17th ANNUAL REPORT

2019-20

PGVCL

PASCHIM GUJARAT VIJ COMPANY LIMITED

(A Wholly Owned Subsidiary of Gujarat Urja Vikas Nigam Ltd., Vadodara)

Vision

- Customer satisfaction through service excellence

Core Values

- Customer satisfaction
- Participative work culture
- Pride of belongingness
- Excellence
- Being ethically and socially responsive

Mission

- To provide reliable and quality power at competitive cost
- To reach global standards in reducing distribution losses

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	:	248
Consumers	:	6083307
Max. Load Catered (MW)	:	5457 MW (20.07.2019)
Max Energy Catered in a Day (MUs)	:	117.748 MUS (16.07.2019)
Transformer Centers	:	950673
No. of feeders	:	8136
Network	:	HT line Km - 219229 LT Line Km - 119674
Total Income	:	17970.19 Crore

Contents

BOARD OF DIRECTORS (As on 23.12.2020)

Smt. Shahmeena Husain, IAS	Chairperson w.e.f. 02.03.2020
Prof. Shailesh Gandhi	Independent Director Up to 16.11.2020
Prof. Joshy Jacob	Independent Director Up to 16.11.2020
Shri Dilip Thaker	Director w.e.f. 27.10.2020
Shri K. P. Jangid	Director w.e.f. 14.12.2020
Ms. Shweta Teotia, IAS	Managing Director

Company Secretary

Shri Hardik D. Chauhan

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 (Material)
Shri A. S. Mandaliya	Chief Engineer (Project)

BANKERS

State Bank of India

AUDITORS

M/s. G. K. Choksi & Co.
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 Seventeenth Annual General Meeting of the Members of Paschim Gujarat Vij Company Limited will be held on Thursday the 24th day of December, 2020 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, 2020 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. R. S. Patel & Co., Chartered Accountants, Statutory Auditors, appointed by the Comptroller and Auditor General of India (C& AG), New Delhi, for the financial year 2020-21.

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, 2021 (i.e. Financial Year 2020-21), 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."

By Order of the Board

Sd/-
Hardik Chauhan
Company Secretary

Date:23.12.2020
Place: Rajkot

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. R. S. Patel & Co., 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 2020-21.

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 2020-21

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 128th Board Meeting of the Company held on 9th July, 2020 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, 2021 (i.e. Financial Year 2020-21) 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.

By Order of the Board
For Paschim Gujarat Vij Company Limited

Sd/-
Hardik Chauhan
Company Secretary

Date:23.12.2020
Place: Rajkot

BOARDS' REPORT

To,
The Members,
Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2020.

(1) FINANCIAL HIGHLIGHTS

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

(₹ In Crores)

Particular	2019-20	2018-19
Units Purchased (Mu's)	35332	38031
Units sold (Mu's)	27622	28609
T&D Losses (Mu's)	7710	9423
T&D Loss (%)	21.82	24.78
Total Income	17970.19	17426.54
Expenditure	17781.27	17362.94
Profit Before Tax (PBT)	188.92	63.61
Tax Expense	(37.67)	(11.06)
Profit For the Year	226.59	74.67
Other Comprehensive Income	(75.08)	(45.58)
Profit After Tax (Total Comprehensive Income)	151.51	29.09
Equity Share Capital	7343.32	6316.26
Other Equity	1694.93	988.80
Deferred Government Grant Subsidy & Contributions	2537.71	2400.33
Net Fixed Assets (Property, Plant & Equipment)	12496.83	11535.75
Borrowings	163.49	184.33
Current Assets	3691.05	3022.39
Current Liabilities	1614.73	2024.42

- 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 2019-20. Profit for the Financial year 2019-20 has been shown as other equity, Reserve 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 2019-20 are as under:

Sr. No.	Name of Recognition	Category	Type of Recognition	Award Given by	Date of receipt of Award
1	SKOCH Corporate Excellence Award-2019	AG DSM: Top Performing Nomination	Certificate	SKOCH Group, New Delhi	29.06.2019
2	SKOCH Corporate Excellence Award-2019	Risk Management: Top Performing Nomination	Certificate	SKOCH Group, New Delhi	29.06.2019
3	SKOCH Governance Award-2019	AMR for High Tension(HT) Consumer	Certificate	SKOCH Group, New Delhi	25.09.2019
4	"A+" Integrated Rating of State Distribution Utilities (7th)	For " Very High Operational and Financial Performance Capability"	"A+" Rating	Ministry of Power, New Delhi	12.10.2019
5	IPPAI Power Awards 2019	Best Performing Distribution Company	Trophy	IPPAI, New Delhi	07.12.2019
6	4th ISGF Innovation Awards -2020	AMR for High Tension(HT) Consumer	Certificate	ISGF, New Delhi	06.03.2020
7	4th ISGF Innovation Awards -2020	GPRS based Spot Billing System- "A path from manual billing to Online Billing "	Certificate	ISGF, New Delhi	06.03.2020

(4) OPERATIONS DURING THE YEAR:

Overview

- Revenue from Sale of power has increased from ₹ 17131.90 Crores in 2018-19 to ₹ 17643.55 Crores in 2019-20 showing an increase of 2.99%.

- Units purchased and sold were recorded to the tune of 35332.31 Mu's (Net off after excluding UI Sale and Sale through Trading) and 27622 Mu's respectively in the year 2019-20.

- Power purchase rate per unit has increased from 4.02 per unit in 2018-19 to 4.34 per unit in 2019-20.

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 %
2017-18	15298.52	15211.66	99.43
2018-19	16853.36	16826.25	99.84
2019-20	17826.55	17372.74	97.45

Energy Demand vs. Supply

Year	Energy Input (Mu's)	% increase over previous year	Energy available for sale	% increase over previous year	Transmission & Distribution Loss (%)
2017-18	33479	10.38	25692	13.18	23.26
2018-19	38031	13.60	28609	11.35	24.78
2019-20	35332	-7.10	27622	-3.45	21.82

Sale of Energy:

During the FY 2019-20, 27622 Mu's were sold to consumers out of which 83% were of metered category.

a) Energy sold Metered v/s. Unmetered

Year	Energy sold Mu's	Unmetered Mu's	Metered Mu's	% of Metered
2017-18	25692	4570	21122	82
2018-19	28609	4635	23974	84
2019-20	27622	4678	22944	83

b) Category wise energy sold:

Sr. No.	Category	Mu's		
		As on 31.03.18	As on 31.03.19	As on 31.03.20
1	Residential General Purpose (Domestic or Residential)	3608	3771	3791
2	General Lighting Purpose (Commercial)	117	121	123
3	Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	3414	3721	3672
4	Public lighting	81	74	73
5	Irrigation agricultural	7252	7805	7373
6	Public water works and sew.pumps	751	632	625
7	Industrial high voltage	10468	12485	11965
	Sub Total	**25692**	**28609**	**27622**
8	Sale of Power to GUVNL	314	4	94
9	Unscheduled Interchange	450	424	402
	Sub Total	**764**	**428**	**496**
	Total	**26455**	**29037**	**28118**

c) Category wise sales

(₹ In Lakhs)

Sr. No.	Category	As on 31.03.18	As on 31.03.19	As on 31.03.20
1	Residential General Purpose (Domestic or Residential)	191501.48	198943.01	218409.90
2	General Lighting Purpose (Commercial)	6856.74	7016.86	7728.37
3	Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	238337.37	257963.18	275213.33
4	Public lighting	4617.69	4292.09	4529.14
5	Irrigation agricultural	160218.35	271285.08	248406.42
6	Public water works and sew.pumps	27615.90	32201.21	39617.06
7	Industrial high voltage	719539.51	863172.94	884095.99
	Sub Total	**1348687.05**	**1634874.37**	**1678000.21**
8	Sale of Power to GUVNL	9366.56	114.60	3832.12
9	Unscheduled Interchange	8632.95	6044.53	4852.09
	Sub Total	**17999.51**	**6159.13**	**8684.21**
	Total	**1366686.56**	**1641033.50**	**1686684.41**

d) Average Realization Rate (Per kWh):

Sr. No.	Category	As on 31.03.18	As on 31.03.19	As on 31.03.20
1	Residential General Purpose (Domestic or Residential)	5.31	5.28	5.76
2	General Lighting Purpose (Commercial)	5.86	5.80	6.28
3	Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	6.98	6.93	7.49
4	Public lighting	5.72	5.77	6.20
5	Irrigation agricultural	2.21	3.48	3.37
6	Public water works and sew.pumps	3.68	5.10	6.34
7	Industrial high voltage	6.87	6.91	7.39
	Average Realisation Rate	**5.25**	**5.71**	**6.07**

e) Energy Purchase:

Details of power purchase units with rates are mentioned below:

Year	Mu's	Amount (₹ In Lacs)	Average Power Purchase Rate
2017-18	34242	1267143.15	3.70
2018-19	38459	1546778.86	4.02
2019-20	35828	1553461.14	4.34

Infrastructure Additions:

To strengthen the distribution network, under mentioned infrastructure additions were made during the year 2019-20.

a. Addition of Line:

Particulars	During the year 2019-20	Total Existing at the end of 31-03-2020
HT line Added (CKM)	12094	219229
LT line reduced (CKM)	905 LT to HT conversion under HVDS	119674

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 2018-19	1158	91263	8898	5646	-136	3814	1619	317	0	0	112579
During 2019-20	290	71277	10062	6859	-12	3776	1503	437	0	7	94199

c. New Connections Released during the year 2019-20 as under:

- HT & EHT Industrial: 342
- LT Industrial: 4875
- Domestic : 92671

d. Specially Designed Transformers:

In order to provide continuous Single Phase Power supply to house-hold situated in agricultural field, 3212 Nos. of Specially Designed Transformers have been installed on Agriculture Dominant Feeders as on March-20.

(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	2018-19	2019-20
Overall	% age	22.77	22.58	19.06	17.89	18.95	14.71
Other than Ag.	% age	15.77	14.66	13.07	12.14	11.15	10.32

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
2017-18	743895	85637	11.51
2018-19	856474	73221	8.55
2019-20	950673	108128	11.37

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
4	2018-19	8	30	104	187	51	112	187	81	380
5	2019-20	5	33	108	242	52	113	242	85	440

Scheme wise completion of work stated as below :

- SPA Scheme : 69976 Wells
- TATKAL : 148 Wells
- Dark Zone : 5952 Wells
- SC AG Wells : 303 Wells
- AG Wells in Coastal Area : 12291 Wells
- Total : 88670 Wells

19652 Nos. of Connections were released under Zupadpatti scheme.
3113 Nos. of Connections under S/C localities have been electrified.

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 2019-20, total 3960.89 Kms conductor are replaced with total finance of ₹ 38.58 Crore against the planning of ₹ 38.50 Crs. Now during the Year 2020-21, work is under progress as per the planning of ₹ 38.50 Crs.

Ag HVDS Project :

With the aim of implementing the Project of HVDS (KHUSHY), 65 Nos. of 11 KV Ag. Dom feeders were selected. Out of these, 65 Nos. of feeders have been completed in all respect, at a project cost of ₹ 75.08 Crores during the year 2019-20. Total Nos. of Transformers installed in 65 Nos. of Feeders are 6471 Nos.

Also, under AG HVDS – ENCON scheme, total 7 Nos. of feeders were selected and all the feeders have been completed in all respect, during the year 2019-20, at a cost of ₹10.37 Crores during the year 2019-20. Total 765 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 88670 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 2019-20 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.
- 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.
- To effectively implement proper work distribution activity at subdivision level, presence of DE/JE in subdivision offices, work distribution and complaint redressal allocated to line staff and safety oath and enforcement of use of safety gadget for line work are made in presence of respective DE/JE of subdivision every day. Also, timely presence of DE/JE in subdivision offices in above work distribution activity is daily monitored by collecting photographs every day.
- Also, from 13.11.19 SDOs are instructed to collect photograph of every line staff team working under their subdivision and ensure that the work is done by observing all formalities and required safety gadgets are properly used by the line staff on work locations they are allocated. This activity is also monitored by collecting photographs. Subdivision is to send squad wise photograph to division and each division to send one photograph to circle office and circle office is to send one photograph of each division to the Corporate Office daily. From the photographs received, it is observed that line staff are working by using safety gadgets.
- 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 12675 nos. of cable span has been removed during 2019-20.
- During kite festival, Safety banners are placed at various important places in the town/Villages.

(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 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 talk to customer care center representative on above toll free number.

Total nos of complain lodged during 2019-20	Total nos of complain resolved during 2019-20
198320	197656

WhatsApp Facility for lodging Power Interruption Information

Almost everyone has smartphone today. WhatsApp is free and replacement of SMS/Email. Consumers can contact at no cost and is most popular with Urban as well as rural population equally. WhatsApp chat messenger is user friendly and widely used facility for exchange of information.

In the event of power failure, consumer can intimate consumer number or consumer name and address through WhatsApp text message on 9512019122 number. In response consumer will receive an acknowledgement with following WhatsApp text message from PGVCL:

"**Thanks for your query. We will revert back shortly.-PGVCL**"

Benefits

1) Easy to operate by just adding PGVCL WhatsApp number in contact list and sending WhatsApp text message
2) Load and therefore the cost on toll-free line of Customer Care Center will be reduced.
3) Cost effective for PGVCL and Convenient for consumers.

This facility has been started on pilot base for Rajkot City Circle in Oct-18, Now it rolled out for entire PGVCL. Total nos of complain received through WhatsApp is 7982 (Apr-19 to Mar-20).

Consumer Portal:

Through consumer portal, htps://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 facilities 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.

Year wise complain rececived last 2 year are as under:

Year	Total nos of complain lodged	Total nos of complain resolved
2018-19	2710	2710
2019-20	1405	1405

Meeting with Public Leaders:

On dated 10-07-2019, a meeting under the Chairmanship of Hon'ble MD PGVCL was organized regarding various issues related to PGVCL & GETCO with representatives of Bharatiya Kisan Sangh and 64 issues were resolved 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.

23530 Nos. field visits conduct by field staff at various villages during Gram sabha and aware for energy conservation in FY 2019-20.

(9) I.T. INITIATIVES

Billing and Payment SMS Service

This utility provides the facility for informing the consumers regarding their energy bills by sending SMS whenever their bills are generated and also the facility for informing the consumers regarding their energy bill payments by sending SMS whenever their payments are received.

Consumer Bill / Payment View

This facility allows consumers to view the information of last bill, last payment done and registered mobile no. & email through PGVCL website.

Registration of mobile no. and email id of consumers

Through this facility on PGVCL website, consumers can directly register their mobile no. and/or email id with help of secure OTP delivered on their mobile and/or email respectively to update record. If mobile no. or email id is updated then consumers also get notifications regarding deregistration on their old mobile no. or email id. Captcha validation is provided for security check to ensure only human users can pass through.

Automated Meter Reading for HT consumers

HT Consumer reading is enabled through GPRS. The billing is automated through this process and metering information is available through web base application.

Vigilance Checking System

This system is developed for calculation of theft bills for LT consumers, lodging FIR, generation of related reports and related procedures. Sub division user enters theft cases booked u/c 126 or 135. User gets automatic bill calculation with bill print. Also, u/c 135, FIR can be lodged to respective police station and further procedures are done by police station in the same system.

Upgradation of WAN Infrastructure and MPLS Connectivity

For upgrading of existing WAN infrastructure of PGVCL, 251 nos. of routers have been procured of which 69 Nos. procured under IPDS project by PGVCL and others by GUVNL. Old routers at all offices of PGVCL have been replaced with the new routers. Routers installed in SDOs are having support for 3G/4G connectivity which can be utilized during prolonged WAN outage.

WAN for 131 offices of PGVCL have been converted to MPLS from existing point-to-point connectivity. MPLS migration for other locations is in progress.

(10) CONSUMER REDRESSAL FORUM

Following provisions of Gujarat Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2019, Notification No.: 2 of 2019, 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 four forums for quick disposal of consumer grievances viz. at Rajkot, Bhavnagar Bhuj and Junagadh.

(11) 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, 5768 and for FY 2017-18, 1497 Nos. FY 2018-19, 270 Nos and 131 Nos of consumers opted for the scheme for the FY 19-20.

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, 13685952 Nos. of LED Bulbs, 244985 Nos. of LED Tube light and 192454 Nos. of five star Fans are sold up to March 2020.

(12) 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 ₹ 900 crores.

In FY 2018-19, 15 numbers of agriculture feeders Commissioned having 667 numbers of agriculture connections and aggregate load of 19.86 MW. Capex for 2018-19 was ₹ 104 Cr.

In FY 2019-20, 16 Nos. numbers of agriculture feeders Commissioned having 857 numbers of agriculture connections and aggregate load of 19.03 MW. Capex for FY 2019-20 is ₹ 101.33 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.

(13) 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, ₹ 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, ₹ 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. This project is as on built Go-Live declared on 30.09.2019 and TPIEA verification is pending.

