14th Annual Report 2016-2017

GUVNL

UGVCL

Uttar Gujarat Vij Company Limited

CIN - U40102GJ2003SGC042906

Subsidiary of Gujarat Urja Vikas Nigam Limited

INDEX

UGVCL AT A GLACE

DEC-2017

Area in Sq. KM	49950
District Covered	7+3 (Partly)
Taluka Covered	63+9(Partly)
Towns	38
Villages	4637
Divisions	21
Sub-Divisions	138+5(REC)
Number of Employees	8654
Total Transformer Centers	263734
M.U.S. Sent out (Inclu. EHT) Upto Oct-17	12819.173
M.U.S. Sold out (Inclu. EHT) Upto Oct-17	11664.883
%At & C Losses	9.00%
HT Line (KM.)	100363.40
LT Line (KM.)	71642.10
LT/HT Ratio	0.71
Sub Stations	481
Feeders	4429

BOARD OF DIRECTORS

Shri Varun Nath Maira, IAS (Retd.)	Chairman
Shri Pankaj Joshi, IAS	Director
Smt. Shahmeena Husain, IAS	Director (Up to 17-Feb-2017)
Smt. Arti Kanwar, IAS	Director (From 17-Feb-2017)
Shri H. P. Desai	Independent Director
Shri K. P. Patel	Independent Director (Up to 25-Mar-2017)
Prof. Ajay Pandey	Independent Director
Prof. (Dr.) B. A. Prajapati	Independent Director
Shri K. P. Jangid	Director (Up to 31-Mar-2017)
Shri Anil Kumar Yadav	Director
Shri S. B. Khyalia	Director
Shri B. A. Shah	Managing Director
Shri Anupam Anand, IAS	Managing Director (From 01-Aug-16 to 10-Sep-16)

COMPANY SECRETARY
Shri Nitinkumar M Joshi, FCS

CHIEF FINANCIAL OFFICER
Shri R. B. Kothari, ACMA

SENIOR EXECUTIVES

Shri A. K. Mangal	Chief Engineer (OP)
Shri P. B. Pandya	Chief Engineer (P&P)
Shri P. J. Trivedi	Addl. Chief Engineer (Civil)
Shri J. L. Bhatt	Addl. Chief Engineer (Commerce & Renewable Energy)
Shri N. C. Makwana	Addl. Chief Engineer (Tech & Vigilance)
Shri S. A. Patel	Addl. Chief Engineer (Project)
Shri A. C. Prajapati	Addl. General Manager (HR)

STATUTORY AUDITORS
FY 2016-17
M/s. Ramanlal G. Shah & Co.,
Chartered Accountants
Ahmedabad

FY 2017-18
M/s. Ramanlal G. Shah & Co.,
Chartered Accountants
Ahmedabad

COST AUDITORS
FY 2016-17
M/s. Priyank Patel & Associates,
Cost Accountants
Ahmedabad

FY 2017-18
M/s. Priyank Patel & Associates,
Cost Accountants
Ahmedabad

SECRETARIAL AUDITORS
FY 2016-17 & 2017-18
M/s. Hitesh Buch & Associates
Practicing Company Secretaries
Ahmedabad

BANKERS
State Bank of India
Bank of Baroda
Axis Bank
Dena Bank
Union Bank of India

REGISTERED & CORPORATE OFFICE
Visnagar Road
MEHSANA - 384 001 North Gujarat
Phone: (02762) 222080-81 Fax: 223574
Email: corporate@ugvcl.com
Website: www.ugvcl.com

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Uttar Gujarat Vij Company Limited will be held [at a shorter notice under Section 101(1)(i) of the Companies Act, 2013, pursuant to the consents received from all the members] on Monday, the 18th day of December, 2017 at 4-30 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 Financial Statements of the Company for the Financial Year ended 31st March, 2017 together with the Board's Report and Report of Auditors thereon with comments of the Comptroller & Auditor General of India in terms of Section 143(6) of the Companies Act, 2013;

2 To authorize the Board of Directors of the Company to fix the remuneration payable to Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India (C&AG), New Delhi, for the Financial Year 2017-18 in terms of Section 139(5) read with Section 142 of the Companies Act, 2013 and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration including reimbursement of out of pocket expenses payable to the Statutory Auditors appointed by the Comptroller and Auditor General of India, (C&AG), New Delhi, to audit the accounts of the Company for the Financial Year 2017-18."

SPECIAL BUSINESS

3 To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution relating to ratification of remuneration of the Cost Auditor for the Financial Year 2017-18:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the remuneration of M/s. Priyank Patel & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 103676) as Cost Auditors of the Company whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board to conduct the audit of the Cost Accounts / Records maintained by the Company in respect of Electricity Industry for the Financial Year ending 31st March, 2018 (i.e. Financial Year 2017-18) at the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus Govt. levies / Taxes plus out of pocket expenses at actual subject to maximum limit of 5% of audit fees, be and is hereby ratified and approved."

"**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

4 **To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution relating to increase in Authorized Share Capital of the Company:**

"**RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Authorized Share Capital of the Company be and is hereby increased from Rs. 600 Crores (Rupees Six Hundred Crores only) divided into 60,00,00,000 (Sixty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores) divided into 150,00,00,000 (One Hundred Fifty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each"

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

Clause V :

The Authorized Share Capital of the Company is Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores) divided into 150,00,00,000 (One Hundred Fifty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each."

By Order of the Board
For **Uttar Gujarat Vij Company Limited**

Date : 13-Dec-2017
Place : Ahmedabad

N. 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. The instrument appointing the proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2 A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transected at the Meeting is annexed hereto.

ANNEXURE TO THE NOTICE

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

ITEM NO. 3 : Ratification of remuneration of the Cost Auditor for the Financial Year 2017-18

As per the provisions of Section 148 of the Companies Act, 2013 and as required under the Companies (Cost Records and Audit) Rules, 2014, the proposal for appointment of M/s. Priyank Patel & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 103676) was placed before the 45th Meeting of the Audit Committee and as recommended by the Audit Committee along with the remuneration, the Board of Directors of your Company has at its 97th Meeting held on 13-Jun-2017 considered the recommendation and approved the said proposal for appointment of M/s. Priyank Patel & Associates as Cost Auditor to conduct the audit of the Cost Accounts / Records maintained by the Company in respect of Electricity Industry for the Financial Year ending 31st March, 2018 (i.e. Financial Year 2017-18) at the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus Govt. levies / Taxes plus out of pocket expenses at actual subject to maximum limit of 5% of audit fees, however that their remuneration shall be subject to the ratification by the Members as required under the provisions of sub-section (3) of Section 148 of the Companies Act, 2013.

Hence, as per the provisions of Section 148(3) of the Companies Act, 2013, the remuneration of the Cost Auditor is required to be ratified by the Members of the Company. Hence, this Resolution.

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

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

ITEM NO. 4 : Increase in Authorized Share Capital of the Company

The Company was incorporated on 15th September, 2003 with an Authorized Share Capital of Rs. 10 Lakhs divided in to 1,00,000 Equity Shares of Rs. 10 each. The Authorized Share Capital of the Company was increased from Rs. 10 Lakhs to Rs. 600 Crores on 30th March, 2005. Pursuant to the Share Capital allotted to the Company on opening Balance Sheet notified by the Government of Gujarat in the Year 2005, the Equity Shares were allotted to Gujarat Urja Vikas Nigam Limited (GUNVL) from time to time. As on 30th November, 2017, the Issued, Subscribed and Paid-up Share Capital of the Company stands at Rs. 494 Crores. The Company is receiving capital contribution from GUVNL from time to time considering the ongoing capital works. In view of the same, the Authorized Share Capital is required to be increased substantially.

The Company cannot issue shares beyond the Authorized Share Capital of the Company. With a view to facilitating the issue of such Equity Shares to the GUNVL, the present Authorized Share Capital of Rs. 600 Crores is required to be increased. Considering the Equity Share Capital to be issued to GUVNL from time to time in accordance with the capital contribution made by GUVNL, it is proposed to increase the Authorized Share Capital from existing Rs. 600 Crores divided into 60,00,00,000 Equity Shares of Rs. 10/- each to Rs. 1,500 Crores divided into 150,00,00,000 Equity Shares of Rs. 10/- each. The increase in the Authorized Share Capital shall also necessitate the consequent amendment in Clause V of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 61 of the Companies Act, 2013, the increase in the Authorized Share Capital and consequent amendment in Memorandum of Association shall be subject to the approval of Shareholders in the General Meeting.

There is no financial implication regarding stamp duty or registration fees/expenses as the Company had already paid maximum fees at the time of increasing the Authorized Share Capital to Rs. 600 Crores in March, 2005.

The increase in the Authorized Share Capital shall also necessitate the consequent amendment in Clause V of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 61 of the Companies Act, 1956, for the increase in Authorized Share Capital and consequent amendment in Memorandum of Association, the approval of Shareholders in the General Meeting is required. Hence, this Ordinary Resolution is put up for your approval.

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

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in the Resolution.

By Order of the Board
For **Uttar Gujarat Vij Company Limited**

Date : 13-Dec-2017
Place : Ahmedabad

N. M. Joshi, FCS
Company Secretary

BOARD'S REPORT

To,
The Members of
UTTAR GUJARAT VIJ COMPANY LIMITED

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with the audited Financial Statements for the Financial Year ended 31st March, 2017.

FINANCIAL RESULTS:

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

(Rs. in Lakhs)

Particulars	Financial Year ended 31st March	
	2017	**2016**
Total Income	**931344**	896946
Profit before Depreciation, Interest and Tax	**49,843**	53,320
Depreciation	**27,389**	24,973
Interest and Finance Charges	**13,724**	19,468
Profit before Tax	**8,731**	8,879
Provision for Tax	**2,075**	1,714
Profit after Tax	**6,656**	7,165

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

DIVIDEND:

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

TRANSFER TO RESERVES:

No amount has been transferred to General Reserves for the Financial Year 2016-17. Profit before Tax of Rs. 8,731 Lakhs for the Financial Year 2016-17 has been carried to Reserves and Surplus in the Balance Sheet.

ACHIEVEMENTS:

On 25-Nov-2016, UGVCL won INDIA POWER AWARD - 2016 under the category: Best Overall Performance in Private Sector & PSU' from Council of Power Utilities, New Delhi

On 29-Dec-2016, UGVCL received CBIP Award - 2016 as Best Performing Power Distribution Utility from Central Board of Irrigation & Power (CBIP), New Delhi.

On 28-Oct-2017, the Company was selected as the winner of IPPAI Award 2017 under the category - Best Performing Distribution Company.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA) on 16th February, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from April 1, 2016, with a transition date of April, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from 1st April, 2016 and the financial statements have accordingly been prepared in accordance with Ind AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) except in so far as the said provisions are inconsistent with the provisions of the Electricity Act, 2003. Accordingly, the financial results for the previous period are re-stated as per Ind AS.

The reconciliations and effect of the Ind AS adoption from previous GAAP has been set out in Note 46 in the Notes to the Financial Statement.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

- **Financial Performance:**

During the year under review, the revenue from the sale of power including subsidies and other income amounted to Rs. 9,31,343.56 Lakhs. (P.Y. Rs. 8,97,188.77 Lakhs). The Company purchased 21,891.18 MUs (PY 20,984.23 MUs) of energy from Gujarat Urja Vikas Nigam Limited (GUVNL), Solar and Wind farm and sold 19,148.57 MUs (PY 17,729.57 MUs) of energy to all categories of consumers. The Company's overall transmission and distribution losses are reported to the extent of 2,742.62 MUs (PY 3,254.66 MUs) at 13.00% (PY 15.87%).

- **Operational Performance:**

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

- Total 2,736 (PY 2,668) Nos. of rural feeders have been declared as Agricultural Dominated Feeders.
- Transformer failure rate is reduced to 4.79% from 4.87% 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	-	6,65,582 (PY 8,21,183) Nos.
▪ Installations detected	-	12,339 (PY 12,172) Nos.
▪ Amount assessed	-	Rs. 3,164.16 (PY 3,089.93) Lakhs
▪ Amount realized (out of assessed amount)	-	Rs. 1,474.09 (PY 1,385.67) Lakhs

- For better system improvement and to give quality power supply of the over-loaded feeders, 135 (PY 160) Nos. of feeders are bifurcated and charged during the year.
- Automated Meter Reading (AMR) is installed on total 3,576 (PY 3,285) 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, 3,552(PY 1,035) Nos. of Amorphous/4 Star Transformers are installed in Urban, GIDC and JGY Feeders.
- Total 2,711 (PY 2,629) Nos. of Special Design Transformers (SDT) have been provided on Agricultural feeders, covering benefit to 1,32,624 (PY 1,23,052) Nos. of Farm House connections.
- Work progress - New release of connections:
    - HT New Connection - 378 Nos. (PY 369 Nos.)
    - HT additional load - 210 Nos. (PY 187 Nos.)
    - NRGP I - 3,372 Nos. (PY 3,214 Nos.)
    - NRGP c - 17,423 Nos. (PY 19,097 Nos.)
    - LT MD I - 461 Nos. (PY 542 Nos.)
    - LTMD c - 65 Nos. (PY 88 Nos.)
    - RGP - 67,626 Nos. (PY 76,272 Nos.)
    - Water Works - 1,156 Nos. (PY 1,521 Nos.)
    - Ag. Connections under:
        - SPA Well (Normal Scheme) - 6,827 Nos. (PY 3,271 Nos.)
        - TASP Well - 2,662 Nos. (PY 2,320 Nos.)
        - Tatkal Scheme - 217 Nos. (PY 860 Nos.)
        - Dark Zone Well - 16,706 Nos. (PY 17,309 Nos.)
    - SCSP (Household) - 4,468 Nos. (PY 3,298 Nos.)
    - Zupad-patties Connections - 16,965 Nos. (PY 10,705 Nos.)
    - Kutirjyoti Connections - 2,604 Nos. (PY 1,542 Nos.)
    - SCSP Well - 478 Nos.
    - System Network added:
        - HT Line - 4,334 Kms. (PY 4,635 Kms.)
        - LT Line - 1,770 Kms. (PY 1,263 Kms.)
        - Trans. Center - 26,793 Nos. (PY 23,398 Nos.)

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

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-1** and attached to and forming part of this Report.

SHARE CAPITAL:

The Authorized Share Capital of the Company as on 31-Mar-2017 is Rs. 600 Crores divided in to 60,00,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital as on 31-Mar-2017 stood at Rs. 455,16,40,290.

During the Financial Year, the Company has made following allotments of Equity Shares on Rights basis to the holding Company Gujarat Urja Vikas Nigam limited towards the Release of Agriculture Connections, for implementation of TASP-W&P, and Shifting/Replacement of Poles & Lines of Municipal/Nagarpalikas:

i). On 06-May-2016 - 45,86,616 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 55/- per Share aggregating to Rs. 29,81,30,040 /-

ii). On 30-Jul-2016 - 3,27,36,984 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 55/- per Share aggregating to Rs. 212,79,03,960/-

iii). On 04-Mar-2017 - 3,04,26,015 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 59/ - per Share aggregating to Rs. 209,93,95,035/-

Further, after the close of the Financial Year 2016-17 and till the date of this Report, the Company has also allotted / issued following Equity Shares on Rights basis:

i). On 30-Jun-2017 – allotted 392,69,638 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 59/- per Share aggregating to Rs. 270,96,05,022/-

ii). On 01-Dec-2017 – issued 240,29,437 Equity Shares of Rs. 10/- each as fully paid-up at premium of Rs. 61/- per Share aggregating to Rs. 170,60,90,027/-

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. **Changes among Directors and Key Managerial Personnel:**

Since the last Financial Year 2015-16, the changes among the Directors and Key Managerial Personnel are as under:

- Shri Anupam Anand, IAS (DIN-07018990) ceased to be Managing Director as also Director with effect from 09-May-2016.
- Shri B. A. Shah, IAS (DIN- 07514065) is appointed/nominated as Managing Director with effect from 09-May-2016 vice Shri Anupam Anand, IAS. He was also designated as Key Managerial Personnel under Section 203 of the Companies Act, 2013.
- Shri M. B. Parikh (DIN-07086891) ceased to be Director with effect from 19-May-2016.
- Shri S. B. Khyalia (DIN- 02470485) is appointed/nominated as Director with effect from 19-May-2016 vice Shri M. B. Parikh.
- Shri Anupam Anand, IAS (DIN-07018990) was appointed/nominated as Managing Director (In-charge) from 01-Aug-16 to 10-Sep-16 during the absence of regular Managing Director Shri B. A. Shah, IAS on account of his IAS training. Shri Anupam Anand, IAS ceased to be Director with effect from 10-Sep-2016.
- Shri Pankaj Joshi, IAS (DIN- 01532892) is appointed/nominated as Director with effect from 18-Oct-2016.

