MGVCL

20th Annual Report
2022-23

MADHYA GUJARAT VIJ COMPANY LIMITED
(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

BOARD OF DIRECTORS	(As on 28-11-2023)	DIN
Shri J. P. Shivahare, IAS	Chairman	7162392
Shri T. Y. Bhatt, IAS	Managing Director (till 06.04.2023)	08618658
Shri Tejas Parmar, IAS	Managing Director (from 06.04.2023)	08322052
Shri Ravi Shanakar, IAS	Director (till 31.07.2023)	9539484
Shri H. P. Kothari	Director	9208111
Shri K. P. Jangid	Director	06401190
Shri Shubhadeep Sen	Director (from 18.01.2023)	7898055
Shri Komal Bhatt	Director (Till 01.03.2023)	09453556
Shri Nisarg Joshi	Director (from 10.03.2023)	10063762
Smt. Sailaja Vachhrajani	Woman Director (from 14.07.2022)	8995634
Shri P. H. Rana	Independent Director (till 25.07.2023)	00020411
Prof. Naman Desai	Independent Director (till 25.07.2023)	8271524

COMPANY SECRETARY

Shri V. M. Chavan

SENIOR EXECUTIVES

Shri Jaynish H. Modi	General Manager (F&A) & CFO
Shri Manhar T. Sangada	Chief Engineer (T&O)
Shri K. B. Dhebar	Chief Engineer (Project)
Shri P. R. Ranapara	General Manager (HR) (till 30.05.2023)
Shri S. V. Rathva	I/C General Manager (HR)
Shri R. G. Nagaria	Additional Chief Engineer (Proc)

BANKERS

Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
India Overseas Bank
Indian Bank
State Bank of India
UCO Bank
Union Bank of India

AUDITORS

M/s. Mukund & Rohit
Chartered Accountant
Vadodara

SECRETARIAL AUDITORS

M/s. J. J. Gandhi & Co.
Company Secretaries
Vadodara

COST AUDITORS

M/s. N. D. Birla & Co
Cost Accountant
Vadodara

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

MGVCL/CS/20th AGM/2023/ 11/12/2023

NOTICE

Notice is hereby given that the 20th 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 **Monday, the 18th December 2023 at 04:15 p.m.** at the 'GUVNL Conference 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, 2023, 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 2023-24 and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"**RESOLVED THAT** the appointment of M/s Mukund & Rohit., Chartered Accountants, Vadodara made by the Comptroller and Auditor General of India, New Delhi, of pursuant to Section 139(5) of the Companies Act, 2013 to audit the accounts of the Company for the financial year 2023-24 be and is hereby noted and 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 M/s Mukund & Rohit., Chartered Accountants, Vadodara the Statutory Auditors appointed by the Comptroller and Auditor General of India, to audit the accounts of Company for the financial year 2023-24."

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/s N. D. Birla & Co., Cost Accountants, Vadodara, (Firm Registration No.000028), 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, 2024, be paid remuneration of ₹ 67,000/- (Rupees sixty seven thousand Only) per annum as cost audit fees inclusive of out of pocket expenses and 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."

By Order of the Board

Sd/-
V. M. Chavan
Company Secretary

Date : 11/12/2023
Place : Vadodara

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 N. D. Birla & Co., Cost Accountants, Vadodara at a remuneration of ₹ 67,000/- (Rupees sixty seven thousand Only) per annum as cost audit fees inclusive of out of pocket expenses plus GST for the financial year ending 31st March 2024.

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, 2024.

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.

By Order of the Board

Sd/-
V. M. Chavan
Company Secretary

Date : 11/12/2023
Place : Vadodara

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

BOARD'S REPORT

To,

The Members of
MADHYA GUJARAT VIJ COMPANY LIMITED

Your Directors have pleasure in presenting 20th Annual Report of the Company together with the audited Financial Statements for the Financial Year ended 31st March, 2023.

FINANCIAL SUMMARY:

The Company's financial performance for the year under review along with previous year's figures is summarized below:

(Rs. in crores)

Particulars	FY 2022-23	% of Total income	FY 2021-22	% of Total income
Income:				
Revenue from Operations	9249.32	96.79%	7717.29	96.57%
Other Income	306.56	3.21%	274.43	3.43%
Total Income	9555.88	100.00%	7991.71	100.00%
Expenses:				
Purchase of Power	8408.98	88.00%	6788.22	84.94%
Employee Benefits Expenses	534.82	5.60%	534.01	6.68%
Finance Costs	53.62	0.56%	52.29	0.65%
Depreciation and Amortization Expenses	279.31	2.92%	264.91	3.31%
Other Expenses	210.87	2.21%	213.57	2.67%
Sub Total	**9487.61**	**99.29%**	**7853.01**	**98.26%**
Profit Before Exceptional Items and Tax				
Profit Before Tax	68.28	0.71%	138.71	1.74%
Current Tax	(7.65)	-0.08%	(21.68)	-0.27%
Deferred Tax	(28.55)	-0.30%	(13.53)	-0.17%
Profit for the Year After Tax (Before OCI)	32.08	0.34%	103.49	1.30%
Other Comprehensive Income	(7.22)	-0.08%	(0.62)	-0.01%
Total Comprehensive Income	24.86	0.26%	102.87	1.29%

The figures of the Previous Year have been regrouped/recast/reclassified wherever necessary to correspond with the current year's figures.

DIVIDEND:

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

TRANSFER TO RESERVES:

No amount has been transferred to General Reserves for the Financial Year 2022-23. Profit after tax of Rs. 3208.10 Lakhs for the Financial Year 2022-23 has been carried to Reserves and Surplus in the Balance Sheet.

SHARE CAPITAL:

The Authorized Share Capital of the Company as on 31-Mar-2023 was Rs. 1,000 Crores (Rupees One Thousand Crores) divided in to 100,00,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital as on 31-Mar-2023 stood at Rs. 505,73,20,860 /- divided in to 50,57,32,086 Equity Shares of Rs. 10/- each fully paid-up.

During the Financial Year, the Company has made allotments on Rights basis to the holding Company Gujarat Urja Vikas Nigam Limited as under:

(i) 88,97,498 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 71/- per Share aggregating to Rs. 72,06,97,338/-;

(ii) 1,21,85,063 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 77/- per Share aggregating to Rs. 106,01,00,481/-; and

After closing of financial year FY 22-23, the Company has made allotment on right basis to GUVNL of 72,99,995 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 77/- per Share aggregating to Rs. 63,50,99,565/- on 17/10/2023.

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.

ACHIEVEMENTS /AWARDS / ACCOLADES:

- **10th & 11th Annual Integrated Ratings:-**
    - In Aug 2022, Ministry of Power, Government of India released its Tenth (10th) Annual Integrated Ratings & Ranking of the state power distribution utilities under an integrated rating methodology. According to these ratings, MGVCL secured an A+ rating, ranked 2nd among all 52 State power distribution utilities for FY 2020-21.
    - In April 2023, Ministry of Power, Government of India released its Eleventh (11th) Annual Integrated Ratings of the state power distribution utilities under an integrated rating

methodology. According to these ratings, MGVCL secured an A+ rating, ranked 3rd among all 51 State & Pvt. DISCOMs rated in the country.

- **National Award for Solar Rooftop in year 2022**
  - The Company received two awards announced by the Association of Renewable Energy Agencies of States for the best performance in the Solar Rooftop Installation Sector.
  - The Company received the award for the best performance in the renewable energy sector for the power sector in the states and power distribution companies in the states during 2021-22.
  - The Company was awarded 2nd position in highest cumulative grid connected solar rooftop installed capacity (MW) up to 31/03/2022 and 2nd position in highest grid connected rooftop solar capacity (MW) installed during the year 2021-22 and was presented at the "8th Foundation Day Ceremony" of the Association of Renewable Energy Agencies of States (AREAS) held at Kochi, Kerala on 27/08/2022.
  - In the area of Madhya Gujarat Vij Company Limited, 429.83 MW solar rooftop installation is completed up to 31/03/2022, out of which 184.46 MW capacity installation done during the year 2021-22.
- **ISGF Award for Solar Rooftop Installation in year 2023**
  - The Company has received Golden award announced by the India Smart Grid Forum for Most Innovative Renewable energy Programs/Projects in India, Solar (Utility Scale).
  - The Company has received the award for the best performance for highest installation of Solar Rooftop projects in India. The Company has received award for 509 MW Solar rooftop projects installation up to 31/12/2022 in the Jurisdiction of MGVCL.
  - In the area of Madhya Gujarat Vij Company Limited, 553.62 MW solar rooftop installations are completed up to 31/03/2023, out of which 409.70 MW capacity installation with 104647 Nos of projects in Residential sector only up to 31/03/2023.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

❖ **ANALYSIS OF FINANCIAL PERFORMANCE:**

During the year under review, the revenue from the sale of power including subsidies and other income amounted to Rs. 955588.39 Lakhs. (PY Rs. 799171.39 Lakhs). The Company purchased 14614.68 MUs (PY 13179.30 MUs) of energy from Gujarat Urja Vikas Nigam Limited (GUVNL), Solar, Wind Farm and other sources (including Net of UI) and sold 12640.79MUs (PY 11541.35 MUs) of energy to all categories of consumers. The Company's overall transmission and distribution losses are reported to the extent of 1973.89 MUs (PY 1637.95 MUs) at 13.51% (PY 12.43 %). Power purchase rate per unit has increased from Rs. 4.9162 to Rs. 5.6702 per unit in FY 22-23.

The important financial parameters are given below:

Sr.No.	Particulars	F.Y 2022-23	F.Y 2021-22
1	Net Power Purchased (MUs)	14614.68	13179.30
2	Units Sold (MUs)	12640.79	11541.35
3	Unit Loss (MUs)	1973.89	1637.95
4	T & D Losses (%)	13.51%	12.43%
5	Distribution Losses	1154.23	966.69
6	Distribution Losses (%)	8.37%	7.74%
7	Collection Efficiency (%)	99.10%	99.02%
8	Average Cost of Supply per Unit (considering total cost components as per Profit & Loss Account)(Rs.)	6.34	5.67
9	Average Realization Per Unit (Rs.)	6.39	5.77
10	ACS – ARR Gap Per Unit (Rs.)	(0.05)	(0.10)
11	Equity Share Capital (Rs. in Crores)	505.73	484.65
12	Other Equity (Rs. in Crores)	2236.30	2054.44
13	Debt-Equity Ratio (in Times)	0.003	0.005
14	Return on Equity (%)	0.71	2.54
15	Return on Investment (%)	1.80	3.12
16	Return on Capital Employed (%)	0.03	0.04
17	Net Fixed Assets (Rs. in Crores)	3992.83	3668.96
18	Borrowings (Rs. in Crores)	755.19	1729.03
19	Current Assets (Rs. in Crores)	3010.30	2728.76
20	Current Liabilities (Rs. in Crores)	852.71	750.23

❖ **ANALYSIS OF TECHNICAL AND OPERATIONAL PERFORMANCE:-**

The year under review, your Company has always made efforts to achieve its goals. Some of the operational highlights are

- **Addition of Transformers:**

Capacity	5 KVA	10 KVA	16 KVA	25 KVA	63 KVA	100 KVA	200 KVA	500 KVA	1000 KVA	Total
During 2020-21	15	4,173	1,516	1,209	701	527	202	0	0	8,323
During 2021-22	28	5,526	2,371	2,296	1,248	1,013	381	20	0	12,883
During 2022-23	-127	5,930	2,094	924	170	1,536	1,089	143	0	11,759

- **Addition of Line:**

Particulars	During the year 2022-23	Total Existing at the end of 31-03-2023
HT line added (CKM)	3097.6	65192.65
LT line added (CKM)	-6247.3	65929.17

- **Release of new connections:**
  - ✦ HT & EHT consumers - 213 Nos.
  - ✦ LT industrial consumers - 1309 Nos.
  - ✦ Domestic consumers - 62,507 Nos.
- **Specially Designed Transformers:**

  In order to provide continuous Single Phase Power supply to house-hold situated in agricultural field, 776 Nos. of Specially Designed Transformers have been installed on Agriculture Dominant Feeders as on March-2023
- Transformer failure rate is decreased to 4.93 % from 5.93 % of the previous year.
- Under DISS, 102 km HT Lines, 90.01 km LT Lines, 199 Nos of transformers & 594 Nos of Poles are shifted at a cost of Rs.17.34 crores during financial year 22-23.
- **Vigilance activit**y with continuous efforts is made for prevention of theft of energy and other misuse of power during the year.
  - ✦ Installations checked - 1,83,252 Nos.
  - ✦ Installations detected - 38,766 Nos.
  - ✦ Amount assessed - Rs. 6446.89 Lakhs
  - ✦ Amount realized - Rs. 1992.61 Lakhs

    (out of assessed amount)
- Under State Govt sponsored scheme, 4,287 connections (Rs. 374.98 lakhs) were released under Zupadpatti Vijlikaran Scheme, 811 connections (Rs. 37.02 lakhs) were released under SCSP Household Scheme and 4,338 connections (Rs.180.00 lakhs) were released in “KutirJyoti” scheme in tribal areas during the financial year 2022-23.
- **In Agriculture sector,** electrification of wells were carried out for total 10,089 nos. The Scheme wise breakup is as under :
  - ✦ 3727 wells (Rs. 5385.42 lakhs) under Special Project Agriculture (SPA) Scheme.
  - ✦ 5704 wells (Rs. 7620.09 lakhs) under Tribal Area Sub Plan (TASP) Scheme.
  - ✦ 06 wells (Rs. 3.30 lakhs) under Tatkal Scheme.
  - ✦ 551 wells (Rs. 828.69 lakhs) under Dark Zone Area.
  - ✦ 01 wells (Rs. 2.78 lakhs) in other scheme.
  - ✦ 100 wells (Rs. 152.03 lakhs) in SC Ag. Scheme.

REVAMPED REFORMS-BASED & RESULTS LINKED DISTRIBUTION SECTOR SCHEME (RDSS):

The Ministry of Power (MoP), Government of India has formulated and approved a new scheme named “Revamped Reforms Based and Results Linked Distribution Sector Scheme” (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to DISCOMs to strengthen supply, infrastructure based on meeting, pre-qualifying criteria and achieving basic minimum benchmarks. The Scheme has an outlay of Rs. 3,03,758 Crores over 5 years i.e. FY 2021-22 to FY 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of Rs 97,631 Crores. Rural Electrification Corporation Limited (REC) and Power Finance Corporation Limited (PFC) have been nominated as nodal agencies for facilitating the implementation of the Scheme.

The RDSS inter alia includes works relating to installation of prepaid smart meters/prepaid meters on consumer installations, communicable DTR metering, feeder bifurcation, HVDS configuration of network in high loss pockets, AB cables, S/S related works, etc.

MGVCL has prepared Action Plan and DPR under RDSS and submitted for further approval to DRC and State Cabinet of Govt. of Gujarat, with the total cost Rs. 4147.28 Crores. The RDSS Monitoring Committee of Ministry of Power, in its 7th Meeting held on 15/03/2022 has considered MGVCL’s project proposals and approved Rs. 3778.11 Crore as project cost.

Power Finance Corporation, New Delhi has issued Sanction Letter to MGVCL for RDSS having an outlay of Rs. 3778.11 Crore with an estimated Government Budgetary Support from Central Government of Rs. 1317.78 Crores vide Sanction Letter No: 02:10:RDSS:I:MGVCL:76112 dated 24-Mar-2022. Power Grid Corporation of India Limited has been engaged for implementation of the RDSS for MGVCL.

Accordingly, MGVCL had prepared tender considering Standard Bidding Document issued by REC, New Delhi and has awarded the works through turnkey mode for an amount of Rs. 813.90 Crores. And MGVCL awarded Smart metering project on DBFOOT Basis for an amount of Rs 2726.86 Crores. Implementation of Scheme has already commenced by various agencies.

- **METERING REVOLUTION THROUGH SMART TECHNOLOGY:**

  Introduction and infusion of new smart metering technology in the power sector would result in a great revolution. Installation of Smart Prepaid Meters would give benefits not only to the Company in terms of revenue generation and planning appropriate power management but also help the Company and the consumers to carry out the functions like –

  - Track real-time energy consumption
  - Monitor and control daily power consumption
  - Removing human interface
  - Analyze past energy consumption patterns and forecast energy usages
  - Seamless online recharge options
  - Adopt energy efficient behavior
  - Real-time notifications and alerts
  - Reduction in carbon footprint and climate safety

The Company has been planning to absorb this new technology and has taken steps to implement the Smart Metering Project in urban areas and would gradually cover other areas in future.

DSM PROGRAMME:

- **SURYA GUJARAT SCHEME (RESIDENTIAL SOLAR ROOF TOP SUBSIDIZED SCHEME OF GOG)**

  The Company has implemented SURYA GUJARAT-Solar Rooftop Programme for residential consumers 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.

  Under **SURYA GUJARAT** Scheme during FY 22-23, **20,614nos** and **83.74 MW** of residential roof top connections are released under the scheme and upto FY 2022-23 **89,646 Nos** and **351.11 MW** roof top connections are released under the scheme.

- **Solar roof top scheme :- (All categories – Non-subsidized)**

  Total **18,543 Nos** and **202.492 MW** capacity of solar roof top connections are given to residential, industrial, commercial, Government and other categories. During the financial year 22-23, **1,480 Nos** and **40.802 MW** solar roof top connections were released under this scheme.

- **AGRICULTURE DSM:-**

  The Company has initiated Demand Side Management program for Agriculture Consumers. Under various schemes mentioned below stand alone off grid solar pumps and grid connected solar connections are given to farmers.

  1565 Nos of off-grid solar agriculture pump of 3 HP, 5 HP and 7.5 HP are installed from FY 2014-15 to 2017-18 and also under PM KUSUM Component B during the FY 2021-22 total 69Nos of standalone pumps were commissioned and during the FY 2022-23 total 142Nos of standalone pumps were commissioned.

  772 Nos of Grid connected solar agriculture connections on 16 Nos of feeders having 12.738 MW- AC capacities are released under Suryashakti Kishan Yojna (SKY) Scheme from FY 2018-19 to FY 21-22.

  The solar energy so called green and clean energy helps in reduction of carbon foot print in agriculture and reduces the subsidy of government in agriculture sector.

SYSTEM IMPROVEMENT

- Detailed analysis was carried out for feeders having high Ampere loading and low tail end voltages and accordingly, such feeders were bifurcated as per system improvement (SI) norms.
- Total 39 nos feeders were bifurcated under SI scheme FY 2022-23 on all feeder categories excluding HT Exp & SST.
- Total 32 nos Agriculture feeders were bifurcated under SKJY Scheme.
- Conductor renovation (replacement) of 724.66 KM SKJY Scheme on Agriculture feeder.
- Total 269 nos of 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.

EFFECTIVE STEPS FOR LOSS REDUCTION:

- Aerial Bunch Conductor(ABC)
  - Total 2619.33 Km Aerial Bunch Conductor is used in place of existing LT Line to eliminate direct tapping from LT Line during the year.
- Small capacity Transformers
  - Total 885 Nos of small capacity transformer are installed on JGY and Urban feeders having high losses during the year to eliminate power theft.
- Selection of 234 Nos of high loss feeders for FY 2022-23.
- 234 Nos of loss reduction activities planned on selected High loss feeders.
- 18 points activities planned like; replacement of deteriorated conductor, providing LT AB cable, feeder bifurcation, Link line, DTC review etc.
- Senior officers of corporate office are nominated for monitoring of circle.
- Feeder managers have been nominated for all selected high loss feeders.
- AG Load control: Day and night time patrolling on over loaded Ag feeders having high distribution loss.
- Qualitative vigilance activities on daily basis.
- Load verification activities of Ag Unmetered connections on daily basis.
- Connection release process through e-urja instead of legacy system.
- Inspection of each sub division by concerned SE ones in a year & three times by EE, in a year.
- Corrective action on the basis of meter reader reports.
- Door to door connections checked and rectified for Industrial & GIDC feeders.
- Releasing of spot connections.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS& OUTGO:

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-I** and attached to and forming part of this Report.

SAFETY MEASURES TAKEN:

- 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/practically trained the line staff regarding the lacuna resulting in accidents so that it can be prevented in future.
- Safety Officer visits the site for safety audit regarding usage of safety equipments and implementation of safety rules 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.
- Safety rules posters to be implemented by the line staff is hanged at fault centers of all sub-divisions for line staff.
- Celebration of safety week in each sub division with competition and arranging a small drama, slogans, documentary including safety rally etc.
- On every Monday all Sub-divisional heads address their line staff on safety.
- EE Safety remains present randomly during this meeting.
- Safety meeting are arranged on every Monday at sub-division, last Wednesday of every month at division and quarterly at circle level and safety tips are given to line-staff from various officers. Safety of our employee is a prime concern of MGVCL management hence directives are given that during line staff meeting on last Monday of every month at subdivision, the family members of line staff be invited and to be sensitized regarding safe working practices to be followed by the line staff.
- 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/GaneshChaturthi/Navratri/Dipavali advertisements are given in media through newspapers, radio, television cable network etc for creating awareness in the consumers for safe celebrations. Also, safety awareness Jingles were telecasted on various FM Radio. Further, safety advertisement were displayed on GSRTC bus.
- 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 center is taken up.
- Disc/ Internet cables are removed from the distribution network for safety aspects.
- To control and reduce departmental accidents and to improve safety of the employees working on distribution network, work of removal/rectification of line crossing is taken up.
- 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 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 training arranged for existing line staff.
- Prepared safety film on the theme of few actual accidents that occurred during current year to show the employee how a minor lapses/error creates major occurrence of the accident. So that employee can take care while working and prevents the accidents.

CONSUMER SERVICES:

- **The Janseva Kendra**

  MGVCL has initiated the one of the flagship program of providing the Single Window Service Centre -The Janseva Kendra. The initiative is aimed towards bringing effective e-Governance, while introducing the transition from traditional governance to consumer centric and place-independent governance services and information.

- **The Janseva Kendra Location**

  Under the jurisdiction of MGVCL, there are 13 Nos of Janseva Kendra are functioning at various locations under 5 circle offices.

  Other than these Janseva Kendras, all sub division offices are also equipped with consumer help desk, where consumer/visitors can avail mentioned services/information. All consumer help desks are equipped with dedicated IT qualified Jr. Asst.

- **Consumer Care Center:**

  In order to provide 24 hours service to consumer, customer care center has been established in Vadodara whereby complaints are registered through toll free number 19124 & 18002332670 round the clock thereby ensuring the attendance of satisfactory services. Consumer can talk to customer care center representative on above toll free number.

Total nos of complaint lodged during 2022-23	**1,21,327**
Total nos of complaint resolved during 2022-23	**1,21,327**

- **WhatsApp Facility for lodging Power Interruption Information**

  Almost everyone has smartphone today. WhatsApp is free and replacement of SMS/Email. Consumers can contact at no cost and is most popular with Urban as well as rural population equally. WhatsApp chat messenger is user friendly and widely used facility for exchange of information.

  In the event of power failure, consumer can intimate consumer number or consumer name and address through WhatsApp text message on 99252 18002 number.

- **Consumer Portal:**

  Through consumer portal, https://mgvcl.in, MGVCL consumers can avail online facilities like energy bill and firm quotation payment, new connection application, load increase/reduction, name transfer, change of tariff, disconnection, shifting, reconnection, etc. The consumer gets application number for the same. Consumer can also log the complaint from consumer portal.

MGVCL has introduced following applications for better consumer services.

- **Urja Mitra:**

  "Urja Mitra" developed by MOP, Govt. of India, empowers citizens of the country by providing free, advance power outage information on their fingertips, through vernacular SMS/push notifications on mobile phones.

  Urja Mitra mobile application is available in Google Play Store. The App can be downloaded and installed on android/iOS platform based smart phones.

- **Digital Payment:**

  It facilitates payment of energy bills through RTGS/NEFT and UPI transaction with updating of payments in e-urja LT Billing.