In Part B of RAPDRP, total DPR cost sanctioned is ₹ 656.69 Cr. The expenditure incurred till date is ₹ 470.42 Cr. 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 24 Towns as on March-20.

(14) 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. The activities as per DPR were completed as per project time line i.e. by Mar-2019. For Final closure of IPDS DRC approval taken for ₹ 401.52 cr. against original DPR of ₹ 459.67 cr. .Final closure of IPDS under process.

(15) EFFECTIVE STEPS FOR LOSS REDUCTION:

- Aerial Bunch Conductor (ABC)
  Total 935 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 363 Nos of small capacity transformer are installed on JGY and Urban feeders having high losses during the year to eliminate power theft.
- Selection of 1292 nos of high loss feeders for FY 2020-21.
- 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 14027 (up to 31st March, 2020) out of which 8306 are technical post and 5721 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 2019-20 are 35856 and up to June – 2020, 10820. 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 2018-19 and Determination of Tariff for FY 2020-21 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, 2020. Tariff order is effective from 1st April, 2020.

GERC vide order dated 29.04.2019 & 25.09.2019 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 the Company has issued Equity Shares on Right basis and made allotment as follows:

Date : 31st August, 2019	41,10,37,877 Equity shares of ₹ 10 each, at premium of ₹ 6/- Per Share.
Date : 4th February, 2020	61,60,27,250 Equity shares of ₹ 10 each, at premium of ₹ 5/- Per Share.

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

Date : 13th August, 2020	36,18,38,317 Equity shares of ₹10 each, at premium of ₹ 5/- Per Share.

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 ₹ 7705.16 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. G. K. Choksi & Co., Chartered Accountants, Ahmedabad were the statutory Auditors of the Company, appointed by C & AG, New Delhi for the F.Y. 2019-20. They have audited the Financial Statements for the F.Y. 2019-20 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. 2019-20. The notes to the Financial Statement are self-explanatory and there for do not call for further comments.

In accordance with section 139 of the Companies Act, 2013 M/s. R. S. Patel & Co., Chartered Accountants, Rajkot are appointed as Statutory Auditors for the F.Y.2020-21 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, 2020 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 2019-20 for auditing the cost accounting records relating to Electricity Industry product. The Cost Audit report in respect of F.Y. 2019-20 was filed on dated 11th November, 2020, as per the statutory requirements.

The Board, has appointed M/s. M.I. Prajapati & Associates, Ahmedabad as Cost Auditors for the Financial Year 2020-21. As required under the provisions of the Companies Act, 2013, the Directors recommend their remuneration for the Financial Year 2020-21 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 2019-20 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 2019-20 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. 2019-20 and till the date of this report.

- Shri Bhavin K. Pandya, IAS was ceased as Director and Managing Director of the Company on withdrawal of his nomination w.e.f. 04/09/2019.
- Ms. Shweta Teotia, IAS was nominated and appointed as Director and Managing Director of the Company w.e.f. 04/09/2019.
- Smt. Shahmeena Husain, IAS was nominated and appointed as Director of the Company w.e.f. 03/09/2019.
- Smt. Shahmeena Husain, IAS was nominated and appointed as Chairperson of the Company w.e.f. 02/03/2020.
- Ms. Anju Sharma, IAS was ceased as Director of the Company w.e.f. 13/09/2019.
- Shri S. B. Khyalia was ceased as Director of the Company on withdrawal of his nomination w.e.f. 01/11/2019.
- Shri Pankaj Joshi, IAS was ceased as Director and Chairman of the Company on withdrawal of his nomination w.e.f. 06/09/2019.
- Shri C. J. Macwan was ceased as Director of the Company on withdrawal of his nomination w.e.f. 29/01/2020.
- Shri Abhishek Kumar Sinha was nominated and appointed Director of the Company w.e.f. 29/01/2020 and ceased as Director of the Company on withdrawal of his nomination w.e.f. 23/04/2020.
- Shri K. M. Bhuva was ceased as Director of the Company on withdrawal of his nomination w.e.f. 29/04/2020.
- Shri Bharatkumar Vaishnav was nominated and appointed as Director of the Company w.e.f. 30/06/2020 and ceased as Director of the Company on withdrawal of his nomination w.e.f. 05/09/2020.
- Shri Dilip Thaker was nominated and appointed as Director of the Company w.e.f. 27/10/2020.
- Prof. Shailesh Gandhi and Prof. Joshy Jacob ceased as Independent Director of the Company w.e.f. 16/11/2020 on completion of First Tenure of Two years.

Your Directors placed on record their appreciation of the valuable services rendered to the Company by Shri Bhavin K. Pandya, Ms. Anju Sharma, IAS, Shri S. B. Khyalia, Shri Pankaj Joshi, IAS, Shri C. J. Macwan, Shri Abhishek Kumar Sinha, Shri K. M. Bhuva and Shri Bharatkumar Vaishnav during their tenure with the Company as Director of the Company.

Your Directors placed on record their appreciation of the valuable services rendered to the Company by Shri Bhavin K. Pandya during their tenure with the Company as Director and also as Managing Director of the Company.

Ms. Shweta Teotia, IAS, Directors and Managing Director 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.

During the year Shri Hardik Chauhan was appointed as a Company Secretary of the Company w.e.f. 02/12/2019. In this regard, Director also placed on record that the Company had appointed Shri Paras Viramgama on 29.05.2019, who could not join the Company due to personal reason, which necessitate the re-conducting of entire recruitment process and delayed the appointment of Company Secretary.

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 2019-20 and attendance by each Director, during their tenure are as under:

Name of Director	Meetings of Board		Meeting of Finance Committee		Meeting of NRC Committee		Meeting of Independent Directors		Meeting of CSR Committee	
	06.07.2019 31.08.2019 20.09.2019 07.12.2019 18.12.2019 12.03.2020		06.07.2019 20.09.2019 04.12.2019 12.03.2020		04.12.2019		22.10.2020		06.07.2019 07.12.2019 12.03.2020	
	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	2	2								
Smt. Shahmeena Husain, IAS	4	4								
Ms. Anju Sharma, IAS	2	0							1	1
Shri Bhavin pandya, IAS	2	2							1	1
Ms. Shweta Teotia, IAS, MD	4	3							2	2
Shri S. B. Khyalia	3	2	2	2						
Prof. Shailesh Gandhi	6	2	4	3	1	1	1	1		
Prof. Joshy Jacob	6	2	4	2	1	1	1	1	3	1
Shri C. J. Macwan	5	3	3	2	1	0				
Shri K. M. Bhuva	6	6							3	3
Shri Abhishek Kumar Sinha	1	1	1	1						

(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 22nd October, 2020, 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) FINANCE 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. Further considering the amendment in the relevant rules the constitution of Audit Committee is not mandatory. Audit Committee is renamed as Finance Committee in 116th Board Meeting held on 1st December, 2018. Composition of Finance Committee as on 31st March, 2020 is under.

Prof. Shailesh Gandhi	Independent Director
Prof. Joshy Jacob	Independent Director
Shri Dilip Thaker	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, 2020 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, 2020 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 2019-20, the Company has received 03 complaints of Sexual Harassment and 02 Nos. of Complaints was disposed during same financial year. While remaining 01 has been disposed during current financial year i.e. 2020-21.

(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. The Board has appointed Prof. Shailesh Gandhi, Prof. Joshy Jacob and Shri Dilip Thaker 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) ACKNOWLEDGEMENT

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/-
Smt. Shahmeena Husain, IAS
Chairperson
(Din No. 03584560)

Date : 23.12.2020
Place : Vadodara

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:

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.

23530 Nos. field visits conduct by field staff at various villages during Gram sabha and aware for energy conservation in FY 2019-20.

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, 5768 and for FY 2017-18, 1497 Nos. FY 2018-19, 270 Nos and 131 Nos of consumers opted for the scheme for the FY 19-20.

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- Under UJALA Gujarat Scheme, 13685952 Nos. of LED Bulbs, 244985 Nos. of LED Tube light and 192454 Nos. of five star Fans are sold up to March 2020.

- **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 2014-15, 2015-16, 2016-17,2017-18 Total 1292 Nos , 1496 Nos , 1600 Nos & 2556 Nos. respectively of Solar Water Pump sets are installed for different capacities.

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

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

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

So, Pilot project work for providing 11KV Specially Designed Medium Voltage Covered Conductor (MVCC) with essential accessories in place of existing bare conductor on whole 11KV Sukhpur AG feeder is carried out which is completed on Sep-2020. Moreover, 5nos of new AG connection have been released in 11KV Sukhpar AG feeder so work of providing 11KV Specially Designed Medium Voltage Covered Conductor (MVCC) on new release AG connection is under progress. Performance of MVCC is under observation in respect of power supply reliability.

b. Supply, Installation, Testing and Commissioning of maintenance free, ready capsule, pipe in cage (PIC) type earthing System in HT feeders of Power Distribution network under PGVCL, UGVCL, MGVCL & DGVCL.

For safety and reliability of the system, effective Earthing plats vital role in the distribution network. Presently each pole is earthed with the conventional type of earthing with salt and charcoal. It requires regular watering to keep the earth pit resistance low and having lots of limitation like short life, periodical maintenance, etc.

The GPRD (Gujarat Power Research & Development Cell), GUVNL has specially designed the developed “Maintenance free ready capsule, pipe in cage (PIC) type Common earthing System” for group of poles by running a common overhead earth wire suitable for the normal and rocky field conditions for Power distribution network to overcome the constraint and unsafe field practice of the earthing.

The other objectives of this research project is to find maintenance free earthing system to overcome the constraint and unsafe practice in the field. The other objectives of this project is to achieve like low resistance path to allow earth-fault protection to operate reliably and avoid step voltage and touch potential. This system will help to avoid electrical accident to human being and Animals due to touch potential or step potential.

The project work accomplished on 11 KV Vadod JGY of Vinchhiya S/dn. under Rajkot Rural Circle.

C. Supply, Erection, Testing and commissioning of Remotely operable and communicable 11KV 600 Amp. Air Break Switch with Earth Blade facility in the area of various sdn under all four DISCOMs.

The basic idea for using Air Break Switch with Earth Blade Facility (ABEBC) is to make the power supply more reliable, fast restoration of power supply in case of sustained fault, safety of manpower and reduce revenue loss with reference to the existing system. Furthermore, ABEBC may enable reduction manpower utilization for restoration of power supply and better utilization of the line staff; for other various sub division activity. Also, due to earthing provision in ABEBC, our line staff safety level will increase.

The most important advantages are listed below:

i. Minimization of the fault restoration time
ii. Improve the power supply reliability
iii. Increase in ease and safety of the operation
iv. Increase the customers' satisfaction
v. Easily identify the fault area location
vi. A cost Effective Solution
vii. Identify the areas requiring maintenance, precisely.
viii. The electrical accidents to utility staff shall get eliminated almost

ix. Increase in the confidence of the utility working staff
x. Address the back power issues of distributed generation

PGVCL is allotted 9 nos. of ABEBC with earth blade facility. These 9 nos. of ABEBCs are installed in Kuvadva (Govardhan feeder-5 nos.) & Gondal R-1 (Vivekananda feeder – 4 nos.) subdivision of Rajkot Rural Division under Rajkot Rural Circle. All 9 switches are installed on various locations of these feeders. At present, configuration of communication facility newly developed by GPRD is under progress in co-ordination with Vodafone.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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, Commissioning of maintenance free, ready capsule, pipe in cage (PIC) type earthing System in HT feeders.

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 subsequently customers' satisfaction is increased. Objectives of maintenance free, ready capsule, pipe in cage (PIC) type earthing System is to achieve like low resistance path to allow earth-fault protection to operate reliably and to avoid step voltage and touch potential. Objective of Remotely operable communicable switch is reduced restoration of power supply in case of sustained fault and increase safety of line staff working on line.

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/-
Smt. Shahmeena Husain, IAS
Chairperson
(Din No. 03584560)

Date : 23.12.2020
Place : Vadodara

ANNEXURE-B

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2019-20.

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 31st March 2020 the Committee consist of following members 1 Ms. Shweta Teotia, IAS — Managing Director …. Member 2. Prof. Shailesh Gandhi — Independent Director …. Member 3. Prof. Joshy Jacob — Independent Director …. Member
3.	**Average net profit of the Company for last three financial years** Average Net Profit (2016-17 to 2018-19) ₹ 5650.23 Lakhs
4.	**Prescribed CSR Expenditure (two percent of the amount as in item 3 above)** ₹ 113.00 Lakhs

5.	**Details of CSR spent during the financial year**:-
	a) Total amount to be spent for the financial year ... ₹ 113.00 Lakhs
	b) Amount unspent, if any ...₹ 10.32 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.	Science Working Model Project to Students through M. D. Mehta Education, Trust	Education	Taluka: Dhrol, District : Jamnagar	₹ 1395900	₹ 1395900	₹1395900	Project implemented through M. D. Mehta Education Trust, Taluka : Dhrol, District : Jamnagar
2	Families of Martyrs, War Widows, Disabled Soldirers and Ex-Servicemen for the Education of their Children through Home Department, Government of Gujarat	Sainik welfare and resettlement Gujarat State	Gujarat State	₹ 50000	₹ 50000	₹ 50000	Project implemented through Sainik Welfare & Resettlement, Government of Gujarat, Ahmedabad
3	Purchasing some Preliminary items for health center & education center under Bhavnagar	Health & Education	Bhavnagar District	₹ 1747300	₹ 1747300	₹ 1747300	Project implemented through District Development Officer, Bhavnagar

4	Purchase of Ceiling Fan, Tube light, Cupboard, Computer / Laptop, R.O. Filter(200 Litre)	Education	Bhuj	₹ 28000	₹ 28000	₹ 28000	Project implemented through Shri Hiten Dholakiya Vidhyalay, Bhuj
5	A citizen led programme on solid waste management in pratapgarh, Amreli	Urban Waste Management	Amreli	₹ 724000	₹ 724000	₹ 724000	Project implemented through Sashakt Foundation, Amreli
6	Purchase of Roti maker machine	Education	Amreli	₹ 275000	₹ 275000	₹ 275000	Project implemented through Smt. Tapiben Mohanlal Rugnath Mehta Dear & Dumb School, Amreli.
7	Purchase of 25 Scooters	Women Safety	Rajkot	₹ 1500000	₹ 1500000	₹ 1500000	Project implemented through Rajkot Police
8	Purchase of Vehicle	Training	Rajkot	₹ 800000	₹ 800000	₹ 800000	Project implemented through ITI Rajkot
9	purchase of sport equipment	Sports and Athletic Activities	Jamnagar	₹ 355000	₹ 355000	₹ 355000	Project implemented through Sainik School Balachadi, Jamnagar
10	Scholarship to Girl Students through Sister Nivedita Foundation	Promoting education... especially among children....	Rajkot, Surendranagar, Amreli, Botad Districts	₹ 600000	₹ 600000	₹ 600000	Project implemented through Sister Nivedita Foundation, Rajkot
11	construction of Snan Ghat and Cemetery main gate at village : Padasan	Social Welfare	Padasan, Rajkot	₹ 400000	₹ 400000	₹ 400000	Project implemented through Jay Shakti Maa Charitable Trust, Rajkot

12	Donation for "Force Traveler", Model T3700MM WB BS-IV Minibus with power steering	Health support for mentally retarded patient	Junagadh	₹ 1292794	₹ 1292794	₹ 1292794	Project implemented through Ashadeep Charitable Foundation, Junagadh
13	For promotion and development of education, scientific research etc.	Educational	Gandhinagar	₹ 400000	₹ 400000	₹ 400000	Project implemented through Gujarat Power Education and Research Foundation
14	Facility in Dormitory for homeless	Social Welfare	Rajkot	₹ 700000	₹ 700000	₹ 700000	Project implemented through Rajkot Municipal Corporation
	TOTAL			₹ 10267994	₹ 10267994	₹ 10267994	

No overhead expenditure was booked.

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

During the financial year 2019-20 Company spent ₹ 113.00 Lakhs on CSR activities. Against the prescribed budget for the F.Y. 2019-20 amounting to ₹ 102.68 Lakhs. In fact, there is no unspent amount as such for F.Y. 2019-20 but due to the reasons given below contribution of ₹ 10.32 Lakhs to CM Relief Fund for spending on COVID-19 related activities is not booked under CSR.

The Company has contributed ₹ 10.32 Lakhs during F.Y. 2019-20 to the Chief Ministers' Relief Fund, Gujarat for spending on Covid-19 pandemic related Disaster Management activities. The Ministry of Corporate Affairs (MCA), Govt. of India had issued clarification dated 23-03-2020 on spending of CSR Funds for COVID-19. Accordingly Company contributed ₹ 10.32 Lakhs to CM Relief Fund with approval of CSR Committee and the Board with special objective in the situation for Disaster Relief for spending on COVID-19 affected areas and considered the same as part of CSR. Subsequently, on 10-04-2020, MCA issued Covid-19 related Frequently Asked Questions (FAQs) on CSR wherein it was clarified that CM Relief Fund or State Relief Fund for COVID-19 is not included in Schedule VII of the Companies Act, 2013 and therefore, any contribution to such funds shall not qualify as admissible CSR expenditure.

