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# GUJARAT URJA VIKAS NIGAM LIMITED

5<sup>th</sup> Annual Report 2008-09

## BOARD OF DIRECTORS

Shri D.J.Pandian, IAS	Chairman (w.e.f. 10-12-09)
Shri S. Jagadeesan, IAS	Chairman (from 16-12-08 to 09-12-09)
Shri Tapan Ray, IAS	Director (From 25-07-06 to 15-12-09)
Shri Atanu Chakraborty, IAS	Director (w.e.f. 16-12-09)
Shri P. H. Rana	Director (Technical)
Shri L. Chuaungo, IAS	Managing Director

## IG OF POLICE (SECURITY)

Shri Sanjay Srivastava, IPS

## EXECUTIVE DIRECTOR (FINANCE)

Shri S.B.Khyalia

## VICE PRESIDENT (CO-ORDINATION)

Shri Dinesh Patel, GAS

## COMPANY SECRETARY

Shri Parthiv Bhatt

## BANKERS

UCO Bank	Canara Bank
State Bank of India	Allahabad Bank
Bank of India	Syndicate Bank
Central Bank of India	Bank of Baroda
Union Bank of India	Indian Overseas Bank
Dena Bank	The Karur Vysya Bank Ltd.
Indian Bank	
Vijaya Bank	

## SR. EXECUTIVES

1. Shri K.M. Shringarpure  
General Manager (F &A)
2. Shri K. K. Soni  
General Manager (HR)
3. Shri P. A. Shah  
Chief Engineer (Tech.)

## AUDITORS

M/s Shah Mehta & Bakshi  
Chartered Accountants,  
Vadodara.

## REGISTERED OFFICE

Sardar Patel Vidyut Bhavan  
Race Course  
Vadodara - 390 007  
Phone: 0265-2310582-86, Fax: 0265-2337918  
Web Site :

## SUBSIDIARY COMPANIES

1. Gujarat State Electricity Corp. Ltd
2. Gujarat Energy Transmission Corp. Ltd
3. Uttar Gujarat Vij Co. Ltd.
4. Dakshin Gujarat Vij Co.Ltd
5. Paschim Gujarat Vij Co.Ltd
6. Madhya Gujarat Vij Co. Ltd.



## NOTICE OF ADJOURNED FIFTH ANNUAL GENERAL MEETING TO SHAREHOLDERS

NOTICE is hereby given that the Adjourned Fifth Annual General Meeting of the Members of Gujarat Urja Vikas Nigam Limited will be held (at Shorter Notice) on Monday, the 8<sup>th</sup> Febtuary, 2010 at 5.30 P.M. at the Registered office of the Company at Sardar Patel Vidyut Bhavan, Race Course, Vadodara-390 007 to transact the following business of Original Annual General Meeting held on 29<sup>th</sup> December,2009.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit & Loss Account for year ended on that date and the Reports of the Board of Directors, Statutory Auditors and the Comments of the Comptroller and Auditor General of India thereon.

By Order of the Board

Date : 05-02-2010  
Place : Gandhinagar

Parthiv Bhatt  
Company Secretary

### REGISTERED OFFICE :

Sardar Patel Vidyut Bhavan  
Race Course  
Vadodara – 390 007

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective must be received by the Company at its Registered Office not later than 48 hours before the time for holding of the meeting.



# GUJARAT URJA VIKAS NIGAM LIMITED

5<sup>th</sup> Annual Report 2008-09

## NOTICE OF FIFTH ANNUAL GENERAL MEETING TO SHAREHOLDERS

**NOTICE** is hereby given that the **Fifth Annual General Meeting** of the Members of Gujarat Urja Vikas Nigam Limited will be held (at shorter notice under section 171(2)(i) of the Companies Act ,1956, pursuant to consent received from all the members) on **Tuesday, the 29<sup>th</sup> December, 2009 at 1.30 p.m. at the Registered office of the Company at Sardar Patel Vidyut Bhavan, Race Course, Vadodara-390 007** to transact the following business:

### ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit & Loss Account for year ended on that date and the Reports of the Board of Directors, Statutory Auditors and the Comments of the Comptroller and Auditor General of India thereon.
- 2 To decide the remuneration payable to Statutory Auditors appointed by the Comptroller and Auditor General of India( C&AG), New Delhi for the financial year 2009-10.