- **Centralized Processing Center (CPC):**

  MGVCL has taken a unique and revolutionary step by establishing a Centralized processing Center (CPC) at Vadodara for processing of all types of consumer applications for new connections, change of name, change of load, change of tariff etc. at a single point of service so that its esteemed consumers are not required to visit Sub Division Offices for the purpose. The CPC has been equipped with required staff and necessary IT peripherals for smooth functioning of routine processes. The CPC started functioning from Aug-2023 and has earned appreciation from the consumers and other stakeholders.

- **E-Gram center for cash collection:**
  - Web Application for Online Collection of Energy Bills at Village Gram Panchayat and Cooperative Societies/Banks
  - Can monitor live status of bill collection
  - Integration with existing ERP Module of Billing
  - Many consumers in Rural area are making payment

- **IT INITIATIVES:**

The following initiatives in IT are undertaken so as to ensure better power supply management and consumer services:

- **Dashboard for Management**
  - ✦ Automatic population of information from various system as statistical and graphical presented data in Monthly/Daily format.
- **MDAS (Composite LTMD Meters):**
  - ✦ Availability of LTMD/HT Consumers real time data at for easy maintenance, Billing and monitoring.
- **Inventory Monitoring System (IMS):**
  - ✦ For TS wise / Scheme wise accounting and monitoring of materials and works up to

sub division offices. It provides facility to track & manage the hands on material available with contractor and subsequently finalizations of bills.

- **Transformer Management System (TMS):**
  - Monitoring of Transformer (Failure and Theft Complains.),
  - Each TC is identified by Unique ID (UID). It keeps the record of TR1 generated at SDO Level.
  - It includes external inspection done by Division and external / internal inspection done at Agency level. It maintains record of Agency wise Oil Balance and Shortage.
- **Pole Accounting & Monitoring System (PAMS):**
  - For accounting and monitoring quantity and movement of poles right from Pole Factory to unloading at various locations of MGVCL with Photo capturing at inspection and unloading stage.
- **Digital Payment:**
  - It facilitates payment of energy bills through RTGS/NEFT and UPI transaction with updating of payments in e-urja LT Billing.
- **DTR Accounting:**
  - It helps to calculate and monitor the DTR wise losses from billing data.
- **Vigilance System and Online FIR Registration:**
  - This system provides provisional bill calculation for the cases booked under sec-126 and sec-135 and online FIR registration of electricity theft cases.
- **VASAV App:**
  - Online Investigation of offence by Police station staff through Mobile App. All the assigned FIR will be automatically viewed by Investigation officer at the place of offence once he logins into the mobile app with all the details like Name and Address of accused person, name, address and contact details of complainant, bill details, payment details, seized details etc.
- **Daily Activity Report (DAR):**
  - It is the reporting and monitoring system for various routine field activities like T & D activity, Interruptions, accidents, Maintenance, T&D loss reduction, Miscellaneous activity, Safety activity etc.
- **Employee Request Transfer Monitoring system (ERTMS):**
  - Application is developed for Class I & II Officers Request Transfer and reports are generated based on data available.
- **HR SYSTEM (HRIS):**
- **STAFF SETUP :** (1) Location wise staff setup for sanction post
  (2) Designation wise Workload analysis

- **NOMINATION MODULE :** Scan and upload nomination form into the server
- **Complaint Management System (CMS)**
  - CMS registers complaint from consumers in a single window and addresses the said complaint in time bound manner.
  - **CMS Mobile App -** Developed Mobile App for entry of outage information of feeder based on category of Planned and Emergency Shutdown and the outage SMS is fired to concern consumer based on Shutdown Category.
- **Outage Management system**
  - Outage Management System is developed to collect outages information and future analysis.
- **Sample Audit System**
  - Implemented Sample Audit System for the audit inspection of selected samples for serialization and non-serialized items.
- **Bank Reconciliation System**
  - Implemented Bank Reconciliation System for matching entries (e.g. customer payments, bank fees etc.) on the Company's cash books with the corresponding data on its bank statements.

- **E-sarkar Implementation**

  The Company has adopted and implemented e-Sarkar across all its offices for paperless working. This is further step towards paperless office concept initiated by Govt. of Gujarat. Regular training is being imparted to employees for quick adoption of e-Sarkar.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Changes among Directors and Key Managerial Personnel:

Since the last Financial Year (and up to the date of this Report), the changes among the Directors and Key Managerial Personnel are as under:

- Shri Jai Prakash Shivahare, IAS (DIN-07162392) was appointed as Director and Chairman of the Company w.e.f04-Mar-2022.
- Shri Ravi Shanakar, IAS (DIN-09539484) has been appointed/nominated as Director with effect from 16-Apr-2022.
- Smt. Sailaja Vachhrajani (DIN 08995634) has been appointed/nominated as Woman Director with effect from 14-Jul-2022.
- Shri K. P. Jangid (DIN-06401190) ceased to be Director with effect from 14-Dec-2022.
- Shri Shubhadeep Sen (DIN07898055) has been appointed as Director with effect from 18-January-2023.

- Shri Komal Bhatt (DIN-09453556) ceased to be Director with effect from 01-Mar-2023.
- Shri Nisarg Joshi, (DIN 10063762) has been appointed/nominated as Director with effect from 10-March-2023
- Shri T. Y. Bhatt, IAS (DIN- 08618658) has ceased to be Managing Director and Director with effect from 06-Apr-2023.
- Shri Tejas Parmar, IAS (DIN-08322052) has been appointed/nominated as Director and Managing Director with effect from 06-Apr-2023.
- Shri P. H. Rana (DIN –00020411) and Prof. Naman Desai (DIN 08271524) who were appointed as Independent Directors for a second/first term respectively of 2 (two) consecutive years from 26-Jul-2021 have ceased to be Directors with effect from 26-Jul-2023 on account of completion of their second/first term.
- Shri K. P. Jangid (DIN-06401190) has been appointed/nominated as Director with effect from 26-Jul-2023.
- Shri Ravi Shanakar, IAS (DIN-09539484) has ceased as Director with effect from 01-Aug-2023.

As per section 149(6) as applicable to the Govt. Company, in the opinion of the Energy & Petrochemicals Department, Govt. of Gujarat, the Independent Directors appointed in the Company were persons of integrity and possesses relevant expertise and experience (including proficiency). Moreover, having regard to their qualification, experience and knowledge, the Board considered their appointment/reappointment as Independent Director for the second/first term to be of immense benefit to the Company. Further, in the opinion of the Board, all Independent Directors fulfilled the conditions for appointment/reappointment as Independent Director as specified in the Act and the Rules framed thereunder and they were independent of the management.

The Board places on record its appreciation for the valuable contribution made by Shri Ravi Shanakar, IAS, Shri T. Y. Bhatt, IAS, Managing Director, Shri Komal Bhatt, Shri P. H. Rana and Prof. Naman Desai during their tenure on the Board of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Managing Director, Chief Financial Officer and Company Secretary have been designated as Key Managerial Personnel of the Company.

B. Declaration of Independent Directors:

Pursuant to the provisions of Section 149(6)/(7) of the Companies Act, 2013 and the relevant Rules, the Company had received necessary declarations from each Independent Director for the FY 2022-23 confirming that they meet the criteria of independence (including proficiency) as prescribed under the Act. Pursuant to the Notification dated 22nd October, 2020 issued by the Ministry of Corporate Affairs, all Independent Directors have completed registration with the Independent Directors Data bank. Requisite disclosures have also been received from them in this regard.

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's composition and structure, effectiveness of Board processes, information and functioning, etc. The Board appreciated active participation of all Directors.

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 composition of Committees, effectiveness of Committee meetings, etc.

The Board reviewed the performance of the individual Directors and Independent 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, the 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 the Directors. The same was discussed in the Board Meeting that followed the Meeting of Independent Directors, 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 Notification No. GSR-163(E) dated 05-Jun-2015 issued by the Ministry of Corporate Affairs, Govt. of India.

E. Meetings of the Board and Committees thereof:

The details of Board meeting and Committee meetings held during FY 22-23 are as under-

- Nine (9) meetings of the Board of Directors were held during the financial year 2022-23 on 27/04/2022, 11/05/2022, 13/06/2022, 07/07/2022, 14/09/2022, 27/09/2022, 15/12/2022, 06/02/2023 and 10/03/2023.
- Eight (8) meetings of the Audit Committee were held on 27/04/2022, 30/05/2022, 26/08/2022, 27/09/2022, 29/11/2022, 15/12/2022, 03/02/2023 and 22/02/2023.
- Four (4) meetings of the Corporate Social Responsibility Committee were held on 11/05/2022, 02/07/2022, 27/09/2022 and 15/12/2022.
- The Independent Directors had their separate meeting on 28/03/2023 as mandated under the Companies Act, 2013.
- No Meeting of Nomination & Remuneration Committee and Risk Management Committee was held.
- As required under Clause-9 of the Secretarial Standard-1 (SS-1) the details of the number and date of Meetings of Board and Committees held during the Financial Year indicating the number of Meetings attended by each Director are as under:

Name of Director / Member of Committee	Board Meetings 135th 27/04/2022, 136th 11/05/2022, 137th 13/06/2022, 138th 07/07/2022, 140th 14/09/2022, 141st 27/09/2022, 142nd 15/12/2022, 143rd 06/02/2023, 144th 10/03/2023	Audit Committee 65th 27/04/2022, 66th 30/05/2022, 67th 26/08/2022, 68th 27/09/2022, 69th 29/11/2022, 70th 15/12/2022, 71st 03/02/2023, 72nd 22/02/2023	CSR Committee 14th 11/05/2022, 15th 02/07/2022, 16th 27/09/2022, 17th 15/12/2022	Independent Directors Meetings 9th 28/03/2023
Shri J. P. Shivahare, IAS Chairman	9/9	-	-	-
Shri Ravi Shanakar, IAS (w.e.f. 16.04.2022)	9/9	-	-	-
Shri T. Y. Bhatt, IAS Managing Director (Till 06.04.2023)	9/9	8/8	4/4	-
Shri H. P. Kothari	9/9	-	-	-
Shri Komal Bhatt (w.e.f. till 01.03.2023)	7/8	8/8	-	-
Shri Nisarg Joshi (w.e.f. 10.03.2023)	1/1	-	-	-
Shri K. P. Jangid (Till 14.12.2022)	7/9	4/5	3/3	-
Shri P. H. Rana (Till 25.07.2023)	8/9	8/8	3/4	1/1
Prof. Naman Desai (Till 25.07.2023)	5/9	7/8	2/4	1/1
Shri Shubhadeep Sen (w.e.f. 18.01.2023)	2/2	-	-	-
Smt. Sailaja Vachhrarani (w.e.f. 14.07.2022)	5/5	-	-	-

* Shri T. Y. Bhatt, IAS, Managing Director is attending the meeting of Audit Committee as Special Invitee.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge, belief and according to the information received, the Directors confirm as under for the Financial Year 2022-23 in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) in the preparation of the annual accounts, the applicable accounting standards had 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; and

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

AUDIT COMMITTEE:

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

In view of appointment/reappointment of Independent Directors on the Board of the Company for second/first term of two years with effect from 26-Jul-2021 and with a view to ensuring compliance with the Guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs) issued by Ministry of Power, Govt. of India vide DO Letter No.9/5/2020-IPDS-Part-(1) dated 11-Mar-2021 or amended thereafter, the Board of Directors of the Company had constituted the Audit Committee. The constitution of the Audit Committee as on 31-Mar-2023 was as under:

(1)	Shri Praful H. Rana	:	Chairman (Independent Director)
(2)	Prof. Naman Desai	:	Member (Independent Director)
(3)	Shri Nisarg Joshi (W.e.f. 10.03.2023)	:	Member (Representing Fin. Dept.)
(4)	Shri Komal Bhatt (Till 1-Mar-2023)	:	Member (Representing Fin. Dept.)
	Managing Director	:	Special Invitee

The tenure of second/first term of Shri. Praful H. Rana (DIN 00020411) and Prof. Naman Desai (DIN 08271524), Independent Directors has completed on 26-Jul-2023. Accordingly, the composition of the Audit Committee which has been constituted would not be as per requirement mentioned in the Corporate Governance Guidelines of MoP and therefore, would be treated as non-functional till appointment of Independent Directors.

There had been no instances where the recommendations of the Audit Committee were not accepted by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The CSR Policy adopted by the Company is posted on the Company's website at www.mgvcl.com. During the year under review, the Company has approved CSR Projects in the areas of Healthcare, Education, Rural Development and Environment etc., as per approved Annual Action Plan.

Pursuant to the provisions of Rule-8(1) of the Companies (CSR Policy) Rules, 2014, as amended, the Annual Report on Corporate Social Responsibility Activities is attached in the prescribed form as Annexure-II which forms part of this Report.

The Company has constituted a 'Corporate Social Responsibility' (CSR) Committee in accordance with Section 135 of the Companies Act, 2013, the constitution of which as on 31-Mar-2023 is as under:

(1) Managing Director : Chairman

(2) Shri Praful H. Rana : Member (Independent Director)

(3) Prof. Naman Desai : Member (Independent Director)

The tenure of second/first term of Shri. Praful H. Rana (DIN 00020411) and Prof. Naman Desai (DIN 08271524), Independent Directors has completed on 26-Jul-2023.

Thereafter, in accordance with the provisions of the Companies Act, 2013, now the CSR Committee has been reconstituted as under:-

(1) Managing Director : Chairman

(2) Shri Shubhadeep Sen : Member (Director)

(3) Smt. Sailaja Vachhrajani : Member (Woman Director)

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) of the Company is available on the website of the Company at www.mgvcl.com

NOMINATION AND REMUNERATION COMMITTEE AND POLICY:

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

Committee formulated Remuneration Policy for senior management and other employees. Further, vide 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, being unlisted wholly-owned company, has been exempted from the requirement of constituting a Nomination and Remuneration Committee of the Board.

In view of appointment/reappointment of Independent Directors on the Board of the Company for second/first term of two years with effect from 26-Jul-2021 and with a view to ensuring compliance with the Guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs) issued by Ministry of Power, Govt. of India vide DO Letter No.9/5/2020-IPDS-Part-(1) dated 11-Mar-2021 or amended thereafter, the Board of Directors of the Company had constituted the Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration Committee as on 31-Mar-2023 was as under:

(1)	Shri Praful H. Rana	:	Chairman (Independent Director)
(2)	Prof. Naman Desai	:	Member (Independent Director)
(3)	Shri Nisarg Joshi	:	Member (Representing Fin.Dept.)
	Managing Director	:	Special Invitee

The tenure of second/first term of Shri. Praful H. Rana (DIN 00020411) and Prof. Naman Desai (DIN 08271524), Independent Directors has completed on 26-Jul-2023.

Accordingly, the composition of the Nomination and Remuneration Committee which has been constituted would not be as per requirement mentioned in the Corporate Governance Guidelines of MoP and therefore, would be treated as non-functional till appointment of Independent Directors.

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, mitigation, monitoring and reporting. The Risk Management framework primarily focuses on following elements:

- Risk to Company's assets and properties
- Employees related risks
- Risks associated with non-compliance of statutory enactments
- Risk of Inflation and Cost Structure
- Credit Risk
- Liquidity Risk
- Operational Risk

- 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 subsidies

Further, in view of appointment/reappointment of Independent Directors on the Board of the Company for first/second term of two years with effect from 26-Jul-2021 and with a view to ensuring compliance with the Guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs) issued by Ministry of Power, Govt. of India vide DO Letter No.9/5/2020-IPDS-Part-(1) dated 11-Mar-2021 or amended thereafter, the Board of Directors of the Company had constituted the Risk Management Committee. The constitution of the Risk Management Committee as on 31-Mar-2023 was as under:

(1)	Managing Director	:	Chairman
(2)	Shri H. P. Kothari	:	Member (GUVNL Representative)
(3)	Prof.Naman Desai	:	Member (Independent Director)

The scope and terms of reference shall be to develop the risk management framework as an integral part of the business operations in line the Risk Management Policy approved by the Board.

The tenure of second/first term of Shri. Praful H. Rana (DIN 00020411) and Prof. Naman Desai (DIN 08271524), Independent Directors has completed on 26-Jul-2023. Accordingly, the composition of the Risk Management Committee which has been constituted would not be as per requirement mentioned in the Corporate Governance Guidelines of MoP and therefore, would be treated as non-functional till appointment of Independent Directors.

EXTRACT OF ANNUAL RETURN:

Pursuant to the amendments to Section 134(3)(a) of the Companies Act, 2013 read with Rule-12 of the Companies (Management and Administration) Rules, 2014, the information required with respect to the Annual Return pursuant to the provisions of Section 92, is available on the Company's website and can be accessed at http://www.mgvcl.com/cprofile/ann_returns.htm

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 Transactions Policy and Procedure.

All related party transactions were placed before the Audit Committee. Omnibus approval was obtained for transactions which are of repetitive nature.

INTERNAL FINANCIAL CONTROL SYSTEMS:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

Tariff

Gujarat Electricity Regulatory Commission (GERC) is the authority to regulate the working of the Electricity Utilities in the State and is entrusted with various functions, inter-alia, including the determination of retail tariff for the end users of electrical energy.

Following Multi Year Tariff regulations, MGVCL had filed petition for Truing Up for FY 2021-22 and Determination of Tariff for FY 2023-24 before Hon'ble GERC. Company invited objections/ suggestions from the stake holders. Hon'ble Commission had held hearing of the petition at GIFT City, Gandhinagar. After due process of hearing and analyzing the issues raised by the stake holders, Hon'ble GERC issued the order on date 31st March, 2023. Tariff order is effective from 1st April, 2023

GERC vide order dated 01 of 2022 dated 08/03/2022 for the period 01.04.2022 to 30.09.2022 & 03 of 2022 dated 22/09/2022 for the period 01.10.2022 to 31.03.2023 has determined Additional Surcharge to be recovered by Distribution Companies from Consumers opting to purchase power from other than local Distribution Company in order to mitigate their fixed cost burden.

CONSUMER GRIEVANCES REDRESSAL FORUM:

The Company has set up the Consumer Grievance Redressal Forum as mandated by Sub Section (5) of Section 42 of the Electricity Act, 2003 and the GERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2019 notified there under, within its jurisdiction for quick disposal of consumers' grievances.

Looking to the geographical situation and area covered by the company and for convenience of our valued customers, company has constituted 2 forums for quick disposal of consumer grievances viz. at Godhara and Vadodara, Corporate Office. Vadodara CGRF looking after Baroda City, Baroda (O&M), Anand & Nadiad Circle of MGVCL.

During the Financial year 2022-23 under review, out of 24 Nos. cases were received and all cases were disposed of.

HUMAN RESOURCE DEVELOPMENT:

The Company lays great emphasis on upgrading the skills of its human resources. Numbers of need-based training and development programs were organized to develop competency of employees with special emphasis on fostering the culture of innovation thereby enhancing organizational effectiveness and productivity.

Due to regular interaction with the Employees' Representatives, the industrial relations continued to be cordial, resulting into positive work culture in the organization during the year under review.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & 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. The company has formed a committee for redressing the grievance received under Sexual Harassment to women at work place.

In this regard, it is to state that five (05) nos of complaint was received and 4 complaint has been disposed/resolved and one is pending as on 31/03/2023.

AUDITORS:

A. Statutory Auditors:

The Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG), New Delhi. M/s. Mukund & Rohit, Chartered Accountants,Vadodara, were appointed as Statutory Auditors of the Company for the financial year 2022-23. They have audited the Financial Statements along with Balance Sheet for the Financial Year ended 31/03/2023 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 appointed M/s. Mukund & Rohit, Chartered Accountants,Vadodara as Statutory Auditors of the Company for the financial year 2023-24.

B. 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 N. D. Birla & Co, Cost Accountants, Vadodara, as Cost Auditor of the Company for the financial year 2022-23. The Cost Audit Report for the F.Y 2022-23 was filed with the Registrar of Companies on 13/10/2023, within the stipulated time. The Cost Auditor Report does not contain any qualification, observation or adverse remarks.

The Board has appointed M/s N. D. Birla & Co, Cost Accountants, Vadodara, as Cost Auditors for the financial year 2023-24. As required under the provisions of the Companies Act, 2013, the Directors recommend their remuneration for the Financial Year 2023-24 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.

C. Secretarial Auditors:

Your Company has appointed M/s. J. J. Gandhi & Co, Practicing Company Secretaries, Vadodara for conducting Annual Secretarial Audit for the year 2022-23 pursuant to Section 204 of the Companies Act, 2013. M/s. J. J. Gandhi & Co., Practicing Company Secretaries, Vadodara have issued Annual

Secretarial Audit Report for the year 2022-23 which forms part of this report and is furnished as **Annexure 'III'**. The Secretarial Auditor Report does not contain any qualification, observation or adverse remarks.

D. CAG's Comments

The C&AG has conducted supplementary audit under Section 143 of the Companies Act, 2013 on the Financial Statements of the Company for financial year ended on 31/03/2023 and has issued a NIL comments vide letter No. AMG-III/HQ-II/Lekhe/MGVCL/2023/ow-1087 dated 17/11/2023, a copy of which is placed in this Annual Report.

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

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 vide Notification No. GSR-163(E) dated 05-Jun-2015 issued by the Ministry of Corporate Affairs, Govt. of India, to furnish information as required under Section 197 of the Companies Act, 2013 relating to particulars of Directors or employees.

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 the Company's operations in future, except as stated elsewhere in this Report.

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

k) There was three (03) case pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the financial year. One case has been disposed after year end.

l) No event has taken place that gives rise to reporting of details with respect to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or financial institutions.

ACKNOWLEDGMENT:

Your Directors gratefully acknowledge and appreciate the contribution made by the employees at all levels for the understanding and support extended by them. The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative have made the organization's growth and success possible and continue to drive its progress. The Directors place on record their gratitude to the Government of India (including the Ministry of Power), Government of Gujarat (including Energy & Petrochemicals Department), Gujarat Urja Vikas Nigam Limited (the Holding Company), Gujarat State Electricity Regulatory Commission, GEDA, Power Finance Corporation Limited, Rural Electrification Corporation Limited, Financial Institutions, Bankers, Consumers, Suppliers and other business associates and various stakeholders for their continued assistance, co-operation and patronage. The Company is also thankful to the Comptroller & Auditor General of India, the Internal, Statutory, Cost and Secretarial Auditors and Consultants/Advisors for their suggestions and co-operation.

