



# 10<sup>th</sup>

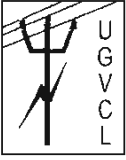
## Annual Report 2012-13



**Uttar Gujarat Vij Company Limited**

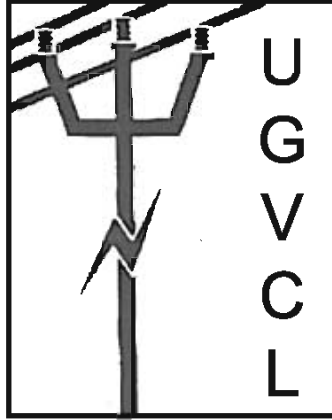
Subsidiary of Gujarat Urja Vikas Nigam Limited





**UTTAR GUJARAT VIJ COMPANY LIMITED**

**10<sup>th</sup>  
Annual Report  
2012-13**



# **Tenth Annual Report 2012-13**

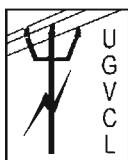


**UTTAR GUJARAT VIJ COMPANY LIMITED**

Registered & Corporate Office :  
Visnagar Road,  
MEHSANA - 384 001  
(North Gujarat)







# **Tenth Annual Report 2012-13**

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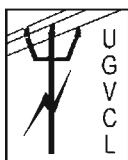
## **UGVCL's Milestones**

### **AWARDS**

- ✓ Runners Up of IPPAI Power Award – 2013 in Greenest Discom Category
- ✓ Winner of India Power Award – 2012 under the Category : Overall Utility Performance (Distribution) Rural by Council of Power Utilities
- ✓ Runner Up of Power Line Award – 2012 in the Category : Best Performing State Discom
- ✓ Recipient of National Award – **GOLD SHIELD** by Ministry of Power for Meritorious Performance among Distribution Companies in Power Sector for the year 2010-11
- ✓ India Power Award – 2010 in recognition for Energy Efficiency, Conservation and DSM by Council of Power Utilities
- ✓ 'Good Performance Award' under the Category of Public Service Sector-Large for Excellence in Cost Management 2009 by the ICWAI
- ✓ India Power Award-2009 in recognition for Overall Utility Performance in Agriculture Dominated Area by Council of Power Utilities
- ✓ First Prize Winner in the Category of 'Excellence in Rural Electrification' awarded by IEEMA Power Award – 2008
- ✓ National Award for Excellence in Cost Management – 2007 by the ICWAI
- ✓ Recipient of National Award – Bronze Shield by Ministry of Power for Meritorious Performance in Electricity Distribution for the year 2005-06

### **ACHIEVEMENTS / RECOGNITIONS**

- ✓ Accorded A+ rating in 2013 by Ministry of Power, Govt. of India
- ✓ Inventor of Pilot Advanced Transformer (Patent Applied)
- ✓ Accredited with ISO 9001:2008 Standard for 'Management and Performance Enhancement of Electricity Distribution Operations'
- ✓ Hi-Tech Meter Testing Laboratory at Sabarmati Circle accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) with ISO/IEC 17025-2005
- ✓ First to complete 'Jyoti Gram Yojana'



## **BOARD OF DIRECTORS**

Shri Varun Nath Maira, IAS (Retd.)  
Smt. Shahmeena Husain, IAS  
Shri H. P. Desai  
Shri K. P. Patel  
Prof. Ajay Pandey  
Prof. (Dr.) B. A. Prajapati  
Shri K. M. Shringarpure  
Shri Chandravadan J. Macwan  
Shri K. P. Jangid  
Shri Nityanand Srivastava, IFS

Chairman  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director w.e.f. : 24-12-2013  
Managing Director

## **COMPANY SECRETARY**

Shri Nitinkumar M Joshi, FCS

## **SENIOR EXECUTIVES**

Smt. C. R. Desai  
Shri S. R. Patel  
Shri R. B. Kothari  
Shri M. G. Bhavsar  
Shri M. K. Rathod  
Shri P. J. Trivedi

Chief Engineer (Operation)  
Chief Engineer (P&P)  
General Manager (Finance)  
Addl. Chief Engineer (P)  
Addl. Chief Engineer (Technical)  
Addl. Chief Engineer (Civil)

## **AUDITORS**

For FY 2012-13

M/s. S. C. Ajmera & Co.  
Chartered Accountants  
Udaipur

For FY 2013-14

M/s. Kochar & Associates  
Chartered Accountants  
Ahmedabad

## **BANKERS**

State Bank of India  
Bank of Baroda  
Dena Bank  
Union Bank of India

## **REGISTERED & CORPORATE OFFICE**

Visnagar Road  
MEHSANA - 384001 North Gujarat  
Phone: (02762) 222080-81 Fax: 223574  
Email: corporate@ugvcl.com  
Website: www.ugvcl.com



## **NOTICE**

**NOTICE** is hereby given that the Tenth (Adjourned) Annual General Meeting of the Members of Uttar Gujarat Vij Company Limited will be held on Monday, the 13<sup>th</sup> day of January, 2014 at 06-00 pm at the Registered Office of the Company at Visnagar Road, Mehsana – 384001 (North Gujarat) to transact the following business:

### **ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit & Loss Account of the Company for the year ended on that date together with the Notes attached thereto and the Reports of the Board of Directors and Auditors thereon with comments of Comptroller & Auditor General of India.

By Order of the Board

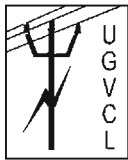
Date : 8<sup>th</sup> January, 2014  
Place: Mehsana

Sd/-  
Nitinkumar M Joshi, FCS  
Company Secretary

### **NOTES:**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company at its Registered Office not later than 48 hours before the time for holding of the meeting.





## **NOTICE**

**NOTICE** is hereby given that the Tenth Annual General Meeting of the Members of Uttar Gujarat Vij Company Limited will be held on Thursday, the 26<sup>th</sup> day of September, 2013 at 05-00 pm at the Registered Office of the Company at Visnagar Road, Mehsana – 384001 (North Gujarat) to transact the following business:

### **ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit & Loss Account of the Company for the year ended on that date together with the Notes attached thereto and the Reports of the Board of Directors and Auditors thereon with comments, if any, of Comptroller & Auditor General of India; and
- 2 To decide the remuneration payable to Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG), New Delhi for the audit of accounts of the Company for the Financial Year 2013-14.

By Order of the Board

Date : 20<sup>th</sup> September, 2013  
Place: Ahmedabad

Sd/-  
Nitinkumar M Joshi, FCS  
Company Secretary

### **NOTES:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company at its Registered Office not later than 48 hours before the time for holding of the meeting.
- 2 The present Statutory Auditors M/s. S. C. Ajmera & Co., Chartered Accountants, Udaipur appointed by the Office of the Comptroller & Auditor General of India (C&AG) will retire at the conclusion of the Tenth Annual General Meeting. The C&AG have appointed M/s. Kochar & Associates, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company to audit the accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2014.

**DIRECTORS' REPORT**

To,  
The Members of  
**UTTAR GUJARAT VIJ COMPANY LIMITED**

Your Directors have pleasure in presenting the Tenth Annual Report together with the audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2013.

**FINANCIAL HIGHLIGHTS:**

The summarized financial results of the Company are given below:

<b>Particulars</b>	<b>(₹ in Lacs)</b>	
	<b>2012-13</b>	<b>2011-12</b>
Total Income	<b>7,59,293</b>	6,49,174
Gross Profit before Depreciation, Interest and Tax	<b>32,074</b>	23,944
Depreciation	<b>14,972</b>	13,348
Interest and Finance Charges	<b>15,130</b>	9,080
Profit before Tax	<b>1,972</b>	1,515
Provision for Tax (including provision for deferred)	<b>609</b>	270
Profit after Tax	<b>1,364</b>	1,245
Profit brought forward from previous year	<b>3,535</b>	4,386
Net profit available for appropriation	<b>4,899</b>	3,535

**DIVIDEND:**

With a view to conserve the resources of the Company and as a part of system improvement, your Directors do not recommend payment of any dividend for the year.

**ACHIEVEMENTS:**

During the year, your Company has on 15-May-2012 been awarded Power Line Award as Runner Up in the Category: Best Performing State Discom by India Infrastructure Publishing. The Award aims to recognize best performing distribution companies in the power sector across the country.

On 29-Nov-2012, UGVCL was adjudged the winner of INDIA POWER AWARD – 2012 under the Category: Overall Utility Performance (Distribution) Rural. In March 2013, Ministry of Power, Government of India released First Annual Integrated Ratings of state power distribution utilities under integrated rating methodology. According to the ratings, UGVCL secured an A+ rating, making it the second best state power distribution utility across India.

**OPERATIONS DURING THE YEAR:**

During the year under review, the revenue from the sale of power including subsidies and other income amounted to Rs. 7,59,293 Lacs. (P.Y. Rs. 6,49,174 Lacs). The Company purchased 20,765 MUs (PY 18,408 MUs) of energy from Gujarat Urja Vikas Nigam Limited (GUVNL), Solar and Wind farm and sold 17,550 MUs (PY 16,030 MUs) of energy to all categories of consumers. The Company's overall transmission and distribution losses are reported to the extent of 3,216 MUs (PY 2,378 MUs) at 17.83% (PY 14.51%).



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

- Total 2,459 (PY 2,396) Nos. of rural feeders have been declared as Agricultural Dominated Feeders.
- Transformer failure rate is reduced to 6.85% from 8.14% of the previous year.
- Vigilance activity with continuous efforts is made for prevention of theft of energy and other misuse of power during the year.
  - Installations checked - 6,31,237 (PY 6,32,758) Nos.
  - Installations detected - 11,450 (PY 11,941) Nos.
  - Amount assessed - Rs. 1,881 (PY 2,004) Lacs
- For better system improvement and to give quality power supply of the over-loaded feeders, 127 (PY 165) Nos. of feeders are bifurcated and charged during the year.
- Automated Meter Reading (AMR) is installed on total 2585 (PY 2,310) Nos. of HT connections. This has helped in considerable time saving of man-power and reading billing process with perfect billing, thereby assisting in study of consumer consumption data and vigilance observation.
- For reduction in technical losses, 2,345 (PY 1,261) Nos. of Amorphous/4 Star Transformers are installed in Urban, GIDC and JGY Feeders.
- Total 2,398 (PY 2,314) Nos. of Special Design Transformers (SDT) have been provided on Agricultural feeders, covering benefit to 1,00,723 (PY 93,979) Nos. of Farm House connections.
- Work progress - New release of connections:
  - HT New Connection - 275 Nos. (PY 228 Nos.)
  - HT additional load - 194 Nos. (PY 157 Nos.)
  - NRGP I - 2,560
  - NRGP c - 9,492
  - LTMD I - 286
  - LTMD c - 61
  - RGP - 51,353 (PY 56,392 Nos.)
  - Water Works - 601 Nos. (PY 702 Nos.)
  - Ag. Connection under
    - SPA Well (Normal Scheme) - 5810 Nos. (PY 1028 Nos.)
    - TASP Well - 3618 Nos. (PY 3261 Nos.)
    - Tatkal Scheme - 62 Nos. (PY 4064 Nos.)
    - Dark Zone Well - 7382 Nos. (PY 0 Nos.)
  - Petapara electrified - 0 Nos. (PY 2 Nos.)
  - SCSP (Household) - 5596 Nos. (PY 3764 Nos.)
  - RGGVY (New Connections) - 2107 Nos. (PY 17865 Nos.)
  - Zupad-patties Connections - 12184 Nos. (PY 20301 Nos.)
  - Kutirjyoti connections - 1989 Nos. (PY 1889 Nos.)
  - System Network added



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• HT Line	-	3,854 Kms. (PY 1,847 Kms.)
• LT Line	-	1,120 Kms. (PY 2,265 Kms.)
• Trans. Center	-	16,796 Nos. (PY 8,387 Nos.)

**FEEDER BIFURCATION**

The Scheme for bifurcation of 210 (PY 237) Nos. of over-loaded feeders and having a poor voltage regulation is planned to improve the quality of power supply in agricultural feeders.

**GOVT. SCHEMES:**

The Company has achieved the targets of all Government-sponsored electrification activity schemes like RGGVY (in six districts), Zupad-patty, Kutir-Jyoti, SCSP TASP Wells, AG Normal (SPA) Wells, Dark Zone Wells, Primitive Tribal House Electrification, Primary Schools and Aanganwadis, etc.

**R-APDRP:**

Govt. of India, vide Order dated 19.09.2008, had announced Restructured Accelerated Power Development and Reforms Program (RAPDRP) for distribution strengthening of State Power Utilities and bringing down the Aggregate Technical and Commercial (AT&C) losses to 15% by the end of the project period.

