16th

ANNUAL REPORT

2018-19

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

CIN – U40102GJ2003SGC042907

16th Annual Report 2018-19

MGVCL

An ISO 9001:2008 Certified Company

Board of Directors	**(As on 20-12-2019)**	**DIN**
Shri Pankaj Joshi, IAS	Chairman (till 30/08/2019)	01532892
Smt. Shahmeena Husain, IAS	Chairperson (w.e.f. 07/11/2019)	03584560
Ms. Dayalan Thara, IAS	Director (Woman) (till 29/07/2019)	01911714
Shri Shersingh B. Khyalia	Director (till 01/11/2019)	02470485
Shri Kiritkumar M. Bhuva	Director	07808731
Shri Chandrakant J. Macwan	Director	03596652
Shri P. H. Rana	Independent Director	00020411
Dr. S. K. Joshi	Independent Director	08262317
Prof. Sunil Sharma	Independent Director	06781655
Shri Rajesh Manjhu, IAS	Managing Director (till 31/08/2019)	06904033
Shri M. R. Kothari, IAS	Managing Director (w.e.f. 04/09/2019 till 21/11/2019)	01341286
Shri Tushar Y Bhatt, IAS	Managing Director (w.e.f. 21/11/2019)	08618658

Company Secretary

Shri K. M. Antani (up to 31/12/2018)
Shri V.M. Chavan (from 15/02/2019)

Senior Executives

Shri K. R. Shah	Sr. Chief General Manager (F&A) & CFO (till 30/09/2019)
Shri Sourav Nandy	CFO (From 13/12/2019 to 31/12/2019)
Shri H.R. Shah	Chief Engineer (Projects)
Ms Swati Parikh	I/c Chief Engineer (T & O)
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	India Overseas Bank
Corporation Bank	KarurVysya Bank	State Bank of India	

Auditors	**Secretarial Auditors**	**Cost Auditors**
M/s.JLN US &Co.	M/s. Sandip K. Shukla	M/s. Dalwadi & Associates
Chartered Accountant	Company Secretaries	Cost Accountant
Vadodara.	Vadodara.	Ahmedabad.

Registered Office

Sardar Patel Vidyut Bhavan
Race Course, Vadodara -390007.
Phone No. : (0265) 2310582 to 586
Fax No. : (0265) 2337918, 2338164
Website : www.mgvcl.com
e-mail : info.mgvcl@mgvcl.com
CIN : U40102GJ2003SGC042907

NOTICE

Notice is hereby given that the 16th 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 Friday, the 20th December, 2019 at 5.30 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, 2019, together with the Board's Report and Report of Auditors' thereon along with 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 2019-20 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 2019-20."

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 Dalwadi & Associates, Cost Accountants, Vadodara, (Firm Registration No.000338), 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, 2020, be paid remuneration of ₹ 67,500/- (Rupees sixty Seven thousand five hundred Only) per annum as cost audit fees inclusive of out of pocket expenses plus applicable GST;

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 any modification/s, the following Resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Authorized Share Capital of the Company be and is hereby increased from ₹ 500 Crores (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crore) Equity Shares of ₹ 10/- (Rupees Ten each only) each to ₹ 1000 Crores (Rupees One Thousand Crores only) divided into 100,00,00,000 (One Hundred

Crores) Equity Shares of ₹ 10/- (Rupees Ten each only) each"

"**RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and in its place, the following new Clause V be substituted:

Clause V:

The Authorized Share Capital of the Company is ₹ 1000 Crores (Rupees One Thousand Crores only) divided into 100,00,00,000 (One Hundred Crores) Equity Shares of ₹10/- (Rupees Ten) each."

By Order of the Board

Date : 18st December, 2019
Place : Vadodara

(V.M.Chavan)
Company Secretary

REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara – 390 007
CIN : U40102GJ2003SGC042907

NOTES:

1. **A member entitled to attend and vote at the 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.

ANNEXURE TO THE NOTICE

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

Item no. 3

The Board has approved the re-appointment of the Cost Auditors, M/s Dalwadi & Associates, Cost Accountants, Vadodara at a remuneration of ₹ 67,500/- (Rupees sixty Seven thousand five hundred Only) per annum as cost audit fees inclusive of out of pocket expenses plus GST for the financial year ending 31st March 2020.

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, 2020.

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 recommends the Ordinary Resolution set out in the Item No. 3 of the Notice for approval of the members.

Item no. 4

The Company was incorporated on 15th September, 2003 with an Authorized capital of ₹10 lac divided in to equity shares of Rs.10 each. The Authorized capital of the Company was increased from ₹ 10 Lac to ₹ 500 crores on 7th March, 2005. The Share capital allotted to the Company on opening Balance Sheet notified by the Government of Gujarat and equity share were allotted to Gujarat Urja Vikas Nigam Limited (GUNVL) from time to time. As on 30/09/2019, the issued share capital of the Company stands at Approximately ₹ 435.88 crores. The Company is receiving Capital contribution from GUVNL from time to time considering the ongoing Capital works. In view of the same the Authorized Capital is required to be increased substantially.

The Company cannot issue share beyond the Authorized capital of the Company. With a view to facilitating the issue of such Equity Shares to the GUNVL, the present Authorized Share Capital of ₹ 500 crores is required to be increased. Considering the Equity Share Capital to be issued to GUVNL from time to time in accordance with the capital contribution made by GUVNL, it is proposed to the Board to increase the Authorized Share Capital and Board of Directors at their meeting held on 13th December, 2019 approved increase of authorized share capital from existing ₹ 500 Crores divided into 50,00,00,000 Equity Shares of ₹ 10/- each to ₹ 1000 Crores divided into 100,00,00,000 Equity Shares of ₹ 10/- each. The increase in the Authorized Share Capital shall also necessitate the consequent amendment in Clause V of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 61 of the Companies Act, 2013, the increase in Authorized Share Capital and consequent amendment in Memorandum of Association shall be subject to the approval of Shareholders in the General Meeting. Hence, this Ordinary Resolution is put up for your approval.

The Company's Memorandum of Association is available for inspection of the Members at the Registered Office of the Company on any working day between 10.30 a.m. to 1.00 p.m. up to the date of the meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the Resolution.

The Board commends the Ordinary Resolution set out at item no.4 of the notice for approval of members.

By Order of the Board

Date : 18th December, 2019
Place : Vadodara

(V.M. Chavan)
Company Secretary

REGISTERED OFFICE:

Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara – 390 007
CIN : U40102GJ2003SGC042907

BOARD'S REPORT

To,
The Members,

Directors of your Company have great pleasure in presenting the 16th Annual Report of your Company together with the audited financial statements for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year 2018-19 and of the previous year are summarized below:

(₹ in lakhs)

Particulars	Financial year ended 31st March	
	2019	**2018**
Total Income	6,29,164.59	5,74,066.88
Profit before Depreciation, Interest and Tax	37,599.72	40,718.35
Depreciation	25,349.32	24,147.78
Interest and Finance Charges	5,954.11	6,055.32
Profit before Tax	6,296.29	10,515.25
Provision for Tax	444.28	1,210.81
Deferred Tax	2,538.75	-
Profit for the year after Tax	3313.26	9,304.44

TRANSFER TO RESERVES

No amount has been transferred to General Reserve for the financial year 2018-19. Profit after Tax of ₹ 3313.26 lakhs for the Financial Year 2018-19 has been carried to Retained Earnings in the Balance Sheet.

DIVIDEND

With a view to conserve the resources of the Company for future developments, the directors do not recommend dividend for the year under review.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

The financial year 2018-19 has remained a remarkable year for your Company. Some of the major highlights for the year 2018-19 are as under:

Financial Performance

- Revenue from Sale of power (excluding Electricity Duty, Power sold to GUVNL and UI Income) has increased to ₹ 5,952.01 crores during financial year 2018-19 from ₹ 5,284.26 crores in financial year 2017-18 showing increase of ₹ 667.75 crores.

- Per unit average rate of sales realization from consumers has increased to ₹ 5.95 per unit during financial year 2018-19 (excluding Electricity Duty, Power sold to GUVNL and UI Income) as compared to ₹ 5.69 per unit in financial year 2017-18.

- The profit for the year after tax during financial year 2018-19 levelled to ₹ 33.13 crores as compared to ₹ 93.04 crores in financial year 2017-18 showing decrease of ₹ 59.91 Crores.

Operational Performance:

- Units sold to Consumers registered to 10,004.36 Million Units during financial year 2018-19 as compared to 9,280.86 Million Units in financial year 2017-18.

- Overall distribution loss during financial year 2018-19 reduced to 9.98 % as compared to 10.63 % in financial year 2017-18.

- The Consumer base increased from 30.75 lakh to 31.72 lakh consumers.

- Transformer failure rate reduced from 3.74% to 3.42%.

- Power availability maintained at 99.98% (without load shedding).

- Under various normal development schemes, 185 HT Industrial, 368 LT MD, 16,864 NRGP and 66,733 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 2018-19. 1,33,202 connections were checked and 24,430 connections were detected for theft and mal-practice with total assessment of ₹ 3,435.38 lakhs and total recovery of ₹ 740.90 lakhs.

SHARE CAPITAL

The Authorized Share Capital of the Company as on 31/03/2019 is ₹ 500 crore. The subscribed capital of your Company as on 31/03/2019 stood at ₹ 425.50 crore.

The Company has allotted Equity shares by way of Right issues at premium during the year under review as under.

I) 1,083,333 no. of Equity Shares of ₹ 10/- each at premium of ₹ 62/- on 13/04/2018

ii) 15,514,232 no. of Equity Shares of ₹ 10/- each at premium of ₹ 62/- on 07/07/2018

iii) 8,218,450 no. of Equity Shares of ₹ 10/- each at premium of ₹ 70/- on 18/03/2019

Further, after the close of the Financial Year 2018-19, the Company has also allotted 1,03,82,882 nos. of Equity Share of ₹ 10 each as fully paid up at a premium of ₹ 70/- per share on right basis to GUVNL on 24/07/2019. Therefore, the paid up capital of the Company as on date of this report is ₹435.88 Crores.

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 Schemes to employees.

Your directors proposed to the members to approve increase the Authorized Share Capital from existing ₹ 500 Crores divided into 50,00,00,000 Equity Shares of ₹10/- each to ₹1000 Crores divided into 100,00,00,000 Equity

Shares of ₹ 10/- each. The increase in the Authorized Share Capital shall also necessitate the consequent amendment in Clause V of the Memorandum of Association of the Company.

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 86 such feeders were bifurcated under IPDS/DDUGJY.
- Conductor renovation of 774.13 KM was carried out under SKJY scheme.
- 644 transformers were installed under High Voltage Distribution System (HVDS) to reduce hooking in rural areas and to reduce the LT line losses on existing AG network.

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 Audit was also completed. Part-A Closure Report was submitted to PFC for conversion of loan in to grant.
  - Under Part- B of the said R-APDRP Scheme, projects for 13 towns were sanctioned, of which works of all 13 towns were completed. The closure report of all 13 towns was approved by PFC.
  - For Part-A SCADA/ DMS project in Vadodara City, the order has been placed on M/s. Chemtrol Industries and the implementation is under progress. M/s. Chemtrol has installed all the hardware / software at common centre and at Sub-stations. The hardware installations at RMU locations are completed. The project is completed in February, 2019 and third party audit by auditors appointed by PFC completed.
- **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 is completed. The expenditure booked is ₹ 373 crore. The closure report of the scheme is under submission.
- **DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY):**
  - Government of India has launched DeendayalUpadhyaya Gram JyotiYojana (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 crore. The work under DDUGJY is completed. The expenditure booked is ₹ 258 crore. The closure report of the scheme is under submission.

- **Government Of Gujarat (GoG) Scheme:**

Under State Government sponsored Scheme, 17,437 connections were released under Zupadpatti Vijalikaran Scheme and 8,396 connections were released in 'KutirJyoti Scheme' in tribal areas during the financial year 2018-19.

In Agriculture sector, electrification of wells carried out for-

- 5,987 wells under Special Project Agriculture (SPA) Scheme.
- 3,395 wells under Tribal Area Sub Plan (TASP) Scheme.
- 19 wells under Tatkal Scheme
- 1,070 wells under Dark Zone Area
- 6 wells in other scheme.
- 93 Wells in SC Ag. Scheme.

In tribal areas :

- Electrification carried out for 02 Petaparas under Tribal Area Sub Plan (TASP) and 48 connections under Scheduled Caste Sub Plan (SCSP) were provided.

IT INITIATIVES

- Web Application "IT Helpdesk and Asset Management System (I-HAMS)" has been developed and implemented. The system will help to track inventory and movement of all the IT assets across the Company. It will further work as a single window for reporting any IT assets/hardware related complaints in the system. The complaints can be tracked by the user, IT staff and AMC vendor till its resolution.

- Mobile based billing application rolled out across the Company for meter reading and implemented in all the sub-divisions of the Company.

- Intranet has been revamped with new look.

- Daily Activity Report (DAR) was modified with Team wise Master creation of DTR and Team wise DTR Maintenance activity, Complaint Monitoring. Automated pushing of complaint and feeder interruption data for CM dashboard. Slab wise consumer details as per GERC requirement for the year 2018-19.

- Energy Bill collection from end consumers through second payment gateway i.e. M/S Paytm has been integrated with billing without any third party service provider.

- Meter Data Acquisition System (MDAS) for HT & LT is developed for capturing real time meter data of High revenue Consumers.The open, standardized interfaces offer the utility a high degree of flexibility for analytical purpose of meter data. As per requirements of end Users modifications are implemented in the system. ASCII generation of selected HT consumers are done in MDAS and the same is uploaded in HT Billing successfully for Bill generation.

RENEWABLE ENERGY INITIATIVES

Installation of Solar systems in Grid connected AG connections for FY 2018-19 (Surya Shakti Kisan Yojana).

The Company has installed Solar System in 319 nos. existing grid connected AG connections on 10 nos. of Agriculture feeders during the year 2018-19 at an estimated expenditure of ₹ 50.25 cores. All the feeders declared as SKY feeder & supplied 12 hours power supply during day time.

DEMAND SIDE MANAGEMENT (DSM) :

- Distribution of pamphlets, on Energy Conservation, Safety issue and consumer grievances redressal procedure among residential consumers with energy bills.
- Celebration of Energy Conservation Day thereby inculcation mass awareness among consumers, employees, etc. through organizing rallies, exhibitions, distributing pamphlets etc.
- Camps were arranged for promoting and disseminating the features of Solar Pump set, Solar Home-Light Scheme, Energy Conservation and Safety.
- Teams of employee at Sub-Division level visited areas under their jurisdiction for educating people regarding Energy Conservation and Efficient usage of Energy.
- Various competitions like Debates, Essay, Slogan competition and Rangoli competition were organized on various topics related to Energy conservation & Energy Efficiency.
- 60,81,275 nos. of 9w LED bulb; 2,29,218 nos. of 20w Tube light and 98,591 nos. of energy efficient star rated fans have been distributed under UJALA Scheme of Ministry of Power, Government of India.
- A rally was organized by Baroda (O&M), Anand and Nadiad circles on 14/12/2018 with banners and play-cards displaying messages regarding energy conservation / efficiency and safety to create awareness and to inculcate sense of safety & usage of Energy Efficient appliances.

CUSTOMER SERVICES

Your Company continued its thrust towards improving customer services through continuous improvements in system and processes.

- Fully computerized 24x7 single window customer care center. Consumer can access any details like documents required for various process, information relating to metering and billing, new service connection, status of fill transformer, change of name etc. from toll free call center. The call center is multi-lingual, if required.
- SMS are forwarded to consumers providing information of bill amount, due date of payment, new connection / load extension registration, complaint registration and closing alerts and for shutdown / planned outages.
- Consumer Grievance Redressal Forum is in place as mandated by the Electricity Act, 2003 and regulations notified there under.
- The Company's website is regularly updated to make it more consumers friendly.
- All sub-division offices are equipped with PoS Machines to facilitate consumers to pay their energy bills through Debit/Credit Card.

AWARDS & ACHIEVEMENTS

During the FY 2018-19, the Company has been conferred following Awards & Ratings.

- Ministry of Power, Government of India, has accredited **A+**Rating to the Company. The Integrated Rating reflects the very high operational and financial health of the distribution entities based on the rating framework approved by Ministry of Power.

- Indian Chambers of Commerce has conferred 2nd rank to the Company under the category of UDAY PERFORMANCE AWARD based on the evaluation by Jury Panel.

- Independent Power Producers Association of India (IPPAI) has conferred 'Best Performing Distribution Company' as **Winner** under the nominated category.

REGULATORY MANAGEMENT

The petition for filing the true up for FY 2017-18 and Tariff determination for FY 2019-20 was filed before the Gujarat Electricity Regulatory Commission (GERC) on 29/11/2018 under the provisions of Section 62 of the Electricity Act, 2003 and regulations made there under. GERC had issued tariff order on 24/04/2019.The revised rates of tariff are effective from 1/05/2019.

OPEN ACCESS

Under the various provisions of state regulatory and legal framework, GUVNL (petitioner) along with MGVCL and other distribution utilities (co petitioners) 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.

GERC has issued Order on 31/03/2018 and decided the rate of additional surcharge as ₹ 0.69 /kWh leviable from the consumers of distribution utilities who avail power through open access from any source other than respective DISCOM for open access transaction for the period commencing from 01/04/2018 to 30/09/2018 and by Order dated 29/09/2018, determined the rate of additional surcharge as ₹ 0.44 /kWh open access transaction for the period commencing from 01/10/2018 to 31/03/2019.

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 2018-19, total 296.86 MUs were scheduled under open access transactions.

SAFETY

Following steps are being taken for safety to avoid accidents:-

- The Company has appointed Safety Officer to create awareness of safety amongst the line staff.

- Safety Officer visits the accident site for analyzing the reason of accidents and prepares the detailed investigation report and educates the staff regarding the lacuna resulting in accidents so that it can be prevented in future. Penalty against defaulter is imposed.

- Safety Officer visits the site for cross checking of usage of safety equipment's by the line staff during any line work. This also includes mock drill, case study and discussions regarding benefits of using safety appliances etc. with the line staff.

- Celebration of safety week in each sub division with competition and arranging a small drama, slogans, documentary etc.

- On every Monday all Sub-divisional heads address their line staff on safety.

- On the last Wednesday of every month at Division office, the concerned divisional head addresses the meeting with 4 line staff from each sub division. The divisional head sensitizes the line staff about use of safety appliances and adopting safe work practices through the audio/visual aids like short films, video clipping etc.

- All circle head arrange the meeting with at-least 2 line staff from each subdivision on last Wednesday of each quarter. Circle head also invite guest faculty and impart training to the line staff with use of audio/visual aids.

- Before the festival of Uttarayan/Ganesh Chaturthi/Navratri/Dipavali advertisements are given in media through newspapers, radio, television cable network etc. for creating awareness in the consumers for safe celebrations.

- Published advertisement with pictures in daily leading local newspaper for awareness regarding safety for general public as well as consumer.

- Advisory circulars are issued from time to time regarding implementation of safety measures for prevention of accidents and imposing penalty upon the defaulter staff.

- Activity of reactivation of earthing in case of existing transformers and providing of fencing around the transformer centre is taken up.

- Disc/ Internet cables are reoved from the distribution network for safety aspects.

- The work of replacement of old/detoriated conductors and verification of insulation of AB cable is taken up to avoid the conductor snapping and leakages of current.

