



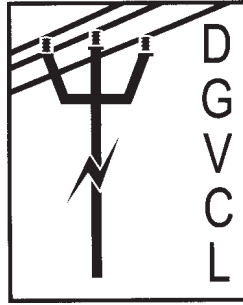
**DAKSHIN GUJARAT VIJ COMPANY LIMITED**

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

## **DAKSHIN GUJARAT VIJ COMPANY LIMITED**

(An ISO 9001-2008 Certified Company)

(A wholly owned Subsidiary of Gujarat Urja Vikas Nigam Ltd.)



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

**REGISTERED OFFICE :  
Nana Varachha Main Road,  
Kapodra Char Rasta,  
Surat - 395 006.**

**BOARD OF DIRECTORS**

Shri Raj Gopal, IAS	Chairman w.e.f. 9 <sup>th</sup> July, 2012
Shri Mukesh Puri, IAS	Chairman up to 2 <sup>nd</sup> July, 2012
Shri H.S.Patel, IAS	Managing Director
Shri Sanjeev Kumar, IAS	Director up to 30 <sup>th</sup> August, 2012
Shri P.H.Rana	Director
Shri H.P.Desai	Director
Prof. Surendra Sundararajan	Director
Shri S.B. Khyalia	Director up to 30 <sup>th</sup> August, 2012

**COMPANY SECRETARY**

Shri Viral H. Vora

**BANKERS**

Bank of Baroda  
Dena Bank  
State Bank of India  
Uco Bank  
Canara Bank  
Bank of India  
Vijaya Bank  
Central Bank of India  
Syndicate Bank  
Union Bank of India  
Allahabad Bank  
Indian Overseas Bank  
Karur Vysya Bank Limited  
Indian Bank

**Senior Executives**

Shri M.B. Parikh, GM (F&A)  
Shri I.Z.Patel CE(O&M)

**AUDITORS**

M/s Pramod & Associates  
Chartered Accountants, Surat

**REGISTERED OFFICE**

Nana Varachha Road,  
Kapodra Char Rasta,  
Surat 395 006

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**NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Members of Dakshin Gujarat Vij Company Limited will be held on 12<sup>th</sup> December, 2012 at 12.30 p.m. at the Registered Office of the Company at Nana Varachha Main Road, Kapodra Char Rasta, Surat-395 006 to transact the following Ordinary and Special Business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit & Loss Account of the year ended on that date and the Reports of the Board of Directors and Auditors with NIL comments of the Comptroller & Auditor General of India.
2. To appoint a Director in place of Shri P.H. Rana who retires by rotation being eligible for re-appointment.
3. To decide the remuneration payable to Statutory Auditors, appointed by the Comptroller and Auditor General of India (C&AG), New Delhi, for the audit of accounts of the Company for the Financial Year 2012-13.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** Shri Raj Gopal, IAS who was appointed as an Additional Director of the Company on 9<sup>th</sup> July, 2012, under section 260 of the Companies Act, 1956 and who holds such office up to date of this Annual General Meeting and who is eligible for appointment be and is hereby appointed as a Director of the Company.

By order of the Board

Date: 06.12.2012  
Place: Vadodara

**VIRAL H.VORA**  
Company Secretary

**REGISTERED OFFICE:**

Nana Varachha Main Road,  
Surat.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The explanatory statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, is annexed hereto as “Annexure to the Notice”



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**Annexure to the Notice**

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

**In respect of Item Nos.4**

In terms of Section 260 of the Companies Act, 1956, the Board of Directors, appointed Shri Raj Gopal, IAS, as an Additional Director, representing Gujarat Urja Vikas Nigam Limited, pursuant to Article 57, of the Articles of Association of the Company, on the Board of the Company to hold office up to the date of this Annual General Meeting.

Shri Raj Gopal is a senior IAS officer of 1987 batch. He has held various important positions in the Government. He has long, rich and varied experience of administration in various areas.

The Company is a Government Company falling within the provisions of Section 617 of The Companies Act, 1956 and is entitled to various exemptions notified by government from the time to time, including Section 257 relating to notice to be given to the Company for appointment as Director and hence no such notice for his candidature is required.

Your Directors therefore recommend the resolution for your approval.

None of the Directors, except Shri Raj Gopal, IAS is interested or concerned in this resolution.

By order of the Board

Date: 06-12-2012  
Place: Vadodara

Viral H. Vora  
Company Secretary

**REGISTERED OFFICE:**  
Nana Varachha Main Road,  
Surat.

**FINANCIAL - STATISTICS - FIVE YEARS AT A GLANCE****OPERATING RESULTS AT A GLANCE**

(₹ in Crores)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Revenue from Sale of Power	6111.31	5210.31	4384.36	4148.22	3324.59
Total Income	6290.15	5376.44	4521.95	4282.67	3507.11
Purchase of Power	5796.24	4880.88	4048.68	3953.55	3194.76
Total Expenditure	6194.48	5288.35	4481.04	4278.96	3505.09
Profit Before Tax	95.67	88.09	40.91	3.71	2.02
Profit after Tax	76.32	62.75	21.58	2.99	1.55

**FINANCIAL POSITION AT A GLANCE**

(₹ in Crores)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Liabilities:-</b>					
Equity share capital	267.73	267.73	267.73	237.73	291.63
Share Application Money	0.00	0.00	0.00	30.00	0.00
Equity share premium	218.69	218.69	218.69	218.69	0.00
Reserve and surplus	195.50	119.18	56.44	34.86	31.87
Deferred Govt. Grants & Consumer Contribution	900.22	667.33	517.52	409.23	282.60
Borrowings	212.87	309.33	536.26	638.10	658.18
Other Non Current Liabilities	877.93	801.34			
Current Liabilities	314.19	264.14			
<b>TOTAL</b>	<b>2987.13</b>	<b>2647.73</b>	<b>1596.64</b>	<b>1568.61</b>	<b>1264.28</b>
<b>Assets:-</b>					
Gross Fixed Assets	2405.02	2119.29	1915.14	1725.33	1516.06
Less: Accumulated Depreciation	606.49	503.71	411.74	329.21	255.59
Net Fixed Assets	1798.53	1615.57	1503.40	1396.12	1260.47
Other Non-Current Assets	85.78	90.55			
Current Assets (Net)	1102.82	941.61	93.24	172.08	2.99
Misc. Exp. (To extent not written off)	0.00	0.00	0.00	0.41	0.82
<b>TOTAL</b>	<b>2987.13</b>	<b>2647.73</b>	<b>1596.64</b>	<b>1568.61</b>	<b>1264.28</b>

**KEY INDICATORS AT A GLANCE**

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Number of Consumers	2333476	2207983	2044219	1935569	1827804
Energy Purchased (Mus)	12365	11704	11266	10331	9918
Energy Sold (Mus)	10563	9837	8959	8305	7979
Collection efficiency (%)	96.74	99.67	101.40	98.40	100.24
T & D Losses (%)	14.57	15.95	20.48	19.61	19.55
Distribution losses (%)	10.24	12.34	15.20	14.74	15.43
AT& C Losses (%)	17.36	16.23	19.37	20.90	19.36
Return on capital employed (%)	5.97	6.56	5.08	4.32	4.24
Return on equity (%)	28.51	23.44	8.06	0.53	0.53
Return on Net Worth (%)	4.82	4.93	2.04	0.26	0.26
Debt Equity Ratio	0.12	0.17	0.51	0.69	1.09
Earning Per Share.(In Rs.)	2.85	2.34	0.83	0.40	0.05
Debt Collection Period (No. of days)	33	31	32	39	42
Number of Employees	4813	4562	4520	4570	4618
Number of Consumers per Employee	485	484	452	424	396
Revenue from Sale of Power per Employee (Rs. In crore)	1.26	1.08	0.97	0.91	0.72

**NOTE : The figures pertaining to FY 2011-12 and FY 2010-11 are as per the Revised Schedule VI effective from 1st April, 2011.**

**DIRECTORS' REPORT**

**To  
The Members of  
Dakshin Gujarat Vij Company Limited**

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

**FINANCIAL PERFORMANCE:**

During the year under review, your Company achieved revenue from sale of power of ₹ 6111.31 Crore by selling 11677 Million Units (MUs) of energy to various consumers. The average rate of realization (ARR) per unit sold works out to ₹ 5.43 (excluding the revenue from sale of power to Gujarat Urja Vikas Nigam Limited (GUVNL) and Unscheduled Interchange (UI) charges receivable). The Company purchased 12365 MUs (Net of energy unit sold by GUVNL & UI unit export). The T&D losses have been restricted to 14.57% and Distribution loss at 10.24% for the year under review. The collection efficiency attained at 96.74% and hence the Aggregate Technical & Commercial (AT&C) losses for the Company work out to 17.36%.

Pursuant to the Gujarat Electricity Regulatory Commission (GERC) Order dated 02.04.2010 for commercial operation of Intra-State ABT, w.e.f. 05.04.2010, the Company has accounted UI receivable of ₹ 101 Crore as revenue from sale of power, UI payable of ₹ 32 Crore under power purchase cost and ₹ 280 Crore under the head, Revenue from sale of power towards sale of surplus power by GUVNL on behalf of DGVCL, on the basis of credit note received from GUVNL.

The comparative summarized operating financial results of the Company for the year 2011-12 and 2010-11 prepared and regrouped as per the revised schedule VI (effective from 01.04.2011) of the Companies Act, 1956 are given below:-

( ₹ in Crores)

Particulars	2011-12	%age	2010-11	%age
<b>Income:</b>				
Revenue from Operations	6178.80	98.23	5281.79	98.24
Other income	111.35	1.77	94.65	1.76
Total Income	6290.15	100	5376.44	100
<b>Expenditure:</b>				
Purchase of power	5796.24	92.15	4880.87	90.78
Employee Benefit Expenses	195.74	3.11	174.48	3.25
Financial Costs	77.27	1.23	83.78	1.56
Depreciation and Amortization Expenses	103.38	1.64	92.97	1.73
Other Expenses	60.13	0.96	94.32	1.75
<b>Sub-Total</b>	<b>6232.76</b>	<b>99.08</b>	<b>5326.42</b>	<b>99.07</b>



(₹ in Crores)

Particulars	2011-12	%age	2010-11	%age
(-) Exp. Capitalized	(-)56.05	0.89	(-)38.67	0.72
<b>Sub Total</b>	<b>6176.71</b>	<b>98.19</b>	<b>5287.75</b>	<b>98.35</b>
<b>Profit before Exceptional and Extraordinary Items and Tax.</b>	<b>113.43</b>	<b>1.81</b>	<b>88.69</b>	<b>1.65</b>
Net prior period Items	16.93	0.27	0.31	0.01
Extraordinary Items	0.83	0.01	0.29	0.01
Profit before tax	95.67	1.53	88.09	1.64
Tax Expenditure	19.35	0.31	25.34	0.47
<b>Profit For the year</b>	<b>76.32</b>	<b>1.21</b>	<b>62.75</b>	<b>1.17</b>

The comparative key finance figures/ ratios/ % based on Annual Accounts of the Company for F.Y. 2011-12 and 2010-11 are as under:-

Sr. No.	Particulars	2011-12	2010-11
1.	Net Power Purchased (MUs)	12365	11704
2.	Units Sold (MUs)	10563	9837
3.	Unit Loss (MUs)	1802	1867
4.	T & D Losses (%)	14.57	15.95
5.	Distribution Losses (%)	10.24	*12.34
6.	AT & C Losses (%)	17.36	16.23
7.	Collection Efficiency (%)	96.74	99.67
8.	Average Realization Per Unit (₹)	5.43	4.84
9.	Debt-Equity Ratio	0.12	0.17
10.	Return on Equity (%)	28.51	23.44
11.	Return on Net Worth (%)	4.82	4.93
12.	Return on Capital Employed (%)	5.97	6.56

\*Inclusive of pooled losses of PGCIL

During the year 2011-12, whereas the power purchase MUs increased by 5.65 %, the units sold increased by 7.38 % and revenue from operations increased by 16.98% The ARR has increased from ₹ 4.84 per unit to ₹ 5.43 per unit.

### **DIVIDEND**

Considering the requirement of funds for systems improvement and the reserves available, the Directors have not recommended any dividend for the year.

**OPERATIONAL PERFORMANCE**

- Distribution loss of DGVCL is in a constantly decreasing trend since the inception of the Company. Compared to last year's losses of 12.34%, (inclusive of pooled losses) the Distribution loss for the Year 2011-12 is 10.24%. The distribution loss was reduced in all categories.
- Following new connections were released during the year 2011-12 :

HT New connections/additional load	419
LT Ind. New connections	3073
Residential connections	109877
Commercial connections	7806
Water works connections	1295
Street light connections	462
Agriculture	2778

- System network added during the year

H.T. line	1880.77 KMS
L.T. line	1366.31 KMS
Transformer centers	6105 Nos.

- Total 75573 nos. of 1-Phase meters and 9516 nos. of 3-Phase meters were replaced during the year 2011-12.
- Total 225 Nos. of transformers were provided during the year under KHUSHY project.
- In Sagar Khedu Sarvangi Vikas Yojna, an expenditure of ₹ 545.94 Lac was incurred under the scheme during the Financial Year 2011-12.
- In the Agriculture Sector, electrification of wells carried out under different schemes during the year 2011-12 was as under:-
  - TASP Schemes – 6,109 Nos.
  - SPA Scheme – 549 Nos.
  - Tatkai Scheme – 457 Nos.
- 49 Nos. of Petaparas were electrified in Tribal areas.
- 110 Nos. of households were electrified under SCSP Scheme.





