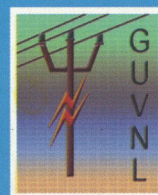
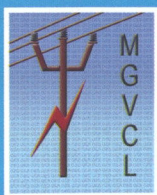




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Madhya Gujarat Vij Company Limited

An ISO Certified Company

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

Our Vision

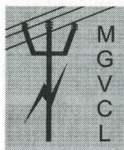
- Customer satisfaction through service excellence

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

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Board of Directors

(As on 23-12-2014)

Smt. Shahmeena Husain, IAS

Chairperson

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

Company Secretary

Shri K. M. Antani

Senior Executives

Shri N.V. Thakkar

Chief Engineer (T&O)

Smt. M. M. Marathe

I/C. Chief Engineer (Proj.)

Shri K. R. Shah

General Manager (F&A)

Shri M. G. Pandya

I/C. 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

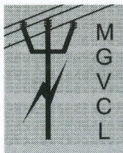
Fax No. : (0265) 2337918, 2338164

Website : www.mgvcl.com

E-mail : info.mgvcl@gebmil.com

CIN : U40102GJ2003SGC042907

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Madhya Gujarat Vij Company Limited

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NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of **Madhya Gujarat Vij Company Limited** will be held (at shorter notice under Section 101(1) of the Companies Act, 2013, pursuant to consent received from all the members) on Tuesday, 23rd December, 2014 at 12.30 p.m. at the Board Room of the Company, Third Floor, Sardar Patel Vidyut Bhavan, Race Course Circle, Vadodara – 390 007, to transact the following business :

ORDINARY BUSINESS

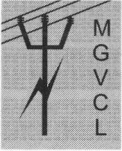
1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2014, together with the Reports of Directors and Auditors thereon along with Comments of the Comptroller & Auditor General of India.
2. To appoint a Director in place of Shri C.J. Macwan (DIN 03596652), who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri H.P. Desai (DIN 00034128), who retires by rotation and is eligible for re-appointment.
4. To authorize the Managing Director of the Company to fix the remuneration payable to Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India (C & AG), New Delhi, for the audit of accounts of the Company for the financial year 2014-15 and if thought fit, to pass, with or without modification, the following resolution as on Ordinary Resolution.

“RESOLVED THAT the Managing Director of the Company be and is hereby authorized to finalize and decide the remuneration and out of pocket expenses, payable to the Statutory Auditors appointed by the Comptroller and Auditor General of India, (C & AG), New Delhi, to audit the accounts of the Company for the Financial Year 2014-15.”

SPECIAL BUSINESS

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

“RESOLVED THAT Smt. Shahmeena Husain, IAS, (DIN No. 03584560) who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the



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Companies Act, 2013 (the Act) effective 23rd September, 2014 and who holds such office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

Date : 22-12-2014

Place : Vadodara

K.M. Antani

Company Secretary

REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,

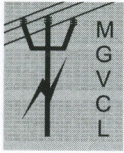
Race Course,

Vadodara – 390 007

CIN : U40102GJ2003SGC042907

NOTES :

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2 The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.



Madhya Gujarat Vij Company Limited

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no. 5

Smt. Shahmeena Husain, IAS, was appointed as an Additional Director by the Board of Directors effective from 23rd September, 2014, under Section 161 of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting. She represents Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, pursuant to Article 57 of the Articles of Association of the Company. She was also appointed as Chairperson of the Board of Directors of the Company.

The Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013, from Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, signifying intention to propose her candidature to the office of Director.

Smt. Shahmeena Husain, IAS is a Senior IAS officer of 1997 batch. At present, she is the Director (Admn) of Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company. She has held various important positions in the Government. She has long, rich and varied experience in various areas.

The Board commends the Ordinary Resolution set out in the Item No. 5 of the Notice for approval of the members

Except Smt. Shahmeena Husain, IAS, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution set out at Item No. 5.

By Order of the Board

Date : 22-12-2014

Place : Vadodara

K.M. Antani

Company Secretary

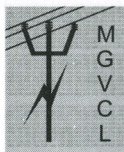
REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,

Race Course,

Vadodara – 390 007

CIN : U40102GJ2003SGC042907



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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 11th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

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

Particulars	(₹. In lacs)	
	Financial year ended 31 st March	
	2014	2013
Total Income	4272,70.12	4430,06.45
Profit before Depreciation, Interest and Tax	251,25.57	224,49.62
Depreciation	135,36.92	119,91.69
Interest and Finance Charges	91,04.40	81,65.64
Profit before Tax	24,84.25	22,92.29
Provision for Tax	5,37.81	1,94.35
Profit after Tax and available for appropriation	19,46.44	20,97.94

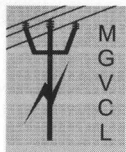
DIVIDEND

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 2013-14 are as under:

- ❖ Revenue from Sale of Power (excluding Electricity Duty, Power sale to GUVNL and UI Income) has increased to ₹ 3,688.91 crores during financial year 2013-14 from ₹ 3,584.68 crores in F.Y. 2012-13 showing an increase of ₹ 104.23 crores (i.e. a rise of 2.91%).
- ❖ Per unit average rate of sales realization from consumers has increased to ₹ 5.30 per unit (excluding Electricity Duty, Power Sale to GUVNL and Unscheduled Interchange Income) compared to ₹ 5.10 per unit in F.Y. 2012-13.
- ❖ The net profit before tax during FY 2013-14 levelled to ₹ 24.84 Crores as compared to ₹ 22.92 Crores in FY 2012-13 showing an increase by 8.38%.



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- ❖ The percentage of total arrears to Revenue Assessment decreased to 4.08% in F.Y. 2013-14 compared to 4.12% in F.Y. 2012-13.

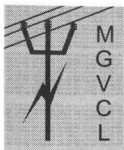
OPERATIONAL PERFORMANCE

- ❖ Units sold to consumers registered to 6955 MUs during the financial year compared to 7032 MUs.
- ❖ Over all Distribution losses during the F.Y. 2013-14 reduced to 12.41% compared to 12.89% in last year.
- ❖ Transformer failure rate reduced from 4.61% to 4.51%.
- ❖ Power availability maintained at 99.96 % (without load shedding).
- ❖ The consumer base increased from 27.07 lacs to 27.74 lacs.
- ❖ Under various normal development schemes, 125 HT Industrial, 236 LT MD, 10,140 NRGP and 45,603 RGP 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 2013-14. 4,45,612 connections were checked and 8,042 connections were detected for theft and mal-practice with total assessment of ₹ 1001.40 Lacs and total recovery of ₹ 626.76 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 59 such feeders were bifurcated under SI.
- ❖ Conductor renovation of 489.26 KM was carried out under system improvement.
- ❖ 5,798 transformers were installed under High Voltage Distribution System (HVDS) to reduce hooking in rural areas and to reduce the LT line losses.
- ❖ 3,348 nos. of Fault Passage Indicators (FPI) are installed to locate exact passage of faults on overhead lines, to attend the faults speedily and to reduce the failure time.



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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.

Part A of the said Scheme includes the projects for establishment of baseline data and IT applications. Projects for 17 towns were sanctioned at an estimated cost of ₹ 89.49 crs. Total 16 towns were declared Go-Live and all towns are integrated with Data Centre.

Part-B of the said Scheme includes the project of R&M activities. Projects for 12 towns were sanctioned at an estimated cost of ₹ 119.38 crs. The works are under progress in all towns.

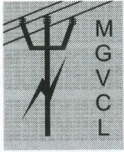
SCADA/DMS System provides Real time monitoring & control, loss minimization/load balancing and considerable improvement in voltage/VAR profiles. It would also facilitate proper handling of loads while load shedding & restoration, efficient planning of network for future growth by using proven power system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

For the project for Part-A SCADA/DMS in Vadodara city, the survey work was completed and inspection of hardware is in progress.

The project for Part-B SCADA/DMS was sanctioned at an estimated cost of ₹58.48 crs. The orders were placed to various suppliers for supply of Ring Main Unit (RMU) and Fault Passage Indicator (FPI) with DCU.

- ❖ 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. In Anand District 24,230, in Vadodara District 32,626, in Kheda District 23,630, in Dahod 28,735, and in Panchmahal District 1,02,536 i.e. Total 2, 11,757 BPL beneficiaries were electrified. Projects have been completed in all Districts.
- ❖ Under State Government sponsored Scheme, 17,177 connections were released under Zupadpatti Vijalikaran Scheme, and 4,696 connections were released in 'Kutir Jyoti Scheme' in tribal areas for the F.Y. 2013-14.
- ❖ Government of India has approved the National Electricity Fund (interest subsidy) Scheme to promote the capital investment in the distribution sector by providing interest subsidy, linked with reform measures, on the loans taken by public and private power utilities for various capital works under distribution projects.

Under the above scheme, Ministry of power, Government of India has issued office Memorandum dated 14.03.2012 regarding setting up of National Electricity Fund (NEF).



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Ministry of Power has also constituted a steering committee for sanctioning the distribution schemes to be financed by Banks/FIs etc. In the context of above NEF scheme, the Company had devised distribution schemes like underground cabling, reconductoring and other infrastructure development work with a Project Cost of ₹ 100 Crores and submitted the proposal to Rural Electrification Company (REC) (Nodal Agency) for approval.

Accordingly, REC/ Ministry of Power Steering committee vide letter dated 27.8.2013 has sanctioned our NEF Project Cost of ₹ 100 Crores with the total loan amount up to ₹ 83 Crores to be taken by your Company.

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

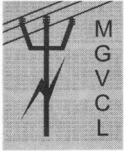
- 5,598 wells under Special Project Agriculture (SPA) Scheme.
- 7,827 wells under Tribal Area Sub Plan (TASP) Scheme.
- 27 wells under Tatkal Scheme
- 1,161 wells under Dark Zone Area
- 42 wells in other scheme.

