PGVCL -OVER VIEW

Area covered	:	99771 Sq. KMs
Districts covered	:	12
No. of Town	:	83
No. of Villages	:	5638
Population (in millions)	:	17.5
Circles	:	12
Division Offices	:	45
Sub Division Office	:	246
Consumers	:	5661792
Max. Load Catered (MW)	:	5784MW (10.10.2017)
Max Energy Catered in a Day (MUs)	:	128.057MUS (10.10.2017)
Transformer Centers	:	743895
No. of feeders	:	7187
Network	:	HT line Km - 192304 LT Line Km - 121782
Total Income	:	₹ 14676.53 Crore

Contents

BOARD OF DIRECTORS

Shri Pankaj Joshi, IAS	Chairman
Ms. Anju Sharma, IAS	
Shri S. B. Khyalia	
Shri C. J. Macwan	
Shri K. M. Bhuva	
Prof. Shailesh Gandhi	Independent Director
Prof. Joshy Jacob	Independent Director
Shri Bhavin Pandya, IAS	Managing Director

GENERAL MANAGER (F & A) AND CHIEF FINANCIAL OFFICER

Shri Kintukumar Malkan

SENIOR EXECUTIVES

Shri J. J. Gandhi	Chief Engineer (Technical)
Shri H. P. Kothari	Chief Engineer (Project) and I/c. Chief Engineer (Material)

BANKERS

State Bank of India

AUDITORS

M/s Dhirubhai Shah & Co.,LLP
Chartered Accountants
Ahmedabad

COST AUDITORS

M/s. M.I. Prajapati &
Associates,
Cost Accountants
Ahmedabad.

SECRETARIAL AUDITORS

M/s. Kalpesh P. Rachchh
Company Secretaries
Rajkot.

REGISTERED OFFICE

"Paschim Gujarat Vij Seva Sadan"
Off. Nana Mava Main Road,
Laxmi Nagar,
Rajkot - 360 004
Website :- www.pgvcl.com
CIN : U40102GJ2003SGC042908

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Paschim Gujarat Vij Company Limited will be held Thursday the 27th day of December, 2018 at 4:30 P.M. at the Registered Office of the Company at Board Room, "Paschim Gujarat Vij Seva Sadan", off. Nana Mava Main Road, Laxmi Nagar, Rajkot 360 004 to transact the following business:

ORDINARY BUSINESS

1 To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Boards Report and Auditors Report with the comments of Comptroller and Auditor General of India thereon.

2. To decide the remuneration payable to M/S. Dhirubhai Shah & Co.LLP, Chartered Accountants, Statutory Auditors, appointed by the Comptroller and Auditor General of India (C& AG), New Delhi, for the financial year 2018-19.

SPECIAL BUSINESS

3 To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution for ratification of fee of Cost Auditor :

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), and other rules as applicable, the remuneration of Rs.75000/-(Rupees Seventy Five Thousand only) as Cost Audit fees plus GST and out of pocket expenses actual, subject to limitation of 10% of the professional Cost Audit fee, to be paid to M/s. M.I. Prajapati and Associates, Cost Accountants, Ahmedabad as Cost Auditors of the Company whose appointment and remuneration has been approved by the Board to conduct the audit of the Cost Accounts / Records maintained by the Company in respect of Electricity Industry for the Financial Year ending 31st March, 2019 (i.e. Financial Year 2018-19), be and is hereby ratified."

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

4 **To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution relating to appointment of Prof. Shailesh Gandhi (DIN- 02685385) as Director and as also Independent Director on the Board of the Company:**

"RESOLVED THAT pursuant to Letter No. GUV-1108-3747-K dated 05-Oct-2018 of Energy & Petrochemicals Department, Govt. of Gujarat, and Letter No. GUVNL/CS/Ind. Directors/2018/560 dated 09-Oct-2018 of GUVNL and the consent received under Section 152(2) of the Companies Act, 2013, Prof. Shailesh Gandhi (DIN- 02685385) who was appointed as Additional Director of the Company effective from 17th November, 2018 to hold office up to the date of next Annual General Meeting of the Company in terms of Article 78 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, be and is hereby appointed as Director of the Company."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule-IV to the Companies Act, 2013 (the Act) and further subject to the approval of the Shareholders, Prof. Shailesh Gandhi (DIN- 02685385), being qualified and eligible for the appointment as an Independent Director in the Company who has filed with the Company the required Declaration of Independence as per Section 149(6) of the Act and also the consent to act as Director, be and is hereby appointed as Independent Director of the Company under Section 149 of the Companies Act, 2013 to hold office as such for a term of 2 (two) consecutive years with effect from 17th November, 2018 for a first term and that he shall not be liable to retire by rotation."

5 **To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution relating to appointment of Prof. Joshy Jacob (DIN-0008265485) as Director and as also Independent Director on the Board of the Company:**

"RESOLVED THAT pursuant to Letter No. GUV-1108-3747-K dated 05-Oct-2018 of Energy & Petrochemicals Department, Govt. of Gujarat, and Letter No. GUVNL/CS/Ind. Directors/2018/560 dated 09-Oct-2018 of GUVNL and the consent received under Section 152(2) of the Companies Act, 2013, Prof. Joshy Jacob (DIN-0008265485) who was appointed as Additional Director of the Company effective from 17th November, 2018 to hold office up to the date of next Annual General Meeting of the Company in terms of Article 78 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, be and is hereby appointed as Director of the Company."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule-IV to the Companies Act, 2013 (the Act) and further subject to the approval of the Shareholders, Prof. Joshy Jacob (DIN-0008265485), being qualified and eligible for the appointment as an Independent Director in the Company who has filed with the Company the required Declaration of Independence as per Section 149(6) of the Act and also the consent to act as Director, be and is hereby appointed as Independent Director of the Company under Section 149 of the Companies Act, 2013 to hold office as such for a term of 2 (two) consecutive years with effect from 17th November, 2018 for a first term and that he shall not be liable to retire by rotation."

By Order of the Board

Sd/-

Date: 26.12.2018 Kintukumar Malkan

Place: Gandhinagar General Manager (F&A) and CFO

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.

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

3 Pursuant to Section 139(5) of the Companies Act, 2013, the auditors of the Government Company are appointed by the Comptroller & Auditor General (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. M/s. Dhirubhai Shah & Doshi, Chartered Accountants, have been appointed by the C&AG as Statutory Auditors of the Company to audit the accounts of the Company for the Financial Year 2017-18.

ANNEXURE TO THE NOTICE

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

ITEM NO. 3: Ratification of remuneration of the Cost Auditor for the Financial Year 2018-19

As per the provisions of Section 148 of the Companies Act, 2013 and as required under the Companies (Cost Records and Audit) Rules, 2014, the proposal for appointment of M/s. M.I. Prajapati and Associates, Cost Accountants, Ahmedabad was placed before the 113th Board Meeting of the Company held on 21st June, 2018 and Board of Directors approved the said proposal for appointment of M/s. M.I. Prajapati and Associates as Cost Auditor to conduct the audit of the Cost Accounts / Records maintained by the Company in respect of Electricity Industry for the Financial Year ending 31st March, 2019 (i.e. Financial Year 2018-19) at remuneration of Rs.75000/- (Rupees Seventy Five Thousand only) as Cost Audit fees plus GST and out of pocket expenses actual, subject to limitation of 10% of the professional Cost Audit fee, however that their remuneration shall be subject to the ratification by the Members as required under the provisions of sub-section (3) of Section 148 of the Companies Act, 2013.

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

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution.

The Board recommends the Resolution for approval of the Members as Ordinary Resolution.

ITEM NO. 4: Appointment of Prof. Shailesh Gandhi (DIN- 02685385) as Director and as also Independent Director on the Board of the Company

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the Company had re-appointed Independent Directors for second and final term which expired on 25-Mar-2018. In terms amendment made to the Companies (Appointment and Qualification of Directors) Rules, 2014 vide Notification dated 05-July-2017 issued by the Ministry of the Corporate Affairs, the Company is exempted from the requirement of appointment of Independent Directors.

Though the Company is so exempted, however, as per directive of the State Government vide Letter No. GUV-1108-3747-K dated 05-Oct-2018 received through GUVNL vide its Letter No. GUVNL/CS/Ind. Directors/2018/560 dated 09-Oct-2018, and with a view to strengthening the Board to ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively and to ensure value addition in the decision making by the Board, the Board has appointed Prof. Shailesh Gandhi (DIN-

02685385) as an Additional Director and also as Independent Director on the Board of the Company with effect from 17th November, 2018, subject to approval of the Shareholders.

Prof. Shailesh Gandhi (DIN- 02685385) shall hold office up to the date of next Annual General Meeting of the Company in terms of Article 78 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013.

Pursuant to the provisions of Section 149(6)/(7) of the Companies Act, 2013 and the relevant Rules, the Company has received necessary declaration from Prof. Shailesh Gandhi (DIN-02685385) for the FY 2018-19, confirming that he meets the criteria of independence as prescribed under the Act.

Further as per Schedule IV of the Companies Act, 2013 i.e. Code for Independent Directors, the appointment of Independent Director(s) of the Company shall be approved at the meeting of the Shareholders. Hence, this resolution is proposed.

The brief profile of Prof. Shailesh Gandhi (DIN- 02685385) is as under:

Prof. Shaileh Gandhi aged 62 years of age, is a professor in Indian Institute of Management, Ahmedabad in the area of Finance and Accounting. He is B.E. (Chemical Engineering) and fellow of Indian Institute of Management, Ahmedabad. His academic affiliation are with IRMA - Institute of Rural Management Anand (2001-2004). He was appointed a member of governing Board as a faculty representative. He was associated with National Institute of construction, management and research, Mumbai (1984-86). His visiting faculty of management studies, M. S. University, Baroda and Saradar Patel University, Vallabh Vidhya Nagar (1989-2003). His professional affiliation are, he is member of cost accounting standards board of the Institute of Cost Accountants of India since 2008-09 at IIMA, designed and conducted several management development programs for clients in various places all over the world. He worked as General Manager (F&A) in chemical industry and worked at various levels in consultancy division of A.F.Ferguson & Co. for nine years. His area of research are in Corporate performance, measurement and management, accounting standards and financial reporting and management planning and control. He has published various articles in national and international magazines.

Further as per section 149(6) as applicable to the Govt. Company, since in the opinion of the Energy & Petrochemicals Department, Govt. of Gujarat, Prof. Shailesh Gandhi, IIMA is a person of integrity and possesses relevant expertise and experience, it is proposed to appoint him as Director and also as Independent Director.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution set out at Item No. 4.

The Board commends the Ordinary Resolution set out in Item No. 4 of the Notice for approval of the Members.

ITEM NO. 5: Appointment of Prof. Joshy Jacob (DIN-0008265485) as Director and as also Independent Director on the Board of the Company

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the Company had re-appointed Independent Directors for second and final term which expired on 25-Mar-2018. In terms amendment made to the Companies (Appointment and Qualification of Directors) Rules, 2014 vide Notification dated 05-July-2017 issued by the Ministry of the Corporate Affairs, the Company is exempted from the requirement of appointment of Independent Directors.

Though the Company is so exempted, however, as per directive of the State Government vide Letter No. GUV-1108-3747-K dated 05-Oct-2018 received through GUVNL vide its Letter No. GUVNL/CS/Ind. Directors/2018/560 dated 09-Oct-2018, and with a view to strengthening the Board to ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively and to ensure value addition in the decision making by the Board, the Board has appointed Prof. Joshy Jacob (DIN-0008265485) as an Additional Director and also as Independent Director on the Board of the Company with effect from 17th November, 2018, subject to approval of the Shareholders.

Prof. Joshy Jacob (DIN-0008265485) shall hold office up to the date of next Annual General Meeting of the Company in terms of Article 78 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013.

Pursuant to the provisions of Section 149(6)/(7) of the Companies Act, 2013 and the relevant Rules, the Company has received necessary declaration from Prof. Joshy Jacob (DIN-0008265485) for the FY 2018-19, confirming that he meets the criteria of independence as prescribed under the Act.

Further as per Schedule IV of the Companies Act, 2013 i.e. Code for Independent Directors, the appointment of Independent Director(s) of the Company shall be approved at the meeting of the Shareholders. Hence, this resolution is proposed.

The brief profile of Prof. Joshy Jacob (DIN-0008265485) is as under:

Prof. Joshy Jacob aged 46 years is associate professor with the Indian Institute of Management Ahmedabad. He has done MBA (Finance) from Mahatma Gandhi University, Kerala in year 1995-97 and has done fellow program in management (PHD) from Institute of Management, Lucknow. He has worked with Karvy Consultants Ltd., he was lecturer in Rajagiri Colleger of Social Science, Cochin, He was visiting Assistant Professor, Assistant Professor and Associate Professor at IIMA since 2008. His area of research is empirical asset pricing, corporate finance and behavioral finance. He is also shouldering various administrative responsibilities at IIMA, he has published various articles in national and international generals, he has also providing professional service to Government.

Further as per section 149(6) as applicable to the Govt. Company, since in the opinion of the Energy & Petrochemicals Department, Govt. of Gujarat, Prof. Joshy Jacob, IIMA is a person of integrity and possesses relevant expertise and experience, it is proposed to appoint him as Director and also as Independent Director.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution set out at Item No. 5.

The Board commends the Ordinary Resolution set out in Item No. 5 of the Notice for approval of the Members.

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

Sd/-
Kintukumar Malkan
General Manager (F&A) and CFO

Date:26.12.2018
Place:Gandhinagar

BOARDS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2018.

(1) FINANCIAL HIGHLIGHTS

The summarized operational and financial highlights at a glance are given below:

(₹ In Crores)

Particular	2017-18	2016-17
Units Purchased (Mu's)	33479	30332
Units sold (Mu's)	25692	22700
T&D Losses (Mu's)	7787	7632
T&D Loss (%)	23.26	25.16
Total Income	14676.53	13095.07
Expenditure	14512.08	12977.45
Profit Before Tax (PBT)	164.45	117.62
Tax Expense	27.58	80.93
Profit For the Year	136.87	36.69
Other Comprehensive Income	-53.66	-23.27
Profit After Tax (Total Comprehensive Income)	83.22	13.42
Equity Share Capital	5061.99	3837.03
Other Equity	837.91	570.52
Deferred Government Grant Subsidy & Contributions	2077.74	1899.53
Net Fixed Assets (Property, Plant & Equipment)	10041.55	9033.08
Borrowings	287.78	327.48
Current Assets	2589.08	2336.84
Current Liabilities	2065.76	2584.51

- Previous years figures have been recast/restated/regrouped, wherever necessary, to confirm to the current year's presentation consequent to Ind AS Implementation.

No amount has been transferred to General Reserves for the Financial Year 2017-18. Profit for the Financial Year 2017-18 has been shown as other equity, Reserves and Surplus in the Balance Sheet.

(2) DIVIDEND

With a view to conserve the resources of the Company for future developments, the Directors do not recommend payment of any dividend for the year.

(3) ACHIEVEMENTS

PGVCL has received various **Merit Awards** in different categories during the year 2017-18 are as under:

Sr. No.	Name of Award	Type of Award	Award Given for	Award Given by	Date of receipt of Award
1	IPPAI Power Awards 2017	Trophy & Certificate	Best Performing Distribution Company	IPPAI, New Delhi	28.10.2017
2	Urja Mitra application	Certificate	For active participation in Urja Mitra Scheme & enhancing Transparency & Accountability in Power Distribution Sector	REC-TPCL	Feb-2018

(4) OPERATIONS DURING THE YEAR:

Overview

- Revenue from Sale of power has increased from ₹ 12815.32 Crores in 2016-17 to ₹ 14414.38 Crores in 2017-18 showing an increase of 12.48 %.
- Units purchased from GUVNL and sold were recorded to the tune of 33479 Mu's (Net off after excluding UI Sale and Sale through Trading) and 25692 Mu's respectively in the year 2017-18.
- Transmission & Distribution losses have reduced from 25.16% to 23.26% in the year 2017-18.
- Power purchase rate per unit has increased from 3.60 per unit in 2016-17 to 3.70 per unit in 2017-18.

Some of the highlights of the working of the Company during the year under review are summarized as under:-

Revenue Assessment (as per the Consumer General Ledger):

(₹ In Crores)

Year	Revenue Assessment	Collections	Collection Efficiency %
2015-16	12418.95	12482.15	100.51
2016-17	13562.10	13571.25	100.07
2017-18	15298.52	15211.66	99.43

Energy Demand vs. Supply

Year	Energy Input (Mu's)	% increase over previous year	Energy available for sale	% increase over previous year	Transmission & Distribution Loss (%)
2015-16	29796	6.51	21209	6.27	28.82
2016-17	30332	1.80	22700	7.03	25.16
2017-18	33479	10.38	25692	13.18	23.26

Sale of Energy:

During the FY 2017-18, 25692 Mu's were sold to consumers out of which 82% were of metered category.

a) Energy sold Metered v/s. Unmetered

Year	Energy sold Mu's	Unmetered Mu's	Metered Mu's	% of Metered
2015-16	21209	4437	16772	79
2016-17	22700	4486	18214	80
2017-18	25692	4570	21122	82

b) Category wise energy sold:

Sr. No.	Category	Mu's		
		As on 31.03.16	As on 31.03.17	As on 31.03.18
1	Residential General Purpose (Domestic or Residential)	3421	3492	3608
2	General Lighting Purpose (Commercial)	104	113	117
3	Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	3150	3227	3414
4	Public lighting	93	97	81
5	Irrigation agricultural	7030	6896	7252
6	Public water works and sew.pumps	634	698	751
7	Industrial high voltage	6776	8177	10468
	Sub Total	**21209**	**22700**	**25692**
8	Sale of Power to GUVNL	687	160	314
9	Unscheduled Interchange	59	299	450
	Sub Total	**746**	**459**	**764**
	Total	**21955**	**23159**	**26455**

c) Category wise sales

(₹ In Lakhs)

Sr. No.	Category	As on 31.03.16	As on 31.03.17	As on 31.03.18
1	Residential General Purpose (Domestic or Residential)	173096.86	180318.81	191501.48
2	General Lighting Purpose (Commercial)	5810.32	6351.60	6856.74
3	Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	206476.14	218829.99	238337.37
4	Public lighting	5115.05	5612.11	4617.69
5	Irrigation agricultural	189458.98	156633.55	160218.35
6	Public water works and sew.pumps	30346.05	28704.87	27615.90
7	Industrial high voltage	487090.46	573472.55	719539.51
8	Sale of Power to GUVNL	25157.87	5627.17	9366.56
9	Unscheduled Interchange	624.91	4015.63	8632.95
	Total	**1123176.64**	**1179566.28**	**1366686.56**

d) Average Realization Rate (Per kWh):

Sr. No.	Category	As on 31.03.16	As on 31.03.17	As on 31.03.18
1	Residential General Purpose (Domestic or Residential)	5.06	5.16	5.31
2	General Lighting Purpose (Commercial)	5.57	5.64	5.86
3	Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	6.55	6.78	6.98
4	Public lighting	5.49	5.76	5.72
5	Irrigation agricultural	2.70	2.27	2.21
6	Public water works and sew.pumps	4.79	4.11	3.68
7	Industrial high voltage	7.19	7.01	6.87
	Average Realisation Rate	**5.17**	**5.15**	**5.25**

e) Energy Purchase:

Details of power purchase units with rates are mentioned below:

Year	Mu's	Amount (₹ In Lakhs)	Average Power Purchase Rate
2015-16	30542	1079791.77	3.54
2016-17	30791	1107559.70	3.60
2017-18	34242	1267143.15	3.70

Infrastructure Additions:

To strengthen the distribution network, under mentioned infrastructure additions were made during the year 2017-18.

a. Addition of Line:

Particulars	During the year 2017-18	Total Existing at the end of 31-03-2018
HT line Added (CKM)	19155	192304
LT line reduced (CKM)	1728 LT to HT conversion under HVDS	121782

b. Addition of Transformers:

Capacity	5 KVA	10 KVA	16 KVA	25 KVA	50 KVA	63 KVA	100 KVA	200 KVA	300 KVA	500 KVA	Total
During 2017-18	1425	85037	9270	5474	-24	2177	604	233	2	-5	104193
Cumulative as on 31.03.18	19776	431907	79136	79659	395	76332	51585	5047	33	25	743895

c. New Connections Released during the year 2017-18 as under:

- HT & EHT Industrial: 521
- LT Industrial: 4903
- Domestic :93813

d. Specially Designed Transformers:

In order to provide continuous Single Phase Power supply to house-hold situated in agricultural field, 2719 Nos. of Specially Designed Transformers have been installed on Agriculture Dominant Feeders as on March-18.

