

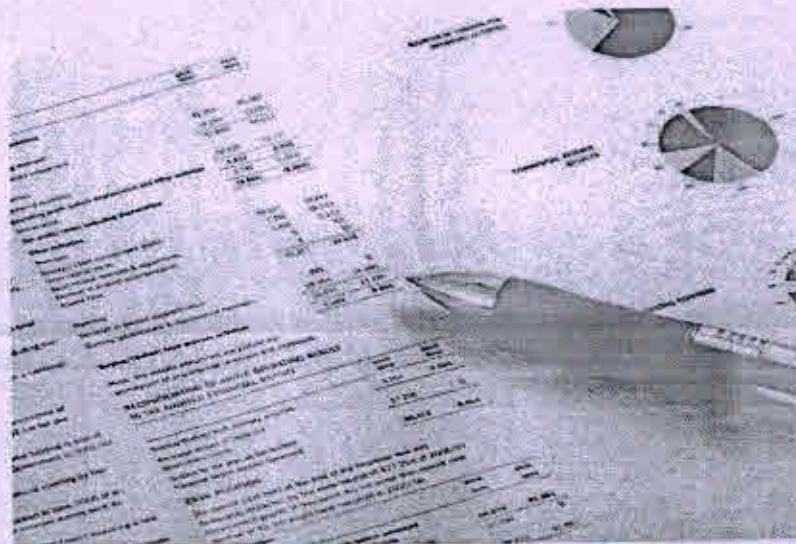


UGVCL

UTTAR GUJARAT VIJ COMPANY LIMITED  
CIN - U40102GJ2003SGC042906

Annual Accounts 2014-15

# ANNUAL ACCOUNTS



## 2014-15



UTTAR GUJARAT VIJ COMPANY LIMITED

CIN - U40102GJ2003SGC042906

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

UGVCL



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
UTTAR GUJARAT VIJ COMPANY LIMITED,**

**Report on the Financial Statements:**

We have audited the accompanying financial statements of **UTTAR GUJARAT VIJ COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





### **Auditor's Responsibility**

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

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and





- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to:

Note no. 25 in respect of charging of depreciation on assets of the Company at the rates specified under GERC (MYT) Regulations, 2011 with effect from 1<sup>st</sup> April, 2011 in place of depreciation charged as per rates prescribed under Schedule XIV to the Companies Act, 1956. This has resulted in additional charge of depreciation amounting to Rs 5481.32 lacs, which has been treated as prior period expense.

Note no. 30 in relation to non-availability of confirmations from Sundry Debtors, loans and advances and Sundry Creditors.

Note no. 32 We have not received declarations / confirmations from micro, small and medium enterprises - suppliers / creditors / service providers to the Company.

Our Opinion is not qualified in respect of above matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required under section 143(5) of the Companies Act, 2013, we give in the Annexure "A" a statement on directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of audit, action taken thereon and its impact on accounts and financial statements of the company.
2. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by section 143 (3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors appointed during 2014-15 is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of section 164(2) of the Act. Prior to 01-04-2014, in terms of notification no. 829(E) dated 21.10.2013 issued by the department of company affairs, Government of India, the provisions of section 274(1)(g) of the Companies Act, 1956 were not applicable to the Company.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements.
  - There are no long-term contracts including derivative contracts, which require provision for material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



For Kochar & Associates  
Chartered Accountants  
FRN. 105256W

*Yagnesh Dalal*  
23/09/15

CA Yagnesh Dalal  
Partner  
Membership No. 035619

Place: MUMBAI  
Date: 23/09/15



## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

### UTTAR GUJARAT VIJ COMPANY LIMITED.

( As referred to in paragraph 1 of Report on Legal and Regulatory Requirements of our report on the statement of directions under section 143(5) of the Companies Act, 2013 issued by the Comptroller & Auditor General of India for the year 2014-15. )

Sr. No.	Directions	Reply																		
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	During the current financial year there is no disinvestment of shares by the Central/State Government(s).																		
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year the Company has written off an amount of Rs 2,27,82,795.24 being dues from consumers, Waiver of DPC charges amounting to Rs 13,19,527.91 from consumers and Rs 97,89,22,000 on account of waiver of Delay Payment Charges on Nagarpalikas, the same is waived as per the Government of Gujarat resolution no. NPL/452014/UOR-40/M dated 6th January, 2015.																		
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Proper records are maintained for the inventories lying with third parties. The Company has not received any assets as gift from Government or other authorities during 2014-15.																		
4	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local) may be given.	<p>Number of pending / arbitration cases indicating the age wise analysis and reasons for their pendencies are as under.</p> <p><b>(a) Details of Court cases :</b></p> <table> <tr> <th>Sr. No.</th><th>Age wise Analysis</th><th>No of Cases Pending</th></tr> <tr> <td>1</td><td>5 years &amp; above</td><td>1056</td></tr> <tr> <td>2</td><td>3-5 years</td><td>549</td></tr> <tr> <td>3</td><td>1-3 years</td><td>406</td></tr> <tr> <td>4</td><td>0-1 year</td><td>380</td></tr> <tr> <td></td><td><b>Total</b></td><td><b>2391</b></td></tr> </table>	Sr. No.	Age wise Analysis	No of Cases Pending	1	5 years & above	1056	2	3-5 years	549	3	1-3 years	406	4	0-1 year	380		<b>Total</b>	<b>2391</b>
Sr. No.	Age wise Analysis	No of Cases Pending																		
1	5 years & above	1056																		
2	3-5 years	549																		
3	1-3 years	406																		
4	0-1 year	380																		
	<b>Total</b>	<b>2391</b>																		





		<p><b>(b) Details of Arbitration cases :</b></p> <table border="1"> <tr> <th>Sr. No.</th><th>Age wise Analysis</th><th>No of Cases Pending</th></tr> <tr> <td>3</td><td>1-3 years</td><td>1</td></tr> <tr> <td colspan="2"><b>Total</b></td><td><b>1</b></td></tr> </table> <p>Legal cases entail procedural rules being adhered to and are finally heard/disposed of by the Court at their own turn. There exists an effective monitoring mechanism for expenditure on legal matters. A sum of Rs 49.23 Lacs has been incurred as legal fees and expenses during the year.</p>	Sr. No.	Age wise Analysis	No of Cases Pending	3	1-3 years	1	<b>Total</b>		<b>1</b>
Sr. No.	Age wise Analysis	No of Cases Pending									
3	1-3 years	1									
<b>Total</b>		<b>1</b>									
<b>Sub- directions:</b>											
1	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company.	The Company has not entered into any agreement with franchises for distribution of electricity.									
2	Report on the efficacy of the system of billing and collection of revenue in the company.	<p>The consumer base comprise of two categories i.e HT and LT Consumers:</p> <p>In HT Billing, billing (meter reading, bill preparation and serving the bill) is done from 15th to 17th of the month for normal consumers. In case of Open access consumers, billing is done on 1st of the month by Division offices.</p> <p>Due to huge numbers of consumers in LT category, LT Billing is bifurcated in two way i.e. monthly billing cycle and bi-monthly billing cycle. Meter reading in Monthly billing cycle is carried out from every 15th to 20th of the month &amp; in bi-monthly billing cycle, meter reading is carried out from every 21st of month to 10th of succeeding month. After collection of meter reading data, bill printing process is carried out and bills are served to the consumers by sub-division offices or by outsourcing agencies (if any).</p> <p>Distribution loss for the year stood at 9.20%.</p> <p>To improve Collection, the Company has made arrangements with post offices, private cash collection agencies, e-gram</p>									





		panchayat's and also provided facility of any time payment (ATP) kiosks, net banking facility to facilitate payment of bills to the consumers. The Company also conduct disconnection drive, arrange for LOK ADALAT for pending disputed arrears to improve collection of dues.
3	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	Company installs static meters and electro-mechanical meters, for better accuracy. During theft drive, which is periodically done in surprise basis, the meter installations are being checked for tampering.
4	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA).	Based on approval of FPPAC by GERC on quarterly basis, additional charges are levied or rebates given in subsequent billing cycles to all consumers.
5	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	The receivables and payables between the generation, transmission and distribution companies has been reconciled and confirmed by each of the associate companies. Confirmations are not available for amount payable for purchase of power from wind farm and solar energy suppliers.
6	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.	The Company has no franchisees for distribution of power.
7	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented.	UGVCL has raised FPPPA and tariff compensation claim of Rs. 1682.76 crores during FY 2014-15 and same has been received from GUVNL.





## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

### UTTAR GUJARAT VIJ COMPANY LIMITED.

(As referred to in paragraph 2 of Report on Legal and Regulatory Requirements of our report Companies (Auditors Report) Order, 2015 ( the order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act for the year ended March 31, 2015).

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) The fixed assets other than those, which are underground were physically verified during the year by the Management in accordance with the regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.  
  
(c) In our opinion and according to the information and explanations given to us, substantial part of fixed asset has not been disposed during the year, so as to affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified by the Management at reasonable intervals.  
  
(b) In our opinion and according to the information and explanations given to us the procedure of physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the company and nature of its business.  
  
(c) In our opinion and according to the information and explanations given to us, the discrepancies noticed on physical verification between physical stock and book records were not material having regard to the size of the company and nature of its business.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence, the provisions of clauses iii (a), iii (b) paragraph 3 of the order are not applicable to the Company.





- 4 In our opinion and according to the information and explanations given to us during the course of audit, considering the nature and size of business, there is scope for improvement in effectiveness and efficacy of internal controls. As per information & explanations given by the management, the Company has outsourced internal audit to professional firms of chartered accountants.
- 5 According to information and explanation given to us, the Company has not accepted any deposits from the public during the year within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
- 6 The Central Government has prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and as explained to us the company has maintained the prescribed accounts and records. We have not, however, made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- 7 (a) According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident fund, Investor education and protection fund, Employees state insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us and based on records of the company, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2015 for a period more than six months from the date of becoming payable.

(b) As at 31st March, 2015, the following are the particulars of dues on account of income tax that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Period to which the amount relates	Amount (Rs in lacs)	Forum where pending
Income Tax Act, 1961	Income Tax	AY 2011-12	6,987.04	ITAT
		AY 2012-13	262.33	CIT(A)
	Penalty Demand	AY 2012-13	0.10	CIT(A)





( c ) According to the information and explanations given to us, there were no amounts which are required to be transferred to Investor Education and Protection Fund, in accordance with the relevant provisions of the Companies Act, 1956 ( 1 of 1956) and rules made there under.

- 8 The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- 9 Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions, banks or bond holders.
- 10 According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- 11 The Term loan amounting to Rs. 7,84,16,595/- obtained during construction period was invested in FD to reduce cost of capital. Till the date of signing the report the funds were not utilised for the stated purpose.
- 12 Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case(s) by the management. However, theft/pilferage of inventory amounting to Rs 1.35 lacs is noticed during the year under review

Place: MUMBAI  
Date: 23/09/15



For Kochar & Associates  
Chartered Accountants  
FRN 105256 W

*Yagnesh Dalal* 23/09/15  
CA Yagnesh Dalal  
Partner  
Membership No: 035619



**UTTAR GUJARAT VIJ COMPANY LIMITED**

CIN - U40102GJ2003SGC042906

**UGVCL****BALANCE SHEET AS AT 31 MARCH, 2015**

Particulars	Note No.	AS AT 31 <sup>ST</sup> MARCH 2015 [₹ In Lacs]	AS AT 31 <sup>ST</sup> MARCH 2014 [₹ In Lacs]
<b>EQUITY AND LIABILITIES</b>			
(1) Share Holders' Fund			
(a) Share Capital	2	31653.09	26671.01
(b) Reserves and Surplus	3	78552.68	53412.86
		<b>110205.77</b>	<b>80083.88</b>
(2) Deferred Government Grants, Subsidies & Contributions	4	<b>92613.44</b>	<b>84345.62</b>
(3) Non Current Liabilities			
(a) Long Term Borrowings	5	27501.77	26262.57
(b) Other Long Term Liabilities	6	95434.41	86206.63
(c) Long Term Provisions	7	10314.36	9870.16
		<b>133250.54</b>	<b>122339.36</b>
(4) Current Liabilities			
(a) Trade Payables	8	275.06	275.90
(b) Other Current Liabilities	9	111041.74	128626.96
(c) Short-Term Provisions	10	1.59	1.45
		<b>111318.40</b>	<b>128904.31</b>
<b>TOTAL</b>		<b>447388.16</b>	<b>415673.17</b>
<b>ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets:			
Tangible Assets	11	310273.62	283438.50
Capital Work-in progress	12	15645.69	5024.47
(b) Long Term Loans and Advances	13	686.53	646.11
(c) Other Non-current Assets	14	48.79	54.85
		<b>326654.63</b>	<b>289163.93</b>
(2) Current Assets			
(a) Inventories	15	38250.79	27246.58
(b) Trade Receivables	16	59182.62	65434.31
(c) Cash and Cash Equivalents	17	9769.95	7415.85
(d) Short-Term Loans and Advances	18	228.58	3521.57
(e) Other Current Assets	19	13301.59	22890.93
		<b>120733.53</b>	<b>126509.24</b>
<b>TOTAL</b>		<b>447388.16</b>	<b>415673.17</b>
Significant Accounting Policies and Notes to the Financial Statements	1 to 41		

AS PER OUR REPORT OF EVEN  
DATE ATTACHEDPLACE: MUMBAI  
DATE: 23/09/15FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS

UTTAR GUJARAT VIJ COMPANY LIMITED

V. N. MAIRA, IAS (Retd.)  
CHAIRMANR. B. KOTHARI, ACMA  
CHIEF FINANCIAL OFFICERANUPAM ANAND, IAS  
MANAGING DIRECTORN. M. JOSHI, FCS  
COMPANY SECRETARYPLACE: AHMEDABAD  
DATE: 22-SEP-2015



# UTTAR GUJARAT VIJ COMPANY LIMITED

CIN - U40102GJ2003SGC042906



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
<b>INCOME</b>			
Revenue from Operations	20	815849.19	755294.01
Other Income	21	12912.21	12003.55
<b>Total Revenue (1)</b>		<b>828761.40</b>	<b>767297.56</b>
<b>EXPENSES</b>			
Purchase of Power	22	729175.76	695068.67
Employee Benefit Expenses	23	36427.90	33706.82
Finance Costs	24	20686.18	16187.80
Depreciation and Amortization Expenses	25	22517.05	17946.72
Other Expenses	26	10576.45	3055.01
<b>Total Expenses (2)</b>		<b>819383.34</b>	<b>765965.02</b>
<b>Profit/(Loss) before extraordinary items, prior period adjustments and tax</b>	(1)-(2)	<b>9378.07</b>	<b>1332.54</b>
Less:- Extraordinary Items	27	115.47	8.14
<b>Profit/(Loss) before prior period adjustments and tax</b>		<b>9262.59</b>	<b>1324.41</b>
Less:- Prior Period Adjustments (Credit)/Charges	28	7070.48	(372.43)
<b>Profit/(Loss) before tax</b>		<b>2192.11</b>	<b>1696.84</b>
<b>Tax Expenses</b>	29		
Current Tax		468.07	345.42
<b>Profit After Tax for the Year</b>		<b>1724.04</b>	<b>1351.41</b>
Earning Per Share (Basic) ₹		0.74	0.57
Earning Per Share (Diluted) ₹		0.74	0.57
Significant Accounting Policies and Notes to the Financial Statements	1 to 41		

AS PER OUR REPORT OF EVEN  
DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS

FOR KOCHAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
105256W

UTTAR GUJARAT VIJ COMPANY LIMITED



YAGNESH DALAL  
PARTNER  
PR. NO. 035619

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

ANUPAM ANAND, IAS  
MANAGING DIRECTOR

R. K. KOTHARI ACMA  
CHIEF FINANCIAL OFFICER

N. M. JOSHI FCS  
COMPANY SECRETARY

PLACE: MUMBAI  
DATE: 23/09/15

PLACE: AHMEDABAD  
DATE: 22-SEP-2015





# UTTAR GUJARAT VIJ COMPANY LIMITED

CIN - U40102GJ2003SGC042906

UGCL

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2015

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
<b>Cash Flow from Operating Activities</b>		
Net Profit before Tax and Extra ordinary items	2307.58	1704.97
Adjustments for: Add/(Less)		
Depreciation	22517.05	17946.72
Interest and Financial Charges	20686.18	16187.80
Prior Periods Adjustments - Depreciation	5481.32	(3.69)
Gain on Sale of Fixed Assets	(56.83)	(81.90)
Loss on Sale of Fixed Assets	47.39	22.84
Provisions no longer required	(268.04)	(243.01)
Interest Income from Fixed Deposit	(89.03)	(125.86)
Govt Grants & Consumer contribution (Deferred amount 10% written back)	(10259.41)	(9371.74)
Leave Encashment Provision	704.95	823.45
Gratuity Provision	1906.20	2136.93
Waiver of DPC Nagarpalika and other Misc Written off	8684.86	0.00
Provision for Doubtful Debts	278.32	165.88
<b>Operating Profit before Working Capital Changes</b>	<b>51940.55</b>	<b>29162.40</b>
<b>Adjustments for Changes in Working Capital:-</b>		
(Increase)/Decrease in Current Assets, Loans and Advances	(651.20)	(11228.11)
Increase/(Decrease) in Current Liabilities and Provisions	(17471.31)	35861.14
<b>Cash Generated from Operations before Taxes and Extra Ordinary items</b>	<b>33818.03</b>	<b>53795.43</b>
Less: Direct Taxes Paid	200.00	150.00
<b>Cash Generated from Operations before Extra Ordinary items</b>	<b>33618.03</b>	<b>53645.43</b>
Less: R & M for restoration of damages due to flood, Cyclone	(115.47)	(54.39)
Add: Grant Received for loss due to Flood, Cyclone etc.	0.00	46.25
<b>A. NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>33502.56</b>	<b>53637.29</b>
<b>Cash Flow from Investing Activities</b>		
Purchases/Adjustments of Fixed Assets	(76598.77)	(54970.13)
(Increase)/Decrease in Capital Work in Progress	(10621.22)	(1313.57)
Sale/Adjustments on Fixed Assets	21696.82	1628.98
Interest Income from Fixed Deposit	72.49	97.84
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(65450.69)</b>	<b>(54556.87)</b>
<b>Cash Flow from Financing Activities</b>		
Share Application Money Received during the year	28397.85	0.00
Proceeds from Borrowings	610361.06	512656.91
Repayments of Borrowings	(602149.75)	(523138.77)
Proceeds from Govt. Grants, Subsidies and Contributions	18527.23	22054.43
Interest and Financial Charges Paid	(20834.16)	(16040.88)
<b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>34302.23</b>	<b>(4468.30)</b>
<b>Net Cash Inflow/(Outflow)[A+B+C]</b>	<b>2354.10</b>	<b>(5387.88)</b>
Add:- Cash and Cash Equivalents as at 01-4-14 (Opening Balance)	7415.85	12803.73
<b>Cash and Cash Equivalents as on 31-3-15 (Closing Balance)</b>	<b>9769.95</b>	<b>7415.85</b>

Note:

- (i) The above Cash Flow Statement has been prepared as per AS-3 (Indirect Method) issued by ICAI  
(ii) Component of Cash & Cash Equivalents as on 31-03-15 is as per note no. 17 to the Financial Statements

AS PER OUR REPORT OF EVEN  
DATE ATTACHED

FOR KUTHAR & ASSOCIATES  
CHARTERED ACCOUNTANTS



M. NO. 035619

FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS

UTTAR GUJARAT VIJ COMPANY LIMITED

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

ANUPAM ANAND, IAS  
MANAGING DIRECTOR

R. KOTHARI, ACMA  
CHIEF FINANCIAL OFFICER

N. M. JOSHI, FCS  
COMPANY SECRETARY

PLACE: MUMBAI  
DATE: 23/09/15

PLACE: AHMEDABAD  
DATE: 22-SEP-2015





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

The Company prepares its Financial Statements under historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

The Company's business operations are governed by the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003. The provisions of these Acts read with the rules made there under, prevail wherever the same are in consistent with the provisions of the Companies Act, 2013.

**B. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Actual results could vary from these estimates and such differences are dealt with in the period in which the results are known/materialized.

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

The Company is providing depreciation on Capital Assets related to Electrification & Service connection on Straight Line Method as per the rates prescribed in GERC (MYT) Regulations, 2011. In respect of these assets, Company is receiving Consumer contribution, Grant & Subsidy which is being treated as deferred revenue by the company. The linking of receipt of Capital Grant, Consumer contribution and subsidy to the creation of fixed assets and charging depreciation / writing back proportionate amount is practically not possible. Considering the above referred facts and difficulties in working out exact proportionate depreciation and amount for the portion of government grant/consumer contribution received and take proportionate credit in profit & loss account, administrative convenience, practical aspects & taking into consideration the very wide geographical distribution network as well as Constraints on Relevant & Reliable Information as stated in " Framework for the Preparation & Presentation of Financial Statement" issued by the Accounting Standard Board of ICAI, as per the consistent policy followed by the company since inception, the consumer contribution and capital grant / subsidy is treated as deferred credit and 10% of the year-end balance of the consumer contribution and capital grant / subsidy are transferred to Profit & Loss account as deferred income written back which is reasonably commensurate with depreciation charged on various fixed assets during the useful life of the assets.

**D. Fixed Assets:**

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

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





**UTTAR GUJARAT VIJ COMPANY LIMITED**  
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The Fixed Assets not in use i.e. obsolete/scrap assets are stated at a value lower of net realizable value or written down value.

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

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

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

**F. Impairment of Assets:**

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

**G. Segment Reporting:**

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

**H. Inventories:**

Inventories have been valued as under:

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

**I. Provisions and Contingent Liabilities:**

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







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

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

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

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

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

**(iv) Revenue Subsidies:**

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

**(v) Other Income :**

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

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

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

Foreign currency transactions are recorded at the rates prevailing on the date of the transactions. Monetary Assets and Liabilities in foreign currency are translated at closing rate. The exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the Statement of the Profit and Loss in the period it arises.

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



**M. Borrowing Costs:**

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

**N. Depreciation and Amortization:**

- (i) The Depreciation is provided on Straight Line Method as per rates prescribed in GERC (MYT) Regulations, 2011.
- (ii) Any depreciable assets having original cost up to ₹ 5000/- have been fully charged to revenue in the year in which assets are purchased.
- (iii) The Depreciation on Addition/deletion of fixed assets during the year is provided on pro-rata basis from the date when the asset is ready to put to use / retired from active use.

**O. Taxation:**

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

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

**P. Prior Period Items:**

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





NOTES TO FINANCIAL STATEMENTS

2. SHARE CAPITAL

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
<b>Authorised Share Capital</b> 60,00,00,000 Equity Shares each of ₹ 10 each (Previous year 60,00,00,000 Equity Shares)	60000.00	60000.00
<b>Issued Share Capital</b> 31,73,85,050 Equity Shares of ₹ 10 each (Previous year 26,67,10,126 Equity Shares)	31738.51	26671.01
<b>Subscribed and Fully Paid-up Capital</b> 31,65,30,921 Equity Shares of ₹ 10 each fully paid-up (Previous year 26,67,10,126 Equity Shares)	31653.09	26671.01
<b>TOTAL</b>	<b>31653.09</b>	<b>26671.01</b>

2.1. Reconciliation of Nos. of Equity Shares and Amount outstanding at the beginning and at the end of the Year

Particulars	Nos.	Amount (₹ in lacs)
Shares Outstanding at the beginning of the year	26,67,10,126	26671.01
Add: Shares Subscribed during the year	4,98,20,795	4982.08
Sub Total	31,65,30,921	31653.0921
Less: Buy Back during the year	0.00	0.00
Shares Outstanding at the end of the year	31,65,30,921	31653.09

2.2. Details of Shares Held by the Holding Company:

Name of the Share Holders	AS AT 31ST MARCH 2015 Nos.	AS AT 31ST MARCH 2014 Nos.
Equity Shares Gujarat Urja Vikas Nigam Ltd, the holding Company and its nominees	31,65,30,921	26,67,10,126

2.3. Details of Shares held by each Shareholder holding more than 5% of the total Shares.

Name of the Share Holders	AS AT 31ST MARCH 2015 Nos.	AS AT 31ST MARCH 2014 Nos.
Equity Shares Gujarat Urja Vikas Nigam Ltd, the holding Company (99.99% held)	31,65,30,851	26,67,10,056





NOTES TO FINANCIAL STATEMENTS

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

(a) The Government of Gujarat (GoG) has notified the opening values of assets and liabilities of the Company in respect of the transferred undertaking of erstwhile Gujarat Electricity Board (GEB) as on 1st April 2005 vide Notification No. GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006. The Energy & Petrochemical Department, Government of Gujarat vide Notification No. GHU-(203)-GUV-1106-590-K dated 12th December, 2008 partially modifying the earlier Notification No. GHU-2006-91-GUV-1106-590-K dated 3rd October, 2006 has bifurcated the earlier notified Equity Share Capital into Equity Share Capital of ₹1108964800/- (i.e. 110896480 fully paid Equity Shares of ₹10/- each) and Share Premium of ₹3326894430/- effective from 1st April, 2008.