- During year 2011-12 BPL households were electrified under –
  - Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY) - 37,701 Nos.
  - Zuppadpatti Scheme – 1436 Nos.
  - Kutir Jyot state Scheme – 2618 Nos.
- Electrification of 5190 nos. of Govt. aided primary schools has been completed.
- Power availability maintained during the year to the extent of 99.94%.
- Distribution transformer failure rate decreased from 13.08% to 11.40% for the year 2011-12.

## **AWARDS**

Your Company has been adjudged as the winners of the “Best Performing Utility- State” of the Prestigious National Awards “ENERTIA AWARDS 2012”.

The Jury Panel of 6<sup>th</sup> “ENERTIA Awards 2012” recognizes DGVCL’s performance in 2012 and its continuous sustained improvements in operation across power distribution systems resulting in distribution loss reduction from a level of 11.94% in 2010-11 to 10.21% in the year 2011-12. Also the jury lauds DGVCL for being at the forefront of technological and Energy efficient solution implementation like HVDS transformers, Aerial Bunch Conductors, Amorphous Transformers adoption vesus CRGO, building new substations, feeder bifurcation, replacing conventional meters with Static Meters etc. and moving progressively towards a Smart- distribution Model.

## **SYSTEM IMPROVEMENT**

The Company is constantly upgrading and augmenting its network to achieve multi-pronged objectives viz., to reduce technical losses, to improve reliability of the system, to provide improved service to the consumers and to supply uninterrupted quality power. Several initiatives were undertaken during the year as under:

- 2337 KMs Arial Bunch Conductors provided by replacing bare LT Conductor laid in the identified theft prone area to reduce theft of power by direct hooking. Besides, this reduces LT interruptions and accidents.
- 48.07 KMs overhead 11/22 feeder lines were made underground in Urban area.
- New 20 Nos. of 66/11 KV Sub Stations were created during 2011-12 and 65 Nos. of existing 22/11 KV feeders bifurcated during 2011-12.
- Work of 118 Nos. of Distribution Transformer Centre (DTC) review was completed for providing quality power to consumers.
- 29 Nos of 22KV feeders were converted to 11 KV (system) feeders by replacing 785 nos of 22KV transformers to 11KV transformers. 1760 nos of transformers were replaced by CRGO transformers to reduce AT & C losses in R-APDRP part-B scheme.



## **CUSTOMER SERVICES**

The vision of the Company is to ensure customer satisfaction through Service excellence. In this direction, the following proactive measures have been taken during the year for improving customer services.

- Customer Care Centres are operational at all district places i.e., Surat, Bharuch, Valsad City, Navsari City and Ahwa for better consumer interaction and services and for minimizing fault detection time by diagnosing the possible causes and location of outages. In order to provide 24-hour service to consumers, a fault centre has been established in Surat whereby complaints are registered through toll- free numbers round the clock and thereby ensuring the delivery of satisfactory service. Moreover, 24x7 fault centres are established at Sub Division level for better services to the consumer.
- 14 Nos. of Line Maintenance gangs are operative for better maintenance of HT, LT & Transformer Centre to cater stable & quality power supply through vigorous maintenance by these gangs.
- Over & above, 33 Nos. of Rural Electrification (RE) gangs are in operation for quick disposal of new Agriculture applications in rural areas.
- HT consumer meet was held at Vapi, Sachin & Ankleshwar Industrial Estate during the year to resolve their grievances.
- Monthly billing with hand-held instrument in place in 11 towns under R-APDRP Part-A Scheme.
- On 02/11/2012, Your Company celebrated lighting day and released 5576 nos of lighting connections. Your Company has also carried out mass drive on dtd 25/10/2012 to clear the application for change of name of residential/commercial consumers. 1271 nos of applications has been disposed of out of 1372 nos of applications pending for change of name.
- The Company has launched the e-payment facility as a part of providing better services to consumers with the help of this facility, the consumer shall be able to pay their electricity bill through internet, either by using net banking or credit/debit card and at their convenience at any time from anywhere, by the due date of payment of electricity bill. The above arrangements have been made with all major public sector Banks & Private Sector banks.
- 07 Nos. of fully computerized All Time Payment Centre (ATP) have been installed during the year to facilitate consumers to pay their energy bill at any time so till now a total 39 nos of ATP machines has been installed in the Company.
- One Circle Office, 2 Division Offices and 22 Sub Division Offices are newly created to provide better service to the consumers.
- The Company's web site is regularly updated to make it more informative and customer friendly. The web-site address of the Company is [www.dgvcl.com](http://www.dgvcl.com).



- With implementation of Restructured Accelerated Power Distribution Reforms Programme (R-APDRP), a consumer can lodge complaints through Portal or can see the status of a complaint through Portal or information Kiosk. Further, the Payment Kiosk will also provide a facility for making payment of energy bill any time.
- A public fair was organized, as per Hindu tradition, once in eighteen years in the month of August 2012 at village Bhadbhut near Bharuch and for that DGVCL has erected a new 1.4 km HT Line with Aerial Bunch Conductor (ABC). Moreover, 8 km old bare conductor is replaced by ABC Conductor so that uninterrupted power supply will be available to the Villagers.
- Consumer Grievances Redressal Forum is in place as mandated by the Electricity Act, 2003 and the regulation notified therein.

**SAFETY MEASURES TAKEN:**

- Safety awareness campaigns were organized by distributing safety pamphlets during exhibitions.
- Wide publicity regarding electrical safety precautions was given on FM Radio and newspapers during kite festival.
- Sheri Natak/Road Shows were performed by Company staff to educate the public at large regarding safety.
- Video CD of film AJVALA was distributed to educate line staff and engineers about safety.
- Fencing provided to 1030 Nos. of distribution transformer centers in urban and in highly populated area for public safety and reduction of accidents to human and animals.
- Rallies were organized at Bharuch, Ankleswar, Valsad, Vapi, Rajpipla etc. during safety week from 01.06.2012 to 07.06.2012 to spread safety message to public at large and safety pamphlets were distributed.
- Pamphlets containing precautions for safety were distributed during the Ganesh Visarjan programme at Surat, Bharuch, Ankleshwar, Navsari, Valsad etc.
- Street hawkers and vehicle owners were educated against encroaching near transformers installations. Also they were served notices not to encroach the same.
- Safety booklets and message from the Managing Director containing safety precautions were distributed to all line staff and engineers during the safety week.
- Protective neck-collars were distributed during the kite festival for general safety.
- Total 15 nos. of hoardings to spread safety awareness were set up in thickly populated areas.



## I.T. INITIATIVES

- Your Company has successfully implemented IT based applications under RAPDRP Part-A in 11 towns covering 33 Sub Divisions & 7 Lacs consumers. Under this project, various IT based applications are under implementation like GIS (Consumer and Net Work indexing), Automatic Meter Reading (AMR), Document Management System (DMS), Centralized Consumer Care Centre (CCCC) and Energy Accounting (EA). As of now nine towns (Vyara, Jambusar, Rajpipla, Navsari, Vapi, Valsad, Bilimora, Ankleshwar and Bardoli) are live in all respects and rest will be live soon.
- The process of selection of Supervisory Control and Data Acquisition (SCADA)/DMS implementation agency is under way and order for implementation will be shortly placed on successful bidder. Major Functions/scope envisaged under the implementation are establishment of SCADA/DMS Control Centre at Surat, Data recovery Centre (DR) at Baroda, RTUs at all primary S/S & FRTUs at RMUs on HV Urban Feeder Distribution network of Surat City, SCADA/DMS system to supervise primary S/S & HV Distribution network and SCADA Information Storage & Retrieval (ISR) Functions.
- Your Company has launched GPRS based meter reading and in the first phase 300 no of Mobile HHE + Bluetooth printers are given to Sub Division Offices, initially, application is started in offline mode since June 2012, and after the users get familiar with the concept & technology, your Company will switch over to live mode. In future more mobile HHE + Bluetooth printers will be added to cover entire consumer base of the Company and consumer billing data will be updated in e-Urja online.
- Your Company has put in place Computers and peripherals replacement Policy in three phases considering their limited functional life. In phase-I, replacement of computers and peripherals procured up to 2004 are completed. 1520 computers and 703 printers were targeted to be replaced. In the first phase 500 numbers of desktop computers and 319 no of printers have been purchased & distributed to newly created & existing offices. The rest, that is, 1020 desktops and 384 printers will be procured & distributed. In phase-II replacement of computers and peripherals procured before 2006 is targeted. In Phase-III replacement of computers and peripherals procured before 2008 will be carried out in Jan-2014 considering 5 year life cycle of computers and peripherals.
- **WAN Infrastructure:-** The major WAN infrastructure and connectivity from BSNL to the router is under direct control of GUVNL and from router port (RJ45) to switch is under control of DGVCL as a local - WAN. It is planned that the local WAN at Division Office/Sub-Division Office/Circle Office be provided with AC rack and suitable capacity UPS. All equipments will be green equipments to reduce power consumption & to avoid network failure.

**FUTURE PLANS****1) Energy Auditing:**

With co-ordination of Society of Power Engineers, Vadodara Chapter & Chief Electrical Inspector, Gandhinagar, a seminar on Energy Audit was organized for the Industrial Consumers of Vapi and Bharuch.

The Energy Audit identifies the area of leakage and wastage of energy. It helps to identify suitable measures for reduction of T&D losses. As a part of Energy Audit & Accounting, out of 61,849 Distribution Transformers, 28,258 were metered. The Company has planned to provide meters on balance transformers by end of the year.

**2) Underground Cable with RMU :**

To provide quality and reliable power supply in Rander Urban area, Pilot Project of installation of 16 RMUs on turnkey basis with an estimated expenditure of ₹ 1.5 Crore for 11 KV Adajan(town) feeder and 11 KV Uma feeder is in pipeline. The project is expected to be completed by 31<sup>st</sup> March, 2013. The conversion of existing 11/22 KV overhead line into 11/22 KV underground cable in Surat urban area is in progress. 200 KM overhead line will be converted into underground cable. It has been planned to complete this project of 200 KM underground of 11/22 KV feeders by the end of March-2013 at an estimated cost of ₹ 30 Crore under S.I. Scheme.

**3) New 66/11 KV Sub-Stations & Feeder Bifurcation:**

In Urban/Industrial/Rural/Tribal areas of the Company where feeders are either very long or overloaded or facing low voltage problems, such feeders are bifurcated to reduce the T&D losses and improve the quality of power supply at various areas. It is planned to create 40 Nos. of new 66/11 KV Sub Stations, 105 Nos. of new feeders and bifurcation of 55 Nos. of existing feeders with an estimated cost of ₹ 45.17 Crore under S.I. Scheme.

**4)** A total of 1, 25,000 nos. of 1-phase meters and 8,000 nos. of 3 Phase meters are planned to be replaced during the year 2012-13.

**5) Sagar Khedu Sarvangi Vikas Yojna:**

To strengthen and renovate the existing network in the coastal area by replacing deteriorated conductors, damaged poles, old disc insulators, Distribution Boxes and Service Line, a special grant of ₹ 6 Crore allotted by the Government of Gujarat (GOG) under Sagar Khedu Sarvangi Vikas Yojna for the year 2012-13 under this scheme. The work is in progress and expenditure incurred so far amounting to ₹ 173 Lacs by the end of September-2012. The balance activities will be completed during the year.



- 6) It is planned to install Twenty Five (25) Any Time Payment Machine (ATP) at various locations of DGVCL.
- 7) Total 3000 Kms of LT overhead line will be replaced with Aerial Bunch Conductor.
- 8) During the Year 2012-13, it is planned to provide fencing on all Distribution Transformer located in thickly populated urban area.
- 9) Armoured Service: Armoured PVC Cable is to be used in place of PVC twin wire to prevent tapping and pilferage power from service connection.
- 10) DGVCL has planned to adopt Primary Schools in Tribal Rural areas to uplift the education standard of students as a part of Corporate Social Responsibility.
- 11) Part-B of the Restructured Accelerated Power Distribution Reforms Programme (R-APDRP) scheme project at an estimated cost of ₹ 200.56 Crores comprising 8 towns (Surat, Vyara, Valsad, Vapi, Bilimora, Bharuch, Jambusar and Rajpipla) is approved and financed by PFC to the extent of 25% of project cost and ₹ 30.08 Crore have been released. Bank of Baroda has sanctioned term loan of ₹115.25 Crore towards counter funding of the said project. Your Company has availed the first installment of ₹ 16 Crore on 28.09.2012 from Bank of Baroda towards balance expenditure incurred on 30.06.2012. Under this project infrastructure components like HT/LT, T/C, Service line will be enhanced in order to improve the quality of supply and services to the consumers. Also, Aggregate Technical & Commercial (AT&C) losses will be reduced considerably on account of implementation of above project. It is planned to execute the works approved under Part-B of Restructured Accelerated Power Distribution Reforms Programme (R-APDRP) scheme by March, 2013 as per guidelines of the scheme.

The Ministry of Power, New Delhi, has launched “Rajiv Gandhi Grameen Vidyutikaran Yojna” for 100% electrification of villages, habitations in the country and power supply to Below Poverty Line (BPL) families. Revised Detailed Project Report (DPR) for Surat & Navsari Districts were approved by Rural Electrification Corporation (REC) in August, 2011. The work in Navsari District was completed by M/s. Sintex in February, 2012 and planned for Surat Project by September, 2012. Revised DPR for Valsad District is approved in December, 2011 and it is planned to complete the work in Valsad District by the end of December, 2012. For Dangs District revised DPR was approved by REC in February, 2012 with a condition to release BPL connections departmentally by DGVCL for which REC will provide fund and infrastructure work to be carried out by DGVCL TASP schemes. It is planned to complete the work by December, 2012.

