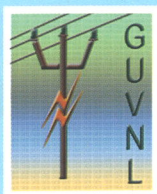


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Madhya Gujarat Vij Company Limited

An ISO Certified Company

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

OUR VISION

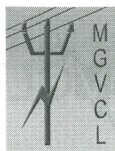
- ❖ **Customer satisfaction through service excellence**

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 23-12-2015)

Smt. Shahmeena Husain, IAS	Chairperson
Shri H.P.Desai	Director
Prof. Kirankumar Joshi	Director
Shri C.J.Macwan	Director
Shri K.P.Jangid	Director
Shri M.B.Parikh	Director
Shri S.B.Khyalia	Managing Director

Company Secretary

Shri K.M.Antani

Senior Executives

Shri K.R.Shah	Sr. Chief General Manager (F&A) & CFO
Shri K.N.Parikh	Chief Engineer (T&O)
Smt. M.M.Marathe	Chief Engineer (Proj.)
Shri M.G.Pandya	General Manager (HR)

Bankers

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

Auditors

M/s. G. K. Choksi & Co.
Chartered Accountants
Ahmedabad.

Secretarial Auditors

M/s. Sandip K. Sukla
Company Secretaries
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

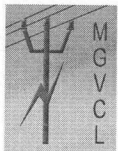
Fax No. : (0265)2337918,2338164

Website : www.mgvcl.com

E-mail : info.mgvcl@gebmail.com

CIN : U40102GJ2003SGC042907

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NOTICE

Notice is hereby given that the Twelfth 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 Wednesday, the 23rd December, 2015 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

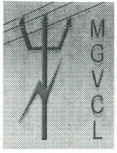
1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2015, together with the Board's Report and Report of Auditors' thereon along with NIL Comments of the Comptroller & Auditor General of India.
2. To authorize the Board of Directors 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 2015-16 and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration and other terms and conditions including out of pocket expenses, to the Statutory Auditors appointed by the Comptroller and Auditor General of India, to audit the accounts of Company for the financial year 2015-16."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 148, all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, M/s. R.K. Patel & Company, Cost Accountants, Vadodara (Firm Registration No. 14115) appointed by the Board of Directors of the Company as Cost Auditors of the Company to conduct the audit of the Cost Accounts / Records maintained by the Company in respect of Electricity Industry for the Financial Year ending 31st March, 2016, be paid remuneration of ₹ 95,000 (Rupees Ninety Five Thousand only) per annum as cost audit fees inclusive of out of pocket expenses plus applicable service tax;



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RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations as contained in the Articles of Association, submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

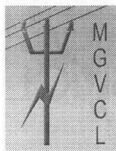
RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT Shri C.J.Macwan (holding DIN 03596652), Non-Independent Director, who was appointed as a Director liable to retirement by rotation in the 11th Annual General Meeting of the Company held on December, 23, 2014, be and is hereby appointed / continue as Non-Independent Director of the Company not liable to retirement by rotation and that consent of the Company be and is hereby accorded to change the status / category / tenure of appointment of Shri C.J.Macwan from 'Director liable to retirement by rotation' to 'Director not liable to retirement by rotation' pursuant to the exemptions available to specified Government Companies from sub-section (6) and (7) of Section 152 of the Companies Act, 2013, by the notification dated 5th June, 2015, issued by Ministry of Corporate Affairs, Government of India."

6. **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 (holding DIN 03584560), Non- Independent Director, who was appointed as a Director liable to retirement by rotation in the 11th Annual General Meeting of the Company held on December, 23, 2014, be and is hereby appointed / continue as Non-Independent Director of the Company not liable to retirement by rotation and that consent of the Company be and is hereby accorded to change the status / category /



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tenure of appointment of Smt. Shahmeena Husain, IAS from 'Director liable to retirement by rotation' to 'Director not liable to retirement by rotation' pursuant to the exemptions available to specified Government Companies from sub-section (6) and (7) of Section 152 of the Companies Act, 2013, by the notification dated 5th June, 2015, issued by Ministry of Corporate Affairs, Government of India."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 146 of Companies Act, 2013 and other applicable provisions, if any, consent of the Company be and is hereby given to the Board of Directors to consider giving exemptions to the Auditors of the Company, to attend the General Meetings (including this Annual General Meeting) to be held time to time as and when required by the Company including Annual General Meetings."

By Order of the Board

Date : 19-12-2015

K.M. Antani

Place : Vadodara

Company Secretary

REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,

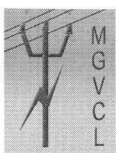
Race Course,

Vadodara – 390007

CIN : U40102GJ2003SGC042907

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. A 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.



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ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 3

The Board, on the recommendations of the Audit Committee, has approved the re-appointment of the Cost Auditors, M/s. R.K. Patel & Company, Cost Accountants, Vadodara, at a remuneration of ₹ 95,000 (Rupees Ninety Five Thousand only) per annum as cost audit fees inclusive of out of pocket expenses plus applicable service tax for the financial year ending 31st March. 2016.

In accordance with the provisions of the Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

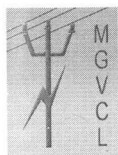
None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution set out at Item No. 3.

The Board commends the Ordinary Resolution set out in the Item No. 3 of the Notice for approval of the members.

Item no. 4

The Articles of Association (AoA) of the Company currently in force are originally adopted when the Company was incorporated under the Companies Act, 1956. Several regulations in the existing AoA contain references to specific sections of the erstwhile Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (the Act), which is now in force. With the coming into force of the new Act, several regulations of the existing AoA require alteration or deletions in several Articles. Therefore, it is considered expedient to adopt entirely a new set of regulations in the Articles of Association in place of / in substitution of the existing set of regulations in Articles to align AoA with the provisions of the Companies Act, 2013 and rules framed there under.

The Act under Schedule-I provides the model Articles of Association. Table F of the said schedule provides Articles of Association of a Company limited by shares. Therefore, in the new set of Articles, the clauses of Table F have been adopted and have been modified wherever necessary. New Articles have been added to meet with the statutory provisions of the Act which permit a Company to do some acts "if so authorized by its Articles" or provisions which require a Company to do acts in a prescribed manner "unless the articles otherwise provides".



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BOARD'S REPORT

To,
The Members of
Madhya Gujarat Vij Company Limited,

Your Directors have pleasure in presenting the 12th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

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

(₹ In lacs)

Particulars	Financial year ended 31 st March	
	2015	2014
Total Income	5,00,678.94	4,27,270.12
Profit before Depreciation, Interest and Tax	29,985.99	24,691.11
Depreciation	17,640.00	13,536.92
Interest and Finance Charges	8,635.90	8,669.94
Profit before Tax	3,710.09	2,484.25
Provision for Tax	824.71	537.81
Profit after Tax and available for appropriation	2,885.38	1,946.44

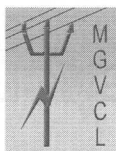
DIVIDEND

Your Directors have not recommended any dividend on Equity Shares for the year under review and no amount has been transferred to General Reserve.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

Financial Performance

- ❖ Revenue from Sale of power (excluding Electricity Duty, Power sold to GUVNL and UI Income) has increased to ₹ 4,662.63 crores during financial year 2014-15 from ₹ 3,688.91 crores in financial year 2013-14 showing an increase of ₹ 973.72 crores (i.e. a rise of 26.40%).
- ❖ Per unit average rate of sales realization from consumers has increased to ₹ 5.62 per unit during financial year 2014-15 (excluding Electricity Duty, Power sold to GUVNL and UI Income) as compared to ₹ 5.30 per unit in financial year 2013-14.



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- ❖ The net profit before tax during financial year 2014-15 leveled to ₹ 37.10 crores as compared to ₹ 24.84 crores in financial year 2013-14 showing an increase by ₹ 12.26 crores (i.e. a rise of 49.35%).

Operational Performance

- ❖ Units sold to consumers registered to 8,295 MUs during the financial year compared to 6,955 MUs in previous financial year 2013-14.
- ❖ Overall Distribution loss during the F.Y. 2014-15 reduced to 12.27% as compared to 12.41% in last financial year.
- ❖ Transformer failure rate reduced from 4.51% to 4.06%.
- ❖ Power availability maintained at 99.96 % (without load shedding).
- ❖ The consumer base increased from 27.79 lacs to 28.43 lacs.
- ❖ Under various normal development schemes, 117 HT Industrial, 224 LT MD, 10,819 NRGP and 47,514 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 2014-15. 3,56,913 connections were checked and 15,678 connections were detected for theft and mal-practice with total assessment of ₹ 1,922.80 Lacs and total recovery of ₹ 1,035.96 Lacs.

SHARE CAPITAL

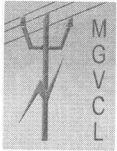
The authorized capital of the Company as on 31/03/2015 is ₹ 500 Crores. The issued capital of the Company as on 31/03/2015 stood at ₹ 2,67,92,93,970 and subscribed and paid up equity share capital of your Company stood at ₹ 2,67,49,43,720. The Company has allotted 1,77,82,950 no. of Equity Shares by way of Right Issue during the year under review.

During the year under review, the Company has not bought back any of its securities nor issued any shares as Sweat Equity or Bonus Shares or shares with differential voting rights nor granted any stock options.

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 97 such feeders were bifurcated under SI.



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- ❖ Conductor renovation of 207.19 KM was carried out under system improvement.
- ❖ 7,651 transformers were installed under High Voltage Distribution System (HVDS) to reduce hooking in rural areas and to reduce the LT line losses.
- ❖ 4,855 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.

OTHER PROJECTS / SCHEMES

❖ R-APDRP:

- Under Part- A of R-APDRP (Restructured APDRP), a Central Sector Scheme, all the 17 towns were declared Go-Live and are integrated with Data Centre. The third party independent Evaluation Agency, appointed by Power Finance Corporation Limited (PFCL), has completed its evaluation. Certification thereof is under progress.
- Under Part- B of the said R-APDRP Scheme, projects for 12 towns were sanctioned, of which works of 10 towns were completed and 02 towns (Anand and Dahod) are under progress.
- For the project for Part-A SCADA/DMS in Vadodara City, the order has been placed and for Part-B SCADA/DMS, the installation of RMUs are under progress.

❖ Integrated Power Development Scheme (IPDS): Government of India has launched Integrated Power Development Scheme (IPDS) for the Urban/Semi-urban areas.

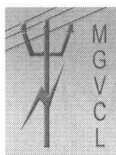
This scheme will cover works relating to strengthening of sub transmission system, distribution system, feeders separation, metering of distribution transformer etc.

Ministry of Power, Government of India, has sanctioned ₹ 373 crore for IPDS. The works under IPDS are under progress.

❖ Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY): Government of India has launched Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for the rural areas. This scheme will cover works relating to un-electrified village to be electrified, feeders separation, strengthening of sub transmission system etc.

Ministry of Power, Government of India has sanctioned ₹ 920 crore for DDUGJY for Gujarat state as a whole, of which your Company's share is ₹ 258 crores. The submission of revised draft project report is under progress.

❖ National Electricity Fund (NEF): Under NEF (Interest Subsidy) Scheme, all the projects sanctioned by Ministry of Power, Government of India, have been completed during the reporting period.



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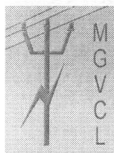


- ❖ Under State Government sponsored Scheme, 7,634 connections were released under Zupadpatti Vijalikaran Scheme, and 2,569 connections were released in 'Kutir Jyoti Scheme' in tribal areas for the F.Y. 2014-15.
- ❖ In Agriculture sector, electrification of wells carried out for-
 - 4,781 wells under Special Project Agriculture (SPA) Scheme.
 - 7,367 wells under Tribal Area Sub Plan (TASP) Scheme.
 - 399 wells under Tatkai Scheme
 - 1,649 wells under Dark Zone Area
 - 159 wells in other scheme.
- ❖ In tribal areas :
 - Electrification carried out for 11 Petaparas under Tribal Area Sub Plan (TASP) and 384 connections under Scheduled Caste Sub Plan (SCSP) were provided.

IT INITIATIVES

Over and above the following Initiatives are added as IT Functionalities.

- ❖ **Meter reading application (Mobile App)** through Mobile instrument using Bluetooth printer is made live in 4 sub-divisions of Baroda City Circle i.e. Alkapuri, Vasna, Tower and Dandiya bazar and one sub-division of Baroda (Rural) Circle i.e. Jamuva and would be replicated in all sub-divisions in phased manner.
- ❖ HT bill generation through HT **Automatic Meter Reading (AMR)** to generate energy bills for AMR metered consumers without any manual intervention is made live in various field offices, and would be implemented in other offices.
- ❖ **Multiple Consumers Grouping** (Viewing of energy bills of multiple consumers) facility has been implemented and utilized by the Companies or Agencies like Railways, BSNL Tower, mainly for group payment of energy bills through ICICI RTGS/NEFT facility.
- ❖ **Photo Meter Reading** is implemented in various rural sub-divisions to capture the actual images of Consumer meters which would facilitate capturing the unbilled units and reduction in billing period.
- ❖ **Online Recruitment:** Online Recruitment package was developed which also covered payment collection tie up with State Bank and Bill desk.
- ❖ **Online Vigilance and Theft bill Calculation system** was developed for tracking of theft cases and is under implementation.



