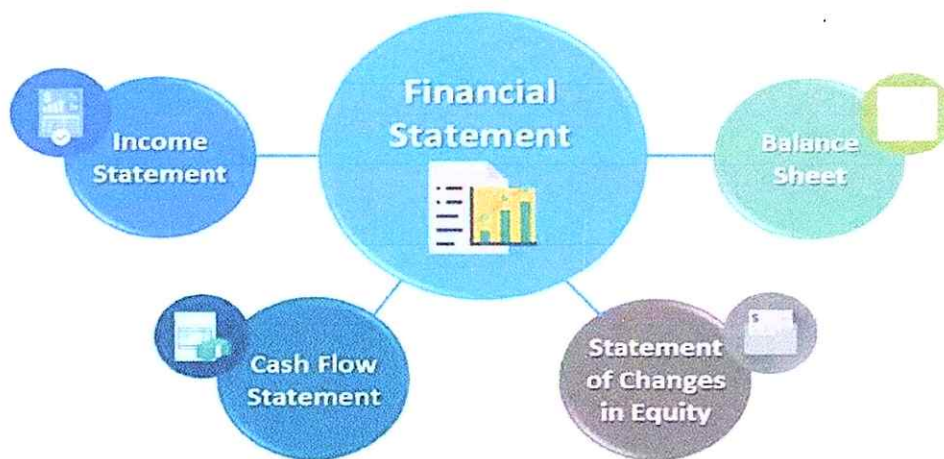


FINANCIAL STATEMENTS

2023 - 24



Madhya Gujarat Vij Company Ltd
CIN - U40102GJ2003SGC042907

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

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, 2024, 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, 2024, 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, *except for not complying with the requirement of audit trail to the extent stated in (h)(vi) below.*
- (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) *The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.*
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 40 to the financial statements;
- ii. The Company has made provision as at March 31, 2024, 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. Relying on representations/explanations from the company and based on our examination on test check basis, the company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which have a feature of recording audit trail (edit log) facility and the audit trail feature has been operating throughout the year for all relevant transactions recorded in the respective software, except the edit log facility has not enabled at the database level to log any direct data changes in respect of accounting software used for maintaining books of accounts relating to HT LT Utility Billing Software, payroll processing and inventory. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.
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**

Rohit Kothari

**Rohit Kothari
Partner**

M. No. 038908

UDIN:24038908BKWCQT4364



**Place: Vadodara
Date: 25.09.2024**

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, 2024, 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	19 Years	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.
Office bldgs.	2,164.73	Gujarat Electricity Board (GEB)	No	19 Years	
Residential colony for staff.	311.37	Gujarat Electricity Board (GEB)	No	19 Years	
Other buildings	47.45	Gujarat Electricity Board (GEB)	No	19 Years	
Guest house building	4.49	Gujarat Electricity Board (GEB)	No	19 Years	
Land	117.10	Vadodara Municipal Corporation	No	36 Years	
Land held under lease	2,135.05	Vadodara Municipal Corporation	No	36 Years	
Other buildings	23.71	Vadodara Municipal Corporation	No	36 Years	
Office bldgs.	107.16	Vadodara Municipal Corporation	No	36 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 31.03.2024 (In Lakhs)
Loan to Employees	2,264.62	3,474.67

- (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, 2024 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, 2024 on account of any dispute, except for the following –



Sr No.	Name of Statute	Nature of Dues	Outstanding Demand	Period to which amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	58,32,57,104	AY 2017-18	Income Tax Appellate Tribunal, Ahmedabad
2	Income Tax Act, 1961	Income Tax	82,88,32,168	AY 2017-18	Commissioner of Income Tax (Appeals), Baroda
3	Income Tax Act, 1961	Income Tax	13,18,56,478	AY 2016-17	Commissioner of Income Tax (Appeals), Baroda
4	Income Tax Act, 1961	Income Tax	23,26,427	AY 2014-15	Income Tax Appellate Tribunal, Ahmedabad
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	74,96,71,896	AY 2018-19	Income Tax Appellate Tribunal, Ahmedabad
7	Income Tax Act, 1961	Income Tax	12,77,22,800	AY 2015-16	Income Tax Appellate Tribunal, Ahmedabad
8	Income Tax Act, 1961	Income Tax	1,86,50,69,640	AY 2021-22	Commissioner of Income Tax (Appeals), Baroda
9	Income Tax Act, 1961	Income Tax	53,37,23,660	AY 2022-23	Commissioner of Income Tax (Appeals), Baroda
10	Service Tax	Service Tax	2,45,07,694	FY 2010-11 to 2014-15	CESTAT, Ahmedabad
11	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
12	Service Tax	Service Tax	90,25,998	FY 2015-16	CESTAT, Ahmedabad
13	Service Tax	Service Tax	95,32,048	FY 2016-17	CESTAT, Ahmedabad



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 transactions 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 rule 13 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 52) 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, 2023 to 31st March, 2024 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to Fund specified in Schedule VII to Companies Act in compliance with second proviso to sub section (5) of sections 135.

(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.

Place : Vadodara
Date :25.09.2024

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Mudhar

Rohit Kothari
Partner
Membership No. 038908



UDIN: :24038908BKWCQT4364

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 2024 in conjunction with our audit of the Ind AS 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 Ind AS 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 2024, 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.

Place: Vadodara
Date: 25.09.2024

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Rohit Kothari

Rohit Kothari
Partner

Membership No. 038908
UDIN: :24038908BKWCQT4364



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, 2024:

S.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. - IFAS (i-Financial Accounting System) web base operating system along with Fixed Assets Register. - IAS (Inventory Accounting System) in Inhouse developed web application. - Customer Billing in the Utility Billing Application - Payrolls and Payment to Vendors in E-Urja Module
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	According to the information and explanations given to us, no existing loan was restructured and there are not 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.



	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).	
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 infrastructural 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.
S.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	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.



	and in a transparent manner in all cases. The cases of deviation may please be detailed.	
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?	The Company does Customer Billing in the Utility Billing software. The revenue is recovered as per the Electricity (Right to Consumers) Rules, 2020 and Tariff as approved by GERC. The revenue is accounted properly and is in compliance with the standards applicable.
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 2023-24, 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 post offices, private cash collection agencies, e-gram panchayats and also has provided facility of Mobile Bill Collection Van facility for the consumers from current year. 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 tamper proof energy meters for all the Consumers except for agriculture unmetered consumers. Company has installed 35,62,818 numbers of tamper proof static meters out of total 35,88,046 numbers of consumers as on 31-03-2024 (99.30%). The details of installations of tamperproof 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>29,10,781</td><td>0</td><td>29,10,781</td><td>100.00%</td></tr><tr><td>GLP</td><td>35,827</td><td>0</td><td>35,827</td><td>100.00%</td></tr><tr><td>LT</td><td>3,83,495</td><td>0</td><td>3,83,495</td><td>100.00%</td></tr><tr><td>Industrial and Commercial</td><td></td><td></td><td></td><td></td></tr><tr><td>HT</td><td>2,961</td><td>0</td><td>2,961</td><td>100.00%</td></tr><tr><td>Industrial</td><td></td><td></td><td></td><td></td></tr><tr><td>Agriculture</td><td>2,22,986</td><td>0</td><td>1,97,758</td><td>88.69%</td></tr><tr><td>Public</td><td>31,996</td><td>0</td><td>31,996</td><td>100.00%</td></tr><tr><td>Water Works</td><td></td><td></td><td></td><td></td></tr><tr><td>Total</td><td>35,88,046</td><td>0</td><td>35,62,818</td><td>99.30%</td></tr></table>	Category of Consumer	No. of Consumer	No. of Electro-Mechanical Meters	No. of Electronic Meters (Static)	% of Static Meters Installation	Residential	29,10,781	0	29,10,781	100.00%	GLP	35,827	0	35,827	100.00%	LT	3,83,495	0	3,83,495	100.00%	Industrial and Commercial					HT	2,961	0	2,961	100.00%	Industrial					Agriculture	2,22,986	0	1,97,758	88.69%	Public	31,996	0	31,996	100.00%	Water Works					Total	35,88,046	0	35,62,818	99.30%
Category of Consumer	No. of Consumer	No. of Electro-Mechanical Meters	No. of Electronic Meters (Static)	% of Static Meters Installation																																																					
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Water Works																																																									
Total	35,88,046	0	35,62,818	99.30%																																																					



		From the above table, it is clear that tamperproof static meters have been installed for all consumers (100%) in case of consumer's category GLP, LT Industrial and Commercial, HT industrial and Public Water Works consumers. Further, in case of Agricultural consumers, 25,228 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 31.03.2024.
10	Whether the Company is supplying power to	The Company has no franchisees for distribution of power.



	franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.																
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) <table border="1"> <thead> <tr> <th>Sr. No</th><th>Particulars</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>1</td><td>GERC Tariff Compensation</td><td>7,534.74</td></tr> <tr> <td>2</td><td>FPPPA Subsidy</td><td>43,941.47</td></tr> <tr> <td>3</td><td>H.P. Based Subsidy</td><td>6,859.94</td></tr> <tr> <td colspan="2">Total</td><td>58,335.65</td></tr> </tbody> </table>	Sr. No	Particulars	Amount	1	GERC Tariff Compensation	7,534.74	2	FPPPA Subsidy	43,941.47	3	H.P. Based Subsidy	6,859.94	Total		58,335.65
Sr. No	Particulars	Amount															
1	GERC Tariff Compensation	7,534.74															
2	FPPPA Subsidy	43,941.47															
3	H.P. Based Subsidy	6,859.94															
Total		58,335.65															

Place: Vadodara
Date: 25.09.2024

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Rohit Kothari

Rohit Kothari

Partner

Membership No. 038908

UDIN:24038908BKWCQT4364





MADHYA GUJARAT VIJ COMPANY LIMITED
CIN - U40102GJ2003SGC042907
Balance Sheet as at 31st March, 2024