- The work of cutting of tree branches at regular interval is done to avoid snapping of conductors due to falling of tree branches on line.

- Training is imparted to newly appointed staff as well as existing staff at regular intervals as per new revised Safety module training and refresher traing arranged for exsiting line staff.

- Prepared safety film on the theme of few actual accidents that occured during current year to show the employee how a minor lapess/error creates major occurance of the accident. So that employee can take care while working and prevents the accidents.

HUMAN RESOURCES

Your Company lays great emphasis on upgrading the skills of its Human Resources. Many need based training and development programs are organized to develop competency of employees and thereby enhance organizational effectiveness and productivity.

Your Company regularly interacts with the employee representatives to ensure cordial and harmonious employee employer relations. Due to positive work culture in the organization, no man days were lost during the year under review.

DIRECTORS

A. Changes in Directors and Key Managerial Personnel

- Shri Mitesh. B. Parikh (DIN 07086891) was ceased as Director of the Company w.e.f. 31/07/2018 on withdrawal of nomination by GUVNL.

- Pursuant to the provisions of Section 167(1)(b) of the Companies Act, 2013, the office of a Director by Shri Chandravadan Macwan (DIN 03596652) has become vacated effective from 15/09/2018.

- GUVNL by letter dated 23/10/2018 re-nominated him as Director of the Company pursuant to the provisions of Article 70 of the Articles of Association of the Company.

- As per the amendment in the Companies (Appointment and Qualification of Directors) Rules, 2014 vide Notification dated 05/07/2017 issued by the Ministry of the Corporate Affairs, the Company is exempted from the requirement of appointment of two Independent Directors being wholly owned subsidiary and public unlisted Company. However, as per letter No. GUV-1108-3747-K dated 05/10/2018 of Government of Gujarat received through GUVNL vide its letter No. GUVNL/CS/Ind. Directors/2018/560 dated 09/10/2018, for appropriate balance of skill, experience and knowledge in the Board, the Board has appointed Shri Praful H. Rana (DIN 00020411), Prof. Sunil Sharma (DIN 06781655) and Dr. Satishkumar Joshi (DIN 08262317) as Independent Directors (Additional Directors) effective from 06/11/2018 for a period of 02 consecutive years.

Since the 15th Annual General Meeting held on 26th December, 2018, the following changes were in the Directors and KMPs:

- Smt. D. Thara, IAS (DIN:01911714) ceased to be Director of the Company w.e.f. 29/07/2019 due to resignation consequent to her transfer in view of notification no. AIS/35.2019/19/G dated 23/07/2019 issued by General Administration Department, Sachivalaya, Gandhinagar, Govt. of Gujarat, relieving her at the disposal of Government of India for appointment as Joint Secretary, Ministry of Housing & Urban Affairs.

- Shri Pankaj Joshi, IAS (DIN:01532892) ceased to be Director and Chairman of the Company w.e.f. 30/08/2019 due to notice of resignation dated 30th August, 2019 in view of notification no. AIS/35.2019/30/G dated 30/08/2019 issued by General Administration Department, Sachivalaya, Gandhinagar, Govt. of Gujarat.

- Shri Rajesh Manjhu, IAS (DIN 06904033) resigned w.e.f. 31.08.2019 (AN) as Director and Managing Director of the Company, by letter dated 31/08/2019, consequent of transfer of IAS officer vide notification no. AIS/35.2019/30/G dated 30.08.2019 issued by GAD, Govt. of Gujarat.

- GUVNL vide letter No. GUVNL/CS/MG-MD/620 dated 04/09/2019 in terms of Notification No. AIS/35.2019/30/G dated 30.08.2019 issued by General Administration Department, Govt. of Gujarat appointed/nominated Shri M. R. Kothari, IAS (DIN-01341286) as Director and Managing Director of the Company vice Shri Rajesh Manjhu, IAS. He assumed charge as Director and Managing Director w.e.f. 04/09/2019.

- Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company and Controlling Shareholder vide its letter No. GUVNL/CS/DISCOMs/618 dated 03/09/2019 appointed/nominated Smt. Shahmeena Husain, IAS (DIN: 03584560), as Director of the Board of Directors w.e.f. 03/09/2019. She was also nominated as Chairperson of the Company by GUVNL vide letter no. GUVNL/CS/MG /653 dated 07/11/2019.

- Gujarat Urja Vikas Nigam Limited (GUVNL), the holding company, has withdrawn the nomination of Shri Shersingh B. Khyalia, (DIN:0247048) w.e.f. 01/11/2019 as a Director of pursuant to the provisions of Article 70 of the Articles of Association of the company.

- GUVNL vide letter No. GUVNL/CS/MG-MD/658 dated 21/11/2019 in terms of Notification No. AIS/35.2019/41/G dated 18.11.2019 issued by General Administration Department, Govt. of Gujarat appointed/nominated Shri T. Y. Bhatt, IAS as Director and Managing Director of the Company vice Shri M. R. Kothari, IAS transferred. In view of transfer notification, Shri M. R. Kothari, IAS resigned from the post of Director and Managing Director w.e.f. 21/11/2019. Shri T. Y. Bhatt, IAS assumed charge as Director and Managing Director of the Company w.e.f. 21/11/2019.

- The Board places on its record its appreciation of contribution and valuable services rendered by Shri. Pankaj Joshi, IAS, Shri Rajesh Manhju, IAS, Shri M. R. Kothari, IAS, Smt. D.Thara, IAS and Shri Shersingh B. Khyalia during their tenure as Directors on the Board of the Company.

- Shri. K. M. Antani, Company Secretary retired on superannuation on 31/12/2018. Thereafter, Shri. V. M. Chavan has been appointed as Company Secretary of the company w.e.f. 15/02/2019.

- Shri K. R. Shah, Sr. C.G.M. (F&A)/CFO retired on superannuation on 30/09/2019.

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 the FY 2018-19 as also from each newly appointed Independent Directors 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 Act.

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 performance of the committees was evaluated by the board after seeking inputs from the 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 was 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 also 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 are not applicable in view of the Gazette notification dated 05/06/2015 issued by Ministry of Corporate Affairs, Government of India.

E. Meetings of the Board and Committees thereof

Seven meetings of the Board of Directors were held during the financial year 2018-19 on 02/06/2018, 21/07/2018, 15/09/2018, 20/09/2018, 06/11/2018, 21/12/2018, and 25/02/2019.

Two meetings of the Audit Committee were held on 21/12/2018 & 25/02/2019.

A meeting of the Corporate Social Responsibility Committee was held on 21/12/2018.

The Independent Directors had their separate meeting on 20/03/2019 as mandated under the Companies Act, 2013. All IDs attended said meeting.

Details of the meetings attended by each Director / member during the financial year 2018-19 are as under.

Sr. No		Board Meeting	Audit Committee	Corporate Social Responsibility Committee
	Meetings Held	07	02	01
	Directors' Attendance			
1	Shri Pankaj Joshi, IAS, Chairman	07	NA	NA
2	Shri Rajesh Manjhu, IAS Managing Director	06	*01	01
3	Ms. D Thara, IAS Woman Director	00	NA	NA
4	Shri S.B Khyalia Director	06	NA	NA
5	Shri Kiritkumar M Bhuva Director	07	NA	NA
6	Shri C.J Macwan Director	02	01	NA
7	Shri M.B Parikh (Till 31.07.2018) Director	02	NA	NA
8	Shri Praful Rana Independent Director (From 06/11/2018)	02	02	01
9	Dr. Satishkumar Joshi Independent Director (From 06/11/2018)	02	01	01
10	Prof. Sunil Sharma Independent Director (From 06/11/2018)	01	01	00

*Shri. Rajesh Manjhu, IAS, Managing Director MGVCL has been attending Audit Committee Meeting as Special Invitee.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of its knowledge, belief and according to the information received, the Board of Directors confirms as under for the financial year 2018-19 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;

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 has been constituted as per the terms of reference, 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. There have been no instances where the recommendations of the Audit Committee were not accepted by the Board of Directors. Upon appointment of new Independent Directors, the Audit Committee has been reconstituted in the Board's 110th meeting held on 06/11/2018.

The Composition of Audit Committee as on 31/03/2019 is as under:

Shri Praful H. Rana	(DIN 00020411)	...	Chairman
Shri C.J. Macwan	(DIN 03596652)	...	Member
Dr. Satishkumar Joshi	(DIN 08262317)	...	Member
Prof. Sunil Sharma	(DIN 06781655)	...	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 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.

By Notification dated 13-Jul-2017, the Ministry of Corporate Affairs, Govt. of India amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Consequently, the Company has been exempted from the requirement of constituting an Audit Committee and a Nomination and Remuneration Committee of the Board being wholly owned unlisted Company.

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 and reporting. 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
- 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. The Annual Report on CSR activities for the financial year 2018-19 is attached as Annexure 'A' which forms part of this Report.

CSR Policy adopted by the Company is placed on the Company's website www.mgvcl.com.

Upon appointment of new Independent Directors, the CSR Committee has been reconstituted in the Board's 110th meeting held on 06/11/2018.

Composition of CSR Committee as on 31/03/2019 is as under:

Shri Rajesh Manjhu, IAS	(DIN-06904033)	...	Chairman
Shri Praful H. Rana	(DIN-00020411)	...	Member
Dr. Satishkumar Joshi	(DIN 08262317)	...	Member
Prof. Sunil Sharma	(DIN 06781655)	...	Member

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As required under the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism (Whistle Blower Policy). All employees of the Company and Directors on the Board of the Company are covered under the mechanism.

The Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at the link www.mgvcl.com

During the year, no complaint was received under Whistle Blower Policy.

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 forms part of this Report. MGVCL has placed Annual Return (MGT-9) on the website of company under heading Annual Reports.

RELATED PARTY TRANSACTIONS

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

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

INTERNAL FINANCIAL CONTROLS

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHOBITION 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. Your Company has set up an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment.

During the year under review, the Company had received one complaint and said was also disposed off.

REPORT ON ENERGY CONSERATION, 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 forms part of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

GERC by tariff order dated 24/04/2019 has determined retail tariff to be recovered for financial year 2019-20 from consumers. The rates are effective from 1st May 2019.

GERC vide order dated 31/03/2018 and 29/09/2018 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.

OTHER DISCLOSURES

a) The Company has not declared any dividend and therefore, there was no unpaid or unclaimed dividend and hence no disclosure is required to be made pursuant to the provisions of Section 125 of the Companies Act, 2013.

b) There was no change in the nature of business of the Company during the year.

c) 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.

d) The Company is engaged in distribution of power which is covered under the exemption provided under Section 186(11) of the Companies Act, 2013. Accordingly, the details of loan given, or guarantee or security given by the company is not required to be reported. The Company has not made any investment during the year.

e) The Company has no subsidiary or joint venture or associate company as defined under the Companies Act, 2013.

f) The Company being a Government Company is exempted as per Gazette notification dated June 05, 2015 issued by the Ministry of Corporate Affairs, Govt. of India, to furnish information as required under Section 197 of the Companies Act, 2013 read with the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

g) 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.

h) 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.

i) 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 elsewhere in this Report.

j) The Company has complied with the applicable Secretarial Standards.

AUDITORS:

A. Statutory Auditors:

The Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG), New Delhi. M/s. JLN US & Co., Chartered Accountants, Vadodara, were appointed as Statutory Auditors of the Company for the financial year 2018-19. They have audited the Financial Statements along with Balance Sheet for the Financial Year ended 31/03/2019 and submitted their report which forms part of this report. There is no qualification, reservation or adverse remarks in the Auditors Report.

The Comptroller & Auditor General of India (C&AG), New Delhi has also appointed M/s. JLN US & Co., Chartered Accountants, Vadodara as Statutory Auditors of the Company for the financial year 2019-20.

B. Secretarial Auditors:

Your Company has appointed M/s. Sandip K Shukla, Practicing Company Secretaries, Vadodara for conducting Annual Secretarial Audit for the year 2018-19 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 2018-19 which forms part of this report and is furnished as Annexure 'D'. The Secretarial Auditor Report does not contain any qualification, observation or adverse remarks.

C. 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 has appointed M/s Dalwadi & Associates,Cost Accountants, Vadodara, as Cost Auditor of the Company for the financial year 2018-19. The Cost Audit Report for the F.Y 2018-19 was filed with the Registrar of Companies on 27th September, 2019, within the stipulated time. The Cost Auditor Report does not contain any qualification, observation or adverse remarks.

The Board has appointed M/s Dalwadi & Associates, Cost Accountants, Vadodara, as Cost Auditors for the financial year 2019-20. As required under the provisions of the Companies Act, 2013, the Directors recommend their remuneration for the Financial Year 2019-20 for your ratification.

The Company has maintained the cost accounting records as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended by the Companies (Cost Records and Audit) Rules, 2017 and further amendments.

D. Auditors' Report on the Accounts

The comment of the Comptroller & Auditor General of India (C&AG) and Reply of the Management thereto form part of this Report and are attached as Annexure 'E'.

ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge the support, guidance and continued co-operation extended by Central Government, Government of Gujarat particularly Energy & Petrochemicals Department, Gujarat Electricity Regulatory Commission.

Your Directors gratefully acknowledge support and directions provided by the parent company, Gujarat Urja Vikas Nigam Ltd. Your Directors are also grateful to the Bankers, Financial Institutions, Suppliers and other business associates for their continued patronage and confidence in the Company.

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 better.

Your Directors wish to express its sincere appreciation to all employees for the valuable services and co-operation extended by them and are confident that they will continue to contribute their best towards achieving still better performance in future.

For and on behalf of the Board of Directors,

(Shahmeena Husain, IAS)
Chairperson
DIN : 03584560

Place : Vadodara.
Date : 18th December, 2019

ANNEXURE " A" TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2018-19.

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 as on 31/03/2019**
	1. Shri Rajesh Manjhu, IAS, … Managing Director …. Chairman 2. Shri Praful H. Rana, … Independent Director …. Member (From 06/11/2018) 3. Dr. Satishkumar Joshi … Independent Director …. Member (From 06/11/2018) 4. Prof. Sunil Sharma … Independent Director …. Member (From 06/11/2018) Upon appointment of new Independent Directors, the CSR Committee has been reconstituted in the Board's 110th meeting held on 06/11/2018.
3	**Average net profit of the Company for last three financial years** Average Net Profit (2015-16 to 2017-18) ₹ 6,451.29 Lakhs
4	**Prescribed CSR Expenditure** **(two percent of the amount as in item 3 above)** ₹ 129.03 Lakhs
5	**Details of CSR spent during the financial year**:- a) Total amount to be spent for the financial year … ₹ 129.03 lakhs b) Amount unspent, if any … ₹ 129.03 lakhs

C) Manner in which the amount spent during the financial year as given below :

(₹. in lakhs)

(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 was undertaken**	**Amount outlay (budget) project or programs wise (Estimated Cost)**	**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 though implementing agency**
1.	Modernization of Gotri Crematorium (For two financial years 2018-19 and 2019-20	Ensuring environmental sustainability, ecological balance, conservation of Natural Resources	Local Area Dahod District Gujarat	94.69	Nil Overhead Nil	Nil	Direct
	Total			94.69	Nil	Nil	

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 2018-19 was the 5th year for CSR activities under the Companies Act, 2013. During financial year 2018-19, the Company has identified and approved CSR project of ₹ 94.69 lakhs for modernization of Dahod crematorium which was approved by the CSR committee in its meeting held on 21/12/2018. The project was to be carried out by the Company on turnkey basis independently and therefore, the tendering process could be initiated in January, 2019. After due process and after completion of model code of conduct for general elections for Loksabha 2019, order could be placed in July, 2019 only and the project was not incepted during the said fiscal period. The contractor has not yet complied the terms and conditions of the tender documents and hence, the work is yet to be started. Further, the project execution period covers two years. The Company expects that said project will be completed in coming year. Hence, NIL expenditure was incurred towards CSR during FY 2018-19. As good corporate citizen, during last FY 2017-18, the Company had spent ₹ 97.04 lakhs towards CSR activities. The Company is in the process of exploring various options for CSR activities that can deliver the maximum impact to society. The Company is prudently selecting the projects and implementing the same in fulfilling CSR objectives. The Company plans accelerating the pace of its CSR spend in coming years through structured programmers and projects.
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 activities of the Company are in compliance with CSR objectives and CSR Policy of the Company.

(T. Y. Bhatt, IAS)
Managing Director
&
Chairman - CSR Committee
(DIN 08618658)

Vadodara
11th December, 2019

ANNEXURE "B" TO BOARD'S' REPORT

Form No.MGT-9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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) 2310583-86 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)

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	-	40,06,89,601	40,06,89,601	100	-	425,505,616	425,505,616	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):-	-	40,06,89,601	40,06,89,601	100	-	425,505,616	425,505,616	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	40,06,89,601	40,06,89,601	100	0	425,505,616	425,505,616	100	0.00
B. Public Shareholding	0	0	0	0	0	0	0	0	0.00
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) FIIs	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. (i) Indian (ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0.00
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**	40,06,89,601	40,06,89,601	**100**	**0**	425,505,616	425,505,616	**100**	**0.00**

(ii) Shareholding of Promoters

Sr. No	Share-holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	% of Shares Pledged / encumbered to total shares	
1	Gujarat Urja Vikas Nigam Limited, (holding Company) and its Nominees	**40,06,89,601**	100	-	**425,505,616**	100	Nil	Nil
	Total	**40,06,89,601**	100	-	**425,505,616**	100	Nil	Nil

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

Sr. No		No. of Shares	% of total shares of the Company
1	**Shareholding at the beginning of the year** Gujarat Urja Vikas Nigam Limited	**40,06,89,601**	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** 13/04/2018- ALLOTMENT 07/07/2018- ALLOTMENT 18/03/2019- ALLOTMENT	10,83,333 1,55,14,232 82,18,450	
	Cumulative Shareholding during the year	**425,505,616**	100%
	Shareholding at the end of the year	**425,505,616**	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	Not Applicable	
	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):		
	Cumulative Shareholding during the year		

(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
2	*Shri Pankaj Joshi, IAS	10	0.0	10	0.0
3	Shri Rajesh Manjhu, IAS	0	0.0	0	0.0
4	Ms. D. Thara, IAS	0	0.0	0	0.0
5	*Shri Shersingh B. Khyalia	10	0.0	10	0.0
6	Shri P. H. Rana w.e.f. 06/11/2018	0	0.0	0	0.0
7	Dr. S. K. Joshi w.e.f. 06/11/2018	0	0.0	0	0.0
8	Prof. Sunil Sharma w.e.f. 06/11/2018	0	0.0	0	0.0
9	Shri Chandravadan J. Macwan	0	0.0	0	0.0
10.	Shri Kiritkumar M. Bhuva	0	0.0	0	0.0
		0	0.0	0	0.0
	KEY MANAGERIAL PERSONNEL				
1	Shri Kamlesh R. Shah - CFO	10	0.0	10	0.0
2	Shri Ketan M. Antani - CS up to 31.12.2018	0	0.0	0	0.0
3	Shri Vitthal M Chavan- CS from 15.02.2019	0	0	0	0

*Shri. Pankaj Joshi, Shri Shersingh B. Khyalia and Shri. K. R. Shah hold shares as nominee of Gujarat Urja Vikas Nigam Ltd.

