



# 9<sup>th</sup>

## Annual Report 2011-12



**Uttar Gujarat Vij Company Limited**

An ISO 9001:2008 Certified Company  
Subsidiary of Gujarat Urja Vikas Nigam Limited



# UGVCL AT A GLANCE

(December - 2012)

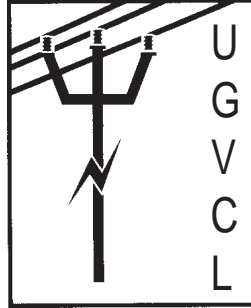
Total Area (in Sq. Kms.)	49,950
Districts covered	6+3 (partly)
Towns	48
Villages	4,628
Consumers	28,24,874
Circles	4
Divisions	21
Sub Divisions	124+5 (REC)
Sub Stations	354
Transformer Centers	1,41,488
Feeders	3,676
HT Lines (Kms.)	77,122
LT Lines (Kms.)	67,305
Ratio LT/HT	0.87
Employees	7,357





**UTTAR GUJARAT VIJ COMPANY LIMITED**

**9<sup>th</sup>  
Annual Report  
2011-12**



# **Ninth Annual Report 2011-12**



**UTTAR GUJARAT VIJ COMPANY LIMITED**

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





# **Ninth Annual Report 2011-12**

## **Index**

<b>Board of Directors</b>	<b>05</b>
<b>Notice</b>	<b>06</b>
<b>Directors' Report</b>	<b>07</b>
<b>Auditors' Report</b>	<b>19</b>
<b>Balance Sheet</b>	<b>24</b>
<b>Profit &amp; Loss Account</b>	<b>25</b>
<b>Cash Flow Statement</b>	<b>26</b>
<b>Notes to the Accounts</b>	<b>27</b>



## UGVCL's Milestones

### AWARDS

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

### ACHIEVEMENTS / RECOGNITIONS

- ✓ Inventor of Pilot Advanced Transformer (Patent applied)
- ✓ Accredited with ISO 9001:2008 Standard for 'Management and Performance Enhancement of Electricity Distribution Operations'
- ✓ Hi-Tech Meter Testing Laboratory at Sabarmati Circle accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) with ISO/IEC 17025-2005
- ✓ First to complete 'Jyoti Gram Yojana'



## **BOARD OF DIRECTORS**

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

## **COMPANY SECRETARY**

Shri Nitinkumar M Joshi, FCS

## **SENIOR EXECUTIVES**

Shri D. C. Parmar	Chief Engineer (Operation)
Shri R. B. Kothari	General Manager (Finance)
Shri S. R. Patel	I/c. Chief Engineer (P&P)
Shri D. S. Patel	Addl. Chief Engineer (P)
Shri S. H. Shahdadpuri	Addl. Chief Engineer (Civil & IT)
Shri M. G. Bhavsar	I/c. Addl. Chief Engineer (Technical)

## **AUDITORS**

For FY 2010-11

M/s. A. Yagnik & Co.  
Chartered Accountants  
Mehsana

For FY 2011-12

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

## **BANKERS**

State Bank of India  
Bank of Baroda  
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 Ninth Annual General Meeting of the Members of Uttar Gujarat Vij Company Limited will be held on Tuesday, the 18<sup>th</sup> day of December, 2012 at 12-00 noon at the Registered Office of the Company at Visnagar Road, Mehsana – 384001 (North Gujarat) to transact the following business:

### **ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit & Loss Account of the Company for the year ended on that date together with the Notes attached thereto and the Reports of the Board of Directors and Auditors thereon with comments, if any, of Comptroller & Auditor General of India; and
- 2 To decide the remuneration payable to Statutory Auditors appointed by the Comptroller and Auditor General of India (CAG), New Delhi for the audit of accounts of the Company for the Financial Year 2012-13.

By Order of the Board

Date : 14<sup>th</sup> December, 2012  
Place: Ahmedabad

Nitinkumar M Joshi, FCS  
Company Secretary

### **NOTES :**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company at its Registered Office not later than 48 hours before the time for holding of the meeting.
- 2 The present Statutory Auditors M/s. A. Yagnik & Co., Chartered Accountants, Mehsana appointed by the Office of the Comptroller & Auditor General of India (C&AG) will retire at the conclusion of the Ninth Annual General Meeting. The C&AG has appointed M/s. S. C. Ajmera & Co., Chartered Accountants, Udaipur as Statutory Auditors of the Company to audit the accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2013.



**DIRECTORS' REPORT**

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

Your Directors have pleasure in presenting the Ninth Annual Report together with the audited Statements of Accounts for the Financial Year ended 31<sup>st</sup> March, 2012.

**FINANCIAL HIGHLIGHTS:**

The summarized financial results of the Company are given below:

( ₹ in Lacs)

Particulars	2011-12	2010-11
Total Income	<b>6,48,842</b>	5,52,139
Gross Profit before Depreciation, Interest and Tax	<b>23,944</b>	24,074
Depreciation	<b>13,348</b>	12,229
Interest and Finance Charges	<b>9,080</b>	10,140
Profit before Tax	<b>1,515</b>	1,706
Provision for Tax (including provision for deferred)	<b>270</b>	439
Profit after Tax	<b>1,245</b>	1,267
Profit brought forward from previous year	<b>4,386</b>	3,119
Net profit available for appropriation	<b>3,535</b>	4,386

**DIVIDEND:**

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

**ACHIEVEMENTS:**

During the year, your Company has on 22-March-2012 been awarded Gold Shield by Ministry of Power, Government of India, for meritorious performance among distribution companies in power sector for the year 2010-11. The award is under the category "Performance of Distribution Companies". The Company has on 15-May-2012 been awarded Power Line Award as Runner Up in the Category: Best Performing State Discom by India Infrastructure Publishing. The Award aims to recognize best performing distribution companies in the power sector across the country.

**OPERATIONS DURING THE YEAR:**

During the year under review, the revenue from the sale of power including subsidies and other income amounted to ₹ 6,48,842 Lacs. (P.Y. ₹ 5,52,139 Lacs). The Company purchased 18,408 MUs (PY 16,891 MUs) of energy from Gujarat Urja Vikas Nigam Limited (GUVNL), Solar and Wind farm and sold 16,030 MUs (PY 15,248 MUs) of energy to all categories of consumers. The Company's overall transmission and distribution losses are reported to the extent of 2,378 MUs (PY 1,643 MUs) at 14.51% (PY 10.98%).



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

- Total 2,396 (PY 2,321) Nos. of rural feeders have been declared as Agricultural Dominated Feeders.
- Transformer failure rate is reduced to 8.14% from 9.00% 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, 32,758 (PY 7,09,402) Nos.
  - Installations detected - 11,941 (PY 13,768) Nos.
  - Amount assessed - Rs. 2,004 (PY 2,296) Lacs
- By vigorous efforts, the debit-arrears remained low to 18.35% (previous year – 20.21%) which is the lowest among all Distribution Companies of GUVNL.
- For better system improvement and to give quality power supply of the over-loaded feeders, 165 (PY 158) Nos. of feeders are bifurcated and charged during the year.
- Automated Meter Reading (AMR) is installed on total 2,310 Nos. of HT connections. This has helped in considerable time saving of man-power and reading billing process with perfect billing, thereby assisting in study of consumer consumption data and vigilance observation.
- For reduction in technical losses, 1,261 (PY 2,890) Nos. of Amorphous/4 Star Transformers are installed in Urban, GIDC and JGY Feeders.
- Under e-urja Project (an end to end ERP solution) Inventory, Payroll, HRMS, HT Billing and LT Billing modules are successfully implemented. This has driven all consumer related activities in LT CRM module. All employee and supplier related transactions are done in system. Other modules are partially utilized.
- Total 2,314 (PY 2,170) Nos. of Special Design Transformers (SDT) have been provided on Agricultural feeders, covering benefit to 93,979 (PY 93,417) Nos. of Farm House connections.
- Work progress - New release of connections:
  - HT New Connection - 228 Nos. (PY 229 Nos.)
  - HT additional load - 157 Nos. (PY 174 Nos.)
  - LT Industrial - 3,097 Nos. (PY 3,592 Nos.)
  - Domestic - 56,392 Nos. (PY 69,201 Nos.)
  - Water Works - 702 Nos. (PY 501 Nos.)
  - Ag. Connection under
    - SPA Well (Normal Scheme) - 1028 Nos. (PY 87 Nos.)
    - TASP Well - 3261 Nos. (PY 3371 Nos.)
    - Tatkal Scheme - 4064 Nos. (PY 0 Nos.)



• Petapara electrified	-	2 Nos. (PY 5 Nos.)
• SCSP (Household)	-	3764 Nos. (PY 5360 Nos.)
• RGGVY (New Connections)	-	17865 Nos. (PY 59945 Nos.)
• Zupad-patties Connections	-	20301 Nos. (PY 25091 Nos.)
• Kutirjyoti connections	-	1889 Nos. (PY 5715 Nos.)
• System Network added		
• HT Line	-	1,847 Kms. (PY 2,103 Kms.)
• LT Line	-	2,265 Kms. (PY 2,835 Kms.)
• Trans. Center	-	8,387 Nos. (PY 3,844 Nos.)

**UNDER GROUND CABLE WITH RMU:**

For ensuring consumer satisfaction by providing the continuous and reliable power supply and consistent with the landscape of the area, the work of underground cable system in Bopal, Ghuma, Ambali, Thaltej and Bodakdev areas is successfully commissioned and in Chandkheda and Science City outskirt area of Ahmedabad city, Koba Circle to infocity circle of Gandhinagar also the religious place at Ambaji are under progress.

**FEEDER BIFURCATION:**

The Scheme for bifurcation of 237 (PY 180) Nos. of over-loaded feeders and having a poor voltage regulation is planned to improve the quality of power supply in agricultural feeders.

**GOVT. SCHEMES:**

The Company has achieved the targets of all Government-sponsored electrification activity schemes like RGGVY (in six districts), Zupad-patty, Kutir-Jyoti, TASP Wells, TASP-Petapara, Primary Schools and Aanganwadis, Micro Irrigation System (MIS) for tribal Agricultural connections, etc.

