

10th Annual Report 2012-13



Madhya Gujarat Vij Company Limited

An ISO Certified Company

(A Wholly Owned Subsidiary of Gujarat Urja Vikas Nigam Limited)

OUR VISION

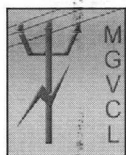
- ❖ Customer satisfaction through service excellence

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

**10th
Annual Report
2012-13**

BOARD OF DIRECTORS

(As on 26-12-2013)

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 K. P. Jangid	Director
Shri S. B. Khyalia	Managing Director

COMAPNAY SECRETARY

Shri K. M. Antani

SENIOR EXECUTIVES

Shri S. M. Godkhindi	Chief Engineer (T&O)
Shri C. D. Patel	Chief Engineer (Proj.)
Shri K. R. Shah	General Manager (F&A)
Shri D. R. Gupta	General Manager (HR)

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-390007

Phone No. : (0265) 2310582-86

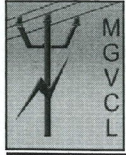
Fax No. : (0265)2337918, 2338164

Website : www.mgvcl.com

E-mail : info.mgvcl@gebmil.com

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MADHYA GUJARAT VIJ COMPANY LIMITED

10th
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2012-13

NOTICE

Notice is hereby given that the adjourned Tenth Annual General Meeting of the members of **Madhya Gujarat Vij Company Limited** will be held on Monday, 30th December, 2013 at 01.00 p.m. at the 'Board Room' of the Company, Third Floor, Sardar Patel Vidyut Bhavan, Race Course Circle, Vadodara – 390007, to transact the following Ordinary Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, 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 the Comments of the Comptroller & Auditor General of India.

By Order of the Board

Date : 26-12-2013
Place : Gandhinagar

K.M. Antani
Company Secretary

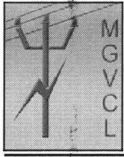
REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara – 390 007

NOTE:

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.

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MADHYA GUJARAT VIJ COMPANY LIMITED

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NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the members of **Madhya Gujarat Vij Company Limited** will be held on Thursday, 26th September, 2013 at 11.00 a.m. at the 'Board Room' of the Company, Third Floor, Sardar Patel Vidyut Bhavan, Race Course Circle, Vadodara – 390007, to transact the following Ordinary Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, 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 the Comments of the Comptroller & Auditor General of India.
2. To appoint a Director in place of Shri K. M. Shringarpure, who retires by rotation and eligible for re-appointment.
3. To appoint a Director in place of Prof. Kirankumar Joshi, who retires by rotation and eligible for re-appointment.
4. To decide the remuneration payable to Statutory Auditors appointed by the Comptroller & Auditor General of India (C & AG), New Delhi, for the audit of accounts of the Company for the financial year 2013-14.

By Order of the Board

Date : 23-09-2013
Place : Vadodara

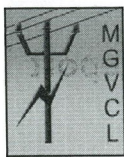
K.M. Antani
Company Secretary

REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara – 390007

NOTE :

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**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting the 10th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

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

(₹ In Lacs)

Particulars	Financial year ended 31 st March	
	2013	2012
Total Income	4,43,006.45	3,95,232.25
Profit before Depreciation, Interest and Tax	22,449.62	23,378.23
Depreciation	11,991.69	10,694.73
Interest and Finance Charges	8,165.64	8,075.58
Profit before Tax	2,292.29	4,607.92
Provision for Tax	194.35	1,010.74
Profit after Tax and available for appropriation	2,097.94	3,597.18

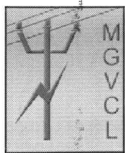
DIVIDEND

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 2012-13 are as under:

- ❖ Revenue from operations (without Electricity Duty) including Agricultural has increased to ₹ 4,320.50 Crores during financial year 2012-13 from ₹ 3,851.89 Crores in F.Y. 2011-12 showing an increase of ₹ 468.61 Crores (i.e. a rise of 12%).
- ❖ Per unit average rate of realisation from consumers increased to ₹ 5.24 per unit (excluding Electricity Duty, Surplus Power Sale and Unscheduled Interchange Income) compared to ₹ 4.87 per unit in F.Y. 2011-12.
- ❖ Total income increased to ₹ 4,430.06 Crores as against ₹ 3,952.32 Crores in the previous financial year showing an increase of 12.09%.
- ❖ The percentage of total arrears to Revenue Assessment decreased to 4.12% in 2012-13 compared to 4.66% in 2011-12.

**OPERATIONAL PERFORMANCE**

- ❖ Power sale of units sold registered 7,032 MUs during the year compared to 6,825 MUs showing an increase of 207 MUs (+3.03%) over last year.
- ❖ Over all Distribution losses during the financial year 2012-13 are 12.89%.
- ❖ Transformer failure rate reduced from 4.63% to 4.61%.
- ❖ Power availability maintained at 99.48% (without load shedding).
- ❖ The consumer base increased from 26.29 Lacs to 27.07 Lacs.
- ❖ Under various normal development schemes, 167 HT Industrial, 2,342 LT Industrial and 53,614 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 2012-13. 2,48,565 connections were checked and 4,040 connections were detected for theft and mal-practice with total assessment of ₹ 517.45 Lacs and total recovery of ₹ 321.47 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 66 such feeders were bifurcated under SI.
- ❖ Conductor renovation of 507.62 KM was carried out under system improvement.
- ❖ 3,278 transformers were installed under High Voltage Distribution System (HVDS) to reduce hooking in rural areas and to reduce the LT line losses.

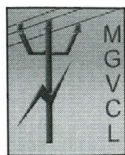
OTHER PROJECTS / SCHEMES

- ❖ R-APDRP (Restructured APDRP), a central sector scheme, was launched during the XIth 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 ₹ 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 16 towns Go-Live.

Under part B, projects for 10 towns of the Company at an estimated cost of ₹ 76.21 Crores were sanctioned. The work is under progress in all towns.

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



The existing SCADA system in Vadodara City is approved for up-gradation under Part-A of R-APDRP at an estimated cost of ₹ 26.18 Crores. M/s Chemtrol Industries Ltd. has been appointed as a SCADA / DMS Implementing Agency (SIA). The survey works are under progress in Vadodara city.

The tender for SCADA enabling equipment, having an approx. estimated cost of ₹ 39 Crore, 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 569, in Vadodara District 129, in Kheda District 1,703 and in Dahod 2,116 i.e. Total 4,517 BPL beneficiaries were electrified. For Vadodara, Anand, Kheda, and Dahod district, the work was completed and Scheme closer proposal was sent for approval.

- ❖ Under State Government sponsored Scheme, 28,667 connections were released under 'Zupadpatti Vijalakaran Scheme', and 4,459 connections were released in 'Kutir Jyoti Scheme' in tribal areas for the year 2012-13.

- ❖ In Agriculture sector, electrification of wells carried out for-

- 3,192 wells under Special Project Agriculture (SPA) Scheme.
- 7,627 wells under Tribal Area Sub Plan (TASP) Scheme.
- 493 wells under Tatkai Scheme.
- 373 wells under Dark Zone Area.
- 7 wells in other scheme.

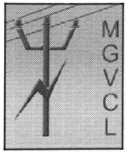
- ❖ In tribal areas:

- electrification carried out for 87 Petaparas under Tribal Area Sub Plan (TASP) and 526 connections under Scheduled Caste Sub Plan (SCSP) were provided.

IT INITIATIVES

- ❖ Information Technology

- Interruption Analysis (DAR): Online Daily Activity Report was started, which included daily interruption on feeders (Transient Tripping (TT), TT due to SDT, Sustained Fault, Emergency Shutdown, Transformer maintenance, Installation checking activity, T&D loss reduction activity like replacement of meters, seals, accident details etc.
- Reliability indices: SAIFI / SAIDI / CAIDI / MAIFI / CAIFI, software for these indices was 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 was started 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 and reading started from 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 has already implemented 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.

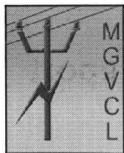
❖ E-Gram Panchayats

Government of Gujarat (GOG) 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 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.