(b) During the year 2008-09, the Government of Gujarat has released the financial assistance by way of Equity Share Capital in Gujarat Urja Vikas Nigam Limited (GUVNL), the holding company, for implementation of JGY in non-tribal areas by all distribution subsidiary companies of GUVNL. In turn, the company has allotted 96202172 shares of ₹10/- each (fully paid up) aggregating to ₹ 962021720/- to GUVNL by way of preferential allotment through private placement.

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

(d) During the year 2012-13, the Company has received Share Application Money of ₹ 16850.00 lakhs from its Holding Company, GUVNL towards Capital Contribution release of agricultural Connections. In the FY 2013-14, Company had allotted 29561404 Equity Shares of ₹ 10/- each at a premium of ₹ 47/- per share as Right shares.

(e) During the year 2014-15, the Company has received Share Application Money of ₹ 28397.85 lakhs from its Holding Company, GUVNL towards Capital Contribution release of agricultural Connections. During the year, Company has allotted 49820795 Equity Shares of ₹ 10/- each at a premium of ₹ 47/- per share as Right shares.





## NOTES TO FINANCIAL STATEMENTS

## 3. RESERVES &amp; SURPLUS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
<b>(a) Equity Share Premium Account</b>		
Share Premium Account (other wise than in cash) (Refer note no. 2.4(a) above.)		
Opening Balance	33268.94	33268.94
Add:- Addition during the year	0.00	0.00
<b>Closing Balance</b>	<b>33268.94</b>	<b>33268.94</b>
Share Premium Account (Refer note no. 2.4 (d & e) above.)		
Opening Balance	13893.86	0.00
Add:- Addition during the year	23415.77	13893.86
<b>Closing Balance</b>	<b>37309.63</b>	<b>13893.86</b>
<b>Total Equity Share Premium Account</b>	<b>70578.58</b>	<b>47162.80</b>
<b>(b) Surplus (Profit &amp; Loss Account):</b>		
Balance brought forward from previous year	6250.06	4898.65
Add:- Profit for the Year	1724.04	1351.41
<b>Total Surplus</b>	<b>7974.11</b>	<b>6250.06</b>
<b>TOTAL</b>	<b>78552.68</b>	<b>53412.86</b>

## 4. DEFERRED GOVERNMENT GRANTS, SUBSIDIES &amp; CONTRIBUTIONS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
<b>Govt.Grants &amp; Subsidies towards cost of Capital Assets</b>		
Opening Balance	35670.98	33321.38
Add: Received during the year	3731.38	6313.04
Add: Grant Received for Solar Pump (Refer Note 4.1)	278.77	0.00
Less: Transfer to the P&L A/c (Refer note no. 1(C))	(3940.24)	(3963.44)
<b>Closing Balance</b>	<b>35740.89</b>	<b>35670.98</b>
<b>Consumer Contribution towards Capital Assets</b>		
Opening Balance	48674.05	38341.55
Add: Received during the year	14517.08	15741.40
Less: Transfer to the P&L A/c (Refer note no. 1(C))	(6319.17)	(5408.29)
<b>Closing Balance</b>	<b>56872.55</b>	<b>48674.65</b>
<b>TOTAL</b>	<b>92613.44</b>	<b>84345.62</b>

4.1 Grant received during the FY 2014-15 for Solar Irrigation Pump sets for Agriculture purpose is accounted as capital grant. During the year, no expense is incurred and hence there is no utilisation of Grant. As the ownership of the assets created out of the Grant will be transferred to beneficiary after 5 years from installation of the assets, the Grant will be appropriated against the expenditure incurred from the same.





## NOTES TO THE FINANCIAL STATEMENTS

## 5. LONG TERM BORROWINGS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]		AS AT 31ST MARCH 2014 [₹ In Lacs]	
	Non-current	Current	Non-current	Current
<b>(a) SECURED LOANS</b>				
<b>Loan from Banks &amp; Fin. Institutions</b>				
(raised by UGVCL)				
Bills Discounting under DPG - SIDBI	0.00	0.00	0.00	10.08
Loans from REC (Serviced by UGVCL)	44.32	553.82	598.14	553.82
Loan from Power Finance Corporation	3441.10	60.60	3501.70	0.00
<b>Total (a)</b>	<b>3485.42</b>	<b>614.42</b>	<b>4099.84</b>	<b>563.90</b>
<b>(b) UNSECURED LOANS</b>				
<b>Loan from Banks &amp; Fin. Institutions</b>				
Loan from GSFS (Allocated by GUVNL)	15000.00	21000.00	10000.00	12000.00
REC Scheme Loan (Serviced by UGVCL)	0.00	6.62	7.34	11.08
Loan From REC for RGGVY project (Raised by UGVCL)	638.21	79.78	590.28	65.59
<b>Public Bonds (Allocated by GUVNL):</b>				
8.00% Series-X	953.68	715.26	1668.94	715.26
8.00% Series-IX	342.07	256.56	598.63	256.56
8.95% Series-VIII	2152.14	1614.10	3766.25	1614.10
11.75% Series-VI option II	0.00	0.00	0.00	360.13
7.50% Series-VI option III	0.00	0.00	0.00	665.51
<b>State Government Loans (Allocated by GUVNL)</b>				
Loan under APDRP	1530.17	221.02	1751.18	221.02
ADB Prog. & Proj. Loan	3400.07	380.03	3780.10	380.03
<b>Total (b)</b>	<b>24016.35</b>	<b>24273.37</b>	<b>22162.73</b>	<b>16289.28</b>
<b>TOTAL</b>	<b>27501.77</b>	<b>24887.79</b>	<b>26262.57</b>	<b>16853.17</b>
1. Loans from REC are secured against the 1st hypothecation charge on the assets of Idar & Talod O&M Divisions of UGVCL and Himatnagar Circle/Division/RSO, Modasa Division & Mehsana Circle/Division/RSO & Kalol Division.				
2. Bills Discounting limits availed from SIDBI are secured under the Deferred Payment Guarantees issued by the Consortium Member Banks.				
3. Loan from PFC is secured against 1st hypothecation of assets constructed under the new financed assets under this project.				







NOTES TO THE FINANCIAL STATEMENTS

SECURED LOAN

Maturity Profile and Rate of Interest of Loans from REC

₹ in lacs

Rate of Interest (%)	2015-16	2016-17	2017-18	Total
8.50	275.69	10.83	10.83	297.35
9.25	34.16	7.44	7.44	49.04
10.00	153.81	0.00	0.00	153.81
10.50	88.75	3.89	3.89	96.53
11.00	1.41	0.00	0.00	1.41
Total	553.82	22.16	22.16	598.14

UNSECURED LOANS

Maturity Profile and Rate of Interest of Bonds

₹ in lacs

Rate of Interest	Maturity Profile		
	2016-17	2015-16	Total
8% Series-X	953.68	715.26	1668.94
8% Series-IX	342.07	256.56	598.63
8.95% Series-VIII	2152.15	1614.10	3766.25
Total	3447.90	2585.92	6033.82

Maturity Profile and Rate of Interest of Loan from GSFS

₹ in lacs

Year	Avg. Rate of Interest	2015-16	2016-17	Total
Amount	9.00%	9000.00	0.00	9000.00
	9.50%	12000.00	15000.00	27000.00
Total		21000.00	15000.00	36000.00

Maturity Profile and Rate of Interest of Loan from REC

₹ in lacs

Year	Avg. Rate of Interest	2015-16	Total
Amount	9.25%	6.62	6.62







NOTES TO THE FINANCIAL STATEMENTS

Maturity Profile and Rate of Interest of Loan From REC (RGGVY)

₹ in lacs

Particulars	Rate of Interest	2015-16	2016-17	2017-18	Due After FY 2017-18	Total
Loan From REC (RGGVY)	11.00%	1.01	1.01	1.01	6.05	9.08
	11.50%	18.27	18.27	18.27	109.63	164.44
	12.25%	26.43	26.43	26.43	158.56	237.86
	12.50%	34.07	34.07	34.07	204.4	306.61
<b>Total</b>		<b>79.78</b>	<b>79.78</b>	<b>79.78</b>	<b>478.64</b>	<b>717.99</b>

Maturity Profile and Rate of Interest of Government Loans

₹ in lacs

Particulars	Rate of Interest	2015-16	2016-17	2017-18	Due After FY 2017-18	Total
Loan from ADB	10.69%	380.03	380.03	380.03	2640.01	3780.10
Loan for APDRP	12.18%	221.02	221.02	221.02	1088.12	1751.18
<b>Total</b>		<b>601.05</b>	<b>601.05</b>	<b>601.05</b>	<b>3728.13</b>	<b>5531.28</b>

a. Loan Received from PFC:

The Loan received from Power Finance Corporation Ltd. is convertible into grant for the loan amount as well as interest thereon, if the Company utilises the loan funds and complete the projects envisaged under the loan from grant vide sanction letter no. 02:10:R-APDRP (P-A):2009:UGVCL dated 30-06-2009 within the prescribed time limit.