GUVNL has represented to the Govt. of Gujarat vide letter dated 28-07-2020 to take up the matter with Ministry of Corporate Affairs, Govt. of India so that contributions made to CM Relief Fund for COVID-19 by GUVNL and Subsidiary Companies (especially between 23-03-2020 to 10-04-2020) are allowed as Corporate Social Responsibility (CSR) expenditure under schedule VII of the Companies Act, 2013. Response to the said representation is awaited.

The GUVNL Board of Directors at its meeting held on 29-09-2020 decided that in view of the clarification issued by Ministry of Corporate Affairs, Govt. of India vide General Circular No. 15/2020, dated 10th April 2020 and considering the fact that response to the GUVNL representation to the Govt. of Gujarat is awaited, the Contribution made by the Company to the CM Relief Fund, Gujarat for the F.Y. 2019-20 for spending on Covid-19 related activities may not be booked as CSR Spending for the F.Y. 2019-20 and the same be considered as Contribution/donation to CM Relief Fund under Section 181 of the Companies Act, 2013.

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/-
Ms. Shweta Teotia
Managing Director
(Din No.08556856)

Sd/-
Shri Dilip Thaker
Director
(Din No. 08931250)

Date: 23.12.2020
Place:Rajkot

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, 2020

SR. No.	Comment	Management Reply
1.	**Balance Sheet :** **Deferred Government Grants, Subsidies & Consumer Contribution (Note No. 18) ₹ 2537.71 crore** A reference is invited to Note no. 48 of the financial statements, which state that with effect from 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 (AS) - 12, Grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Indian Accounting Standard (Ind AS) 20 also state that grants related to depreciable assets are usually recognized in profit or loss over the periods and in the proportions in which depreciation expenses on those assets is recognized. The above change in method was made by the Company as there was a mismatch of the grants	C&AG's comment is on the financial position i.e. Balance Sheet, particularly on Subsidies and Consumer Contributions with reference to Note No. 48 which states that 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. It may be noted that this is a repeat comment pertaining to Financial Statements of the Company for FY 2016-17, FY 2017-18 and FY 2018-19. At the outset, it may be noted that, the subject matter of the comment has no impact on the profitability of the Company for FY 2019-20. Also, the subject matter of the comment would not have any impact on the profitability of the Company in the future financial years also. As informed and explained in the earlier years, the change in the method of recognition of deferred grants to income is a change on account of more experience and circumstances as obtained currently to reduce the mismatch and it does not and cannot obviate the mismatch entirely, which would still continue, albeit a lower one. The change in the method is a change in accounting estimate in compliance with Ind AS 8 –Accounting Policies, Changes in Accounting Estimates and Errors, just akin to a change in the method of depreciation is or

recognized in the Statement of Profit and Loss versus the related depreciation expenses. Thus, the Company has changed the method of recognized of deferred income in order to align the recognition of deferred income with the related depreciation expenses. As the provision for treatment of deferred income to be recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset is 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.

Disclosure of the above facts in the Note no.48 instead of giving accounting effect does not suffice the purpose.

Despite being pointed out in 2016-17, 2017-18 and 2018-19, no corrective action has been taken by the Company.

would be. As Per requirements of the Ind AS, every method or accounting estimate can change on account of new developments, circumstances, and more experience. The earlier method of recognizing deferred income i.e. Reducing Balance Method (RBM) or Written Down Value Method (WDV) was selected and applied basis the facts and circumstances as obtained at the time of such selection and application, which was found to be in compliance with the Accounting Standards at the time in all the audits by different auditors over a period of more than 10 years including supplementary audit by the Hon'ble office of C&AG.

Having said the above, with reference to Hon'ble C&AG office's communication for obtaining an independent opinion, during FY 2019-20, GUVNL, the Holding Company, on behalf of Subsidiary Companies has obtained an independent opinion from eminent professional CA Firm having partners some of whom have been past presidents of ICAI, as well as have served extensively on various ICAI Committees including EAC. The Firm has also opined on the subject matter which has been shared with C&AG Office. The independent opinion obtained buttresses the Company's (and the Group's) position that the change in the method is not a correction of error and hence the Company's accounting treatment is correct. The Company has also given adequate disclosure in this regard under Note No.48 of the Audited Annual Accounts of FY 2019-20.

Thus, given the Company's position, that the accounting and treatment is found to be correct backed by sufficient disclosures hence no further corrective action is required to be taken.

02	**Balance Sheet :** **Current Liabilities** **Other Current Liabilities (Note No. 26) ₹ 67,175.68 lakhs** The above does not include ₹ 257.81 Lakh being amount payable to M/s Gokul Agro Resources Limited on account of decision (January 2020) of GERC to revise the bills and refund the excess monthly energy charges recovered during June 2015 to December 2016. This resulted in understatement of Other Current Liabilities by ₹ 257.81 Lakh and overstatement of Other Equity (Retained Earnings) to the same extent.	Present practice of the company is that the adjustments given in the consumer account are accounted in the respective month of adjustment and same practice is being followed by PGVCL since past so many years. Also the said practice is being uniformly followed across all DISCOMs. It is pertinent here to note that there is wide spread network of PGVCL spread among 246 sub-division offices and 45 Division offices. So, it is difficult to consider adjustment of such transactions in books of accounts of respective financial year itself. However, the valuable suggestion of CAG is noted and we hereby assure that in future the effect of major such transactions will be given in the financial statement of respective year.

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

Sd/-
(H.K.Dharmadarshi)
Principal Accountant General
(Audit-II), Gujarat

Place: Ahmedabad
Date:10.12.2020

For and on behalf of the Board

Sd/-
(Smt. Shahmeena Husain,IAS)
Chairperson
(Din No. 03584560)

Place: Vadodara
Date:23.12.2020

ANNEXURE-D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020

[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, 2020, 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, 2020, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder and further amendments thereto and as per applicability to the Company;

(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 and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice (Including shorter 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 audit period, following events have occurred and carried out in compliance with the applicable provisions of the Companies Act, 2013 and other applicable provisions and regulations and with the approval of Registrar of Companies, Gujarat and other authority as and when required:

1) the Company has allotted 41,10,37,877 fully paid Equity shares of ₹ 10/- each at a Premium of ₹ 6 per share under Right Issue on 31/08/2019.
2) The Company has Increased its Authorized Share Capital with the approval of members of the Company at Annual General Meeting held on 24th December, 2019 from ₹ 8000 Crores (Rupees Eight Thousand Crores only) divided into 800,00,00,000 (Eight Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten each only) each to ₹ 10000 Crores (Rupees Ten Thousand Crores only) divided into 1000,00,00,000 (One Thousand Crores) Equity Shares of ₹ 10/- (Rupees Ten each only) each and accordingly has altered its Capital Clause i.e. Clause V of Memorandum of Association of the Company.
3) the Company has allotted 61,60,27,250 fully paid Equity shares of ₹ 10/- each at a premium of ₹ 5/- per share under Right Issue on 04/02/2020.

We further report that

In Furtherance, w.e.f. 22nd November, 2018, Company secretary has been relived and the Company has appointed Company Secretary w.e.f 02nd December, 2019.

During the year 2019-20, certain forms have been filed late with requisite additional fees.

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 : 23.12.2020
UDIN: F005156B001610243

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 31.03.2020

[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 & 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 & 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 (i) 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		**6316259458**	**6316259458**	**100**	0	**7343324585**	**7343324585**	**100**	**16.26**
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**	**6316259458**	**6316259458**	**100**	**0**	**7343324585**	**7343324585**	**100**	**16.26**
(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**	**6316259458**	**6316259458**	**100**	**0**	**7343324585**	**7343324585**	**100**	**16.26**
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**	**6316259458**	**6316259458**	**100**	**0**	**7343324585**	**7343324585**	**100**	**16.26**

(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	6316259358	100.00		7343324485	100.00		16.26
2	Shri Kamlesh Jangid (Nominee of GUVNL)	10	0.00		10	0.00		
3	Shri Subhdeep Sen (Nominee of GUVNL)	10	0.00		10	0.00		
4	Smt. Sailaja Vachhrajani (Nominee of GUVNL)	10	0.00		10	0.00		
5	Shri Parthiv K. Bhatt (Nominee of GUVNL)	10	0.00		10	0.00		
6	Shri Jaimin N. Pancholi (Nominee of GUVNL)	10	0.00		10	0.00		
7	Shri Kiritkumar M. Bhuva (Nominee of GUVNL)	10	0.00		10	0.00		
8	Shri. Avinash R. Katara (Nominee of GUVNL)	10	0.00		10	0.00		
9	Shri. Jasmin J. Gandhi (Nominee of GUVNL)	10	0.00		10	0.00		
10	Shri Shersingh B. Khyalia (Nominee of GUVNL)	10	0.00		0	0.00		
11	Shri Piyush J. Majethiya (Nominee of GUVNL)	10	0.00		10	0.00		
12	Shri Nilesh C. Munshi (Nominee of GUVNL)	0	0.00		10	0.00		
	Total	**6316259458**	**100.00**	**0**	**7343324585**	**100.00**	**0**	**16.26**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) (Financial Year 2019-20)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		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)	6316259458	100.00	6316259458	100.00
2	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.: (Increase : By way of allotment				
	31.08.2019			411037877	6.51
	04.02.2020			616027250	9.75
3	At the end of the year	**6316259458**	**100.00**	**7343324585**	**100.00**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) (Financial Year 2019-20)

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 (01-04-19 to 31-03-20)	
	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 2019-20)

Sr. No.	Name of Directors	Shareholding: No. of Shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	Shareholding: % of total shares of the Company	Date	Increase/ decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20): No. of of shares	Cumulative Shareholding during the year (01-04-19 to 31-03-20): % of total shares of the Company
1	Shri S. B. Khylia	10	0.00	18.12.2019	Decrease	Ceased as Director	0.00	0.00

Above Directors hold shares as Nominee of Gujarat Urja Vikas Nigam Limited. All other Directors & Shri Hardik D. Chauhan, 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	**18413.78**	**11345.16**	0.00	**29758.94**
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	9108.27	1530.25	0.00	**10638.52**
Total (i+ii+iii)	**27522.05**	**12875.41**	0.00	**40397.46**
Change in Indebtedness during the financial year				
Additions	0.00	**0.00**	0.00	0.00
Reduction	**7558.22**	**2278.68**	0.00	**9836.90**
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	**10855.56**	**9066.49**	0.00	**19922.05**
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	8391.70	1281.52	0.00	**9673.22**
Total (i+ii+iii)	**19247.26**	**10348.01**	0.00	**29595.27**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (Financial Year 2019-20)

(₹ In Lakhs)

Sr.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Shri Bhavin Pandya, IAS, M.D.	Ms. Shweta Teotia, IAS, M.D.	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	11.41	5.48	16.89
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	- others, specify			
5	Others, please specify	0	0	0
	Total (A)	**11.41**	**5.48**	**16.89**
	Ceiling as per the Act	Exempt for Government Companies as per MCA Notification dated 5 June, 2015		

B. Remuneration to other directors: (Financial Year 2019-20)

Sr. No.	Particulars of Remuneration	Name of the Directors											Total Amount Rs.
		Independent Director		Other Non-Executive Directors									
		Prof. Shailesh Gandhi	Prof. Joshy Jacob	Shri Pankaj Joshi, IAS	Smt. Shahmeena Husain, IAS	Ms. Anju Sharma, IAS	Shri Bhavin Pandya, IAS	Ms. Shweta Teotia, IAS	Shri S. B. Khyalia	Shri C. J. Macwan	Shri K. M. Bhuva	Shri Abhishek Kumar Sinha	
1	**Independent Directors**												
	(a) Fee for attending Board & Committee Meetings	15000	25000										40000

	(b) Commission	NIL	NIL										0
	(c) Others, please specify	NIL	NIL										0
	Total (1)	15000	25000										40000
2	**Other Non Executive Directors**												
	(a) Fee for attending Board & Committee Meetings			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b)Commission			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify.			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	15000	25000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	40000
	Total Managerial Remuneration												40000
	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 2019-20)

(₹ 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	2.82	28.34	31.16
	(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		**2.82**	**28.34**	**31.16**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES (Financial Year 2019-20)

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/-
Smt. Shahmeena Husain, IAS
Chairperson
(DIN 03584560)

Date : 23.12.2020
Place : Vadodara

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF PASCHIM GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of standalone financial statements of PASCHIM GUJARAT VIJ COMPANY LIMITED for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 6th October 2020.

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 standalone financial statements of PASCHIM GUJARAT VIJ COMPANY LIMITED for the year ended 31 MARCH 2020. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to enquiries 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 standalone financial statements and the related audit report:

A. Comments on Financial Position

1. Balance Sheet

Deferred Government Grants, Subsidies & Consumer Contribution (Note-18)- ₹ 2537.71 crore

A reference is invited to Note No. 48 of the financial statements, which state that with effect from 1 April 2016 the Company has changed the method of computing the grants/consumer contribution received against depreciable assets to be recognised in Statement of Profit and Loss from reducing balance method to the straight line method and consequently the rates at which grant is recognised in the Statement of Profit and Loss.

The company determined that the change to recognise grants in proportion of the depreciation expenses is a change in accounting estimate and to be applied prospectively.

As per Accounting Standardard-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 asset. Indian Accounting Standard -20 also state that grants related to depreciable assets are usually recognised in profit or loss over the period and in the proportion 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 grants recognised in the statement of Profit and Loss versus the related depreciation expenses. Thus, the company has change the method of recognition of deferred income in order to align the deferred income with related depreciation expense. As the provision for treatment of deferred income to be recognised in the Statement of Profit and Loss on systematic and rational basis over the useful life of asset is 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 capitalised 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 March 2017.

Disclosure of the above facts in Note no. 48 instead of giving accounting effect does not suffice the purpose.

Despite being pointed in the year 2016-17, 2017-18 and 2018-19, no corrective action has been taken by the Company.

2. Balance Sheet

Current liabilities

Other Current Liabilities (Note 26): ₹ 67,175.68 Lakh

The above does not include ₹ 257.81 Lakh being amount payable to M/s Gokul Agro Resources Limited on account of decision (January 2020) of GERC to revise the bills and refund the excess monthly energy charges recovered during June 2015 to December 2016.

This resulted in understatement of Other Current Liabilities by ₹ 257.81 Lakh and overstatement of Other Equity (Retained Earnings) to the same extent.

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

Sd/-
(H.K. Dharmadarshi)
Principal Accountant General (Audit-II), Gujarat

Place: Ahmedabad
Date:10.12.2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
PASCHIM GUJARAT VIJ COMPANY LIMITED,
Rajkot.

Report on the Standalone financial statements

Opinion

We have audited the accompanying Standalone Financial Statements of **PASCHIM GUJARAT VIJ COMPANY LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

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 Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

(i) Note 32(a) of the accompanying Standalone Financial Statements, in relation to security deposits obtained from Consumers other than HT Consumers are subject to reconciliation with subsidiary records and consequent adjustments, if any, that may be required;

(ii) Note 48 of the accompanying Standalone Financial Statements, in relation to significant accounting policy and the accounting treatment adopted by the company with regard to grant / subsidies and consumer contributions received by the company towards depreciable assets;

(iii) Note 47 of the accompanying Standalone Financial Statements, in relation to the management evaluation of COVID-19 impact on the operations and assets of the Company.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's report, Business Responsibility Report, Corporate Governance Report and Share Holders Information, but does not include the standalone financial statements and our auditor's report thereon. The other information report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance to initiate actions applicable in the applicable laws and regulations.

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 the 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of Misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that economic decision of reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The company is governed by the provisions of the Electricity Act, 2003 read with the rules and regulations issued there-under. The section 129 of the Company Act, 2013, also provides that the special Acts like Electricity Act, 2003 will apply to the extent the provisions of the Companies Act, 2013 are inconsistent with provisions of those Acts. Accordingly, the company has compiled the standalone financial for the financial year 2019-2020.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure - A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and the Cash Flow Statement 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 Indian Accounting Standards (IND-AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) According to notification No. G.S.R. 463 (E) dated 05th June, 2015 issued by the Government of India, the provisions of section 164(2) of the Companies Act, 2013 are not applicable to the company.

(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 B" and

(g) In our opinion and to the best of our information and according to explanations given to us, the company being government company, section 197(16) of the Companies Act, 2013 regarding managerial remuneration is not applicable (as per MCA Notification No. G.S.R. 463 (E) dated 05th June, 2015).