Projects under the Scheme shall be taken up in two Parts. Part-A shall include the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centers. Part-B shall include regular distribution strengthening projects. The financial assistance is extended in the form of loan/grants through Power Finance Corporation Ltd., being the nodal agency, for various projects in implementation under R-APDRP.

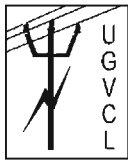
**SCADA:**

SCADA stands for Supervisory Control And Data Acquisition. As the name indicates, it is not a full control system, but rather focuses on the supervisory level. SCADA is a real-time control system. It helps not only in supporting a safe and efficient energy distribution but also is an energy information system, providing decision makers with reliable process information. By application of SCADA system, an operator of the distribution company can monitor online the status of all sub-stations, feeders and RMU. In abnormal conditions, an operator can easily take the decision to restore the system with minimum interruption on the network. An integrated SCADA system can also pass the information to GIS and customer care centre for easy handling of the complaints and also give the proper timing of restoration to consumer of that network. The SCADA Project is being implemented.

**SMART GRID:**

GUVNL (Gujarat Urja Vikas Nigam Limited) intends to implement a Smart Grid Pilot Project at UGVCL which cover six full districts in northern region of Gujarat and three part districts in western and central areas. The broad scope of the pilot project will be as under:

- AT&C Loss Reduction
- Peak Load Management
- AMI for Industrial, commercial & residential consumers
- Outage Management
- Load Forecasting
- Demand Side Management and Demand Response
- Asset Management System
- Power Quality Management



The pilot area will involve a mix of residential, commercial, industrial and agricultural consumers. The area chosen as the pilot site are Naroda of Sabarmati Circle and Deesa of Palanpur Circle. This project covers the functionalities of the Smart Grid which are decided by the Ministry of Power.

### **CUSTOMER SERVICES:**

#### **1. Customer Care Centers (CCC):**

Establishment of single window computerized customer care centre. The Centre shall equip with latest technology and multi-skilled customer service representatives. The 'One Point Contact' service relieves the customer from the inconvenience of visiting or contacting different utility offices. The complaint can be booked by phone, fax, IVRS, website etc. The centre shall work on 24x7 working hours. The CCC shall be linked with SMS service to provide complaint number to the customer and to the Field Staff simultaneously for speedy disposal of complaints. The Centre shall be connected with Data Centre and GIS for compliance to the customer.

#### **2. Online Bill Payment:**

This service is provided at the doorstep of the consumers. A consumer can pay using more than 20 leading public and private sector banks by net banking, credit/debit card and also by RTGS/NEFT (virtual account concept). This facility is available for all the consumers. The amount collected during last Financial Year is Rs. 830 Crore which forms 19% of total UGVCL's revenue.

#### **3. e-Gram Cash Collection:**

The required application to facilitate the rural consumers to pay their dues at their doorstep was developed by the Company. The existing Wide Area Network developed by the Govt. of Gujarat is utilized. No any extra investment on network or hardware is required. The Gram Panchayats are made the business associates of UGVCL by executing agreements with them. The Village Computer Operators appointed by the Government would assist in implementation of e-Gram collection system. It is also planned to integrate SMS facility with e-Gram system to acknowledge the payment due, payment made and communicate other information to customers. This facility extended to the urban area where cash collection agency has internet connectivity. More than 2,800 Gram Panchayats use this facility serving more than 10 Lac consumers. The amount collected during last year is Rs. 288 Crore which forms 7% of total UGVCL's revenue collection.

#### **4. ATP/KIOSK:**

24X7 Bill Payment Facility by cash/cheque is installed at selected public locations of 23 towns falling under the operations area. The amount collected during the year is Rs. 182 Crore which forms 4% of total UGVCL's revenue collection.

### **RGGVY:**

RGGVY project launched by GOI in April-2005, in order to access electricity to all rural households, free of charge for BPL house hold, through nodal agency REC Ltd, New Delhi. Under the project, 90% grant is provided by Govt. of India and 10% as loan by REC to the State Governments. The beneficiaries will have to pay the bills for energy utilized regularly as per the Company's norms. RGGVY project works has been carried out on turnkey basis, as per mandatory condition of the scheme. During the year 2012-13, REC has disbursed fund of Rs. 0.63 Crores (cum. Rs. 65.09 Crores). The fund utilized Rs. 4.48 Crores (cum Rs. 74.48 Crores) for the execution of the works during the year 2012-13.

**CONSUMER GRIEVANCES REDRESSAL FORUM:**

The Company has set up the Consumer Redressal Forum as mandated by the Electricity Act, 2003 and the regulations notified thereunder. During the year, 206 Nos. of cases are disposed of.

**TARIFF:**

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

Under section 62 of the Electricity Act, 2003 and relevant GERC Regulations, the Company has filed the final petition on 4<sup>th</sup> Jan, 2013 vide Case No. 1283/2013, for Truing up for financial year 2011-12 and determination of tariff for financial year 2013-14 under GERC (MYT Framework) Regulations, 2011 and under Part –VII (Section 61 to 64) of the Electricity Act, 2003 in accordance with relevant guidelines. Subsequent to the public hearing held on 11<sup>th</sup>, 13<sup>th</sup>, 16<sup>th</sup> and 18<sup>th</sup> March, 2013, GERC has declared its Award on 16<sup>th</sup> April, 2013 and decided retail tariff rates effective from 1<sup>st</sup> April, 2013. As per the said Tariff Order overall increase for all category except BPL consumers in averagely 35 paise/unit which includes increasing fix / demand charges and energy charges.

**AUDITORS:**

M/s. S. C. Ajmera & Co., Chartered Accountants, Udaipur had been appointed as Statutory Auditors of the Company for the Financial Year 2012-13. The Comptroller and Auditor General of India, New Delhi, (C&AG) have appointed M/s. Kochar & Associates, Ahmedabad as Statutory Auditors of the Company to carry out the statutory audit of the accounts of the Company for the Financial Year 2013-14. As per the provisions of Section 224 of the Companies Act, 1956, their remuneration is required to be fixed by the Company in General Meeting.

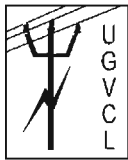
**AUDITORS' REPORT:**

The Statutory Auditors of the Company for the Financial Year 2012-13 M/s. S. C. Ajmera & Co., Udaipur have in their report stated following two qualifications to which the Board gives its explanation as required under the provisions of section 217 as under:

**Qualifications:**

1. During the year, the Company has transferred Grant for Energy Conservation amounting to Rs. 949.68 Lacs to Profit & Loss Account under the Account head 'Other Income – Grant for Energy', which in earlier year has shown as 'Capital Grant'.
2. During the year, the Company has transferred Government Subsidy Refundable amounting to Rs. 1919.48 Lacs to Profit & Loss Account under the Account head 'Other Income (Prior Period Income/Gain)', which in earlier year was shown as 'Current Liabilities'/'Capital Grant'.

Thereby, resulting in increase in Profit to the Company by Rs. 2869.16 Las and reduction in Liabilities by Rs. 2869.16 Lacs.



**Board's explanations:**

1. The qualification stated by the Statutory Auditors is incorrect as during the year, the Company has not transferred grant for energy conservation amounting Rs. 949.68 Lacs to profit & Loss Account under the account head 'Other Income – Grant for Energy'. This is the amount of grant received during the FY 2012-13 to meet revenue nature expenditure. The JV received from GUVNL (holding company) stated clearly the Account Code No. 63.121 which is of purely revenue nature. The accounting treatment is uniformly given by all Discoms including UGVCL.
2. The amount of Rs. 1919.48 Lacs qualified by the Statutory Auditors is incorrect. The correct amount is Rs. 1991.48 Lacs. The amount of Rs. 1991.48 Lacs is the balance of grant received for Energy Efficient Pump Scheme notified by the Govt. of Gujarat. The Scheme was closed during the FY 2009-10. The unutilized balance of Rs. 1991.48 Lacs was transferred to prior period income and credited to Profit & Loss Account as the same is not refundable.

The amount of Rs. 2869.16 Lacs as stated by the Statutory Auditor is incorrect and therefore, there is no case of increase in profit of the Company and reduction in liability

The Comments/Report of the Comptroller & Auditor General of India in pursuance of Section 619(4) of the Companies Act, 1956, will be circulated as soon as the same is received.

**COST AUDITORS:**

The Ministry of Corporate Affairs, Government of India, has issued Cost Audit Order under Section 233B of the Companies Act, 1956 to appoint Cost Auditor to audit the Cost Accounting Records and Books of Accounts maintained by the Company in respect of Electricity Industry under the Cost Accounting Records (Electricity Industry) Rules, 2001. Accordingly, the Board of Directors appointed M/s. Ashish S. Bhavsar & Co., Ahmedabad as Cost Auditors for the Financial Year 2013-14, for which the Central Government accorded its approval for auditing the Cost Accounts relating to Electricity Industry product. The Cost Audit Report for the Financial Year 2012-13 prepared by the Cost Auditors will be filed by Cost Auditors with the Central Govt. (MCA Portal) before the due date.

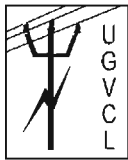
**DIRECTORS:**

Since the last (Ninth) Annual General Meeting held on 18-Dec-2012, there is no change in the Board of Directors except in respect of Smt. Shahmeena Husain, IAS who resigned from the Board effective from 04-Mar-2013 and was again appointed/nominated by GUVNL with effect from 07-May-2013.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- (ii) accounting policies have been selected and consistently applied and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of profit of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

**AUDIT COMMITTEE**

Pursuant to Section 292A of the Companies Act, 1956, the Company has constituted the Audit Committee of the Board which at present stands as under:

Prof. Ajay Pandey	..... Chairman
Prof. (Dr.) B. A. Prajapati	..... Member
Shri K. M. Shringarpure	..... Member
Shri C. J. Macwan	..... Member

The Managing Director to be the Special Invitee.

**DISCLOSURES****(a) Particulars of Employees:**

There was no employee during the year drawing remuneration in excess of the ceilings prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

**(b) Energy Conservation & Technology Absorption:**

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, information regarding Conservation of Energy, Technology Adsorption are given in the Annexure to this Report and form part of this Report.

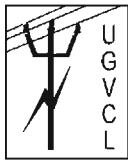
**(c) Foreign Exchange Earnings & Outgo:**

During the year under review, there was a earning of US \$ 77,496 (Rs. 43.45 Lacs).

**ACKNOWLEDGEMENT**

Your Directors gratefully acknowledge the contributions made by the employees at all levels for the understanding and support extended by them. The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative have made the organization's growth and success possible and continue to drive its progress. The Directors place on record their gratitude to the Government of India (including the Ministry of Power), Government of Gujarat (including Energy & Petrochemicals Department), Gujarat Urja Vikas Nigam Limited (the Holding Company), Gujarat State Electricity Regulatory Commission, GEDA, Financial Institutions, Bankers, Consumers, Suppliers and other business associates for their continued





## UTTAR GUJARAT VIJ COMPANY LIMITED

**10<sup>th</sup>  
Annual Report  
2012-13**

assistance, co-operation and patronage. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, regulatory and Governmental authorities in India and its shareholders. The Company is also thankful to the Comptroller & Auditor General of India, the Internal, Statutory and Cost Auditors and Consultants/Advisors for their suggestions and co-operation.

For and on behalf of the Board

Date: 20-Sep-2013  
Place: Ahmedabad

Sd/-  
V. N. Maira, IAS (Retd.)  
Chairman



**ANNEXURE TO DIRECTORS' REPORT**

**PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

**A. Conservation of Energy:**

**(a) Conservation of Energy Measures taken**

- High-loss feeders have been identified, close monitoring is being done up to the Sub-division level to reduce the technical losses and meters are provided on TCs for better control on systems to identify the weak pockets with high losses.
- Regular and periodical maintenance of line and equipments.
- Provided 2345 (PY 1261) Nos. of 4-star rated Transformers in Urban, Industrial and Jyotigram feeders for technical losses reduction. Further, only star rated transformers are being purchased.

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

- Areal Bunch Conductor in place of bare conductor in theft-prone areas to reduce pilferage of energy by direct hooking
- Mass awareness amongst consumers for energy conservation.

The stalls for Energy Conservation tips, Safety measures & micro drip irrigation campaign were provided during Ambaji Bhadarvi Poonam Mela. Printing of pamphlets, posters, banners, broadcasting of messages for conservation and safety on FM radio as well as advertisement in print media depicting hoardings containing Energy saving messages/slogans etc. have also been carried out from time to time.