In the event, the loan fund not being fully utilised on projects within the stipulated time, loan fund shall be repayable with interest.

b. Secured and Un-secured Loan:

The loans which were raised by erstwhile G.E.B. from Bonds, Banks, PFC, REC, Financial Institutions and other Lenders against the Security of the assets relating to generation, transmission and distribution activities and were used for common purposes are continued in the books of GEB / (now GUVNL) on behalf of all transferee companies and the same have been apportioned under FRP Notification dated 3rd October, 2006, amongst all transferee companies and the same loans have been accounted by the Company as "loans allocated by GUVNL" in separate accounts. The repayments and interest thereon are reimbursed by the Company to GUVNL.

In light of above note, the said loans are reclassified and regrouped either as secured loans or unsecured loans and shown as long-term borrowings under Non-current liabilities and short-term borrowings under current liabilities.

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

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





NOTES TO FINANCIAL STATEMENTS

6. OTHER LONG TERM LIABILITIES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Security Deposit from Consumers	93344.63	84002.01
Staff Related Liabilities (SVDRB)	1672.61	1869.84
Consumers Contribution (Refundable)	417.17	334.77
<b>TOTAL</b>	<b>95434.41</b>	<b>86206.63</b>

7. LONG TERM PROVISIONS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Provision for Leave encashment	10314.36	9870.16
<b>TOTAL</b>	<b>10314.36</b>	<b>9870.16</b>

8. TRADE PAYABLES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Trade Payable for Purchases of Power	275.06	275.90
<b>TOTAL</b>	<b>275.06</b>	<b>275.90</b>

9. OTHER CURRENT LIABILITIES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Current Maturities of Long Term Borrowings (Ref. note no. 5)	24887.79	16853.18
<b>CURRENT LIABILITIES</b>		
Liability for O & M Supplies / Works.	7372.07	7026.18
Staff related Liabilities.	43.90	46.91
Staff Welfare Fund	65.81	74.14
Deposits & Retentions from Suppliers & Contractors.	4430.97	3858.02
Electricity Duty & Insp. Testing Fees Payable to Govt.	0.00	136.06
Compounding offence	15.82	4.64
Outstanding liability for expenses	2575.80	2825.01
Interest Accrued but not due	2323.39	2053.39
Liability for Payment of Various Tax	457.23	380.85
Other Liabilities	46410.69	35466.03
Interest payable on Security Deposit from Consumers	6688.99	5573.90
Deposits for Electrification & Service Conn. etc.	12446.58	11085.76
Liabilities for Leave encashment (Payment due within one year)	1862.78	1602.03
Liabilities for SVDRB (Payment due within one year)	183.50	109.88
Liabilities for Consumers Contribution-Refundable (Payment due within one year)	84.55	228.98
<b>Other payables to Associates</b>		
- Gujarat Urja Vikas Nigam Ltd. (Holding Company)	1191.87	41302.01
<b>TOTAL</b>	<b>111041.74</b>	<b>128626.96</b>

10. SHORT TERM PROVISIONS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Provision for Wealth Tax	1.59	1.45
<b>TOTAL</b>	<b>1.59</b>	<b>1.45</b>







UTTAR GUJARAT VIJ COMPANY LIMITED  
CIN - U40102GJ2003S6C042906

UGVCL

ANNUAL ACCOUNTS 2014-15

NOTES TO THE FINANCIAL STATEMENT

11. FIXED ASSETS

(₹ In Lacs)

Particulars	Gross Block			Depreciation			Net Block		
	AS at 01/04/2014	Addition during the year	Deduction/ Adjustment	AS at 31/03/2015	AS at 01/04/2014	During the year	Deduction/ Adjustment	AS at 31/03/2015	AS at 31/03/2014
Land & Land rights	3597.32	62.83	36.09	3624.06	0.00	0.00	0.00	3624.06	3597.32
Buildings	3689.43	954.03	197.30	4446.16	314.80	286.15	0.00	600.95	3374.63
Hydraulic works	63.47	2.46	0.00	65.93	36.71	4.73	0.00	41.44	26.77
Other Civil works	626.55	1258.55	1218.95	666.15	49.81	48.26	0.00	98.07	576.74
Plant & Machinery	110935.62	25205.32	7482.77	128658.17	32190.39	7937.94	1630.33	38497.95	78745.23
Lines & Cable Net Works	282091.67	48565.40	14693.90	315963.18	86736.99	19448.37	181.13	106004.01	195354.68
Vehicles	401.93	42.65	21.57	423.01	227.27	30.28	23.87	233.68	174.66
Furniture & Fixtures & Electrical Lightings	700.24	147.03	14.53	832.75	273.26	50.65	0.00	312.73	426.98
Office Equipments	2958.96	360.51	184.62	3134.85	1797.47	281.40	327.02	1751.80	1161.49
Total	405065.19	76598.77	23849.72	457814.25	121626.70	28087.78	2162.35	147540.63	283438.50
Previous Year	352223.75	54970.13	2128.68	405065.19	104238.74	17946.72	558.76	121626.70	247985.01

a. Legal ownership (titles) of immovable assets:

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

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

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





NOTES TO FINANCIAL STATEMENTS

12. CAPITAL EXPENDITURE IN PROGRESS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Capital Work-in-progress	15112.99	4459.44
Provision for completed works	532.70	565.03
<b>TOTAL</b>	<b>15645.69</b>	<b>5024.47</b>

13. LONG TERM LOANS AND ADVANCES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Loans & Advances to staff -Interest Bearing. (Secured, Considered Good)	686.53	646.11
<b>TOTAL</b>	<b>686.53</b>	<b>646.11</b>

14. OTHER NON-CURRENT ASSETS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Interest Accrued & Due on Staff Loans & Advances	48.79	54.85
Dues from Permanent Disconnected Consumers (Net of SD forfeited).	6593.55	6338.26
Provision for Doubtful Dues from Consumers.	(6593.55)	(6338.26)
<b>TOTAL</b>	<b>48.79</b>	<b>54.85</b>

15. INVENTORIES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Stock of materials at Stores.	19786.39	10198.42
Materials at Site (O&M).	2541.68	3443.92
Materials in Transit.	0.00	319.25
Other Materials Accounts.	15922.72	13284.99
Mat.Stock Excess / Shortage Pending Investigation	279.51	288.11
Less: Provision for Loss pending Investigation	(279.51)	(288.11)
<b>TOTAL</b>	<b>38250.79</b>	<b>27246.58</b>

16. TRADE RECEIVABLES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Trade Receivables for Sale of Power (Including Provision for Unbilled Revenue for which bills are issued up to 31.03.15)	60583.91	67144.96
Trade Receivable for Misc.Receipts from Cons.	1338.53	1278.81
<b>Sub-Total</b>	<b>61922.44</b>	<b>68423.77</b>
Less : Unposted Receipts.	1.30	0.76
<b>Sub-Total</b>	<b>61921.14</b>	<b>68423.01</b>
Less: Provision for Doubtful Dues from Consumers.	1443.32	1688.32
<b>Sub-Total</b>	<b>60477.83</b>	<b>66734.68</b>
Less : Deferred ED & TSE from Consumers.	1295.20	1300.37
<b>TOTAL</b>	<b>59182.62</b>	<b>65434.31</b>
Out of the above -		
- Outstanding for a period exceeding six months.	3862.14	16075.63
- Others	58060.30	52349.14
<b>TOTAL</b>	<b>61922.44</b>	<b>68423.77</b>

Loans and Advances are secured and considered good to the extent of security deposit received from the respective consumers.