(₹ in Lakh)

Particulars	Note No	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipments	2	4,33,652.89	3,99,283.04
(b) Capital work-in-Progress	3	5,787.19	1,890.98
(c) Financial Assets			
(i) Loans	4	2,723.00	1,540.22
(ii) Other Financial Assets	5	9,793.39	3,763.46
Total Non-current Assets		4,51,956.47	4,06,477.70
(2) Current Assets			
(a) Inventories	6	32,834.69	32,679.41
(b) Financial Assets			
(i) Trade Receivables	7	49,791.82	49,898.35
(ii) Cash and Cash Equivalents	8	4,227.25	3,680.16
(iii) Other Bank Balances	9	46.97	76.81
(iv) Loans	10	1,189.04	816.64
(v) Other Financial Assets	11	2,72,672.01	2,06,137.01
(c) Current Tax Assets (Net)	12	644.14	7,034.14
(d) Other Current Assets	13	882.22	707.81
Total Current Assets		3,62,288.14	3,01,030.33
Asset Held for Sale	14	483.55	0.00
Total		8,14,728.16	7,07,508.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	53,188.68	50,573.21
(b) Other Equity	16	2,91,076.68	2,23,630.12
Total Equity		3,44,265.36	2,74,203.33
Deferred Government Grants, Subsidies & Contributions	17	1,98,852.71	1,92,133.16
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	0.00	755.19
(ii) Other Financial Liabilities	19	1,40,095.54	1,27,533.97
(b) Provisions	20	27,283.13	22,491.91
(c) Deferred Tax Liabilities (Net)	21	22,040.37	5,119.90
Total Non-current Liabilities		1,89,419.04	1,55,900.97
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	393.46	462.84
(ii) Trade Payables			
- Due to Micro enterprises and Small enterprises		0.00	0.00
- Due to other than Micro enterprises and Small enterprises	23	15,479.82	6,538.80
(iii) Other Financial Liabilities	24	39,740.20	58,598.95
(b) Other Current Liabilities	25	22,579.96	14,718.06
(c) Provisions	26	3,997.61	4,951.92
Total Current Liabilities		82,191.05	85,270.57
Total		8,14,728.16	7,07,508.03
Refer accompanying notes forming part of Financial Statements	1-59		
As per our report of even date attached		For and on behalf of the Board of Directors	
For Mukund & Rohit		Madhya Gujarat Vij Company Limited	
Chartered Accountants			
FRN: 113375W			
ROHIT KOTHARI		J.P. SHIVAHARE, IAS	
Partner		Chairman	
M.NO. 038908		DIN : 07162392	
		T.D. PARMAR, IAS	
		Managing Director	
		DIN : 08322052	
		SAILAJA VACHHRAJANI	
		General Manager (F&A) & CFO	
		V.M. CHAVAN	
		Company Secretary	
Place : Vadodara		Place : Vadodara	
Date : 25-09-2024		Date : 25-09-2024	



MADHYA GUJARAT VIJ COMPANY LIMITED

CIN - U40102GJ2003SGC042907

Statement of Profit and Loss for the Year ended 31st March, 2024

(₹ in Lakh)

	Particulars	Note No.	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
	INCOME			
I	Revenue from Operations	27	9,97,521.49	9,24,932.41
II	Other Income	28	24,987.27	30,655.98
III	Total income (I+II)		10,22,508.76	9,55,588.39
	EXPENSES			
IV	Purchase of Power	29	8,02,682.40	8,40,898.39
	Employee Benefits Expense	30	63,990.78	53,481.91
	Finance Costs	31	9,552.35	5,362.44
	Depreciation, Amortization and impairment Expense	2	30,471.32	27,931.12
	Other Expenses	32	31,866.52	21,086.98
	Total expenses (IV)		9,38,563.37	9,48,760.84
V	Profit before tax (III-IV)		83,945.39	6,827.55
VI	Tax expense:			
	(a) Current tax	33	17,820.99	764.51
	(b) Deferred tax	33	17,838.44	2,854.94
VII	Profit for the year (V-VI)		48,285.96	3,208.10
VIII	Other Comprehensive Income (OCI)			
	(a) Items that will not be reclassified to Profit or Loss			
	(i) Re-measurement of the defined benefit plans		(2,626.97)	(1,109.76)
	- Tax impact		917.97	387.79
	Total of Other Comprehensive Income (OCI) (VIII)		(1,709.00)	(721.97)
IX	Total Comprehensive Income for the year (VII+VIII)		46,576.96	2,486.13
X	Earnings per equity share:			
	Basic (in ₹) (Refer note no.34)		9.45	0.65
	Diluted (in ₹) (Refer note no. 34)		9.45	0.65
	See accompanying notes to the Financial Statements	1-59		

As per our report of even date attached

For Mukund & Rohit

Chartered Accountants

FRN: 113375W

ROHIT KOTHARI

Partner

M.NO. 038908



For and on behalf of the Board of Directors

Madhya Gujarat Vij Company Limited

J.P. SHIVAHARE, IAS

Chairman

DIN :07162392

SAILAJA VACHHRAJANI

General Manager (F&A) & CFO

Place : Vadodara

Date : 25.09.2024

T.D. PARMAR, IAS

Managing Director

DIN :08322052

V.M. CHAVAN

Company Secretary



Place : Vadodara

Date : 25.09.2024



MADHYA GUJARAT VIJ COMPANY LIMITED
CIN - U40102GJ2003SGC042907
Statement of Changes in Equity for the Year ended on 31st March, 2024



Equity Share Capital

Particulars	Amount (₹ in Lakhs)
Balance as on 1 st April, 2022	48,464.95
Changes during the year	2,108.26
Balance as on 31 st March, 2023	50,573.21
Changes during the year	2,615.47
Balance as on 31 st March, 2024	53,188.68

Other Equity

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 31 st 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
Impact as per Ind As-8	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 1 st April 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
Impact as per Ind As-8	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 31 st 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
Profit for the year	0.00	0.00	48285.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48285.96
Add/(Less): Transaction cost (stamp duty) on issuance of equity shares during earlier years	0.00	0.00	156.29	(156.29)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year (net of Tax)	0.00	0.00	(1709.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1709.00)
Total Comprehensive Income for the year	0.00	0.00	46733.25	(156.29)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46576.96
Addition during the year	0.00	0.00	0.00	20893.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20893.34
Less: Transaction cost (stamp duty) on issuance of equity shares during the year	0.00	0.00	0.00	(23.74)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(23.74)
Balance as at 31 st March, 2024	0.00	0.00	88504.59	202572.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	291076.68

*Remeasurement 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, ₹ 16136.58 Lakhs till 31st Mar-2024

As per our report of even date attached
For Mukund & Rohit

Chartered Accountants
FRN: 113375W

ROHIT KOTHARI

Partner

M.NO. 038908

Place : Vadodara
Date : 25.09.2024



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

J.P. SHIVAHARE, IAS
Chairman
DIN : 07162392

SAILAJA VACHHRAJANI
General Manager (F&A) & CFO

Place : Vadodara
Date : 25.09.2024

T.D. PARMAR, IAS
Managing Director
DIN : 08322052

V.M. CHAVAN
Company Secretary





MADHYA GUJARAT VIJ COMPANY LIMITED

CIN - U40102GJ2003SGC042907

Statement of Cash Flows for the year ended 31st March, 2024

(₹ in Lakh)

	Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
[A]	CASH FLOW FROM OPERATING ACTIVITIES		
	<i>Net Profit before tax</i>	83,945.39	6,827.55
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization	30,471.32	27,931.12
	Loss/(Gain) on sale of PPE(Net)	657.53	31.94
	Deferred Income Written Back	(14,562.63)	(14,478.61)
	Delayed payment charges from Consumers	(4,624.20)	(3,775.52)
	Interest Income	(308.67)	(246.78)
	Finance costs	8,854.72	5,362.44
	Waiver of delayed payment charges	276.09	288.27
	Impairment for Doubtful receivables	2,379.99	2,856.62
	Loss On Obsolescence/ Pilferage Of Stores	114.00	136.14
	Loss On Sale Of Scrap	27.26	13.51
	Other Losses	-	12.35
	Re-measurement of the defined benefit plans	(2626.97)	(1109.76)
	Interest on Income tax	697.63	-
	Working capital adjustments:		
	(Increase)/ Decrease in Operating Assets:		
	Inventories	(296.54)	(604.29)
	Trade receivables	(2,549.54)	(9,280.20)
	Other Non Current financials assets	(7,212.71)	577.55
	Other Current financials assets	(66,907.40)	(26,666.36)
	Other Current Assets	(174.41)	(132.81)
	Increase / (Decrease) in Operating Liabilities:		
	Trade Payables	8,941.02	1,210.81
	Other Current Financial Liabilities	(22,242.09)	17,196.76
	Other Non Current Financial Liabilities	12,561.57	10,770.54
	Other Non Current Liabilities & Provisions	6,907.59	(8,816.63)
	Other Current Liabilities & Provisions	4,791.22	1,393.93
	Income tax (paid)/ Refund	(11,430.99)	(1,217.56)
	Net cash flows from/(used in) operating activities (A)	27,689.18	8,281.02
[B]	Investing activities		
	Purchase of property, plant and equipment (including CWIP)	(69887.67)	(60650.82)
	Sale of fixed assets	492.73	97.25
	(Increase)/ Decrease in Asset Not in Use	(483.55)	0.00
	Delayed payment charges from Consumers	4,624.20	3,775.52
	Interest received (finance income)	308.67	246.78
	Bank Balances not considered as Cash and Cash Equivalents	29.84	(25.50)
	Net cash flows used in investing activities (B)	(64,915.78)	(56,556.77)
[C]	Financing activities		
	Proceeds from Issue of Shares/Share Application Money	23,508.82	17,807.99
	Share Issue Expenses	(23.74)	-
	Deferred Govt. Grants, Subsidy & Contributions	21,282.18	30,445.93
	Repayment from borrowing (net)	(824.57)	(1,054.94)
	Interest & financial charges	(6,169.00)	(4,624.67)
	Net cash flows from/(used in) financing activities (C)	37,773.69	42,574.31
[D]	Net increase in cash and cash equivalents (A+B+C)	547.09	(5,701.44)
	Cash and cash equivalents at the beginning of the year	3,680.16	9,381.60
	Cash and cash equivalents at year end	4,227.25	3,680.16
	Notes:		
	Cash & Bank Balances consists of the following:		
	Cash & Cash Equivalents		
	a. Balances with Banks	1,890.46	1,913.22
	b. Cash on hand	0.78	1.45
	c. Others	2,336.01	1,765.49
	Closing Cash & Cash Equivalents	4,227.25	3,680.16