(5) OPERATIONAL PERFORMANCE

A) Distribution losses:

Preventive action has enabled the company to reduce the overall Distribution loss considerably as shown below:

Category	Unit	2014-15	2015-16	2016-17	2017-18
Overall	% age	22.77	22.58	19.06	17.89
Other than Ag.	% age	15.77	14.66	13.07	12.14

B) Distribution Transformer Failures:

Preventive actions have enabled the company to reduce the DTC failure rate considerably as shown below:

Year	No of DTC's existing	No. of DTC's failed	% failure
2014-15	486829	64036	13.15
2015-16	563381	67440	11.97
2016-17	639702	69377	10.85

C) Accident occurred in Network within last 3 years:

The status of accidents occurred to departmental staff, outsiders & animals is as under:

Sr. No.	Year	Nos. of accidents occurred								
		Department		Outsider			Total			TOTAL
		FH	NFH	FH	FA	NFH	FH	FA	NFH	
1	2015-16	7	35	95	186	66	102	186	101	389
2	2016-17	3	26	99	220	63	102	220	89	411
3	2017-18	6	24	92	249	47	98	249	71	418

Scheme wise completion of work stated as below :

- SPA Scheme : 61829 Wells
- TATKAL : 602 Wells
- Dark Zone : 2957 Wells
- SC AG Wells : 818 Wells
- AG Wells in Coastal Area : 17606 Wells
- Total : 83814 Wells

16341 Nos. of Connections were released under Zupadpatti scheme.
2755 Nos. of Connections under S/C localities have been electrified.

AG Solar Pump Set :

2556 Nos. of Solar Water pump set installed.

Sagar Khedu Sarvangi Vikas Yojna :

Under this scheme the work of renovation of existing lines of coastal area are covered for the purpose of reliable and continuous power supply with grant from Government of Gujarat (GOG). During the Year 2017-18, total 1150 Kms conductor are replaced with total finance of Rs.38.52 Crore against the planning of Rs.38.50 Crs. Now during the Year 2018-19, work is under progress as per the planning of Rs.38.50 Crs.

Ag HVDS Project :

With the aim of implementing the Project of HVDS (KHUSHY), 70 Nos. of 11 KV Ag. Dom feeders were selected. Out of these, 70 Nos. of feeders have been completed in all respect, at a project cost of Rs.75.00 Crores during the year 2017-18. Total Nos. of Transformers installed in 70 Nos. of Feeders are 7519 Nos.

Also, under AG HVDS – ENCON scheme, total 9 Nos. of feeders were selected and all the feeders have been completed in all respect, during the year 2017-18, at a cost of Rs.13.00 Crores during the year 2017-18. Total 1127 Nos. of small capacity Transformers installed.

New Ag Connections released considering HVDS (KHUSHY) :

All new agricultural connections under Normal Ag Wells were released with HVDS Concept. To facilitate this 83814 Nos. of small size Transformers have been installed.

(6) SAFETY:

Vigorous activities are taken to create safety awareness among technical line staff and public to prevent accidents. Steps taken in this regard are briefed hereunder.

Accident Prevention and Safety:

The company has initiated various activities for addressing the Safety of the valued consumers and to the departmental employees and the results are quite promising also. The Activities which are carried out during the year 2017-18 for accident prevention and safety are as follows:

- Exhaustive and Planned maintenance work for all categories of feeders specially targeting the Earthing of the network, Pole maintenance, Pin/ Disc replacement, restringing of conductor, Restringing and replacement of span/conductor having joints, tree cutting, etc.

- Safety awareness programs for Line staff like; Safety seminar, safety committee meeting, safety weekly meetings, mock drill, safety training, display of safety film, safety awareness through SMS & mobile caller tune etc. are being arranged.

- Installation of Safety Banners, stickers etc at all offices and key public gathering places

- All the technical staff are equipped with required Safety Gadgets and availability of Tower Ladder to all Sub Divisions to prevent mechanical accidents.

- Work Distribution activity:

- Instructions regarding utilization of safety gadgets and to follow safety measures are being passed on to all the line staff at the time of work distribution in all sub divisions.

- Non-contact type voltage detector

- PGVCL has celebrated “Safety Week”. (14th December to 20th December). Different activities like Safety Rely, Safety Oath, Safety Film, Vij Salamati Parisamvad, Public awareness meeting and other cultural activities were arranged at various places i.e. circle, division & subdivision level.

- Public awareness programs, Khedut Shibir & Village meeting, Advertisement on GSRTC Bus, Advertisement in local newspapers, radio broadcasting, arrangement of stalls in Mela, display of safety & danger stickers at various important places.

- TV and other media cables are removed from PGVCL network and 21003 nos. of cable span has been removed during 2017-18.

(7) System Improvement

➢ Planning for bifurcation of feeders having high ampere load or high % VR on top priority and erection of link line to take load on new sub stations going to be commissioned for giving better services with reliable power supply and reducing the T&D losses under system improvement scheme.

(8) Customer Services:

The Janseva Kendra

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

The Janseva Kendra Location

Under the jurisdiction of PGVCL there are 4-Nos of Janseva Kendra are functioning at Rajkot, Junagadh, Jamnagar and Bhavnagar.

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

Consumer Care Center :

In order to provide 24 hours service to consumer, customer care center has been established in Rajkot whereby complaints are registered through toll free number (1800-233-155333) & 19122 round the clock thereby ensuring the attendance of satisfactory services. Consumer can log the complaints on IVRS (Interactive Voice Response System). If consumer is not acquainted with IVRS, he can talk to customer care center representative on above toll free number.

Consumer Portal:

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

PGVCL has introduced following applications for better consumer services.

Urja Mitra:

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

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

Consumer Complain Redressal System:

As per initiative of Govt. of Gujarat, An android based mobile application of consumer complaint redressal system for power related complaints has been developed by GUVNL It was inagurated by the Hon Chief Minister on DT:14.7.17.

This application offers on line facilitis such as quick power complaints registration, tracking of complaints at each level, complain history of last three months., a intuitive dashboard with latest news and schemes launched by GUVNL

To promote the mobile application of complaint redressal system, PGVCL consumers of Town area were sent SMS to utilize the mobile application and received the good response. There is an improvement in lodging complaint through mobile application. Since 1-Jun-2018 to till date (i.e. 10-Oct-2018) nearly 2364 complaints received through the application.

Meeting with Public Leaders:

On dated 29-05-2017 a meeting under the Chairmanship of Hon'ble MoE sir regarding various issues related to PGVCL & GETCO was organized at corporate office, Rajkot with Hon'ble MPs, MLAs and other dignitaries of Saurashtra and Kutch area. Total 185 issues related to PGVCL raised and PGVCL resolved 185 issues positively.

PGVCL has organized LOK DARBAR at Each Division Level during 01-03-2018 to 11-03-2018 for spot redressed grievance of Public. During such 45 Division level program has arranged. Total 778 grievances have been received and PGVCL resolved 778 issues positively.

Energy Conservation & Consumer awareness:

In view to create awareness on Demand Side Management and Energy Conservation by small & medium industries/farmers, awareness campaigns has been conducted by visiting PGVCL DSM team at various places of different offices under PGVCL. In such awareness program, information's about DSM measures in detail by analysis for particular cluster/type of industries/Agriculture consumers in addition to general measures were explained to number of industrial/Agriculture consumers.

The awareness campaigns have been conducted as under:

Sr. No.	Date	Place	DSM Actives
1	13.03.2018	Shiv Shakti hall, Bhavanagar	Workshop and awareness program on Energy conservation
2	24.03.2018	Prashang Hall, Morbi	Workshop and awareness program on Energy conservation

(9) CONSUMER REDRESSAL FORUM

Following provisions of Gujarat Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2011, Notification No.: 2 of 2011, Company has set up Consumer Grievances Redressal Forums within the jurisdiction.

Looking to the geographical situation and area covered by the company and for convenience of our valued customers, company has constituted three forums for quick disposal of consumer grievances viz. at Rajkot, Bhavnagar and Bhuj.

(10) DSM Programme

AGRICULTURE DSM:

Company has initiated Demand Side Management program for Agriculture Consumers from FY 2015-16. Accordingly, the Company, as an upfront support, pays the differential cost between Energy Efficient Pump and Conventional Pump set. Prospective Agriculture consumer can opt for the scheme. Initially program was for 7.5 HP Pump sets only and during the FY 2016-17 applicability has been expanded covering connections up to 20 HP. During the FY 2016-17, 5768 and for FY 2017-18 1497 Nos. and till 31.06.2018 149 Nos. consumers opted for the scheme for the FY 2018-19.

UJALA GUJARAT

The Gujarat Urja Vikas Nigam Ltd. has decided to implement Domestic Efficient Lighting Program (DELP) in all our DISCOMs for distribution of 9 Watt LED bulb under Domestic Efficient Lighting Program (DELP) through M/s EESL, a Joint Venture of four PSU's namely REC, PFC, NTPC & PGCL under the Ministry of Power, Government of India. Under the program, the Residential Consumers can have options to buy LED Bulbs either on On Bill Financing (OBF) option / Upfront Payment option, whereas remaining consumer categories can purchase through upfront payment.

PGVCL has implemented Ujala program of five star rated Fan (50 W) and LED tub light(20 W).

Under UJALA Gujarat Scheme, 13411864 Nos. of LED Bulbs, 236381 Nos. of LED Tube light and 185381 Nos. of five star Fans are sold up to month of Jul -2018.

(11) SURYASHAKTI KISAN YOJANA (SKY)

State Government has decided to utilize solar resources available in the State for benefits of the farmers and accordingly notified the Scheme namely Suryashakti Kisan Yojna (SKY) to be implemented on pilot basis vide GR no SLR/11/2016/2284/B1 dated 27-06-2018. In addition to KUSUM scheme of Central Government, in order to achieve multiple objectives of addressing the energy requirement of farmers, empowering rural economy and to eliminate / reduce financial stress on DISCOMs and State Government and its citizens, the scheme is to be implemented on pilot basis, on 137 numbers of agriculture feeders covering 12400 numbers of agriculture connections having aggregate load of 1,42,000 HP in 33 Districts of the State. Under Pilot scheme, it is estimated that solar PV panels of aggregate capacity of 175 MW will be installed in the field of farmers with estimated cost of Rs. 900 crores. Out of 137 feeders, 60 feeders of PGVCL are selected in which 5970 consumers covered and estimated cost shall be 410.73 Cr.

The objectives of the scheme are as under:

- To provide adequate and reliable day time power to farmers by installation of solar PV panels.
- To incentivize farmers by selling surplus solar power to DISCOM and to provide Secondary Source of income to farmers thereby encouraging farmers to efficiently utilization of Power and water.
- To help farmers to become self-reliant for their power requirement.
- To create employment opportunities in rural area.
- To reduce financial burden of DISCOMs and Government as well as cross subsidization to other consumers by reducing the subsidized power to farmers.
- To promote source of renewable energy and meet solar renewable purchase obligation of DISCOMs.

(12) R-APDRP

Restructured Accelerated Power Development and Reforms Program (R-APDRP) was introduced with the aim of reducing AT&C losses in selected 36 Towns covering 85 sub divisions and all the 45 Divisions. This scheme is divided into 3 Main parts i.e. Part A- covers IT applications & establishment of Base Line data and IT applications for energy accounting and IT enabled consumer services. Part B covers strengthening and reforms in power distribution system (11 KV feeders and below). Part C covers capacity building to facilitate the implementation process of reforms in power sector. In Part A (IT), under R-APDRP, Rs. 75.11 Crore have been sanctioned by MoP, GoI through PFC, New Delhi. M/s Tata Consultancy Services Ltd. is appointed as an ITIA. PGVCL had completed the RAPDRP PART A project in March-15 with in time limit given by PFC. PFC has appointed the M/s Price Waterhouse Coopers (PWC) as a TPIEA and M/s PWC has completed the verification and submitted the report to PFC. Final closer report is submitted and the approval is now awaited.

In Part A SCADA Project, Rs. 63.67 Crore have been sanctioned for 3 towns, namely Rajkot, Jamnagar and Bhavnagar for which M/s Chemtrols Industries Ltd is appointed as ITIA. Time limit of this project is extended up to Dec-18. M/s Chemtrols has supplied, installed all hard ware at control center and RTU installed at all substation. Integration of RTU with control center, MPLS connectivity at S/s and supply/installation of FRTU at RMU are in process.

In Part B of RAPDRP, total DPR cost sanctioned is 656.69 Crore. The expenditure incurred till date is 470.42 Crores. Closer report of all 35 Towns is submitted to PFC and approval received from PFC. AT & C losses are decreased in all 36 towns from Base line losses and observed below 15% in 22 Towns as on March-18.

(13) IPDS (Integrated Power Development Scheme)

IPDS was introduced by GOI for the strengthening of Transmission and Distribution network in Urban Areas with objectives of sustainable and quality power and reduction of AT & C Loss. As per the criteria of scheme, 69 Towns are selected and Approval of Total 459.67 Cr. for 11 Circles was received on 08.03.2016. As per the Original Guidelines, scheme is to be completed by Sep-2018 which is now extended up to Mar-2019. Funding Mechanism of scheme is 60 % Grant, 30 % loan & 10 % PGVCL own fund. Major activities covered under this scheme is strengthening the network, New S/s, Providing AB Cable , Solar roof top panel, underground cable work, feeder bifurcation fencing etc. Out of above, Major work of Underground Cable, FRP Fencing and Installation of Solar Roof Top Panels are under execution on Turnkey basis and rest of work is carried out departmentally. As per Mar-2018 Report total achievement is Rs. 182.16 Cr.

(14) DDUGJY (DEEN DAYAL UPADHYAYA GRAM JYOTI YOJANA)

Government of India has launched DDUGJY to extend financial assistance against capital expenditure to supplement the efforts of DISCOMs/Power Departments in strengthening and augmenting distribution infrastructure in rural areas of the country. The Broad monitorable Objectives for prioritizing the works under the scheme shall be ;

(i) 24x7 power supply for non-agricultural consumers and adequate power supply for agricultural consumers,
(ii) Reduction of AT&C losses as per trajectory (Discom-wise) finalized by the Ministry of Power in consultation with States and
(iii) Providing access to all rural households.

As per the criteria of scheme, approval of Total 355.09 Cr. for 9 districts under 11 PGVCL Circles was received on 10.05.2016. As per the Original Guidelines, scheme is to be completed by Nov-2018.

Funding Mechanism is as under.

Grant	: 60 %
Loan	: 30 %
DISCOM Own Fund/Loan	: 10 %

Major activities covered under this scheme are as under.

Sr. No.	Name of Items	Unit	Qty	Amt (₹ In Lakhs)
1	Feeder Bifurcation	No	196	
1a	11 kV Line B/F feeder Bay	No	196	1148.91
1b	11 kV Line : New Feeder/ Feeder Bifurcation	Km	982	2044.03
2	Renovation of 11KV Feeder	Km	2425.58	4286.35
3	Reconductoring by HT ABC	Km	198.26	1126.26
4	LT Line : Augmentation / Renovation	Km	1030.57	1260.64
5	LT line to ABC			
5a	3ph4W conversion of LT line to ABC 50mmsq	Km	2241.98	2883.50
5b	1ph2W conversion of LT line to ABC 35mmsq	Km	1274.53	557.53
6	HVDS Feeders	No	83	
6a	11 KV prop. New HT line	Km	249.06	518.57
6b	LT to HT conversion	Km	1725.74	2269.35
6c	10 KVA TC	No	9145	8202.15
6d	16 KVA TC	No	1273	1211.39
6e	25 KVA TC	No	729	769.68
6f	63 KVA TC	No	164	273.04
6g	100 KVA TC	No	1	2.04
7	1 PH STATIC METERS	No	500374	5333.99
8	3 PH STATIC METERS	No	60327	1796.54
9	PROVIDING METERS WITH MMB ON DTR	No	17921	1256.08
10	Replacement of 1 phase PVC service line to XLPE/Armoured service line	Km	332.44	175.98
11	Reactivation of DTC Earthing	No	38069	393.25
				35509.28

As per Mar-2018 Report total achievement is Rs. **258.15 Crs.**

(15) Effective steps for loss reduction:

- Aerial Bunch Conductor (ABC)
  Total 3253 Km Aerial Bunch Conductor is used in place of existing LT Line to eliminate direct tapping from LT Line during the year.
- Small capacity Transformers
  Total 1310 Nos of small capacity transformer are installed on JGY and Urban feeders having high losses during the year to eliminate power theft.
- Selection of 1307 nos of high loss feeders for FY 2018-19.
- 41 Nos of loss reduction activities planned on selected High loss feeders.
- 18 points activities planned like; replacement of deteriorated conductor, providing LT AB cable, feeder bifurcation, Link line, DTC review etc.
- Senior officers of corporate office are nominated for monitoring of circle.

- ➢ Feeder managers have been nominated for all selected high loss feeders.
- ➢ AG Load control: Day and night time patrolling on over loaded Ag feeders having high distribution loss.
- ➢ Qualitative vigilance activities on daily basis.
- ➢ Load verification activities of Ag Unmetered connections on daily basis.
- ➢ Connection release process through e-urja instead of legacy system.
- ➢ Inspection of each sub division by concerned SE ones in a year & three times by EE, in a year.
- ➢ Corrective action on the basis of meter reader reports.
- ➢ Door to door connections checked and rectified for Industrial & GIDC feeders.
- ➢ Releasing of spot connections.

(16) HUMAN RESOURCE ACTIVITIES

The Company has total sanction post of 13948 (up to 31st March, 2018) out of which 8244 are technical post and 5704 are non-technical post. To fill up the vacant post recruitment and promotions are carried out for various cadres as per rules of the company. To increase the efficiency of the employees various training programs are arranged by GEKC under PGVCL and GETRI, Baroda. Total training man-days achieved for the year 2017-18 are 40008.5 and up to June – 2018, 10239.5. The company carry out various staff welfare activities i.e. merit awards to the children's of the employees for higher studies, payment of disallowed medical claims, sports activities etc.

(17) TARIFF

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

Following Multi Year Tariff regulations, PGVCL had filed petition for Truing Up for FY 2016-17 and Determination of Tariff for FY 2018-19 before Hon'ble GERC. Company invited objections/ suggestions from the stake holders. Hon'ble Commission had held hearing of the petition at GIFT City, Gandhinagar. After due process of hearing and analyzing the issues raised by the stake holders, Hon'ble GERC issued the order on date 31st March, 2018. Tariff order is effective from 1st April, 2018.

GERC vide order dated 03.04.2017 & 29.09.2017 has determined Additional Surcharge to be recovered by Distribution Companies from Consumers opting to purchase power from other than local Distribution Company in order to mitigate their fixed cost burden.

(18) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134 of the Companies Act, 2013 and rules framed there under, information pertaining to Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo is enclosed as Annexure-A to the report.

(19) CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a 'Corporate Social Responsibility' (CSR) Committee in accordance with Section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, of the Companies Act, 2013. The Annual Report on Corporate Social Responsibility activities is attached as **Annexure-B** which forms part of this Report. The CSR Policy adopted by the Company is posted on the Company's website at www.pgvcl.com.

(20) SHARE CAPITAL

During the Financial Year on 16th December, 2017, the Company has increased the authorized Share Capital of the Company from Rs. 5000 Crores to Rs. 8000 Crores by amending Clause – V of the Memorandum of Association, in compliance with the provisions of Companies Act, 2013 and Rules made thereunder.

During the Financial Year the Company has issued Equity Shares on Right basis and made allotment as follows:

Date : 14th July, 2017 50,30,60,500 Equity shares of Rs. 10 each at par.
Date : 16th January, 2018 72,18,99,600 Equity shares of Rs. 10 each at par.

The Company has also allotted Equity Shares on right basis till the date of this report as follows:

Date : 20th April, 2018 18,41,78,100 Equity shares of Rs. 10 each at par.
Date : 21st June, 2018 56,01,22,475 Equity shares of Rs. 10 each at par.

The Equity Shares were allotted to the holding Company Gujarat Urja Vikas Nigam limited. Therefore, the paid-up Share Capital of the Company as on date of this Report is Rs. 5806.29 crores.

During the year under review, the Company has not issued Bonus shares, Shares with differential voting rights nor has granted any stock options or sweat equity as any kind of securities. The Company has not buy back any of its securities during the year.

(21) VIGIL MECHANISM

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

The Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at the link www.pgvcl.com

(22) AUDITORS

STATUTORY AUDITORS AND REPORT

M/s Dhirubhai Shah & Doshi, Chartered Accountants, Rajkot were the statutory Auditors of the Company, appointed by C & AG, New Delhi for the F.Y. 2017-18. They have audited the Financial Statements for the F.Y. 2017-18 and submitted their report. There were no qualifications and adverse remarks in the report. The Board of Directors took note of the report of the statutory independent auditor's for the F.Y. 2017-18. The notes to the Financial Statement are self-explanatory and there for do not call for further comments. The name of the Auditors firm has been changed to Dhirubhai Shah & Co. LLP.

In accordance with section 139 of the Companies Act, 2013 M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad are appointed as Statutory Auditors for the F.Y.2018-19 by the Comptroller and Auditor General of India (C&AG), New Delhi. The remuneration of the Statutory Auditors is required to be fixed by Company in Annual General Meeting.

C&AG

The Comments of the Comptroller & Auditor General of India in pursuance of Section 143(6)(b) of the Companies Act, 2013 on the Accounts of Company for the Financial Year ended on 31st March, 2018 has been received and reply on the comments made by the C&AG is attached as Annexure-C to this report.