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- ❖ **Web based AT & C Loss system** is developed and under testing. This system would replace DOS based AT&C System.

RENEWABLE ENERGY INITIATIVES

To spread the awareness of solar Energy, Work Orders for installation and commissioning of 3 HP and 5 HP Solar Water Pump sets have been placed under Solar Pump Scheme 2014-15.

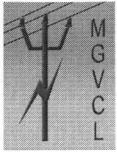
CUSTOMER SERVICES

Through continuous improvements in systems and processes, the Company continued its thrust towards improving customer services.

- ❖ Fully computerised 24x7 centralised Customer Care Centre.
- ❖ E-Payment facility has been further widened introducing Visa Bill Pay, Paytm, Mobikwik, m-pesa of Vodafone. With the help of this facility; the consumers can make payment of their Electricity bills at their own convenience at anytime from anywhere.
- ❖ **Mobile Portal for Consumer:** Android based Mobile portal application is being developed for end consumers, which would cover the following.
 - Last six period history i.e. consumption, payment, bill date.
 - Graphical view for consumption of last six billing periods.
 - Payment Options.
 - Bill Payment facility.
 - Complaint/Suggestions facility.
 - Bill view facility.
- ❖ **SMS Facility for Shutdown/Planned Outages:** SMS are forwarded to respective consumer for shutdown/Planned outages connected on feeder.
- ❖ Consumer Grievances Redressal Forum is in place as mandated by the Electricity Act, 2003 and the regulations notified thereunder.
- ❖ The Company's website is regularly updated to make it more consumers friendly.

AWARDS & ACHIEVEMENTS

Ministry of Power, Government of India, in the first ever exercise has developed the integrated rating methodology for state power distribution utilities. The eminent Rating Agencies M/s ICRA and M/s. CARE were engaged to carry out the rating exercise for the financial year 2013-14. In all 40 utilities have been rated. Scores have been assigned both on the basis of absolute and relative



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improvement in operational and financial performance parameters. According to the ratings, your Company secured an A+ rating making it second best state power distribution utility across India. The A+ ratings depict the very high Operational and Financial Performance Capability. Amongst all the state power distribution utilities rated, all the first 4 rankings were bagged by State Distribution Companies of Gujarat.

REGULATORY MANAGEMENT

The petition for filing the true up for FY 2013-14 and tariff determination for FY 2015-16 was filed before the Gujarat Electricity Regulatory Commission (GERC) on 30.11.2014/01.12.2014 under Section 62 of Electricity Act, 2003, read in conjunction with the applicable GERC (MYT) Regulations, 2011. The Commission had issued tariff Order on 31.03.2015 wherein the commission has allowed overall tariff increase of 2.47%. The revised rates of tariff were effective from 1st April, 2015.

OPEN ACCESS

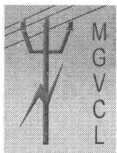
Under the various provisions of state regulatory and legal framework, the Company along with other distribution utilities had filed petition before Hon'ble GERC to determine additional surcharge and to make applicable the additional surcharge on power purchased by Open Access consumers. The GERC has issued order on 12.06.2014 and decided additional surcharge of ₹ 0.42 per kWh is 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 Commission also, directed to provide the details for determination of additional surcharge for each subsequent period of 6 month as per Regulation 25(3) of GERC (Terms and Conditions of Intrastate Open Access) Regulations, 2011 for verification and determination of rates of Additional Surcharge. Accordingly, the Commission in its order dated 25.09.2014 determined the rate of additional surcharge as ₹ 0.26 /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 01.10.2014 to 31.03.2015.

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. Accordingly, during the year 2014-15, total 131.568 MUs were scheduled under open access.

DEMAND SIDE MANAGEMENT (DSM)

Your Company will implement DSM Programme as approved by GERC on dated 06/06/2014 in pursuance with DSM Regulations, 2012. DSM Programmes are comprised of:

- i) Replacement of conventional bulbs / tube light by LED (68,011 nos. approx.) and conventional fans by star rated fans (67,754 nos. approx.) at Govt. schools, Anganwadi, CHC, PHC and Gram Panchayat offices.
- ii) Installation of Solar Systems for prospective Ag. consumers.



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- iii) Energy Audit of 88 nos. of LT Industrial consumers at Vithal Udyog Nagar under jurisdiction of V.V.Nagar s/dn., considering Contract Demand more than 40 KW.
- iv) Energy saving awareness activities.

SAFETY

- ❖ Safety slogan advisory is sent through SMS on every Monday to all line staff by Corporate Office.
- ❖ Celebration of safety week in each sub-division with competition and arranging a small drama, slogans, documentary etc.
- ❖ Formation of safety committee at each circle for review of accident cases.
- ❖ On every Monday all sub-divisional heads address their line staff on safety.
- ❖ Release of advertisement, before the festival of Uttarayan / Ganesh Chaturthi / Navratri/ Dipavali, in media through newspapers, radio, television cable network etc for creating awareness in the consumers/citizens for safe celebrations.
- ❖ Reactivation of earthing in case of existing transformers and providing of fencing around the transformer centre is taken up at field level.
- ❖ Removal of disc/ Internet cables from the pole network.
- ❖ Training on safety is imparted to newly appointed staff and existing staff at regular intervals.

HUMAN RESOURCE DEVELOPMENT

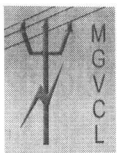
To develop competency of employees and thereby enhance organizational effectiveness and productivity, many need based training and development programs are organized with special emphases on fostering a culture of innovation. Industrial Relations continue to be cordial.

DIRECTORS

A. Changes in Directors and Key Managerial Personnel

Since the last financial year 2013-14:

- Shri Raj Gopal, IAS, (DIN – 02252358) resigned as Director and Chairman of the Board of Directors of the Company effective from 30/08/2014 and Shri K. M. Shringarpure (DIN- 02468876) resigned as Director from 29/12/2014. The Board places on record its appreciation of valuable services provided by them during their tenure as Directors of the Company.
- Smt. Shahmeena Husain, IAS, (DIN – 03584560) was appointed as Director by the Board of Directors in their meeting held on 23/09/2014. The Board also in its meeting held on 15/11/2014 appointed her as Chairperson of the Board of Directors of the Company. Shri M.B.Parikh (DIN-07086891) was nominated as Director on the Board of Directors by



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Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, from 04/02/2015 pursuant to the provisions of Article 57 (C) of the Article of Association of the Company.

- The term of appointment of Shri S.B.Khyalia, (DIN-02470485) as Managing Director of the Company, on deputation basis, was extended for a period of one year effective from 25/07/2014 by the Board of Directors in its meeting held on 24/07/2014 and was further extended with effect from 25th July, 2015. GUVNL by letter dated 16/11/2015 pursuant to letter no. GUV-13-2012-2059-K dated 10/11/2015 issued by the Energy & Petrochemicals Department (EPD), Government of Gujarat, elevated Shri Khyalia from the post of Executive Director (Finance) GUVNL to the post of Director (Finance), GUVNL and repatriated him from deputation as Managing Director of your Company to Director (Finance), GUVNL. Accordingly, Shri S.B.Khyalia has resumed his duty as Director (Finance) in GUVNL with effect from 10th November, 2015. However, till an alternate arrangement is made, Shri Khyalia will hold the additional charge of the post of Managing Director of the Company.
- Shri H.P.Desai (DIN-00034128), and Shri Kirankumar Joshi (DIN 00501563) have been appointed / designated as Independent Directors, by the Members pursuant to the provisions of Section 149 of the Companies Act, 2013 for a term of two years with effect from 25th March, 2015, not liable to retire by rotation.

The Board has resolved that Shri C.J.Macwan (DIN-03596652) and Smt. Shahmeena Husain, IAS, (DIN – 03584560)) shall not be liable to retire by rotation. The Board recommends the change in their status for consideration of the members.

Pursuant to the provision of Section 203 of the Act, which come with effect from April 1, 2014, the appointments of Shri S.B.Khyalia , Managing Director, Shri K.R.Shah, Chief Financial Officer and Shri K.M.Antani, Company Secretary as Key Managerial Personnel of the Company were formalized.

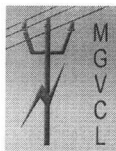
B. Declaration of Independent Directors:

Pursuant to Section 149 (7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director for FY 2014-15 confirming that they meet the criteria of independence as prescribed under the Act.

C. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc. The Board appreciated active participation of all Directors.



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The performance of the committees was evaluated by the Board after seeking inputs from the Chairman of the respective committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of directors. The same was discussed in the Board Meeting at which the performance of the Board, its committees and individual directors was discussed.

D. Policy on Directors' Appointment etc.

The Company being a Government Company, the provisions of Section 134(3)(e) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

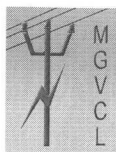
E. Meetings of the Board

Eight Meetings of the Board of Directors were held during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge, belief and according to the information received, the Board of Directors confirm as under for the financial year 2014-15 in terms of Section 134(3)(c) of the Companies Act, 2013.

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently 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 at the end of the financial year and of the profit and loss of the Company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the Annual Accounts on a going concern basis.



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- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee was constituted on the terms of reference as prescribed under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its powers) Rules, 2014. The Chairman of the Audit Committee is an independent director. The recommendations made by the Audit Committee during the year were accepted by the Board. Composition of Audit Committee as on 31/03/2015 was as under:

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

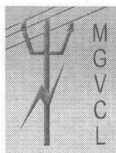
NOMINATION AND REMUNERATION COMMITTEE AND POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors has constituted Nomination and Remuneration Committee. The Ministry of Corporate Affairs, Govt. of India has vide Notification No. GSR-163(E) dated 05-Jun-2015 has modified the application of provisions of Section 178 for Government companies so as to apply the same with regard to appointment of 'senior management' and other employees. The Board has, on the recommendation of the Committee, formulated Remuneration Policy for senior management and other employees.

RISK MANAGEMENT

The elements of risk threatening the Company's existence are very minimal. However, as required by Section 134(3)(n) of the Companies Act, 2013, the Company has framed Risk Management Policy to identify various elements of risk and steps taken to mitigate the same. As an enterprise engaged in distribution of electricity, the Company has always had a systems-based approach to Business Risk Management. The risk management includes identifying types of risks and their assessment, risk handling and monitoring. The Risk Management framework primarily focuses on following elements:

- Risk to Company Assets and Property
- Employees Related Risks
- Risks associated with Non-Compliance of Statutory enactments
- Risks of Inflation and Cost Structure
- Credit Risks
- Liquidity Risks
- Operational Risks



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- Regulatory Risk
- Network Risk
- Fuel availability and price fluctuation
- Risk of monsoon failure
- Risk of compensation to third parties due to electrical accidents and burning of crop
- Dependence on government for grants and subsidy

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a 'Corporate Social Responsibility (CSR) Committee' in accordance with Section 135 of the Companies Act, 2013. As a part of its initiatives under 'Corporate Social Responsibility', the Company has undertaken project in the areas of Environment Sustainability, Ecological balance, and conservation of natural resources. The Annual Report on CSR activities is annexed as Annexure 'A'. CSR Policy adopted by the Company is placed on the Company's website www.mgvcl.com.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has framed a Vigil Mechanism/ Whistle Blower Policy (Policy) as per the requirements of Section 177 of the Companies Act, 2013. All employees of the Company and Directors on the Board of the Company are covered under the mechanism. This mechanism has been established for employees to report genuine concerns. It also provides for adequate safeguards against the victimization of employees who avail of the Mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at the link www.mgvcl.com

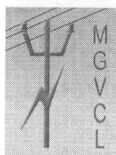
EXTRACT OF ANNUAL RETURN

The information required to be disclosed pursuant to Section 134(3)(a) of the Companies Act, 2013 with respect to extract of Annual Return pursuant to the provisions of Section 92 read with Rule-12 of the Companies (Management and Administration) Rules, 2014 is furnished in Form MGT-9 as Annexure 'B' and attached to and forming part of this Report.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year were on arm's length basis and were in ordinary course of business. The Company has adopted a Related Party policy and procedure.

All Related Party Transactions were placed before the Audit Committee. Omnibus approval was obtained for transactions which are of repetitive nature.



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INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to its financial statements commensurate with the size of the Company and nature of its business.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complains received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, the Company had received two complaints and were disposed off.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 'C' and attached to and forming part of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :

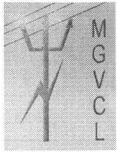
GERC by tariff order dated 31.03.2015 has determined retail tariff to be recovered for financial year 2015-16 from consumers.