MADHYA GUJARAT VIJ COMPANY LIMITED
CIN - U40102GJ2003SGC042907



Statement of Cash Flows for the year ended 31st March, 2024

1	Change in liability arising from financing activities on Account of Non-Current and Current Borrowings.		
	Opening Balance of Financing Activities	1,218.03	2,272.97
	Changes from financing cash flow	(824.57)	(1,054.94)
	Closing Balance of Financing Activities	393.46	1,218.03
2	The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 " Statement Cash Flows ") 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 <i>[Signature]</i> ROHIT KOTHARI Partner M.NO. 038908 <i>[Stamp: MUKUND & ROHIT, Chartered Accountants, VADODARA]</i> Place : Vadodara Date : 25-09-2024		
	For and on behalf of the Board of Directors Madhya Gujarat Vij Company Limited <i>[Signature]</i> J.P. SHIVAHARE, IAS Chairman DIN : 07162392 <i>[Signature]</i> SAILAJA VACHHRAJANI General Manager (F&A) & CFO <i>[Signature]</i> T.D.PARMAR, IAS Managing Director DIN : 08322052 <i>[Signature]</i> V.M. CHAVAN Company Secretary Place : Vadodara Date : 25-09-2024 <i>[Stamp: MADHYA GUJARAT VIJ COMPANY LIMITED, Corporate Office, Baroda]</i>		

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information and Material Accounting Policies Information

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 reconstitute 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:

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

1.3 Material Accounting Policy Information:

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

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

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

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:

Assets 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)
- (c) Non-moving Inventory -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 / malpractices, 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 recognizes 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, and 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 capitalization.

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 amortised 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 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.

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 Realizable Value Determination in case of Inventory¹

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.

(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 investments²

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



NOTE NO. 2

PROPERTY, PLANT AND EQUIPMENT

MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(₹ 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. Lightings	Office Equipments	Computer	Total	Computer Softwares	Total	
	Owned Assets	Right of Use (ROU) Assets													
GROSS BLOCK															
At 1st April 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 31 st 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
Additions	15.24	0.00	51.99	0.00	129.27	21,701.54	43,165.19	14.76	383.92	286.92	242.59	65,991.42	0.00	0.00	65,991.42
Reclassification	-0.08	0.00	0.08	0.00	723.11	-1,260.45	624.98	7.38	51.22	-80.34	-65.90	0.00	0.00	0.00	0.00
Deduction/Adjustments	0.00	0.00	2.46	7.05	0.14	5,245.23	1,043.00	38.21	71.29	157.45	286.24	6,851.08	0.00	0.00	6,851.08
At 31 st March, 2024	560.46	1,529.25	6,967.96	7.17	3,994.77	1,36,325.02	4,96,522.33	437.57	1,592.80	958.99	7,595.68	6,56,492.00	4,085.29	4,085.29	6,60,577.29
ACCUMULATED DEPRECIATION															
At 1st April 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 31 st 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
Charge for the year	0.00	71.31	261.94	0.57	115.71	7,128.53	22,513.21	34.85	77.69	49.03	218.47	30,471.31	0.00	0.00	30,471.31
Reclassification	0.00	0.00	-0.00	0.00	-184.79	389.92	-243.97	-6.64	-38.46	45.50	38.43	0.00	0.00	0.00	0.00
Deduction/Adjustments	0.00	0.00	2.20	4.61	0.11	4,308.15	919.69	34.34	61.21	132.29	238.23	5,700.82	0.00	0.00	5,700.82
At 31 st March, 2024	0.00	356.55	2,032.71	0.90	1,062.47	42,093.01	1,70,263.93	234.23	676.00	291.57	5,827.72	2,22,839.11	4,085.29	4,085.29	2,26,924.40
Net Block															
At 31 st 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	3,99,283.03	0.00	0.00	3,99,283.04
At 31 st March, 2024	560.46	1,172.70	4,935.25	6.27	2,932.29	94,232.01	3,26,258.39	203.33	916.80	667.41	1,767.96	4,33,652.89	0.00	0.00	4,33,652.89

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





MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS



3 Capital Works-in-Progress

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Capital Work-in-Progress	5,787.19	1,890.98
Total	5,787.19	1,890.98

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

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Plant & Machinery	3,003.58	313.64
Lines & Cable Network	2,308.34	1,505.18
Other Misc Capital Work in progress	475.27	72.17
Total	5,787.19	1,890.98

3.2 The Company has evaluated the directly attributable cost capitalisation rate for the current financial year ended 31st March, 2024 and applied this to the expenditure on the relevant assets and the total expenditure thus capitalized during the current financial year is ₹ 8853.68 lakhs (P.Y. ₹.7613.89 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

4 Non-Current Loans

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured, Considered Good		
Loans to Staff	2,723.00	1,540.22
Total	2,723.00	1,540.22

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

5 Other Non-Current Financial Assets

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured, Considered Good		
Interest Accrued But Not Due on Staff Loans	2,026.38	1,982.56
Interest Accrued & Due on Staff Loans	164.91	184.31
Unsecured, Considered Good		
Interest Accrued But Not Due on Others	1.23	0.91
Capital advances#	6,714.38	0.00
Loans Recoverable from consumers for SKY scheme	782.11	1,471.21
Deposits with Others	104.38	124.47
Total	9,793.39	3,763.46

5.1 # These Capital Advances consist advance given for Loss Reduction Project, Robust Network, SCADA and other projects.

6 Inventories

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Stores , Spares and Scrap		
Stock of materials at stores	23,740.95	24,796.22
Materials at Site (O&M)	2,211.74	2,270.13
Materials in Transit	61.06	9.60
Other Materials Accounts	6,820.94	5,603.46
Material Stock pending Investigation	237.53	237.53
Less: Provision for stock pending investigation	(237.53)	(237.53)
Total	32,834.69	32,679.41

Stock of materials at stores is net of provision for non moving stock of C.Y. is ₹ 114.01 lakhs, P.Y. is ₹ 136.14 Lakhs.

(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)





MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS



7 Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Receivable-Unsecured Considered Good* - Undisputed		
Trade Receivable from Sale of Power	60,422.48	58,706.09
Less : Expected Credit Loss Allowance (Refer note - 7.1 below)	(9,447.55)	(7,656.81)
Less : Doubtful E D	(1,182.49)	(1,150.30)
Total(A)	49,792.44	49,898.98
Significant Increase in Credit Risk - Disputed		
Trade Receivable from Disputed Consumers	3,431.96	3,685.33
Less : Expected Credit Loss Allowance (Refer note - 7.1 below)	(3,431.96)	(3,685.33)
Total(B)	0.00	0.00
Less : Unposted Receipts	(0.62)	(0.63)
Total(C)	(0.62)	(0.63)
Credit Impaired - Disputed		
Dues from Permanently Disconnected Consumers#	15,641.84	14,876.05
Less : Expected Credit Loss Allowance (Refer note - 7.1 below)	(15,641.84)	(14,876.05)
Total(D)	0.00	0.00
Total(A+B+C+D)	49,791.82	49,898.35

*Receivables have been secured to the extent of security deposit as reflected at Note no. 19 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 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, 2024 amounting to ₹ 67090.02 Lakhs (P.Y. ₹ 69129.05 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.

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

8 Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks	1,890.46	1,913.22
Cheques on Hand	778.18	859.56
Cash on hand	0.78	1.45
Remittance in Transit	1,557.83	905.93
Total	4,227.25	3,680.16



9 Other Bank Balance

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits with Banks	28.37	27.06
Unspent CSR Account	18.60	49.75
Total	46.97	76.81

10 Current Loans

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured*, Considered Good		
Loans to staff	751.67	533.56
Unsecured, Considered Good		
Other Loans And Advances to Staff	437.37	283.08
Total	1,189.04	816.64

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

11 Other Current Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured, Considered Good*		
Interest Accrued & Due on Staff Loans	180.42	136.69
Unsecured, Considered Good		
Loan Recoverable from SKY consumer	741.45	629.61
Recoverable from Staff	10.93	11.85
Unbilled Revenue	35,897.81	34,517.63
Receivable for Surya Gujarat Scheme	10,489.48	0.00
Other Recoverables	291.27	579.72
Receivable from Holding Company GUVNL#		
[Including Net Gratuity Liability/(Assets) (Refer Note No. 36 E) of ₹ 3539.76 Lakhs, P.Y. ₹ 132.70 Lakhs and Others ₹ 221,564.83 Lakhs (P.Y. ₹ 170,128.81)]	2,25,060.65	1,70,261.51
Total	2,72,672.01	2,06,137.01

*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 except the amount payable to GETCO related to HT Job Work Deposit and the same is reflected in Note No: 24.