V INDEBTEDNESS

Indebtness of the company including intent outstanding / accrued but not due for payment. (₹ in lakhs)

Particulars	Secured Loans excluding deposits	UnSecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	11901.43	3184.06	0.00	15085.49
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	4307.37	162.38	0.00	4469.75
Total(i+ii+iii)	16208.80	3346.44	0.00	19555.24
Change in Indebtedness during the financial year				
Addition	317.00	2013.28	0.00	2330.28
Reduction	1951.89	515.99	0.00	2467.88
Net Change	**-1634.89**	**1497.29**	**0.00**	**-137.60**
Indebtedness at the end of the financial year				
i) Principal Amount	10480.92	4706.80	0.00	15187.72
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	4092.99	136.93	0.00	4229.92
Total (i+ii+iii)	**14573.91**	**4843.73**	**0.00**	**19417.64**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	MD- Shri Rajesh Manjhu, IAS	Total Amount (₹ in lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2)Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 19.72 1.97 0	 19.72 1.97 0
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - Others, specify…	-	-
5	Others, please specify	-	-
6	**Total (A)**	**21.69**	**21.69**
	Ceiling as per the Act	Not Applicable as Section 197 of Companies Act, 2013 shall not apply to Government Companies.	

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors									Total Amount (₹)
	Shri Pankaj Joshi	Shri Rajesh manjhu	Ms. D. Thara	Shri S. B. Khyalia	Shri C J Macwan	Shri K M Bhuva	Shri Praful Rana	Dr. S. K. Joshi	Prof. Sunil Sharma	
Independent Directors										
·Fee for attending Board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	35,000	25,000	15,000	75,000
·Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total(1)	Nil	Nil	Nil	Nil	Nil	Nil	35,000	25,000	15,000	75,000
Other Non-Executive Directors										
·Fee for attending Board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
·Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
·Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total(2)	0	0	0	0	0	0	0	0	0	0
Total(B)=(1+2)	-	-	-	-	-	-	35,000	25,000	15,000	75,000
Total Managerial Remuneration	-	-	-	-	-	-	35,000	25,000	15,000	75,000
Overall Ceiling as per the Act	**Not Applicable as Section 197 of Companies Act, 2013 shall not apply to Government Companies.**									

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CFO	Company Secretary		
		K. R. Shah	K M Antani (till 31.12. 2018)	V M Chavan (w.e.f. 15.02. 2019)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2)Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	38.79 - -	45.96 - -	1.35 - -	86.10 - -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
6	**Total**	38.79	45.96	1.35	86.10

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]	Appeal made, if any (give Details)
There are no cases if any penalty, punishment or compounding of offences under the Companies Act, 2013 and Rules made there under reported during 2018-19.					

For and on behalf of the Board of Directors,

(Shahmeena Husain, IAS)
Chairperson
DIN : 03584560

Vadodara.
18th December, 2019

ANNEXURE "C" 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 ratio for reduction of technical losses.
- Feeder bifurcation is being done to reduce line length with the aim of reduction in HT line loss and improvement in reliability of supply.
- Celebration of Energy Conservation Day thereby inculcation mass awareness among consumers, employees etc through organizing rallies, exhibitions, distributing pamphlets etc.
- Camps were arranged for promoting and disseminating the features of Solar Pump set, Solar Home-light Schemes, Energy Conservation and Safety.
- 60,81,275 nos. of 9 w LED bulb; 2,29,218 nos. of 20 w Tube light and 98591 nos. of energy efficient star rated fans have been distributed under UJALA Scheme of Ministry of Power, Government of India.
- Teams of employees at sub-division level visited areas under their jurisdiction for educating people regarding Energy Conservation and Efficient usage of Energy.
- A rally was organized by Baroda (O&M), Anand and Nadiad circles on 14/12/2018 with banners and play-cards displaying messages regarding energy conservation /efficiency and safety to create awareness and to inculcate sense of safety & usage of Energy Efficient appliances.
- Various competitions like Debates, Essay, slogan competition and Rangoli competition were organized on various topics related to Energy conservation & Energy Efficiency.

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

MGVCL has installed Solar System in 319 nos of existing grid connected AG connections on 10 Nos of Agriculture feeders during the year 2018-19 at an estimated expenditure of ₹ 50.25 crores. All the feeders declared as SKY feeder and supplied 12 HRs power supply during day time.

Your Company has implemented Solar Rooftop Programme very successfully by adopting single window clearance and streamlining of procedures with close monitoring centrally to optimize quick disposal of solar roof top applications with consumer friendly approach.

iii) The capital investment on energy conservation equipments:

Provisions have been made during FY 2018-19 for different energy conservation/ Demand side Management Scheme.

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.

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 lakhs**
Foreign Exchange Earned	Nil
Foreign Exchange Used (Actual Outflow) (a) Import of Capital Goods (b) Import of Fuel, Components, Stores and Spare Parts (c) Travelling, Subscription and Others	Nil

For and on behalf of the Board of Directors,

(Shahmeena Husain, IAS)
Chairperson
DIN : 03584560

Vadodara.
18th December, 2019

ANNEXURE "D" TO BOARD'S' REPORT
FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
Madhya Gujarat Vij Company Limited,
Sardar Patel VidyutBhavan, 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)** (hereinafter 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, 2019, 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 the Company having its registered office at Sardar Patel VidyutBhavan, Race Course, Vadodara - 390 007 for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the Rules made there under;
(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 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:

a) The Electricity Act, 2003,
b) The Gujarat Electricity Industry (Re-organization and Regulation) Act, 2003,
c) The 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

(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

The Company is a wholly owned subsidiary of a Government company. The Company is a Government Company under the provisions of the Act.

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. During the year under review, as per letter no. GUV-1108-3747-K dated 05/10/2018 of Government of Gujarat received through GUVNL vide its letter no. GUVNL/CS/Ind. Directors/2018/560 dated 09/10/2018, three independent directors have been appointed for period of two years.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance 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. Allotment of 10,83,333 Equity Shares of ₹ 10/- each for cash, at premium of ₹ 62/- per share, on rights basis on 13/04/2018 u/s 62 of the Act.

2. Allotment of 1,55,14,232 Equity Shares of ₹10/- each for cash, at premium of ₹ 62/- per share, on rights basis on 07/07/2018 u/s 62 of the Act.

3. Allotment of 82,18,450 Equity Shares of ₹ 10/- each for cash, at premium of ₹ 70/- per share, on rights basis on 18/03/2019 u/s 62 of the Act.

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

Place: Vadodara
Date: 20/11/ 2019

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.

Annexure -5

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

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Vadodara
Date : 20/11/2019

ANNEXURE "E" TO BOARD'S' REPORT

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013ON THE FINANCIAL STATEMENTS OF MADHYA GUJARAT VIJ COMAPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2019

Ref No: ES-I/HQ II/A/cs/MGVCL/2018-19/706 dated 13.12.2019

The preparation of financial statements of MADHYA GUJARAT VIJ COMPANY LIMITED for the year ended 31 March 2019 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 the 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 20 September 2019.

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 2019. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position

1. Equity and Liabilities,

Deferred Government Grants, Subsidies and Contribution (Note No.17) ₹1321.71 crore

A reference is invited to the Comments of the Comptroller and Auditor General (C&AG) of India under Section 143(6) of the Companies Act, 2013 on the financial statements of the Company for the year ended 31 March 2017 and 31 March 2018. The Company has changed the method of computing the grants/consumer contribution received against depreciable assets to be recognized in Statement of Profit and Loss from reducing balance method to the straight line method and consequently the rates at which grant is recognized in the Statement of Profit and Loss. The Company has determined that the change to recognize grants in proportion of the depreciation expenses is a change in accounting estimates and is to be applied prospectively."

As per paragraph No. 8.4 of AS-12, Grants related to depreciable assets are treated as deferred income which is recognized in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset. As per paragraph 17 of Ind AS 20, grantsrelated to depreciable assets are usually recognized in Profit or Loss over the periods and in the proportions in which depreciation expense on those assets is recognized.

The above change in method was made by the Company as there was a mismatch of the grants recognized in the Statement of Profit and Loss versus the related depreciation expense. Thus, the Company has changed the method of recognition of deferred income in order to align the recognition of deferred income with the related depreciation expense. As the provision for treatment of deferred income to be recognized in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset are same in AS-12 and Ind AS 20, the change was not mandated by Ind AS 20. **Hence, the Company changed the method in order to correct an error.**

Since the depreciable assets related to which grants/consumer contribution received have been capitalized in the books of accounts, the effect of such change should be worked out retrospectively and accounted for in the opening balance of Deferred Government Grants, Subsidies and Consumer contribution.

This has resulted in overstatement of retained earnings and understatement of balances of Deferred Government Grants, Subsidies and Consumer Contribution towards Capital Assets by ₹ 207.59 crore as at 31 March 2017.

Despite being pointed out in the years 2016-17 and 2017-18, no corrective action has been taken by the Company during the FY 2018-19.

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

(H.K. Dharmadarshi)
Principal Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date: 13.12.2019

Management Reply to the comment of the Comptroller and Auditor General of India received from AG Office, Ahmedabad under Section 143(6)(b) of the Companies Act, 2013 on the Accounts of the Madhya Gujarat Vij Company Limited, Vadodara for the year ended March 31, 2019

Comment of the Comptroller and Auditor General of India	Management Reply
A. Comments on Financial Position **1. Equity and Liabilities** **Deferred Government Grants, Subsidies and Contribution (Note No.17) ₹ 1321.71 crore** A reference is invited to the Comments of the Comptroller and Auditor General (C&AG) of India under Section 143(6) of the Companies Act, 2013 on the financial statements of the Company for the year ended 31 March 2017 and 31 March 2018. The Company has changed the method of computing the grants/consumer contribution received against depreciable assets to be recognized in Statement of Profit and Loss from reducing balance method to the straight line method and consequently the rates at which grant is recognized in the Statement of Profit and Loss. The Company has determined that the change to recognize grants in proportion of the depreciation expenses is a change in accounting estimates and is to be applied prospectively." As per paragraph No. 8.4 of AS-12, Grants related to depreciable assets are treated as deferred income which is recognized in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset. As per paragraph 17 of Ind AS 20, grants related to depreciable assets are usually recognized in Profit or Loss over the periodsand in the proportions in which depreciation expense on those assets is recognized. The above change in method was	C&AG's comment is on the financial position i.e. Balance Sheet, particularly Equity and Liabilities in relation to Deferred Government Grants, Subsidies and Consumer Contributions. At the outset, it may be pointed out here that, the subject matter of the comment has no impact on the profitability of the Company for FY 2018-19. Also, the subject matter of the comment does not/would not have any impact on the profitability of the Company in the future financial years also. It is emphasized here that, Deferred Government Grants, Subsidies and Consumer Contributions is a deferred income and not a deferred liability, as can be noted from Balance Sheet presentation where this is reflected right before liabilities are presented. Deferred Government Grants are a part of the Company's Net Worth as this is already earned and any income recognition through Statement of Profit & Loss each year, only has the ultimate impact of reducing Deferred Government Grants' balance and increasing the Retained Earnings. There is no change in the Net Worth of the Company. Hence, there is no impact on the financial position in terms of the Net Worth of the Company. However, having said the above, as communicated earlier, C&AG's contention that the change in method of recognition of Grants in Profit & Loss Statement from Reducing Balance Method (WDV) to Straight Line Method (SLM) was to correct an error. This in-fact is completely in contradiction to the audited financial statements of the earlier years noting compliance with the relevant accounting standards in each year. The Grants recognized is an income for the Company which have been deferred to be recognized over the period of the related depreciable assets on a systematic basis as per the applicable Accounting Standards. The grants were and are being recognized in the Statement of Profit & Loss based on a systematic method as accepted to be relevant and compliant with Accounting Standard–AS 12 including the new Accounting Standard–IndAS 20. This compliance with Accounting Standards was noted by the auditors including C&AG in each year. Even, the current method used as a systematic basis, has been noted by the auditors as well as by C&AG to be in compliance with Accounting Standards and hence has no impact on the profitability of the Company. C&AG's view is that the change in the method (although the changed method is in compliance with the accounting standards), needs to be applied retrospectively, as the changed method is a correction of an error. This change is not a change in Accounting Policy but a change in Method i.e. a change in Accounting Estimate. It may be further pointed out that, as per Ind-AS, the use of reasonable estimates is an essential part of the preparation of Financial Statements and does not undermine their reliability. An estimate may need

made by the Company as there was a mismatch of the grants recognized in the Statement of Profit and Loss versus the related depreciation expense. Thus, the Company has changed the method of recognition of deferred income in order to align the recognition of deferred income with the related depreciation expense. As the provision for treatment of deferred income to be recognized in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset are same in AS-12 and Ind AS 20, the change was not mandated by Ind AS 20. **Hence, the Company changed the method in order to correct an error.** Since the depreciable assets related to which grants/consumer contribution received have been capitalized in the books of accounts, the effect of such change should be worked out retrospectively and accounted for in the opening balance of Deferred Government Grants, Subsidies and Consumer contribution. This has resulted in overstatement of retained earnings and understatement of balances of Deferred Government Grants, Subsidies and Consumer Contribution towards Capital Assets by ₹ 207.59 crore as at 31 March 2017. Despite being pointed out in the years 2016-17 and 2017-18, no corrective action has been taken by the Company during the FY 2018-19.	revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not a correction of an error. Hence, the Company is of the firm view that the change from WDV Method to SLM Method for recognition of Govt. Grants is perfectly appropriate in terms of generally accepted Accounting Principles - both Ind-AS and previous GAAP & therefore cannot be construed as a correction of error by any means. Notwithstanding our view as above, based on C&AG's comment in FY 2016-17 & FY 2017-18, the Company has inserted a detailed disclosure in the Notes to the Financial Statements of FY 2018-19 indicating the impact of the change on the financial statements. As can be noted from the disclosure, there is no impact on the profitability of the Company nor is there any impact on the Net Worth of the Company.

For and on behalf of the Board of Directors,

(Shahmeena Husain)
Chairperson
DIN : 03584560

Vadodara.
18th December, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of
MADHYA GUJARAT VIJ COMPANY LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Madhya Gujarat Vij Company Limited ('the company'), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

The Company is governed by the provisions of the Electricity Act, 2003 read with the rules and regulations issued there-under. The section 129 of the Companies Act, 2013, also provides that the special Acts like Electricity Act, 2003 will apply to the extent the provisions of the Companies Act, 2013 are inconsistent with provisions of those Acts. Accordingly, the standalone financial statements of the Company for the year 2018-19 is compiled and reported.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for the expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure I', a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by the Directions/Sub-directions under section 143(5) of the Companies Act, 2013, we give in the 'Annexure II', a report on compliance thereof.

3. As required by section 143 (3) of the Act, based on our audit, 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 it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) According to the Notification No. G.S.R. 463(E) dated 05/06/2015 issued by Government of India, the provisions of section 164(2) of the Companies Act, 2013 are not applicable to the Company.

f) According to the Notification No. G.S.R. 463(E) dated 05/06/2015 issued by Government of India, the provisions of section 197(16)) of the Companies Act, 2013 are not applicable to the Company.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure III'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) 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, as amended, in our opinion and to the 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 standalone financial statements- refer to Note 42 to the standalone financial statements.

ii. The Company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For JLN US & Co.
Chartered Accountants
Firm Registration No. : 101543W

CA. Abhishek Nagori
Partner
Membership No. : 107954

Place: Vadodara
Date : 20/09/2019
UDIN: 19107954AAAAOW3859

'Annexure I' to the Independent Auditor's Report

The Annexure referred to in paragraph 1under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report to the members of Madhya Gujarat Vij Company Limited on the standalone financial statements for the year ended 31st March, 2019

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of the Company's fixed assets:

(a) The Company has generally maintained proper records of fixed assets showing location of assets as Sub-Division. However, exact locations are not mentioned.

(b) As explained to us, certain fixed assets have been physically verified by the management at reasonable intervals and as informed to us no material discrepancies were noticed on such verification.

(c) The details in respect of title deeds of immovable properties are as under:

Balance Transferred from erstwhile Gujarat Electricity Board (GEB) on 1st April, 2005-

Government of Gujarat, vide Notification No. GHU–2006 –91– GUV – 1106-590 K dated 3rd October, 2006 notified the final opening Balance Sheet of the 7 Companies as on 1st April, 2005 whereby certain assets and liabilities of the erstwhile Gujarat Electricity Board (GEB) has been transferred to the Company, MGVCL. As informed to us, the company has received value of Land & Land Rights of ₹ 154.37 Lakhs and building and other civil work of ₹ 1842.09 Lakhs as on 1st April 2005 vide the said notification.

The above balance of Land & Land Rights and building include ₹ 116.99 Lakhs and ₹ 104.25 Lakhs respectively taken over from Vadodara Municipal Corporation vide Order No. GU / 88 / 9 /LBM / 1185 / 4503 / K dated 5th March, 1988.

The above balances have been transferred from erstwhile Gujarat Electricity Board (GEB) vide notification and as informed to us, the procedure for the registration and / or transfer in the name of the Company is under progress.

Land & Land Rights Purchased / Acquired on or after 1st April, 2005-

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. The company has acquired Land & Land Rights Purchased / Acquired on or after 1st April, 2005 for ₹ 2508.00 Lakhs (₹372.95 Lakhs through acquisition mode and ₹ 2135.05 Lakhs as lease from Government agencies).

However, as informed to us, the company has letter of Allotment from Government agencies, Municipal Tax and possession receipts for respective lands butdoes not have any registered sale deed/ transfer deed/ conveyance deed in respect of Land & Land Rights Purchased / Acquired on or after 1st April, 2005.

Building Constructed / Acquired on or after 1stApril, 2005-

(d) As per the information and explanations given to us, all the existing buildings of the Company are constructed (not purchased) on the land either acquired/purchased by the Company itself or allotted by erstwhile GEB and its group Companies.

(ii) The Management of the Company has conducted physical verification of the inventory at the year end and no material discrepancies were noticed on such verification.In our opinion, the frequency of verification is reasonable.

(iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, Clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2019. Accordingly, the provisions of the Clause 3 (v) of the Order are not applicable to the Company.

(vi) The Central Government has prescribed the maintenance of cost records for the Company under Sub-section (1) of section 148 of the Act. Accordingly, the Company has appointed firm of Cost Accountant for the preparation of cost records. We have however not made detailed examination of records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income- Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Value Added Tax, Cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income- Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Value Added Tax, Cess and other material statutory dues, were in arrears as at 31stMarch, 2019, for a period of more than six months from the date they became payable.

c) As per notification of the Gujarat Electricity Industry (Reorganization and Regulation) Act 2003, the Statutory liability which may arise in regard to the dealings before the date of transfer shall vest in the Company and therefore we are unable to comment on whether there are any unpaid dues on account of dispute in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Duty of Customs and Duty of Excise;

d) According to the information and explanations given to us, dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Service Tax, which have not been deposited by the Company on account of pending disputes during the year under audit are given in following table:

(₹ in Lakhs)

Sr. No.	Name of the statue	Nature of dues	Amount (₹ in Lakhs)	Period to which amount relates	Forum where dispute is pending
1	Income Tax, 1961	Income Tax	1430.11	A.Y. 2016-17	The Commissioner of Income Tax (Appeals) -II, Vadodara
2	Income Tax, 1961	Income Tax	1277.23	A.Y. 2015-16	The Commissioner of Income Tax (Appeals) -II, Vadodara
3	Income Tax, 1961	Income Tax	581.03	A.Y. 2014-15	The Commissioner of Income Tax (Appeals) -II, Vadodara
4	Income Tax, 1961	Income Tax	1100.06	A.Y. 2013-14	The Commissioner of Income Tax (Appeals) -II, Vadodara
5	Income Tax, 1961	Income Tax	544.85	A.Y. 2008-09	The Commissioner of Income Tax (Appeals) -II, Vadodara
6	Income Tax, 1961	Income Tax	271.27	A.Y. 2008-09	The Commissioner of Income Tax (Appeals) -II, Vadodara
7	Income Tax, 1961	Income Tax	1477.64	A.Y. 2013-14	Income Tax Appellate Tribunal, Ahmedabad
8	Service Tax	Service Tax	264.95	F.Y.2010-11 to F.Y. 2014-15	CESTAT, Ahmedabad
9	Service Tax	Service Tax (Penalty)	95.27 5.02	F.Y. 2015-16	CESTAT, Ahmedabad
10	Service Tax	Service Tax	95.32	April 2016 to June 2017	Under process for filing of appeal before CIT (Appeal)
11	Service Tax	Service Tax (Penalty)	350.52 350.52	F.Y. 2012-13 to F.Y. 2016-17	CESTAT, Ahmedabad

(viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions, banks, Government 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.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). However, according to information and explanations given to us, the Company has applied the term loans for the purposes for which they were obtained.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to Notification No. G.S.R. 463 (E) dated 05.06.2015 issued by Government of India, the provision of Section 197 of the Companies Act, 2013 are not applicable to the Company. Accordingly, Clause 3 (xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi company and hence, reporting under Clause 3 (xii) of the Order is not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.