- Smt. Shahmeena Husain, IAS (DIN- 03584560) ceased to be as Director with effect from 17-Feb-2017.
- Ms. Arti Kanwar, IAS (DIN- 03535973) is appointed/nominated in the category of Woman Director with effect from 17-Feb-2017 vice Smt. Shahmeena Husain, IAS.
- Shri K. P. Patel (DIN- 01116799) ceased to be as Director with effect from 25-Mar-2017.
- Shri H. P. Desai, (DIN- 00034128) is re-appointed as Independent Director for second term of one year with effect from 26-Mar-2017 (i.e. up to 25-Mar-2018).
- Prof. Ajay Pandey, (DIN- 01292877) is re-appointed as Independent Director for second term of one year with effect from 26-Mar-2017 (i.e. up to 25-Mar-2018).
- Prof. (Dr.) B. A. Prajapati, (DIN- 01431661) is re-appointed as Independent Director for second term of one year with effect from 26-Mar-2017 (i.e. up to 25-Mar-2018).
- Shri K. P. Jangid, (DIN- 06401190) ceased to be as Director with effect from 31-Mar-2017.

The Board places on record its appreciation for the valuable contributions made by Shri Anupam Anand, IAS, Shri M. B. Parikh, Smt. Shahmeena Husain, IAS, Shri K. P. Patel and Shri K. P. Jangid during their tenure on the Board of the Company.

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

B. <u>Declaration of Independent Directors:</u>

Pursuant to the provisions of Section 149(6)/(7) of the Companies Act, 2013 and the relevant Rules, the Company has received necessary declarations from each Independent Director for the FY 2016-17 confirming that they meet the criteria of independence as prescribed under the Act.

C. <u>Board Evaluation:</u>

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

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

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as composition of Committees, effectiveness of Committee meetings, etc.

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

In a separate meeting of Independent Directors, the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Directors. The same was discussed in the Board Meeting that followed the Meeting of Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed.

D. Policy on Directors' Appointment, etc:

The Company being a Government Company, the provisions of Section 134(3)(e) of the Companies Act, 2013 are not applicable in view of the Notification No. GSR-163(E) dated 05-Jun-2015 issued by the Ministry of Corporate Affairs, Govt. of India.

E. Meetings of the Board and Committees thereof:

During the Financial Year 2016-17 –

- Nine Meetings of the Board of Directors of the Company were held on 12-Apr-2016, 24-May-2016, 14-Jun-2016, 08-Jul-2016, 31-Aug-2016, 30-Sep-2016, 15-Nov-2016, 07-Feb-2017 and 08-Mar-2017.
- Three Meetings of the Audit Committee were held on 08-Jul-2016, 31-Aug-2016 and 15-Nov-2016.
- Four Meetings of the Corporate Social Responsibility Committee were held on 12-Apr-2016, 30-Sep-2016, 15-Nov-2016 and 21-Jan-2017.

As required under Clause-9 of the Secretarial Standard-1 (SS-1) the details of the number and date of Meetings of Board and Committees held during the Financial Year indicating the number of Meetings attended by each Director are as under:

	Meetings of Board	Meetings of Audit Committee	Meeting of ID	Meeting of CSR Committee
Meetings	87th 12/04/2016 88th 24/05/2016 89th 14/06/2016 90th 08/07/2016 91st 31/08/2016 92nd 30/09/2016 93rd 15/11/2016 94th 07/02/2017 95th 08/03/2017	42nd 08/07/2016 43rd 31/08/2016 44th 15/11/2016	3rd 08/03/17	4th 12/04/2016 5th 30/09/2016 6th 15/11/2016 7th 21/01/2017
	No. of Meetings held during tenure and attended			
Name of Director/ Member	Held / Attended	Held / Attended	Held / Attended	Held / Attended
Shri. V. N. Maira, IAS (Retd)	9/8	-	-	-
Smt. Shahmeena Husain, IAS	8/5	-	-	-
Shri Anupam Anand, IAS	2/1	-	-	1/1
Shri H.P.Desai	9/4	-	1/1	-
Shri K. P. Patel	9/7	-	1/1	-
Prof. Ajay Pandey	9/8	3/3	1/1	4/4
Prof. (Dr.) B. A. Prajapati	9/6	3/3	1/1	4/2
Shri M. B. Parikh	1/1	-	-	-
Shri K.P. Jangid	9/4	-	-	-
Shri Anil Kumar Yadav	9/8	3/3	-	4/3
Shri B. A. Shah, IAS	8/7	-	-	3/3
Shri S. B. Khyalia	8/8	-	-	-
Shri Pankaj Joshi, IAS	3/2	-	-	-
Ms. Arti Kanwar, IAS	1/1	-	-	-

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge, belief and according to the information received, the Directors confirm as under for the Financial Year 2016-17 in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

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

AUDIT COMMITTEE:

The Audit Committee has been constituted with the terms of reference as prescribed in Section 177 of the Companies Act, 2013 read with Rule-6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. The Chairman of the Audit Committee is an Independent Director. The recommendations made by the Audit Committee during the year were accepted by the Board. The composition of the Audit Committee as on 31-Mar-2017 is as under:

1. Prof. Ajay Pandey (DIN-01292877)........................Independent Director;
2. Prof. (Dr.) B. A. Prajapati (DIN-01431661).......... Independent Director; and
3. Shri A. K. Yadav (DIN-07205558)......................... Director.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has constituted a 'Corporate Social Responsibility' (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The Annual Report on Corporate Social Responsibility activities is attached as **Annexure-2** which forms part of this Report. The CSR Policy adopted by the Company is posted on the Company's website at www.ugvcl.com

VIGIL MECHANISM (WHISTLE BLOWER POLICY):

As required under the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism (Whistle Blower Policy). All employees of the Company and Directors on the Board of the Company are covered under the Mechanism. The Vigil Mechanism (Whistle Blower Policy) of the Company is available on the website of the Company at www.ugvcl.com

NOMINATION AND REMUNERATION COMMITTEE AND POLICY:

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

RISK MANAGEMENT:

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

- Risk to Company's assets and properties
- Employees related risks
- Risks associated with non-compliance of statutory enactments
- Risk of Inflation and Cost Structure
- Credit Risk
- Liquidity Risk
- Operational Risk
- Regulatory Risk
- Network Risk
- Fuel availability and price fluctuation
- Risk of monsoon failure
- Risk of compensation to third parties due to electrical accidents and burning of crop
- Dependence on Government for grants and subsidies

EXTRACT OF ANNUAL RETURN:

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

RELATED PARTY TRANSACTIONS:

All transactions entered with related parties for the year were on arm's length basis and in the ordinary course of business. The Company has adopted a Related Party Transactions Policy and Procedure.

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

INTERNAL FINANCIAL CONTROL SYSTEMS:

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

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

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, an 'Internal Complaints Committee' has been constituted in the Company for redressal of complaints against sexual harassment of women employees. During the year under review, the Company had received one complaint which has been redressed and disposed of.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

1. Under section 62 of the Electricity Act, 2003 and relevant GERC Regulations, the Company has filed the Tariff Petition on 30th November 2016 vide Case No. 1622/2016 for Truing-up for Financial Year 2015-16, Approval of Final ARR for FY 2016-17, Approval of Multi-Year ARR for FY 2016-17 to 2020-21 and Determination of Tariff for Financial Year 2017-18 under GERC (MYT) Regulations, 2016 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 9th February 2017 and 14th February, 2017, GERC has declared its Award/Order on 31st March 2017. The GERC has not revised tariff of any category of consumers. However, the GERC has made revision in base FPPPA rate, base Power Purchase Cost for calculation of FPPPA Charges and open access charges. Cross subsidy surcharge to be recovered from HT Category consumer is reduced to 1.44 Rs./Kwh from 1.45 Rs./Kwh.
2. GERC vide Order dated 04-Mar-2016 and 01-Oct-2016 has determined Additional Surcharge to be recovered by Distribution Companies from the Consumers opting to purchase power from other than the Company (UGVCL) in order to mitigate the Company's fixed cost burden.
3. GERC vide Tariff Order dated 30-Aug-2016 has notified tariff of Rs. 4.19/unit for Wind Energy Projects to be commissioned during the period up to 31-Mar-2019.
4. New MYT Regulations 2016 for the Control Period from FY 2016-17 to FY 2020-21 were declared by GERC vide Notification No. 4 of 2016 on dated 28-Mar-2016.
5. GERC vide notification dated 18.06.2016 has notified Regulations for Net Metering Rooftop Solar PV Grid Interactive Systems enabling development of Solar Rooftop projects in the State.

CONSUMER GRIEVANCES REDRESSAL FORUM:

The Company has set up the Consumer Grievance Redressal Forum as mandated by the Electricity Act, 2003 and the Regulations notified there under, within its jurisdiction for quick disposal of consumers' grievances. During the year under review 2016-17, 75 Nos. of cases were disposed of.

HUMAN RESOURCE DEVELOPMENT:

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

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

AUDITORS:

A. **Statutory Auditors:**

M/s. Ramanlal G. Shah & Co., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company for the Financial Year 2016-17 by the Comptroller and Auditor General of India (C&AG). They have audited the Financial Statements for the year ended 31-Mar-2017 and submitted their Report which contains qualification remark. As required by the provisions of Section 134(3)(f), the explanation by the Board is furnished as **Annexure-4** and attached to and forming part of this Report.

The C&AG have vide its Letter No. CA.V/COY/GUJARAT,GJUVCL(1)/340 dated 25-Jul-2017 appointed M/s. Ramanlal G. Shah & Co., Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company for the Financial Year 2017-18 under Section 139(5) of the Companies Act, 2013.

C&AG's Comments

The Comptroller & Auditor General of India (C&AG) have conducted supplementary audit under Section 143 of the Companies Act, 2013 of the Financial Statements of the Company for the year ended on 31-Mar-2017, and has issued Nil Comment vide their Letter No. ES-I/Hq II/A/cs/UGVCL/2016-17/624 dated 30-Nov-2017, a copy of which is placed in this Annual Report.

B. **Cost Auditors:**

In terms of the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Cost Audit) Rules, 2014, the Board of Directors appointed M/s. Priyank Patel & Associates Ahmedabad as Cost Auditors for the Financial Year 2016-17 for auditing the cost accounting records relating to Electricity Industry product. The Cost Audit Report for the Financial Year 2016-17 was filled / uploaded on the MCA Portal on 10-Oct-17 within stipulated time.

The Board, up on recommendation of the Audit Committee, has appointed M/s. Priyank Patel & Associates, Ahmedabad as Cost Auditors for the Financial Year 2017-18. As required under the provisions of the Companies Act, 2013, the Directors recommend their remuneration for the Financial Year 2017-18 for your ratification.

C. **Secretarial Auditors:**

In terms of the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. Hitesh Buch & Associates, Practicing Company Secretaries, Ahmedabad for conducting annual Secretarial Audit for the Financial Year 2016-17. M/s. Hitesh Buch & Associates have issued Secretarial Audit Report (Form MR-3) for the Financial Year 2016-17 which is attached as **Annexure-5** and is forming part of this Report. There were no adverse comments, qualifications or reservations or adverse remarks in the Secretarial Audit Report.

OTHER DISCLOSURES:

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

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

c) No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.

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

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

f) The Company being a Government Company is exempted vide Notification No. GSR-163(E) dated 05-Jun-2015 issued by the Ministry of Corporate Affairs, Govt. of India, to furnish information as required under Section 197 of the Companies Act, 2013 relating to particulars of employees.

g) During the year under review, the Company has neither accepted nor renewed any deposits covered/as defined under Chapter-V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

h) There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

i) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future, except as stated elsewhere in this Report.

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Date: 13-Dec-2017
Place: Ahmedabad

V. N. Maira, IAS (Retd.)
Chairman

ANNEXURE-1

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8(3) of the Companies (Accounts) Rules, 2014

(A) Conservation of energy –	
i). The steps taken or impact on conservation of energy;	• DSM Plan for providing LED Bulbs & Energy efficient fans at Govt. Schools, colleges, Anganwadis, Health centers etc approved by GERC and tenderization process initiated for purchase of LEDs and implementing agency • For awareness of energy conservation, the pamphlets showing importance of subject matter is distributed to each consumer with electricity bill. • During safety week celebration, consumers are also educated for energy conservation tips • GoG had launched the "UJALA GUJARAT" Scheme which is statewide implemented by M/s. EESL under the supervision of GUVNL, in which LED Bulb, LED Tubelight & 5 star rated EE Fans are to be distributed to the consumers for Energy Conservation
ii). The steps taken by the company for utilizing alternate sources of energy;	• 7400 Nos. of Solar home light system provided in Year 2016-17 • 300 Nos. of solar AG pump sets are provided in Year 2016-17
iii). The capital investment on energy conservation equipments;	——— Nil ———
(B) Technology absorption –	
i). The efforts made towards technology absorption;	• Utilization of HT metering Cubic • Spot Billing in 21 subdivision using android mobile application(GPRS) • Utilization of Compact Transformer Cubical (CTC) for UG network • All required IS licensed copy purchased and put up on intranet • RMU design modification with visible FPI • Using of RCC cable trench for Underground Network in newly developing SIR like Bol

ii). The benefits derived like product improvement, cost reduction, product development or import substitution;	• Safety of Working Staff • Reduction in Power Interruptions • Esthetic looks & safety at HT consumer premises • Consumer satisfaction on correct billing
iii). In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	——— Nil ———
iv). The expenditure incurred on Research and Development.	——— Nil ———
(C) Foreign exchange earnings and outgo –	
The Foreign Exchange earned in terms of actual inflows during the years and the Foreign Exchange outgo during the year in terms of actual outflows.	——— Nil ———

For and on behalf of the Board

Date: 13-Dec-2017
Place: Ahmedabad

V. N. Maira, IAS (Retd.)
Chairman

ANNEXURE-2

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2016-17

1.	**A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**
	'Corporate Social Responsibility (CSR) Policy of Uttar Gujarat Vij Company Limited (UGVCL)' encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large. This Policy shall apply to all CSR initiatives and activities taken up by the Company at the Company's areas of operations and also within the State of Gujarat and in any other parts of the country, for the benefit of the different segments of the society provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities. In alignment with vision of the Company, UGVCL, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The CSR Projects and Programmes undertaken will be within the broad frame work of Schedule VII of the Companies Act, 2013 and will be identified and funds allocated, on a yearly basis, as per the need assessment specific to the location, target beneficiary and agency partnering for the implementation. The CSR Policy may be accessed on the Company's website: http://www.ugvcl.com
2.	**The Composition of the CSR Committee**
	1. Prof. Ajay Pandey, Independent Director .... Chairman 2. Prof. (Dr.) B. A. Prajapati, Independent Director .... Member 3. Shri Anil Kumar Yadav, Director .... Member 4. Managing Director .... Member
3.	**Average net profit of the Company for last three financial years** Average Net Profit (2013-14 to 2015-16) Rs. 3761.41 Lakhs
4.	**Prescribed CSR Expenditure** **(two percent of the amount as in item 3 above)** Rs. 75.22 Lakhs (rounded off to Rs. 75.25 Lakhs)
5.	**Details of CSR spent during the financial year:-** a) Total amount to be spent for the financial year ... Rs. 75.25 Lakhs b) Amount unspent, if any ... Rs. 15.25 Lakhs c) Manner in which the amount spent during the financial year as given below:

	The Company has given Rs. 60.00 Lakhs to Gujarat CSR Authority (GCSRA- established by Govt. of Gujarat) as contribution towards the corpus of CSR fund for implementation of following project to be monitored by GCSRA:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overhead**	**Cumulative expenditure up to the reporting period**	**Amount spent : Direct or though implementing agency**
1	"Vocational Skills for Individuals with Special Needs" Through GCSRA	Education for individuals with Special Needs	Ahmedabad (Gujarat)	Rs. 75.25 Lakhs	Rs. 60.00 Lakhs	Rs. 60.00 Lakhs	Rs. 60.00 Lakhs through GCSRA

6. **In case, the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

The Company was not able to spend 2% of its average profit for the last three financial years as required under the Companies Act, 2013 amounting to Rs. 75.25 Lakhs. In accordance with the CSR Policy, the Company has spent an amount of Rs. 60.00 Lakhs on account of CSR. The Company was in the process of exploring other options for CSR activities for spending the balance amount of Rs. 15.25 Lakhs, however, the Company could not spend the balance amount before finalizing this Report since no such project could be identified.