RENEWABLE ENERGY INITIATIVES

Your Company has taken the initiatives to take up the projects to spread the awareness of solar Energy.

- ❖ **Solar Street Lights** : 375 Solar Street Lights working automatically from dusk to dawn using Solar Photo Voltaic panels of 120 Watts, solar tubular batteries of 75 Ah with 18 Watts LED luminaries mounted on tubular poles are planned for installation within the Office premises of the Company spread across five Circles. 275 sets have already been installed covering various offices of Godhra, Anand and Baroda Circles. Remaining 100 sets are in process of installation in Baroda City and Nadiad Circles.
- ❖ **Solar Pumps** : Developments in the field of solar pumps have encouraged your Company to try and use solar photo voltaic pump set systems in Agricultural and Water Works Connections. Orders have been placed for supply and installation of solar photo voltaic pump systems using A.C. operated submersible pumps within range of 5 HP, 7.5 HP and 10 HP. In all, 07 pump sets have been ordered, five on agricultural premises and two on water works. Of which, 04 pump sets have already been installed of which 03 on agricultural consumer's premises and 01 on water works. The work at other locations is in progress.



CUSTOMER SERVICES

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

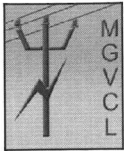
- ❖ Company has commissioned fully computerized 24x7 centralized Customer Care Center at Subhanpura, Vadodara. The customers of all five Circles can register their complaints in this Customer Care Centre.
- ❖ 33 Fully computerized All Time Payment (ATP) machines have been installed to facilitate consumers 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.
- ❖ In order to provide better services to the consumers,
 - New Nadiad Circle was created by bifurcation of Anand Circle,
 - New Anand Division was created by bifurcation of Borsad Division,
 - 04 new sub-divisions at Vasad, Manjalpur, Tejgadh and Limdi were created.

AWARDS & ACHIEVEMENTS

Your directors are pleased to inform you that the Company has been awarded India Power Award -2012 for its achievement as Overall Utility Performance – Distribution - Mixed instituted by Council of Power Utilities, New Delhi. The award was presented by Shri M. R. Srinivasan, former Chairman Atomic Energy Commission during function held at New Delhi on 29.11.2012.

The Company had been selected for **Powerline Awards** for the year 2012. The Company has been chosen to receive one of the two Awards in the 'Best Performing State Discom' category. Various performance criteria such as improving AT&C losses, metering, reliability in power supply, financial turn around and overall consumer satisfaction etc. were taken into consideration while judging the performance of distribution Companies.

Ministry of Power, Government of India, in the first ever exercise developed the integrated rating methodology for state power distribution utilities. The eminent Rating Agencies M/s. ICRA and M/s. CARE were engaged to carry out the rating exercise. In all 39 utilities from 20 states have been rated. Scores have been assigned both on the basis of absolute and relative improvement in operational and financial performance parameters. According to the ratings, your Company secured an A+ rating making it third best state power distribution utility across India. The A+ ratings



depict the very high Operational and Financial Performance Capability. Amongst all the state power distribution utilities rated, all the first 4 rankings were bagged by State Discoms of Gujarat. The ratings were unveiled by Hon'ble Union Power Minister at a function held in New Delhi on 19.03.2013.

REGULATORY MANAGEMENT

The Gujarat Electricity Regulatory Commission (GERC), an independent statutory authority constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, to regulate the functions of electricity utilities in the State including activities related to retail tariff rates for the end users of electrical energy. The Petition for filing the true up for FY 2011-12 as well as the tariff determination for FY 2013-14 was filed before the Commission on 31.01.2013. After hearing process, the Commission issued tariff order with effect from the 1 April, 2013. The Company is filing petitions / submissions before Hon. GERC according to Multi Year Tariff (MYT) Regulations.

OPEN ACCESS

During the year the Commission had intimated suo-motu petition in the matter of implementation of intrastate open access in the distribution system, and vide order dated 16.08.2012, directed to grant open access to the consumers by adhering to provisions of the Electricity Act, 2003 read with GERC Regulations, 2011. The Open Access Regulation, 2011, by Hon'ble GERC allows the consumers to avail power from the sources other than the Company. The proceedings on suo-motu petition about jurisdiction for determination of tariff of the consumers of 1 MW and above were conducted by the Commission during the year. After this petition, applications for Open Access is increased considerably. Total 33 nos. of consumers applied for short term open access with total demand of 115 MW and purchased 323 MUs energy from Open Access.

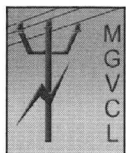
Though Open Access has detrimental effect on financial health of the Company, it is mandatory to adhere to the statutory provisions of Open Access.

DEMAND SIDE MANAGEMENT (DSM)

In pursuance to the Provisions made under GERC (Demand Side Management) Regulations, 2012 GERC has formulated the Objectives for Demand Side Management for the State of Gujarat. The DSM Cell in the Company is fully functional and has submitted the required data to the consultant, TERI is retained by GUVNL for implementation of DSM for all DISCOMs as per the provisions of the DSM Regulations notified by Hon'ble Commission. The Consultant is compiling and analyzing the data submitted by the DISCOMs. The DSM plan will be submitted to Hon'ble GERC on receipt from the Consultant.

SAFETY

Safety was on prime agenda in the Company during the year. The Company had initiated various safety related activities, procurement of safety equipments for field staff, safety awareness programs for the field staff as well as for consumers and students.

**HUMAN RESOURCE DEVELOPMENT**

Many need based training and development programs were organised with special emphases on fostering a culture of innovation to develop competency of employees and thereby enhance organisational effectiveness and productivity.

DIRECTORS

Shri K.M. Shringarpure and Prof. Kirankumar Joshi, Directors, retire at the ensuing Annual General Meeting and are eligible for re-appointment. They are proposed to be re-appointed as Directors 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, 2013, 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, 2013 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, 2013, have been prepared on a going concern basis.

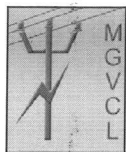
AUDIT COMMITTEE

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, expenditure in foreign currency was ₹ 20,519.

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, 2014. 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 2012-13 and has been approved by the Central Government.

The Cost Audit Report and the Compliance Report of your Company for the Financial Year 2011-12, by M/s. R. K. Patel & Co., which was due for filing with the Ministry of Corporate Affairs by 31st January, 2013, was filed on 4th January, 2013.

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.

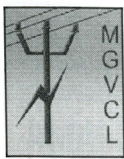
Your Directors also wish to place on record the appreciation for the continued support and co-operation of the consumers.

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

For and on behalf of the Board of Directors,

Vadodara
23rd September, 2013

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

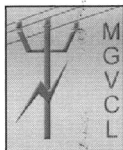
- ❖ High-loss feeders are closely monitored to reduce the technical losses. Meters are provided on Transformer Centres to identify the weak pockets with high losses.
- ❖ Purchase of energy efficient Transformers i.e. Star Rated Transformers by Bureau of Electrical Energy having low losses than current IS level & thereby reduction in power consumption by the transformers which ultimately result in reduction of distribution losses,
- ❖ Implementation of HVDS.
- ❖ 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 grid connected systems were installed on roofs of office buildings at Ankav, Halol, Santrampur and Mehmabad. The system was also installed in solar park at Vadodara.
- ❖ 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

- ❖ Arial 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 per se 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.

- In house testing facility of 11 KV CTPT units & LT CT units developed.
- 0.01 CLASS of meter testing facility added for HT/EHT ABT & HT meters.
- The use of Polymeric AB Switch & Polymeric DO fuse.

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

- Reduction in failure of 11KV CTPT units.
- Improvement in quality of 11 KV CTPT & LT CTs.
- Earned testing charges of ABT / HT / Private Meters amounting ₹ 1,29,11,449/-.

3. Future plan of Action

- Development of mobile CTPT testing facility.
- To develop transformer load loss measurement facility at stores.

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 Grid connected Systems were installed on roofs of office buildings at Anklaav, Halol, Santrampur and Mehmdabad. The system was also installed in Solar Park at Vadodara.

2. Benefits derived as a result of the above efforts:

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

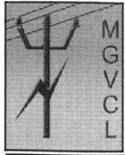
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information is furnished:

Not Applicable.