(xv) During the year, the Company has not made any preferential allotment or private placement of share or fully or partly paid convertible debentures and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanation given to us, during the year the Company has not entered into any non – cash transactions with its directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(ix) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For JLN US & Co.
Chartered Accountants
Firm Registration No. : 101543W

Place: Vadodara
Date : 20/09/2019
UDIN: 19107954AAAAOW3859

CA. Abhishek Nagori
Partner
Membership No. : 107954

"ANNEXURE II" TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report to the members of Madhya Gujarat Vij Company Limited on the standalone financial statements for the year ended 31st March, 2019

Report under Section 143(5) of the Companies Act, 2013

For the Financial Year 2018-19

Sr. No.	Directions/Sub-directions	Response/Remedial Measures
A. Directions		
1	Whether the Company has system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any, may be stated.	The company is having IT system in place for processing all accounting transactions. Based on our verification, no accounting transaction is being recorded / processed other than through the IT system in place.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debt / loan / interest etc. made by a lender to the Company due to Company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us, there is no restructuring of an existing loan and there are no cases of waiver / write off of debt / loan / interest made by a lender to the company due to company's inability to repay the loan.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	To the best of our knowledge and according to the information and explanations given to us, Government of Gujarat (GoG) disburses Capital Grant and subsidies in the form of different scheme for the distribution network infrastructural development in the rural and urban areas. Every year Government gives targets for implementation of various schemes. On the basis of data derived from MIS reports obtained from technical department of MGVCL, amount for physical targets achieved under various schemes are finalised. Accordingly, scheme wise Certificates for Grant Utilisation are prepared and submitted to the Holding Company GUVNL for necessary submission with GoG. During the year company has properly accounted for and utilised the funds received in the form of Grant / Subsidies as per its terms and condition and no deviation is found in our observation so far.

Sr. No.	Directions/Sub-directions	Response/Remedial Measures
B. Sector specific Sub-directions		
1	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect financial interest of the company?	The company has neither entered into any agreements with franchise for distribution of electricity nor for revenue sharing.
2	Report on the efficacy of the system of billing and collection of revenue in the company.	The Company comprises two categories of consumers i.e. HT and LT consumers: The HT category consumers are billed and maintained at divisional level. The meter readings are collected by the Deputy / Junior Engineers physically visiting the premises. Moreover, the high valued consumer's connections are equipped with AMR based meters, which are monitored regularly from division offices by engineers and also readings are fetched from those meters for the monthly billing purpose. Meter reading activity, bill preparation and serving of bill is carried out regularly from 15th to 18th of the month for normal consumers. In case of open access consumers, billing is done on the 1st of the every month by division offices. The billing activity of LT category consumers are mainly bifurcated in two parts, i.e. monthly billing (low tension high valued customers) and bi-monthly billing (LT residential and other low valued category consumers). The billing activity is carried out by trained meter readers. The billing activity of LT consumers are carried out between 20th and 10th of the next month. The bills are served to the consumers on the spot only, by the meter readers. Such spot billing method results into saving in time, money and energy and also entails early realization of revenue by 5-7 days. Also, the company has initiated the GPRS mobile based spot billing, in which the energy bills are calculated automatically through computerized program and calculated bill data are transferred through GPRS based servers to mobile PDA of meter readers and a print out of calculated bill is generated and served to the consumer on the spot, which ensures the correctness of energy bill calculations. As explained by the management, the company has initiated the process of endowing the mobile PDA GPRS based devices of all the Sub-Divisions. Moreover, to ensure the correctness of meter readings, every month the meter readers are interchanged within one Sub-Division, i.e. if a meter reader has carried out the meter reading activity in a particular area this month, then in next month other meter reader will be performing the billing activity of that particular area. This ensures automatic cross verification of opening and closing meter readings. To improve the efficacy of collection of revenue, the company has made arrangements in system so that any consumer of any sub division can pay his energy bill at any sub division / division / circle / corporate office. Moreover, company has provided collection rights to post offices, private cash collection agencies, e-gram panchayats and also has provided facility of any time payment (ATP Kiosks and various ATMs of Banks). Also company has provided online payment options on its website as well as on various banks and payment wallets websites, where consumers can pay their bills online from any place through Credit Card / Debit Card / Net banking facilities. The Company also conducts disconnection drives, arranges for the LOK-ADALATs for pending disputed arrears regularly to improve collection efficacy.

3	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured	Company has installed 28,27,095 numbers of tamperproof static meters out of total 31,71,931 numbers of consumers as on 31-03-2019 (89.12%). The details of installations of tamper proof static meters for various categories of consumers is as below:

Category of consumer	No. of Consumers	No. of Electro-Mechanical Meters	No. of Electronic Meters (Static)	% of Static Meters Installation
Residential	26,30,978	2,87,559	23,43,419	89.07%
GLP	24,554	-	24,554	100.00%
LT Industrial and Commercial	3,17,951	31,262	2,86,689	90.16%
HT Industrial	2,222	-	2,222	100.00%
Public Lighting	8,206	-	8,206	100.00%
Agriculture	1,65,792	26,015	1,39,777	84.31%
Public Water Works	22,228	-	22,228	100.00%
Total	**31,71,931**	**3,44,836**	**28,27,095**	**89.12%**

From the above table, it is clear that tamperproof static meters have been installed for all consumers (100%) in case of consumer's category GLP, HT Industrial, Public Lighting and Public Water Works consumers. In case of Residential consumers, the process of replacing the existing electro mechanical meters with tamperproof meters is continued and 23,43,419 Nos. of tamperproof static meters have been installed out of total 26,30,978 Nos. of Residential consumers.

Further, in case of Agricultural consumers, 26,015 Nos. are of the category of AG unmetered consumers, for which GERC has ordered separate Flat rate HP based tariff.

In order to ensure accuracy of billing, company has taken the following measures: -

1. It is ensured that all the meters (either Static or Electro-Mechanical) are properly housed and covered by Metal Meter Boxes or by SMC Boxes. Also, this boxes are sealed with a specialized plastic seals to avoid direct access to the basic meters.
2. The company's meter readers, who used to take regular visits of consumers installations during their regular spot billing programs, are instructed to examine and observe the physical status of meters especially for reporting as to broken seals, tampered meter boxes, faulty meters, burnt meters, zero consumption meters, over consumption meters, locked premises etc. on regular basis for reporting to their concerned sub divisional heads. On the basis of meter readers report, the corrective actions are immediately initiated by the Deputy Engineer of concerned sub division to ensure accuracy of metering.
3. The Company also arranges surprise theft checking drives periodically and the meter installations are being checked for tampering. Sub-divisional theft drives are done twice in a week, to ensure the minimum theft of electricity. Mostly the areas comprising of high loss feeders are targeted.

4	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	Yes, based on approval of FPPCA formula by GERC on quarterly basis, the additional FPPCA charges are levied or rebate is given in subsequent billing cycles to all the consumers. The FPPCA additional charges are being assessed through computerized system and are duly debited / refunded in consumers account. The FPPCA being a tariff item, the additional charges calculated is also accounted automatically along with other tariff items in the books of accounts. Moreover, the additional FPPCA charges are being proportionately calculated from its date of effectiveness.
5	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be 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?	During the year, the following tariff subsidies have been recognized in the books of accounts as per budgetary allocation made by GOG as per details as under: (see table below) The GUVNL, on behalf of MGVCL deals with the GoG in respect of subsidy claims (except primary schools). The claim of subject subsidies (except Primary Schools) is reported and presented in the books of GUVNL itself and hence we are not able to comment on the short fall of subsidy, if any.

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	GERC Tariff compensation	10,278.67
2	FPPPA Subsidy	21,464.49
3	Water Works Subsidy	8,145.47
4	H.P. Based Subsidy	7,387.46
5	Relief to Primary Schools	700.92
	Total	**47977.01**

For JLN US & Co.
Chartered Accountants
Firm Registration No. : 101543W

Place: Vadodara
Date : 20/09/2019
UDIN: 19107954AAAAOW3859

CA. Abhishek Nagori
Partner
Membership No. : 107954

'Annexure III' to the Independent Auditor's Report

The Annexure referred to in paragraph 3(g) under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report to the members of Madhya Gujarat Vij Company Limited on the standalone financial statements for the year ended 31st March, 2019

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Madhya Gujarat Vij Company Limited ('the Company') as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

1. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

2. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by The Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control

over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

6. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

7. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JLN US & Co.
Chartered Accountants
Firm Registration No. : 101543W

CA. Abhishek Nagori
Partner
Membership No. : 107954

Place: Vadodara
Date : 20/09/2019
UDIN: 19107954AAAAOW3859

Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipments.	2	3,38,278.99	3,21,154.94
(b) Capital work-in-progress.	3	4,504.26	4,383.63
(c) Intangible assets.	2	730.65	1,569.31
(d) Financial Assets.			
(i) Loans.	4	2,026.19	2,062.11
(ii) Other Financial Assets.	5	3,867.83	1,903.31
(e) Other non-current assets.	6	1,562.71	1,634.52
Total Non-current Assets		**3,50,970.63**	**3,32,707.82**
(2) Current Assets			
(a) Inventories.	7	20,001.82	17,506.59
(b) Financial Assets.			
(i) Trade receivables.	8	35,638.00	33,776.07
(ii) Cash and cash equivalents.	9	7,552.34	10,312.15
(iii) Loans.	10	820.86	903.95
(iv) Other Financial assets.	11	87,521.37	72,625.44
(c) Current Tax Assets (net).	12	2,772.83	1,412.88
(d) Other current assets.	13	402.12	1,226.00
(e) Assets classified as held for sale.	14	46.06	46.06
Total Current Assets		**1,54,755.40**	**1,37,809.14**
Total		**5,05,726.03**	**4,70,516.96**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital.	15	42,550.56	40,068.96
(b) Other Equity.	16	1,59,208.82	1,41,988.99
Total Equity		**2,01,759.38**	**1,82,057.95**
Deferred Government Grants, Subsidies & Contributions.	17	1,32,171.47	1,25,942.10
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities.			
(i) Borrowings.	18	13,099.50	13,259.79
(ii) Other Financial liabilities.	19	91,334.36	80,523.37
(b) Provisions.	20	16,196.99	14,758.71
(c) Deferred tax liabilities (Net).	21	1,390.98	-
(d) Other Non Current Liabilities.	22	9,345.97	6,708.17
Total Non-current Liabilities			
(2) Current Liabilities		**1,31,367.80**	**1,15,250.04**
(a) Financial Liabilities.			
(i) Borrowings.	23	608.49	1,161.59
(ii) Trade payables.	24	119.49	127.84
- Due to Micro enterprises and Small enterprises		-	-
- Due to other than Micro enterprises and Small enterprises		119.49	127.84
(iii) Other Financial liabilities.	25	37,562.46	41,890.50
(b) Other current liabilities.	26	638.75	2,433.34
(c) Provisions.	27	1,498.19	1,653.60
(d) Current Tax Liabilities (net).	28	-	-
Total Current Liabilities		**40,427.38**	**47,266.87**
Total		**5,05,726.03**	**4,70,516.96**
Refer accompanying notes forming part of Financial Statements.	**1-51**		

As per our report of even date attached
For JLNUS & Co.
Chartered Accountants
FRN : 101543W

Abhishek Nagori
Partner
Membership No. : 107954
Place : Vadodara.
Date : 20th September, 2019.

For and on behalf of the Board
Shahmeena Husain, IAS
Chairperson
DIN : 03584560

M.R.KOTHARI, IAS
Managing Director
DIN :01341286

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

V.M. Chavan
Company Secretary

Place : Vadodara.
Date : 20th September, 2019.

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	INCOME			
I	Revenue from operations	29	6,14,620.98	5,60,683.33
II	Other income	30	14,543.61	13,383.55
III	**Total income (I+II)**		**6,29,164.59**	**5,74,066.88**
IV	**EXPENSES**			
	Purchase of Power	31	5,35,816.32	4,77,129.82
	Employee Benefits Expense	32	43,366.66	42,873.57
	Finance Costs	33	5,954.11	6,055.32
	Depreciation and amortisation expense	2	25,349.32	24,147.78
	Other Expenses	34	12,381.89	13,345.14
	Total expenses (IV)		**6,22,868.30**	**5,63,551.63**
V	Profit before exceptional items and tax (III-IV)		**6,296.29**	**10,515.25**
VI	Exceptional items		-	-
VII	**Profit before tax (V-VI)**		**6,296.29**	**10,515.25**
VIII	Tax expense:			
	(a) Current tax	35	444.28	1,210.81
	(b) Deferred tax	35	2,538.75	-
IX	**Profit for the year (VII-VIII)**		**3,313.26**	**9,304.44**
X	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Re-measurement of the defined benefit plans		(3,284.61)	(5,480.13)
	- Tax impact		1,147.77	-
	Total of Other comprehensive income (OCI) (X)		**(2,136.84)**	**(5,480.13)**
XI	**Total comprehensive income for the year (IX+X)**		**1,176.42**	**3,824.31**
XII	Earnings per equity share:			
	(Basic (in ₹) (Refer note no.36)		0.80	2.41
	Diluted (in ₹)		0.80	2.41
	See accompanying notes to the Financial Statements	1-51		

As per our report of even date attached
For JLNUS & Co.
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V.M. Chavan
Company Secretary

Place : Vadodara.
Date : 20th September, 2019.

Cash Flow Statement for the year ended 31st March, 2019

(₹ in lakhs)

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax.	6,296.29	10,515.25
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation.	25,349.32	24,147.78
	Gain on sale of PPE (net).	(8.41)	(3.74)
	Deferred Income Written Back.	(12,134.31)	(11,164.71)
	Finance costs.	5,954.11	6,055.32
	Waiver of delayed payment charges.	227.36	17.74
	Impairment for Doubtful receivables.	391.79	526.83
	OCI.	(3,284.61)	(5,480.13)
	Interest on Income tax.	-	-
	Working capital adjustments:		
	(Increase) / Decrease in Current Assets:		
	Inventories.	(2,495.23)	(1,656.01)
	Trade receivables.	(2,481.08)	(6,777.26)
	Other financial assets.	(16,741.44)	(34,962.74)
	Other non financial assets.	895.19	(797.54)
	Increase / (Decrease) in Current Liabilities:		
	Trade Payables.	(8.35)	77.05
	Other Financial Liabilities.	6,570.05	16,083.31
	Other non Financial Liabilities & Provisions.	2,126.10	3,049.10
	Gain/Loss on Exceptional items		
	Income tax (paid) / Refund.	(1,804.24)	(3,768.57)
	Net cash flows from operating activities (A)	**8,852.54**	**(4,138.32)**
[B]	**Investing activities**		
	Purchase of property, plant and equipment (including CWIP).	(41,750.96)	(38,380.14)
	Sale of fixed assets.	3.57	1,191.08
	Bank Balances not considered as Cash and Cash Equivalents.		
	Net cash flows used in investing activities (B)	**(41,747.39)**	**(37,189.06)**
[C]	**Financing activities**		
	Proceeds from Issue of Shares / Share Application Money.	18,525.01	21,731.94
	Deferred Government Grants, Subsidy & Contributions.	18,363.68	30,235.49
	Proceeds / (Repayment) from borrowing (net).	(661.79)	(827.03)
	Interest & financial charges.	(6,091.86)	(6,268.36)
	Net cash flows from / (used in) financing activities (C)	**30,135.04**	**44,872.04**
[D]	**Net increase in cash and cash equivalents (A+B+C)**	**(2,759.81)**	**3,544.67**
	Cash and cash equivalents at the beginning of the year.	10,312.15	6,767.48
	Cash and cash equivalents at year end	**7,552.34**	**10,312.15**

Notes:

1	**Cash & Bank Balances consists of the following:** **Cash & Cash Equivalents**		
	a. Balances with Banks.	5,978.23	8,955.20
	b. Cash on hand.	1.34	1.41
	c. Others.	1,572.77	1,355.54
	Closing Cash & Cash Equivalents	**7,552.34**	**10,312.15**
2	The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 "Cash Flow Statement") prescribed under the Companies (Accounting Standards) Rules, 2015.		
3	Previous Year figures have been regrouped wherever necessary.		

As per our report of even date attached
For JLNUS & Co.
Chartered Accountants
FRN : 101543W

Abhishek Nagori
Partner
Membership No. : 107954
Place : Vadodara.
Date : 20th September, 2019.

For and on behalf of the Board

Shahmeena Husain, IAS
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K.R. Shah
Sr. Chief General Manager (F&A) & CFO

V.M. Chavan
Company Secretary

Place : Vadodara.
Date : 20th September, 2019.

Statement of Changes in Equity for the year ended on 31st March, 2019

Equity Share Capital

(₹ in lakhs)

Particulars	Amount
Balance as on 1st April, 2017	36,925.71
Changes during the year	3,143.25
Balance as on 31st March,2018	40,068.96
Changes during the year	2,481.60
Balance as on 31st March,2019	**42,550.56**

Other Equity

(₹ in lakhs)

Particulars	Share Application Money	Reserves and Surplus		Total
		Retained Earnings	Securities Premium	
Balance as at 31st March, 2017	-	**30,560.97**	**89,015.02**	**1,19,575.99**
Profit for the year.	-	9,304.44		9,304.44
Other comprehensive income for the year (net of Tax).	-	(5,480.13)	-	(5,480.13)
Total Comprehensive Income for the year	-	**3,824.31**		**3,824.31**
Addition during the year.			18,588.69	18,588.69
Share issued during the year.	-			-
Balance as at 31st March, 2018		**34,385.28**	**1,07,603.71**	**1,41,988.99**
Profit for the year.	-	3,313.26		3,313.26
Other comprehensive income for the year (net of Tax).	-	(2,136.84)		(2,136.84)
Total Comprehensive Income for the year	-	**1,176.42**	-	**1,176.42**
Addition during the year.	-		16,043.41	16,043.41
Share issued during the year.	-	-	-	-
Balance as at 31st March, 2019	-	**35,561.70**	**1,23,647.12**	**1,59,208.82**

As per our report of even date attached
For JLNUS & Co.
Chartered Accountants
FRN : 101543W

Abhishek Nagori
Partner
Membership No. : 107954
Place : Vadodara.
Date : 20th September, 2019.