GERC vide order dated 30.03.2015 and 28.10.2015 has determined Additional Surcharge to be recovered by Distribution Companies from Consumers opting to purchase power from other than our Company in order to mitigate our Company's fixed cost burden.

State Load Dispatch Centre, Gujarat has adopted Central Electricity Regulatory Commission's (CERC) Deviation Settlement Mechanism (DSM) for intra-state entities pursuant to GERC directive dated 05.03.2015 enabling commercial mechanism for settlement of deviation.

OTHER DISCLOSURES

- a) There was no unpaid or unclaimed dividend declared and paid and therefore, no disclosure is required to be made pursuant to the provisions of Section 125 of the Companies Act, 2013.
- b) The Managing Director of the Company did not receive any remuneration or commission from any of its subsidiaries as there are no subsidiaries.
- c) There was no change in the nature of business of the Company during the year.



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- d) No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.
- e) The Company is engaged in the distribution of power which is covered under the exemption provided under Section 186(11) of the Companies Act, 2013. Accordingly, details of loan given or guarantee or security provided by the Company are not required to be reported. The Company has not made any investment during the year.
- f) The Company has no any subsidiary or joint venture or associate company as defined under the Companies Act, 2013.
- g) The Company being a Government Company is exempted to furnish particulars of employees and managerial remuneration prescribed under Section 197 of the Companies Act, 2013, vide Ministry of Corporate Affairs (MCA) notification dated 05/06/2015.
- h) During the year under review, the Company has neither accepted nor renewed any deposits covered/as defined under Chapter-V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.
- i) There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.
- j) No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future except as stated in earlier para.

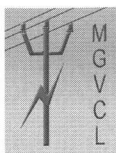
AUDITORS :

A. Statutory Auditors:

M/s. G.K.Choksi & Co., Chartered Accountants, Ahmedabad has been appointed as Statutory Auditors of the Company for the FY 2014-15 by Comptroller & Auditor General of India (C&AG). They have audited the Financial Statements for the financial year ended 31/03/2015 and submitted their report which forms part of this report.

B. Auditor's Report on the Accounts:

The Comments of Comptroller & Auditor General of India (C&AG) form part of this Annual Report. There is no qualification, reservation or adverse remarks in the Auditors Report and there are no supplementary comments by C&AG under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of the Company. You would be pleased to know that your Company has received Nil comments from C&AG for the financial year 2014-15.



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C. Secretarial Auditors :

Your Company has engaged M/s. Sandip K. Shukla, Practicing Company Secretaries, Vadodara (CP No. 3335) for conducting Annual Secretarial Audit for the year 2014-15 pursuant to Section 204 of the Companies Act, 2013. M/s. Sandip K. Shukla, Practicing Company Secretaries, Vadodara have issued Annual Secretarial Audit Report (Form MR-3) for the year 2014-15 which forms part of this report and is furnished as Annexure 'D'.

D. Cost Auditors :

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of "Electricity" are required to be audited. Accordingly, the Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. R.K.Patel & Company, Cost Accountants, Vadodara (Firm Registration No. 14115) as Cost Auditor of the Company for the Financial Year 2015-16. As required under the provisions of the Companies Act, 2013, the Directors recommend their remuneration for the Financial Year 2015-16 for your ratification.

ACKNOWLEDGEMENTS

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

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

Your Directors like to place on record their appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that Company continues to grow and excel.

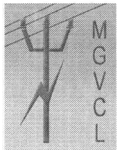
For and on behalf of the Board of Directors,

Place : Vadodara

Date : 19th December, 2015

Shahmeena Husain

Chairperson



Madhya Gujarat Vij Company Limited

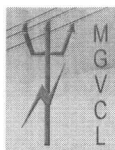
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ANNEXURE " A" TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2014-15.

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. 'Corporate Social Responsibility (CSR) Policy of Madhya Gujarat Vij Company Limited (MGVCL)' encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large. This Policy shall apply to all CSR initiatives and activities taken up by the Company at the Company's areas of operations and also within the State of Gujarat and in any other parts of the country, for the benefit of the different segments of the society provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities. In alignment with vision of the Company, MGVCL, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The CSR Projects and Programmes undertaken will be within the broad frame work of Schedule VII of the Companies Act, 2013 and will be identified and funds allocated, on a yearly basis, as per the need assessment specific to the location, target beneficiary and agency partnering for the implementation. The CSR Policy may be assessed on the Company's website: www.mgvcl.com										
2.	The Composition of the CSR Committee <table><tr><td>1. Shri S.B.Khyalia, Managing Director,</td><td>.... Chairman</td></tr><tr><td>2. Shri H.P.Desai, Independent Director</td><td>.... Member</td></tr><tr><td>3. Prof. Kirankumar Joshi, Independent Director</td><td>.... Member</td></tr><tr><td>4. Shri M.B.Parikh, Director</td><td>.... Member (from 16/09/2015)</td></tr><tr><td>5. Shri K.M.Shringarpure, Director</td><td>.... Member (up to 29/12/2014)</td></tr></table>	1. Shri S.B.Khyalia, Managing Director,	 Chairman	2. Shri H.P.Desai, Independent Director	 Member	3. Prof. Kirankumar Joshi, Independent Director	 Member	4. Shri M.B.Parikh, Director	 Member (from 16/09/2015)	5. Shri K.M.Shringarpure, Director	 Member (up to 29/12/2014)
1. Shri S.B.Khyalia, Managing Director,	 Chairman										
2. Shri H.P.Desai, Independent Director	 Member										
3. Prof. Kirankumar Joshi, Independent Director	 Member										
4. Shri M.B.Parikh, Director	 Member (from 16/09/2015)										
5. Shri K.M.Shringarpure, Director	 Member (up to 29/12/2014)										

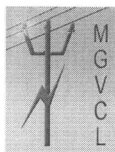


Madhya Gujarat Vij Company Limited

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3.	Average net profit of the Company for last three financial years Average Net Profit (2011-12 to 2013-14) ₹ 3,108.55 Lacs						
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 62.17 Lacs						
5.	Details of CSR spent during the financial year:- a) Total amount to be spent for the financial year ... ₹ 62.17 lacs b) Amount unspent, if any ... ₹ 62.17 lacs c) Manner in which the amount spent during the financial year as given below:						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Projects or programs (1) Local area or other (2) specify the state and district where projects or programs were undertaken	Amount outlay (budget) Projects or programs wise	Amount spent on the Projects or programs (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Moderni- -zation of crematorium	Ensuring environmental sustainability, ecological balance, conservation of Natural Resources	Local Vadodara	₹ 149 lacs for two financial years 2014-15 & 2015-16.	NIL	NIL	Project to be implemented directly.

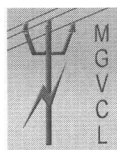


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6.	In case, the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: The financial year 2014-15 is the first year for CSR activities under the Companies Act, 2013 and therefore, the CSR projects could be identified and approved by the Board in its meeting held on 15/11/2014 only. The project was to be carried out by the Company on turnkey basis independently and therefore, the tendering process could be initiated in November, 2014. After due process, Work Order was issued in March, 2015 for ₹ 1,33,00,051/- . The project could not be incepted during the said fiscal period. The budget will be utilized / disbursed based on the progress achieved for completion of the project. The aforesaid identified project and its cost is for two financial years 2014-15 and 2015-16. The project would be likely to be completed in January, 2016. Moreover, as per the CSR Policy of the Company, the CSR budget is non-lapsable and carried forward to the next year so the entire un-spent amount will be utilized in the current financial year 2015-16.
7.	Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.
Vadodara 19th December, 2015 S. B. Khyalia Managing Director and Chairman - CSR Committee	



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ANNEXURE "B" TO BOARD'S' REPORT

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i.	CIN	U40102GJ2003SGC042907
ii.	Registration Date	15/09/2003
iii.	Name of the Company	MADHYA GUJARAT VIJ COMPANY LIMITED
iv.	Category/ Sub-Category of the Company	Public Limited Company, Govt. Company
v.	Address of the Registered office and contact details	Sardar Patel Vidyut Bhavan Race Course,Vadodara-390007 Ph. NO: (0265) 2310582-86 Website:www.mgvcl.com
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

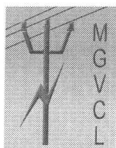
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Distribution of Electricity	35109	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Gujarat Urja Vikas Nigam Limited Sardar Patel Vidyut Bhavan Race Course, Vadodara.	U40109GJ2004SGC045195	Holding	100%	Sec. 2(46)



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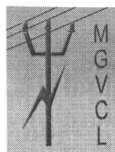
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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) category-wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian	0	0	0	0	0	0	0	0	0.00
a) Individual/ HUF	0	0	0	0	0	0	0	0	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp	-	24,97,11,422	24,97,11,422	100	-	26,74,94,372	26,74,94,372	100	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total(A)(1):-		24,97,11,422	24,97,11,422	100		26,74,94,372	26,74,94,372	100	0.00
2) Foreign	0	0	0	0	0	0	0	0	0.00
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other....	0	0	0	0	0	0	0	0	0.00
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0.00
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0.00
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0.00
2.Non-institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(i) Indian									
(ii) Overseas									
b) Individuals	0	0	0	0	0	0	0	0	0.00
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others	0	0	0	0	0	0	0	0	0.00
d) (Specify)	0	0	0	0	0	0	0	0	0.00
Sub-total(B)(2)	0	0	0	0	0	0	0	0	0.00
Total Public Shareholding (B) = (B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	0	24,97,11,422	24,97,11,422	100	0	26,74,94,372	26,74,94,372	100	0.00



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(ii) Shareholding of Promoters

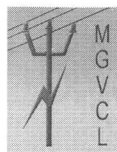
Sr. No.	Share-holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company shares	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Gujarat Urja Vikas Nigam Limited, (holding Company) and its Nominees	24,97,11,422	100	Nil	26,74,94,372	100	Nil	Nil
	Total	24,97,11,422	100	Nil	26,74,94,372	100	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	No. of shares	% of total shares of the company
1.	Shareholding at the beginning of the year Gujarat Urja Vikas Nigam Limited	24,97,11,422	100%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): DATE REASON 14/08/2014 ALLOTMENT	1,77,82,950	
	Cumulative Shareholding during the year	26,74,94,372	100%
	Shareholding at the end of the year	26,74,94,372	100%

(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company
	Shareholding at the beginning of the year	NIL	
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	
	Cumulative Shareholding during the year	NIL	



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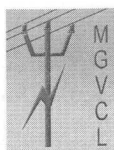
(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	DIRECTORS				
1	Smt. Shahmeena Husain, IAS	0		0	
2	Shri Shersingh B. Khyalia	0		0	
3	Prof. Kirankumar Joshi	0		0	
4	Shri Harikant.P. Desai	0		0	
5	Shri Chandravadan J. Macwan	0		0	
6	Shri Kamlesh P. Jangid	0		0	
7	Shri Mitesh B. Parikh	0		0	
	KEY MANAGERIAL PERSONNEL				
1	Shri Kamlesh R. Shah - CFO	0		0	
2	Shri Ketan M. Antani - Company Secretary	0		0	

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding / accrued but not due for payment
(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-			
i) Principal Amount	11,141.70	8,505.32	-	19,647.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,707.06	2,567.45		7,274.51
Total(i+ii+iii)	15,848.76	11,072.77	0.00	26,921.53
Change in Indebtedness during the financial year				
- Addition	10814.40	-	-	10,814.40
- Reduction	5,146.13	2,569.00	-	7,715.13



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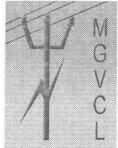
Net Change	5,668.27	(2,569.00)	-	3099.27
Indebtedness at the end of the financial year				
i) Principal Amount	18,884.17	6,553.77	-	25,437.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,632.86	1,950.00	-	4,582.56
Total (i+ii+iii)	21,517.03	8,503.77	-	30,020.80

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

Sl. No.	Particulars of Remuneration	MD - Shri S. B. Khyalia	Total Amount (₹ In Lacs)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.69	20.69
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.03	2.03
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify	-	-
6.	Total(A)	22.72	22.72
	Ceiling as per the Act	Not Applicable as Section 197 of Companies Act, 2013 shall not apply to Government Companies.	