For and on behalf of the Board,

Date: 28-11-2023
Place:Vadodara

Sd/-
Jai Prakash Shivahare, IAS
Chairman
(DIN – 07162392)

MADHYA GUJARAT VIJ COMPANY LIMITED
CIN – U40102GJ2003SGC042907

Registered & Corporate Office:
Sardar Patel VidyutBhavan, Race Course, Vadodara – 390 007, Gujarat
Telephone: (0265) 2310582
Fax: (0265) 2338164
e-mail: info@mgvcl.com
Website: www.mgvcl.com

ANNEXURE-I

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under 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 ■ Awareness programme for promoting Surya Gujarat- Solar roof-top scheme was carried out by displaying flex banners at all Govt. Offices, publicity through hoardings in Vadodara city, distributing pamphlets/leaflets and flyers with newspaper in town/city area etc ■ Awareness programme for promoting PM KUSUM scheme- Pradhan Mantri Kishan Urja Suraksha evam Utthan Mahabhiyan was carried out by displaying flex banners at Govt. Offices, publicity through hoardings in 7 district and 31 taluka, distributing pamphlets/leaflets and flyers with newspaper in town/city area etc ■ Safety advertisements and radio jingles are published during the festivals of uttaryan and diwali in leading newspapers and radio channels for bringing awareness in public ■ Advertisement in leading newspapers and distribution of pamphlet and banners for use of LED bulbs to save electricity in rural area ■ 60,88,295 nos. of 9 W LED bulb; 2,29,218 nos. of 20 w Tube light and 99277 nos. of energy efficient star rated fans have been distributed under UJALA Scheme of Ministry of Power, Government of India up to Financial Year 22-23.
ii). The steps taken by the company for utilizing alternate sources of energy;	**Solar Rooftop on MGVCL's Office Building:-** In line with state envisages to accelerate the deployment of solar power by means of implementation of large and small scale solar project to align with India's Ambitious Solar PV Capacity Expansion Program as well the energy conservation by use of green and clean energy As a part of Government Distribution Company, MGVCL has install Grid Connected Solar PV System on various office

	Buildings of MGVCL. As per the project, solar rooftop system of cumulative capacity 0.853 MW on 80 No's of MGVCL's Office building at an cost of Rs 3,26,83,344.00 has installed during the financial year 2022-2023. **Surya Gujarat Scheme (Residential solar roof top subsidized scheme of GoG)** MGVCL has implemented SURYA GUJARAT -Solar Rooftop Programme for residential consumers 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. Under **SURYA GUJARAT** Scheme during FY 22-23 **20614 Nos** and **83.74 MW** of residential roof top connections are released under the scheme and upto FY 2022-23 **89646Nos** and **351.11 MW** roof top connections are released under the scheme. **Solar roof top scheme :- (All categeories – Non-subsidized)** Total **18543** Nos and **202.492 MW** capacity of solar roof top connections are given to residential, industrial, commercial, Government and other categories. During the financial year 22-23, **1480Nos** and **40.802 MW** solar roof top connections were released under this scheme. **AGRICULTURE DSM:-** Company has initiated Demand Side Management program for Agriculture Consumers. Under various schemes mentioned below stand alone off grid solar pumps and grid connected solar connections are given to farmers. **1565 Nos** of off-grid solar agriculture pump of 3 HP, 5 HP and 7.5 HP are installed from FY 2014-15 to 2017-18 and also under PM KUSUM Component B during the FY 2021-22 total **69Nos** of standalone pumps were commissioned and during the **FY 2022-23** total **142Nos** of standalone pumps were commissioned. **772 Nos** of Grid connected solar agriculture connections on 16 Nos of feeders having **12.738 MW- AC** capacities are released under Suryashakti Kishan Yojna (SKY) Scheme from **FY 2018-19 to FY 21-22.** The solar energy so called green and clean energy helps in reduction of carbon foot print in agriculture and reduces the subsidy of government in agriculture sector.
iii). The capital investment on energy conservatio equipments;	Provisions have been made during the FY 22-23 for different energy conservation / demand side management schemes. Solar rooftop system of cumulative capacity 0.853 MW on 80 No's of MGVCL's Office building at an cost of Rs 3,26,83,344.00 has installed during the financial year 2022-2023.

(B) Technology absorption -	
i). The efforts made towards technolog absorption;	■ Under "Revamped Reforms Based and Results Linked Distribution Sector Scheme" (RDSS), MGVCL has awarded works for installation of smart prepaid meters in MGVCL jurisdiction and for Development of Distribution Infrastructure work for Loss reduction at two districts. ■ 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 like product improvement, cost reduction, product development or import substitution;	a. Safe working environment. b. Reduction in losses. c. Better consumers at is faction
iii). In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	---- Nil------
iv). The expenditure incurred on Research and Development.	---- Nil------
(C) Foreign exchange earnings and outgo -	
The Foreign Exchange earned in terms of actual inflows during the years and the Foreign Exchange outgo during the year in terms of actual outflows.	---- Nil------

For and on behalf of the Board,
Sd/-
Jai Prakash Shivahare, IAS
Chairman
(DIN – 07162392)

Date: 28-11-2023
Place:Vadodara

Annual Report on CSR For FY 2022-23

Annexure II

1.	**Brief outline on CSR Policy of the Company:**
	The concept of Corporate Social Responsibility has gained prominence from all avenues. 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 Policyshall 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 accessed on the Company's website: http://www.mgvcl.com
2.	**Composition of CSR Committee as at 31.03.2023:**

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri T. Y. Bhatt, IAS	Chairman/ Managing Director	4	4
2.	Shri P. H. Rana	Member/ Independent Director	4	3
3.	Prof. Naman Desai	Member/ Independent Director	4	2
4.	Shri K. P. Jangid	Member/ Nominee Director	3	3
	*Ceased to be director of the Company w.e.f. 14.12.2022			

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.	https://www.mgvcl.com/CSR
4.	Provide the executive summary along with web link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	Not Applicable
5.	a. Average net profit of the company as per sub-section 5) of Section 135 of the Companies Act, 2013.	₹ 108,27,24,888.00
	b. Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013.	₹ 2,16,55,000.00
	c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	---
	d. Amount required to be set off for the financial year,	---
	e. Total CSR obligation for the financial year (5b+5c- 5d).	₹ 2,16,55,000.00
6.	a. Amount spent on CSR Projects (both Ongoing and Other than Ongoing Project)	₹ 1,47,36,851.00
	b. Amount spent in Administrative Overheads	Nil
	c. Amount spent on Impact Assessment, if applicable	Not Applicable
	d. Total amount spent for the Financial Year (6a+6b+6c)	₹ 1,47,36,851.00
	e. CSR amount spent or unspent for the financial year:	

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,47,36,851.00	59,74,675	26/04/2023	PM Care	9,43,474	02/08/2023

	f. Excess amount for set off, if any: **Not applicable**

	Sr.No.	Particular	Amount (in Rs.)
	(I)	Two percent of average net profit of the company as per sub-section(5) of Section 135	Nil
	(ii)	Total amount spent for the Financial Year	Nil
	(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section135 (Rs.in lakhs)	Balance Amount in Unspent CSR Account under sub- section (6) of section135 (Rs.in lakhs)	Amount Spent in the Financial Year (Rs.in lakhs)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub- section(5) of section 135), if any.		Amount remaining to be spent in succeeding financial years. (Rs.in lakhs)	Deficiency, if any
					Amount (Rs.in lakhs)	Date of transfer		
1.	2020-21	64.28	49.51	24.73	-	-	24.78	-
2.	2021-22	57.65	-	23.22	-	-	34.43	-

8.	**Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**	No

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)

Under the provision of Section 135 of the Companies Act, 2013 and rules made there under, the total amount to be spent by the Company for FY 2022-23 was Rs. 2.16crore.

The Company has approved CSR projects worth Rs. 2.07croresfor FY 2022-23 and has spent Rs. 1.47crores during FY 22-23 against stipulated 2% of Rs. 2.16crores.

The Committee decided certain CSR projects as ongoing for FY 22-23 considering the time required for execution of project, which was likely to span beyond FY 22-23 and funds were committed for this project and accordingly unspent project cost remaining on this projects as on 31.03.2023 was transferred to special bank account opened in line with the Act/CSR Rules as amended by MCA, Govt of India.

The Company has already transferred unspent amount relating to ongoing project for FY 22-23 of Rs. 59.74 lakhs on 26.04.2023 to separate bank account opened in Scheduled Bank. This amount will be spent on the ongoing projects FY 22-23 within the stipulated time period under the act. After considering one CSR activity as non-statutory CSR, amount of Rs. 9.43 lakhs remained unspent for FY 22-23. The Company has transferred Rs. 9.43 lakhs to Fund specified under Schedule VII being considered as the amount unspent/unallocated for FY 2022-23.

Sd/-

Date: 28/11/2023 **(Tejas Parmar, IAS)**
Place: Vadodara **Managing Director, MGVCL/Chairman, CSR Committee**

Secretarial Audit Report

Annexure III

(For the Financial year ended on 31st March, 2023)

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

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

Dear Sir,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice 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 our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023,** 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;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31st March, 2023,** according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not applicable to the Company during Audit period.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. – As reported to us there were no FDI, ODI and ECB transactions in the Company during the financial year under review.
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company as the Company is unlisted Public Company.
6. Further, as per representation of management letter, considering nature of business and process of the Company the following Acts are specifically applicable to the Company. There

are adequate systems and processes in the company to monitor and ensure compliance;

A. The Electricity Act, 2003

B. The Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003

C. The Gujarat Electricity Duty Act, 1958

We have also examined compliance with the applicable clauses of the following;

(i) The Mandatory Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company as the Company is unlisted Public Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

We further report that;

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 year under review were carried out in compliance with the provisions of the Act.

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, (except when meeting convened at shorter notice with the consent of Directors which is recorded in minutes) 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.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

We 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.

We further report that during the year under review, on Right basis the Company has allotted 88,97,498 equity shares of Rs. 10/- each at a premium of Rs. 71/- per share on 12/08/2022 and on 06/03/2023 further allotted 1,21,85,063 equity shares of Rs. 10/- each at a premium of Rs. 77/- per share.

for J. J. Gandhi & Co.
Practising Company Secretaries

Sd/-
(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515
P R No. 1174/2021
UDIN number F003519E001450448

Place: Vadodara
Date: 25th October, 2023

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 to Secretarial Audit Report

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

Our 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. We have followed the audit practices and the 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. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

4. Wherever required, we have obtained the Management 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. Our 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.

for J. J. Gandhi & Co.
Practising Company Secretaries

Sd/-
(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515

Place: Vadodara
Date: 25th October, 2023

DISCLOSURE pursuant to the requirements mentioned in the revised Corporate Governance Guidelines dated 27-Apr-2023 issued by the Ministry of Power, Govt. of India.

MADHYA GUJARAT VIJ COMPANY LIMITED is one of the pioneer Power Distribution Utilities in India in the Electricity Industry. Incorporated under the Companies Act, 1956 in Sept-2003 as a result of unbundling of erstwhile Gujarat Electricity Board pursuant to Power Sector Reforms initiated by the Central and State Governments, the Company became commercially operational since April-2005. The Company is a wholly-owned subsidiary of Gujarat Urja Vikas Nigam Limited (A Govt. of Gujarat Undertaking).

It would be of immense pleasure to share that MGVCL, for its very high operational and financial parameters among others, earned the highest A+ grade amongst 51 State-owned and private sector power distribution utilities of the country during the rating period FY 2021-22. In April 2023, Ministry of Power, Government of India released its Eleventh (11^{th}) Annual Integrated Ratings of the State-owned and private sector power distribution utilities under an integrated rating methodology. According to these ratings, Madhya Gujarat Vij Company Limited (MGVCL) secured an A+ rating, ranked 3^{rd} among all 51 State & Pvt. DISCOMs. For the FY 2021-22,MGVCL has also been awarded12^{th} Ranking amongst Indian Power Sector for 'Consumer Service Rating of DISCOMs' in general DISCOM Category by Ministry of Power, Govt. of India.

❖ **MANAGEMENT DISCUSSION:**

Energy is fundamental for making India's economic aspirations. Power Sector is a backbone for any economy. The extent and quality of the Sector determines the ability of the country to utilize its comparative advantage and enables cost competitiveness. Given the strong backward and forward linkages and the positive externalities that it generates, it can be a vehicle for social and economic transformation.

Distribution constitutes pivotal link within the power sector value, serving as the vital intermediary connectivity between utilities and consumer. Throughout history, the domain of power distribution had predominantly rested as the monopoly of Government-owned State Utilities, with the private sector playing only a limited part.

The innovative and progressive steps taken for development have catapulted the power sector in Gujarat from a power-deficit to power-sufficient State. Timely tariff revisions have made the sector viable, enabling Gujarat to set-up adequate generation capacity. Today, the State boasts of quality and uninterrupted power supply to all categories of consumers adequately. Gujarat is the only State in India to supply 24X7 three-phase power to all of its villages. Gujarat's Discoms are one of India's most high performing distribution companies which have adequate infra structural facilities including power distribution network.

Gujarat UrjaVikas Nigam Limited, holding company of State-owned Discoms in Gujarat, is upgrading power infrastructure and increasing power availability through renewable sources like solar and wind energy to cater to the rising power demand in the State.

FINANCIAL AND OPERATIONAL PERFORMANCE:

The Company continued to accomplish a healthy growth during the FY 2022-23. The total revenue stood at Rs. 9555.88 crores and the net profit earned was Rs. 32.08 crore.

Further, Net Worth (share capital plus all reserves including Govt. Grants, subsidies etc) of the Company grew by 8.43% in FY 2022-23 to Rs. 466336.49 Lakhs as compared to Rs 430075.07 Lakhs in FY 2021-22 and the gross assets as at March 31, 2023 grew to Rs707508.03 Lakhs from Rs. 647341.22 Lakhs as at March 31, 2022.

The Company's overall transmission and distribution losses are reported to the extent of 1973.89MUs (PY 1637.95MUs) at 13.51% (PY 12.43%).

In the preparation of financial statements, the Company has followed Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 01, 2018 issued by the Ministry of Corporate Affairs, to the extent applicable.

RISK & CONCERNS:

In spite of the fact that MGVCL is a very sound financial player in Power Sector, its business is not free from risk. The Company actively identifies evolving risk keeping in view its nature of operations and takes timely action to address and manage them. The following are some of the risks and concerns faced by your Company. As an enterprise engaged in distribution of electricity, the Company has always had a systems based approach to Business Risk Management. The responsibility of management of risk lies upon the Board of Directors. The process of risk management includes prioritization of risks, selection of appropriate mitigation strategies and periodic reviews of the process of management of risks. Risk Management framework shall primarily focus on following elements –

A. Risk to Company Assets and Property:

It is ensured that there is proper security and maintenance of assets.

B. Employees Related Risks:

Employees constitute the most important assets of the Company. The Company has proper recruitment Policy for recruitment of personnel at various levels of the organization. Employees are trained at regular interval to upgrade their skills. Activities relating to welfare of employees are undertaken. The Human Resources Policies have been evolved over the years with the object of mitigating employee related risks including reducing attrition rate.

C. Risk associated with Non-Compliance of Statutory Enactments:

The Company is a legal entity incorporated under the provisions of the Companies Act, 1956 engaged in distribution of electricity. The Company is required to ensure compliance of provisions of various applicable statutory enactments.

The Company ensures that qualified professionals are employed to comply with various applicable laws in respective departments/areas. In addition to the statutory audits, the Company also undertakes internal audit/s at different levels periodically to ensure timely check on the statutory compliances. The Company has also obtained Directors' and Officers' (D&O) Liability Insurance Policy.

D. Risk of Inflation and Cost Structure:

At organizational level, cost optimization and cost reduction initiatives are implemented and are closely monitored. The Company controls costs through budgetary mechanism. The focus on these initiatives has inculcated the importance of cost reduction and control across the organization.

E. Credit Risk:

Risk in settlement of Energy Bills by Consumers is mitigated by collecting advance Security Deposit and appropriate recovery management / follow up.

F. Liquidity Risk:

Proper financial planning is put in place. Annual budgets are prepared and put up to Management 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 effective manner.

G. Operational Risk:

The Company functions under a well-defined organization structure. Proper policies are followed in relation to maintenance of inventories of consumables, key spares and tools to ensure smooth operations of the Company.

H. Regulatory Risk:

The Electricity Sector is a regulated sector wherein Regulations are framed by Central / State Regulatory Commission as regards to Standards of Performance (SOP) 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. Therefore, the Company is subject to Regulatory Risk.

I. Network Risk:

The transmission/distribution system is the backbone for evacuation of power from generating stations to ensure supply to various categories of consumers. The network is having issues of congestion / constraint as a result of change in the generation source / infirm generation, etc. Non availability / partial availability of grid will have an impact on the sale of power to other States and supply to retail consumers. Thus, there is a risk of bottleneck of generation and less / non supply of power to the consumers.

J. Fuel availability and price fluctuation:

The availability of generation for supply of power to consumers is tied up from various generating sources. The non/shortage in availability of fuel like coal, gas may create risk of non / less supply to consumers and fluctuation in fuel cost is impacting the afford ability of power to the consumer. Moreover, power from renewable sources viz. solar, wind etc. which are largely infirm in nature are dependent on environmental conditions and creating issue of load management and grid security.

K. Risk of Monsoon Failure:

Substantial quantum of power is being supplied to the agriculture sector which is a subsidized category. Less / scattered rain has impact on demand / energy requirement of the agriculture sector. The Company and the State Government propagate the use of Solar Agriculture Pumps and Solar Rooftops. The Company also resorts to the Government for subsidy to compensate increased power purchase cost.

L. Risk of compensation to third parties due to electrical accidents & burning of crop:

There is a Risk of making payment of compensation on account of electrical accidents and burning of crops due to snapping of conductor coming in contact with live conductor etc. The Company has adequate insurance coverage, however, the premium is subject to the claim passed during previous year. Further, maintenance activities are regularly carried out.

M. Dependence on Govt. of Gujarat for Share Capital Contribution, Grants & Subsidy:

The Company being a wholly owned subsidiary of Gujarat Urja Vikas Nigam Limited (GUVNL), a Government Company, is dependent on GUVNL/GoG for the grant, subsidy and share capital for implementing various Government's schemes. With the increase in number of agricultural consumers, the subsidy amount is increasing due to increase in cost of power purchase and fuel cost, whereas the subsidy which is released as per Budget provision by Government, has more or less stagnated over the years, therefore, there has been constant rise in outstanding subsidies and Company has to depend on borrowed funds to bridge the gap in cash flow for various operational and financial activities which ultimately affect the cost to serve and profitability of the Company. Considering the outstanding position of subsidies payable to GUVNL Companies, Government also endeavors to make adequate Budget provisions with the available resources considering the other social sectors of the society. The Company through its holding Company is constantly following up with Government for release of outstanding subsidy and dues.

INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has in place adequate internal financial control systems commensurate with the size and nature of its business and are operating effectively.

FUTURE OUTLOOK:

(a) Revamped Reforms-based & Results Linked Distribution Sector Scheme (RDSS):

The Ministry of Power (MoP), Government of India has formulated and approved a new scheme named "Revamped Reforms Based and Results Linked Distribution Sector Scheme" (RDSS) to help DISCOMs improve their operational efficiencies and financial sustain ability by providing result-linked financial assistance to DISCOMs to strengthen supply, infrastructure based on meeting, pre-qualifying criteria and achieving basic minimum benchmarks. The Scheme has an outlay of Rs. 3,03,758Crores over 5 years i.e. FY 2021-22 to FY 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of Rs 97,631 Crores. Rural Electrification Corporation Limited (REC) and Power Finance Corporation Limited (PFC) have been nominated as nodal agencies for facilitating the implementation of the Scheme.

The RDSS inter alia includes works relating to installation of prepaid smart meters/prepaid meters on consumer installations, communicable DTR metering, feeder bifurcation, HVDS configuration of network in high loss pockets, AB cables, S/S related works, etc.

MGVCL has prepared Action Plan and DPR under RDSS and submitted for further approval to DRC and State Cabinet of Govt. of Gujarat, with the total cost Rs. 4147.28Crores. The RDSS Monitoring Committee of Ministry of Power, in its 7th Meeting held on 15/03/2022 has considered MGVCL's project proposals and approved Rs. 3778.11 Crore as project cost.

Power Finance Corporation, New Delhi has issued Sanction Letter to MGVCL for RDSS having an outlay of Rs. 3778.11Crorewith an estimated Government Budgetary Support from Central Government of Rs. 1317.78Crores vide Sanction Letter No: 02:10:RDSS:I:MGVCL:76112 dated 24-Mar-2022. Power Grid Corporation of India Limited has been engaged for implementation of the RDSS for MGVCL.

Accordingly, MGVCL had prepared tender considering Standard Bidding Document issued by REC, New Delhi and has awarded the works through turnkey mode for an amount of Rs. 813.90 Crores. And MGVCL awarded Smart metering project on DBFOOT Basis for an amount of Rs 2726.86 Crores. Implementation of Scheme has already commenced by various agencies.

(b) Metering Revolution through Smart Technology:

Introduction and infusion of new smart metering technology in the power sector would result in a great revolution. Installation of Smart Prepaid Meters would give benefits not only to the Company in terms of revenue generation and planning appropriate power management but also help the Company and the consumers to carry out the functions like –

- Track real-time energy consumption
- Monitor and control daily power consumption
- Removing human interface
- Analyze past energy consumption patterns and forecast energy usages
- Seamless online recharge options
- Adopt energy efficient behavior
- Real-time notifications and alerts
- Reduction in carbon footprint and climate safety

The Company has been planning to absorb this new technology and has taken steps to implement the Smart Metering Project in urban areas and would gradually cover other areas in future.

Renewable Energy:

In terms of the RE capacity mix, there has been more traction towards complex tenders which require a combination of wind, solar and energy storage that cater to more flexible and round-the-clock power. The energy and climate policies being implemented by major economies worldwide, demonstrate a remarkable level of ambition and commitment to supporting Wind, Solar and other Renewable Energy sources.

India, as a developing country with a significant population, has a growing demand for electricity, which is expected to increase rapidly in the coming years. However, the country also faces the challenge of being the third-largest emitter of greenhouse gases globally. Reducing dependence on fossil fuel can be achieved by investing in renewable energy sources which reduces carbon emission, conserves natural resources and enhances energy security demand.

1. **Solar Energy:**

   Solar power generation is a sustainable and renewable energy solution. Solar plants are a clean, non-polluting source of energy and generate electricity without producing any solid, liquid or gaseous waste products, unlike conventional power plants that generate ash, emissions, or hazardous by-products. This also reduces the need for waste management and disposal along with helping to mitigate global warming and climate change. Solar plants are relatively easy to install, operate.

   RTS (Rooftop Solar) plants offer the general public an opportunity to generate their own electricity on their premises, contributing to the reduction of greenhouse gas (GHG) emissions and addressing the climate change problem. General public is increasingly becoming attracted to RTS plants and is incorporating RTS plants into their daily lives. Consumers earn money by selling excess energy to Discom. New buildings, particularly residential and government buildings, are now integrating RTS as part of their construction.

   Renewable Purchase Obligation (RPO) is a mechanism that mandates that all electricity distribution licensees should purchase or produce a minimum specified quantity of their requirements from Renewable Energy Sources.

   Further, in the residential category, the Solar Schemes under SURYA GUJARAT/GEDA are implemented. For the farmers, Off-grid Solar and SKY (Surya Kisan Yojana) Schemes are implemented. The industrial and commercial consumers install Solar Rooftops, Captive/ third-party Power Plant through GEDA. The implementation of PM-KUSUM Scheme as per MNRE Guidelines to increase daytime uptake of solar energy by the agricultural consumers can also be advantageous to reduce carbon emission.

2. **Wind Energy:**

   The energy and climate policies being implemented by major economies worldwide, demonstrate a remarkable level of ambition and commitment to supporting Wind Energy and other Renewable Energy sources. The multiple benefits of clean energy beyond de-carbonizing economies include promoting sustainable growth, providing energy security, and reducing dependence on depleting sources of fossil fuels. The interest in offshore wind is also seen to be developing and to explore development of expertise on offshore wind and related ports and infrastructure. The Union Government (MNRE) has demonstrated the same by floating the country's first ever tender to allocate seabed sites along the coast of Tamil Nadu for developing offshore wind projects on September 28, 2023.

It is also to consider that for the wind sector, average wind currents at the chosen location must be suitable for the technology. Other factors like transmission problems and maintenance concerns also need to be considered. Long-term data gathering and site characterization are necessary for the wind project. Existing initiatives get halted by several operational challenges, which pose financial concerns.

In this direction, on the basis of various Wind and Hybrid Policies announced by the Government of Gujarat, MGVCL has executed agreements under Third Party/Captive Power Producers to encourage the generation from this renewable source.

3. Creation of Robust Interruption-free Network for Reliable Power Supply in operational area:

In recent years, the State of Gujarat has experienced deep impact of cyclones like Taukte and Biporjoy which compelled to ensure that the coastal network/network in northen/southern/ central part of Gujarat should be disaster resilient. Further, it is also notable that maximum fatal accidents occurred with conventional overhead network having bare conductor, transformer at low height or lack of awareness of the victims. It was not possible to keep watch in entire area of DISCOM where plenty of activities were being carried out nearby electric lines. Instead, isolation of open parts/equipment of distribution system from human activities at reasonable cost would be better option for safety of human/animal life from electrical accidents. It is expected that the proposed Network would help improve the quality, reliability and afford ability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector, protect human/animal life from electrical accidents, and create disaster resilient distribution network that can withstand against natural calamities like cyclones.