**Pilot Project:**

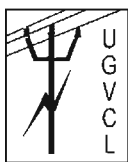
- I. Agriculture Pump-sets efficiency monitoring system by providing special type of metering with modem is under implementation under pilot project of "Designing strategies for stabilizing or increasing farmers income through resource sustainability" in consultation with Columbia University.
- II. For preparation of Demand side Management plan, the report is being prepared by the Consultant.

**(c) Impact of the measures at (a) (b) and (c) above for reduction of energy consumption and consequent impact on the cost of production of Goods.**

- Improvement in voltage level, saving in KWH and peak demand. Reduction in T & D losses.

**B. Technology Absorption:**

Efforts made in technology absorption as per Form B.



**FORM –B**

**(Disclosure of particulars with respect to Technology Absorption)**

**I Research and Development (R&D)**

**1. Specific areas in which R&D carried out by the Company:**

- AMR MD reset dates of HT consumers are fixed to 00.00 hrs of 15<sup>th</sup> day of every month.
- Power analyzers for transformer loss measurement are purchased for all four Circles.
- Advance version of Special Design Transformer is innovated and put in service with name of 'Pilot Advance Transformer'.
- For quality of material, Material Testing Lab is established at Narol RSO in collaboration with Electrical Research and Development Association (ERDA)

**2. Benefits derived as a result of above R&D:**

- Timely revenue realization from HT and EHT Consumers.
- No load losses of transformers play vital role in T & D losses. With the help of power analyzer it is now possible to measure No load losses of DTC for quality purchase.
- More numbers of farm houses are being electrified using pilot advance transformers.
- Close monitoring on quality of materials.

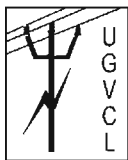
**3. Future Plan of Action:**

- Smart Grid Project implemented for Naroda Sub-division and Deesa-II Division under R-APDRP.
- SCADA Implementation for distribution network in Ahmedabad periphery under R-APDRP.
- Underground infrastructure development in newly developing GIDC at BOL Project for catering above 270 KVA load.

**II Technology absorption, adaptation and innovation**

**1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- WEB based Consumer Monitoring Program has been introduced to ascertain pockets of Commercial losses.
- WEB based computerized complain management facility.
- Installation of 8 Nos. of Any Time Payment machines for bill collection work and revenue collection under e-Gram Yojana in 3370 villages in rural areas of the Company is completed.
- Underground HT network is provided in Bopal and Chandkheda Sub-divisions as well as Ambaji town as being well-known religious place.
- Photo Billing System is introduced and being successfully implemented at Chiloda Sub-division.
- Constitution of DSM cell and Safety cell for implementation of DSM and Safety measures.



**1. Benefits derived as a result of the above efforts:**

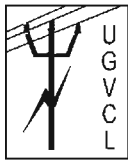
- Reduction in T&D losses by virtue of ascertaining corrective measures of metering, improvement in billing process and load survey with on-line monitoring and immediate access to data.
- Reduction in T&D losses by virtue of ascertaining corrective steps by Vigilance activity.
- One point location for all consumer related problems.
- Increase consumer's facility for payment of bills and hence reduction in consumer arrears.
- Reduction in HT line faults on account of underground network.
- Safety awareness among the staff.

**2. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information is furnished: Not Applicable**

For and on behalf of the Board

Sd/-  
V. N. Maira, IAS (Retd.)  
Chairman

Date: 20-Sep-2013  
Place: Ahmedabad



**C&AG's Letter No. ES-I/Hqrs-II/A/cs/UGVCL/2012-13/1147 dated 06-Jan-2014**

**COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF UTTAR GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013.**

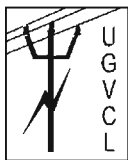
The preparation of financial statement of Uttar Gujarat Vij Company Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statuary Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18 September 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Uttar Gujarat Vij Company Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statuary Auditors and is limited primarily to inquiries of the Statuary Auditors and Company personnel and selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statuary Auditor's report under section 619(4) of the Companies Act, 1956.

**For and on behalf of he  
Comptroller & Auditor General of India**

**Sd/-  
(H. K. Dharmadarshi)  
Accountant General  
(E & RSA), Gujarat**

**Place: Ahmedabad  
Date: 06-01-2014**



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
UTTAR GUJARAT VIJ COMPANY LTD., MEHSANA  
FOR THE YEAR ENDED 31ST MARCH 2013**

To  
The Members of  
**Uttar Gujarat Vij Company Ltd.**  
**Mehsana.**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **Uttar Gujarat Vij Company Ltd.**, which comprise of the Balance Sheet as at 31st March 2013 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, with the summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

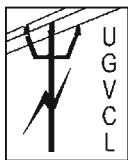
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment the auditor, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. And audit also includes evaluating the accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

**BASIS OF QUALIFIED OPINION**

1. During the year, the company has transferred Grant for Energy Conservation amounting to ₹ 949.68 Lacs to Profit & Loss Account under the Account head Other Income - Grant for Energy, which in earlier years has shown as Capital Grant.



2. During the year, the company has transferred Government Subsidy Refundable amounting to ₹ 1919.48 Lacs to Profit & Loss Account under the Account head Other Income (Prior Period Income / Gain), which in earlier year was shown as Current Liabilities / Capital Grant.

Thereby, resulting in increase in profit of the Company by ₹ 2869.16 Lacs and reduction in Liabilities by ₹ 2869.16 Lacs.

**EMPHASIS OF MATTER**

We draw attention to the following

Note No. 1 Significant Accounting Policies :

- i. Para C as regard to transferring 10% of the year end balance of the consumer contribution and capital grant / subsidy are transferred to Profit & Loss account is not in line with Accounting Standard 12 issued by ICAI.
- ii. Change in accounting policy para M ready to put to use and put to use.

The resultant impact of above Observation on the assets, liabilities and profits / loss in unascertainable, hence not quantified.

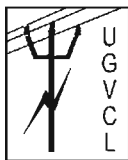
**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Basis of Qualified Opinion and Emphasis of Matter paragraph, the Financial Statements give the information as required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March 2013, and
- (b) In the case of Statement of Profit & Loss, of the Profit of the Company for the year ended on that date.
- (c) In the case of Cash Flow Statement, of the cash flow for the year ended on the date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- (1) The Company is governed by the Electricity Act, 2003 read with Rules and Regulations issued there under Section 616(C) of the Companies Act, 1956 provides that Special Acts like Electricity Act shall apply to the extent the provisions of the Companies Act are inconsistent with the provisions of those Acts. Accordingly, the financial statements of the Company for the year 2012-13 are complied and reported.
- (2) As required by Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- (3) As required by Section 227(3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.



## UTTAR GUJARAT VIJ COMPANY LIMITED

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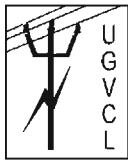
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) Except for the matters described in the Basis for Qualified Opinion and Emphasis of matter, in our opinion, the Balance Sheet, statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Act is not required as per notification number GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs, Government of India.

For S. C. AJMERA & CO.  
Chartered Accountants  
(FRN:002908C)

Sd/-  
Arun Sarupria - Partner  
M. No. 078398

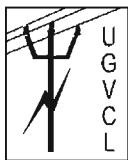
Place : Udaipur  
Date : 18/09/2013



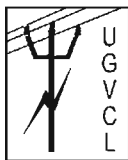


**ANNEXURE TO INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE OF UTTAR GUJARAT VIJ COMPANY LIMITED, MEHSANA FOR THE YEAR ENDED 31/03/2013**

1.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The fixed assets other than those, which are underground were physically verified during the year by the Management in Accordance with a regular program of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c) No substantial part of its fixed assets has disposed of during the year and going concern status of the Company is not affected.
2.
  - a) As explained to us, inventories have been physically verified by the Management at reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us the procedure of physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the discrepancies noticed on physical verification between physical stock and book records were not material having regard to the size of the company and nature of its business and the same has been provided for.
3.
  - a) The company has not granted loans secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses (iii) (b), (iii) (c) and (iii) (d) of the Report are not applicable.
  - b) According to the information and explanation given to us, the Company has not taken loans secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the Clauses (iii) (e), (iii) (f) and (iii) (g) of the Report are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls.
5.
  - a) According to the information and explanation provided by the management there are no contracts or arrangements which need to be entered in the Register maintained under sec. 301 of the Companies Act, 1956. Accordingly, the Clauses (v) (a) and (v) (b) of the Report are not applicable.



6. According to the information and explanations given to us. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or other relevant provision of the Act.
7. The internal audit of Company is entrusted to the firm of Chartered Accountants. The system is commensurate with size and nature of business of the Company.
8. The Central Government has prescribed the maintenance of cost records under the clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and as explained to us, the Company has maintained the prescribed accounts and records. We have not, however, made a detailed examination of the same.
9.
  - a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
  - b) According to the information and explanation given to us and based on the records of the Company, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2013 for a period more than six months from the date of becoming payable.
10. The Company does not have any accumulated losses as at 31<sup>st</sup> March 2013. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the information and explanation given to us, the major repayment of dues to financial institutions, banks or bondholders are made by Gujarat Urja Vikas Nigam Limited (GUVNL) on behalf of the Company. The Company has not defaulted in repayment of dues to a financial institution or bank or bondholders.
12. As per information and explanations given to us, the Company has not granted any loans or advances based on security by way of pledge of shares, debentures and other securities.
13. According to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause (xiii) is not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the clause (xiv) is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. The term loans were applied for the purpose for which they were raised.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that Company has not utilized any funds raised on short-term basis for long-term investments.
18. The Company has not made any preferential allotment to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the clause (xviii) is not applicable the Company.



## UTTAR GUJARAT VIJ COMPANY LIMITED

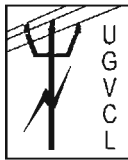
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19. The Company has not issued any debentures during the year under audit. Accordingly, the clause (xix) is not applicable to the Company.
20. The Company has not raised any money by public issues during the year under audit. Accordingly, the clause (xx) is not applicable to the Company.
21. Accordingly to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year under audit. However, theft of inventory amounting to ₹ 24.32 Lacs has occurred during the year.

For S. C. AJMERA & CO.  
Chartered Accountants  
(FRN:002908C)

Place : Udaipur  
Date : 18/09/2013

Sd/-  
Arun Sarupria - Partner  
M. No. 078398



# UTTAR GUJARAT VIJ COMPANY LIMITED

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## BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Share Holders' Fund</b>			
(a) Share Capital	2	23714.87	23714.87
(b) Reserves & Surplus	3	38167.59	36804.07
(c) Deferred Government Grants, Subsidies & Contributions	4	72127.78	60101.28
<b>Sub-total (1)</b>		<b>134010.25</b>	<b>120620.22</b>
<b>(2) Share Application Money Pending Allotment</b>	5	16850.00	0.00
<b>Sub-total (2)</b>		<b>16850.00</b>	<b>0.00</b>
<b>(3) Non Current Liabilities</b>			
(a) Long Term Borrowings	6	42056.74	22821.78
(b) Other Long Term Liabilities	7	77373.58	69663.62
(c) Long Term Provisions	8	9663.81	9215.25
<b>Sub-total (3)</b>		<b>129094.13</b>	<b>101700.65</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	9	720.97	549.94
(b) Trade Payables	10	20761.37	38622.44
(c) Other Current Liabilities	11	71626.09	66804.64
(d) Short-Term Provisions	12	518.96	0.96
<b>Sub-total (4)</b>		<b>93627.39</b>	<b>105977.97</b>
<b>TOTAL</b>		<b>373581.76</b>	<b>328298.84</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets:			
Tangible Assets	13	247985.01	208665.21
Intangible Assets		0.00	0.00
Capital Work-in progress	13	3710.91	2763.87
(b) Deferred Tax Assets (Net)		0.00	0.00
(c) Long Term Loans and Advances	14	979.14	891.85
(d) Other Non-current Assets	15	66.20	54.75
<b>Sub-total (1)</b>		<b>252741.26</b>	<b>212375.69</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	26559.94	22126.27
(b) Trade Receivables	17	79005.26	76441.88
(c) Cash and Cash Equivalents	18	12803.73	13187.33
(d) Short-Term Loans and Advances	19	289.78	2502.40
(e) Other Current Assets	20	2181.80	1665.28
<b>Sub-total (2)</b>		<b>120840.51</b>	<b>115923.16</b>
<b>TOTAL</b>		<b>373581.76</b>	<b>328298.84</b>
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1 to 42		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR S.C. AJMERA & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 002908C