COST AUDITORS

In terms of the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Cost Audit) Rules, 2014, the Board of Directors appointed M/s. M.I. Prajapati & Associates, Ahmedabad as Cost Auditors for the Financial Year 2017-18 for auditing the cost accounting records relating to Electricity Industry product. The Cost Audit report in respect of F.Y. 2017-18 was filed on dated 05.10.2018, as per the statutory requirements.

The Board, has appointed M/s. M.I. Prajapati & Associates, Ahmedabad as Cost Auditors for the Financial Year 2018-19. As required under the provisions of the Companies Act, 2013, the Directors recommend their remuneration for the Financial Year 2018-19 for your ratification.

The cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 are required to be maintained by the Company and accordingly such accounts and records are made and maintained.

SECRETARIAL AUDIT REPORT

The Company has appointed M/s. K. P. Rachchh & Co. (Shri Kalpesh P. Rachchh), Practicing Company Secretary, Rajkot for conducting Secretarial Audit for the Year 2017-18 pursuant to Section 204 of the Companies Act, 2013 K. P. Rachchh & Co. (Shri Kalpesh P. Rachchh), Practicing Company Secretary, Rajkot have issued Secretarial Audit Report (Form MR-3) for the Year 2017-18 which forms part of this report and is furnished as Annexure-D to this report. The report does not contain any qualification or adverse remarks.

(23) DIRECTORS AND KEY MANAGERIAL PERSONNEL

Following changes took place in Board of Directors and Key Managerial Personnel during the F.Y. 2017-18 and till the date of this report.

- Shri H. R. Suthar, IAS was ceased as Director and Managing Director of the Company on retirement from Government Service and on withdrawal of nomination w.e.f. 31/01/2018.
- Shri P. H. Rana was ceased as Independent Director of the Company on cessation of his second term as Independent Director w.e.f. 25/03/2018.
- Shri H. P. Desai was ceased as Independent Director of the Company on cessation of his second term as Independent Director w.e.f. 25/03/2018.
- Prof. Biju Varkkey was ceased as Independent Director of the Company on cessation of his second term as Independent Director w.e.f. 25/03/2018.
- Shri J. J. Gandhi was nominated and appointed as Director and Managing Director of the Company w.e.f. 02/02/2018.
- Shri J. J. Gandhi was ceased as Director and Managing Director of the Company on withdrawal of his nomination w.e.f. 05/04/2018.
- Shri K. M. Bhuva was nominated and appointed as Director of the Company w.e.f. 01/09/2017.
- Shri Bhavin Pandya, IAS was nominated and appointed as Director and Managing Director of the Company w.e.f. 05/04/2018.
- Shri J. J. Gandhi was nominated and appointed as Director and Managing Director of the Company during absence of Shri Bhavin Pandya, IAS, Managing Director w.e.f. 02/07/2018.
- Shri J. J. Gandhi was ceased as Director and Managing Director of the Company on withdrawal of his nomination w.e.f. 10/08/2018.
- Prof. Shailesh Gandhi and Prof. Joshy Jacob were nominated and appointed as Independent Director of the Company w.e.f. 17/11/2018.

Your Directors placed on record their appreciation of the valuable services rendered to the Company by Shri P. H. Rana, Shri H. P. Desai and Prof. Biju Varkkey during their tenure with the Company as Directors and also as Independent Directors of the Company. Your Directors also placed on record their appreciation of the valuable services rendered to the Company by Shri H. R. Suthar, IAS and Shri J. J. Gandhi during their tenure as Managing Director of the Company.

Shri Bhavin Pandya, IAS, Shri K. M. Bhuva and Shri J. J. Gandhi, Directors were nominated by Gujarat Urja Vikas Nigam Limited (GUVNL), the holding Company, in terms of Article 70 of the Articles of Association of the Company.

Pursuant to Section 149 of the Companies Act, 2013, the Company has received necessary declaration for the year from each Independent Director confirming that they meet the criteria of independence as prescribed under the Act.

Shri Sudhir Bhatt, Company Secretary and Key Managerial Personnel was retired from the services of the Company on reaching the age of superannuation on 29/09/2017. The Board appreciated the services rendered by him during his tenure with the Company.

Shri Sudhir Bhatt was appointed as Company Secretary & KMP on contractual basis and joined on 17/10/2017, and on completion of his tenure he ceased as Company Secretary and KMP on 16/04/2018. Shri Sudhir Bhatt was again appointed as Company Secretary & KMP on contractual basis and joined on 05/06/2018, and he was relieved from the service of company w.e.f. 22/11/2018.

Policy on Directors' Appointment etc.

PGVCL being a Government Company, the provisions of Section 134(3)(e) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

The Government of India, Ministry of Corporate Affairs vide its notification dated 5th July, 2017, amended Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. As per the amended rules, the wholly owned subsidiary of unlisted Public Company are not required to appoint Independent Directors. Further vide its notification dated 13th July, 2017, amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Consequently, such Companies have also been exempted from the requirement of constituting an Audit Committee and a Nomination and Remuneration Committee of the Board. Accordingly, effective from the date of notification of above amendments in rules, the Company being wholly owned subsidiary and unlisted public company is exempted from the requirement of the appointment of Independent Directors and formation of Audit / Nomination & Remuneration Committee under the Act.

(24) MEETINGS OF THE BOARD AND COMMITTES THEREOF:

As required under the companies Act 2013 and Clause-9 of the Secretarial Standard-1 (SS-1) the details of the number and date of Meetings of Board of Directors and Committees held during the Financial Year 2017-18 and attendance by each Director, during their tenure are as under:

Name of Director	Meetings of Board (17.04.17, 17.05.17, 15.06.17, 05.07.17, 11.08.17, 20.09.17, 13.12.17, 09.01.18, 22.03.18)		Meeting of Audit Committee (15.6.17, 11.8.17, 20.09.17, 13.12.17, 22.03.18)		Meeting of NRC Committee (13.12.17)		Meeting of Independent Directors (15.03.18)		Meeting of CSR Committee (13.12.17, 09.01.18, 22.03.18)	
	No. of Meetings held during tenure	No. of Meetings attended	No. of Meetings held during tenure	No. of Meetings attended	No. of Meetings held during tenure	No. of Meetings attended	No. of Meetings held during tenure	No. of Meetings attended	No. of Meetings held during tenure	No. of Meetings attended
Shri Pankaj Joshi, IAS	9	9								
Ms. Anju Sharma, IAS	9	4							3	2
Shri H. R. Suthar, IAS	8	8	4	4					2	2
Shri J. J. Gandhi, MD	1	1	1	1					1	1
Shri S. B. Khyalia	9	8	5	4						
Shri. P.H. Rana	9	9	5	5	1	1	1	1	3	3
Shri. H.P. Desai	9	9	5	5	1	1	1	1		
Shri C. J. Macwan	9	8	5	4	1	1				
Prof.Biju Varkkey	9	3	5	3	1	0	1	1		
Shri K. M. Bhuva	4	4								

(25) BOARD EVALUATION

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

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

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

In a separate meeting of independent Directors was held on 15th March, 2018, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of directors. The same was discussed in the Board meeting at which the performance of the Board, its committees and individual directors was discussed.

(26) AUDIT COMMITTEE

The Audit Committee was constituted on the terms of reference as prescribed under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its powers) Rules, 2014. The Chairman of the Audit Committee was an independent Director. The recommendations made by the Audit Committee during the year were accepted by the Board. As the appointment of Independent Director and is not mandatory on the Company, however the Board on 17th November, 2018 has appointed Prof. Shailesh Gandhi and Prof. Joshy Jacob, Indpendent Directors on the Board. Further considering the amendment in the relavant rules the constitution of Audit Committee is not mandatory. Due to retirement of Independent Directors on 25/03/2018, the Audit Committee become non-functional. Audit Committee is renamed as Finance Committee in 116th Board Meeting held on 1st December, 2018. Composition of Finance Committee as on date is under.

Prof. Shailesh Gandhi, Independent Director
Prof. Joshy Jacob, Independent Director
Shri S. B. Khyalia, Director
Shri C. J. Macwan, Director

(27) ANNUAL RETURN

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

(28) DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge, belief and according to the information received the Board of Directors make the following statement in accordance with Section 134(3)(c) of the Companies Act, 2013.

a) in the preparation of the annual accounts for the year ended 31st March, 2018 the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on the date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing the detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

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

(29) RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year were on arm's length basis and in the ordinary course of business. The Company has adopted a Related Party policy and procedure.

All Related Party Transactions were placed before the Board of Directors at their meeting. Omnibus approval was obtained for transactions which are of repetitive nature.

(30) INTERNAL FINANCIAL CONTROL

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

(31) Compliance with the sexual harassment of women at workplace (Prevention, Prohibition at Redressal) act, 2013

The Company has complied with the provisions of " Sexual Harassment of Women (Prevention, Prohibition & Redressal) Act, 2013, an " Internal Complaints Committee " has been constituted in the Company for Redressal of compliant(s) against sexual harassment of women employees.

During the financial year 2017-18, the Company has received 02 complaints of sexual harassment and 01 complaint of F.Y. year F.Y.2015-16 was disposed during the F.Y. 2017-18 and 01 complaint of F.Y. year F.Y. 2017-18 was also disposed in the month of July -2018.

(32) RISK MANAGEMENT

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

- Risk to Company Assets and Property
- Employees Related Risks
- Risks associated with Non-Compliance of Statutory enactments
- Risks of Inflation and Cost Structure
- Credit Risks
- Liquidity Risks
- Operational Risks
- Regulatory Risk
- Network Risk
- Risk of monsoon failure
- Distribution System Loss and effect of agriculture loss
- Risk of compensation to third parties due to electrical accidents and burning of crop.
- Dependence on government for grants and sub-sidy.

(33) NOMINATION AND REMUNERATION COMMITTEE AND POLICY

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

other employees of the Company. Considering the amendment in the rules regarding appointment of Independent Directors and constitution of Nomination and Remuneration Committee, the same is not mandatory for the Company. Due to retirement of Independent Directors on 25/03/2018, the Nomination and Remuneration Committee (NRC) is non-functional. The Board has appointed Prof. Shailesh Gandhi and Prof. Joshy Jacob as member of the NRC.

(34) OTHER DISCLOSURES

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

2. There is no occurrence of material change and commitment made between the end of Financial Year and date of this report which has affected financial position of the Company.

3. There was no change in the nature of business of the Company during the Year.

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

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

6. The Company has no subsidiary, Joint venture or associate company.

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

8. Your Company being a Government Company is exempted to furnish information under Section 197 of the Companies Act, 2013, vide Ministry of Corporate Affairs (MCA) notification dated 5/06/2015.

9. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future, except as stated earlier.

10. The Company has complied with the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India.

(35) ACKNOWLEDGMENT

Your Directors place on record their gratitude to the Government of India (including the Ministry of Power), Government of Gujarat (including Energy & Petrochemicals Department), Gujarat Urja Vikas Nigam Limited (the Holding Company), Gujarat State Electricity Regulatory Commission, GEDA, Financial Institutions, Bankers, Consumers, Suppliers and other business associates and various stakeholders for their continued assistance, co-operation and patronage. The Company is also thankful to the Comptroller & Auditor General of India, the Internal, Statutory, Cost and Secretarial Auditors and Consultants/Advisors for their suggestions and co-operation.

Your Directors also acknowledge and appreciate the contribution made by the employees at all levels for the understanding and support extended by them.

For and on behalf of the Board

Sd/-
Pankaj Joshi, IAS
Chairman
(Din No. 01532892)

Date : 26.12.2018
Place : Gandhinagar

ANNEXURE TO BOARDS' REPORT

ANNEXURE-A

DISCLOSURE UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014

A. Conservation Of Energy

Steps taken or impact on Conservation of Energy, Steps taken for utilizing alternative sources of Energy, Capital investment on Energy Conservation Equipment's

Energy Conservation & Consumer awareness:

Company has organized energy conservation and DSM awareness program with different category of consumers including Industrial and Agriculture categories through DSM Cell, of the Company.

During the course of meeting issue related to Energy saving and energy conservation its techniques were discussed.

DSM Programme

AGRICULTURE DSM:

Company has initiated Demand Side Management program for Agriculture Consumers from FY 2015-16. Accordingly, the Company, as an upfront support, pays the differential cost between Energy Efficient Pump and Conventional Pump set. Prospective Agriculture consumer can opt for the scheme. Initially program was for 7.5 HP Pump sets only and during the FY 2016-17 applicability has been expanded covering connections up to 20 HP. During the FY 2016-17, 5768 and for FY 2017-18 1497 Nos. and till 31.06.2018 149 Nos. consumers opted for the scheme for the FY 2018-19.

UJALA GUJARAT

The Gujarat Urja Vikas Nigam Ltd. has decided to implement Domestic Efficient Lighting Program (DELP) in all our DISCOMs for distribution of 9 Watt LED bulb under Domestic Efficient Lighting Program (DELP) through M/s EESL, a Joint Venture of four PSU's namely REC, PFC, NTPC & PGCL under the Ministry of Power, Government of India. Under the program, the Residential Consumers can have options to buy LED Bulbs either on On Bill Financing (OBF) option / Upfront Payment option, whereas remaining consumer categories can purchase through upfront payment.

PGVCL has implemented Ujala program of five star rated Fan (50 W) and LED tub light(20 W).

Under UJALA Gujarat Scheme, 13411864 Nos. of LED Bulbs, 236381 Nos. of LED Tube light and 185381 Nos.

of five star Fans are sold up to month of Jul -2018.

- **Use of Renewable Energy**:-

(A) Solar water Pump.

A solar-powered water pumping system is an Off-grid renewable energy generation system used for water pumping.

After successful result of the Pilot project of Solar Water pumping systems for irrigation implemented in PGVCL, a scheme has been launched for giving Agriculture connection through Off-grid Solar water pumping system for irrigation from the year 2014-15. During the Year 2015-16, 2016-17,2017-18 Total 1496 Nos , 1600 Nos & 2556 Nos. respectively of Solar Water Pump sets are installed for different capacities. This Year Company has extended the benefit up to 7.5 HP of demand from the current year. This system is beneficial in many ways to the utility as well as the consumer.

B. Technology absorption

Efforts made in technology absorption as per Form B.

FORM - B

(Disclosure of particulars with respect to Technology absorption)

Research and Development (R&D)

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

a. Improvement of quality in metering system: -

Energy meters is very important and key part of the energy metering system of the consumers. High revenue is linked with this transforming unit. Accuracy of this measuring system is required to ensure for correct recording of the Energy without any leakage of revenue. Hence, it is necessary that the all metering parts should be tested for accuracy and its correctness for metering purpose.

Also, PGVCL has received NABL Accreditation for energy meter testing and calibration laboratory at PGVCL, Zonal office, Bhavnagar Sep-2017. In this laboratory, all HT energy meters are tested as per relevant Indian standards, so that any faulty or inaccurate unit can be identified in the lab before installation at the consumer's premises.

b. Conversion from bare conductor to covered conductor having thick population of coconut tree in Mangrol area.

Technical solution for the issues related with overhead bare conductor distribution network in Coastal region of PGVCL specifically at Mangrol Division having thick population of coconut trees, in this areas where power outages are common due to falling coconut tree or branch contact, Covered Conductor System was introduced to improve the safety and reliability of overhead distribution network in this areas.

Initially as a pilot project experiment was carried out for providing 11 KV Specially Designed Medium Voltage Covered Conductor (MVCC) with essential accessories in place of existing bare conductor on some span on 11 KV Sukhpur AGDOM Feeder emanating from 66 KV Chorwad substation of Chorwad sub division of Mangrol division under Porbandar Circle and found satisfactory result.

Technology absorption, adaptation and innovation

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

   a. As mentioned above in R&D activities, various advanced technologies are being implemented through project like conversion from bare conductor to covered conductor having thick population of coconut tree specifically in Mangrol area. High tech laboratories for precision/ accuracy standards for meter testing and calibration of Accucheck instrument.

2. Benefits derived as a result of the above efforts

   As a result of above efforts improve the safety and reliability of overhead distribution network in thick population of coconut trees and quality of metering system is improved and subsequently customers' satisfaction is increased.

C. Foreign exchange earnings and outgo

Earning in foreign currency and expenditure in foreign currency and remittance is NIL (Previous year NIL).

For and on behalf of the Board

Sd/-

Date :26.12.2018
Place :Gandhinagar

Pankaj Joshi, IAS
Chairman
(Din No. 01532892)

ANNEXURE-B

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2017-18.

1.	**A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**.
	'Corporate Social Responsibility (CSR) Policy of Paschim Gujarat Vij Company Limited (PGVCL)' encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large. This Policy shall apply to all CSR initiatives and activities taken up by the Company at the Company's areas of operations and also within the State of Gujarat and in any other parts of the country, for the benefit of the different segments of the society provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities. In alignment with vision of the Company, PGVCL, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The CSR Projects and Programmes undertaken will be within the broad frame work of Schedule VII of the Companies Act, 2013 and will be identified and funds allocated, on a yearly basis, as per the need assessment specific to the location, target beneficiary and agency partnering for the implementation. The CSR Policy may be assessed on the Company's website: http://www.PGVCL.com
2.	**The Composition of the CSR Committee (As on the date of the report)**
	1. Ms. Anju Sharma, IAS Director …. Chairperson 2. Shri Bhavin Pandya, IAS Managing Director …. Member 3. Shri K. M. Bhuva, Director …. Member
3.	**Average net profit of the Company for last three financial years** Average Net Profit (2014-15 to 2016-17) Rs.5640.89 Lakhs
4.	**Prescribed CSR Expenditure** **(two percent of the amount as in item 3 above)** Rs.112.82 Lakhs

5.	**Details of CSR spent during the financial year**:- a) Total amount to be spent for the financial year ... Rs. 112.82 Lakhs b) Amount unspent, if any ... Rs.84.44 Lakhs c) Manner in which the amount spent during the financial year is detailed below:						
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overhead**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1.	Scholarship to Girl Students through Sister Nivedita Foundation	Promoting education... especially among children....	Rajkot, Surendranagar, Amreli, Botad Districts	Rs. 600000	Rs. 600000	Rs. 600000	Project implemented through Sister Nivedita Foundation, Rajkot.
2	Cost of Blood to be provided to poor and needy patients	Health	Rajkot, Districts	Rs. 540000	Rs. 540000	Rs. 540000	Funds are provided to Rajkot Voluntary Blood Bank & Research Center, Rajkot for poor and needy patients.
3	Harmonium, Swar Peti, Sound System, Yamaha Keyboard and furniture	Education	Surendranagar District	Rs. 847500	Rs. 847500	Rs. 847500	Directly to Shree Pragna Chkshu Mahila Seva Kunj, Surendranagar

4	Ankur Special School for Mentally Retarded Children, Bhavnagar for Sensory Therapy Room and different items.	Education	Bhavnagar District	Rs. 850000	Rs. 850000	Rs. 850000	Directly to Ankur Special School for Mentally Retarded Children, Bhavnagar
	TOTAL			Rs.2837500	Rs.2837500	Rs.2837500	

6.	**No overhead expenditure was booked.** **In case, the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** During the financial year 2017-18 Company spent Rs. 28.38 Lakhs on CSR activities. Against the prescribed budget for the F.Y. 2017-18 amounting to Rs. 112.82 Lakhs. Company could not spent the remaining funds as there were no projects available. Two projects of Rs. 20.05 Lakhs were approved in March-2018 however the same were implemented and the amount disbursed in April – 2018 and are considered as part of the Financial Year 2018-19. The Company is exploring regions and various projects and options in PGVCL area of operations, for CSR activities that can deliver the maximum impact to society. The Company is prudently selecting the projects and implementing the same in fulfilling CSR Objectives. The Company is committed for CSR spending and plans to accelerate the pace of CSR spending in the years to come.
7.	**Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.** The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.
	Sd/- **(Bhavin Pandya)** Managing Director DIN 0008102832 Date : 01.12.2018 Place : Gandhinagar **Sd/-** **(Anju Sharma)** Chairman of the CSR Committee DIN 02178413

ANNEXURE-C

ADDENDUM TO THE DIRECTOR'S REPORT

Managements Reply to the comment of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of the Paschim Gujarat Vij Company Limited, Rajkot for the year ended on 31st March, 2018

No.	Comment	Reply
1.	**Balance Sheet** **Deferred Government Grants, Subsidies & Consumer Contribution- ₹ 2077.74 Crore (Note No.-18).** With effect from 1 April 2016 company has changed the method of computing the grants/consumer contribution received against depreciable assets to be recognized in Statement of Profit and Loss from reducing balance method to the straight line method and consequently the rates at which grant is recognized in the Statement of Profit and Loss. The Company determined that the change to recognize grants in proportion of the depreciation expenses is a change in accounting estimates and is to be applied prospectively. As per Accounting Standard-12, Grants related to depreciable assets are treated as deferred income which is recognised in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset. Indian Accounting Standard-20 also state that grants related to depreciable assets are usually recognised in Profit or Loss over the periods and in the proportions in which depreciation expense on those assets is recognised. **The above change in method was made by the Company as there was a** mismatch of the grants recognized in the Statement of Profit and Loss versus the related depreciation expense. Thus, the Company has changed the method of	We would like to point out here with reference to your comment, and as brought out by you, that this is a repeat comment. The matter commented upon had been thoroughly addressed by our Company as well as GUVNL, our holding company, on various occasions. We have made detailed submissions and have had discussions stating our position and reasons behind our position with specific reference to both Ind AS and Previous GAAP (Indian GAAP) requirements. We summarise the issue as also brought out in bold text in your comment as follows: 1. The Company has changed the method as there was a mismatch of grants recognized in Statement of Profit and Loss versus the related depreciation expense; and 2. The change in the method is to correct an error as the change was not mandated by Ind AS 20. We would like to reiterate as already discussed and responded to earlier: 1. Firstly, as per error definition, for anything to be recognised as a correction of error in any year, it must be first, an error in the earlier/prior year. To label any accounting treatment as a prior period error, it usually warrants substantive corroboration and evidence

recognition of deferred income in order to align the recognition of deferred income with the related depreciation expense. As the provision for treatment of deferred income to be recognised in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset are same in AS-12 and Ind AS 20, the change was not mandated by Ind AS 20. **Hence, the Company changed the method in order to correct an error.**

Since the depreciable assets related to which grants/ consumer contribution received have been capitalized in the books of accounts, the effect of such change should have been worked out retrospectively and accounted for in the opening balance of Deferred Government Grants, Subsidies and Consumer contribution.