For and on behalf of the Board of Directors,

Vadodara
23rd September, 2013

Raj Gopal
Chairman
MGVCL

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MADHYA GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2013.**

The preparation of financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2013 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 12 September 2013.

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 2013. 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 Auditors' Report under section 619(4) of the Companies Act, 1956.

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

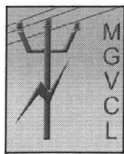
Sd/-

(D. P. Yadav)

**Accountant General
(E & RSA), Gujarat**

Place : Ahmedabad.

Date : 27-11-2013.



INDEPENDENT AUDITORS' REPORT

To,
The Members of
MADHYA GUJARAT VIJ COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MADHYA GUJARAT VIJ COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

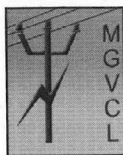
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and (b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

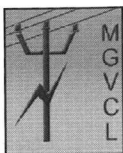
Report on Other Legal and Regulatory Requirements

1. 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 2012-13 are compiled and reported.
2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
3. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of Section 211 of the Companies Act, 1956; and
 - 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.

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

**Vishal P. Doshi
Partner
Membership No. 101533**

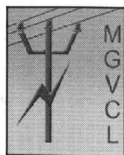
**Place : Vadodara
Date : 12th September, 2013**

**(ANNEXURE TO THE AUDITORS' REPORT)**

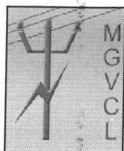
The annexure referred to in our report to the members of **MADHYA GUJARAT VIJ COMPANY LIMITED** ("the Company") for the year ended 31st March, 2013.

- 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 2013 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.



MADHYA GUJARAT VIJ COMPANY LIMITED

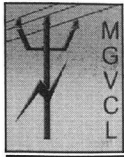
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- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments and therefore, the provisions of Clause (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of Clause (xv) of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given 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 : 12th September, 2013



MADHYA GUJARAT VIJ COMPANY LIMITED

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BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	(₹. in Lacs)	
		As at 31 st March, 2013	As at 31 st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	24,264.14	24,264.14
(b) Reserves and Surplus	3	34,081.80	31,983.86
(c) Deferred Government Grants, Subsidies and contributions	4	81,955.36	73,351.95
2 Share application money pending allotment	5	4,242.00	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	6	26,242.82	27,360.74
(b) Other Long-Term Liabilities	7	63,059.50	56,189.27
(c) Long-Term Provisions	8	8,136.10	7,894.43
4 Current Liabilities			
(a) Short-Term Borrowings	9	486.20	216.33
(b) Trade Payables	10	34,663.97	17,958.94
(c) Other Current Liabilities	11	19,152.76	17,387.83
(d) Short-Term Provisions	12	1,198.53	1,126.24
TOTAL		2,97,483.18	2,57,733.73
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	13	2,01,332.23	1,81,318.77
(ii) Capital work-in-progress	14	6,844.87	5,575.04
(b) Non-current investments	15	0.03	0.03
(c) Long-Term Loans and advances	16	5,067.98	3,587.49
(d) Other non-current assets	17	1,279.23	1,155.04
2 Current Assets			
(a) Inventories	18	23,689.05	16,586.03
(b) Trade receivables	19	50,613.02	42,107.65
(c) Cash and cash equivalents	20	6,061.34	4,965.27
(d) Short-Term Loans and advances	21	1,983.35	1,157.75
(e) Other Current Assets	22	612.08	1,280.66
TOTAL		2,97,483.18	2,57,733.73
Significant Accounting Policies and notes to financial statements	1-53		

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

VISHAL P. DOSHI
Partner
Membership No.101533

Place : Vadodara
Date : 12th September, 2013

For and on behalf of Board of Directors

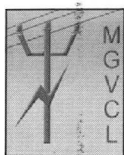
RAJ GOPAL, IAS
Chairman

S.B.KHYALIA
Managing Director

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

K. M. ANTANI
Company Secretary

Place : Vadodara
Date : 12th September, 2013



MADHYA GUJARAT VIJ COMPANY LIMITED

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	(₹ in Lacs)	
		Year ended 31 st March, 2013	Year ended 31 st March, 2012
INCOME			
Revenue from Operations	23	4,32,050.00	3,85,188.77
Other Income	24	10,956.46	10,043.47
TOTAL		4,43,006.46	3,95,232.25
EXPENSES			
Purchase of Power	25	3,90,485.49	3,42,427.70
Employee Costs	26	27,416.40	26,159.16
Interest and Finance Charges	27	8,165.64	8,115.47
Depreciation & Amortization Expenses	13	11,991.69	10,694.73
Other Expenses	28	9,682.28	8,763.60
TOTAL		4,47,741.50	3,96,160.66
Less: Expenses Capitalised	29	7,017.15	5,546.63
TOTAL		4,40,724.35	3,90,614.03
Profit before Extraordinary / Prior Period Adjustments		2,282.11	4,618.22
Prior Period adjustments	30	(10.18)	50.18
Profit Before Tax		2,292.29	4,568.04
Provision for			
- Current Tax		211.28	970.85
- Tax adjustments earlier years		(16.93)	-
Net Profit after Tax available for appropriation		2,097.94	3,597.19
Basic Earning Per Share (in ₹)		0.86	1.48
Diluted Earning Per Share (in ₹)		---	1.48
Face value per Equity share (in ₹)		10.00	10.00
Significant Accounting Policies and notes to financial statements	1-53		

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

VISHAL P. DOSHI
Partner
Membership No.101533

Place : Vadodara
Date : 12th September, 2013

For and on behalf of Board of Directors

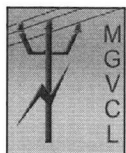
RAJ GOPAL, IAS
Chairman

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

Place : Vadodara
Date : 12th September, 2013

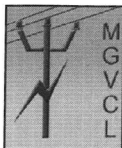
S.B.KHYALIA
Managing Director

K. M. ANTANI
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹ in Lacs)	
	For the year 31 st March, 2013	For the year 31 st March, 2012
Cash Flow from Operating Activities		
Net Profit Before Tax	2,292.29	4,568.04
Adjustments For: :Add / (Less):		
Prior Period Credit / Charges	(10.18)	50.18
Government Grants / Consumers' contribution Written Back	(9,106.15)	(8,150.22)
Provision for Bad & Doubtful Debts	37.40	271.45
Profit on Sale of Fixed Assets	(0.22)	(16.82)
Write-off of WDV of Fixed Assets	25.05	-
Provision for Leave Encashment	740.52	1,138.96
Depreciation	11,991.69	10,694.73
Interest Income	(47.23)	-
Interest and financing charges	8,165.64	8,115.46
Operating Profit Before Working Capital Changes	14,088.81	16,671.78
Adjustments for Changes in Working Capital		
(Increase) / Decrease in Inventories	(7,103.02)	103.24
(Increase) / Decrease in Trade Receivables	(8,606.77)	(11,104.20)
(Increase) / Decrease in Loans & advances	(1,062.97)	(489.98)
(Increase) / Decrease in other current assets	64.35	(167.36)
Increase / (Decrease) in Current Liabilities	26,518.87	17,561.38
CASH GENERATED FROM OPERATIONS	23,899.27	22,574.86
Direct Tax Paid	(21.81)	(653.10)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	23,877.46	21,921.76
Prior Period Credit / (Charges)	13.32	(48.85)
A. NET CASH FROM OPERATING ACTIVITIES	23,890.78	21,872.91
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(0.03)
Purchase of Fixed Assets	(32,070.46)	(27,435.52)
Sale of Fixed Assets / (Increase) / Decrease in asset not in use	26.05	33.52
(Increase) / Decrease in CWIP	(2,512.95)	(1,533.34)
B. NET CASH FROM INVESTING ACTIVITIES	(34,557.36)	(28,935.37)



MADHYA GUJARAT VIJ COMPANY LIMITED

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Particulars	(₹ in Lacs)	
	For the year 31 st March, 2013	For the year 31 st March, 2012
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital (Including Share application money)	4,242.00	-
Proceeds from Long Term Borrowings	5,582.00	71.77
Repayment of Long Term Borrowings	(7,847.61)	(11,781.48)
Proceeds / (Repayment) from Short Term Borrowings	269.87	83.34
(Repayment) / Proceeds from Consumer Contribution /Grants/Subsidies	17,709.56	28,166.08
Interest Paid	(8,193.17)	(8,098.90)
C. NET CASH USED IN FINANCING ACTIVITIES	11,762.65	8,440.80
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1,096.07	1,378.34
CASH AND CASH EQUIVALENT (OPENING BALANCE)	4,965.27	3,586.93
CASH AND CASH EQUIVALENT (CLOSING BALANCE)	6,061.34	4,965.27

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 01-04-2012 & 31-03-2013 are as per Note:20 to the Balance Sheet.
- 3) Proceeds from Short Term Borrowings, consumer contributions, subsidy and grants have been shown as net of receipt/payment.
- 4) Previous year's figures have been regrouped/reclassified wherever applicable.