ARUN SARUPRIA  
PARTNER  
M. NO. 078398

PLACE: AHMEDABAD  
DATE: 13-09-2013

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS

UTTAR GUJARAT VIJ COMPANY LIMITED

V. N. MAIRA, IAS (Retd.)  
CHAIRMAN

N. SRIVASTAVA, IFS  
MANGING DIRECTOR

R.B.KOTHARI, ACMA  
GENERAL MANAGER (F&A)

N. M. JOSHI, FCS  
COMPANY SECRETARY

PLACE: AHMEDABAD  
DATE: 13.09.2013



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Note No.	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
<b>INCOME</b>			
Revenue from Operations	21	747208.41	640820.26
Other Income	22	12084.74	8354.07
<b>Total Revenue (1)</b>		<b>759293.14</b>	<b>649174.33</b>
<b>EXPENSES</b>			
Purchase of Power	23	694354.44	589278.28
Employee Benefits Expense	24	31591.05	28803.47
Finance Costs	25	15129.77	9080.27
Depreciation and Amortization Expenses	26	14972.17	13348.18
Other Expenses	27	1330.85	7176.53
<b>Total Expenses (2)</b>		<b>757378.27</b>	<b>647686.73</b>
<b>Profit before exceptional and extraordinary items and tax</b>	(1)-(2)	<b>1914.87</b>	<b>1487.60</b>
Less:- Exceptional Items	28	(114.04)	(65.39)
<b>Profit before extraordinary items and tax</b>		<b>2028.91</b>	<b>1553.00</b>
Less:- Extraordinary Items	29	56.87	37.92
<b>Profit Before Tax</b>		<b>1972.04</b>	<b>1515.08</b>
<b>Tax Expense</b>	30		
Current Tax		608.51	270.16
<b>Profit After Tax for the Year</b>		<b>1363.52</b>	<b>1244.92</b>
Earning Per Share (Basic ) Rs.		0.57	0.52
Earning Per Share (Diluted) Rs.		0.57	0.52
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1 to 42		

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR S.C. AJMERA & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 002908C**

**ARUN SARUPRIA  
PARTNER  
M. NO. 078398**

**PLACE: AHMEDABAD  
DATE: 13-09-2013**

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS**

**UTTAR GUJARAT VIJ COMPANY LIMITED**

**V. N. MAIRA, IAS (Retd.)  
CHAIRMAN**

**N. SRIVASTAVA, IFS  
MANGING DIRECTOR**

**R.B.KOTHARI, ACMA  
GENERAL MANAGER (F&A)**

**N. M. JOSHI, FCS  
COMPANY SECRETARY**

**PLACE: AHMEDABAD  
DATE: 13.09.2013**



**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2013**

Particulars	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax, Prior Period Adjustments and Extra ordinary items</b>	<b>(172.01)</b>	<b>4650.81</b>
Adjustments for: Add/(Less)		
Depreciation	14972.17	13348.18
Interest and Financial Charges	15129.77	9080.28
Prior Periods Adjustments	2200.92	(3097.83)
Gain on Sale of Fixed Assets	(123.40)	(65.39)
Loss on Sale of Fixed Assets	9.36	0.00
Provisions no longer required	(356.08)	(332.64)
Interest Income from Fixed Deposit	(150.64)	(145.41)
<b>Operating Profit before Working Capital Changes</b>	<b>31510.08</b>	<b>23438.00</b>
<b>Adjustments for Changes in Working Capital:-</b>		
(Increase)/Decrease in Current Assets, Loans and Advances	(5399.68)	(22511.54)
Increase/(Decrease) in Current Liabilities and Provisions	(8937.17)	49494.35
<b>Cash Generated from Operations before Taxes and Extra Ordinary items</b>	<b>17173.24</b>	<b>50420.81</b>
Less: Direct Taxes Paid	0.00	255.00
<b>Cash Generated from Operations before Extra Ordinary items</b>	<b>17173.24</b>	<b>50165.81</b>
Less: Extra ordinary items	56.87	37.92
<b>A. NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>17116.37</b>	<b>50127.89</b>
<b>Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(57346.30)	(30084.17)
(Increase)/Decrease in Capital Work in Progress	(947.04)	(1496.58)
Sale/Adjustments on Fixed Assets	3168.35	2126.13
Interest Income from Fixed Deposit	150.64	145.41
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(54974.35)</b>	<b>(29309.21)</b>
<b>Cash Flow from Financing Activities</b>		
Share Application Money	16850.00	0.00
Proceeds from Borrowings	526493.68	431313.00
Repayments of Borrowings	(502766.03)	(445167.15)
Proceeds from Govt. Grants, Subsidies and Contributions	12026.50	8039.09
Interest and Financial Charges Paid	(15129.77)	(9080.28)
<b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>37474.38</b>	<b>(14895.34)</b>
<b>Net Cash Inflow/(Outflow)[A+B+C]</b>	<b>(383.60)</b>	<b>5923.34</b>
Add:- Cash and Cash Equivalents as at 01-4-12 (Opening Balance)	<b>13187.33</b>	<b>7263.99</b>
<b>Cash and Cash Equivalents as on 31-3-13 (Closing Balance)</b>	<b>12803.73</b>	<b>13187.33</b>

**Note:**

- (i) The above Cash Flow Statement has been prepared as per AS-3 (Indirect Method) issued by ICAI  
(ii) Component of Cash & Cash Equivalents as on 31-03-13 is as per note no. 18 to the Financial Statements

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR S.C. AJMERA & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 002908C**

**ARUN SARUPRIA  
PARTNER  
M. NO. 078398**

**PLACE: AHMEDABAD  
DATE: 13-09-2013**

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS**

**UTTAR GUJARAT VIJ COMPANY LIMITED**

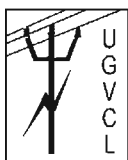
**V. N. MAIRA, IAS (Retd.)  
CHAIRMAN**

**N. SRIVASTAVA, IFS  
MANAGING DIRECTOR**

**R.B.KOTHARI, ACMA  
GENERAL MANAGER (F&A)**

**N. M. JOSHI, FCS  
COMPANY SECRETARY**

**PLACE: AHMEDABAD  
DATE: 13.09.2013**

**NOTES TO THE FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES****A. Basis of preparation (Accounting Convention):**

The Company prepares its Financial Statements under historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principal in India and the relevant accounting standards issued by the Institute of Chartered Accountants of India referred to in sec 211(3C) of the Companies Act, 1956 unless otherwise stated.

The Company's business operations are governed by the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003. The provisions of these Acts read with the rules made there under prevail wherever the same are inconsistent with the provisions of the Companies Act, 1956.

**B. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that effect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ from these estimates.

**C. Consumer contributions, Capital grants and Subsidies:**

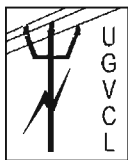
The Company is providing depreciation on Capital Assets related to Electrification & Service connection on Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of these assets, Company is receiving Consumer contribution, Grant & Subsidy which is being treated as deferred revenue by the company. The linking of receipt of Capital Grant, Consumer contribution and subsidy to the creation of fixed assets and charging depreciation / writing back proportionate amount is practically not possible. Considering the above referred facts and difficulties in working out exact proportionate depreciation and amount for the portion of government grant/consumer contribution received and take proportionate credit in profit & loss account, administrative convenience, practical aspects & taking into consideration the very wide geographical distribution network as well as Constraints on Relevant & Reliable Information as stated in "Framework for the Preparation & Presentation of Financial Statement" issued by the Accounting Standard Board of ICAI, as per the consistent policy followed by the company since inception, the consumer contribution and capital grant / subsidy is treated as deferred credit and 10% of the year-end balance of the consumer contribution and capital grant / subsidy are transferred to Profit & Loss account as deferred income written back which is reasonably commensurate with depreciation charged on various fixed assets during the useful life of the assets..

**D. Fixed Assets:**

Fixed assets are stated at cost including all attributable charges properly incurred in erecting and bringing the asset into commercial use. The opening Gross Value of Fixed Assets, accumulated depreciation and net block of Fixed Assets for the year 2005-06 are stated at values notified by Government of Gujarat Notification No. GOVT-2006-91-GW-11-6-590-K dated 3<sup>rd</sup> October, 2006.

The fixed assets and its depreciation fund balances have been transferred to the company as intimated by notification of Govt. of Gujarat. In such transfer depreciation has been written back up to 70% of the value of assets as per the scheme of transfer which in the opinion of the company has adequate useful life due to continuous renovation and maintenance of distribution network to provide the quality power to the esteemed consumers of the company.

The Fixed Assets not in use i.e. obsolete/scrape assets are stated at a value lower of net realizable value or written down value.



Owing to the high rate of movement of spare transformers within the Company, the depreciation is not withdrawal on removal of burnt transformers for repairs. Accordingly, the difference in the value of spare transformers and burnt transformers is not capitalized and the same is reflected in stock under Current Assets.

**E. Capital works-in-progress:**

- (i) Capital works-in-progress includes the cost incurred on fixed assets that are not yet ready for the intended use and is capitalized up to the date these assets are put to use. All expenditures of construction division are allocated to the projects on pro-rata basis to the additions made to respective project. However, common expenditure of Corporate Office and field offices are allocated to Capital works-in-progress at flat rate determined having regard to amount of allocable expenditure incurred during the year.
- (ii) Claims for price variation are accounted for on their acceptance.

**F. Impairment of Assets:**

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication of impairment exists, recoverable amount of the assets is estimated. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount so reassessed.

**G. Segment Reporting:**

- (i) Business Segment: The Company has only one activity namely "Distribution of Electricity". Accordingly, the Accounting Standard-17, Segment Reporting issued by The Institute of Chartered Accountants of India has been considered as not applicable
- (ii) Geographical Segment: The Company's operations are mainly confined within the state of Gujarat. The Company doesn't have material earnings outside Gujarat or outside India. As such there is not reportable Geographical Segment.

**H. Inventories:**

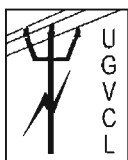
Inventories have been valued as under:

- (i) Consumable Stores and Spares, Construction Stores, Mandatory Spares of consumable nature – on Weighted Average Method.
- (ii) Scrap – on Book value or Net Realizable Value (NRV) whichever is lower.

**I. Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



**J. Revenue Recognition:**

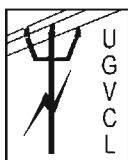
- (i) Revenue from sale of power :  
Revenue from sale of power is recognized on accrual basis of energy supplied in accordance with the tariff orders awarded by Gujarat Electricity Regulatory Commission (GERC) as applicable to the consumers.
- (ii) Surplus power, sold to GUVNL is accounted on the basis of credit notes received from GUVNL.
- (iii) Misc. Revenue from consumers :  
Meter rent, recoveries against theft of power/malpractices, wheeling charges are recognized on accrual basis, except Misc. charges from consumers which are recognized on cash basis.
- (iv) Revenue Subsidies:  
Revenue Subsidies as allocated by GUVNL (Holding Company) are accounted for and credited to Profit & Loss Account.
- (v) Other Income :
  - (a) Income from Sale of Scrap and Insurance claims are accounted for on the basis of actual realization. Amount in respect of delayed Payment charges (Except for cases where suit is filed in the court) is accounted on the basis of actual realization of late payment against outstanding energy bills.
  - (b) Other income except mentioned above is recognized on accrual basis except when ultimate realization of such income is uncertain.
- (vi) Amount in respect of Unclaimed Security Deposit, Earnest Money Deposit and Misc. Deposit of suppliers and contractors, Steal Cheque etc. which is pending for more than three years and which are not payable, is considered as income.

**K. Employee Benefits:**

- (i) Provident Fund - Contribution to Provident Fund is made to recognized provident fund under the relevant statutes/rules.
- (ii) Gratuity - The liability of gratuity is accounted on the basis of valuation made by LIC. The contribution payable as per actuarial valuation is charged to revenue.
- (iii) Leave Encashment – The benefit of encashment of leave is given to employees of the company on retirement. The Company accounts for Leave Encashment Liability to its employees while in service on the basis of actuarial valuation made by LIC.
- (iv) Leave Travel Concession - Expenditure on Leave Travel Concession to eligible employees is recognized on the basis of actual reimbursement.

**L. Borrowings Costs:**

- (i) Borrowing Cost specifically identified to the acquisition or construction of qualifying assets has been fully capitalized as part of such asset.
- (ii) In respect of general borrowing cost, not directly attributable to qualifying assets, general weighted average of interest cost is capitalized and apportioned on the average balance of capital work in progress for the year.
- (iii) Other borrowing cost is recognized as expense in the period in which they are incurred.