❖ In tribal areas :

- Electrification carried out for 45 Petaparas under Tribal Area Sub Plan (TASP) and 329 connections under Scheduled Caste Sub Plan (SCSP) were provided.

IT INITIATIVES

- ❖ **Photo Meter Reading** was implemented in various rural sub divisions i.e Santrampur-I , Santrampur-II, Kawant, Chhota Udepur, Tejghad, PaviJetpur, Godhra West, Sahera, Kothamba and Santroad sub divisions having high T & D Losses to capture the actual images of Consumer meters and unbilled units and thereby, reduce delay in the billing period.
- ❖ **E-payment facility** is extended to the consumers introducing RTGS/NEFT payment through respective bank portal and ICICI as a payment gateway.
- ❖ **Meter reading application (Mobile App)** through Mobile instrument using Bluetooth printer was developed and tested and would be rolled out in all field offices of the Company.
- ❖ HT bill generation through HT **Automatic Meter Reading (AMR)** was developed and reconfigures to generate Energy bill for AMR metered consumers without any manual intervention.
- ❖ **Multiple consumers grouping** (Viewing of energy bills of multiple consumers) facility has been developed. The said facility will be utilized by the consumers like BSNL, Tower Consumers and



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Railways mainly for group payment or energy bill details available to group (Multiple Consumers).

- ❖ On-line Recruitment package was developed in house and implemented successfully.

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 installed within the premises of the field offices of the Company.
- ❖ **Solar Pumps :** Total 7 nos. of Solar pumps, three of 5 HP each, one of 7.5 HP and one of 10 HP for agriculture purpose and one each of 5 HP & 10 HP for water works purpose at various locations have been installed.

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 Circles of the Company 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 arranged the e-payment facility as a part of providing web enabled bill payment facility to consumers. With the help of this facility, the Consumers can make the payment of their electricity bill through internet either by using net banking or Credit/debit Card at their own convenience at anytime 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.
- ❖ The Company's website is regularly updated to make it more consumer friendly.

AWARDS & ACHIEVEMENTS

Your Directors are pleased to inform you that the Company had been conferred Power Line Award-2013 for 'Best Performing State DISCOM' and Innovation with Impact Award for Power Distribution Companies under the Category of Demand Side Management by Indian Chambers of Commerce



REGULATORY MANAGEMENT

The Gujarat Electricity Regulatory Commission (GERC) is an independent statutory authority constituted under the provisions of the Electricity regulatory commission (ERC) Act, 1998, to regulate the functions of the 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 2012-13 and tariff determination for FY 2014-15 was filed before the commission on 30.11.2013. After hearing process, the Commission issued tariff Order on 29.04.2014 and the revised tariff rates are made effective from 1.05.2014.

The Company has also filed petition under Section 16.2 of GERC (Multi Year Tariff) Regulations, 2011, for Mid Term Review of Business Plan and Revision of ARR for the remaining control period FY 2014-15 and 2015-16 on 30.09.2013. The commission has approved ARR for FY 2014-15 and FY 2015-16 in mid-term review.

OPEN ACCESS

Under the various provisions of state regulatory and legal framework, the Company had filed petition before Hon'ble GERC to determine additional surcharge and to make applicable the additional surcharge on power purchased by open access consumers. The GERC has issued order on 12.06.2014 and decided that additional surcharge of ₹ 0.42 per kWh leviable from the consumers of distribution utilities who avail power through open access from any source other than respective DISCOM for open access transaction for the period commencing from 01.04.2014 to 30.09.2014.

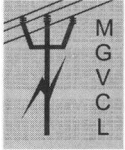
The Gujarat Electricity Regulatory Commission (Terms and Conditions of Intra-State Open Access) Regulations, 2011 allows the consumers seeking open access for capacity of 1 MW and above. Total 48 consumers applied for open access with total demand of 178.91 MW and 657 MUs scheduled under open access. Further one Biomass Generator is also availing Medium term open access for 1.20 MW.

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)

Demand side regulation was notified in May 2012 by Gujarat Electricity Regulatory Commission (GERC). Consultancy services were awarded to TERI, New Delhi for preparing DSM action plan in March, 13. They have submitted DSM action plan in December, 13, which was submitted to Hon'ble commission in January, 14. Same was approved by GERC in June, 14. In turn commission has prioritized areas for DSM intervention, which are as follows.

1. Promotion of Energy efficient appliances (LED/EE fans)
2. Solar pump installation and awareness
3. Industrial Energy audit of Vallabh Vidyanagar GIDC



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For application of energy efficient appliances target sector would be primary schools/PHC/CHC/Gram panchayat offices. The very purpose of this programme is to inculcate sense of energy savings among larger rural masses.

Your Company has already submitted the programme documents to GERC for above said all three programmes for F.Y. 2014-15 and for F.Y. 2015-16.

SAFETY

Safety was on prime agenda in the Company during the year. The Company had initiated various safety related activities.

- ❖ Company safety officer is regularly visiting field offices for inculcating safety awareness among line staff and engineers.
- ❖ New module of training to address growing demand of safety has been initiated in Feb'14 and employees are being trained.
Trained staff in turn will educate other staff members for safe operation particularly in rural areas.
- ❖ Every year Safety week celebration is organized in field offices, with promotion of safety message, hoardings, competition, along with participation among employees family members. Even such messages are arranged to display on TV channels at local level.
- ❖ Safety tools/tackles have been already provided to line staff as per norms.
- ❖ Safety films are shown to the line staff.

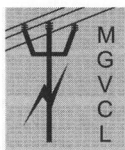
HUMAN RESOURCE DEVELOPMENT

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

DIRECTORS

Since the last Annual General Meeting, Shri K. P. Jangid was nominated as Director on the Board of Directors of the Company by Gujarat Urja Vikas Nigam Limited (GUVNL) from 24/12/2013.

The term of appointment of Shri S. B. Khyalia, as Managing Director of the Company, on deputation basis, was further extended for a period of one year effective from 25/07/2014 by the Board of



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Directors in its meeting held on 24/07/2014 and was approved by the Members in their meeting held on 5/09/2014.

Shri Raj Gopal, IAS, resigned as Director and Chairman of the Board of Directors of the Company effective from 30/08/2014. The Board places on record its sincere appreciation of commitment, matured advice, significant contribution and valuable services rendered by him during his tenure as Chairman of the Board of Directors of the Company.

Smt. Shahmeena Husain, IAS, was appointed as Additional Director by the Board of Directors in their meeting held on 23/09/2014. She holds her office as such up to the date of ensuing Annual General Meeting. She is proposed to be appointed as Director of the Company at the ensuing Annual General Meeting.

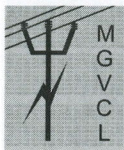
The Board also in its meeting held on 15/11/2014 appointed her as Chairperson of the Board of Directors of the Company.

Shri C.J. Macwan and Shri H.P Desai, 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

The Directors confirm that:

1. in the preparation of annual accounts for the financial year ended 31st March, 2014, 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, 2014 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, 2014, have been prepared on a going concern basis.



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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:

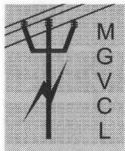
During the year under review, there were no foreign exchange earnings. Expenditure in foreign currency was Nil (Previous year ₹ 20,519).

AUDITORS

M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad 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, 2015. Their remuneration is required to be fixed by the Company in General Meeting.

AUDITORS' REPORT

Replies of the Management to the comments of the Comptroller & Auditor General of India (CAG) under Section 619(4) of the Companies Act, 1956, on the Accounts of the Company for the year ended 31st March, 2014, are given in the Annexure II to this Report and forms part of this report.



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COST AUDITORS

M/s. R. K. Patel & Co., Cost Accountants, Vadodara, have been appointed as the Cost Auditor of the Company for Financial Year 2014-15. Their remuneration was ratified / approved by the members their meeting held on 8/09/2014.

The Cost Audit Report for the Financial Year 2013-14, was filed by M/s. R. K. Patel & Co., on 26/09/2014 (within the prescribed time limit) pursuant to Section 233B of the Companies Act, 1956.

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.

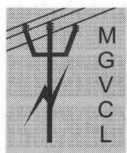
Your Directors also wish to place on record the appreciation for the continued support and co-operation of the consumers.

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

For and on behalf of the Board of Directors,

Vadodara
22nd December, 2014

Shahmeena Husain
Chairperson



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

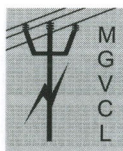
- ❖ Energy Audit of electrical installations of Nadiad and Godhra Nagar Palikas was carried out with suggestions of power factor improvement, replacement of existing low efficient pumps by higher efficient ones, applying composite coating on the old and rusted pipe lines and replacing inefficient incandescent lamps.
- ❖ Total 7 nos. of Solar pumps, three of 5 HP each, one of 7.5 HP and one of 10 HP for agriculture purpose and one each of 5 HP & 10 HP for water works purpose at various locations have been installed.
- ❖ Total 375 nos. of 18 Watt White LED based Solar Streetlights have been installed at various locations in all five circles of the Company.
- ❖ Celebration of Energy Conservation Day thereby inculcating mass awareness among consumers, employees etc through organizing rallies, exhibitions, distributing pamphlets etc.
- ❖ DSM programs have been designed for replacement of existing incandescent lamps / tube light by LED's, conventional fans by Star rated fans and installation of 50 nos. of solar pumps for prospective agriculture consumers.

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

- Aerial bunch conductor in place of bare conductor in theft prone areas to reduce pilferage of energy by direct hooking.
- XLPE coated service line in zupadpatti and 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

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.