## NOTES TO FINANCIAL STATEMENTS

## 17. CASH AND CASH EQUIVALENTS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Cash on hand	0.97	1.22
Cheques/Drafts on hand (Cheques/Drafts to be deposited in collection bank account)	2625.88	1280.55
Balance with scheduled Banks in current accounts	6321.92	4972.94
Remittance in Transit	37.01	56.66
Fixed deposits with Banks	784.17	1104.49
<b>TOTAL</b>	<b>9769.95</b>	<b>7415.85</b>

## 18. SHORT TERM LOANS AND ADVANCES

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Advances for O&M Supplies / Works.	5.98	23.50
Loans & Advances to staff - Interest free. (Un-secured Considered Good)	116.49	125.12
Loans & Advances - Others. (Un-secured Considered Good)	1.73	2.12
<b>sub-total</b>	<b>124.21</b>	<b>150.74</b>
Advance Income Tax / Tax deducted at source.	2454.84	5254.82
Less:- Provision for Minimum Alternate Tax (MAT)	2350.46	1883.99
<b>TOTAL</b>	<b>104.37</b>	<b>3370.83</b>
	<b>228.58</b>	<b>3521.57</b>

## 19. OTHER CURRENT ASSETS

Particulars	AS AT 31ST MARCH 2015 [₹ In Lacs]	AS AT 31ST MARCH 2014 [₹ In Lacs]
Income accrued but not due on Staff Loans & Advances	1536.36	1547.66
Amt. recoverable from employees/ ex-employees.	4.48	2.92
Interest Accrued & Due on Staff Loans & Advances	94.71	188.05
Other Misc. Receivable	729.28	2910.36
Postage Stamps & Agreement Stamps on hand	15.92	12.37
Current Maturities of Loans and Advances to Staff (Interest Bearing)	390.47	426.92
Provision for Un-billed Revenue (for which bills issued after 31.03.15)	10352.56	17615.05
<b>Other receivables from Associates</b>		
- Gujarat Energy Training & Research Institute	46.37	86.23
<b>Sub-total (1)</b>	<b>13170.15</b>	<b>22789.55</b>
<b>ASSETS NOT IN USE</b>		
Plant & Machinery	50.05	35.93
Lines & Cable Net Works	71.82	62.42
Vehicles	0.58	0.73
Furniture & Fixtures	0.01	0.01
Office Equipments	8.98	2.30
<b>Sub-total (2)</b>	<b>131.44</b>	<b>101.38</b>
<b>TOTAL</b>	<b>13301.59</b>	<b>22890.93</b>





NOTES TO THE FINANCIAL STATEMENTS

20. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
<b>(a) Revenue from Sale of Power</b>		
Residential General Purpose (Domestic or Residential)	83805.95	72692.49
General Lighting Purpose (Commercial)	2021.88	1789.18
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	94025.42	86989.64
Industrial high voltage	287560.53	231379.52
Public lighting	2563.89	2348.08
Traction railways	1075.30	1008.89
Irrigation agricultural	212699.71	182448.18
Public water works and sew.pumps	27242.93	22316.49
Sale of Power to GUVNL	24375.03	70038.29
Deviation Settlement Mechanism Charges (UI)	8294.07	10484.77
<b>Sub-Total</b>	<b>743664.71</b>	<b>681495.54</b>
<b>Electricity Duty &amp; Tax on Sale of Electricity</b>		
Ele. Duty - assessed	65012.97	56050.26
<b>Sub-Total</b>	<b>808677.68</b>	<b>737545.80</b>
Less: Ele. Duty assessed (contra)	65012.97	56050.26
<b>Total (a)</b>	<b>743664.71</b>	<b>681495.54</b>
<b>(b) Other Operating Revenues</b>		
Meter Rent / Service Line Rental	4530.28	4273.75
Recoveries for Theft of Power / Malpractices Non-Consumers	1094.77	1026.89
Wheeling charges Recoveries	273.44	444.87
Misc. charges from consumers	10645.19	10416.37
Delayed Payment Charges from Consumers (Ref. Note no. 26.2)	1448.37	2552.01
Income from sale of scrap	81.73	26.22
<b>Total (b)</b>	<b>18073.78</b>	<b>18740.11</b>
<b>(c) Revenue Subsidies</b>		
Agricultural Subsidy	54110.70	55058.36
<b>TOTAL (a+b+c)</b>	<b>815849.19</b>	<b>755294.01</b>

21. OTHER INCOME

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
Interest on Staff Loans and Advances	136.43	157.80
Interest Income from Others Loans/Advances	89.97	148.03
Provision no longer required	268.04	243.01
Miscellaneous Receipts	2101.54	2001.07
Govt. Grants/Consumers contribution ( Deferred amount 10% Written Back)	10259.41	9371.74
Gain on Sale of Fixed Assets	56.83	81.90
<b>TOTAL</b>	<b>12912.21</b>	<b>12003.55</b>





NOTES TO THE FINANCIAL STATEMENTS

22. PURCHASE OF POWER

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
From Gujarat Urja Vikas Nigam Ltd	725023.42	691333.39
From Wind Turbine Generators/CPP	1381.20	763.58
From Solar Generators	2446.06	2367.89
Deviation Settlement Mechanism Charges (UI)	325.07	603.81
<b>TOTAL</b>	<b>729175.76</b>	<b>695068.67</b>

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

23. EMPLOYEE BENEFIT EXPENSE

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
Salaries & Allowances	28420.01	25763.31
Bonus	33.71	35.16
Other Staff Related Expenses	977.91	913.37
Staff Welfare Expenses	391.15	483.58
Terminal Benefits	6605.11	6511.40
<b>TOTAL</b>	<b>36427.90</b>	<b>33706.82</b>

Provision for employees' remuneration and benefits:

(i) Salaries and wages:

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

(ii) Employee Benefits:

a) Defined contribution to Provident Fund, Employee Pension Scheme and Employees Death Linked Insurance  
The company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees Death Linked Insurance. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company has, during the year, recognised the sum of ₹ 2929.41 Lacs (P.Y ₹ 2636.78) as expense towards contribution to these plans.

b) Defined contribution towards gratuity & leave encashment.

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

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





NOTES TO THE FINANCIAL STATEMENTS

Gratuity

(₹ in Lacs)

The amounts recognised in the Balance Sheet of GUVNL	Gratuity Plan 2014-15	Gratuity Plan 2013-14
Present Value of funded Obligations	10043.35	9405.93
Fair value of plan assets	10043.35	9405.93
Present value of unfunded obligations	8807.12	8845.85
Unrecognised past service cost	Nil	Nil
Net liability	8807.12	8845.85
Amount in the balance sheet : Liabilities	18850.48	18251.79
Assets	10043.35	9405.93
Net liabilities	8807.12	8845.86

(₹ in Lacs)

Expenses recognised in Income Statement	Gratuity Plan 2014-15	Gratuity Plan 2013-14
Current service cost	614.39	591.78
Interest on obligation	1460.14	1370.56
Expected return on plan assets	(885.86)	(860.04)
Net actuarial losses / (gains) recognised in the year	716.55	1034.63
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognised in the statement of Profit & Loss	1905.22	2136.93

(₹ in Lacs)

Change in Benefit Obligations	Gratuity Plan 2014-15	Gratuity Plan 2013-14
Opening defined benefit obligation	18251.79	17132.02
Service cost for the year	614.39	591.78
Past Service Cost	Nil	Nil
Interest on obligation	1460.14	1370.56
Actuarial losses / (gains)	643.13	1014.36
Benefits paid	(2118.97)	(1856.93)
Closing defined benefit obligation	18850.48	18251.79

(₹ in Lacs)

Fair Value of Plan Assets	Gratuity Plan 2014-15	Gratuity Plan 2013-14
Opening fair value of plan Assets	9405.93	9537.37
Expected return on plan Assets	885.86	860.04
Actuarial gains / (losses)	(86.28)	(22.74)
Contributions by employer	1956.81	888.20
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(2118.97)	(1856.93)
Closing fair value of plan assets	10043.35	9405.94





