities of holding and fellow subsidiary companies.		

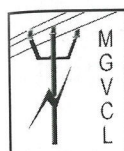

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Gratuity	
	2011-12	2010-11
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	6,786.53	5,385.88
Fair value of plan assets as at the year end	6,786.53	5,385.88
Funded (Asset)/Liability recognized in the Balance Sheet	Nil	Nil
Present Value of Unfunded obligation as at the year end	6,370.19	6,438.69
Un recognized past service cost	Nil	Nil
Un recognized Actuarial (Gains) / Losses	Nil	Nil
Unfunded net Liability recognized in the balance sheet	6,370.19	6,438.69
Amount recognized in the balance sheet (For Gratuity-through holding company GUVNL)		
Present Value of obligation as at the year end	13,156.72	11,824.57
Fair Value of Plan assets as at the year end	6,786.53	5,385.88
(Asset) / Liability recognized in the balance sheet	6,370.19	6,438.69
Expenses recognized in the statement of profit and loss		
Current Service Cost	486.09	454.98
Past Service Cost	Nil	877.83
Interest Cost	945.97	586.05
Expected Return on Plan Assets	(554.77)	(439.42)
Curtailment Cost / (Credit)	Nil	Nil
Net Actuarial (Gain) / Loss	1,369.91	848.12
Employees Contribution	Nil	Nil
Total Expenses recognized in the statement of profit and loss	2,247.20	1,741.51
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.

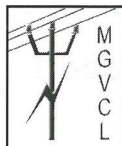
The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

36. The value of realization of Assets other than Fixed Assets and Non Current Investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
37. The balances of Trade Receivables and Trade Payables are subject to adjustments, if any, on reconciliation / settlement.
38. 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 2012 on account of principal amount together with interest for delayed payment under the Act (Previous year Nil).
39. **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.
40. **Segment Information:**
The operations of the Company are limited to one segment, namely, distribution of electricity and ancillary activities.
41. **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.
42. 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.
43. **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

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Profit After Tax Including Extra-ordinary Items (Rs in Lacs)	3,597.19	2,458.08
Profit After Tax Excluding Extra-ordinary Items (Rs in Lacs)	3,597.19	2,506.24
Weighted Average number of Equity Shares	24,26,41,422	24,26,41,422
Face Value per Share (Rs.)	10	10
Basic & Diluted Earnings per Share of Rs.10/- each including Extra-ordinary Items (Rs.)	1.48	1.01
Basic & Diluted Earnings per Share of Rs.10/- each excluding Extra-ordinary Items (Rs.)	1.48	1.03



NOTES FORMING PART OF FINANCIAL STATEMENTS

44. 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, 2012 is not recognized.

45. 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 Statement of Profit and Loss.

46. C.I.F value of import during the year is **Rs. Nil** (Previous year Rs. Nil).

47. Consumption of Stores & Spares:

Particulars	2011-12 %	2010-11 %
Indigenous	100.00	100.00
Imported	Nil	Nil
Total	100.00	100.00

48. Expenditure in foreign currency **Rs. Nil** (Previous year Rs.Nil).

49. Earning in foreign currency **Rs. Nil** (Previous year Rs. Nil).

50. Additional information pursuant to the provisions of paragraph 5 of part II of Schedule VI (Revised) to the Companies Act, 1956 are furnished to the extent applicable to the Company.

51. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

For K. C. Mehta & Co.
Chartered Accountants

VISHAL P. DOSHI
Partner
Membership No.101533

Place : Vadodara
Date : 18th September, 2012

For and on behalf of Board of Directors

RAJ GOPAL, IAS
Chairman

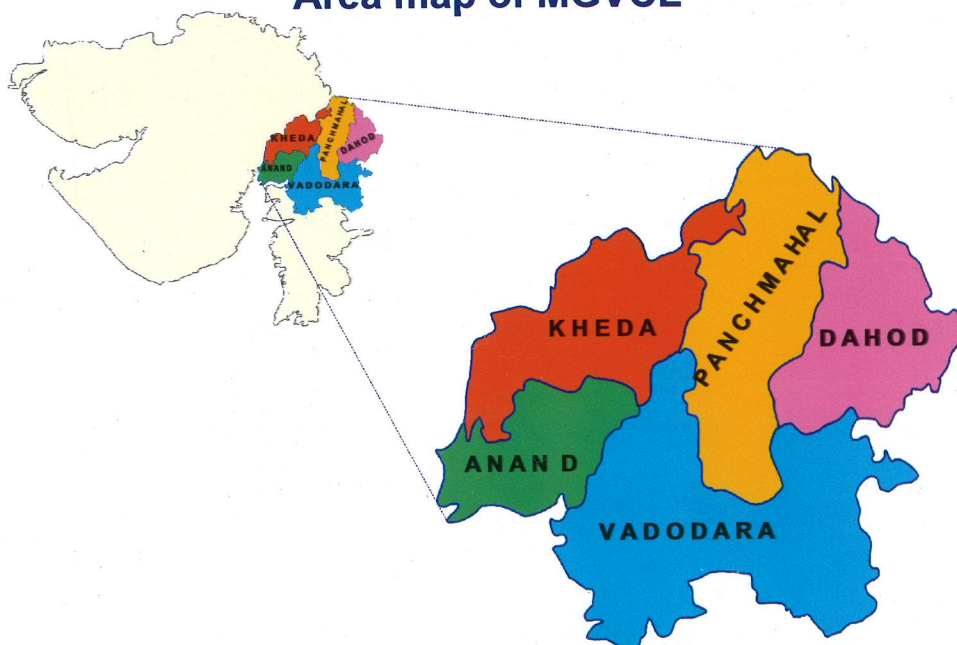
S. B. KHYALIA
Managing Director

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

K. M. ANTANI
Company Secretary

Place : Vadodara
Date : 18th September, 2012

Area map of MGVC



MGVC AT A GLANCE

(As on 31-03-2012)

Total Area (in Sq.Kms.)	23,854
Districts covered	5
No. of Towns	46
No. of Villages	4,404
Population (Census 2001) (in Million)	13.06
Total Circles	4
Total Divisions	17
Total Sub-Divisions + Sectional Office	101 (O&M)
Total Sub-Stations	134
Total Transformer Centers	65,885
Total No. of Feeders	1,372
Total H. T. Line (in Kms.)	39,401
Total L. T. Line (in Kms.)	57,452
Ratio L.T./H.T.	1.46
Total Consumers	26.23 Lacs
Total contracted load (in MW)	4,552.36
Total Employees	5,750



MADHYA GUJARAT VIJ COMPANY LIMITED

Registered Office :
Sardar Patel Vidhyut Bhavan,
Race Course, Vadodara - 390 007