It is planned to release approximately 45,000 connections to BPL households under the RGGVY scheme in the above three districts during the F.Y. 2012-13.



**ANTI THEFT MEASURES**

- Your Company is having a full-fledged vigilance department under which various teams are carrying out installation checking of consumer premises. At present five teams under Corporate Office, 4 teams under Surat Rural, 2 teams under Surat City Circle, 3 teams under Valsad Circle and 3 teams under Bharuch Circle are sanctioned and in operation. In addition to the above there are 23 teams under different Circles are sanctioned as GUVNL teams.
- In order to prevent theft of electricity, checking activities are being carried out in theft prone areas regularly and also of consumers about whom information is received from reliable sources.
- During the year 2011-12, total 1,97,731 Nos. of connections were checked under the installation checking drives and 10,845 Nos. of connections were detected as involved in theft of power and/or malpractice. A total assessment of ₹ 25.73 Crore was made.
- Also 06 mass checking drives in various sensitive areas of the Company were carried under GUVNL drive during the year 2011-2012. 17493 connections were checked out of which total 1347 Nos. were detected under various irregularities with a total assessment of ₹ 04.38Crore.
- To discourage the theft of power, names of the consumers found engaging in power theft whose theft value bill exceeds Rupees one Lac are being published in leading newspapers and sometimes displayed in local TV channels as quality case detection.
- The information network is strengthened by effective implementation of “Cash Incentive Scheme” by the company. Cash rewards were also given to informers and their identities was kept confidential.
- In order to analyze and monitor the consumption pattern of various categories of consumers and to keep a watch on faulty meters, Consumption Analysis System (CAS) is introduced in the Company. By using CAS, specific consumers suspected to have indulged in theft of power are targeted so that honest and regular consumers are not harassed by way of raids.
- It is also planned to separate high consumption staggered consumers such as highway hotels into HVDS with meter on T/C so that any consumer involved in theft can be identified by comparing his consumption with T/C meter from where he was supplied.”

**TARRIF**

Gujarat Electricity Regulatory Commission (GERC) is the authority which has been entrusted with various functions inter alia, the determination of tariff for electricity for various categories of consumers. During the year GERC initiated suo motu proceedings vide Petition No. 1195 of 2012 for truing-up of F.Y. 2010-11 and for determination of tariff for F.Y. 2012-13 under the Multi-Year Tariff (MYT) framework for the State owned Distribution Companies. Detailed Tariff



Order was issued by Gujarat Electricity Regulatory Commission on 02.06.2012 effective from 01.06.2012. All field offices were directed to implement the same w.e.f. 01.06.2012 vide Circular dated 19.06.2012. As per the GERC Tariff Order dtd. 02.06.2012, there is no change in Energy Charge for BPL Category consumers, Agriculture Consumers including LT P Lift Irrigation and HTP-V (HT Lift Irrigation Scheme) consumers and for the first 50 units of monthly consumption of all Residential consumers whereas Energy Charge for other categories has been increased by 10 Paise.

### **HUMAN RESOURCE DEVELOPMENT**

To develop competency of employees and thereby enhance organizational effectiveness and productivity, many need-based training and development programs were organized with special emphasis on fostering a culture of innovation. Industrial relations continue to be cordial.

### **DIRECTORS**

- Since the last Annual General Meeting held on 23<sup>rd</sup> December, 2011, the particulars of changes among the Directors are as under:
  - Shri Mukesh Puri, IAS, Chairman of the Company resigned from the Board of Directors with effect from 02.07.2012.
  - Shri Sanjeev Kumar, IAS, Director of the Company resigned from the Board of Directors with effect from 30.08.2012.
  - Shri S.B.Khyalia, Director of the Company resigned from the Board of Directors with effect from 30.08.2012.
- Your Directors place on record their appreciation of the valuable services rendered to the Company as Directors of the Company during their tenure.
  - Shri Raj Gopal, IAS has been appointed as Additional Director as well as Chairman of the Company by the Board of Directors of the Company effective from 9<sup>th</sup> July, 2012, in terms of Article 57 of the Articles of Association of the Company.
  - Shri P.H.Rana, Director, was appointed as Director, will retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment. He is recommended for re-appointment as Director as per Article 57 of the Articles of Association of the Company, at the Annual General Meeting





**DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of annual accounts for the Financial Year ended 31<sup>st</sup> March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. Accounting policies have been selected and consistently applied and judgments and estimates made that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2012, and of profit of the Company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
4. The annual accounts for the Financial Year ended 31<sup>st</sup> March 2012 have been prepared on a going-concern basis.

**AUDITORS**

M/s. Pramod & Associates, Chartered Accountants, Surat were appointed as the Statutory Auditors of the Company by the Comptroller and Auditor General of India, New Delhi, (C&AG) to audit the accounts of the Company for the Financial Year 2011-12. M/s. Pramod & Associates, Chartered Accountants, Surat are appointed as Statutory Auditors for the F.Y. 2012-13 by the Comptroller and Auditor General of India (C&AG), New Delhi. As per the provisions of the Section 224 of the Companies Act, 1956, their remuneration is required to be fixed by the Company in General Meeting.

**AUDITORS' REPORT**

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

The Company has received NIL comment certificate from the Comptroller and Auditor General of India on the accounts of the Company for the Financial Year 2011-12. This is the 4<sup>th</sup> year that Your Company has received consecutively NIL comment certificate on the audited Annual Accounts of DGVCL.

**COST AUDITORS**

The Government of India, Ministry of Finance has issued Cost Audit order Section 233B of the Companies Act, 1956 to appoint Cost Auditor to audit the Cost Accounts relating to Electricity Industry Product. Accordingly, the Board of Directors appointed Mr. Manubhai. K. Desai, Surat as Cost Auditors for the Financial Year 2011-12, and the same has been approved



by the Central Government for auditing the Cost Accounts relating to Electricity Industry Product.

For the Financial Year 2012-13, the Board of Directors has reappointed Mr. Manubhai K. Desai, Surat as Cost Auditors of the Company to conduct the cost audit of the Company which has been approved by the Central Government.

### **COST AUDITOR REPORT**

As per General Circular no. 18/2012 dated 26.07.2012 from Cost Audit Branch, Ministry of Corporate Affairs (MCA), Government of India, the date of filing Cost Audit Report in the XBRL mode has been extended without any penalty up to 31<sup>st</sup> December, 2012. However, MCA is yet to notify the applicable XBRL taxonomy, business rules, validation tools, etc and therefore, Your Company will file the Cost Audit Report relating to the F.Y. 2011-12 in XBRL form as and when the applicable XBRL taxonomy is finalized by MCA.

### **AUDIT COMMITTEE**

Pursuant to Section 292A of the Companies Act, 1956, your Company has constituted the Audit Committee of the Board, which on the date on report stands as under:-

Prof. S. Sundararajan	—	Chairman of the Committee
Shri H.S. Patel, IAS	—	Member
Shri P.H. Rana	—	Member
Shri H.P. Desai	—	Member

### **DISCLOSURES**

#### **(A) Particulars of Employees:**

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

#### **(B) Energy Conservation & Technology Absorption:**

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

#### **(C) Foreign Exchange Earnings & Outgo:**

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



**ACKNOWLEDGEMENT**

The Board of Directors are pleased to place on record their appreciation for the continued support and guidance provided by the Government of India particularly the Ministry of Power, Government of Gujarat, especially the Energy & Petrochemicals Department, Gujarat Urja Vikas Nigam Limited, Gujarat State Electricity Regulatory Commission, GEDA, financial institutions, bankers, suppliers and other business Associates.

Your Directors also wish to place on record their appreciation of the continued support and co-operation from the consumers.

The Board also places on record its appreciation of the understanding and support extended by the employees at all levels.

For and on behalf of the Board

Chairman

Place: Vadodara

Date : 06-12-2012



**ANNEXURE I TO DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY:**

**a) Conservation of Energy Measures taken**

- For reduction of losses, one feeder per Sub Division i.e. one Sub Division one feeder is allotted to Sub Divisional Officers (SDO). Total 86 nos. of high-loss feeders of the year 2011-12 have been identified to reduce distribution loss. Deputy engineers are instructed to implement road map/action plan for reduction of T&D Loss of such high-loss feeders.
- One feeder per division is allotted to one engineer per division as a feeder manager. He has to perform all activities of that feeder regarding losses and regarding feeder maintenance.
- Pamphlets explaining energy saving measures and their efficient use along with energy bills are circulated for public awareness. A seminar on energy conservation was also arranged during the year with participation of categories of consumers.
- Remaining old electro-mechanical meters to be replaced by static meters.

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

- Aerial Bunch Conductor (ABC) in place of bare conductor in theft prone areas to reduce pilferage of energy by direct hooking.
- Mass awareness amongst consumers for energy conservation.
- Door to door campaign with message of energy conservation by the female employees and NGOs were organized by all three Circles. Banners and Urja Bacht Sankalp displayed by Employees of your Company.

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

- Saving in KWH and peak demand
- Reduction in T & D losses

**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption as per Form B.

**FORM – B**

(Disclosure of particulars with respect to Technology Absorption)

**RESEARCH AND DEVELOPMENT (R&D)**

The Company per se did not carry out any R&D work during the year. However, some activities were carried out as a part of Technology Absorption through indigenous sources which resulted in improvement in the performance like concept of introduction of single phase transformer of 5 KVA for reduction of technical and commercial losses.

Benefits derived as a result of above R&D are as under:

- Reduction of line losses at optimum capital investment.
- Reduction in voltage drop.
- Reduction in failure of DTC.
- Prevention of theft of Energy.
- Improvement in reliability of supply.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****1. Efforts, in brief, made towards technology absorption, adaptation and innovation.**

- Order was placed for procuring 5000 Nos. of 1-phase R.F. static meters.
- Surat being eligible for Supervisory Control and Data Acquisition (SCADA)/ Document Management System (DMS) project under Part A of Restructured Accelerated Power Distribution Reforms Programme (R-APDRP).
- Deployment of Automatic Meter Reading (AMR) system provided on 6470 nos. of Transformer Centres in urban areas under Restructured Accelerated Power Distribution Reforms Programme (R-APDRP) Part –A.

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

- The R.F. meter will enable meter readers to take reading for billing data of more than 100 meters at a time which will reduce manually intervention in meter reading and also reduce the meter reading time to the great extent.
- There are various benefits which will result after completion of SCADA/DMS project e.g., supply conditions given by the instant loading and voltage profile will be effectively monitored, daily and monthly data will be readily aggregated, and the energy flow easily tracked to individual feeders. It will help in energy accounting and make electricity distribution a profit making business enterprise. It will also help reduce power cuts,



erratic voltage and low or high supply frequency by optimally utilizing existing electric power and resource.

- Deployment of Automatic Meter Reading (AMR) system on Transformer centers will pinpoint exact location of feeders where theft really occurs.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the Financial Year) following information is furnished.

**Not Applicable**

4 Future plan of Action

Energy efficient transformers for distribution areas.

5. Expenditure on R & D

No expenditure on R & D of capital or recurring nature has been incurred.

For and on behalf of the Board

Chairman

Place: Vadodara

Date: 06-12-2012

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUTS OF DAKSHIN GUJARAT VIJ COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2012.**

The preparation of financial statements of Dakshin Gujarat Vij Company Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28<sup>th</sup> September 2012.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit and under section 619(3) (b) of the Companies Act, 1956 on the financial statements of Dakshin Gujarat Vij Company Limited for the year ended 31 March 2012. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619 (4) of the Companies Act, 1956.

**For and on behalf of  
The Comptroller & Auditor General of India**

**Sd/-  
(Meera Swarup)  
Accountant Genral  
(E & RSA), Gujarat**

**Place: Ahmedabad**

**Dated: 09-11-2012**



**AUDITOR'S REPORT TO THE MEMBERS**

1. We have audited the attached Balance Sheet of **DAKSHIN GUJARAT VIJ COMPANY LIMITED** as at March 31, 2012, Statement of Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The company is governed by the provisions of the Electricity Act, 2003 read with rules and the regulations issued there under. The section 616(c) of the Companies Act, 1956, also provides that the provision of special acts like Electricity Act, will apply to the extent the provisions of the companies Act are inconsistent with the provision of those Acts.
4. As required by the Companies (Auditor's Report), Order, 2003 (As amended by the Companies (Auditor's Report)(Amendment) Order, 2004), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all 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 such books.
  - (c) The Balance sheet, Statement of Profit and Loss Account and cash flow statement referred to in this report are in agreement with the books of accounts as submitted to us.
  - (d) In our opinion the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.





- (e) According to Notification No. GSR 829(E) dtd. 21-10-03 issued by Govt. of India, the provision of section 274(l)(g) of the Companies Act, 1956 are not applicable to the company.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, **subject to observations made in Companies (Auditor's Report), Order, 2003, significant accounting policies, Notes forming part of the audited financial statements**, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) in the case of Balance Sheet, of the state of affairs of the company, as at March 31, 2012 and
- (ii) in the case of Statement of Profit and Loss Account, of the Profit of the company, for the year ended on that date.
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**FOR PRAMOD & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 001557C**

**( ABHISHEK DALMIA )  
PARTNER  
M.NO. 403936**

**Place : Gandhinagar  
Date : 06-09-2012**



**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in our Report of even date an annexure on the matters specified in paragraphs 4 and 5 of the CARO on the Statements of Accounts of **DAKSHIN GUJARAT VIJ COMPANY LIMITED** as at and for the year ended March 31, 2012).