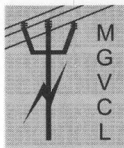
1. Efforts, in brief, made towards technology absorption, adaptation and innovation
 - HV/LV live detector for safe working.
 - Introducing usage of Distant Location Measuring System (DLMS) for common protocol without manual intervention.(Device Language Message Specification).
 - Digital mapping through GIS of urban feeders for energy accounting. Meter Data Management System (MDMS) and Meter Data Acquisition System (MDAS) through GPRS for DTR accounting without manual intervention.
 - Developed SMS software for quick disposal of consumer complaints.
 - Developed program of E-payments through mobiles.
 - Development of photo-shop software for online billing minimizing human intervention is under way.
2. Benefits derived as a result of the above efforts.
 - Safe working environment.
 - Reduction in losses.
 - Better consumer satisfaction.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information is furnished.

Automatic Meter testing bench has been procured which is versatile in testing of all types of meters.

For and on behalf of the Board of Directors,

Vadodara
22nd December, 2014

Shahmeena Husain
Chairperson



Madhya Gujarat Vij Company Limited

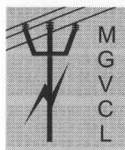
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ANNEXURE II TO DIRECTORS' REPORT

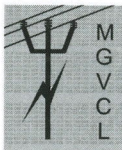
MANAGEMENT REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MADHYA GUJARAT VIJ COMPANY LIMITED, VADODARA FOR THE YEAR ENDED MARCH 31, 2014.

Sr. No.	Comment	Reply
1.	A. COMMENTS ON PROFITABILITY Statement of Profit and Loss Expenses 1. Depreciation and Amortization Expenses : ₹ 135.37 crore The Company has incorrectly depreciated its assets on Straight Line Method basis at the rates prescribed in Schedule XIV of the Companies Act, 1956 (the Act) instead of the rate of depreciation and methodology notified (19 January 2009) by Central Electricity Regulatory Commission (CERC) under the special Act viz., Electricity Act, 2003. The latter being special Act, shall prevail over the rates under Schedule XIV of the Act. Non-accounting of depreciation at the rates notified under the special Act viz., Electricity Act, 2003 has resulted in understatement of depreciation for the year by ₹ 14.07 crore and understatement of prior period expenses by ₹ 22.27 crore and overstatement of profit for the year by ₹ 36.34 crore.	The Scope and extent of application (Para-2) of Notification No: L-7/145(160)2008-CERC dated 19th January, 2009 issued by Central Electricity Regulatory Commission is enumerated as under; <i>"These regulations shall apply in all cases where tariff for a generating station or a unit thereof (other than those based on non-conventional energy sources) and the transmission system is to be determined by the Commission under section 62 of the Act read with section 79 thereof."</i> From the above, it is clear that the rates of depreciation and methodology notified by CERC vide Notification dated 19.01.2009 are applicable only to generation and transmission and not for distribution and thereby Circular No: 31/2011 dated 31st May, 2011 issued by Ministry of Corporate Affairs under the Companies Act, 1956 is applicable only to Companies engaged in Generating and Transmission and not the distribution companies. It may please be noted that CERC has jurisdiction over inter-state Generation and transmission companies only, as distribution companies cannot have inter-state jurisdiction. Further, the CERC has issued aforesaid notification dated 19-01-2009 for the purpose of terms & conditions of filing tariff petition by the entities falling under its jurisdiction.



	In view of above, it is incorrect to construe that CERC Notification dated 19th January, 2009 under the Electricity Act, 2003 shall prevail over the Companies Act, 1956 for Electricity Distribution Companies. Hence, MGVCL has correctly provided depreciation at the rates prescribed in Schedule-XIV of the Companies Act, 1956 in the Annual Accounts to give true and fair view of the statement of Profit & Loss Account for F.Y.2013-14.
2. B. COMMENT ON FINANCIAL POSITION Balance Sheet Assets Current Assets 2. Trade Receivables : Note 19 ₹ 523.17 crore This includes Provision for unbilled revenue of ₹ .410.03 crore, which is accrued but not due and is billed after completion of the billing cycles in the succeeding year. However, the same should have been shown under Other Current Assets in accordance with Para 8.8.6 of the Guidance Note to Revised Schedule VI of the Companies Act 1956. This has resulted in overstatement of Trade Receivables and understatement of Other Current Assets by ₹ 410.03 crore.	The company follows monthly and bi-monthly billing cycles. During the year, consumers are billed at the end of the billing cycles and revenue is recognized accordingly. At the year-end the revenue which is accrued upto 31st March and yet to be billed after completion of the billing cycles accounted in the succeeding year is provisioned as unbilled revenue. This is due to the month end process of continuous billing cycles for billing to consumers and the accounting entries are being generated by the Billing Software to transcribe the same in financial accounting software/system. Thus the Provision for unbilled revenue is clearly pertaining to the sale of power to consumers and thus, it is in respect of goods sold in the normal course of business and therefore the same is correctly shown under the Note no. 19 "Trade Receivables". The para no. 8.7.4 of the Guidance note on the Revised Schedule VI to the Companies Act, 1956 clearly states that "A receivable shall be classified as 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business". From above, it can be seen that the emphasis given in Guidance Note is not on the revenue

	due or not due, but rather on the contention that if the amount is on account of goods sold or services rendered in the normal course of business, it is to be classified as Trade Receivable. The Para 8.8.6 of Guidance Note on the Revised Schedule VI to the Companies Act, 1956, referred by Audit states that "This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories" and thus, the same is not applicable in the case of Provision for Unbilled Revenue since it is pertaining to goods sold in normal course of business and is part of 'Trade Receivables' of the company. As clarified to audit, the Provision for unbilled revenue is pertaining to the sale of power to consumers and thus it is in respect of goods sold in the normal course of business and therefore, the same is correctly shown under the Note no. 19 "Trade Receivables". Since the same is fitting under asset category of "Trade Receivables", the same cannot be classified under "Other Current Assets" within the meaning of above Guidance Note para 8.8.6. As per the Accrual Principles of Accounting, the Unbilled Revenue of ₹410.03 crores is accounted by debiting provision for Unbilled Revenue and crediting Revenue from Sale of Power. Since Revenue is recognized, the Debtors to the extent of Unbilled revenue accounted as Revenue from Sale of Power needs to be shown under trade-receivable only. It is also to state the quantum of Provision of Unbilled Revenue of ₹ 410.03 crore is quite significant when compared to the total Trade Receivables of the company of ₹ 522.12 crore.
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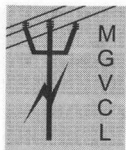


	Hence, on the contrary, even if the contention raised by audit is accepted and the Provision for Unbilled Revenue is shown under other current assets, then the same would result in understatement of Trade Receivables and Overstatement of Other Current Assets and will not reflect the true and fair position of trade receivables and other current assets of the company. In the same way, the debt collection period, liquid ratio and Balance Sheet analysis will not reflect the true and fair view of financial position of the company. The company is following the above practice consistently since inception of the company which reflects true and fair view of Revenue from Sale of Power and Trade Receivables of the company.
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For and on behalf of the Board of Directors,

Vadodara
22nd December, 2014

Shahmeena Husain
Chairperson



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 2014

The preparation of financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2014 in accordance with the financial reporting framework 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 Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 23 September 2014.

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 2014. 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. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. COMMENTS ON PROFITABILITY

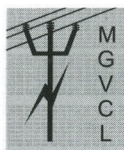
Statement of Profit and Loss

Expenses

1 Depreciation and Amortization expenses ₹ 135.37 crore

The Company has incorrectly depreciated its assets on Straight Line Method basis at the rates prescribed in Schedule XIV of the Companies Act, 1956 (the Act) instead of the rate of depreciation and methodology notified (19 January 2009) by Central Electricity Regulatory Commission (CERC) under the special Act viz., Electricity Act, 2003. The latter being special Act, shall prevail over the rates under Schedule XIV of the Act.

Non-accounting of depreciation at the rates notified under the special Act viz., Electricity Act, 2003 has resulted in understatement of depreciation for the year by ₹ 14.07 crore and understatement of prior period expenses by ₹ 22.27 crore and overstatement of profit for the year by ₹ 36.34 crore.



B. COMMENT ON FINANCIAL POSITION

Balance Sheet

Assets

Current Assets

2 Trade Receivables Note 19 ₹ 523.17 crore

This includes Provision for un billed revenue of ₹ 410.03 crore, which is accrued but not due and is billed after completion of the billing cycles in the succeeding year. However, the same should have been shown under Other Current Assets in accordance with Para 8.8.6 of the Guidance Note to Revised Schedule VI of the Companies Act 1956.

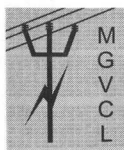
This has resulted in overstatement of Trade Receivables and understatement of Other Current Assets by ₹ 410.03 crore.

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

**(Y. N. Thakare)
Accountant General (E&RSA), Gujarat**

Place: Ahmedabad

Date: 19 December 2014



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 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.



Madhya Gujarat Vij Company Limited

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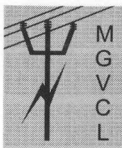
Opinion

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, 2014;
- (b) in the case of the Statement of Profit and Loss, 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 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 1(4)(d) of the Companies Act, 2013, 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 2013-14 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and



Madhya Gujarat Vij Company Limited



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- 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

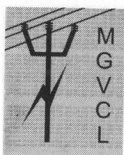
Neela R. Shah

Partner

Membership No. 45027

Place: Vadodara

Date: 23rd September, 2014



Madhya Gujarat Vij Company Limited

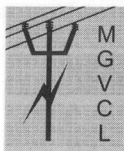
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ANNEXURE TO INDEPENDENT AUDITORS' REPORT

The annexure referred to in our report to the members of **MADHYA GUJARAT VIJ COMPANY LIMITED** ("the Company") for the year ended 31st March, 2014.