7. **Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairman of the CSR Committee.**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

(B. A. Shah, IAS)
Managing Director

(Prof. Ajay Pandey)
Chairman, CSR Committee

ANNEXURE-3

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31-Mar-2017

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

I. REGISTRATION AND OTHER DETAILS:

I	CIN:-	U40102GJ2003SGC042906
II.	Registration Date	15-Sep-2003
III.	Name of the Company	UTTAR GUJARAT VIJ COMPANY LIMITED
IV.	Category / Sub-Category of the Company	Public Limited Company, Govt. Company
V.	Address of the Registered office and contact details	Registered & Corporate Office, Visnagar Road, Mehsana – 384001
VI.	Whether listed company	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NOT APPLICABLE

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Distribution Electricity	35109	93.81%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01-Apr-2016)				No. of Shares held at the end of the year (31-Mar-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	387414414	387414414	100	0	455164029	455164029	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	387414414	387414414	100	0	455164029	455164029	100	0
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) =(A)(1)+(A)(2)	0	387414414	387414414	100		455164029	455164029	100	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Bank / FI.	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund.	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund.	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital in excess of Rs. 1. lakhs	0	0	0	0	0	0	0	0	0

ii) Individual shareholders holding nominal share capital in excess of Rs. 1. lakhs	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	387414414	387414414	100	-	455164029	455164029	100	0

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2016)			Shareholding at the end of the year (31/03/2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gujarat Urja Vikas Nigam Limited, (holding Company) and its Nominees	387414414	100	0	455164029	100	0	0
	Total	**387414414**	**100**	**0**	**455164029**	**100**	**0**	**0**

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

Sr. No.		Shareholding at the beginning of the year (01/04/2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year Gujarat Urja Vikas Nigam Limited and its nominees	387414414	100	387414414	100
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease, e.g. allotment/ transfer/bonus/sweat equity etc.: Increase by way of allotment on Rights Basis	4586616 (06 May 2016) 32736984 (30-Jul-2016) 30426015 (04 Mar 2017) ----------------- 67749615	100		100
	At the End of the year (31/03/2017)	455164029	100	455164029	100

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

Sr. No.		Shareholding at the beginning of the year (01/04/2016)		Cumulative Shareholding during the year	
	For Each of the top 10 Shareholders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	Not Applicable			
	Date-wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01-Apr-2016)		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year and As on 31-Mar-2017	
	Name	No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Smt. Shahmeena Husain, IAS	10	0.00	07-Feb-17	Decrease	Change Nomination	0	0.00
2	Shri Kamlesh P. Jangid	10	0.00	-	-	-	10	0.00
3	Shri Mitesh B. Parikh	10	0.00	-	-	-	10	0.00
4	Shri Pankaj Joshi, IAS	0	0.00	07-Feb-17	Increase	Change Nomination	10	0.00
	KEY MANAGERIAL PERSONNEL							
	Shri R. B. Kothari – CFO	10	0.00	-	-	-	10	0.00
Note	The above Directors and KMP are holding Equity Shares as Nominees of GUVNL. Except that, other Directors and KMPs do not hold any Shares in the Company.							

V. INDEBTEDNESS (AS ON 31-MAR-2017):

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-Apr-16)				
i) Principal Amount	3097.07	24038.00	0.00	27135.07
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1101.22	603.13	0.00	1704.35
Total (i+ii+iii)	4198.29	24641.13	0.00	28839.42
Change in Indebtedness during the financial year				
• Addition	1553.00	0.00	0.00	1553.00
• Reduction	1317.28	16131.13	0.00	17448.41
Net Change	235.72	-16131.13	0.00	-15895.41
Indebtedness at the end of the Financial Year (31-Mar-17)				
i) Principal Amount	3332.79	7906.87	0.00	11239.66
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	236.95	0.00	236.95
Total (i+ii+iii)	3332.79	8143.82	0.00	11476.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount Rs. In Lakhs
		Shri Anupam Anand, IAS Managing Director (Up to 09-May-16)	Shri B. A. Shah, IAS Managing Director (From 09-May-16)	
1	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Rs. 2,84,630/- (Up to 08-May-16)	Rs. 11,85,946/- (From 09-May-16)	Rs.14,70,576/-
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	2,84,630	11,85,946	14,70,576
	Ceiling as per the Act	Not applicable as Section 197 of Companies Act, 2013 shall not apply to Government Companies.		

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Independent Directors				Other Non-Executive Directors	
		Shri HP Desai	Shri KP Patel	Prof. Ajay Pandey	Prof. (Dr.) BA Prajapati	Shri V. N. Maira, IAS (Retd.)	
1	Independent Directors						
	• Fee for attending board/ committee meetings	30000	45000	85000	75000	0	2,35,000
	• Commission	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0
	Total (1)	30000	45000	85000	75000		2,35,000.00
2	Other Non-Executive Directors	0	0	0	0	0	0
	• Fee for attending board /committee meetings	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	19,29,280.00	19,29,280.00
	Total (2)	0	0	0	0	19,29,280.00	
	Total (B)=(1+2)	30000	45000	85000	75000	19,29,280.00	21,64,280.00
	Total Managerial Remuneration	0	0	0	0	0	0
	Overall Ceiling as per the Act	Not applicable as Section 197 of Companies Act, 2013 shall not apply to Government Companies.					

C. Remuneration to Key Managerial Personnel other than MD/ MANAGER / WTD: (Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	19.66	21.23	40.89
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0

2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify..	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	0	19.66	21.23	40.89

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board

Date: 13-Dec-2017
Place: Ahmedabad

V. N. Maira, IAS (Retd.)
Chairman

ANNEXURE-4

Board's explanation on qualification made by the Statutory Auditors in their Audit Report for the FY 2016-17, pursuant to Section 134(3)(f) of the Companies Act, 2013:

Qualification	Board's Reply
We draw attention to note no. 42 to the Ind AS financial statements wherein the Company has changed the method of accounting regarding writing back balances from grants/ consumer contribution related to certain depreciable assets from hitherto 10% on reducing balance basis to 5.28% on straight line basis prospectively commencing from the current financial year. However, in our opinion the effect of such change has to be worked out retrospectively commencing from the date on which the depreciable assets related to which the grants/ consumer contribution has been received have been capitalized in the books of account and effect of such change be accounted for in the opening balance of grants/ consumer contribution; amount not determined. The overall impact of the above qualification on the profit for the year, balance of grants/ consumer contribution and balance of equity & reserves as on 31st March, 2017 is undetermined.	The accounting treatment followed by UGVCL is a considered decision taken by GUVNL for all the DISCOM's and all four DISCOM's have followed the same accounting in the FY 2016-17. Further we reiterate the fact, that UGVCL has changed the method of recognizing grants as income from reducing balance method (RBM) to straight line method (SLM). The change in the rates is consequential to this change i.e., 10% RBM to 5.28% SLM. The change in the method and consequentially the rates is to exactly match the depreciation method and the rates where there was a mismatch. This change is not a change in the principle of recognition of grants but only a change in the method, as permissible and in compliance with the relevant Indian Accounting Standards (Ind AS) as applicable. Given that it is a change in estimate, the effect of the same is required to be given prospectively not retrospectively. Hence the treatment given by the Company is correct and in compliance with the applicable Indian Accounting Standards (Ind – AS).

For and on behalf of the Board

Date: 24-Nov-2017
Place: Ahmedabad

V. N. Maira, IAS (Retd.)
Chairman

ANNEXURE-5

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,

The Members,

Uttar Gujarat Vij Company Limited

Registered & Corporate Office

Visnagar Road

Mehsana-384001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Uttar Gujarat Vij Company Limited (CIN-U40102GJ2003SGC042906) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:
   - (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **Not Applicable**
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not Applicable**
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
2. The Company being an unlisted company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, are not applicable.

3. The Company has complied with the provisions of the following specific laws, to the extent applicable to the Company:
   (i) Electricity Act, 2003
   (ii) Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003
   (iii) Gujarat Electricity Duty Act, 1958
4. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and during the period under audit, the Company has complied with the same.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

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

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

(i) 4586616 Equity Shares of Rs. 10 each on 06-May-2016 (at a premium of Rs. 55/- per share on rights basis)

(ii) 32736984 Equity Shares of Rs. 10 each on 30-Jul-2016 (at a premium of Rs. 55/- per share on rights basis)

(iii) 30426015 Equity Shares of Rs. 10 each on 04-Mar-2017 (at a premium of Rs. 59/- per share on rights basis)

Place: Ahmedabad
Date: 8th November 2017

Hitesh Buch
For, Hitesh Buch & Associates
FCS No.: 3145
C P No.: 8195

To,

The Members,

Uttar Gujarat Vij Company Limited,

Registered & Corporate Office,

Visnagar Road,

Mehsana-384001

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

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

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

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

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

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

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

Place: Ahmedabad	Hitesh Buch
Date: 8th November 2017	For, Hitesh Buch & Associates
	FCS No.: 3145
	C P No.: 8195

C&AG's Letter No. ES-I/Hq II/A/CS/UGVCL/2016-17/624 dated 30-Nov-2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF UTTAR GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statement of **Uttar Gujarat Vij Company Limited** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statuary Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 September 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **Uttar Gujarat Vij Company Limited** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

Sd/-
(Archana Gurjar)
Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date: 30-Nov-2017

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
UTTAR GUJARAT VIJ COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **UTTAR GUJARAT VIJ COMPANY LIMITED** ('the Company'), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Basis of Qualification

We draw attention to note no. 42 to the Ind AS financial statements wherein the Company has changed the method of accounting regarding writing back balances from grants/ consumer contribution related to certain depreciable assets from hitherto 10% on reducing balance basis to 5.28% on straight line basis prospectively commencing from the current financial year. However, in our opinion the effect of such change has to be worked out retrospectively commencing from the date on which the depreciable assets related to which the grants/ consumer contribution has been received have been capitalized in the books of account and effect of such change be accounted for in the opening balance of grants/ consumer contribution; amount not determined.

The overall impact of the above qualification on the profit for the year, balance of grants/ consumer contribution and balance of equity & reserves as on 31st March, 2017 is undetermined.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to matters stated in 'Basis of Qualification' paragraph above, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the state of affairs (financial position), its profit for the year (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' to our report a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Act and in accordance with the directions and sub directions issued by the Comptroller & Auditor General of India, under section 143(5) of the Act, we have complied with all the directions issued and our comments thereon is as per Annexures 'C' &'D' to this report.
3. As required by Section 143 (3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in Equity for the year then ended dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- The Company being a Government Company, provisions of sub section (2) of section 164 of the Companies Act, 2013 are not applicable as per notification no. G.S.R. 463 (E) dated 5 June, 2015 of the Ministry of Corporate Affairs, Government of India.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and operative effectiveness of such controls, refer to our separate report thereon in Annexure 'B' to our report.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 38 to the financial statements.

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

iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on 31st March, 2017.

iv. The Company, as detailed in Note 41 to the financial statements, has made requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For, **RAMANLAL G. SHAH & CO.**
Chartered Accountants
Firm Reg. No. 108517W

Date: **26th September, 2017**
Place: **Ahmedabad**

(Vivek S. Shah)
Partner
Membership No.112269

ANNEXURE 'A' TO AUDITORS' REPORT

(Referred to in paragraph under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the management as per the cycle of physical verification fixed there for. The discrepancies noticed on such verification, which were not significant, have been properly dealt with in the books of account.

(c) The details of title deeds of immovable properties not held in the name of the Company are given in the sub annexure to Annexure 'C' to our report.

(ii) According to the accounting policy of the Company, all construction material is fully treated as consumed and included in the Capital Work in Progress. Further, as informed, physical verification of such inventories maintained at site has been carried out during the year by the management and there have been no material discrepancies noticed on such verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnerships, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has not taken loans, made investments, given guarantees or security in terms of sections 185 and 186 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 and as explained to us, the Company has maintained the prescribed records and accounts. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no such arrears as at 31st March, 2017 for a period more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited as on 31st March, 2017 on account of any dispute, except for the following –

Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Value Added Tax (Under Gujarat Value Added tax Act, 2003)	6,11,742/-	VAT Appellate Tribunal
Income Tax Act, 1961 – FY 2009-10	36,45,960/-	Income Tax Appellate Tribunal
Income Tax Act, 1961 – FY 2010-11	69,87,04,100/-	Income Tax Appellate Tribunal
Income Tax Act, 1961 – FY 2011-12	2,62,33,240/-	Income Tax Appellate Tribunal
Income Tax Act, 1961 – FY 2012-13	12,30,42,520/-	Commissioner of Income tax (Appeals)
Income Tax Act, 1961 – FY 2013-14	5,19,84,760/-	Commissioner of Income tax (Appeals)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to Government. Further, the Company has been regular in repayment of loan or borrowings from financial institutions and banks. It however, did not have and dues towards debenture holders during the year.

(ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and has not borrowed and term loans.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by any of its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company by virtue of the provisions of notification no. G.S.R. 463 (E) dated 5 June, 2015 of the Ministry of Corporate Affairs, Government of India, is exempt from the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) In our opinion, considering the nature of operations of the Company at present, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, **RAMANLAL G. SHAH & CO.**
Chartered Accountants
Firm Reg. No. 108517W

Date: **26th September, 2017**
Place: **Ahmedabad**

(Vivek S. Shah)
Partner
Membership No.112269

ANNEXURE 'B' TO AUDITORS' REPORT

Report on Internal Financial Controls under Clause (i) of sub section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Uttar Gujarat Vij Company Limited ('the Company') as at 31st March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **RAMANLAL G. SHAH & CO.**
Chartered Accountants
Firm Reg. No. 108517W

Date: **26th September, 2017**
Place: **Ahmedabad**

(Vivek S. Shah)
Partner
Membership No.112269

ANNEXURE 'C' TO AUDITORS' REPORT

REPORT OF THE STATUTORY AUDITORS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013 FOR FINANCIAL YEAR 2016/17

NAME & ADDRESS OF THE COMPANY -

Uttar Gujarat Vij Company Ltd., R&C Office, Visnagar Road, Mehsana, Gujarat 384001

SR. NO.	QUESTIONNAIRE	RESPONSE / REMEDIAL MEASURES
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.	There is no leasehold land with the Company. The freehold land prior to unbundling of Gujarat Electricity Board ('GEB') is in the name of Gujarat Electricity Board, however post such unbundling scheme; the purchase of freehold land is in the name of the Company i.e. UGVCL. Refer the Sub Annexure to this Annexure 'C'.
2	Whether there are any cases of waiver/write off of debt/ loan/ interest, etc. If yes the reasons there for and amounts involved.	During the year the Company has written off an amount of Rs 29,55,841.29 being dues from consumers, waiver of DPC charges amounting to Rs 3,44,53,747.61 from consumers of Water Works Gram Panchayat based on the Government of Gujarat Resolution no. GUV-14-2642-K dated 31st January, 2017.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gifts from government or other authorities.	Proper records are maintained for the inventories lying with third parties and confirmations for material lying with them as on 31-03-2017 have been taken on record by the Company. The Company has not received any assets as gift from Government or other authorities during the year 2016-17.

For, **RAMANLAL G. SHAH & CO.**
Chartered Accountants
Firm Reg. No. 108517W

Date: 26th **September, 2017**
Place: **Ahmedabad**

(Vivek S. Shah)
Partner
Membership No.112269

SUB ANNEXURE TO ANNEXURE 'C' TO AUDITORS' REPORT
(Refer paragraph no. 1 of ANNEXURE 'C')

SR. NO.	Name of offices	Details of land of which the account balances have been transferred as per GOG notification no. GHU-2006-91-GUV-1106-590-K dated 03-10-2006 to Company and are held in the name of the erstwhile GEB. [Rs. in lakhs]
1	SABARMATI O & M DIVISION	8.01
2	BAVALA O & M DIVISION	4.89
3	GANDHINAGAR O & M DIVISION	2.11
4	KALOL (O & M) DIVISION	0.49
5	BOPAL (U & I) DIVISION	0.00
6	MODASA O & M DIVISION	0.54
7	IDAR O & M DIVISION	2.01
8	TALOD O & M DIVISION	0.36
9	HIMATNAGAR O & M DIVISION	0.27
10	MEHSANA O & M CIRCLE	0.24
11	KADI O & M DIVISION	0.51
12	MEHSANA O & M DIVISION	0.32
13	PATAN O & M DIVISION	0.93
14	VIJAPUR O & M DIVISION	1.47
15	VISNAGAR O & M DIVISION	0.53
16	PALANPUR O & M DIVISION	0.00
17	DEESA O & M DIVISION	0.81
18	SIDHPUR O & M DIVISION	0.00
19	RADHANPUR O & M DIVISON	0.39
20	DEESA-II DIVISION	0.00
21	PALANPUR-II DIVISION	0.84

For, **RAMANLAL G. SHAH & CO.**
Chartered Accountants
Firm Reg. No. 108517W

Date: **26th September, 2017**
Place: **Ahmedabad**

(Vivek S. Shah)
Partner
Membership No.112269

ANNEXURE 'D' TO AUDITORS' REPORT

SECTOR SPECIFIC SUB DIRECTIONS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013 FOR FINANCIAL YEAR 2017

NAME & ADDRESS OF THE COMPANY -

Uttar Gujarat Vij Company Ltd., R&C Office, Visnagar Road, Mehsana, Gujarat 384001

1	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company.	The Company has not entered into any agreement with franchisees for distribution of electricity.
2	Report on the efficacy of the system of billing and collection of revenue in the company.	The consumer base comprises of two categories i.e. HT and LT Consumers: In HT Billing, billing (meter reading, bill preparation and serving the bill) is done from 15th to 18th of the month for normal consumers. In case of Open access consumers, billing is done on 1st of the next month by Division offices. Due to huge numbers of consumers in LT category, LT Billing is bifurcated in two way i.e. monthly billing cycle and bi-monthly billing cycle. Meter reading in Monthly billing cycle is carried out from every 15th to 20th of the month & in bi-monthly billing cycle, meter reading is carried out from every 21st of month to 10th of succeeding month. After collection of meter reading data, bill printing process is carried out and bills are served to the consumers by sub-division offices. To improve Collection, the Company has made arrangements with post offices, private cash collection agencies, e-gram panchayat's and also provided facility of any time payment (ATP) kiosks, net banking facility to facilitate payment of bills to the consumers. The Company also conduct disconnection drive, arrange LOK ADALAT for pending disputed arrears to improve collection efficiency.