**M. Depreciation and Amortization:**

- (i) Depreciation is provided on Straight Line Method as per rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Any depreciable assets having original cost up to ₹ 5000/- have been fully charged to revenue in the year in which assets are purchased.
- (iii) Depreciation on Addition/deletion of fixed assets during the year is provided on pro-rata basis from the date when the asset is ready to put to use.

**N. Taxation:**

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

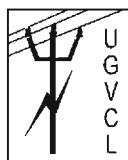
Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty except for carried forward losses and unabsorbed depreciation which is recognized on virtual certainty that the asset will be realized in future.

**O. Prior Period Items:**

All identifiable items of income and expenditure pertaining to prior period are accounted through net prior period (credits)/charges as stipulated in the Accounting Standard 5 dealing with "Prior Period Items etc..."

**D. Deferred Revenue expenditure:**

Deferred Revenue Expenditure in respect of energy efficient pump set scheme was determined to be amortize over a period of 5 years. During the last year (FY 2011-12) in view of the requirements of AS – 26 'Intangible Assets' and to have proper presentation as per the Revised Schedule VI, balance amount at the beginning of the year is written off against the General Reserve.

**NOTES TO FINANCIAL STATEMENTS****2. SHARE CAPITAL**

<b>Particulars</b>	<b>AS AT 31ST MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31ST MARCH 2012 [₹ In Lacs]</b>
<b>Authorised Share Capital</b> 60,00,00,000 Equity Shares each of ₹ 10 each	60000.00	60000.00
<b>Issued, Subscribed and Paid-up Capital</b> 23,71,48,722 Equity Shares of ₹ 10 each fully paid-up (Previous year 23,71,48,722 Equity Shares ). 100% Shares are held by the holding company Gujarat Urja Vikas Nigam Ltd. and its nominees	23714.87	23714.87
<b>TOTAL</b>	<b>23714.87</b>	<b>23714.87</b>

**1. Reconciliation of Opening and Closing Nos. of Shares and Amount:**

<b>Particulars</b>	<b>Nos.</b>	<b>Amount (₹ in lacs)</b>
Opening Balance of Issued Shares	23,71,48,722	23714.87
Add: Issued During the year	0	0
Gross Total	23,71,48,722	23714.87
Less: Buy Back during the year	0	0
Closing Balance	23,71,48,722	23714.87

**2. Details of Shares Held by the Holding Company:**

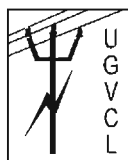
100% Shares are held by the holding company Gujarat Urja Vikas Nigam Ltd. and its nominees .

**3. Details of Shares held by each Share Holders holding more than 5% of the total Shares.**

100% Shares are held by the holding Company Gujarat Urja Vikas Nigam Limited and its nominees.

**4. Details of Shares fully paid up pursuant to contracts without payment being received in cash (For the period of Five years immediately preceding the date as at which the Balance Sheet is prepared).**

- (a) The Government of Gujarat (GoG) has notified the opening values of assets and liabilities of the Company in respect of the transferred undertaking of erstwhile Gujarat Electricity Board (GEB) as on 1<sup>st</sup> April 2005 vide Notification No. GHU-2006-91-GUV-1106-590-K dated 3<sup>rd</sup> October, 2006. The Energy & Petrochemical Department, Government of Gujarat vide Notification No. GHU-(203)-GUV-1106-590-K dated 12<sup>th</sup> December, 2008 partially modifying the earlier Notification No. GHU-2006-91-GUV-1106-590-K dated 3<sup>rd</sup> October, 2006 has bifurcated the earlier notified Equity Share Capital into Equity Share Capital of ₹1108964800/- (i.e. 110896480 fully paid Equity Shares of ₹10/- each) and Share Premium of ₹3326894430/- effective from 1<sup>st</sup> April, 2008.
- (b) During the year 2008-09, the Government of Gujarat has released the financial assistance by way of Equity Share Capital in Gujarat Urja Vikas Nigam Limited (GUVNL), the holding company, for implementation of JGY in non-tribal areas by all distribution subsidiary companies of GUVNL. In turn, the company has allotted 96202172 shares of ₹10/- each (fully paid up) aggregating to ₹962021720/- to GUVNL by way of preferential allotment through private placement.

**NOTES TO THE FINANCIAL STATEMENTS**

- (c) During the year 2009-10, the company has issued Equity Shares worth of ₹30,00,00,000/- to Gujarat Urja Vikas Nigam Limited (GUVNL) at par on rights basis towards the financial assistance received under the Financial Restructuring Plan.

**3. RESERVES & SURPLUS**

<b>Particulars</b>	<b>AS AT 31<sup>ST</sup> MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31<sup>ST</sup> MARCH 2012 [₹ In Lacs]</b>
(a) Equity Share Premium Account	33268.94	33268.94
(b) Surplus (Profit & Loss Account):		
Balance brought forward from previous year	3535.12	4386.52
Add:- Profit for the Year	1363.52	1244.92
Less:- Miscellaneous Expenditure charge to General Reserve	0.00	(2096.31)
<b>( Refer Point 'P' of Significant Accounting policies )</b>		
<b>Total (b)</b>	<b>4898.65</b>	<b>3535.12</b>
<b>TOTAL(a+b)</b>	<b>38167.59</b>	<b>36804.07</b>

**4. DEFERRED GOVERNMENT GRANTS, SUBSIDIES & CONTRIBUTIONS**

<b>Particulars</b>	<b>AS AT 31<sup>ST</sup> MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31<sup>ST</sup> MARCH 2012 [₹ In Lacs]</b>
<b>Deferred Government Grants,Subsidies &amp; Contribution.</b>		
Subsidies towards Cost of Capital Assets	21370.32	17785.94
Grants for Capital Assets	1739.52	1932.80
Consumer Contri. towards Capital Assets	46418.30	37494.04
Capital Grants under FRP	2599.65	2888.50
<b>TOTAL</b>	<b>72127.78</b>	<b>60101.28</b>

**5. SHARE APPLICATION MONEY PENDING ALLOTMENT**

<b>Particulars</b>	<b>AS AT 31<sup>ST</sup> MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31<sup>ST</sup> MARCH 2012 [₹ In Lacs]</b>
Share Application Money Pending Allotment	16850.00	0.00
<b>TOTAL</b>	<b>16850.00</b>	<b>0.00</b>

During the year 2012-13, ₹ 16850.00 lakhs has been received from GUVNL, the holding Company, as Share Application Money for capital contribution for release of Ag. Connections, the terms and conditions of issuance of shares, nos. of shares proposed to be issued, price etc. against the same will be decided by the Board. The Company will issue and allot the shares to the holding Company before the end of November, 2013. The Company has sufficient authorized share capital to cover the paid up share capital amount on allotment of shares against share application money.

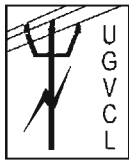


**NOTES TO THE FINANCIAL STATEMENTS**

**6. LONG TERM BORROWINGS**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]		AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]	
	Non-current	Current	Non-current	Current
<b>(a) SECURED LOANS</b>				
Loan from Banks	0.00	0.00	0.00	1445.77
Bills Discounting under DPG - UBI	0.00	220.95	220.95	783.24
Bills Discounting under DPG - SIDBI	10.08	52.78	62.86	121.40
Loans from REC	1151.96	553.82	1705.78	553.82
<b>Total (a)</b>	<b>1162.04</b>	<b>827.55</b>	<b>1989.59</b>	<b>2904.23</b>
<b>(b) UNSECURED LOANS</b>				
Loan from GSFS	22000.00	8000.00	0.00	946.06
Payment Due on Capital	0.00	0.00	0.00	9.25
<b>Public Bonds:</b>				
11.50% Series-VI option II	0.00	0.00	0.00	1258.80
11.75% Series-VI option III	360.13	270.10	630.23	270.10
7.50% Series-VI option III	665.51	499.14	1164.65	499.13
11.25% Series-VII option II	0.00	17.57	17.57	13.18
11.50% Series-VII option III	0.00	590.42	590.42	0.00
8.95% Series-VIII	5380.35	0.00	5380.35	0.00
8.00% Series-IX	855.19	0.00	855.19	0.00
8.00% Series-X	2384.20	0.00	2384.20	0.00
Loan from Power Finance Corporation	2442.70	0.00	2372.70	0.00
Loan from Rural Electrification Corporation	18.42	14.06	53.93	0.00
Loan from R E C ( RGGVY)	655.87	0.00	649.57	0.00
<b>Government Loans</b>				
Loan under APDRP	1972.20	221.02	2193.22	221.02
ADB Prog. & Proj. Loan	4160.13	380.03	4540.16	376.48
<b>Total (b)</b>	<b>40894.70</b>	<b>9992.34</b>	<b>20832.19</b>	<b>3594.02</b>
<b>TOTAL</b>	<b>42056.74</b>	<b>10819.89</b>	<b>22821.78</b>	<b>6498.25</b>

- Loans from REC is secured against the 1st hypothecation charge on the assets of Idar & Talod O&M Divisions of UGVCL and Himatnagar Circle/Division/RSO, Modasa Division & Mehsana Circle/Division/RSO & Kalol Division.
- Bills Discounting limits availed from Union Bank of India and SIDBI are secured under the Deferred payment guarantees issued by the consortium member Banks.



**NOTES TO THE FINANCIAL STATEMENTS**

**SECURED LOAN**

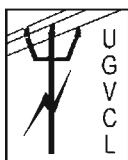
₹ in lacs

	Rate of Interest (%)	Maturity Profile		
		2013-14	2014-15	Total
<b>UBI</b>	9.50	121.13	0.00	121.13
	10.75	99.82	0.00	99.82
	<b>Total</b>	<b>220.95</b>	<b>0.00</b>	<b>220.95</b>
	Rate of Interest (%)	Maturity Profile		
		2013-14	2014-15	Total
<b>SIDBI</b>	9.75	42.71	0.00	42.71
	8.50	10.07	10.08	20.15
	<b>Total</b>	<b>52.78</b>	<b>10.08</b>	<b>62.86</b>

**Maturity Profile and Rate of Interest of Loans from REC**

₹ in lacs

Rate of Interest (%)	2013-14	2014-15	2015-16	2016-17	2017-18	Total
8.50	275.69	275.69	275.69	10.83	10.83	848.73
9.25	34.16	34.16	34.16	7.44	7.44	117.36
10.00	153.81	153.81	153.81	0.00	0.00	461.43
10.50	88.75	88.75	88.75	3.89	3.89	274.03
11.00	1.41	1.41	1.41	0.00	0.00	4.23
<b>Total</b>	<b>553.82</b>	<b>553.82</b>	<b>553.82</b>	<b>22.16</b>	<b>22.16</b>	<b>1705.78</b>

**NOTES TO THE FINANCIAL STATEMENTS****UNSECURED LOANS****Maturity Profile and Rate of Interest of Bonds**

₹ in lacs

Rate of Interest	Maturity Profile				
	2013-14	2014-15	2015-16	2016-17	Total
11.75% Series-VI Option- II	270.10	360.13	0.00	0.00	<b>630.23</b>
7.50% Series-VI Option- III	499.14	665.51	0.00	0.00	<b>1164.65</b>
11.25% Series-VII option-II	17.57	0.00	0.00	0.00	<b>17.57</b>
11.50% Series-VII option-III	590.42	0.00	0.00	0.00	<b>590.42</b>
8.95% Series-VIII	0.00	1614.10	1614.10	2152.15	<b>5380.35</b>
8% Series-IX	0.00	256.56	256.56	342.07	<b>855.19</b>
8% Series-X	0.00	715.26	715.26	953.68	<b>2384.20</b>
<b>Total</b>	<b>1377.23</b>	<b>3611.56</b>	<b>2585.92</b>	<b>3447.90</b>	<b>11022.61</b>

**Maturity Profile and Rate of Interest of Loan from GSFS**

₹ in lacs

Year	Avg. Rate of Interest	2013-14	2014-15	2015-16	Total
<b>Amount</b>	9.00%	8000.00	12000.00	10000.00	<b>30000.00</b>

**Maturity Profile and Rate of Interest of Loan from REC**

₹ in lacs

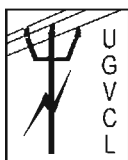
Year	Avg. Rate of Interest	2013-14	2014-15	2015-16	Total
<b>Amount</b>	9.25%	14.06	11.8	6.62	<b>32.48</b>

**Maturity Profile and Rate of Interest of Government Loans**

₹ in lacs

Particulars	Rate of Interest	2013-14	2014-15	2015-16	2016-17	Due After FY 2016-17	Total
Loan from ADB	10.69%	380.03	380.03	380.03	380.03	3020.04	<b>4540.16</b>
Loan for APDRP	12.18%	221.02	221.02	221.02	221.02	1309.14	<b>2193.22</b>
<b>Total</b>		<b>601.05</b>	<b>601.05</b>	<b>601.05</b>	<b>601.05</b>	<b>4329.18</b>	<b>6733.38</b>

- a. Loan Received from Rural Electrification Corporation(RGGVY) and Power Finance Corporation is still in moratorium period and no installment due in the F.Y. 2013-14.
- b. The loans which were raised by Erstwhile GEB from Banks, PFC, REC, Financial Institutions, through Bonds and other Lenders against the Security of the assets relating to generation, transmission and distribution activities and were used for common purposes are continued in the books of GEB/ (now GUVNL) on behalf of all transferee companies and the same have been apportioned under FRP Notification dated 3rd October 2006, amongst all transferee companies and the same loans have been accounted by the Company as per information submitted by the holding company i.e. GUVNL. The repayments and interest thereon are reimbursed by the Company to GUVNL. In light of above note, the said Loans are classified and grouped either as secured loans or Unsecured Loans.