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

VISHAL P. DOSHI
Partner
Membership No.101533

Place : Vadodara
Date : 12th September, 2013

For and on behalf of Board of Directors

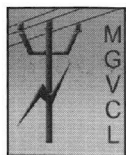
RAJ GOPAL, IAS
Chairman

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

Place : Vadodara
Date : 12th September, 2013

S.B.KHYALIA
Managing Director

K. M. ANTANI
Company Secretary

**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 (Reorganisation & 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:

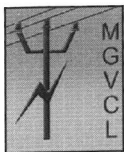
The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the requirements of the Companies Act,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

(4) Revenue Recognition:

- (i) **Revenue from sale of power:** Revenue from sale of power is recognised 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) **Miscellaneous revenue from consumers:** Meter charges, recoveries from theft of power/malpractices, wheeling charges recoveries are recognised on accrual basis. Miscellaneous charges from consumers are recognised on cash basis except when ultimate realisation 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.
- (v) **Other income:**
- (a) Income from sale of scrap, insurance claims are accounted for on the basis of actual realisation.

**NOTES FORMING PART OF FINANCIAL STATEMENT**

- (b) Income received in respect of delayed payment charges is accounted for in the subsequent bill, upon realisation of the delayed payment made by the consumer.
- (c) Other income except mentioned above is recognised on accrual basis except when ultimate realisation of such income is uncertain.
- (d) Amount in respect of unclaimed Security Deposit, Earnest Money Deposit and Miscellaneous Deposit of suppliers and contractors which is pending for more than three years, is considered as income after review by the management.

(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 capitalised until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition.

(b) Capital work-in-progress:

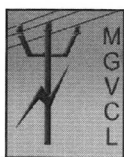
Capital work-in-progress includes the cost incurred on fixed assets that are not yet ready for the intended use and is capitalised whenever ready for use. All expenditures are allocated to the projects on pro rata basis to the accretion made to respective projects. However, common expenditure of Corporate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

**NOTES FORMING PART OF FINANCIAL STATEMENT****(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 capitalised. Rental income is recognised on accrual basis over the lease term.

(10) Inventories:

The inventories of the Company are valued at cost or net realisable 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 Realisable 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: The Company's liabilities towards employees defined benefits are ascertained by the holding company GUVNL on actuarial valuation. The Company provides for such employee benefits as apportioned by the holding company GUVNL.

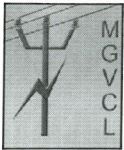
The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation.

b. Short-Term employee benefits

Short-Term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include performance incentives.

c. Long-Term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised

**NOTES FORMING PART OF FINANCIAL STATEMENT**

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 capitalised 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) Foreign Exchange Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet and the exchange gain or losses are recognised in the Statement of Profit and Loss.

(14) 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.

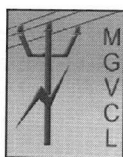
Deferred Tax is recognised subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognised and carried forward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

(15) Provisions, Contingent liabilities and Contingent Assets:

The Company recognises 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 recognised nor disclosed.

(16) Capital Grants from Government & Consumers' 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, 2013
NOTE : 2 SHARE CAPITAL**

(a) Share capital consists of the following:

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Authorised 50,00,00,000 Equity Shares of ₹ 10/- each	50,000.00	50,000.00
Issued 24,30,18,764 Equity Shares of ₹ 10/- each	24,301.88	24,301.88
Subscribed & Paid up 24,26,41,422 Equity Shares of ₹ 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	(₹ in Lacs)
Equity Shares outstanding at 1 st April, 2011	24,26,41,422	24,264.14
Additions / (Reduction)		
Equity Shares outstanding at 31 st March, 2012	24,26,41,422	24,264.14
Equity Shares outstanding at 1 st April, 2012	24,26,41,422	24,264.14
Additions / (Reduction)	—	—
Equity Shares outstanding at 31 st March, 2013	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:

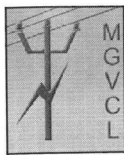
Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited	24,26,41,422	100%	24,26,41,422	100%

(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 ₹ 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

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013**

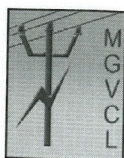
share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the Company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding 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	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
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	11,891.35	8,294.16
(+) Net Profit for the current year	2,097.94	3,597.19
Closing Balance	13,989.30	11,891.35
TOTAL	34,081.80	31,983.86

NOTE : 4 DEFERRED GOVERNMENT GRANTS, SUBSIDIES AND CONTRIBUTIONS

Deferred Government Grants, Subsidies and Consumers' Contribution	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
a. Government Grants, Subsidies towards Capital Assets		
Opening Balance	47,601.77	35,591.19
Add : Grants & Subsidies received during the year	9,593.39	17,299.66
Less : Grants & Subs. trans. to Statement of Profit and Loss	5,719.52	5,289.08
Closing Balance	51,475.64	47,601.77
b. Consumers' Contribution towards Capital Assets		
Opening balance	25,750.18	17,744.90
Add : Contribution received during the year	8,116.17	10,866.41
Less : Consumers' Contribution transferred to Statement of Profit and Loss	3,386.63	2,861.13
Closing Balance	30,479.72	25,750.18
TOTAL	81,955.36	73,351.95

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013**

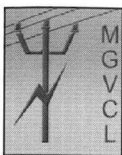
The Company is providing depreciation on Capital assets related to Electrification & Service Connection on Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of these assets, the Company is also receiving Consumer Contribution and Capital Grant / Subsidy which is being treated as deferred revenue by the Company. The linking of receipt of Consumer contribution and Capital Grant/subsidy to the creation of fixed assets and charging depreciation / writing back proportionate amount is practically not possible.

Considering the above referred facts the consumer contribution and capital grant / subsidy is treated as deferred credit and 10% of the year-end balance of the consumer contribution and capital grant / subsidy is transferred to Statement of Profit & Loss as deferred income which is reasonably commensurate with depreciation charged on related fixed assets over the useful life of the assets.

NOTE : 5 SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Share application Money pending Allotment	4,242.00	-
TOTAL	4,242.00	-

During the year 2012-13, ₹ 4242 Lacs has been received from GUVNL, the holding Company, as Share Application Money for capital contribution for release of Agriculture Connections. The terms and conditions of issuance of shares, nos. of shares proposed to be issued, price etc. against the same will be decided by the Board. The Company will issue and allot the shares to the holding Company before the end of November, 2013. The Company has sufficient authorised share capital to cover the paid up share capital amount on allotment of shares against share application money.