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The 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. In our opinion, the discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- (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 inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of Inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from 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.



Madhya Gujarat Vij Company Limited

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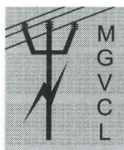


- v. (a) The Company has entered in to contracts/arrangements with Gujarat Urja Vikas Nigam Limited (GUVNL) being the holding Company. As per the information and explanations given to us, the transactions pursuant to these contracts and/or arrangements are not falling under the provisions of section 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.

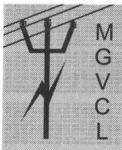
In view of (a) above, sub-clause (b) is not applicable.

- vi. In our opinion and according to the information and explanations given to us, 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 thereunder and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has been generally 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. Further, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues were in arrears, as at 31st March, 2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of Sales tax, Service tax, Custom duty, Wealth tax, Excise duty and Cess which have not been deposited. The followings are the particulars of Income tax as at 31st March, 2014 which have not been deposited on account of dispute:

Name of the statute	Nature of the disputed dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Income tax	241.03	A. Y. 2008-09	CIT Appeals III, Vadodara
The Income Tax Act, 1961	Income tax	77.97	A.Y. 2009 -10	CIT Appeals III, Vadodara



- x. In our opinion, 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 in 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. In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund society and therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to information and explanations given to us, the Company is not dealing in shares, securities and other investments. The investment in shares is held by the Company in its own name and is not traded.
- xv. In our opinion and 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 raised during the year have been applied for the purpose for which they were raised.
- xvii. In our opinion 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. In our opinion and according to the information and explanations given to us, during the period covered by our audit, the Company has not made preferential allotment of shares to parties and companies 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.



Madhya Gujarat Vij Company Limited

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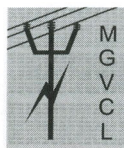


- xx. The Company has not raised any money by public issues during the year and therefore, the provisions of clause (xx) of the Order are not applicable to the Company.
- xxi. In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Neela R. Shah
Partner
Membership No. 45027

Place: Vadodara
Date: 23rd September, 2014



Madhya Gujarat Vij Company Limited

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BALANCE SHEET AS AT 31st MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	24,971.14	24,264.14
(b) Reserves and surplus	3	39,563.26	34,081.80
(c) Deferred Government Grants, Subsidies and contributions	4	92,286.00	81,955.36
2 Share application money pending allotment	5	-	4,242.00
3 Non-current liabilities			
(a) Long-term borrowings	6	19,647.02	26,242.82
(b) Other-long term liabilities	7	67,803.67	63,059.50
(c) Long-term provisions	8	8,997.42	8,136.10
4 Current liabilities			
(a) Short-term borrowings	9	540.77	486.20
(b) Trade payables	10	48,834.67	34,663.97
(c) Other current liabilities	11	22,532.34	19,152.76
(d) Short-term provisions	12	1,682.86	1,198.53
TOTAL		3,26,859.15	2,97,483.18
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	13	2,27,546.13	2,01,332.23
(ii) Capital work-in-progress	14	10,061.25	6,844.87
(b) Non-current investments	15	0.03	0.03
(c) Long-term loans and advances	16	6,131.92	5,067.98
(d) Other non-current assets	17	2,026.71	1,279.23
2 Current assets			
(a) Inventories	18	20,367.65	23,689.05
(b) Trade receivables	19	52,311.66	50,613.02
(c) Cash and cash equivalents	20	5,861.83	6,061.34
(d) Short-term loans and advances	21	1,508.67	1,983.35
(e) Other current assets	22	1,043.30	612.08
TOTAL		3,26,859.15	2,97,483.18
Significant Accounting Policies and notes to financial statements	1-52		

As per our attached report of even date.

For K. C. Mehta & Co.

Chartered Accountants

For and on behalf of Board of Directors

S.B.KHYALIA

Managing Director

DIN : 02470485

K.M.SHRINGARPURE

Director

DIN: 02468876

Neela R. Shah

Partner

Membership No.45027

K.R.SHAH

General Manager (F&A)&CFO

K.M. ANTANI

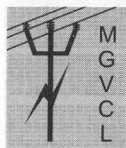
Company Secretary

Place : Vadodara

Date : 23rd September, 2014

Place : Vadodara

Date : 23rd September, 2014



Madhya Gujarat Vij Company Limited

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ in Lacs)

	Note No	Year ended 31 st March, 2014	Year ended 31 st March, 2013
INCOME			
Revenue From Operations	23	4,15,119.37	4,32,050.00
Other Income	24	12,150.75	10,956.46
TOTAL		4,27,270.12	4,43,006.46
EXPENSES			
Purchase of Power	25	3,70,819.52	3,90,485.49
Employee Costs	26	30,528.69	27,416.40
Interest and Finance Charges	27	9,104.40	8,165.64
Depreciation & Amortization Expenses	13	13,536.92	11,991.69
Other Expenses	28	9,743.98	9,682.28
TOTAL		4,33,733.51	4,47,741.50
Less: Expenses Capitalized	29	8,922.99	7,017.15
TOTAL		4,24,810.52	4,40,724.35
Profit before Extraordinary / Prior Period Adjustments		2,459.60	2,282.11
Prior Period adjustments	30	(24.65)	(10.18)
Profit Before Tax		2,484.25	2,292.29
Provision for			
- Current Tax		537.81	211.28
- Tax adjustments earlier years		-	(16.93)
Net Profit after Tax available for appropriation		1,946.44	2,097.94
Basic Earning Per Share (In ₹)		0.79	0.86
Diluted Earning Per Share (In ₹) (Refer Note: 43)		0.79	--
Face value per Equity share ₹		10.00	10.00
Significant Accounting Policies and notes to financial statements	1-52		

As per our attached report of even date.

For K. C. Mehta & Co.

Chartered Accountants

For and on behalf of Board of Directors

S.B.KHYALIA

Managing Director

DIN : 02470485

K.M.SHRINGARPURE

Director

DIN: 02468876

Neela R. Shah

Partner

Membership No.45027

K.R.SHAH

General Manager (F&A)&CFO

K.M. ANTANI

Company Secretary

Place : Vadodara

Date : 23rd September, 2014

Place : Vadodara

Date : 23rd September, 2014



Madhya Gujarat Vij Company Limited

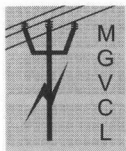
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(₹ in Lacs)

PARTICULARS	For the year 31 st March, 2014	For the year 31 st March, 2013
Cash Flow from Operating Activities		
Net Profit Before Tax	2,484.25	2,292.29
Adjustments For: :Add / (Less) :		
Prior Period Credit / Charges	(24.65)	(10.18)
Govt. Grants/Cons. contribution Written Back	(10,254.00)	(9,106.15)
Prov. for Bad & Doubtful Debts	101.45	37.40
Profit on Sale of Fixed Assets	(2.50)	(0.22)
Write-off of W.D.V. of Scrapped Assets	0.51	25.05
Depreciation	13,536.92	11,991.69
Interest Income on Income Tax Refund	-	(47.23)
Interest and financing charges	9,104.40	8,165.64
Operating Profit Before Working Capital Changes	14,946.38	13,348.29
Adjustments for Changes in Working Capital		
(Increase) /Decrease In Inventories	3,321.40	(7,103.02)
(Increase) /Decrease In Trade Receivables	(2,299.04)	(8,606.77)
(Increase) /Decrease In Loans & advances	(167.85)	(1,062.97)
(Increase) /Decrease In other current assets	(698.80)	64.35
Increase /(Decrease) In Current Liabilities	22,814.37	27,259.39
CASH GENERATED FROM OPERATIONS	37,916.46	23,899.27
Direct Tax Paid (Net of Refund Received)	(287.45)	(21.81)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	37,629.01	23,877.46
Prior Period Credit / Charges	-	13.32
A. NET CASH FROM OPERATING ACTIVITIES	37,629.01	23,890.78
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(39,963.31)	(32,070.46)
Sale of Fixed Assets / (Increase) / Decrease in asset not in use	258.18	26.05
(Increase)/Decrease in CWIP	(3,637.79)	(2,512.95)
B. NET CASH FROM INVESTING ACTIVITIES	(43,342.92)	(34,557.36)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital (incl. share application money)	-	4,242.00
Proceeds From Long term Borrowings	1,039.24	5,582.00
Repayments of Long term Borrowings	(7,040.19)	(7,847.61)
Proceeds / (Repayments) From Short Term Borrowings	54.57	269.87
(Repayment)/Proceeds from Consumer Contribution/ Grants/subsidies	20,584.64	17,709.56
Interest Paid	(9,123.86)	(8,193.17)
C. NET CASH USED IN FINANCING ACTIVITIES	5,514.40	11,762.65
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(199.51)	1,096.07
CASH AND CASH EQUIVALENT (OPENING BALANCE)	6,061.34	4,965.27
CASH AND CASH EQUIVALENT (CLOSING BALANCE)	5,861.83	6,061.34



Madhya Gujarat Vij Company Limited

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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 & Cash Equivalent as on 01-04-2013 & 31-03-2014 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.

As per our attached report of even date.

For K. C. Mehta & Co.

Chartered Accountants

Neela R. Shah

Partner

Membership No.45027

Place : Vadodara

Date : 23rd September, 2014

For and on behalf of Board of Directors

S.B.KHYALIA

Managing Director

DIN : 02470485

K.R.SHAH

General Manager (F&A)&CFO

Place : Vadodara

Date : 23rd September, 2014

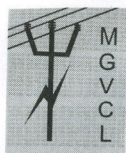
K.M.SHRINGARPURE

Director

DIN: 02468876

K.M. ANTANI

Company Secretary



Madhya Gujarat Vij Company Limited

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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 erstwhile Gujarat Electricity Board. The Company is engaged in the business of electricity distribution in Central Gujarat area and is governed by the provisions of the Electricity Act, 2003 and Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003. The provisions of this Act, read with the rules made there under, prevail wherever the same are inconsistent with the provisions of the Companies Act, 1956.