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

(I) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 42 to the Standalone Financial Statements;

(ii) The company has made provision, as required under applicable law or accounting standards for material foreseeable losses, if any, on long term contracts. The company did not have any derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103
UDIN : 20031103AAAADU13638

Place : Ahmedabad
Date : 06th October, 2020

"Annexure A" to the Auditors' Report

(Referred to in our Report of even date to the members of **PASCHIM GUJARAT VIJ COMPANY LIMITED**)

(i) (a) According to information and explanation given to us, the Company has maintained proper records of fixed assets showing location of assets as subdivision.

(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) As informed, in respect of the immovable properties transferred from erstwhile Gujarat Electricity Board (GEB), the procedure for registration and / or transfer in the name of the company is in progress.

Following Title Deed of land are not held in the name of the company.

Sr. No.	Circle	Name of Premises	Survey No.	Lease Hold or Free Hold	Gross Block Amount (₹ in Lakhs)
1	Surendranagar	Div Store	3347/1	Free Hold	160.68
2	Rajkot City	Mahila College Sub Division	1263	Free Hold	59.03
3	Botad	Circle Office	861	Free Hold	150.50

(ii) According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory post year end on account of lock-down and no material discrepancies were noticed on such physical verification during the year.

(iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations 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 Order is not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the

Companies Act, 2013. We are of the opinion that prima facia 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) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2020 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2020 other than stated below:

Name of the Statute	Nature of Dues	₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	2062.83	A.Y. 2013-2014	CIT (A)	Income Tax Department has withheld refund of ₹ 515.71 Lakhs pertaining to A.Y. 2014-15 against this disputed demand of ₹ 2578.54 Lakhs.
Income Tax Act, 1961	Income Tax	108.02	A.Y 2014-2015	CIT (A)	-
Income Tax Act, 1961	Income Tax	2307.75	A.Y. 2016-2017	CIT (A)	Income Tax Department has withheld refund of ₹ 583.38 Lakhs pertaining to A.Y. 2014-15 against this disputed demand of ₹ 2891.13 Lakhs.
Income Tax Act, 1961	Income Tax	2330.33	A.Y. 2015-2016	CIT (A)	Income Tax Department has withheld refund of ₹ 582.58 Lakhs pertaining to A.Y. 2014-15 against this disputed demand of ₹ 2912.91 Lakhs.
Income Tax Act, 1961	Income Tax	74.10	A.Y. 2009-2010	ITAT	-

(viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions, banks, Government in respect of existing loans, which were originally raised by the company. As regards the loans transferred from GUVNL, as certified by GUVNL, there has been no default in repayment of principal and interest.

(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) According to the information and explanations given to us, no fraud by company or any fraud on the company by its employees have been noticed or reported during the year.

(xi) According to Notification No G.S.R. 463(E) dated 05/06/2015 issued by Govt. of India, the provision of Section 197 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act read with Notification No G.S.R. 463(E) dated 05.06.2015 issued by Govt. of India and details of transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us, the Company has not made any preferential allotment of shares. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103
UDIN : 20031103AAAADU13638

Place : Ahmedabad
Date : 06th October, 2020

"Annexure B" to the Auditors' Report

(Referred to in our Report of even date to the members of **PASCHIM GUJARAT VIJ COMPANY LIMITED**)

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

We have audited the internal financial controls over financial reporting **PASCHIM GUJARAT VIJ COMPANY LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 2020, 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 G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103
UDIN : 20031103AAAADU13638

Place : Ahmedabad
Date : 06th October, 2020

"ANNEXURE C"

TO INDEPENDENT AUDITOR'S REPORT

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

Paschim Gujarat Vij Company Limited

Report under sector directions under Section 143 (5) of the Companies Act, 2013
For The Financial Year 2019-20 (Annexure C – 1)

Sr. No.	Particulars	Response / Remedial Measures
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company processes all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	No, there is no any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. due to the Company's inability to repay the loan
3	Whether fund received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Yes, the funds received for specific schemes from central/state agencies have been properly accounted for and utilized as per its terms and conditions.

"ANNEXURE C"
TO INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Paschim Gujarat Vij Company Limited
Report under sector specific sub-directions under Section 143 (5) of the Companies Act, 2013
For The Financial Year 2019-20 (Annexure C-2)

Sr. No.	Particulars	Response / Remedial Measures
1	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	In past, efforts were made to engage franchisee for distribution of electricity for high loss areas by giving advertisement. However, no agency came forward and hence no such agreement has been made.
2	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.
3	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.
4	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 2019-20.
5	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	Yes, The receivables and payable between PGVCL & fellow subsidies / holding companies are reconciled and duly confirmed as on 31.03.2020.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Response / Remedial Measures</th></tr>
<tr><td>6</td><td>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.</td><td>Not Applicable</td></tr>
<tr><td>7</td><td>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?</td><td>During the year, following subsidies have been recognised in the books of accounts based on the allocation given by the Holding Company GUVNL:
<table>
<tr><th>Sr.No</th><th>Subsidy Received</th><th>Amount ₹ in Lakhs</th></tr>
<tr><td>1</td><td>Agriculture (HP based)</td><td>39541.62</td></tr>
<tr><td>2</td><td>Tariff Compensation</td><td>46146.18</td></tr>
<tr><td>3</td><td>FPPPA Subsidy</td><td>149520.13</td></tr>
<tr><td>4</td><td>Energy Conservation</td><td>32.20</td></tr>
<tr><td>5</td><td>Water Works</td><td>23783.85</td></tr>
<tr><td>6</td><td>Research & Development</td><td>19.90</td></tr>
</table>
The claim of the subsidy has been made by GUVNL, Holding company on behalf of all the distribution companies. The claim of subject subsidy is reported and presented in the books of GUVNL itself and hence we are not able to comment on the short fall of the subsidy, if any</td></tr>
</table>

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103
UDIN : 20031103AAAADU13638

Place : Ahmedabad
Date : 06th October, 2020

Balance Sheet as at 31st March, 2020

(₹ In Lakhs)

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipments	2	1,249,683.03	1,153,574.79
(b) Capital work-in-progress	3	16,968.38	22,097.59
(c) Financial Assets			
(i) Loans	4	1,897.58	2,117.32
(ii) Other Non Current Financial Assets	5	11,932.48	4,612.97
(d) Other non-current assets	6	1,931.78	1,690.28
Total Non Current Assets		**1,282,413.24**	**1,184,092.94**
(2) Current Assets			
(a) Inventories	7	93,854.84	67,287.56
(b) Financial Assets			
(i) Trade receivables	8	192,769.47	174,138.24
(ii) Cash and cash equivalents	9	4,055.61	7,834.82
(iii) Bank Balances other than those mentioned in Cash and Cash Equivalents	10	54.47	89.27
(iv) Current Loans	11	726.07	792.36
(v) Other current financial assets	12	72,586.12	48,788.91
(c) Current Tax Assets (net)	13	4,584.27	3,144.59
(d) Other current assets	14	164.94	123.69
(e) Assets classified as held for sale	15	309.17	39.16
Total Current Assets		**369,104.97**	**302,238.61**
Total		**1,651,518.21**	**1,486,331.56**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	734,332.46	631,625.95
(b) Other Equity	17	169,493.16	98,880.28
Total Equity		**903,825.62**	**730,506.22**
Deferred Govt. Grants, Subsidies & Contributions	18	253,771.14	240,032.97
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	16,349.30	18,432.91
(ii) Other Non Current Financial liabilities	20	233,604.03	209,922.25
(b) Other Non Current Liabilities	21	12,233.42	12,258.98
(c) Provisions	22	34,665.68	31,253.96
(d) Deferred tax liabilities (Net)	23	35,596.24	41,482.58
Total Non-Current Liabilities		**332,448.68**	**313,350.68**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
- Due to Micro enterprises and small enterprises	24	-	-
- Due to other than Micro enterprises and small enterprises		578.56	278.11
(ii) Other Current Financial liabilities	25	91,794.55	106,560.48
(b) Other current liabilities	26	67,175.68	93,797.55
(c) Provisions	27	1,923.97	1,805.54
Total Current Liabilities		**161,472.77**	**202,441.69**
Total		**1,651,518.21**	**1,486,331.56**
Significant Accounting Policies and Notes to Financial Statements	1-51		

As per our report annexed of even date attached

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W
Sd/-
Rohit K. Choksi
Partner
Membership No.31103

Place: Ahmedabad
Date: 6th October, 2020

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

Sd/-
(Shahmeena Husain, IAS)
Chairman
DIN: 03584560

Sd/-
(Shweta Teotia, IAS)
Managing Director
DIN: 08556856

Sd/-
(Kintukumar Malkan)
GM (F&A) & CFO

Sd/-
(Hardik Chauhan)
Company Secretary

Place: Rajkot
Date: 30th September, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ In Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	28	1,764,355.02	1,713,189.61
II	Other income	29	32,663.61	29,464.84
III	**Total income (I+II)**		**1,797,018.64**	**1,742,654.46**
IV	**EXPENSES**			
	Purchase of Power	30	1,553,461.14	1,546,778.86
	Employee Benefits Expense	31	74,506.93	64,606.36
	Finance Costs	32	15,894.47	14,223.82
	Depreciation and amortization expense	2	84,834.19	75,700.56
	Other Expenses	33	49,429.92	34,984.24
	Total expenses (IV)		**1,778,126.65**	**1,736,293.84**
V	**Profit before exceptional items and tax (III-IV)**		**18,891.99**	**6,360.62**
VI	**Exceptional items**		-	-
VII	**Profit before tax (V-VI)**		**18,891.99**	**6,360.62**
VIII	**Tax expense:**	34		
	(a) Current tax		531.61	(846.43)
	(b) Deferred tax		(4,296.83)	(259.15)
IX	**Profit for the year (VII-VIII)**		**22,657.21**	**7,466.20**
X	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified to profit or loss		-	-
	(b) Re-measurement of the defined benefit plans		(9,097.46)	(5,809.51)
	- tax impact		1,589.51	1,251.95
	Total other comprehensive income		**(7,507.95)**	**(4,557.56)**
XI	**Total comprehensive income for the year (IX+X)**		**15,149.25**	**2,908.64**
XII	**Earnings per equity share:**			
	Basic (in ₹) (Refer note no.35)		0.34	0.13
	Diluted (in ₹)		0.34	0.13
	See accompanying notes to the Financial Statements	1-51		

As per our report annexed of even date attached

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sd/-
Rohit K. Choksi
Partner
Membership No.31103

Place: Ahmedabad
Date: 6th October, 2020

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

Sd/-
(Shahmeena Husain, IAS)
Chairman
DIN: 03584560

Sd/-
(Shweta Teotia, IAS)
Managing Director
DIN: 08556856

Sd/-
(Kintukumar Malkan)
GM (F&A) & CFO

Sd/-
(Hardik Chauhan)
Company Secretary

Place: Rajkot
Date: 30th September, 2020

Statement of Cash Flow for the year ended 31st March, 2020

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	18891.99	6360.62
Adjustments to reconcile profit before tax to net cash flows:		
Re-measurement of the defined benefit plans	(9097.46)	(5809.51)
Depreciation and amortization	84834.19	75700.56
Loss/(Gain) on sale of PPE (net)	463.54	160.58
Amortisation of Prepayments of Leasehold Land	2.45	3.00
Loss on Obsolescence of Stores	35.76	12.70
Other Losses & Write Offs	75.07	0.00
Deferred Income (5.28% of Capital Grant & Consumer Contribution Written Back)	(23522.77)	(21555.39)
Interest income	(0.06)	(134.98)
Finance cost	15894.47	14223.82
Impairment for Doubtful receivables	17910.75	7143.51
Working capital adjustments:		
(Increase)/ Decrease in Current Assets:		
Inventories	(26603.03)	2181.42
Trade receivables	(36541.98)	(25307.26)
Other financials assets	(30794.09)	(33887.52)
Other Non financial assets	(109.05)	701.28
Increase / (Decrease) in Current Liabilities:		
Trade Payables	300.45	(40.33)
Other Financial Liabilities	32718.42	(4685.50)
Other Non Financial Liabilities & Provisions	(23117.27)	18930.54
	21341.38	33997.54
Income tax (paid)/ Refund	(1971.29)	(1904.03)
Net cash flows from operating activities (A)	**19370.09**	**32093.51**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP)	(194003.51)	(210762.96)
Sale of fixed assets	144.84	176.33
(Increase) / Decrease in Assets not in use	(270.01)	61.18
Bank Balances not considered as Cash and Cash Equivalents	(1.80)	(16.84)
Interest received (finance income)	0.06	0.00
Net cash flows used in investing activities (B)	**(194130.43)**	**(210542.29)**

FINANCING ACTIVITIES		
Proceeds from Share Application Money pending allotment	158170.16	137607.31
Deferred Govt. Grants, Subsidy & Contributions	37260.94	53814.12
Proceeds / (Repayment) from borrowing (net)	(9836.90)	(4829.66)
Interest & financial charges	(14613.06)	(14094.14)
Net cash flows from/(used in) financing activities (C)	**170981.14**	**172497.62**
Net increase in cash and cash equivalents (A+B+C)	(3779.20)	(5951.16)
Cash and cash equivalents at the beginning of the year	7976.88	13928.03
Cash and cash equivalents at year end	4197.68	7976.88

Notes: **(₹ In Lakhs)**

1	**Cash & Bank Balances consists of the following:**		
	Cash & Cash Equivalents		
	a. Balances with Banks	3122.42	3486.27
	b. Cash on hand	72.36	1155.51
	c. Others	1002.90	3335.11
	Closing Cash & Cash Equivalents	**4197.68**	**7976.88**
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 G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sd/-
Rohit K. Choksi
Partner
Membership No.31103

Place: Ahmedabad
Date: 6th October, 2020

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

Sd/-
(Shahmeena Husain, IAS)
Chairman
DIN: 03584560

Sd/-
(Shweta Teotia, IAS)
Managing Director
DIN: 08556856

Sd/-
(Kintukumar Malkan)
GM (F&A) & CFO

Sd/-
(Hardik Chauhan)
Company Secretary

Place: Rajkot
Date: 30th September, 2020

Statement of Changes in Equity for the year ended on 31st March, 2020

(a) Equity Share Capital (₹ In Lakhs)

Particulars	Amount
Balance as on 1st April, 2018	**506,198.97**
Changes during the year	125,426.98
Balance as on 31st March,2019	**631,625.95**
Changes during the year	102,706.51
Balance as on 31st March,2020	**734,332.46**

(b) Other Equity (₹ In Lakhs)

Particulars	Share Application Money	Reserves and Surplus		Total
		Retained Earnings	Securities Premium	
Balance as at 31st March, 2018	**18,417.81**	**(20,071.99)**	**85,445.48**	**83,791.30**
Profit for the year	-	7,466.20	-	7,466.20
Other comprehensive income for the year (net of Tax)	-	(4,557.56)	-	(4,557.56)
Addition during the year	137,607.32	-	30,598.15	168,205.47
Shares allotted during the year	(156,025.13)	-	-	(156,025.13)
Total Comprehensive Income for the year	**(18,417.81)**	**2,908.64**	**30,598.15**	**15,088.98**
Balance as at 31st March, 2019	-	**(17,163.35)**	**116,043.63**	**98,880.28**
Profit for the year	-	22,657.21	-	22,657.21
Other comprehensive income for the year (net of Tax)	-	(7,507.95)	-	(7,507.95)
Addition during the year	158,170.15	-	55,463.64	213,633.78
Shares allotted during the year	(158,170.15)	-	-	(158,170.15)
Total Comprehensive Income for the year	-	**15,149.25**	**55,463.64**	**70,612.89**
Balance as at 31st March, 2020	-	**(2,014.10)**	**171,507.27**	**169,493.17**

As per our report annexed of even date attached

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sd/-
Rohit K. Choksi
Partner
Membership No.31103

Place: Ahmedabad
Date: 6th October, 2020

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

Sd/-
(Shahmeena Husain, IAS)
Chairman
DIN: 03584560

Sd/-
(Shweta Teotia, IAS)
Managing Director
DIN: 08556856

Sd/-
(Kintukumar Malkan)
GM (F&A) & CFO

Sd/-
(Hardik Chauhan)
Company Secretary

Place: Rajkot
Date: 30th September, 2020

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information and Significant Accounting Policies

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 Companies, registered under the provisions of Companies Act,1956. (Herein after referred to as Successor Company.)

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

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

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. Recent Accounting Pronouncements:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS. The amendments are effective from annual reporting periods beginning on or after 1 April, 2020. However, with respect to Ind AS 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after 1 April 2019.

Following are the Indian Accounting Standards which have been amended on various issues with effect from April 1, 2020. The following amendments are relevant to the company:

(i) Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Error: Refined definition of term ‘material’

(ii) Ind AS 103, Business Combinations: Revised definition of a ‘business’ and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business

(iii) Ind AS 109, Financial Instruments: Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform

(iv) Ind AS 107, Financial Instruments Disclosure: Additional disclosures pertaining to interest rate benchmark reforms.