In this direction, the need was felt to go for establishing a robust interruption-free power network to ensure power reliability, safety and distribution system resilience, considering the important aspects such as MGVCL-11/KV Feeder profile, category-wise interruption for FY 2022-23, selection criteria and priority network strengthening, additional capital expenditure requirement per kilometer for strengthening of existing distribution system, implications on profitability, best practices in DISCOMs across India, concept of laying HT overhead network with HT XLPE Cable, way-ahead in Capital works, etc.

CAUTIONARY STATEMENT:

Certain statements mentioned in the Management Discussion may look forward-looking and hence, the actual outcomes may vary from those expressed or implied due to roles being played by many factors. The Company assumes no responsibility to amend, modify, update or revise any such statements or future outlooks on the basis of subsequent developments, information or events.

❖ ENERGY AUDIT:

Pursuant to the requirements mentioned in the revised Corporate Governance Guidelines dated 27-Apr-2023, as amended from time to time, issued by the Ministry of Power, Govt. of India, the disclosure related to Annual Energy Audit and Divergence and discrepancy between Financial Accounts and Energy Account are as under:

1. **Annual Energy Audit conducted as per BEE regulations along with past trends, improvements:**

   The Energy Audit is conducted in accordance with Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution Companies) Regulations, 2021 covering the key aspects mentioned therein. The energy audit is being conducted with the objectives to reduce inefficiencies and losses, thereby ensuring financial and economic viability of the Company.

   In accordance with BEE Regulations, M/s. Electrical Research & Development Agency (ERDA) have conducted Annual Energy Audit for the Financial Year 2022-23. M/s. Electrical Research & Development Agency (ERDA) had conducted Annual Energy Audit for the Financial Year 2021-22.

   The past trend showed increase in losses during COVID-19 period. Barring this, losses show decreasing trend and the necessary action plans are being implemented to take corrective actions, wherever required.

2. **Divergence and discrepancy between Financial and Energy Accounts. :**

   The main objective of audit of financial accounts is to ensure that the financial statements give a true and fair view of the state of affairs of the Company in conformity with the Indian Accounting Standards and other Accounting Principles generally accepted in India. Whereas the main objectives of Energy Audit are to identify high loss areas so that corrective action can be taken to have appropriate energy planning. It also helps in identifying areas where energy is being used inefficiently.

   While the energy audit is conducted as per BEE Regulations, the audit of financial accounts is conducted as per the requirement under the Companies Act, 2013 and in accordance with Indian Accounting Standards and Principles.

   Accordingly, the methodologies of computing purchase of power vis-à-vis sent out units, sale of power vis-à-vis sold out units and consequent treatment of transactions related to open access, captive power plants, wind and solar generation by consumers & units related to Deviation Settlement Mechanism are different in both these audits. Therefore, there would always be a difference in computation of various parameters.

   The requirement and objectives of both these audits are different and are conducted in financial and technical terms and parameters, which are not comparable. Accordingly, there is no major divergence and discrepancies noticed between these two accounts.

SUBSIDY CLAIMED FROM THE STATE GOVERNMENT:

The details of quarterly subsidy bills prepared and submitted to the Government of Gujarat are as under:

Amt. in Rs. Crores

Quarter	FY 2022-23		FY 2021-22	
	Claimed	Received	Claimed	Received
I	111.84	111.84	75.78	75.78
II	60.36	60.36	51.34	51.34
III	111.50	111.50	91.18	91.18
IV	138.74	322.64	99.80	277.71
Total	**422.44**	**606.34**	**318.10**	**496.01**

The excess receipt against the claimed amount is towards previous outstanding payment of subsidy by the Govt. of Gujarat.

ELECTRICITY DUES OF GOVERNMENT DEPARTMENTS (NAGARPALIKAS):

The details of electricity dues of Government Departments (Nagarpalika) are as under:

Amt. in Rs. Crores

Particulars	FY 2022-23	FY 2021-22
Balance outstanding at beginning of the year	68.02	33.85
Add: Bills raised during the year	64.52	61.66
Less: Payments received/adjusted during the year	58.95	27.49
Balance outstanding at closing of the year	73.59	68.02

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय प्रधान महालेखाकार (लेखापरीक्षा–II) गुजरात
"लेखापरीक्षा भवन", नवरंगपुरा, अहमदाबाद – 380 009.

सत्यमेव जयते

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Accountant General (Audit-II), Gujarat
Audit Bhavan, Navrangpura, Ahmedabad - 380 009.

क्रं.ए.एम.जी –III मु.–II/लेखे/MGVCL/2023/ow. 1087
17/11/23

सेवा में,
प्रबंध निदेशक
मध्य गुजरात विज कंपनी लिमिटेड,
सरदार पटेल विद्युत भवन, रेस कोर्स,
वडोदरा–390 007.

विषय : कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के अनुसार 31 मार्च 2023 को समाप्त वर्ष के लिए Madhya Gujarat Vij Company Limited के वित्तीय विवरणों पर भारत के नियंत्रक–महालेखा परीक्षक की टिप्पणी ।

महोदय,

31 मार्च 2023 को समाप्त वर्ष के लिए Madhya Gujarat Vij Company Limited के वित्तीय विवरणों पर कंपनी अधिनियम, 2013 की धारा–143 (6) (बी) के अनुसार भारत के नियंत्रक–महालेखा परीक्षक की 'शून्य टिप्पणी का प्रमाणपत्र', कंपनी की वार्षिक साधारण बैठक में रखने के लिए संलग्न पाएं ।

कंपनी अधिनियम, 2013 की धारा–143 (6) (बी) के अनुसार भारत के नियंत्रक–महालेखापरीक्षक की टिप्पणियों को कंपनी के लेखा परीक्षक की रिपोर्ट के साथ उसी तरह और उसी समय वार्षिक साधारण बैठक में रखना अनिवार्य है । भारत के नियंत्रक–महालेखापरीक्षक की टिप्पणियों को वार्षिक साधारण बैठक में रखने की तिथि इस कार्यालय को सूचित करें ।

कृपया, मुद्रित लेखों की छः प्रतियाँ इस कार्यालय के प्रयोग और अभिलेख के लिए भिजवाएं । अनुलग्नक सहित इस पत्र की प्राप्ति की सूचना दें ।

भवदीय,

उप महालेखाकार (ए.एम.जी.–3)

संलग्नक : यथोपरि

फोन / Phone : 079-26403713, 26561327, 26405874, 26561282, 26560892, 26473888
फेक्स / Fax : 079-26561853 E-mail : pagau2gujarat@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL. OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADHYA GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2023 in accordance with the financial reporting framework Prescribed under the Companies Act, 2013 (Act) 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 22 September 2023.

I, on behalf of the comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Madhya Gujarat Vij Company Limited for the year ended 31 March 2023 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory Auditors' report under Section 143 (6) (b) of the Act.

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

(S.K. Jaipuriyar)
Principal Accountant General (Audit-II), Gujarat

Place : Ahmedabad
Date : 14-11-2023

Independent Auditor's Report

To the Members of
Madhya Gujarat Vij Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Madhya Gujarat Vij Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control 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 expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) The Company being a Government Company, in view of Notification No. G.S.R 463 (E) dated 5th June, 2015 issued by Government of India, the provision of Section 164(2) of the Companies Act, 2013 are not applicable to the Company.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(g) 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 financial statements. Refer Note 39 to the financial statements;

ii. The Company has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause(iv)(a) and (iv)(b) contain any material misstatement.

v. No dividend declared and paid during the year by the Company, so the question of compliance with Section 123 of the Act does not arise.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended) for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the financial year ended March 31, 2023.

3. The Company being a Government Company, in view of Notification No. G.S.R 463 (E) dated 5th June, 2015 issued by Government of India, the provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company.

4. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such test checks of the books and records of the company as we considered appropriate and according to the information and explanation give to us, in the "Annexure-C", on the directions and sub-directions issued by Comptroller and Auditor General of India.

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Sd/-
Rohit Kothari
Partner
Membership No. 038908
UDIN: 23038908BGXRQP6231

Place: Vadodara
Date: 22.09.2023

Annexure "A" to the Auditors' Report

The Annexure referred to in our report to the members of Madhya Gujarat Vij Company Limited for the year ended March 31, 2023, we report that:

I. (a) (A) The Company has generally maintained proper records of Property, Plant & Equipments showing location of assets as Sub Division. Further certain details as regards to exact location, quantity, identification and conditions etc. of movable tangible assets needs to be updated. Location details and area of freehold land and leasehold land also needs to be updated in the Fixed Assets Register and need to be reconciled with the revenue records maintained by the local authority.

(B) The Company has generally maintained proper records of intangible assets except to exact location, quantity, and identification etc. of intangible in respect to computer software.

(b) Based on the information and explanations provided to us, the Company has implemented a phased program aimed at verifying all Property, Plant & Equipment, with the exception of assets within the transmission and distribution system. We have been informed that conducting physical verification for these assets is not feasible due to their inherent nature.

Subsequent to the year-end, the Company engaged an independent agency to carry out the verification of Property, Plant & Equipment, excluding those within the transmission and distribution system. However, as of now, the final physical verification report has not been completed. Therefore, we are unable to make any comments regarding the adequacy of the verification process for Property, Plant & Equipment in relation to the nature and scale of its assets, as well as any potential discrepancies.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2 on Property, Plant and Equipment to the financial statements, are held in the name of the Company, except for the following:

Description of Property	Gross Carrying Value (in lakh)	Held in Name of	Whether Promoter, Director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in name of company
Land	10.10	Gujarat Electricity Board (GEB)	No	18 Years	The immovable properties, which have been transferred to company are held in the name of GEB
Office bldgs.	2,164.73	Gujarat Electricity Board (GEB)	No	18 Years	
Residential colony for staff.	311.37	Gujarat Electricity Board (GEB)	No	18 Years	

Other buildings	47.45	Gujarat Electricity Board (GEB)	No	18 Years	erst or Vadodara Mahanagar Seva Sadan (VMSS). The procedure for the registration and /or transfer in the name of the Company is under process.
Guest house building	4.49	Gujarat Electricity Board (GEB)	No	18 Years	
Land	117.10	Vadodara Municipal Corporation	No	35 Years	
Land held under lease	1529.25	Vadodara Municipal Corporation	No	35 Years	
Other buildings	23.71	Vadodara Municipal Corporation	No	35 Years	
Office bldgs.	107.16	Vadodara Municipal Corporation	No	35 Years	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year. Accordingly, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) Based on our audit procedures and as per the information and explanations given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

II. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has submitted quarterly statements or returns to GUVNL for onward submission to Consortium Bank wherein there are certain deviations with the books of account set out as per Note No 44 to the financial statement.

III. (a) The Company has not made any investments during the year and has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/ Firm/Limited Liability Partnership/Other Party during the year other than loan to its employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans is as per the table given below:

Particulars	Aggregate amount during the year (₹ In Lakhs)	Balance outstanding as at 31.03.2023 (₹ In Lakhs)
Loan to Employees	488.69	2073.78

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of loan to employees, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of aforesaid loan to employees, there is no amount which is overdue for more than ninety days.

(e) There were no loans, which were granted to same parties and which fell due during the year and were renewed/extended. Further no fresh loans were granted to any party to settle the overdue loans.

(f) The loans granted during the year, had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No amount of loans was granted to the promoters/ related parties.

IV. In our opinion and according to the information and explanations given to us the Company has not granted any loan or made any investments or provided any guarantees or securities to the parties covered under section 185 and section 186 of the Companies Act, 2013; therefore, the provisions of clause (iv) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company and reporting under this clause is not required.

V. Based on the our scrutiny of Company's record and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

VI. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We are of the opinion that the prescribed accounts and records have been made and maintained.

VII. (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales-Tax, Goods & Service Tax, Service tax, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities. There are no such arrears as at 31st March, 2023 for a period more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues including Provident Fund, Employees State Insurance, Sales-Tax, Goods & Service Tax, Value Added Tax, Cess that have not been deposited as on 31st March, 2023 on account of any dispute, except for the following -

Sr. No.	Name of the Statute	Nature of Dues	Outstanding Demand	Period to which amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	56,33,49,587	AY 2017-18	Income Tax Appellate Tribunal, Ahmedabad
2	Income Tax Act, 1961	Income Tax	13,18,56,478	AY 2016-17	Commissioner of Income Tax (Appeals), Baroda
3	Income Tax Act, 1961	Income Tax	5,81,03,680	AY 2014-15	Income Tax Appellate Tribunal, Ahmedabad
4	Income Tax Act, 1961	Income Tax	4,04,90,082	AY 2013-14	Commissioner of Income Tax (Appeals), Baroda
5	Income Tax Act, 1961	Income Tax	1,37,67,620	AY 2008-09	Commissioner of Income Tax (Appeals), Baroda
6	Income Tax Act, 1961	Income Tax	37,79,811	AY 2009-10	Income Tax Appellate Tribunal, Ahmedabad
7	Income Tax Act, 1961	Income Tax	74,96,71,896	AY 2018-19	Income Tax Appellate Tribunal, Ahmedabad
8	Income Tax Act, 1961	Income Tax	12,77,22,800	AY 2015-16	Income Tax Appellate Tribunal, Ahmedabad
9	Income Tax Act, 1961	Income Tax	68,76,01,940	AY 2020-21	Commissioner of Income Tax (Appeals), Baroda
10	Income Tax Act, 1961	Income Tax	1,86,50,69,640	AY 2021-22	Commissioner of Income Tax (Appeals), Baroda
11	Income Tax Act, 1961	Income Tax	109,26,06,538	AY 2017-18	Commissioner of Income Tax (Appeals), Baroda
12	Service Tax	Service Tax	2,45,07,694	FY 2010-11 to 2014-15	CESTAT, Ahmedabad
13	Service Tax	Service Tax	6,74,74,957	01.10.2012 to 31.03.2017	Partly Order Received in the Favour of MGVCL from

					Commissioner Appeal. Appeal is now pending at CESTAT, Ahmedabad
14	Service Tax	Service Tax	90,25,998	FY 2015-16	CESTAT, Ahmedabad
15	Service Tax	Service Tax	95,32,048	FY 2016-17	CESTAT, Ahmedabad
16	Service Tax	Service Tax	1,20,43,256	01.04.2017 to 30.06.2017	Show Cause notice has received, hearing conducted and the case has transferred to call book till the disposal of CESTAT Appeal

VIII. According to the information and explanations given by the management and on the basis of our examination of the records of the Company, no unrecorded transaction have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore, the provisions of clause 3(viii) of Companies (Auditor's Report) Order, 2020 are not applicable.

IX. (a) 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.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company. Therefore, the provision of clause 3(ix)(d) of Companies (Auditor's Report) Order, 2020 is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture companies. Therefore, the provision of clause 3(ix)(e) of Companies (Auditor's Report) Order, 2020 is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under

Companies Act, 2013. Therefore, the provision of clause 3(ix)(f) of Companies (Auditor's Report) Order, 2020 is not applicable

X. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised money by initial public offer or further public offer (including debt instruments) during the period covered by our audit report. Therefore, the provision of clause 3(ix)(f) of Companies (Auditor's Report) Order, 2020 is not applicable.

(b) Based on our examination of records and information provided to us by the management, we report that the Company has issued shares on right basis during the year under review and the requirement of section 62(1)(a) of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the year, no report under subsection (12) of section 143 of the companies Act 2013 has been filed by us in Form ADT 4 as prescribed under rule13 of Companies (Audit and Auditors) Rules,2014 with the Central Government.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.

XII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of Companies (Auditor's Report) Order, 2020 are not applicable.

XIII. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" (refer Note 53) specified under Section 133 of the Act.

XIV. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period 1st April,2022 to 31st March, 2023 under audit have been considered by us.

XV. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence provisions of section 192 of Companies Act, 2013 are not applicable to the Company.

XVI. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of Companies (Auditor's Report) Order, 2020 are not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

XVII. Based on our examination of records and information provided to us by management, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

XVIII. Based on information provided to us by management, there has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. (a) The Company has transferred unspent amount to a Fund specified in Schedule VII to Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub section (5) of sections 135 in respect of other than ongoing projects.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of section 135 of the Act in pursuant to ongoing projects, to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

XXI. In our opinion and based on our examination of records and information provided to us by management, the Company is not required to prepare the Consolidate Financial Statements as per the Companies Act, 2013. Therefore, the provisions of clause 3(xx) of Companies (Auditor's Report) Order, 2020 are not applicable.

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Sd/-
Rohit Kothari
Partner
Membership No. 038908
UDIN: 23038908BGXRQP6231

Place: Vadodara
Date: 22.09.2023

Annexure - B to the Independent Auditors' Report

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

We have audited the Internal Financial Controls with reference to financial statements of **Madhya Gujarat Vij Company Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 financial statements, whether due to fraud or error.

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls 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

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 control system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2023, 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 Mukund & Rohit
Chartered Accountants
Registration No. 113375W
Sd/-
Rohit Kothari
Partner
Membership No. 038908
UDIN: 23038908BGXRQP6231

Place: Vadodara
Date: 22.09.2023

Annexure C to the Independent Auditors' Report

The Annexure referred to in our report to the members of **Madhya Gujarat Vij Company Limited** for the year ended March 31, 2023:

Sr. No.	Directions	Response / Remedial Measures
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 the financial implications, if any, may be stated.	According to information and explanations provided to us, the company has multiple software for processing the accounting transaction. We have reviewed the design, implementation and operating effectiveness of company's basic IT Controls including application, access control on a test check basis that are critical to financial reporting. However, company has used different software/modules for various business activities/financial transactions which needs to be interlinked and integrated for effective internal control. ➢ FAS (I - Financial Accounting System) web base operating system along with Fixed Assets Register. ➢ IAS (Inventory Accounting System) in In house developed web application. ➢ Customer Billing in the Utility Billing Application ➢ Payrolls and Payment to Vendors in E-UrjaModule
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	According to the information and explanations given to us, no existing loan was restructured and there are no cases of waiver/write off of debt/loan/interest etc. made by lender to the company, due to company's inability to repay the loan.

3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Yes, according to information and explanations given to us, Grants received during the year for specific schemes from Central/State Agencies were properly accounted for / utilised as per the terms and conditions. Government of Gujarat (GoG) disburses Capital grant and subsidies in the form of different scheme for the distribution network infra structural development in the rural and urban areas. On the basis of data derived from MIS report so obtained from technical department of MGVCL, scheme wise Certificates for Grant Utilization are prepared and submitted to the Holding Company GUVNL for necessary submission with GoG.

Sr. No.	Sub Directions	Response / Remedial Measures
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	As per information and explanations provided to us there is no instance of encroachment or litigation or no land is declared surplus or not put to use.
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	According to information and explanation provided to us, the company has not acquired any land during the reporting financial year for setting up new projects. However the land has been purchased for Office Building.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	Yes, The Company has an effective system for recovery of revenue as per contractual terms, and revenue is properly accounted in books of account in compliance with the applicable accounting standards.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	No, there are no projects by the company for the period under reporting.

5.	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	No, during the financial year 2022-23, company has not entered into any agreement for distribution of electricity in selected area with franchise and also for sharing agreements.
6.	Report on the efficacy of the system of billing and collection of revenue in the company.	During the course of Audit on sample basis, we have noticed that billing and collection system of the company is effective. Bills were issued to the consumers in time and collections are generally received in timely manner except for some exceptions for which the Company has made provision for Doubtful Debts. 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 private cash collection agencies, e-gram panchayats . 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.
7.	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	As per the information and explanation provided to us, company has installed temper proof energy meters for all the Consumers except for agriculture unmetered consumers. Company has installed 34,61,869 numbers of tamper proof static meters out of total 34,86,812 numbers of consumers as on 31-03-2023(99.27%). The details of installations of tamper proof static meters for various categories of consumers is as below:

		<table><tr><th>Category of Consumer</th><th>No. of Consumer</th><th>No. of Electro-Mechanical Meters</th><th>No. of Electronic Meters (Static)</th><th>% of Static Meters Installation</th></tr><tr><td>Residential</td><td>28,42,088</td><td>0</td><td>28,42,088</td><td>100.00%</td></tr><tr><td>GLP</td><td>35,055</td><td>0</td><td>35,055</td><td>100.00%</td></tr><tr><td>LT Industrial and Commercial</td><td>3,67,296</td><td>0</td><td>3,67,296</td><td>100.00%</td></tr><tr><td>HT Industrial</td><td>2,720</td><td>0</td><td>2,720</td><td>100.00%</td></tr><tr><td>Agriculture</td><td>2,10,166</td><td>0</td><td>1,84,823</td><td>87.94%</td></tr><tr><td>Public Water Works</td><td>29,487</td><td>0</td><td>29,487</td><td>100.00%</td></tr><tr><td>**Total**</td><td>**34,86,812**</td><td>**0**</td><td>**34,61,469**</td><td>**99.27%**</td></tr></table> From the above table, it is clear that tamper proof static meters have been installed for all consumers (100%) in case of consumer's category GLP, LT Industrial and Commercial, HT industrial and Public Water Works consumers. Further, in case of Agricultural consumers, 25,343 Nos. are of the category of AG unmetered consumers, for which GERC has ordered separate Flat rate HP based tariff. The Company has 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.
8.	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.