This has resulted in overstatement of retained earnings and understatement of balances of Deferred Government Grants, Subsidies and Consumer Contribution towards Capital Assets by ₹ 356.20 crore as at 31 March 2017.

Despite being pointed out in previous year, no corrective action has been taken by the Company during 2017-18.

explicitly demonstrating the accounting treatment being an error in view of the specific accounting framework as applicable. However, as can be noted from the audited financial statements of the earlier year i.e. financial year ended 31 March 2016 including consideration of C&AG additional comments, the accounting treatment was found to be in compliance with the relevant accounting framework – Previous GAAP. The accounting treatment was found to be compliant not just for the financial year ended 31 March 2016, but even for previous 5-year financial statements. Here, we would like to point out that, had the accounting treatment – method adopted, were to be an error, based on an objective review of the relevant accounting framework, given the nature and impact of such an error, would have been a subject matter of audit qualification by the statutory auditors in addition to C&AG comments on the financial statements to that effect. Hence, we are of the firm view that the change from WDV method to SLM method for recognition of government grants is perfectly appropriate in terms of generally accepted accounting principles, both Ind AS and Previous GAAP, and cannot be construed as a correction of error by any means.

2. Thus, though there was no apparent error, as already clarified in our previous submission, GUVNL Group Companies noted that the WDV method of recognizing grants though in compliance with AS-12 as well as IndAS 20, results into a variation in the depreciation expense recognized and

the amount of grant recognized in Statement of Profit & Loss every year. It was also considered that using the same method of recognizing grants would reduce the variation of depreciation and grants recognized during any year. Accordingly, GUVNL group companies has changed the method of recognizing Grants in the Statement of Profit & Loss w.e.f 01.04.2016 to more appropriately match with the method used to depreciate the assets against which the grants were received.

3. We disagree with your view that the change in the method is to correct an error because such a change is not mandated by IndAS 20. Here, we would like to point out that IndAS 20 does not mandate any specific basis / method to recognize grants, it only mandates a systematic basis. So, C&AG's office view that IndAS 20 does not mandate the change of a base used is not appropriate as there is no mandate for any specific base even otherwise.

4. As also noted in your comment that the change is not a change in accounting policy but a change in method i.e., a change in accounting estimate. It may be further pointed out that per Ind AS the use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the

		correction of an error. Hence, we disagree with your view that a change in method is occasioned to correct an error particularly when an estimate has to be reviewed and revised even otherwise. 5. Here, it appears from the C&AG comment, that, had the Company persisted with the previous methodology as in the earlier years, the Company would have been compliant with the accounting framework, but a change in the methodology with a view to reduce the variation would be a correction of error. This appears to be a contradiction. 6. Hence, to conclude, our accounting is as required by Ind AS, both in the previous year as well as the current year. In our considered view, the proposition by C&AG that the change in methodology should be adjusted retrospectively would be a noncompliance of Ind AS itself.
2.	**Balance Sheet** **Other Financial Liabilities (Note no. 25) - ₹ 1253.00 crore** **Staff Related Liabilities- ₹ 8.19 Crore** The above includes an amount of ₹ 1.68 crore being provided as Provision for Bonus. As per Schedule III of Companies Act, 2013, provisions for employee benefits are under current provisions (Short Term Provisions). The same should have been included under 'Provisions for employee benefit (Short Term Provision) instead of showing under 'Other Current Financial Liability'. This has resulted in overstatement of 'Other Current Financial	Ind AS 19 para 9 governs Short term Employee benefits which includes Profit Sharing and Bonuses. The Standard does not define whether it is a Provision or a Liability. Further, the Guidance note on Schedule III Para 7.9 also states the same facts as stated below:- *"For the purpose of Ind AS Schedule III, a company also needs to classify its employee benefit obligations as current and non-current categories. While Ind AS-19 Employee Benefits governs the measurement of various employee benefit obligations, their classification as current and noncurrent liabilities will also be governed by the criteria laid down in Notes 1 to 3 to the General Instructions for Preparation of*

	Liability' and understatement of 'Short Term Provision by ₹1.68 crore.	*Balance Sheet in Ind AS Schedule III, which are consistent with Ind AS 1. In accordance with these criteria, a liability is classified as "current" if a company does not have an unconditional right as on the Balance Sheet date to defer its settlement for twelve months after the reporting date. Each company will need to apply these criteria to its specific facts and circumstances and decide an appropriate classification of its employee benefit obligations. Given below is an illustrative example on application of these criteria in a simple situation:* *(a) Liability towards bonus, etc., payable within one year from the Balance Sheet date is classified as "current"."* The expense whether is a provision or liability is defined in Ind AS 37 . The liability is a provision if the timing /amount or both of the related expense is uncertain. The provision of bonus is a short term employee benefit expense, the payment amount and timing of which is certain; and hence it is disclosed as a Liability and not Provision. Since same is not considered by C&AG, the Provision for bonus will be disclosed under Provision for Employee Benefits –Short Term Provisions from the FY 2018-19.

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

For and on behalf of the Board

Sd/-
(H.K.Dharmadarshi)
Principal Accountant General (E & R S A), Gujarat

Sd/-
(Pankaj Joshi,IAS)
Chairman

Place: Ahmedabad
Date: 30.11.2018

Place : Gandhinagar
Date : 26.12.2018

ANNEXURE-D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2018

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

To,
The Members,
PASCHIM GUJARAT VIJ COMPANY LIMITED
(CIN: U40102GJ2003SGC042908)
"Paschim Gujarat Vij Seva Sadan",
Off Nana Mava Main Road, Laxminagar,
Rajkot- 360004, Gujarat, INDIA.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PASCHIM GUJARAT VIJ COMPANY LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PASCHIM GUJARAT VIJ COMPANY LIMITED (“the Company”) for the financial year ended on 31st March, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Company has identified the following laws as specifically applicable to the Company:

1. Electricity Act, 2003
2. The Gujarat Electricity Industry (Reorganization and Regulating) Act, 2003
3. Right to Information Act, 2005

We have also examined Compliance with the applicable clauses of the Secretarial Standards issued by The

Institute of Company Secretaries of India and during the period under review the Company has complied the same in consonance with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and through Circular Resolutions have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There were no dissenting views on any matter.

The Company is a wholly owned subsidiary of a Government Company. The Company is a Government Company under the provisions of the Act.

We further report that during the year under review, the company has changed clause V of Memorandum of Association by increase in its Authorized capital from Rs. 5000 cr. to Rs. 8000 cr. in compliance with the provisions of Companies Act, 2013 and Rules made thereunder.

We further report that the company has allotted on 14-07-2017 under Right Issue 50,30,60,500 fully paid equity shares of Rs.10/- each at par.

We further report that the company has allotted on 16-01-2018 under Right Issue 72,18,99,600 fully paid equity shares of Rs.10/- each at par.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the respective Heads of Departments of the company and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For, K. P. Rachchh & Co.
Company Secretaries

Place : Rajkot
Date : 25.09.2018

Sd/-
Kalpesh P. Rachchh
Proprietor
FCS No.5156
C P No.: 3974

Annexure - E

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U40102GJ2003SGC042908
ii	Registration Date	15.09.2003
iii	Name of the Company	PASHIM GUJARAT VIJ COMPANY LIMITED
iv	Category/Sub-category of the Company	Electricity Distribution Company
v	Address of the Registered office & contact details	Registered & Corporate Office "Paschim Gujarat Vij Seva Sadan" Off Nana Mava Main Road, Laxminagar, Rajkot - 360 004
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Distribution of Electricity	35109	98%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	NA	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.		0	0	0	0	0	0	0	0
c) Bodies Corporates		**3837029596**	**3837029596**	**100**	0	**5061989696**	**5061989696**	**100**	**31.92**
d) Bank/FI		0	0	0	0	0	0	0	0
e) Any other		0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	**NA**	**3837029596**	**3837029596**	**100**	**0**	**5061989696**	**5061989696**	**100**	**31.92**
(2) Foreign									
a) NRI- Individuals									0
b) Other Individuals		0	0	0	0	0	0	0	0
c) Bodies Corp.		0	0	0	0	0	0	0	0
d) Banks/FI		0	0	0	0	0	0	0	0
e) Any other…		0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	**NA**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**NA**	**3837029596**	**3837029596**	**100**	**0**	**5061989696**	**5061989696**	**100**	**31.92**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		0	0	0	0	0	0	0	0
b) Banks/FI		0	0	0	0	0	0	0	0
c) Cenntral govt		0	0	0	0	0	0	0	0
d) State Govt.		0	0	0	0	0	0	0	0
e) Venture Capital Fund		0	0	0	0	0	0	0	0
f) Insurance Companies		0	0	0	0	0	0	0	0
g) FIIS		0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds		0	0	0	0	0	0	0	0
i) Others (specify)		0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	**NA**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
(2) Non Institutions									
a) Bodies corporates									
i) Indian		0	0	0	0	0	0	0	0
ii) Overseas		0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		0	0	0	0	0		0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		0	0	0	0	0		0	0
c) Others (specify)		0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	NA	0	0	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	**NA**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	NA	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**NA**	**3837029596**	**3837029596**	**100**	**0**	**5061989696**	**5061989696**	**100**	**31.92**

(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered to total shares	
1	Gujarat Urja Vikas Nigam Limited	3837029496	100.00		5061989596	100.00		31.92
2	Shri Kamlesh Jangid (Nominee of GUVNL)	10	0.000000		10	0.000000		
3	Shri Subhdeep Sen (Nominee of GUVNL)	10	0.000000		10	0.000000		
4	Smt. Shailja Vachharajani (Nominee of GUVNL)	10	0.000000		10	0.000000		
5	Shri Parthiv K. Bhatt (Nominee of GUVNL)	10	0.000000		10	0.000000		
6	Shri Jaimin N. Pancholi (Nominee of GUVNL)	10	0.000000		10	0.000000		
7	Shri Kiritkumar M. Bhuva (Nominee of GUVNL)	10	0.000000		10	0.000000		
8	Shri. Avinash R. Katara (Nominee of GUVNL)	10	0.000000		10	0.000000		
9	Shri. Jasmin J. Gandhi (Nominee of GUVNL)	10	0.000000		10	0.000000		
10	Shri Mitesh B. Parikh (Nominee of GUVNL)	10	0.000000		10	0.000000		
11	Shri Piyush J. Majethiya (Nominee of GUVNL)	10	0.000000		10	0.000000		
	Total	**3837029596**	**100.0000**	**0**	**5061989696**	**100.0000**	**0**	**31.92**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) (Financial Year 2017-18)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Gujarat Urja Vikas Nigam Limited (and it's Nominees)	3837029596	100.00	3837029596	100.00
2	Date wise increase/decrease in promoters shareholding durng the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.: (Increase : By way of allotment				
	14.07.2017			503060500	13.11
	16.01.2018			721899600	18.81
3	At the end of the year	**3837029596**	100.00	**5061989696**	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) (Financial Year 2017-18)

Sr. No.	Name of Shareholder	Shareholding at the end of the year		Date	Increase/ decrease in share-holding	reason	Cumulative Share-holding during the year (01-04-17 to 31-03-18)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company				No.of shares	% of total shares of the Company
1.	At the beginning of the year							
2	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.:		Not Applicable					
3	At the end of the year (or on the date of separation, if separated during the year)							

(v) Shareholding of Directors & Key Managerial Personnel (Financial Year 2017-18)

Sr. No.	Name of Directors	Shareholding		date	Increase/ decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of of shares	% of total shares of the Company
1	Shri J. J. Gandhi	10	0.00				10	0.00

Above Directors hold shares as Nominee of Gujarat Urja Vikas Nigam Limited. All other Directors & Shri Sudhir Bhatt, Company Secretary and Shri Kintu Malkan -CFO of the Company -Key Managerial Perosnnel of the Company do not hold shares of the Company.

V INDEBTEDNESS (₹ In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits (Exempted)	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	**22815.29**	**22423.77**	0	**45239.06**
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	9333.22	2065.76	0	**11398.98**
Total (i+ii+iii)	**32148.51**	**24489.53**	**0**	**56638.04**
Change in Indebtedness during the financial year				
Additions	**1338.92**	**12.58**	0	**1351.50**
Reduction	**3201.26**	**8800.68**	0	**12001.94**
Net Change	**-1862.34**	**-8788.10**	0.00	**-10650.44**
Indebtedness at the end of the financial year				
i) Principal Amount	**20952.95**	**13635.67**	0	**34588.62**
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	9084.40	1780.06	0	**10864.46**
Total (i+ii+iii)	**30037.35**	**15415.73**	**0**	**45453.08**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (Financial Year 2017-18)

(₹ In Lakhs)

Sr.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	Shri H. R. Suthar, IAS, M.D. till 31.01.2018 and Shri J. J. Gandhi M.D.	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	16.22	16.22
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit		
	- others, specify		
5	Others, please specify	0	0
	Total (A)	**16.22**	**16.22**
	Ceiling as per the Act	Exempt for Government Companies as per MCA Notification dated 5 June, 2015	

B. Remuneration to other directors: (Financial Year 2017-18)

Sr. No.	Particulars of Remuneration	Name of the Directors								Total Amount Rs.
		Independent Director			Other Non-Executive Directors					
		Shri H. P. Desai	Shri P.H. Rana	Prof. Biju Vrakkey	Shri Pankaj Joshi, IAS	Ms. Anju Sharma, IAS	Shri S. B. Khyalia	Shri C. J. Macwan	Shri K. M. Bhuva	
1	**Independent Directors**									
	(a) Fee for attending board committee meetings	60000	70000	30000						160000

	(b) Commission	NIL	NIL	NIL						0
	(c) Others, please specify	NIL	NIL	NIL						0
	Total (1)	60000	70000	30000						160000
2	**Other Non Executive Directors**									
	(a) Fee for attending board committee meetings				NIL	NIL	NIL	NIL	NIL	NIL
	(b)Commission				NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify.				NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)				NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	60000	70000	30000	NIL	NIL	NIL	NIL	NIL	160000
	Total Managerial Remuneration									160000
	Overall Cieling as per the Act	Exempt for Government Companies as per MCA Notification dated 5 June, 2015								

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Financial Year 2017-18)

(₹ In Lakhs)

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			**Total**
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	27.95	23.32	51.27
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0

2	Stock Option		NIL		NIL
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total		**27.95**	**23.32**	**51.27**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES (Financial Year 2017-18)

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

For and on behalf of Board of Directors
Paschim Gujarat Vij Company Limited,

Sd/-
Pankaj Joshi, IAS
Chairman
(DIN 01532892)

Date : 26.12.2018
Place : Gandhinagar

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PASCHIM GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of the Paschim Gujarat Vij Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 September 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of Paschim Gujarat Vij Company Limited for the year ended 31 March 2018. 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 143 (6) (b) of the Act 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:

A Comments on Financial Position

1. Balance Sheet

Deferred Government Grants, Subsidies & Consumer Contribution- Rs. 2077.74 crore (Note No-18).

With effect from 1 April 2016 the Company has changed the method of computing the grants/consumer contribution received against depreciable assets to be recognized in Statement of Profit and Loss from reducing balance method to the straight line method and consequently the rates at which grant is recognized in the Statement of Profit and Loss. The company determined that the change to recognize grants in proportion of the depreciation expenses is a change in accounting estimates and is to be applied prospectively.

As per Accounting Standard 12, Grants related to depreciable assets are treated as deferred income which is recognised in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset. Indian Accounting Standards-20 also state that grants related to depreciable assets are usually recognised in Profit or Loss over the periods and in the proportions in which depreciation expenses on those assets is recognised.

The above change in method was made by the Company as there was a mismatch of the grants recognized in the Statement of Profit and Loss versus the related depreciation expense. Thus, the Company has changed the method of recognition of deferred income in order to align the recognition of deferred income with the related depreciation expense. As the provision for treatement of deferred income to be recognised in the Profit and Loss Statement on a systematic and rational basis over the useful life of the asset are same in AS-12 and Ind AS 20, the change was not mandated by Ind AS 20. **Hence, the Company changed the method in order to correct an error.**

Since the depreciable assets related to which grants/ consumer contribution received have been capitalized in the books of accounts, the effect of such change should have been worked out retrospectively and accounted for in the opening balance of Deferred Government Grants, Subsidies and consumer contribution.

This has resulted in overstatement of retained earnings and understatement of balances of Deferred Government Grants, Subsidies and Consumer Contribution towards Capital Assets by Rs. 356.20 crore as at 31 March 2017.

Despite being pointed out in previous year, no corrective action has been taken by the Company during 2017-18.

2. Balance Sheet

Other Financial Liabilities (Note No. 25)- Rs 1253.00 crore
Staff Related Liabilities- Rs 8.19 crore

The above includes an amount of Rs 1.68 crore being provided as Provision for Bonus. As per Schedule III of Companies Act, 2013, provisions for employee benefits are under current provisions (short term provisions). The same should have been included under 'Provisions for employee benefit (Short Term Provision) instead of showing under 'Other Current Financial Liability'. This has resulted in overstatement of 'Other Current Financial Liability' and understatement of 'Short Term Provision' by Rs 1.68 crore.

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

Sd/-
(H.K.Dharmadarshi)
Principal Accountant General (E & R S A), Gujarat

Place: Ahmedabad
Date: 30.11.2018

INDEPENDENT AUDITOR'S REPORT

To the members of

PASCHIM GUJARAT VIJ COMPANY LIMITED

Report on the Standalone Financial Statements:

We have audited the accompanying standalone financial statements of **PASCHIM GUJARAT VIJ COMPANY LIMITED** ('the Company') which comprise the Balance Sheet as at March 31st, 2018, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement and the statement changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of Companies Act, 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

The responsibility also includes maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and designs implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and free from material misstatement ; whether due to fraud or error

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March 2018 and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis Matter:

Security Deposits from LT Consumers at some divisions & circles are subject to reconciliation with Subsidiary records. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by section 143 (3) of the Act, we report that:

a. We have sought 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, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of Changes in equity dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013; read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement –Refer to note 44 to the standalone financial statements

ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

FOR, DHIRUBHAI SHAH & CO LLP
CHARTERED ACCOUNTANTS

sd/-
(KAUSHIK D. SHAH)
PARTNER
M. NO.:016502
FR NO.: 102511W/ W100298

PLACE: AHMEDABAD
DATE: 17.09.2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of PASCHIM GUJARAT VIJ COMPANY LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR, DHIRUBHAI SHAH & CO LLP
CHARTERED ACCOUNTANTS

sd/-
(KAUSHIK D. SHAH)
PARTNER
M. NO.:016502
FR NO.: 102511W/ W100298

PLACE: AHMEDABAD
DATE: 17.09.2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. In our opinion, the programme of verification is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.

(c) Following Title deed of land are not held in the name of the Company (Annexure-1)

Total No of Cases	Whether lease hold or Free hold	Gross block and net block	Remarks
01	Freehold	41.21 Lakhs	NIL

(ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancy was noticed on verification between physical inventory and inventory as per book records.

(iii) In our opinion the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore in our opinion, the clause of the Companies (Auditors Report) Order, 2016 is not applicable.