(2) Basis of Preparation of Financial Statements:

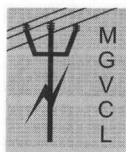
The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and requirements of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified) of India have been followed in preparation of these financial statements.

(3) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognized in the period in which the same are known/ materialized.

(4) Revenue Recognition:

- (i) **Revenue from sale of power:** Revenue from sale of power is recognized on accrual basis of energy supplied in accordance with the tariff orders awarded by the Gujarat Electricity Regulatory Commission (GERC) as applicable to the consumers.
- (ii) **Misc. revenue from consumers:** Meter charges, recoveries from theft of power/malpractices, wheeling charges recoveries are recognized on accrual basis. Misc. charges from consumers are recognized on cash basis except when ultimate realization of such income is certain.



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENT

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

(5) Fixed Assets:

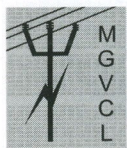
Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition.

(a) Capital work-in-progress:

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

(6) Depreciation:

- (i) Depreciation is provided on Straight Line Method as per rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Assets having original cost up to ₹ 5,000/- have been fully charged to revenue in the year in which assets are purchased.



NOTES FORMING PART OF FINANCIAL STATEMENT

- (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:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & 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.

(8) Investment

Investments are either classified as current or long term based on the management contention at the time of purchase. Long term investments are shown at cost. However, when there is decline, other than temporary in the value of long term investment, the carrying amount is reduced to recognise the decline. Current investments are stated at lower of cost or market value.

(9) Leases:

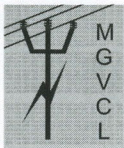
Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss.

Assets leased out where a significant portion of the risks and rewards of ownership are retained by the Company are classified as operating leases. Lease rentals are recognised in the Statement of Profit and Loss.

(10) Inventories:

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

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



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENT

(11) Employee Benefits:

a. Post-employment benefits

- i. The Company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.
- ii. Defined Benefit plan: The Company's liabilities towards employee 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 salary, wages, bonus, performance incentives etc.

c. Long term employee benefits

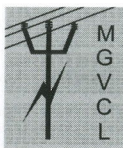
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

(12) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

(13) Foreign Exchange Transactions:

Foreign currency transactions during the year are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange



NOTES FORMING PART OF FINANCIAL STATEMENT

differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Statement of Profit and Loss.

(14) Taxation:

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

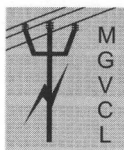
Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

(15) Provisions, Contingent liabilities and Contingent Assets:

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed.

(16) Capital Grants from Government & Consumer Contributions:

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



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE : 2 SHARE CAPITAL

(a) Share capital consists of the following:

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Authorised		
50,00,00,000 Equity Shares of Rs. 10/- each	50,000.00	50,000.00
Issued		
25,00,92,864 Equity Shares (Previous Year 24,30,18,764) of ₹. 10/- each	25,009.29	24,301.88
Subscribed & Paid up		
24,97,11,422 Equity Shares (Previous Year 24,26,41,422) of ₹10/- each fully paid	24,971.14	24,264.14
TOTAL	24,971.14	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	Number
Equity Shares outstanding at 1st April, 2012	24,26,41,422	24,26,41,422
Additions / (Reduction)	-	-
Equity Shares outstanding at 31st March, 2013	24,26,41,422	24,26,41,422
Equity Shares outstanding at 1st April, 2013	24,26,41,422	24,26,41,422
Additions / (Reduction)	70,70,000	-
Equity Shares outstanding at 31st March, 2014	24,97,11,422	24,26,41,422

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

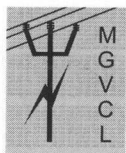
All the 24,97,11,422 nos. of Equity Shares (Previous year 24,26,41,422) are held by Gujarat Urja Vikas Nigam Limited, the holding Company & its Nominees.

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited	24,97,11,422	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



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

Notification No: GHU-(203)-GUV-1106-590-K dated 12.12.2008 for bifurcating & notifying revised equity structure effective from 01.04.2008.

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

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

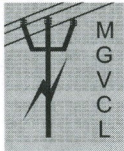
(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
a. Securities Premium Account		
Opening Balance	20,092.51	20,092.51
(+) Increase during the current year	3,535.00	-
Closing Balance	23,627.51	20,092.51
b. Surplus in the statement of profit and loss		
Opening balance	13,989.31	11,891.35
(+) Net Profit for the current year	1,946.44	2,097.94
Closing Balance	15,935.75	13,989.29
TOTAL	39,563.26	34,081.80

NOTE : 4 DEFERRED GOVERNMENT GRANTS, SUBSIDIES AND CONTRIBUTIONS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
a. Government Grants, Subsidies towards Capital Assets		
Opening Balance	51,475.63	47,601.77
Add : Grants & Subsidies received during the year	12,046.79	9,593.39
Less : Grants & Subsidies transferred to Statement of Profit and Loss	6,352.24	5,719.52
Closing Balance	57,170.18	51,475.64



Madhya Gujarat Vij Company Limited
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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

b. Consumers' Contribution towards Capital Assets		
Opening balance	30,479.71	25,750.18
Add : Contribution received during the year	8,537.87	8,116.17
Less : Consumers' Contribution transferred to Statement of Profit and Loss	3,901.76	3,386.63
Closing Balance	35,115.82	30,479.72
TOTAL	92,286.00	81,955.36

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.

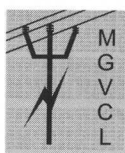
Considering the above referred facts the consumer contribution and capital grant / subsidy is treated as deferred credit and 10% of the year-end balance of the consumer contribution and capital grant / subsidy is transferred to Statement of Profit & Loss as deferred income which is reasonably commensurate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

NOTE: 5 SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Share application Money pending Allotment	-	4,242.00
TOTAL	-	4,242.00

During the previous year 2012-13, ₹4,242 lacs had been received from GUVNL, the holding Company, as Share Application Money for capital contribution for release of Agriculture Connections. The Company has issued and allotted 70.70 lacs equity shares of ₹ 10 each at a premium of ₹ 50 to the holding Company on 28th November, 2013.



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

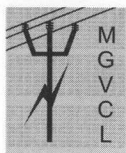
NOTE : 6 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Long Term Borrowings		Other Current Liabilities	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Secured				
(a) Term loans				
(i) from banks (raised by MGVCL) (Refer Sub-Note 6.01 to 6.03 below)	3,361.52	6,630.95	4,053.57	3,894.05
(ii) from Financial Institutions (raised by MGVCL) (Refer Sub-Note 6.04 to 6.06 below)	7,705.01	7,954.72	164.21	566.21
(b) Deferred payment liabilities (Refer Sub-Note 6.07 below)	75.17	593.09	489.29	960.37
Sub Total	11,141.70	15,178.76	4,707.07	5,420.63
Unsecured				
(c) Term loans				
(i) from Financial Institutions (raised by MGVCL)	624.42	758.62	146.45	35.88
(ii) State Government Loan under APDRP	875.60	986.10	110.51	110.51
(iii) ADB Prog. & Proj. Loan (Refer Sub-Note 6.08 below)	3,780.10	4,163.68	380.03	376.48
(d) Bonds (Refer Sub-Note 6.09 below)	3,225.20	5,155.66	1,930.46	736.16
Sub Total	8,505.32	11,064.06	2,567.45	1,259.03
TOTAL	19,647.02	26,242.82	7,274.52	6,679.66

Nature of security and terms of repayment for Secured Borrowings

- 6.01 Loan from Kalupur Commercial Co-operative Bank Ltd (outstanding ₹ 624.99 Lacs, Previous year ₹ 1,874.99 Lacs) is secured against transformer, lightening arestors, shackle insulators, static meters under HVDS project of MGVCL. Outstanding amount repayable in 6 monthly installments of ₹ 104.17 Lacs each. Rate of interest 10.75% p.a. -- (a) (i)
- 6.02 Loan from Bank of Baroda (outstanding ₹ 3,125.00 Lacs, (Previous year ₹ 5,625.00 Lacs)) is secured against charge on meters and transformers and assets created under the project ND & RAPDRP scheme of Chaklasi, Godhra, Nadiad and Kapadwanj Town of MGVCL. Outstanding amount repayable in 15 monthly installments of ₹ 208.33 Lacs each. Rate of interest 11.25% to 10.25% p.a. -- (a) (i)
- 6.03 Loan from Bank of Baroda outstanding ₹ 3,665.09 Lacs, (Previous year ₹ 3,025.00 Lacs)) is secured against hypothecation charge on movable assets of projects under RAPDRP scheme Part B. Outstanding amount repayable in 53 monthly installments of ₹ 77.38 Lacs each commencing from Dec-13. Rate of interest 10.25% p.a. -- (a) (i)



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

6.04 Loans from PFC under ADB-DRUM Project, (outstanding ₹ 569.40 Lacs, Previous year ₹ 711.74 Lacs) is secured against charge of movable assets created under DRUM Project of Umreth Sub-Division of MGVCL. Outstanding amount payable in 16 quarterly installments each of ₹35.59 Lacs each. Rate of interest 12.50% p.a.-- (a) (ii)

6.05 Loan from PFC under R-APDRP Scheme, outstanding Rs. 7,212.39 Lacs (Previous year ₹7,699.90 Lacs) is secured against charge of Plant and Machinery and lines and cables of Anand & Nadiad City Division of MGVCL. --(a) (ii).