9.	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	Yes. The receivables and payable between MGVCL & fellow subsidiary companies and Holding company is reconciled and duly confirmed as on 31.03.2023.
10.	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.
11.	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?	The claim of the subsidy has been made by GUVNL, Holding Company on behalf of MGVCL. The claim of subject subsidy is reported and presented in the books of GUVNL itself and hence we are not able to comment on the short fall of the subsidy, if any. During the year, the following tariff subsidies have been recognized in the books of accounts as per budgetary allocation made by GUVNL (on receipt from GoG) as per details as under:

(Rs. In Lakhs)

Sr. No	Particulars	Amount
1	GERC Tariff Compensation	6,522.11
2	FPPPA Subsidy	47,039.44
3	H.P. Based Subsidy	7,072.96
	Total	**60,634.51**

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Sd/-
Rohit Kothari
Partner
Membership No. 038908
UDIN: 23038908BGXRQP6231

Place: Vadodara
Date: 22.09.2023

Balance Sheet as at 31st March, 2023

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipments	2	3,99,283.04	3,66,895.75
(b) Capital work-in-Progress	3	1,890.98	1,687.80
(c) Financial Assets			
(i) Loans	4	1,540.22	1,524.40
(ii) Other Financial Assets	5	3,763.46	4,356.83
Total Non-current Assets		**4,06,477.70**	**3,74,464.78**
(2) Current Assets			
(a) Inventories	6	32,679.41	32,237.13
(b) Financial Assets			
(i) Trade Receivables	7	49,898.35	43,763.03
(ii) Cash and Cash Equivalents	8	3,729.91	9,431.11
(iii) Other Bank Balances	9	27.06	1.80
(iv) Loans	10	816.64	627.37
(v) Other Financial Assets	11	2,06,137.01	1,79,659.91
(c) Current Tax Assets (Net)	12	7,034.14	6,581.09
(d) Other Current Assets	13	707.81	575.00
Total Current Assets		**3,01,030.33**	**2,72,876.44**
Total		**7,07,508.03**	**6,47,341.22**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	50,573.21	48,464.95
(b) Other Equity	15	2,23,630.12	2,05,444.27
Total Equity		**2,74,203.33**	**2,53,909.22**
Deferred Government Grants, Subsidies & Contributions Liabilities	16	1,92,133.16	1,76,165.85
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	755.19	1,729.03
(ii) Other Financial Liabilities	18	1,27,533.97	1,16,763.43
(b) Provisions	19	22,491.91	21,097.98
(c) Deferred Tax Liabilities (Net)	20	5,119.90	2,652.75
Total Non-current Liabilities		**1,55,900.97**	**1,42,243.19**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	462.84	543.94
(ii) Trade Payables	22		
- Due to Micro enterprises and Small enterprises		0.00	0.00
- Due to other than Micro enterprises and Small enterprises		179.94	134.48
(iii) Other Financial Liabilities	23	65,086.20	45,964.82
(b) Other Current Liabilities	24	14,589.67	15,424.82
(c) Provisions	25	4,951.92	12,954.90
Total Current Liabilities		**85,270.57**	**75,022.96**
Total		**7,07,508.03**	**6,47,341.22**
Refer accompanying notes forming part of Financial Statements	1-58		

As per our report of even date attached
For Mukund & Rohit
Chartered Accountants
FRN: 113375W
Sd/-
Rohit Kothari
Partner
(M.NO. 038908)
Place : Vadodara
Date : 22nd September, 2023

For and on behalf of the Board of Directors
Madhya Gujarat Vij Company Limited

Sd/-
J. P. Shivahare, IAS
Chairman
(DIN: 07162392)

Sd/-
T.D. Parmar, IAS
Managing Director
(DIN: 08322052)

Sd/-
J. H. Modi
General Manager (F&A) & CFO

Sd/-
V. M. Chavan
Company Secretary

Place : Vadodara
Date : 22nd September, 2023

Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	INCOME			
I	Revenue from Operations	26	9,24,932.41	7,71,728.65
II	Other Income	27	30,655.98	27,442.74
III	**Total income (I+II)**		**9,55,588.39**	**7,99,171.39**
IV	**EXPENSES**			
	Purchase of Power	28	8,40,898.39	6,78,821.58
	Employee Benefits Expense	29	53,481.91	53,401.12
	Finance Costs	30	5,362.44	5,229.42
	Depreciation and Amortisation Expense	2	27,931.12	26,491.20
	Other Expenses	31	21,086.98	21,357.26
	Total expenses (IV)		**9,48,760.84**	**7,85,300.58**
V	**Profit before tax (III-VI)**		**6,827.55**	**13,870.81**
VI	**Tax expense:**			
	(a) Current tax	32	764.51	2,168.25
	(b) Deferred tax	32	2,854.94	1,353.16
VII	**Profit for the year (V-VI)**		**3,208.10**	**10,349.40**
VIII	**Other Comprehensive Income (OCI)**			
	(a) Items that will not be reclassified to Profit or Loss			
	(i) Re-measurement of the defined benefit plans		(1,109.76)	(95.64)
	- Tax impact		387.79	33.42
	Total of Other Comprehensive Income (OCI) (VIII)		**(721.97)**	**(62.22)**
IX	**Total Comprehensive Income for the year(VII+VIII)**		**2,486.13**	**10,287.18**
X	Earnings per equity share:			
	Basic (in ₹) (Refer note no.33)		0.65	2.18
	Diluted (in ₹) (Refer note no. 33)		0.65	2.18
	See accompanying notes to the Financial Statements	1-58		

As per our report of even date attached
For Mukund & Rohit
Chartered Accountants
FRN: 113375W

Sd/-
Rohit Kothari
Partner
(M.NO. 038908)

Place : Vadodara
Date : 22nd September, 2023

For and on behalf of the Board of Directors
Madhya Gujarat Vij Company Limited

Sd/-
J. P. Shivahare, IAS
Chairman
(DIN: 07162392)

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Managing Director
(DIN: 08322052)

Sd/-
J. H. Modi
General Manager (F&A) & CFO

Sd/-
V. M. Chavan
Company Secretary

Place : Vadodara
Date : 22nd September, 2023

Cash Flow Statement of the year ended 31st March, 2023

(₹ in Lakh)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	6,827.55	13,870.81
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization	27,931.12	26,491.20
	Loss/(Gain) on sale of PPE(Net)	31.94	(8.93)
	Deferred Income Written Back	(14,478.61)	(13,300.05)
	Delayed payment charges from Consumers	(3,775.52)	(4,363.59)
	Interest Income	(2.46)	(941.99)
	Finance costs	5,362.44	5,176.67
	Waiver of delayed payment charges	288.27	23.15
	Impairment for Doubtful receivables	2,856.62	4,995.18
	Loss On Obsolescence/ Pilferage Of Stores	136.14	220.05
	Loss On Sale Of Scrap	13.51	39.42
	Other Losses	12.35	5.91
	Re-measurement of the defined benefit plans	(1,109.76)	(95.64)
	Interest on Income tax	-	52.75
	Working capital adjustments:		
	(Increase)/ Decrease in Operating Assets:		
	Inventories	(604.29)	(4,821.02)
	Trade receivables	(9,280.20)	(9,369.13)
	Other Non Current financials assets	577.55	593.09
	Other Current financials assets	(26,666.35)	(52,431.35)
	Other Current Assets	(132.81)	5.67
	Increase / (Decrease) in Operating Liabilities:		
	Trade Payables	45.46	26.84
	Other Current Financial Liabilities	17,947.52	30,007.77
	Other Non Current Financial Liabilities	10,770.54	6,757.61
	Other Non Current Liabilities & Provisions	(8,838.13)	(5,542.32)
	Other Current Liabilities & Provisions	1,393.93	1,596.52
	Income tax (paid)/ Refund	(1,217.56)	(3,906.87)
	Net cash flows from/(used in) operating activities (A)	**8,089.25**	**(4,918.25)**
[B]	**Investing activities**		
	Purchase of property, plant and equipment(including CWIP)	(60,214.73)	(37,239.02)
	Sale of fixed assets	97.25	22.40

	Delayed payment charges from Consumers	3775.52	4363.59
	Interest received (finance income)	2.46	941.99
	Bank Balances not considered as Cash and Cash Equivalents	(25.26)	280.56
	Net cash flows used in investing activities (B)	**(56,364.76)**	**(31,630.48)**
[C]	**Financing activities**		
	Proceeds from Issue of Shares/Share Application Money	17,807.99	15,675.82
	Deferred Govt. Grants, Subsidy & Contributions	30,445.93	29,130.04
	Proceeds / (Repayment) from borrowing (net)	(1,054.94)	(606.80)
	Interest & financial charges	(4,624.67)	(8,679.00)
	Net cash flows from/(used in) financing activities (C)	**42,574.31**	**35,520.06**
[D]	**Net increase in cash and cash equivalents (A+B+C)**	**(5,701.20)**	**(1,028.67)**
	Cash and cash equivalents at the beginning of the year	9,431.11	10,459.78
	Cash and cash equivalents at year end	**3,729.91**	**9,431.11**
	Notes:		
	Cash & Bank Balances consists of the following:		
	Cash & Cash Equivalents		
	a. Balances with Banks	1,962.97	7,565.51
	b. Cash on hand	1.45	0.94
	c. Others	1,765.49	1,864.66
	Closing Cash & Cash Equivalents	**3,729.91**	**9,431.11**
1	**Change in liability arising from financing activities on Account of Non-Current and Current Borrowings.**		
	Opening Balance of Financing Activities	2,272.97	9,314.30
	Changes from financing cash flow	(1,054.94)	(606.80)
	Other changes	-	(6,434.53)
	Closing Balance of Financing Activities	**1,218.03**	**2,272.97**
2	The above Statement of Cash Flow 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 Mukund & Rohit
Chartered Accountants
FRN: 113375W

Sd/-
Rohit Kothari
Partner
(M.NO. 038908)

Place : Vadodara
Date : 22nd September, 2023

For and on behalf of the Board of Directors
Madhya Gujarat Vij Company Limited

Sd/-
J. P. Shivahare, IAS
Chairman
(DIN: 07162392)

Sd/-
T.D. Parmar, IAS
Managing Director
(DIN: 08322052)

Sd/-
J. H. Modi
General Manager (F&A) & CFO

Sd/-
V. M. Chavan
Company Secretary

Place : Vadodara
Date : 22nd September, 2023

Statement of Changes in Equity for the year ended on 31st March, 2023

Equity share capital

(₹ in Lakh)

Particulars	Amount
Balance as on 1st April, 2021	46,558.09
Changes during the year	1,906.86
Balance as on 31st March,2022	48,464.95
Changes during the year	2,108.26
Balance as on 31st March,2023	**50,573.21**

Other equity

(₹ in Lakh)

Particulars	Share Application Money Pending Allotment	Equity Component of Compound financial instruments	Reserve & Surplus		Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Attributable to owners of the parent	Non controlling interest	Total
			Retained Earnings*	Securities Premium									
Balance as at 31st March, 2021	**0.00**	**0.00**	**28998.03**	**152390.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**181388.14**
Profit for the year	0.00	0.00	10349.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10349.40
Other comprehensive income for the year (net of Tax)	0.00	0.00	(62.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(62.22)
Total Comprehensive Income for the year	**0.00**	**0.00**	**10287.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10287.18**
Addition during the year	0.00	0.00	0.00	13768.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13768.95
Share issued during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2022	**0.00**	**0.00**	**39285.21**	**166159.06**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**205444.27**
Profit for the year	0.00	0.00	3208.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3208.10
Other comprehensive income for the year (net of Tax)	0.00	0.00	(721.97)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(721.97)
Total Comprehensive Income for the year	**0.00**	**0.00**	**2486.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2486.13**
Addition during the year	0.00	0.00	0.00	15699.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15699.72
Share issued during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2023	**0.00**	**0.00**	**41771.34**	**181858.78**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**223630.12**

*Remeasurment of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss has been recognised as a part of retained earnings under Reserves and Surplus amounting ₹ 13643.40 Lakhs till 31st March, 2021, ₹ 13705.61 Lakhs till 31st March 2022. ₹ 14427.58 Lakhs till 31st Mar-2023

As per our report of even date attached
For Mukund & Rohit
Chartered Accountants
FRN: 113375W

Sd/-
Rohit Kothari
Partner
(M.NO. 038908)

Place : Vadodara
Date : 22nd September, 2023

For and on behalf of the Board of Directors
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Sd/-
J. H. Modi
General Manager (F&A) & CFO

Sd/-
V. M. Chavan
Company Secretary

Place : Vadodara
Date : 22nd September, 2023

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. (Here in 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 Recent accounting pronouncements:

The Ministry of Corporate Affairs vide Notification G.S.R. 242(E) dated 31st March 2023 notified certain amendments to the existing standards, which will be effective from April 1, 2023 as below:

A) Ind AS 1 - Presentation of Financial Statements:

The amendment proposes the company to disclose material accounting policy information rather than significant accounting policy. An accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The effective date for adoption of this amendment is reporting periods beginning on or after April 1, 2023.

B) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments propose new definition of "Accounting Estimates" which replaces the definition of "Change in Accounting Estimates". As per the new definition, "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty". The effective date of this amendment is reporting periods beginning on or after April 1, 2023.

C) Ind AS 12 - Income Taxes:

The amendment narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. In context to leases and decommissioning liabilities. Subsequently, post this amendment, the company need to recognize deferred tax asset and liability on lease and decommissioning liability.

The Company is in the process of evaluating the impact of these amendments.

1.3 Significant accounting policies:

i) Statement of Compliance

The financial statements of the Company which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity, and a summary of the significant accounting policies and other explanatory information (together here in after referred to as "Financial Statements"), comply in all material aspects 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 categorized 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. 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 lnd AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st 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.

Capital spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are capitalized at cost, as property plant and equipment and depreciated over the residual useful life of the plant.

Subsequent costs 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 intended 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. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by GERC, in order to reflect the actual usage of the assets.

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

Asset Description	Percentage
Buildings	3.34%
Hydraulic Works	5.28%
Other Civil Works	3.34%
Plant & Machinery	5.28%
Lines & Cable Network*	Up to 5.28%
Vehicles	9.50%
Furniture-Fix & Elect-Light & Fan Installations	6.33%
Office Equipment’s	6.33%
Computers	15%
Leasehold Land	Up to 3.34%

* Upto 12 years of useful life. Thereafter, the remaining carrying value of assets, net of residual value, is depreciated over remaining useful life of assets i.e. 23 years.

In case of other assets as mentioned in above table, depreciation is provided at a rate prescribed in line with clause 39 of MYT Regulations.

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. 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.

iv) Intangible Assets and Amortization

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 estimated useful life, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. The Company expects that the intangible assets will not have any residual value at the end of its useful life based on technical assessment.

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 de-recognition 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.

v) Impairment of tangible and intangible assets

Tangible and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit. An impairment loss is recognized immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

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, incentives etc.) 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. Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

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).

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

Revenue from sale of services

Revenue from sale of services is recognized on the accrual basis in the accounting period in which the services are rendered.

Other Operating Revenue

Income from Supervision charges on execution of deposit works is accounted on the basis of completion of work.

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

Recoveries from theft of power / mal practices, wheeling charges recoveries are recognized on accrual basis. Miscellaneous charges from consumers are recognized on accrual basis and no significant uncertainty exists regarding its ultimate realization.

Other income

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

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.

Cash 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 there is certainty of its realization.

Interest Subsidy under National Electricity Fund (NEF) scheme on interest paid on long term loan is recognized once it is approved.

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Income in respect of **Delayed Payment Charges** (except for cases where suits are filed in the court) is accounted for at the time of assessment of respective billing cycle, during which the payment of principal is made and disclosed as Other Income.

Incentives in respect of Government Scheme is recognized on reasonable assurance basis.

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

x) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(A) Leases as Lessee (Assets taken on lease)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

(ii) Right-of-Use Assets:

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

(iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

(B) Leases as Lessor (assets given on lease)

When the company acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

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. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate.

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).The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.

xvii) 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.

Initial recognition and measurement:

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.

Subsequent measurement of Financial Assets:

i) 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.

ii) 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.

iii) 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.

Derecognition of financial assets:

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

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.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables

Trade receivables are carried at original invoice amount less any expected credit loss. Provisions for expected credit loss are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision for expected credit loss available and then to the Statement of Profit and Loss.

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.

Financial liabilities and equity instruments

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through profit and loss or as those measured at a mortised cost.

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.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a

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.

The Company expects that the intangible assets will not have any residual value at the end of its useful life based on technical assessment.

(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) Net Realisable Value Determination in case of Inventory [1]

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Inventories held for use in the process of sale of power are not written down below cost where power is being sold at or above cost of distribution. At the end of the reporting period, the Company has assessed and evaluated that the sale of power in the future period will be at a margin to cover the cost of the inventories held as at the year end and hence net realisable value of inventory held at year end is higher than the cost of the inventory.

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.

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.

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.

(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 is 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 judgments and estimations that the Management has 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 and residual value of intangible assets

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.

(e) Security deposits [2]

Considering the historical experience and practical expediency, the Company has exercised its judgment 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 7.2

(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 judgment 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.

The Company has assessed and evaluated that the taxes paid in the previous years on grant income recognized in the earlier years, which is corrected by restating the opening retained earnings and the comparative period, to be an uncertain tax treatment as per Ind AS 12. The Company has assessed that this is a case of higher income offered to tax in the earlier years and consequently higher tax being paid cumulatively, which would be available as and when the grant balance as corrected is again recognized in the profit or loss in the future period.

(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 judgment 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 not able to co-relate grants/consumer contributions received against each individual asset given the manner, mode and timing of accrual and receipt of such grants, as disclosed in the financial statements of the Company of the earlier years. During the previous year, based on the Expert Advisory Committee Opinion of the Institute of Chartered Accountants of India (EAC Opinion), the Company has recognised grants and the consumer contribution in the profit or loss, based on the factual position and circumstances, to more closely align with the depreciation charged on the depreciable assets against which grants are received. The Company, has made following specific assumptions for a better and more reliable impact on the profit and loss:

(i) Identification of grants/consumer contribution to line assets only;

(ii) Amortization for the entire year in the year of receipt of grant/consumer contributions; and

(iii) Amortization of the entire amount of grants / consumer contribution over the period of amortization and not restricted to salvage value of the assets.

(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) Impairment of investments[2]

At the end of each reporting period, the Company reviews the carrying amounts of its investments when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(k) 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 need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgments, 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 Lakh)

Particulars / Assets	TANGIBLE ASSETS												INTANGIBLE ASSETS		Grand Total
	Land		Buildings	Hydraulic works	Other Civil works	Plant & Machinery	Lines & Cable Net Works	Vehicles	Furniture & Fixtures & Ele. Lighting	Office Equipments	Computer	Total	Computer Softwares	Total	
	Owned Assets	Right of Use (ROU) Assets													
GROSS BLOCK															
At 1st April 2021	527.32	1,529.25	6,294.75	9.77	3,042.47	98,077.60	3,84,439.66	392.16	1,119.57	856.11	7,172.67	5,03,461.33	4,085.29	4,085.29	5,07,546.62
Additions	0.00	0.00	254.75	0.00	54.16	8,252.68	26,223.40	0.00	26.69	16.46	40.79	34,868.93	0.00	0.00	34,868.93
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	105.46	0.00	29.23	0.00	0.00	0.00	134.69	0.00	0.00	134.69
At 31st March, 2022	527.32	1,529.25	6,549.50	9.77	3,096.63	1,06,224.82	4,10,663.06	362.93	1,146.26	872.57	7,213.46	5,38,195.57	4,085.29	4,085.29	5,42,280.86
Additions	17.98	0.00	368.86	4.45	45.90	15,508.87	43,325.27	90.71	82.70	37.29	965.57	60,447.60	0.00	0.00	60,447.60
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	604.53	213.18	0.00	0.00	0.00	473.80	1,291.51	0.00	0.00	1,291.51
At 31st March, 2023	**545.30**	**1,529.25**	**6,918.36**	**14.22**	**3,142.53**	**1,21,129.16**	**4,53,775.15**	**453.64**	**1,228.96**	**909.86**	**7,705.23**	**5,97,351.66**	**4,085.29**	**4,085.29**	**6,01,436.95**
ACCUMULATED DEPRECIATION															
At 1st April 2021	0.00	142.62	1,276.40	4.01	540.47	28,241.42	1,07,629.18	189.12	470.05	264.60	6,171.98	1,44,929.86	4,085.29	4,085.29	1,49,015.15
Charge for the year	0.00	71.31	243.53	0.46	110.27	5,831.37	19,983.37	32.87	76.75	48.13	93.13	26,491.19	0.00	0.00	26,491.19
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	94.92	0.00	26.31	0.00	0.00	0.00	121.23	0.00	0.00	121.23
At 31st March, 2022	0.00	213.93	1,519.93	4.47	650.74	33,977.87	1,27,612.55	195.68	546.80	312.73	6,265.11	1,71,299.82	4,085.29	4,085.29	1,75,385.11
Charge for the year	0.00	71.31	253.04	0.47	111.34	6,228.70	21,005.76	31.40	74.26	107.60	47.24	27,931.12	0.00	0.00	27,931.12
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	544.02	191.86	0.00	0.00	0.00	426.44	1,162.32	0.00	0.00	1,162.32
At 31st March, 2023	**0.00**	**285.24**	**1,772.97**	**4.94**	**762.08**	**39,662.55**	**1,48,426.45**	**227.08**	**621.06**	**420.33**	**5,885.91**	**1,98,068.62**	**4,085.29**	**4,085.29**	**2,02,153.91**
Net Block															
At 31st March, 2022	527.32	1,315.32	5,029.57	5.30	2,445.89	72,246.96	2,83,050.51	167.25	599.46	559.84	948.35	3,66,895.75	0.00	0.00	3,66,895.75
At 31st March, 2023	**545.30**	**1,244.01**	**5,145.39**	**9.28**	**2,380.45**	**81,466.61**	**3,05,348.70**	**226.56**	**607.90**	**489.53**	**1,819.32**	**3,99,283.04**	**0.00**	**0.00**	**3,99,283.04**

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 separate breakup regarding its gross block, depreciation block and net block and hence disclosure for leased out property have not been given separately as required as per Revised Schedule-VI. Further, as per the nature of fixed assets regrouping of assets under different heads has been done in line with Books.

2.c Consequent upon unbundling of business of erstwhile GEB, various lands and buildings of group companies are used by companies other than the owners. User charges thereof are not recovered or provided for. The quantification of the same and its effect on the financial statements is unascertainable.

2.d Effective April 1, 2019, the Company had adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use assets (ROU). Accordingly, on transition, “Right of Use asset" of ₹ 1529.25 Lakhs had been recognised as of April 1, 2019. The effect of this adoption is not material on the profit for the year and earnings per share.

2.e Refer note no : 45 for title deeds of immovable property

Notes to the Financial Statements

Note No. 3 Capital works-in-progress

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Work-in-Progress	1,890.98	1,687.80
Total	**1,890.98**	**1,687.80**

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

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Plant & Machinery	313.64	362.46
Lines & Cable Network	1,505.17	1,248.62
Other Misc Capital Work in progress	72.17	76.72
Total	**1,890.98**	**1,687.80**

3.2 The Company has evaluated the directly attributable cost capitalisation rate for the current financial year ended 31st March, 2023 and applied this to the expenditure on the relevant assets and the total expenditure thus capitalized during the current financial year is ₹ 7613.89 lakhs (P.Y. ₹4518.70 lakhs) .

3.3 Refer Note No : 46 for ageing Schedule of the capital work in progress

3.4 Refer Note No : 47 for completion schedule of capital works in progress

Note No. 4 Non-Current Loans

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, Considered Good		
Loans to Staff	1,540.22	1,524.40
Total	**1,540.22**	**1,524.40**

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

Note No. 5 Other Non-Current Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, Considered Good		
Interest Accrued But Not Due on Staff Loans	1,982.56	1,955.06
Interest Accrued & Due on Staff Loans	184.31	156.59
Unsecured, Considered Good		
Interest Accrued But Not Due on Others	0.91	0.04
Loans Recoverable from consumers for SKY scheme	1,471.21	2,123.81
Deposits with Others	124.47	121.33
Total	**3,763.46**	**4,356.83**

Note No. 6 Inventories

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stores, Spares and Scrap		
Stock of materials at stores (Net of provision for non moving stock of C.Y. is ₹ 136.14 lakhs, P.Y. is ₹ 220.05 Lakhs)	24,796.22	24,516.74
Materials at Site (O&M)	2,270.13	1,751.28
Materials in Transit	9.60	2.27
Other Materials Accounts	5,603.46	5,966.84
Material Stock pending Investigation	237.53	228.30
Less: Provision for stock pending investigation	(237.53)	(228.30)
Total	**32,679.41**	**32,237.13**

(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. 7 Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivable-Unsecured Considered Good* - Undisputed		
Trade Receivable from Sale of Power	58,706.09	51,092.52
Less : Allowance for bad and doubtful debts (refer note - 7.2 below)	(7,656.81)	(5,651.67)
Less : Doubtful E D	(1,150.30)	(1,677.18)
Total(A)	**49,898.98**	**43,763.67**
Significant Increase in Credit Risk - Disputed		
Trade Receivable from Disputed Consumers	3,685.33	3,733.46
Less : Allowance for bad and doubtful debts (refer note - 7.2 below)	(3,685.33)	(3,733.46)
Total(B)	**0.00**	**0.00**
Less : Unposted Receipts	(0.63)	(0.64)
Total(C)	**(0.63)**	**(0.64)**
Credit Impaired - Disputed		
Dues from Permanently Disconnected Consumers#	14,876.05	14,356.87
Less : Allowance for bad and doubtful debts (refer note - 7.2 below)	(14,876.05)	(14,356.87)
Total(D)	**0.00**	**0.00**
Total(A+B+C+D)	**49,898.35**	**43,763.03**

*Receivables have been secured to the extent of security deposit as reflected Note no. 18 as well as bank guarantee received from the respective Consumers.

#Electricity Duty (ED) on High Tension Permanently Disconnected Consumers(HT PDC) are deposited on receipt of the same. However, considering the complexities involved in view of large number of Low Tension (LT) consumers, it is not practical to quantify and arrive Electricity Duty (ED) amount attributable to Low Tension Permanently Disconnected Consumers (LT PDC). The Electricity Duty (ED) on Low Tension Permanently Disconnected Consumers (LT PDC) cases are deposited on assessment basis considering nature of low-value yet high volume. Further, the outstanding of Low Tension Permanently Disconnected Consumers (LT PDC) are settled through Lok Adalat & Three Tier Settlement and hence, recovery of Electricity Duty (ED) against Low Tension Permanently Disconnected Consumers (LT PDC) is done with timing difference.