(v) Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.

None of these amendments are expected to have any material effect on the Company's financial statements.

C. Significant Accounting Policies

1. Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended except in so far as the said provisions are inconsistent with the provisions of the Electricity Act, 2003.

2. Basis of measurement

These financial statements are prepared in accordance with Ind ASs, under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value/amortized cost/net present value at the end of each reporting period; as explained in the accounting policies below. These accounting policies have been applied consistently over all periods presented in these financials statements.

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

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

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

Claim of supplier/contractor for price variation are accounted for on its acceptance.

3. 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.

4. Property, Plant & Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets . PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

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

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

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

Capital Spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are capitalized at cost, as property plant and equipment and depreciated over the residual useful life of the plant.

Subsequent 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 and when incurred.

Property Plant & Equipments also includes service equipments, at the time of initial recognition the Company classifies these items as inventory. Subsequently these items are classified either in

Property, Plant and Equipment through Capital Work in Progress or capitalised as service equipment.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Directly attributable costs are capitalised until the asset is ready for use in accordance with the Company's accounting policy of capitalisation.

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

Depreciation

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

The Company, being engaged in electricity business, is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013. Accordingly, the Company charges depreciation on straight line method at the depreciation rates, the methodology and the residual value as prescribed in GERC (MYT) Regulations, 2016. The depreciation for the first 12 years is charged at the rate of depreciation indicated in GERC (MYT) regulation, 2016 and after completion of 12 years from date of commercial operation the remaining depreciation 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%
Computers	15%

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 ₹ 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.

5. Intangible Assets

Intangible Assets with finite useful life are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The Intangible Assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The Company amortizes Computer Software on straight line method as per the methodology and residual value in accordance with GERC (MYT) Regulations, 2016.

An Intangible Asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between net disposal proceeds and carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

6. Impairment of tangible & intangible assets

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

7. Non-current assets held for sale

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

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

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

8. 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 grid connectivity to the consumers are initially set up as deferred income and recognized in profit or loss on a systematic basis over the period and in proportions of depreciation expense of the assets. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and shown separately.

9. Inventories

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

(a) Stores and Spares – At Cost (Weighted Average Method) or Net Realisable Value, whichever is lower.

(b) Scrap – At estimated Net Realizable Value (Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.)

(ii) Inventory consists of stock of items which are used interchangeably for capital expenditure or for regular repairs and maintenance purposes. Since ultimate use of such stock items are indeterminate at the initial recognition, the Company classifies such items as inventory. These items are classified subsequently either in Property, Plant and Equipment through Capital Work in Progress / as service equipment or expense in the Statement of Profit and Loss as and when it is so used.

10. Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Contract assets are recognized when there is right to consideration in exchange for goods or services that are transferred to a customer and when that right is conditioned on something other than the passage of time. Contract assets are classified as unbilled receivables (only act of invoicing is pending) as per contractual terms.

Revenue from power related business:

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

Surplus power, sold to GUVNL is accounted on the basis of credit notes/Invoices 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.

Meter rent, recoveries from theft of power / malpractices, wheeling charges recoveries are recognized on accrual basis.

Miscellaneous charges from consumers are recognized on acceptance basis except when ultimate realization of such income is certain.

Other Income:

Income in respect of delayed payment charges (except for cases where suits are filed in the court) is accounted on the basis of actual realization of late payment 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.

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

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

Interest on investment is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

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

Dividend Income is accounted in the year in which the right to receive the dividend is established.

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

11. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(A) Leases as Lessee (Assets taken on lease)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

(ii) Right-of-use Assets:

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

(iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee’s benefit.

(B) Leases as Lessor (assets given on lease)

When the company acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. Events Occurring After The Reporting Period

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

20. 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.

Further for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e expected credit loss allowance as computed based on historical credit loss experience.

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.

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.

21. 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 related to energy billed collected from the customers and has accordingly classified the material portion of security deposit as non-current liability or current liability as the case may be.

(f) Impairment of Trade receivables [2]

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 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 [1 2]

(a) The grants i.e. revenue subsidies are not recognized until there is reasonable assurance that the Company will receive the grants and will comply with the conditions attached to them. Management 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.

(k) Impairment of investments [2]

At the end of each reporting period, the Company reviews the carrying amounts of it's investments when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

[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											
	Land		Buildings	Hydraulic works	Other Civil works	Plant & Machinery	Lines & Cable Net Works	Vehicles	Furniture & Fixtures & Electrical Lightings	Office Equipments	Computer	Total
	Free Hold Land & Land & Land Rights	Right of Use Assets										
GROSS BLOCK												
At 1st April 2018	**1222.41**	**0.00**	**7949.22**	**2.65**	**1535.26**	**391405.54**	**782966.32**	**110.74**	**1516.05**	**959.58**	**5979.58**	**1193647.35**
Additions	393.65	0.00	1099.95	0.00	270.54	73878.86	148728.65	113.12	194.81	177.52	600.02	225457.11
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	1641.72	0.00	2.74	6.67	15.28	170.04	1836.44
At 31st March 2019	**1616.05**	**0.00**	**9049.17**	**2.65**	**1805.80**	**463642.68**	**931694.98**	**221.13**	**1704.19**	**1121.82**	**6409.56**	**1417268.02**
Additions	639.22	59.40	696.17	0.00	199.32	66978.76	112462.42	1.13	117.43	241.23	155.72	181550.81
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	1915.53	0.00	8.88	1.43	14.16	31.81	1971.82
At 31st March 2020	**2255.28**	**59.40**	**9745.34**	**2.65**	**2005.11**	**528705.91**	**1044157.40**	**213.38**	**1820.19**	**1348.89**	**6533.48**	**1596847.02**
ACCUMULATED DEPRECIATION												
At 1st April 2018	**0.00**	**0.00**	**764.77**	**1.25**	**124.07**	**59568.43**	**125917.40**	**33.80**	**314.42**	**287.94**	**2480.14**	**189492.22**
Charge for the year	0.00	0.00	310.08	0.31	59.54	26043.77	48026.68	16.84	128.40	72.42	1042.50	75700.56
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	1398.44	(73.91)	2.46	5.66	10.69	156.19	1499.54
At 31st March 2019	**0.00**	**0.00**	**1074.85**	**1.56**	**183.62**	**84213.75**	**174018.00**	**48.19**	**437.16**	**349.67**	**3366.45**	**263693.24**
Charge for the year	0.00	2.45	339.55	0.17	67.52	28943.11	54377.39	19.46	128.44	79.54	876.54	84834.19
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	1318.24	0.00	8.00	1.13	7.91	28.16	1363.44
At 31st March 2020	**0.00**	**2.45**	**1414.39**	**1.73**	**251.14**	**111838.62**	**228395.39**	**59.65**	**564.47**	**421.30**	**4214.83**	**347163.99**
Net Block												
At 31st March 2019	1616.05	0.00	7974.32	1.09	1622.18	379428.93	757676.98	172.94	1267.03	772.15	3043.11	1153574.79
At 31st March 2020	**2255.28**	**56.95**	**8330.94**	**0.92**	**1753.97**	**416867.29**	**815762.00**	**153.73**	**1255.71**	**927.59**	**2318.64**	**1249683.03**

a) The immovable properties, which have been transferred to company are held in the name of GEB erst or PGVCL. The procedure for the registration and / or transfer in the name of the Company is under process.

b) Refer note no. 36 - leases

3 Capital Works-in-progress

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital works-in-progress	16,968.38	22,097.59
Total	**16,968.38**	**22,097.59**

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

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Plant and Machinery	5,213.62	6,899.51
Lines & Cable Network	11,460.51	14,952.17
Other Misc Capital Work in Progress	294.26	245.91
Total	**16,968.38**	**22,097.59**

(b) The Company has evaluated the directly attributable cost capitalisation rate for the current financial year ended 31 March, 2020 and applied this to the expenditure on the relevant assets and the total expenditure thus capitalized during the current financial year is ₹ 25,628.16 Lakhs (P.Y. ₹ 30,050.68 Lakhs).

C) Borrowing costs amounting to ₹ 139.92 Lakhs has been capitalized during the FY 2018-19. Interest rate of 9.00% is considered for capitalization. Further refer note no. 32(b).

4 Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Considered Good		
Loans to Staff	1886.13	2,105.33
Unsecured Considered Good		
Other Loans And Advances	11.46	11.99
Total	**1,897.58**	**2,117.32**

(a) Loans to staff are secured by way of hypothecation of house / vehicle for which the loans have been given.

5 Other Non-Current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Considered Good		
Interest Accrued But Not Due on Staff Loans	1,968.72	1,866.61
Interest Accrued & Due on Staff Loans	87.97	95.81
Bank deposits with more than 12 months maturity	49.92	13.32
Unsecured Considered Good		
Receivable from Government/Consumer (SKY project)	9,825.87	2,637.23
Total	**11,932.48**	**4,612.97**

6 Other Non-Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Deposits	722.47	600.14
Prepayments - Leasehold Land	-	56.99
Capital Advances	1,209.30	1,033.16
Total	**1,931.78**	**1,690.28**

7 Inventories

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stores , Spares and Scrap		
Stock of materials at stores	75,952.13	53,072.26
Materials at Site (O&M)	1,040.38	1,001.66
Materials in Transit	5.02	57.27
Other Materials Accounts	16,857.31	13,156.38
Material Stock pending Investigation	438.01	363.21
Less: Provision for stock pending investigation	(438.01)	(363.21)
Total	**93,854.84**	**67,287.56**

(a) Physical verification of inventory comprising of stores, spares and consumables is conducted subsequent to year end date and that have been reconciled with the store records. Further store records are also reconciled with the financial ledger as on 31st March, 2020. The shortage/excess observed during the physical verification has been accounted.

(b) Cash Credit limit is secured against the 1st hypothecation charge in favour of UCO Bank Consortium on the Stocks and Book Debts

(c) Refer note 1.C.9 for valuation policy

8 Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured Considered Good (Good to the extent of security deposit received from the respective Consumers)		
Trade Receivables for Sale of Power	203,679.81	173,394.84
Trade receivables for misc. receipts from consumers	440.95	440.94
	204,120.76	**173,835.78**
Less: Allowance for bad and doubtful debts (refer note below)	6,491.38	975.28
Less : Doubtful E D & TSE	4,801.18	4,803.20
Total (A)	**192,828.20**	**168,057.30**
Significant increase in Credit Risk		
Dues from Non Consumers and Unconnected Consumers	-	24,164.16
Less: Allowance for bad and doubtful debts (refer note below)	-	18,017.55
Total (B)	**-**	**6,146.61**

Less : Unposted Receipts	Total (C)	58.73	358.03
	Total (A+B-C)	**192,769.47**	**173,845.88**
Credit Impaired			
Dues from Permanently Disconnected Consumers (Net of Security Deposit forfeited) (refer note below)		50,461.75	51,257.87
Dues from Non Consumers and Unconnected Consumers		23,493.78	-
Less: Allowance for bad and doubtful debts (refer note below)		73,955.52	50,965.51
	Total (D)	**-**	**292.36**
	Total (A+B-C+D)	**192,769.47**	**174,138.24**

a. Receivables have been secured to the extent of security deposit as reflected in note no. 20 as well as bank guarantee received from the respective Consumers.

b. Trade Receivable for sale of power includes the Provision for unbilled revenue in respect of the bills issued upto 31st March, 2020 amounting to ₹ 133689.34 Lakhs (P.Y. ₹125843.75 Lakhs).

c. As on 31st March, 2020, there are 6083307 (P.Y. 5900961) 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.

d. 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.

e. Generally, the credit period on sales of electrical energy is 10 to 25 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

f. GOG vide GR no. GUV-2016-3170-K-1-2842 dated 12.10.2017 has declared Amnesty Scheme-2017. The scheme was implemented with effect from 25.04.2018 to 31.12.2018 vide GoG GR no. GUV-2016-3170-K-1-3226 dated 25.04.2018 and subsequently extended with further amendments vide GR no.GUV-2016-3170-k-1 dated 19.02.2019 upto 31.05.2019 for various categories of consumers as one time settlement of their outstanding dues. Under this Scheme, the Company has waived off amount of ₹ 7422.18 Lakhs (P.Y ₹ 8317.01 Lakhs). Further, the impact of amount received ₹ 292.36 Lakhs after 31st March,2019 has been considered in the F.Y 2018-19.

g. Age of receivable:

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Less than or equal to 6 months	163,751.01	146,412.42
More than 6 months but less than or equal to 1 year	8,787.94	6,784.53
More than 1 year	31,581.81	20,638.84
Total	**204,120.76**	**173,835.78**

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

9 Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks	3,084.25	3,455.07
Cheques on Hand	142.58	1,355.19
Cash on hand	72.36	1,155.51
Deposits with banks (Maturity within 3 months)	38.17	31.19
Remittance in Transit	860.33	1,979.92
Sub Total	**4,197.68**	**7,976.88**
Less : Provision for remittance in Transit.	(142.06)	(142.06)
Total	**4,055.61**	**7,834.82**

10 Bank Balances other than those mentioned in Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposit with Banks (Maturity between 3 to 12 months)	54.47	89.27
Total	**54.47**	**89.27**

11 Current Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Considered Good		
Loans to Staff	481.08	563.40
Unsecured considered Good		
Other loans and advances	244.99	228.96
Total	**726.07**	**792.36**

12 Other Current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured Considered Good		
Unbilled Revenue (For which bills are not issued upto 31/03/2020)	11,519.44	12,137.46
Interest accrued on staff advances	99.64	98.44
Amount recoverable from Staff	157.11	12.26
ED Receivable from Government	93.21	2,407.33
Deposits	85.43	124.67
Receivable from Government/Consumer (SKY project)	2,980.53	956.57
Other recoverables	373.07	1,036.42
Receivables from Holding Company		
- Gujarat Urja Vikas Nigam Limited	57,277.68	32,001.25
Receivables from associates		
- Gujarat Energy Training & Research Institute	-	14.50
Total	**72,586.12**	**48,788.91**

a. 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.

13 Current Tax Assets (net)

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Tax Assets		
Tax Refund Receivable	17,575.06	15,631.86
Current Tax Liability		
Income Tax Payable	12,990.79	12,487.26
Total	**4,584.27**	**3,144.59**

14 Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured Considered Good		
Prepaid Expenses	116.82	91.18
Postage stamp & stamped agreements on hand	48.12	30.09
Pre-Payments Leasehold Land	-	2.42
Total	**164.94**	**123.69**

15 Assets classified as held for sale

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Plant and Machinery	304.06	31.96
Vehicles	0.37	0.14
Office equipments and furniture & fixtures etc	4.75	7.06
Total	**309.17**	**39.16**

a. During the current year, the assets have been sold for total consideration of ₹ 214.11 Lakhs resulting in Net loss on sale of non-current asset of ₹ 394.27 Lakhs recorded under 'Other Income' (Note 29) / 'Other Expense' (Note 33).

16 Equity Share Capital

a Equity share capital consist of the following:

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Share Capital		
Equity Share Capital		
Authorised Share capital		
1000,00,00,000	1,000,000.00	800,000.00
(P.Y. 800,00,00,000) Equity Shares of ₹ 10/- each		
Issued Share Capital		
734,33,24,585	734,332.46	631,625.95
(P.Y.631,62,59,458) of ₹ 10/- each		
Subscribed & Paid up		
734,33,24,585	734,332.46	631,625.95
(P.Y.631,62,59,458) of ₹10/- each		
Total	**734,332.46**	**631,625.95**

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,2018	5,061,989,696.00	506,198.97
Additions/(Reductions)	1,254,269,762.00	125,426.98
As at 31st March,2019	6,316,259,458.00	631,625.95
As at 1st April,2019	**6,316,259,458.00**	**631,625.95**
Additions/(Reductions)	1,027,065,127.00	102,706.51
As at 31st March,2020	**7,343,324,585.00**	**734,332.46**

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

Particulars	No. of Shares	
	As at 31st March, 2020	As at 31st March, 2019
Gujarat Urja Vikas Nigam Limited & its Nominees	7,343,324,585.00	6,316,259,458.00

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Gujarat Urja Vikas Nigam Limited & its Nominees	7,343,324,585.00	100.00%	6,316,259,458.00	100.00%

e Right, preferences and restrictions attached to shares :

The company has only one class of equity shares. For all matters submitted to vote on a poll in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have voting right in proportion to his share in the paid up Equity Share Capital of the Company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

17 Other Equity

a Other equity consist of the following: **(₹ In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Share Application Money Pending Allotment	-	-
Securities Premium Account	171,507.27	116,043.63
Retained Earnings	(2,014.10)	(17,163.36)
Total	**169,493.16**	**98,880.28**

b Particulars relating to Other Equity **(₹ In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Share application money pending allotment (Refer Note No. (i) below)		
Opening balance	-	18,417.81
Add: Received during the year	158,170.15	137,607.32
Less: allotment during the year	158,170.15	156,025.13
Balance at the end of the year	-	-
(b) Equity Securities Premium Account (Refer Note No. (ii) below)		
Opening Balance	116,043.63	85,445.48
Add: Increase during the year	55,463.64	30,598.15
Balance at the end of the year	171,507.27	116,043.63
(c) Retained Earnings		
Opening Balance	(17,163.35)	(20,071.99)
Add: Net profit after tax transferred from Statement of Profit & Loss	22,657.21	7,466.20
Add: Other Comprehensive income arising from remeasurement of defined benefit obligation	(7,507.95)	(4,557.56)
Balance at the end of the year	(2,014.10)	(17,163.35)
Total	**169,493.17**	**98,880.28**

Share application money pending allotment

(i). The equity share application of ₹ 92404.09 Lakhs has been received from GUVNL during the year 2019-20 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/ GM (F&A)/ 830 Dtd 8th January, 2020 and 61,60,27,250 no. of Equity Shares of ₹15.00 each has been allotted on 4th February, 2020 on the basis of independent valuation report.