**1. Fixed Assets:**

- a. In our opinion and according to information and explanation given to us, the company has maintained proper records of fixed assets showing the location of assets as sub-division. However exact location are not mentioned.
- b. During the current year fixed assets are not physically verified by the management of the company and hence discrepancies if any, could not be ascertained or reported, however the same had been verified by out side agency appointed by the company in the financial year 2007-08.
- c. Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

**2. Inventory:**

- a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable in relation to the size of the company and the nature of its business. Confirmations have been obtained from the management with respect to inventories lying with third parties.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. On the basis of our examination of the records of inventory as maintained, we are of the opinion that the company is maintaining proper records of the inventory upto division level. The company has accounted stock lying at sub division as on 31.03.2012 as per physical verification of stock carried out at sub division as on 31.03.2012 by crediting to WIP / R&M expenses.
- d. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts.

**3. Loans taken / granted by the company:**

- a. According to the information and explanation provided to us, the company has not granted any loan to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956. Since the company has not given any loan, no comments are required in respect of clauses (iii) (b), (c) and (d) of CARO relating to the rate of interest and other terms and conditions.
- b. According to the information and explanation provided to us, the company has not taken any loan from companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956. Since the company has not taken any loan, no



comments are required in respect of clauses (iii) (f) and (g) of CARO relating to the rate of interest and other terms and conditions.

**4. Internal Control:**

According to the information and explanations given to us, the company has internal control system commensurate with the size of the company and the nature of its business. However, in our opinion internal control needs to be reviewed and strengthen in respect of Fixed assets and movement of Stock including inventories during maintenance works, material issued to fabricators /contractor/repairing agencies, works contract and capital work in progress.

**5. Transactions with parties listed u/s. 301 of the Companies Act.**

According to Notification No. GSR 233 dated. 31-01-1978 issued by Govt of India, the provision to sub-section (1) 297 of the Companies Act,1956 shall not be applicable to the Government Company. Accordingly transactions entered into by the company with other companies do not fall under the provision of section 301 of the Companies Act,1956 and thus, this clause is not applicable to the company.

**6. Deposits from public:**

In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted from the public are not applicable.

**7. Internal Audit System:**

The company has an in-house Internal Audit System and it has also assigned internal audit assignments to practicing firms of Chartered Accountants and this arrangement, is in our opinion commensurate with the size of the company and nature of its business. The company has appointed an external agency to carry out the pre-audit of its Bharuch Circle and Corporate Office and the pre-audit of other two circles (i.e. Surat & valsad) were conducted by the professionally qualified chartered accountant appointed by the company.

**8. Cost Records:**

According to information and explanations given to us the Central Government has prescribed for the maintenance of cost records under Section 209(l)(d) of the Companies Act, 1956. We have broadly reviewed such cost records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

**9. Statutory Dues:**

a. According to Information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax/vat and service tax except minor delay in depositing TDS.



- b. According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax/vat and service tax were outstanding, as at March 31, 2012 for a period of more than six months from the date they became payable.

Government has 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 01-04-05 comprising of the company's own assets and liabilities. Thus we are unable to comment on whether there are any unpaid dues before 1-4-2005 on account of dispute in respect of sales tax, service tax, income tax, wealth tax, electricity duty and cess are there or not as no specific explanation has been provided in that regard by the management. Further, according to the information and explanation given to us, there are no statutory dues of Income Tax, Customs Duty, Wealth Tax, Service Tax and Cess, after 31-03-2005 which has not been deposited on account of any dispute.

**10. Accumulated Losses:**

The company does not have accumulated losses at the end of financial year. The company has not incurred any cash losses in financial year and in the immediately preceding financial year.

**11. Repayment of financial dues:**

Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks in respect of the existing loans, which were originally raised by the Company. As regards the loans transferred from GUVNL, we have been informed that the same have been serviced by GUVNL on behalf of the Company and repayments as well as interest thereon are reimburse by the company to GUVNL by crediting GUVNL account and in view of the above we are not in a position to opine whether the company has defaulted in repayment In dues to Financial Institutions and Banks.

**12. Secured Loans and Advances:**

Based on our examination of documents and records and according to the information and explanations given to us, we are of the opinion that the company has not granted any loans and /or advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. Chit Fund/ Nidhi/ Mutual Benefit Fund/ Societies:**

Since the company is not Chit Fund/Nidhi/Mutual Fund/Societies, no comments are required on the same.

**14. Dealing or trading in shares**

Since the company is not dealing or trading in shares, securities, debentures and other investments no comments are required in this regard.



**15. Guarantee for loans:**

As per the information and explanation provided to us, the company has not given guarantee for loan taken by others from bank or financial institutions.

**16. End use of funds:**

In absence of the relevant information as regards the purpose and other terms and conditions of loans allocated by GUVNL, we are unable to comment on the application of such loans for the purpose for which they were obtained.

**17. Utilisation of short term funds**

In absence of the relevant information as regards the purpose and other terms and conditions of short term loans allocated by GUVNL, we are unable to comment on the application of such short term loans for the purpose for which they were obtained.

Based on the cash flow statement for the year ended on 31.03.2012, we find that the company has used short-term funds mainly for short-term purpose.

**18. Preferential allotment:**

Based on the information and explanation given to us, the provisions of section 301 of the Companies act, 1956 are not applicable to the Company. In view of the above, this clause is not applicable.

**19. Issue of debentures:**

During the period covered by our report the company has not issued any debentures.

**20. During the period covered by our report the company has not raised money by public issue.**

**21. Frauds:**

Based on information and explanation provided by the management, which have been relied upon by us, no frauds had been committed during the year under audit.

**FOR PRAMOD & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 001557C**

**Place : Gandhinagar**

**Date : 06-09-2012**

**( ABHISHEK DALMIA )  
PARTNER  
M.NO. 403936**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012****( ₹ in Lacs)**

Particulars	Note No.	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	26772.55	26772.55
Reserve and Surplus	4	41419.22	33787.65
Deffered Government Grants,Subsidies & Contributions	5	90022.48	66732.70
<b>Total (A)</b>		<b>158214.25</b>	<b>127292.90</b>
<b>Non Current Liabilities</b>			
Long term borrowings	6	16994.39	21069.62
Other long term liabilities	7	81783.74	74883.52
Long term provisions	8	6009.57	5250.49
<b>Total (B)</b>		<b>104787.70</b>	<b>101203.63</b>
<b>Current Liabilities</b>			
Short-term borrowings	9	1687.73	1102.77
Trade payables	10	147.72	282.24
Other current liabilities	11	33401.32	34313.74
Short-term provisions	8	474.55	577.90
<b>Total (C)</b>		<b>35711.32</b>	<b>36276.65</b>
<b>TOTAL ( A+B+C)</b>		<b>298713.27</b>	<b>264773.18</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	173119.90	156674.61
Capital work-in-progress	13	6733.36	4883.25
		<b>179853.26</b>	<b>161557.86</b>
Deffered tax assets (Net)	14	0.00	0.00
Long term loans and advances	15	1293.34	1947.99
Other non-current assets	16	7285.10	7105.94
<b>Total (A)</b>		<b>188431.70</b>	<b>170611.79</b>
<b>Current assets</b>			
Inventories	17	20591.56	17943.45
Trade Receivables	18	51723.99	33252.16
Cash and cash equivalents	19	13448.64	8350.18
Short-term loans and advances	15	986.98	1821.60
Other Current Assets	20	23530.40	32794.00
<b>Total (B)</b>		<b>110281.57</b>	<b>94161.39</b>
<b>TOTAL(A+B)</b>		<b>298713.27</b>	<b>264773.18</b>
<b>Significant Accounting policies</b>	2		

**Notes 1 to 40 are an integral part of the financial statements****As per our attached report of even date****For Pramod & Associates**

Chartered Accountants

Firm Reg. Number – 001557C

**(ABHISHEK DALMIA)**

Partner

Membership No : 403936

For and on behalf of Board of Directors

**DAKSHIN GUJARAT VIJ COMPANY LIMITED****( RAJ GOPAL, IAS)**  
Chairman**(M.B.PARIKH)**  
General Manager (F&A)**(H.S.PATEL, IAS)**  
Managing Director**(VIRAL VORA)**  
Company Secretary

PLACE : GANDHINAGAR

DATE : 06-09-2012

PLACE : GANDHINAGAR

DATE : 06-09-2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012****( ₹ in Lacs)**

Particulars	Note No.	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Income</b>			
Revenue from Operations	21	617879.95	528178.90
Other Income	22	11134.68	9465.15
<b>Total Revenue</b>		<b>629014.63</b>	<b>537644.05</b>
<b>Expenses</b>			
Purchase of Power	23	579624.48	488087.64
Employee benefit expenses	24	19573.63	17447.92
Finance Costs	25	7727.48	8378.43
Depreciation and Amortization expenses	26	10337.54	9296.83
Other expenses	27	6012.83	9431.80
		<b>623275.96</b>	<b>532642.62</b>
Less: Other Expenses Capitalized	28	5604.52	3867.40
<b>Total Expenses</b>		<b>617671.44</b>	<b>528775.22</b>
<b>Profit before exceptional and extra ordinary items and tax</b>		<b>11343.19</b>	<b>8868.83</b>
Exceptional Items			
Net Prior period items	29	1693.29	30.99
Extraordinary items	30	83.23	29.16
<b>Profit Before tax</b>		<b>9566.67</b>	<b>8808.68</b>
Tax expenses	31	1935.10	2533.83
<b>Profit for the year</b>		<b>7631.57</b>	<b>6274.85</b>
Earning per equity share (Face Value ₹ 10 each)	32		
Basic		2.85	2.34
Diluted		2.85	2.34
<b>Significant Accounting policies</b>	2		

Notes 1 to 40 are an integral part of the financial statements

As per our attached report of even date  
For Pramod & Associates  
Chartered Accountants  
Firm Reg. Number – 001557C

**(ABHISHEK DALMIA)**  
Partner  
Membership No : 403936

For and on behalf of Board of Directors  
**DAKSHIN GUJARAT VIJ COMPANY LIMITED**

**( RAJ GOPAL, IAS)**  
Chairman  
  
**(M.B.PARIKH)**  
General Manager (F&A)

**(H.S.PATEL, IAS)**  
Managing Director  
  
**(VIRAL VORA)**  
Company Secretary

PLACE : GANDHINAGAR  
DATE : 06-09-2012

PLACE : GANDHINAGAR  
DATE : 06-09-2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>9,566.67</b>	<b>8,808.68</b>
Adjustments For:		
Prior period Charges	1,693.29	30.98
Loss on Sale of Fixed assets	0.00	10.99
Profit on Sale of Fixed Assets	(18.84)	(7.13)
Misc Expenses w/off	0.00	0.00
Provision for Leave Encashment	655.27	539.25
Depreciation	10,337.54	9,296.83
Interest and financing charges	7,727.48	8,378.43
Bad debts written off / provided for	7.27	3,760.43
Extraordinary Item	83.23	29.16
<b>Operating Profit Before Working Capital Changes</b>	<b>30,051.91</b>	<b>30,847.62</b>
Adjustments for:		
(Increase)/Decrease in Current Assets	(9,173.89)	6,743.95
Increase /(Decrease) In Current Liabilities	4,434.74	(6,289.54)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>25,312.76</b>	<b>31,302.03</b>
Direct Tax Paid	(1,379.59)	(5,632.14)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>23,933.17</b>	<b>25,669.89</b>
Extraordinary Item	(83.23)	(29.16)
Prior Period Charges	(1,693.29)	(30.98)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>22,156.65</b>	<b>25,609.75</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(26,889.05)	(17,816.73)
Sale of Fixed Assets	125.07	42.48
(Increase)/Decrease in CWIP	(1,850.12)	(2,941.12)
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(28,614.10)</b>	<b>(20,715.37)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Borrowings - Long term	(4,075.23)	(8,758.75)
Proceeds From Borrowings - Short term	584.96	(889.67)
Proceeds from Consumer Contribution/ Grants/subsidies	23,289.78	14,980.48
Interest Paid	(8,243.60)	(7,794.32)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>11,555.91</b>	<b>(2,462.26)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>5,098.46</b>	<b>2,432.12</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENT</b>	<b>8,350.18</b>	<b>5,918.06</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENT</b>	<b>13,448.64</b>	<b>8,350.18</b>

Notes 1 to 40 are an integral part of the financial statements

As per our attached report of even date

For Pramod &amp; Associates

Chartered Accountants

Firm Reg. Number – 001557C

**(ABHISHEK DALMIA)**

Partner

Membership No : 403936

For and on behalf of Board of Directors

**DAKSHIN GUJARAT VIJ COMPANY LIMITED****( RAJ GOPAL, IAS)**

Chairman

**(M.B.PARIKH)**  
General Manager (F&A)**(H.S.PATEL, IAS)**

Managing Director

**(VIRAL VORA)**  
Company Secretary

PLACE : GANDHINAGAR

DATE : 06-09-2012

PLACE : GANDHINAGAR

DATE : 06-09-2012





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**NOTE TO THE FINANCIAL STATEMENTS****NOTE 1: Introductory:****Transfer of undertaking as per the Financial Reconstruction plan of The Government of Gujarat:**

Pursuant to the enactment of the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, Government of Gujarat (the Government) has issued various notifications, Government resolutions and Transfer Schemes for vesting of the assets, liabilities, proceedings and personnel from erstwhile Gujarat Electricity Board (GEB-erst) to the Government of Gujarat and then to re-vest the same into initially six companies i.e. one Generation Company, one Transmission Company and four Distribution Companies. Dakshin Gujarat Vij Company Ltd (DGVCL) is one of these four Distribution Companies, registered under the provisions of Companies Act, 1956. Dakshin Gujarat Vij Company Limited (DGVCL) was incorporated under the provisions of the Companies Act, 1956 on 15.09.2003. The certificate of commencement of Business was received on 15.10.2003 from the Registrar of Companies.