7.1 Age of Receivable:

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than or equal to 6 months	52,329.44	45,803.72
More than 6 months	24,937.40	23,378.49
Total	**77,266.84**	**69,182.21**

7.2 "Trade Receivables, consisting of trade receivables from sale of power and other receivables from consumers, includes the Provision for unbilled revenue in respect of the bills issued upto 31st March, 2023 amounting to ₹69,129.05 Lakhs (P.Y. ₹62,109.34 Lakhs) and payment received from consumers against Unbilled Revenue.

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/Delay Payment Charges(DPC) is charged at agreed rate as per contract terms on the overdue balance. (Refer Note No : 1.3 (ix) Other Income.)

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."

7.3 Refer Note No : 48 for ageing Schedule of trade receivables

Note No. 8 Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks	1,962.97	7,565.51
Cheques on Hand	859.56	1,087.49
Cash on hand	1.45	0.94
Remittance in Transit	905.93	777.17
Total	**3,729.91**	**9,431.11**

Note No. 9 Other Bank Balance

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with Banks (Remaining maturity of more than 3 months but less than 12 months)	27.06	1.80
Total	**27.06**	**1.80**

Note No. 10 Current Loans

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured*, Considered Good		
Loans to staff	533.56	457.67
Unsecured, Considered Good		
Other Loans And Advances to Staff	283.08	169.70
Total	**816.64**	**627.37**

*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 Current Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, Considered Good*		
Interest Accrued & Due on Staff Loans	136.69	152.98
Unsecured, Considered Good		
Loan Recoverable from SKY consumer	629.61	527.94
Recoverable from Staff	11.85	11.14
Unbilled Revenue	34,517.63	30,119.49
Other Recoverables	579.72	1,745.13
Receivable from Holding Company GUVNL [Including Net Gratuity Liability/(Assets) (Refer Note No. 35 E) of ₹132.70 Lakhs, P.Y. ₹ (1306.66) Lakhs and Others ₹ 170,128.81 Lakhs (P.Y. ₹ 148,409.89]	1,70,261.51	1,47,103.23
Total	**2,06,137.01**	**1,79,659.91**

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

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

Note No. 12 Current Tax Assets (Net)

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Tax Assets		
Tax Refund Receivable	23,567.03	22,349.47
Current Tax Liability		
Income Tax Payable	(16,532.89)	(15,768.38)
Total	**7,034.14**	**6,581.09**

Note No. 13 Other Current Assets

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good		
Prepaid Expenses	149.86	118.01
Postage Stamp & Stamped Agreements on Hand	15.86	17.79
Other Deposits	426.59	326.73
Advances for O&M Supplies/Works	47.10	45.59
Balances with Govt. Authorities	68.40	66.88
Total	**707.81**	**575.00**

Note No. 14 Equity Share Capital

a Equity share capital consist of the following:

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Share Capital		
Equity Share Capital		
Authorised Share capital		
100,00,00,000 (P.Y.100,00,00,000) Equity Shares each of ₹ 10 each	1,00,000.00	1,00,000.00
Issued		
505,732,086 (P.Y. 484,649,525) Equity Shares of ₹ 10/- each fully paid	50,573.21	48,464.95
Subscribed & Paid up		
505,732,086 (P.Y. 484,649,525) Equity Shares of ₹ 10/- each fully paid	50,573.21	48,464.95
Total	**50,573.21**	**48,464.95**

b **Reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:**

(₹ in Lakh)

Particulars	No. of Shares	Share Capital in lakh
As at 1st April,2021	46,55,80,852	46,558.09
Additions/(Reductions)	1,90,68,673	1,906.86
As at 31st March,2022	48,46,49,525	48,464.95
As at 1st April,2022	**48,46,49,525**	**48,464.95**
Additions/(Reductions)	2,10,82,561	2,108.26
As at 31st Mar,2023	**50,57,32,086**	**50,573.21**

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

All the 505,732,086 nos. of Equity Shares (Previous year 484,649,525) are held by Gujarat Urja Vikas Nigam Limited, the holding company & its Nominees.

d **Details of equity shares held by share holders holding more than 5% of the aggregate shares in the Company:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gujarat Urja Vikas Nigam Limited & its Nominees		
Nos of Shares	50,57,32,086	48,46,49,525
% of Holding	100%	100%

e **Details of shareholding of promoter in the company :**

Promoter Name	As at 31st March, 2023				
	Nos of Shares at the beginning of the year	Change during the Year	Nos of Shares at the end of the year	% of Total Shares	% Change during the year
Gujarat Urja Vikas Nigam Limited & its Nominees	48,46,49,525	2,10,82,561	50,57,32,086	100%	No Change

Promoter Name	As at 31st March, 2022				
	Nos of Shares at the beginning of the year	Change during the Year	Nos of Shares at the end of the year	% of Total Shares	% Change during the year
Gujarat Urja Vikas Nigam Limited & its Nominees	46,55,80,852	1,90,68,673	48,46,49,525	100%	No Change

f **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. 15 Other Equity

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities Premium Account	1,81,858.78	1,66,159.06
Retained Earnings	41,771.34	39,285.21
Total	**2,23,630.12**	**2,05,444.27**

15.1 Particulars relating to Other Equity

(₹ in Lakh)

Other equity	As at 31st March, 2023	As at 31st March, 2022
Securities Premium Account		
Opening Balance	1,66,159.06	1,52,390.11
Add: Increase during the year	15,699.72	13,768.95
(A)	**1,81,858.78**	**1,66,159.06**
Retained Earnings		
Opening Balance	39,285.21	28,998.03
Add: Net profit after tax transferred from Statement of Profit & Loss	3,208.10	10,349.40
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of Income tax	(721.97)	(62.22)
(B)	**41,771.34**	**39,285.21**
Total	**2,23,630.12**	**2,05,444.27**

Note No. 16 Deferred Government Grants, Subsidies & Consumer Contributions

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Government Grants, Subsidies towards Capital Assets	93,064.12	98,204.69
Consumers' contribution towards Capital assets	99,069.04	77,961.16
Total	**1,92,133.16**	**1,76,165.85**

Note No. 16.1 Particulars relating to Deferred Government Grants, Subsidies & Consumer Contributions

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Govt.Grants & Subsidies towards Cost of Capital Assets		
Opening balance	98,204.69	85,635.48
Add: Received during the year (Net)	1,725.33	19,819.22
Less: Transferred to Statement of Profit & Loss	(6,865.90)	(7,250.01)
Closing balance	**93,064.12**	**98,204.69**
Consumer Contribution towards Capital Assets		
Opening balance	77,961.16	68,265.85
Add: Received during the year (Net)	28,720.60	15,745.35
Less: Transferred to Statement of Profit & Loss	(7,612.72)	(6,050.04)
Closing balance	**99,069.04**	**77,961.16**
Total	**1,92,133.16**	**1,76,165.85**

The Government Grants received for projects related to Sagar Khedu, Kutir Jyoti, HVDS, etc. are of capital nature for development of Distribution infrastructure. There are no unfulfilled conditions or contingencies attached to these grants.

Note No. 17 Borrowings

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
(a) Term Loans raised by the Company		
(i) From Financial Institutions	395.39	965.69
Unsecured		
Term loan raised through GUVNL		
(i) State Government Loan under APDRP	0.00	23.51
(ii) ADB Prog. & Proj. Loan	359.80	739.83
Total	**755.19**	**1,729.03**

17.1 Term Loans consists of following:

(₹ in Lakh)

Term Loans	Year Ended	Current Maturities of each Loan	Amount of Each Loan Outstanding
Loan from Power Finance Corporation (Secured against charge of Plant and Machinery and lines and cables of Anand & Nadiad City Division of MGVCL).	**31-03-2023**	**20.64**	**416.03**
	31-03-2022	39.81	1,005.50

17.2 Nature of security and terms of repayment for Secured Borrowings

The Company had availed loan from PFC in the earlier years which was convertible into grant subject to fulfillment of the conditions of the Scheme under which the loan was provided. The recognition of such loan conversion into grant was and is subject to reasonable assurance of (a) complying with the conditions attaching to them and (b) that the grants will be received. Management judgment is required to determine when reasonable assurance is attained, based on historical experience of such and the like or similar transactions including likely timing and consideration of claim acceptance/rejection and also the consideration of other Ind AS – particularly around de-recognition of loan / financial liability. Based on prudent assessment, the management judged that reasonable assurance for recognition of conversion of loan into grant is attained on approval by the lender of conversion of loan into grant. For FY 2021-22, the lender – PFC's Steering Committee has approved the conversion of loan into grant of R-APDRP Part A, SCADA and R-APDRP Part B as per the minutes of the 21st Meeting of Monitoring Committee of IPDS held on 21st December, 2021 under the Chairmanship of Secretary (Power). Subsequently, loan into grant conversion was intimated by PFC as per letter No. 02:10: R-APDRP: 2010: :MGVCL/075318 Dtd. 25th Jan 2022, letter No. 02:10: R-APDRP: 2010: :MGVCL/076242 Dtd. 31st March 2022. Accordingly, this conversion of loan into grant has been recognised in the FY 2021-22 and accounted for as Grant as per Company's accounting policy.

17.3 Terms of repayment for Long term borrowings - Unsecured

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.

A State Government loan under APDRP ₹ 55.48 Lakhs (Previous year ₹ 134.02 Lakhs) will be repayable in last annual installments ₹55.48 Lakhs. Rate of interest 12.18%

B ADB Prog. & project loan amounting ₹ 739.83 Lakhs (Previous year ₹ 1119.86 Lakhs) will be repayable in two yearly installments of ₹ 380.03 Lakhs. Rate of interest 10.69%

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) availed by the Company.

17.4 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.

Note No. 18 Other Non-Current Financial Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Staff Welfare Schemes	86.52	79.35
Security deposit from consumers	1,24,553.94	1,13,166.79
Staff Related Liabilities/Staff retirement benefits	1,422.30	1,393.48
Liabilities towards SKY scheme	1,471.21	2,123.81
Total	**1,27,533.97**	**1,16,763.43**

18.1 Liabilities 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%.

Note No. 19 Long-Term Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits		
Provision for Leave Encashment	22,491.91	21,097.98
Total	**22,491.91**	**21,097.98**

Note No. 20 Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities	5,119.90	2,652.75
Deferred tax assets	0.00	0.00
Total	**5,119.90**	**2,652.75**

20.1 Deferred Tax Asset / Liability is worked out as under:

2022-23

(₹ in Lakh)

Particular	Opening Balance	Recognized in profit and loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant and Equipments	62,614.77	5,907.80	0.00	68,522.57
Prior Period Income	0.00	0.00	0.00	0.00
Deferred tax asset on account of:				
Employee Benefits	(7,145.83)	(1,747.37)	387.79	(8,505.42)
Deferred income on government grant	(20,745.75)	0.00	0.00	(20,745.75)
Provision on doubtful debts	(8,296.40)	(865.28)	0.00	(9,161.68)
Carried forward of unused Tax Losses	(8,773.49)	(451.27)	0.00	(9,224.76)
Carried forward of unused Tax Credits	(15,000.54)	(764.51)	0.00	(15,765.05)
Net Deferred Tax (Asset)/Liability	**2,652.75**	**2,079.36**	**387.79**	**5,119.90**

F.Y. 2021-22

(₹ in Lakh)

Particular	Opening Balance	Recognized in profit and loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant and Equipments	57,418.80	5,195.97	0.00	62,614.77
Prior Period Income	0.00	0.00	0.00	0.00
Deferred tax asset on account of:				
Employee Benefits	(6,717.06)	(462.19)	33.42	(7,145.83)
Deferred income on government grant	(20,745.75)	(0.00)	0.00	(20,745.75)
Provision on doubtful debts	(7,782.36)	(514.04)	0.00	(8,296.40)
Carried forward of unused Tax Losses	(8,955.34)	181.85	0.00	(8,773.49)
Carried forward of unused Tax Credits	(11,885.28)	(3,115.26)	0.00	(15,000.54)
Net Deferred Tax (Asset)/Liability	**1,333.01**	**1,286.33**	**33.42**	**2,652.75**

20.2 The Company had net deferred Tax Liability on account of Property Plant & Equipment at the year ended 31st March 2023 and 31st March 2022.

Note No. 21 Short-term Borrowings

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Short Term Borrowings		
Secured:		
Cash credit from banks*	6.69	13.59
Current maturities of Long Term Debt:		
Secured:		
Loan from Financial Institutions	20.64	39.81
Unsecured:		
Term loan raised through GUVNL		
Loan from Asian Development Bank	380.03	380.03
State Government Loan under APDRP	55.48	110.51
Total	**462.84**	**543.94**

*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.

Refer Note No : 44 for Details of Inventory and Trade Receivables filed with bank on the basis of unaudited books of accounts.

Note No. 22 Current Trade Payables

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Payable		
(i) Dues of Micro & Small Enterprise	0.00	0.00
(ii) Dues other than Micro & Small Enterprise	179.94	134.48
Total	**179.94**	**134.48**

22.1 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:

22.2 Total outstanding dues of Micro & Small Enterprises*

(₹ in Lakh)

	As at 31st March, 2023	As at 31st March, 2022
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	0.00	0.00
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;	0.00	0.00
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.	0.00	0.00
Interest accrued and remaining unpaid as at of end of each accounting year	0.00	0.00
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.	0.00	0.00

22.3 Refer Note No : 49 for ageing Schedule of trade payables

Note No. 23 Other Current Financial Liability

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on Loans	600.60	332.85
Interest payable on consumers security Deposit	4,328.47	3,858.45
Staff Related Liabilities	59.73	103.58
Staff Retirement cum Death Benefit Scheme	198.96	251.12
Deposits & Retentions from Suppliers / Contractors	9,366.53	7,174.05
Unspent CSR Amount*	128.39	106.89
Outstanding liability for expenses	3,634.99	2,905.72
Liability for Capital Supplies / Works	2,860.15	2,424.06
Deposits for Electrification & Service connection from Consumers	232.23	331.90
Loan under SKY scheme	629.61	527.94
Payable to EESL under UJALA Scheme	348.89	334.68
Payable to Gujarat Energy Training & Research Institute (GETRI)	39.07	6.56
Payable to Gujarat Energy Transmission Corporation Ltd.(GETCO)	567.53	11.84
Other Liability	42,091.05	27,595.18
Total	**65,086.20**	**45,964.82**

* Refer Note No : 43

Note No. 24 Other Current Liability

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Liabilities	613.58	623.93
Other Liability	1,081.69	1,073.65
Deposits for Electrification & Service connection from Consumers	12,894.40	13,727.24
Total	**14,589.67**	**15,424.82**

Note No. 25 Short Term Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits		
Leave Encashment	1,661.27	605.91
Bonus	54.26	52.16
Others	3,236.39	12,296.83
Total	**4,951.92**	**12,954.90**

In view of GoG Notification dtd. 08.04.2020, the Company has provided for the compensation payable to the legal heirs of the deceased employees who have expired due to COVID-19 for a maximum amount of ₹ 25.00 lakh per deceased employee. During the current year, as per directives from the state government, the Company has provided/paid compensation of ₹ 500.00 Lakhs (P.Y. ₹ 850.00 Lakhs) to family members of deceased employee on account of Covid-19.

Note No. 26 Revenue from Operations

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Income from Operating Activity		
Revenue from Sale of Power		
Residential General Purpose(Domestic or Residential)	1,82,512.87	1,55,834.64
General Lighting Purpose (Commercial)	8,347.74	6,436.80
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	1,50,155.84	1,25,555.19
Industrial High Voltage	4,59,631.56	3,68,457.84
Irrigation Agricultural	63,429.37	52,566.92
Public Water Works and Sewerage Pumps	30,225.42	26,868.33
Unscheduled Interchange/DSM Income	13,760.19	19,189.34
Sub Total	**9,08,062.99**	**7,54,909.06**
Electricity duty		
Electricity Duty Assessed	(1,04,877.32)	(88,337.40)
Less: Electricity Duty Assessed (Contra)	1,04,877.32	88,337.40
Sub Total	**0.00**	**0.00**

Sale of Services		
Parallel Operation Charge	529.92	121.65
Sub Total	**529.92**	**121.65**
Other operating Revenue		
Recoveries for theft of power / Malpractices	3,965.22	3,037.65
Cross Subsidy Surcharge	674.38	2,451.01
Addl. Surcharge - OA Consumers	129.09	982.99
Wheeling Charges Recovery	40.15	90.92
Agriculture Subsidy	7,072.96	6,878.01
Miscellaneous Charges from Consumers	4,457.70	3,257.36
Sub Total	**16,339.50**	**16,697.94**
Total	**9,24,932.41**	**7,71,728.65**

Note No. 27 Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income		
Interest on Staff Loans and Advances	244.32	281.78
Interest on Loans and Advances to Others	2.46	941.95
Interest on Fixed Deposits	0.00	0.04
Other Non Operating Income		
Gain on sale of Fixed Assets (Net of Loss)	0.00	8.93
Delayed payment charges from Consumers	3,775.52	4,363.59
Deferred Income towards Govt. Grants/Subsidies and Consumer Contribution towards Cost of Capital Assets	14,478.61	13,300.05
Grant for Energy Conservation	100.61	41.85
Provision No Longer Required #	8,277.29	0.00
Grant for Misc. Expense	18.88	12.33
Miscellaneous Income	3,758.29	8,492.22
Total	**30,655.98**	**27,442.74**

#The Company made provisions with respect to allowances as per 7th Pay commission as per internal assessment. During FY 2022-2023, Government of Gujarat has notified implementation of revised House Rent Allowance as per 7th Pay Commission vide letter no.Vallabh-102022-1301-CH dated 12-10-2022. Accordingly, the excess provision made in earlier years is written back since it is no longer required to be paid and shown under Other income.

Note No. 28 Purchase of Power

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Purchase of power from GUVNL	8,35,587.12	6,74,262.93
Purchase of power from Renewable Attribute	81.73	4.52
Purchase of power from Wind TurbineGenerators/CPP	643.14	305.37
Purchase of power from Solar Generators	4,451.77	4,090.60
SLDC Charges	134.63	158.16
Total	**8,40,898.39**	**6,78,821.58**

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. 29 Employees benefit expense

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and Allowances	51,959.08	48,025.02
Contribution to PF Trusts	4,801.36	4,339.28
Staff Welfare Expenses	633.92	1,572.88
Retirement and other Benefits	2,582.65	3,355.07
	59,977.01	**57,292.25**
Less : Directly attributable cost capitalised (Refer note no. 1 (1.3)(xxi)(b))	(6,495.10)	(3,891.13)
Total	**53,481.91**	**53,401.12**

Note No. 30 Finance Cost

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Expense		
Interest on State Government Loans	101.74	148.63
Interest on Cash Credit and Working Capital	7.87	0.00
Interest on Term Loans from BOB	0.00	60.31
Interest on Loans from Power Finance Corporation	132.09	445.98
Other Interest Charges	245.43	194.93
Interest to Consumers on Security Deposits etc.	4,868.99	4,297.54
Interest on Income Tax	0.00	52.75
Other Borrowing Costs		
Bank Charges, Commission and Others	6.32	29.28
Total	**5,362.44**	**5,229.42**

Note : Interest is on PFC loan given for R-APDRP Projects; as per the terms of the R-APDRP project has been converted into Grant by GoI on meeting the conditions of conversion from Loan to Grant and treated as forgivable loan to that extent. Accordingly, the capitalized interest portion has been accounted as grant and partially credited to Statement of Profit & Loss as per Company's accounting policy.

Note No. 31 Other Expenses

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Repairs and Maintenance		
Building and Civil Works	479.27	245.11
Plant and Machinery	2,522.06	2,108.00
Lines, Cable Network etc.	4,646.74	4,655.34
Others	558.98	711.03
Total A	**8,207.05**	**7,719.48**
Administrative & General Expenses		
Rent, Rates and Taxes#	238.93	217.07
Insurance	34.24	43.58
Legal & Professional Fees	252.77	246.67

Auditors' Remuneration	11.68	11.68
Travelling & Conveyance	4,114.03	3,537.03
Advertisement	108.35	95.67
Electricity Charges	630.10	579.87
Corporate Social Responsibilities*	216.55	145.83
Directors sitting fees	2.23	1.47
GERC License Fees	239.80	234.36
Other Administration & General Expenses	4,567.62	4,142.69
	10,416.30	9,255.92
Less : Directly attributable cost capitalised (Refer note no. 1 (1.3)(xxi)(b))	(1,118.80)	(627.57)
Total B	**9,297.50**	**8,628.35**
Other Debit		
Expenses for Energy Conservation	117.93	41.85
Waiver of Delayed Payment Charges	288.27	23.15
Loss on Sale of PPE (Net)	31.94	0.00
Bad & Doubtful debts write-off	0.20	0.06
Miscellaneous Losses & Write-offs	304.85	386.05
Provision for Bad & Doubtful debts	2,856.62	4,995.18
Less: Provision for doubtful debts no longer required	(380.44)	(1,521.89)
Other Miscellaneous debits	363.06	1,085.03
Total C	**3,582.43**	**5,009.43**
Total	**21,086.98**	**21,357.26**

Stamp Duty paid on issuance of Share Captial being an intergral cost incurred towards legal compliance for completing share issuance process in its entirety has been debited to Statement of Profit & Loss Account under "Other Expense" sub head "Rates and Taxes" amounting ₹ 17.81 Lakhs for F.Y. 2022-23 (PY ₹15.68 Lakhs)

* Refer Note No :43

31.1 Payments to auditors has been classified as follows:

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Payments to Statutory Auditors (Including GST)		
- Audit Fees	11.68	11.68
-for taxation matters	0.00	0.00
-for company law matters	0.00	0.00
-for reimbursement of expenses	0.00	0.00
- Other Fees	0.00	0.00
Total	**11.68**	**11.68**

Note No. 32 Tax Expense

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax	764.51	2,168.25
Deferred Tax	2,854.94	1,353.16
Total	**3,619.45**	**3,521.41**

Note No. 32.1 Reconcilation of Current Tax

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit Before Tax	6,827.55	13,870.81
Current Tax Expenses Calculated Using Appliucable Tax Rate	2,385.82	4,847.02
(Income)/Expense(net) not (taxable)/deductible	1,233.63	(1,325.61)
Total	**3,619.45**	**3,521.41**
Applicable Tax Rate-Normal	34.94%	34.94%
Applicable Tax Rate-MAT	17.47%	17.47%

Note No. 32.2 Income tax recognised in other comprehensive income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Items that will not be reclassified to profit or loss		
a) Re-measurement of the defined benefit plans	(1,109.76)	(95.64)
(ii) Income Tax relating to items that will not reclassified to profit or loss	387.79	33.42
Total	**(721.97)**	**(62.22)**

Note No. 33 Earnings per Equity share

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit after tax for the year attributable to equity shareholders	3208.10	10349.40
Weighted Average number of Equity Shares for Basic EPS	491596612.25	473883713.08
Weighted Average number of Equity Shares for Diluted EPS	491596612.25	473883713.08
Basic Earnings per equity shares (Rs. 10/- each)	0.65	2.18
Diluted Earnings per equity shares (Rs. 10/- each)	0.65	2.18
Face value per equity share (Rs.)	10.00	10.00

Note No. 34 Lease

a The Company has entered into various Lease Arrangements for "Land" for the purpose of official use; some of which are "Non-cancellable" and thus, creates enforceable rights. The Company applied the standard on such Lease Arrangements and recognised the "Right of Use" asset in its books by transferring the "Pre Payments - Lease hold land" amounting to ₹ 1529.25 lakhs as appeared under "Other Non-current Asset / Other Current Asset" in the financial statements for the financial year ended on 31st March, 2019, and disclosed the same in its financial statements under Property, Plant and Equipment" for the year ended 31st March, 2020.

b In respect of Lease Arrangements, which are cancellable without any significant penalty either by lessor or lessee by giving appropriate notice as per respective agreements, do not create enforceable rights and obligations between the parties and thus, do not constitute a contract. Accordingly, the Company does not apply Ind AS 116 on such Lease Arrangements.

c Amount Recognized in Statement of Profit and Loss for the year ended 31st March, 2023

(A) As a Lessee:

Nature of Leasing Activities

The Company has entered into various lease arrangements for buildings for purpose of its offices.