NOTES TO THE FINANCIAL STATEMENTS

Category of Plan Assets	Gratuity Plan	Gratuity Plan
	2014-15	2013-14
Government of India Securities	-	-
High quality Corporate bonds	-	-
Equity shares of listed Companies	-	-
Funds managed by Insurer	100%	100%
Bank Balance	-	-

Principal Actuarial Valuation Assumptions	Gratuity Plan	Gratuity Plan
	2014-15	2013-14
Discount rate	8.00%	8.00%
Expected return on plan assets	9.50%	9.50%
Annual increase in Salary costs	10.00%	10.00%

(₹ in Lacs)

Surplus/(Deficit)	Gratuity Plan	Gratuity Plan
	2014-15	2013-14
Defined Benefit Obligation	18850.48	18251.79
Plan assets	10043.35	9405.94
Surplus / (deficit)	(8807.13)	(8845.85)

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

Leave Encashment

(₹ in Lacs)

Amounts to be recognised in Balance Sheet	Leave Encashment	Leave Encashment
	2014-15	2013-14
Present value of funded obligations	Nil	Nil
Fair value of plan assets	Nil	Nil
Present value of unfunded obligations	12177.15	11472.19
Unrecognised past service cost	Nil	Nil
Net Liability in the balance sheet	12177.15	11472.19
Amount in the balance sheet : Liabilities	12177.15	11472.19
Assets	-	-
Net liabilities	12177.15	11472.19

(₹ in Lacs)

Expenses recognised in Income Statement	Leave Encashment	Leave Encashment
	2014-15	2013-14
Current service cost	221.05	818.98
Interest on obligation	917.78	851.90
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognised in the year	674.27	139.15
Past service cost	0.00	0.00
Losses (gains) on curtailments and settlements	0.00	0.00
Expense recognised in Profit & Loss	1813.08	1810.03

(₹ in Lacs)

Change in Benefit Obligations	Leave Encashment	Leave Encashment
	2014-15	2013-14
Opening defined benefit obligation	11472.19	11472.19
Service cost for the year	221.05	818.98
Interest cost for the year	917.78	851.9
Actuarial losses (gains)	674.27	139.15
Losses (gains) on curtailments	-	-
Benefits paid	(1108.13)	(986.58)
Closing defined benefit obligation	12177.15	11472.19





NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

Fair Value of Plan Assets	Leave Encashment	Leave Encashment
	2014-15	2013-14
Opening fair value of plan Assets	-	-
Expected return	-	-
Actuarial gains / (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing balance of fund	-	-

(₹ in Lacs)

Category of Plan Assets	Leave Encashment	Leave Encashment
	2014-15	2013-14
Government of India Securities	-	-
High quality Corporate bonds	-	-
Equity shares of listed Companies	-	-
Property	-	-
Funds managed by Insurer	-	-
Bank Balance	-	-

(₹ in Lacs)

Principal actuarial Valuation Assumptions	Leave Encashment	Leave Encashment
	2014-15	2013-14
Discount rate as at 31st March 2013	8.00%	8.00%
Expected return on plan assets at 31st March 2013	-	-
Annual increase in Salary Cost	10.00%	10.00%

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

(₹ in Lacs)

Surplus/(Deficit)	Leave Encashment	Leave Encashment
	2014-15	2013-14
Defined Benefit Obligation	12177.15	11472.19
Plan assets	-	-
Surplus / (deficit)	(12177.15)	(11472.19)





NOTES TO THE FINANCIAL STATEMENTS

24. FINANCE COST

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
<b>(a) Interest Expense</b>		
Interest on State Government Loans	607.04	670.43
Interest on Bonds	633.35	892.77
Interest on other loans/Deferred Credit	0.61	7.48
Interest on REC Loans	178.02	236.87
Interest to Consumers on advance Payment	73.50	63.76
Interest to Consumers on Security Deposit	7139.12	5960.37
Interest on Borrowing for Working Capital	11267.95	7596.15
Interest Charges(Bill Collection Agencies)	18.65	17.54
Interest on Income Tax (MAT)	24.70	21.36
Other Interest	143.88	183.69
<b>Total (a)</b>	<b>20086.81</b>	<b>15650.43</b>
<b>(B) Other Borrowing Costs</b>		
Other Charges	502.73	426.82
Guarantee Fees	96.64	110.55
<b>Total (b)</b>	<b>599.36</b>	<b>537.37</b>
<b>TOTAL</b>	<b>20686.18</b>	<b>16187.80</b>

Note: During the year, the interest expenses on all borrowings, taken by GUVNL on behalf of its subsidiary companies which are not directly allocable for any specific projects of the Company are charged to Statement of Profit & Loss.

25. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
Buildings	138.75	55.64
Hydraulic Works	3.31	2.71
Other Civil Works	21.68	9.97
Plant & Machineries	6378.87	4880.58
Lines & Cable Net Works	15665.97	12606.60
Vehicles	25.10	24.96
Furniture & Fixtures	40.44	38.81
Office Equipments	242.95	327.45
<b>TOTAL</b>	<b>22517.05</b>	<b>17946.72</b>

Note: Hitherto, Company had been charging depreciation on Fixed Assets of the Company, on the use life of the Assets at rates prescribed under Schedule XIV to the Companies Act, 1956. During the year, the Company has changed the Accounting Policy pertaining to accounting for depreciation. Being engaged in the Electricity Distribution Business, it is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013. Based on Board Resolution No. BM 80.15/1039 dated 08.05.2015 of the Company, the Management of the Company has decided to charge depreciation on fixed assets of the Company at the rates prescribed in GERC (MYT) Regulations, 2011 w.e.f. 1st day of the April, 2011. This being an error or omission, the differential depreciation amounting to ₹ 5570.91 lacs is considered as prior period expense and an amount of ₹ 89.59 lacs is considered as prior period income.





NOTES TO THE FINANCIAL STATEMENTS

26. OTHER EXPENSES

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
<b>(a) Repairs and Maintenance Expenses</b>		
Plant and Machinery	1993.10	1523.53
Buildings and Civil Works	55.96	151.54
Lines, Cable Network etc.	5722.90	4378.58
Vehicles	16.65	25.66
Furniture, Fixtures and Office Equipments	412.08	522.65
<b>Sub-total (a)</b>	<b>8200.70</b>	<b>6601.95</b>
<b>(b) Administrative and General Expenses</b>		
Rent (including Lease rentals), Rates and Taxes	177.01	174.38
Insurance Expenses	19.73	25.97
Other Property Related Expenses	134.23	153.30
Communication Expenses	200.94	212.38
Professional Charges	152.72	370.15
Audit Fees	5.94	3.71
Conveyance & Travelling Expenses	2535.49	2445.50
Expenses on Computer Billing & EDP Charges	93.68	55.72
Electricity Charges	179.86	171.28
Security Expenses	399.31	327.99
Other Expenses	1577.25	1566.37
Materials Related Expenses	895.29	827.89
Rev.Stamps on Receipts issued	6.85	5.85
Expenditure on Training to Staff	98.92	86.89
<b>Sub-total (b)</b>	<b>6477.23</b>	<b>6427.39</b>
<b>(c) Bad Debts and other Debits</b>		
Bad & Doubtful Debts Written off / Provided for.	506.15	333.26
Miscellaneous Losses & Write-off. (Ref Note 26.2)	8457.03	236.66
Loss on Sale of Fixed Assets and other Cost	47.39	22.84
<b>Sub-Total (c)</b>	<b>9010.57</b>	<b>592.76</b>
<b>(d) EXPENSES CAPITALISED</b>		
Employee Costs Capitalised.	(11126.81)	(8848.06)
Administrative & General Expenses Capitalised.	(1985.24)	(1719.02)
<b>Sub-Total (d)</b>	<b>(13112.05)</b>	<b>(10567.07)</b>
<b>TOTAL (a+b+c+d)</b>	<b>10576.45</b>	<b>3055.01</b>

Note: 26.1: During the year, interest expenses on loans taken for -RAPDRP Part A & B amounting to ₹ 315.15 Lacs (P.Y. ₹ 297.92 Lacs) have been charged to CWIP as per AS-16 "Borrowing Cost" issued by ICAI.