3	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured	The Company is having total 33,39,854 nos. of Consumers as on 31-03-2017. Out of the same 31,85,978 nos. of Consumers are metered and 1,53,876 nos. of Consumers are un-metered. For all the metered consumers as stated above the Company has installed the static meters and electro mechanical meters. For remaining 1,53,876 nos. of consumers tariff is charged on the basis of contract load which is approved by GERC.
4	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)	Based on approval of FPPAC by GERC on quarterly basis, additional charges are levied or rebates given in subsequent billing cycles to all consumers.
5	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined	The receivables and payables between the generation, transmission and distribution companies has been reconciled and confirmed by each of the associate company. The confirmations are also sought for amount payable for purchase of power from wind farm and solar energy suppliers.
6	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase	The Company has no franchisees for distribution of power.
7	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented.	The Company has raised FPPPA and tariff compensation claim to GUVNL. During FY 2016-17 Rs 144348.00 Lakhs has been received from GUVNL.

For, **RAMANLAL G. SHAH & CO.**
Chartered Accountants
Firm Reg. No. 108517W

Date: **26th September, 2017**
Place: **Ahmedabad**

(Vivek S. Shah)
Partner
Membership No.112269

Balance Sheet as at 31st March, 2017

(Rs. in Lakhs)

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	2	370,512.15	349,918.83	310,247.62
(b) Capital work-in-progress	3	16,011.44	11,713.29	15,645.69
(c) Financial Assets				
(i) Loans	4	813.99	798.29	686.53
(ii) Other Financial Assets	5	684.24	670.35	1,436.60
Total Non-current Assets		**388,021.82**	**363,100.77**	**328,016.44**
(2) Current Assets				
(a) Inventories	6	37,491.44	35,007.60	38,250.79
(b) Financial Assets				
(i) Trade receivables	7	64,607.08	55,002.95	59,182.62
(ii) Cash and cash equivalents	8	9,014.07	7,919.37	9,769.95
(iii) Loans	9	283.89	285.58	392.21
(iv) Other Financial assets	10	65,868.09	30,312.50	11,400.26
(c) Current Tax Assets (net)	11	268.67	-	104.37
(d) Other current assets	12	365.25	316.73	281.76
Total Current Assets		**177,898.49**	**128,844.75**	**119,381.96**
Total		**565,920.31**	**491,945.51**	**447,398.39**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	45,516.40	38,741.44	31,653.09
(b) Other Equity	14	169,943.10	128,146.38	80,693.23
Total Equity		**215,459.50**	**166,887.82**	**112,346.32**
Deferred Government Grants, Subsidies & Contributions	15	110,044.34	101,652.73	90,228.96
Liabilities				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	7,038.76	10,467.97	27,501.77
(ii) Other Financial liabilities	17	115,955.73	106,029.71	95,017.24
(b) Provisions	18	14,795.19	11,581.04	10,314.36
(c) Deferred tax liabilities (Net)	19	-	-	-
Total Non-current Liabilities		**137,789.68**	**128,078.71**	**132,833.38**

(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	755.40	1.07	-
(i) Trade payables	21	336.06	708.94	275.06
(ii) Other Financial liabilities	22	50,648.33	51,759.77	63,659.72
(b) Other current liabilities	23	49,152.69	39,741.76	46,155.21
(c) Provisions	24	1,734.31	2,145.14	1,899.75
(d) Current Tax Liabilities (net)	25	-	969.57	-
Total Current Liabilities		102,626.79	95,326.25	111,989.74
Total		565,920.31	491,945.51	447,398.39
Significant Accounting Policies and Notes to Financial Statements	1-48			

As per our report of even date attached
For Ramanlal G. Shah & Co.
Chartered Accountants
F.R. No. 108517W

For and on behalf of the Board of Directors
Uttar Gujarat Vij Company Ltd

Vivek S. Shah
M. No. 112269

B.A. Shah, IAS
Managing Director
DIN-07514065

H.P. Desai
Director
DIN-00034128

R.B. Kothari, ACMA
Chief Financial Officer

N.M. Joshi, FCS
Company Secretary

Place: Ahmedabad
Date: 26-Sep-2017

Place: Ahmedabad
Date: 26-Sep-2017

Statement of Profit and Loss for the period ended 31st March, 2017

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Revenue from operations	26	916,203.99	882,379.55
II	Other Income	27	15,139.57	14,566.35
III	**Total income (I+II)**		**931,343.56**	**896,945.90**
IV	**EXPENSES**			
	Purchase of Power	28	821,659.42	797,794.80
	Employee Benefits Expense	29	44,890.07	31,968.33
	Finance Costs	30	13,723.64	19,467.99
	Depreciation and amortization expense	2	27,388.73	24,972.96
	Other Expenses	31	14,951.02	13,863.02
	Total expenses (IV)		**922,612.88**	**888,067.11**
V	Profit before exceptional items and tax (III-IV)		8,730.69	8,878.79
VI	Exceptional items	-	-	-
VII	**Profit before tax (V-VI)**		**8,730.69**	**8,878.79**
VIII	Tax expense:	32		
	Current tax		2,075.23	1,714.03
	Deferred tax		-	-
IX	**Profit for the year (VII-VIII)**		**6,655.46**	**7,164.76**
X	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Re-measurement of the defined benefit plans		(356.77)	(1,678.83)
	Total of Other comprehensive income (OCI) (X)		**(356.77)**	**(1,678.83)**
XI	**Total comprehensive income for the year (IX+X)**		**6,298.69**	**5,485.93**
XII	**Earnings per equity share:**	33		
	Basic (in Rs.)		1.60	2.06
	Diluted (in Rs.)		1.60	2.06
	See accompanying notes to the Financial Statements	1-48		

As per our report of even date attached
For Ramanlal G. Shah & Co.
Chartered Accountants
F.R. No. 108517W

Vivek S. Shah
M. No. 112269

Place: Ahmedabad
Date: 26-Sep-2017

For and on behalf of the Board of Directors
Uttar Gujarat Vij Company Ltd

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Managing Director
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H.P. Desai
Director
DIN-00034128

R.B. Kothari, ACMA
Chief Financial Officer

N.M. Joshi, FCS
Company Secretary

Place: Ahmedabad
Date: 26-Sep-2017

Cash Flow Statement for the year ended 31st March, 2017

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	8,730.69	8,878.79
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	27,388.73	24,972.96
(Gain)/Loss on sale of PPE (net)	11.32	18.42
Deferred Income (10% of Capital Grant & Consumer Contribution Written Back)	(9,356.45)	(11,294.75)
Interest income	(4.59)	14.32
Finance costs	13,723.64	19,467.99
Impairment for Doubtful receivables	649.65	545.01
Working capital adjustments:		
(Increase)/ Decrease in Current Assets:		
Inventories	(2,483.84)	3,243.18
Trade receivables	(10,253.78)	3,634.66
Other financials assets	(35,583.48)	(18,151.14)
Other non financial assets	(48.52)	(34.97)
Increase / (Decrease) in Current Liabilities:		
Trade Payables	(372.88)	433.88
Other Financial Liabilities	22,254.14	5,667.59
Other non Financial Liabilities & Provisions	12,214.25	(4,901.39)
	26,868.88	**32,494.57**
Income tax (paid)/ Refund	(3,313.47)	(640.09)
Net cash flows from operating activities (A)	**23,555.41**	**31,854.48**
Investing activities		
Purchase of property, plant and equipment (including CWIP)	(61,160.42)	(64,072.63)
Sale of fixed assets	8,868.90	3,445.21
Bank Balances not considered as Cash and Cash Equivalents		-
Interest received (finance income)	4.59	(14.32)
Net cash flows used in investing activities (B)	**(52,286.93)**	**(60,641.74)**
Financing activities		
Proceeds from Share Application Money pending allotment	42,272.99	49,055.57
Deferred Govt. Grants, Subsidy & Contributions	17,748.06	22,718.52
Proceeds / (Repayment) from borrowing (net)	(15,141.38)	(25,253.42)
Interest & financial charges	(15,053.46)	(19,563.99)
Net cash flows from/(used in) financing activities (C)	**29,826.21**	**26,936.68**
Net increase in cash and cash equivalents (A+B+C)	**1,094.69**	**(1,850.58)**
Cash and cash equivalents at the beginning of the year	7,919.37	9,769.95
Cash and cash equivalents at year end	**9,014.07**	**7,919.37**

Notes: (Rs. in Lakhs)

1	Cash & Bank Balances consists of the following:		
	Cash & Cash Equivalents		
	a. Balances with Banks	7,840.56	6,896.14
	b. Cash on hand	1.07	1.14
	c. Others	1,172.44	1,022.09
	Closing Cash & Cash Equivalents	9,014.07	7,919.37
2	The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 " Cash Flow Statement") prescribed under the Companies (Accounting Standards) Rules, 2015.		
3	Previous year figures have been regrouped wherever necessary.		

As per our report of even date attached
For Ramanlal G. Shah & Co.
Chartered Accountants
F.R. No. 108517W

Vivek S. Shah
M. No. 112269

Place: Ahmedabad
Date: 26-Sep-2017

For and on behalf of the Board of Directors
Uttar Gujarat Vij Company Ltd

B.A. Shah, IAS
Managing Director
DIN-07514065

H.P. Desai
Director
DIN-00034128

R.B. Kothari, ACMA
Chief Financial Officer

N.M. Joshi, FCS
Company Secretary

Place: Ahmedabad
Date: 26-Sep-2017

Statement of Changes in Equity for the year ended on 31st March, 2017

Equity Share Capital (Rs. in Lakhs)

Particulars	Amount
Balance as on 1st April, 2015	31,653.09
Changes during the year	7,088.35
Balance as on 31st March, 2016	38,741.44
Changes during the year	6,774.96
Balance as on 31st March, 2017	**45,516.40**

Other Equity (Rs. in Lakhs)

Particulars	Retained Earnings	Securities Premium	Share Application money pending allotment	Total
Balance as at 1st April, 2015 (as previously reported)	7,974.11	70,578.58	-	78,552.68
Impact of Ind As adjustment to retained earnings	2,105.71	-	-	2,105.71
Adjustments for prior period errors	34.83	-	-	34.83
Restated balance as at 1st April, 2015	**10,114.65**	**70,578.58**	-	**80,693.23**
Profit for the year	7,164.76	-	-	7,164.76
Other comprehensive income for the year (net of Tax)	(1,678.83)	-	-	(1,678.83)
Total Comprehensive Income for the year	**15,600.58**		-	**5,485.93**
Addition during the year	-	38,985.92	2,981.30	41,967.22
Balance as at 31st March, 2016	**15,600.58**	**109,564.50**	**2,981.30**	**128,146.38**
Profit for the year	6,655.46	-	-	6,655.46
Other comprehensive income for the year (net of Tax)	(356.77)	-	-	(356.77)
Total Comprehensive Income for the year	**21,899.27**		**2,981.30**	**6,298.69**
Addition/(reduction) during the year		38,479.33	(2,981.30)	35,498.03
Balance as at 31st March, 2017	**21,899.27**	**148,043.83**	-	**169,943.10**

As per our report of even date attached
For Ramanlal G. Shah & Co.
Chartered Accountants
F.R. No. 108517W

Vivek S. Shah
M. No. 112269

Place: Ahmedabad
Date: 26-Sep-2017

For and on behalf of the Board of Directors
Uttar Gujarat Vij Company Ltd

B.A. Shah, IAS
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DIN-07514065

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Director
DIN-00034128

R.B. Kothari, ACMA
Chief Financial Officer

N.M. Joshi, FCS
Company Secretary

Place: Ahmedabad
Date: 26-Sep-2017

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information and Critical judgements

A. Corporate Information

Uttar Gujarat Vij Company Limited ('UGVCL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Visnagar Road, Mehsana - 384 001. The Company is mainly engaged in distribution of power. The Principal places of business are located in Gujarat, India.

Pursuant to the enactment of the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, GoG has issued various notifications, resolutions and Transfer Schemes for vesting of the assets, liabilities, proceedings and personnel from erstwhile GEB to the GoG and then to revest the same into initially six companies i.e. one Generation Company, one Transmission Company and four Distribution Companies (Thereinafter referred to as Successor companies). Uttar Gujarat Vij Company Limited is one of these four Distribution Companies, registered under the provisions of Companies Act, 1956. (Herein after referred to as Successor Company.)

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

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

GoG issued notification No. : GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006 notifying the final opening balance sheet of the Company as on 01/04/2005 containing the value of the assets and liabilities of the distribution activities which stand transferred from erstwhile GEB to the Company as specified in Annexure-F appended to the notification.

B. Basis of preparation:

1. Statement of Compliance

The financial statements have been prepared in accordance with Ind AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. The mandatory exceptions and optional exemption availed by the Company on first time adoption have been detailed in note no. 1(B)(18). Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Previous period figures in the Financial Statements have been restated in compliance to Ind AS.

Upto the year ended 31st March, 2016, the Company had prepared the financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, except in so far as the said provisions were inconsistent with the provision of the Electricity Act, 2003.

In accordance with Ind AS 101 "First Time adoption of Indian Accounting Standards", the Company has presented a reconciliation of Shareholders' equity under Previous GAAP to Shareholders' equity under Ind AS as at 31st March, 2016 and 1st April, 2015 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2016.

In accordance with the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016.

2. Application of new Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

Standards issued but not yet effective

In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 'Statement of Cash flows' and Ind AS 102, 'Share - Based Payment', which are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS -7, 'Statement of Cash flows' and IFRS - 2, 'Share - Based Payment' respectively. These amendments are applicable w.e.f. 1st April, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Company has not issued any stock options plans presently, hence this amendment has no effect on the financial statements of the Company.

3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

All expenses are recognized and accounted for on accrual basis. Claims of suppliers/contractors for price variation are accounted for on its acceptance.

4. Fair Value measurement

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

C. Significant accounting policies

1. Property, Plant & Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost after reducing accumulated depreciation until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost or any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management.

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

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

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

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.

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

Depreciation

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

The Company, being engaged in electricity business, is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013. Accordingly the Company charges depreciation at the rates prescribed in GERC (MYT) Regulations, 2011 on straight line method.

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

Assets Description	Percentage
Buildings	3.34%
Hydraulic Works	5.28%
Other Civil Works	3.34%
Plant & Machinery	5.28%
Lines & Cable Net-Work	5.28%
Vehicles	6.33%
Furniture-Fix & Elect-Light & Fan Installations	6.33%
Office Equipments	6.33%

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding Rs. 5,000/- which are fully depreciated at the time of addition. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

2. **Impairment of tangible and intangible assets**

The company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

3. **Non-current assets held for sale**

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

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

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

4. **Government Grant**

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

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

5. **Inventories**

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

(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.

6. **Revenue Recognition**

Revenue is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of power

Revenue from sale of power is recognised on accrual basis of energy supplied in accordance with the tariff orders awarded by Gujarat Electricity Regulatory Commission (GERC) as applicable to the consumers.

Other revenue from power related activities

Surplus power, sold to GUVNL is accounted on the basis of credit notes received from GUVNL.

Miscellaneous revenue from consumers

Meter rent, recoveries against theft of power/malpractices, wheeling charges are recognised on accrual basis, except Misc. charges from consumers which are recognised on cash basis.

Insurance Claims

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

Other income

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 delay payment against outstanding energy bills.

Amount in respect of Unclaimed Security Deposit, Earnest Money Deposit and Misc. Deposit of suppliers and contractors, Stale Cheque etc. which is pending for more than three years and which are not payable, is considered as income.