Date: 19th December, 2015



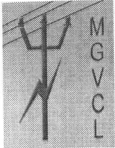
Madhya Gujarat Vij Company Limited

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B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors								Total Amount (₹)
	Smt. Shahmeena Husain	Shri Rajgopal	Shri C. J. Macwan	Shri K. M. Shringarpure	Shri M. B. Parikh	Prof. K. M. Joshi	Shri K. P. Jangid	Shri H. P. Desai	
<u>Independent Directors</u>									
·Fee for attending Board committee meetings	Nil	Nil	Nil	Nil	Nil	12,000	Nil	8,000	20,000
·Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total(1)	Nil	Nil	Nil	Nil	Nil	12,000	-	8,000	20,000
<u>Other Non-Executive Directors</u>									
Fee for attending Board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
·Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
·Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total(2)	0	0	0	0	0	0	0	0	0
Total(B)=(1+2)	-	-	-	-	-	12,000	-	8,000	20,000
Total Managerial Remuneration	-	-	-	-	-	12,000	-	8,000	20,000
Overall Ceiling Companies. as per the Act	Not Applicable as Section 197 of Companies Act, 2013 shall not apply to Government								



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C. Remuneration to Key Managerial Personnel otherthan MD/Manager/WTB (₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	20.90	16.88	37.78
	(b) Value of perquisites u/s 17(2) of the Income- tax Act, 1961.	-	-	-
	(c) Profits in lieu of Salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as %of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Total	20.90	16.88	37.78

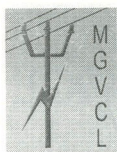
VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court] (give details)	Appeal made. If any
A. Company					
Penalty	NIL	-	-	-	NIL
Punishment	NIL	-	-	-	NIL
Compounding	NIL	-	-	-	NIL
B. Directors					
Penalty	NIL	-	-	-	NIL
Punishment	NIL	-	-	-	NIL
Compounding	NIL	-	-	-	NIL
C. Other Officers In Default					
Penalty	NIL	-	-	-	NIL
Punishment	NIL	-	-	-	NIL
Compounding	NIL	-	-	-	NIL

For and on behalf of the Board of Directors,

Place : Vadodara
Date : 19th December, 2015

Shahmeena Husain
Chairperson



Madhya Gujarat Vij Company Limited

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ANNEXURE "C" TO TO BOARD'S' REPORT

Conservation of energy, technology absorption and foreign exchange earnings and outgo

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

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

- ❖ HVDS system is implemented to reduce LT/HT line ratio for reduction of technical losses.
- ❖ Feeder bifurcations are being done to reduce line length with the air of reduction in HT line loss and improvement in reliability of supply.
- ❖ 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 LEDs, conventional fans by Star rated fans, installation of solar pumps for prospective agriculture consumers and energy audit of LT Industries at various locations.

ii) The steps taken by the company for utilizing alternate sources of energy:

Your Company has issued Work Orders for installation and commissioning of 3 HP and 5 HP Solar Water Pump sets at consumer end of to spread the awareness of Solar Energy.

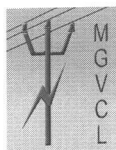
iii) The capital investment on energy conservation equipments:

Provisions have been made during F.Y.2015-16 and 2016-2017 for different energy conservation / Demand side Management schemes.

B. TECHNOLOGY ABSORPTION

i) the efforts made towards technology absorption:

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



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ii) **the benefits derived:**

- Safe working environment.
- Reduction in losses.
- Better consumer satisfaction.

iii) **Information regarding imported technology –**
Nil

iv) **the expenditure incurred on Research and Development.**

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.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	₹ in Lacs
Foreign Exchange Earned	Nil
Foreign Exchange Used (Actual Outflow)	
(a) Import of Capital Goods	Nil
(b) Import of Fuel, Components, Stores and Spare Parts	Nil
(c) Travelling, Subscription and Others	0.40

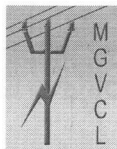
For and on behalf of the Board of Directors

Place : Vadodara

Date : 19th December, 2015

Shahmeena Husain

Chairperson



Madhya Gujarat Vij Company Limited

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ANNEXURE "D" TO BOARD'S REPORT

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

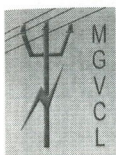
To,
The Members,
Madhya Gujarat Vij Company Limited,
Sardar Patel Vidyut Bhavan, Race Course,
Vadodara – 390007.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhya Gujarat Vij Company Limited (CIN U40102GJ2003SGC042907)** (hereafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, **I hereby report that** in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by **Madhya Gujarat Vij Company Limited** ("the Company") having its registered office at Sardar Patel Vidyut Bhavan, Race Course, Vadodara - 390 007 for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; -
NOT APPLICABLE
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; -
NOT APPLICABLE
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made there



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under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -

NOT APPLICABLE

- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act).

NOT APPLICABLE - The Company being an unlisted Company.

- (vi) The other following laws to the extent specifically applicable to the Company:

- (1) Electricity Act, 2003
- (2) Gujarat Electricity Industry (Re-organisation and Regulation) Act, 2003
- (3) Gujarat Electricity Duty Act, 1958

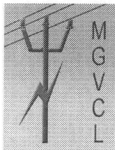
I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
Not notified during Audit Period, hence not applicable to the Company.
- (ii) The Listing Agreement
NOT APPLICABLE - The Company being an unlisted Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. For non spending of amount on Corporate Social Responsibility activities as per Section 135 of the Act, the Company has ensured to specify the reasons for non spending the amount in its Board Report pursuant to the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

I further report that

- (i) The Company is a wholly owned subsidiary of a Government Company. The Company is a Government Company under the provisions of the Act.
- (ii) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and as per the directives issued by the Government of Gujarat from time to time.



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Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda are also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

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

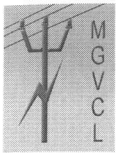
I further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs except the following:

- 1 The members at their Extra Ordinary General Meeting held on 8th September, 2014 approved borrowing limits of not exceeding ₹ 2000 Crores over and above the paid up share capital and free reserves under section 180(1)(c) and creation of mortgage and/or charge on the immovable and movable properties of the Company in favour of lenders to secure the financial assistance under section 180 (1)(a) of the Companies Act, 2013.
- 2 Allotment of 1,77,82,950 Equity Shares of ₹10/- each for cash, at premium of ₹ 50 per share, on rights basis U/s 62 of the Companies Act, 2013.

Place: Vadodara
Date: 30-11-2015

SANDIP K. SHUKLA
COMPANY SECRETARIES
F.C.S. No. : 2386
C.P. No. : 3335

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



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ANNEXURE

To,
The Members,
Madhya Gujarat Vij Company Limited,
Sardar Patel Vidyut Bhavan, Race Course,
Vadodara – 390007.

Our Secretarial Audit Report (F. Y. 2014-15) of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate.

Auditor's Responsibility

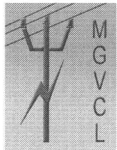
2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happenings of events, etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Vadodara
Date: 30-11-2015

SANDIP K. SHUKLA
COMPANY SECRETARIES
F.C.S. No. : 2386
C.P. No. : 3335



Madhya Gujarat Vij Company Limited

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADHYA GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of **Madhya Gujarat Vij Company Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 September 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of **Madhya Gujarat Vij Company Limited** for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

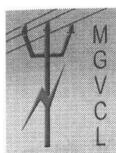
For and on behalf of the
Comptroller and Auditor General of India

Y. N. Thakare

Pr.Accountant General (E&RSA), Gujarat

Place : Ahmedabad

Date : 18/11/2015



Madhya Gujarat Vij Company Limited

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INDEPENDENT AUDITOR'S REPORT

To,
The Members,
MADHYA GUJARAT VIJ COMPANY LIMITED
Vadodara.

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 March 31, 2015, the Statement of Profit and Loss and 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

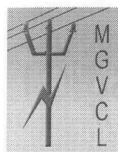
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

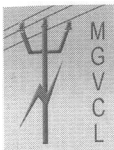
Emphasis of Matter

We draw your attention to note no. 26 to the financial statement which describes that security deposit from consumers are in the process of updation/reconciliation with subsidiary records with that as per books.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirement

1. The Company is governed by the provisions of Electricity Act, 2003 read with rules and the regulations issued thereunder. The section 1(4)(d) of the Companies Act, 2013 also provides that the special Act like Electricity Act, will apply to the extent the provisions of the Companies Act are inconsistent with the provisions of those Acts.
2. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure I", a statement of the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



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3. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule of 7 of the Companies (Accounts) Rules, 2014.
- (e) According to Notification No G.S.R. 463(E) dated 05.06.2015 issued by Govt. of India, the provision of Section 164(2) of the Companies Act, 2013 are not applicable to the Company.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer notes 30 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

4. As required by C&AG of India through directions / sub-directions issued under Section 143(5) of the Companies Act, 2013 we give our report in the attached "Annexure II".

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

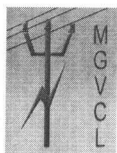
J. D. PATEL

Partner

Mem. No. 32780

Place : Ahmedabad

Date : 16th September, 2015



Madhya Gujarat Vij Company Limited

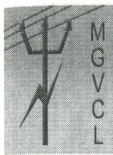
12th Annual Report 2014-15



ANNEXURE I TO THE AUDITOR'S REPORT

(Referred to in our Report of even date to the members of **Madhya Gujarat Vij Company Limited**)

- (I) (a) In our opinion and according to information and explanation given to us, the Company has maintained proper records of fixed assets showing location of assets as sub-division. However exact locations are not mentioned.
- (b) As informed by the Management, Fixed assets have been physically verified by the management during the year at reasonable intervals which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventories have been physically verified by the Management of Company at the year end.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management of Company are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventories records, in our opinion the Company is maintaining the proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation provided to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the clause 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods. Further on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.



Madhya Gujarat Vij Company Limited

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(vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2015 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2015 other than stated below:

Name of Statute	Nature of Dues	₹. in lacs	Period in which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	37.80	A.Y. 2008-2009	CIT (A), Vadodara

(c) According to the information and explanations given to us, there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

(viii) The Company does not have any accumulated losses at the financial year and has not incurred cash losses during the financial year end in the immediately preceding financial year.

(ix) According to the information and explanations given to us, the Company has not defaulted the repayment of dues to financial institutions, banks in respect of existing loans, which were originally raised by the Company. As regards the loans transferred from GUVNL, as certified by GUVNL, there has been no default in repayment of principal and interest.

(x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xi) According to the information and explanation given to us the term loan has been applied for the purpose for which it was obtained.

(xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

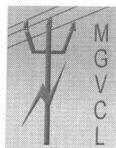
J. D. PATEL

Partner

Mem. No. 32780

Place : Ahmedabad

Date : 16th September, 2015



Madhya Gujarat Vij Company Limited

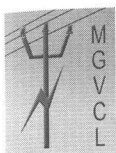
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"ANNEXURE II" TO THE AUDITOR'S REPORT

(Referred to in our Report of even date to the members of **MADHYA GUJARAT VIJ COMPANY LIMITED**
Direction under section 143(5) of Companies Act, 2013 (Revised)
Applicable from the year 2014-15 and onwards

1	If the Company is selected for dis-investment, a complete status report in terms of valuation of assets (including tangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process.	Not applicable
2	Please report whether there are any cases of waiver / write off of debts / loan / interest etc. if yes, the reasons there for and the amount involved.	During the year the Company has waived off amounting to ₹ 9.5 lacs from consumers and further as per G.R.No: NPL / 452014 / UOR-40 / M dated 06.01.2015 issued by Government of Gujarat waived the delayed payment charges debited up to 31.03.2014 of weak and irregular Nagar Palikas under One Time Settlement of their Dues through Gujarat Municipal Finance Board amounting to ₹ 7,135.70 and ₹ .175.98 lacs through Lok Adalat & Jurisdiction Court for other consumers (refer note no.27 to the financial statements). Further, the Company has also waived off HBA outstanding from employees amounting to ₹ 29.78 lacs due to death of employees as per Company's policy.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	On the basis of information and explanation produced before us, the Company has stock lying with third parties for which proper records are maintained by the Company. Further, it has not received any assets as gift from Govt. or other authorities.



Madhya Gujarat Vij Company Limited

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4

A report on age-wise analysis of pending legal / arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Number of pending / arbitration cases indicating the age wise analysis and reasons for their pendencies are as under:

Details of court Cases filed by consumers

Sr No.	Age Wise Analysis	No.of Cases Pending	Amount (₹ In lacs)
1.	5 years & Above	305	1318.89
2.	3-5 year	29	473.58
3.	1-3 year	30	922.81
4.	up to 1 year	30	123.67
Total		394	2838.95

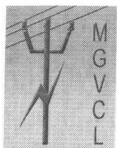
Details of Court cases filed by employees

There are also few cases which are outstanding pertaining to employees amounting to ₹ 37.78 lacs. The age wise analysis of such cases are as under;

Sr No.	Age Wise Analysis	No.of Cases Pending	Amount (₹ In lacs)
1.	5 years & Above	11	33.81
2.	3-5 year	2	3.97
Total		13	37.78

Due to huge burden with courts, legal cases (including Company's cases as above) are not disposed off expeditiously, hence Company is making efforts to defend/settle maximum number of legal cases to realize disputed revenue through LOK-ADALAT & Settlement Committee. The Company has its own legal cell for effective monitoring of pending legal cases and looking to the size of the Company, the system adopted by the Company is adequate.