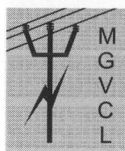
As per terms of Part-A & SCADA, the loan of ₹ 6,069.00 Lacs may be converted into capital grant on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan is repayable in 69 equal monthly installments over a period of 10 years of ₹51.40 Lacs each, starting from March-2015. As per terms of Part-B of R-APDRP Scheme, the loan of ₹1,143.00 Lacs will be converted into Grant upto 50% on fulfillment of stipulated conditions. ₹ 402.00 Lacs was repaid in April-2013 & balance loan will be repaid in 150 equal monthly installments over a period of 15 years of ₹76.20 Lacs each starting from September - 2015, If conditions are not fulfilled, starting from June 2015. Rate of Interest 9% p.a.--(a) (ii)

6.06 Loan from REC under Scheme No.41150 outstanding ₹87.43 Lacs, (previous year ₹109.28 Lacs) is secured against charge on the movable assets consisting of 3 Phase Meters, Quality / Static Meters, Static Meters on Indl. Consumers with MMB, DTCs, 11KV Feeder Bifurcation / Link Line for New Sub-stations, 11 KV Conductor at Baroda City Circle of MGVCL. The Company has, under scheme of transfer, acquired the movable Plant & Machinery as referred above, which are subjected to charge created by the 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 4 equal yearly installment of ₹ 21.85 Lacs each. Rates of interest 8.50%, 9.25% & 11% p.a. --(a)(ii)

6.07 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)

6.08 Terms of repayment for Long term borrowings - Unsecured

- Various loans from REC under RGGVY Scheme of ₹ 761.65 Lacs (Previous year ₹ 778.26 Lacs) will be repayable in 50 Annual equal installments ranging from ₹ 6.51 Lacs to ₹ 28.86 Lacs payable up to March 2025. Rate of interest ranging from 11% to 12.50%. Other loan amounting ₹9.00 Lacs (previous year ₹ 16.00 Lacs) will be repayable in 8 quarterly installments ranging from ₹1.76 Lacs to ₹0.83 Lacs. Rate of interest 9%.--(c) (i)



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

- State Government loan under APDRP ₹ 986.10 Lacs (Previous year ₹ 1,096.61 Lacs) will be repayable in 11 annual installments ranging from Rs.110.51 Lacs to ₹ 1.98 Lacs. Rate of interest 12.18% --- (c) (ii)
- ADB Prog. & project loan amounting ₹ 4,160.12 Lacs (Previous year ₹ 4,540.16 Lacs), will be repayable in 14 yearly installments ranging from ₹ 380.03 lacs to ₹ 6.22 Lacs. Rate of interest 10.69% --- (c) (iii)

6.09 Maturity profile of Unsecured Bonds ____ (d)

Public Bonds(Allocated By GUVNL) (Unsecured)	Maturity Profile (₹ in Lacs)		
	2016-17	2015-16	2014-15
11.75 % Bonds - Series VI (option III)	-	-	192.50
7.50 % Bonds - Series VI (option III)	-	-	355.73
8.95 % Bonds Series - VIII	1,150.36	862.77	862.77
8 % Bonds Series IX	182.85	137.13	137.13
8% Bonds Series X	509.77	382.32	382.32

6.10 All the bonds are guaranteed by Government of Gujarat. The Company has no power to reissue the redeemed Bonds. ____ (d)

6.11 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,2014 ₹10,301.89 Lacs,(Previous year ₹11,528.59 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.



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

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.

NOTE : 7 OTHER-LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Staff Retirement cum Death Benefit Scheme	1,827.88	1,867.58
Security deposit from consumers in cash	56,559.75	52,874.28
Deposits for Electrification & Service connection	9,416.04	8,317.64
TOTAL	67,803.67	63,059.50

NOTE : 8 LONG-TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Provision for Employee Benefits		
Provision for Leave Encashment	8,997.42	8,136.10
TOTAL	8,997.42	8,136.10

NOTE : 9 SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Secured		
Cash Credit From Banks	540.77	486.20
TOTAL	540.77	486.20

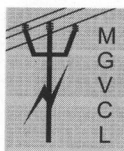
Joint consortium agreement between the Company and UCO Bank, lead Bank is executed in 2006-07, cash credit from banks is secured against hypothecation charge on the stocks and book debts of the Company ranking pari-passu interse.

NOTE : 10 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Liability for Purchase of Power-Wind Farm	108.61	103.00
Liability for O & M Supplies / Works	6,082.45	6,673.17
<u>Payables to companies under the same management</u>		
- Gujarat Urja Vikas Nigam Limited	42,643.61	27,887.80
TOTAL	48,834.67	34,663.97

Refer Note No.38



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE : 11 OTHER CURRENT LIABILITIES

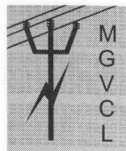
(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Current maturities of long-term debt (Refer Note : 6)	7,274.51	6,679.66
Interest accrued but not due on borrowings	2,824.78	2,448.52
Interest accrued and due on borrowings	-	50.66
Interest payable on consumers security Deposit	3,697.17	3,677.52
Liability for Capital Supplies / Works (Refer Note No.38)	232.94	66.40
Staff Related Liabilities	13.40	18.37
Employee Contribution for Pension	32.15	23.15
Staff Retirement cum Death Benefit Scheme	126.50	96.84
Staff Welfare Scheme	72.65	67.84
Deposits & Retentions from Suppliers & Contractors	3,094.97	1,942.25
Financial Participation from Consumers	0.80	0.80
Other Liabilities	2,712.74	2,311.07
Provision for Expenses	2,411.23	1,735.66
Provision for Bonus	38.50	34.02
TOTAL	22,532.34	19,152.76

NOTE : 12 SHORT-TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
(A) Provision for Employee Benefits		
Provision for Leave Encashment	1,295.97	1,093.20
(B) Others		
Provision for Taxation (Net of Advance Tax)	386.82	105.30
Provision for Wealth Tax (Net of Advance Tax)	0.07	0.03
TOTAL	1,682.86	1,198.53



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE:13 FIXED ASSETS

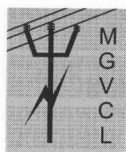
Tangible assets

Particulars	Gross Block			Depreciation			Net Block	
	As at 1st April, 2013	Addition during the year	Adjustment/ Deduction During the year	As at 31st March, 2014	As at 1st April, 2013	For the year	Adjustment/ Deduction During the year	As at 31st March, 2014
Land & Land rights	2410.05	-	120.52	2289.53	43.00	41.50	22.18	2227.21
Buildings	4017.63	450.31	-	4467.94	510.81	69.89	-	3887.24
Hydraulic works	17.16	-	-	17.16	8.76	0.79	(0.03)	7.58
Other Civil works	1178.93	251.14	-	1430.07	92.60	21.24	(0.03)	1316.19
Plant & Machinery	47917.26	9025.19	3.40	56939.05	12242.38	2440.67	2.18	42258.18
Lines & Cable Net Works	215319.60	29481.41	90.95	244710.06	57988.17	10745.91	(9.51)	175966.47
Vehicles	207.47	35.88	1.82	241.53	94.89	18.38	3.14	131.40
Furniture & Fixtures & Electrical Lightings	931.99	140.24	1.14	1071.09	314.63	61.33	5.60	700.73
Office Equipments	1856.83	579.14	331.91	2104.06	1229.45	137.21	313.72	1051.12
TOTAL	273856.92	39963.31	549.74	313270.49	72524.69	13536.92	337.25	227546.13
Previous Year	242414.85	32070.46	628.39	273856.92	61096.08	11991.69	563.08	201332.23
								181318.77

(a) 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.

(b) 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.

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



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE : 14 CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Capital Works-in-progress	7,187.63	4,576.98
Interest Charges to be Capitalised	2,356.87	1,945.79
Provision for completed works	516.75	322.10
TOTAL	10,061.25	6,844.87

Above interest is on PFC loan given for RAPDRP Project. As per the terms of the RAPDRP project, the same may be partially converted into Grant by GOI on meeting the conditions of conversion from Loan to Grant. In view of above, the total fund disbursed by PFC is treated as Long Term Borrowing and interest liability is shown under the head "Other Current Liabilities".

NOTE:15 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Long term investment (Unquoted)		
Equity Shares - Kalupur Commercial Bank Ltd. (250 Share of Rs. 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

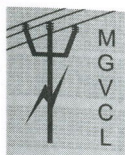
(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Secured Considered Good		
Loans & Advances to staff - interest Bearing	2,085.54	1,443.02
Unsecured Considered Good		
Advances to Suppliers / Contractors (Capital)	4,046.38	3,624.96
TOTAL	6,131.92	5,067.98

NOTE : 17 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Secured, considered good		
Interest Accrued & Due on Staff Loans	44.85	70.11
Interest Accrued But Not Due on Staff Loans	1,191.89	918.10
Unsecured, considered good		
Dues from PDC (Net of SD forfeited)	789.97	291.02
Unsecured, considered doubtful		
Dues from PDC (Net of SD forfeited)	8,565.61	8,579.86
Less : Prov. for Doubtful Dues from Consumers	(8,565.61)	(8,579.86)
TOTAL	2,026.71	1,279.23



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE : 18 INVENTORIES

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Stores , Spares and Scrap		
Stock of materials at stores	11,613.01	16,490.48
Material under pending Inspection	1.81	0.81
Materials at Site (O&M)	1,280.57	1,326.82
Materials in Transit	133.55	192.13
Other Materials Accounts	7,338.71	5,678.81
Mat.Stock Excess / Shortage Pending Investigation	221.80	219.68
Prov. for Mat.Stock Excess / Shortage Pending Investigation	(221.80)	(219.68)
TOTAL	20,367.65	23,689.05

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

NOTE : 19 TRADE RECEIVABLES

(₹ in Lacs)