**R-APDRP:**

Under Part-B of R-APDRP, the Company has been sanctioned loan of ₹ 6.15 Crores (against the total project cost of ₹ 24.62 Crores) by Power Finance Corporation Ltd. for 6 projects which include Bavla, Dehgam, Kalol, Radhanpur, Sanand and Viramgam. PFC has disbursed the grant of Rs. 3.69 Crores. Under the scheme, during the year, ₹ 12.95 Crores (cum. ₹ 14.41 Crores) have been utilized towards execution of the works against total sanctioned project cost of ₹ 24.62 Crores under R-APDRP, PFC has sanctioned financial assistance of Rs. 33.82 Crores under SCADA Project and during the year, PFC has released ₹ 10.15 Crores.

**RGGVY:**

RGGVY project launched by GOI in April-2005, in order to access electricity to all rural households, free of charge for BPL house hold, through nodal agency REC Ltd, New Delhi. Under the project, 90% grant is provided by Govt. of India and 10% as loan by REC to the State Governments. The beneficiaries will have to pay the bills for energy utilized regularly as per the Company's norms. RGGVY project works has been carried out on turnkey basis, as per mandatory condition of the scheme. During the year 2011-12, REC has disbursed fund of ₹ 7.35 Crores (cum. ₹ 64.46 Crores). The fund utilized ₹ 20.57 Crores (cum ₹ 62.43 Crores) for the execution of the works during the year 2011-12.

**ESTABLISHMENT OF ENERGY MANAGEMENT CENTER:**

With a view to improving performance by IT enabling power distribution activity, the Company has established Energy Management Center at Gandhinagar. The major activities of Energy Management Center include Feeder Meter Data Acquisition, Automated Remote Meter Reading of HT Consumers, Energy audit, GIS (Geographic Information System) of distribution network, Network analysis and improvement, Consumer Monitoring & Loss accounting system, etc.

**INTRA-STATE ABT:**

The Area Load Dispatch Center (ALDC) strives for successful real-time operations to maintain grid discipline and best possible commercial operations. Load curve is made almost flat by regrouping AG groups from 16 nos. to 59 nos. Initially, the AG groups were of more than 150MW each. After regrouping, these groups are made of 50MW to 60MW each. As a result, the difference between maximum and minimum drawl is reduced from 850MW to 350MW. As per directive of Gujarat Electricity Regulatory Commission, to maintain grid discipline, Intra-State ABT (Availability Based Tariff) is implemented from 05-Apr-2010. ALDC endeavors to over-draw during higher frequency and under-draw during lower frequency to get maximum benefit from UI pool. Thus, by proper real-time operations, the Company has received ₹ 64.13 Crore as UI charge in Financial Year 2011-12.

**T&D LOSS REDUCTION PROJECT:**

The Company has implemented project for reduction of T&D Loss in AG and non-AG feeders having losses of more than 30% at the total project cost of ₹ 180 Crores. The project is vetted by ERDA. Under the Project, the activities are carried out in phase manners. 42 (37 JGY + 5 Urban) numbers of feeders have been selected under first phase for activities like feeder bifurcation, providing of AB conductor in place of open LT line, replacement of service line by Armoured service, providing of static / quality amorphous transformers, giving new lighting connections, installation checking etc. Similarly total 60 (57 JGY + 3 Urban) feeders have been selected for second phase.

The reduction of 8.78% is observed in percentage distribution loss for first phase in the year 2011-12 as compared to the base year in JGY category. (From 61.53% to 52.75%)

The reduction of 5.6% is observed in percentage distribution loss for Second phase in the year 2011-12 as compared to the base year in JGY category. (From 55.79% to 50.19%)

**CUSTOMER SERVICES**

Centralized Customer Care Centre is established under RAPDRP Scheme at Mehsana. It is fully computerized with the state-of-the-art technology. It helps for faster redressal of consumer grievances and enhance consumer satisfaction.

**CONSUMER GRIEVANCES REDRESSAL FORUM:**

The Company has set up the Consumer Grievances Redressal Forum as mandated by the Electricity Act, 2003 and the regulations notified thereunder. During the year, 269 Nos. of cases are disposed of.

**TARIFF:**

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





Under section 62 of the Electricity Act, 2003 and relevant GERC Regulations, the Company provided the details on 27<sup>th</sup> February 2012, as asked by the Hon'ble Commission vide Suo Motu Case No. 1194/2012, for Truing up for financial year 2010-11 and determination of tariff for financial year 2012-13 under GERC (MYT Framework) Regulations, 2011 and under Part –VII (Section 61 to 64) of the Electricity Act, 2003 in accordance with relevant guidelines. Subsequent to the public hearing held on 7<sup>th</sup> May, 2012, GERC has declared its Award on 2<sup>nd</sup> June, 2012 and decided retail tariff rates effective from 1<sup>st</sup> June, 2012. As per the said Tariff Order, the energy charges are increased only by 10 paise for all consumers except BPL consumers, for the first 50 units of monthly consumption of residential consumers and for agricultural Consumers.

**AUDITORS:**

M/s. Ashwin K Yagnik & Co, Chartered Accountants, Mehsana had been appointed as Statutory Auditors of the Company for the Financial Year 2011-12. The Comptroller and Auditor General of India, New Delhi, (C&AG) have appointed M/s. S. C. Ajmera & Co. as Statutory Auditors of the Company to carry out the statutory audit of the accounts of the Company for the Financial Year 2012-13. As per the provisions of Section 224 of the Companies Act, 1956, their remuneration is required to be fixed by the Company in General Meeting.

**AUDITORS' REPORT:**

The Notes to Accounts referred to in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

The Comments/Report of the Comptroller & Auditor General of India in pursuance of Section 619(4) of the Companies Act, 1956, is attached. The Board's Reply thereto is also attached and forms part of this Report.

**COST AUDITORS:**

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

The Cost Auditors prepared the Cost Audit Report for the Financial Year 2011-12. The Cost Audit Report which will due for filing on or before 31<sup>st</sup> December, 2012 will be filed by Cost Auditors with the Central Govt. (MCA Portal) before the due date.

**DIRECTORS:**

Since the last (Eighth) Annual General Meeting held on 28-Dec-2011, there is no change in the Board of Directors.

As per the Articles of Association of the Company as amended on 23-Aug-2011, none of the Directors is required to retire by rotation.



## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) accounting policies have been selected and consistently applied and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of profit of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

## AUDIT COMMITTEE

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

Prof. Ajay Pandey	..... Chairman
Prof. (Dr.) B. A. Prajapati	..... Member
Shri K. M. Shringarpure	..... Member
Shri C. J. Macwan	..... Member
The Managing Director to be the Special Invitee.	

## DISCLOSURES

### (a) Particulars of Employees:

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

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

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

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

During the year under review, there was no foreign exchange earning or outgo.

**ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**

**Date : 14<sup>th</sup> December, 2012**

**Place : Ahmedabad**

**N. Srivastava, IFS**

**Mg. Director**

**Prof. Ajay Pandey**

**Director**



## **ANNEXURE TO DIRECTORS' REPORT**

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

#### **A. Conservation of Energy:**

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

- High-loss feeders have been identified, close monitoring is being done up to the Sub-division level to reduce the technical losses and meters are provided on TCs for better control on systems to identify the weak pockets with high losses.
- Regular and periodical maintenance of line and equipments.
- Pamphlets explaining energy saving measures and its efficient use along with energy bills are circulated for public awareness. The seminar on energy conservation was also arranged during the year with participation of all categories of consumers.
- Provided 1261 Nos. of Amorphous Transformer in Urban, Industrial and Jyotigram feeders for technical losses reduction. More are under process of procurement.

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

- Nil
- **Mass awareness amongst consumers for energy conservation.**

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

##### **(c) Pilot Project "Strategies for stabilizing for increasing farmers income through resource sustainability:**

The project has been conducted in three phases, namely, Phase I, II, and III spread over three and half years (2008 - April 2012).

**Phase I** evaluated the Energy-Water- Agriculture connect for chosen study area of Kukarwada sub division, Vijapur taluka, district Mehsana, Gujarat.

**Phase II** devised Energy-Water Savings Incentive Scheme in close consultation with the Government of Gujarat based on a revenue neutral model.

- A 3-year MoU was signed between UGVCL and Columbia Water Center India (CIPT) at the Vibrant Gujarat Global Investors Summit in 2011 for field level implementation.





**Phase III** implemented during FY 2011-12 in which total 85 nos. of consumers (Farmers) were participated and total 11,85,640 nos of units saved.

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

- Savings in KWH and peak demand. Reduction in T & D losses.

**B. Technology Absorption:**

Efforts made in technology absorption as per Form B.

**FORM –B**

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

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

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

- AMR MD reset dates of HT consumers are fixed to 00.00 hrs of 21<sup>st</sup> date of every month.
- Semi automatic meter test benches are commissioned at Palanpur and at Kalol Laboratory.
- Power analyzers for transformer loss measurement are purchased for all four Circles.
- Concept of single phase transformer of 5 KVA introduced for reduction of technical and commercial losses.

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

- By providing new meter test benches at Kalol and Palanpur it is now possible to test the meters more precisely up to 0.2 class accuracy. This will reduce T & D losses and the Company shall be able to meet with the CEA regulations.
- No load losses of transformers play vital role in T & D losses. With the help of power analyzer it is now possible to measure No load losses of DTC for quality purchase.
- To prevent the leakages on short supply of conductor and cable by the suppliers against purchase, measuring instruments were purchased.
- **ADVANTAGES OF HVDS BY 5 KVA SINGLE PHASE T/C OVER LVDS**
  - Reduction of line losses at optimum capital investment
  - Reduction in voltage drop.
  - Reduction in failure of DTC.
  - Prevention of Theft of energy.
  - Improvement in Reliability of supply.



**3. Future Plan of Action:**

- Upgradation of Mehsana Laboratory for 0.2 class accuracy to meet with the CEA Regulations and to obtain IEC 17025-2000 Accreditation.
- Creation of on-site testing facility at RSO, Narol in association with ERDA.

**4. Expenditure on R & D:**

- Nil

**II Technology absorption, adaptation and innovation**

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

- Deployment of AMR System with restructured MD reset dates to all HT consumers.
- WEB based Consumer Monitoring Program has been introduced to ascertain pockets of Commercial losses.
- WEB based computerized complain management facility.
- Installation of 8 Nos. of Any Time Payment machines for bill collection work and revenue collection under e-Gram Yojana in 3370 villages in rural areas of the Company is completed.