Legal fees are being paid as per the rates decided by the management and circulated to field office from time to time.



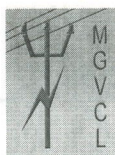
Madhya Gujarat Vij Company Limited

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Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013

1	Has the Company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the Company.	The Company has not entered into any agreements with franchise for distribution of electricity.
2	Report on the efficacy of the system of billing and collection of revenue in the Company.	The consumer base comprise of two categories i.e. HT and LT consumers: In HT Billing, billing (meter reading, bill preparation and serving the bill) is done from 15th to 17th of the month for normal consumers. In case of open access consumers, billing is done on the 1st of the month by division office. Due to huge number of consumers in LT category, LT billing is bifurcated into two ways i.e. monthly billing cycle and bi-monthly billing cycle. Meter reading in monthly billing cycle is carried out from every 21st of every month to 10th of every succeeding month. After collection of meter reading data, bill printing process is carried out and bills are served to the consumers by sub-division offices or by outsourcing agencies (if any). To improve collection, the Company has made arrangements with Post Offices, private cash collection agencies, e-gram panchayats and also provided facility of any time payment (ATP) kiosks, net banking facility to facilitate Payment of bills to the consumers. The Company also conduct disconnection drive, arrange for LOK ADALAT for pending disputed arrears to improve collection of dues.



Madhya Gujarat Vij Company Limited

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3	Whether tamper proof meters have been installed for all consumers? If not then, how accuracy of billing is ensured.	Company installs static meters which are electronic digital meters for better accuracy. During theft drive, which is periodically done on surprise basis, the meter installations are being checked for tampering.
4	Whether the company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Cost Adjustment (FPPCA).	Based on approval of FPPCA by GERC on quarterly basis additional charges are levied or rebate given in subsequent billing cycles to all consumers.
5	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference have been examined.	The receivables and payables between the generation, transmission and distribution companies has been reconciled and confirmed by each of the associate companies.
6	Whether the company is supplying power to franchisees, if so, whether the company is not supplying power to franchisees at below its average cost of purchase.	The company has no franchisees for distribution of power.
7	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented.	MGVCL has raised FPPA subsidy and tariff compensation subsidy claims of ₹ 18,805.79 lacs for agricultural consumers during F.Y. 2014-15 and same has been received from GUVNL.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

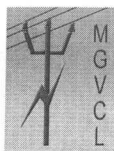
J. D. PATEL

Partner

Mem. No. 32780

Place : Ahmedabad

Date : 16th September, 2015



Madhya Gujarat Vij Company Limited

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BALANCE SHEET AS AT 31st MARCH, 2015

(₹ In lacs)

	Particulars	Note No.	AS AT 31 st MARCH, 2015	AS AT 31 st MARCH, 2014
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	26,749.44	24,971.14
	(b) Reserves and surplus	3	51,340.11	39,563.26
2	Deferred Government Grants, Subsidies and contributions	4	97,213.87	92,286.01
3	Non-current liabilities			
	(a) Long-term borrowings	5	25,437.94	19,647.02
	(b) Other-long term liabilities	6	67,706.26	66,719.27
	(c) Long-term provisions	7	9,294.70	8,997.42
4	Current liabilities			
	(a) Short-term borrowings	8	225.04	540.77
	(b) Trade payables	9	7,385.19	8,298.15
	(c) Other current liabilities	10	63,628.93	62,702.23
	(d) Short-term provisions	11	1,780.01	1,682.86
	TOTAL		3,50,761.49	3,25,408.11
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	12	2,56,486.04	2,27,546.13
	(i) Intangible assets		4,085.29	-
	(ii) Capital work-in-progress	13	6,744.19	10,061.25
	(b) Non-current investments	14	0.03	0.03
	(c) Long-term loans and advances	15	2,628.48	6,355.60
	(d) Other non-current assets	16	1,253.41	1,236.74
2	Current assets			
	(a) Inventories	17	19,995.61	18,916.61
	(b) Trade receivables	18	37,354.45	42,113.87
	(c) Cash and cash equivalents	19	6,884.30	5,861.83
	(d) Short-term loans and advances	20	1,977.36	1,547.72
	(e) Other current assets	21	13,352.33	11,768.32
	TOTAL		3,50,761.49	3,25,408.11
Significant Accounting Policies and notes to financial statements		1 to 46		

As per our attached report of even date

For G. K. Chokshi & Co.

Chartered Accountants

FRN : 101895W

for and on behalf of Board of Directors

Shahmeena Husain

Chairperson

DIN : 03584560

S. B. Khyalia

Managing Director

DIN : 02470485

J. D. Patel

Partner

Membership No. : 32780

K. R. Shah

Sr. Chief General Manager (F&A) & CFO

K. M. Antani

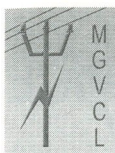
Company Secretary

Place : Ahmedabad

Date : September 16, 2015

Place : Vadodara

Date : September 16, 2015



Madhya Gujarat Vij Company Limited

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

(₹ In lacs)

Particulars	Note No.	YEAR ENDED 31 st MARCH, 2015	YEAR ENDED 31 st MARCH, 2014
INCOME			
Revenue From Operations	22	4,87,430.44	415,119.37
Other Income	23	13,248.50	12,150.75
TOTAL		5,00,678.94	4,27,270.12
EXPENSES			
Purchase of Power	24	4,24,631.92	370,819.52
Employee Costs	25	32,070.74	30,528.69
Interest and Finance Charges	26	8,635.90	8,669.94
Depreciation & Amortization Expenses	12	17,640.00	13,536.92
Other Expenses	27	23,179.44	10,153.79
TOTAL		5,06,158.00	4,33,708.86
Less: Expenses Capitalized	28	9,189.15	8,922.99
TOTAL		4,96,968.85	4,24,785.87
Profit before Exceptional / Extraordinary Items		3,710.09	2,484.25
Exceptional Items / Extraordinary Items		0.00	0.00
Profit Before Tax		3,710.09	2,484.25
Provision for			
- Current Tax		890.41	537.81
- Tax adjustments earlier years		(65.70)	0.00
Net Profit after Tax available for appropriation		2,885.38	1,946.44
Basic Earning Per Share (In ₹)		1.11	0.79
Diluted Earning Per Share (In ₹) (Refer Note: 42)		1.11	0.79
Face value per Equity share ₹		10.00	10.00
Significant Accounting Policies and notes to financial statements	1 to 46		

As per our attached report of even date

For G. K. Chokshi & Co.

Chartered Accountants

FRN : 101895W

J. D. Patel

Partner

Membership No. : 32780

Place : Ahmedabad

Date : September 16, 2015

for and on behalf of Board of Directors

Shahmeena Husain

Chairperson

DIN : 03584560

K. R. Shah

Sr. Chief General Manager (F&A) & CFO

Place : Vadodara

Date : September 16, 2015

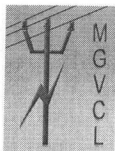
S. B. Khyalia

Managing Director

DIN : 02470485

K. M. Antani

Company Secretary



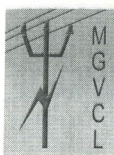
Madhya Gujarat Vij Company Limited

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	Cash Flow from Operating Activities		
	Net Profit Before Tax	3,710.09	2,484.25
	<u>Adjustments For: Add / (Less) :-</u>		
	Prior Period Credit / Charges	4,249.16	(24.65)
	Govt. Grants/Cons. contribution Written Back	(10,801.54)	(10,254.00)
	Provision for Bad & Doubtful Debts	413.59	101.45
	Profit on Sale of Fixed Assets	-	(2.50)
	Waiver of Delayed Payment Charges	7,311.68	-
	Write-off of W.D.V. of Scrapped Assets	0.01	0.51
	Depreciation	17,640.00	13,536.92
	Interest and financing charges	8,635.89	9,104.40
	Operating Profit Before Working Capital Changes	31,158.88	14,946.38
	Adjustments for Changes in Working Capital		
	(Increase) /Decrease In Inventories	(1,079.00)	3,321.40
	(Increase) /Decrease In Trade Receivables	(2,965.84)	(2,299.04)
	(Increase) /Decrease In Loans & advances	(466.88)	(167.85)
	(Increase) /Decrease In other current assets	(1,522.08)	(698.80)
	Increase /(Decrease) In Current Liabilities	4,117.63	22,814.37
	CASH GENERATED FROM OPERATIONS	29,242.71	37,916.46
	Direct Tax Paid (Net of Refund Received)	(948.58)	(287.45)
	CASH FLOW BEFORE EXTRAORDINARY ITEMS	28,294.13	37,629.01
	Prior Period Credit / Charges	(20.75)	-
A.	NET CASH FROM OPERATING ACTIVITIES	28,273.38	37,629.01
	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(54,939.13)	(39,963.31)
	Sale of Fixed Assets/(Increase)Decrease in asset not in use	20.68	(258.18)
	(Increase)/Decrease in CWIP	7,081.42	(3,637.79)
B.	NET CASH FROM IN INVESTING ACTIVITIES	(47,837.04)	(43,342.92)



Madhya Gujarat Vij Company Limited

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	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase in Equity Share Capital (incl. share application money)	10,669.77	-
	Proceeds from Long term Borrowings	10,814.00	1,039.24
	Repayments of Long term Borrowings	(7,714.72)	(7,040.19)
	Proceeds / (Repayments) From Short Term Borrowings	(315.73)	54.57
	(Repayment)/Proceeds from Consumer Contribution/ Grants/subsidies	15,729.40	20,584.64
	Interest Paid	(8,596.60)	(9,123.86)
C.	NET CASH USED IN FINANCING ACTIVITIES	20,586.12	5,514.40
	NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1,022.47	(199.51)
	CASH AND CASH EQUIVALENT (OPENING BALANCE)	5,861.83	6,061.34
	CASH AND CASH EQUIVALENT (CLOSING BALANCE)	6,884.30	5,861.83

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 01-04-2014 & 31-03-2015 are as per Note 19 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 G. K. Chokshi & Co.
Chartered Accountants
FRN : 101895W

for and on behalf of Board of Directors

J. D. Patel
Partner
Membership No. : 32780

Shahmeena Husain
Chairperson
DIN : 03584560

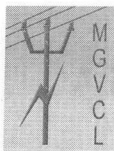
S. B. Khyalia
Managing Director
DIN : 02470485

K. R. Shah
Sr. Chief General Manager (F&A) & CFO

K. M. Antani
Company Secretary

Place : Ahmedabad
Date : September 16, 2015

Place : Vadodara
Date : September 16, 2015



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

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, 2013.

(2) Basis of Preparation of Financial Statements:

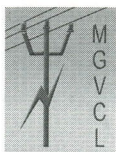
The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

(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) **Miscellaneous revenue from consumers:** Meter charges, recoveries from theft of power/malpractices, wheeling charges recoveries are recognized on accrual basis. Miscellaneous charges from consumers are recognized on cash basis except when ultimate realization of such income is certain.
- (iii) **Revenue subsidies:** Revenue Subsidies are accounted for as allocated by GUVNL (Holding Company) and credited to Statement of Profit and Loss.



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

(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 Miscellaneous Deposit of suppliers and contractors which is pending for more than three years is considered as income after review by the management.

(5) **Fixed Assets:**

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation/amortization 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.

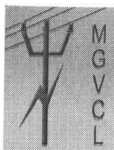
As the frequency and movement of the replacement of failed transformers is high and the same being regular ongoing process in distribution network, the cost of replaced transformer is not being capitalized and simultaneously the cost of failed transformer is not withdrawn from the asset account considering the transformer is one of the component of the distribution lines and cable network. Such transactions are being recorded as movement in pool of service component (Transformers) under the head Inventories in Current Assets.

(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 & Amortizations:**

- (i) The Company had been charging depreciation on tangible fixed assets of the Company, on the useful life of the assets at rates prescribed under Schedule XIV to the Companies Act,



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

1956. The Company being engaged in electricity distribution business, is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013. Accordingly the Company has charged depreciation on tangible fixed assets of the Company at the rates prescribed in GERC (MYT) Regulations, 2011 with effect from 1st day of April, 2011.

- (ii) Assets having original cost up to ₹ 5,000/- have been fully charged to revenue in the year in which assets are purchased.
- (iii) Depreciation on addition/deletion of fixed assets is provided on pro rata basis from the date on which the asset is put to use/discarded.
- (iv) Intangible Assets are amortized on straight-line method over a period of their estimated useful life or 5 years whichever is lower, as no specific rates for amortization are prescribed for intangible assets in GERC (MYT) Regulations, 2011.

(7) Impairment of Assets:

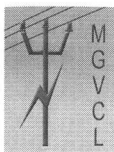
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which 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.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

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 have been valued on following basis:

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

(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

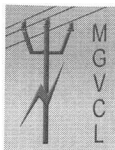
Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salary, wages, bonus, performance incentives etc.