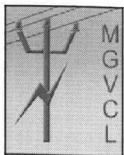
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE : 6 LONG-TERM BORROWINGS

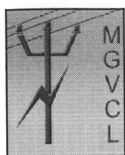
Particulars	(₹ in Lacs)			
	Long-Term Borrowings		Other Current Liabilities	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Secured				
(a) Term loans				
(i) from banks (raised by GUVNL) (Refer Sub-Note 6.01 to 6.06 below)	-	-	-	828.07
(ii) from banks (raised by MGVCL) (Refer Sub-Note 6.07 to 6.09 below)	6,630.95	7,500.00	3,894.05	3,750.00
(iii) from Financial Institutions (raised by MGVCL) (Refer Sub-Note 6.10 to 6.12 below)	7,954.72	5,963.93	566.21	164.21
(b) Deferred payment liabilities	593.09	1,553.46	960.37	959.58
(Refer Sub-Note 6.13 below)	15,178.76	15,017.39	5,420.63	5,701.86
Unsecured				
(c) Term loans				
(i) from Financial Institutions (raised by GUVNL)	-	-	-	528.10
(ii) from Financial Institutions (raised by MGVCL)	758.62	814.76	35.88	19.33
(iii) State Government Loan under APDRP	986.10	1,096.61	110.51	110.51
(iv) ADB Prog. & Proj. Loan (Refer Sub-Note 6.18 below)	4,163.68	4,540.16	376.48	376.48
(d) Bonds	5,155.66	5,891.82	736.16	1,091.07
(Refer Sub-Note 6.15 and 6.16 below)				
Sub Total	11,064.06	12,343.35	1,259.03	2,125.49
TOTAL	26,242.82	27,360.74	6,679.66	7,827.35

Nature of security and terms of repayment for Secured Borrowings

- 6.01 Loan from Indian Overseas Bank (outstanding ₹ Nil Lacs, Previous year ₹ 82 Lacs) is secured against the 1st hypothecation charge on the assets of Dhangadhra and Surendranagar O&M Division of PGVCL. Rate of interest @ 8.50% p.a.– (a) (i)
- 6.02 Loan from Dena Bank (Outstanding ₹ Nil Lacs, Previous year ₹ 58 Lacs) is secured against the 1st hypothecation charge on the assets of Amreli, Dhasa & Vertej TR. Division of GETCO. Rate of interest @ 10.75 p.a.– (a) (i)
- 6.03 Loan from Indian Overseas Bank (outstanding ₹ Nil Lacs, Previous year ₹ 91 Lacs) is secured against the 1st hypothecation charge on the assets of Vijapur, Mehsana & Chhatral TR. Division of GETCO. Rate of interest 9.50% p.a.– (a) (i)

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013**

- 6.04 Loan from Union Bank of India (outstanding ₹ Nil Lacs, Previous year ₹ 49 Lacs) is secured against the 1st hypothecation charge on the assets of Soja, Dhansura & Chhatral TR. Division of GETCO. Rate of interest 10.75% p.a.– (a) (i)
- 6.05 Loan from Allahabad Bank (outstanding ₹ Nil Lacs, Previous year ₹ 148 Lacs) is secured against the 1st hypothecation charge on the assets of Sabarmati, Gandhinagar & Bavla O&M Division of UGVCL. Rate of Interest 9% p.a.– (a) (i)
- 6.06 Loan from Canara Bank (outstanding ₹ Nil Lacs, Previous year ₹ 400 Lacs) is secured against hypothecation charge on the assets of Godhra and Baroda O&M Divisions of MGVCL. Rate of interest 10.75% p.a.– (a) (i)
- 6.07 Loan from Kalupur Commercial Co-operative Bank Ltd. (outstanding ₹ 1,875 Lacs, Previous year ₹ 3,125 Lacs) is secured against transformer, lightening arestors, shackle insulators, static meters under HVDS project of MGVCL. Outstanding amount repayable in 18 monthly installments of ₹ 104.17 Lacs each. Rate of interest 10.75% p.a. – (a) (ii)
- 6.08 Loan from Bank of Baroda (outstanding ₹ 5,625 Lacs, Previous year ₹ 8,125 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 27 monthly installments of ₹ 208.33 Lacs each. Rate of interest 11.25% to 10.25% p.a.– (a) (ii)
- 6.09 Loan from Bank of Baroda (outstanding ₹ 3,025 Lacs, Previous year ₹ Nil Lacs) is secured against hypothecation charge on movable assets of projects under RAPDRP scheme Part B. Outstanding amount repayable in 84 monthly installments of ₹ 36 Lacs each commencing from Dec-13. Rate of interest 10.25% p.a. -- (a) (ii)
- 6.10 Loans from PFC under ADB-DRUM Project, (outstanding ₹ 7,700 Lacs, Previous year ₹ 5,143 Lacs) is secured against charge of movable assets created under DRUM Project of Umreth Sub-Division of MGVCL. Outstanding amount payable in 20 quarterly installments each of ₹ 35.59 Lacs each. Rate of interest 12.50% p.a.– (a) (iii)
- 6.11 Loan from PFC under R-APDRP Scheme (outstanding ₹ 712 Lacs, Previous year ₹ 854 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 ₹ 6,155 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 ₹ 51.40 Lacs each, starting from June-2014. As per terms of Part-B of R-APDRP Scheme, the loan of ₹ 1,545 Lacs will be converted into Grant upto 50% on fulfillment of stipulated conditions. ₹ 402 Lacs will be repaid in April, 2013 & balance loan will be repayable in 150 equal monthly instalment over a period of 15 years of ₹ 76.20 Lacs each. If conditions are not fulfilled, starting from June, 2014. Rate of Interest 9% p.a.– (a) (iii)

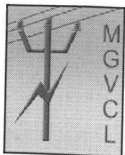


NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

- 6.12 Loan from REC under Scheme No.41150 outstanding ₹ 109 Lacs, (previous year ₹ 131 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 GEB-erst, 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 GEB-erst, 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 5 equal yearly installment of ₹ 21.85 Lacs each. Rates of interest 8.50%, 9.25% & 11% p.a.– (a)(iii)
- 6.13 Bills Discounting limits availed from SIDBI are secured under the Deferred Payment Guarantees issued by consortium member banks. Outstanding amount repayable in 342 monthly installments of various amounts ranging from ₹ 0.88 Lacs to ₹ 13.31 Lacs each upto July-2015. Rates of Interest ranging from 8.50% to 11.75% – (b)
- 6.14 **Terms of repayment for Long-term borrowings-Unsecured**
- ❖ Loan from GSFS outstanding ₹ Nil Lacs (previous year ₹ 528 Lacs). Rate of interest 9% – (c) (ii)
 - ❖ Various loans from REC under RGGVY Scheme of ₹ 778 Lacs (Previous year ₹ 807 Lacs) will be repayable in 39 Annual equal installments ranging from ₹ 11.11 Lacs to ₹ 28.86 Lacs payable up to March, 2027. Rate of interest ranging from 11% to 12.50%. Other loan amounting ₹ 16.00 Lacs (Previous year ₹ 27 Lacs) will be repayable in 12 quarterly installments ranging from ₹ 1.76 Lacs to ₹ 0.83 Lacs. Rate of interest 9% – (c) (iii)
 - ❖ State Government loan under APDRP ₹ 1,097 Lacs (Previous year ₹ 1,207 Lacs) will be repayable in 11 annual installments ranging from ₹ 110.51 Lacs to ₹ 1.98 Lacs. Rate of interest 12.18% – (c) (iii).
 - ❖ ADB Programme & Project Loan amounting to ₹ 4,550.16 Lacs (previous year ₹ 4,917 Lacs) will be repayable in 14 yearly installments ranging from ₹ 380.03 Lacs to ₹ 6.22 Lacs. Rate of interest 10.69% – (c) (iv)

6.15 Maturity profile of Unsecured Bonds

Public Bonds (Allocated By GUVNL) (Unsecured)	Maturity Profile (₹ in Lacs)		
	2014-15	2015-16	2016-17
11.75% Bonds – Series VI (option II)	192.50	–	–
7.50% Bonds – Series VI (option III)	355.73	–	–
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



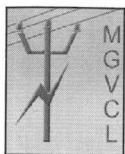
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

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

6.17 (a) Loan transferred under the Financial Restructuring Plan

- (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 ₹ 48,495.87 Lacs (balance of such loans as on 31st March, 2013 ₹ **11,528.59 Lacs**, (Previous year ₹ 14,462.82 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.