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

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

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

**For and on behalf of the Board**

**Date: 14<sup>th</sup> December, 2012  
Place : Ahmedabad**

**N. Srivastava, IFS  
Mg. Director**

**Prof. Ajay Pandey  
Director**



**C&AG's Letter No. ES-I(Hqrs-II)/A/cs/UGVCL/2011-12/658 dated 10-Dec-2012****Comments of Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Uttar Gujarat Vij Company Limited, Mehsana for the year ended 31 March, 2012**

The preparation of financial statements of Uttar Gujarat Vij Company Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 September 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Uttar Gujarat Vij Company Limited, for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**Comments on Profitability****Profit/(Loss) after Tax for the Current Year ₹ 12.45 crore**

A reference is invited to significant accounting policies (P) and note no. 19 regarding "Deferred Revenue Expenditure" on Energy Efficient Pump Set Scheme. The 1/3<sup>rd</sup> cost of the pump sets borne by the company was being treated as deferred revenue expenditure(DRE) and amortized over a period of five years since 2008-09. In the current year, the company has written off balance outstanding at the beginning of the year ₹ 20.94 Crore against General Reserve and ₹ 4.47 crore debited in Current year's Profit and Loss Account. This accounting treatment is not correct and entire amount of ₹ 25.43 crore should have been charged to current year's Profit and Loss Account as revised schedule VI does not provide for DRE and there was a change in the accounting policy. Failure to do so, has resulted in overstatement of profit by ₹ 20.96 crore and the same would turn into loss of ₹ 8.51crore. This amount should have been shown as debit balance in Profit and Loss Account under Reserve and Surplus.

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

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

Place: Ahmedabad  
Date: 10/12/2012

**“Addendum to Report of Board of Directors”****Board’s Reply to C&AG’s Letter No. ES-I(Hqrs-II)/A/cs/UGVCL/2011-12/658 dated 10-Dec-2012**

With the introduction of revised Schedule VI being mandatory for the presentation of Annual Statement of Accounts, the concept of Deferred Revenue Expenditure has become nonexistent. In the earlier years, the Company used to treat contribution towards energy efficient pumps as Deferred Revenue Expenditure and used to write off 1/5<sup>th</sup> every year till the FY 2010-11 as per Accounting Policy. Accordingly, the previous year’s profit was higher to the extent of revenue expenditure deferred over the years and consequently the Reserves & Surplus to that extent were also higher. Since the Opening Balance of Deferred Revenue Expenditure as of 1<sup>st</sup> April, 2011 of ₹ 20.94 crores has arisen on account of deferment of expenditure reflected in the higher amount of Reserves & Surplus and lower amount of profit for the respective years to that extent, the Company has appropriately charged the opening balance of Deferred Revenue Expenditure to the Reserves & Surplus and the current year’s expenditure of ₹ 4.47 crores charged to P&L Account. In Company’s opinion, there is no impropriety in affording the said accounting treatment and the same is done correctly. As a result, there is no over statement of profit by ₹ 20.94 crores for the year 2011-12. Moreover, even if the Company had accepted the contention of C&AG it would not have affected the state-of-affairs of the Company.

**For and on behalf of the Board**

**Date: 14<sup>th</sup> December, 2012  
Place: Ahmedabad**

**N. Srivastava, IFS  
Mg. Director**

**Prof. Ajay Pandey  
Director**





**AUDITORS' REPORT TO THE MEMBERS**

**TO THE MEMBERS OF UTTAR GUJARAT VIJ COMPANY LTD**

- 1 We have audited the attached Balance sheet of **UTTAR GUJARAT VIJ COMPANY LIMITED. MEHSANA** as at **31<sup>st</sup> March, 2012**, the Profit & Loss account and the Cash Flow Statement for year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 The Company is governed by the Electricity Act, 2003 read with the Rules and Regulations issued there under. Section 616(C) of the Companies Act, 1956 provides that special Acts like Electricity Act shall apply to the extent the provisions of the Companies Act are inconsistent with the provisions of those Acts. Accordingly, the financial statements of the Company for the year 2011-12 are complied and reported.
- 4 As required by the companies (Auditor's Report) order, 2003 (as amended by Companies (Auditor's Report) (Am.dt.) Order, 2004) Issued by the Central Government in terms of sub section (4A) of section 227 of the companies Act, 1956, we enclosed in a Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
5. Further to our comments in the Annexure referred at Paragraph 4 above, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, the Company has kept proper books of accounts are required by law so far as appears from our examinations of those books;
  - c. The Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;



- d. In our opinion the Balance sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. The Company, being a Government Company under Section 617 of the Companies Act, 1956, in view of the Notification No. GSR 829(E) dated 21th October, 2003 issued by the Central Government the provisions contained in Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 are not applicable to a Government Company.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- a) in the case of the Balance Sheet, of the state of the affairs of the company as at **31<sup>st</sup> March, 2012;**
- b) in the case of the Profit & Loss Account of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**FOR. ASHVIN K. YAGNIK & CO.  
CHARTERED ACCOUNTANTS  
FRN 100710W**

**MEHSANA  
DATE : 25-Sep-2012**

**(JAPAN. A. YAGNIK)  
PARTNER.  
M.NO.117952.**



**ANNEXURE TO THE AUDITOR'S REPORT**

**(Referred to in paragraph 4 of our report of even date on the accounts of UTTAR GUJARAT VIJ COMPANY LIMITED, MEHSANA as at 31<sup>st</sup> March, 2012)**

1. (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 in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) No substantial part of its fixed assets has been disposed of during the year and going concern status of the Company is not affected.
2. (a) As explained to us, the inventories were been physically verified by the Management at reasonable intervals.  
(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of examination of records relating to inventory, the Company is maintaining proper records of inventory.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the clauses (iii) (b), (iii) (c) and (iii) (d) of the Report are not applicable.  
(b) According to the information and explanation given to us, the Company has not taken any loan, secured or unsecured, from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the Clauses (iii) (e), (iii) (f) and (iii) (g) of the Report are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls.



5. (a) According to the information and explanation provide by the management there are no contracts or arrangements which need to be entered in the Register maintained under sec. 301 of the Companies Act, 1956.  
(b) In view of above, the Clauses (v)(a) and (v)(b) of the Report are not applicable.
6. According to the information and explanations given to us, The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provision of the Act..
7. The internal audit of Company is entrusted to the firm of Chartered Accountants. The system is commensurate with size and nature of business of the Company.
8. The Central Government has prescribed the maintenance of cost records under the clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and as explained to us, the Company has maintained the prescribed accounts and records. We have not, however, made a detailed examination of the same.
9. (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident Fund, Investor Education and protection Fund, Employees' Sate Insurance, Income-tax, Sales-tax, wealth tax, service tax, custom duty, excise duty cess and any other statutory dues with the appropriate authorities.  
(b) According to the information and explanation given to us and based on the records of the Company, no disputed amounts are payable in respect of income-tax, Sales-tax, wealth-tax, service tax, custom duty, excise duty, cess as at 31<sup>st</sup> March, 2012.
10. The Company does not have any accumulated losses as at 31<sup>st</sup> March, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the information and explanation given to us, the major repayment of dues to financial institutions, banks or bond holders are made by Gujarat Urja Vikas Nigam Limited (GUNVL) on behalf of the Company. The Company has not defaulted in repayment of dues to a financial institution or bank or bond holders.
12. As per information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause (xiii) is not applicable to the Company.





- 14.. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the clause (xiv) is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. The term loans were applied for the purpose for which they were raised.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that Company has not utilized any funds raised on short term basis for long term investments.
18. The Company has not made any preferential allotment to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the clause (xviii) is not applicable to the Company.
19. The Company has not issued any debentures during the year under audit. Accordingly, the clause (xix) is not applicable to the Company.
20. The Company has not raised any money by public issues during the year under audit. Accordingly, the clause (xx) is not applicable to the Company.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

**FOR. ASHVIN K. YAGNIK & CO.  
CHARTERED ACCOUNTANTS  
FRN 100710W**

**MEHSANA  
DATE : 25-Sep-2012**

**(JAPAN. A . YAGNIK)  
PARTNER.  
M.NO.117952.**



# UTTAR GUJARAT VIJ COMPANY LIMITED

9<sup>th</sup>  
Annual Report  
2011-12

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012

(₹ in Lacs)

Particulars	Note No.	AS AT 31 <sup>st</sup> March, 2012	AS AT 31 <sup>st</sup> March, 2011
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1) Share Holder's Fund</b>			
(a) Share Capital	2	23714.87	23714.87
(b) Reserves & Surplus	3	36804.10	37655.51
(c) Deferred Government Grants, Subsidies & Contributions	4	60101.28	52062.19
<b>Sub-total (1)</b>		<b>120620.25</b>	<b>113432.57</b>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	5	22821.78	29274.81
(b) Other Long Term Liabilities	6	69663.62	66457.82
(c) Long Term Provisions	7	16478.46	15777.35
<b>Sub-total (2)</b>		<b>108963.86</b>	<b>111509.98</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	8	549.94	0.00
(b) Trade Payables	9	38622.44	15619.67
(c) Other Current Liabilities	10	66804.66	52231.36
(d) Short-Term Provisions	11	0.96	3.11
<b>Sub-total (3)</b>		<b>105978.00</b>	<b>67854.14</b>
<b>TOTAL</b>		<b>335562.10</b>	<b>292796.69</b>
<b><u>ASSETS</u></b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets:			
Tangible	12	208665.21	193989.94
Capital Work-in progress	12	2763.87	1267.30
(c) Deferred Tax Assets (Net)		0.00	0.00
(d) Long Term Loans and Advances	13	891.86	954.82
(e) Other Non-current Assets	14	7263.21	7433.04
<b>Sub-total (1)</b>		<b>219584.15</b>	<b>203645.10</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	22126.30	18617.05
(b) Trade Receivables	16	21556.03	20243.57
(c) Cash and Bank Balances	17	13187.32	7263.99
(d) Short-Term Loans and Advances	18	2502.42	2610.45
(e) Other Current Assets	19	56605.88	40416.53
<b>Sub-total (2)</b>		<b>115977.95</b>	<b>89151.59</b>
<b>TOTAL</b>		<b>335562.10</b>	<b>292796.69</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	2 to 41		

AS PER OUR REPORT OF EVEN  
DATE ATTACHED

FOR ASHVIN K. YAGNIK & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 100710W

(JAPAN YAGNIK)  
PARTNER  
M. NO. 117952

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS  
UTTAR GUJARAT VIJ COMPANY LIMITED

V. N. MAIRA, IAS  
Chairman

N. SRIVASTAVA, IFS  
Managing Director

R.B.KOTHARI, ACMA  
General Manager (Finance)