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.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

(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 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.

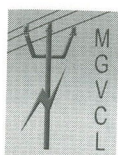
Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at 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, 2015

NOTE : 2 SHARE CAPITAL

(a) Share capital consists of the following:

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Authorised		
50,00,00,000 (Previous Year 50,00,00,000)		
Equity Shares of ₹ 10/- each	50,000.00	50,000.00
Issued		
26,79,29,397 Equity Shares (Prev.Year 25,00,92,864) of ₹ 10/- each	26,792.94	25,009.29
Subscribed & Paid up		
26,74,94,372 Equity Shares (Prev. Year 24,97,11,422) of ₹ 10 each fully paid	26,749.44	24,971.14
TOTAL	26,749.44	24,971.14

(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			
	2014-2015		2013-2014	
	Number	₹ In Lacs.	Number	₹ In Lacs.
Equity Shares outstanding at the beginning of the year.	24,97,11,422	24,971.14	24,26,41,422	24,264.14
Additions / (Reduction)	1,77,82,950	1,778.30	70,70,000	707.00
Equity Shares outstanding at the end of the year.	26,74,94,372	26,749.44	24,97,11,422	24,971.14

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

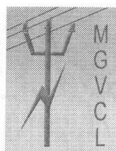
All the 26,74,94,372 nos. of Equity Shares (Previous year 24,97,11,422) are held by Gujarat Urja Vikas Nigam Limited, the holding company & it's Nominees.

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & it's Nominees	26,74,94,372	100%	24,97,11,422	100%

(e) 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



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

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.

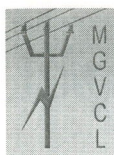
NOTE : 3 RESERVES AND SURPLUS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2015	As at 31 st March, 2014
a. Securities Premium Account		
Opening Balance	23,627.51	20,092.51
(+) Increase during the current year	8,891.47	3,535.00
Closing Balance	32,518.98	23,627.51
b. Surplus in the statement of profit and loss		
Opening balance	15,935.75	13,989.31
(+) Net Profit for the current year	2,885.38	1,946.44
Closing Balance	18,821.13	15,935.75
TOTAL	51,340.11	39,563.26

NOTE : 4 DEFERRED GOVERNMENT GRANTS, SUBSIDIES AND CONTRIBUTIONS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2015	As at 31 st March, 2014
a. Government Grants, Subsidies towards Capital Assets		
Opening Balance	57,170.18	51,475.63
Add : Received during the year	2,345.43	12,046.79
Less : Written back to Statement of Profit and Loss	5,951.56	6,352.24
Closing Balance	53,564.05	57,170.18
b. Consumers' Contribution towards Capital Assets		
Opening balance	35,115.82	30,479.71
Add : Received/transferred during the year	13,383.98	8,537.87
Less : Written back to Statement of Profit and Loss	4,849.98	3,901.76
Closing Balance	43,649.82	35,115.83
TOTAL	97,213.87	92,286.01

The Company is providing depreciation on Capital assets related to Electrification & Service Connection on Straight Line Method as per the rates prescribed in the Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 (P. Y. as per Companies Act, 1956). In respect of these assets, the Company receives Consumer Contribution and Capital Grant/Subsidy which is being treated as deferred revenue by the Company. The linking of receipt of Consumer contribution and



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

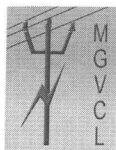
Capital Grant/subsidy to the creation of fixed assets and charging depreciation / writing back proportionate amount is practically not possible.

Considering the above referred facts and as per consistent policy followed by the Company since inception, 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 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non Current Portion		Current Maturities	
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Secured (Raised by the Company)				
(a) Term loans				
(i) from banks (Refer Sub-Note: 5.01 to 5.04 below)	11,414.27	3,361.52	1,236.14	4,053.57
(ii) from Financial Institutions (Refer Sub-Note: 5.05 to 5.07 below)	7,469.90	7,705.01	1,321.55	164.21
(b) Deferred payment liabilities (Refer Sub-Note: 5.08 below)	-	75.17	75.17	489.29
	18,884.17	11,141.70	2,632.86	4,707.06
Unsecured				
(c) Term loans (Raised by the Company)				
(i) from Financial Institutions (Refer Sub-Note: 5.09 below)	545.64	624.42	77.23	146.45
Raised through GUVNL				
(ii) State Government Loan under APDRP (Refer Sub-Note: 5.10 below)	765.09	875.60	110.51	110.51
(iii) ADB Programme & Project Loan (Refer Sub-Note: 5.11 below)	3,400.06	3,780.10	380.03	380.03
Raised through GUVNL				
(d) Bonds (Refer Sub-Note: 5.12 & 5.13 below)	1,842.98	3,225.20	1,382.23	1,930.46
	6,553.77	8,505.32	1,950.00	2,567.45
TOTAL	25,437.95	19,647.02	4,582.86	7,274.51



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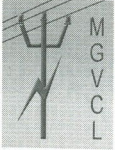


NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

Nature of security and terms of repayment for Secured Borrowings

- 5.01 Loan from Kalupur Commercial Co-operative Bank Ltd. (outstanding ₹ Nil, (Previous Year ₹ 627.99 Lacs)) is secured against transformer, lightening arrestors, shackle insulators, static meters under HVDS project of MGVCL. Rate of interest 10.75% p.a. - (a) (i)
- 5.02 Loan from Bank of Baroda (outstanding ₹ 624.89 Lacs, (Previous Year ₹ 3125.00 Lacs)) is secured against charge on meters and transformers and assets created under the project ND & R-APDRP scheme of Chaklasi, Godhra, Nadiad and Kapadwanj Town of MGVCL. Outstanding amount repayable in 3 monthly installments. Out of these, two Installments of ₹ 208.33 Lacs & Last Installment will be of ₹ 208.23 Lacs. Rate of interest 10.25% p.a. - (a) (i)
- 5.03 Loan from Bank of Baroda (outstanding ₹ 4,025.52 Lacs, (Previous Year ₹ 3,665.09 Lacs)) is secured against hypothecation charge on movable assets of projects under R-APDRP scheme Part B. Outstanding amount repayable in 52 equal monthly installments of ₹ 77.38 Lacs each. Rate of interest 10.25% p.a. - (a) (i)
- 5.04 Loan from Bank of Baroda (outstanding ₹ 8,000.00 Lacs, (Previous Year ₹ Nil)) is secured against hypothecation charge on movable assets of projects under NEF scheme. Outstanding amount is repayable in 84 monthly installments of ₹ 95.24 Lacs each commencing from Jan.-16. Rate of interest 10.25% p.a. - (a) (i)
- 5.05 Loans from PFC under ADB-DRUM Project (outstanding ₹ 427.05 Lacs, (Previous Year ₹ 569.40 Lacs)) is secured against charge of movable assets created under DRUM Project of Umreth Sub-Division of MGVCL. Outstanding amount is payable in 12 quarterly installments each of ₹ 35.59 Lacs. Rate of interest 12.50% p.a. - (a) (ii)
- 5.06 Loan from PFC under R-APDRP Scheme, (outstanding ₹ 8,298.84 Lacs, (Previous Year ₹ 7,212.39 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, the loan of ₹ 4,845.44 Lacs may be converted into capital grant on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan is repayable in remaining 67 monthly installments over a period of 7 years at an average of ₹ 72.32 Lacs each. As per terms of SCADA Part-A, for the loan of ₹ 785.40 Lacs may be converted into capital grant on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan is repayable in 70 monthly installments over a period of 7 years at an average of ₹ 11.22 Lacs each starting from Jan-2016. 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. The loan will be repaid in 150 monthly installments over a period of 15 years at an average of ₹ 7.62 Lacs each starting from September-2015, if conditions are not fulfilled, starting from June-2015. During the year further ₹ 1,525 Lacs is disbursed for Additional Anand & Dahod towns and SCADA under



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

R-APDRP -Part B, It will be converted into Grant upto 50% on fulfillment of stipulated conditions. The loan will be repaid in 150 monthly installments over a period of 15 years at an average of ₹ 10.17 Lacs, starting from March-2021, if conditions are not fulfilled, starting from June-2021. Rate of Interest 9% p.a - (a) (ii)

5.07 Loan from REC under Scheme No. 41150 (outstanding ₹ 65.57 Lacs, (Previous Year ₹ 87.43 Lacs)) is secured against charge on the movable assets consisting of 3 Phase Meters, Quality / Static Meters, Static Meters on Industrial 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 is repayable in 3 equal yearly installments of ₹ 21.85 Lacs each. Rates of interest 8.50%, 9.25% & 11% p.a. - (a)(ii)

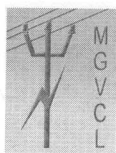
5.08 Bills Discounting limits availed from SIDBI are secured under the Deferred Payment Guarantees issued by consortium member banks. Outstanding amount is repayable in 12 monthly installments of various amounts ranging from ₹ 2.48 Lacs to ₹ 13.31 Lacs each upto July-2015. Rate of Interest 8.50% - (b)

Terms of repayment for Long term borrowings - Unsecured

5.09 Various loans from REC under RGGVY Scheme of ₹ 619.56 Lacs (Previous Year ₹ 761.65 Lacs) will be repayable in 44 Annual equal installments ranging from ₹ 6.51 Lacs to ₹ 28.86 Lacs payable up to March-2025. Rate of interest is ranging from 11% to 12.50%. Other loan amounting ₹ 3.31 Lacs (previous year ₹ 9.21 Lacs) will be repayable in 4 quarterly installments ranging from ₹ 1.76 Lacs to ₹ 0.83 Lacs. Rate of interest 9% - (c) (i)

5.10 State Government loan under APDRP ₹ 875.60 Lacs (Previous Year ₹ 986.10 Lacs) will be repayable in 10 annual installments ranging from ₹ 110.51 Lacs to ₹ 1.98 Lacs. Rate of interest 12.18% - (c) (ii)

5.11 ADB Programme & Project loan amounting ₹ 3,780.09 Lacs (Previous Year ₹ 4,160.12 Lacs) will be repayable in 13 yearly installments ranging from ₹ 380.03 Lacs to ₹ 6.22 Lacs. Rate of interest 10.69% - (c) (iii)



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

5.12 Maturity profile of Unsecured Bonds - (d)

(₹. in lacs)

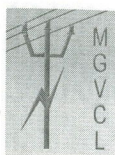
Public Bonds(Allocated By GUVNL) (Unsecured)	Maturity Profile	
	2015-16	2016-17
8% Bonds Series X	382.32	509.77
8 % Bonds Series IX	137.13	182.85
8.95 % Bonds Series - VIII	862.78	1,150.35

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

5.14 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 into by GEB-erst and the said loans are required to be apportioned to different transferee companies, the Government may, by order, do so and upon 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 GEB-erst as Long Term and Short Term Loans amounting to ₹ 48,495.87 Lacs (balance of such loans as on 31st March, 2015 ₹ 7,880.89 Lacs, (Previous Year ₹ 10,301.89 Lacs), which have been transferred to the Company.
- (iii) The loans which were raised by GEB-erst 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-erst / (now GUVNL) on behalf of all transferee companies and the same have been apportioned under FRP Notification dated 3rd October, 2006, based on their purpose and usage amongst all transferee companies and the same loans have been accounted by the Company as "Loans allocated from GUVNL Lender wise" in separate accounts. The repayments and interest thereon are reimbursed by the Company to GUVNL.

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



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

NOTE : 6 OTHER-LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Staff Retirement cum Death Benefit Scheme	1,914.55	1,954.38
Less :- Amount disclosed under other current liabilities	135.00	126.50
	1,779.55	1,827.88
Security deposit from consumers	60,490.95	56,559.75
Deposits for Electrification & Service connection	5,435.76	8,331.64
TOTAL	67,706.26	66,719.27

NOTE : 7 LONG-TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employee Benefits		
Provision for Leave Encashment	10,718.63	10,293.39
Less :- Amount disclosed under short term provisions	1,423.93	1,295.97
TOTAL	9,294.70	8,997.42

Please refer note No: 33

NOTE: 8 SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured		
Cash Credit From Banks	225.04	540.77
TOTAL	225.04	540.77

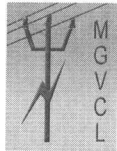
Cash Credit from banks under Joint consortium agreement amongst the Company, UCO Bank(lead Bank) & other consortium member banks, is secured against hypothecation charge on the stocks and book debts of the Company ranking pari-passu interse.