On reorganization of GEB by the Government, the existing shares issued to and allotted by the company 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 to carry out the residual functions of GEB-erst.

Consequent on such transmission and transfer of shares to the nominees of GUVNL, 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 Section 617 of the Companies Act, 1956. The company having become the subsidiary of the Government company (GUVNL) w.e.f 1st April 2005, it has also become a Government Company by virtue of the operation of the provisions of the said Section 617.

As a major steps for implementation of Financial Restructuring Plan (FRP), Government of Gujarat 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 1-4-2005 containing the values of the assets and liabilities of the Distribution activities which stood transferred from erstwhile Gujarat Electricity Board to the Company as specified in Annexure-D appended to the notification. Accordingly, the said values of the assets & liabilities have been taken in to as opening balances while preparing the Final Accounts for the year 2005-06.

**NOTE 2: Significant Accounting Policies/Principles:**

- 2.1** The Company is one of the subsidiary Companies of Gujarat Urja Vikas Nigam Limited. It was promoted as a Public Limited Company registered under the provisions of Companies Act, 1956 as a part of restructuring plan of Gujarat Electricity Board. The company is engaged in the business of electricity distribution in South Gujarat area and is governed by the provisions of the Electricity Act, 2003 and Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003. The provisions of these Act read with the rules made there under prevail wherever the same are inconsistent with the provision of the Companies Act, 1956.



The company prepares its financial statements under historical cost basis in accordance with Generally Accepted Accounting Principles (GAAP) and the Accounting Standards issued by the Institute of Chartered Accountants of India unless otherwise stated.

**2.2 Revenue Recognition:****(i) Revenue from Sale of Power:**

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

**(ii) Misc. Revenue from Consumers:**

Meter rent, recoveries from theft of power/malpractices, wheeling charges recoveries are recognized on accrual basis. Misc. charges from consumers are recognized on cash basis except when ultimate realization of such income is certain.

**(iii) Revenue Subsidies:**

Revenue Subsidies are accounted for as allocated by GUVNL (Holding Company) and credited to profit and loss account.

**(iv) Other Income:**

(a) Income from sale of scrap and insurance claims are accounted for on the basis of actual realization. Amount in respect of delayed payment charges (except for cases where suit is filed in the court) is accounted on the basis of actual realization of late payment against outstanding energy bills.

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

(v) Amount in respect of unclaimed Security Deposit, Earnest Money Deposit and Misc. Deposit of suppliers and contractors which is pending for more than three years and which, as per policy of management, is not payable, is considered as income.

**2.3 Fixed Assets:**

a) 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 as on 1.4.2005 are stated at values notified by Govt. of Gujarat notification no. GUV-2006-91-GW-1106-590-K dt. 3rd 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.

**b) 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 whenever ready for use. Common expenditure of Corporate Office and field offices are allocated to Capital work-in-progress (except for unbilled capital WIP) 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.

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

**2.4 Depreciation:**

- i) Depreciation is provided on Straight Line Method as per rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Any depreciable assets except office equipments and furniture & fixtures, having written down value below ₹ 5000/- have been fully charged to revenue in the year in which assets are purchased.
- iii) Depreciation on addition / deletion of fixed assets is provided on pro rata basis from the date on which the asset is put to use.

**2.5 Inventories:**

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

- |                                  |  |
|----------------------------------|--|
| (a) Consumable Stores and Spares | - At cost (Weighted Average Method.)                           |
| (b) Scrap                        | - At cost or estimated Net Realizable Value whichever is lower |

**2.6 Retirement Benefits:****i) Provident Fund:**

Contribution to Provident Fund is made to recognized provident fund as required by the relevant statutes and the rules.

**ii) Gratuity:**

Liability towards gratuity payable to employees is covered by Gratuity Trust Fund managed by GUVNL (Holding Company). The contribution payable as per actuarial valuation is charged to Profit and Loss Account of the company.

**iii) Leave Encashment:**

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

**iv) Leave Travel Concession:**

Expenditure on Leave Travel Concession to eligible employees is recognized on the basis of actual claim for reimbursement.

**2.7 Borrowing Costs:**

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such asset. 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 Profit and Loss Account.

**2.8 Taxation:**

Tax expenses for the current year, comprising current tax, deferred tax, wealth tax are included in determining the net profit after tax for the year.

Provision is made for the current tax based on the tax liability computed in accordance with relevant tax rates and tax laws.

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

**2.9 Provisions and contingent liabilities:**

The company recognizes a provision when there is a present obligation as a result of an 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.

**2.10 Consumer contributions & Capital Grants:**

Consumers' Contribution and capital grants towards cost of capital assets are not reduced from cost of assets. All receipts of consumer contributions and capital grants accounted from 1-4-2005 are treated as deferred credit and 10% of the year-end balance are transferred to profit & loss account.

**2.11 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 asset is estimated. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & 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.

**2.12 Segment Reporting:**

- (i) Business Segments: 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 Segments : The Company's operations are mainly confined within the State of Gujarat. The Company does not have material earnings outside Gujarat or outside India. As such, there are no reportable geographical segments.

**2.13 Use of Estimates:**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statement. The actual outcome may diverge from these estimates.

**2.14 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 number 5 dealing with "Prior period items etc..."

**NOTE : 3 SHARE CAPITAL****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>EQUITY AND LIABILITIES</b>		
<b>a) Authorised Share Capital</b> 50,00,00,000 Equity Shares each of ₹ 10 each	50000.00	50000.00
<b>b) Issued Share Capital</b> 26,78,17,386 Equity Shares each of ₹ 10 each fully paid-up (Previous year 26,78,17,386 Equity Shares )	26781.74	26781.74
<b>c) Subscribed &amp; fully paid up</b> 26,77,25,547 Equity Shares each of ₹ 10 each fully paid-up (Previous year 26,77,25,547 Equity Shares )	26772.55	26772.55
<b>TOTAL</b>	<b>26772.55</b>	<b>26772.55</b>

**d (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012		AS AT 31 <sup>st</sup> MARCH, 2011	
	Number of Shares	Amount ( in Lacs)	Number of Shares	Amount ( in Lacs)
Shares outstanding at the beginning of the year	26,77,25,547	26772.55	26,77,25,547	26772.55
Shares outstanding at the year end	26,77,25,547	26772.55	26,77,25,547	26772.55

**e Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
	Number of Shares	Number of Shares
<b>Equity sharers</b> Gujarat Urja Vikas Nigam Limited, the holding company and its Nominees	26,77,25,547	26,77,25,547

**f Details of shares held by each shareholder holding more than 5% shares :**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012		AS AT 31 <sup>st</sup> MARCH, 2011	
	Number of Shares	% held	Number of Shares	% held
<b>Equity sharers</b> Gujarat Urja Vikas Nigam Limited	26,77,25,467	99.97	26,77,25,467	99.97

**g Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:**

Particulars	Aggregate number of shares	
	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Equity shares</b> Fully paid up equity shares without payment being received in cash	7,28,95,936	7,28,95,936



- h (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 ₹ 728959360/- (i.e. ₹ 72895936 fully paid Equity Shares of ₹ 10/- each) and Share Premium of ₹ 2186878070/- 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 164779531 shares of ₹ 10/- each (fully paid up) aggregating to ₹ 1647795310/- 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) on rights basis towards the financial assistance received under the Financial Restructuring Plan.

**NOTE : 4 RESERVES AND SURPLUS****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Securities Premium Account</b>	<b>21868.78</b>	<b>21868.78</b>
<b>Surplus as per profit and loss account</b>		
Opening Balance	11918.86	5644.01
Add: Profit for the year	7631.57	6274.85
Closing Balance	<b>19550.44</b>	<b>11918.86</b>
<b>TOTAL</b>	<b>41419.22</b>	<b>33787.65</b>

**NOTE :5 Deferred Govt. Grants, Subsidies and Contributions****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Govt.Grants &amp; Subsidies towards cost of Capital Assets</b>		
Opening balance	35426.63	27713.04
Add: Received during the year	19433.35	11649.89
Less: 10% written back to P&L account	5486.00	3936.29
Closing balance	<b>49373.99</b>	<b>35426.63</b>
<b>Consumer Contribution towards Capital Assets</b>		
Opening balance	31306.07	24039.18
Add: Received during the year	13858.92	10745.34
Less: 10% written back to P&L account	4516.50	3478.45
Closing balance	<b>40648.49</b>	<b>31306.07</b>
<b>TOTAL</b>	<b>90022.48</b>	<b>66732.70</b>

**NOTE :6 Long-term borrowings****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012		AS AT 31 <sup>st</sup> MARCH, 2011	
	Current	Non Current	Current	Non Current
<b><u>SECURED LOANS</u></b>				
<b>(A) Loan From Banks</b>				
Term Loan allocated by GUVNL	1070.56	0.00	5332.90	1070.56
<b>(B) Loan from Banks &amp; Fin. Institutions (raised by DGVCL)</b>				
(I) Loan from REC Ltd. (Serviced by DGVCL)	1034.19	3280.57	1144.20	4314.76
(II) Loan From P.F.C	60.12	4094.58	0.00	4154.70
<b>TOTAL (A)</b>	<b>2164.87</b>	<b>7375.15</b>	<b>6477.10</b>	<b>9540.01</b>
<b><u>UNSECURED LOANS</u></b>				
Term Loan from Banks.(Allocated by GUVNL)	0.00	0.00	336.64	0.00
Loans from Financial Institutions (Allocated by GUVNL)	705.33	0.00	1125.68	705.33
REC Scheme loan (Serviced by DGVCL)	32.18	48.72	43.51	80.90
<b><u>Public Bonds(Allocated by GUVNL)</u></b>				
11.50% Series-VI Option-II	633.60	0.00	475.20	633.60
11.75% Series-VI Option-II	135.95	317.22	0.00	453.17
7.50% Series-VI Option-III	251.24	586.22	0.00	837.45
11.25% Series-VII Option-II	6.63	8.84	6.63	15.48
11.50% Series-VII Option-II	0.00	297.18	0.00	297.18
8.95% Series-VIII	0.00	2708.15	149.18	2708.15
8% Series-IX	0.00	430.45	127.85	430.45
8% Series-X	0.00	1200.07	474.83	1200.07
SLR Bond	0.00	0.00	314.99	0.00
<b>Loan from Financial Institution. (Raised by DGVCL)</b>				
Loan From REC for RGGVY project.	31.21	732.56	0.00	546.46
<b>State Government Loans. (Allocated by GUVNL)</b>				
Loan under APDRP.	331.52	3289.84	331.52	3621.36
<b>TOTAL (B)</b>	<b>2127.67</b>	<b>9619.24</b>	<b>3386.04</b>	<b>11529.60</b>
<b>TOTAL (A+B)</b>	<b>4292.54</b>	<b>16994.39</b>	<b>9863.14</b>	<b>21069.62</b>





- 6.1** Loan from Indian Overseas Bank (outstanding ₹ 104 Lacs) is secured against the 1st hypothecation charge on the assets of Dhrangadhra and Surendranagar O & M Division of PGVCL-(A).
- 6.2** Loan from Indian Overseas Bank (outstanding ₹ 113 Lacs) is secured against the 1st hypothecation charge on the assets of Vijapur, Mehsana and Chhatral TR. Division of GETCO-(A).
- 6.3** Loan from Union Bank of India (outstanding ₹ 62 Lacs) is secured against the 1st hypothecation charge on the assets of Soja, Dhansura and Chhatral TR. Division of GETCO-(A).
- 6.4** Loan from Allahabad Bank (outstanding ₹ 185 Lacs) is secured against the 1st hypothecation charge on the assets of Sabarmati, Gandhinagar, Bavala O&M Division of UGVCL- (A).
- 6.5** Loan from Canara Bank (outstanding ₹ 534 Lacs) is secured against the extension hypothecation charge on the assets of Godhra and Baroda O&M Divn. and Dabhoi O&M Divn. Of MGVCL-(A).
- 6.6** Loan from Dena Bank (outstanding ₹ 73 Lacs) is secured against the 1st hypothecation charge on the assets of Amreli, Dhasa & Vertej Tr. Division of GETCO. (A).
- 6.7** Loan from REC (outstanding ₹ 4315 Lacs) is secured against charges on the plant & Machinery & Line of Asoj Transmission Division, GETCO as well as the movable assets consisting of 3 phase Meters, Quality Meters / Static Meters, Static Meters on Indl. Consumers with MMB, DTCs, 11KV Feeder Bifurcation / Link Line for New Sub-Stations 66 KV lines, 66 KV Sub Stations, 11KV Conductor at Valsad O&M, Surat O&M and Bharuch O&M of DGVCL, Baroda City O&M of MGVCL, Bhavnagar O&M, Junagadh O&M and Jamnagar O&M of PGVCL and Sabarmati O&M and Himmatnagar O&M of UGVCL-(B) (I)
- 6.8** Loan from PFC (outstanding ₹ 4155 Lacs) is secured against charges on the (A) The whole R-APDRP movable properties of the newly finance assest under the project comprising of Hardware, Software, Bandwidth Charges, Implementation cost, GIS Survey Cost, System Metering Cost etc. created / to be created out of the above loans to be installed at 11 Towns namely surat, Jambusar, Bardoli, Rajpipala, Navsari, Vyara, Vapi, Valsad, Billimora, Bharuch and Ankleshwar under DGVCL, including its movable plant & machinery, machinery spares, tools and accessories, plant turbine and other various equipments, both present and future as well as on the existing movable assets comprising PV Modules, Lamps Lead Acid Battery, control Electronics, Module mounting Hardware, Battery Box interconnecting wires/cables, switches etc of solar Generating Equipments of Rajpipala ( O & M) division of DGVCL. (B) The Whole of the movable properties of the newly financed assets to be created at Surat, jambusar, Vyara, Vapi, Valsad, Billimora and Bharuch including movable machinery, machinery spares, tools and accessories, spares and material at above mentioned project sites both present and future and the entire existing assets (Over head lines of 13.2 KV to 66 KV ) at Rajpardi-Sub Division of Rajpipla O & M Division, Bharuch Circle. (C) The whole of the movable assets of the R-APDRP (SCADA) project site, present and future and the existing assets at Rajpipla-1 subdivision of Rajpipla O & M division ( overhead lines on RCC support-11 Kv), Bharuch Circle. (B) (II) and deed of undertaking given by Government Of Gujarat.