Other income except mentioned above is recognised on accrual basis except when ultimate realization of such income is uncertain.

7. **Foreign Exchange Transactions**

The financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Company.

8. Employee Benefits

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

Short-term employee benefits

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

Long-term employee benefits.

Defined contribution plans

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

Defined benefit plans

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

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

Other long term employee benefits

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

9. Taxes on Income

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

Current Tax

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

Deferred Tax

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

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

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

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

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

Current and Deferred Tax for the year

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

10. Borrowing Costs

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

Other borrowing cost is recognized as expense in the period in which they are incurred.

11. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Provisioning for Bad & Doubtful debts is made by class/group wise debtors based on periodic review of Debtors as well as considering decisions of Lok Adalats held during the year.

12. Material prior period errors

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

13. Earnings per share

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

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

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares."

14. Segment Reporting

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

15. Events Occurring After The Date Of Balance Sheet

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the reports of the Board of Directors.

16. Financial Instruments

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

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

Financial Assets

Cash and cash equivalents

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

Financial assets at amortized cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Impairment of Financial assets

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

The measurement of lifetime expected credit loss allowance for trade receivables is made by class/group wise debtors based on periodic review of Debtors as well as considering decisions of Lok Adalats held during the year.

De-recognition of financial assets

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

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

Financial Liabilities and Equity Instruments

Classification as debt or equity

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

Financial liabilities at amortized cost

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

Equity Instruments

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

De-recognition of financial liabilities

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

Effective interest method

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

17. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

Critical judgments and Estimates in applying accounting policies

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

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

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

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

(b) Evaluation of directly attributable costs [2]

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

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

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

(d) Regulatory deferral accounts [1]

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

(e) Security deposits [1]

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

(f) Impairment of Trade receivables [2]

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 7

(g) Deferred tax assets [2]

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

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

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

The Company is required to recognise grants/consumer contribution that compensate the cost of assets to profit or loss on a systematic basis considering the amount of periodic consumption of the assets. This is based on the assessment of the present status of, and expected future benefits from the assets. The Company has in the current year made a change in the method of recognizing grants and consumer contributions that compensate the cost of an asset in the Statement of Profit and Loss from the reducing balance method followed hitherto to straight line method and consequentially the rates at which grant/ consumer contribution is recognised in income. The change is made as the straight-line method and the rates of grant recognition will more accurately reflect the pattern of usage and the expected benefits of such grants/consumer contributions and provide greater consistency with the depreciation methods/ charge on the assets used by the Company. The Company has determined that the change in method and consequential rates of grant recognition in proportion of depreciation expense is a change in accounting estimate and is to be applied prospectively.

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

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

(j) Contingent liabilities [2]

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

[1] **Critical accounting judgments**

[2] Key sources of estimation uncertainties

18. First-time adoption – mandatory exceptions and optional exemptions

Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Property, plant and equipment & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Borrowings

Ind AS 101 permits that if it is impracticable for an entity to apply retrospectively the effective interest method in Ind AS 109 'Financial Instruments', the fair value of the financial liability at the date of transition to Ind AS shall be the new amortised cost of that financial liability at the date of transition to Ind AS.

The borrowings outstanding as at the transition date, consists of loans drawn more than ten years back, some drawls with multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are fixed in nature and drawl of the loans have been made in multiple installments with each drawl to be treated as a separate transaction for the purpose of computing the amortised cost. In case of some loans the drawl period stretches beyond 3-4 years. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has amortised the transaction costs as an adjustment of interest expense of the term of the related loan w.e.f. the transition date to Ind AS i.e. 1 April 2015.

Measurement of financial assets and financial liabilities

The Company has also elected the option under Ind AS 101 by not applying the requirement of Ind AS 109 in case of employee loans and deposits, both given and taken which requires that these shall be recognized initially at fair value and subsequently at amortized cost, as the Company considers it impracticable to apply it retrospectively and also the amount is expected to be immaterial. Hence as per the exemption, the fair value of the financial asset at the date of transition to Ind AS shall be the new amortized cost of that financial asset at the date of transition to Ind AS..

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognised in order to compare it with the credit risk as at the transition date.

However, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. 2

PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Particulars / Assets	TANGIBLE ASSETS									
	Free Hold Land	Buildings	Hydraulic works	Other Civil works	Plant & Machinery	Lines & Cable Net Works	Vehicles	Furniture & Fixtures & Ele.Lightings	Office Equipments	Total
GROSS BLOCK										
At 1st April 2015	3,624.06	3,843.81	24.49	568.01	90,144.44	209,942.29	192.33	519.52	1,388.67	310,247.62
Additions	5,110.50	731.89	1.59	8,252.96	16,705.06	36,255.64	93.27	351.24	605.65	68,107.81
Deduction/Adjustments	190.67	4.02	0.33	12.29	1,533.19	1,602.24	36.82	15.34	68.73	3,463.63
At 31st March 2016	**8,543.89**	**4,571.69**	**25.75**	**8,808.68**	**105,316.30**	**244,595.69**	**248.78**	**855.42**	**1,925.60**	**374,891.79**
Additions	-	828.64	-	204.16	17,998.81	37,503.47	40.61	134.49	152.09	56,862.27
Deduction/Adjustments	4.73	35.35	0.32	142.10	3,865.62	5,277.04	28.49	7.35	17.80	9,378.80
At 31st March 2017	**8,539.15**	**5,364.98**	**25.44**	**8,870.74**	**119,449.49**	**276,822.11**	**260.90**	**982.57**	**2,059.88**	**422,375.26**
ACCUMULATED DEPRECIATION										
At 1st April 2015	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	161.33	3.48	139.49	7,009.96	17,202.84	29.21	67.25	359.41	24,972.96
Deduction/Adjustments	-									-
At 31st March 2016	-	**161.33**	**3.48**	**139.49**	**7,009.96**	**17,202.84**	**29.21**	**67.25**	**359.41**	**24,972.96**
Charge for the year	-	204.09	3.41	299.26	7,575.55	18,888.81	33.66	73.75	310.20	27,388.73
Deduction/Adjustments	-		0.26	0.03	196.35	280.73	11.93	2.23	7.05	498.59
At 31st March 2017	-	**365.43**	**6.64**	**438.72**	**14,389.16**	**35,810.92**	**50.93**	**138.76**	**662.57**	**51,863.11**
NET BLOCK										
At 1st April, 2015	3,624.06	3,843.81	24.49	568.01	90,144.44	209,942.29	192.33	519.52	1,388.67	310,247.62
At 31st March 2016	8,543.89	4,410.36	22.27	8,669.19	98,306.34	227,392.85	219.57	788.17	1,566.19	349,918.83
At 31st March 2017	**8,539.15**	**4,999.55**	**18.80**	**8,432.02**	**105,060.33**	**241,011.20**	**209.97**	**843.80**	**1,397.32**	**370,512.15**

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.

b. As per assessment made by the management at the Balance Sheet date, there is no indication that an asset is impaired.

c. The Company has selected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards' (Refer Note 1-C-18).

3 Capital Work-in-progress (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital works-in-progress	15,530.89	11,190.88	15,112.99
Provision for completed works	480.55	522.41	532.70
Total	16,011.44	11,713.29	15,645.69

3.1 The Company has evaluated the directly attributable cost capitalisation rate for the current financial year ended 31 March 2017 and applied this to the expenditure on the relevant assets and the total expenditure thus capitalized during the current financial year is Rs. 6838.82 lakhs (P.Y. 112.18 lakhs).

4 Loans (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Considered Good			
Loans & Advances to staff - interest Bearing	813.99	798.29	686.53
Total	813.99	798.29	686.53

5 Other Financial Assets (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest Accrued & Due on Staff Loans	70.80	59.35	48.79
Income accrued but not due on Staff Loans & Advances	613.44	611.00	1,387.81
Total	684.24	670.35	1,436.60

6 Inventories (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Stores , Spares and Scrap			
Stock of materials at stores	18,230.67	17,441.53	19,786.39
Materials at Site (O&M)	1,387.88	1,259.05	2,541.68
Materials in Transit	-	46.00	-
Other Materials Accounts	17,872.88	16,261.02	15,922.72
Mat.Stock Excess / Shortage Pending Investigation	286.62	280.45	279.51
Prov. for Mat.Stock Excess / Shortage Pending Investigation	(286.62)	(280.45)	(279.51)
Total	37,491.44	35,007.60	38,250.79

7 **Trade Receivables** (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured Considered Good			
Trade Receivables for Sale of Power (Including Provision for Unbilled Revenue for which bills are issued up to 31.03.15)	66,028.34	56,427.40	60,583.91
Trade Receivable for Misc. Receipts from Cons.	1,795.47	1,489.54	1,338.53
	67,823.80	57,916.94	61,922.44
Less : Unposted Receipts.		-	(1.30)
Less: Provision for Doubtful dues	(1,930.44)	(1,613.84)	(1,443.32)
Less : Doubtful E D & TSE	(1,286.28)	(1,300.15)	(1,295.20)
Total (A)	64,607.08	55,002.95	59,182.62
Unsecured Considered Doubtful			
Dues from Permanent Disconnected Consumers (Net of SD forfeited).	7,168.79	6,873.66	6,593.55
Provision for Doubtful Dues from Consumers.	(7,168.79)	(6,873.66)	(6,593.55)
Total (B)	-	-	-
Total (A+B)	64,607.08	55,002.95	59,182.62

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

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

Generally, the credit period on sales of electrical energy is 15 to 30 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

Age of receivable:

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Less than or equal to 6 months	63,293.12	52,081.72	58060.30
More than 6 months and above	4,530.68	5,835.22	3862.14
Total	67,823.80	57,916.94	61,922.44

8 **Cash and cash equivalents** (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks	5,354.78	6,029.28	6,321.92
Cheques on Hand	920.93	790.53	2,625.88
Cash on hand	1.07	1.14	0.97
Remittance in Transit	251.52	231.56	37.01
Deposits with banks	2,485.77	866.86	784.17
Total	9,014.07	7,919.37	9,769.95

9 Loans

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Considered Good			
Loans & Advances to staff - interest bearing	279.19	283.85	390.47
Unsecured Considered Good			
Other Loans and Advances	4.70	1.73	1.73
Total	**283.89**	**285.58**	**392.21**

10 Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unbilled Revenue	19,612.24	18,056.52	10,352.56
Income accrued but not due on Staff Loans & Advances	137.63	136.52	148.55
Interest Accrued & Due on Staff Loans	99.30	95.71	94.71
Advances to staff	137.08	136.12	116.49
Amount recoverable from employee / ex-employees	7.24	7.54	4.48
Other Recoverables	175.53	289.50	201.65
Deposits	466.84	393.87	435.44
Receivables from associates	-		
- Gujarat Energy Training & Research Institute	88.21	53.84	46.37
- Gujarat Urja Vikas Nigam Ltd. (Holding Company)	45,144.02	11,142.88	-
Total	**65,868.09**	**30,312.50**	**11,400.26**

11 Current Tax Assets (net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Tax Assets			
Tax Refund Receivable	6,712.50	-	2,454.84
Current Tax Liability			
Income Tax Payable	6,443.82	-	2,350.46
Total	**268.67**	**-**	**104.37**

12 Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Prepaid Expenses	114.38	102.55	103.57
Postage Stamps & Agreement Stamps on hand	14.52	15.07	15.92
Advances for O&M Supplies/Works	5.59	23.50	5.98
Subsidy/Grant receivable	-	-	-
Assets not in use	199.91	150.77	131.44
Other Deposits	30.85	24.85	24.85
Total	**365.25**	**316.73**	**281.76**

13 **Equity Share Capital**

a **Equity share capital consist of the following:** **(Rs. in Lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share Capital			
Equity Share Capital			
Authorised Share capital			
60,00,00,000 (31 March 2016: 60,00,00,000, 1 April 2015: 60,00,00,000)Equity Shares each of Rs. 10 each	60,000.00	60,000.00	60,000.00
Issued Share Capital			
45,51,64,029 (31 March 2016: 38,74,14,414, 1 April 2015: 31,73,85,050)Equity Shares each of Rs. 10 each	45,516.40	38,741.44	31,738.51
Subscribed & Paid up			
45,51,64,029 (31 March 2016: 38,74,14,414, 1 April 2015: 31,65,30,921)Equity Shares each of Rs. 10 each	45,516.40	38,741.44	31,653.09
Total	**45,516.40**	**38,741.44**	**31,653.09**

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

Particulars	No. of Shares	Share Capital (Lakhs)
As at 1st April,2015	316,530,921	31,653.09
Additions/(Reductions)	70,883,493	7,088.35
As at 31st March,2016	387,414,414	38,741.44
As at 1st April,2016	**387,414,414**	**38,741.44**
Additions/(Reductions)	67,749,615	6,774.96
As at 31st March,2017	**455,164,029**	**45,516.40**

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

Particulars	No. of Shares		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Gujarat Urja Vikas Nigam Limited & its Nominees	**455,164,029**	**387,414,414**	**316,530,921**

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

Particulars	As at 31st March, 2017	
	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its Nominees	**455,163,959**	**100%**

Particulars	As at 31st March, 2016	
	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its Nominees	387,414,344	100%

Particulars	As at 31st March, 2015	
	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its Nominees	316,530,921	100%

e **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 1st April 2005 vide Notification No. GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006. The Energy & Petrochemical Department, Government of Gujarat vide Notification No. GHU-(203)-GUV-1106-590-K dated 12th December, 2008 partially modifying the earlier Notification No.GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006 has bifurcated the earlier notified Equity Share Capital into Equity Share Capital of Rs. 1108964800/- (i.e. 110896480 fully paid Equity Shares of Rs. 10/- each) and Share Premium of Rs.3326894430/- effective from 1st 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 Rs.10/- each (fully paid up) aggregating to Rs. 962021720/- to GUVNL by way of preferential allotment through private placement.
(c) During the year 2009-10, the company has issued Equity Shares worth of Rs.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.
(d) During the year 2012-13, the Company has received Share Application Money of Rs. 16850.00 lakhs from its Holding Company, GUVNL towards Capital Contribution release of agricultural Connections. In the FY 2013-14, Company had allotted 29561404 Equity Shares of Rs. 10/- each at a premium of Rs. 47/- per share as Right shares.
(e) During the year 2014-15, the Company has received Share Application Money of Rs. 28397.85 lakhs from its Holding Company, GUVNL towards Capital Contribution release of agricultural Connections. During the year, Company has allotted 49820795 Equity Shares of Rs. 10/- each at a premium of Rs. 47/- per share as Right shares.
(f) During the year 2015-16, the Company has received Share Application Money of Rs. 46074.27 lakhs from its Holding Company, GUVNL towards Capital Contribution release of agricultural Connections, Electrification of Wells and Petapara in Tribal Area, Shifting/Replacement of Poles & Lines of Municipal/Nagarpalikas area and Issuing New Ag. Connections to SC farmers. During the year, Company has allotted 70883493 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per share as Right shares.
(g) During the year 2016-17, the Company has received Share Application Money of Rs. 45254.29 (out of this Rs. 2981.30 lakhs received in the FY 2015-16) lakhs from its Holding Company, GUVNL towards Capital Contribution release of agricultural Connections, Electrification of Wells and Petapara in Tribal Area, Shifting/ Replacement of Poles & Lines of Municipal/Nagarpalikas area and Issuing New Ag. Connections to SC farmers. During the year, Company has allotted 37323600 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per share as Right shares and 30426015 Equity Shares of Rs. 10/- each at a premium of Rs. 59/- per share as Right shares.