(iv) In our opinion and according to the information and explanation given to us, the Company has not advanced any loans, has not made any investments, has not given any guarantees, and security covered under section 185 and 186 of Companies Act, 2013 Therefore in our opinion, the clause (iv) of the Companies (Auditors Report) Order, 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The central government has prescribed the maintenance of cost records In our opinion and under section 148 (1) of the Companies Act 2013. We are of the opinion that prima facie the, the prescribed accounts and records have been made and maintained by the company. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanation given to us, the Company is generally regular in depositing the undisputed statutory dues with the appropriate authorities including income tax, goods and service tax, sales tax, duty of excise, duty of custom, value added tax, service tax, professional tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, employee's state insurance, income tax, sales tax, duty of excise, duty of custom, value added tax, service tax, professional tax and other material statutory dues applicable to it were in arrears as at 31st March, 2018 for a period of more than six months from the day they became payable except GST liability – a reference has been made as per Note No. 26 of Notes to the Financial Statements.

(b) According to the information and explanation provided to us, there are no dues of service tax, duty of custom, duty of excise and value added tax , which have not been deposited on account of any dispute. The particular of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, is as follow.

Sr. No.	Nature of Dues	Amount	Period to which amount relates	Forum where dispute is pending	Remarks if any
1	Income Tax	23.48 Crore	A.Y. 2014-15	CIT (A)	Income Tax Department has withheld refund of Rs 8.82 crore pertaining to AY 2008-09 against this disputed liability.

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year

(x) To the best of our knowledge and according to the information and explanation of given to us, no fraud on the company or by the Company has been noticed or reported during the course of our audit.

(xi) As the Company being a Government company, section 197 regarding managerial remuneration is not applicable (As per MCA Notifications No G.S.R.463 (E) dated 05th June, 2015)

(xii) In our opinion and according to the information and explanation given to us, the Company does not fall under the purview of the Nidhi Company. Hence, the said clause is not applicable

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the said clause is not applicable

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the said clause is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the said clause is not applicable.

FOR, DHIRUBHAI SHAH & CO LLP
CHARTERED ACCOUNTANTS

sd/-
(KAUSHIK D. SHAH)
PARTNER
M. NO.:016502
FR NO.: 102511W/ W100298

PLACE: AHMEDABAD
DATE: 17.09.2018

ANNEXURE "C" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 4 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Paschim Gujarat Vij Company Limited
Report under Section 143 (5) of the Companies Act, 2013
For The Financial Year 2017-18

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Response / Remedial Measures</th></tr>
<tr><td>1</td><td>Weather the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?</td><td>Following, title deed land are not held in the name if the company:
<table>
<tr><th>Total No of Cases</th><th>Whether lease hold or Free hold</th><th>Gross block and net block</th><th>Remarks</th></tr>
<tr><td>01</td><td>Free Hold</td><td>41.21 Lakh</td><td>For details, please refer Annexure-1</td></tr>
</table></td></tr>
<tr><td>2</td><td>Please report whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons therefore and the amount involved.</td><td>The waiver / write off of debts / loans / interest are underneath:
1. During the course of settlement with Consumers in Lok-Adalat and also as per the judgment received from the Hon'ble Courts, the amount of Dues of Rs. 214.53 lakh is waived / written off during the financial year 2017-18.
2. During the financial year 2017-18, Rs. 9.15 Lakh waived against House Building Advance and interest thereon due to death of Employee as per policy laid down by GEB Circular No. Acctts/HBA/3275 Dated 28.03.1989</td></tr>
<tr><td>3</td><td>Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?</td><td>In general, for inventories lying with transformer repairing agencies and fabricators, record are properly maintained. Labour contractors are also issued materials as per the approved work quality only on producing material requisition, and after work completion, balance material are credited in the store records are maintained.
Company has not received any gifts from Government or any other authorities during 2017-18.</td></tr>
</table>

4	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	In past, efforts were taken to engage franchisee for high loss areas by giving advertisement. However, no agency came forward and hence no such agreement has been made.
5	Report on the efficacy of the system of billing and collection of revenue in the company.	On random verification we have noticed that bills were issued to the consumers and a collection has been achieved in timely manner.
6	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	Yes, the company has installed meters for all consumers except "unmetered agricultural consumers". The meters are installed after accuracy test of energy meter in meter testing Laboratory, meter body seals are provided and these energy meters are installed in tamper proof meter box and such meter box is duly sealed by the company.
7	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	Yes, the company has recovered and accounted Fuel and Power Purchase Adjustment cost during the financial year 2017-18
8	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	Yes, The receivables and payable between PGVCL & fellow subsidiaries / holding companies is reconciled and duly confirmed as on 31.03.2018.
9	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.	Not Applicable
10	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented?	There are no tariff roll back subsidies allowed during the year. However, various other subsidies as mentioned underneath are received during the year from holding company (GUVNL) are duly accounted.

Sr.No	Subsidy Received	Amount Rs in Lakh
1	Agriculture (HP based)	43537.27
2	Tariff Compensation	44230.92
3	FPPPA Subsidy	67287.26
4	Energy Conservation	41.86
5	Water Works	18152.14
6	Flood Relief	1930.96

Annexure - I

List of Title deeds not held in the name of PGVCL

Circle	Sr . No.	Name of Premises	Survey No.	Lease Hold OR Free Hold	Gross Block Amount
Junagadh	1	Junagadh Circle	City Servey No.1	Free Hold	4121800.00
				Total	**4121800.00**

Balance Sheet as at 31st March, 2018

(₹ In Lakhs)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipments	2	10,04,155.12	9,03,307.51
(b) Capital work-in-progress	3	24,843.69	22,096.86
(c) Financial Assets			
(i) Loans	4	2,226.36	2,749.09
(ii) Other Financial Assets	5	2,131.19	1,926.38
(d) Other non-current assets	6	360.20	282.37
(2) Current Assets			
(a) Inventories	7	69,481.68	60,816.66
(b) Financial Assets			
(i) Trade receivables	8	1,55,974.49	1,39,355.01
(ii) Cash and cash equivalents	9	13,935.07	17,498.06
(iii) Other bank balances	10	29.80	55.89
(iv) Loans	11	1,075.34	701.57
(v) Other Financial assets	12	16,927.29	13,948.66
(c) Current Tax Assets (net)	13	259.17	-
(d) Other current assets	14	1,124.90	1,197.50
(e) Assets classified as held for sale	15	100.34	110.92
Total		**12,92,624.64**	**11,64,046.50**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	5,06,198.97	3,83,702.96
(b) Other Equity	17	83,791.30	57,051.88
Deferred Govt. Grants, Subsidies & Contributions	18	2,07,774.24	1,89,952.70
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	28,777.53	32,748.15
(ii) Other Financial liabilities	20	1,77,411.33	1,63,487.12
(b) Other Non Current Liabilities	21	10,809.33	8,858.28
(c) Provisions	22	28,291.81	23,805.32
(d) Deferred tax liabilities (Net)	23	42,993.67	45,988.81
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	24	318.45	676.82
(ii) Other Financial liabilities	25	1,25,300.16	1,76,439.00
(b) Other current liabilities	26	79,119.79	77,456.68
(c) Provisions	27	1,838.05	1,623.51
(d) Current Tax Liabilities (net)	28	-	2,255.28
Total		**12,92,624.64**	**11,64,046.50**
Significant Accounting Policies and Notes to Financial Statements	1-51		

As per our report annexed of even date attached

For Dhirubhai Shah and Co LLP
Chartered Accountants
Firm Registration No. 102511W/ W100298

Kaushik D. Shah (Partner)
Membership No.016502

Place : Ahmedabad
Date : 17th September, 2018

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

(Pankaj Joshi, IAS)
Chairman

(Bhavin Pandya, IAS)
Managing Director

(Kintukumar Malkan)
GM (F&A) & CFO

(Sudhir Bhatt)
Company Secretary

Place : Gandhinagar
Date : 17th September, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ In Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations	29	14,41,437.71	12,81,532.27
II	Other income	30	26,215.37	27,974.71
III	**Total income (I+II)**		**14,67,653.08**	**13,09,506.98**
IV	EXPENSES			
	Purchase of Power	31	12,67,143.15	11,07,559.70
	Employee Benefits Expense	32	69,379.50	69,932.87
	Finance Costs	33	16,711.74	21,475.44
	Depreciation and amortization expense	2	67,144.03	65,435.10
	Other Expenses	34	30,829.83	33,342.33
	Total expenses (IV)		**14,51,208.25**	**12,97,745.44**
V	**Profit before exceptional items and tax (III-IV)**		**16,444.83**	**11,761.54**
VI	**Exceptional items**			
VII	**Profit before tax (V-VI)**		**16,444.83**	**11,761.54**
VIII	**Tax expense:**	**35**		
	(a) Current tax		2,870.69	3,754.18
	(b) Deferred tax		(113.07)	4,338.46
IX	**Profit for the year (VII-VIII)**		**13,687.21**	**3,668.90**
X	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified to profit or loss			
	(b) Re-measurement of the defined benefit plans		(8,247.67)	(3,559.13)
	- tax impact		2,882.06	1,231.75
	Total other comprehensive income		**(5,365.60)**	**(2,327.39)**
XI	**Total comprehensive income for the year (IX+X)**		**8,321.60**	**1,341.51**
XII	**Earnings per equity share:**			
	Basic (in Rs.) (Refer note no.36)		0.32	0.11
	Diluted (in Rs.)		0.31	0.11
	See accompanying notes to the Financial Statements	1-51		

As per our report annexed of even date attached

For Dhirubhai Shah and Co LLP
Chartered Accountants
Firm Registration No. 102511W/ W100298

Kaushik D. Shah (Partner)
Membership No.016502

Place : Ahmedabad
Date : 17th September, 2018

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

(Pankaj Joshi, IAS)
Chairman

(Bhavin Pandya, IAS)
Managing Director

(Kintukumar Malkan)
GM (F&A) & CFO

(Sudhir Bhatt)
Company Secretary

Place : Gandhinagar
Date : 17th September, 2018

Statement of Cash Flow for the year ended 31st March, 2018

(₹ In Lakhs)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	16,444.83	11,761.54
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization	67,144.03	65,435.10
	Loss/(Gain) on sale of PPE (net)	217.68	261.00
	Amortisation of Prepayments of Leasehold Land	1.89	3.46
	Loss on Obsolescence of Stores	1.53	1.08
	Other Losses & Write Offs	87.78	2.26
	Deferred Income (5.28% of Capital Grant & Consumer Contribution Written Back)	-18,714.00	-16,784.93
	Interest income	-357.54	-372.38
	Finance costs	16,711.74	21,475.44
	Impairment for Doubtful receivables	3,804.60	8,054.16
	Working capital adjustments:		
	(Increase)/ Decrease in Current Assets:		
	Inventories	-8,666.55	-11,635.72
	Trade receivables	-20,424.07	-23,645.95
	Other financials assets	-3,020.18	-1,353.05
	Other Non financial assets	-8.75	26.97
	Increase / (Decrease) in Current Liabilities:		
	Trade Payables	-358.38	265.54
	Other Financial Liabilities	-39,333.38	2,034.46
	Other Non Financial Liabilities & Provisions	8,315.20	15,910.52
		21,846.42	**71,439.50**
	Income tax (paid)/ Refund	-5,112.37	-1,983.20
	Net cash flows from operating activities (A)	**16,734.05**	**69,456.30**
	Investing activities		
	Purchase of property, plant and equipment (including CWIP)	-1,69,287.13	-1,24,257.79
	Sale of fixed assets	-88.76	-69.34
	(Increase) / Decrease in Assets not in use	10.58	-84.31
	Bank Balances not considered as Cash and Cash Equivalents	11.79	2,119.45
	Interest received (finance income)	357.54	372.38
	Net cash flows used in investing activities (B)	**-1,68,995.98**	**-1,21,919.62**

Financing activities		
Proceeds from Share Application Money pending allotment	1,40,913.82	87,944.17
Deferred Govt. Grants, Subsidy & Contributions	36,535.55	35,266.40
Proceeds / (Repayment) from borrowing (net)	-10,650.44	-39,057.07
Interest & financial charges	-18,099.99	-19,865.17
Net cash flows from/(used in) financing activities (C)	**1,48,698.94**	**64,288.33**
Net increase in cash and cash equivalents (A+B+C)	-3,562.99	11,825.02
Cash and cash equivalents at the beginning of the year	17,498.06	5,673.04
Cash and cash equivalents at year end	**13,935.07**	**17,498.06**

Notes:

(₹ In Lakhs)

1	**Cash & Bank Balances consists of the following:**		
	Cash & Cash Equivalents		
	a. Balances with Banks	11,540.98	16,047.20
	b. Cash on hand	628.58	513.53
	c. Others	1,765.50	937.34
	Closing Cash & Cash Equivalents	**13,935.07**	**17,498.06**
2	The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 " Cash Flow Statement" prescribed under the Companies (Accounting Standards) Rules, 2015.		
3	Previous year figures have been regrouped/rearranged wherever necessary.		

As per our report annexed of even date attached

For Dhirubhai Shah and Co LLP
Chartered Accountants
Firm Registration No. 102511W/ W100298

Kaushik D. Shah (Partner)
Membership No.016502

Place : Ahmedabad
Date : 17th September, 2018

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

(Pankaj Joshi, IAS)
Chairman

(Bhavin Pandya, IAS)
Managing Director

(Kintukumar Malkan)
GM (F&A) & CFO

(Sudhir Bhatt)
Company Secretary

Place : Gandhinagar
Date : 17th September, 2018

Statement of Changes in Equity for the year ended on 31st March, 2018

(a) Equity Share Capital (₹ In Lakhs)

Particulars	Amount
Balance as on 1st April, 2016	**2,81,519**
Changes during the year	1,02,184
Balance as on 31st March,2017	**3,83,703**
Changes during the year	1,22,496
Balance as on 31st March,2018	**5,06,199**

(b) Other Equity (₹ In Lakhs)

Particulars	Share Application Money	Reserves and Surplus		Total
		Retained Earnings	Securities Premium	
Balance as at 31st March, 2016	**14,240.00**	**-29,735.11**	**85,445.48**	**69,950.37**
Profit for the year	-	3,668.90	-	3,668.90
Other comprehensive income for the year (net of Tax)	-	(2,327.39)	-	-2,327.39
Addition during the year	87,944.17	-	-	87,944.17
Shares allotted during the year	(1,02,184.17)	-	-	-1,02,184.17
Total Comprehensive Income for the year	**-14,240.00**	**1,341.51**	**-**	**-12,898.49**
Balance as at 31st March, 2017	**-**	**-28,393.60**	**85,445.48**	**57,051.88**
Profit for the year		13,687.21		13,687.21
Other comprehensive income for the year (net of Tax)		(5,365.60)		-5,365.60
Addition during the year	1,40,913.82			1,40,913.82
Shares allotted during the year	(1,22,496.01)			-1,22,496.01
Total Comprehensive Income for the year	**18,417.81**	**8,321.60**	**-**	**26,739.41**
Balance as at 31st March, 2018	**18,417.81**	**-20,071.99**	**85,445.48**	**83,791.30**

As per our report annexed of even date attached

For Dhirubhai Shah and Co LLP
Chartered Accountants
Firm Registration No. 102511W/ W100298

Kaushik D. Shah (Partner)
Membership No.016502

Place : Ahmedabad
Date : 17th September, 2018

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

(Pankaj Joshi, IAS)
Chairman

(Bhavin Pandya, IAS)
Managing Director

(Kintukumar Malkan)
GM (F&A) & CFO

(Sudhir Bhatt)
Company Secretary

Place : Gandhinagar
Date : 17th September, 2018

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information and Critical judgements

A Corporate information

Paschim Gujarat Vij Company Limited ('PGVCL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Off. Nana Mava Main Road, Laxmi Nagar, Rajkot - 360 004. The Company is mainly engaged in distribution of power. The Principal places of business are located in Gujarat, India.

Pursuant to the enactment of the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, GoG has issued various notifications, resolutions and Transfer Schemes for vesting of the assets, liabilities, proceedings and personnel from erstwhile GEB to the GoG and then to revest the same into initially six companies i.e. one Generation Company, one Transmission Company and four Distribution Companies (Thereinafter referred to as Successor companies). Paschim Gujarat Vij Company Limited is one of these four Distribution Companies, registered under the provisions of Companies Act,2013. (Herein after referred to as Successor Company.)

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

Consequent on such transmission and transfer of shares to GUVNL and its nominees, the entire share capital of the Company is held by GUVNL and the Company has become the wholly owned subsidiary of GUVNL, a Government Company within the meaning of the Companies Act, 2013. GoG issued notification No. : GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006 notifying the final opening balance sheet of the Company as on 01/04/2005 containing the value of the assets and liabilities of the distribution activities which stand transferred from erstwhile GEB to the Company as specified in Annexure-F appended to the notification

B Basis of preparation

1 Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified) except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

2. Application of new Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the

Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

Recent accounting pronouncements :

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is mandatorily effective force from April 1, 2018. This amendment has no effect on the financial statements of the Company.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This amendment is mandatorily effective force from April 1, 2018. The effect on the Financial statements on adoption of Ind AS 115 is being evaluated by the Company.

3. Basis of measurement

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

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

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

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

4. Fair Value measurement

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

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

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

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

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

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

C. Significant accounting policies

1. Property, Plant & Equipment

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

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

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

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

An item of PPE not in use i.e obsolete/scrapped assets are stated at a value lower of Net Realisable Value and their written down value (Cost less Accumulated Depreciation).

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

Depreciation

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

The Company, being engaged in electricity business, is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013. Accordingly, the Company charges depreciation on straight line method at the depreciation rates, the methodology and the residual value as prescribed in GERC (MYT) Regulations, 2016. the depreciation for the first 12 years is charges at the rate of depreciation indicated in GERC (MYT) regulation,2016 and after completion of 12 years from date of commercial operation the remaining depreciable value is spread over the balance useful life of the assets.

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

Asset Description	Rates/Range
Buildings	3.34%
Hydraulic Works	5.28%
Other Civil Works	3.34%
Plant & Machinery	5.28%
Lines & Cable Net-Work	Upto 5.28%
Vehicles	9.50%
Furniture-Fix & Elect-Light & Fan Installations	6.33%
Office Equipments	6.33%

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions. except low value items not exceeding Rs 5000/- which are fully depreciated at the time of addition. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

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

Leasehold land is amortised over the period of lease.

2. Impairment of tangible assets

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

3. Non-current assets held for sale

The company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of assets and actions required to complete such sell indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn.

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

Property, Plant & Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.

4. Government Grant

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

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

5. Inventories

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

(a) Capital Inventory, Stores and Spares - At cost (Weighted Average Method)

(b) Scrap - Net Realizable Value determined by the company on the basis of realization made in the past period.

(c) Stock of Burnt Transformers, lying with various repairing agencies at the year end and declared as Scrap are valued at Cost or net realizable value which is lower.

6. **Revenue Recognition**

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

Revenue from sale of power

Revenue from sale of power (including Deviation Settlement Mechanism (Unscheduled Interchange) are recognized on accrual basis in accordance with the tariff orders awarded by Gujarat Electricity Regulatory Commission (GERC) as applicable.

Other revenue from power related activities

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

Miscellaneous revenue from consumers

Bills raised for theft of energy on consumer are recognized in full as soon as assessment order is received from the competent authority of the Company.

Recoveries of Meter rent and wheeling charges are recognized on accrual basis.

Miscellaneous charges from consumers are recognized on cash basis when ultimate realization of such income is uncertain.

Insurance Claims

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

Other income

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

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

Income in respect of delayed payment charges is accounted for in the subsequent bill, upon realization of the delayed payment made by the consumer against outstanding energy bills.

Amount in respect of unclaimed / undisputed Security Deposit, Earnest Money Deposit, Deposit of Temporary Consumers and Miscellaneous Deposit of suppliers and contractors which is pending for more than three years and which, in the opinion of management is not payable, is considered as income.

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

Discount received is considered as a financing transaction and hence the same is recognised as other income.

7. Foreign Exchange Transactions

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

8. Employee Benefits

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

Short-term employee benefits.

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

Long-term employee benefits.

Defined contribution plans

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

Defined benefit plans

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

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

Other long term employee benefits

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

9. Taxes on Income

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

Current tax

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

Deferred tax

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

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

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

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

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

Current and deferred tax for the year

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

10. Borrowing Costs

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

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

11. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

12. Material prior period errors

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

13. Earnings per share

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

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

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

14. Segment Reporting

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

15. Events Occurring After The Date Of Balance Sheet Date

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

16. Financial instruments

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

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

Financial assets

Cash and cash equivalents

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

Financial assets at amortized cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Impairment of Financial assets

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Financial liabilities at amortized cost

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

Equity instruments

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

Derecognition of financial liabilities

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

Effective interest method

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

17. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

Critical Judgements and Estimates in applying accounting policies

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

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

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

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

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, other than the assets of generation/transmission/distribution of electricity business which are governed by CERC/GERC Regulations, and are adjusted prospectively, if appropriate.

(b) Evaluation of directly attributable costs [2]

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

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

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

(d) Regulatory deferral accounts [1]

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

(e) Security deposits [2]

Considering the historical experience and practical expediency, the Company has exercised its judgement on timing of settlement of security deposit realted to energy billed collected from the customers and has accordingly classified the security deposit as non-current liability or current liability as the case may be.

(f) Impairment of Trade receivables [2]

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 8.