**6.9** Maturity Profile of Secured and Unsecured Term Loan are as set out below:**( ₹ in Lacs)**

Particulars	Maturity Period		
	Up to 2 years	Next 2 years	Beyond 4 years
<b>Loans(Allocated By GUVNL)</b>			
A) Loans From Banks (Secured)	1070.56	0.00	0.00
B) Loan From Financial Institution (Unsecured)	705.33	0.00	0.00
C) Loan Under APDRP (Unsecured)	663.05	663.05	2295.26
<b>Loans (Raised/Serviced by DGVCL)</b>			
A) Loan from REC Ltd. (Secured Loan)	2068.38	2068.38	178.00
B) Loans From REC Ltd.(Unsecured Loan)	53.27	27.63	0.00
C) Loan from REC for RGVY Project(Unsecured Loan)	62.42	109.29	592.06
<b>Loan From PFC(Secured Loan)</b>			
<b>(Raised &amp; Serviced by DGVCL)</b>	160.32	384.32	3610.06

**6.10** Maturity Profile of Public Bonds are as set out below:**( ₹ in Lacs)**

Public Bonds(Allocated By GUVNL) (Unsecured)	Maturity Period		
	Up to 2 years	Next 2 years	Beyond 4 years
7.50% Series-VI Option- III	502.47	334.99	0
8% Series-X	0	720.04	480.03
8% Series-IX	0	258.27	172.18
8.95% Series-VIII	0	1624.89	1083.26
11.50% Series-VI Option-II	633.60	0	0
11.50% Series-VII option-III	297.18	0.00	0
11.25% Series-VII option-II	15.47	0	0
11.75% Series-VI Option- III	271.90	181.27	0

**6.11** 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. DGVCL, therefore, has not registered the charge on these properties with the Registrar of Companies, Gujarat.

**6.12 Secured and Unsecured Loans**

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.

**NOTE : 7 Other Long Term liabilities****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Security deposits from consumers in cash	80717.62	73816.60
Welfare Schemes	1066.12	1066.92
<b>TOTAL</b>	<b>81783.74</b>	<b>74883.52</b>

**NOTE : 8 Provisions****( ₹ in Lacs)**

Particulars	Long - term		Short - term	
	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>(A) Provision for Employees benefits</b>				
Provision for Leave encashment	6009.57	5250.49	457.61	561.42
<b>(B) Provision - Others:-</b>				
Provision for Wealth Tax (Net of advance wealth tax ₹ 1.76 Lacs (As at 31 March, 2011 ₹ 1.72 Lacs)	0.00	0.00	0.80	0.35
Provision for Fringe Benefit Tax (Net of advance Fringe Benefit Tax ₹ 87.33 Lacs(As at 31 March, 2011 ₹ 87.33 Lacs)	0.00	0.00	16.14	16.14
<b>TOTAL</b>	<b>6009.57</b>	<b>5250.49</b>	<b>474.55</b>	<b>577.90</b>
Please Refer Note No.24.2				

**NOTE : 9 Short-term borrowings****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>Secured Loan</b>		
Cash Credit From Banks	1687.73	1102.77
<b>TOTAL</b>	<b>1687.73</b>	<b>1102.77</b>

Cash credit limits from banks ( outstanding ₹ 1688 lacs ) are secured against the 1st hypothecation charge in favour of UCO Bank consortium on the stocks, books debts and other current assets of the company

**NOTE :10 Trade payables****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Liability for Purchase of Power	147.72	282.24
<b>TOTAL</b>	<b>147.72</b>	<b>282.24</b>

**NOTE :11 Other current liabilities****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Current maturity of long term borrowings (Refer Note No.6)	4292.54	9863.14
Liability for Capital Supplies / Works.	589.75	261.60
Liability for O & M Supplies / Works.	3446.16	4754.88
Staff related Liabilities.	28.96	30.69
Intrest Accured & Due on loans	2.92	31.03
Deposit for electrification & service conn etc	12927.55	9145.96
Deposits & Retentions from Supp. & Contractors.	3186.81	2558.35
Electricity Duty & other related charges Payable to Govt.	57.59	81.63
Provisions for expenses	2276.94	1425.98
Accrued interest but not due pertaining to long term Borrowings.	642.31	750.41
Other Liabilities and Provisions.	2195.15	1988.59
Interest payable on Security Deposit from Consumers	3664.26	3336.03
Welfare Schemes	59.78	39.29
<u>Other Inter/Intra-company payables from companies under the same management</u>		
Gujarat Energy Training & Research Centre	30.59	46.15
<b>TOTAL</b>	<b>33401.32</b>	<b>34313.74</b>

11.1 In view of their large number of accounts and in absence of segregated information, total outstanding dues to Small Scale Industrial Undertaking as defined under Micro, Small & Medium Enterprises Development Act, 2006 have not been disclosed separately, as required under Part-1 of Schedule VI to the Companies Act, 1956.

However, based on the details available with the Company in respect of transactions incurred during the year, there are no over dues as such to micro, small and medium enterprises as at 31<sup>st</sup> March 2012 on account of principal amount together with interest for delayed payment under the Act. The Company has not received any claim for interest from any suppliers under the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act 1993".

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2012**
**NOTE: 12 Tangible Assets**
**( ₹ in Lacs)**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Opening Balance as on 01-04-2011	Addition during the year	Deletion/ Adujstment during the year	Closing Balance at on 31-3-2012	Opening Balance as on 01-04-2011	Charge for the year	Deletion/ Adujstment during the year	Closing Balance at on 31-3-2012	Net Assets as on 31-3-2012	Net Assets as on 31-3-2011
Land & Land rights	31.11	0.00	0.00	31.11	0.00	0.00	0.00	0.00	31.11	31.11
Buildings	968.48	49.94	0.00	1018.41	132.26	15.87	0.00	148.13	870.28	836.22
Hydraulic works	24.18	0.54	0.00	24.73	7.02	1.15	0.00	8.18	16.55	17.16
Other Civil works	1236.73	11.75	0.00	1248.47	91.20	20.56	0.00	111.76	1136.71	1145.52
Plant & Machinery	47120.69	8822.55	49.21	55894.04	10882.89	2370.35	(35.76)	13217.47	42676.56	36237.80
Lines & Cable Net Works	155197.85	17502.30	110.35	172589.81	38178.82	7654.22	(18.07)	45814.97	126774.83	117019.03
Vehicles	128.53	58.18	1.61	185.10	94.29	12.75	(1.50)	105.55	79.55	34.24
Furniture & Fixtures &										
Electrical Lightings	430.94	17.87	0.00	448.81	140.15	32.47	(5.32)	167.29	281.52	290.79
Office Equipments	1907.03	425.91	4.63	2328.31	844.29	230.17	1.08	1075.53	1252.78	1062.74
<b>Total</b>	<b>207045.53</b>	<b>26889.05</b>	<b>165.80</b>	<b>233768.78</b>	<b>50370.92</b>	<b>10337.54</b>	<b>(59.57)</b>	<b>60648.89</b>	<b>173119.90</b>	<b>156674.61</b>
<b>Total of the Previous year</b>	<b>189374.83</b>	<b>17816.73</b>	<b>146.03</b>	<b>207045.53</b>	<b>41173.79</b>	<b>9296.83</b>	<b>99.70</b>	<b>50370.92</b>	<b>156674.61</b>	<b>148201.04</b>

**12.1 Legal Ownership (Titles) of Immovable properties**

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

**12.2 Impairment of Assets :**

As per assessment made by the management, the company has not suffered any impairment loss during the financial year 2011-12.

**NOTE: 13 Capital Expenditure In Progress****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup>	AS AT 31 <sup>st</sup>
	MARCH, 2012	MARCH, 2011
Capital Works-in-progress.	5391.55	3505.06
Interest charges to be capitalised	671.50	297.57
Provision for completed works	670.32	1080.61
<b>Total</b>	<b>6733.36</b>	<b>4883.25</b>

**13.1** Interest charges to be capitalised of ₹ 671.50 lakhs includes ₹ 665.50 lakhs of PFC loan given for RAPDRP Part A & B and SCADA. As per the terms of PFC loan, if the same is not converted into grant on account of not meeting the conditions of conversion, then the said interest has to be borne by the company. In view of above, the interest liability has been accounted and shown under the head " Other Current liabilities ".

**NOTE :14 Deffered tax assets (Net)**

**14.1** During the year, 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.

**NOTE :15 Loans and advances****( ₹ in Lacs)**

Particulars	Long - term		Short - term	
	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
<b>(A) Capital advances</b>				
<b>Secured, considered good</b>				
Advances for Capital & O&M Supplies/Works.	0.00	417.28	737.33	1536.46
<b>(B) Loans and advances to employees</b>				
<b>Unsecured, considered good</b>				
Loans & Advances to staff-Interest Bearing.	361.83	44.15	134.08	166.16
Loans & Advances to staff -Interest free.	0.00	0.00	115.57	111.41
<b>(C) Other loans and advances (specify nature)</b>				
<b>Unsecured, considered good</b>				
Loans & Advances - Others.	30.89	30.89	0.00	7.57
<b>(D) Advance income tax &amp; TDS</b>				
(Net of provisions ₹ 6839.03 Lacs (As at 31 March, 2011 ₹ 4904.43 Lacs)	900.62	1455.67	0.00	0.00
<b>TOTAL</b>	<b>1293.34</b>	<b>1947.99</b>	<b>986.98</b>	<b>1821.60</b>

**NOTE :16 Other Non- Current Assets****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Sundry debtors - Trading Account.	25.26	25.46
Income accrued but not due on staff loan & Advances.	144.22	176.70
Interest Accrued & Due on Staff Loans & Advances	14.18	8.86
Dues from PDC ( Net of SD forfeited)	36054.44	36450.92
Less : Provision for Doubtful Dues from PDC consumers	(28,953.00)	(29,556.00)
<b>TOTAL</b>	<b>7285.10</b>	<b>7105.94</b>

**NOTE :17 Inventories****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Stock of materials at Other Stores.	11938.17	12496.52
Materials at Site	3519.86	2235.99
Materials in Transit.	51.19	62.15
Other Materials Accounts.	4716.88	3084.46
Mat.Stock Excess / Shortage Pending Investi.	365.46	64.32
<b>TOTAL</b>	<b>20591.56</b>	<b>17943.45</b>

**17.1** The material stock shortage/excess pending investigation of ₹ 365.46 Lacs ( including ₹ 284 lacs transferred during the year of Ankleshwar (O&M) division as on 31.03.2012) ( ₹ 64.32 Lacs as on 31.03.2011) includes discrepancies between closing stock as per Trial Balance and monthly inventory control report besides material stock shortage/excess noticed during physical verification on inventory.

As per the Accounting Policy followed by the company, the difference in the value of spare transformer and burnt transformer is not capitalized and the same is reflected in stock under current Assets. The difference in cost of the transformer replaced and cost of burnt transformer removed of ₹ 2054.50 lacs as on 31.03.2012 ( ₹ 1682.52 lacs as on 31.03.2011) is mainly on account of valuation difference of transformers lying in various stages of inventory i.e. either with repairers or repaired transformers with stores and with TMS etc. due to adoption of weighted average rate of the valuation of inventory. The physical verification of stock lying at sub-divisions as on 31.03.2012 was carried out and such unutilised stock which was earlier charged during the year to Capital Work in Progress at ₹ 2737.38 lacs ( Previous year ₹ 1438.51 lacs) and Repair & Maintenance expenses at ₹ 433.99 lacs ( Previous Year ₹ 332.82 lacs) but lying at sub-divisions is accounted as inventory.

**NOTE: 18 Trade Receivables****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Sundry Debtors for Sale of Power (Including provision for Unbilled revenue)	59605.31	41070.69
Sundry Debtors for Misc.Receipts from Cons.	3224.29	3234.57
<b>Sub-Total</b>	<b>62829.60</b>	<b>44305.26</b>
Less : Unposted Receipts.	0.15	0.18
<b>Sub-Total</b>	<b>62829.45</b>	<b>44305.08</b>
Less : Prov. For Doubtful dues from consumers	7504.09	6901.09
<b>Sub-Total</b>	<b>55325.36</b>	<b>37403.99</b>
Less : Deferred ED & TSE from Consumers.	3601.37	4151.83
<b>TOTAL</b>	<b>51723.99</b>	<b>33252.16</b>
Out of above -		
-Outstanding for a period exceeding six months.	8701.06	6155.40
-Others.	54128.54	38149.86
<b>Total</b>	<b>62829.60</b>	<b>44305.26</b>
Debtors shown net of advance received.		