For and on behalf of the Board
Shahmeena Husain, IAS
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V.M. Chavan
Company Secretary

Place : Vadodara.
Date : 20th September, 2019.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information and Significant Accounting Policies

1.1 Corporate information

Madhya Gujarat Vij Company Limited ('MGVCL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Sardar Patel Vidyut Bhavan, Race Course, Vadodara 390007. The Company is mainly engaged in distribution of power. The Principal places of business are located in Gujarat, India.

Pursuant to the enactment of the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, Government of Gujarat (GoG) has issued various notifications, resolutions and Transfer Schemes for vesting of the assets, liabilities, proceedings and personnel from erstwhile Gujarat Electricity Board (GEB) to the GoG and then to revest the same into initially six companies i.e. one Generation Company, one Transmission Company and four Distribution Companies (Thereinafter referred to as Successor Companies). Madhya Gujarat Vij Company Limited is one of these Companies, registered under the provisions of Companies Act, 2013. (Herein after referred to as Successor Company).

On reorganization of GEB by the GoG, the shares issued to and allotted in the name of GEB were transmitted w.e.f. 1st April, 2005, by operation of law, in the name of Gujarat Urja Vikas Nigam Limited (GUVNL), a Company promoted by Government of Gujarat (GoG) to carry out the residual functions of erstwhile GEB.

Consequent on such transmission and transfer of shares to GUVNL and its nominees, the entire share capital of the Company is held by GUVNL and the Company has become the wholly owned subsidiary of GUVNL, a Government Company within the meaning of the Companies Act, 2013.

GoG issued notification No. : GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006 notifying the final opening balance sheet of the Company as on 01.04.2005 containing the value of the assets and liabilities of the distribution activities which stand transferred from erstwhile GEB to the Company as specified in Annexure-F appended to the notification.

1.2 Application of new Indian Accounting Standard

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on April 1, 2019 and therefore, the company shall apply the same with effect from that date.

Recent accounting pronouncements:

a) Ind AS-116 – Leases: The Standard replaces the existing Ind AS 17 "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the financial statements on adoption of Ind AS 116 is being evaluated by the Company.

b) Other Amendments:

Several other Indian Accounting Standards have been amended on various issues with effect from April 1, 2019. The following amendments are relevant to the company

(i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 23 "Borrowing Costs"- Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(iv) Ind AS 28 "Investments in Associates and Joint Ventures"- Application of Ind AS 109 "Financial Instruments" to long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture;

(v) Ind AS 103 "Business Combination" - Re-measurement of previously held interests when an entity obtains control of a business that is a joint operation;

(vi) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments;

(vii) Ind AS 111 "Joint Arrangements"- Non-remeasurement of previously held interests when an entity obtains joint control of a business that is a joint operation;

None of these amendments are expected to have any material effect on the Company's financial statements.

1.3 Significant accounting policies:

i) Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended except in so far as the said provisions are inconsistent with the provisions of the Electricity Act, 2003.

ii) Basis of measurement

These financial statements are prepared in accordance with Ind ASs, under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value/amortized cost/net present value at the end of each reporting period; as explained in the accounting policies below. These accounting policies have been applied consistently over all periods presented in these financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated. Claims of suppliers/contractors for price variation are accounted for on its acceptance.

Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

iii) Property, Plant & Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress.

PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use the "carrying value" as the deemed cost of such property, plant and equipment.

Capital work -in - progress includes the cost incurred on PPE that are not yet ready for the intended use and is capitalized whenever ready for use. All directly attributable expenditures are allocated to the projects on pro rata basis to the accretion made to respective projects. However, directly attributable expenditure of Corporate Office and field offices are allocated to Capital work – in – progress at the predetermined rate having regard to amount of directly attributable expenditure incurred during the year.

Land and Buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land is not depreciated.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

Property Plant & Equipment's also includes service equipment's, at the time of initial recognition the Company classifies these items as inventory. Subsequently these items are classified either in Property, Plant and Equipment through Capital Work in Progress or capitalised as service equipment.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Directly attributable costs are capitalised until the asset is ready for use in accordance with the Company's accounting policy of capitalisation.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

Depreciation

Depreciation of these PPE commences when the assets are available for use.

The Company, being engaged in electricity 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 charges depreciation on straight line method at the depreciation rates, the methodology and the residual value as prescribed in GERC (MYT) Regulations, 2016, also considering useful life estimated by the management.

The rates/range of depreciation of property, plant and equipment are as follows:

Assets Description	**Percentage**
Buildings	3.34%
Hydraulic Works	5.28%
Other Civil Works	3.34%
Plant & Machinery	5.28%
Lines & Cable Net-Work	Up to 5.28%
Vehicles	9.50%
Furniture-Fixtures & Electric Light & Fan Installations	6.33%
Office Equipments	6.33%
Computers	15%

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions, except low value items not exceeding Rs 5000/- which are fully depreciated at the time of addition. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful life, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.
Leasehold land is amortised over the period of lease.

iv) Intangible Assets Acquired

Intangible Assets with finite useful life are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The Intangible Assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. The Company charges depreciation on Computer Software on straight line method at the depreciation rate of 30%, as per the methodology and residual value in accordance with GERC (MYT) Regulations, 2016.

An Intangible Asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between net disposal proceeds and carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

The Company charges amortization on Computer Software on straight line method as per the methodology and residual value in accordance with GERC (MYT) Regulations, 2016.

v) Impairment of tangible and intangible assets

The company reviews at each reporting period 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 reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vi) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

vii) Government Grant and Consumer Contribution

Government grants (including subsidies) are not recognized until there is reasonable assurance that it will be received and the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for the cost of an asset and contributions by consumers towards items of property, plant and equipment, which require an obligation to provide grid connectivity to the consumers are initially set up as deferred income and recognized in profit or loss on a systematic basis over the period and in proportions of depreciation expense of the assets. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and shown separately.

viii) Inventories

The inventories of the Company have been valued on following basis:

(a) Stores and Spares – At Cost (Weighted Average Method) or Net Realizable Value, whichever is lower.

(b) Scrap - at estimated Net Realizable Value (Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses)

Inventory consists of stock of items which are used interchangeably for capital expenditure or for regular repairs and maintenance purposes. Since ultimate use of such stock items are indeterminate at the initial recognition, the Company classifies such items as inventory. These items are classified subsequently either in Property, Plant and Equipment through Capital Work in Progress / as service equipment or expense in the Statement of Profit and Loss as and when it is so used.

ix) Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Contract assets are recognized when there is right to consideration in exchange for goods or services that are transferred to a customer and when that right is conditioned on something other than the passage of time. Contract assets are classified as unbilled receivables (only act of invoicing is pending) as per contractual terms.

Revenue from sale of power

Revenue from sale of power (including Deviation Settlement Mechanism (Unscheduled Interchange)) is recognised on accrual basis for energy supplied in accordance with the tariff orders awarded by Gujarat Electricity Regulatory Commission (GERC) as applicable.

Surplus power, sold to GUVNL is accounted on the basis of credit notes / Invoices.

Miscellaneous revenue from consumers

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.

Other income

Income in respect of delayed payment charges (except for cases where suits are filed in the court) is accounted on the basis of actual realization of late payment against outstanding energy bills.

Amount in respect of unclaimed / undisputed Security Deposit, Earnest Money Deposit, Deposit of Temporary Consumers and Miscellaneous Deposit of suppliers and contractors which is pending for more than three years and which, in the opinion of management is not payable, is considered as income.

Revenue Subsidies as allocated by GUVNL (Holding Company) are accounted on accrual basis and credited to Profit & Loss account.

Income from sale of scrap are accounted for on the basis of actual realization.

Discount received is considered as a financing transaction and hence the same is recognised as other income.

Claims lodged with the Insurance Company in respect of risks covered are accounted for as and when the claim is received.

Other Incomes are recognized on accrual basis except when ultimate realization of such income is uncertain.

x) Leases

Leases (including lease arrangements of land) are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Operating Lease (the Company as Lessee): Lease payments under an operating lease are recognised as expense in the Statement of Profit and loss, on a straight line method or other systematic basis over the lease term.

xi) Employee Benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment, compensated absences and retirement benefits.

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plans

Retirement benefit plans in the form of provident fund, pension fund and superannuation schemes are charged as an expense on an accrual basis when employees have rendered the service.

Defined benefit plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long term employee benefits

Other long term employee benefit comprises of leave encashment. The leave benefits are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

xii) Taxes on Income

Income tax expense represents the sum of the current tax expense and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Current and Deferred Tax for the year

Current and deferred tax are recognized in Statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

xiii) Borrowing Costs

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

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

xiv) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

xv) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

xvi) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xviii Segment Reporting

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

xviii) Events Occurring After The Reporting Period

Material adjusting events (that provides evidence of condition that existed at the end of reporting period) occurring after the end of reporting period are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the end of reporting period) occurring after the end of reporting period that represents material change and commitment affecting the financial position are disclosed in the financial statements.

xix) Financial Instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except when the effect is immaterial. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

Financial Assets
Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets (including investments) are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets (including investments) are subsequently measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

Impairment of Financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

Further for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e expected credit loss allowance as computed based on historical credit loss experience

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

Financial liabilities and equity instruments
Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities at amortized cost

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

xx) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the course of applying the policies outlined in all notes under note 1 above, the management of the Company are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical judgments and Estimates in applying accounting policies

The following are the critical judgements and estimations, that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Useful life of property, plant and equipment [2]

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation/transmission/distribution of electricity business is determined by the CERC/GERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, other than the assets of generation/transmission/distribution of electricity business which are governed by CERC/GERC Regulations, and are adjusted prospectively, if appropriate.

(b) Evaluation of directly attributable costs [2]

The Company capitalizes the directly attributable costs to bring the Property, Plant and Equipment into the location and condition necessary for it to be capable of operating in the manner intended by the management. In assessing the directly attributable costs other than borrowing costs, the management has exercised judgment to evaluate a number of factors including the resources applied for direct construction related activity, enabling activities, ordinary operations of the Company, level of construction related activity compared to company's operating activity, consideration of the costs charged to external parties for similar works undertaken as well as experience of group companies engaged in distribution business. Based on this assessment and particularly considering experience across the group companies engaged in distribution business, the management estimates a capitalisation rate of directly attributable costs to be applied on the expenditures on the relevant assets. The management reviews this capitalization rate on a periodic basis and any change in the rate is applied prospectively.

(c) Evaluation of indicators for impairment of Property, Plant and Equipment [2]

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

(d) Regulatory deferral accounts [1]

Ind AS - 114 "Regulatory Deferral Accounts" permits the Company to apply the requirements of this standard in its first Ind AS financial statements if and only if it conducts rate-regulated activities and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the Company had consistently elected not to recognize the regulatory deferral balances in its previous GAAP, the requirement of IND AS 114 does not apply to the Company.

(e) Security deposits [2]

Considering the historical experience and practical expediency, the Company has exercised its judgement on timing of settlement of security deposit related to energy billed collected from the customers and has accordingly classified the material portion of security deposit as non-current liability or current liability as the case may be.

(f) Impairment of Trade receivables [2]

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note no. 8.2

(g) Deferred tax assets [2]

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(h) Government Grants, Subsidies and Consumer Contribution [1 2]

(a) The grants i.e. revenue subsidies are not recognized until there is reasonable assurance that the Company will receive the grants and will comply with the conditions attached to them. Management judgement is required to determine when reasonable assurance is attained, based on historical experience of receipts including the quantum of aggregation, approved budget estimates of Government of Gujarat, likely timing and consideration of claim acceptance/rejection. Based on this assessment, the Company judges that in the case of revenue subsidies, there is reasonable assurance of complying with the conditions and receiving the subsidies as approved in the budget estimates of every year and the remaining subsidies which are receivable/claimable would be recognized when reasonable assurance is attained.

(b) The Company is required to recognize grants/consumer contribution that compensate the cost of assets to profit or loss on a systematic basis considering the amount of periodic consumption of the assets. This is based on the assessment of the present status of, and expected future benefits from the assets. The Company recognizes grants and consumer contributions that compensate the cost of an asset in the Statement of Profit and Loss on the basis of straight line method and consequentially the rates at which grant/consumer contribution is recognised in income.

(i) Defined benefit obligation (DBO) [2]

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(j) Contingent liabilities [2]

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

[1] **Critical accounting judgments**
[2] **Key sources of estimation uncertainties**

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars /Assets	TANGIBLE													
	Free Hold Land	Buildings	Hydraulic works	Other Civil works	Plant & Machinery	Lines & Cable Net Works	Vehicles	Furniture & Fixtures & Ele. Lightings	Office Equipments	Computer	Total	Computer Softwares	Total	Grand Total
GROSS BLOCK														
At 1st April, 2017	527.32	5,020.40	6.41	2,304.30	68,480.79	2,64,749.72	258.48	916.50	641.70	6,760.91	3,49,666.53	4,085.29	4,085.29	3,53,751.82
Additions	0.00	593.82	0.00	311.63	6,458.85	33,886.20	79.83	30.56	31.25	88.51	41,480.65	0.00	0.00	41,480.65
Deduction/Adjustments	0.00	0.00	0.00	0.00	1,364.17	0.00	0.00	8.45	0.00	0.00	1,372.62	0.00	0.00	1,372.62
At 31st March, 2018	527.32	5,614.22	6.41	2,615.93	73,575.47	2,98,635.92	338.31	938.61	672.95	6,849.42	3,89,774.56	4,085.29	4,085.29	3,93,859.85
Additions	0.00	276.06	0.00	44.99	7,857.73	33,162.05	46.77	75.13	16.95	150.20	41,629.87	0.00	0.00	41,629.87
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	437.62	6.40	0.00	0.00	0.00	444.02	0.00	0.00	444.02
At 31st March 2019	**527.32**	**5,890.28**	**6.41**	**2,660.92**	**81,433.20**	**3,31,360.35**	**378.68**	**1,013.74**	**689.90**	**6,999.61**	**4,30,960.41**	**4,085.29**	**4,085.29**	**4,35,045.70**
ACCUMULATED DEPRECIATION														
At 1st April 2017	0.00	362.97	1.80	141.03	8,166.02	32,793.09	44.74	147.10	75.27	2,112.58	43,844.60	1,677.32	1,677.32	45,521.92
Charge for the year	0.00	212.97	0.90	92.54	4,613.65	18,815.13	31.59	87.15	45.37	1,061.00	24,960.30	838.66	838.66	25,798.96
Deduction/Adjustments	0.00	0.00	0.00	0.00	185.27	0.00	0.00	0.01	0.00	0.00	185.28	0.00	0.00	185.28
At 31st March 2018	0.00	575.94	2.70	233.57	12,594.40	51,608.22	76.33	234.24	120.64	3,173.58	68,619.62	2,515.98	2,515.98	71,135.60
Charge for the year	0.00	230.31	0.47	95.60	4,858.07	18,092.45	38.50	79.28	44.29	1,071.69	24,510.67	838.66	838.66	25,349.32
Deduction/Adjustments	0.00	0.00	0.00	0.00	23.62	424.66	0.58	0.00	0.00	0.00	448.86	0.00	0.00	448.86
At 31st March 2019	**0.00**	**806.25**	**3.17**	**329.17**	**17,428.85**	**69,276.00**	**114.25**	**313.52**	**164.93**	**4,245.27**	**92,681.42**	**3,354.64**	**3,354.64**	**96,036.06**
Net Block														
At 31st March, 2018	527.32	5,038.28	3.71	2,382.36	60,981.07	2,47,027.70	261.98	704.37	552.31	3,675.84	3,21,154.94	1,569.31	1,569.31	3,22,724.25
At 31st March, 2019	**527.32**	**5,084.03**	**3.24**	**2,331.75**	**64,004.35**	**2,62,084.35**	**264.43**	**700.22**	**524.97**	**2,754.34**	**3,38,278.99**	**730.65**	**730.65**	**3,39,009.64**

2.a The immovable properties, which have been transferred to company are held in the name of GEB erst or Vadodara Mahanagar Seva Sadan (VMSS). The procedure for the registration and /or transfer in the name of the Company is under process.

2.b Certain premises of the Company have been given on lease. The Company does not have any information regarding its gross block, depreciation block and net block and hence disclosure for leased out property have not been given separtely as required as per Revised Schedule-VI. Further, as per the nature of fixed assets regrouping of assets under different heads has been done in line with Books.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 3 CAPITAL WORKS-IN-PROGRESS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital works-in-progress.	4,504.26	4,383.63
TOTAL	**4,504.26**	**4,383.63**

3.1 The bifurcation of total capital work-in-progress is as under:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Plant & Machinery	696.92	710.46
Lines & Cable Network	2788.78	2693.54
Other Misc Capital Work in progress	1,018.56	979.62
TOTAL	**4504.26**	**4383.63**

3.2 The Company has evaluated the directly attributable cost capitalisation rate for the current financial year ended 31 March 2019 and applied this to the expenditure on the relevant assets and the total expenditure thus capitalized during the current financial year is ₹ 5820.10 lakhs (P.Y. ₹ 4743.63 lakhs) .

3.3 Borrowing costs amounting to ₹18.02 Lakhs (P.Y. ₹ 99.83 Lakhs) has been capitalized during the year. Interest rate of 9.00% (P.Y.9.00%) is considered for capitalization.

NOTE NO. : 4 LOANS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured, Considered Good		
Loans to Staff	2026.19	2,062.11
Un-Secured, Considered Good		
Loans to Staff		
TOTAL	**2026.19**	**2,062.11**

Loans to staff are secured by way of hypothecation of house / four wheeler /two wheeler for which the loans have been given.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 5 OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Considered Good		
Interest Accrued But Not Due on Staff Loans	1,866.71	1,766.00
Other Recoverables	57.66	57.66
Interest Accrued & Due on Staff Loans	94.08	30.64
Unsecured Considered Good		
Loan Recoverable from SKY consumer	1,786.13	-
Deposits with Others	63.25	49.01
TOTAL	**3,867.83**	**1,903.31**

NOTE NO. : 6 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances to Suppliers / Contractors	-	0.50
Other Deposits.	104.77	104.77
Pre-Payments Leasehold Land	1,457.94	1,529.25
TOTAL	**1,562.71**	**1,634.52**

NOTE NO. : 7 INVENTORIES

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Stores , Spares and Scrap		
Stock of materials at stores.	14,822.01	11,799.34
(Net of provision for non moving stock of Rs. 33.54 lakhs, 31st March,2018 ₹ 50.72 lakhs)		
Materials at Site (O&M).	1,160.06	872.48
Materials in Transit.	44.81	73.93
Other Materials Accounts.	3,974.94	4,760.84
Materials Stock Pending Investigation.	231.62	232.46
Less : Provision for Stock Pending Investigation.	(231.62)	(232.46)
TOTAL	**20,001.82**	**17,506.59**

(a) Committed 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.

(b) For basis of valuation Refer Note no. 1-Accounting Policy clause no. 1.3-(viii).