(g) Deferred tax assets [2]

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

(h) Government grants & Consumer Contributions [12]

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

(b) The Company is required to recognise grants/consumer contribution that compensate the cost of assets to profit or loss on a systematic basis considering the amount of periodic consumption of the assets. This is based on the assessment of the present status of, and expected future benefits from the assets. The Company recognizes grants and consumer contributions that compensate the cost of an asset in the Statement of Profit and Loss on the basis of straight line method and consequentially the rates at which grant/consumer contribution is recognised in income.

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

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

(j) Contingent liabilities [2]

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

[1] Critical accounting Judgements

[2] Key sources of estimation uncertainties

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. 2 : PROPERTY, PLANT AND EQUIPMENTS

(₹ In Lakhs)

Particulars /Assets	TANGIBLE ASSETS									
	Free Hold Land	Buildings	Hydraulic works	Other Civil works	Plant & Machinery	Lines & Cable Net Works	Vehicles	Furniture & Fixtures & Ele.Lightings	Office Equipments	Total
GROSS BLOCK										
At 1st April 2016	1,181.38	6,389.22	2.65	919.59	2,89,620.34	5,93,889.91	114.97	1,107.21	5,596.16	8,98,821.45
Additions	(15.77)	820.62	-	401.95	41,642.20	83,986.65	0.51	206.37	1,169.15	1,28,211.68
Deduction/Adjustments	-	-	-	-	181.64	1.31	0.46	0.02	155.12	338.56
At 31st March 2017	1,165.61	7,209.84	2.65	1,321.54	3,31,080.90	6,77,875.25	115.02	1,313.57	6,610.19	**10,26,694.57**
Additions	56.80	739.38	0.00	213.72	61187.62	105337.40	0.00	203.58	382.07	1,68,120.58
Deduction/Adjustments	0.00	0.00	0.00	0.00	862.98	246.33	4.28	1.11	53.11	1,167.81
At 31st March 2018	**1,222.41**	**7,949.22**	**2.65**	**1,535.26**	**3,91,405.54**	**7,82,966.32**	**110.74**	**1,516.05**	**6,939.15**	**11,93,647.34**
ACCUMULATED DEPRECIATION										
At 1st April 2016	-	228.20	0.42	31.71	17,771.56	39,105.64	12.37	92.60	856.38	58,098.88
Charge for the year		255.85	0.42	40.69	20,180.84	43,878.27	12.81	105.48	960.74	65,435.10
Deduction/Adjustments	-	-	-	-	53.69	0.16	0.16	0.00	92.88	146.89
At 31st March 2017	-	484.05	0.84	72.40	37,898.71	82,983.75	25.03	198.07	1,724.24	1,23,387.08
Charge for the year		280.72	0.41	51.68	22,441.48	43,167.96	12.63	117.35	1,071.82	67,144.03
Deduction/Adjustments	0.00	0.00	0.00	0.00	771.77	209.13	3.85	1.00	53.15	1,038.89
At 31st March 2018	-	**764.77**	**1.25**	**124.07**	**59,568.43**	**1,25,942.58**	**33.80**	**314.42**	**2,742.91**	**1,89,492.22**
Net Block										
At 31st March 2017	1,165.61	6,725.79	1.82	1,249.14	2,93,182.19	5,94,891.51	89.99	1,115.50	4,885.95	9,03,307.49
At 31st March 2018	**1,222.41**	**7,184.45**	**1.40**	**1,411.19**	**3,31,837.11**	**6,57,023.75**	**76.94**	**1,201.63**	**4,196.24**	**10,04,155.12**

a. The Company has elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards' (Refer Note 1.C.17)

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

3 Capital Works-in-progress

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital works-in-progress	24,843.69	22,096.86
Total	**24,843.69**	**22,096.86**

(a) The details of Capital Works-in-progress is as follows:-

(₹ In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Plant and Machinery	6259.13	5,609.74
Lines & Cable Network	18210.86	16,252.15
Other Misc Capital Work in Progress	365.91	234.97
Total	**24,835.90**	**22,096.86**

(b) The Company has evaluated the directly attributable cost capitalisation rate for the current financial year ended 31 March 2018 and applied this to the expenditure on the relevant assets and the total expenditure thus capitalized during the current financial year is ₹. 22,374.80 lakhs (P.Y. ₹. 17,401.37 lakhs) .

(c) Borrowing costs amounting to ₹. 233.16 Lakhs(P.Y. ₹. 678.12 Lakhs) has been capitalized during the year. Interest rate of 9.00% (P.Y. 8.00%) is considered for capitalization.

4 Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured Considered Good		
Loans to Staff	2,214.38	2,737.11
Unsecured Considered Good		
Other Loans And Advances	11.99	11.99
Total	**2,226.36**	**2,749.09**

(a) In the opinion of the Management, the, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts.

5 Other Non-Current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured Considered Good		
Interest Accrued But Not Due on Staff Loans	1,733.39	1,584.31
Interest Accrued & Due on Staff Loans	162.35	116.64
Bank deposits with more than 12 months maturity	48.91	34.61
Unsecured Considered Good		
Deposits with Others	186.54	190.83
Total	**2,131.19**	**1,926.38**

6 Other Non-Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital Advances to Suppliers / Contractors	-	1.63
Other Deposits	316.33	234.98
Prepayments - Leasehold Land	43.87	45.76
Total	**360.20**	**282.37**

7 Inventories

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Stores , Spares and Scrap		
Stock of materials at stores	53,812.38	42,901.98
Materials at Site (O&M)	1,463.13	1,233.36
Materials in Transit	60.04	-
Other Materials Accounts	14,146.14	16,681.32
Material Stock pending Investigation	350.51	262.74
Less: Provision for stock pending investigation	-350.51	-262.74
Total	**69,481.68**	**60,816.66**

(a) Physical inventory of stores spares and consumables as per the stores records have been reconciled with the financial ledger as on 31st March, 2018. The shortage/excess observed during the physical verification has been accounted for.

(b) Cash Credit limit is secured against the Ist hypothecation charge in favour of UCO Bank Consortium on the Stocks and Book Debts .

(c) Refer note 1.C. 4 for valuation policy

8 Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured Considered Good (Secured good to the extent of security deposit received from the respective Consumers)		
Trade Receivables for Sale of Power	1,74,899.73	1,59,023.25
Trade receivables for misc. receipts from consumers	-	-
	1,74,899.73	1,59,023.25
Less : Unposted Receipts	305.19	156.82
	1,74,594.53	1,58,866.43
Less: Allowance for bad and doubtful debts (refer note b. below)	17,324.20	16,069.63

		1,57,270.33	1,42,796.80
Less : Doubtful E D & TSE		3,435.83	3,441.79
	Total	**1,53,834.50**	**1,39,355.01**
Unsecured Considered Doubtful			
Dues from Permanently Disconnected Consumers (Net of Security Deposit forfeited)		54,310.50	49,835.02
Less: Allowance for bad and doubtful debts (refer note b. below)		52,170.51	49,835.02
	Total	**2,139.99**	**-**
	Total	**1,55,974.49**	**1,39,355.01**

a. Sundry Debtors for sale of power includes the Provision for unbilled revenue in respect of the bills issued upto 31st March,2018 amounting to ₹113966.23 Lakhs (P.Y. ₹106893.57 Lakhs).

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

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

d. GOG, EPD has vide their GR NO GUV-2016-3170-K1-2842 dated 12.10.2017 announced Amnesty-2017 scheme as per which the PDC consumers/non consumers (All categories except Street Light & GLP Category consumers) as on 31.08.2017 are eligible for settlement of their outstanding dues for the purpose of availment of benefits of waiver of 100% DPC and further waiver of 50% principle amount if they are Residential or Agriculture consumers/Non Consumers.

The scheme was originally applicable for 3 months from 25.04.2018 to 24.07.2018. Further, the scheme is extended up to 30.09.2018 and the impact of the amount received (Rs. 2139.99 Lakhs) has been considered in the FY 2017-18.

e Age of receivable: **(₹ In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Less than or equal to 6 months	123600.17	117806.69
More than 6 months but less than or equal to 1 year	5173.67	26271.73
More than 1 year	46125.89	14944.83
Total	**174899.73**	**159023.25**

f. As on 31st March,2018, there are 5661792 (P.Y. 5442461) consumers with the Company. Taking into consideration such large no. of consumers it is practically not feasible to obtain the confirmation of all the balances. Moreover tariff rate at which the consumers are billed is stipulated under tariff order as awarded by GERC and the Company has no powers to change it unilaterally. Further consumers pay the amount as and when the bill is raised to them. If there is any dispute the same is brought to notice of the Company. In view of this and considering the sample balance confirmation, the balances outstanding are considered as good and recoverable except those provided for.

g. Hypothecation against stock and book debts (Refer note no.7b)

9 Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balances with banks	11,504.15	16,013.89
Cheques on Hand	949.58	566.99
Cash on hand	628.58	513.53
Remittance in Transit	815.92	370.35
Deposits with banks	36.84	33.31
Total	**13,935.07**	**17,498.06**

10 Other Bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deposit with Banks	29.80	55.89
Total	**29.80**	**55.89**

11 Current Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured Considered Good		
Loans to Staff	859.37	471.93
Unsecured considered good		
Other loans and advances	215.97	229.64
Total	**1,075.34**	**701.57**

12 Other Current Financial Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured Considered Good		
Unbilled Revenue (For which bills are not issued upto 31/03/2018) Unbilled Revenue	13,617.27	12,271.22
Interest accrued on staff advances	51.91	70.46
Amount recoverable from Staff	9.89	21.71
Subsidy Receivable from Government	42.15	63.43
ED Receivable from Government	1,909.87	-
Deposits	298.04	402.51
Other recoverables	973.81	1,082.81
Receivables from associates		
- Gujarat Energy Training & Research Institute	24.34	36.52
Total	**16,927.29**	**13,948.66**

13 Current Tax Assets (net)

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Tax Assets		
Tax Refund Receivable	13,647.81	8,399.10
Current Tax Liability		
Income Tax Payable	13,388.64	-10,654.38
Total	**259.17**	**-**

14 Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured Considered Good		
Prepaid Expenses	88.20	194.17
Postage stamp & stamped agreements on hand	25.95	23.95
Advances for O&M Supplies/Works	1,008.86	977.49
Pre-Payments Leasehold Land	1.89	1.89
Total	**1,124.90**	**1,197.50**

15 Assets classified as held for sale

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Obsolete/scraped assets	100.34	110.92
Total	**100.34**	**110.92**

a. During the current year, the assets have been sold for total consideration of ₹ 88.76 lakhs resulting in Net loss on sale of non-current asset of ₹ 217.68 Lakhs recorded under 'Other Income' (Note 30) / 'Other Expense' (Note 34).

16 Equity Share Capital

a Equity share capital consist of the following:

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Share Capital		
Equity Share Capital		
Authorised Share capital		
800,00,00,000	8,00,000.00	5,00,000.00
(P.Y. 500,00,00,000) Equity Shares each of ₹ .10 each		
Issued Share Capital		
506,19,89,696	5,06,198.97	3,83,702.96
(P.Y.383,70,29,596) of ₹. 10/- each		
Subscribed & Paid up		
506,19,89,696	5,06,198.97	3,83,702.96
(P.Y.383,70,29,596) of ₹. 10/- each		
Total	**5,06,198.97**	**3,83,702.96**

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

Particulars	No. of Shares	Share Capital (Lakhs)
As at 1st April,2016	2,81,51,87,871	2,81,518.79
Additions/(Reductions)	1,02,18,41,725	1,02,184.17
As at 31st March,2017	3,83,70,29,596	3,83,702.96
As at 1st April,2017	**3,83,70,29,596**	**3,83,702.96**
Additions/(Reductions)	1,22,49,60,100	1,22,496.01
As at 31st March,2018	**5,06,19,89,696**	**5,06,198.97**

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

Particulars	No. of Shares	
	As at 31st March, 2018	As at 31st March, 2017
Gujarat Urja Vikas Nigam Limited & its Nominees	5,06,19,89,696	3,83,70,29,596

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its Nominees	5,06,19,89,696	100.00%	3,83,70,29,596	100.00%

e Right, preferences and restrictions attached to shares :

The company has issued only one class of Equity share having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Shareholder has the right to receive the Dividend whenever it is declared. In the event of liquidation of the company, the holder of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholder.

f Shares allotted for consideration other than cash is as under:

Particulars	As at 31st March, 2018	As at 31st March, 2017
No. of shares issued for consideration other than cash	21,74,08,813	21,74,08,813
Amount of Shares issued for consideration other than cash (Rs. in Lakhs)	21740.88	21740.88

21,74,08,813 shares were allotted at premium for consideration other than cash in terms of GoG resolution Dt. 12.12.2008 by bifurcating and notifying revised Equity Structure from 01.04.2008. The said shares pertains to the consideration specified in FRP notification dtd. 03.10.2006 for the transfer of undertaking comprising of the values of assets and liabilities and the proceeding relating to distribution activities of erstwhile GEB as specified in the transfer schemes which has been discharged by PGVCL in the form of equity shares of ₹ 10/- each to GUVNL, as directed by the GoG under notification of Energy & Petrochemicals Department dated 12th December, 2008.

17 Other Equity

a Other equity consist of the following:

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Share Application Money Pending Allotment	18,417.81	-
Securities Premium Account	85,445.48	85,445.48
Retained Earnings	(20,071.99)	(28,393.60)
Total	**83,791.30**	**57,051.88**

b Particulars relating to Other Equity

(₹ In Lakhs)

Other Equity	As at 31st March, 2018	As at 31st March, 2017
(a) Share application money pending allotment (Refer Note No. (i) below)		
Opening balance	-	14,240.00
Add: Received during the year	1,40,913.82	87,944.17
Less: allotment during the year	1,22,496.01	1,02,184.17
Balance at the end of the year	18,417.81	-
(b) Equity Securities Premium Account (Refer Note No. (ii) below)		
Opening Balance	85,445.48	85,445.48
Add: Increase during the year		-
Balance at the end of the year	85,445.48	85,445.48
(c) Retained Earnings		
Opening Balance	(28,393.60)	(29,735.11)
Add: Net profit after tax transferred from Statement of Profit & Loss	13,687.21	3,668.90
Add: Other Comprehensive income arising from remeasurement of defined benefit obligation	(5,365.60)	(2,327.39)
Balance at the end of the year	(20,071.99)	(28,393.60)
Total	**83,791.30**	**57,051.88**

Share application money pending allotment

I. The equity share application of ₹ 56012.25 Lakhs has been received from GUVNL during the year2018-19 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), shifting/replacement of Poles & Lines of Municipal/Nagarpalika areas and release of AG connections vide Letter no. ACCTTS/ED(F&A)/227 dtd 28th May, 2018 and 56,01,22,475 no. of Equity Shares of ₹ 10.00 each has been allotted on 21st June,2018 on the basis of independent valuation report.

The equity share application of ₹ 18417.81 Lakhs has been received from GUVNL during the year2017-18 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), Khushy Scheme and release of AG connections vide Letter no. ACCTTS/ED(F&A)/1334 dtd 6th March, 2018 and 18,41,78,100 no. of Equity Shares of ₹ 10.00 each has been allotted on 20th April, 2018 on the basis of independent valuation report.

The equity share application of ₹ 72189.96 Lakhs has been received from GUVNL during the year2017-18 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), Khushy Scheme, shifting/replacement of Poles & Lines of Municipal/Nagarpalika areas and release of AG connections vide Letter no. ACCTTS/ED(F&A)/735 dtd 30th October,2017 and 721899600 no. of Equity Shares of ₹ 10.00 each has been allotted on 16th January,2018 on the basis of independent valuation report.

The equity share application of ₹ 50306.05 Lakhs has been received from GUVNL during the year2017-18 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), Khushy Scheme, shifting/replacement of Poles & Lines of Municipal/Nagarpalika areas and release of AG connections vide Letter no. ACCTTS/ED(F&A)/97 dtd 6th May,2017 and 503060500 no. of Equity Shares of ₹. 10.00 each has been allotted on 14th July 2017 on the basis of independent valuation report.

The equity share application of ₹ 48265.95 Lakhs has been received from GUVNL during the year 2016-17 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), Khushy Scheme, shifting/replacement of Poles & Lines of Municipal/Nagarpalika areas and release of AG connections vide Letter no. ACCTTS/ED(F&A)/1013 dtd 17th January,2017 and 482659500 no. of Equity Shares of ₹ 10.00 each has been allotted on 17th March,2017 on the basis of independent valuation report.

The equity share application of ₹ 39678.22 Lakhs has been received from GUVNL during the year 2016-17 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), Khushy Scheme, shifting/replacement of Poles & Lines of Municipal/Nagarpalika areas and release of AG connections vide Letter no. ACCTTS/ED(F&A)/215 dtd 10th June, 2016 and 396782225 no. of Equity Shares of ₹. 10.00 each has been allotted on 29th July,2016 on the basis of independent valuation report.

(ii) Equity Securities Premium Account

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

18. Government Grant

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Government Grants, Subsidies towards Capital Assets	65,510.89	54,270.22
Consumers' contribution towards capital assets	1,42,263.35	1,35,682.48
Total	**2,07,774.24**	**1,89,952.70**

a. **Particulars relating to Deferred Government Grants, Subsidies and contributions** (₹ In Lakhs)

Particular	As at 31st March, 2018	As at 31st March, 2017
Government Grants, Subsidies towards Capital Assets		
Opening balance	54,270.22	39,973.54
Add : Received during the year	16,712.69	18,886.27
Less : Transferred to Statement of Profit and Loss	5,472.02	4,589.59
Closing Balance	**65,510.89**	**54,270.22**
Consumers' Contribution towards Capital Assets		
Opening balance	1,35,682.48	1,31,497.69
Add : Received/transferred during the year	19,822.86	16,380.13
Less : Transferred to Statement of Profit and Loss	13,241.98	12,195.34
Closing Balance	**1,42,263.35**	**1,35,682.48**
Total	**2,07,774.24**	**1,89,952.70**

b.

Grant received during the FY 2017-18 comprises of	Amount (₹ In Lakhs)
Sardar krushi Jyoti Yojana	4559.29
DDUGJY	6198.97
Sagar Khedu	3827.94
Others	2126.49
Total	**16,712.69**

19. Borrowings (₹ In Lakhs)

Particular	As at 31st March, 2018	As at 31st March, 2017
Secured		
Term Loans		
(i) From Banks	6,606.92	8,749.78
(ii) From Financial Institutions	10,825.45	10,374.53
Unsecured		
Loans from Related Party - Govt. of Gujarat		
(i) State Government Loan under APDRP	1,734.25	2,176.28
(ii) Loan from Asian Development Bank	8,810.91	10,247.56
(iii) Kisan Hit Urja Shakti Yojna (KHUSHY) Loan	800.00	1,200.00
Total	**28,777.53**	**32,748.15**

SECURED AND UNSECURED LOANS

GUVNL raises fund by issue of bonds as well as borrowing from Banks, Financial Institutions, GoG and other Public Sector Undertakings for common usages of successor Companies. The repayment and interest of these borrowings are reimbursed by the Company to GUVNL. Facilities sharing agreement between GUVNL and successor Companies have been executed. Consequently, the part amount of loan outstanding from Banks and Financial Institutions are disclosed under the head 'Long Term Borrowings' and maturity pattern, terms of repayment and security as disclosed below are as per the information provided by the GUVNL.

REGISTRATION OF THE CHARGE ON ASSET

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

SECURITIES AGAINST LONG TERM BORROWINGS

Some of the assets of the company viz. Plant and Machinery, Hydraulic works, lines and cables, furniture and fixtures and office equipments are given as security to the Banks for the loans raised by Holding Company i.e. GUVNL. Charges created in respect of these assets as well as charges in respect of loan from Power Finance Corporation (PFC), Bank of Baroda & Bank of India availed by the company are as under :

Name of the Bank in whose favour charges is created	Amount for which the charge is created (₹. in Lakhs)	Location at which the assets are in existence and on which the charge is created.
Loans Allocated by GUVNL		
UCO Bank	71,400	Current Assets
Loans Availed by Company		
Power Finance Corporation	30,535	Charge on the asset which are acquired out of the term loan.
Bank of India	15,000	Charge on the asset which are acquired out of the term loan.

(₹ In Lakhs)

Particulars	Maturity Period			Total
	Up to 2 Years	Next 2 Years	Beyond 4 Years	
Loans(Allocated By GUVNL)				
A) Govt Loans allocated by GUVNL (Unsecured)	4557.35	4029.45	5037.04	13623.84
B) Loans Financial Institution (Unsecured)	0.00	-	-	-
C) Loan From Financial Institution (Unsecured)				
Loans(Raised/Serviced by PGVCL)				
A) Loans From REC Ltd.(Unsecured Loan)	11.83	-	-	11.83
B) Loans from Power Finance Corporation (Secured Loan)	3143.43	2,067.30	6,992.45	12,203.17
C) Loans From BOI (Secured)	4285.71	4285.71	178.35	8749.78

“As per the PFC letter no. 02:10: R-APDRP (P-A):2009: Utilities dated, 11.07.2013, The financial assistance as availed from PFC towards the R-APDRP project as loan along with the interest thereon shall be converted into the grant once the establishment of the required system is achieved and verified by an independent agency appointed by the Ministry of Power (MoP). No conversion to grant will be made in case the projects are not completed within the period of 5 years. Till the completion of the project, the said financial assistance is treated as loan and accordingly the interest has been accrued and accounted. The moratorium period of the said loan is of 5 years.