N. M. JOSHI, FCS  
Company Secretary

PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012

PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012





# UTTAR GUJARAT VIJ COMPANY LIMITED

9<sup>th</sup>  
Annual Report  
2011-12

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in Lacs)

Particulars	Note No.	AS AT 31 <sup>st</sup> March, 2012	AS AT 31 <sup>st</sup> March, 2011
<b>INCOME</b>			
Revenue from Operations	20	640820.28	545365.85
Other Income	21	8021.43	6773.64
<b>Total Revenue (1)</b>		<b>648841.71</b>	<b>552139.49</b>
<b>EXPENDITURE</b>			
Purchase of Power	22	589278.28	494784.62
Employees Benefits Expense	23	28803.47	27980.36
Finance Costs	24	9080.28	10139.64
Depreciation and Amortization Expense	25	13348.18	12228.86
Other Expenses	26	7176.55	5412.65
<b>Total Expenses (2)</b>		<b>647686.76</b>	<b>550546.13</b>
<b>Profit before exceptional and extraordinary items and tax</b>	(1)-(2)	<b>1154.95</b>	<b>1593.36</b>
Exceptional Items	27	(398.03)	(143.24)
Extraordinary Items	28	37.92	31.06
<b>Profit /(Loss) Before Tax</b>		<b>1515.06</b>	<b>1705.54</b>
<b>Provision for Tax</b>	29		
Income Tax		269.20	437.91
Wealth Tax		0.96	0.74
<b>Total</b>		<b>270.16</b>	<b>438.65</b>
<b>Profit /(Loss) After Tax for the Current Year</b>		<b>1244.90</b>	<b>1266.89</b>
Earning Per Share (Basic ) Rs.		0.52	0.55
Earning Per Share (Diluted) Rs.		0.52	0.55
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	2 to 41		

AS PER OUR REPORT OF EVEN  
DATE ATTACHED

FOR ASHVIN K. YAGNIK & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 100710W

(JAPAN YAGNIK)  
PARTNER  
M. NO. 117952

PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS  
UTTAR GUJARAT VIJ COMPANY LIMITED

V. N. MAIRA, IAS  
Chairman

R.B.KOTHARI, ACMA  
General Manager (Finance)

N. SRIVASTAVA, IFS  
Managing Director

N. M. JOSHI, FCS  
Company Secretary  
PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012



# UTTAR GUJARAT VIJ COMPANY LIMITED

9<sup>th</sup>  
Annual Report  
2011-12

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2012

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> March, 2012	AS AT 31 <sup>st</sup> March, 2011
<b>EQUITY AND LIABILITIES</b>		
<b>Cash Flow from Operating Activities</b>		
Net Profit before Tax, Prior Period Adjustments and Extra ordinary items	4650.81	1970.55
Adjustments for: Add/(Less)		
Depreciation	13348.18	12176.45
Interest and Financial Charges	9080.28	10139.64
Prior Period Adjustments	(3097.83)	(233.95)
Gain on Sale of Fixed Assets	(65.39)	(59.58)
Loss on Sale of Fixed Assets	0.00	0.70
Provision no longer required	(332.64)	(84.36)
Interest Income from Fixed Deposit	(145.41)	(135.74)
<b>Operating Profit before Working Capital Changes</b>	<b>23438.00</b>	<b>23773.71</b>
<b>Adjustments for Changes in Working Capital:-</b>		
(Increase)/Decrease in Miscellaneous Expenditure	0.00	(155.95)
(Increase)/Decrease in Current Assets, Loans and Advances	(22511.54)	11164.42
Increase/(Decrease) in Current Liabilities and Provisions	49494.35	21054.52
<b>Cash Generated from Operations before Taxes and Extra Ordinary items</b>	<b>50420.80</b>	<b>55836.70</b>
Less: Direct Taxes Paid	255.00	2724.52
<b>Cash Generated from Operations before Extra Ordinary items</b>	<b>50165.80</b>	<b>53112.18</b>
Less: Extra ordinary items	37.92	31.06
<b>A. NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>50127.88</b>	<b>53081.12</b>
<b>Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(30084.17)	(24421.72)
(Increase)/Decrease in Capital Work in Progress	(1496.58)	199.94
Sale/Adjustments on Fixed Assets	2126.13	1880.77
Interest Income from Fixed Deposit	145.41	135.74
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(29309.21)</b>	<b>(22205.27)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	431313.00	5304.74
Repayments of Borrowings	(445167.15)	(32769.23)
Proceeds from Govt. Grants, Subsidies and Contributions	8039.09	7499.47
Interest and Financial Charges Paid	(9080.28)	(10139.64)
<b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(14895.34)</b>	<b>(30104.66)</b>
<b>Net Cash Inflow/(Outflow)[A+B+C]</b>	<b>5923.33</b>	<b>771.19</b>
Add:- Cash and Cash Equivalent as at 01-4-11 (Opening Balance)	<b>7263.99</b>	<b>6492.80</b>
<b>Cash and Cash Equivalent as on 31-3-12 (Closing Balance)</b>	<b>13187.32</b>	<b>7263.99</b>
<b>Note:</b> (i) The above Cash Flow Statement has been prepared as per AS-3 (Indirect Method) issued by ICAI (ii) Components of Cash & Cash Equivalents as on 31-03-12 is as per notes no. 17 to the Balance Sheet (iii) Interest paid is exclusive of and Purchases of Fixed Assets is inclusive of Interest Capitalised ₹ 550.79 lacs (Previous Year ₹ 188.14 lacs)		

AS PER OUR REPORT OF EVEN  
DATE ATTACHED

FOR ASHVIN K. YAGNIK & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 100710W

(JAPAN YAGNIK)  
PARTNER  
M. NO. 117952

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS  
UTTAR GUJARAT VIJ COMPANY LIMITED

V. N. MAIRA, IAS  
Chairman

N. SRIVASTAVA, IFS  
Managing Director

R.B.KOTHARI, ACMA  
General Manager (Finance)

N. M. JOSHI, FCS  
Company Secretary

PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012

PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012





## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of preparation (Accounting Convention):**

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

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

### **B. Use of Estimates:**

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

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

Company is providing depreciation on Capital Assets related to Electrification & Service connection on Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of these assets, Company is receiving Consumer contribution, Grant & Subsidy which is being treated as deferred revenue by the company. Considering administrative convenience, practical aspects & taking into consideration the very wide geographical distribution network as well as Constraints on Relevant & Reliable Information as stated in "Framework for the Preparation & Presentation of Financial Statement" issued by the Accounting Standard Board of ICAI, company is transferring 10% of year end balance of Contribution, Grants & Subsidies to Profit & Loss account.

### **D. Fixed Assets:**

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

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





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

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

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

**F. Impairment of Assets:**

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

**G. Segment Reporting:**

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

**H. Inventories:**

Inventories have been valued as under:

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

**I. Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow



of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**J. Revenue Recognition:****(i) Revenue from sale of power :**

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

**(ii) Surplus power, sold to GUVNL is accounted on the basis of credit notes received from GUVNL.****(iii) Misc. Revenue from consumers :**

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

**(iv) Revenue Subsidies:**

Revenue Subsidies as allocated by GUVNL (Holding Company) are accounted for and credited to profit & Loss Account.

**(v) Other Income :**

(a) Income from Sale of Scrap and Insurance claims are accounted for on the basis of actual realization. Amount in respect of delayed Payment charges (Except for cases where suit is filed in the court) is accounted on the basis of actual realization of late payment against outstanding energy bills.

(b) Other income except mentioned above is recognized on accrual basis except when ultimate realization of such income is uncertain.

**(vi) Amount in respect of Unclaimed Security Deposit, Earnest Money Deposit and Misc. Deposit of suppliers and contractors which is pending for more than three years and which are not payable, is considered as income.****K. Employee Benefits:**

(i) Provident Fund - Contribution to Provident Fund is made to recognized provident fund under the relevant statutes/rules.

(ii) Gratuity - The liability of gratuity is accounted on the basis of valuation made by LIC. The contribution payable as per actuarial valuation is charged to revenue.

(iii) Leave Encashment – The benefit of encashment of leave is given to employees of the company on retirement. The Company accounts for Leave Encashment Liability to its employees while in service on the basis of actuarial valuation made by LIC.

(iv) Leave Travel Concession - Expenditure on Leave Travel Concession to eligible employees is recognized on the basis of actual reimbursement.

**L. Borrowings Costs:**

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

**M. Depreciation and Amortization:**

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

**N. Taxation:**

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

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

**O. Prior Period Items:**

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

**P. Deferred Revenue expenditure:**

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



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

### 2. SHARE CAPITAL

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Authorised Share Capital</b> 60,00,00,000 Equity Shares each of ₹ 10 each	60000.00	60000.00
<b>Issued, Subscribed and Paid-up Capital</b> 23,71,48,722 Equity Shares of ₹ 10 each fully paid-up (Previous year 23,71,48,722 Equity Shares). 100% Shares are held by the holding company Gujarat Urja Vikas Nigam Ltd. and its nominees	23714.87	23714.87
<b>TOTAL</b>	<b>23714.87</b>	<b>23714.87</b>

- (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 ₹ 1,10,89,64,800/- (i.e. 11,08,96,480 fully paid Equity Shares of ₹ 10/- each) and Share Premium of ₹ 3,32,68,94,430/- 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 9,62,02,172 shares of ₹ 10/- each (fully paid up) aggregating to ₹ 96,20,21,720/- to GUVNL by way of preferential allotment through private placement.
- (c) During the year 2009-10, the company has issued Equity Shares worth of ₹ 30,00,00,000/- to Gujarat Urja Vikas Nigam Limited (GUVNL) at par on rights basis towards the financial assistance received under the Financial Restructuring Plan.