The equity share application of ₹ 65766.06 Lakhs has been received from GUVNL during the year 2019-20 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/ GM (F&A)/ 297 Dtd 18th July, 2019 and 41,10,37,877 no. of Equity Shares of ₹ 16.00 each has been allotted on 31st August, 2019 on the basis of independent valuation report.

The equity share application of ₹ 81595.00 Lakhs has been received from GUVNL during the year 2018-19 towards Sagarkhedu Sarvangi Vikas Yojana (SSVY), shifting/replacement of Poles & Lines of Municipal/Nagarpalika areas and release of AG connections vide Letter no. ACCTTS/ GM (F&A)/ 1189 Dtd 25th February, 2019 and 50,99,69,187 no. of Equity Shares of ₹ 16.00 each has been allotted on 16th March, 2019 on the basis of independent valuation report.

The equity share application of ₹ 56012.25 Lakhs has been received from GUVNL during the year 2018-19 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 year 2017-18 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.

(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. Deferred Govt. Grants, Subsidies & Contributions.

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Government Grants, Subsidies towards Capital Assets	95,292.78	88,948.61
Consumers' contribution towards capital assets	158,478.36	151,084.36
Total	**253,771.14**	**240,032.97**

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

Particular	As at 31st March, 2020	As at 31st March, 2019
Government Grants, Subsidies towards Capital Assets		
Opening balance	88,948.61	65,510.89
Add : Received during the year	14,176.21	30,521.26
Less : Transferred to Statement of Profit and Loss	7,832.05	7,083.54
Closing Balance	**95,292.78**	**88,948.61**
Consumers' Contribution towards Capital Assets		
Opening balance	151,084.36	142,263.35
Add : Received/transferred during the year	23,084.72	23,292.86
Less : Transferred to Statement of Profit and Loss	15,690.72	14,471.85
Closing Balance	**158,478.36**	**151,084.36**
Total	**253,771.14**	**240,032.97**

The Government Grants received are in capital nature for various schemes, for purchase of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

b. (₹ In Lakhs)

Grant received during the FY 2019-20 comprises of	As at 31st March, 2020	As at 31st March, 2019
Sardar krushi Jyoti Yojana	7,650.87	5,983.00
DDUGJY	-	6,424.39
Sagar Khedu	3,850.00	3,850.00
IPDS	752.00	11,453.00
Others	1,923.34	2,810.87
Total	**14,176.21**	**30,521.26**

19. Borrowings

(₹ In Lakhs)

Particular	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term Loans		
(i) From Financial Institutions (Power Finance Corporation)	9,561.49	9,366.42
Unsecured		
Loans from Related Party - Govt. of Gujarat		
(i) State Government Loan under APDRP	850.19	1,292.22
(ii) Loan from Asian Development Bank	5,937.62	7,374.27
(iii) Kisan Hit Urja Shakti Yojna (KHUSHY) Loan	-	400.00
Total	**16,349.30**	**18,432.91**

Loans availed by erstwhile GEB, consequently apportioned:

The loans which were raised by erstwhile GEB from State Government (loan under APDRP) relating to generation, transmission and distribution activities and were used for common purposes are continued in the books of GEB/ (now GUVNL) on behalf of all transferee companies and the same have been apportioned under FRP Notification dated 3rd October, 2006 amongst all transferee companies and the same loans have been accounted by the Company as "loans allocated by GUVNL" in separate accounts. The repayments and interest thereon are reimbursed by the Company to GUVNL.

In light of above note, the said loans are reclassified and regrouped either as secured loans or unsecured loans and shown as Non current borrowings under non-current liabilities and current borrowings under current liabilities as per repayment schedule given by GUVNL.

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.

Common loans Raised by GUVNL :

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

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	71,400.00	Current Assets
Loans Availed by Company		
Power Finance Corporation	30,535.00	Charge on the asset which are acquired out of the term loan.
Bank of India	15,000.00	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)				
Govt Loans allocated by GUVNL (Unsecured)	4,029.45	3,261.83	1,775.20	9,066.48
Loans(Raised/Serviced by PGVCL)				
Loans from Power Finance Corporation (Secured Loan)	3,102.03	2,220.13	5,533.40	10,855.56

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 letter for conversion of Loan to Grant for Part-A is awaited from PFC. And the work of All activities for Part B under R-APDRP are completed and selected 36 Towns were declared Go-Live in Mar-2015. The Quarterly data for AT & C Losses are sent to NPC (National Productivity Council) since 2017-18 for monitoring and evaluation for further period of Five Years. Decision for conversion from Loan to Grant on the basis of reduction in AT & C Losses is awaited from PFC. Other Scada part B is implemented in three towns of PGVCL. Closures for all Three Towns are submitted to PFC on date : 10.01.2018. Decision for conversion from Loan to Grant is awaited from PFC. The SCADA Part A is not ready for intended use hence not capitalized, but PGVCL has declared under Scada part – A project "Go-Live" "as on built stage", vide letter no. PGVCL/ Project-3/ 891/ 30.09.2019 as informed by PFC. After declaration of Go-Live, TPCEA is still not carried out due to COVID-19 and TLE is asked upto Dec-2020. Closure report of this project will be submitted on basis of TPCEA Report only.

REPAYMENT TERMS

Particulars	Periodicity
Loan from Power Finance Corporation	Monthly
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				
31.03.2020 (Interest Rate:- 9.00%)	100.00	129.41	10,855.56	1,294.07
31.03.2019 (Interest Rate:- 9.00%)	110.00	150.58	11,807.10	2,440.68
Loan from Banks				
Loan from BOI				
31.03.2020 (Interest Rate:- 8.10%)	-	-	-	-
31.03.2019 (Interest Rate:- 8.10%)	1.00	178.57	6,606.68	6,606.68

Unsecured Loans				
State Government Loans (Allocated by GUVNL)				
Loan under APDRP				
31.03.2020 (Interest Rate:- 9.00% to 12.50%)	5.00	442.03	1,292.22	442.03
31.03.2019 (Interest Rate:- 9.00% to 12.50%)	6.00	442.03	1,734.25	442.03
ADB Prog. & Proj. Loan				
31.03.2020 (Interest Rate:- 9.00% to 11.50%)	8.00	570.05	2,819.90	570.05
31.03.2019 (Interest Rate:- 9.00% to 11.50%)	9.00	570.05	3,389.95	570.05
ADB Loan for Earthquake				
31.03.2020 (Interest Rate:- 9.00% to 11.50%)	11.00	866.60	4,554.36	866.60
31.03.2019 (Interest Rate:- 9.00% to 11.50%)	12.00	866.60	5,420.97	866.60
Kisan Hit Urja Shakti Yojna (KHUSHY) Loan				
31.03.2020 (Interest Rate:- 10.00%)	1.00	400.00	400.00	400.00
31.03.2019 (Interest Rate:- 10.00%)	2.00	400.00	800.00	400.00

20 Other Non Current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security deposit from consumers	220,204.30	202,291.26
Staff Retirement cum Death Benefit Scheme	2,902.25	2,639.47
Payable to Government (SKY project)	10,497.48	4,991.52
Total	**233,604.03**	**209,922.25**

21 Other Non Current Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposits for Electrification & Service connection	12,198.93	12,258.98
Other liability	34.49	-
Total	**12,233.42**	**12,258.98**

22 Long-term provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for Leave Encashment	34,665.68	31,253.96
Total	**34,665.68**	**31,253.96**

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, 2020	As at 31st March, 2019
Deferred tax assets	72,253.89	78,071.27
Deferred tax liabilities	(107,850.13)	(119,553.86)
Total	**(35,596.24)**	**(41,482.58)**

(₹ In Lakhs)

As at 31st March, 2020	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	5,836.74	(1,404.76)	1,589.51	6,021.49
Unabsorbed Depreciation	45,586.95	(2,772.52)		42,814.44
Provision on Debt and Loan to JV	15,076.03	(1,020.34)		14,055.69
Deferred Government grant	11,547.51	(2,185.24)		9,362.28
Mat Credit	-	-		-
Others	24.04	(24.03)		0.00
Total Deferred Tax Assets	**78,071.27**	**(7,406.90)**	**1,589.51**	**72,253.89**
Deferred Tax Liabilities				
Property, plant and equipment	119,553.86	(11,703.73)		107,850.13
Others	-	-	-	-
Total Deferred Tax Liabilities	**119,553.86**	**(11,703.73)**	**-**	**107,850.13**
Net Deferred Tax Liabilities	**(41,482.58)**	**4,296.83**	**1,589.51**	**(35,596.24)**

(₹ In Lakhs)

As at 31st March, 2019	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	11,013.40	(6,428.61)	1,251.95	5,836.74
Unabsorbed Depreciation	54,404.47	(8,817.52)		45,586.95
Provision on Debt	24,284.24	(9,208.21)		15,076.03
Deferred Government grant	18,724.66	(7,177.15)		11,547.51
Mat Credit	12,267.45	(12,267.45)		-
Others	58.85	(34.81)		24.04
Total Deferred Tax Assets	**120,753.07**	**(43,933.74)**	**1,251.95**	**78,071.27**
Deferred Tax Liabilities				
Property, plant and equipment	163,746.75	(44,192.90)		119,553.86
Others	-	-	-	-
Total Deferred Tax Liabilities	**163,746.75**	**(44,192.90)**	**-**	**119,553.86**
Net Deferred Tax Liabilities	**(42,993.69)**	**259.15**	**1,251.95**	**(41,482.58)**

In absense of reasonable certainty, the management does not recognise the MAT credit entitlement.

24 Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payable for Purchase of Power		
Micro, Small and Medium Enterprises		
Others	578.56	278.11
Total	**578.56**	**278.11**

DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below

(₹ In Lakhs)

Total outstanding dues of Micro & Small Enterprises*	As at 31st March, 2020	As at 31st March, 2019
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid as at of end of each accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

*Based on the confirmation from Vendors.

25 Other Current Financial Liability

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term debt		
Secured:		
Term Loans From Banks	-	6,606.68
Loan from Financial Institutions (Power Finance Corporation)	1,294.07	2,440.68
Unsecured:		
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	9,694.50	10,662.00
Interest Accrued and Due on Loans - SKY	501.85	14.07
Interest payable on consumers security Deposit	11,469.19	9,708.05

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Payable to Government (SKY project)	1,749.58	831.92
Liability for O & M Supplies / Works	11,435.05	28,352.81
Staff Related Liabilities	293.22	145.72
Staff Welfare Schemes	613.89	526.62
Staff Retirement cum Death Benefit Scheme	252.35	250.79
Deposits & Retentions from Suppliers / Contractors	11,469.25	11,895.78
Outstanding liability for expenses	31,784.78	25,761.64
Liability for Capital Supplies / Works	1,704.68	2,192.69
Amount payable to EESL	333.65	370.37
Liability for Stale Cheques	166.93	168.29
Deposits for execution of Job Works	4,307.24	4,300.52
Other Liability	2,390.43	53.18
Payables to Holding & Other Subsidiary Companies		
- Gujarat Energy Training & Research Institute	55.20	-
TOTAL	**91,794.55**	**106,560.49**

a. 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.

b. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

(₹ In Lakhs)

Total outstanding dues of Micro & Small Enterprises*	As at 31st March, 2020	As at 31st March, 2019
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	5,341.93	11,893.70
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid as at of end of each accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

*Based on the confirmation from Vendors.

26 Other Current Liability

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposits for Electrification & Service connection	5,243.08	5,180.79
Statutory Liabilities	1,466.21	1,700.04
Subsidy/Grant Received in Advance	2,328.96	3,981.96
Income Received in Advance	57,966.73	82,435.28
Compounding charges payable to State Govt.	30.34	197.55
Other Liability	140.36	301.94
Total	**67,175.68**	**93,797.55**

27 Short-term Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for Leave Encashment	1,844.65	1,694.02
Provision for Bonus	79.32	111.53
Total	**1,923.97**	**1,805.54**

28 Revenue from Operation

(₹In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income from operating Activity		
Revenue from Sale of Power		
Residential General Purpose	218,409.90	198,943.01
General Lighting Purpose	7,728.37	7,016.86
Low Tension Maximum Demand and Non Residential General Purpose	275,213.33	257,963.18
Industrial High Voltage	883,632.79	862,783.13
Public Lighting	4,529.14	4,292.09
Irrigation agricultural	248,406.42	271,285.08
Public Water Works and Sewage Pumps	39,617.06	32,201.21
Supply in Bulk-Licensee	463.20	389.81
Sale of power to GUVNL	3,832.12	114.60
Sub Total	**1,681,832.33**	**1,634,988.97**
Electricity Duty		
Electricity Duty Assessed	154,909.32	150,400.59
Less: Electricity Duty Assessed (Contra)	(154,909.32)	(150,400.59)
Sub Total	**-**	**-**
Sale of Services		
Parallel operation charge	1,389.50	1,022.11
Deviation Settlement mechanism charges Income (UI)	4,852.09	6,044.53
Sub Total	**6,241.59**	**7,066.64**
Other operating Revenue		
Meter Charges / Service line charges	5.98	21.83
Recoveries for theft of power / Malpractices	9,092.65	9,787.29
Wheeling Charges Recoveries	57.54	6.75
Delayed payment charges from consumers	13,263.06	10,330.12
Cross Subsidy Surcharge & Addl. Surcharge - OA Consumer	7,710.72	3,417.54
Agriculture Subsidy	39,541.62	43,428.19
Connectivity Charges for Solar	852.12	188.24
Miscellaneous Charges from Consumers	5,750.47	3,946.65
Rebate for Prompt Payment	6.95	7.40
Sub Total	**76,281.10**	**71,134.00**
Total	**1,764,355.02**	**1,713,189.61**

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).

29 Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Income		
-On staff advance	288.98	328.95
Interest on IT refund and Others	0.06	134.98
Interest on advances to suppliers	-	47.78
Income from Sales -Stores, Scrap etc..	69.27	228.16
Grant for energy conservation	34.18	72.99
Grant for R&D Expense	19.90	4.22
Penalties from suppliers/contractors	3,366.90	2,062.23
Deferred Income		
(5.28% of Capital Grant & Consumer Contribution Written Back)	23,522.77	21,555.39
Sale of material to related parties	128.40	422.68
Gain on sale of Fixed Assets (Net of Loss)	17.74	34.89
Income from supervision charges on Job work/Deposits	690.06	366.39
Miscellaneous receipts*	4,525.36	4,206.19
Total	**32,663.61**	**29,464.84**

* None of the items individually account for more than 1% of total revenue.

30 Purchase of Power

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchase of power from GUVNL	1,547,243.17	1,541,798.68
Purchase of power from Wind Farm	3,115.01	3,582.76
Purchase of Solar Power	2,632.74	1,260.06
SLDC charges	470.21	137.36
Total	**1,553,461.14**	**1,546,778.86**

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.

31 Employees benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and Allowances	78,521.00	73,132.46
Contribution to PF Trusts	7,515.56	8,379.00
Staff Welfare Expenses	894.51	754.40
Retirement and other Benefits	8,743.50	7,515.96
Sub Total	**95,674.58**	**89,781.82**
Less: Directly attributable cost capitalised	(21,167.66)	(25,175.46)
Total	**74,506.93**	**64,606.36**

SALARIES & ALLOWANCES

Salaries & Allowances for the FY 2019-20 includes ₹ 6882.05 Lakhs (P.Y. ₹ 6689.19 Lakhs) towards provision for 7th Pay Commission Salary.