Furthermore the work of RAPDRP Part B SCADA has been completed in Nov-17 and as per the Office Memorandum No. 26.01.2015-IPDS (Vol – IV) – Part (1), Government of India, Ministry of Power Dtd: 18.06.2018, “the time limit extension for conversion of Part A- Scada loan into grant under R-APDRP has been provided upto 31.12.2018”.

REPAYMENT TERMS

Particulars	Periodicity
Loan from Power Finance Corporation	Monthly
Loan from BOI (Serviced by PGVCL)	Monthly
Loan from Financial Institutions (as allocated by GUVNL)	Monthly
Loan from REC LTD (Serviced by PGVCL)	Quarterly
Loan under APDRP	Yearly
ADB Prog. & Proj. Loan	Yearly
ADB Loan for Earthquake	Yearly
Kisan Hit Urja Shakti Yojna (KHUSHY) Loan	Yearly

Borrowings consists of the following: **(₹ In Lakhs)**

Particular	Outstanding No. of Installments due after the balance sheet date	EMI Amount	Outstanding Loan Amount	Current Maturities of Loan
Secured Loans **Loan from Banks and Financial Institutions (raised by PGVCL)**				
Loan from Power Finance Corporation				
31.03.2018 (Interest Rate:- 9.00%)	120	106.11	12203.17	1377.72
31.03.2017 (Interest Rate:- 9.00%)	130	92.86	11920.27	1545.74
Loan from Banks				
(a) Loan from BOB				
31.03.2017 (Interest Rate:- -------)	-	-	-	-
(b) Loan from BOI				
31.03.2018 (Interest Rate:- 8.10%)	49	178.57	8749.78	2142.86
31.03.2017 (Interest Rate:- 8.40%)	61	178.57	10895.02	2145.24

Unsecured Loans				
Loan from Financial Institutions				
- As allocated by GUVNL				
31.03.2018 (Interest Rate:- 8.00%)	-	0.00	0.00	0.00
31.03.2017 (Interest Rate:- 8.00%)	18	1000.00	6000.00	6000.00
Loan obtain by company				
- From REC				
31.03.2018 (Interest Rate:- 9.00% to 11.60%)	1	11.83	11.83	11.83
31.03.2017 (Interest Rate:- 8.80% to 9.15%)	16	104.57	521.25	521.25
State Government Loans (Allocated by GUVNL)				
Loan under APDRP				
31.03.2018 (Interest Rate:- 9.00% to 12.50%)	7	442.03	2176.28	442.03
31.03.2017 (Interest Rate:- 9.00% to 12.50%)	8	442.03	2618.32	442.03
ADB Prog. & Proj. Loan				
31.03.2018 (Interest Rate:- 9.00% to 11.50%)	10	570.05	3960.00	570.05
31.03.2017 (Interest Rate:- 9.00% to 11.50%)	11	570.05	4530.04	570.05
ADB Loan for Earthquake				
31.03.2018 (Interest Rate:- 9.00% to 11.50%)	13	866.60	6287.56	866.60
31.03.2017 (Interest Rate:- 9.00% to 11.50%)	14	866.60	7154.16	866.60
Kisan Hit Urja Shakti Yojna (KHUSHY) Loan				
31.03.2018 (Interest Rate:- 10.00%)	4	400.00	1200.00	400.00
31.03.2017 (Interest Rate:- 10.00%)	5	400.00	1600.00	400.00

20 Other Financial Liability

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Security deposit from consumers	1,74,567.97	1,60,606.46
Staff Retirement cum Death Benefit Scheme	2,843.35	2,880.66
Total	**1,77,411.33**	**1,63,487.12**

21 Other Non Current Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deposits for Electrification & Service connection	10,809.33	8,858.28
Total	**10,809.33**	**8,858.28**

22 Long -term provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits		
Provision for Leave Encashment	28,291.81	23,805.32
Total	**28,291.81**	**23,805.32**

23 Deferred Tax Liabilities (Net)

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax assets	1,20,753.08	1,02,423.65
Deferred tax liabilities	(1,63,746.75)	(1,48,412.46)
Total	**(42,993.67)**	**(45,988.81)**

As at 31st March, 2018	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Employee benefits	12,909.35	(4,778.01)	2,882.06	11,013.40
Unabsorbed Depreciation	39,315.83	15,088.64	-	54,404.47
Provision on Debt and Loan to JV	22,808.28	1,475.95	-	24,284.24
Deferred Government grant	17,426.45	1,298.23	-	18,724.68
Mat Credit	9,868.96	2,398.49	-	12,267.45
Others	94.78	(35.93)	-	58.85
Total Deferred Tax Assets	**1,02,423.65**	**15,447.36**	**2,882.06**	**1,20,753.08**
Deferred Tax Liabilities				
Property, plant and equipment	1,48,412.46	15,334.29		1,63,746.75
Others	-		-	
Total Deferred Tax Liabilities	**1,48,412.46**	**15,334.29**	**-**	**1,63,746.75**
Net Deferred Tax Liabilities	**(45,988.81)**	**113.07**	**2,882.06**	**(42,993.67)**

As at 31st March, 2017	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Employee benefits	10,946.65	730.97	1,231.75	12,909.35
Unabsorbed Depreciation	41,537.03	(2,221.20)	-	39,315.83
Provision on Debt	20,160.32	2,647.96	-	22,808.28
Deferred Government grant	12,336.66	5,089.79	-	17,426.45
Mat Credit	6,650.34	3,218.62	-	9,868.96
Others	104.15	(9.37)	-	94.78
Total Deferred Tax Assets	**91,735.15**	**9,456.77**	**1,231.75**	**1,02,423.65**
Deferred Tax Liabilities				
Property, plant and equipment	1,34,617.22	13,795.24	-	1,48,412.46
Others	-	-	-	-
Total Deferred Tax Liabilities	**1,34,617.22**	**13,795.24**	**-**	**1,48,412.46**
Net Deferred Tax Liabilities	**(42,882.07)**	**(4,338.46)**	**1,231.75**	**(45,988.81)**

24 Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Liability for Purchase of Power	318.45	676.82
Total	**318.45**	**676.82**

DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

In view of their large number of accounts and in absence of segregated information, total outstanding dues to Small Scale Industrial Undertaking as defined under Micro, Small & Medium Enterprises Development Act, 2006 have not been disclosed separately.

However, based on the details available with the Company in respect of transactions incurred during the year, there are no undisputed over dues as such to micro, small and medium enterprises as at 31st March 2018.

25 Other Current Financial Liability

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long-term debt		
Secured:		
Term Loans From Banks	2,142.86	8,145.24
Loan from Financial Institutions	1,377.72	1,545.74
Unsecured:		
Loan from Financial Institutions	11.83	521.25
Govt. of Gujarat (Related Party)		
State Government Loan under APDRP	442.03	442.03
Loan from Asian Development Bank	1,436.64	1,436.64
KHUSHY Loan	400.00	400.00
OTHER MISC. CURRENT LIABILITIES		
Interest Accrued But Not Due on Loans	10,890.10	11,428.92
Interest Accrued and Due on Loans from Banks	-	-
Interest payable on consumers security Deposit	9,224.43	9,567.96
Liability for O & M Supplies / Works	17,624.66	16,279.18
Staff Related Liabilities	819.49	842.04
Staff Retirement cum Death Benefit Scheme	248.68	169.56
Grant payable	7,781.51	9,986.84
Deposits & Retentions from Suppliers / Contractors	11,867.61	13,213.59
Outstanding liability for expenses	40,580.32	21,174.34
Liability for Interest Received----Outside Parties	0.72	0.97
Liability for Capital Supplies / Works	79.53	79.53
Deposits for Electrification & Service connection	5,012.93	4,412.30
Deposits from Others	-	-
Deposits for Execution of Works	-	-
Amount payable to EESL	144.22	
Other Liability	4,183.62	3,033.98
Payables to Holding Company		
- Gujarat Urja Vikas Nigam Limited	11,031.27	73,758.88
Total	**1,25,300.16**	**1,76,439.00**

DUES TO HOLDING AND FELLOW SUBSIDIARY COMPANIES

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

BALANCE CONFIRMATION

Considering large no. of suppliers & general ledger accounting system, it is practically not feasible to obtain Balance confirmation in all cases every year. Hence, company has the system to obtain the balance confirmation on sample basis & in case of other balances, company is of the opinion that they are duly reconciled.

"GOG, EPD has vide their GR dated 23.05.2016 and 18.01.2018 launched UJALA scheme for distributions of LED bulbs and Tube lights & Fans respectively through M/s Energy efficient services Limited (EESL). An agreement is accordingly executed between EESL & PGVCL.

The Impact of amount recoverable from consumers towards distribution of LED bulbs, Tube lights and Fans and payable to EESL has been accounted for in the books of accounts for the F.Y. 2017-18"

26 Other Current Liability

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Statutory Liabilities	2,793.56	902.99
Income Received in Advance	75,931.50	76,324.81
Compounding charges payable to State Govt.	49.85	31.44
Other Liability	344.88	197.43
Total	**79,119.79**	**77,456.68**

Out of the statutory liabilities, the amount of Rs. 492.60 lakhs (relates to the liability for the period July 2017 to September 2017) since the incidental income in connection with the sale of power have been exigible to GST especially with the advance ruling pronouncement in the captioned subject matter in the month of January 2018 and hence the company has decided to levy GST on the incidental income and a consensus of it was convened in the month of Mar-2018. Owing to this, GST liability as enunciated was outstanding for a period of more than six months as on 31.03.2018. However, the company has dischagred the said GST dues with the exchequer of Government.

27 Short-term Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(A) Provision for Employee Benefits		
Provision for Leave Encashment	1,838.05	1,623.51
Total	**1,838.05**	**1,623.51**

28 Current Tax Liabilities (net)

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Tax Liability		
Income Tax Payable	-	10,654.38
Current Tax Assets		
Tax Refund Receivable	-	8,399.10
Total		**2,255.28**

29 Revenue from Operation

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Income from operating Activity		
Revenue from Sale of Power		
Residential General Purpose	1,91,501.48	1,80,318.81
General Lighting Purpose	6,856.74	6,351.60
Low Tension Maximum Demand and Non Residential General Purpose	2,38,337.37	2,18,829.99
Industrial High Voltage	7,18,425.67	5,72,172.49
Public Lighting	4,617.69	5,612.11
Irrigation agricultural	1,60,218.35	1,56,633.55
Public Water Works and Sewage Pumps	27,615.90	28,704.87
Supply in Bulk-Licensee	1,113.84	1,300.07
Revenue from Sale of Electrical Energy	9,366.56	5,627.17
	13,58,053.61	**11,75,550.64**
Electricity Duty		
Electricity Duty Assessed	1,33,370.30	1,16,340.82
Less: Electricity Duty Assessed (Contra)	-1,33,370.30	-1,16,340.82
	-	-
Sale of Services		
Parallel operation charge	1,005.77	917.35
Unscheduled Interchange Income	8,632.95	4,015.63
	9,638.72	4,932.98
Other operating Revenue		
Meter Charges / Service line charges	8,664.98	8,202.25
Recoveries for theft of power / Malpractices	6,255.84	11,777.30
Wheeling Charges Recoveries	133.35	557.21
Interest and Financial Income	7,657.89	6,023.67
Cross Subsidy Surcharge & Addl.Surcharge-OA Consumers	2,275.91	26,842.79
Agriculture Subsidy	43,537.27	43,373.47
Miscellaneous Charges from Consumers	5,220.16	4,271.94
	73,745.39	1,01,048.64
Total	**14,41,437.71**	**12,81,532.27**

a. Deviation Settlement Mechanism (UI)

The Deviation Settlement Mechanism charges (UI) (underdrawal/Overdrawal charges) have been accounted as provided by SLDC following the Deviation Settlement Mechanism (DSM).

30 Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income		
-On staff advance	357.54	371.65
-Interest from Banks (on delayed remittance by bank)	-	0.73
Income from Sales -Stores, Scrap etc..	45.70	22.23
Grant for energy conservation	41.86	1,039.53
Subsidy against Flood Losses	1,930.96	-
Deferred Income		
(5.28% of Capital Grant & Consumer Contribution Written Back)	18,714.00	16,784.93
Gain on sale of Fixed Assets (Net of Loss)	1.77	0.06
Miscellaneous receipts*	5,123.53	9,755.59
Total	**26,215.37**	**27,974.71**

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

31 Purchase of Power

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Purchase of power from GUVNL	12,61,127.57	11,00,617.53
Purchase of power from Wind Farm	3,700.04	3,925.69
Purchase of Solar Power	1,064.28	1,023.43
Uninterrupted Interchange Charges-UI (Deviation Settlement Mechanism Charges	1,251.26	1,993.04
Total	**12,67,143.15**	**11,07,559.70**

POWER PURCHASE FROM GUVNL

The Power Purchase from the GUVNL is accounted as per the invoices raised by GUVNL at the BST rate stated in the invoices.

For Deviation Settlement Mechanism Charges(UI), Refer note no. 29 (a)of Revenue From Operations

32 Employees benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and Allowances	70,103.97	67,375.61
Contribution to PF Trusts	6,294.88	5,476.82
Staff Welfare Expenses	1,402.12	819.91
Retirement and other Benefits	9,601.05	10,267.03
	87,402.02	**83,939.37**
Less: Directly attributable cost capitalised	-18,022.52	-14,006.50
Total	**69,379.50**	**69,932.87**

SALARIES & ALLOWANCES

Salaries & Allowances for the FY 2017-18 includes ₹. 8662.07 Lakhs (P.Y. ₹. 12695.71 Lakhs) towards provision for 7th Pay Commission Salary.

33 Finance Cost

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Expense		
Interest on State Government Loans	1,463.41	1,688.95
Interest on Bonds	-	73.46
Interest on Cash Credit and Working Capital	3,845.52	7,083.17
Interest on Rural Electrification Corporation Loans and Power Finance Corporation	627.64	1,102.47
Interest on Term Loans	105.16	1,006.63
Interest on Other loans	297.96	292.05
Interest to Consumers on Security Deposits etc.	10,332.92	10,574.23
Discount to consumers for timely payments of bills	10.39	62.43
Other Borrowing Costs		
Guarantee Fees / Charges	-	34.17
Bank Charges, Commission and Others	261.90	236.00
Less : Directly attributable cost capitalised	-233.16	-678.12
Total	**16,711.74**	**21,475.44**

Interest on Security deposit of H.T consumers is provided and the same has been reconciled with subsidiary records. In case of L.T consumers the interest is provided on the balances as per Subsidiary records which are subject to reconciliation. In the opinion of the management, provision of the interest on the balances as per subsidiary record is considered adequate having regard to the fact that cases on which interest is not provided are very old and not traceable. Interest on the same will be accounted as and when it is claimed.

34 Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Repairs and Maintenance		
- Plant and Machinery	6,866.23	5,186.46
-Restoration of damage due to Flood, Cyclone etc.	2,159.77	153.13
-Building and Civil works	177.98	153.68
-Lines, Cable Network etc.	4,710.38	5,558.81
-Others	857.10	891.19
Administrative & General Expenses		
Rent, Rates and Taxes	286.01	376.53
Insurance expense	20.68	12.17
Testing charges	96.03	62.11
Comunication expenses	501.12	505.37
Remuneration to collection agencies	474.35	580.32
Legal & Professional Fees	2,751.84	2,272.48
Auditors' Remuneration	19.63	19.36
Travelling & Conveyance	3,160.06	2,781.80
Printing & Stationery	702.12	689.47
Expenses on Computer Billing & EDP Charges	98.80	170.33
Advertisement	131.89	97.69
Electricity Charges	401.34	431.94
Water Charges	130.74	126.63
Corporate Social Responsibilities	28.38	34.47
Waiver of Delayed Payment Charges	-	267.07
Security Expenses	2,596.48	2,043.66
Freight Expense	473.59	397.12
Expenditure on Training to Staff	176.96	159.95
Expenses for Energy Conservation	44.95	1,034.25
Directors fees	2.17	1.95
Other Administration & general Expenses	3,008.33	2,646.23
DSM Expenditure	176.23	677.58
Miscellaneous Expenses*	146.92	121.05
Miscellaneous Losses & Write-offs	944.28	819.18
Provision for		
-Bad & Doubtful debts	3,804.60	7,787.10
Less : Directly attributable cost capitalised	-4,119.12	-2,716.76
Total	**30,829.83**	**33,342.33**

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

a. The subsidy towords flood relief amounting to ₹ 1930.96 Lakhs was received from GOG during the FY 2017-18.

b. Payment to Auditors (Fees excluding service tax) **(₹ In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Statutory Auditors		
- As Auditor	17.84	17.85
- Reimbursement of Expenses	1.51	1.50
Total	**19.35**	**19.35**
Cost Auditors		
- As Auditor	0.89	0.89
- Reimbursement of Expenses	0.06	0.06
Total	**0.95**	**0.95**

c. Bad and Doubtful debts written off includes Delay Payment Charges (DPC) waived for Nagarpalikas as per the GoG Resolution no. NPL/452014/UOR-40/M dtd 6th January, 2015 as mentioned below : F.Y. 2016-17 ₹. 133.79 Lakhs

35 Tax Expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Tax		
- current year	2,597.95	3,437.93
- earlier years	272.74	316.25
Deferred Tax	(113.07)	4,338.46
Total	**2,757.62**	**8,092.64**

The income tax expense for the year can be reconciled to the accounting profit as follows: **(₹ In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before tax from continuing operations	16,444.83	11,761.54
Income tax expense calculated at 34.944% (2016-17: 34.608%)	5,691.23	4,070.43
Permanent difference	1,637.74	4,241.75
(Income) / expense (net) not (taxable) / deductible	-5,602.99	-754.83
Adjustments recognised in the current year in relation to the current tax of prior years	272.74	316.25
Others	758.91	219.04
Total Adjustments	**2,757.62**	**8,092.64**
Income tax expense recognised in profit or loss (relating to continuing operations)	**2,757.62**	**8,092.64**

The tax rate used for the year ended 31st March, 2018 and 31st March, 2017 reconciliations above is the corporate tax rate of 34.944% and 34.608% payable by corporate entities in India on taxable profits under the Indian tax laws.

No income tax has been recognised directly in Equity

Income tax recognised in other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(2,882.06)	(1,231.75)
Total income tax recognised in other comprehensive income	**(2,882.06)**	**(1,231.75)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**(2,882.06)**	**(1,231.75)**
Items that may be reclassified to profit or loss	-	-

36 Earnings per Equity share

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Basic EPS		
Profit after tax for the year attributable to equity shareholders	13,687.21	3,668.90
Weighted average number of Equity shares for Basic EPS	4,34,50,87,844	3,23,54,80,254
Basic earnings per equity shares (₹)	0.32	0.11
Face value per equity share (₹)	10	10
Diluted EPS		
Profit after Tax	13,687.21	3,668.90
Weighted Average no. of equity shares for Basic EPS	4,34,50,87,844	3,23,54,80,254
Add : Adjustment for Share Application Money pending allotment	1,31,19,535.89	-
Weighted Average no. of equity shares for Diluted EPS	4,35,82,07,380	3,23,54,80,254
Diluted EPS (₹)	0.31	0.11
Face Value Per Share (₹)	10	10

37. Lease

A. Operating Leases

The company does not have any non-cancellable operating lease commitments.

The company has taken various premises under operating lease or leave and license agreement. The lease term in respect of such premises are on the basis of individual agreements entered into with the respective land lords. The lease payments are recognised in the Statement of Profit and Loss under `Rent' in Note 34.

38. Employee benefit plans

A. Defined Contribution plans:

The Company has certain defined contribution plans. The Company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees' Death Linked Insurance Scheme. Contributions are made at specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹. 4391.45 Lakhs (P.Y. ₹. 3631.42 Lakhs).

B. Other long term benefit plan

The Company accounts for leave encashment on the basis of actuarial valuation carried out by Life Insurance Corporation of India at each year end. Liability for the current year of ₹. 6523.70 Lakhs (P.Y. ₹. 8184.90 Lakhs) has been charged to statement of Profit & Loss. Leave obligation as at 31st March, 2018 and 31st March, 2017 is ₹. 30129.86 Lakhs and ₹. 25428.83 Lakhs respectively.

The company has a Staff Voluntary Retirement-Cum-Death Benevolent Fund Scheme wherein an employee can become a member voluntarily. A monthly contribution is to be made by the members. Upon retirement employee will be eligible to get an amount equivalent to his total "Contribution" along with simple interest at a specified rate from the date of joining the scheme or ₹. 10,000/- whichever is higher. In case of death of an employee, the nominee of the member shall be eligible to get a determined amount of compensation out of the fund, if the employee was the member of the scheme. The charge to the statement of Profit and loss for the year ended is Rs. 66.73 Lakhs (P.Y. ₹.