14 Other Equity

a Other equity consist of the following: (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share Application Money pending allotment	-	2,981.30	-
Securities Premium Account	148,043.83	109,564.50	70,578.58
Retained Earnings	21,899.27	15,600.58	10,114.65
Total	169,943.10	128,146.38	80,693.23

b Particulars relating to Other Equity (Rs. in Lakhs)

Other Equity	As at 31st March, 2017	As at 31st March, 2016
(a) Equity Securities Premium Account		
Share Premium Account (other wise than in cash)		
(Refer note no. 13 (e)(a) above.)		
Opening Balance	109,564.50	70,578.58
Add: Increase during the year	38,479.33	38,985.92
(A)	148,043.83	109,564.50
Total Equity Share Premium Account	148,043.83	109,564.50
Share Application Money pending allotment		
Opening Balance	2,981.30	-
Increase/(Decrease) during the year	(2,981.30)	2,981.30
(B)	-	2,981.30
Retained Earnings		
Opening Balance	15,600.58	10,114.65
Add: Net profit after tax transferred from Statement of Profit & Loss	6,655.46	7,164.76
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of Income tax	(356.77)	(1,678.83)
(C)	21,899.27	15,600.58
Total	169,943.10	128,146.38

(i) **Equity Securities Premium Account**

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

15 Deferred Government Grants, Subsidies & Contributions (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Govt. grants & subsidies towards cost of Capital Assets	37,701.10	35,368.76	33,356.40
Consumer Contribution towards Capital Assets	72,343.24	66,283.97	56,872.55
Total	110,044.34	101,652.73	90,228.95

15.1 Particulars relating to Deferred Government Grants, Subsidies and contributions

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Govt.Grants & Subsidies towards cost of Capital Assets			
Opening balance	35,368.76	33,356.40	33,331.29
Add: Received during the year (Net)	5,710.25	5,942.22	3,731.38
Less: written back to P&L account	(3,377.91)	(3,929.86)	(3,706.27)
Closing balance	**37,701.10**	**35,368.76**	**33,356.40**
Consumer Contribution towards Capital Assets			
Opening balance	66,283.97	56,872.55	48,674.65
Add: Received during the year	12,037.82	16,776.30	14,517.08
Less: written back to P&L account	(5,978.55)	(7,364.89)	(6,319.17)
Closing balance	**72,343.24**	**66,283.97**	**56,872.55**
TOTAL	**110,044.34**	**101,652.73**	**90,228.96**

16 **Borrowings** (Rs. in Lakhs)

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Loans			
Loan from Banks and Financial Institutions			
Loans from REC (Serviced by UGVCL)	-	22.16	44.32
Loan from Power Finance Corporation	3,310.62	2,539.23	3,441.10
Unsecured Loans			
Loan from Banks and Financial Institutions			
Loan from GSFS (Allocated by GUVNL)	-	3,000.00	15,000.00
Loan From REC for RGGVY project (Raised by UGVCL)	-	577.39	638.21
Public Bonds (Allocated by GUVNL):	-	-	3,447.90
State Government Loans (Allocated by GUVNL)			
Loan under APDRP	1,088.14	1,309.15	1,530.17
ADB Prog. & Proj. Loan	2,640.00	3,020.04	3,400.07
Total	**7,038.76**	**10,467.97**	**27,501.77**

16.1 **Current Maturity of Long Term Debts (Borrowings)**

Particular	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Loans			
Loan from Banks and Financial Institutions			
Loans from REC (Serviced by UGVCL)	22.16	22.16	553.82
Loan from Power Finance Corporation	-	513.51	60.60
Unsecured Loans			
Loan from Banks and Financial Institutions			
Loan from GSFS (Allocated by GUVNL)	3,000.00	12,000.00	21,000.00
Loan From REC	-	-	6.62
Loan From REC for RGGVY project (Raised by UGVCL)	577.39	82.48	79.78
Public Bonds (Allocated by GUVNL):	-	3,447.89	2,585.92
State Government Loans (Allocated by GUVNL)			
Loan under APDRP	221.02	221.02	221.02
ADB Prog. & Proj. Loan	380.03	380.03	380.03
Total	**4,200.60**	**16,667.09**	**24,887.79**

16.2 Maturity Profile of Long Term Debts (Borrowings Out standing as on 31.03.17)

Particulars	Rate of Interest	Due within One year	Two to Five Year	More then Five year
Secured Loan				
	8.50	10.83	-	-
Loan from REC	9.25	7.44	-	-
	10.50	3.89	-	-
Loan From PFC (RAPDRP-A)	9.00	-	-	-
Loan From PFC (RAPDRP-B)	9.00	-	-	-
Loan From PFC (SCADA-A)	9.00	-	-	-
Loan From PFC (SCADA-B)	9.00			
Unsecured Loans				
Loan from GSFS	9.50	3000.00	-	-
	10.75	122.10	-	-
Loan from REC (RGGVY)	11.25	63.26	-	-
	11.50	384.96	-	-
	11.75	7.06	-	-
State Government Loans (Allocated by GUVNL)				
Loan under APDRP	10.69	380.03	1520.12	1119.89
ADB Prog. & Proj. Loan	12.18	221.02	1088.13	-
Total		**4200.60**	**2608.25**	**1119.89**

16.3 Maturity Profile of Long Term Debts (Borrowings Out standing as on 31.03.16)

Particulars	Rate of Interest	Due within One year	Two to Five Year	More then Five year
Secured Loan				
	8.50	10.83	10.83	-
Loan from REC	9.25	7.44	7.44	-
	10.50	3.89	3.89	-
Loan From PFC (RAPDRP-A)	9.00	502.35	1,213.49	-
Loan From PFC (RAPDRP-B)	9.00	11.16	48.80	238.24
Loan From PFC (SCADA-A)	9.00	-	-	965.69
Loan From PFC (SCADA-B)	9.00			73.00
Unsecured Loans				
Bonds-Series-X	8.00	953.68	-	-
Bonds-Series-IX	8.00	342.07	-	-
Bonds-Series-VIII	8.95	2,152.15	-	-
Loan from GSFS	9.50	12000.00	3,000.00	-
	10.75	17.44	69.76	52.35
Loan from REC (RGGVY)	11.25	9.04	36.16	27.10
	11.50	54.99	219.96	165.01
	11.75	1.01	4.04	3.02
State Government Loans (Allocated by GUVNL)				
Loan under APDRP	10.69	380.03	1520.12	1499.92
ADB Prog. & Proj. Loan	12.18	221.02	884.08	425.07
Total		**16667.10**	**7018.57**	**3449.40**

16.4 Maturity Profile of Long Term Debts (Borrowings Out standing as on 01.04.15)

Particulars	Rate of Interest	Due within One year	Two to Five Year	More then Five year
Secured Loan				
	8.50	275.69	21.66	-
	9.25	34.16	14.88	-
Loan from REC	10.00	153.81	-	-
	10.50	88.75	7.78	-
	11.00	1.41	-	-
Loan From PFC (RAPDRP)	9.00	60.60	-	3,441.10
Unsecured Loans				
Bonds-Series-X	8.00	715.26	953.68	-
Bonds-Series-IX	8.00	256.56	342.07	-
Bonds-Series-VIII	8.95	1,614.10	2,152.15	-
Loan from GSFS	9.00	9,000.00	-	-
	9.50	12000.00	15,000.00	-
Loan from REC	9.25	6.62	-	-
Loan from REC (RGGVY)	11.00	1.01	4.04	4.03
	11.50	18.27	73.08	73.09
	12.25	26.43	105.73	105.70
	12.50	34.07	136.28	136.26
State Government Loans (Allocated by GUVNL)				
Loan under APDRP	10.69	380.03	1520.12	1879.95
ADB Prog. & Proj. Loan	12.18	221.02	884.08	646.08
Total		**24887.79**	**21215.55**	**6286.21**

16.5

A. Loans from REC are 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.

B. Loan from PFC is secured against 1st hypothecation of assets constructed or under construction, under the new financed assets under this project. As per letter no. 04:06:R-APDRP:2016-17:Vol-V:G15/45526 dated 03.02.2017 of PFC, as the loan is to be converted into grant as the project is successfully completed within the extension provided by the PFC, the monitoring Committee in their 9th Meeting held on 20th Dec, 2016, the re-payment made till date against this loan has been considered as repayment towards Loan's Principle Amount.

C. The loans which were raised by erstwhile G.E.B. from Bonds, Banks, PFC, REC, Financial Institutions 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 "loans allocated by GUVNL" in separate accounts. The repayments and interest thereon are reimbursed by the Company to GUVNL.

D.Registration of charge in-respect of proportionate Secured Loans transferred by GEB-erst :

The Company has, under a scheme of transfer, acquired the properties, which are subject to charge created by the erstwhile GEB, a transferor entity. As per the provisions of the Companies Act, the Company is required to register the charges in respect of all such assets with the Registrar of Companies, Gujarat State. Due to the common funds for all the operations of erstwhile GEB, funds were raised against the charge over all its assets. UGVCL, therefore, has not registered the charge on these properties with the Registrar of Companies, Gujarat.

17 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security deposit from consumers	114,243.70	104,267.06	93,344.63
Staff Related Liabilities (SVDRB)	1,712.02	1,762.64	1,672.61
Total	115,955.73	106,029.71	95,017.24

18 Long -term provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Employee Benefits			
Provision for Leave Encashment	14,795.19	11,581.04	10,314.36
Total	14,795.19	11,581.04	10,314.36

19 Deferred Tax Liabilities (Net)

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

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	-
Total	-	-	-

Deferred Tax Asset / Liability is worked out as under:

2016-17

(Rs. in Lakhs)

Particulars	Opening Balance	Recognized in profit and loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of :				
Depreciation	(35,352.23)	(6,927.06)	-	(42,279.29)
Deferred tax asset on account of:				
Employee Benefits	8,176.40	(94.51)	-	8,081.88
Provision for Doubtful Debts	2,937.35	211.71	-	3,149.06
Deferred Income on government grant	6,260.96	2,021.11	-	8,282.07
Carried forward of unused Tax Losses	16,834.89	332.15	-	17,167.04
Carried forward of unused Tax Credits	4,070.37	2,075.23	-	6,145.60
Net Deferred Tax Asset/(Liability)	2,927.74	(2,381.37)	-	546.36

Amounts recognised in Balance Sheet (Refer note A below)	-	-	-	-

2015-16

(Rs. in lakhs)

Particulars	Opening Balance	Recognized in profit and loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Depreciation	(27,529.05)	(7,823.19)	-	(35,352.23)
Prior Period Income	(70.18)	70.18	-	
Deferred tax asset on account of:				
Employee Benefits	7,273.91	902.49	-	8,176.40
Provision for Doubtful Debts	2,781.40	155.96	-	2,937.35
Deferred Income on government grant	5,066.49	1,194.47	-	6,260.96
Carried forward of unused Tax Losses	16,499.95	334.93	-	16,834.89
Carried forward of unused Tax Credits	2,356.34	1,714.03	-	4,070.37
Net Deferred Tax Asset/(Liability)	**6,378.86**	**(3,451.12)**	**-**	**2,927.74**
Amounts recognised in Balance Sheet (Refer note A below)	-	-	-	-

A Due to uncertainty about taxable income in foreseeable future, deferred tax assets had been restricted to the extent of deferred tax liabilities

20 **Short-term Borrowings**

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Cash Credit From Banks	755.40	1.07	-
Total	**755.40**	**1.07**	**-**

21 **Trade Payables**

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade Payable for purchase of power	336.06	708.94	275.06
Total	**336.06**	**708.94**	**275.06**

22 **Other Financial Liabilities** (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of long-term debt	4,200.60	16,667.10	24,887.79
Liability for O & M Supplies / Works.	5,440.07	5,640.22	7,372.07
Staff Related Liabilities	10.92	10.18	4.47
Staff Welfare Scheme	81.40	77.22	65.81
Deposits & Retentions from Suppliers\ & Contractors	5,378.27	5,016.27	4,430.97
Compounding offence	6.62	7.89	15.82
Outstanding liability for expenses	13,067.77	4,295.35	2,555.26
Interest accrued but not due	394.78	1,863.55	2,323.39
Interest payable on consumers security Deposit	7,274.56	7,135.62	6,688.99
Liabilities for SVRDB (Payment due within one year)	217.74	195.63	183.50
Liabilities for Consumers Contribution-Refundable (Payment due within one year)	-	472.61	501.71
Deposits for Electrification & Service Conn. etc.	14,158.36	9,691.40	12,725.35
Other Liabilities	417.26	686.75	712.71
Payables to Holding Company			
- Gujarat Urja Vikas Nigam Limited	-	-	1,191.87
Total	**50,648.33**	**51,759.77**	**63,659.72**

23 **Other Current Liabilities** (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory Liabilities	480.58	461.80	457.23
Income Received in Advance	46,099.59	39,190.18	45,697.98
Subsidy/Grants received in advance	2,572.52	89.78	-
Total	**49,152.69**	**39,741.76**	**46,155.21**

24 **Short-term Provisions** (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(A) **Provision for Employee Benefits**			
Provision for Leave Encashment	1,544.41	2,002.59	1,862.78
Provision for Bonus	189.90	142.55	35.37
(B) **Others**			
Provision for Wealth Tax (Net of Advance Tax)	-	-	1.59
Total	**1,734.31**	**2,145.14**	**1,899.75**

25 **Current Tax Liabilities (net of asset)** (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Tax Liability			
Income Tax Payable	-	4,064.49	-
Current Tax Assets			
Tax Refund Receivable	-	3,094.92	-
Total	-	**969.57**	-

26 **Revenue from operations** (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income from operating Activity		
Revenue from Sale of Power		
Residential General Purpose (Domestic or Residential)	100,582.24	95,226.72
General Lighting Purpose (Commercial)	2,529.38	2,370.01
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	116,693.07	108,896.48
Industrial high voltage	364,899.98	321,545.56
Public lighting	3,083.42	2,882.42
Traction railways		941.58
Irrigation agricultural	194,410.20	230,278.11
Public water works and sewerage pumps	28,883.29	30,514.38
Sale of Power to GUVNL	5,950.45	4,001.57
Add: Deviation Settlement Mechanism Charges (UI)	10,022.04	4,905.31
	827,054.07	**801,562.14**
Electricity Duty		
Electricity Duty Assessed	70,795.95	71,489.90
Less: Electricity Duty Assessed (Contra)	(70,795.95)	(71,489.90)
	827,054.07	**801,562.14**
Other operating Revenue		
Meter charges / Service line charges	5,136.14	4,835.19
Recoveries for theft of power / Malpractices	1,585.97	1,291.10
Wheeling charges Recoveries	308.99	432.17
Delayed payment charges from consumers	2,229.22	1,976.00
Rebate for Prompt Payment of Purchases of Power	26.83	31.27
Misc. charges from consumers	25,375.24	18,645.28
Agriculture Subsidy	54,487.53	53,606.40
Total	**916,203.99**	**882,379.55**

27 **Other Income** (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income		
-On staff advance	130.33	133.23
-On other loans and advance	0.61	0.81
-On Fixed Deposits	3.97	13.52
Provision no longer required	37.92	94.37
Grant for energy conservation	547.23	11.21
Deferred Income (Capital Grant & Consumer Contribution Written Back)	9,356.45	11,294.75
Miscellaneous receipts*	5,063.05	3,018.46
Total	**15,139.57**	**14,566.35**

* None of the items individually account for more than 1% of total revenue or Rs.10,00,000 whichever is higher

28 Purchase of Power (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Purchase of power from GUVNL	817,568.78	792,752.42
Purchase of power from Wind Turbin Generators/ CPP	1,549.11	1,513.94
Purchase of power from Solar Generators	2,279.05	2,353.49
Deviation Settlement Mechanism Charges (UI)	262.48	1,174.95
Total	**821,659.42**	**797,794.80**
Power Purchase from GUVNL is accounted as billed by GUVNL considering the mechanism/formula approved by Gujarat Energy Regulatory Commission (GERC)		

29 Employee benefits expense (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and wages	41,505.05	33,473.95
Contribution to provident and other funds	3,371.03	3,133.21
Staff welfare expenses	420.89	967.31
Retirement and Other Benefits	5,663.41	4,128.89
Less : Directly attributable cost capitalised	(6,070.31)	(9,735.03)
Total	**44,890.07**	**31,968.33**

30 Finance Costs (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expense		
Interest on State Government Loans	480.25	543.64
Interest on Bonds	74.12	352.24
Interest on Cash Credit and Working Capital Loans	4,893.18	10,024.56
Interest to consumers on security deposits etc.	7,894.98	7,665.11
Interest on REC and PFC Loans	71.10	594.34
Interest on Income Tax	90.90	135.39
Other Interest Charges	160.18	163.17
Other Borrowing Costs		
Other Finance and Bank Charges	24.44	31.91
Guarantee Fees	34.50	60.40
Less : Directly attributable cost capitalised	-	(102.78)
Total	**13,723.64**	**19,467.99**

30.1 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 Statement of Profit & Loss.

30.2 During the year, interest expenses on loans taken for –SCADA A & B amounting to Rs. 0.00 Lakhs (P.Y.Rs. 102.78 Lakhs) have been charged to Capital Work In Progress as per Ind AS-23 "Borrowing Cost".