### 3. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
(a) Equity Share Premium Account	33268.94	33268.94
(b) Surplus (Profit & Loss Account):		
Balance brought forward from previous year	4386.57	3119.68
Add:- Profit for the Year	1244.90	1266.89
Less:- Deferred Revenue Expenditure written off	(2096.31)	0.00
<b>( Refer Point 'P' of Significant Accounting policies )</b>		
<b>Total(b)</b>	<b>3535.16</b>	<b>4386.57</b>
<b>TOTAL (a+b)</b>	<b>36804.10</b>	<b>37655.51</b>



## 4. DEFERRED GOVERNMENT GRANTS, SUBSIDIES & CONTRIBUTIONS

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Deferred Government Grants, Subsidies &amp; Contribution.</b>		
Subsidies towards Cost of Capital Assets	17785.94	15689.27
Grants for Capital Assets	1932.80	2147.55
Consumer Contribution towards Capital Assets	37494.04	29559.42
Capital Grants under FRP	2888.50	3209.43
Energy Conservation grant for Energy Efficient Pump Sets	0.00	1456.52
<b>TOTAL</b>	<b>60101.28</b>	<b>52062.19</b>

## 5. LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012		AS AT 31 <sup>st</sup> MARCH, 2011	
	Non-Current	Current	Non-Current	Current
<b><u>(a) SECURED LOANS</u></b>				
Loan from Banks	0.00	1445.77	1445.44	7229.00
Bills Discounting under DPG - UBI	220.95	783.24	1004.20	783.24
Bills Discounting under DPG - SIDBI	62.86	121.40	184.26	121.40
Loans from REC	1705.78	553.82	2259.60	607.56
<b>Total (a)</b>	<b>1989.59</b>	<b>2904.23</b>	<b>4893.50</b>	<b>8741.20</b>
<b><u>(b) UNSECURED LOANS</u></b>				
Loan from Banks	0.00	0.00	0.00	451.52
Loan from GSFS	0.00	946.06	946.05	1509.87
Payment Due on Capital	0.00	9.25	0.00	41.99
<b><u>Public Bonds:</u></b>				
11.50% Series-VI option II	0.00	1258.80	1258.80	944.10
11.75% Series-VI option III	630.23	270.10	900.33	0.00
7.50% Series-VI option III	1164.65	499.13	1663.78	0.00
11.25% Series-VII option II	17.57	13.18	30.75	13.18
11.50% Series-VII option III	590.42	0.00	590.42	0.00
8.95% Series-VIII	5380.35	0.00	5380.35	296.37
8.00% Series-IX	855.19	0.00	855.18	254.00
8.00% Series-X	2384.20	0.00	2384.20	943.36
S.L.R. Bonds	0.00	0.00	0.00	625.80
Loan from Power Finance Corporation	2372.70	0.00	2372.70	0.00
Loan from Rural Electrification Corporation	53.93	0.00	47.94	35.00
Loan from R E C ( RGGVY)	649.57	0.00	614.20	0.00
Financial Participation by consumers	0.00	0.00	5.73	0.00
<b><u>Government Loans</u></b>				
Loan under APDRP	2193.22	221.02	2414.24	221.02
ADB Program & Project Loan	4540.16	376.48	4916.64	371.88
<b>Total (b)</b>	<b>20832.19</b>	<b>3594.02</b>	<b>24381.31</b>	<b>5708.09</b>
<b>TOTAL</b>	<b>22821.78</b>	<b>6498.25</b>	<b>29274.81</b>	<b>14449.29</b>



1.	Loans from REC is secured against the 1st hypothecation charge on the assets of Idar & Talod O&M Divisions of UGVCL and Himatnagar Circle/Division/RSO, Modasa Division & Mehsana Circle/Division/RSO & Kalol Division.
2.	Loans from Indian Overseas Bank is secured against the 1st hypothecation charge on the assets of Dhrangadhra & Surendranagar O&M Divisions of PGVCL.
3.	Loans from Indian Overseas Bank is secured against the 1st hypothecation charge on the assets of Vijapur, Mehsana & Chhatral TR Division of GETCO.
4.	Loans from Union Bank of India is secured against the 1st hypothecation charge on the assets of Soja, Dhansura & Chhatral TR Division of GETCO.
5.	Loans from Allahabad Bank is secured against the 1st hypothecation charge on the assets of Sabarmati, Gandhinagar & Bavla O&M Division of UGVCL.
6.	Loan from Canara Bank is secured against the extension hypothecation charge on the assets of Godhra and Baroda O&M Divisions of MGVCL.
7.	Loans from Dena Bank are secured against the 1st hypothecation charge on the assets of Amreli, Dhasa & Vernej TR Division of GETCO.
8.	Bills Dis. limits availed from Union Bank of India and SIDBI are secured under the Deferred payment guarantees issued by the consortium member Banks.

## SECURED LOANS

### Maturity Profile and Rate of Interest of Loans from Banks

( ₹ in Lacs)

Name of Banks	Rate of Interest (%)	2012-13
INDIAN OVERSEAS BANK	8.50	147.29
INDIAN OVERSEAS BANK	9.50	151.97
UNION BANK OF INDIA	10.75	82.90
ALLHABAD BANK	9.00	248.70
CANARA BANK	10.75	716.56
DENA BANK	10.75	98.35
<b>Total</b>		<b>1445.77</b>

### Maturity Profile and Rate of Interest for Bill Discounting UBI and SIDBI

( ₹ in Lacs)

	Rate of Interest (%)	Maturity Profile			
		2012-13	2013-14	2014-15	Total
UBI	9.50	583.60	121.13	0.00	704.73
	10.75	199.64	99.82	0.00	299.46
	<b>Total</b>	<b>783.24</b>	<b>220.95</b>	<b>0.00</b>	<b>1004.19</b>
SIDBI	Rate of Interest (%)	Maturity Period			
		2012-13	2013-14	2014-15	Total
	9.75	111.33	42.71	0.00	154.04
	8.50	10.07	10.07	10.07	30.21
	<b>Total</b>	<b>121.40</b>	<b>52.78</b>	<b>10.07</b>	<b>184.25</b>





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

( ₹ in Lacs)

Rate of Interest	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
8.50	275.69	275.69	275.69	275.69	10.83	10.83	1124.42
9.25	34.16	34.16	34.16	34.16	7.44	7.44	151.52
10.00	153.81	153.81	153.81	153.81	0.00	0.00	615.24
10.50	88.75	88.75	88.75	88.75	3.89	3.89	362.78
11.00	1.41	1.41	1.41	1.41	0.00	0.00	5.64
<b>Total</b>	<b>553.82</b>	<b>553.82</b>	<b>553.82</b>	<b>553.82</b>	<b>22.16</b>	<b>22.16</b>	<b>2259.60</b>

## UNSECURED LOANS

### Maturity Profile and Rate of Interest of Bonds and Loans from GSFS

( ₹ in Lacs)

Rate of Interest	Maturity Profile					Total
	2012-13	2013-14	2014-15	2015-16	2016-17	
<b>Bonds</b>						
11.50% Series-VI Option-II	1258.80	0.00	0.00	0.00	0.00	1258.80
11.75% Series-VI Option- III	270.10	270.10	360.13	0.00	0.00	900.33
7.50% Series-VI Option- III	499.14	499.14	665.51	0.00	0.00	1663.79
11.25% Series-VII option-II	13.18	17.57	0.00	0.00	0.00	30.75
11.50% Series-VII option-III	0.00	590.42	0.00	0.00	0.00	590.42
8.95% Series-VIII	0.00	0.00	1614.10	1614.10	2152.14	5380.34
8% Series-IX	0.00	0.00	256.56	256.56	342.07	855.19
8% Series-X	0.00	0.00	715.26	715.26	953.68	2384.20
<b>Total</b>	<b>2041.22</b>	<b>1377.23</b>	<b>3611.56</b>	<b>2585.92</b>	<b>3447.89</b>	<b>13063.82</b>
<b>Loan from GSFS (9.00%)</b>						
GSFS	946.03	0.00	0.00	0.00	0.00	946.03
<b>Total</b>	<b>946.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>946.03</b>

### Maturity Profile of REC Loan

( ₹ in Lacs)

Year	Avg. Rate of Interest	2012-13	2013-14	2014-15	2015-16	Total
<b>Amount</b>	9.25%	21.46	14.06	11.80	6.62	<b>53.93</b>

**Maturity Profile and Rate of Interest of Government Loans****( ₹ in Lacs)**

Particulars	Due within					Total
	Rate of Interest	1-2 years	2-3 years	3-4 years	Beyond 4 years	
Loan from ADB	10.69%	376.48	380.03	380.03	3780.10	<b>4916.64</b>
Loan for APDRP	12.18%	221.02	221.02	221.02	1751.19	<b>2414.24</b>
<b>Total</b>		<b>597.50</b>	<b>601.05</b>	<b>601.05</b>	<b>5531.29</b>	<b>7330.88</b>

- a. Loan Received from Rural Electrification Corporation (REC) and Power Finance Corporation is still in moratorium period and no installment due in the F.Y. 2012-13.
- b. The loans which were raised by Erstwhile GEB 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 3<sup>rd</sup> October 2006, amongst all transferee companies and the same loans have been accounted by the Company as per information submitted by the holding company i.e. GUVNL. The repayments and interest thereon are reimbursed by the Company to GUVNL.

In light of above note, the said Loans are classified and grouped either as secured loans or Unsecured Loans.

**c. Assets charged for the security by GUVNL:**

As per the legal opinion of the counsel, the transferee company (UGVCL), which has acquired the property on which the charge is already created by erstwhile GEB is required to register charges under the provisions of the Companies Act, 1956. Due to the common funds for all the operations of erstwhile GEB funds were raised against the charge over all its assets. However, the amount of secured loans of erstwhile GEB which are secured against the separate properties transferred to each transferee Company has not yet been identified. UGVCL, therefore, could not register the charge on these properties with the Registrar of Companies, Gujarat.

Certain assets of the Company are given as security to Allahabad Bank for following loans raised by Holding Company i.e. GUVNL and such charges are registered with ROC.

- (i) Loan from Allahabad Bank for ₹ 3000.00Lacs (P.Y. ₹ 7000.00 Lacs) is secured against the 1<sup>st</sup> hypothecation charge on the assets of Sabarmati O&M Division, Gandhinagar O&M Division and only Lines and Cables of Bavla O&M Division.