**NOTES TO THE FINANCIAL STATEMENTS**

- c. **Assets charged for the security by GUVNL:** As per the legal opinion of the counsel, the transferee company (UGVCL), which has acquired the property on which the charge is already created by erstwhile GEB is required to register charges under the provisions of the Companies Act, 1956. 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 transferee Company has not yet been identified. UGVCL, therefore, could not register the charge on these properties with the Registrar of Companies, Gujarat.

**7. OTHER LONG TERM LIABILITIES**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Securities Deposit from Consumers	75558.13	67892.74
Staff Related Liabilities (SVDRB)	1815.45	1770.88
<b>TOTAL</b>	<b>77373.58</b>	<b>69663.62</b>

**8. LONG TERM PROVISIONS**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Provision for Leave encashment	9373.81	8938.30
Provision for Losses pending investigation	290.00	276.95
<b>TOTAL</b>	<b>9663.81</b>	<b>9215.25</b>

**9. SHORT TERM BORROWINGS**

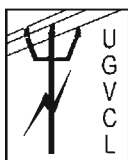
Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
<b>Secured</b>		
Cash Credit from Banks	720.97	549.94
<b>TOTAL</b>	<b>720.97</b>	<b>549.94</b>

Cash credit limit is secured against the 1st hypothecation charge in favour of State Bank of India Consortium on the Stocks and Book Debts of UGVCL ranking pari-passu interse.

**10. TRADE PAYABLES**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Trade Payable for Purchases of Power other than GUVNL	512.00	5603.01
Trade Payable for Purchases of Power:- Gujarat Urja Vikas Nigam Limited	20249.37	33019.43
<b>TOTAL</b>	<b>20761.37</b>	<b>38622.44</b>



**NOTES TO THE FINANCIAL STATEMENTS****11. OTHER CURRENT LIABILITIES**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Current Maturities of Long Term Borrowings (Ref. note no. 6)	10819.89	6498.25
<b>CURRENT LIABILITIES</b>		
Liability for O & M Supplies / Works.	3113.39	1336.12
Staff related Liabilities.	54.61	35.73
Staff Welfare Fund	71.46	77.24
Deposits & Retentions from Suppliers & Contractors.	3368.97	3055.20
Electricity Duty & Insp. Testing Fees Payable to Govt.	108.28	586.22
Compounding offence	8.99	13.99
Outstanding liability for expenses	5917.70	5538.58
Interest Accured but not due	1954.82	1668.17
Other Liabilities	30239.87	36475.26
Interest payable on Security Deposit from Consumers	5590.91	3319.50
Deposits for Electrification & Service Conn. etc.	8979.00	7327.18
Liabilities for Leave ecashment (Payment due within one year)	1274.93	745.48
Liabilities for SVRDB (Payment due within one year)	123.27	127.72
<b>TOTAL</b>	<b>71626.09</b>	<b>66804.64</b>

**12. SHORT TERM PROVISIONS**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Provision for Income Tax	1540.01	0.00
Less: Advance Income Tax / Tax deducted at source	1022.32	0.00
<b>Sub-Total</b>	<b>517.70</b>	<b>0.00</b>
Provision for Wealth Tax	1.26	0.96
Less: Advance Wealth Tax	0.00	0.00
<b>Sub-Total</b>	<b>1.26</b>	<b>0.96</b>
<b>TOTAL</b>	<b>518.96</b>	<b>0.96</b>

### 13. FIXED ASSETS

### NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

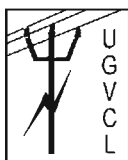
Particulars	Gross Block			Depreciation			Net Block		
	AS at 01/04/2012	Addition during the year	Deduction/ Adjustment	AS at 31/03/2013	AS at 01/04/2012	During the year	Deduction/ Adjustment	AS at 31/03/2013	AS at 31/03/2012
Land & Land rights	1128.24	60.25	0.00	1188.49	0.00	0.00	0.00	1188.49	1128.24
Buildings	2751.04	528.25	47.63	3231.66	211.47	48.03	0.55	2972.71	2539.57
Hydraulic works	61.02	0.43	2.22	59.23	31.60	2.71	0.31	25.23	29.42
Other Civil works	446.39	142.64	6.17	582.86	31.69	8.38	0.16	542.95	414.70
Plant & Machinery	76470.38	19702.52	2102.78	94070.12	23935.92	3838.73	432.61	66728.08	52534.47
Lines & Cable Net Works	215016.19	35803.90	1497.61	249322.48	64167.64	10736.84	299.47	174717.47	150848.56
Vehicles	329.39	52.11	13.23	368.27	203.39	21.49	12.78	156.17	126.01
Furniture & Fixtures & Electrical Lightings	532.46	63.00	4.11	591.35	204.72	30.34	0.72	357.01	327.74
Office Equipments	1940.95	993.20	124.86	2809.29	1224.44	285.65	(2.30)	1296.90	716.50
<b>Total</b>	<b>298676.06</b>	<b>57346.30</b>	<b>3798.61</b>	<b>352223.75</b>	<b>90010.87</b>	<b>14972.17</b>	<b>744.30</b>	<b>247985.01</b>	<b>208665.21</b>
<b>Capital Work-in progress</b>									
Capital Work-in progress	2249.42	70407.01	69399.20	3257.23	0.00	0.00	0.00	3257.23	2249.42
Provision for WIP	514.45	780.87	841.64	453.68	0.00	0.00	0.00	453.68	514.45
<b>Total</b>	<b>2763.87</b>	<b>71187.88</b>	<b>70240.84</b>	<b>3710.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3710.91</b>	<b>2763.87</b>

a. Legal ownership (titles) of immovable assets:

The immovable properties in respect of which the account balances have been transferred are held in the name of the erstwhile GEB. The procedure for the registration and / or transfer in the name of the company is in progress.

b. As per Para 14 of Accounting Standard – 10 “Accounting for Fixed Assets” an item of fixed asset that has been retired from its active use and is held for disposal is to be stated at the lower of Net Book Value or Net Realizable Value (NRV). However, the company has determined the NRV for assets retired from active use and the NRV of the same is higher than the Net Book Value. As a result of this, Company has not recognized expected loss, if any, in the Profit and Loss Account.

c. As per assessment made by the management at the Balance Sheet date, there is not any indication that an asset is impaired.

**NOTES TO THE FINANCIAL STATEMENTS****14. LONG TERM LOANS AND ADVANCES**

<b>Particulars</b>	<b>AS AT 31<sup>ST</sup> MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31<sup>ST</sup> MARCH 2012 [₹ In Lacs]</b>
Advances to Suppliers / Contractors (Capital).	249.74	294.18
Loans & Advances to staff -Interest Bearing.	729.39	597.68
<b>TOTAL</b>	<b>979.14</b>	<b>891.85</b>

**15. OTHER NON-CURRENT ASSETS**

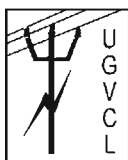
<b>Particulars</b>	<b>AS AT 31<sup>ST</sup> MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31<sup>ST</sup> MARCH 2012 [₹ In Lacs]</b>
Interest Accrued & Due on Staff Loans & Advances	66.20	54.75
Dues from Permanent Disconnected Consumers (Net of SD forefeited).	6410.03	7263.21
Provision for Doubtful Dues from Consumers.	(6410.03)	(7263.21)
<b>TOTAL</b>	<b>66.20</b>	<b>54.75</b>

**16. INVENTORIES**

<b>Particulars</b>	<b>AS AT 31<sup>ST</sup> MARCH 2013 [₹ In Lacs]</b>	<b>AS AT 31<sup>ST</sup> MARCH 2012 [₹ In Lacs]</b>
Stock of materials at Stores.	11960.24	9398.84
Materials at Site (O&M).	1637.93	1697.57
Materials in Transit.	317.77	88.97
Other Materials Accounts.	12353.99	10663.94
Mat.Stock Excess / Shortage Pending Investigation	290.00	276.95
<b>TOTAL</b>	<b>26559.94</b>	<b>22126.27</b>

Inventories have been valued as under:

- (i) Consumable Stores and Spares, Construction Stores, Mandatory Spares of consumable nature – on Weighted Average Method.
- (ii) Scrap – on Book value or Net Realizable Value (NRV) whichever is lower.



**NOTES TO THE FINANCIAL STATEMENTS**

**17. TRADE RECEIVABLES**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Trade Receivables for Sale of Power (Including Provision for Unbilled Revenue)	80783.53	76727.22
Trade Receivable for Misc.Receipts from Cons.	1266.09	1511.75
<b>Sub-Total</b>	<b>82049.62</b>	<b>78238.96</b>
Less : Unposted Receipts.	0.74	0.09
<b>Sub-Total</b>	<b>82048.88</b>	<b>78238.87</b>
Less: Provision for Doubtful Dues from Consumers.	1693.67	0.00
<b>Sub-Total</b>	<b>80355.21</b>	<b>78238.87</b>
Less : Deferred ED & TSE from Consumers.	1349.95	1796.99
<b>TOTAL</b>	<b>79005.26</b>	<b>76441.88</b>
Out of the above -		
- Outstanding for a period exceeding six months.	14958.80	9031.05
- Others	67090.82	69207.91
<b>TOTAL</b>	<b>82049.62</b>	<b>78238.96</b>

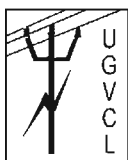
NOTE:- Debtors are secured and considered good to the extent of security deposit received from the respective consumers.

**18. CASH AND CASH EQUIVALENTS**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Cash on hand (Including Cheques to be deposited in collection bank account)	1930.31	2711.65
Balance with scheduled Banks in current accounts	9673.59	7961.71
Remittance in Transit.	273.38	53.46
Fixed deposits with Banks	926.45	2460.51
<b>TOTAL</b>	<b>12803.73</b>	<b>13187.33</b>

**19. SHORT TERM LOANS AND ADVANCES**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Advances for O&M Supplies / Works.	151.91	118.24
Loans & Advances to staff -Interest free.	131.27	138.53
Loans & Advances - Others.	6.60	1.00
<b>sub-total</b>	<b>289.78</b>	<b>257.76</b>
Advance Income Tax / Tax deducted at source.	0.00	3177.40
Less:- Provision for Minimum Alternate Tax (MAT)	0.00	932.76
<b>TOTAL</b>	<b>289.78</b>	<b>2502.40</b>



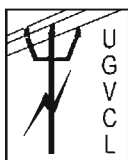
**NOTES TO THE FINANCIAL STATEMENTS**

**20. OTHER CURRENT ASSETS**

Particulars	AS AT 31 <sup>ST</sup> MARCH 2013 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2012 [₹ In Lacs]
Income accrued but not due on Staff Loans & Advances	1139.28	735.31
Amt. recoverable from employees/ ex-employees.	5.14	4.64
Interest Accrued & Due on Staff Loans & Advances	123.10	103.99
Other Misc. Receivable from Govt Dept., Local Bodies	475.27	497.63
Postage Stamps & Agreement Stamps on hand	13.66	8.90
Current Maturities of Loans and Advances to Staff (Interest Bearing)	259.99	201.36
<b>Other receivables from Associates</b>		
- Gujarat Energy Training & Research Institute	55.05	97.85
<b>Sub-total (1)</b>	<b>2071.49</b>	<b>1649.68</b>
<b>ASSETS NOT IN USE</b>		
Plant & Machinery	25.14	12.24
Lines & Cable Net Works	83.94	2.13
Vehicles	0.89	0.84
Furniture & Fixtures	0.01	0.01
Office Equipments	0.33	0.38
<b>Sub-total (2)</b>	<b>110.31</b>	<b>15.59</b>
<b>MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>		
Deferred Revenue Expenditure as per last balance sheet	0.00	2096.31
Addition during the year	0.00	469.22
	<b>0.00</b>	<b>2565.53</b>
Less: Adjusted during the year	0.00	2565.53
<b>Sub-total (3)</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>2181.80</b>	<b>1665.28</b>

**Deferred Revenue Expenditure:-Energy Efficient Pump Set Scheme:**

Govt. of Gujarat vide notification no. ECN-1208/115/Ka-1 dated 16<sup>th</sup> July, 2008 and further notification no. ECN-1208/115 (1)/Ka-1 dated 20<sup>th</sup> Nov., 2008 introduced Energy Efficient Pump set Scheme for replacement of existing old pump sets with new pumps for Agricultural Consumers. As per the scheme, the 1/3<sup>rd</sup> cost of the pumps set is boned by the concerned Ag. Consumers, 1/3<sup>rd</sup> by State Govt. and 1/3<sup>rd</sup> by respective DISCOMs. The 1/3<sup>rd</sup> cost of the pumps set borne by the Company is treated as deferred revenue expenditure and amortized over a period of 5 Years. In view of the requirements of AS – 26 'Intangible assets' and to have a proper presentation as per Revised Schedule VI, balance outstanding at the beginning of the F.Y. 2011-12 ₹ 2096.31 Lacs is written off against General Reserve and of ₹ 446.58 Lacs is debited to Profit & Loss Account of F.Y. 2011-12 being the charges for the F.Y. 2011-12.