12 Current Tax Assets (Net)

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Tax Assets		
Tax Refund Receivable	34,998.02	23,567.03
Current Tax Liability		
Income Tax Payable	(34,353.88)	(16,532.89)
Total	644.14	7,034.14

13 Other Current Assets

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, Considered Good		
Prepaid Expenses	270.83	149.86
Postage Stamp & Stamped Agreements on Hand	16.09	15.86
Other Deposits	485.94	426.59
Advances for O&M Supplies/Works	40.93	47.10
Balances with Govt. Authorities	68.43	68.40
Total	882.22	707.81



14 Asset Held for Sale

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, Considered Good Asset Held for Sale	483.55	0.00
Total	483.55	0.00

14 The bifurcation of Asset held for sale

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Plant & Machinery	482.40	0.00
Vehicles	0.10	0.00
Office Equipments	1.05	0.00
Total	483.55	0.00

The Company has classified certain assets as asset held for sale as it intends to dispose off the same within a year and has measured the asset at lower of carrying amount and the fair value less costs to sell.

15 Equity Share Capital

a Equity share capital consist of the following:

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Share Capital		
Equity Share Capital		
Authorised Share capital 100,00,00,000 (P.Y. 100,00,00,000) Equity Shares each of Rs. 10 each Issued	1,00,000.00	1,00,000.00
531,886,823 (P.Y. 505,732,086) Equity Shares of Rs. 10/- each fully paid	53,188.68	50,573.21
Subscribed & Paid up		
531,886,823 (P.Y. 505,0732,086) Equity Shares of Rs. 10/- each fully paid	53,188.68	50,573.21
Total	53,188.68	50,573.21

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

Particulars	No. of Shares	Share Capital (₹ in Lakh)
As at 1st April, 2022	48,46,49,525	48,464.95
Additions/(Reductions)	2,10,82,561	2,108.26
As at 31st March, 2023	50,57,32,086	50,573.21
As at 1st April, 2023	50,57,32,086	50,573.21
Additions/(Reductions)	2,61,54,737	2,615.47
As at 31st Mar, 2024	53,18,86,823	53,188.68

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

All the 531,886,823 nos. of Equity Shares (Previous year 505,732,086) 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, 2024	As at 31st March, 2023
Gujarat Urja Vikas Nigam Limited & its Nominees		
Nos of Shares	53,18,86,823	50,57,32,086
% of Holding	100%	100%

e Details of shareholding of promoter in the company :

Promoter Name	As at 31 st March, 2024				
	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	50,57,32,086	2,61,54,737	53,18,86,823	100%	No Change

Promoter Name	As at 31 st 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

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.

16 Other Equity

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31 st March, 2023
Securities Premium Account	2,02,572.09	1,81,858.78
Retained Earnings	88,504.59	41,771.34
Total	2,91,076.68	2,23,630.12

16.1 Particulars relating to Other Equity

(₹ in Lakh)

Other Equity	As at 31st March, 2024	As at 31 st March, 2023
Securities Premium Account		
Opening Balance	1,81,858.78	1,66,159.06
Add: Increase during the year	20,893.34	15,699.72
Less : Transaction cost (Stamp Duty) on issuance of equity shares during FY 23-24	(23.74)	-
Less: Transaction cost (Stamp Duty) on issuance of equity shares during earlier years (refer note A below)	(156.29)	-
(A)	2,02,572.09	1,81,858.78
Retained Earnings		
Opening Balance	41,771.34	39,285.21
Add: Net profit after tax transferred from Statement of Profit & Loss	48,285.96	3,208.10
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of Income tax	(1,709.00)	(721.97)
Add: Transaction cost (Stamp Duty) on issuance of equity shares during earlier years (refer note A below)	156.29	-
(B)	88,504.59	41,771.34
Total	2,91,076.68	2,23,630.12

A Stamp duty charges aggregating ₹ 156.29 Lakhs on account of issuance of share capital relating to FY2016-17 to FY 2022-23 were inadvertently charged off to Statement of Profit and Loss in respective years, has now been rectified and transferred to Other Equity in line with Ind AS 32 "Financial instruments: Presentation" and Ind AS 8 "Accounting policies, Changes in accounting estimates and Errors" as at March 31, 2024. The afore-mentioned cumulative amount is not material to the overall presentation of financial statements.

17 Deferred Government Grants, Subsidies & Consumer Contributions

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31 st March, 2023
Government Grants, Subsidies towards Capital Assets	88,909.32	93,064.12
Consumers' contribution towards Capital assets	1,09,943.39	99,069.04
Total	1,98,852.71	1,92,133.16



17.1 Particulars relating to Deferred Government Grants, Subsidies & Consumer Contributions

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Govt.Grants & Subsidies towards Cost of Capital Assets		
Opening balance	93,064.12	98,204.69
Add: Received during the year (Net)	2,262.32	1,725.33
Less: Transferred to Statement of Profit & Loss	(6,417.12)	(6,865.90)
Closing balance	88,909.32	93,064.12
Consumer Contribution towards Capital Assets		
Opening balance	99,069.04	77,961.16
Add: Received during the year (Net)	19,019.86	28,720.60
Less: Transferred to Statement of Profit & Loss	(8,145.51)	(7,612.72)
Closing balance	1,09,943.39	99,069.04
TOTAL	1,98,852.71	1,92,133.16

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.

18 Borrowings

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
(a) Term Loans raised by the Company		
(i) From Financial Institutions	0.00	395.39
Unsecured		
Term loan raised through GUVNL		
(i) ADB Prog. & Proj. Loan	0.00	359.80
Total	0.00	755.19

18.1 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).	31-03-2024 31-03-2023	393.46 20.64	0.00 416.03

18.2 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 Outstanding State Government loan under APDRP is Nil (Previous year ₹ 55.48 Lakhs). Rate of interest 12.18%
- B Outstanding ADB Prog. & project loan is Nil (Previous year ₹ 739.83 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.

18.3 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.

19 Other Non-Current Financial Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Staff Welfare Schemes	76.01	86.52
Security deposit from consumers	1,37,849.72	1,24,553.94
Staff Related Liabilities/Staff retirement benefits	1,387.70	1,422.30
Liabilities towards SKY scheme	782.11	1,471.21
Total	1,40,095.54	1,27,533.97

19.1 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%.

20 Non-Current Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits		
Provision for Leave Encashment	27,283.13	22,491.91
Total	27,283.13	22,491.91

21 Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred tax liabilities	22,040.37	5,119.90
Deferred tax assets	0.00	0.00
Total	22,040.37	5,119.90

21.1 Deferred Tax Asset / Liability is worked out as under: 2023-24

(₹ in Lakh)

Particulars	Opening Balance	Recognized in profit and loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant and Equipments	68,522.57	7,636.00	0.00	76,158.56
Prior Period Income	-	0.00	0.00	0.00
Deferred tax asset on account of:				
Employee Benefits	(8,505.42)	(3,777.66)	917.97	(11,365.11)
Deferred income on government grant	(20,745.75)	-	0.00	(20,745.75)
Provision on doubtful debts	(9,161.68)	(804.82)	0.00	(9,966.50)
Carried forward of unused Tax Losses	(9,224.76)	9,224.76	0.00	-
Carried forward of unused Tax Credits	(15,765.05)	3,724.22	0.00	(12,040.83)
Net Deferred Tax (Asset)/Liability	5,119.90	16,002.50	917.97	22,040.37

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

2022-23

(₹ in Lakh)

Particulars	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

21.2 The Company had net deferred Tax Liability on account of Property Plant & Equipment at the year ended 31st March 2024 and 31st March 2023.

22 Short-term Borrowings

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Short Term Borrowings		
Secured:		
Cash credit from banks*	0.00	6.69
Current maturities of Long Term Debt:		
Secured:		
Loan from Financial Institutions	393.46	20.64
Unsecured:		
Term loan raised through GUVNL		
Loan from Asian Development Bank	0.00	380.03
State Government Loan under APDRP	0.00	55.48
Total	393.46	462.84

*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.

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

23 Current Trade Payables

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Payable		
(i) Dues of Micro & Small Enterprise	0.00	0.00
(ii) Dues other than Micro & Small Enterprise	0.00	0.00
-Power Purchase Creditors	4,450.02	179.94
-Other Creditors	11,029.80	6,358.86
Total	15,479.82	6,538.80

23.1 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:



(₹ in Lakh)

23.2 Total outstanding dues of Micro & Small Enterprises	As at 31st March, 2024	As at 31st March, 2023
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

23.3 Refer Note No : 50 for ageing Schedule of trade payables

24 Other Current Financial Liability

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on Loans	553.43	600.60
Interest payable on consumers security Deposit	7,758.99	4,328.47
Staff Related Liabilities	143.77	59.73
Staff Retirement cum Death Benefit Scheme	203.46	198.96
Deposits & Retentions from Suppliers / Contractors	12,951.51	9,366.54
Liability for Capital Supplies / Works	136.27	136.27
Deposits for Electrification & Service connection from Consumers	222.66	232.23
Loan under SKY scheme	741.45	629.61
Payable to EESL under UJALA Scheme	367.15	348.89
Payable to Gujarat Energy Training & Research Institute (GETRI)	24.84	39.07
Payable to Gujarat Energy Transmission Corporation Ltd. (GETCO)	875.55	567.53
Other Liability	15,761.12	42,091.05
Total	39,740.20	58,598.95

25 Other Current Liability

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Liabilities	1,006.30	613.58
Other Liability	4,884.01	1,081.69
Unspent CSR Amount*	124.41	128.39
Deposits for Electrification & Service connection from Consumers	16,565.24	12,894.40
Total	22,579.96	14,718.06

* Refer Note No : 43

26 Short Term Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits		
Leave Encashment	1,628.07	1,661.27
Bonus	72.79	54.26
Others	2,296.75	3,236.39
Total	3,997.61	4,951.92

26.1 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 ₹ 125.00 Lakhs (P.Y. ₹ 500.00 Lakhs) to family members of deceased employee on account of Covid-19.





MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS



27 Revenue from Operations

(₹ in Lakh)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Income from Operating Activity		
Revenue from Sale of Power		
Residential General Purpose (Domestic or Residential)	2,04,219.76	1,82,512.87
General Lighting Purpose (Commercial)	9,245.72	8,347.74
Low Tension Maximum Demand and Non Residential	1,70,147.99	1,50,155.84
Industrial High Voltage	4,92,791.91	4,59,631.56
Irrigation Agricultural	60,456.61	63,429.37
Public Water Works and Sewerage Pumps	34,696.95	30,225.42
Sale of Power to GUVNL	51.79	0.00
Unscheduled Interchange/DSM Income	3,565.95	13,760.19
Sub Total	9,75,176.68	9,08,062.99
Electricity duty		
Electricity Duty Assessed	1,16,309.49	1,04,877.32
Less: Electricity Duty Assessed (Contra)	(1,16,309.49)	(1,04,877.32)
Sub Total	0.00	0.00
Sale of Services		
Parallel Operation Charge	592.51	529.92
Sub Total	592.51	529.92
Other operating Revenue		
Recoveries for theft of power / Malpractices	4,070.65	3,965.22
Cross Subsidy Surcharge	3,205.01	674.38
Addl. Surcharge - OA Consumers	1,570.35	129.09
Wheeling Charges Recovery	352.29	40.15
Agriculture Subsidy	6,859.94	7,072.96
Miscellaneous Charges from Consumers	5,694.06	4,457.70
Sub Total	21,752.30	16,339.50
Total	9,97,521.49	9,24,932.41

28 Other Income

(₹ in Lakh)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Interest Income		
Interest on Staff Loans and Advances	308.64	244.32
Interest on Loans and Advances to Others	0.03	2.46
Interest on Fixed Deposits	0.00	0.00
Other Non Operating Income		
Delayed payment charges from Consumers	4,624.20	3,775.52
Deferred Income towards Govt. Grants/ Subsidies and Consumer	14,562.63	14,478.61
Grant for Energy Conservation	101.91	100.61
Provision No Longer Required #	0.00	8,277.29
Grant for Misc. Expense	16.84	18.88
Miscellaneous Income	5,373.02	3,758.29
Total	24,987.27	30,655.98

#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.





MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS



29 Purchase of Power

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31 st March, 2023
Purchase of power from GUVNL	7,95,097.21	8,35,587.12
Purchase of power from Renewable Attribute	104.66	81.73
Purchase of power from Wind Turbine Generators/ CPP	581.98	643.14
Purchase of power from Solar Generators	6,699.52	4,451.77
SLDC Charges	199.03	134.63
Total	8,02,682.40	8,40,898.39

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).

30 Employees benefit expense

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31 st March, 2023
Salaries and Allowances	58,484.08	51,959.08
Contribution to PF Trusts*	7,218.02	4,801.36
Staff Welfare Expenses	1,073.71	633.92
Retirement and other Benefits	4,798.43	2,582.65
	71,574.24	59,977.01
Less : Directly attributable cost capitalised	(7,583.46)	(6,495.10)
Total	63,990.78	53,481.91

*This Include an amount of ₹ 1906.63 Lakhs (Previous Year ₹ Nil) as intimated by GUVNL towards allocation of Recoupment of Losses of IL&FS Investment to the Trust operated by GUVNL on behalf of MGVCL.

31 Finance Cost

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31 st March, 2023
Interest Expense		
Interest on State Government Loans	57.82	101.74
Interest on Cash Credit and Working Capital	0.00	7.87
Interest on Loans from Power Finance Corporation	89.62	132.09
Other Interest Charges	165.47	245.43
Interest to Consumers on Security Deposits etc.	8,531.08	4,868.99
Interest on Income Tax	697.63	0.00
Other Borrowing Costs		
Bank Charges, Commission and Others	10.73	6.32
Total	9,552.35	5,362.44





MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS



32 Other Expenses

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31 st March, 2023
Repairs and Maintenance		
Building and Civil Works	885.99	479.27
Plant and Machinery	2,523.68	2,522.06
Lines, Cable Network etc.	6,102.49	4,646.74
Others	7,162.80	558.98
Total A	16,674.96	8,207.05
Administrative & General Expenses		
Rent, Rates and Taxes	235.40	238.93
Insurance	45.40	34.24
Legal & Professional Fees	297.86	252.10
Auditors' Remuneration	12.35	12.35
Travelling & Conveyance	4,592.59	4,114.03
Advertisement	144.57	108.35
Electricity Charges	764.40	630.10
Corporate Social Responsibilities*	207.46	216.55
Directors sitting fees	2.00	2.23
GERC License Fees	291.47	239.80
Other Administration & General Expenses	5,395.07	4,567.62
	11,988.57	10,416.30
Less : Directly attributable cost capitalised	(1,270.22)	(1,118.80)
Total B	10,718.35	9,297.50
Other Debit		
Expenses for Energy Conservation	101.91	117.93
Waiver of Delayed Payment Charges	276.09	288.27
Loss on Sale of PPE (Net)	657.53	31.94
Bad & Doubtful debts write-off	0.00	0.20
Miscellaneous Losses & Write-offs	319.10	304.85
Expected Credit Loss Allowance	2,379.99	2,856.62
Less: Expected Credit Loss Allowance no longer required	(76.83)	(380.44)
Other Miscellaneous debits	815.42	363.06
Total C	4,473.21	3,582.43
Total	31,866.52	21,086.98

* Refer Note No :43

Payments to auditors has been classified as follows:

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31 st March, 2023
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
Cost Audit Fees	0.67	0.67
Total	12.35	12.35





MADHYA GUJARAT VIJ COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS



33 Tax Expense

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Current Tax	17,820.99	764.51
Deferred Tax	17,838.44	2,854.94
Total	35,659.43	3,619.45

Reconciliation of Current Tax

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Profit Before Tax	83,945.39	6,827.55
Current Tax Expenses Calculated Using Applicable Tax Rate	29,333.88	2,385.82
(Income)/Expense(net) not (taxable)/deductible	6,325.55	1,233.63
Total	35,659.43	3,619.45
Applicable Tax Rate-Normal	34.94%	34.94%
Applicable Tax Rate-MAT	17.47%	17.47%

Income tax recognised in other comprehensive income

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(i) Items that will not be reclassified to profit or loss		
(a) Re-measurement of the defined benefit plans	(2,626.97)	(1,109.76)
(ii) Income Tax relating to items that will not reclassified to profit	917.97	387.79
Total	(1,709.00)	(721.97)



34 Earnings per Equity share

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Profit after tax for the year attributable to equity shareholders	48285.96	3208.10
Weighted Average number of Equity Shares for Basic EPS	510953312.00	491596612.25
Weighted Average number of Equity Shares for Diluted EPS	510953312.00	491596612.25
Basic Earnings per equity shares (Rs. 10/- each)	9.45	0.65
Diluted Earnings per equity shares (Rs. 10/- each)	9.45	0.65
Face value per equity share (Rs.)	10.00	10.00

35 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, 2024

(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	As at 31 st March, 2024	As at 31 st March, 2023
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	92.47	79.78
Expenses relating to leases of low-value assets	20.75	18.87
Total cash outflow for leases	113.22	98.65
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 the year	1,172.70	1244.01

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 1 st April, 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 31 st March, 2023	1,244.01	1244.01
Additions During the year	0.00	0.00
Depreciation Recognized During the year	(71.31)	(71.31)
Net Carrying value as on 31 st March, 2024	1,172.70	1,172.70

(B) As a Lessor:

Operating Lease:

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



36 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 ₹ 5225.19 Lakhs (31st March 2023 ₹ 4725.94 Lakhs) which is included in contribution to PF Trust under Note No : 31 Employees Benefit Expenses.

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 ₹ 4758.02 Lakhs (previous year ₹ 2449.29 Lakhs) has been charged to statement of Profit & Loss. Leave obligation as at 31st March, 2024 ₹ 28911.20 Lakhs and 31st March, 2023 ₹ 24153.19 Lakhs respectively. The same is included in Note No :20 (Non-Current Provision) & 26 (Short Term Provision)

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 ₹ 39.56 Lakhs (P.Y. ₹ 48.75 lakhs). The balance of such fund as at 31st March, 2024 is ₹ 1591.16 Lakhs and 31st March, 2023 is ₹ 1621.26 Lakhs respectively. The same is included under Note No: 19 (Other Non Current Financial Liability) & 24 (Other Current Financial Liability)

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, 2024 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:-

Particulars	Assumptions (Current Period)	
	For the year ended 31 st March	
	2024	2023
Expected Return on Plan Assets	7.25%	7.25%
Rate of Discounting	7.25%	7.25%
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	