## 6. OTHER LONG TERM LIABILITIES

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Securities Deposit from Consumers	67892.74	65304.01
Staff Related Liabilities (SVDRB)	1770.88	1153.81
<b>TOTAL</b>	<b>69663.62</b>	<b>66457.82</b>

## 7. LONG TERM PROVISIONS

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Provision for Leave encashment	8938.30	8078.12
Provision for Losses pending investigation	276.95	266.19
Provision for Doubtful Dues from Consumers.	7263.21	7433.04
<b>TOTAL</b>	<b>16478.46</b>	<b>15777.35</b>

## 8. SHORT TERM BORROWINGS

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Secured</b>		
Cash Credit from Banks	549.94	0.00
<b>TOTAL</b>	<b>549.94</b>	<b>0.00</b>

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

## 9. TRADE PAYABLES

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Liability for Purchases of Power other than GUVNL	5603.01	316.82
Liability for Purchases of Power:- Gujarat Urja Vikas Nigam Limited	33019.43	15302.85
<b>TOTAL</b>	<b>38622.44</b>	<b>15619.67</b>

**10. OTHER CURRENT LIABILITIES****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Current Maturities of Long Term Borrowings (Ref. note no. 4)	6498.25	14449.29
<b><u>CURRENT LIABILITIES</u></b>		
Liability for O & M Supplies / Works.	1336.12	1520.82
Staff related Liabilities.	35.73	40.53
Staff Welfare Fund	77.24	73.58
Deposits & Retention from Suppliers & Contractors.	3055.20	2567.36
Electricity Duty & Insp. Testing Fees Payable to Govt.	586.23	0.22
Compounding offence	13.99	37.47
Outstanding liability for expenses	5538.58	4174.68
Interest Accrued but not due	1668.17	2126.09
Other Liabilities	36475.27	15905.55
Interest payable on Security Deposit from Consumers	3319.50	3168.12
Deposits for Electrification & Service Conn. etc.	7327.18	6425.12
Liabilities for Leave encashment (Payment due within one year)	745.48	989.77
Liabilities for SVRDB (Payment due within one year)	127.72	719.10
<b><u>Other payables to Associate</u></b>		
- Gujarat Energy Training & Research Institute	0.00	33.66
<b>TOTAL</b>	<b>66804.66</b>	<b>52231.36</b>

**11. SHORT TERM PROVISIONS****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Provision for Wealth Tax	0.96	3.11
<b>TOTAL</b>	<b>0.96</b>	<b>3.11</b>

## NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2012

### 12. FIXED ASSETS

( ₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01-04-2011	Addition during the year	Deduction/ Adujstment	As at 31-03-2012	As at 01-04-2011	During the years	Deduction/ Adujstment	As at 31-03-2012	As at 31-03-2011
Land & Land rights	1112.97	15.27	0.00	1128.24	0.00	0.00	0.00	1128.24	1112.97
Buildings	2239.37	558.07	46.40	2751.04	167.19	44.10	(0.18)	2539.57	2072.18
Hydraulic works	59.66	1.57	0.21	61.02	28.74	2.86	0.00	29.42	30.91
Other Civil works	379.18	67.21	0.00	446.39	25.21	6.49	0.01	31.69	353.98
Plant & Machinery	70746.98	6053.00	329.59	76470.39	20522.96	3462.74	49.78	23935.92	50224.01
Lines & Cable Net Works	193821.08	23001.23	1806.11	215016.20	54713.88	9539.11	85.35	64167.64	139107.20
Vehicles	298.09	54.57	23.26	329.40	194.56	23.39	14.56	203.39	103.53
Furniture & Fixtures & Electrical Lightings	492.93	40.77	1.24	532.46	175.54	29.24	0.06	204.72	317.39
Office Equipments	1652.00	292.48	3.54	1940.94	984.22	240.25	0.03	1224.44	667.77
<b>Total</b>	<b>270802.26</b>	<b>30084.17</b>	<b>2210.35</b>	<b>298676.08</b>	<b>76812.30</b>	<b>13348.18</b>	<b>149.61</b>	<b>90010.87</b>	<b>193989.94</b>
<b>Capital Work-in progress</b>									
Capital Work-in progress	955.68	37794.25	36500.51	2249.42	0.00	0.00	0.00	2249.42	955.69
Provision for WIP	311.61	698.37	495.53	514.45	0.00	0.00	0.00	514.45	311.61
<b>Total</b>	<b>1267.29</b>	<b>38492.62</b>	<b>36996.04</b>	<b>2763.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2763.87</b>	<b>1267.30</b>

**a. Legal ownership (titles) of immovable assets:**

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

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

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



## 13. LONG TERM LOANS AND ADVANCES

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Advances to Suppliers / Contractors (Capital).	294.18	655.86
Loans & Advances to staff -Interest Bearing.	597.68	298.96
<b>TOTAL</b>	<b>891.86</b>	<b>954.82</b>

## 14. OTHER NON-CURRENT ASSETS

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Dues from Permanent Disconnected Consumers (Net of SD forfeited).	7263.21	7433.04
<b>TOTAL</b>	<b>7263.21</b>	<b>7433.04</b>

## 15. INVENTORIES

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Stock of materials at Stores.	9398.87	7570.64
Materials at Site (O&M).	1697.57	1414.59
Materials in Transit.	88.97	146.61
Other Materials Accounts.	10663.94	9219.02
Material Stock Excess / Shortage Pending Investigation	276.95	266.19
<b>TOTAL</b>	<b>22126.30</b>	<b>18617.05</b>

## 16. TRADE RECEIVABLES

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Sundry Debtors for Sale of Power	21841.36	20392.38
Sundry Debtors for Misc. Receipts from Cons.	1511.75	1545.95
<b>Sub-Total</b>	<b>23353.11</b>	<b>21938.33</b>
Less : Unposted Receipts.	0.09	1.62
<b>Sub-Total</b>	<b>23353.02</b>	<b>21936.71</b>
Less : Deferred ED & TSE from Consumers.	1796.99	1693.14
<b>TOTAL</b>	<b>21556.03</b>	<b>20243.57</b>
Out of the above -		
- Outstanding for a period exceeding six months.	9031.05	14225.75
- Others	14322.06	7712.58
<b>TOTAL</b>	<b>23353.11</b>	<b>21938.33</b>
NOTE:- Debtors are secured and considered good to the extent of security deposit received from the respective consumers.		



**17. CASH AND BANK BALANCES****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Cash on hand	1.35	1.11
Cash/Cheques to be deposited in collection bank account	2711.38	456.67
Balance with scheduled Banks in current accounts	7960.62	2806.15
Remittance in Transit.	53.46	17.16
Fixed deposits with Banks	2460.51	3982.90
<b>TOTAL</b>	<b>13187.32</b>	<b>7263.99</b>

**18. SHORT TERM LOANS AND ADVANCES****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Advances for O&M Supplies / Works.	118.25	262.51
Loans & Advances to staff -Interest free.	138.53	135.38
Loans & Advances - Others	1.00	1.37
<b>Sub-total</b>	<b>257.78</b>	<b>399.26</b>
Advance Income Tax / Tax deducted at source.	3177.40	2872.16
Less:- Provision for Minimum Alternate Tax (MAT)	932.76	663.56
	<b>2244.64</b>	<b>2208.60</b>
Advance Fringe Benefit Tax	0.00	151.18
Less:- Provision for Fringe Benefit Tax	0.00	148.59
	<b>0.00</b>	<b>2.59</b>
<b>TOTAL</b>	<b>2502.42</b>	<b>2610.45</b>



## 19. OTHER CURRENT ASSETS

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Income accrued but not due.	735.31	603.06
Amt. recoverable from emp./ ex-employees.	4.64	6.83
Interest Accrued & Due on Staff Loans & Advances	158.74	137.24
Other Misc. Receivable from Govt. Dept., Local Bodies	497.63	380.93
Postage Stamps & Agreement Stamps on hand	8.90	10.58
Provision for Unbilled Revenue.	54885.86	36859.24
Current Maturities of Loans and Advances to Staff(Interest Bearing)	201.36	279.72
<b><u>Other receivables from Associate</u></b>		
- Gujarat Energy Training & Research Institute	97.85	0.00
<b>Sub-total (1)</b>	<b>56590.29</b>	<b>38277.60</b>
<b>ASSETS NOT IN USE</b>		
Plant & Machinery	12.24	31.57
Lines & Cable Net Works	2.13	8.26
Vehicles	0.84	2.15
Furniture & Fixtures	0.00	0.06
Office Equipments	0.38	0.58
<b>Sub-total (2)</b>	<b>15.59</b>	<b>42.62</b>
<b>MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>		
Deferred revenue Expenses as per last balance sheet	2096.31	1940.36
Addition during the year	469.22	807.14
	<b>2565.53</b>	<b>2747.50</b>
Less: Adjusted during the year	2565.53	651.19
<b>Sub-total (3)</b>	<b>0.00</b>	<b>2096.31</b>
<b>TOTAL</b>	<b>56605.88</b>	<b>40416.53</b>

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

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



## 20. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b><u>(a) Revenue from Sale of Power</u></b>		
Domestic or Residential	53930.61	44988.24
Commercial	12577.11	25447.96
Industrial low & medium voltage	63359.99	40163.49
Industrial high voltage	204105.34	166397.65
Public lighting	1833.89	1533.11
Traction railways	1001.06	794.41
Irrigation agricultural	152643.60	118615.30
Public water works and sew. pumps	18615.17	15728.91
Sale of Power to GUVNL	59615.22	41061.97
UI Charges receivable	5476.17	21967.74
<b>Sub-Total</b>	<b>573158.16</b>	<b>476698.79</b>
<b><u>Electricity Duty &amp; Tax on Sale of Electricity</u></b>		
Electricity Duty - assessed	42494.07	36895.32
<b>Sub-Total</b>	<b>615652.23</b>	<b>513594.11</b>
Less: Electricity Duty assessed (contra)	42494.07	36895.32
<b>Total (a)</b>	<b>573158.16</b>	<b>476698.79</b>
<b><u>(b) Other Operating Income</u></b>		
Meter Rent / Service Line Rental	3849.97	3628.44
Recoveries for Theft of Power / Malpractices Non-Consumers	783.84	930.44
Wheeling charges Recoveries	9.12	2.53
Misc. charges from consumers	2990.31	3419.92
Delayed Payment Charges from Consumers	2422.20	1907.07
Income from sale of scrap	212.04	356.29
<b>Total (b)</b>	<b>10267.48</b>	<b>10244.69</b>
<b><u>(C) Revenue Subsidies</u></b>		
Agricultural Subsidy	57394.64	58422.37
<b>TOTAL (a+b+c)</b>	<b>640820.28</b>	<b>545365.85</b>



## 21. OTHER INCOME

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Interest on Staff Loans and Advances	86.34	69.50
Interest Income from Others Loans/Advance	276.70	135.74
Interest from Consumers	3.21	2.55
Miscellaneous Receipts	1077.13	1001.86
Govt. Grants/Cons. contribution (Deferred amount 10% Written Back)	6578.05	5563.99
<b>TOTAL</b>	<b>8021.43</b>	<b>6773.64</b>

## 22. PURCHASES OF POWER

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Power Purchases from GUVNL	574566.52	490575.05
Power Purchases from Wind Farms/ CPP	2966.82	1565.95
Power Purchases from Solar	598.96	0.00
UI Charges Payable	11145.98	2643.62
<b>TOTAL</b>	<b>589278.28</b>	<b>494784.62</b>

**Note :** During the current year, the company has made provision of ₹ 5198.75 Lacs in respect of power purchase from ONGC out of which ₹ 2051.20 Lacs are debited as expense of current year and balance amount of ₹ 3147.55 are debited as Prior Period expenses. The said liability is in dispute with ONGC and management has provided for it as per their best judgment and details on record. The final liability may vary on final outcome of matter in dispute.