NOTE : 9 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Liability for Purchase of Power-Wind Farm	103.85	108.61
Liability for O & M Supplies / Works & other Services	7,281.34	8,189.54
TOTAL	7,385.19	8,298.15

Refer Note No. : 36



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

NOTE : 10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Current maturities of long-term debt (Refer Note : 5)	4,582.86	7,274.51
Interest accrued but not due on borrowings	3,385.39	2,824.78
Interest payable on consumers security Deposit	3,955.55	3,697.17
Liability for Capital Supplies / Works *	3,127.85	575.59
Staff Related Liabilities	31.03	13.40
Staff Retirement cum Death Benefit Scheme (Refer Note:6)	135.00	126.50
Staff Welfare Scheme	87.32	72.65
Deposits & Retentions from Suppliers & Contractors	3,023.40	3,094.97
Dev. Charges & Financial Participation from Consumers	965.41	1,085.20
Advance Received from Consumers	1,273.42	-
Statutory Liabilities	398.28	332.54
Other Payables	1,088.22	961.31
Payables to Holding Company		
- Gujarat Urja Vikas Nigam Limited	41,575.20	42,643.61
TOTAL	63,628.93	62,702.23

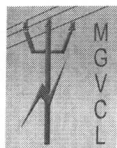
*Refer Note No. : 36

NOTE : 11 SHORT-TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(A) Provision for Employee Benefits		
Provision for Leave Encashment (Refer Note : 7)	1,423.93	1,295.97
(B) Others		
Provision for Taxation (Net of Advance Tax)	355.96	386.82
Provision for Wealth Tax (Net of Advance Tax)	0.12	0.07
TOTAL	1,780.01	1,682.86

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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

NOTE : 13 CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Capital Work-in-progress	5,739.70	7,187.63
Interest Charges to be Capitalised	344.81	2,356.87
Provision for completed works	659.68	516.75
TOTAL	6,744.19	10,061.25

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

Interest to be capitalised at the beginning of the year	2,356.87
Additional Interest to be capitalised during the year (Note No.:28)	604.90
Interest capitalised/charged to assets during the year	2,616.96
Remaining Interest to be capitalised at the end of the year	344.81

NOTE : 14 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Long term investment (Unquoted)		
Equity Shares - Kalupur Commercial Bank Ltd.(250 Share of ₹ 10 each.)	0.03	0.03
TOTAL	0.03	0.03
Aggregate amount of unquoted investment	0.03	0.03

NOTE : 15 LONG-TERM LOANS AND ADVANCES

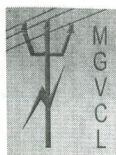
(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured Considered Good		
Loans & Advances to staff - interest Bearing	2,053.04	2,085.54
Unsecured Considered Good		
Advances to Suppliers / Contractors (Capital)	282.02	4,046.38
Advance Income tax (Net of Provisions)	139.11	85.36
Advance Fringe Benefit tax (Net of Provisions)	81.55	81.55
Other Deposits	72.76	56.78
TOTAL	2,628.48	6,355.60

NOTE : 16 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured, considered good		
Interest Accrued & Due on Staff Loans	29.54	44.85
Interest Accrued but not Due on Staff Loans	1,223.87	1,191.89
TOTAL	1,253.41	1,236.74



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

NOTE : 17 INVENTORIES

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Stores , Spares and Scrap		
Stock of materials at stores	12,087.43	11,613.01
Material under pending Inspection	-	1.81
Materials at Site (O&M)	1,061.75	1,280.57
Materials in Transit	20.55	133.55
Other Materials Accounts	6,825.88	5,887.67
Mat.Stock Excess / Shortage Pending Investigation	225.68	221.80
Prov. for Mat.Stock Excess / Shortage Pending Investigation	(225.68)	(221.80)
TOTAL	19,995.61	18,916.61

As the frequency and movement of the replacement of failed transformers is high and the same being regular ongoing process in distribution network, such transactions are being recorded as movement in pool of service component (Transformers) under 'Other Materials Accounts'.

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

NOTE : 18 TRADE RECEIVABLES

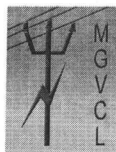
(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured*		
(Unless otherwise & to the extent stated)		
Considered Good	37,781.32	43,209.29
Less : Prov. for Doubtful Dues (refer note (b) below)	(438.45)	(399.65)
(A)	37,342.87	42,809.64
Considered Doubtful	10,428.21	9,355.58
Less : Doubtful E D & TSE	(766.78)	(766.78)
Less : Prov. for Doubtful Dues (refer note (b) below)	(8,930.89)	(8,565.61)
(B)	730.54	23.19
(A+B)	38,073.41	42,832.83
Less : Deferred ED & TSE from Consumers	(718.96)	(718.96)
TOTAL	37,354.45	42,113.87

Out of the above:-

Trade Receivables not due/overdue for a period less than 6 months	28,799.27	30,164.11
Trade Receivables overdue for a period more than 6 months	19,410.23	22,400.76
	48,209.50	52,564.87

* Trade receivables are secured and considered good to the extent of Security Deposit & Bank Gurantee received from the respective consumers.



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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

- (a) As there are large no. of consumers, it is impracticable to obtain confirmation of all the balances. Furthermore, since there are a stringent recovery mechanism of consumers' dues as per GERC Regulations, the outstanding balances are considered good & recoverable except those provided for.
- (b) The Company provides for Bad & Doubtful Debts @ 2% for Normal Debit Arrears of LT consumers. Arrears of Permanently disconnected consumers are periodically reviewed and provided for on the merit of each case.

NOTE : 19 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Balance with Scheduled Banks	5,795.51	3,954.40
Cheques on Hand	872.75	990.93
Cash on Hand	8.46	8.18
Remittance in Transit	207.58	908.32
TOTAL	6,884.30	5,861.83

NOTE : 20 SHORT-TERM LOANS AND ADVANCES

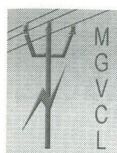
(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured Considered Good		
Advances for O&M Supplies / Works	1,032.01	882.73
Loans & Advances to staff	629.75	269.31
Loans and Advances – Others	181.60	356.63
Prepaid Expenses	134.01	39.05
TOTAL	1,977.37	1,547.72

NOTE : 21 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unbilled Revenue	12,981.84	10,987.76
Interest Accrued & Due on Staff Loans	106.96	94.04
Trade receivables for sale of scrap	-	0.56
Amount recoverable from employees / ex-employees	57.47	26.93
Electricity Duty & Tax on sale of Electricity	65.40	72.19
Other Recoverables	74.63	553.72
Assets held for sale (Refer Note No.: 45)	31.11	6.28
<u>Receivables from associates under the same management</u>		
- Gujarat Energy Training & Research Institute	34.92	26.84
TOTAL	13,352.33	11,768.32



Madhya Gujarat Vij Company Limited

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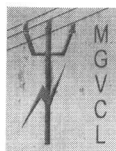
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE: 22 REVENUE FROM OPERATIONS

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Revenue from Sale of Power		
Residential General Purpose	106,842.25	88,691.30
General Lighting Purpose	2,801.01	2,431.08
Non-residential General Purpose & LT Medium Demand	81,720.47	71,370.21
HT Industrial	2.11,098.30	1.50,577.73
Public lighting	3,154.38	3,184.78
Traction railways	25,721.65	24,056.46
Irrigation agricultural	26,021.85	20,909.48
Public water works and sewerage pumps	8,902.72	7,669.56
Power Sold to GUVNL	1,764.01	23,161.76
Unscheduled interchange - Income	2,085.59	2,994.12
Sub Total	4.70,112.23	3.95,046.48
Electricity duty	60,030.65	52,874.33
Other operating revenues		
Meter charges / Service line charges	4,187.50	4,019.36
Recoveries for theft of power / Malpractices	1,527.80	906.34
Delayed payment charges from consumers	1,699.48	3,239.21
Miscellaneous charges from consumers	2,844.41	5,236.18
Sub Total	10,259.20	13,401.09
Agricultural subsidy	7,059.02	6,671.80
Total	5,47,461.09	4,67,993.70
Less: Electricity duty	60,030.65	52,874.33
TOTAL	4,87,430.44	4,15,119.37

NOTE : 23 OTHER INCOME

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Interest on staff loans and advances	236.20	295.94
Interest from others	0.28	1.70
Income from sale of scrap	326.00	155.69
Gain on sale of fixed assets (net)	-	2.50
Grant for energy conservation	3.92	-
Deferred Income (10% of Capital Grant & Consumer Contribution Written Back)	10,801.54	10,254.00
Miscellaneous receipts	1,880.56	1,440.92
TOTAL	13,248.50	12,150.75



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE : 24 PURCHASE OF POWER

(₹ in Lacs)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Power Purchased from GUVNL *	4,19,743.70	3,65,783.32
Power Purchased from CPP / Wind Farms/Solar	1,688.29	1,331.51
State Load Dispatch Center Charges	145.84	142.44
Uninterrupted Interchange Charges	3,054.09	3,562.25
TOTAL	4,24,631.92	3,70,819.52

* 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 : 25 EMPLOYEE COSTS

(₹ in Lacs)

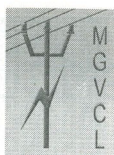
Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Salaries, Wages & Allowances	26,577.41	24,903.37
Contribution to provident and other funds	4,089.15	4,229.19
Staff Welfare Expenses	1,404.18	1,396.13
TOTAL	32,070.74	30,528.69

NOTE : 26 INTEREST AND FINANCE CHARGES

(₹ in Lacs)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Interest on State Government Loans	502.87	553.76
Interest on Bonds	338.54	477.21
Interest on other loans, cash credit & deferred credits	3,115.95	3,302.67
Interest to consumers on security deposits etc.	4,341.82	4,034.27
Other Interest Charges	187.27	174.48
Total	8,486.45	8,542.39
Other Finance Charges		
Other Finance and Bank Charges	97.80	68.47
Guarantee Fees	51.65	59.08
Total	149.45	127.55
TOTAL	8,635.90	8,669.94

As the outstanding balance of Consumers' Security Deposits is under reconciliation, interest is provided on the basis of subsidiary records. In the opinion of the management, provision of the interest on the balances as per subsidiary record is considered adequate having regard to the fact that cases on which interest is not provided are very old and unidentifiable for which consumers have not turned up for refund of Deposits. Interest on the same will be accounted as and when it is claimed.



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

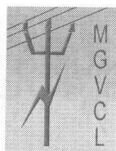
NOTE : 27 OTHER EXPENSES

(a)

(₹ in Lacs)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Repairs and Maintenance		
Plant and Machinery	944.24	469.94
Buildings	400.58	296.52
Lines, Cable Network etc.	3,198.75	3,089.89
Others	609.17	548.54
Total	5,152.74	4,404.89
Administration Expenses & General expenses		
Rent, Rates & Taxes	218.16	120.09
Insurance	25.34	21.83
Communication Expenses	208.22	203.60
Legal Charges	29.32	31.91
Audit Fees	10.26	8.99
Consultancy Charges	8.74	35.29
Technical Fees	-	0.41
Other Professional fees and expenses	59.79	82.80
Conveyance & Travel	2,131.98	1,826.67
Printing, Stationery and Xerox Chgs	308.01	256.28
Expenses on Computer Billing & EDP Charges	150.70	102.91
Consumer Billing & Collection Expenses	462.12	496.32
Electricity Charges	286.96	334.92
Bad & Doubtful Debts Written off/Provided for	413.59	101.45
Waiver of Delayed Payment Charges (Refer Note:(a) Below)	7,311.68	-
Security Expenses	589.55	503.18
GERC Licence Fees	187.36	139.68
Freight & Other Purchase related expenses	545.68	569.82
Interest on Income Tax	39.31	31.19
Other Administration & General Expenses	330.40	347.27
Write-off of W.D.V. of Scrapped Assets	0.01	0.51
Loss on Sale of Assets (Net)	0.06	-
Miscellaneous Expenses (Refer Note (b) below)	460.30	558.43
Prior Period Adjustments (Refer note Below)	4,249.16	(24.65)
Total	18,026.70	5,748.91
TOTAL	23,179.44	10,153.79

Note : (a) As per G.R. No: NPL/452014/UOR-40/M dated 06.01.2015 issued by Government of Gujarat to waive the delayed payment charges debited up to 31.03.2014 to weak and irregular Nagar Palikas under One Time Settlement of their Dues through Gujarat Municipal Finance Board.



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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

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

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

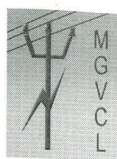
Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Payments to auditors(Excluding service tax)		
As auditors	9.00	8.00
Tax audit	-	1.50

NOTE : 27 (B) PRIOR PERIOD ADJUSTMENTS

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Prior period expenses / losses		
Employee costs	0.46	-
Depreciation under provided	4,246.78	-
Interest & Other Finance Charges	0.44	-
Other Charges related to Prior Periods	0.94	-
Other Prior Period Adjustments	19.60	-
Total	4,268.22	-
Prior period Income		
Excess provision for depreciation	18.36	24.65
Other excess provision	0.70	-
Total	19.06	24.65
TOTAL	4,249.16	(24.65)

NOTE : 28 EXPENSES CAPITALISED

Particulars	(₹ in Lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Employee Costs Capitalized	7,320.81	7,080.25
Administration & General Expenses Capitalized	1,263.44	1,183.69
Interest & Other Finance Charges Capitalized	604.90	659.05
TOTAL	9,189.15	8,922.99



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NOTES FORMING PART OF FINANCIAL STATEMENTS

29. Estimated amount of Contracts remaining to be executed and not provided for (net of advances) ₹ 15,285.08 (Previous Year ₹ 18640.04 Lacs).