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE : 7 OTHER LONG-TERM LIABILITIES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Staff Retirement cum Death Benefit Scheme	1,867.58	1,664.97
Security deposit from consumers in cash	52,874.28	47,144.71
Deposits for Electrification & Service connection	8,317.64	7,379.59
TOTAL	63,059.50	56,189.27

NOTE : 8 LONG-TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Provision for Employee Benefits		
Provision for Leave Encashment	8,136.10	7,894.43
TOTAL	8,136.10	7,894.43

NOTE : 9 SHORT-TERM BORROWINGS

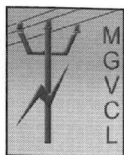
Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Secured Cash Credit From Banks	486.20	216.33
TOTAL	486.20	216.33

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 : 10 TRADE PAYABLES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Liability for Purchase of Power-Wind Farm	103.00	211.53
Liability for O&M Supplies / Works	6,673.17	5,597.94
<u>Payables to companies under the same management</u>		
- Gujarat Urja Vikas Nigam Limited	27,887.80	12,149.47
TOTAL	34,663.97	17,958.94

Refer Note No.38

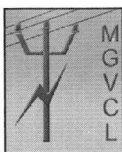
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013****NOTE : 11 OTHER CURRENT LIABILITIES**

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Current maturities of long-term debt (Refer Note : 6)	6,679.66	7,827.35
Interest accrued but not due on borrowings	2,448.52	1,967.54
Interest accrued and due on borrowings	50.66	81.68
Interest payable on consumers' security Deposit	3,677.52	2,225.47
Liability for Capital Supplies / Works*	66.40	4.64
Staff Related Liabilities	41.52	30.52
Staff Retirement cum Death Benefit Scheme	96.84	97.20
Staff Welfare Scheme	67.84	67.10
Deposits & Retentions from Suppliers & Contractors	1,942.25	2,303.58
Financial Participation from Consumers	0.80	0.80
Other Liabilities	2,311.07	1,010.33
Provision for Expenses	1,735.66	1,701.94
Provision for Bonus	34.02	26.94
Credit Balance in current accounts	-	42.73
TOTAL	19,152.76	17,387.83

* Refer Note No.39

NOTE : 12 SHORT-TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
(A) Provision for Employee Benefits		
Provision for Leave Encashment	1,093.20	594.34
(B) Others		
(i) Provision for Fringe Benefit Tax (Net of Advance Tax)	--	16.93
(ii) Provision for Taxation (Net of Advance Tax)	105.30	514.42
(iii) Provision for Wealth Tax (Net of Advance Tax)	0.03	0.55
TOTAL	1,198.53	1,126.24



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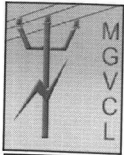
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE : 13 FIXED ASSETS TANGIBLE ASSETS

(₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 st April, 2012	Addition during the year	Deletion/ Adjust- ment during the year	As at 31 st March, 2013	As at 1 st April, 2012	For the year	As at 31 st March, 2013	As at 31 st March, 2012
Land & Land rights	2,293.06	-	(116.99)	2,410.05	20.22	22.78	2,367.05	2,272.84
Buildings	3,636.43	273.95	(107.25)	4,017.63	395.43	63.83	3,506.82	3,241.00
Hydraulic works	17.16	-	-	17.16	7.95	0.81	8.40	9.21
Other Civil works	1,023.94	154.99	-	1,178.93	76.76	17.07	1,086.33	947.18
Plant & Machinery	40,100.87	7,849.59	33.20	47,917.26	10,080.19	2,042.39	35,674.88	30,020.68
Lines & Cable Net Works	1,92,048.88	23,270.72	-	2,15,319.60	48,598.62	9,500.97	1,57,331.43	1,43,450.26
Vehicles	177.32	30.61	0.46	207.47	92.41	15.47	112.58	84.91
Furniture & Fixtures & Electrical Lightings	854.01	78.73	0.75	931.99	259.76	56.71	617.36	594.25
Office Equipments	1,793.85	155.91	92.93	1,856.83	1,118.87	189.84	627.38	674.98
Assets taken over from licensees pending final valuation (Refer Note No:-1)	469.33	255.96	725.29	-	445.87	81.82	-	23.46
TOTAL	2,42,414.85	32,070.46	628.39	2,73,856.92	61,096.08	11,991.69	2,01,332.23	1,81,318.77
Previous Year	2,14,992.00	27,435.52	12.67	2,42,414.85	50,401.33	10,694.73	1,81,318.77	1,64,590.67

- (a) The Assets were taken over from the then licensee Vadodara Mahanagar Seva Sadan (VMSS) by GEB-erst (now MGVCCL) on 10-05-1988 vide Government Notification No: GU-88-9-LBM-1185-4503-K dated 05-03-1988. The consideration of the same is finalised and settled during the year. The additional agreed consideration is added to the value of asset taken over from the VMSS and the depreciation is recalculated accordingly from the date of transfer. The Agreed Consideration of Land and Buildings is transferred to respective asset category and the written down value of other Assets is written off, as its useful life is practically over.
- (b) The opening gross value of all Fixed Assets, accumulated depreciation and net block of fixed assets as at 01-04-2005 were stated at values notified by Government of Gujarat vide Notification No. GUV-206-91-GW-1106-590-K dated 03-10-2006 and continue to be same.
- (c) The immovable properties, which have been transferred to Company are held in the name of GEB-erst or Vadodara Mahanagar Seva Sadan (VMSS). 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.



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE : 14 CAPITAL WORK-IN-PROGRESS

Particulars	₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Capital Works-in-progress	4,576.98	4,150.87
Interest Charges to be Capitalised	1,945.79	1,366.28
Provision for completed works	322.10	57.89
TOTAL	6,844.87	5,575.04

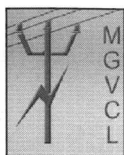
Above interest includes Interest on PFC loan given for R-APDRP Project ₹ 1,697.82 (previous year ₹ 1,118.32 Lacs) and ₹ 247.97 Lacs (previous year ₹ 247.97 Lacs) for RGGVY Scheme. As per the terms of the R-APDRP project, the same may be partially converted into Grant by Gol on meeting the conditions 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 Current Liabilities".

NOTE : 15 NON-CURRENT INVESTMENTS

Particulars	₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Long-term investment (Unquoted)</u>		
Equity Shares - Kalupur Commercial Bank Ltd. (250 Shares of ₹ 10 Each)	0.03	0.03
TOTAL	0.03	0.03
Aggregate amount of unquoted investment	0.03	0.03

NOTE : 16 LONG-TERM LOANS AND ADVANCES

Particulars	₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Secured Considered Good</u>		
Loans & Advances to staff - Interest Bearing	1,443.02	1,205.65
<u>Unsecured Considered Good</u>		
Advances to Suppliers / Contractors (Capital)	3,624.96	2,381.84
TOTAL	5,067.98	3,587.49



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE : 17 OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Secured, considered good		
Interest Accrued & Due on Staff Loans	70.11	64.52
Interest Accrued But Not Due on Staff Loans	918.10	848.21
Unsecured, considered good		
Amount recoverable from Licensees Account	-	15.29
Dues from PDC (Net of SD forfeited)	291.02	227.02
Unsecured, considered doubtful		
Dues from PDC (Net of SD forfeited)	8,579.86	9,869.92
Less : Provision for Doubtful Dues from Consumers	(8,579.86)	(9,869.92)
TOTAL	1,279.23	1,155.04

NOTE : 18 INVENTORIES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Stores, Spares and Scrap		
Stock of materials and Scrap	16,490.48	11,118.30
Material under pending inspection	0.81	-
Materials at Site (O&M)	1,326.82	920.11
Materials in Transit	192.13	203.46
Other Materials Accounts	5,678.81	4,344.16
Materials Stock Excess / Shortage Pending Investigation	219.68	218.58
Prov. for material stock Excess / Shortage pending investi.	(219.68)	(218.58)
TOTAL	23,689.05	16,586.03

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

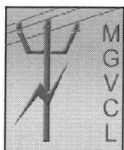
NOTE : 19 TRADE RECEIVABLES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured considered Good *		
Receivables for Sale of Power	52,156.59	43,653.17
Unsecured considered doubtful		
Receivables for Sale of Power	335.31	286.40
Less : Provision for Doubtful Dues from Consumers	(335.31)	(286.40)
Less : Deferred ED & TSE from Consumers	(1,543.57)	(1,545.52)
TOTAL	50,613.02	42,107.65