## 23. EMPLOYEES' BENEFITS EXPENSES

( ₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Salaries.	12080.83	12114.58
Overtime.	17.12	12.60
Dearness allowance & Dearness Pay.	6562.74	4891.60
Other Allowances.	3284.42	3451.76
Bonus.	29.84	30.95
<b>Sub Total</b>	<b>21974.95</b>	<b>20501.49</b>
Medical Expenses Reimbursement.	542.24	513.99
Leave Travel Assistance.	166.15	62.63
Leave Salary Contribution-Deputation Staff.	23.31	3.59
Waiver of o/s HBA Loan & Interest.	6.05	2.39
Death & Accident Compensation.	7.03	1.87
Payment under Workmen's Comp. Act.	20.60	1.74
Board's contribution Bombay Labour welfare Act.	0.77	0.62
EDLI-Board's Contribution.	8.16	7.46
EDLI-Administration Charges.	0.27	0.26
<b>Sub Total</b>	<b>774.58</b>	<b>594.55</b>
Staff Welfare Expenses.	171.79	423.17
Terminal Benefits	5882.15	6461.15
<b>TOTAL</b>	<b>28803.47</b>	<b>27980.36</b>

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

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

**(ii) Employee Benefits:**

- a) Defined contribution to Provident Fund, Employee Pension Scheme and Employees Death Linked Insurance

The company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees Death Linked Insurance. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company has, during the year, recognized the sum of ₹ 2193.80 Lacs (P.Y ₹ 2038.60) as expense towards contribution to these plans.

- b) Defined contribution towards gratuity & leave encashment.

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

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

**( ₹ in Lacs)**

The amounts recognized in the balance sheet of GUVNL	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Present Value of funded Obligations	8263.07	6932.55
Fair value of plan assets	8263.07	6932.55
Present value of unfunded obligations	7756.14	8286.39
Unrecognized past service cost	Nil	Nil
Net liability	7756.14	8286.39
Amount in the balance sheet :Liabilities	16019.22	15218.94
Assets	8263.07	6932.55
Net liabilities	7756.14	8286.39



( ₹ in Lacs)

Expenses recognized in Income Statement	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Current service cost	593.20	570.85
Interest on obligation	1217.52	1076.42
Expected return on plan assets	(691.65)	(554.32)
Net actuarial losses / (gains) recognized in the year	1008.04	1823.41
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognized in the statement of Profit & Loss	2127.11	2916.36

( ₹ in Lacs)

Change in Benefit Obligations	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Opening defined benefit obligation	15218.94	13455.25
Service cost for the year	593.20	570.85
Past Service Cost	Nil	Nil
Interest on obligation	1217.52	1076.42
Actuarial losses / (gains)	950.86	1802.18
Benefits paid	(1961.30)	(1685.76)
Closing defined benefit obligation	16019.22	15218.94

( ₹ in Lacs)

Fair Value of Plan Assets	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Opening fair value of plan Assets	6932.55	5270.52
Expected return on plan Assets	691.65	554.32
Actuarial gains / (losses)	(57.18)	(21.24)
Contributions by employer	2657.65	2814.70
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(1961.30)	(1685.76)
Closing fair value of plan assets	8263.07	6932.55





( ₹ in Lacs)

Category of Plan Assets	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Government of India Securities	-	-
High quality Corporate bonds	-	-
Equity shares of listed Companies	-	-
Funds managed by Insurer	100%	100%
Bank Balance	-	-

( ₹ in Lacs)

Principal Actuarial Valuation Assumptions	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Discount rate	8.00%	8.00%
Expected return on plan assets	9.50%	9.50%
Annual increase in Salary costs	5.00%	5.00%

( ₹ in Lacs)

Surplus/(Deficit)	Gratuity Plan 2011-12	Gratuity Plan 2010-11
Defined Benefit Obligation	16019.22	15218.94
Plan assets	8263.07	6932.55
Surplus / (deficit)	(7756.14)	(8286.39)

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

## Leave Encashment :

( ₹ in Lacs)

Amounts to be recognized in Balance Sheet	Leave Encashment 2011-12	Leave Encashment 2010-11
Present value of funded obligations	Nil	Nil
Fair value of plan assets	Nil	Nil
Present value of unfunded obligations	9683.78	9067.79
Unrecognized past service cost	Nil	Nil
Net Liability in the balance sheet	9683.78	9067.79
Amount in the balance sheet :Liabilities	9683.78	9067.79
Assets	-	-
Net liabilities	9683.78	9067.79



( ₹ in Lacs)

Expenses recognized in Income Statement	Leave Encashment 2011-12	Leave Encashment 2010-11
Current service cost	152.94	141.14
Interest on obligation	725.42	666.14
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in the year	727.40	672.07
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognized in Profit & Loss	1605.76	1479.35

( ₹ in Lacs)

Change in Benefit Obligations	Leave Encashment 2011-12	Leave Encashment 2010-11
Opening defined benefit obligation	9067.79	8326.75
Service cost for the year	152.94	141.14
Interest cost for the year	725.42	666.14
Actuarial losses (gains)	727.40	672.07
Losses (gains) on curtailments	-	-
Benefits paid	(989.77)	(738.31)
Closing defined benefit obligation	9683.78	9067.79

( ₹ in Lacs)

Fair Value of Plan Assets	Leave Encashment 2011-12	Leave Encashment 2010-11
Opening fair value of plan Assets	-	-
Expected return	-	-
Actuarial gains / (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing balance of fund	-	-

**( ₹ in Lacs)**

<b>Category of Plan Assets</b>	<b>Leave Encashment 2011-12</b>	<b>Leave Encashment 2010-11</b>
Government of India Securities	-	-
High quality Corporate bonds	-	-
Equity shares of listed Companies	-	-
Property	-	-
Funds managed by Insurer	-	-
Bank Balance	-	-

**( ₹ in Lacs)**

<b>Principal actuarial Valuation Assumptions</b>	<b>Leave Encashment 2011-12</b>	<b>Leave Encashment 2010-11</b>
Discount rate as at 31 <sup>st</sup> March 2012	8.00%	8.00%
Expected return on plan assets at 31 <sup>st</sup> March 2012	-	-
Annual increase in Salary Cost	5.00%	5.00%

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

**( ₹ in Lacs)**

<b>Surplus/(Deficit)</b>	<b>Leave Encashment 2011-12</b>	<b>Leave Encashment 2010-11</b>
Defined Benefit Obligation	9683.78	9067.79
Plan assets	-	-
Surplus / (deficit)	(9683.78)	(9067.79)



## 24. FINANCE COST

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b><u>(a) Interest Charges</u></b>		
Interest on State Government Loans	648.61	540.17
Interest on Bonds	1375.84	1595.73
Interest on other loans/Deferred Credit	168.20	293.77
Interest on REC Loans	386.99	684.97
Interest to Consumers on advance Payment	79.20	71.06
Interest on FP by Consumers	1.44	3.60
Interest on Loans from PFC	213.54	139.27
Interest to Consumers	3575.52	3404.28
Interest on Borrowing for Working Capital.	1901.73	2694.19
Interest Charges - Licensees A/c	15.62	14.85
Other Interest	136.25	133.37
Cost of raising finance	0.00	6.06
<b>Total (a)</b>	<b>8502.94</b>	<b>9581.32</b>
<b><u>(B) Other Charges</u></b>		
Other Charges	419.80	389.57
Guarantee Fees	157.54	168.75
<b>Total (b)</b>	<b>577.34</b>	<b>558.32</b>
<b>TOTAL</b>	<b>9080.28</b>	<b>10139.64</b>

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

## 25. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Buildings	44.10	31.12
Hydraulic Works	2.86	2.83
Other Civil Works	6.49	5.51
Plant & Machineries	3462.74	3226.12
Lines & Cable Net Works	9539.11	8667.35
Vehicles	23.39	26.99
Furniture & Fixtures	29.24	34.59
Office Equipments	240.25	234.35
<b>TOTAL</b>	<b>13348.18</b>	<b>12228.86</b>

**26. OTHER EXPENSES****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b><u>(a) Repairs and Maintenances Expenses</u></b>		
Plant and Machinery	1358.89	1371.98
Buildings.	45.16	79.12
Civil Works.	58.54	102.93
Hydraulic Works.	0.51	0.18
Lines, Cable Network etc.	2851.20	2563.57
Vehicles.	23.28	20.46
Furniture, Fixtures.	7.20	11.27
Office Equipments.	416.11	330.39
<b>Sub-total (a)</b>	<b>4760.89</b>	<b>4479.90</b>
<b><u>(b) Administrative and General Expenses</u></b>		
Rent including Lease rentals	51.58	176.31
Rates and Taxes.	54.57	56.30
Insurance Expenses.	19.44	9.94
Testing Charges	7.20	3.20
Annual Inspection & Installation Checking fees to Coll. of ED	84.23	118.64
Telephone, Postage, Telegram, Telex, Mobile Charges.	184.44	176.61
Legal Charges.	44.89	27.26
Audit Fees.	10.03	3.64
Consultancy Charges.	31.04	39.49
Technical Fees.	1.52	15.35
Other Professional fees and expenses.	117.58	110.56
Conveyance & Travel	1745.12	1513.80
Administrative Charges for Restoration of damages	4.25	7.45
Fees & Subscription.	281.70	103.25
Books & Periodicals.	1.36	0.82
Printing & Stationery.	185.76	178.24
Expenses on Computer Billing & EDP Charges.	208.86	213.75
Advertisements (Other than purchase related).	42.20	46.27
Xerox copy Charges	31.36	28.88
Contributions and charities	0.14	0.14
Electricity Charges.	149.37	163.57
Water Charges.	35.16	27.94
Maintenance to Tree Plantations.	0.87	1.23
Entertainment Expenses.	13.92	13.59
Expenses on Meetings & Conferences Expenses	5.86	9.47
Guest House Expenses.	8.69	5.44
Security Expenses	217.40	177.35