Details of leases (including in substance leases) are as under:

1. The company has entered into Cancellable Operating leases for Vehicle.

2. The Company has taken Office Premise on Lease which is cancellable by giving appropriate notice as per the respective agreements.

Amount Recognized in Statement of Profit and Loss & Carrying Amount of Another Asset

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on ROU recognized in the Statement of Profit and Loss	71.31	71.31
Interest on lease liabilities	0.00	0.00
Expenses relating to short term lease (Lease more than 30 days but less than 12 months)	79.78	25.38
Expenses relating to leases of low-value assets (Excluding short-term leases of Low-value assets)	18.87	17.15
Total cash outflow for leases	98.65	42.53
Additions to ROU Asset during the year	0.00	0.00
Gain or losses arising from sale and leaseback transactions	0.00	0.00
Net Carrying Amount of ROU Asset at the end theyear	1,244.01	1315.32

The details of Right of Use Asset included in Property, Plant and Equipment (Note No. 02) held as lessee by class of underlying asset is presented below: **(₹ in Lakh)**

Particulars	Asset Class	Total
	Land	
Opening Balance as on 1st April, 2021	1,386.63	1386.63
Additions During the year	0.00	0.00
Depreciation Recognized During the year	71.31	71.31
Net Carrying value as on 31st March, 2022	**1,315.32**	**1315.32**
Additions During the year	0.00	0.00
Depreciation Recognized During the year	71.31	71.31
Net Carrying value as on 31st March, 2023	**1,244.01**	**1244.01**

(B) As a Lessor:

(i) Operating Lease:

The lease rentals recognised as income in these statements as per the rentals stated in the respective agreements:

Note No. 35 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 Employees Provident Fund Organization (EPFO). 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 ₹ 4725.94 Lakhs (31st March 2022 ₹ 4265.25 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 ₹ 4074.55 Lakhs (previous year ₹ 3395.25 Lakhs) has been charged to statement of Profit & Loss. Leave obligation as at 31st March, 2023 ₹ 24153.19 Lakhs and 31st March, 2022 ₹ 21703.89 Lakhs respectively.

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 ₹ 48.75 Lakhs (P.Y. ₹ 99.02 lakhs). The balance of such fund as at 31st March, 2023 is ₹ 1621.26 Lakhs and 31st March, 2022 is ₹ 1644.61 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 maintains a target level of funding to be done over a period of time based on estimations of expected gratuity payments.

The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust. The liability in respect of plan is determined on the basis of an actuarial valuation.

D Risk Exposure

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Rate Risk and Salary Risk.

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

No other post-retirement benefits are provided to 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, 2023 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 .

The principal assumptions used for the purposes of the actuarial valuations were as follows:.

Assumptions (Current Period)

Particulars	For the year ended 31st March	
	2023	2022
Expected Return on Plan Assets	7.25%	7.00%
Rate of Discounting	7.25%	7.00%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	1 to 3 % depending on Age	
Mortality Rate During Employment	LIC (2006-08) Ultimate	
Mortality Rate After Employment	Not Applicable	

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratuity		
I) Reconciliation in present value of obligations (PVO) - defined benefit obligation:		
Opening defined benefit obligation	36297.29	34825.48
Current Service Cost	1579.59	1828.76
Past service cost, including losses/(gains) on curtailments	0.00	0.00
Interest Cost	2631.55	2437.78
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from experience adjustments	1074.02	94.69
Benefits paid	(2764.69)	(2889.43)
Closing defined benefit obligation	**38817.76**	**36297.29**
Current obligation	2789.97	2817.85
Non-Current obligation	36027.79	33479.44
II) Change in fair value of assets :		
Opening fair value of plan assets	37603.95	35733.31
Expected return on plan assets	2726.29	2501.33
Remeasurement gain (loss):		
Actuarial gains and losses including Excess Return on plan assets (excluding amounts included in net interest expense)	(35.74)	(0.95)
Contributions by the employer	1155.26	2259.69
Benefits paid	(2764.69)	(2889.43)
Insurance Premium Adjusted	0.00	0.00
Closing fair value of plan assets	**38685.06**	**37603.95**
III) Reconciliation of Present value of obligation and fair value of assets:		
Present value of funded defined benefit obligation	38817.76	36297.29
Fair Value of planned assets at end of year	38685.06	37603.95
Funded status	Funded	Funded
Net liability / (asset) arising from defined benefit obligation	**132.70**	**(1306.66)**
IV) Service Cost		
Current Service cost	1579.59	1828.76
Past Service cost and(gain)/loss from settlements	0.00	0.00
Net Interest expense	(97.01)	(64.36)
Total Expenses to be recognised in P&L	**1482.58**	**1764.40**
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	1074.02	94.69
Return on Plan Assets excluding amount included in net interest cost	35.74	0.95
Total expense to be recognised in OCI	**1109.76**	**95.64**
Total expense (provision for the period)	2592.34	1860.04
V) Category of assets as at 31st March:		
-Life Insurance Corporation	38685.06	37603.95
Total	**38685.06**	**37603.95**

(₹ in Lakh)

Experience Adjustment	On Plan Liabilities - Loss/(Gain)	On Plan Assets - (Loss)/Gain
As on 31st March,2023	1074.02	(35.74)
As on 31st March,2022	94.69	(0.95)
As on 31st March,2021	1655.13	66.31
As on 31st March,2020	4805.21	401.50
As on 31st March,2019	3164.58	(120.03)

Maturity Analysis of Projected Benefit Obligation are as under:

(₹ in Lakh)

Gratuity	As at 31st March, 2023	As at 31st March, 2022
Gratuity		
Less than 1 year	2789.97	2817.85
One to Three Years	7458.83	5365.29
Three to Five Years	7594.24	3713.74
More than Five Years	20974.72	24400.42
Total	**38817.76**	**36297.29**

Sensitivity analysis for Gratuity

(₹ in Lakh)

Significant actuarial assumptions	As at 31st March, 2023	As at 31st March, 2022
Discount Rate		
- Impact due to increase of 50 basis points	(1955.22)	(2026.21)
- Impact due to decrease of 50 basis points	2139.62	2212.34
Salary increase		
- Impact due to increase of 50 basis points	2050.79	2162.50
- Impact due to decrease of 50 basis points	(2066.49)	(2001.93)

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 balance sheet.

E GEB Employees' Group Gratuity Trust ("the Trust") is an exempted Gratuity Trust under the Income Tax Act, 1961 established to manage the Gratuity obligations of the employees of GUVNL and its Subsidiary Companies. GUVNL, the Holding Company is managing the same for and on behalf of itself and its six Subsidiary Companies. The Trust has an arrangement with M/s. Life Insurance Corporation of India (LIC) for the fund management based on actuarial determination of liability and the funds to be contributed.

Given the above structure and arrangement among GUVNL Group Companies, the overall Gratuity Liability or Asset (as the case may be) of the GUVNL Group, is reflected in GUVNL Books. The Company reflect the expense in its books and the Liability / Asset to / from GUVNL, given the above arrangement along with the disclosures in compliance with the applicable Ind AS 19 – Employee Benefits.

The following is the position of Gratuity related Asset / Liability reflected in the our books/ in the books of GUVNL as pertaining to individual companies:

(₹ in Lakh)

Particulars	(Asset) / Liability - Net	
	As at 31st March, 2023	As at 31st March, 2022
Position of Gratuity related (Asset) / Liability	132.70	(1306.66)

Note: Net Plan Liability of Gratuity amounting to ₹ 132.70 Lakhs (P.Y. Net Asset of Gratuity ₹ 1306.66 Lakhs) is considered in net (receivable) from / payable to holding company (GUVNL)

F The Holding Company, GUVNL has allocated Future Service Gratuity Insurance Premium (recovered by LIC) to the Subsidiary Companies, which has been accounted accordingly.

Note No. 36 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.

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. 26 of the financial statements.

Note No. 37 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 benefits for other stakeholders.

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 Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt	1840.95	2787.32
Total equity	466336.49	430075.07
Debt to equity ratio	0.004	0.006
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		

B Categories of financial instruments

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	49898.35	43763.03
(b) Cash and cash equivalents	3729.91	9431.11
(c) Other bank balances	27.06	1.80
(d) Loans	2356.86	2151.77
(e) Other financial assets	209900.47	184016.74
Measured at FVTOCI		
(a) Investments in equity instruments (designated on transition date)	0.00	0.00
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1218.03	2272.97
(b) Trade payables	179.94	134.48
(c) Other financial liabilities	192620.17	162728.25

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.

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, 2023 and 31st March, 2022.

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.

(₹ in Lakh)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2023				
Non - current financial liabilities				
Borrowings	0.00	462.98	292.23	755.20
Other Financial Liabilities	0.00	2893.51	124640.46	127533.97
		3356.49	**124932.69**	**128289.17**
Current financial liabilities				
Borrowings	462.84	0.00	0.00	462.84
Trade Payables	179.94	0.00	0.00	179.94
Other Financial Liabilities	65086.20	0.00	0.00	65086.20
	65728.98	**0.00**	**0.00**	**65728.98**
Total financial liabilities	**65728.98**	**3356.49**	**124932.69**	**194018.15**
As at 31st March, 2022				
Non - current financial liabilities				
Borrowings	0.00	962.37	766.68	1729.04
Other Financial Liabilities	0.00	3517.29	113246.14	116763.43
	0.00	**4479.66**	**114012.82**	**118492.47**
Current financial liabilities				
Borrowings	543.94	0.00	0.00	543.94
Trade Payables	134.48	0.00	0.00	134.48
Other Financial Liabilities	45964.82	0.00	0.00	45964.82
	46643.24	**0.00**	**0.00**	**46643.24**
Total financial liabilities	**46643.24**	**4479.66**	**114012.82**	**165135.71**

(₹ in Lakh)

Secured committed credit facility, reviewed annually and payable at call:	As at 31st March, 2023	As at 31st March, 2022
Amount used	6.69	13.59
Amount unused	3693.31	3686.41

The Company/Group has access to committed credit facilities as described below, of which ₹ 3693.31 Lakhs were unused at the end of the reporting period (Previous year ₹ 3686.41 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.

Note No. 38 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 on 31st March, 2023

Note No. 39 Contingent liabilities, Contingent Assets and Capital Commitments:

A Claims against the Company/ disputed demands not acknowledged as debt:- **(₹ in Lakh)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Income tax demand in Appeal/dispute (not provided for)	53340.20	18504.78
b) Service Tax demand (excluding interest) in Appeal/dispute(not provided for)	1225.84	1225.84
c) Claims against company not acknowledge as debt (legal matters)	3447.78	3175.69
Sub Total (A)	**58013.82**	**22906.31**

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 uncertainties that surround the related events and circumstances.

C Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account:- **(₹ in Lakh)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Capital Commitments		
Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)	18304.35	8305.26
Total	**18304.35**	**8305.26**

Note No. 40

The Company has a system of physical verification of Inventory, Movable 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.

Note No. 41

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.

Note No. 42 COVID-19

Relief Amount by GOG:

Employee Cost:

In view of GoG Notification dtd. 08.04.2020, the Company has provided for the compensation payable to the legal heirs of the deceased employees who have expired due to COVID for a maximum amount of ₹ 25 lakh per deceased employee. During the current year, as per directives from the state government, the Company has provided/paid compensation of ₹ 500.00 Lakhs (P.Y. ₹ 850.00 Lakhs) to family members of deceased employee on account of Covid-19.

Note No. 43 CSR Expenditure

(₹ in Lakh)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	The CSR expenditure comprises the following:		
a)	Gross amount required to be spent by the Company during the year	216.55	143.46
b)	Amount of CSR Project Activities approved by the Company to be spent during the year	216.55	145.83
c)	Amount spent during the year	147.37	88.18
	(i) Construction / acquition of any asset		
	a. In cash	0.00	82.00
	b. Yet to be paid in Cash	0.00	0.00
	Total	**0.00**	**82.00**
	(ii) on purpose other than (i) above		
	a. In cash	147.37	6.18
	b. Yet to be paid in Cash	0.00	0.00
	Total	**147.37**	**6.18**
d)	**Total Shortfall/(Excess) Amount**	69.18	57.65
e)	**Resons of above Shortfalls**	Note : (i)	Note : (i)
f)	**Break up of the amount spent on CSR**		
1	Health and Sanitation expenses	122.19	77.67
2	Education and Skill Development expenses	25.18	10.51
	Total Amount Spent on CSR	147.37	88.18
g)	Details of related party transactions	NA	NA

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening balance	106.89	73.48
Add :Amount required to be spent as approved during the year	216.55	145.83
Less:Amount spent during the year	195.05	103.22
Less:Amt. deposited in specified fund of Sch.VII within 6 months	0.00	9.20
Closing Balance	**128.39**	**106.89**

h) Unspent Amount of CSR on Ongoing Projects

(₹ in Lakh)

Year	Opening Balance		Amt. Req. to be spent during the year	Amount Spent during The Year		Closing Balance	
	With Company	In Separate CSR Account		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	From Separate CSR Unspent A/c
2022-23	0.00	106.89	207.11	147.37	47.68	59.74	59.21
2021-22	64.28	0.00	145.83	88.18	15.04	57.65	49.24

i) Unspent Amount of CSR on Other than going Projects

(₹ in Lakh)

Year	Opening Balance	Amt. deposited in specified fund of Sch.VII within 6 months	Amt. required to be spent during the year	Amt. Spent during the year	Closing Balance
2022-23	0.00	0.00	9.44	0.00	9.44
2021-22	0.00	0.00	0.00	0.00	0.00

Note :

(i) Some of the CSR Activities could not be completed considering ongoing activities.

(ii) The shortfall amount relates to ongoing projects & other than ongoing projects has been transferred to Unspent CSR Account of Ongoing Projects of the Company for FY 2022-23 of ₹ 69.18 Lakhs in April 2023 and ₹ 57.65 Lakhs for FY 2021-22 in April 2022.

(iii) After considering one CSR activity as non-statutory CSR (Other than Ongoing Project), amount of ₹ 9.44 Lakhs remained unspent for FY 22-23. The Company has transferred ₹ 9.44 Lakhs to Fund specified under Schedule VII being considered as the amount unspent/unallocated for FY 2022-23

Note No. 44 Statement Showing Details of Inventory and Trade Receivables filed with bank on the basis of unaudited books of accounts.

(₹ in Lakh)

Particulars	Amount as per Books of Account (A)	Amount as per statement of assets submitted to GUVNL for further submission to Bank (B)	Difference (A-B)	Remarks
For the Quarter ended June 30, 2022				Trade Receivable submitted to GUVNL excluded unbilled amount from Trade Receivable and includes only major items of Inventory. However, while Accounts finalisation the inventory is reconciled and unbilled is included in Trade Receivable which is reconciled.
--Trade Receivables	17,576.35	17,576.35	0.00	
--Inventories	26,573.03	25,304.03	1,269.00	
For the Quarter ended Sept 30, 2022				
--Trade Receivables	25,997.50	25,997.50	0.00	
--Inventories	32,098.09	30,134.74	1,963.35	
For the Quarter ended Dec 31, 2022				
--Trade Receivables	28,023.39	28,023.39	0.00	
--Inventories	32,637.75	32,623.38	14.37	
For the Quarter ended March 31, 2023				
--Trade Receivables	49,898.35	8,637.09	41,261.26	
--Inventories	32,679.41	32,517.82	161.59	

(₹ in Lakh)

Particulars	Amount as per Books of Account (A)	Amount as per statement of assets submitted to GUVNL for further submission to Bank (B)	Difference (A-B)	Remarks
For the Quarter ended June 30, 2021				Trade Receivable submitted to GUVNL excluded unbilled amount from Trade Receivable and includes only major items of Inventory. However, while Accounts finalisation the inventory is reconciled and unbilled is included in Trade Receivable which is reconciled.
--Trade Receivables	27,807.86	27,807.86	0.00	
--Inventories	23,269.85	23,269.85	0.00	
For the Quarter ended Sept 30, 2021				
--Trade Receivables	28,868.54	28,868.54	0.00	
--Inventories	26,310.08	24,817.11	1,492.97	
For the Quarter ended Dec 31, 2021				
--Trade Receivables	22,818.09	22,818.09	0.00	
--Inventories	32,031.92	30,658.88	1,373.04	
For the Quarter ended March 31, 2022				
--Trade Receivables	43,763.03	8,780.46	34,982.57	
--Inventories	32,237.13	32,237.13	0.00	

Note No. 45 Details of Immovable Property

(₹ in Lakh)

Line Item as per Balance Sheet	Description	Gross Carrying Value	Title deeds held in the name of	Wheather title deed holder is a promoter, director or relative od promoter or employee of promoter/ director	Property held since which date/ Year	Reasons for not being held in the name of Company
Property, plant and equipment	Land	10.10	Gujarat Electricity Board (GEB)	No	18 Years	The immovable properties, which have been transferred to company are held in the name of GEB erst or Vadodara Mahan agar Seva Sadan (VMSS). The procedure for the registration and /or transfer in the name of the Company is under process.
Property, plant and equipment	Office Building	2,164.73	Gujarat Electricity Board (GEB)	No	18 Years	
Property, plant and equipment	Residential Colony for Staff	311.37	Gujarat Electricity Board (GEB)	No	18 Years	
Property, plant and equipment	Other Buildings	47.45	Gujarat Electricity Board (GEB)	No	18 Years	
Property, plant and equipment	Guest House Building	4.49	Gujarat Electricity Board (GEB)	No	18 Years	
Property, plant and equipment	Land	117.10	Vadodara Municipal Corporation	No	35 Years	
Right-of-use assets	Land Held Under Lease	1,529.25	Vadodara Municipal Corporation	No	35 Years	
Property, plant and equipment	Other Buildings	23.71	Vadodara Municipal Corporation	No	35 Years	
Property, plant and equipment	Office Building	107.16	Vadodara Municipal Corporation	No	35 Years	

Note No. 46 Ageing Schedule of Capital Works-in-Progress

(₹ in Lakh)

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
As at 31st March, 2023					
Project in Progress	1,782.17	96.08	11.51	0.00	1,889.76
Projects Temporarily suspended	0.00	1.22	0.00	0.00	1.22
Total	**1,782.17**	**97.30**	**11.51**	**0.00**	**1,890.98**
As at 31st March, 2022					
Project in Progress	1,564.91	57.87	56.75	7.29	1,686.82
Projects Temporarily suspended	0.98	0.00	0.00	0.00	0.98
Total	**1,565.89**	**57.87**	**56.75**	**7.29**	**1,687.80**

Note No. 47 Completion Schedule of Capital Works-in-Progress

(₹ in Lakh)

CWIP	To be Completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
As at 31st March, 2023					
Project in Progress	1,889.76	0.00	0.00	0.00	1,889.76
Projects Temporarily suspended					
Normal Development Scheme	0.00	0.01	0.00	0.00	0.01
Zupadpatti Scheme	0.00	1.21	0.00	0.00	1.21
Total	**1,889.76**	**1.22**	**0.00**	**0.00**	**1,890.98**
As at 31st March, 2022					
Project in Progress	1,686.82	0.00	0.00	0.00	1,686.82
Projects Temporarily suspended					
Normal Development Scheme	0.82	0.00	0.00	0.00	0.82
Zupadpatti Scheme	0.16	0.00	0.00	0.00	0.16
Total	**1,687.80**	**0.00**	**0.00**	**0.00**	**1,687.80**

Note No. 48 Ageing Schedule for Trade Receivable:

(₹ in Lakh)

Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 months*	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023							
Considered Good	Disputed	0.00	0.00	0.00	0.00	0.00	0.00
	Undisputed	51,163.71	675.99	2,090.73	1,089.47	3,685.56	58,705.46
Significant increase in credit risk	Disputed	0.00	66.91	1478.92	0.00	2,139.50	3,685.33
	Undisputed	0.00	0.00	0.00	0.00	0.00	0.00
Credit impaired	Disputed	0.00	0.00	0.00	0.00	0.00	0.00
	Undisputed	1,165.73	306.16	622.42	977.00	11,804.74	14,876.05
	Total	**52,329.44**	**1,049.06**	**4,192.07**	**2,066.47**	**17,629.80**	**77266.84**
As at 31st March, 2022							
Considered Good	Disputed	0.00	0.00	0.00	0.00	0.00	0.00
	Undisputed	45,572.73	589.85	946.52	626.73	3,356.69	51,092.52
Significant increase in credit risk	Disputed	66.91	770.18	1,058.74	698.13	1,139.50	3,733.46
	Undisputed	0.00	0.00	0.00	0.00	0.00	0.00
Credit impaired	Disputed	0.00	0.00	0.00	0.00	0.00	0.00
	Undisputed	164.08	530.24	601.24	1,075.94	11,985.37	14,356.87
	Total	**45,803.72**	**1,890.27**	**2,606.50**	**2,400.80**	**16,481.56**	**69182.85**

* Less than 6 Months, consist of trade receivables from sale of power and other receivables from consumers, includes the Provision for unbilled revenue in respect of the bills issued upto 31st March, 2023 amounting to ₹ 69,129.05 Lakhs (P.Y. ₹ 62,109.34 Lakhs) and payment received from consumers against Unbilled Revenue.