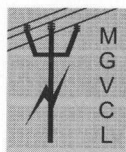
Particulars	As at 31 st March, 2014	As at 31 st March, 2013
<u>Unsecured considered Good (*)</u>		
Receivables for Sale of Power	53,797.40	52,156.58
<u>Unsecured considered doubtful</u>		
Receivables for Sale of Power	399.65	335.31
Less : Prov. for Doubtful Dues from Consumers	(399.65)	(335.31)
Less : Deferred ED & TSE from Consumers	(1,485.74)	(1,543.57)
TOTAL	52,311.66	50,613.02

Out of the above:

-Trade Receivables not due/overdue for a period less than 6	45,218.50	44,254.56
-Trade Receivables overdue for a period more than 6 months	8,978.55	8,237.33
	54,197.05	52,491.89

(*)

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



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE : 20 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Cash on hand	8.18	7.22
Cheques on Hand	990.93	1,403.33
Balance with Scheduled Banks	3,954.40	4,501.84
Remittance in Transit	908.32	148.95
TOTAL	5,861.83	6,061.34

NOTE : 21 SHORT-TERM LOANS AND ADVANCES

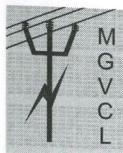
(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Unsecured Considered Good		
Advances for O&M Supplies/Works	882.73	537.10
Loans & Advances to staff	269.31	500.78
Loans And Advances - Others	356.63	945.47
TOTAL	1,508.67	1,983.35

NOTE : 22 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Interest Accrued & Due on Staff Loans	94.04	71.36
Trade receivables for sale of scrap	0.56	-
Amount recoverable from employee / ex-employees	26.93	21.18
Advance Income tax (Net of Provisions)	85.36	85.36
Advance Fringe Benefit tax (Net of Provisions)	81.55	81.55
Electricity Duty & Tax on sale of Electricity	72.19	58.82
Other claims & Receivable	592.77	173.42
Deposits	56.78	58.24
Assets Not in use	6.28	25.32
<u>Receivables from associates under the same management</u>		
- Gujarat Energy Training & Research Institute	26.84	36.83
TOTAL	1,043.30	612.08



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 23 REVENUE FROM OPERATIONS

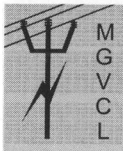
(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Revenue from Sale of Power		
Residential General Purpose	88,691.30	85,008.49
General Lighting Purpose	2,431.08	2,191.80
Non-residential General Purpose & LT Medium Demand	71,370.21	70,943.73
HT Industrial	1,50,577.73	1,44,987.08
Public lighting	3,184.78	3,031.16
Traction railways	24,056.46	23,360.07
Irrigation agricultural	20,909.48	21,519.35
Public water works and sewerage pumps	7,669.56	7,426.40
Power Sold to GUVNL	23,161.76	48,449.71
Unscheduled interchange - Income	2,994.12	7,877.18
Sub Total	3,95,046.48	4,14,794.97
Electricity duty	52,874.33	44,532.20
Other operating revenues		
Meter charges / Service line charges	4,019.36	3,681.68
Recoveries for theft of power / Malpractices	906.34	405.13
Delayed payment charges from consumers	3,239.21	2,961.24
Misc. charges from consumers	5,236.18	3,102.18
Sub Total	13,401.09	10,150.23
Agricultural subsidy	6,671.80	7,104.80
Total	4,67,993.70	4,76,582.20
Less: Electricity duty	52,874.33	44,532.20
TOTAL	4,15,119.37	4,32,050.00

NOTE : 24 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest on staff loans and advances	295.94	181.70
Interest from others	1.70	3.04
Income from sale of scrap	155.69	95.83
Gain on sale of fixed assets (net)	2.50	0.22
Grant for energy conservation	-	446.25
Capital grants (Deferred amount 10% W.Back)	6,352.24	5,719.52
Cons. contribution (Deferred amount 10% W.Back)	3,901.76	3,386.63
Miscellaneous receipts	1,440.92	1,123.27
TOTAL	12,150.75	10,956.46



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 25 PURCHASE OF POWER

(₹ in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Power Purchased from GUVNL *	3,65,783.32	3,86,248.14
Power Purchased from CPP / Wind Farms/Solar	1,331.51	1,773.70
State Load Dispatch Center Charges	142.44	88.21
Uninterrupted Interchange Charges	3,562.25	2,375.44
TOTAL	3,70,819.52	3,90,485.49

* 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

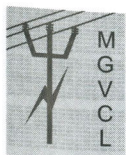
(₹ in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Salaries, Wages & Allowances	24,903.37	22,246.06
Contribution to provident and other funds	4,229.19	3,803.11
Staff Welfare Expenses	1,396.13	1,367.23
TOTAL	30,528.69	27,416.40

NOTE: 27 INTEREST AND FINANCE CHARGES

(₹ in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Interest on State Government Loans	553.76	604.49
Interest on Bonds	477.21	591.28
Interest on other loans, cash credit & deferred credits	3,302.67	2,242.88
Interest to consumers on security deposits etc.	4,034.27	4,031.34
Interest on Income Tax	31.19	3.48
Other Interest Charges	174.48	159.88
Total	8,573.58	7,633.35
Other Finance Charges		
Other Finance and Bank Charges	471.74	462.19
Guarantee Fees	59.08	70.10
Total	530.82	532.29
TOTAL	9,104.40	8,165.64



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 28 OTHER EXPENSES

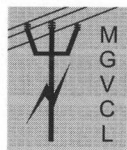
(a)

(₹ in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
<u>Repairs and Maintenance</u>		
Plant and Machinery	469.94	429.22
Buildings	296.52	197.21
Lines, Cable Network etc.	3,089.89	2,931.42
Others	548.54	476.51
Total	4,404.89	4,034.36
<u>Administration Expenses & General expenses</u>		
Rent, Rates & Taxes	120.09	85.20
Insurance	21.83	54.04
Communication Expenses	203.60	209.84
Legal Charges	31.91	19.16
Audit Fees	8.99	8.99
Consultancy Charges	35.29	9.67
Technical Fees	0.41	7.05
Other Professional fees and expenses	82.80	45.49
Conveyance & Travel	1,826.67	1,685.87
Printing, Stationery and Xerox Chgs	256.28	318.26
Expenses on Computer Billing & EDP Charges	102.91	112.76
Consumer Billing & Collection Expenses	93.05	156.82
Electricity Charges	334.92	301.87
Bad & Doubtful Debts Written off/Provided for	101.45	37.40
Security Expenses	503.18	465.20
GERC License Fees	139.68	167.46
Freight & Other Purchase related expenses	569.82	491.79
Other Administration & general Expenses	347.27	293.68
Write-off of W.D.V. of Scrapped Assets (Note: (a) below)	0.51	25.05
Miscellaneous Expenses (Refer Note (b) below)	558.43	1,152.32
Total	5,339.09	5,647.92
TOTAL	9,743.98	9,682.28

Note : (a) In F.Y 2012-13, the written down value (5%) of Assets taken over from Vadodara Mahanagar Seva Sadan in 1988 was written off, as its useful life was practically over.

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



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(b) Payments to auditors has been classified as follows: (₹. in Lacs)

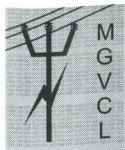
Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Payments to auditors (Excluding service tax)		
As auditors	8.00	8.00
Tax audit	1.50	1.50

NOTE : 29 EXPENSES CAPITALISED (₹ in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Employee Costs Capitalized	7,080.25	5,500.18
Administration & General Expenses Capitalized	1,183.69	937.47
Interest & Other Finance Charges Capitalized	659.05	579.50
TOTAL	8,922.99	7,017.15

NOTE : 30 PRIOR PERIOD ADJUSTMENTS (₹ in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
<u>Prior period expenses / losses</u>		
Short Provision for Power Purchase (wind Farm)	-	0.30
Employee costs	-	0.70
Depreciation under provided	-	3.39
Interest & Other Finance Charges	-	11.81
Other Charges related to Prior Periods	-	4.23
Other Prior Period Adjustments	-	2.66
Total	-	23.09
<u>Prior period Income</u>		
Excess provision for depreciation	24.65	0.24
Other excess provision	-	28.96
Other income	-	3.15
Excess Prov. of Interest & Other Finance Charges	-	0.92
Total	24.65	33.27
TOTAL	(24.65)	(10.18)



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NOTES FORMING PART OF FINANCIAL STATEMENTS

31. Estimated amount of Contracts remaining to be executed and not provided for (net of advances) ₹ 18,640.04 lacs (Previous Year ₹ 9,099.05 Lacs.).

32. The Contingent Liabilities not provided for in respect of : (₹ in Lacs)

Particulars	2013-14	2012-13
1) Income Tax and Fringe Benefit Tax	424.20	105.20
2) Labour and other claims against the Company not acknowledged as debit.	2707.41	2826.11
3) 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.

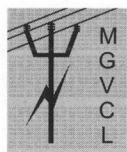
Lease payments are recognized in the Statement of Profit and Loss as "Rent Expenses" under Note: 28.

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 Miscellaneous receipts 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



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NOTES FORMING PART OF FINANCIAL STATEMENTS

basis. However, for such other un-identifiable expenses or income, no provision has been made for any such charges receivable or payable to or by the Company.

35. Employee Benefits:

i. Defined Contribution Plan

The Company has recognized ₹1,918.00 lacs (Previous year ₹ 1679.09 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.