NOTE NO. : 8 TRADE RECEIVABLES (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured Considered Good*		
Trade Receivable for Sale of Power	34,539.50	33,929.67
Less : Allowance for bad and doubtful debts (refer note - 8.2 below)	(866.70)	(1,028.16)
	33,672.80	**32,901.51**
Less : Doubtful E D	(1,411.84)	(1,442.43)
Less : Unposted Receipts	(1.76)	(0.38)
(A)	**32,259.20**	**31,458.70**
Credit impaired		
Dues from Permanently Disconnected Consumers	13,112.05	13,265.99
Trade Receivable for Misc. Receipts from Cons.	3,010.47	2,651.50
Less : Allowance for bad and doubtful debts (refer note - 8.2 below)	(12,743.72)	(13,600.12)
(B)	**3,378.80**	**2,317.37**
TOTAL	**35,638.00**	**33,776.07**

* Receivables have been secured to the extent of Security Deposit as reflected note no. 19 as well as bank Guarantee received from the respective consumers.

8.1 Age of receivables: (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Less than or equal to 6 months.	27,146.81	27,932.16
More than 6 months.	23,515.21	21,915.01
TOTAL	**50,662.02**	**49,847.17**

8.2 Trade Receivable for sale of power includes the Provision for unbilled revenue in respect of the bills issued upto 31st March, 2019 amounting to ₹ 464.63 Lakhs (P.Y. ₹ 443.18 Lakhs).

The Company assesses expected credit loss to be provided for from its customers by using a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience and the ageing of the receivable balances.

Generally, the credit period on sales of electrical energy is 10 to 25 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

Committed 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 9 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks.	5,978.23	8,955.20
Cheques on Hand.	952.29	859.37
Cash on Hand.	1.34	1.41
Remittance in Transit.	614.15	480.63
Other Bank Balances – Deposits with Banks.	6.33	15.54
TOTAL	**7,552.34**	**10,312.15**

NOTE NO. : 10 LOANS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Considered Good		
Loans to staff	563.95	587.53
Unsecured Considered Good		
Other Loans And Advances	256.91	316.42
TOTAL	**820.86**	**903.95**

Loans to staff are secured by way of hypothecation of house / four wheeler /two wheeler for which the loans have been given.

NOTE NO. : 11 OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Considered Good		
Interest Accrued & Due on Staff Loans	113.56	129.86
Amount recoverable from Staff	23.83	35.03
Loan Recoverable from SKY consumer	210.91	-
Subsidy Receivable from Government	1,089.40	1,075.21
Unbilled Revenue	17,766.75	17,207.36
Deposits	258.98	262.32
Other Recoverable	100.00	103.41
Receivables from Gujarat Energy Training & Research Institute (GETRI)	9.54	41.29
Receivable from Holding Company GUVNL	67,948.40	53,770.96
TOTAL	**87,521.37**	**72,625.44**

The balances of fellow subsidiary companies have been transferred to GUVNL (Holding Company) after due reconciliation and confirmation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 12 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Tax Assets		
Tax Refund Receivable.	13,193.46	11,389.23
Current Tax Liability		
Income Tax Payable.	(10,420.63)	(9,976.35)
TOTAL	**2,772.83**	**1,412.88**

NOTE NO. : 13 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured Considered Good		
Prepaid Expenses	-	36.36
Postage stamp & stamped agreements on hand	6.79	6.33
Advances for O&M Supplies/Works	103.80	148.93
Electricity Duty Recovered in Advance by Govt. of Gujarat	192.83	963.07
Service Tax Demand	27.39	-
Pre-Payments Leasehold Land	71.31	71.31
TOTAL	**402.12**	**1,226.00**

NOTE NO. : 14 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Obsolete / Scrap Assets	46.06	46.06
TOTAL	**46.06**	**46.06**

In respect of all such assets of the Company classified as "Assets classified as held for sale", the management is of the opinion that the NRV of the same is higher than their net carrying value due to very old assets and upward trend in the scrap market. In view of this the Company does not recognise any impairment loss in the Statement of Profit & Loss.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 15 EQUITY SHARE CAPITAL

a. Equity share capital consist of the following :

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Share Capital		
Equity Share Capital		
Authorised Share capital		
50,00,00,000 (P.Y.: 50,00,00,000) Equity Shares each of ₹ 10 each.	50,000.00	50,000.00
Issued		
425,505,616 (P.Y. 400,689,601) Equity Shares of ₹10/- each fully paid	42,550.56	40,068.96
Subscribed & Paid up		
425,505,616 (P.Y. 400,689,601) Equity Shares of ₹ 10/- each fully paid	42,550.56	40,068.96
TOTAL	**42,550.56**	**40,068.96**

b. A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:

Particulars	No. of Shares	Share Capital (₹ in lakhs)
As at 1st April,2017	36,92,57,067	36,925.71
Additions/(Reductions)	3,14,32,534	3,143.25
As at 31st March,2018	40,06,89,601	40,068.96
As at 1st April,2018	**40,06,89,601**	**40,068.96**
Additions/(Reductions)	2,48,16,015	2,481.60
As at 31st March,2019	**42,55,05,616**	**42,550.56**

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

All the 42,55,05,616 nos. of Equity Shares (Previous year 40,06,89,601) are held by Gujarat Urja Vikas Nigam Limited, the holding company & its Nominees.

d. Shares in the company held by share holders holding more than 5% is as under:

Particulars	As at 31st March, 2019	
	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its Nominees	**42,55,05,616**	**100%**

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2019	
	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its' Nominees.	**40,06,89,601**	**100%**

e. Right, preferences and restrictions attached to shares :

The company has only one class of equity shares. For all matters submitted to vote on a poll 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 voting right in proportion to his share in the paid up Equity Share Capital of the Company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

NOTE NO. : 16 OTHER EQUITY

16.1 Other equity consists of the following: **(₹ in lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities Premium Account.	1,23,647.12	1,07,603.71
Retained Earnings.	35,561.70	34,385.28
TOTAL	**1,59,208.82**	**1,41,988.99**

16.2 Particulars relating to Other Equity: **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Share Application Money		
Opening Balance.	-	-
Add : Increase during the year.	-	-
Lees : Share Issued during the year.		
(A)	-	-
Securities Premium Account		
Opening Balance.	1,07,603.71	89,015.02
Add : Increase during the year.	16,043.41	18,588.69
(B)	1,23,647.12	1,07,603.71
Retained Earnings		
Opening Balance.	34,385.28	30,560.97
Add: Net profit after tax transferred from Statement of Profit & Loss	3,313.26	9,304.44
Add : Other comprehensive income arising from re-measurement of defined benefit obligation net of Income tax.	(2,136.84)	(5,480.13)
(C)	35,561.70	34,385.28
TOTAL	**1,59,208.82**	**1,41,988.99**

NOTES TO THE FINANCIAL STATEMENTS

16.3 Details of Reserves:

Equity Securities Premium Account

Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the act.

NOTE NO. : 17 DEFERRED GOVERNMENT GRANTS, SUBSIDIES & CONSUMER CONTRIBUTIONS (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Government grants & subsidies towards cost of Capital Assets.	71,791.05	70,304.87
Consumer Contribution towards Capital Assets.	60,380.42	55,637.23
TOTAL	**1,32,171.47**	**1,25,942.10**
Refer Note no. 46		

Particulars	As at 31st March, 2019	As at 31st March, 2018
Government grants & subsidies towards cost of Capital Assets.		
Opening Balance.	70,304.87	56,268.54
Add : Received during the year (Net)	8,077.12	20,268.83
Less: Written back to P&L account	(6,590.94)	(6,232.49)
Closing Balance	**71,791.05**	**70,304.87**
Consumer Contribution towards Capital Assets		
Opening Balance.	55,637.22	50,602.78
Add : Received during the year (Net)	10,286.56	9,966.66
Less: Written back to P&L account	(5,543.36)	(4,932.21)
Closing Balance	**60,380.42**	**55,637.22**
Total	**1,32,171.47**	**1,25,942.10**
The Government Grants received for projects related to Sagar Khedu, Kutir Jyoti, HVDS, IPDS, DDUGJY etc. are of capital nature for development of Distribution infrastructure. There are no unfulfilled conditions or contingencies attached to these grants.		

NOTE NO. : 18 BORROWINGS (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
(a) Term Loans Raised by the Company		
(i) From Banks.	2,853.62	4,190.00
(ii) From Financial Institutions.	6,240.53	6,376.27
Unsecured		
Raised by the Company		
(i) State Government Loan under APDRP	323.05	433.56
(ii) ADB Prog. & Proj. Loan	1,879.93	2,259.96
(iii) Loan under SKY scheme	1,802.37	-
TOTAL	**13,099.50**	**13,259.79**

NOTES TO THE FINANCIAL STATEMENTS

18.1 Term Loans consists of following: **(₹ in lakhs)**

Term Loans	Year Ended	Current Maturities of each Loan	Amount of Each Loan Outstanding
Bank of Baroda (Hypothecation charge on movable assets of projects under NEF scheme).	**31-03-2019** 31-03-2018	**1143.00** 1143.00	**3996.62** 5333.00
Loan from Power Finance Corporation (Secured against charge of Plant and Machinery and lines and cables of Anand & Nadiad City Division of MGVCL).	**31-03-2019** 31-03-2018	**243.77** 192.16	**6484.30** 6568.44

18.2 Nature of security and terms of repayment for Secured Borrowings

a. Loan from Bank of Baroda outstanding ₹ 3996.62 Lakhs, (Previous year ₹ 5333.00 Lakhs) is secured against hypothecation charge on movable assets of projects under NEF scheme. Outstanding amount repayable in 42 monthly installments of ₹ 95.25 Lakhs each commencing from Jan.-16. Rate of interest 8.50% p.a. -- (a) (i)

b. Loan from PFC under R-APDRP Scheme, outstanding ₹ 6484.30 Lakhs (Previous year ₹ 6568.44) 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 R-APDRP Part-A, the loan of ₹ 5554.55 Lakhs will be converted into capital grant on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan is repayable in remaining 29 monthly installments over a period of 3 years an average of ₹ 191.54 Lakhs each. The current outstanding of R-APDRP Part-A loan amounts to ₹ 2330.32 Lakhs (Previous year ₹ 2330.33 Lakhs)

As per terms of SCADA Part-A, for the loan of ₹ 689.35 Lakhs (Previous year ₹ 639.08 Lakhs) may be converted into capital grant on fulfillment of stipulated conditions. If conditions are not fulfilled, the loan is repayable in 40 monthly installments over a period of 4 years at an average of ₹ 17.52 Lakhs each starting from Jan.2017.

As per terms of R-APDRP of Part-B Scheme, the loan of ₹ 1105.20 Lakhs will be converted into Grant upto 50% on fulfillment of stipulated conditions. The loan will be repaid in 140 monthly installments over a period of 14 years at an average of ₹ 7.62 Lakhs. Further ₹ 1525 Lakhs disbursed for Additional Anand & Dahod town and SCADA under RAPDRP -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 Lakhs, starting from March-2021; if conditions are not fulfilled, starting from June 2021. The current outstanding of R-APDRP Part-B and new loan amounts to ₹ 2487.94 Lakhs (Previous year ₹ 2593.53 Lakhs) and outstanding of SCADA under R-APDRP Part-B loan amounts to ₹ 976.69 Lakhs (Previous year ₹ 1005.50 Lakhs).

Rate of Interest 9% p.a ---(a) (ii)

18.3 Terms of repayment for Long term borrowings - Unsecured

State Government loan under APDRP ₹ 433.56 Lakhs (Previous year ₹ 544.07 Lakhs) will be repayable in 8 annual installments ranging from ₹110.51 Lakhs to 1.98 Lakhs. Rate of interest 12.18%

NOTES TO THE FINANCIAL STATEMENTS

ADB Prog. & project loan amounting ₹ 2259.96 Lakhs (Previous year ₹ 2640.00 Lakhs) will be repayable in 11 yearly installments ranging from 380.03 Lakhs to 6.22 Lakhs. Rate of interest 10.69%

Loan under SKY scheme is related Solar Photovoltaic Panel (SVP) to be recovered from SKY consumers over 7 years in equated monthly instalments. Rate of interest applicable is 6%.

SECURED AND UNSECURED LOANS

Common loans raised by GUVNL:

GUVNL raises fund by issue of bonds as well as borrowing from Banks, Financial Institutions, GoG and other Public Sector Undertakings for common usages of successor Companies. The repayment and interest of these borrowings are reimbursed by the Company to GUVNL. Facilities sharing agreement between GUVNL and successor Companies have been executed. Consequently, the part amount of loan outstanding from Banks and Financial Institutions are disclosed under the head 'Long /Short Term Borrowings' and maturity pattern, terms of repayment and security as disclosed below are as per the information provided by the GUVNL.

REGISTRATION OF THE CHARGE ON ASSETS

As per the legal opinion of the counsel, the properties on which the charge is already created by erstwhile GEB and acquired by the company, the same is required to be registered under the provisions of the Companies Act in force. Due to the common funds for all the operations of erstwhile GEB, funds were raised against the charge over all its assets. However, the amount of secured loans of erstwhile GEB which are secured against the separate properties transferred to each successor company has not yet been identified. The Company, therefore, could not register the charge on these properties with the Registrar of Companies, Gujarat.

SECURITIES AGAINST LONG TERM BORROWINGS

Some of the assets of the company viz. Plant and Machinery, Hydraulic works, lines and cables, furniture and fixtures and office equipments are given as security to the Banks for the loans raised by Holding Company i.e. GUVNL. Charges created in respect of these assets as well as charges in respect of loan from Power Finance Corporation (PFC), Bank of Baroda & Bank of India availed by the Company.

18.4 Loan transferred under the Financial Restructuring Plan

Loans availed by erstwhile GEB, consequently apportioned:

The loans which were raised by erstwhile GEB from State Government (loan under APDRP) relating to generation, transmission and distribution activities and were used for common purposes are continued in the books of GEB / (now GUVNL) on behalf of all transferee companies and the same have been apportioned under FRP Notification dated 3rd October, 2006, amongst all transferee companies and the same loans have been accounted by the Company as "loans allocated by GUVNL" in separate accounts. The repayments and interest thereon are reimbursed by the Company to GUVNL.

In light of above note, the said loans are reclassified and regrouped either as secured loans or unsecured loans and shown as Non current borrowings under non-current liabilities and current borrowings under current liabilities as per repayment schedule given by GUVNL.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 19 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Staff Welfare Schemes.	111.22	105.03
Security deposit from consumers.	89,641.17	78,673.47
Staff Retirement cum Death Benefit Scheme.	1,581.97	1,744.87
TOTAL	**91,334.36**	**80,523.37**

NOTE NO. : 20 PROVISIONS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Leave Encashment.	16,196.99	14,758.71
TOTAL	**16,196.99**	**14,758.71**

NOTE NO. : 22 DEFERRED TAX LIABILITIES (NET)

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets.	-	-
Deferred tax liabilities.	1,390.98	-
TOTAL	**1,390.98**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Deferred Tax Asset / Liability is worked out as under:

2018-19 **(₹ in lakhs)**

Particulars	Opening Balance	Recognised in profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Depreciation	(37,644.12)	(6,919.23)	-	(44,563.35)
Prior Period Income	-	-	-	-
Deferred tax asset on account of:				
Employee Benefits	5,898.16	(119.38)	1,147.77	6,926.55
Deferred income on government grant	13,699.77	(0.00)	-	13,699.77
Provision on doubtful debts	5,111.71	137.67	-	5,249.38
Carried forward of unused Tax Losses	6,460.55	1,137.21	-	7,597.77
Carried forward of unused Tax Credits	8,355.60	1,343.30	-	9,698.91
Net Deferred Tax Asset/(Liability)	**1,881.67**	**(4,420.42)**	**1,147.77**	**(1,390.98)**
Adjustment for Deferred tax asset not recognised in previous year(Refer note 21.1 below)	**-**	**1,881.67**	**-**	**-**
Amounts recognised in Balance Sheet (Refer note 21.1 below)	**-**	**(2,538.75)**	**1,147.77**	**(1,390.98)**
Amounts not recognised in Balance Sheet (Refer note 21.1 below)	**1,881.67**	**-**	**-**	**-**

2017-18 **(₹ in lakhs)**

Particulars	Opening Balance	Recognised in profit and loss	Recogni-sed in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Depreciation.	(32,675.55)	(4,968.57)		(37,644.12)
Prior Period Income.	-	-	-	
Deferred tax asset on account of:				
Employee Benefits.	7,134.22	(1,236.06)		5,898.16
Deferred income on Government grant.	12,134.63	1,565.14		13,699.77
Provision on doubtful debts.	4,880.23	231.48	-	5,111.71
Carried forward of unused Tax Losses.	6,398.43	62.12		6,460.55
Carried forward of unused Tax Credits.	8,146.31	209.29	-	8,355.60
Net Deferred Tax Asset / (Liability)	**6,018.27**	**(4,136.60)**	-	**1,881.67**
Amounts recognised in Balance Sheet (Refer note 21.1 below)	**-**	**-**	-	**-**

NOTES TO THE FINANCIAL STATEMENTS

21.1 The Company had net deferred Tax Assets on account of unabsorbed depreciation and Unused Tax Credit as at the year ended 31st March 2018. In the absence of reasonable certainty and convincing evidence of sufficient future taxable income, net deferred tax asset was not recognized in the previous financial year.

NOTE NO. : 22 OTHER NON CURRENT LIABILITIES **(₹ in lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits for Electrification & Service connection.	9,345.97	6,708.17
TOTAL	**9,345.97**	**6,708.17**

NOTE NO. : 23 SHORT-TERM BORROWINGS **(₹ in lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Cash Credit From Banks.	608.49	1,161.59
TOTAL	**608.49**	**1,161.59**

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 interest.

NOTE NO. : 24 TRADE PAYABLES **(₹ in lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability for Purchase of Power.	119.49	127.84
TOTAL	**119.49**	**127.84**

NOTE NO. : 24 .1

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

NOTE NO. : 24 .2

Total outstanding dues of Micro & Small Enterprises*	As at 31st March, 2019	As at 31st March, 2018
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-

NOTES TO THE FINANCIAL STATEMENTS

Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid as at of end of each accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-
***Based on the confirmation from Vendors.**		

NOTE NO. : 25 OTHER FINANCIAL LIABILITIES **(₹ in lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of Long Term Debt:		
Secured:		
Term Loans From Banks	1,143.00	1,143.00
Loan from Financial Institutions	243.77	192.16
Un-secured:		
Govt. of Gujarat (Related Party)		
Loan from Asian Development Bank	380.03	380.03
State Government Loan under APDR	110.51	110.51
PLoan under SKY scheme	210.91	-
Interest accrued but not due on Loans	4,229.92	4,469.75
Interest payable on consumers security Deposit	4,376.41	4,274.32
Liability for O & M Supplies / Works	4,388.83	3,774.48
Staff Related Liabilities	109.98	77.37
Staff Retirement cum Death Benefit Scheme	258.22	171.33
Deposits & Retentions from Suppliers / Contractors	5,537.98	4,230.60
Outstanding liability for expenses	12,441.97	19,334.78
Liability for Capital Supplies / Works	136.27	137.23
Deposits for Electrification & Service connection	2,934.39	2,462.04
Other Liability	1,060.27	1,132.90
TOTAL	**37,562.46**	**41,890.50**

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 26 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Liabilities.	584.38	1,606.37
Other Liability.	10.59	39.70
TSE / Compounding Charges payable to State Government etc.	43.78	7.27
Advance Received from holding Company – GUVNL..	-	780.00
TOTAL	**638.75**	**2,433.34**

NOTE NO. : 27 PROVISIONS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Leave Encashment	1,383.86	1,490.11
Provision for Bonus	114.33	163.49
TOTAL	**1,498.19**	**1,653.60**

NOTE NO. : 28 CURRENT TAX LIABILITY (NET)

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Tax Liability		
Income Tax Payable	-	-
Current Tax Assets		
Tax Refund Receivable	-	-
TOTAL	**-**	**-**

NOTE NO. : 29 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income from operating Activity		
Revenue from Sale of Power		
Residential General Purpose (Domestic or Residential)	1,40,005.97	1,33,559.21
General Lighting Purpose (Commercial)	3,728.46	3,593.30
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	1,09,765.18	1,05,128.06
Industrial high voltage	2,80,923.31	2,45,226.08
Public lighting	3,531.87	3,665.59

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

Irrigation agricultural	41,549.50	25,314.00
Public water works and sewerage pumps	15,695.80	11,939.18
Sale of Power to GUVNL	-	879.16
Unscheduled Interchange/DSM Income	750.47	5,861.75
	5,95,950.56	**5,35,166.33**
Electricity duty		
Electricity Duty Assessed	(78,170.11)	(72,409.39)
Less: Electricity Duty Assessed (Contra)	78,170.11	72,409.39
Sub Total	**-**	**-**
Other operating Revenue		
Meter Charges / Service line charges	-	4,667.84
Recoveries for theft of power / Malpractices	2,589.84	2,671.21
Delayed payment charges from consumers	2,920.84	2,521.52
Cross Subsidy Surcharge	728.56	2,786.16
Addl. Surcharge - OA Consumers	112.74	853.40
Wheeling Charges Recovery	22.17	64.19
Agriculture Subsidy	7,387.46	7,380.69
Miscellaneous Charges from Consumers	4,908.81	4,571.99
Sub Total	**18,670.42**	**25,517.00**
Total	**6,14,620.98**	**5,60,683.33**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers applicable from 1st April 2018. The management has evaluated the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers and accounted for the same pursuant to Ind AS 115.