Particulars	(₹ in Lakh)	
	As at 31st March, 2024	As at 31st March, 2023
Gratuity		
I) Reconciliation in present value of obligations (PVO) - defined benefit		
Opening defined benefit obligation	38817.76	36297.29
Current Service Cost	2042.46	1579.59
Past service cost, including losses/(gains) on curtailments	0.00	0.00
Interest Cost	2814.29	2631.55
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from experience adjustments	4295.92	1074.02
Benefits paid	(2738.46)	(2764.69)
Closing defined benefit obligation	45231.97	38817.76
Current obligation	3237.80	2789.97
Non-Current obligation	41994.17	36027.79
II) Change in fair value of assets :		
Opening fair value of plan assets	38685.06	37603.95
Expected return on plan assets	2804.67	2726.29
Remeasurement gain (loss):		
Excess Return on plan assets	165.73	(35.74)
Contributions by the employer	2775.21	1155.26
Benefits paid	(2738.46)	(2764.69)
Insurance Premium Adjusted	0.00	0.00
Closing fair value of plan assets	41692.21	38685.06
III) Reconciliation of Present value of obligation and fair value of assets:		
Present value of funded defined benefit obligation	45231.97	38817.76
Fair Value of planned assets at end of year	41692.21	38685.06
Funded status	Funded	Funded
Net liability / (asset) arising from defined benefit obligation	3539.76	132.70
IV) Service Cost		
Current Service cost	2042.46	1579.59
Past Service cost and(gain)/loss from settlements	0.00	0.00
Net Interest expense	8.52	(97.01)
Total Expenses to be recognised in P&L	2050.98	1482.58
Components of defined benefit costs recognised in Employee Benefit		
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from experience adjustments , changes in	4295.92	1074.02
Return on Plan Assets excluding amount included in net interest cost	(165.73)	35.74
Total expense to be recognised in OCI	4130.20	1109.76
Total expense (provision for the period)	6181.17	2592.34
V) Category of assets as at 31 st March:		
-Life Insurance Corporation	41692.21	38685.06
Total	41692.21	38685.06



(₹ in Lakh)

Experience Adjustment	On Plan Liabilities Loss/(Gain)	On Plan Assets (Loss)/Gain
As on 31st March, 2024	4295.92	165.73
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

Maturity Analysis of Projected Benefit Obligation are as under:

(₹ in Lakh)

Gratuity	As at 31 st March, 2024	As at 31 st March, 2023
Gratuity		
Less than 1 year	3237.80	2789.97
One to Three Years	5846.01	7458.83
Three to Five Years	4181.21	7594.24
More than Five Years	31966.96	20974.72
Total	45231.98	38817.76

Sensitivity analysis for Gratuity

(₹ in Lakh)

Significant actuarial assumptions	As at 31 st March, 2024	As at 31 st March, 2023
Discount Rate		
- Impact due to increase of 50 basis points	(2558.96)	(1955.22)
- Impact due to decrease of 50 basis points	2803.71	2139.62
Salary increase		
- Impact due to increase of 50 basis points	2717.50	2050.79
- Impact due to decrease of 50 basis points	(2508.67)	(2066.49)

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 Companies books/ in the books of GUVNL as pertaining to individual companies:

(₹ in Lakh)

Particulars	(Asset) / Liability - Net	
	As at 31 st March, 2024	As at 31 st March, 2023
Position of Gratuity related (Asset) / Liability	3539.76	132.70

Note: Net Plan Liability of Gratuity amounting to ₹ 3539.76 Lakhs (P.Y. Net Liability of Gratuity ₹ 132.70 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.

37 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. 27 of the financial statements.

38 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:

Particulars	(₹ in Lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Debt	1134.91	1840.95
Total equity	543118.07	466336.49
Debt to equity ratio	0.002	0.004
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

Particulars	(₹ in Lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
<u>Financial assets</u>		
Measured at amortised cost		
(a) Trade and other receivables	49791.82	49898.35
(b) Cash and cash equivalents	4227.25	3680.16
(c) Other bank balances	46.97	76.81
(d) Loans	3912.04	2356.86
(e) Other financial assets	282465.40	209900.47
Measured at FVTOCI		
(a) Investments in equity instruments (designated on transition date)	0.00	0.00
<u>Financial liabilities</u>		
Measured at amortised cost		
(a) Borrowings	393.46	1218.03
(b) Trade payables	15479.82	6538.80
(c) Other financial liabilities	179835.74	186132.92



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 is 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, 2024 and 31st March, 2023.

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.

C Company's Remaining Contractual Maturity Table

(₹ in Lakh)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2024				
Non - current financial liabilities				
Borrowings	0.00	0.00	0.00	0.00
Other Financial Liabilities	0.00	2169.81	137925.73	140095.54
		2169.81	137925.73	140095.54
Current financial liabilities				
Borrowings	393.46	0.00	0.00	393.46
Trade Payables	15479.82	0.00	0.00	15479.82
Other Financial Liabilities	39740.20	0.00	0.00	39740.20
	55613.48	0.00	0.00	55613.48
Total financial liabilities	55613.48	2169.81	137925.73	195709.02
As at 31st March, 2023				
Non - current financial liabilities				
Borrowings	0.00	462.98	292.22	755.19
Other Financial Liabilities	0.00	2893.51	124640.46	127533.97
	0.00	3356.49	124932.68	128289.16
Current financial liabilities				
Borrowings	462.84	0.00	0.00	462.84
Trade Payables	6538.80	0.00	0.00	6538.80
Other Financial Liabilities	58598.95	0.00	0.00	58598.95
	65600.59	0.00	0.00	65600.59
Total financial liabilities	65600.59	3356.49	124932.68	193889.75

(₹ in Lakh)

Secured committed credit facility, reviewed annually and payable at call:	As at 31 st March, 2024	As at 31 st March, 2023
Amount used	0.00	6.69
Amount unused	3700.00	3693.31

The Company/Group has access to committed credit facilities as described above, of which ₹ 3700.00 Lakhs were unused at the end of the reporting period (Previous year ₹ 3693.31 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.

39 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, 2024



40 Contingent liabilities, Contingent Assets and Capital Commitments:

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

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
a) Income tax demand in Appeal/dispute (not provided for)	48362.28	53340.20
b) Service Tax demand (excluding interest) in Appeal/dispute	1105.41	1225.84
c) Claims against company not acknowledge as debt (legal matters)	1464.46	3447.78
Sub Total (A)	50932.15	58013.82

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 31 st March, 2024	As at 31 st March, 2023
A. Capital Commitments		
Estimated amount of Contract remaining to the executed on capital	81467.92	18304.35
Total	81467.92	18304.35

41 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.

42 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.





43 CSR Expenditure

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
The CSR expenditure comprises the following:		
a) Gross amount required to be spent by the Company during the year	207.46	216.55
b) Amount of CSR Project Activities approved by the Company to be spent during the year	207.46	216.55
c) Amount spent during the year	100.49	147.37
(i) Construction / acquisition of any asset		
a. In cash	0.00	0.00
b. Yet to be paid in Cash	0.00	0.00
Total	0.00	0.00
(ii) on purpose other than (i) above		
a. In cash	100.49	147.37
b. Yet to be paid in Cash	0.00	0.00
Total	100.49	147.37
d) Total Shortfall/(Excess) Amount	106.97	69.18
e) Reasons of above Shortfalls	Note : (i)	Note : (i)
f) Break up of the amount spent on CSR		
1 Health and Sanitation expenses	100.49	122.19
2 Education and Skill Development expenses	0.00	25.18
Total Amount Spent on CSR	100.49	147.37
g) Details of related party transactions	NA	NA

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Opening balance	128.39	106.89
Add :Amount required to be spent as approved during the year	207.46	216.55
Less:Amount spent during the year	202.01	195.05
Less:Amt. deposited in specified fund of Sch.VII within 6 months related to FY 2022-23	9.44	0.00
Closing Balance	124.40	128.39

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		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
2023-24	0.00	118.95	207.46	100.49	101.52	106.97	17.43
2022-23	0.00	106.89	207.11	147.37	47.68	59.74	59.21

i) Unspent Amount Of CSR on other than on 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
2023-24	9.44	9.44	0.00	0.00	0.00
2022-23	0.00	0.00	9.44	0.00	9.44

Note :

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

(ii) The shortfall amount relates to ongoing projects which has been transferred to Unspent CSR Account of Ongoing Projects of the Company for FY 2023-24 of ₹ 106.97 Lakhs in April 2024 and ₹ 59.74 Lakhs for FY 2022-23 in April 2023.



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, 2023				
--Trade Receivables	82,837.54	23,037.07	59800.47	
--Inventories	34,081.31	30,750.63	3,330.68	
For the Quarter ended Sept 30, 2023				
--Trade Receivables	87,655.02	28,553.77	59101.25	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.
--Inventories	40,534.14	38,929.76	1,604.38	
For the Quarter ended Dec 31, 2023				
--Trade Receivables	81,942.79	29,977.63	51965.16	
--Inventories	39,645.74	39,352.41	293.33	
For the Quarter ended March 31, 2024				
--Trade Receivables	49,791.82	8,189.48	41,602.34	
--Inventories	32,834.69	32,628.35	206.34	

(₹ 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 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	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.
--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	

45 Details of Immovable Property

(₹ in Lakh)

Line Item as per Balance Sheet	Description	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of 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	19 Years	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.
Property, Plant and Equipment	Office Building	2,164.73	Gujarat Electricity Board (GEB)	No	19 Years	
Property, Plant and Equipment	Residential Colony for Staff	311.37	Gujarat Electricity Board (GEB)	No	19 Years	
Property, Plant and Equipment	Other Buildings	47.45	Gujarat Electricity Board (GEB)	No	19 Years	
Property, Plant and Equipment	Guest House Building	4.49	Gujarat Electricity Board (GEB)	No	19 Years	
Property, Plant and Equipment	Land	117.10	Vadodara Municipal Corporation	No	36 Years	
Property, Plant and Equipment	Land held under Lease	1,529.25	Vadodara Municipal Corporation	No	36 Years	
Property, Plant and Equipment	Other Buildings	23.71	Vadodara Municipal Corporation	No	36 Years	
Property, Plant and Equipment	Office Building	107.16	Vadodara Municipal Corporation	No	36 Years	

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 31 st March, 2024					
Project in Progress	5,248.99	536.95	1.25	0.00	5,787.19
Projects Temporarily suspended	0.00	0.00	0.00	0.00	0.00
Total	5,248.99	536.95	1.25	0.00	5,787.19
As at 31 st 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

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 31 st March, 2024					
Project in Progress	2,749.70	3,037.49	0.00	0.00	5,787.19
Projects Temporarily suspended					
Normal Development Scheme	0.00	0.00	0.00	0.00	0.00
Zupadpatti Scheme	0.00	0.00	0.00	0.00	0.00
Total	2,749.70	3,037.49	0.00	0.00	5,787.19
As at 31 st 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

48 Ageing Schedule for Trade Receivable:

(₹ in Lakh)

Particulars		Outstanding for following periods from the 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 31 st March, 2024							
Considered Good	Disputed	0.00	0.00	0.00	0.00	0.00	0.00
	Undisputed	51,015.64	637.30	1,932.10	1,605.13	4,049.20	59,239.37
Significant increase in credit risk	Disputed	0.00	0.00	66.91	1478.92	1,886.13	3,431.96
	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	514.86	370.46	948.54	892.44	12,915.53	15,641.84
Total		51,530.50	1,007.76	2,947.55	3,976.49	18,850.86	78313.17
Less : Expected Credit Loss Allowance							(28,521.35)
Total							49791.82
As at 31 st March, 2023							
Considered Good	Disputed	0.00	0.00	0.00	0.00	0.00	0.00
	Undisputed	50,013.41	675.99	2,090.73	1,089.47	3,685.56	57,555.16
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		51,179.14	1,049.06	4,192.07	2,066.47	17,629.80	76116.54
Less : Expected Credit Loss Allowance							(26,218.19)
Total							49898.35

* 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, 2024 amounting to ₹ 67090.02 Lakhs (P.Y. ₹ 69129.05 Lakhs) and payment received from consumers against Unbilled Revenue.