Miscellaneous Expenses.	421.53	312.72
Freight.	41.24	54.79
Other Purchase Related Expenses.	256.94	274.75
Fabrication charges Less: amount absorbed in cost of fabrication	1.61	0.00
Revenue Stamps on Receipts issued.	5.77	4.84
Expenditure on Training to Staff.	86.62	113.34
<b>Sub-total (b)</b>	<b>4352.25</b>	<b>3988.93</b>
<b><u>(c) Bad Debts and other Debits</u></b>		
Contribution towards Energy efficient pumps	446.58	651.49
Bad & Doubtful Debts Written off / Provided for.	520.02	578.23
Miscellaneous Losses & Write-offs.	62.10	96.59
<b>Sub-Total (c)</b>	<b>1028.70</b>	<b>1326.31</b>
<b><u>(d) Prior Period (Credit)/Charges</u></b>		
<b><u>Prior period expenses / losses</u></b>		
Power Purchases cost prior period	3300.71	0.00
Employee costs.	7.69	70.55
Depreciation under provided.	0.31	32.07
Interest & Other Finance Charges	198.77	70.74
Other charges relating to prior period	164.87	428.61
<b>Sub Total</b>	<b>3672.35</b>	<b>601.97</b>
<b><u>Prior period income/Gains</u></b>		
Receipts from Consumers relating to Prior Periods	0.00	2.19
Interest Income for Prior Period	0.00	0.12
Depreciation for prior period	0.02	6.84
Interest & Other Finance Charges	139.87	258.55
Other excess provision.	91.19	14.93
Other income.	343.44	85.39
<b>Sub Total</b>	<b>574.52</b>	<b>368.02</b>
<b>Net Prior period (Credits) /Charges (d)</b>	<b>3097.83</b>	<b>233.95</b>
<b><u>(e) EXPENSES CAPITALISED</u></b>		
Employee Costs Capitalised.	(4800.89)	(3872.78)
Administrative & General Expenses Capitalised.	(711.44)	(555.45)
Depreciation and Related Costs Capitalised.	0.00	(0.07)
Interest Costs capitalised.	(550.79)	(188.14)
<b>Sub-Total (e)</b>	<b>(6063.12)</b>	<b>(4616.44)</b>
<b>TOTAL (a+b+c+d+e)</b>	<b>7176.55</b>	<b>5412.65</b>

Note: During the year interest expenses on loans taken for –RAPDRP Part A & B and RGGVY amounting to ₹ 550.79 Lacs (P.Y. ₹ 188.14 Lacs) has been capitalized as per AS-16 “Borrowing Cost” issued by ICAI & accordingly charged to WIP.



**27. EXCEPTIONAL ITEMS****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Loss on Sale of Fixed Assets	0.00	0.70
Gain on sale of Fixed Assets	(65.39)	(59.58)
Provision no longer required	(332.64)	(84.36)
<b>TOTAL</b>	<b>(398.03)</b>	<b>(143.24)</b>

**28. EXTRAORDINARY ITEMS****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b><u>Extraordinary Debits</u></b>		
R & M for restoration of damages due to flood, Cyclone	7.63	13.39
Losses on account of Flood, Cyclone, Fire etc.	30.29	17.67
<b>TOTAL</b>	<b>37.92</b>	<b>31.06</b>

**29. PROVISION FOR TAXES****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Income Tax (MAT)	269.20	437.91
Wealth Tax	0.96	0.74
<b>TOTAL</b>	<b>270.16</b>	<b>438.65</b>

**30.** The balances of Sundry Debtors, loans & advances, Sundry Creditors for materials and expenses are subject to confirmation and reconciliation if any.

**31. Related Party Transaction:**

As per Para 9 of AS 18 on "Related Party Disclosure" no disclosure is required in the financial statement as regards related party relationships with other state-controlled enterprises & transaction with such enterprises.

**32. Contingent Liabilities:**

- (i) Claims against the Company not acknowledged as debt is ₹ 523.40 Lacs (P.Y. ₹ 350.45 Lacs).
- (ii) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.00 Lacs. (P.Y. ₹ 222.59 Lacs).



- 33.** As per the details available with the company, Disclosure required by Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, is as under :

Principal Amount remaining unpaid to any suppliers as at the year end : **NIL**

Interest due thereon : **NIL**

Amount of interest paid by the company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the accounting year : **NIL**

Amount of Interest due and payable for the period of delay in making payment ( which have been paid beyond the appointed day during the year ) but without adding the interest specified under the MSMED Act, 2006 : **NIL**

Amount of interest Accrued and remaining Unpaid at the end of the accounting year : **NIL**

- 34.** Value of imports calculated on C.I.F. basis is ₹ Nil.
- 35.** Expenditure in Foreign currency, earning in foreign currency & remittance in foreign currency is ₹ Nil.
- 36. Auditors' Remuneration:**

**(A) Statutory Auditors:**

(₹ in Lacs)

Particulars	Year 2011-2012	Year 2010-2011
Audit Fee	3.30	3.30
Certifications fees	-	-
Other Services	-	-
Others	-	0.69
Total (Excluding Service Tax)	<b>3.30</b>	<b>3.99</b>

**(B) Cost Auditors:**

(₹ in Lacs)

Particulars	Year 2011-2012	Year 2010-2011
Audit Fee	0.48	0.48
Other Services	-	-
Total (Excluding Service Tax)	<b>0.48</b>	<b>0.48</b>



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

( ₹ in Lacs)

Particulars	Year 2011-2012	Year 2010-2011
Net Profit after tax	1244.90	1266.89
Weighted average No. of Equity Shares	237148722	232148722
Face value per share (₹)	10	10
EPS(₹)–(Basic)	0.52	0.55
EPS(₹)–( diluted)	0.52	0.55

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

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

**39. MAT Credit Entitlement:**

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

**40. Additional information pursuant to provision of Revised Schedule VI to the Companies Act, 1956 is given to the extent applicable in view of nature of business of the company.**

**Nature of activity:** - The Company is a utility industry and is mainly engaged in distribution of electricity and providing services ancillary to the main activity.

**Purchases/Sale :**

( ₹ in Lacs)

Particulars	As at March 31,2012		As at March 31,2011	
	Quantity (In MUs)	Value	Quantity (In MUs)	Value
Unit Purchased	18408	589278.28	16891	494784.62
Unit Sold	16030	580791.40	15248	484680.12
T&D Losses(MUs)	2378	—	1643	—
T&D Losses %	14.51%	—	10.98%	—



- 41.** The Revised Schedule VI has become effective from 1<sup>st</sup> April, 2011 for the preparation of financial statements. This has significantly impacted the discloser and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

**SIGNATURES TO ACCOUNTING POLICIES AND NOTES ON THE FINANCIAL STATEMENTS 1 to 41**

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

**FOR ASHVIN K. YAGNIK & CO.  
CHARTERED ACCOUNTANTS  
F.R.No. 100710W**

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS  
UTTAR GUJARAT VIJ COMPANY LIMITED**

**(JAPAN YAGNIK)  
PARTNER  
M. NO. 117952**

**V. N. MAIRA, IAS  
Chairman**

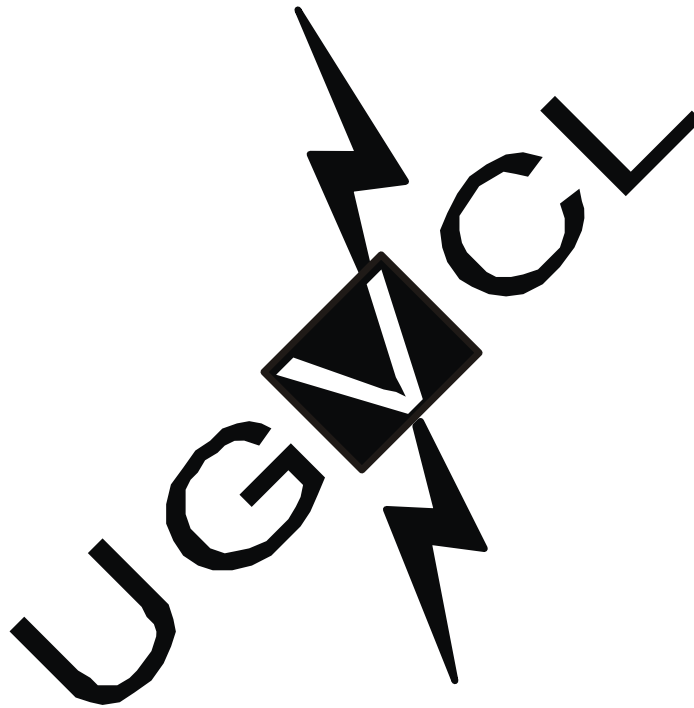
**N. SRIVASTAVA, IFS  
Managing Director**

**R.B.KOTHARI, ACMA  
General Manager (Finance)**

**N. M. JOSHI, FCS  
Company Secretary**

**PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012**


**PLACE: AHMEDABAD  
DATE: 25<sup>TH</sup> SEPTEMBER, 2012**







Uttar Gujarat Vij Company Limited



સ્વામ Vision	લક્ષ્ય Mission	મૂળભૂત મૂલ્યો Core values
<p>▶ સર્વોત્તમ સેવા થકી ગ્રાહકને સંતોષ</p> <p>Customer satisfaction through service excellence</p>	<p>▶ સ્પર્ધાત્મક દરે વિશ્વસનીય તેમજ ગુણવત્તાસભર વીજ પુરવઠો પૂરો પાડવો</p> <p>વિતરણ ખોટ વૈશ્વિક ધોરણ સુધી ઘટાડવી</p> <p>To provide reliable and quality power at competitive cost</p> <p>To reach global standards in reducing distribution losses</p>	<div><p>▶ ગ્રાહકનો સંતોષ</p><p>Customer satisfaction</p></div> <div><p>▶ સહભાગી કાર્ય સંસ્કૃતિ</p><p>Participative work culture</p></div> <div><p>▶ સંસ્થા માટે સ્વત્વ અને સન્માન</p><p>Pride of belongingness</p></div> <div><p>▶ શ્રેષ્ઠતા</p><p>Excellence</p></div> <div><p>▶ નૈતિક અને સામાજિક જવાબદારી પ્રત્યે સભાનતા</p><p>Being ethically and socially responsive</p></div>







**Uttar Gujarat Vij Company Limited**

**Regd. & Corporate Office :**  
Visnagar Road, Mehsana - 384001 (North Gujarat)  
Web site : [www.ugvcl.com](http://www.ugvcl.com)