**NOTE :19 Cash and cash equivalents****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Cash on hand.	1939.51	1563.10
Balance with Banks.	9578.96	5527.05
Remittance in Transit.	26.76	3.68
Fixed deposits with Banks	1903.41	1256.36
<b>TOTAL</b>	<b>13448.64</b>	<b>8350.18</b>

**NOTE :20 Other Current Assets****( ₹ in Lacs)**

Particulars	AS AT 31 <sup>st</sup> MARCH, 2012	AS AT 31 <sup>st</sup> MARCH, 2011
Income accrued but not due on staff loan & Advances.	77.68	33.12
Amt. recoverable from emp./ ex-employees.	13.70	12.82
Interest Accrued & Due on Staff Loans & Advances	14.75	19.35
Other Misc. Receivable from Govt Dept.,Local Bodies	51.85	49.57
Deposits.	321.38	239.37
<b>Inter Company receivables under the same management</b>		
Gujarat Urja Vikas Nigam Limited	23033.05	32418.78
<b>Assets not in use</b>		0.00
Plant & Machinery	10.73	14.33
Lines & Cable Net Works	5.36	4.99
Vehicles	1.78	1.67
Office Equipments	0.12	0.00
<b>TOTAL</b>	<b>23530.40</b>	<b>32794.00</b>



**20.1 Valuation of assets retired from active use**

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 (& shown as “Assets Not in Use” under Fixed Assets) is to be stated at the lower of Net Book Value or Net Realizable Value (NRV). In respect of all those assets of the companies which are identified as “retired from active use” the management is of the opinion that the NRV of the same is higher than their Net Book Value due to very old assets and upward trend in the scrap market. In view of this, the company does not recognize any expected loss, in the Profit & Loss Account.

**NOTE : 21 Revenue From Operations****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
<b>Revenue from Operations</b>		
<b>(i) Revenue from sale of power</b>		
Domestic or Residential	72054.10	61648.93
Commercial	17091.93	34976.31
Industrial low and medium voltage	171655.07	131222.15
Industrial high voltage	266219.03	209992.69
Public lighting	1510.25	1302.05
Traction railways	17329.42	15957.34
Irrigation agriculture	12081.02	9440.65
Public water works and sewage pumps	4505.77	3787.93
<b>Sub total</b>	<b>562446.59</b>	<b>468328.05</b>
Sale of power to GUVNL	28021.30	39698.41
UI charges receivables	10099.77	5477.30
<b>Total Revenue from sale of power</b>	<b>600567.66</b>	<b>513503.76</b>
Electricity duty assessed	68568.99	55651.96
<b>Misc. Revenue from customers</b>		
Meter charges/ Service line charges	3475.15	3363.87
Recovery for theft of power/ mal practices	1402.11	1777.41
Wheeling charges Recoveries	0.94	3.76
Misc. charges from consumers	5685.38	2382.09
<b>Total Misc.Revenue</b>	<b>10563.58</b>	<b>7527.13</b>
Gross revenue from sale of power	679700.23	576682.85
Less: Electricity Duty assessed (Contra)	68568.99	55651.96
<b>Sub total (i)</b>	<b>611131.24</b>	<b>521030.89</b>
(ii)Agricultural Subsidy	4583.33	4666.15
(iii) Delayed payment charges from consumers	2165.38	2481.86
<b>Total ( i +ii+iii )</b>	<b>617879.95</b>	<b>528178.90</b>

**21.1 Supplementary bill issued to M/s. Essar Steel Limited :**

M/s. Essar Steel Limited has violated terms and conditions of the MoM dated 01.02.2010 between P.S,E&P Department, GoG, GUVNL,GETCO,Chief Electrical Inspector, Essar Group & Bhandar Power Ltd., DGVCL has issued supplementary bill of ₹ 2311.02 crores to M/s. Essar Steel Limited as per the conditions of the MoM for the power recorded on MRSS during the period from 15.06.2011 to 30.07.2011 for 2020.99 MUs. After various representations at different level including before E&P department, GoG by M/s. Essar Steel Limited against the above supplementary bill, a committee was constituted by the Government of Gujarat to deliberate on the issue and to submit report to the Government to take final decision in respect of supplementary bill raised by DGVCL and the committee has accordingly submitted a report to the Government with a observation that energy recorded on MRSS as unauthorised power.

Subsequently, as per directives given by the E&P department vide their letter dated 05.01.2012,that "DGVCL needs to consider the provision as contained under sub section 6 of section 126 of the ELECTRICITY ACT ,2003 and charge the penalty at a rate equal to twice the tariff for the electricity consumed for the time being, till the case of total claim is settled", the revised supplementary bills amounting to ₹ 192.59 crores for 168.42 MUs has been issued to M/s. Essar Steel Limited till the case of total claim of original supplementary bill is finally settled for breach of MoM dated 01.02.2010. M/s. Essar Steel Limited has paid ₹ 96.29 crores before March 2012 and for balance 50% amount of revised supplementary bill, five post dated cheques each of ₹19.26 crores has been given.

Pending final settlement of the total claim by Government of Gujarat as shown above and also considering the provisions of Accounting Standard-9 relating to Revenue Recognition and considering realization of revised supplementary bill for ₹ 192.59 crores from M/s. Essar Steel Limited, it has been decided to recognize the Revenue to the extent of revised supplementary bill of ₹ 192.59 crores and to defer the recognition of balance Revenue of ₹ 2118.43 crores till the final settlement is made by the E&P department / State Government or appropriate judicial forum.

**NOTE: 22 Other Income****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Interest on staff loans and advances	43.06	18.01
Interest from banks	0.01	6.19
Income from sale of scrap	11.16	27.77
Government grants/ Consumer contribution (10% deferred amount written back )	10002.50	7414.74
Provision no longer required	0.00	967.67
Miscellaneous receipts	794.84	1023.64
Grant for energy conservation	264.27	0.00
Gain on sale of fixed assets	18.84	7.13
<b>Total</b>	<b>11134.68</b>	<b>9465.15</b>

**NOTE: 23 Purchase of Power****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Power purchase from GUVNL	575806.01	475982.30
Power purchase from Windfarm	544.70	346.56
Power purchase from Solar	29.00	0.00
U I Charges payable	3244.78	11758.78
<b>Total</b>	<b>579624.48</b>	<b>488087.64</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS****NOTE: 24 Employee Benefit expenses****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
<b>Salary and wages</b>		
Salaries	7909.60	7664.52
Overtime	23.93	17.42
Dearness allowance and dearness pay	4420.84	3293.36
Other allowance	2789.42	2149.65
Bonus	10.47	14.61
<b>Sub Total</b>	<b>15154.26</b>	<b>13139.56</b>
<b>Contribution to Provident and other funds</b>		
Premium Under Group Insurance Scheme	57.04	40.39
Company's Contribution C.P.F.	1175.32	1114.46
Company's Contribution Pension	280.85	271.33
Company's contribution to Bombay labour welfare act	0.42	0.42
EDLI- Contribution and administration charges	0.19	0.89
<b>Sub Total</b>	<b>1513.82</b>	<b>1427.50</b>
<b>Staff Welfare expenses</b>		
Medical expenses reimbursement	318.30	245.35
Leave travel assistance & earned leave encashment	40.37	0.00
Waival of O/S hba Loans and interest	5.28	2.44
Death and accident compentastion	3.87	6.60
Payment under workmen compentation act	22.70	6.75
Staff welfare expenses	54.89	190.92
Terminal benefits	2460.13	2428.81
<b>Sub Total</b>	<b>2905.55</b>	<b>2880.86</b>
<b>Total</b>	<b>19573.63</b>	<b>17447.92</b>

**24.1 Provision for employees remuneration and benefits:****(A) Salaries and wages:**

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

**(B) Employee Benefits:****(i) 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 salary. The Company has, during the year, recognized the sum of ₹ 1513.21 lacs (P.Y. ₹ 1426.17 lacs) as expense towards contributions to these plans.

**(ii) Gratuity:**

The liability on account of Gratuity (retirement benefit in the nature of defined benefit plan) is accounted as per Accounting Standard -15 dealing with "Employee Benefits".

The following table summarises the component of net benefit expenses recognized in the Profit & Loss Account and amounts recognized in the Balance-sheet for the Gratuity Scheme Plans as of 31<sup>st</sup> March, 2012.

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS****( ₹ in Lacs)**

<b>The amounts recognized in the balance sheet of GUVNL</b>	<b>F.Y. 2011-12</b>	<b>F.Y. 2010-11</b>
Present Value of Obligations	9540.34	8988.85
Fair value of plan assets	4921.12	4097.04
Unrecognized past service cost	Nil	Nil
Net liability in the Balance Sheet	4619.22	4891.81

**( ₹ in Lacs)**

<b>Expenses recognized in P&amp;L A/c.</b>	<b>F.Y. 2011-12</b>	<b>F.Y. 2010-11</b>
Current service cost	379.00	362.25
Interest on obligation	719.11	648.40
Expected return on plan assets	(410.56)	(329.96)
Net actuarial losses (gains) recognized in year	533.98	797.58
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognized in the statement of Profit & Loss	1221.53	1478.27

**( ₹ in Lacs)**

<b>Change in Benefit Obligations</b>	<b>F.Y. 2011-12</b>	<b>F.Y. 2010-11</b>
Opening defined benefit obligation	8988.85	8105.00
Past Service Cost	Nil	Nil
Service cost	379.00	362.25
Interest cost	719.11	648.40
Actuarial losses (gains)	498.16	791.15
Benefits paid	(1044.78)	(917.95)
Closing defined benefit obligation	9540.34	8988.85

**( ₹ in Lacs)**

<b>Fair value of Plan Assets</b>	<b>F.Y. 2011-12</b>	<b>F.Y. 2010-11</b>
Opening fair value of plan assets	4097.04	3173.07
Expected return	410.56	329.96
Actuarial gains and (losses)	(35.82)	(6.43)
Contributions by employer *	1494.12	1518.38
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(1044.78)	(917.95)
Closing fair value of plan assets	4921.12	4097.04

**( ₹ in Lacs)**

<b>Present Benefit Obligation</b>	<b>F.Y. 2011-12</b>	<b>F.Y. 2010-11</b>
Current Liability	755.64	1044.78
Non-Current Liability	8784.70	7944.07

\* Apportioned based on the ratio of closing liabilities of holding and fellow subsidiary companies

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS****24.2 Leave Encashment:**

The company has adopted policy of accounting liability for leave encashment on the basis of actuarial valuation by Life Insurance Corporation of India. The actuary determined past service cost arising on the introduction of retirement benefit of Leave encashment for its existing employees as on 31<sup>st</sup> March, 2012. Liability for the current year of ₹ 1216.69 Lacs (previous year ₹ 927.91 Lacs) has been charged to Profit & Loss Account.

**( ₹ in Lacs)**

Amounts to be recognized in Balance Sheet	Leave Benefit	
	2011-12	2010-11
Present value of funded obligations	Nil	Nil
Fair value of plan assets	Nil	Nil
Present value of unfunded obligations	6467.18	5811.91
Unrecognized past service cost	Nil	Nil
Net Liability in the balance sheet	6467.18	5811.91
Amount in the balance sheet :	–	–
Liabilities	6467.18	5811.91
Assets	–	–
Net liabilities	6467.18	5811.91

**( ₹ in Lacs)**

Expenses recognized in Income Statement	Leave Benefit	
	2011-12	2010-11
Current service cost	84.14	87.39
Interest on obligation	464.95	421.81
Expected return on plan assets	–	–
Net actuarial losses / (gains) recognized in the year	667.60	418.71
Past service cost	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil
Expense recognized in Profit & Loss	1216.69	927.91

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS****( ₹ in Lacs)**

<b>Change in Benefit Obligations</b>	<b>Leave Benefit</b>	
	<b>2011-12</b>	<b>2010-11</b>
Opening defined benefit obligation	5811.91	5272.65
Service cost for the year	84.14	87.39
Interest cost for the year	464.95	421.81
Actuarial losses (gains)	667.60	418.71
Losses (gains) on curtailments	–	–
Benefits paid	(561.42)	(388.65)
Closing defined benefit obligation	6467.18	5811.91

**( ₹ in Lacs)**

<b>Fair Value of Plan Assets</b>	<b>Leave Benefit</b>	
	<b>2011-12</b>	<b>2010-11</b>
Opening fair value of plan Assets	0	0
Expected return	0	0
Actuarial gains / (losses)	0	0
Assets distributed on settlements	0	0
Contributions by employer	0	0
Assets acquired in an amalgamation in the nature of purchase	0	0
Exchange difference on foreign plans	0	0
Benefits paid	0	0
Closing balance of fund	0	0

**( ₹ in Lacs)**

<b>Category of Plan Assets</b>	<b>Leave Benefit</b>	
	<b>2011-12</b>	<b>2010-11</b>
Government of India Securities	0	0
High quality Corporate bonds	0	0
Equity shares of listed Companies	0	0
Property	0	0
Funds managed by Insurer	0	0
Bank Balance	0	0

**( ₹ in Lacs)**

<b>Principal actuarial Valuation</b>	<b>Leave Benefit</b>	
	<b>2011-12</b>	<b>2010-11</b>
Discount rate as at 31st March 2012	8%	8%
Expected return on plan assets at 31st March 2012	–	–
Annual increase in Salary Cost	5%	5%

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

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 Benefit	
	2011-12	2010-11
Defined Benefit Obligation	6467.18	5811.91
Plan assets	—	—
Surplus / (deficit)	(6467.18)	(5811.91)

**24.3 Managerial Remuneration****( ₹ in Lacs)**

Surplus/(Deficit)	For the Period Ended 31 <sup>st</sup> March	
	2012	2011
Salaries	6.52	7.88
Allowances & perks	2.55	1.36
<b>Total</b>	<b>9.07</b>	<b>9.24</b>

**NOTE: 25 Finance Cost****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
<b>Interest Expenses on Borrowings</b>		
Interest on borrowing for working capital	1420.22	1861.89
Interest on state government loan	425.02	235.89
Interest on Bonds	692.51	803.20
Interest on REC loans	579.40	688.64
Interest on Bank of Baroda loan	0.00	539.10
Interest on loans from PFC	373.92	249.59
Interest on deferred payment guarantee	0.00	35.13
<b>Other Interest Expenses</b>		
Interest to consumers on security deposit	3965.84	3638.73
Interest to consumers on advance payments	49.78	65.35
Interest charges - Bill collection agencies	22.76	25.34
Other interest	77.82	76.98
	7607.27	8219.84
<b>Other Borrowing Costs</b>		
Cost of raising equity/Loan- Stamp duty	0.00	6.00
Other Financial Charges	40.08	66.48
Guarantee fees	80.12	86.11
	120.21	158.59
<b>Total</b>	<b>7727.48</b>	<b>8378.43</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS****25.2 Borrowing Cost:**

The Interest expenses on all borrowings during the year, taken by GUVNL on behalf of its subsidiary companies which are not directly allocable for any specific project of the company are charged to Profit & Loss Account.