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 Year	2-3 Year	More than 3 Years	
As at 31 st March, 2024						
Undisputed Dues						
i) Micro and small enterprise	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others	15479.82	0.00	0.00	0.00	0.00	15479.82
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	15479.82	0.00	0.00	0.00	0.00	15479.82
As at 31 st March, 2023						
Undisputed Dues						
i) Micro and small enterprise	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others	6538.80	0.00	0.00	0.00	0.00	6538.80
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	6538.80	0.00	0.00	0.00	0.00	6538.80

50 Relationship with Struck off Companies :

(₹ in Lakh)

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance Outstanding as on 31-03-2024	Balance Outstanding as on 31-03-2023	Relation ship with the Struck off Company
BALAJI INDUSTRIES PRIVATE LIMITED (U27106AP1996PTC023333)	Sale of Power	0.00	3.00	Trade Receivable
SICGIL INDUSTRIAL GASES LIMITED (U99999GJ1996PTC029036)	Sale of Power	0.00	0.10	Trade Receivable
R.K.BIO FEED MACHINE PVT LIMITED (U29100GJ2009PTC058338)	Sale of Power	0.07	0.77	Trade Receivable
SUNLITE AUTO INDUSTRIES PRIVATE LIMITED (U50300DL1991PTC042909)	Sale of Power	0.00	0.02	Trade Receivable

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, 2023

(₹ in Lakh)

Particulars	Note No	As previously reported	Adjustment	Regrouping	As Restated
Cash & Cash Equivalents	8	3,729.91	0.00	(49.75)	3,680.16
Other Bank Balance	9	27.06	0.00	49.75	76.81
Other Assets		7,03,751.06	0.00	0.00	7,03,751.06
Total Assets		7,07,508.03	0.00	0.00	7,07,508.03
Trade Payable	23	179.94	0.00	6358.86	6,538.80
Other Current Financial Liability	24	65,086.20	0.00	(6487.25)	58,598.95
Other Current Liability	25	14,589.67	0.00	128.39	14,718.06
Others Equity & Liabilities		6,27,652.22	0.00	0.00	6,27,652.22
Total Equity & Liability		7,07,508.03	0.00	(0.00)	7,07,508.03

(iii) Reconciliation of items of Cash Flows for the year ended 31st March, 2023

(₹ in Lakh)

Particulars	Note No	As previously reported	Adjustment	Regrouping	As Restated
Net Cash Flow from Operating Activities	NA	8089.25	0.00	191.77	8281.02
Net Cash Flow from Investing Activities	NA	(56364.76)	0.00	(192.01)	(56556.77)
Net Cash Flow from Financing Activities	NA	42574.31	0.00	0.00	42574.31
Net Increase in cash and Cash equivalents		(5701.20)	0.00	(0.24)	(5701.44)
Cash and Cash Equivalents at beginning	NA	9431.11	0.00	(49.51)	9381.60
Cash and Cash Equivalents at Year end		3729.91	0.00	(49.75)	3680.16

52 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 of Holding Company
	Shri T.Y.Bhatt, IAS	Key Management Personnel (KMP) (up to 06.04.2023)
	Shri T.D. Parmar, IAS	Key Management Personnel (KMP) (w.e.f. 06.04.2023)
	Shri J. H. Modi	Key Management Personnel (KMP) (up to 03.09.2024)
	Smt Shailja Vacchrajani	Key Management Personnel (KMP) (w.e.f. 25.09.2024)
	Shri V. M. Chavan	Key Management Personnel (KMP)
	Shri Ravi Shankar, IAS	Director (up to 31-07-2023)
	Shri J. P. Shivahare, IAS	Director
	Shri H. P. Kothari	Director (up to 13.06.2024)
	Shri Komal Bhatt	Director (up to 01-03-2023)
	Shri K. P. Jangid	Director (w.e.f. 26.07.2023)
	Smt Sailaja Vachhrajani	Director (w.e.f. 14-07-2022 to 02.09.2024)
	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)
	Shri K. M. Shringarpure	Independent Director (w.e.f. 01.02.2024)
	Prof. Ajay Pandey	Independent Director (w.e.f. 01.02.2024)
	Prof. S. Raman	Independent Director (w.e.f. 01.02.2024)

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
1 Transactions during the year					
Purchase of Material	-	699.18 (38.49)	-	-	699.18 (38.49)
Uttar Gujarat Vij Company Limited		699.18 (38.49)	-	-	699.18 (38.49)
Purchase of Material & Burnt Oil	-	3.07 (6.84)	-	-	3.07 (6.84)
Gujarat Energy Transmission Corporation Limited		3.07 (6.84)	-	-	3.07 (6.84)
Purchase of Material	-	423.63 (156.23)	-	-	423.63 (156.23)
Dakshin Gujarat Vij Company Limited		423.63 (156.23)	-	-	423.63 (156.23)
Purchase of Material	-	93.23 (575.95)	-	-	93.23 (575.95)
Paschim Gujarat Vij Company Limited		93.23 (575.95)	-	-	93.23 (575.95)
Purchase of Material	-	- (5.74)	-	-	- (5.74)
Gujarat State Electricity Corporation Limited		- (5.74)	-	-	- (5.74)
Sale of Materials	-	360.73 (61.46)	-	-	360.73 (61.46)
Uttar Gujarat Vij Company Limited		360.73 (61.46)	-	-	360.73 (61.46)
Sale of Materials	-	5.95 (294.71)	-	-	5.95 (294.71)
Dakshin Gujarat Vij Company Limited		5.95 (294.71)	-	-	5.95 (294.71)
Sale of Materials	-	595.51 (398.84)	-	-	595.51 (398.84)
Paschim Gujarat Vij Company Limited		595.51 (398.84)	-	-	595.51 (398.84)

52 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
Sale of Materials	-	-	-	-	-
Gujarat State Electricity Corporation Limited		(0.12)	-	-	(0.12)
Electricity Charges		(0.12)	-	-	(0.12)
Gujarat Energy Transmission Corporation Limited		(649.27)	-	-	(649.27)
Electricity Charges		(649.27)	-	-	(649.27)
Gujarat State Electricity Corporation Limited		(182.16)	-	-	(182.16)
Recovery of Expenditure		(182.16)	-	-	(182.16)
Dakshin Gujarat Vij Company Limited		(0.43)	-	-	(0.43)
Reactive Charges Receivable		(0.43)	-	-	(0.43)
Gujarat Energy Transmission Corporation Limited	-	187.82	-	-	187.82
	-	(203.22)	-	-	(203.22)
	-	187.82	-	-	187.82
	-	(203.22)	-	-	(203.22)
SLDC Charges	-	199.03	-	-	199.03
Gujarat Energy Transmission Corporation Limited	-	(134.63)	-	-	(134.63)
	-	199.03	-	-	199.03
	-	(134.63)	-	-	(134.63)
Unscheduled Interchange Charges Payable	-	2,161.92	-	-	2,161.92
Gujarat Energy Transmission Corporation Limited	-	(1,199.13)	-	-	(1,199.13)
	-	2,161.92	-	-	2,161.92
	-	(1,199.13)	-	-	(1,199.13)
Unscheduled Interchange Charges Receivable	-	5,716.91	-	-	5,716.91
Gujarat Energy Transmission Corporation Limited	-	(14,959.31)	-	-	(14,959.31)
	-	5,716.91	-	-	5,716.91
	-	(14,959.31)	-	-	(14,959.31)
Allocation of Interest & Other Finance Charges	64.16	-	-	-	64.16
Gujarat Urja Vikas Nigam Limited	(109.61)	-	-	-	(109.61)
	64.16	-	-	-	64.16
	(109.61)	-	-	-	(109.61)
Purchase of Power	7,95,097.21	-	-	-	7,95,097.21
Gujarat Urja Vikas Nigam Limited	(8,35,587.12)	-	-	-	(8,35,587.12)
	7,95,097.21	-	-	-	7,95,097.21
	(8,35,587.12)	-	-	-	(8,35,587.12)
Sale of Excess Electricity	51.79	-	-	-	51.79
Gujarat Urja Vikas Nigam Limited	51.79	-	-	-	51.79
	-	-	-	-	-
Allocation of Employee Benefit Exp	1,906.63	-	-	-	1,906.63
Gujarat Urja Vikas Nigam Limited	1,906.63	-	-	-	1,906.63
	-	-	-	-	-
Allocation of e-Urja Expenses	418.14	-	-	-	418.14
Gujarat Urja Vikas Nigam Limited	(366.63)	-	-	-	(366.63)
	418.14	-	-	-	418.14
	(366.63)	-	-	-	(366.63)
Allocation of Renewable Cost towards Power Generation	104.65	-	-	-	104.65
Gujarat Urja Vikas Nigam Limited	(81.81)	-	-	-	(81.81)
	104.65	-	-	-	104.65
	(81.81)	-	-	-	(81.81)
Allocation of General Insurance Premium	389.17	-	-	-	389.17
Gujarat Urja Vikas Nigam Limited	(404.57)	-	-	-	(404.57)
	389.17	-	-	-	389.17
	(404.57)	-	-	-	(404.57)