Out of the above:

- Trade Receivables not due/overdue for a period less than 6 months	44,254.56	37,077.90
- Trade Receivables overdue for a period more than 6 months	8,237.33	6,861.67
	<u>52,491.89</u>	<u>43,939.57</u>

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


NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013
NOTE : 20 CASH AND CASH EQUIVALENTS

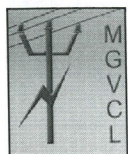
Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Cash on hand	7.22	6.58
Cheques on Hand	1,403.33	1,255.51
Balance with Scheduled Banks	4,501.84	3,676.22
Remittance in Transit	148.95	26.96
TOTAL	6,061.34	4,965.27

NOTE : 21 SHORT-TERM LOANS AND ADVANCES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured Considered Good		
Advances for O&M Supplies/Works	537.10	446.05
Loans & Advances to staff	500.78	491.89
Loans And Advances - Others	945.47	219.81
TOTAL	1,983.35	1,157.75

NOTE : 22 OTHER CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Interest Accrued & Due on Staff Loans	71.36	54.34
Amount recoverable from employee / ex-employees	21.18	19.04
Advance Income tax (Net of Provisions)	85.36	640.67
Advance Fringe Benefit tax (Net of Provisions)	81.55	81.55
Advance Wealth tax (Net of Provisions)	-	0.02
Electricity Duty & Tax on sale of Electricity	58.82	31.03
Other claims & Receivable	173.42	347.00
Deposits	58.24	45.77
Assets Not in use	25.32	14.03
<u>Receivables from associates under the same management</u> - Gujarat Energy Training & Research Institute	36.83	47.21
TOTAL	612.08	1,280.66



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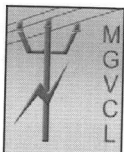
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 23 REVENUE FROM OPERATIONS

Particulars	(` in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Revenue from Sale of Power		
Domestic or Residential / RGP	85,008.49	71,554.13
Commercial / GLP	2,191.80	16,440.56
Industrial low & medium voltage / NRGP & LTMD	70,943.73	49,861.65
Industrial high voltage	1,44,987.08	1,37,527.77
Public lighting	3,031.16	2,719.03
Traction railways	23,360.07	21,880.04
Irrigation agricultural	21,519.35	17,573.15
Public water works and sewerage pumps	7,426.40	6,215.89
Power Sold to GUVNL	48,449.71	35,422.51
Unscheduled interchange - Income	7,877.18	10,297.92
Sub Total	4,14,794.97	3,69,492.65
Electricity duty	44,532.20	41,140.83
Other operating revenues		
Meter charges / Service line charges	3,681.68	3,843.54
Recoveries for theft of power / Malpractices	405.13	497.97
Delayed payment charges from consumers	2,961.24	1,985.57
Miscellaneous charges from consumers	3,102.18	2,041.04
Sub Total	10,150.23	8,368.12
Agricultural subsidy	7,104.80	7,328.00
Total	4,76,582.20	4,26,329.60
Less: Electricity duty	44,532.20	41,140.83
TOTAL	4,32,050.00	3,85,188.77

NOTE : 24 OTHER INCOME

Particulars	(` in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Interest on staff loans and advances	181.70	153.57
Interest from others	3.04	2.70
Income from sale of scrap	95.83	167.88
Gain on sale of fixed assets	0.22	16.82
Grant for energy conservation	446.25	382.60
Capital grants (Deferred amount 10% W.Back)	5,719.52	5,289.08
Consumers' contribution (Deferred amount 10% W.Back)	3,386.63	2,861.13
Miscellaneous receipts	1,123.27	1,169.69
TOTAL	10,956.46	10,043.47



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 25 PURCHASE OF POWER

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Power Purchased from GUVNL*	3,86,248.14	3,37,879.26
Power Purchased from CPP / Wind Farms / Solar	1,773.70	1,195.12
State Load Dispatch Center Charges	88.21	96.14
Uninterrupted Interchange Charges	2,375.44	3,257.18
TOTAL	3,90,485.49	3,42,427.70

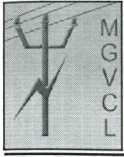
* Purchase of power is accounted as billed by GUVNL considering the Bulk Supply Tariff (BST) Mechanism / formula as approved by Gujarat Electricity Regulatory Commission (GERC).

NOTE : 26 EMPLOYEE COSTS

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Salaries, Wages & Allowances	22,246.06	21,096.12
Contribution to provident and other funds	3,803.11	4,121.45
Staff Welfare Expenses	1,367.23	941.59
TOTAL	27,416.40	26,159.16

NOTE : 27 INTEREST AND FINANCE CHARGES

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Interest on State Government Loans	604.49	654.86
Interest on Bonds	591.28	735.41
Interest on other loans, cash credit & deferred credits	2,242.88	3,576.35
Interest to consumers on security deposits etc.	4,031.34	2,389.53
Interest on Income Tax	3.48	39.89
Other Interest Charges	159.88	165.26
Total	7,633.35	7,561.30
Other Finance Charges		
Other Finance and Bank Charges	462.19	469.99
Guarantee Fees	70.10	84.18
Total	532.29	554.17
TOTAL	8,165.64	8,115.47



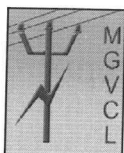
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 28 OTHER EXPENSES

(a)	Particulars	(₹ in Lacs)	
		Year ended 31 st March, 2013	Year ended 31 st March, 2012
	<u>Repairs and Maintenance</u>		
	Plant and Machinery	429.22	325.69
	Buildings	197.21	193.07
	Lines, Cable Network etc.	2,931.42	2,871.02
	Others	476.51	448.10
	Total	4,034.36	3,837.88
	<u>Administration Expenses & General Expenses</u>		
	Rent, Rates & Taxes	85.20	106.87
	Insurance	54.04	46.65
	Communication Expenses	209.84	230.12
	Legal Charges	19.16	25.59
	Audit Fees	8.99	7.87
	Consultancy Charges	9.67	13.21
	Technical Fees	7.05	23.59
	Other Professional fees and expenses	45.49	44.16
	Conveyance & Travel	1,685.87	1,434.61
	Printing, Stationery and Xerox Charges	318.26	252.02
	Expenses on Computer Billing & EDP Charges	112.76	141.68
	Consumer Billing & Collection Expenses	156.82	310.38
	Electricity Charges	301.87	296.10
	Bad & Doubtful Debts Written off/Provided for	37.40	271.45
	Security Expenses	465.20	556.19
	GERC License Fees	167.46	175.89
	Freight & Other Purchase related expenses	491.79	282.87
	Other Administration & General Expenses	293.68	260.10
	Write off at WDV of Scrapped Assets (Note : (a) below)	25.05	-
	Miscellaneous Expenses* (Refer note (b) below)	1,152.32	446.37
	Total	5,647.92	4,925.72
	TOTAL	9,682.28	8,763.60

Note : (a) The written down value (5%) of Assets taken over from Vadodara Mahanagar Seva Sadan in 1988 is written off, as its useful life is practically over.

(b) None of the items individually accounts for more than ₹ 1 Lakh or 1% of revenue whichever is higher.



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

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

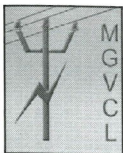
Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Payments to auditors (Excluding service tax)		
As auditors	8.00	7.00
Tax audit	1.50	1.25

NOTE : 29 EXPENSES CAPITALISED

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Employee Costs Capitalised	5,500.18	4,267.05
Administration & General Expenses Capitalised	937.47	739.77
Interest & Other Finance Charges Capitalised	579.50	539.81
TOTAL	7,017.15	5,546.63

NOTE : 30 PRIOR PERIOD ADJUSTMENTS

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
<u>Prior period expenses / losses</u>		
Short Provision for Power Purchase (Wind Farm)	0.30	63.45
Employee costs	0.70	29.81
Depreciation under provided	3.39	1.33
Interest & Other Finance Charges	11.81	13.76
Other Charges related to Prior Periods	4.23	12.58
Other Prior Period Adjustments	2.66	13.79
Total	23.09	134.72
<u>Prior period income</u>		
Excess provision for depreciation	0.24	-
Other excess provision	28.96	7.05
Other income	3.15	77.11
Excess Provision of Interest & Other Finance Charges	0.92	0.38
Total	33.27	84.54
TOTAL	(10.18)	50.18

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

31. Estimated amount of Contracts remaining to be executed and not provided for (net of advances) ₹ **9,099.05 lacs** (Previous Year ₹ 18,526.48 Lacs.).