Note No. 49 Ageing Schedule for Trade Payables

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023						
Undisputed Dues						
i) Micro and small enterprise	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others	179.98	0.00	0.00	0.00	0.00	179.98
Disputed Dues						
i) Micro and small enterprise	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others	0.00	0.00	0.00	0.00	0.00	0.00
Total	**179.98**	**0.00**	**0.00**	**0.00**	**0.00**	**179.98**
As at 31st March, 2022						
Undisputed Dues						
i) Micro and small enterprise	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others	130.65	0.00	0.00	3.83	0.00	134.48
Disputed Dues						
i) Micro and small enterprise	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others	0.00	0.00	0.00	0.00	0.00	0.00
Total	**130.65**	**0.00**	**0.00**	**3.83**	**0.00**	**134.48**

Note No. 50 Relationship with Struck off Companies : (₹ in Lakh)

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance Outstanding as on 31-03-2023	Balance Outstanding as on 31-03-2022	Relation ship with the Struck off Company
BALAJI INDUSTRIES PRIVATE LIMITED (U27106AP1996PTC023333)	Sale of Power	3.00	2.34	Trade Receivable
SICGIL INDUSTRIAL GASES LIMITED (U99999GJ1996PTC029036)	Sale of Power	0.10	0.00	Trade Receivable
R.K.BIO FEED MACHINE PVT LIMITED (U29100GJ2009PTC058338)	Sale of Power	0.77	0.00	Trade Receivable
SUNLITE AUTO INDUSTRIES PRIVATE LIMITED (U50300DL1991PTC042909)	Sale of Power	0.02	0.00	Trade Receivable

Note No. 51 Reconciliation of financial statement line items which are retrospectively restated are as under (to the extent practicable):

(i) Reconciliation of restated items of Balance Sheet as at 31st March, 2022 (₹ in Lakh)

Particulars	Note No	As previously reported	Adjustment	Regrouping	As Restated
Total Assets		6,47,341.22	0.00	0.00	6,47,341.22
Total Assets		**6,47,341.22**	**0.00**	**0.00**	**6,47,341.22**
Borrowings	21	1,071.88	0.00	(527.94)	543.94
Other Current Financial Liability	23	45,425.04	0.00	539.78	45,964.82
Other Current Liability	24	15,436.66	0.00	(11.84)	15,424.82
Others Equity & Liabilities		5,85,407.64	0.00	0.00	5,85,407.64
Total Equity & Liability		**6,47,341.22**	**0.00**	**527.94**	**6,47,341.22**

(ii) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Note No	As previously reported	Adjustment	Regrouping	As Restated
Total Revenue		**7,99,171.39**	**0.00**	**0.00**	**7,99,171.39**
Finance Cost	30	5,245.10	0.00	(15.68)	5,229.42
Other Expenses	31	21,341.58	0.00	15.68	21,357.26
Other Haed of Expenses		7,58,713.90	0.00	0.00	7,58,713.90
Total Expenses		**7,85,300.58**	**0.00**	**0.00**	**7,85,300.58**
Profit Before Tax		**13,870.81**	**0.00**	**0.00**	**13,870.81**

(iii) Reconciliation of items of Cash Flows for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Note No	As previously reported	Adjustment	Regrouping	As Restated
Net Cash Flow from Operating Activities	NA	(5430.51)	0.00	512.26	(4918.25)
Net Cash Flow from Investing Activities	NA	(31630.48)	0.00	0.00	(31630.48)
Net Cash Flow from Financing Activities	NA	36032.32	0.00	(512.26)	35520.06
Net Increase in cash and Cash equivalents		**(1028.67)**	**0.00**	**0.00**	**(1028.67)**
Cash and Cash Equivalents at beginning	NA	10459.78	0.00	0.00	10459.78
Cash and Cash Equivalents at Year end		**9431.11**	**0.00**	**0.00**	**9431.11**

Note No. 52 Ratios

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% of Variance	Reason for variance
I) Current Ratio (In Times)	Current Assets	Current Liabilities	3.53	3.64	(2.94%)	Not Applicable
ii) Debt Equity Ratio (In Times)	Total Debt (Long Term Debt+ Current debt)	Shareholder's Equity+Government Grant and Consumer Contribution+ Deferred Tax Liability-Deferred Tax Assets	0.003	0.005	(50.81%)	RAPDRP Loan was converted to Grant in FY 21-22 and NEF Loan from BOB was foreclosed in FY 21-22
iii) Debt Service Coverage Ratio (In Times)	Profit After Tax+ Defeered Tax+ Depreciation & Amortization+ Int on Debt	Principal Repayment of Debt+ Interest on Loan+Lease Payment	27.32	5.73	376.92%	
iv) Return on Equity (In %)	Profit After Tax	[(Opening Shareholder's Equity+ Government Grant and Consumer Contribution+Deferred Tax Liability-Deferred Tax Assets)+(Closing Shareholder's Equity+Government Grant and Consumer Contribution+ Deferred Tax Liability-Deferred Tax Assets)]/2	0.71	2.54	(72.03%)	Due to increase in Power Purchase cost the Profit margin has reduced significantly
v) Inventory Turnover Ratio (In times)	Revenue from Operation	(Opening Inventory+Closing Inventory)/2	28.50	25.76	10.62%	Not Applicable
vi) Trade Receivable Turnover Ratio (in times)	Revenue from Operation	(Opening Trade Receivable+Closing Trade Receivable)/2	19.75	18.56	6.43%	Not Applicable
vii) Trade Payable Turnover Ratio (in times)	Purchase of Power	(Opening Trade Payable+Closing Trade Payable)/2	5348.89	5607.32	(4.61%)	Not Applicable
viii) Net Capital Turnover Ratio (in times)	Revenue from Operation	[Current Assets-(Current liabilities-Security deposits from consumers-Service Line Deposits from consumers)]	4.04	3.64	10.96%	Not Applicable
xi) Net Profit Ratio(In %)	Profit After Tax	Revenue from Operation	0.35	1.34	(74.14%)	Due to increase in Power Purchase cost the Profit margin has reduced significantly
x) Return on Capital Employed (In %)	Profit Before Tax + Int on Debt	Shareholder's Equity+Government Grant and Consumer Contribution+ Deferred Tax Liability-Deferred Tax Assets+Long Term debt	0.03	0.04	(41.27%)	
Xi) Return on Investment (In %)	Profit Before Tax + Int on Debt	(Opening Total Assets+Closing Total assets)/2	1.80	3.12	(-42.28%)	

Note No. 53 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 T. Y. Bhatt, IAS	Key Management Personnel (KMP)
Shri T. D. Parmar, IAS	Key Management Personnel (KMP) (w.e.f. 06-04-2022)
Shri J. H. Modi	Key Management Personnel (KMP)
Shri V. M. Chavan	Key Management Personnel (KMP)
Smt Shahmeena Husain, IAS	Director (up to 25-02-2022)
Shri Ravi Shankar, IAS	Director (up to 31-07-2023)
Shri J. P. Shivahare, IAS	Director
Shri J. B. Patel	Director (up to 13-12-2021)
Shri H. P. Kothari	Director
Shri Komal Bhatt	Director (up to 01-03-2023)
Shri K. P. Jangid	Director (up to 13-12-2022)
Smt Shailja Vacchrajani	Director (w.e.f. 14-07-2022)
Shri Shubhadeep Sen	Director (w.e.f. 18-01-2023)
Shri Nisarg Joshi	Director (w.e.f. 10-03-2023)
Shri P. H. Rana	Independent Director (up to 25-07-2023)
Prof. Naman Desai	Independent Director (up to 25-07-2023)
Prof. Sunil Sharma	Independent Director (up to 10-02-2022)

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

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

Nature of Transaction	Holding Company	Fellow-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Transactions during the year					
Purchase of Material	**-**	**38.49**	**-**	**-**	**38.49**
		(26.82)			(26.82)
Uttar Gujarat Vij Company Limited		**38.49**	**-**	**-**	**38.49**
		(26.82)			(26.82)
Purchase of Material & Burnt Oil	**-**	**6.84**	**-**	**-**	**6.84**
	-	(6.78)	-	-	(6.78)
Gujarat Energy Transmission Corporation Limited		**6.84**	**-**	**-**	**6.84**
		(6.78)	-	-	(6.78)
Purchase of Material	**-**	**156.23**	**-**	**-**	**156.23**
		(198.26)			(198.26)
Dakshin Gujarat Vij Company Limited		**156.23**	**-**	**-**	**156.23**
		(198.26)			(198.26)
Purchase of Material	**-**	**575.95**	**-**	**-**	**575.95**
	-	(5.60)	-	-	(5.60)
Paschim Gujarat Vij Company Limited		**575.95**	**-**	**-**	**575.95**
		(5.60)			(5.60)
Purchase of Material	**-**	**5.74**	**-**	**-**	**5.74**
	-	-	-	-	-
Gujarat State Electricity Corporation Limited		**5.74**	**-**	**-**	**5.74**
		-			-
Sale of Materials	**-**	**61.46**	**-**	**-**	**61.46**
	-	(72.30)	-	-	(72.30)
Uttar Gujarat Vij Company Limited		**61.46**	**-**	**-**	**61.46**
		(72.30)			(72.30)
Sale of Materials	**-**	**294.71**	**-**	**-**	**294.71**
	-	(595.30)	-	-	(595.30)
Dakshin Gujarat Vij Company Limited		**294.71**	**-**	**-**	**294.71**
		(595.30)			(595.30)
Sale of Materials	**-**	**398.84**	**-**	**-**	**398.84**
		(969.08)			(969.08)
Paschim Gujarat Vij Company Limited		**398.84**	**-**	**-**	**398.84**
		(969.08)			(969.08)
Sale of Materials	**-**	**0.12**	**-**	**-**	**0.12**
	-			-	

Gujarat State Electricity Corporation Limited		**0.12**	**-**	**-**	**0.12**
		-			-
Recovery of Expenditure under KSY		**-**			**-**
		(177.13)			(177.13)
Gujarat Energy Transmission Corporation Limited		-			-
		(177.13)			(177.13)
Electricity Charges		**649.27**			**649.27**
		(1,033.65)			(1,033.65)
Gujarat Energy Transmission Corporation Limited		**649.27**			**649.27**
		(1,033.65)			(1,033.65)
Electricity Charges		**182.16**			**182.16**
		(156.67)			(156.67)
Gujarat State Electricity Corporation Limited		**182.16**			**182.16**
		(156.67)			(156.67)
Recovery of Expenditure		**0.43**			**0.43**
		(0.27)			(0.27)
Dakshin Gujarat Vij Company Limited		**0.43**			**0.43**
		(0.27)			(0.27)
Recovery of Expenditure		**-**			-
		(0.02)			(0.02)
Uttar Gujarat Vij Company Limited		**-**			**-**
		(0.02)			(0.02)
Reactive Charges Receivable	**-**	**203.22**	**-**	**-**	**203.22**
	-	(138.04)	-	-	(138.04)
Gujarat Energy Transmission Corporation Limited	**-**	**203.22**		**-**	**203.22**
	-	(138.04)		-	(138.04)
SLDC Charges	**-**	**134.63**	**-**	**-**	**134.63**
	-	(158.16)	-	-	(158.16)
Gujarat Energy Transmission Corporation Limited	**-**	**134.63**	**-**	**-**	**134.63**
	-	(158.16)	-	-	(158.16)
Testing Charges	**-**	**-**	**-**	**-**	**-**
	-	(0.85)	-	-	(0.85)
Gujarat Energy Transmission Corporation Limited	**-**	**-**	**-**	**-**	**-**
	-	(0.85)	-	-	(0.85)
Unscheduled Interchange Charges Payable	**-**	**1,199.13**	**-**	**-**	**1,199.13**
	-	(358.12)	-	-	(358.12)
Gujarat Energy Transmission Corporation Limited	**-**	**1,199.13**	**-**	**-**	**1,199.13**

	-	(358.12)	-	-	(358.12)
Unscheduled Interchange Charges Receivable	**-**	**14,959.31**	**-**	**-**	**14,959.31**
	-	(19,547.46)	-	-	(19,547.46)
Gujarat Energy Transmission Corporation Limited	**-**	**14,959.31**	**-**	**-**	**14,959.31**
	-	(19,547.46)	-	-	(19,547.46)
Allocation of Interest & Other Finance Charges	**109.61**	**-**	**-**	**-**	**109.61**
	(148.63)	-	-	-	(148.63)
Gujarat Urja Vikas Nigam Limited	**109.61**	**-**	**-**	**-**	**109.61**
	(148.63)	-	-	-	(148.63)
Purchase of Power	**8,35,587.12**				**8,35,587.12**
	(6,74,262.93)				(6,74,262.93)
Gujarat Urja Vikas Nigam Limited	**8,35,587.12**				**8,35,587.12**
	(6,74,262.93)				(6,74,262.93)
Allocation of e-Urja Expenses	**366.63**	**-**	**-**	**-**	**366.63**
	(301.33)	-	-	-	(301.33)
Gujarat Urja Vikas Nigam Limited	**366.63**	**-**	**-**	**-**	**366.63**
	(301.33)	-	-	-	(301.33)
Allocation of Renewable Cost towards Power Generation	**81.81**	**-**	**-**	**-**	**81.81**
	(4.52)	-	-	-	(4.52)
Gujarat Urja Vikas Nigam Limited	**81.81**	**-**	**-**	**-**	**81.81**
	(4.52)	-	-	-	(4.52)
Allocation of General Insurance Premium	**404.57**	**-**	**-**	**-**	**404.57**
	(359.40)				(359.40)
Gujarat Urja Vikas Nigam Limited	**404.57**	**-**	**-**	**-**	**404.57**
	(359.40)	-	-	-	(359.40)
Remuneration			**83.34**		**83.34**
Total :			(74.32)		(74.32)
Shri T. Y. Bhatt, IAS			**33.73**		**33.73**
			(27.98)		(27.98)
Shri J.H.Modi			**33.62**		**33.62**
			(31.03)		(31.03)
Shri V.M Chavan			**15.99**		**15.99**
			(15.31)		(15.31)
Incidental Charges paid to KMP/ Directors (Total)			**2.16**		**2.16**
			(1.34)		(1.28)
Shri Ravi Shankar			**0.20**		**0.20**
			-		-
Shri J. P. Shivahare			**0.18**		**0.18**
			(0.02)		(0.02)

Shri T. Y. Bhatt			- (0.32)		- (0.32)
Shri J.B.Patel			- (0.02)		- (0.02)
Shri H. P. Kothari			**0.34** (0.18)		**0.34** (0.18)
Shri Komal Bhatt			**0.28** (0.08)		**0.28** (0.08)
Shri K. P. Jangid			**0.22** (0.22)		**0.22** (0.22)
Smt Shailja Vacchrajani			**0.10** -		**0.10** -
Shri Shubhadeep Sen			**0.06** -		**0.06** -
Shri Nisarg Joshi			**0.02** -		**0.02** -
Shri P. H. Rana			**0.48** (0.24)		**0.48** (0.24)
Prof. Sunil Sharma			- (0.06)		- (0.06)
Smt Shahmeena Husain			- (0.16)		- (0.16)
Prof. Naman Desai			**0.28** (0.20)		**0.28** (0.20)
Sitting Fees paid to Independent Directors (Total)			**2.23** (1.47)		**2.23** (1.47)
Shri P.H. Rana			**1.41** (0.71)		**1.41** (0.71)
Prof. Naman Desai			**0.82** (0.59)		**0.82** (0.59)
Prof. Sunil Sharma			- (0.17)		- (0.17)

Compensation of Key Management Personnel

The remuneration of director and other members of Key Management Personnel during the year was as follows:

(₹ in Lakh)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Short-term benefits	83.34	74.32
Post employment benefits	-	-
Other-long term benefits	-	-
Share based payments	-	-
Termination benefits	-	-

Receivable/Payable	Holding Company	Fellow-Subsidiary Company	KMP	Total
	Balance as at: 31st March, 2023			
Receivables	170261.51	0.00	0.00	170261.51
Gujarat Urja Vikas Nigam Limited	170261.51	0.00	0.00	170261.51
Payables	36.12	0.00	0.00	36.12
Gujarat Urja Vikas Nigam Limited	36.12	0.00	0.00	36.12

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.

Note No. 54

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.

Note No. 55

On April 24, 2023, Government of Gujarat has issued 'Guidelines on Dividend Distribution and Capital Restructuring of State Public Sector Undertaking' vide GR No : FD/OTH/e-file/2023/ 1504/A-BPE. The Guidelines is applicable to the Company w.e.f. F.Y. 2022-2023. However, on

July 26, 2023, our Holding Company (GUVNL) on behalf itself and all the Subsidiary has applied to Principal Secretary, Energy & Petrochemicals Department, to seek exemption from compliances of these Guidelines for F.Y. 2022-2023 and onwards and exemption application is in process with relevant authority.

Exemption is sought as the obligation for making dividend payment arises due to high Net Worth reflecting in Books and not on account of Profitability or retain earnings. High Net Worth is predominantly as a result of receipt of financial assistance in form of Share Capital contribution from Govt. of Gujarat (GoG) through GUVNL for implementation of various projects / schemes. Payment of Dividend to the State Government through GUVNL would tantamount to returning the funds received from Govt. of Gujarat (GoG) through GUVNL with additional statutory compliances.

Note No. 56 Additional Regulatory Information Required by Schedule III

a. The Company is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2023 and March 31, 2022.

b. The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

c. No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2023 and March 31, 2022.

d. The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2023 and March 31, 2022.

e. During the year ended March 31, 2023 and March 31, 2022, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f. The company has availed cash credit from bank under joint consortium agreement with UCO Bank (Lead Bank) & other consortium member bank, is secured against Current Assets (i.e Stock & Trade Receivable)(Refer Note No: 44).

g. The company has filed charge satisfaction with Ministry of Corporate Affairs(MCA), Gujarat for eligible cases within timelines with additional fees.

h. The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i. The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No. 57 (i) Units purchased and T&D Losses

Particulars	F.Y. 2022-23	F.Y. 2021-22
	Unit in MUs	
Units Purchased from GUVNL	14,736.48	13,715.15
Units Purchased from Wind Turbine Generator	52.80	13.98
Units Purchased from Solar Generator	163.63	117.59
Deviation Settlement Mechanism Charges (UI Net Import)	-	-
Sub Total	**14,952.91**	**13,846.72**
Less : UI Net Export	338.23	667.42
Less: Unit sold to GUVNL	-	-
Net Power Purchase Units	**14,614.68**	**13,179.30**
Less: Units sold to consumer	12,640.79	11,541.35
T & D loss in Mus	**1,973.89**	**1,637.95**
T & D loss in %	**13.51%**	**12.43%**
Less :PGGIL Pooled Losses	277.34	208.49
Less: Transmission Loss @ average 3.8406%(P.Y. 3.6043%)	542.33	462.76
Net Mus to be considered for Distribution losses	**13,795.01**	**12,508.04**
Distribution Losses Units (Mus)	**1,154.23**	**966.69**
Distribution Loss in %	**8.37%**	**7.74%**

(ii) Category wise units sold & Average realization rate per unit.

Consumer Category	FY 2022-23			FY 2021-22		
	Mus	Revenue (₹ in Lakh)	Average Rate ₹/unit	Mus	Revenue (₹ in Lakh)	Average Rate ₹/unit
Residential General Purpose (Domestic or Residential)	2,910.33	1,82,512.87	6.27	2,777.29	1,55,834.64	5.61
General Lighting Purpose (Commercial)	123.73	8,347.74	6.75	105.08	6,436.80	6.13
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	1,854.23	1,50,155.84	8.10	1,680.75	1,25,555.19	7.47
Industrial High Voltage	5,949.00	4,59,631.56	7.73	5,323.26	3,68,457.84	6.92
Irrigation Agricultural	1,388.64	63,429.37	4.57	1,275.98	52,566.92	4.12
Public Water Works and Sew.Pumps	414.87	30,225.42	7.29	378.99	26,868.33	7.09
Total	**12,640.79**	**8,94,302.80**	**7.07**	**11,541.35**	**7,35,719.72**	**6.37**

Note No. 58

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

As per our report of even date attached
For Mukund & Rohit
Chartered Accountants
FRN: 113375W

Sd/-
Rohit Kothari
Partner
(M.NO. 038908)

Place : Vadodara
Date : 22nd September, 2023

For and on behalf of the Board of Directors
Madhya Gujarat Vij Company Limited

Sd/-
J. P. Shivahare, IAS
Chairman
(DIN: 07162392)

Sd/-
T. D. Parmar, IAS
Managing Director
(DIN: 08322052)

Sd/-
J. H. Modi
General Manager (F&A) & CFO

Sd/-
V. M. Chavan
Company Secretary

Place : Vadodara
Date : 22nd September, 2023

MGVCL at a Glance

PHYSICAL DATA			
Sr. No.	Particulars	2022-23	2021-22
1	Total area(in Sq. Kms.)	23,854	23,854
2	Districts Covered	7	7
3	No. of Town	46	46
4	No. of Villages	4,404	4,404
5	Population(Census2001)(in Million)	_	_
6	Total Circles	5	5
7	Total Divisions	18	18
8	Total Sub-Div.+Sectional Off.	121	121
9	Total Sub-Stations	298	298
10	Total Transformers	1,86,516	174,631
11	Total No. of Feeders	2,613	2,486
12	Total H.T. Line(in CKms.)	65,192.00	62,095.00
13	Total L. T. Line(in CKms.)	65,929.00	72,176.50
14	Ratis of L.T/H.T.	0.99	1.16
15	Total Consumers(in lakhs)	34.86	34
16	Total Contracted Load(inMW)	8763.71	8,901
17	Total Employees	7,434	7,584

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 : , or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th 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, 2023, together with the Board's Report and Report of Auditor's thereon along with Comments of the Comptroller & Auditor General of India. (Ordinary Resolution)		
2	To fix remuneration of Statutory Auditors for the financial year 2023-24. (Ordinary Resolution)		
3	To ratify the remuneration of the Cost Auditors for the financial year ending March 2024 (Ordinary Resolution)		

Signed this .... day of 2023

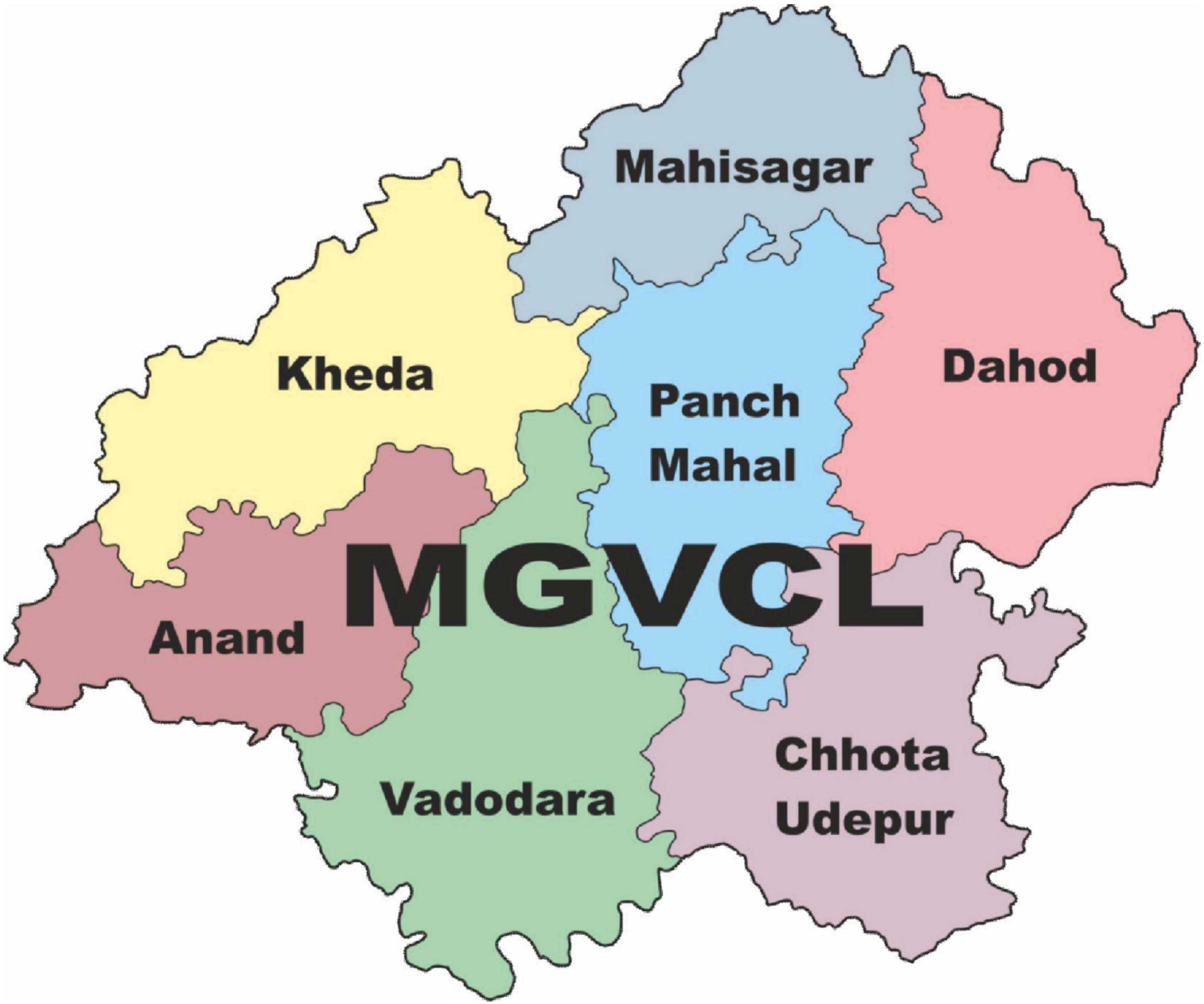
Signature of shareholder

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 then 48 hours before the commencement of the Meeting.

Roadmap to the registered office of the Company i.e. venue of the 20th AGM of MGVCL


Mahisagar
Kheda
Dahod
Panch
Mahal
MGVCL
Anand
Vadodara
Chhota
Udepur

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