52 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
Remuneration			67.83		67.83
Total :			(83.34)		(83.34)
Shri T. Y. Bhatt, IAS			-		-
			(33.73)		(33.73)
Shri T. D. Parmar, IAS			14.46		14.46
			-		-
Shri J.H.Modi			35.04		35.04
			(33.62)		(33.62)
Shri V.M Chavan			18.33		18.33
			(15.99)		(15.99)
Incidental Charges paid to KMP/Directors (Total)			2.70		2.70
			(2.16)		(2.16)
Shri Ravi Shankar			0.06		0.06
			(0.20)		(0.20)
Shri J. P. Shivahare			0.20		0.20
			(0.18)		(0.18)
Shri T.D.Parmar			0.54		0.54
			-		-
Shri K. M. Shringarpure			0.12		0.12
			-		-
Shri H. P. Kothari			0.40		0.40
			(0.34)		(0.34)
Shri Komal Bhatt			-		-
			(0.28)		(0.28)
Shri K. P. Jangid			0.36		0.36
			(0.22)		(0.22)
Smt Shailja Vacchrajani			0.26		0.26
			(0.10)		(0.10)
Shri Shubhadeep Sen			0.26		0.26
			(0.06)		(0.06)
Shri Nisarg Joshi			0.06		0.06
			(0.02)		(0.02)
Shri P.H. Rana			0.20		0.20
			(0.48)		(0.48)
Prof. Ajay Pandey			0.08		0.08
			-		-
Prof. S. Raman			0.06		0.06
			-		-
Prof. Naman Desai			0.10		0.10
			(0.28)		(0.28)

52 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
Sitting Fees paid to Independent Directors (Total)			2.00		2.00
			(2.23)		(2.23)
Shri P.H. Rana			0.56		0.56
			(1.41)		(1.41)
Prof. S. Raman			0.26		0.26
			-		-
Shri K. M. Shringarpure			0.53		0.53
			-		-
Prof. Naman Desai			0.30		0.30
			(0.82)		(0.82)
Prof. Ajay Pandey			0.35		0.35
			-		-



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. 2023-24	F.Y. 2022-23
Short-term benefits	67.83	83.34
Post employment benefits	-	-
Other-long term benefits	-	-
Share based payments	-	-
Termination benefits	-	-

(₹ in Lakh)				
Balance as at: 31st March, 2024				
Receivable/Payable	Holding Company	Fellow-Subsidiary Company	KMP	Total
Receivables	225060.65	0.00	0.00	225060.65
Gujarat Urja Vikas Nigam Limited	225060.65	0.00	0.00	225060.65
Payables	0.00	0.00	0.00	0.00
Gujarat Urja Vikas Nigam Limited	0.00	0.00	0.00	0.00
Gujarat Energy Transmission Corporation Ltd.(GETCO)	0.00	875.55	0.00	875.55

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.

53 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.

54 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. These Guidelines are applicable to MGVCL and all other group Companies w.e.f. F.Y. 2022-2023. However, on July 26, 2023, the Holding Company, GUVNL on behalf itself and group Companies applied to Principal Secretary, Energy & Petrochemicals Department, seeking exemption from compliances to these Guidelines for F.Y. 2022-23 onwards. The same is under consideration of Government of Gujarat.

For the year ended 31st March, 2024, Board of Directors of MGVCL has proposed a Dividend of 30% of the Profit after Tax (PAT) amounting to ₹ 14485.79 Lakhs (P.Y. Nil). This Dividend for Equity Shareholders is subject to approval by the Shareholders in the Annual General Meeting (AGM) and has not been included as a liability in this Financial Statements.

Further, GUVNL on behalf of its all group Companies, would take up the matter with Governemnt of Gujarat (GoG) seeking further relaxation/exemption (if any) as per the said guidelines.

55 Ministry of Power, Government of India through the Gazette Notification dated 17.08.2021 had announced Revamped Distribution Sector Scheme (RDSS). Under this Scheme, work related to Smart Metering i.e. replacement of existing Meters with Smart Meters, Modernization & System Augmentation and Loss Reduction Activities is to be carried out. The approved Cost as per DPR is ₹ 4147.28 Crores. Out of that approx. 15% Grant for Smart Metering and 60% Grant for other work will be received from Government of India.



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, 2024 and March 31, 2023.
- b. The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.
- 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, 2024 and March 31, 2023.
- 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, 2024 and March 31, 2023.
- e. During the year ended March 31, 2024 and March 31, 2023, 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 has 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 has 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.





MADHYA GUJARAT VIJ COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS



57 Ratios

Ratio	Numerator	Denominator	31 st March 2024	31 st March 2023	% of Variance	Reason for variance
i) Current Ratio (In Times)	Current Assets	Current Liabilities	4.41	3.53	24.86%	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	0.001	0.003	(73.05%)	Improved due to repayment of debt and increase in Share Capital
iii) Debt Service Coverage Ratio (In Times)	Profit After Tax+Defered Tax+Depreciation & Amortization+Int on Debt	Principal Repayment of Debt+Interest on Loan+Lease Payment	119.36	27.32	336.85%	Improved due to repayment of debt and Improvement in Profitability.
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+Defered Tax Liability-Deferred Tax Assets)]/2	9.32	0.71	1212.84%	Due to Decrease in Power Purchase cost and Increase in Revenue,the profit margin has increased.
v) Inventory Turnover Ratio (In times)	Revenue from Operation	(Opening Inventory+Closing Inventory)/2	30.45	28.50	6.86%	Not Applicable
vi) Trade Receivable Turnover Ratio (in times)	Revenue from Operation	(Opening Trade Receivable+Closing Trade Receivable)/2	20.01	19.75	1.33%	Not Applicable
vii) Trade Payable Turnover Ratio (in times)	Purchase of Power	(Opening Trade Payable+Closing Trade Payable)/2	72.91	141.72	(48.55%)	Due to reduction in Power Purchase Cost
viii) Net Capital Turnover Ratio (in times)	Revenue from Operation	[Current Assets-(Current liabilities-Security deposits from consumers-Service Line Deposits from consumers)]	3.36	4.04	-16.85%	Not Applicable
xi) Net Profit Ratio(In %)	Profit After Tax	Revenue from Operation	4.84	0.35	1295.60%	Due to increase revenue from Operation and reduction of Power Purchase Price, the profit margin has increased.
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	16.53	2.58	541.04%	Due to increase In profit
Xi) Return on Investment (In %)	Profit Before Tax + Int on Debt	(Opening Total Assets+Closing Total assets)/2	12.28	1.80	582.66%	Due to increase In profit and Average Total Assets



58 (i) Units purchased and T&D Losses

Particulars	FY 2023-24	FY 2022-23
	Unit in MUs	
Units Purchased from GUVNL	14,452.347	14,736.48
Units Purchased from Wind Turbine Generator	18.194	52.80
Units Purchased from Solar Generator	280.226	163.63
Deviation Settlement Mechanism Charges (UI Import)	30.075	-
Sub Total	14,780.841	14,952.91
Less : UI Net Export	177.890	338.23
Less : Sale of Power to GUVNL	0.521	-
Net Power Purchase Units	14,602.429	14,614.68
Less: Units sold to consumer	12,956.684	12,640.79
T & D loss in MUs.	1,645.745	1,973.89
T & D loss in %	11.27%	13.51%
Less :PGGIL Pooled Losses	230.730	277.34
Less: Transmission Loss @ average 3.3731% (P.Y. 3.8406%)	489.240	542.33
Net MUs. to be considered for Distribution losses	13,882.459	13,795.01
Distribution Losses Units (MUs.)	925.775	1,154.23
Distribution Loss in %	6.67%	8.37%

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

Consumer Category	FY 2023-24			FY 2022-23		
	MUs.	Revenue (₹ in Lakh)	Average Rate ₹/unit	MUs.	Revenue (₹ in Lakh)	Average Rate ₹/unit
Residential General Purpose (Domestic or Residential)	2,985.229	2,04,219.76	6.84	2,910.329	1,82,512.87	6.27
General Lighting Purpose (Commercial)	126.855	9,245.72	7.29	123.728	8,347.74	6.75
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	1,964.491	1,70,147.99	8.66	1,854.230	1,50,155.84	8.10
Industrial High Voltage	6,006.221	4,92,791.91	8.20	5,948.999	4,59,631.56	7.73
Irrigation Agricultural	1,408.456	60,456.61	4.29	1,388.637	63,429.37	4.57
Public Water Works and Sew.Pumps	465.432	34,696.95	7.45	414.865	30,225.42	7.29
Total	12,956.684	9,71,558.94	7.50	12,640.788	8,94,302.80	7.07

59 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
ERN: 113375W

ROHIT KOTHARI
Partner
M.NO. 038908



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

J.P. SHIVAHARE, IAS
Chairman
DIN : 07162392

SAILAJA VACHHRAJANI
General Manager (F&A) & CFO

Place : Vadodara
Date : 25-09-2024

T.D.PARMAR, IAS
Managing Director
DIN :08322052

V.M. CHAVAN
Company Secretary