32 Finance Cost

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expense		
Interest on State Government Loans	1,013.29	1,237.76
Interest on Cash Credit and Working Capital	190.68	690.17
Interest on Rural Electrification Corporation Loans and Power Finance Corporation	1,293.48	1,440.75
Interest on Other loans	555.13	52.50
Interest to Consumers on Security Deposits etc.	12,640.58	10,815.85
Other Borrowing Costs		
Bank Charges, Commission and Others	201.32	126.72
Sub Total	**15,894.47**	**14,363.75**
Less : Directly attributable cost capitalised	-	(139.92)
Total	**15,894.47**	**14,223.82**

INTEREST ON SECURITY DEPOSITS

a. 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.

b. The company has carried out SCADA Project under R-APDRP Scheme funded by Government of India though Power Finance Corporation Ltd., a Nodal Agency, in three Towns viz Rajkot, Jamnagar and Bhavnagar. The work of SCADA Part A, which covers establishment of IT enabled equipment and connectivity of various field equipment with control centre, was entrusted to SCADA implementing Agency (SIA) and the initial time limit to complete the project was upto October, 2014 which was extended upto December, 2018 by PFC and lastly upto September, 2019. In spite of persuasive efforts by the company, SIA failed to complete the project within aforesaid time limits. Pursuant to SIA, being non responsive to company efforts to complete the project, the work related to active development project was virtually stopped since November, 2018 and no more supply, installation and integration activities are carried out since then.

The company has incurred borrowing cost amounting to ₹ 60.41 Lakhs, being interest on loans from Power Finance Corporation Limited regarding SCADA Part A, during the financial year 2019-2020 i.e. the extended period in which activities necessary to prepare an assets for its intended use were suspended. Considering the such cost as cost of holding partially completed asset, the interest cost amounting to ₹ 60.41 lakhs has been charged to Statement of Profit and Loss in accordance with the provisions of IND As 23 “Borrowing Costs”.

33 Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Repairs and Maintenance		
- Plant and Machinery	7,911.32	7,297.14
- Restoration of damage due to Flood, Cyclone etc.	3,603.89	-
- Building and Civil works	148.61	122.97
- Lines, Cable Network etc.	5,031.22	5,071.74
- Others	851.97	464.38
Sub Total	**17,547.00**	**12,956.24**
Administrative & General Expenses		
Rent, Rates and Taxes	419.32	346.72
Insurance expense	32.05	27.43
Testing charges	99.52	138.60
Communication expenses	477.37	512.72
Remuneration to collection agencies	343.91	405.67
Legal & Professional Fees	2,119.57	2,893.57
Audit Fees	19.63	19.64
Consultancy Charges	54.75	63.28
Travelling & Conveyance	5,011.96	3,953.61
Printing & Stationery	754.94	751.74
Expenses on Computer Billing & EDP Charges	151.06	129.58
Advertisement	172.70	192.09
Electricity Charges	420.74	426.66
Water Charges	152.81	147.19

Corporate Social Responsibilities	78.75	36.30
Contributions and Charities	10.32	-
Security Expenses	2,942.44	3,037.13
Freight Expense	422.39	436.28
Expenditure on Training to Staff	144.96	173.32
Directors fees	0.47	0.40
Entertainment Expense	1.07	1.75
Other Administration & general Expenses	3,115.85	2,796.44
Miscellaneous Expenses*	173.02	245.27
Less : Directly attributable cost capitalised	(4,460.51)	(4,735.31)
Sub Total	**12,659.10**	**12,000.07**
Other Debits		
Expenses for Energy Conservation	32.20	50.24
Purchase of Material(Inter-Company Sale)	142.37	382.15
Miscellaneous Losses & Write-offs	1,138.50	814.91
Sub Total	**1,313.07**	**1,247.29**
Provision/ bad debt written off		
Provision for -Bad & Doubtful debts	17,910.75	7,143.51
Bad Debt Written off	-	1,637.13
Sub Total	**17,910.75**	**8,780.63**
Total	**49,429.92**	**34,984.24**

* None of the items individually account for more than 1% of total revenue.

a. Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Statutory Auditors		
- As Auditor	17.85	17.85
- Reimbursement of Expenses	1.51	1.51
Total	**19.36**	**19.36**
Cost Auditors		
- As Auditor	0.75	0.75
- Reimbursement of Expenses	0.06	0.06
Total	**0.81**	**0.81**

b. Provision for Bad and doubtful debt/written off

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Bad debts written off	7,422.18	8,317.01
Less: Provision for bad and doubtful debt utilisation	7,422.18	6,679.88
	-	**1,637.13**
Provision for		
- Doubtful debts	**17,910.75**	**7,143.51**

For amnesty scheme please refere note 8.f

34 Tax Expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Tax		
- current year	503.53	-
- earlier years	28.08	(846.43)
Deferred Tax	(4,296.83)	(259.15)
Total	**(3,765.22)**	**(1,105.58)**

a. 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, 2020	For the year ended 31st March, 2019
Profit before tax from continuing operations	18,891.99	6,360.62
Income tax expense	3,300.81	1,370.71
(Income) / expense (net) not (taxable) / deductible	(833.86)	18,299.72
Adjustments recognised in the current year in relation to the current tax of prior years	28.08	(846.43)
Others	(6,260.25)	(19,929.59)
Total Adjustments	**(7,066.03)**	**(2,476.29)**
Income tax expense recognised in profit or loss (relating to continuing operations)	**(3,765.22)**	**(1,105.58)**

No income tax has been recognised directly in Equity

b. Income tax recognised in other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(1,589.51)	(1,251.95)
Total income tax recognised in other comprehensive income	**(1,589.51)**	**(1,251.95)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(1,589.51)	(1,251.95)
Items that may be reclassified to profit or loss		

C. On 20 September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. However, the Company having a significant amount of MAT credit entitlement at its disposal, is still evaluating and has not exercised the option permitted under Section 115BAA. In view of the above, there is no impact of the new tax rate on the financial results for the year 2019-20

35 Earnings per Equity share

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Basic EPS		
Profit after tax for the year attributable to equity shareholders	22,657.21	7,466.20
Weighted average number of Equity shares for Basic EPS	6,652,531,750	5,694,756,580
Basic earnings per equity shares (₹)	0.34	0.13
Face value per equity share (₹)	10.00	10.00
Diluted EPS		
Profit after Tax	22,657.21	7,466.20
Weighted Average no. of equity shares for Basic EPS	6,652,531,750	5,694,756,580
Add : Adjustment for Share Application Money pending allotment	-	-
Weighted Average no. of equity shares for Diluted EPS	6,652,531,750	5,694,756,580
Diluted EPS (₹)	0.34	0.13
Face Value Per Share (₹)	10.00	10.00

36. Lease

a. Ind AS 116 “Leases” Introduces a single lessee accounting model which requires a lessee to recognise “Right of Use” asset and it replaces Ind AS 17 “Leases” with effect from 1st April, 2019. A lessee, under Ind AS 116, recognises “Right of Use” asset representing it’s right to use the underlying asset and a “Lease Liability” representing it’s obligation to make lease payments.

b. Pursuant to Ind AS 116 “Leases” becoming mandatory, effective from 1st April, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease arrangements / contracts which existed on 1st April 2019, using the “Modified Retrospective Approach”. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore, are continued to be reported in accordance with the accounting policy with respect to “Leases” included in the financial statements for the financial year ended on 31st March, 2019.

c. The Company has entered into various Lease Arrangements for “Land” and “Building” for the purpose of office building, some of which are “Non-cancellable” and thus, creates enforceable rights. The Company applied the standard on such Lease Arrangements and recognised the “Right of Use” asset in its books by transferring the “Pre Payments - Lease hold land” amounting to ₹ 59.40 lakh as appeared under “Other Non-current Asset / Other Current Asset” in the financial statements for the financial year ended on 31st March, 2019, and disclosed the same in its financial statements under “Property, Plant and Equipment” for the year ended 31st March, 2020.

Further, the Company, having already paid the upfront Lease rentals / premium at the time of execution of Lease Deed which accounted for almost all the lease payments, does not owe any lease obligations under such lease arrangement and accordingly “Lease obligations” corresponding to “Right of Use” asset are not recognised.

The Company has also entered into dry lease arrangements for "E-Vehicles" during the year. The Company has considered such "E-Vehicles" as low value items, and hence, has opted for the exemption not to recognize right-of-use assets and lease liabilities for such lease arrangements having low value underlying asset.

d. In respect of Lease Arrangements, which are cancellable without any significant penalty either by lessor or lessee by giving appropriate notice as per respective agreements, do not create enforceable rights and obligations between the parties and thus, do not constitute a contract. Accordingly, the Company does not apply Ind AS 116 on such Lease Arrangements.

e. There is no effect of this adoption on the profit before tax, profit for the year, earnings per share and cash flows.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases for which the underlying asset is of low value.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

f. Amount Recognized in Statement of Profit and Loss for the year ended 31st March, 2020

(₹ In Lakhs)

Particulars	Amount
Depreciation recognised in the Statement of profit and loss	2.45
Expenses relating to lease of low-value assets, excluding short-term	1.65
Additions to ROU Assets during the year	-
Total cash outflow for leases	1.65
Net Carrying Amount of ROU at the end the year	56.95

g. The details of Right of Use Asset included in Property, Plant and Equipment (Note No. 2) held as lessee by class of underlying asset is presented below:

(₹ In Lakhs)

Leasehold Land	Amount
Opening Balance as on 01/04/2019	-
Additions During the year	59.40
Depreciation Recognized During the year	2.45
Net Carrying value as on 31/03/2020	**56.95**

Above additions in Right to use assets amounting to ₹ 56.95 lakhs includes operating leases for lease agreements entered before 01.04.2019 on net carrying value.

37. Employee benefit plans

A. Defined Contribution plans:

The Company has certain defined contribution plans. The Company makes contribution towards Employees Provident Fund, Employees Pension Scheme and Employees Death Linked Insurance Scheme. Contributions are made at specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the Employees Provident Fund Organization (EPFO). The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 5590.98 Lakhs (P.Y. ₹ 6408.61 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 ₹ 5810.02 Lakhs (P.Y. ₹ 5199.27 Lakhs) has been charged to statement of Profit & Loss. Leave obligation as at 31st March, 2020 and 31st March, 2019 is ₹36510.34 Lakhs and ₹ 32947.97 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 ₹ 63.08 Lakhs (P.Y. ₹ 79.79 Lakhs). The balance of such fund as at 31st March, 2020 and 31st March, 2019 is ₹ 3154.60 Lakhs and ₹2890.26 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 maintains a target level of funding to be done over a period of time based on estimations of expected gratuity payments.

The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust. The liability in respect of defined benefit plan comprising of Gratutiy is determined on the basis of an actuarial valuation.

D. Risk Exposure

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

Investment risk	The Present value of the Defined benefit obligation is calculated using the discount rate determined by LIC of India as the fund is being managed under Gratuity Assurance Plan
Interest risk	A decrease in the interest rate will increase the plan liability while increase in interest rate will decrease the plan liability
Salary risk	The present value of obligation is 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, 2020 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	
	2020	2019
Expected Return on Plan Assets	7.50%	8.00%
Rate of Discounting	7.25%	7.50%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	1 to 3 % Depending on Age	
Mortality Rate During Employment	LIC (2006-08) ultimate	
Mortality Rate After Employment	NA	

(₹ In Lakhs)

Particulars	As on 31st March,2020	As on 31st March,2019
Gratuity		
I) Reconciliation in present value of obligations (PVO) – defined benefit obligation:		
Opening defined benefit obligation	46,336.61	39,010.58
Current Service Cost	2,703.10	2,412.65
Past service cost, including losses/(gains) on curtailments	-	-
Interest Cost	3,359.40	2,925.79
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions & experience adjustments	9,773.82	5,614.79
Benefits paid	(4,095.73)	(3,627.20)
Past service cost, including losses/(gains) on curtailments		
Closing defined benefit obligation	**58,077.21**	**46,336.61**
Current obligation	**3,073.79**	**3,347.80**
Non-Current obligation	**55,003.41**	**42,988.81**
II) Change in fair value of assets :		
Opening fair value of plan assets	41,595.89	37,623.16
Expected return on plan assets	3,119.69	3,009.85
Remeasurement gain (loss):		
Actuarial gains and losses including Excess Return on plan assets (excluding amounts included in net interest expense)	676.36	(194.72)
Contributions by the employer	18,907.03	4,784.79
Benefits paid	(4,095.73)	(3,627.20)
Closing fair value of plan assets	**60,203.24**	**41,595.89**

III) Reconciliation of Present value of obligation and fair value of assets:		
Present value of funded defined benefit obligation	58,077.21	46,336.61
Fair Value of planned assets at end of year	60,203.24	41,595.90
Funded status	Funded	Funded
Net liability/(Asset) arising from defined benefit obligation	**(2,126.04)**	**4,740.72**
IV) Service Cost		
Current Service cost	2,703.10	2,412.65
Past service cost and (gain)/loss from settlements	-	-
Net Interest expense	234.35	(90.19)
Total Expenses to be recognised in P&L A/c	**2,937.45**	**2,322.45**
Components of defined benefit costs recognised in Employee Benefit expenses		
Remeasurement on the net defined benefit liability:	**9,097.46**	**5,809.51**
Actuarial (gains) / losses arising from experience adjustments, changes in financial assumptions and including Excess Return on plan assets (excluding amounts included in net interest expense)		
Total Expenses to be recognised in OCI	**9,097.46**	**5,809.51**
Total Expense (Provision for the Period)	**12,034.91**	**8,131.96**
V) Category of assets as at 31st March:		
-Life Insurance Corporation	60,203.24	41,595.90
Total Gratuity	**60,203.24**	**41,595.90**

(₹ In Lakhs)

Experience Adjustment	**On Plan Liabilities - Loss/(Gain)**	**On Plan Assets -Loss/(Gain)**
As on 31st March,2020	9,773.82	-
As on 31st March,2019	5,614.79	-
As on 31st March,2018	8,642.59	-
As on 31st March,2017	3,535.14	-
As on 31st March,2016	662.34	-

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

Gratuity	**As at 31st March, 2020**	**As at 31st March, 2019**
Gratuity		
Less than 1 year	3,073.79	3,347.80
One to Three Years	5,317.60	4,110.03
Three to Five Years	4,940.28	6,982.24
More than Five Years	44,745.53	31,896.54

Sensitivity Analysis

(₹ In Lakhs)

Significant actuarial assumptions	As at 31st March, 2020	As at 31st March, 2019
Discount Rate		
- Impact due to increase of 50 basis points	(3,315.70)	(2,646.43)
- Impact due to decrease of 50 basis points	3,628.36	2,888.44
Salary increase		
- Impact due to increase of 50 basis points	3,546.10	2,847.94
- Impact due to decrease of 50 basis points	(3,275.23)	(2,635.55)

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 ₹ 12034.91 Lakhs towards the gratuity expense for year 2019-20.

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

E. GEB Employees' Group Gratuity Trust ("the Trust") is an exempted Gratuity Trust under the Income Tax Act, 1961 established to manage the Gratuity obligations of the employees of GUVNL and its Subsidiary Companies. GUVNL, the Holding Company is managing the same for and on behalf of itself and its six Subsidiary Companies. The Trust has an arrangement with Life Insurance Corporation of India (LIC) for the fund management based on actuarial determination of liability and the funds to be contributed.

Given the above structure and arrangement among GUVNL Group Companies, the overall Gratuity Asset of the GUVNL Group, is reflected in GUVNL Books. The Company reflects the net expense in its books and the Asset to GUVNL, given the above arrangement alongwith the disclosures in compliance with the applicable Ind AS 119 – Employee Benefits.

The following is the position of Gratuity related (Asset) / Liability reflected in our books:

(₹ In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Asset) / Liability - Net Funded	(2,126.04)	4,740.72

Net Plan Asset of Gratuity amounting to ₹ 2126.04 lakhs (P.Y. Net Liability of Gratuity ₹ 4740.72 lakhs) is considered in net (receivable) from /payable to holding company.

38. Segment reporting

Operating Segment

A. 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 product is disclosed in Note no.28 of the financial statements.

39. 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, 2020	As at 31st March, 2019
Total Debt	19,922.05	29,758.94
Total Equity	1,157,596.76	970,539.19
Total Debt to Equity Ratio	**0.02**	**0.03**

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, 2020	As at 31st March, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)	-	-
Measured at amortised cost		
(a) Trade and other receivables	192,769.47	174,138.24
(b) Cash and cash equivalents	4,055.61	7,834.82
(c) Loans	2,623.66	2,909.68
(d) Other financial assets	84,518.59	53,401.88
Measured at FVTOCI		
(a) Investments in equity instruments (designated on transition date)	-	-
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	16,349.30	18,432.91
(b) Trade payables	-	-
(c) Other financial liabilities	325,398.58	316,482.73
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, 2020 and 31st March, 2019.