The Company has used the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.The Standard is applied to contracts that remaining in force as at 1st April, 2018. The application of the standard does not have any significant Impact on the retained earnings as at 1st April, 2018 or on these financial statements.

NOTE NO. : 30 OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Staff Loans and Advances.	301.96	355.45
Gain on Sale of Fixed Assets (Net of Loss).	8.41	3.74
Deferred Income towards Government Grants Subsidy and Consumer Contribution towards Cost of Capital assets.	12,134.31	11,164.71
Grant for energy conservation.	10.33	8.86
Miscellaneous Income*.	2,088.60	1,850.79
Total	**14,543.60**	**13,383.55**

* None of the items individually account for more than 1% of total revenue.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 31 PURCHASE OF POWER **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of power from GUVNL.*	5,34,019.67	4,74,493.98
Purchase of power from Wind Turbine Generators / CPP.	918.26	1,296.67
Purchase of power from Solar Generators.	826.18	1,159.56
SLDC Charges	52.21	179.61
Total	**5,35,816.32**	**4,77,129.82**

* 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 NO. : 32 EMPLOYEES BENEFIT EXPENSES **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and Allowances.	40,969.96	40,201.26
Contribution to PF Trusts	4,427.29	3,429.87
Staff welfare expenses.	452.17	762.53
Retirement and other benefits.	2,554.22	2,579.33
	48,403.64	**46,972.99**
Less : Directly attributable cost capitalised (Refer note no. 1 (1.3)(xx)(b))	(5,036.98)	(4,099.42)
Total	**43,366.66**	**42,873.57**

NOTE NO. : 33 FINANCE COST **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Expense		
Interest on State Government Loans	299.31	350.20
Interest on Cash Credit and Working Capital	59.36	15.28
Interest on Term Loans from BOB	382.15	494.70
Interest on Loans from Power Finance Corporation	185.23	337.82
Other Interest Charges	181.58	186.44
Interest to Consumers on Security Deposits etc.	4,796.82	4,679.82
Other Borrowing Costs		
Bank Charges, Commission and Others	67.68	90.89
Less : Directly attributable cost capitalised (Refer note no. 1 (1.3)(xx)(b))	(18.02)	(99.83)
Total	**5,954.11**	**6,055.32**

Interest is on PFC loan given for RAPDRP Projects; as per the terms of the RAPDRP project, the same may be partially converted into Grant by GOI on meeting the conditions of conversion from Loan to Grant and will be treated as forgivable loan to that extent. In view of above, the total fund disbursed by PFC is treated as Borrowings and interest liability is shown under the head "Other financial Liabilities".

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 34 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Repairs and Maintenance		
Building and Civil Works	315.43	415.58
Plant and Machinery	1,107.57	1,005.28
Lines, Cable Network etc.	2,431.10	3,472.34
Others	314.91	1,006.57
Administrative & General Expenses		
Rent, Rates and Taxes	306.80	353.58
Insurance	22.36	12.51
Testing Charges	128.89	71.21
Telephone & Postage Expenses	210.34	188.61
Remuneration to collection agencies	277.60	373.27
Legal & Professional Fees	174.47	151.62
Auditors' Remuneration	11.68	11.68
Travelling & Conveyance	2,473.23	2,449.18
Printing & Stationery	360.75	322.42
Expenses on Computer Billing & EDP Charges	110.73	106.44
Advertisement	96.24	84.17
Electricity Charges	800.16	636.75
Water Charges	61.79	61.98
Corporate Social Responsibilities	-	97.04
Security Expenses	1,020.63	1,011.04
Freight Expense	317.07	239.16
Expenditure on Training to Staff	93.40	117.28
Directors sitting fees	0.70	1.76
GERC License Fees	238.05	237.53
Other Administration & general Expenses	452.43	434.71
Miscellaneous Expenses (Note no. 34.1)	637.65	307.19
Expenses for Energy Conservation	10.43	8.86
Waiver of Delayed Payment Charges	227.36	17.74
Bad & Doubtful debts write-off	1,859.00	0.41
Less: Provision for doubtful debts utilisation	(1,409.65)	-
Miscellaneous Losses & Write-offs	122.10	266.61
Provision for		
-Bad & Doubtful debts	391.79	526.83
Less : Directly attributable cost capitalised (Refer note no. 1 (1.3)(xx)(b))	(783.12)	(644.21)
Total	**12,381.89**	**13,345.14**

Notes: 34.1 None of the items individually account for more than 1% of total revenue.

NOTES TO THE FINANCIAL STATEMENTS

34.2 Payments to auditors has been classified as follows: **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Payments to auditors (Excluding service tax / GST)		
As auditors.	9.90	9.90

NOTE NO. : 35 TAX EXPENSES **(Rs. in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Tax.	444.28	1,210.81
Deferred Tax.	2,538.75	-
Total	**2,983.03**	**1,210.81**

35.1 Reconciliation of current tax **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before tax.	6,296.29	10,515.25
Add:- Interest on Tax included in Finance Cost.	-	-
Current tax expense calculated using MAT tax rate at 21.549% (Previous year - 21.342%)	1,356.77	2,244.12
Add:		
Other Comprehensive Expenses.	(707.79)	(1,169.55)
Adjustment of tax on prior period.	24.03	23.80
Provisions for unascertained liabilities.	(228.73)	583.18
Amount withdrawn from reserves.	-	(0.15)
Others.	0.00	(470.59)
Current Tax expense	444.28	1,210.81
Tax Deductible / Taxable future incomes /expense	1,390.98	-
Recognised in Other comprehensive income	1,147.77	-
Deferred tax expense	2,538.75	-
Total Tax expense	**2,983.03**	-

The tax rate used for the year ended 31st March, 2019 and 31st March, 2018 reconciliations above is the corporate tax rate of 34.94% and 34.608% respectively payable by corporate entities in India on taxable profits under the Indian tax laws.

No income tax has been recognised directly in Equity

NOTES TO THE FINANCIAL STATEMENTS

Income tax recognised in other comprehensive income: **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	1,147.77	-
Total income tax recognised in other comprehensive income	**1,147.77**	-
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**1,147.77**	-
Items that may be reclassified to profit or loss		

NOTE NO. : 36 EARNINGS PER EQUITY SHARE

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit after tax for the year attributable to equity shareholders.	3313.26	9304.44
Weighted Average number of Equity Shares for Basic EPS.	41,40,93,479	38,64,84,717
Weighted Average number of Equity Shares for Diluted EPS.	41,40,93,479	38,64,84,717
Basic Earnings per equity shares (₹ 10 each).	0.80	2.41
Diluted Earnings per equity shares (₹ 10 each).	0.80	2.41
Face value per equity share (₹).	10	10

NOTE NO. : 37 Lease

Operating Leases

The company does not have any non-cancellable operating lease commitments.

The company has taken various premises under operating lease or leave and license agreement. The lease term in respect of such premises are on the basis of individual agreements entered into with the respective land lords. The lease payments are recognised in the Statement of Profit and Loss under 'Rent, Rates and Taxes' in Note 34.

NOTE NO. : 38 Employee benefit plans

A. Defined Contribution plans:

The Company has certain defined contribution plans. The Company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees' Death Linked Insurance Scheme. Contributions are made at specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹4358.91 Lakhs (31 March 2018 ₹3368.89 Lakhs).

B. Other long term benefit plan

The Company accounts for leave encashment on the basis of actuarial valuation carried out by Life Insurance Corporation of India at each year end. Liability for the current year of ₹ 3165.96 Lakhs (previous year ₹ 3140.75 Lakhs) has been charged to statement of Profit & Loss. Leave obligation as at 31st March, 2019 ₹ 17580.85 Lakhs and 31st March, 2018 ₹ 16248.81 Lakhs respectievly.

The company has a Staff Voluntary Retirement-Cum-Death Benevolent Fund Scheme wherein an employee can become a member voluntarily. A monthly contribution is to be made by the members. Upon retirement employee will be eligible to get an amount equivalent to his total "Contribution" along with simple interest at a specified rate from the date of joining the scheme or ₹10,000/- whichever is higher. In case of death of an employee, the nominee of the member shall be eligible to get a determined amount of compensation out of the fund, if the employee was the member of the scheme. The charge to the statement of Profit and loss for the year ended is ₹11.77 Lakhs (P.Y. ₹13.12 lakhs). The balance of such fund as at 31st March, 2019 is ₹1840.19 and 31st March, 2018 is ₹1916.20 Lakhs respectively.

C. Defined Benefits Plan

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to LIC. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Scheme is managed through own Gratuity Trust. The liability for gratuity is recognized on the basis of actuarial valuation.

D. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The Present value of the Defined benefit obligation is calculated using the discount rate determined by the LIC of India as the fund is being managed under Gratuity Assurance Plan
Interest risk	A decrease in the interest rate will increase the liability and increase will decrease the liability.
Salary risk	The present value of obligation is calculated by reference to future salary.

No other post - retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2019 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method .

Assumptions (Current Period)		
Particulars	**For the year ended 31st March, 2019**	**For the year ended 31st March, 2018**
Expected Return on Plan Assets	8.00%	8.50%
Rate of Discounting	7.50%	8.00%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	1 to 3 % depending on Age	

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Gratuity		
I) Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
Opening defined benefit obligation	23,658.45	17,466.32
Current Service Cost	1,277.01	1,044.05
Interest Cost	1,774.38	1,397.31
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from experience adjustments	3,164.58	5,746.12
Benefits paid	(3,055.80)	(2,051.62)
Past service cost, including losses / (gains) on curtailments	-	56.28
Closing defined benefit obligation	26,818.62	23,658.45
Current obligation	2,711.48	2,853.83
Non-Current obligation	24,107.14	20,804.62
II) Change in fair value of assets :		
Opening fair value of plan assets	23,191.87	11,465.02
Expected return on plan assets	1,855.35	917.20
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense) including Actuarial Gain / Loss arising from experience adjustments	(120.03)	265.99
Contributions by the employer	2,820.55	12,595.28
Benefits paid	(3,055.80)	(2,051.62)
Closing fair value of plan assets	24,691.94	23,191.87
III) Funded plans in deficit:		
Present value of funded defined benefit obligation	26,818.62	23,658.45
Fair Value of planned assets at end of year	24,691.94	23,191.87
Funded status	Funded	Funded
Net liability arising from defined benefit obligation	2,126.68	466.58
IV) Service Cost		
Current Service cost	1,277.01	1,044.05
Net Interest expense	(81.45)	479.54
Past Service Cost and (gain) / loss from settlements	-	56.28
Total Expenses to be recognised in P&L	1,195.56	1,579.86
Components of defined benefit costs recognised in Employee Benefit expenses		
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from experience adjustments, changes in demographic assumptions and changes in financial assumptions	3,164.58	5,480.13
Return on Plan Assets excluding amount included in net interest cost	120.03	-
Total expense to be recognised in OCI	3,284.61	5,480.13
Total expense (provision for the period)	4,480.17	7,060.00
V) Category of assets as at 31st March:		
-Life Insurance Corporation	24,691.95	23,191.87

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

Experience Adjustment	On Plan Liabilities - Loss/(Gain)
As on 31st March,2019	3,164.58
As on 31st March,2018	5,746.12

Maturity Analysis of Projected Benefit Obligation are as under:

Gratuity	As at 31st March, 2019	As at 31st March, 2018
Gratuity		
Less than 1 year	2,711.48	2,853.83
One to Three Years	3,240.78	4,913.39
Three to Five Years	5,144.88	3,134.17
More than Five Years	15,721.48	12,757.07
TOTAL	**26,818.63**	**23,658.46**

Sensitivity analysis for Gratuity

Gratuity	As at 31st March, 2019	As at 31st March, 2018
Significant actuarial assumptions		
Discount Rate		
- Impact due to increase of 50 basis points	(1,251.31)	(913.90)
- Impact due to decrease of 50 basis points	1,349.84	985.43
Salary increase		
- Impact due to increase of 50 basis points	1,331.50	985.37
- Impact due to decrease of 50 basis points	(1,246.56)	(922.09)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the GUVNL balance sheet.

NOTE : 39 Operating Segment

A. The Company's operations fall under single segment namely "Distribution of Power", taking into account the different risks and returns, the organization structure and the internal reporting systems.

B. Information about major customers
The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

NOTES TO THE FINANCIAL STATEMENTS

C. Information about geographical areas:

Segment revenue from "Distribution of Electricity" represents revenue generated from external customers which is fully attributable to the company's country of domicile i.e. India.
All assets are located in the company's country of domicile.

D. Information about products and services:

The Company derives revenue from sale of Power. The information about revenues from external customers about each product is disclosed in Note no. 29 of the financial statements.

40. Financial instruments Disclosure

A. Capital Management

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and

2. Maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's financial management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing Ratio

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Debt.	14,976.81	15,085.49
Total equity.	3,33,930.85	3,08,000.05
Debt to equity ratio.	0.045	0.049

1. Debt is defined as all long term debt outstanding + current maturity outstanding in lieu of long term debt.
2. Equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred government grant and consumer contribution

NOTES TO THE FINANCIAL STATEMENTS

B. Categories of financial instruments **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables.	35,638.00	33,776.07
(b) Cash and cash equivalents.	7,552.34	10,312.15
(c) Other bank balances.		
(d) Loans.	2,847.05	2,966.06
(e) Other financial assets.	91,389.20	74,528.75
Measured at FVTOCI		
(a) Investments in equity instruments (designated on transition date).	-	-
Financial liabilities		
Measured at amortised cost		
(a) Borrowings.	13,707.99	14,421.38
(b) Trade payables.	119.49	127.84
(c) Other financial liabilities.	1,28,896.82	1,22,413.87

C. Financial risk management objectives

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and projects capital expenditure. The Company's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks viz regulatory risk, interest rate risk, credit risk, liquidity risk etc. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Company.

Regulatory Risk

The Company's substantial operations are subject to regulatory interventions, introduction of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the Company.

Regulations are framed by Central / State Regulatory Commission as regard to Standard of Performance for utilities, Terms & Conditions for determination of tariff, obligation of Renewable Energy purchase, grant of Open Access, Deviation Settlement Mechanism, Indian Electricity Grid Code / Gujarat Grid Code, Power Market Regulations etc. Moreover, the State / Central Government are notifying various guidelines and policy for growth of the sector. These Policies / Regulations are modified from time to time based on need and development in the sector. Hence the policy / regulation is not restricted only to compliance but also have implications for operational performance of utilities, Return on Equity, revenue, competitiveness, scope of supply as consumer of 1 MW and above have an option to select the supplier, ceiling on trading margins, Regulatory charges, market etc.

NOTES TO THE FINANCIAL STATEMENTS

To protect the interest of Utilities, State Utilities are actively participating while framing of Regulations. ARR is regularly filed & FPPPA is levied on quarterly basis for any increase/decrease in power purchase cost.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates in negligible as primarily to the Company's long-term debt obligations with fixed interest rates.

Credit risk management

Credit risk arises from cash and cash equivalents and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended 31st March, 2019 and 31st March, 2018.

Bank balances are held with reputed and creditworthy banking institutions.

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. The management prepares annual budgets for detailed discussion and analysis of the nature and quality of the assumption, parameters etc. Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilize cash in an effective manner.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2019				
Non - current financial liabilities				
Borrowings.	-	7,330.01	5,769.49	13,099.50
Other Financial Liabilities.	-	1,581.97	89,752.39	91,334.36
		8,911.98	**95,521.88**	**1,04,433.86**
Current financial liabilities				
Borrowings.	608.49	-	-	608.49
Trade Payables.	119.49	-	-	119.49
Other Financial Liabilities.	37,562.46		-	37,562.46
	38,290.44	**-**	**-**	**38,290.44**
Total financial liabilities	**38,290.44**	**8,911.98**	**95,521.88**	**1,42,724.30**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

As at 31st March, 2018				
Non - current financial liabilities				
Borrowings.	-	7,484.51	5,775.28	13,259.79
Other Financial Liabilities.	-	1,744.87	78,778.50	80,523.37
	-	**9,229.38**	**84,553.78**	**93,783.16**
Current financial liabilities				
Borrowings.	1,161.59		-	1,161.59
Trade Payables.	127.84		-	127.84
Other Financial Liabilities.	41,890.50	-	-	41,890.50
	43,179.93	**-**	**-**	**43,179.93**
Total financial liabilities	**43,179.93**	**9,229.38**	**84,553.78**	**1,36,963.09**

(₹ in lakhs)

Secured committed credit facility, reviewed annually and payable at call:	As at 31st March, 2019	As at 31st March, 2018
Amount used.	608.49	1,161.59
Amount unused.	2,691.51	2,138.41

The Company/Group has access to committed credit facilities as described below, of which ₹ 2691.51 Lakhs were unused at the end of the reporting period (Previous year ₹ 2138.41 Lakhs). The Company/Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

D. Fair value measurement

financial assets and liabilities at amortised cost

The carrying amounts of cash and cash equivalent, other bank balances, trade receivables, loans, other financial assets, current borrowings, trade payables, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

41. Disclosure under Indian Accounting Standard 36 – Impairment of Assets

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31.03.19.

42. Contingent liabilities, Contingent Assets and Capital Commitments:

A. Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Income Tax demand in Appeal / dispute (not provided for)	6,682.20	4,114.09
b) Service Tax demand (excluding interest) in Appeal / dispute (not provided for)	1,161.60	264.94
c) Claims against Company not acknowledged as debt (legal matters)	2,982.23	2,802.54
Sub Total (A)	**10,826.03**	**7,181.57**

NOTES TO THE FINANCIAL STATEMENTS

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.

B. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainities that surround the related events and circumstances.

C. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account:-

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Capital Commitments		
Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)	26,937.08	16,189.72
Total	**26,937.08**	**16,189.72**

43. CSR Expenditure

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
The CSR expenditure comprises the following:		
a) Gross amount required to be spent by the Company during the year	129.03	134.38
b) Amount spent during the year on	0.00	97.04

(₹ in lakhs)

(c) Particulars	For the year ended 31-03-2019			For the year ended 31-03-2018		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset.		-	97.04		-	97.04
(ii) On purpose other than (i) above.	-	-	-	-	-	-
Total	-	-	**97.04**	-	-	**97.04**

NOTES TO THE FINANCIAL STATEMENTS

44. The Company has a system of physical verification of Inventory, Fixed assets and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment differences, if any, are carried out on completion of reconciliation.

45. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. Further, some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

46. Government Grant

Upto 31st March, 2016 the Company was computing the grants/consumer contributions received against depreciable assets to be recognised in Statement of Profit or Loss based on reducing balance method. With effect from 1 April 2016, the Company changed its method from reducing balance method to the straight-line method and consequentially the rates at which grant would be recognised in the Statement of Profit and Loss. The rate applied for grant recognition was equivalent to rate of depreciation charge on the assets which was at 5.28%. The change was made as this would more accurately reflect the pattern of usage and the expected benefits of such grants/consumer contributions and provide greater consistency with the depreciation methods on the assets used by the Company. The Company assessed based on the principles of Ind AS, such a change to recognize grants in proportion of the depreciation expense as a change in accounting estimate. A change in accounting estimate has to be applied prospectively from the period of change as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and cannot be applied retrospectively.

If the Company had applied the above change in method retrospectively, the balances of the Government grants and Consumer contributions as at 31st March, 2019 would have been higher by ₹ 20759.28 lakhs. The above information is only for comparative purpose and has no impact on these financial statements.

47. Amnesty scheme

GOG vide GR no. GUV-2016-3170-K-1-2842 dated 12.10.2017 has declared Amnesty Scheme-2017 effective from 25.04.2018 to 31.12.2018, which was subsequently extended with further amendments vide GR no.GUV-2016-3170-k-1 dated 19.02.2019 upto 31.05.2019 for various categories of consumers as one time settlement of their outstanding dues. Under this Scheme, the Company has waived off Principal dues amounting to ₹ 1251.75 lakhs.

NOTE NO. : 48 RELATED PARTY DISCLOSURES

A

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Limited	Holding Company
Gujarat State Electricity Corporation Limited	Fellow - Subsidiary Company
Gujarat Energy Transmission Corporation Limited	Fellow - Subsidiary Company
Dakshin Gujarat Vij Company Limited	Fellow - Subsidiary Company
Paschim Gujarat Vij Company Limited	Fellow - Subsidiary Company
Uttar Gujarat Vij Company Limited	Fellow - Subsidiary Company
Gujarat Industries Power Company Limited	Associate Company
Shri Rajesh Manjhu, IAS	Key Management Personnel (KMP)
Shri K. R. Shah	CFO
Shri K. M. Antani	CS
Shri V. M. Chavan	CS

NOTES TO THE FINANCIAL STATEMENTS

B. The following transactions were carried out with the related parties in ordinary course of business during the year:

(₹ in lakhs and Previous Year's figures are in bracket)

Nature of Transaction	Holding Company	Fello-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
1 Transactions during the year					
Purchase of Asset Uttar Gujarat Vij Company Limited	-	- (1,548.99) - (1,548.99)	-	-	- (1,548.99) - (1,548.99)
Purchase of Burnt Oil Uttar Gujarat Vij Company Limited	-	**154.05** **154.05**	-	-	**154.05** **154.05**
Purchase of Burnt Oil Gujarat Energy Transmission Corporation Limited	-	**3.76** (8.05) **3.76** (8.05)	-	-	**3.76** (8.05) **3.76** (8.05)
Purchase of Burnt Oil Dakshin Gujarat Vij Company Limited	-	**12.68** **12.68**	-	-	**12.68** **12.68**
Purchase of Burnt Oil Paschim Gujarat Vij Company Limited	-	**13.33** - **13.33**	-	-	**13.33** - **13.33**
Sale of Materials Uttar Gujarat Vij Company Limited	-	**31.55** - **31.55**	-	-	**31.55** - **31.55**
Sale of Materials Dakshin Gujarat Vij Company Limited	-	**187.69** - **187.69**	-	-	**187.69** - **187.69**
Sale of Materials Paschim Gujarat Vij Company Limited	-	**115.12** **115.12**	-	-	**115.12** **115.12**
Sale of Materials Gujarat Energy Transmission Corporation Limited	-	(3.57) (3.57)	-	-	(3.57) (3.57)
Reactive Charges Receivable Gujarat Energy Transmission Corporation Limited	-	**38.60** (40.76) **38.60** (40.76)	-	-	**38.60** (40.76) **38.60** (40.76)

NOTES TO THE FINANCIAL STATEMENTS

SLDC Charges	-	**52.21**	-	-	**52.21**
	-	(179.48)	-	-	(179.48)
Gujarat Energy Transmission Corporation Limited	-	**52.21**	-	-	**52.21**
	-	(179.48)	-	-	(179.48)
Delayed Payment Charges on SLDC Charges	-	**-**	-	-	**-**
	-	(0.13)	-	-	(0.13)
Gujarat Energy Transmission Corporation Limited	-	-	-	-	-
	-	(0.13)	-	-	(0.13)
Unscheduled Interchange Charges Payable	-	**1,524.81**	-	-	**1,524.81**
	-	(1,069.93)	-	-	(1,069.93)
Gujarat Energy Transmission Corporation Limited	-	**1,524.81**	-	-	**1,524.81**
	-	(1,069.93)	-	-	(1,069.93)
Unscheduled Interchange Charges Receivable	-	**2,275.28**	-	-	**2,275.28**
	-	(6,931.68)	-	-	(6,931.68)
Gujarat Energy Transmission Corporation Limited	-	**2,275.28**	-	-	**2,275.28**
	-	(6,931.68)	-	-	(6,931.68)

48 B The following transactions were carried out with the related parties in ordinary course of business during the year: (continued from Previous page)

(₹ in lakhs and Previous Year's figures are in bracket)

Nature of Transaction	Holding Company	Fello-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Allocation of Interest	**299.31**	-	-	-	**299.31**
	(350.20)	-	-	-	(350.20)
Gujarat Urja Vikas Nigam Limited	**299.31**	-	-	-	**299.31**
	(350.20)	-	-	-	(350.20)
Purchase of Power	**5,34,019.67**	-	-	-	**5,34,019.67**
	(4,74,493.98)	-	-	-	(4,74,493.98)
Gujarat Urja Vikas Nigam Limited	5,34,019.67	-	-	-	5,34,019.67
	(4,74,493.98)	-	-	-	(4,74,493.98)
Sale of Excess Power	**-**	-	-	-	**-**
	(879.16)	-	-	-	(879.16)
Gujarat Urja Vikas Nigam Limited	-	-	-	-	-
	(879.16)	-	-	-	(879.16)
Sale of Scrap	**-**	-	-	-	**-**
	(0.17)	-	-	-	(0.17)
Gujarat Urja Vikas Nigam Limited	-	-	-	-	-
	(0.17)	-	-	-	(0.17)

NOTES TO THE FINANCIAL STATEMENTS

Allocation of e-Urja Expenses	**-** (252.00)	- -	- -	- -	**-** (252.00)
Gujarat Urja Vikas Nigam Limited	**-** (252.00)	- -	- -	- -	**-** (252.00)
Allocation of General Insurance Premium	**215.29** (210.86)	- -	- -	- -	**215.29** (210.86)
Gujarat Urja Vikas Nigam Limited	**215.29** (210.86)	- -	- -	- -	**215.29** (210.86)
Remuneration Total	- -	- -	**107.79** (71.74)	- -	**107.79** (71.74)
Shri Rajesh Manjhu, IAS			21.69 (17.74)		21.69 (17.74)
Shri K.R. Shah			38.79 (29.76)		38.79 (29.76)
Shri K.M. Antani			45.96 (24.24)		45.96 (24.24)
Shri V.M Chavan			1.35 -		1.35 -

Compensation of Key Management Personnel

The remuneration of director and other members of Key Management Personnel during the year was as follows: **(₹ in lakhs)**

Particulars	F.Y. 2018-19	F.Y. 2017-18
Short-term benefits	104.79	71.74
Post employment benefits	-	-
Other-long term benefits	-	-
Share based payments	-	-
Termination benefits	3.00	-

Balance as at: 31st March, 2019

Receivable / Payable	Holding Company	Fellow-Subsidiary Company	KMP	Total
Receivables	67,948.40	-	-	67,948.40
Gujarat Urja Vikas Nigam Limited	67,948.40	-	-	67,948.40
Payables	**-**	**-**	**-**	**-**
Gujarat Urja Vikas Nigam Limited	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

49. The subsidy claims on Government of Gujarat are made by Gujarat Urja Vikas Nigam Limited (GUVNL), the Holding Company on behalf of our Company including all other Distribution Subsidiaries. The subsidy receivable balances are recorded, reflected and presented as such in GUVNL's standalone financial statements. Subsidies being government grants are recognised as revenue in the Statement of Profit or Loss in accordance with the accounting policy on government grants as stated in Note no. 1 (1.3)(vii) to the financial statements

50. The previous years' figures have been regrouped / reclassified, wherever necessary to correspond with the current years' classification / disclosures.

51. The Financial Statements were approved for issue by the Board of Directors on 20th September, 2019.

As per our report of even date attached

For JLNUS & Co.
Chartered Accountants
FRN : 101543W

(Abhishek Nagori)
Partner
Membership No:107954
UDIN: 19107954AAAAOW3859

Place : Vadodara.
Date : 20th September, 2019

For and on behalf of the Board

SHAHMEENA HUSAIN, IAS
Chairperson
DIN : 03584560

M.R.KOTHARI, IAS
Managing Director
DIN :01341286

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

V.M. Chavan
Company Secretary

Place : Vadodara.
Date : 20th September, 2019

MGVCL AT A GLANCE

PHYSICAL DATA

Sr. No.	PARTICULARS	2018-19	2017-18
1	Total Area (in Sq. Kms)	23,854	23,854
2	Districts Covered	7	7
3	No. of Towns	46	46
4	No. of Villages	4,404	4,404
5	Population (Census 2001)(in Million)	13.06	13.06
6	Total Circles	5	5
7	Total Divisions	18	18
8	Total Sub-Divisions+Sectional Offices	118	113
9	Total Sub-Stations	256	241
10	Total Transformers	1,43,384	1,33,702
11	Total No. of Feeders	2,202	2,082
12	Total H.T. Line (in CKms.)	61,866	59,496
13	Total L.T. Line (in CKms.)	71,697	69,717
14	Ratio of L.T. / H.T.	1.16	1.17
15	Total Consumers (in lakhs)	31.67	30.75
16	Total Contracted Load (in MW)	7.467	6,777
17	Total Employees	7,120	7,316

POWER PURCHASE & DISTRIBUTION LOSS DATA

Sr. No.	PARTICULARS	Units in Million (MU) 2018-19	2017-18
1	Units Purchased from GUVNL	11826.107	11319.576
2	Add : UI Over-drawal	42.547	23.059
3	Less : UI Under-dwaral	112.435	351.890
4	Less: Sale through trading	0.000	31.576
5	**Net Pur. from GUVNL (1+2+3+4)**	**11756.218**	**10959.169**
6	Add : Power purchase from Wind farm	37.192	60.221
7	**Total Power Purchase (5+6)**	**11793.410**	**11019.390**
8	Central Sector Power Purchase	225.142	232.833
9	Transmission Losses	455.388	401.833
10	**Total Transmission Loss (8+9)**	**680.530**	**634.666**
11	Transmission Loss (%)	5.77%	5.76%
12	**Units Available for Sale (7+10)**	**11112.881**	**10384.724**
13	**Units sold to Consumers**	**10004.362**	**9280.858**
14	Distribution Loss (12-13)	1108.519	1103.866
15	Distribution Loss (%)	**9.98%**	10.63%
16	T&D Loss (10+14)	**1789.048**	1738.532
17	T&D Loss (%)	**15.17%**	15.77%

Sr. No.	Category of Consumers	2018-19 Units in MUs	2018-19 Revenue (₹ in crores)	2018-19 Average Rate (₹ / Unit)	2017-18 Units in MUs	2017-18 Revenue (₹. in crores)	2017-18 Average Rate (₹ / Unit)
1	Residential General Purpose	2609.126	1400.06	5.37	2475.481	1335.59	5.40
2	General Lighting Purpose	62.742	37.28	5.94	60.216	35.93	5.97
3	Non Residential General Purpose & LTMD	1542.673	1097.65	7.12	1464.855	1051.28	7.18
4	Public Lighting	61.395	35.32	5.75	62.666	36.66	5.85
5	Agriculture with Tariff Comp. & FPPPA Subsidies	*1332.050	**415.50	3.12	*1228.530	**253.14	2.06
6	Water Works	302.214	156.96	5.19	285.626	119.39	4.18
7	Industrial HT	4094.161	2809.23	6.86	3703.484	2452.26	6.62
8	**Sub-Total (1 to 7)**	**10004.362**	**5952.001**	**5.95**	**9280.858**	**5284.250**	**5.69**
9	Sale through GUVNL (STOA)		0.00			8.79	
10	Unscheduled Interchange (Underdrawal)		7.5047			69.32	
11	Other Revenue related recoveries		112.8296			181.36	
12	Agriculture : HP Based Subsidy		73.8746			73.81	
13	**Total**		**6146.21**			**5617.53**	

* Agriculture MUs sold during 2018-19 = Metered : 857.000 MUs; Un-metered : 475.050 MUs as per GERC

* Agriculture MUs sold during 2017-18 = Metered : 753.370 MUs; Un-metered : 470.550 MUs as per GERC

**Agriculture Revenue during 2018-19 includes Tariff Compensation Subsidy ₹ 102.79 crores and FPPPA Subsidy ₹ 214.64 crores

**Agriculture Revenue during 2017-18 includes Tariff Compensation Subsidy ₹ 48.52 crores and FPPPA Subsidy ₹ 114.38 crores

Proxy Form

(Form No. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014)

CIN: U40102GJ2003SGC042907

Name of the Company: Madhya Gujarat Vij Company Ltd.,

Registered Office : Sardar Patel Vidyut Bhavan, Race Course, Vadodara – 390 007

Name of the member(s) :

Registered Address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We, being the member (s) of ______________shares of the above named company, hereby appoint

1.Name:
Address:
Email-id:
Signature : , or failing him

2.Name:
Address:
Email-id:
Signature : , or failing him

3.Name:
Address:
Email-id:
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting to be held on the ___________day of ________at _______a.m./p.m. at ________________(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No	Resolution	For	Against
1	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2019, together with the Board's Report and Report of Auditors' thereon along with Comments of the Comptroller & Auditor General of India. (Ordinary Resolution)		
2	To fix remuneration of Statutory Auditors for the financial year 2019-20. (Ordinary Resolution)		
3	To ratify the remuneration of the Cost Auditors for the financial year ending March 2020 (Ordinary Resolution)		
4	To consider increase in authorized share capital of the company and consequent amendment in the Memorandum of Association of the Company (Ordinary Resolution)		

Signed this……………..day of………………………2019

Signature of shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

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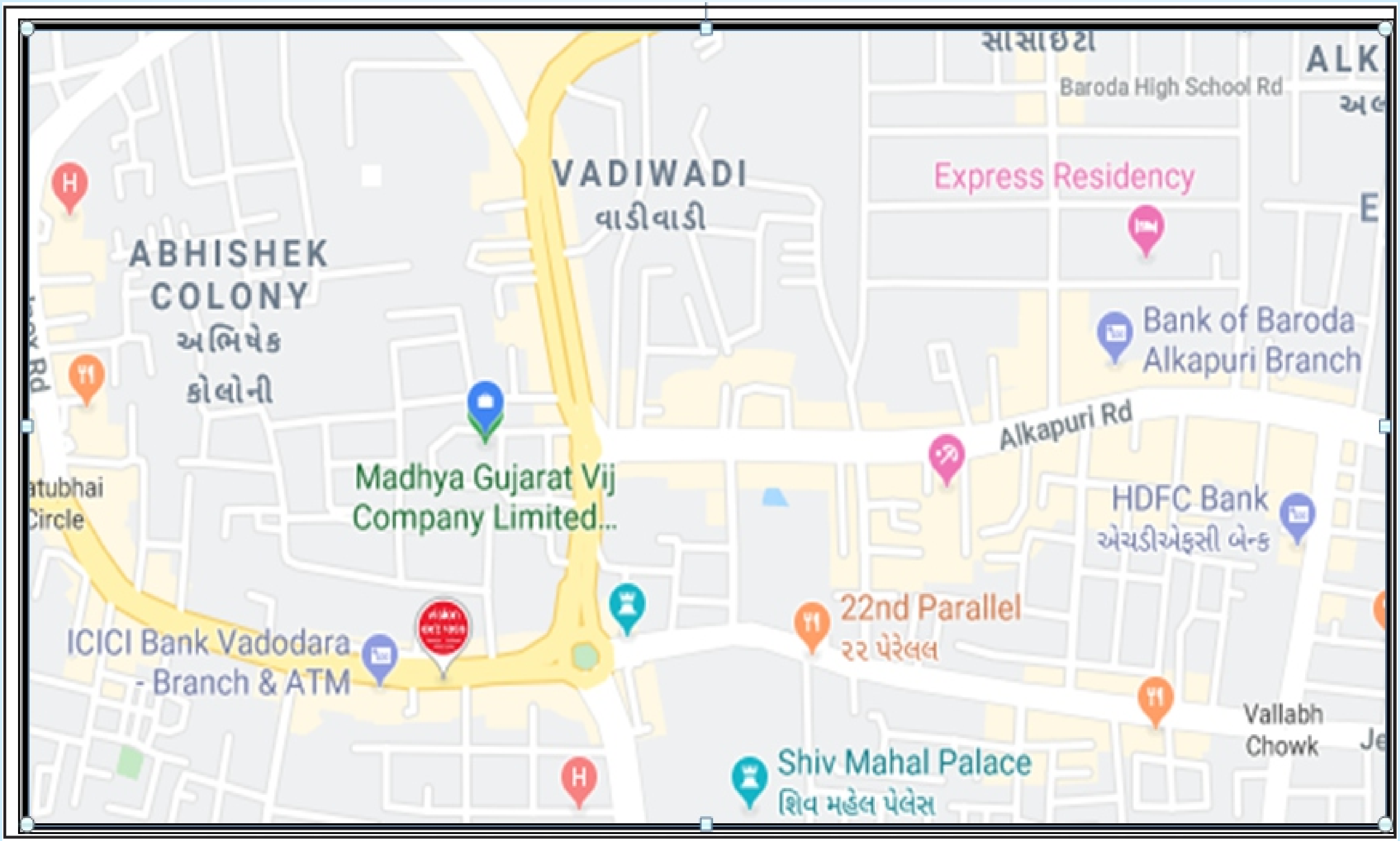
Roadmap to the registered office of the Company i.e. venue of the 16th AGM of MGVCL



MGVCL

MADHYA GUJARAT VIJ COMPANY LIMITED

Corporate Identity No. : U40102GJ2003SGC042907.
Registered & Corporate Office : Sardar Patel Vidyut Bhavan, Race Course, Vadodara - 390007.
Email.info@mgvcl.com, Website : www.mgvcl.com, Ph. : 0265-2310582-86, Fax : 0265-2338164