Note: 26.2: During the year, based on the settlement scheme approved by the Government of Gujarat vide its resolution no. NPL/452014/UOR-40/M dtd 6th January, 2015 for settling outstanding electricity bills of various Nagarpalikas, the Company has waived Delay Payment Charges amounting of ₹ 9788.42 Lacs (₹ 8391.58 Lacs charged under Miscellaneous Losses & Write-off shown above and ₹ 1396.84 Lacs against current year Delay Payment Charges indicated under Note No. 20.)

27. EXTRAORDINARY ITEMS

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
Losses on account of Flood, Cyclone, Fire etc.	115.47	54.39
Losses on account of Flood, Cyclone etc.	0.00	(46.25)
<b>TOTAL</b>	<b>115.47</b>	<b>8.14</b>





NOTES TO THE FINANCIAL STATEMENTS

28. NET PRIOR PERIOD ADJUSTMENTS

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
<b>Prior period expenses / losses</b>		
Employee costs	3.73	15.34
Depreciation under provided	5570.91	10.62
Interest & Other Finance Costs	30.01	133.05
Other charges	1849.72	329.61
	<b>7454.36</b>	<b>488.63</b>
<b>Prior period income/Gains</b>		
Consumers Related Income	47.75	0.00
Interest Income	1.21	0.00
Depreciation	89.59	14.31
Interest & Other Finance Costs	10.29	584.91
Other Excess Provision	31.96	110.77
Other Income	203.08	151.06
	<b>383.88</b>	<b>861.06</b>
<b>TOTAL</b>	<b>7070.48</b>	<b>(372.43)</b>

29. TAX EXPENSES

Particulars	For the Year ended 31 March, 2015 [₹ In Lacs]	For the Year ended 31 March, 2014 [₹ In Lacs]
Income Tax (MAT)	466.47	343.98
Wealth Tax	1.59	1.45
<b>TOTAL</b>	<b>468.07</b>	<b>345.42</b>

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

31. Contingent Liabilities:

Claims against the Company not acknowledged as debt is ₹ 2610.93 Lacs (P.Y. ₹ 2353.86 Lacs).

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

(i) Principal Amount remaining unpaid to any suppliers as at the year end : **NIL** Interest due thereon : **NIL**

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

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

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

33. Value of imports calculated on C.I.F. basis is ₹ Nil.

34. Expenditure in Foreign currency ₹ Nil, earning in foreign currency ₹ 0.00 lacs (P.Y. ₹ 145.35 lacs) & remittance in foreign currency is ₹ Nil.

35. Related Party Transactions:

The Company being Subsidiary of a Government Company is a state controlled enterprise. No disclosure is required as per para 9 of Accounting Standard (AS) 18, on "Related Party Disclosure" as regards Related Party Relationships with other state-controlled enterprises and transactions with such enterprises. However, other information is given





NOTES TO THE FINANCIAL STATEMENTS

35.1 Key Management Personnel

NAME	DESIGNATION	DURATION
Shri N. Srivastava, IFS	Managing Director	01.04.2014 to 02.03.15
Shri Hareet Shukla, IAS	Managing Director	03.03.2015 to 31.03.15
Shri R.B. Kothari	CFO	05.06.2015 to 31.03.15
Shri N.M. Joshi	CS	01.04.2015 to 31.03.15

35.2 Particulars of remuneration paid

(₹ in Lacs)

Particulars	Year 2014-2015	Year 2013-2014
Shri N. Srivastava, IFS, Managing Director	15.74	15.92
Shri Hareet Shukla, IAS, Managing Director	1.09	-
Shri R.B. Kothari, CFO	14.93	-
Shri N.M. Joshi, CS	16.12	14.44

36. Auditors' Remuneration:

(A) Statutory Auditors:

(₹ in Lacs)

Particulars	Year 2014-2015	Year 2013-2014
Audit Fee	5.00	3.30
Certifications fees	-	-
Other Services	-	-
Others	-	-
Total (Excluding Service Tax)	5.00	3.30

(B) Cost Auditors:

(₹ in Lacs)

Particulars	Year 2014-2015	Year 2013-2014
Audit Fee	0.48	0.48
Other Services	-	-
Total (Excluding Service Tax)	0.48	0.48

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

Particulars	Year 2014-2015	Year 2013-2014
Net Profit after tax (₹ in Lacs)	1724.04	1351.41
Weighted average No. of Equity Shares	316530921	266710126
Face value per share (₹)	10	10
EPS(₹)-(Basic)	0.74	0.51
EPS(₹)-(diluted)	0.74	0.51

38. Deferred Tax Asset/Liability:

Based on the expert opinion sought for by GUVNL and adopted by the Company, and in accordance with the AS 22 "Accounting for Taxes on Income" issued by ICAI, the Company has recognized Deferred Tax on the basis of 'Income Approach'.

Further, on account of huge carry forward losses and unabsorbed depreciation as per the income tax, there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and hence as a matter of prudence the deferred tax assets have not been recognized in the books of accounts. Deferred Tax on the depreciation on the opening balances of the assets vested by the Government of Gujarat under various notifications and Restructuring Plan have not been recognized considering the permanent difference. Further consequential difference between the amount of depreciation for accounting purpose and tax purpose in respect of such assets in subsequent years would also be considered as permanent difference.

39. MAT Credit Entitlement:

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





NOTES TO THE FINANCIAL STATEMENTS

40. OTHER DISCLOSURES

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

Consumer Category	F.Y. 2014-15			F.Y. 2013-14		
	Mus	Revenue (₹ in lacs)	Average Rate ₹/unit	Mus	Revenue (₹ in lacs)	Average Rate ₹/unit
Residential General Purpose (Domestic or Residential)	1763.51	83805.95	4.75	1573.34	72692.49	4.62
General Lighting Purpose (Commercial)	37.18	2021.88	5.44	33.59	1789.18	5.33
Low Tension Maximum Demand and Non Residential General Purpose (Industrial low & medium voltage)	1431.95	94025.42	6.57	1336.99	86989.64	6.51
Industrial high voltage	4469.10	287560.53	6.43	3465.44	231379.52	6.68
Public Lighting	48.31	2563.89	5.31	46.24	2348.08	5.08
Traction railways	15.98	1075.30	6.73	15.34	1008.89	6.58
Irrigation agricultural	8070.14	212699.71	2.64	7496.62	182448.18	2.43
Public water works and sew.pumps	571.56	27242.93	4.77	517.98	22316.49	4.31
Other	4.03	16543.69	0.00	3.41	16161.88	0.00
Deviation Settlement Mechanism Charges (UI)	332.95	8294.07	2.49	620.37	10484.77	1.69
Sale to GUVNL(STOA)	864.55	24375.03	2.82	2374.70	70038.29	2.95
<b>Total</b>	<b>17609.25</b>	<b>760208.40</b>	<b>4.32</b>	<b>17484.01</b>	<b>697657.42</b>	<b>3.99</b>

(ii) Units purchased and T&D Losses

Particulars	2014-15	2013-14
	Unit in Mus	
Units Purchased from GUVNL	20265.03	19408.03
Units Purchased from Wind Turbine Generator	30.88	24.44
Units Purchased from Solar Generator	17.52	17.26
Deviation Settlement Mechanism Charges (UI import)	26.00	8.64
<b>Sub Total</b>	<b>20339.44</b>	<b>19458.37</b>
Less: Deviation Settlement Mechanism Charges (UI export)	332.95	620.37
Less: Unit sold to GUVNL	864.55	2374.70
<b>Net Power Purchase Units</b>	<b>19141.94</b>	<b>16463.29</b>
Less: Units sold to consumer	16411.75	14488.94
<b>T &amp; D loss in Mus</b>	<b>2730.19</b>	<b>1974.36</b>
<b>T &amp; D loss in %</b>	<b>14.26%</b>	<b>11.99%</b>







NOTES TO THE FINANCIAL STATEMENTS

41. The previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification/ disclosures.

SIGNATURES TO THE NOTES ON THE FINANCIAL STATEMENTS 1 to 41

As per our report of even date attached

For and on behalf of the Board of Directors of

UTTAR GUJARAT VJ COMPANY LIMITED

FOR KOCHAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
256W



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

  
ANUPAM ANAND, IAS  
MANAGING DIRECTOR

  
R. B. KOTHARI, ACMA  
CHIEF FINANCIAL OFFICER

  
N. M. JOSHI, FCS  
COMPANY SECRETARY

PLACE: MUMBAI  
DATE: 23/09/15

PLACE: AHMEDABAD  
DATE: 22-SEP-2015