31 Other Expenses (Rs. In Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Repairs and Maintenance		
- Plant and Machinery	2,152.93	2,107.86
-Building and Civil works	52.11	46.68
-Lines, Cable Network etc.	3,538.61	3,178.39
-Others	520.20	639.11
Total (a)	6,263.85	5,972.03
(b) Administrative and General Expenses		
Rent, Rates and Taxes	178.74	167.75
Insurances	32.22	34.14
Other Property Related Expense	134.53	93.86
Communications	227.96	210.98
Auditors' Remuneration	5.75	5.73
Professional Charges	226.72	174.14
Travelling and conveyances	2,608.16	2,675.75
Expenses on Computer Billing & EDP Charges	107.10	74.30
Electricity Charges	204.36	205.58
Security Expenses	518.91	414.58
Freight & Other Purchase related expenses	960.74	861.30
Loss on Sale of Assets (Net)	11.32	18.42
Expenditure on Training to Staff	117.09	98.85
Other Administration & general Expenses	2,405.03	1,936.20
Less : Directly attributable cost capitalised	(910.22)	(1,483.21)
Total (b)	6,828.41	5,488.36
(c) Other Debit		
Expenses for Energy Conservation	547.23	11.21
Miscellaneous Losses & Write-off	581.11	301.23
Bad & Doubtful debts writte-off	29.56	69.98
Losses on account of Flood, Cyclone, Fire etc.	51.20	1,475.20
Provision for		
-Bad & Doubtful debts	649.65	545.01
Tota (c)	1,858.76	2,402.62
Total	14,951.02	13,863.02

* None of the items individually account for more than 1% of total revenue or Rs.10,00,000 whichever is higher

During the last year i.e. FY 16-17 the Company has waived Delay Payment Charges amounting of Rs. 344.54 Lakhs from consumers of Water Works Gram Panchayat based on the Government of Gujarat Resolution no. GUV-14-2642-K dated 31st January, 2017. The same has been charged under Miscellaneous Losses & Write-off shown above.

31.1 Auditors' Remuneration:

(A) Statutory Auditors: (Rs. in Lakhs)

Particulars	F.Y. 2016 - 2017	F.Y. 2015 - 2016
Audit Fee	5.00	5.00
Certifications fees	-	-
Other Services	-	-
Others	-	-
Total (Excluding Service Tax)	**5.00**	**5.00**

(B) Cost Auditors: (Rs. in Lakhs)

Particulars	F.Y. 2016 - 2017	F.Y. 2015 - 2016
Audit Fee	0.60	0.48
Other Services	-	-
Total (Excluding Service Tax)	**0.60**	**0.48**

32 Tax Expense (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current Tax	2,075.23	1,714.03
Deferred Tax (Refer note no. 19)	-	-
Total	**2,075.23**	**1,714.03**

32.1 Reconciliation of Current Tax (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit before tax	8,730.69	8,878.79
Current tax expense calculated using MAT tax rate at 21.342% (Previous year - 21.342%)	1,863.27	1,894.88
Add:		
Provision for doubtful debts	130.55	116.31
Less:		
Other Comprehensive Expense	(76.14)	(358.29)
Exempt Income	-	(20.14)
Tax impact on Prior period	-	7.43
Tax impact on transition adjustment	138.15	-
Others	19.40	73.84
Current Tax expense	**2,075.23**	**1,714.03**

The base tax rate used for the year ended 31st March, 2017 and year ended 31st March, 2016 reconciliations given above is at the MAT rate of 18.50% (excluding surcharge 12% and cess 3%) payable by corporate entities in India on taxable book profits under the Indian tax law.

32.2 Unrecognised deferred tax assets (Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unused tax losses	49,604.25	48,644.50	47,676.70
Unused tax credits	6,145.60	4,070.37	2,356.34

33 Earnings per Equity share (Rs. In Lakhs)

Particulars		Year ended 31st March, 2017	Year ended 31st March, 2016
Profit after tax for the year attributable to equity shareholders		6,655.46	7,164.76
Weighted average number of Equity shares			
(No. in million)	Basic	4,159.79	3,476.54
	Diluted	4,159.79	3,480.37
Basic and Diluted earnings per equity shares (Rs.)			
	Basic	1.60	2.06
	Diluted	1.60	2.06
Face value per equity share (Rs.)		10.00	10.00

34 Employee benefit plans

A Defined Contribution plans:

The Company has certain defined contribution plans. The Company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees' Death Linked Insurance Scheme. Contributions are made at specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 3333.53 Lakhs (31 March 2016 Rs. 3,098.57 Lakhs).

B Other long term benefit plan

The Company accounts for leave encashment on the basis of actuarial valuation carried out by Life Insurance Corporation of India at each year end. Liability for the current year of Rs. 4297.10 Lakhs (P.Y. Rs. 2,745.83 Lakhs) has been charged to statement of Profit & Loss. Leave obligation as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 is Rs. 16339.61 Lakhs, Rs. 13,583.63 Lakhs and Rs. 12,177.15 Lakhs respectively.

The company has a Staff Voluntary Retirement-Cum-Death Benevolent Fund Scheme wherein an employee can become a member voluntarily. A monthly contribution is to be made by the members. Upon retirement employee will eligible to get an amount equivalent to his total "Contribution" along with simple interest at a specified rate from the date of joining the scheme or Rs. 10,000/- whichever is higher. In case of death of an employee, the nominee of the member shall be eligible to get a determined amount of compensation out of the fund, if the employee was the member of the scheme. The balance of such fund as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 is Rs.1712.02 Lakhs, Rs. 1,762.64 Lakhs and Rs. 1,672.61 Lakhs respectively.

C **Defined Benefits Plan**

Gratuity

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

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

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

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

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

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2017 by a member firm of the Institute of Actuaries of India.. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method .

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

Assumptions (Current Period)		
	For the year ended 31st March	
	2017	**2016**
Expected Return on Plan Assets	8.50%	9.50%
Rate of Discounting	8.00%	8.00%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	1 to 3 % Depending on Age	

(Rs. In Lakhs)

Particulars	As on 31.03.2017	As on 31.03.2016
Gratuity		
I) Reconciliation in present value of obligations (PVO) – defined benefit obligation:		
Opening defined benefit obligation	20,299.55	18,850.48
Current Service Cost	678.10	664.70
Interest Cost	1,623.96	1,508.04
Remeasurement (gains)/losses:	-	
Actuarial gains and losses arising from experience adjustments	338.26	1,734.89
Benefits paid	(2,539.33)	(2,458.56)
Closing defined benefit obligation	**20,400.54**	**20,299.55**
Current obligation	2,490.53	3,549.65
Non-Current obligation	17,910.01	16,749.90
II) Change in fair value of assets :		
Opening fair value of plan assets	10,542.54	10,043.35
Expected return on plan assets	934.40	787.80
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense)		
Actuarial gains and losses arising from experience adjustments	(77.00)	(92.01)
Excess Return on plan assets (excluding amounts included in net interest expense)	58.48	148.07
Contributions by the employer	4,848.20	2,113.88
Benefits paid	(2,539.33)	(2,458.56)
Closing fair value of plan assets	**13,767.29**	**10,542.53**
III) Funded plans in deficit:		
Present value of funded defined benefit obligation	20,400.54	20,299.55
Fair Value of planned assets at end of year	13,767.29	10,542.53
Funded status	Funded	Funded
Net liability arising from defined benefit obligation	**6,633.25**	**9,757.02**
IV) Service Cost		
Current Service cost	678.10	664.70
Net Interest expense	688.21	718.36
Total Expenses to be recognised in the Statement of Profit and Loss	**1,366.30**	**1,383.06**
Components of defined benefit costs recognised in Employee Benefit expenses		
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from experience adjustments	338.26	1,734.89
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	77.00	92.01
Return on Plan Assets excluding amount included in net interest cost	(58.48)	(148.07)
Total Expenses to be recognised in OCI	**356.77**	**1,678.83**
Total Expense (Provision for the Period)	**1,723.07**	**3,061.89**
V) Category of assets as at 31st March:		
-Life Insurance Corporation of India	13,767.29	10,542.54
Total Gratuity	**13,767.29**	**10,542.54**

(Rs. In Lakhs)

Experience Adjustment	On Plan Liabilities - Loss/(Gain)
As on 31st March, 2017	356.77
As on 31st March, 2016	1,678.83
As on 31st March,2015	729.41

Maturity Analysis of Projected Benefit Obligation are as under: (Rs. In Lakhs)

Gratuity	As at 31st March, 2017	As at 31st March, 2016
Gratuity		
Less than 1 year	2,490.53	3,549.65
One to Three Years	3,924.67	1,977.84
Three to Five Years	3,194.63	4,602.15
More than Five Years	10,790.70	10,169.90

Sensitivity analysis for Gratuity (Rs. In Lakhs)

Significant actuarial assumptions	As at 31st March, 2017	As at 31st March, 2016
Discount Rate		
- Impact due to increase of 50 basis points	(765.75)	(2,278.00)
- Impact due to decrease of 50 basis points	480.99	(165.66)
Salary increase	-	-
- Impact due to increase of 50 basis points	491.90	(148.87)
- Impact due to decrease of 50 basis points	(780.89)	(2,302.29)
Cost Increase		
- Impact due to increase of 50 basis points	N.A.	N.A.
- Impact due to decrease of 50 basis points	N.A.	N.A.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

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

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

35 Segment reporting

Operating Segment

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

B **Information about major customers**

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

C Information about geographical areas:

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

All assets are located in the company's country of domicile.

D Information about products and services:

The Company derives revenue from sale of Power. The information about revenues from external customers about each product is disclosed in Note no. 26 of the financial statements.

36 Financial Instruments Disclosure

A Capital Management

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
2. Maintain an optimal capital structure to reduce the cost of capital.

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

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

Gearing Ratio

The gearing ratio at end of the reporting period is as follows. **(Rs. In Lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total debt	11,239.35	27,135.07	52,389.56
Total equity	325,503.84	268,540.55	202,575.28
Net debt to equity ratio	0.03	0.10	0.26

1. Debt is defined as all long term debt outstanding + short term debt outstanding in lieu of long term debt.
2. Equity is defined as Equity share capital + Other Equity + deferred government grant and consumer contribution

B Categories of financial instruments **(Rs. In Lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets			
Measured at amortised cost			
(a) Trade and other receivables	64,607.08	55,002.95	59,182.62
(b) Cash and cash equivalents	9,014.07	7,919.37	9,769.95
(c) Other bank balances			
(d) Loans	1,097.88	1,083.88	1,078.73
(e) Other financial assets	66,552.33	30,982.86	12,836.86
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	7,794.16	10,469.03	27,501.77
(b) Trade payables	336.06	708.94	275.06
(c) Other financial liabilities	166,604.06	157,789.48	158,676.96

C **Financial risk management objectives**

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

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

Regulatory Risk

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

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

Interest rate risk management

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

Credit risk management

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

The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended 31st March, 2017 and 31st March, 2016.

Bank balances are held with reputed and creditworthy banking institutions.

Liquidity risk management

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

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

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2017				
Non - current financial liabilities				
Borrowings	-	6808.85	1119.89	**7,928.74**
Other Financial Liabilities		1,712.02	114,243.70	**115,955.73**
	-	**8,520.87**	**115,363.59**	**123,884.47**
Current financial liabilities				
Borrowings	755.40	-	-	**755.40**
Trade Payables	336.06	-	-	**336.06**
Other Financial Liabilities	50,648.33	-	-	**50,648.33**
	51,739.80	-	-	**51,739.80**
Total financial liabilities	**51,739.80**	**8,520.87**	**115,363.59**	**175,624.26**
As at 31st March, 2016				
Non - current financial liabilities				
Borrowings	-	23685.67	3449.40	**27,135.07**
Other Financial Liabilities		1,762.64	104,267.06	**106,029.71**
	-	**25,448.31**	**107,716.46**	**133,164.78**
Current financial liabilities				
Borrowings	1.07	-	-	**1.07**
Trade Payables	708.94	-	-	**708.94**
Other Financial Liabilities	51,759.77	-	-	**51,759.77**
	52,469.78	-	-	**52,469.78**
Total financial liabilities	**52,469.78**	**25,448.31**	**107,716.46**	**185,634.56**

The Company has access to committed credit facilities as described below, of which Rs. 1744.60 Lakhs were unused at the end of the reporting period (as at 31st March, 2016 Rs.2498.93 Lakhs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Secured Cash Credit facility, reviewed annually and payable at call:	As at 31st March, 2017	As at 31st March, 2016
amount used	755.40	1.07
amount unused	1,744.60	2,498.93

D Fair value measurement

Fair value of the Company's financial assets on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(a) **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets/financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2017	31st March, 2016	1st April, 2015		
		Nil			

(b) **Financial assets and liabilities at amortised cost**

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

37 Disclosure under Indian Accounting Standard 36 – Impairment of Assets

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31.03.17.

38 Contingent liabilities, Contingent Assets and commitments (to the extent not provided for) :

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

(Rs. In Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I In respect of Company			
I. Income Tax	9036.11	6,987.32	7,249.47
II. Others	1676.02	2,214.39	2,610.93
Total	**10,712.13**	**9,201.71**	**9,860.40**

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

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

C **Commitments**

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account:- **(Rs. In Lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A. Capital Commitments			
Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)	161.91	-	-
Total	**161.91**	-	-

39 **CSR Expenditure** (Rs. in lakhs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	The CSR expenditure comprises the following:		
a)	Gross amount required to be spent by the Company during the year	75.22	37.86
b)	Amount spent during the year on	60.00	0.00

c) Particulars	For the year ended 31-03-2017			For the year ended 31-03-2016		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	60.00	-	60.00	-	-	-
Total	60.00	-	60.00	-	-	-

40 **Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Principal amount remaining unpaid	Nil	Nil	Nil
(b) Interest due thereon	Nil	Nil	Nil
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil
(d) The amount of interest due and payable for the year(where the principal has been paid but interest under theMSMED Act, 2006 not paid)	Nil	Nil	Nil
(e) The amount of interest accrued and remaining unpaid	Nil	Nil	Nil
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil

41 **Specified Bank Notes (SBNs)** (Rs. in lakhs)

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016is as provided below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	523.65	36.08	559.73
Add: Permitted receipts	11445.55	8871.54	20317.09
Less: Permitted payments	0.00	0.00	0.00
Less: Amount deposited in banks	11926.84	8270.31	20197.15
Closing cash in hand as on 30th December, 2016	42.37	637.31	679.67

42 **Grants/Consumer Contributions that compensate the cost of depreciable assets:**

With effective from 1 April 2016 the Company changed its method of computing the grants/consumer contributions received against depreciable assets to be recognised in Statement of profit or loss from reducing balance method to the straight-line method and consequentially the rates at which grant is recognised in the Statement of Profit and Loss. The rate applied for grant recognition is equivalent to rate of depreciation charge on the assets which is currently at 5.28%. The change is made as this will more accurately reflect the pattern of usage and the expected benefits of such grants/consumer contributions and provide greater consistency with the depreciation methods on the assets used by the Company. The Company has determined that the change to recognize grants in proportion of the depreciation expense is a change in accounting estimate and is to be applied prospectively.

The net book value of grants and consumer contributions received against assets acquired prior to 1 April 2016 will be depreciated using the straight-line method in proportion to the depreciation rate of 5.28% prospectively. As a result of the change, the grants/consumer contributions recognised in the Statement of Profit and Loss decreased by Rs. 2773.14 Lakhs in the current financial year and the deferred grants/consumer contribution increased by the like amount.