During the year, interest & finance expenses on loans taken for R-APDRP Part 'A', 'B', 'SCADA' & RGGVY amounting to ₹ 420.63 Lacs (Previous year ₹ 289.20 lacs) is to be capitalized and accordingly charged to WIP.

**NOTE: 26 Depreciation and Amortization expenses****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Depreciation on Buildings	15.87	15.00
Depreciation on Hydraulic Works	1.15	1.13
Depreciation on other civil works	20.56	19.67
Depreciation on plant and machineries	2370.35	2083.56
Depreciation on lines and cable networks	7654.22	6975.37
Depreciation on Vehicles	12.75	10.11
Depreciation on Furniture and fixtures	32.47	25.66
Depreciation on office equipments	230.17	166.33
<b>Total</b>	<b>10337.54</b>	<b>9296.83</b>

**NOTE: 27 Other Expenses****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Rent including lease rentals	115.87	188.75
<b>Sub Total</b>	<b>115.87</b>	<b>188.75</b>
<b>Repairs to building</b>		
Buildings	1.48	3.80
Civil works	24.74	12.10
<b>Repairs to machineries</b>		
Plant and Machineries	699.43	695.84
Hydraulic Works	0.04	0.23
Lines cables and Networks	959.19	1136.71
Vehicles	8.81	6.68
Furniture and fixtures	7.73	5.27
Office equipments	285.35	170.37
<b>Sub Total</b>	<b>1986.77</b>	<b>2031.00</b>
<b>Administration Expenses</b>		
Penalties on statutory levies	0.00	0.44
Testing charges	18.28	8.39
Annual inspection and installation checking fees to Coll.Of ED	87.00	74.35





Telephone, postage, telegram, Mobile charges	107.10	109.88
Legal charges	17.60	24.15
Audit fees	48.41	39.40
Consultancy charges	16.27	28.66
Technical fees	2.45	71.76
Other professional fees and expenses	29.03	24.02
Conveyance and travel	1111.94	970.48
Directors fees	0.80	0.62
Fees and subscriptions	112.34	2.00
Books and periodicals	2.53	1.78
Printing and Stationery	148.94	146.13
Expenses on computer billing and EDP charges	74.76	114.64
Advertisement(Other then public related)	36.53	19.60
Xerox copy charges	23.75	23.11
Contributions and charities	16.02	0.00
Water charges	21.88	17.28
Maintenance to tree plantation	0.18	0.35
Entertainment expenses	0.72	0.83
Expenses on meetings and conferences	3.99	2.94
Guest house expenses	0.78	0.37
Miscellaneous expenses	1017.19	857.23
Expenditure on training to staff	57.30	73.82
Rev. stamps on receipts issued by the board	5.78	5.19
Insurance	4.97	3.94
Rates and Taxes	37.41	34.41
Electricity expenses	90.24	91.43
Remmuneration to collection agencies	299.90	266.28
<b>Sub Total</b>	<b>3394.09</b>	<b>3013.48</b>
<b>Other Purchase related expenses</b>		
Freight	67.17	66.36
Other purchase related expenses	181.36	108.23
Fabrication ch.less amount absorbed in cost of fabrication	0.37	2.57
<b>Sub Total</b>	<b>248.90</b>	<b>177.16</b>
<b>Other Debits</b>		
Small and low value items written off	0.09	0.61
Loss on sale of fixed assets	0.00	10.99
Bad and doubtful debt provided for	0.00	3700.00
Misc. losses and write offs	267.11	309.81
<b>Sub Total</b>	<b>267.20</b>	<b>4021.41</b>
<b>Total</b>	<b>6012.83</b>	<b>9431.80</b>

**27.1 Remuneration of Statutory Auditor:****( ₹ in Lacs)**

Particulars	For the Period Ended 31 <sup>st</sup> March	
	2012	2011
Statutory Audit Fees	10.00	10.00
Cash Flow Certificate & Others	2.00	2.00
Out of pocket expenses	1.00	1.00
<b>Total</b>	<b>13.00</b>	<b>13.00</b>

**NOTE: 28 Other expenses Capitalized****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Employee cost capitalised	4406.89	3036.43
Administration and general expenses capitalised	777.01	541.77
Interest charges capitalised	420.63	289.20
<b>Total</b>	<b>5604.52</b>	<b>3867.40</b>

**NOTE: 29 Other Prior period Expenses(Net)****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2011	Year ended MARCH 31 <sup>st</sup> , 2011
<b>Income</b>		
Excess provision for depreciation	0.00	0.09
Excess provision for Interest and other Fin. Charges	0.00	0.48
Other excess provision	20.71	43.87
Other income	2.29	67.46
<b>Total prior period income</b>	<b>23.00</b>	<b>111.90</b>
<b>Expenses</b>		
Short provision for power purchase	4.50	52.76
Employee costs	49.86	17.97
Depreciation Under provided	60.47	0.00
Interest and other Finance charges to prior period	2.04	1.53
Other charges related to prior period	1599.42	68.17
Other excess Provision	0.00	2.47
<b>Total prior period exp. &amp; Losses</b>	<b>1716.29</b>	<b>142.89</b>
<b>Total</b>	<b>1693.29</b>	<b>30.99</b>

**NOTE: 30 Extraordinary items****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Losses on account of flood, Cyclone and Fire etc	83.23	29.16
<b>Total</b>	<b>83.23</b>	<b>29.16</b>

**NOTE: 31 Tax expenses****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Income Tax(MAT)	1,934.60	2533.78
Wealth tax	0.50	0.04
<b>Total</b>	<b>1935.10</b>	<b>2533.83</b>

**NOTE: 32 Earning per Shares (EPS)****( ₹ in Lacs)**

Particulars	Year ended MARCH 31 <sup>st</sup> , 2012	Year ended MARCH 31 <sup>st</sup> , 2011
Net profit as per profit & Loss Account	7631.57	6274.85
Extra ordinary items	83.23	29.16
Net Profit excluding extra ordinary items	7714.80	6304.01
Weighted average no. of Shares outstanding (Basic)	267725547	267725547
Basic EPS (Excluding extra ordinary items)	2.88	2.35
Basic EPS (Including extra ordinary items)	2.85	2.34
Weighted average no. of Shares outstanding (Diluted)	267725547	267725547
Diluted EPS (Excluding extra ordinary items)	2.88	2.35
Diluted EPS (Including extra ordinary items)	2.85	2.34

**NOTES TO THE FINANCIAL STATEMENTS****33. Related Party Transactions:-**

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

**34. Balance in respect of sundry creditors, sundry debtors, loans and advances (debit / credit) as at 31.03.2012 have been taken as shown in the books of accounts and are subject to independent confirmation and reconciliation.**

The deposit for electrification and service connections are transferred to Consumers' Contribution on finalization of their bills.

The balances under the head Security Deposits from the consumer are subject to reconciliation with the balances as per subsidiary records. As per the practice followed by the company, interest on Security Deposits is provided only for balances of Security Deposit of regular consumers.

Transactions serviced by GUVNL have been accounted as per the allocation made by GUVNL.

**35. The Contingent Liabilities not provided for in respect of:****( ₹ in Lacs)**

Contingent Liabilities in respect of	As at 31 <sup>st</sup> March	
	2012	2011
a) Claims against company not acknowledged as debt.	2929.80	3090.17
b) Disputed demand of Income-Tax & FBT paid for which appeal is pending before I.T. Authorities	51.84	55.92

**36. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 3374.91 Lacs (Previous Year ₹ 814.08 Lacs).****37. Segment Information**

The company is principally engaged in the business of distribution of electricity and ancillary activities. Accordingly there is only one reportable segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India on "Segment Reporting".

**38. Management is of the opinion that the current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Subject to the notes hereof and the method of accounting followed by the Company, management is of the opinion that the provision for all known liabilities is adequate and not in excess of amount reasonably necessary and that there are no contingent liabilities except those stated in the notes.**

**39. Other Disclosures:**

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

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

F Y 2010-11					F Y 2011-12			
Mus Sold	% of Total Mus Sold	Revenue Rs. in Lacs	Average Rate Rs./unit	Consumer Category	Mus Sold	% of Total Mus Sold	Revenue Rs. in Lacs	Average Rate Rs./unit
1628	16.55%	61649	3.79	Residential	1730	16.38%	72054	4.16
634	6.44%	34976	5.52	Commercial	308	2.91%	17092	5.55
2662	27.04%	131222	4.93	Industrial LT	3131	29.65%	171655	5.48
3927	39.92%	209993	5.35	Industrial HT	4376	41.43%	266219	6.08
32	0.33%	1302	4.01	Public Light.	34	0.32%	1510	4.49
285	2.90%	15957	5.59	Railways	292	2.76%	17329	5.94
563	5.73%	9441	1.68	Agriculture *	579	5.48%	12081	2.09
106	1.08%	3788	3.58	Water Works	113	1.07%	4506	4.00
<b>9837</b>	<b>100%</b>	<b>468328</b>	<b>4.76</b>	<b>Sub Total</b>	<b>10563</b>	<b>100%</b>	<b>562446</b>	<b>5.33</b>
938		39698	4.23	Sale of Power to GUVNL	820		28021	3.42
141		5477	3.89	UI Charges receivable	294		10100	3.44
<b>10916</b>		<b>513504</b>	<b>4.70</b>	<b>Sub Total</b>	<b>11677</b>		<b>600567</b>	<b>5.14</b>
		7527	0.08	Misc.Recoveries from Consumers	0		10563	0.10
<b>10916</b>		<b>521031</b>	<b>4.78</b>	<b>Grant Total</b>	<b>11677</b>		<b>611130</b>	<b>5.23</b>

\* Ag. MUs Sold=metered unit 156 MUs + 423 MUs Un-metered unit assessed as per GERC.

\* Includes Ag. Tariff compensation ₹ 3325.63 Lacs + ₹ 5794.80 Lacs FPPPA

**(i) Units purchased T& D losses & Distribution losses.**

Particulars	2011-12 (Units in MUs)	2010-11 (Units in MUs)
Units Purchased from GUVNL	13359	12401
Units Purchased from Wind farms & Solar	18	12
UI units import	102	370
<b>Sub Total</b>	<b>13479</b>	<b>12783</b>
Less: UI unit export	294	141
Less: Unit sold to GUVNL	820	938
<b>Net Power Purchase Units</b>	<b>12365</b>	<b>11704</b>
Less: Units sold to consumer	10563	9837
<b>Transmission &amp; Distribution losses</b>	<b>1802</b>	<b>1867</b>
T & D loss in %	14.57%	15.95%

- (a) C.I.F value of direct import during the year is ₹ Nil (previous year ₹ Nil)
- (b) The value of consumption of directly imported and indigenously obtained raw material, components, stores and spares part and percentage of each to the total consumption.

( ₹ in Lacs)

Particulars	For the Period Ended 31 <sup>st</sup> March	
	2012	2011
<b>Indigenous</b>		
1. Raw Materials	Not Ascertainable	Not Ascertainable
2. Spares		
3. Components		

**(c) Expenditure in foreign currency**

( ₹ in Lacs)

Particulars	For the Period Ended 31 <sup>st</sup> March	
	2012	2011
1. Payment for professional / consultancy fees	Nil	Nil
2. Payment for capital goods	Nil	Nil
3. Foreign travel expenses	Nil	Nil
4. Others	Nil	Nil

- (d) Earning in foreign currency: ₹ Nil (previous year ₹ Nil)
- (e) Remittance in foreign currency ₹ Nil (previous year ₹ Nil)



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

**SIGNATURES TO NOTES 1 TO 40**

**As per our attached report of even date  
For Pramod & Associates**  
Chartered Accountants  
Firm Reg. Number – 001557C

**For and on behalf of Board of Directors  
DAKSHIN GUJARAT VIJ COMPANY LIMITED**

**(ABHISHEK DALMIA)**  
Partner  
Membership No : 403936

**( RAJ GOPAL, IAS)**  
Chairman

**(H.S.PATEL, IAS)**  
Managing Director

**(M.B.PARIKH)**  
General Manager (F&A)

**(VIRAL VORA)**  
Company Secretary

**PLACE : GANDHINAGAR  
DATE : 06-09-2012**

**PLACE : GANDHINAGAR  
DATE : 06-09-2012**