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

Particulars	(₹ in Lacs)	
	2012-13	2011-12
1) Income Tax and Fringe Benefit Tax.	105.20	105.20
2) Charges created on Company's assets for which loan have been passed on to other Companies by GUVNL.	Nil	7,931.61
3) Labour and other claims against the Company not acknowledged as debt.	2,826.11	2,091.75
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.

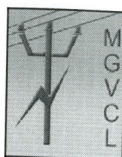
Lease payments are recognized in the Statement of Profit and Loss as "Rent Expenses" under Note No. : 28.

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.:24.

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.



NOTES FORMING PART OF FINANCIAL STATEMENTS

35. Employee Benefits:

i. Defined Contribution Plan

The Company has recognised ₹ 1,679.09 Lacs (Previous year ₹ 1,506.42 Lacs) for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit and Loss.

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.

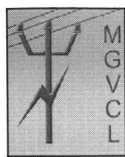
The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2013 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which 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.

(₹ in Lacs)

Particulars	Gratuity	
	2012-13	2011-12
Changes in the present Value of obligation		
Present value of obligation (opening)	13,156.72	11,824.57
Interest Cost	1,052.54	945.97
Past Service Cost	Nil	Nil
Current Service Cost	494.90	486.09
Curtailment Cost / (Gain)	Nil	Nil
Settlement Cost / (Gain)	Nil	Nil
Benefits Paid	(1,420.47)	(1,408.01)
Actuarial Losses / (Gain)	811.49	1,308.10
Present Value of obligation (Closing)	14,095.18	13,156.72
Changes in the fair Value of Plan Assets		
Present value of plan assets (opening)	6,786.53	5,385.88
Expected Return on Plan Assets	665.97	554.77
Actuarial Gain / (Losses)	(53.04)	(61.81)
Employer's Contributions (*)	1,867.77	2,315.70
Employees' Contributions	Nil	Nil
Benefits paid	(1420.47)	(1,408.01)
Fair Value of Plan Assets (Closing)	7,846.76	6,786.53

(*) Apportioned based on the ratio of closing liabilities of holding and fellow subsidiary companies.



NOTES FORMING PART OF FINANCIAL STATEMENTS

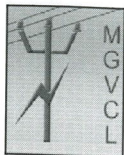
(₹ in Lacs)

Particulars	Gratuity	
	2012-13	2011-12
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	7,846.76	6,786.53
Fair value of plan assets as at the year end	7,846.76	6,786.53
Funded (Asset) / Liability recognised in the Balance Sheet	Nil	Nil
Present Value of Unfunded obligation as at the year end	6,248.42	6,370.19
Un recognised past service cost	Nil	Nil
Un recognised Actuarial (Gains) / Losses	Nil	Nil
Unfunded net Liability recognised in the Balance Sheet	6,248.42	6,370.19
Amount recognised in the Balance Sheet (For Gratuity-through holding Company GUVNL)		
Present Value of obligation as at the year end	14,095.18	13,166.72
Fair Value of Plan assets as at the year end	7,846.76	6,786.53
(Asset) / Liability recognised in the Balance Sheet	6,248.42	6,370.19
Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	494.90	486.09
Past Service Cost	Nil	Nil
Interest Cost	1,052.54	945.97
Expected Return on Plan Assets	(665.97)	(554.77)
Curtailment Cost / (Credit)	Nil	Nil
Net Actuarial (Gain) / Loss	864.53	1,369.91
Employees Contribution	Nil	Nil
Total Expenses recognised in the Statement of Profit and Loss	1,746.00	2,247.20
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	10.00%	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.

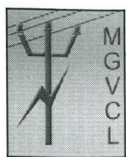

NOTES FORMING PART OF FINANCIAL STATEMENTS

36. The value of realisation 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, and small enterprises as at 31st March, 2013 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 capitalised 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 (EPS), the Basic and Diluted Earnings Per Share (EPS) has been calculated as under:

Basic & Diluted EPS

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Profit After Tax (Rs in Lacs)	2,097.94	3,597.19
Weighted Avg. No. of Equity Shares for Basic EPS	24,26,41,422	24,26,41,422
Weighted Avg. No. of Equity Shares for Diluted EPS	See Note (*)	24,26,41,422
Face Value per Share (₹)	10	10
Basic Earnings per Share of ₹ 10/- each	0.86	1.48
Diluted Earnings per Share of ₹ 10/- each (₹)	See Note (*)	1.48

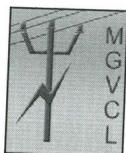
(*) Weighted Average number of diluted equity shares and diluted EPS could not be worked out as the price and numbers of shares are yet to be decided for share application money pending allotment.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

44. The Company has net Deferred Tax Assets on account of unabsorbed depreciation and business losses. In the absence of virtual certainty and convincing evidence of sufficient future taxable income, net Deferred Tax Assets as at 31st March, 2013 is not recognised.
45. Provision for income tax liability for the year is considered as per tax laws applicable. The Company is entitled to credit of Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961. However, following the concept of prudence, the management does not recognise the MAT credit entitlement.
46. With respect to assets taken over from VMSS as per Note No:13 (a), during the year balances relating to licensee (VMSS) is adjusted against the Compensation paid as decided by the Board in the Meeting held on 11th December, 2012. Unadjusted payment of ₹126.61 lacs (Previous Year ₹ Nil Lacs) is debited to the Statement of Profit & Loss under Miscellaneous expenses Note No:28 (a).
47. **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 Realisable 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 recognise any expected loss in the Statement of Profit and Loss.
48. C.I.F. value of import during the year is ₹ Nil (Previous year ₹ Nil).
49. Consumption of Stores & Spares:

Particulars	2012-13 %	2011-12 %
Indigenous	100.00	100.00
Imported	Nil	Nil
Total	100.00	100.00

50. Expenditure in foreign currency
- License fees: ₹ 20,519/- (Previous year ₹ Nil).
51. Earning in foreign currency ₹ Nil (Previous year ₹ Nil).



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NOTES FORMING PART OF FINANCIAL STATEMENTS

52. 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.
53. The previous year figures, where ever necessary have been reclassified to conform to this year's classification.

As per our attached report of even date
For K. C. Mehta & Co.
Chartered Accountants
Membership No.101533

For and on behalf of Board of Directors

VISHAL P. DOSHI
Partner

RAJ GOPAL, IAS
Chairman

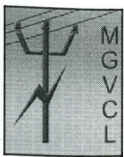
S.B.KHYALIA
Managing Director

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

K. M. ANTANI
Company Secretary

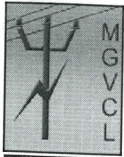
Place : Vadodara
Date : 12th September, 2013

Place : Vadodara
Date : 12th September, 2013



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Area map of MGVL



MGVCL AT A GLANCE (As on 31-03-2013)

Total Area (in. Sq.Kms).	23,854
Districts covered	7
No.of Towns	46
No. of Villages	4,404
Population (Census 2001) (in Million)	13.06
Total Circles (including Corporate Office)	5
Total Divisions	17
Total Sub-Divisions + Sectional Office	105 (O & M)
Total Sub-Stations	140
Total Transformer	75,540
Total No. of Feeders	1,435
Total H. T. Line (in Kms.)	42,297
Total L. T. Line (in Kms.)	58,864
Ratio of L.T. / H. T.	1.39
Total Consumers	27.07 Lacs
Total contracted load (in MW)	4,803
Total Employees	6,824



MadhyaGujarat Vij Company Limited

Registered Office :
Sardar Patel Vidyut Bhavan, Race Course, Vadodara-390007.