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

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

45 **Related Party Disclosures**

A

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Limited	Holding Company
Gujarat State Electricity Corporation Limited	Fellow- Subsidiary Company
Gujarat Energy Transmission Corporation Limited	Fellow- Subsidiary Company
Dakshin Gujarat Vij Company Limited	Fellow- Subsidiary Company
Paschim Gujarat Vij Company Limited	Fellow- Subsidiary Company
Madhya Gujarat Vij Company Limited	Fellow- Subsidiary Company
Gujarat Industries Power Company Limited	Associate Company
Shri Anupam Anand, IAS	Key Management Personnel (KMP)
Shri B. A. Shah, IAS	Key Management Personnel (KMP)
Shri R.B. Kothari	CFO
Shri N.M. Joshi	CS

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

	Nature of Transaction	Holding Company	Fello-Subsidiary Company	KMP	Total
1	Transactions during the year				
	Allocation of Disaster Recovery Site Expenses	-	312.97	-	312.97
		-	(298.05)	-	(298.05)
	Dakshin Gujarat Vij Company Limited	-	42.87	-	42.87
		-	(45.45)	-	(45.45)
	Paschim Gujarat Vij Company Limited	-	151.65	-	151.65
		-	(120.97)	-	(120.97)
	Madhya Gujarat Vij Company Limited	-	118.45	-	118.45
		-	(131.63)	-	(131.63)
	Rebate on Prompt Payment of Power Purchase	-	4.01	-	4.01
		-	(4.53)	-	(4.53)
	Gujarat State Electricity Corporation Limited	-	4.01	-	4.01
		-	(4.53)	-	(4.53)
	Rebate on Prompt Payment of SLDC Charges	-	2.38	-	2.38
		-	(1.16)	-	(1.16)
	Gujarat Energy Transmission Corporation Limited	-	2.38	-	2.38
		-	(1.16)	-	(1.16)
	Purchase of Burnt Oil	-	6.44	-	6.44
		-	(7.38)	-	(7.38)
	Gujarat Energy Transmission Corporation Limited	-	6.44	-	6.44
		-	(7.38)	-	(7.38)
	Reactive Pool Charges	-	24.14	-	24.14
		-	(3.46)	-	(3.46)
	Gujarat Energy Transmission Corporation Limited	-	24.14	-	24.14
		-	(3.46)	-	(3.46)
	SLDC Charges	-	237.50	-	237.50
		-	(115.68)	-	(115.68)
	Gujarat Energy Transmission Corporation Limited	-	237.50	-	237.50
		-	(115.68)	-	(115.68)
	Unscheduled Interchange Charges Payable	-	262.48	-	262.48
		-	(1,174.93)	-	(1,174.93)
	Gujarat Energy Transmission Corporation Limited	-	262.48	-	262.48
		-	(1,174.93)	-	(1,174.93)
	Unscheduled Interchange Charges Receivable	-	10,022.04	-	10,022.04
		-	(4,905.31)	-	(4,905.31)
	Gujarat Energy Transmission Corporation Limited	-	10,022.04	-	10,022.04
		-	(4,905.31)	-	(4,905.31)

Allocation of Working Capital Processing Charges , etc.	**24.44**	-	-	**24.44**
	(31.81)	-	-	(31.81)
Gujarat Urja Vikas Nigam Limited	**24.44**	-	-	**24.44**
	(31.81)	-	-	(31.81)
Allocation of e-Urja Expenses	**344.24**	-	-	**344.24**
	(441.94)	-	-	(441.94)
Gujarat Urja Vikas Nigam Limited	**344.24**	-	-	**344.24**
	(441.94)	-	-	(441.94)
Allocation of General Insurance Premium	**281.70**	-	-	**281.70**
	(187.50)	-	-	(187.50)
Gujarat Urja Vikas Nigam Limited	**281.70**	-	-	**281.70**
	(187.50)	-	-	(187.50)
Allocation of Interest	**5,417.71**	-	-	**5,417.71**
	(10,912.90)	-	-	(10,912.90)
Gujarat Urja Vikas Nigam Limited	**5,417.71**	-	-	**5,417.71**
	(10,912.90)	-	-	(10,912.90)
Government of Gujarat Guarantee Fees	**34.48**	-	-	**34.48**
	(60.40)	-	-	(60.40)
Gujarat Urja Vikas Nigam Limited	**34.48**	-	-	**34.48**
	(60.40)	-	-	(60.40)
Power Purchase	**817,568.78**	-	-	**817,568.78**
	(792,752.42)	-	-	(792,752.42)
Gujarat Urja Vikas Nigam Limited	**817,568.78**	-	-	**817,568.78**
	(792,752.42)	-	-	(792,752.42)
Sale of Excess Power	**5,950.45**	-	-	**5,950.45**
	(4,001.57)	-	-	(4,001.57)
Gujarat Urja Vikas Nigam Limited	**5,950.45**	-	-	**5,950.45**
	(4,001.57)	-	-	(4,001.57)
Solar Power Purchase	**359.19**	-	-	**359.19**
	(368.70)	-	-	(368.70)
Gujarat State Electricity Corporation Limited	**359.19**	-	-	**359.19**
	(368.70)	-	-	(368.70)
Remuneration				
	-	-	(55.60)	(55.60)
Shri Anupam Anand, IAS	-	-		
	-	-	(2.85)	(2.85)
Shri B.A. Shah, IAS	-	-		
	-	-	(11.86)	(11.86)
Shri R.B. Kothari	-	-		
	-	-	(21.23)	(21.23)
Shri N.M. Joshi	-	-		
	-	-	(19.66)	(19.66)

Balance as at:	Holding Company	Fello-Subsidiary Company	KMP	Total
Receivable/Payable				
Receivables	(11,142.88)		-	(11,142.88)
Gujarat Urja Vikas Nigam Limited	(11,142.88)	-	-	(11,142.88)
Payables	-	-	-	-
Gujarat Urja Vikas Nigam Limited	-	-	-	-

46 First time Ind As adoption - Reconciliation

Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015 **(Rs. in Lakhs)**

Particulars	Note No	As at 31st March, 2016			As at 1st April, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	AS per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	AS per Ind AS Balance Sheet
ASSETS							
(1) Non-Current Assets							
(a) Property, Plant and Equipment	1	349,918.84	-	349,918.84	310,273.62	-26.00	310,247.62
(b) Capital work-in-progress		11,713.29	-	11,713.29	15,645.69	-	15,645.69
(c) Financial Assets							
(i) Loans		798.29	-	798.29	686.53	-	686.53
(ii) Other Financial Assets		670.35	-	670.35	1,436.60	-	1,436.60
(2) Current Assets							
(a) Inventories		35,007.60	-	35,007.60	38,250.79		38,250.79
(b) Financial Assets		-					
(i) Trade receivables		55,002.95	-	55,002.95	59,182.62	-	59,182.62
(iii) Cash and cash equivalents		7,919.37	-	7,919.37	9,769.95	-	9,769.95
(iv) Loans		285.58	-	285.58	392.21	-	392.21
(v) Other Financial assets	1	30,312.50	-	30,312.50	11,364.03	36.23	11,400.26
(c) Current Tax Assets (net)		-	-	-	104.37	-	104.37
(d) Other current assets		316.73	-	316.73	281.76	-	281.76
		491,945.53	-	491,945.53	447,388.16	10.23	447,398.39
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		38,741.44	-	38,741.44	31,653.09		31,653.09
(b) Other Equity	3	126,251.25	1,895.14	128,146.39	78,552.68	2,140.55	80,693.23
Deferred Government Grants, Subsidies & Contributions	2	103,547.87	-1,895.14	101,652.73	92,334.67	2,105.71	90,228.96
Liabilities							
(1) Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		10,467.97	-	10,467.97	27,501.77	-	27,501.77
(ii) Other Financial liabilities		106,029.71	-	106,029.71	95,017.24	-	95,017.24
(b) Provisions		11,581.04	-	11,581.04	10,314.36	-	10,314.36
(c) Deferred tax liabilities (Net)		-	-	-	-		-
(2) Current Liabilities							
(a) Financial Liabilities							
(i) Short Term Borrowings		1.07	-	1.07	-		-
(i) Trade payables		708.94	-	708.94	275.06	-	275.06
(ii) Other Financial liabilities	1	51,759.78	-	51,759.78	63,684.32	-24.60	63,659.72
(b) Other current liabilities		39,741.76	-	39,741.76	46,155.21	-	46,155.21
(c) Provisions		2,145.14	-	2,145.14	1,899.74	-	1,899.74
(d) Current Tax Liabilities (net)		969.57	-	969.57	-		-
		491,945.53	-	491,945.53	447,388.16	10.23	447,398.39

1 Prior period items

Under Previous GAAP, prior period items were reflected as part of current year expense or income in the statement of profit & loss. Under Ind AS, material prior period items are adjusted to the period to which they relate and in case they relate to the period earlier than period presented, these are adjusted against opening equity of the earliest period presented. There is a prior period adjustment of Rs. 34.83 Lakhs as reflected in the audited financial statements of the financial year ended 31 March 2016, which need to be adjusted in the transition balance sheet. Prior period errors of Rs. 34.83 Lakhs have been adjusted to various assets and liabilities as stated in the table below with a corresponding increase in retained earnings.

Asset/liability	Amount (Rs.in Lakhs) 2014-15
Property, Plant and Equipment	(26.00)
Other Financial Liability	24.60
Other Financial Asset	36.23
Total	**34.83**

2 Government grant under Financial Restructuring Plan (FRP)

In IGAAP, government grants received under FRP as promoter's contributions were treated as other non current liability. As per Ind AS 20, Government grants shall be recognised in Statement of Profit or Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Thus, in the instant case entire Capital grant under FRP amounting to Rs. 2,105.71 Lakhs and Rs. 1,895.14 Lakhs as of 31 March, 2015 and 31 March, 2016 respectively, given that there are no specific conditions attached to the grant, will be transferred to Retained Earnings thereby increasing Retained Earnings by Rs. 2,105.71 Lakhs and Rs. 1,895.14 Lakhs as of 31 March 2015 and 31 March 2016 respectively.

3 Reconciliation of total equity as at April 1, 2015 (Rs. in Lakhs)

Particular	Note No.	As at 31st March, 2016	As at 1st April, 2015
Total equity (shareholders' funds) under Previous GAAP		164,992.69	110,205.77
Adjustments:			
FRP Grant : transferred from Other non current liabilities to Retained earnings	2	1,895.14	2,105.71
Prior period errors	1	-	34.83
Total adjustment to equity		**1,895.14**	**2,140.55**
Total equity under Ind AS		**166,887.83**	**112,346.32**

Note No. Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

(Rs. in Lakhs)

Particulars	Note No.	Previous GAAP	Effect of transition to Ind AS	As per Ind AS P & L
I Revenue from operations		882,379.55	-	882,379.55
II Other income	4	14,776.92	(210.57)	14,566.35
III Total income (I+II)		897,156.47	(210.57)	896,945.90
IV EXPENSES				
Purchase of Power		797,794.80	-	797,794.80
Employee Benefits Expense	5	33,647.16	(1678.83)	31,968.33
Finance Costs		19,467.99		19,467.99
Depreciation and amortization expense		24,972.96	-	24,972.96
Other Expenses		13,863.02	-	13,863.02
Total expenses (IV)		889,745.94	(1678.83)	888,067.11
V Profit before exceptional items and tax (III-IV)		7,410.53	1468.98	8,878.79
VI Exceptional Items		-	-	-
	6	(34.83)	34.83	(0.00)
VII Profit before tax (V-VI)		7,445.36	1433.43	8,878.79
VII Tax expense:				
(a) Current tax		1,714.03	-	1,714.03
(b) Deferred tax		-	-	-
IX Profit for the year (VII-VIII)		5,731.33	1433.43	7,164.76
X Other comprehensive income (OCI)				
(a) Items that will not be reclassified to profit or loss				
(i) Re-measurement of the defined benefit plans	5	-	(1678.83)	(1678.83)
- tax impact				
Total of Other comprehensive income (OCI) (X)		-	(1678.83)	(1678.83)
XI Total comprehensive income for the year (IX+X)		5,731.33	(245.40)	5,485.93

Explanatory Notes to Profit &Loss statement Reconciliation for the year 2015-16:

4 **Deferred Income transferred to Retained Earning**

Under Ind AS Capital grant under FRP was transferred to Retained Earnings on transition date but as per IGAAP the grant was deferred on systematic basis over the period. The amount which was deferred to profit and loss statement of Rs. 210.57 Lakhs will be reduced from Other Income.

5 **Remeasurement of Post Employment Benefit Obligation**

Under In AS 19 " Employee Benefits" remeasurement i.e. actuarial gains and losses of defined benefit plan amounting to Rs. 1,678.83 Lakhs have been recognised in Other Comprehensive Income (OCI). This has resulted in increase in other comprehensive income by Rs. 1,678.83 Lakhs and reduction of Employee benefit expense for year ended 31st March, 2016

6 **Prior Period Items**

Prior period errors of Rs. 34.83 Lakhs have been adjusted against opening equity of the earliest period presented i.e. 1st April 2015.

(Rs. in Lakhs)

Particulars	Notes	For the year ended March 31 2016
Profit as per previous GAAP		**5,731.33**
Adjustments:		
Effect of remeasurement of post employee benefits (net of tax)	5	1678.83
Effect of deferred income transferred to retained earnings on transition date	4	(210.57)
Effect of adjustment of Prior Period items	6	(34.83)
Total effect of transition to Ind AS		**(1433.43)**
Profit as per Ind AS		**7,164.76**
Remeasurements of defined benefit plans (net of tax)	5	(1,678.83)
Total Comprehensive Income under Ind AS		**5,485.93**

47. **OTHER DISCLOSURES**

NOTES TO THE FINANCIAL STATEMENTS

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

Consumer Category	F.Y. 2016-17			F.Y. 2015-16		
	Mus	Revenue (Rs in lakhs)	Average Rate Rs/unit	Mus	Revenue (Rs in lakhs)	Average Rate Rs/unit
Residential General Purpose (Domestic or Residential)	1970.80	100582.24	5.10	1878.93	95226.72	5.07
General Lighting Purpose (Commercial)	42.51	2529.38	5.95	41.02	2370.01	5.78
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	1642.72	116693.07	7.10	1556.65	108896.48	7.00
Industrial high voltage	5306.57	364899.98	6.88	4549.98	321545.56	7.07
Public Lighting	53.94	3083.42	5.72	52.11	2882.42	5.53
Traction railways	0.00	0.00	#DIV/0!	13.96	941.58	6.75
Irrigation agricultural	8691.31	194410.20	2.24	8547.61	230278.11	2.69
Public water works and sew.pumps	644.58	28883.29	4.48	609.97	30514.38	5.00
Other	0.00	32406.35	0.00	4.02	25203.74	0.00
Deviation Settlement Mechanism Charges (UI)	628.47	10022.04	1.59	315.24	4905.31	1.56
Sale to GUVNL(STOA)	167.65	5950.45	3.55	160.11	4001.57	2.50
Total	19148.57	859460.42	4.49	17729.57	826765.88	4.66

(II) Units purchased and T&D Losses

Particulars	2016-17	2015-16
	Unit in Mus	
Units Purchased from GUVNL	21825.11	20880.59
Units Purchased from Wind Turbine Generator	46.27	51.28
Units Purchased from Solar Generator	16.49	17.01
Deviation Settlement Mechanism Charges (UI import)	3.31	35.35
Sub Total	**21891.18**	**20984.23**
Less: Deviation Settlement Mechanism Charges (UI export)	628.47	315.24
Less: Unit sold to GUVNL	167.65	160.11
Net Power Purchase Units	**21095.06**	**20508.88**
Less: Units sold to consumer	18352.45	17254.22
T & D loss in Mus	**2742.62**	**3254.66**
T & D loss in %	**13.00%**	**15.87%**

48. Approval of financial statements

The Financial Statements were approved for issue by the Board of Directors on 26-Sep-2017.

SIGNATURE TO THE NOTES ON FINANCIAL STATEMENTS 1 TO 48

As per our report of even date attached

For Ramanlal G. Shah & Co.
Chartered Accountants
F.R. No. 108517W

Vivek S. Shah
M. No. 112269

Place: Ahmedabad
Date: 26-Sep-2017

For and on behalf of the Board of Directors

Uttar Gujarat Vij Company Ltd

B.A. Shah, IAS
Managing Director
DIN-07514065

H.P. Desai
Director
DIN-00034128

R.B. Kothari, ACMA
Chief Financial Officer

N.M. Joshi, FCS
Company Secretary

Place: Ahmedabad
Date: 26-Sep-2017

Uttar Gujarat Vij Company Limited

CIN - U40102GJ2003SGC042906

સ્વપ્ન
Vision

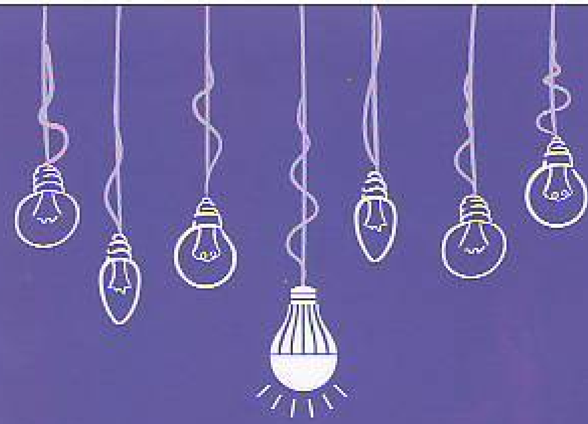
- સર્વોત્તમ સેવા થકી ગ્રાહકને સંતોષ
- Customer satisfaction through service excellence

લક્ષ્ય
Mission

- સ્પર્ધાત્મક દરે વિશ્વસનીય તેમજ ગુણવત્તાસભર વીજ પુરવઠો પૂરો પાડવો વિતરણ ખોટ વૈશ્વિક ધોરણ સુધી ઘટાડવી
- To provide reliable and quality power at competitive cost
- To reach global standards in reducing distribution losses

મૂળભૂત મૂલ્યો
Core values

- ગ્રાહકનો સંતોષ
- Customer satisfaction
- સહભાગી કાર્ય સંસ્કૃતિ
- Participative work culture
- સંસ્થા માટે સ્વત્વ અને સન્માન
- Pride pf belongingness
- શ્રેષ્ઠતા
- Excellence
- નૈતિક અને સામાજિક જવાબદારી પ્રત્યે સભાનતા
- Being ethically and socially responsive



UGVCL

Uttar Gujarat Vij Company Limited

CIN - U40102GJ2003SGC042906

Regd. & Corporate Office:
Visnagar Road, Mehsana -384001

Website: www.ugvcl.com