81.05 lakhs). The balance of such fund as at 31st March, 2018 and 31st March, 2017 is ₹. 3092.03 Lakhs and ₹. 3050.21 Lakhs respectively.

C. Defined Benefits Plan

Gratuity

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

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

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

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

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

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2018 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method .

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

Assumptions (Current Period)		
Particulars	**For the year ended 31st March**	
	2018	**2017**
Expected Return on Plan Assets	8.00%	8.50%
Rate of Discounting	7.50%	8.00%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	1 to 3 % Depending on Age	

(₹ In Lakhs)

Particulars	As on 31.03.2018	As on 31.03.2017
Gratuity		
I) Reconciliation in present value of obligations (PVO) - defined benefit obligation:		
Opening defined benefit obligation	28,895.57	25,210.63
Current Service Cost	1,609.51	1,217.20
Interest Cost	2,311.65	2,016.85
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from experience adjustments	8,642.59	3,535.14
Benefits paid	(2,965.66)	(3,084.25)
Past service cost, including losses/(gains) on curtailments	516.92	-
Closing defined benefit obligation	**39,010.58**	**28,895.57**
Current obligation	**3,453.19**	**2,685.16**
Non-Current obligation	**35,557.39**	**26,210.41**
II) Change in fair value of assets :		
Opening fair value of plan assets	17,022.77	12,999.09
Expected return on plan assets	1,361.82	1,153.29
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense) including actuarial (gains) / losses arising from experience adjustments	394.92	(23.99)
Contributions by the employer	21,809.30	5,978.63
Benefits paid	(2,965.66)	(3,084.25)

Closing fair value of plan assets	**37,623.16**	**17,022.77**
III) Funded plans in deficit:		
Present value of funded defined benefit obligation	39,010.58	28,895.57
Fair Value of planned assets at end of year	37,623.17	17,022.77
Net liability arising from defined benefit obligation	**1,387.41**	**11,872.80**
IV) Service Cost		
Current Service cost	1,609.51	1,217.20
Past service cost and (gain)/loss from settlements	516.92	
Net Interest expense	948.98	861.15
Total Expenses tobe recognised in P&L A/c Components of defined benefit costs recognised in Employee Benefit expenses	**3,075.41**	**2,078.35**
Remeasurement on the net defined benefit liability:	**8,247.67**	**3,559.13**
Total Expenses to be recognised in OCI	**8,247.67**	**3,559.13**
Total Expense (Provision for the Period)	**11,323.08**	**5,637.48**
V) Category of assets as at 31st March:		
Company Gratuity Cash Accumulation Scheme (Traditional Fund)	37,623.17	17,022.77
-Life Insurance Corporation Net Current Assets		
Total Gratuity	**37,623.17**	**17,022.77**

(₹ In Lakhs)

Experience Adjustment	**On Plan Liabilities - Loss/(Gain)**	**On Plan Assets -Loss/(Gain)**
As on 31st March,2018	-	-
As on 31st March,2017	-	-

Maturity Analysis of Projected Benefit Obligation are as under: **(₹ In Lakhs)**

Gratuity	**As at 31st March, 2018**	**As at 31st March, 2017**
Gratuity		
Less than 1 year	3,453.19	2,685.16
One to Three Years	6,171.87	4,237.27
Three to Five Years	4,343.69	3,417.19
More than Five Years	25,041.82	18,555.94

Sensitivity analysis for Gratuity **(₹ In Lakhs)**

Significant actuarial assumptions	As at 31st March, 2018	As at 31st March, 2017
Discount Rate		
- Impact due to increase of 50 basis points	(1,920.80)	(2,524.80)
- Impact due to decrease of 50 basis points	2082.97	210.18
Salary increase		
- Impact due to increase of 50 basis points	2,081.67	(189.72)
- Impact due to decrease of 50 basis points	(1,937.64)	(2,552.68)

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

The company has provided the amount of ₹. 11323.08 Lakhs towards the gratuity expense for year 2017-18.

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

39. Segment reporting

A. Operating Segment

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

B. Information about major customers

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

C. Information about geographical areas:

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

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

D. Information about products and services:

The Company derives revenue from distribution of Power. The information about revenues from external customers about each product is disclosed in Note no.29 of the financial statements.

40. Financial instruments Disclosure

A. Capital Management

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and

2. Maintain an optimal capital structure to reduce the cost of capital.

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

Gearing Ratio

The gearing ratio at end of the reporting period is as follows.

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Net debt	34,588.62	45,239.06
Total equity	7,97,764.51	6,30,707.54
Net debt to equity ratio	**0.04**	0.07
1. Debt is defined as all long term debt outstanding + current maturities debt outstanding in lieu of long term debt.		
2. Equity is defined as Equity share capital + Other equity + Deferred government grant and consumer contribution		

B Categories of financial instruments (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)	-	-
Measured at amortised cost		
(a) Trade and other receivables	1,55,974.49	1,39,355.01
(b) Cash and cash equivalents	13,935.07	17,498.06
(c) Loans	3,301.71	3,450.66
(d) Other financial assets	19,058.48	15,875.04
Measured at FVTOCI		
(a) Investments in equity instruments (designated on transition date)		
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	28,777.53	32,748.15
(b) Trade payables	318.45	676.82
(c) Other financial liabilities	3,02,711.49	3,39,926.12
Financial guarantee contracts		

C. Financial risk management objectives

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

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

Regulatory Risk

The Company's substantial operations are subject to regulatory interventions, introduction of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the Company.

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

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

Interest rate risk management

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

Credit risk management

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

The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended 31st March, 2018 and 31st March, 2017.

Bank balances are held with reputed and creditworthy banking institutions.

Liquidity risk management

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

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

(₹ In Lakhs)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2018				
Non - current financial liabilities				
Borrowings	6187.24	15132.31	7457.99	28,777.53
Other Financial Liabilities	-	2,843.35	1,74,567.97	1,77,411.33
	6,187.24	**17,975.66**	**1,82,025.96**	**2,06,188.86**
Current financial liabilities				
Trade Payables	318.45	-	-	318.45
Other Financial Liabilities	1,25,300.16	-	-	1,25,300.16
	1,25,618.61	-	-	1,25,618.61
Total financial liabilities	**1,31,805.85**	**17,975.66**	**1,82,025.96**	**3,31,807.47**
As at 31st March, 2017				
Non - current financial liabilities				
Borrowings	-	24,183.06	8,565.09	32,748.15
Other Financial Liabilities	-	2,880.66	1,60,606.46	1,63,487.12
	-	27,063.71	1,69,171.55	1,96,235.27
Current financial liabilities				
Trade Payables	676.82	-	-	676.82
Other Financial Liabilities	1,76,439.00	-	-	1,76,439.00
	1,77,115.82	-	-	1,77,115.82
Total financial liabilities	**1,77,115.82**	**27,063.71**	**1,69,171.55**	**3,73,351.09**

The Company has access to committed credit facilities as described below, of which ₹. 2500 Lakhs were unused at the end of the reporting period (as at 31st March, 2017 ₹. 1500 Lakhs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ In Lakhs)

Unsecured bank overdraft facility, reviewed annually and payable at call	As at 31st March, 2018	As at 31st March, 2017
Amount used	-	-
Amount unused	**2500.00**	**1500.00**

D Fair value measurement

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

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

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

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2018	31st March. 2017		
Nil				

(b) Financial assets and liabilities at amortised cost

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

41. Disclosure under Indian Accounting Standard 36 – Impairment of Assets

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31.3.18.

42. The subsidy claims on Government of Gujarat are made by Gujarat Urja Vikas Nigam Limited (GUVNL), the Holding Company on behalf of our Company including all other Distribution Subsidiaries. The subsidy receivable balances are recorded, reflected and presented as such in GUVNL's standalone financial statements. Subsidies being government grants are recognised as revenue in the Statement of Profit or Loss in accordance with the accounting policy on government grants as stated in Note 1 (16h) to the financial statements.

43. As Per requirements of the Electricity Act, 2003, captive power units are exempted from cross subsidy and additional surcharge. Such exemption is available as and when captive unit status is confirmed by the Chief Electrical Inspector, Gandhinagar based on factual records verification. Pursuant to granting of Captive Status by the Chief Electrical Inspector (CEI), Gandhinagar to the Power Plant of M/s OPGS Gujarat Pvt Ltd and its captive users situated in the State of Gujarat for F.Y 2015-16, 2016-17 and 2017-18, the users situated in the jurisdiction of the Company have become eligible for exemptions available in accordance with the orders of the CEI, Gandhinagar. Accordingly, the Cross-Subsidy Surcharge and Additional Surcharge recovered during the said years is to be refunded alongwith differential Electricity Duty.

Out of the aforesaid, refundable amounts aggregating to ₹10474.13 Lakhs have been recognised as a current liability in the current year financial statements with a consequential adjustment of ₹ 9042.30 Lakhs in the revenues.

44. Contingent liabilities, Contingent Assets and Capital commitments (to the extent not provided for) :

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Contingent Liabilities not provided in respect of :		
I. Claims against the company not acknowledged as debt	8,109.28	8,165.87
II. Disputed demand of Income Tax payable for the F.Y 2013-14 against which the company has filed an appeal . (Further Income Tax department has withheld the refund amount of ₹. 882.48 Lakhs against the said demand)	2,348.45	2,348.45
Total	**10,457.73**	**10,514.32**

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

C. Capital Commitments

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Capital Commitments		
Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)	16779.37	14213.57
Total	**16,779.37**	**14213.57**
B. Other Commitments		
Other Commitments	4007.31	3304.06
Total	**4,007.31**	**3304.06**

45 CSR Expenditure

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
The CSR expenditure comprises the following:		
a) Gross amount required to be spent by the Company during the year	112.82	47.32
b) Amount spent during the year on	28.38	34.47

c)

Particulars	For the year ended 31-03-2018			For the year ended 31-03-2017		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset				3.92		3.92
(ii) On purpose other than (i) above	28.38		28.38	30.55		30.55
Total	**28.38**	**-**	**28.38**	**34.47**	**-**	**34.47**

46. Trasmission and Distribution Losses **(In MU's)**

Particulars	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Units Purchased from GUVNL (MUs)	34,064	30,535
Units Purchased from Wind farm and solar (MUs)	131	137
DSM Units Import	47	118
Less Units sold to GUVNL	314	160
Less DSM Units Export	450	299
Net Power Purchase	**33,479**	**30,332**
Less: Units sold to consumers	**25,692**	**22,700**
Transmission and Distribution Losses	7,787	7,633
T&D Losses in %	**23.26**	**25.16**

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

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

49 Related Party Disclosures

A Name of related parties and description of relationship:

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Limited	Holding Company
Gujarat Energy Transmission Company Limited	Fellow- Subsidiary Company
Gujarat State Electricity Corporation Limited	Fellow- Subsidiary Company
Madhya Gujarat Vij Company Limited	Fellow- Subsidiary Company
Dakshin Gujarat Vij Company Limited	Fellow- Subsidiary Company
Paschim Gujarat Vij Company Limited	Fellow- Subsidiary Company
Uttar Gujarat Vij Company Limited	Fellow- Subsidiary Company
Shri H R Suthar	Key Management Personnel (KMP)
Shri Sandeep Kumar (Till the date 11th May,2016)	Key Management Personnel (KMP)
Shri Kintu Kumar Malkan	Key Management Personnel (KMP)
Shri Sudhir Bhatt	Key Management Personnel (KMP)

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

(₹ In Lakhs)

Nature of Transaction	Holding Company	Fellow-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Transactions during the year					
Sale of Power	**9,66.56** (5627.17)	0.00 0.00	0.00 0.00	0.00 0.00	**9,366.56** (5627.17)
Gujarat Urja Vikas Nigam Limited	**9366.56** (5627.17)	0.00 0.00	0.00 0.00	0.00 0.00	**9366.56** (5627.17)
Power Purchase	**1261127.57** (1100617.53)	**111.24** (14.34)	0.00 0.00	0.00 0.00	**1261238.81** (1100631.87)
Gujarat Urja Vikas Nigam Limited	**1261127.57** (1100617.53)	0.00 0.00	0.00 0.00	0.00 0.00	**1261127.57** (1100617.53)
Gujarat State Electricity Corporation Limited	0.00 0.00	**111.24** (14.34)	0.00 0.00	0.00 0.00	**111.24** (14.34)

Allocation of e-Urja Expenses	**497.09** (588.38)	0.00 0.00	0.00 0.00	0.00 0.00	**497.09** (588.38)
Gujarat Urja Vikas Nigam Limited	**497.09** (588.38)	0.00 0.00	0.00 0.00	0.00 0.00	**497.09** (588.38)
Allocation of General Insurance Premium	**377.55** (474.34)	0.00 0.00	0.00 0.00	0.00 0.00	**377.55** (474.34)
Gujarat Urja Vikas Nigam Limited	**377.55** (474.34)	0.00 0.00	0.00 0.00	0.00 0.00	**377.55** (474.34)
Allocation of Working Capital Processing Charges , etc.	0.00 (24.44)	0.00 0.00	0.00 0.00	0.00 0.00	0.00 (24.44)
Gujarat Urja Vikas Nigam Limited	0.00 (24.44)	0.00 0.00	0.00 0.00	0.00 0.00	0.00 (24.44)
Government of Gujarat Guarantee Fees	0.00 34.17)	0.00 0.00	0.00 0.00	0.00 0.00	0.00 34.17)
Gujarat Urja Vikas Nigam Limited	0.00 (34.17)	0.00 0.00	0.00 0.00	0.00 0.00	0.00 (34.17)
Interest	**4,590.57** (7,374.72)	0.00 0.00	0.00 0.00	0.00 0.00	**4,590.57** (7,374.72)
Gujarat Urja Vikas Nigam Limited	**4,590.57** (7,374.72)	0.00 0.00	0.00 0.00	0.00 0.00	**4,590.57** (7,374.72)
Purchase of Scrap material and Burnt Oil	0.00 0.00	0.00 (5.27)	0.00 0.00	0.00 0.00	0.00 (5.27)
Gujarat Energy Transmission Company Limited	0.00 0.00	0.00 (5.27)	0.00 0.00	0.00 0.00	0.00 (5.27)
SLDC Charges	0.00 0.00	**476.78** (321.06)	0.00 0.00	0.00 0.00	**476.78** (321.06)
Gujarat Energy Transmission Company Limited	0.00 0.00	**476.78** (321.06)	0.00 0.00	0.00 0.00	**476.78** (321.06)
Reactive Charges expense	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
Gujarat Energy Transmission Company Limited	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
Reactive Charges income	0.00 0.00	**33.41** (33.90)	0.00 0.00	0.00 0.00	**33.41** (33.90)
Gujarat Energy Transmission Company Limited	0.00 0.00	**33.41** (33.90)	0.00 0.00	0.00 0.00	**33.41** (33.90)

UI Charges expense	0.00 0.00	**1,251.26** (1,993.04)	0.00 0.00	0.00 0.00	**1,251.26** (1,993.04)
Gujarat Energy Transmission Company Limited	0.00 0.00	**1251.26** (1,993.04)	0.00 0.00	0.00 0.00	**1251.26** (1,993.04)
UI Charges income	0.00 0.00	**8,632.95** (4,015.63)	0.00 0.00	0.00 0.00	**8,632.95** (4,015.63)
Gujarat Energy Transmission Company Limited	0.00 0.00	**8632.95** (4,015.63)	0.00 0.00	0.00 0.00	**8632.95** (4,015.63)
Electricity charges	0.00 0.00	**2,335.44** (2,391.81)	0.00 0.00	0.00 0.00	**2,335.44** (2,391.81)
Gujarat State Electricity Corporation Limited	0.00 0.00	**103.67** (122.87)	0.00 0.00	0.00 0.00	**103.67** (122.87)
Gujarat Energy Transmission Company Limited	0.00 0.00	**2231.77** (2,268.94)	0.00 0.00	0.00 0.00	**2231.77** (2,268.94)
Recovery of Expenditure	0.00 (0.01)	**1.09** (5.43)	0.00 0.00	0.00 0.00	**1.09** (5.44)
Gujarat Urja Vikas Nigam Limited	0.00 (0.01)	0.00 0.00	0.00 0.00	0.00 0.00	0.00 (0.01)
Gujarat Energy Transmission Corporation Limited	0.00 0.00	**1.09** (1.57)	0.00 0.00	0.00 0.00	**1.09** (1.57)
Dakshin Gujarat Vij Company Limited	0.00 0.00	0.00 (1.23)	0.00 0.00	0.00 0.00	0.00 (1.23)
Madhya Gujarat Vij Company Limited	0.00 0.00	0.00 (1.23)	0.00 0.00	0.00 0.00	0.00 (1.23)
Uttar Gujarat Vij Company Limited	0.00 0.00	0.00 (1.40)	0.00 0.00	0.00 0.00	0.00 (1.40)
Reimbursement of Expenditure	**0.12** (883.67)	**20.49** (25.24)	0.00 0.00	0.00 0.00	**20.61** (908.92)
Gujarat Urja Vikas Nigam Limited	**0.12** (883.67)	0.00 0.00	0.00 0.00	0.00 0.00	**0.12** (883.67)
Gujarat Energy Transmission Corporation Limited	0.00 0.00	0.00 (19.72)	0.00 0.00	0.00 0.00	0.00 (19.72)
Gujarat State Electricity Corporation Limited	0.00 0.00	**0.13** (1.12)	0.00 0.00	0.00 0.00	**0.13** (1.12)

Madhya Gujarat Vij Company Limited	0.00 0.00	**20.36** (0.02)	0.00 0.00	0.00 0.00	**20.36** (0.02)
Uttar Gujarat Vij Company Limited	0.00 0.00	0.00 (4.39)	0.00 0.00	0.00 0.00	0.00 (4.39)
Dakshin Gujarat Vij Company Limited	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
Allocation of Disaster Recovery Expense	0.00 0.00	0.00 (151.65)	0.00 0.00	0.00 0.00	0.00 (151.65)
Uttar Gujarat Vij Company Limited	0.00 0.00	0.00 (151.65)	0.00 0.00	0.00 0.00	0.00 (151.65)
Rebate on Prompt Payment of Purchase of Power	0.00 0.00	**0.89** 0.00	0.00 0.00	0.00 0.00	**0.89** 0.00
Gujarat State Electricity Corporation Limited	0.00 0.00	**0.89** 0.00	0.00 0.00	0.00 0.00	**0.89** 0.00
Sale of Material	0.00 0.00	**3.08** 0.00	0.00 0.00	0.00 0.00	**3.08** 0.00
Gujarat Energy Transmission Corporation Limited	0.00 0.00	**3.08** 0.00	0.00 0.00	0.00 0.00	**3.08** 0.00
Salary and other allowances	0.00 0.00	0.00 0.00	**67.49** (52.83)	0.00 0.00	**67.49** (52.83)
Shri J J Gandhi- I/c Managing Director	0.00 0.00	0.00 0.00	**3.23** 0.00	0.00 0.00	**3.23** 0.00
Shri H R Suthar- Managing Director (till 31.1.2018)	0.00 0.00	0.00 0.00	**12.99** (9.61)	0.00 0.00	**12.99** (9.61)
Shri Sandeep Kumar- Managing Director (till 11.5.2016)	0.00 0.00	0.00 0.00	0.00 (2.73)	0.00 0.00	0.00 (2.73)
Shri Kintu Kumar Malkan- GM (F&A) & CFO	0.00 0.00	0.00 0.00	**23.33** (19.73)	0.00 0.00	**23.33** (19.73)
Shri Sudhir Bhatt- Company Secretary	0.00 0.00	0.00 0.00	**27.95** (20.76)	0.00 0.00	**27.95** (20.76)
Balance Payable	**11,031.27** (73,758.88)	0.00 0.00	0.00 0.00	0.00 0.00	**11,031.27** (73,758.88)
Gujarat Urja Vikas Nigam Limited	**11,031.27** (73,758.88)	0.00 0.00	0.00 0.00	0.00 0.00	**11,031.27** (73,758.88)

Previous years figures are in bracket

50. Previous year figures have been reclassified and regrouped wherever necessary to confirm to current year's classification

51. Approval of financial statements

The Standalone Financial Statements were approved for issue by the Board of Directors on 17th September, 2018.

As per our report annexed of even date attached	For and on behalf of the Board of Directors of Paschim Gujarat Vij Company Limited	
For Dhirubhai Shah and Co LLP **Chartered Accountants** Firm Registration No. 102511W/ W100298	**sd/-** **(Pankaj Joshi, IAS)** Chairman	**sd/-** **(Bhavin Pandya, IAS)** Managing Director
sd/- **Kaushik D. Shah (Partner)** Membership No.016502	**sd/-** **(Kintukumar Malkan)** GM (F&A) & CFO	**sd/-** **(Sudhir Bhatt)** Company Secretary
Place : Ahmedabad Date : 17th September, 2018	Place : Gandhinagar Date : 17th September, 2018	