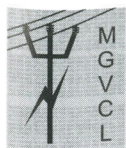
The Company recognizes expenses towards the gratuity liability at each balance sheet date as per the apportionment provided by GUVNL. Present value of Obligation and Plan assets as at balance sheet date is recognized in the financial statements of GUVNL.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2014 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	
	2013-14	2012-13
Changes in the present Value of obligation		
Present value of obligation (opening)	14,095.18	13,156.72
Interest Cost	1,127.61	1,052.54
Past Service Cost	Nil	Nil
Current Service Cost	505.89	494.90
Curtailment cost / (Gain)	Nil	Nil
Settlement Cost / (Gain)	Nil	Nil



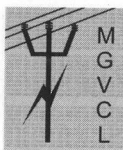
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NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Gratuity	
	2013-14	2012-13
Benefits Paid	(1,445.79)	(1,420.47)
Actuarial Losses / (Gain)	974.63	811.49
Present Value of obligation (Closing)	15,257.52	14,095.18
Changes in the fair Value of Plan Assets		
Present value of plan assets (opening)	7,846.76	6,786.53
Expected Return on Plan Assets	711.45	665.97
Actuarial Gain / (Losses)	(22.57)	(53.04)
Employer's Contributions (*)	730.19	1,867.77
Employees' Contributions	Nil	Nil
Benefits paid	(1,445.79)	(1,420.47)
Fair Value of Plan Assets (Closing)	7,820.04	7,846.76
(*) Apportioned based on the ratio of closing liabilities of holding and fellow subsidiary companies.		
Percentage of each category of plan assets to total fair value of Plan Assets at the year end		
Government of India Securities	Nil	Nil
High quality corporate bonds	Nil	Nil
Equity shares of listed companies	Nil	Nil
Property	Nil	Nil
policy of insurance	100%	100%
Bank Balance	Nil	Nil
Amount recognized in the balance sheet (Through holding company GUVNL)		
Present Value of funded obligation as at the year end	7,820.04	7,846.76
Fair value of plan assets as at the year end	7,820.04	7,846.76
Funded (Asset)/Liability recognized in the Balance Sheet	Nil	Nil
Present Value of Unfunded obligation as at the year end	7,437.48	6,248.42
Un recognized past service cost	Nil	Nil
Un recognized Actuarial (Gains) / Losses	Nil	Nil



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

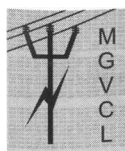
Particulars	Gratuity	
	2013-14	2012-13
Unfunded net Liability recognized in the balance sheet	7,437.48	6,248.42
Amount recognized in the balance sheet (For Gratuity-through holding company GUVNL)		
Present Value of obligation as at the year end	15,257.52	14,095.18
Fair Value of Plan assets as at the year end	7,820.04	7,846.76
(Asset) / Liability recognized in the balance sheet	7,437.48	6,248.42
Expenses recognized in the statement of profit and loss		
Current Service Cost	505.89	494.90
Past Service Cost	Nil	Nil
Interest Cost	1,127.61	1,052.54
Expected Return on Plan Assets	(711.45)	(665.97)
Curtailment Cost / (Credit)	Nil	Nil
Net Actuarial (Gain) / Loss	995.74	864.53
Employees Contribution	Nil	Nil
Total Expenses recognized in the statement of profit and loss.	1,917.79	1,746.00
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%	10.00%

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.

36. The value of realization of Assets other than Fixed Assets and Non Current Investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
37. The balances of Trade Receivables and Trade Payables are subject to adjustments, if any, on reconciliation / settlement.
38. Based on the details available with the Company regarding the status of the suppliers as defined under the "Micro, Small and medium Enterprises Development Act, 2006" there are no over dues to micro and small enterprises as at 31st March, 2014 on account of principal amount together with interest for delayed payment under the Act (Previous year Nil).

**NOTES FORMING PART OF FINANCIAL STATEMENTS****39. Treatment of Capital work-in-progress and charge of depreciation:**

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

40. Segment Information:

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

41. Related Party Disclosures :

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

42. Subject to the notes hereof and the method of accounting followed by the Company, management is of the opinion that the provision for all known liabilities is adequate and not in excess of amount reasonably necessary and that there are no contingent liabilities except those stated in the notes.**43. Earnings per Share :**

In accordance with Accounting Standard 20 - Earnings Per Share (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, 2014	For the year ended 31 st March, 2013
Profit After Tax (₹ in Lacs.)	1,946.44	2,097.94
Weighted Average number of Equity Shares for basic EPS	24,50,43,285	24,26,41,422
Weighted Average number of Equity Shares for Diluted EPS	24,50,43,285	See Note *
Face Value per Share (₹)	10	10
Basic Earnings per Share of ₹ 10/- each (₹)	0.79	0.86
Diluted Earnings per Share of ₹ 10/- each (₹)	0.79	See Note *

*For previous year, Weighted Average number of diluted equity shares and diluted EPS could not be calculated as the price and numbers of shares were yet to be decided for share application money pending allotment.

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, 2014 is not recognized.



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

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 recognize the MAT credit entitlement.

46. **Valuation of assets retired from active use**

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

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

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

48. **Consumption of Stores & Spares:**

Particulars	2013-14	2012-13
	%	%
Indigenous	100.00	100.00
Imported	Nil	Nil
Total	100.00	100.00

49. Expenditure in foreign currency
License fees: ₹ Nil/-. (Previous year ₹ 0.21 lacs).

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

51. 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.

52. 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

Neela R. Shah

Partner

Membership No.45027

Place : Vadodara

Date : 23rd September, 2014

For and on behalf of Board of Directors

S.B.KHYALIA

Managing Director

DIN : 02470485

(K.R.SHAH)

General Manager (F&A)&CFO

Place : Vadodara

Date : 23rd September, 2014

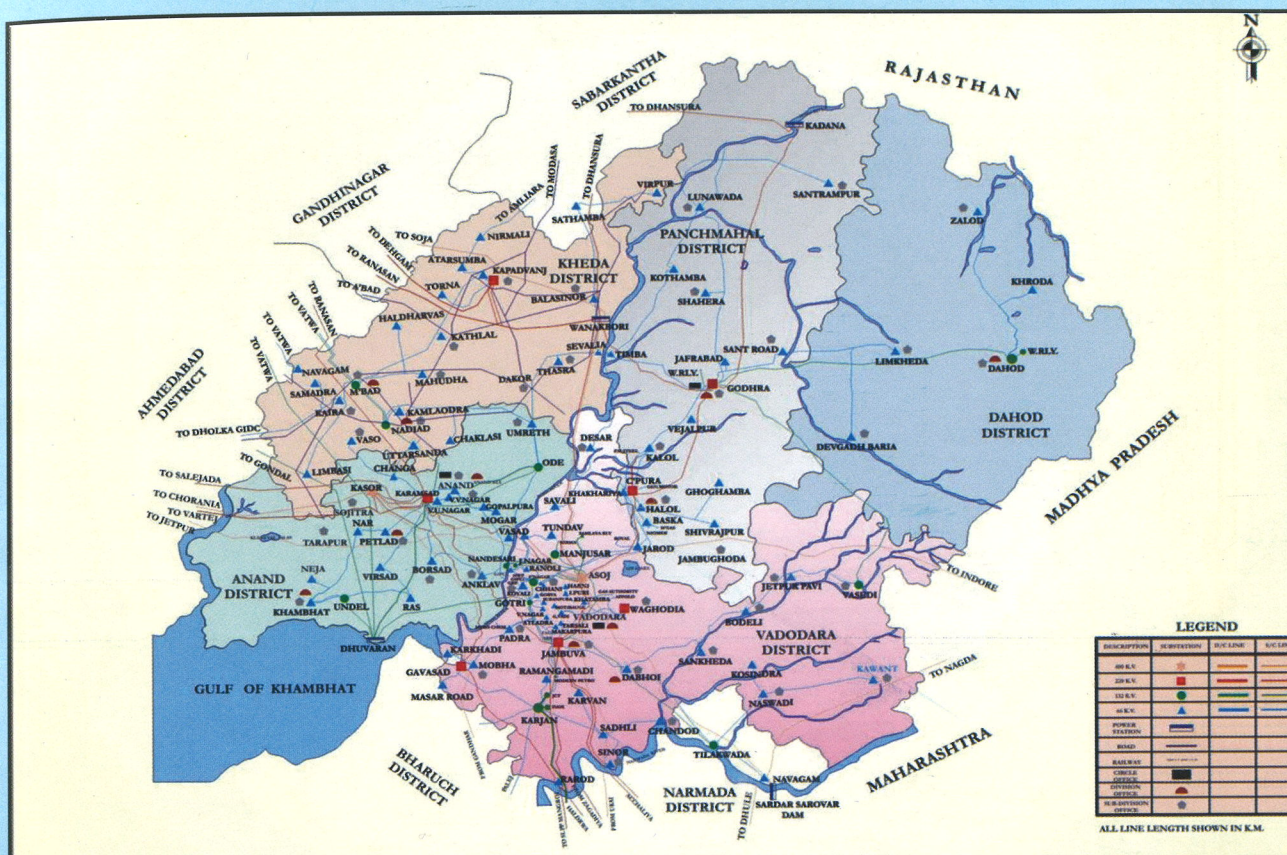
(K.M.SHRINGARPURE)

Director

DIN: 02468876

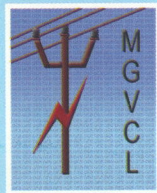
(K.M. ANTANI)

Company Secretary



MGVCL AT A GLANCE (As on 31-03-2014)

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	5
Total Divisions	18
Total Sub-Divisions incl. Sectional Offices	105 (O&M)
Total Sub-Stations	144
Total Transformers	86,183
Total No.of Feeders	1,516
Total H.T. Line (in Kms.)	47,316
Total L.T. Line (in Kms.)	61,035
Ratio of L.T./H.T.	1.29
Total Consumers (Lacs)	27.74
Total Contracted load (in MW)	5,075
Total Employees	6,824



Madhya Gujarat Vij Company Limited

Registered Office :

Sardar Patel Vidyut Bhavan, Race Course, Vadodara-390007.