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

Particulars	2014-15	2013-14
1) Income Tax and Fringe Benefit Tax	205.81	424.20
2) Labour and other claims against the Company not acknowledged as debt.	2,876.73	2,707.41
3) Various Claims by the employees before various courts against GEB-erst	Amount is not ascertainable	Amount is not ascertainable

31. 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: 27.

Income

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

32. Compensation of usage of inter company assets :

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

33. Employee Benefits:

i. Defined Contribution Plan

The Company has recognized ₹ 1,891.85 lacs (Previous year ₹ 1,918.00 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 and Unfunded Leave Encashment Scheme.



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

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 and Leave encashment was carried out at March 31, 2015 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 and leave encashment plan and the amounts recognized in the Company's financial statements.

(₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Changes in the present Value of obligation	(Through holding company GUVNL)			
Present value of obligation (opening)	15,257.52	14,095.18	10,293.39	9,229.30
Interest Cost	1,220.60	1,127.61	823.47	738.34
Past Service Cost	Nil	Nil	Nil	Nil
Current Service Cost	528.74	505.89	160.85	631.53
Curtailment cost / (Gain)	Nil	Nil	Nil	Nil
Settlement Cost / (Gain)	Nil	Nil	Nil	Nil
Benefits Paid	(1,930.68)	(1,445.79)	(1,101.70)	(919.76)
Actuarial Losses / (Gain)	455.80	974.63	542.62	613.98
Present Value of obligation (Closing)	15,531.99	15,257.52	10,718.63	10,293.39
Changes in the fair Value of Plan Assets				
Present value of plan assets (opening)	7,820.04	7,846.76	Nil	Nil
Expected Return on Plan Assets	728.06	711.45	Nil	Nil
Actuarial Gain / (Losses)	(63.30)	(22.57)	Nil	Nil
Employer's Contributions (*)	1,618.20	730.19	Nil	Nil
Employees' Contributions	Nil	Nil	Nil	Nil
Benefits paid	(1,930.68)	(1,445.79)	(1,101.70)	(919.76)
Fair Value of Plan Assets (Closing)	8,172.32	7,820.04	Nil	Nil
(*) 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	Nil	Nil
High quality corporate bonds	Nil	Nil	Nil	Nil
Equity shares of listed companies	Nil	Nil	Nil	Nil
Property	Nil	Nil	Nil	Nil



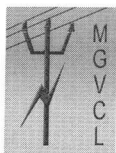
Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Policy of insurance	100%	100%	Nil	Nil
Bank Balance	Nil	Nil	Nil	Nil
Amount recognized in the balance sheet	(Through holding company GUVNL)			
Present Value of funded obligation as at the year end	8,172.32	7,820.04	Nil	Nil
Fair value of plan assets as at the year end	8,172.32	7,820.04	Nil	Nil
Funded (Asset)/Liability recognized in the Balance Sheet	Nil	Nil	Nil	Nil
Present Value of Unfunded obligation as at the year end	7,359.68	7,437.48	10,718.63	10,293.39
Un recognized past service cost	Nil	Nil	Nil	Nil
Un recognized Actuarial (Gains) / Losses	Nil	Nil	Nil	Nil
Unfunded net Liability recognized in the balance sheet	7,359.68	7,437.48	10,718.63	10,293.39
Amount recognized in the balance sheet				
(For Gratuity-through holding company GUVNL)				
Present Value of obligation as at the year end	15,531.99	15,257.52	10,718.63	10,293.39
Fair Value of Plan assets as at the year end	8,172.32	7,820.04	Nil	Nil
(Asset) / Liability recognized in the balance sheet	7,359.68	7,437.48	10,718.63	10,293.39
Expenses recognized in the statement of profit and loss				
Current Service Cost	528.74	505.89	160.85	631.53
Past Service Cost	Nil	Nil	Nil	Nil
Interest Cost	1220.60	1127.61	823.47	738.34
Expected Return on Plan Assets	(728.06)	(711.45)	Nil	Nil
Curtailment Cost / (Credit)	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss	519.10	995.74	542.62	613.98
Employees Contribution	Nil	Nil	Nil	Nil
Total Expenses recognized in the statement of profit and loss.	1540.38	1917.79	1526.94	1983.85
Principal actuarial assumption (Rate of Discounting)				
Rate of Discounting	8.00%	8.00%	8.00%	8.00%
Expected Return on Plan Assets	9.50%	9.50%	--	--
Rate of Increase in Salary	10.00%	10.00%	10.00%	10.00%
Attrition Rate	1% to 3 %	1% to 3 %	1% to 3 %	1% to 3 %



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

34. 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.
35. The balances of Trade Payables & Loans and Advances are subject to confirmation and reconciliation, if any.
36. In view of their large number of accounts and in absence of segregated information, total outstanding dues to Small Scale Industrial Undertaking as defined under Micro, Small & Medium Enterprises Development Act, 2006 have not been disclosed separately.

Based on the details available with the Company in respect of transactions incurred during the year, there are no over dues as such to micro, small and medium enterprises as at 31st March, 2015 on account of principal amount together with interest for delayed payment under the Act. The Company has not received any claim for interest from any suppliers under the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act 1993" (Previous Year ₹ Nil).

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

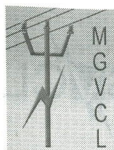
The assets are sometimes not capitalized for want of, technical certificate and other routine procedural requirements despite being put to use. Accordingly, depreciation on the same will be charged from the date put to use and will be treated as prior period depreciation.

38. Segment Information:

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

39. 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. However, other information is given as under:



Madhya Gujarat Vij Company Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Key Managerial Personnel

Name	Designation	Duration	
		From	To
Shri S. B. Khyaliya	Managing Director	01.04.2014	31.03.2015
Shri K. R. Shah	Sr. Chief General Manager & CFO	01.04.2014	31.03.2015
Shri K. M. Antani	Company Secretary	01.04.2014	31.03.2015

Particulars of Remuneration Paid

Name	Designation	Remuneration (₹ in Lacs)	
		2014-15	2013-14
Shri S. B. Khyaliya	Managing Director	22.72	20.14
Shri K. R. Shah	Sr. Chief General Manager & CFO	20.90	19.16
Shri K. M. Antani	Company Secretary	16.88	14.95

40. 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.

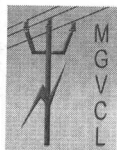
41. Earnings per Share :

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, 2015	For the year ended 31 st March, 2014
Profit After Tax (₹. in Lacs.)	2,885.38	1,946.44
Weighted Average number of Equity Shares for basic EPS	26,09,17,117	24,50,43,285
Weighted Average number of Equity Shares for Diluted EPS	26,09,17,117	24,50,43,285
Face Value per Share (₹)	10	10
Basic Earnings per Share of ₹ 10/- each (₹)	1.11	0.79
Diluted Earnings per Share of ₹ 10/- each (₹)	1.11	0.79

42. 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, 2015 is not recognized.
43. 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.



Madhya Gujarat Vij Company Limited

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44. 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 Company 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.

45. The Company is primarily engaged in the business of power distribution, hence information as required under paragraphs 5 (viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013 is stated to the extent applicable.

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

(b) Consumption of Stores & Spares:

Particulars	2014-15 %	2013-14 %
Indigenous	100.00	100.00
Imported	Nil	Nil
TOTAL	100.00	100.00

(c) Expenditure in foreign currency

Foreign Travel: ₹ 0.40 Lacs. (Previous year ₹ Nil.).

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

46. The previous year figures, wherever necessary, have been reclassified to conform to this year's classification.

As per our attached report of even date for and on behalf of Board of Directors

For G. K. Chokshi & Co.

Chartered Accountants

FRN : 101895W

Shahmeena Husain

Chairperson

DIN : 03584560

S. B. Khyalia

Managing Director

DIN : 02470485

J. D. Patel

Partner

Membership No. : 32780

K. R. Shah

Sr. Chief General Manager (F&A) & CFO

K. M. Antani

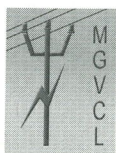
Company Secretary

Place : Ahmedabad

Date : September 16, 2015

Place : Vadodara

Date : September 16, 2015



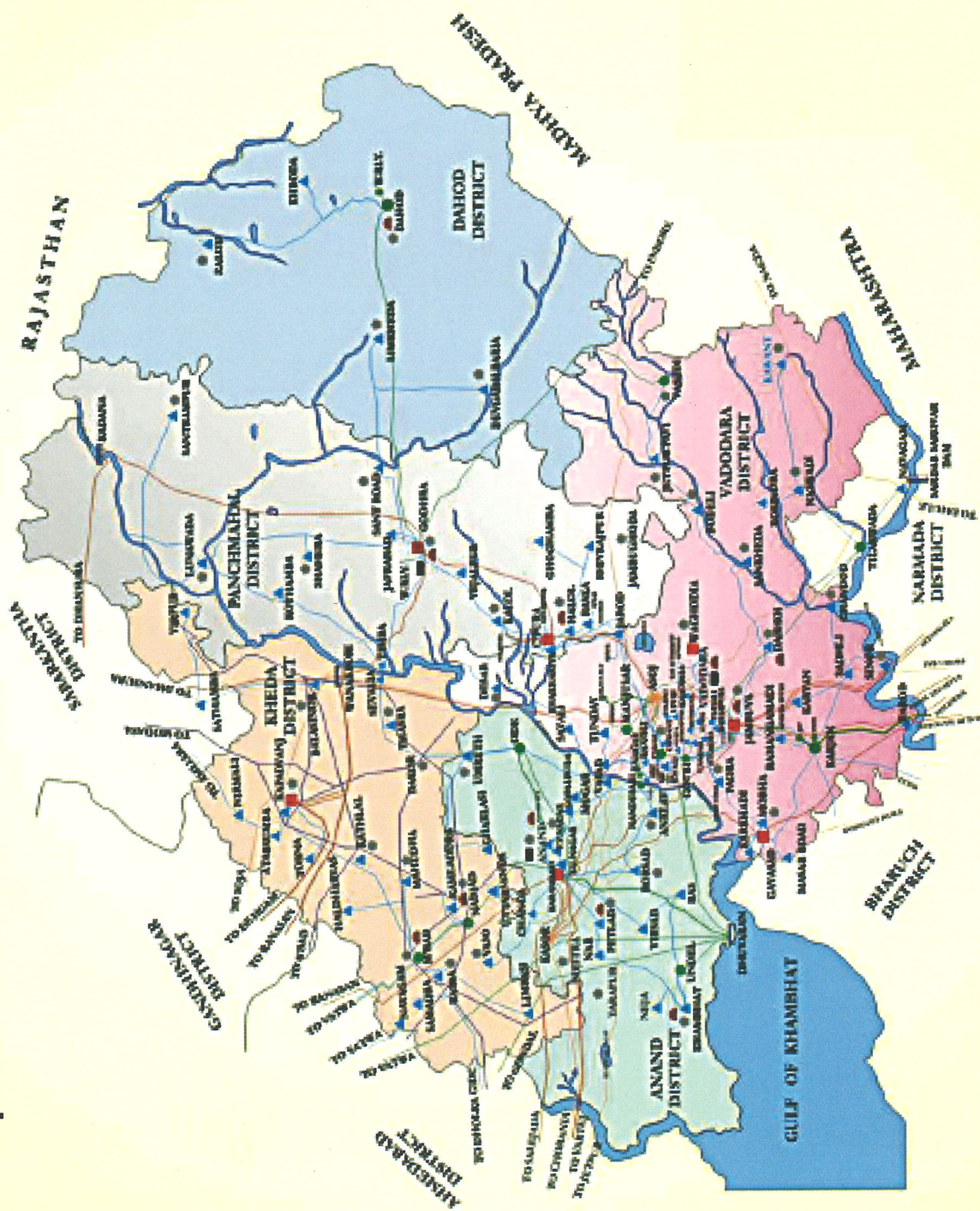
Madhya Gujarat Vij Company Limited

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MGVCL AT A GLANCE (As on 31-03-2015)

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 + Sectional Office	105 (O & M)
Total Sub-Stations	201
Total Transformers	1,01,074
Total No. of Feeders	1,648
Total H. T. Line (in Ckms.)	50,512
Total L. T. Line (in Ckms.)	63,485
Ratio of L.T. / H. T.	1.26
Total Consumers	28.37 Lacs
Total Contracted Load (in MW)	5,648
Total Employees	6,930





Madhya Gujarat Vij Company Limited

Registered Office :

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