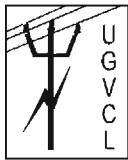


**21. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the Year ended March 31, 2013 [₹ In Lacs]</b>	<b>For the Year ended March 31, 2012 [₹ In Lacs]</b>
<b>(a) Revenue from Sale of Power</b>		
Domestic or Residential	65476.27	53930.61
Commercial	1682.61	12577.11
Industrial low & medium voltage	84283.69	63359.99
Industrial high voltage	224561.80	204105.34
Public lighting	2181.68	1833.89
Traction railways	1097.27	1001.06
Irrigation agricultural	178748.40	152643.61
Public water works and sew.pumps	23728.53	18615.17
Sale of Power to GUVNL	81346.70	59615.22
UI Charges receivable	14522.02	5476.17
<b>Sub-Total</b>	<b>677628.99</b>	<b>573158.16</b>
<b>Electricity Duty &amp; Tax on Sale of Electricity</b>		
Ele. Duty - assessed	49591.46	42494.07
<b>Sub-Total</b>	<b>727220.44</b>	<b>615652.23</b>
Less:Ele. Duty assessed (contra)	49591.46	42494.07
<b>Total (a)</b>	<b>677628.99</b>	<b>573158.16</b>
<b>(b) Other Operating Income</b>		
Meter Rent / Service Line Rental	4066.88	3849.97
Recoveries for Theft of Power / Malpractices Non-Consumers	624.25	783.84
Wheeling charges Recoveries	124.81	9.13
Misc. charges from consumers	6759.03	2990.31
Delayed Payment Charges from Consumers	2510.70	2422.19
Income from sale of scrap	67.53	212.04
<b>Total (b)</b>	<b>14153.21</b>	<b>10267.46</b>
<b>(C) Revenue Subsidies</b>		
Agricultural Subsidy	55426.21	57394.64
<b>TOTAL (a+b+c)</b>	<b>747208.41</b>	<b>640820.26</b>

**22. OTHER INCOME**

<b>Particulars</b>	<b>For the Year ended March 31, 2013 [₹ In Lacs]</b>	<b>For the Year ended March 31, 2012 [₹ In Lacs]</b>
Interest on Staff Loans and Advances	107.35	86.33
Interest Income from Others Loans/Advance	184.43	279.92
Provision no longer Required	356.08	332.64
Miscellaneous Receipts	2518.99	1077.13
Govt. Grants/Consumers contribution ( Deferred amount 10% W.Back)	7968.20	6578.05
Grants for Energy Conservation	949.68	0.00
<b>TOTAL</b>	<b>12084.74</b>	<b>8354.07</b>

**NOTES TO THE FINANCIAL STATEMENTS****23. PURCHASES OF POWER**

<b>Particulars</b>	<b>For the Year ended March 31, 2013 [₹ In Lacs]</b>	<b>For the Year ended March 31, 2012 [₹ In Lacs]</b>
Power Purchases from GUVNL	686073.07	574566.52
Power Purchases from wind Farms/ CPP	1431.96	2966.82
Power Purchases from Solar	2133.75	598.95
UI Charges Payable	4715.66	11145.98
<b>TOTAL</b>	<b>694354.44</b>	<b>589278.28</b>

Power Purchases from GUVNL is accounted as billed by GUVNL considering the mechanism/formula approved by Gujarat Energy Regulatory Commission (GERC)

**24. EMPLOYEES' BENEFIT EXPENSES**

<b>Particulars</b>	<b>For the Year ended March 31, 2013 [₹ In Lacs]</b>	<b>For the Year ended March 31, 2012 [₹ In Lacs]</b>
Salaries & Allowances	23675.81	21945.11
Bonus	34.69	29.84
Other Staff Related Expenses	1032.80	774.58
Staff Welfare Expenses.	478.75	171.79
Terminal Benefits	6369.01	5882.15
<b>TOTAL</b>	<b>31591.05</b>	<b>28803.47</b>

**Provision for employees' remuneration and benefits:****(i) Salaries and wages:**

Employees of erstwhile GEB were transferred under the Scheme with complete benefit of continuation of service without break and on same terms and conditions as were prevailing on the effective date of transfer. The employee costs in respect of the transferred employees have been accordingly accounted.

**(ii) Employee Benefits:****a) Defined contribution to Provident Fund, Employee Pension Scheme and Employees Death Linked Insurance**

The company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees Death Linked Insurance. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company has, during the year, recognized the sum of ₹ 2404.00 Lacs (P.Y ₹ 2193.80) as expense towards contribution to these plans.

**b) Defined contribution towards gratuity & leave encashment.**

The liability on account of Gratuity & leave encashment (retirement benefit in the nature of defined benefit plan) is accounted as per Accounting Standard – 15 issued by the ICAI dealing with Employee Benefits.

The following tables summarize the component of net benefit expenses recognized in the profit and loss accounts and liability recognized in balance sheet etc.



**NOTES TO THE FINANCIAL STATEMENTS**

**GRATUITY**

(₹ in Lacs)

<b>The amounts recognized in the Balance Sheet of GUVNL</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Present Value of funded Obligations	9537.37	8263.07
Fair value of plan assets	9537.37	8263.07
Present value of unfunded obligations	7594.65	7756.14
Unrecognized past service cost	Nil	Nil
Net liability	7594.65	7756.14
Amount in the balance sheet : Liabilities	17132.02	16019.22
Assets	9537.37	8263.07
Net liabilities	7594.65	7756.14

(₹ in Lacs)

<b>Expenses recognized in Income Statement</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Current service cost	603.01	593.20
Interest on obligation	1281.54	1217.52
Expected return on plan assets	(810.01)	(691.65)
Net actuarial losses / (gains) recognized in the year	1050.58	1008.04
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognized in the statement of Profit & Loss	2125.05	2127.11

(₹ in Lacs)

<b>Change in Benefit Obligations</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Opening defined benefit obligation	16019.22	15218.94
Service cost for the year	603.01	593.20
Past Service Cost	Nil	Nil
Interest on obligation	1281.54	1217.52
Actuarial losses / (gains)	1758.54	950.86
Benefits paid	(1758.54)	(1961.30)
Closing defined benefit obligation	17132.02	16019.22

(₹ in Lacs)

<b>Fair Value of Plan Assets</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Opening fair value of plan Assets	8263.07	6932.55
Expected return on plan Assets	810.08	691.65
Actuarial gains / (losses)	(63.79)	(57.18)
Contributions by employer	2286.54	2657.65
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(1758.54)	(1961.30)
Closing fair value of plan assets	9537.37	8263.07





**NOTES TO THE FINANCIAL STATEMENTS**

<b>Category of Plan Assets</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Government of India Securities	-	-
High quality Corporate bonds	-	-
Equity shares of listed Companies	-	-
Funds managed by Insurer	100%	100%
Bank Balance	-	-

<b>Principal Actuarial Valuation Assumptions</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Discount rate	8.00%	8.00%
Expected return on plan assets	9.50%	9.50%
Annual increase in Salary costs	10.00%	5.00%

(₹ in Lacs)

<b>Surplus/(Deficit)</b>	<b>Gratuity Plan 2012-13</b>	<b>Gratuity Plan 2011-12</b>
Defined Benefit Obligation	17132.02	16019.22
Plan assets	9537.37	8263.07
Surplus / (deficit)	(7594.65)	(7756.14)

'The estimate of future salary increases; considered in actuarial valuation, take in to account the effect of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

**LEAVE ENCASHMENT**

(₹ in Lacs)

<b>Amounts to be recognized in Balance Sheet</b>	<b>Leave Encashment 2012-13</b>	<b>Leave Encashment 2011-12</b>
Present value of funded obligations	Nil	Nil
Fair value of plan assets	Nil	Nil
Present value of unfunded obligations	10648.74	9683.78
Unrecognized past service cost	Nil	Nil
Net Liability in the balance sheet	10648.74	9683.78
Amount in the balance sheet : Liabilities	10648.74	9683.78
Assets	-	-
Net liabilities	10648.74	9683.78

(₹ in Lacs)

<b>Expenses recognized in Income Statement</b>	<b>Leave Encashment 2012-13</b>	<b>Leave Encashment 2011-12</b>
Current service cost	722.11	152.94
Interest on obligation	774.7	725.42
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in the year	598.24	727.40
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognized in Profit & Loss	2095.05	1605.76



**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

<b>Change in Benefit Obligations</b>	<b>Leave Encashment 2012-13</b>	<b>Leave Encashment 2011-12</b>
Opening defined benefit obligation	9683.78	9067.79
Service cost for the year	722.11	152.94
Interest cost for the year	774.7	725.42
Actuarial losses (gains)	598.24	727.40
Losses (gains) on curtailments	-	-
Benefits paid	(1130.09)	(989.77)
Closing defined benefit obligation	10648.74	9683.78

(₹ in Lacs)

<b>Fair Value of Plan Assets</b>	<b>Leave Encashment 2012-13</b>	<b>Leave Encashment 2011-12</b>
Opening fair value of plan Assets	-	-
Expected return	-	-
Actuarial gains / (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing balance of fund	-	-

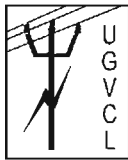
(₹ in Lacs)

<b>Category of Plan Assets</b>	<b>Leave Encashment 2012-13</b>	<b>Leave Encashment 2011-12</b>
Government of India Securities	-	-
High quality Corporate bonds	-	-
Equity shares of listed Companies	-	-
Property	-	-
Funds managed by Insurer	-	-
Bank Balance	-	-

(₹ in Lacs)

<b>Principal actuarial Valuation Assumptions</b>	<b>Leave Encashment 2012-13</b>	<b>Leave Encashment 2011-12</b>
Discount rate as at 31st March 2013	8.00%	8.00%
Expected return on plan assets at 31st March 2013	-	-
Annual increase in Salary Cost	10.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take in to account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.



**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

Surplus/(Deficit)	Leave Encashment 2012-13	Leave Encashment 2011-12
Defined Benefit Obligation	10648.74	9683.78
Plan assets	-	-
Surplus / (deficit)	(10648.74)	(9683.78)

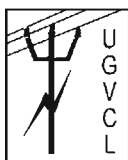
**25. FINANCE COST**

Particulars	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
<b>(a) Interest Charges</b>		
Interest on State Government Loans	733.66	648.61
Interest on Bonds	1106.20	1375.84
Interest on other loans/Deffered Credit	79.15	168.20
Interest on REC Loans	278.29	386.99
Interest to Consumers on advance Payment	85.37	79.20
Interest on FP by Consumers	0.55	1.44
Interest on Loans from PFC	216.99	213.54
Interest to Consumers on Security Deposit	5988.53	3575.52
Interest on Borrowing for Working Capital.	5835.91	1901.73
Interest Charges(Bill Collection Agencies)	16.05	15.62
Interest on Income Tax (MAT)	63.44	3.91
Other Interest	138.53	132.35
<b>Total (a)</b>	<b>14542.67</b>	<b>8502.94</b>
<b>(B) Other Borrowing Costs</b>		
Other Charges	455.92	419.79
Guarantee Fees	131.18	157.54
<b>Total (b)</b>	<b>587.10</b>	<b>577.34</b>
<b>TOTAL</b>	<b>15129.77</b>	<b>9080.27</b>

'Note: During the year the interest expenses on all borrowings, taken by GUVNL on behalf of its subsidiary companies which are not directly allocable for any specific projects of the company are charged to profit & loss account.