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, 2020				
Non - current financial liabilities				
Borrowings	3,558.74	9,621.98	3,168.58	**16,349.30**
Other Financial Liabilities	-	2,902.25	230,701.78	**233,604.03**
	3,558.74	**12,524.23**	**233,870.36**	**249,953.33**
Current financial liabilities				
Trade Payables	578.56	-	-	**578.56**
Other Financial Liabilities	91,794.55	-	-	**91,794.55**
	92,373.12	**-**	**-**	**92,373.12**
Total financial liabilities	**95,931.86**	**12,524.23**	**233,870.36**	**342,326.45**
As at 31st March, 2019				
Non - current financial liabilities				
Borrowings	4,279.60	9,948.52	4,204.79	**18,432.91**
Other Financial Liabilities	-	2,639.47	207,282.78	**209,922.25**
	4,279.60	**12,587.99**	**211,487.57**	**228,355.16**
Current financial liabilities				
Trade Payables	278.11	-	-	**278.11**
Other Financial Liabilities	106,560.48	-	-	**106,560.48**
	106,838.60	**-**	**-**	**106,838.60**
Total financial liabilities	**111,118.20**	**12,587.99**	**211,487.57**	**335,193.76**

The Company / Group 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, 2019 : ₹ 2500 Lakhs). The Company / Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ In Lakhs)

Secured Committed Credit Facility , reviewed annually and payable at call:	As at 31st March, 2020	As at 31st March, 2019
Amount used	-	-
Amount unused	**2,500.00**	**2,500.00**

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, 2020	31st March, 2019		
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.

40. 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 31st March, 2020.

41. 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 (21h) to the financial statements.

42. 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, 2020	As at 31st March, 2019
A. Contingent Liabilities not provided in respect of :		
I. Claims against the company not acknowledged as debt	11,056.35	8,565.32
II. Disputed demand of Income Tax payable, against which the company has filed an appeal .	8,564.70	5,460.96
Total	**19,621.05**	**14,026.28**

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, 2020	As at 31st March, 2019
A. Capital Commitments		
Estimated amount of Contract remaining to be executed on capital accounts (Net of Advances)	12,814.49	23,261.90
Total	**12,814.49**	**23,261.90**
B. Other Commitments		
Other Commitments	5,630.80	4,525.15
Total	**5,630.80**	**4,525.15**

43 CSR Expenditure

(₹ In Lakhs)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	The CSR expenditure comprises the following:		
a)	Gross amount required to be spent by the Company during the year	113.00	130.65
b)	Amount spent during the year	78.75	36.30

c)

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	65.01		65.01	26.45		26.45
(ii) On purpose other than (i) above	13.74		13.74	9.85		9.85
Total	**78.75**	-	**78.75**	**36.30**	-	**36.30**

44. Trasmission and Distribution Losses

(In MU's)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Units Purchased from GUVNL	35,535.32	38,253.29
Units Purchased from Wind farm and solar	165.69	130.00
DSM Units Import	126.74	76.41
Less Units sold to GUVNL	93.71	4.47
Less DSM Units Export	401.72	424.08
Net Power Purchase	**35,332.31**	**38,031.15**
Less: Units sold to consumers	**27,622.31**	**28,608.53**
Transmission and Distribution Losses	7,710.00	9,422.62
T&D Losses in %	**21.82**	**24.78**

45. 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.

46. 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.

47. COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline and the volatility in the financial markets and the decline in economic activities.

On 24th March 2020, the Government of India ordered a nationwide lockdown of complete 21 days as a precautionary measure against the COVID-19 pandemic, which extended twice till 30th May, 2020.

The Company is engaged in the distribution of electricity. Since electricity has been categorised as an "Essential Service", the Company was in position to supply its services throughout lockdown period to all its consumers except to commercial and industrial consumers in case of whom, there was drastic reduction of demand due to lockdown situation.

Estimation of uncertainties:

The Company believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial statements. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial statements.

Property, Plant and Equipment:

The Company has estimated recoverable amount of the cash generating units and has determined it to be greater than the carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to COVID19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Capital Work-in-Progress:

There is impact on activities related to ongoing projects which have been hampered and may result into delays in implementation of these projects.

However, the Company expects that the ongoing projects will be resumed and that the projects will remain commercially viable, taking into account the availability of resources.

Loans and Advances & Other Assets:

The Company's Loans and Advances mainly consists of Loans given to Employees. In assessing the recoverability of such as loans to employees, other advances to suppliers and other financial and non-financial assets, the Company has considered internal and external information up to the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

Inventories:

The Company has evaluated the adequacy of provision on its carrying amount of inventory on account of COVID 19. However, based on the assessment made, no additional provision is required to the carrying amount of inventory, as it has been moving in the ordinary course post the year end.

Trade Receivables:

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, and internal and external information available up to the date of issuance of these financials. Based on assessment done by the Company, an adequate allowance of credit loss has been made for the receivables after factoring an anticipated reduction in the collection done subsequently.

Revenue:

The Company's revenue from distribution of electricity has downward impact due to lockdown mainly in commercial and industrial units. Since this situation will likely prevail in Financial Year 2020-21, the Company is in process of identification of loss in revenue due to disruption of supply of electricity to these units.

Employee and Other Costs:

The Company is making payments of salaries and wages to all employees on its payrolls as also the contract workers during the time of lockdown. Further, the Company is also incurring various other costs, during the period of full/partial lockdown. This may impact the profitability levels of the Company.

Going Concern:

The management has evaluated the various financial ratios, expected ageing and maturities of assets and liabilities and the various internal and external information available. The management does not see any risks to Company's ability to continue as a going concern and expects that Company will be able to meet its liabilities in the foreseeable future, as and when the same fall due.

48. Adhering to the Significant Accounting Policy adopted by the Company, Grant / Subsidy and Consumer's contributions related to depreciable assets i.e. Property, Plant and Equipment are initially recognised as "Deferred Income" and recognised in the Statement of Profit and Loss on a systematic basis over the period and in the proportion in which depreciation expenses on those assets are recognised. The above referred accounting policy being followed was in compliance with the previous GAAP i.e. AS – 12, Indian GAAP as well as the current GAAP being followed i.e. Ind AS 20 Indian Accounting Standards (Ind AS) on 'Government Grants'. The deferred income recognised in the Statement of Profit or Loss was determined based on Reducing Balance Method (Written Down Value) (RBM / WDV) upto financial year ended 31 March 2015, which was changed w.e.f. 1 April 2016 to Straight Line Method in order to further align / match the grant income recognition to the depreciation being charged in the Statement of Profit and Loss. The change was made based on the Company's experience over the years and the circumstances obtained at the time of change. The Company determined such change of method as change in accounting estimate based on the consideration of the relevant Ind AS, particularly para 34, 35 and 48 of Ind AS 8 on 'Accounting Policies, Changes in Accounting Estimates and Errors' which was disclosed in the critical judgements and notes to financial statements in the year of change. The Company applied such a change in estimate prospectively in compliance with Ind AS 8.

The office of C&AG, Ahmedabad vide their letter provided the audit comment on the financial position i.e. Balance Sheet as at 31.03.2019 particularly Equity and Liabilities in relation to Deferred Government Grants, Subsidies and Consumer Contributions and stated that the Company changed the method in order to correct an error and such change should have been worked out retrospectively. Similar comments were also issued for Financial Years 2016-17 and 2017-18 by C&AG office. The Company including all other concerned Group Companies, had provided explanation of its view, that such:

i. a change is not a correction of prior period error as the WDV method selected earlier, was an informed and deliberated decision which was noted to be in compliance with the accounting standards in the earlier financial years even by all statutory auditors of the concerned group Companies; and

ii. it is a change in estimate which has to be worked out prospectively.

Pursuant to the above referred comments by the C&AG Office in respect of accounting treatment given by the Company and also by all Distribution Subsidiary Companies (DISCOMs) & Transmission Subsidiary Company (GETCO), Gujarat Urja Vikas Nigam Limited (GUVNL), the parent Company, decided to consult and obtain an opinion from a reputed, prestigious and independent professional firm of Chartered Accountants. Accordingly, the parent Company GUVNL obtained the opinion from such a Firm (the Firm) on the accounting treatment given by the Company, DISCOMs and GETCO as well. The Firm has provided the opinion vide Letter dt. 1st September, 2020 and concluded that the change in estimates cannot be considered as correction of Prior Period Error and impact of such change in the estimate need to be considered prospectively. GUVNL has shared the Firm's expert opinion with Office of C&AG vide Letter Dt. 14th September 2020.

Given the Company's view, which was validated through the audit opinions of the statutory auditors and as further buttressed in the aforementioned paragraph, the Company has continued to recognise the change in method of computing Grant / Consumer Contribution received against depreciable asset to be recognised in the Statement of Profit and Loss from Reducing Balance Method to Straight Line Method as not a correction of prior period error but a "Change in Estimate" and accordingly continued to apply prospectively in terms of provisions of Ind AS-8 "Accounting Policies, change in Accounting Estimates and Errors".

If the Company had applied the above change in method retrospectively, the balances of the Government grants and Consumer contributions as at 31st March, 2020 would have been higher by ₹ 35619.59 Lakhs. The above information is only for comparative purpose and has no impact on these financial statements.

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 Bhavin Pandya (Till 04.09.2019)	Key Management Personnel (KMP)
Smt. Shweta Teotia (From 04.09.2019)	Key Management Personnel (KMP)
Shri Kintu Kumar Malkan	Key Management Personnel (KMP)
Shri Hardik Chauhan (From 02.12.2019)	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	**3,832.12**	-	-	-	**3,832.12**
	(114.60)	-	-	-	(114.60)
Gujarat Urja Vikas Nigam Limited	**3,832.12**	-	-	-	**3,832.12**
	(114.60)	-	-	-	(114.60)
Power Purchase	**1,547,243.17**	**111.68**	-	-	**1,547,354.85**
	(1,541,798.68)	(106.11)	-	-	(1,541,904.79)
Gujarat Urja Vikas Nigam Limited	**1,547,243.17**	-	-	-	**1,547,243.17**
	(1,541,798.68)	-	-	-	(1,541,798.68)
Gujarat State Electricity Corporation Limited	-	**111.68**	-	-	**111.68**
	-	(106.11)	-	-	(106.11)

Nature of Transaction	Holding Company	Fellow-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Allocation of e-Urja Expenses	**487.83**	-	-	-	**487.83**
	-	-	-	-	-
Gujarat Urja Vikas Nigam Limited	**487.83**	-	-	-	**487.83**
	-	-	-	-	-
Allocation of General Insurance Premium	**377.71**	**-**	**-**	**-**	**377.71**
	(399.01)	-	-	-	(399.01)
Gujarat Urja Vikas Nigam Limited	**377.71**	-	-	-	**377.71**
	(399.01)	**-**	**-**	**-**	(399.01)
Interest	**1,097.41**	**-**	**-**	**-**	**1,097.41**
	(1,280.76)	-	-	-	(1,280.76)
Gujarat Urja Vikas Nigam Limited	**1,097.41**	**-**	**-**	**-**	**1,097.41**
	(1,280.76)	-	-	-	(1,280.76)
Purchase of material and Burnt Oil	-	**159.08**	-	-	**159.08**
	-	(246.90)	-	-	(246.90)
Gujarat Energy Transmission Company Limited	-	**0.32**	-	-	**0.32**
	-	(0.35)	-	-	(0.35)
Madhya Gujarat Vij Company Limited	-	**109.00**	-	-	**109.00**
	-	(115.12)	-	-	(115.12)
Uttar Gujarat Vij Company Limited	-	**10.34**	-	-	**10.34**
	-	(93.10)	-	-	(93.10)
Dakshin Gujarat Vij Company Limited	-	**39.41**	-	-	**39.41**
	-	(38.33)	-	-	(38.33)
Purchase of asset	-	-	-	-	-
	-	(393.80)	-	-	(393.80)
Uttar Gujarat Vij Company Limited	-	-	-	-	-
	-	(393.80)	-	-	(393.80)
SLDC Charges	-	**470.21**	-	-	**470.21**
	-	(137.36)	-	-	(137.36)
Gujarat Energy Transmission Company Limited	-	**470.21**	-	-	**470.21**
	-	(137.36)	-	-	(137.36)

Nature of Transaction	Holding Company	Fellow-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Reactive Charges Income	-	**55.56**	-	-	**55.56**
	-	(39.39)	-	-	(39.39)
Gujarat Energy Transmission Company Limited	-	**55.56**	-	-	**55.56**
	-	(39.39)	-	-	(39.39)
UI Charges expense	-	**4,168.89**	-	-	**4,168.89**
	-	(2,503.84)	-	-	(2,503.84)
Gujarat Energy Transmission Company Limited	-	**4,168.89**	-	-	**4,168.89**
	-	(2,503.84)	-	-	(2,503.84)
UI Charges income	-	**9,020.98**	-	-	**9,020.98**
	-	(8,548.38)	-	-	(8,548.38)
Gujarat Energy Transmission Company Limited	-	**9,020.98**	-	-	**9,020.98**
	-	(8,548.38)	-	-	(8,548.38)
Electricity charges	-	**2,753.70**	-	-	**2,753.70**
	-	(2,554.43)	-	-	(2,554.43)
Gujarat State Electricity Corporation Limited	-	**165.98**	-	-	**165.98**
	-	(117.85)	-	-	(117.85)
Gujarat Energy Transmission Company Limited	-	**2,587.72**	-	-	**2,587.72**
	-	(2,436.58)	-	-	(2,436.58)
Recovery of Expenditure	-	-	-	-	-
	-	(0.90)	-	-	(0.90)
Gujarat Energy Transmission Corporation Limited	-	-	-	-	-
	-	(0.90)	-	-	(0.90)
Reimbursement of Expenditure	-	**200.28**	-	-	**200.28**
	(0.34)	(69.45)	-	-	(69.79)
Gujarat Urja Vikas Nigam Limited	-	-	-	-	-
	(0.34)	-	-	-	(0.34)
Gujarat Energy Transmission Corporation Limited	-	**105.08**	-	-	**105.08**
	-	(69.45)	-	-	(69.45)
Gujarat State Electricity Corporation Limited	-	-	-	-	-
	-	-	-	-	-
Uttar Gujarat Vij Company Limited	-	**95.20**	-	-	**95.20**
	-	-	-	-	-

Nature of Transaction	Holding Company	Fellow-Subsidiary Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Rebate on Prompt Payment of Purchase of Power	-	**0.79**	-	-	**0.79**
	-	(0.66)	-	-	(0.66)
	-	**0.79**	**-**	**-**	**0.79**
Gujarat State Electricity Corporation Limited	-	(0.66)	-	-	(0.66)
Sale of Material	**-**	**151.51**	**-**	**-**	**151.51**
	-	(530.94)	-	-	(530.94)
Gujarat Energy Transmission Corporation Limited	**-**	**3.01**	**-**	**-**	**3.01**
	-	(44.01)	-	-	(44.01)
Madhya Gujarat Vij Company Limited	-	**113.58**	-	-	**113.58**
	-	(13.33)	-	-	(13.33)
Uttar Gujarat Vij Company Limited	-	**3.80**	-	-	**3.80**
	-	(348.24)	-	-	(348.24)
Dakshin Gujarat Vij Company Limited	**-**	**31.11**	**-**	**-**	**31.11**
	-	(125.36)	-	-	(125.36)
Salary and other allowances	-	-	**48.37**	-	**48.37**
	-	-	(56.26)	-	(56.26)
Smt. Shweta Teotia - Managing Director (From 04.09.2019)	-	-	**5.76**	-	**5.76**
	-	-	-	-	-
Shri Bhavin Pandya-Managing Director (upto 04.09.2019)	-	-	**11.45**	-	**11.45**
	-	-	(21.09)	-	(21.09)
Shri Kintu Kumar Malkan- GM (F&A) & CFO	-	-	**28.33**	-	**28.33**
	-	-	(30.23)	-	(30.23)
Shri Sudhir Bhatt (till 22.11.2018)	-	-	-	-	-
	-	-	(4.94)	-	(4.94)
Shri Hardik Chauhan (from 02.12.2019)	-	-	**2.82**	-	**2.82**
	-	-	-	-	-
Balance Receivable	**57,277.68**	-	-	-	**57,277.68**
	(32,001.25)	-	-	-	(32,001.25)
Gujarat Urja Vikas Nigam Limited	**57,277.68**	-	-	-	**57,277.68**
	(32,001.25)	-	-	-	(32,001.25)

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 30th September, 2020.

As per our report annexed of even date

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sd/-
Rohit K. Choksi
Partner
Membership No.31103

Place: Ahmedabad
Date: 6th October 2020

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

Sd/- **(Shahmeena Husain, IAS)** Chairman DIN: 03584560	**Sd/-** **(Shweta Teotia, IAS)** Managing Director DIN: 08556856
Sd/- **(Kintukumar Malkan)** GM (F&A) & CFO	**Sd/-** **(Hardik Chauhan)** Company Secretary

Place: Rajkot
Date: 30th September 2020

PASCHIM GUJARAT VIJ COMPANY LIMITED

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