**26. DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
Buildings	48.03	44.10
Hydraulic Works	2.71	2.86
Other Civil Works	8.38	6.48
Plant & Machineries	3838.73	3462.74
Lines & Cable Net Works	10736.84	9539.10
Vehicles	21.49	23.40
Furniture & Fixtures	30.34	29.24
Office Equipments	285.65	240.25
<b>TOTAL</b>	<b>14972.17</b>	<b>13348.18</b>

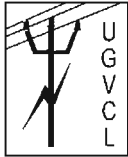


**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

**27. OTHER EXPENSES**

Particulars	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
<b>(a) Repairs and Maintenances Expenses</b>		
Plant and Machinery	1623.64	1359.40
Buildings and Civil Works	105.00	103.70
Lines, Cable Network etc.	4099.47	2851.20
Vehicles	19.01	23.28
Furniture, Fixtures and Office Equipments	602.71	423.30
<b>Sub-total (a)</b>	<b>6449.83</b>	<b>4760.88</b>
<b>(b) Administrative and General Expenses</b>		
Rent (including Lease rentals), Rates and Taxes	145.04	106.15
Insurance Expenses	26.27	19.44
Other Property Related Expenses	105.13	91.43
Communication Expenses	195.01	184.44
Professional Charges	372.90	201.76
Audit Fees	3.30	3.30
Conveyance & Travelling Expenses	2134.83	1749.37
Expenses on Computer Billing & EDP Charges	130.62	208.86
Electricity Charges	181.00	149.37
Security Expenses	233.25	217.40
Other Expenses	1155.68	1028.55
Materials Related Expenses	493.61	299.78
Rev.Stamps on Receipts issued	5.64	5.77
Expenditure on Training to Staff	92.13	86.63
<b>Sub-total (b)</b>	<b>5274.41</b>	<b>4352.25</b>
<b>(c) Bad Debts and other Debits</b>		
Expenses for Energy Conservation	62.88	446.58
Bad & Doubtful Debts Written off / Provided for.	2606.52	520.02
Miscellaneous Losses & Write-off.	611.42	62.10
<b>Sub-Total (c)</b>	<b>3280.82</b>	<b>1028.70</b>
<b>(d) Prior Period (Credit)/Charges</b>		
<b><u>Prior period expenses / losses</u></b>		
Power Purchases cost	0.00	3300.71
Employee costs	31.27	7.69
Depreciation under provided	9.49	0.31
Interest & Other Finance Charges	245.73	198.77
Other charges	292.70	164.87
<b>Sub Total</b>	<b>579.19</b>	<b>3672.35</b>
<b><u>Prior period income/Gains</u></b>		
Interest Income	0.02	0.00
Depreciation	3.60	0.02
Interest & Other Finance Charges	305.90	139.87
Other Excess Provision	445.98	91.19
Other Income	2024.62	343.44
<b>Sub Total</b>	<b>2780.11</b>	<b>574.52</b>
<b>Net Prior period (Credits) /Charges (d)</b>	<b>(2200.92)</b>	<b>3097.83</b>



**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

<b>(e) EXPENSES CAPITALISED</b>		
Employee Costs Capitalised.	(9454.94)	(4800.89)
Administrative & General Expenses Capitalised.	(1620.67)	(711.44)
Interest Costs capitalised.	(397.68)	(550.79)
<b>Sub-Total (e)</b>	<b>(11473.30)</b>	<b>(6063.12)</b>
<b>TOTAL (a+b+c+d+e)</b>	<b>1330.85</b>	<b>7176.53</b>

Note: During the year interest expenses on loans taken for –RAPDRP Part A & B and RGGVY amounting to ₹ 397.68 Lacs (P.Y. ₹ 550.79 Lacs) has been capitalized as per AS-16 “Borrowing Cost” issued by ICAI & accordingly charged to WIP.

**28. EXCEPTIONAL ITEMS**

Particulars	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
Loss on Sale of Fixed Assets	9.36	0.00
Gain on sale of Fixed Assets	(123.40)	(65.39)
<b>TOTAL</b>	<b>(114.04)</b>	<b>(65.39)</b>

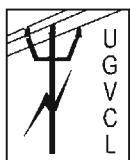
**29. EXTRAORDINARY ITEMS**

Particulars	For the Year ended March 31, 2013 [₹ In Lacs]	For the Year ended March 31, 2012 [₹ In Lacs]
<b>Extraordinary Debits</b>		
R & M for restoration of damages due to flood, Cyclone	20.76	7.63
Losses on account of Flood, Cyclone, Fire etc.	36.12	30.29
<b>TOTAL</b>	<b>56.87</b>	<b>37.92</b>

**30. PROVISION FOR TAXES**

Particulars	Year ended March 31, 2013 [₹ In Lacs]	Year ended March 31, 2012 [₹ In Lacs]
Income Tax (MAT)	607.25	269.20
Wealth Tax	1.26	0.96
<b>TOTAL</b>	<b>608.51</b>	<b>270.16</b>

31. The balances of Sundry Debtors, loans & advances and Sundry Creditors for materials are subject to confirmation and reconciliation if any.
32. **Related Party Transaction :**  
As per Para 9 of AS 18 on “Related Party Disclosure” no disclosure is required in the financial statement as regard related party relationship.
33. **Contingent Liabilities:**
- (i) Claims against the Company not acknowledged as debt is ₹ 7442.11 Lacs (P.Y. ₹ 523.40 Lacs).
  - (ii) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.00 Lacs. (P.Y. ₹ 0.00 Lacs).



**NOTES TO THE FINANCIAL STATEMENTS**

- 34.** As per the details available with the company, Disclosure required by Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, is as under :
- (i) Principal Amount remaining unpaid to any suppliers as at the year end : **NIL** Interest due thereon : **NIL**
  - (ii) Amount of interest paid by the company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the accounting year : **NIL**
  - (iii) Amount of Interest due and payable for the period of delay in making payment ( which have been paid beyond the appointed day during the year ) but without adding the interest specified under the MSMED Act, 2006 : **NIL**
  - (iv) Amount of interest Accrued and remaining Unpaid at the end of the accounting year : **NIL**
- 35.** Value of imports calculated on C.I.F. basis is ₹ **NIL**.
- 36.** Expenditure in Foreign currency ₹ **NIL**, earning in foreign currency ₹ 43.45 lacs (USD 77496) & remittance in foreign currency is ₹ **NIL**.

**37. Auditors' Remuneration:**

**(A) Statutory Auditors:**

(₹ in Lacs)

Particulars	Year 2012-2013	Year 2011-2012
Audit Fee	3.30	3.30
Certifications fees	-	-
Other Services	-	-
Others	-	-
<b>Total (Excluding Service Tax)</b>	<b>3.30</b>	<b>3.30</b>

**(B) Cost Auditors:**

(₹ in Lacs)

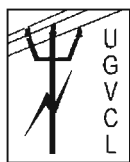
Particulars	Year 2012-2013	Year 2011-2012
Audit Fee	0.48	0.48
Other Services	-	-
<b>Total (Excluding Service Tax)</b>	<b>0.48</b>	<b>0.48</b>

**38. EPS: Earning Per Share is calculated as under:**

Particulars	Year 2012-2013	Year 2011-2012
Net Profit after tax (₹ in Lacs)	1363.52	1244.90
Weighted average No. of Equity Shares	237148722	237148722
Face value per share (₹)	10	10
EPS(₹)-(Basic)	0.57	0.52
EPS(₹)-( diluted)	0.57	0.52

**39. Deferred Tax Asset/Liability:**

During the year, the Company has accounted for Deferred Tax Assets in accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The Company has huge amount of carried forward losses and unabsorbed Depreciation under the Income Tax Act and accordingly there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**NOTES TO THE FINANCIAL STATEMENTS****40. MAT Credit Entitlement:**

During the year, the company is liable to pay Minimum Alternate Tax as per Income Tax Provisions for which the company is entitled to claim credit against future income tax liability. However, in view of substantial amount of losses and unabsorbed depreciation under the Income Tax Act, possibility for utilizing MAT credit by the company seems to be remote and resultantly MAT Credit entitlement is not recognized in books of accounts of the company.

41. "GoG had introduced one time waiver scheme-Amnesty for the waiver of outstanding dues of the consumers vide notification no. GUV-10-2010-3596-K-1 dtd 29th March,2012. The applicable period for the implementation of the scheme was 1.4.2012 to 31.12.12. Accordingly, the impact of waiver towards the Amnesty scheme has been suitably considered."
42. The previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification/ disclosures.

**SIGNATURES TO THE NOTES ON THE FINANCIAL STATEMENTS 1 to 42****AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR S.C. AJMERA & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 002908C**

**ARUN SARUPRIA  
PARTNER  
M. NO. 078398**

**PLACE: AHMEDABAD  
DATE: 13-09-2013**

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS**

**UTTAR GUJARAT VIJ COMPANY LIMITED**

**V. N. MAIRA, IAS (Retd.)  
CHAIRMAN**

**N. SRIVASTAVA, IFS  
MANAGING DIRECTOR**

**R.B.KOTHARI, ACMA  
GENERAL MANAGER (F&A)**

**N. M. JOSHI, FCS  
COMPANY SECRETARY**

**PLACE: AHMEDABAD  
DATE: 13.09.2013**



**UGVCL**





**Gujarat Urja Vikas Nigam Limited**

રૂઢાણ Vision	લક્ષ્ય Mission	મૂળભૂત મૂલ્યો Core values
<ul style="list-style-type: none"><li>અમે વિશ્વસ્તરે સર્વોત્તમ અને કાર્યક્ષમ વીજ કંપ્નિક્કન કરીશું To become one of the most efficient power generating companies globally</li><li>અમે કાર્યક્ષમ વીજ પ્રવહન વ્યવસ્થા ળનાવી તેનું કુશળ સુચારૂ સંચાલન કરીશું To build,operate and maintain an efficient power Transmission system</li><li>સર્વોત્તમ સેવા થકી ગ્રાહકને સંતોષ Customer satisfaction through service excellence</li></ul>	<ul style="list-style-type: none"><li>વિશ્વસ્તરે શ્રેષ્ઠ પ્રક્રિયા થકી વીજ કંપ્નિક્કન કરવું, શ્રેષ્ઠ પ્રક્રિયા તેવી કે :<ul style="list-style-type: none"><li>અવસાધિક શ્રેષ્ઠતા</li><li>પારદર્શિતા</li><li>મુદ્યવર્ધન</li><li>કૃત્યસ્તરીય કંપ્નિક્કનતા</li><li>રાષ્ટ્ર નિર્માણ</li><li>સુરક્ષા,સ્વયં-સિસ્ત</li></ul>To generate power by adopting global best practices through<ul style="list-style-type: none"><li>Professional excellence</li><li>Transparency</li><li>Value addition</li><li>Highest level of productivity</li><li>Nation building</li><li>Safety,Self discipline</li></ul></li><li>વિશ્વનુ પ્રેપણ સેત્રે વિશ્વસનીય ગુણવત્તાસભર વેશ્ચિક માનક પરિભાણોની પ્રાપ્તિ To achieve global standards in transmitting reliable and quality power</li><li>સ્પર્ધાત્મક રૂઢે વિશ્વસનીય તેમજ ગુણવત્તાસભર વીજ પુરવઠા પૂરે પાડવું વિતરણ ખોટ વેશ્ચિક ધોરણ સુધી ઘટાડવી To provide reliable and quality power at competitive cost To reach global standards in reducing distribution losses</li></ul>	<ul style="list-style-type: none"><li>ગ્રાહકનો સંતોષ Customer satisfaction</li><li>સંસ્થા માટે સ્વચ્છ અને સન્માન Pride of belongingness</li><li>નૈતિક અને સામાજિક જવાબદારી પ્રત્યે જવાબદારી Being ethically and socially responsive</li><li>સહભાગી કાર્ય સંસ્કૃતિ Participative work culture</li><li>શ્રેષ્ઠતા Excellence</li></ul>



# Uttar Gujarat Vij Company Limited

Registered & Corporate Office :  
Visnagar Road, Mehsana - 384001 (North Gujarat)  
Website : [www.ugvcl.com](http://www.ugvcl.com)