By Order of the Board

Date : 19-12-2009

Place : Vadodara

Parthiv Bhatt  
Company Secretary

### REGISTERED OFFICE :

Sardar Patel Vidyut Bhavan  
Race Course  
Vadodara – 390 007

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective must be received by the Company at its Registered Office not later than 48 hours before the time for holding of the meeting.
3. The present Statutory Auditors M/s Shah, Mehta & Bakshi., Chartered Accountants, Vadodara were appointed by the Office of the Comptroller and Auditor General of India (C & AG) for F.Y.2008-09 . M/s. S.C. Bapna & Associates, Chartered Accountants, Vadodara have been appointed as the Statutory Auditors of the Company for the financial year 2009-10 by the office of C & AG as the Company continues to attract the provisions of Section 617 read with the provisions of section 619 (2) of the Companies Act, 1956. As per the provisions of the section 224(8)(aa) of the Companies Act remuneration of Statutory Auditors appointed by the C&AG of India shall be fixed by the Company in General Meeting or in such manner as the Company in General meeting may determine.



## DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the **FIFTH ANNUAL REPORT** together with Audited Accounts for the Fifth Financial Year ended 31<sup>st</sup> March, 2009.

### POWER SECTOR REFORMS:

The State of Gujarat had taken initiatives in power sector reforms by passing the Gujarat Electricity Industry (Re-organization & Regulation) Act, 2003, the key highlights of the Act are:-

- ▶▶ Regulation of the Power industry by an independent body called Gujarat Electricity Regulatory Commission (GERC).
- ▶▶ Unbundling of erstwhile Gujarat Electricity Board into One Holding Company, One Generation, one Transmission and four Distribution Utilities.
- ▶▶ Setting up of specific benchmarks for customer service.
- ▶▶ Setting up of standards of system efficiency.
- ▶▶ Deterrent measures for achieving reduction of power theft.

The efforts of the Govt. of Gujarat have yielded results and it has been one of the best performing states in the Power Sector during the past four years.

### FINANCIAL RESULTS:

The Company was operationalized w.e.f. Financial Year 2005-06. The Company has continued the efforts to sustain the performance and growth momentum during the subsequent years. The financial results of the F.Y. 2008-09 are as under:

Particulars	Rs. in lakh 2008-09	Rs. in lakh 2007-08
Total turnover	1767829.09	1414744.66
Total expenditure	1767314.94	1414205.51
Profit Before Tax	514.15	539.15
Provisions for Income tax -		
- Fringe Benefit Tax	13.00	15.00
- Current	0.00	50.00
- Past Year	0.00	100.22
Profit after tax	501.15	373.93
Carried forward loss of erstwhile GEB	(62424.45)	(62798.38)
Balance carried to Balance Sheet	(61923.30)	(62424.45)



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During year 2008-09, due to increase in fuel surcharge in the last quarter of the previous year and Govt's decision to not to pass on incremental fuel surcharge burden to all categories of consumers in first two quarters of the year resulted into incremental subsidy requirement. However, the existing budget provision for FPPPA Subsidy was found to be inadequate to meet this incremental requirement which led the Company to borrowings at the then prevailing higher rate of interest to honour the committed liabilities on time & to maintain uninterrupted power supply.

As a result, there is marginal reduction in profit before tax as compared to the previous year. Considering the total income of Rs. 17,67,829 lakhs and total expenditure of Rs. 17,67,315 lakhs the Company has earned Profit Before Tax of Rs. 514 lakhs as against Rs. 539 lakhs in the previous year. Since the Income Tax Act provides for payment of Minimum Alternate Tax (MAT) on book profit net off Dividend Income, considering the Dividend Income of Rs.1,117 lakhs, there is no liability towards MAT and accordingly no provision is made for MAT. However a provision of Rs. 13 lakhs towards Fringe Benefit Tax is made as per the provisions of the Income Tax Act thereby leaving a Profit After Tax of Rs. 501 lakhs as against Rs. 374 lakhs in the previous year. Since the Company inherited a loss of Rs. 73724 lakhs from erstwhile GEB, despite net profit for the 4 consecutive years, the Company has to carry forward a loss of Rs. 61,923 lakhs.

## SHARE CAPITAL:

During the year 2008-09 61,20,43,000 equity shares of Rs.10/- each were allotted to Govt. of Gujarat on 10-06-08 against capital contribution to GUVNL in lieu of Jyoti Gram Yojana financial assistance. Further 6,56,37,900 equity shares of Rs. 10/- each were allotted to Govt. of Gujarat on 29-11-08 against the capital contribution to GUVNL for capital infusion in Subsidiaries (GSECL) vide GR No. GSE-1107-3252-K (Part file) dated 7-10-08 and 4-11-08. With this the paid up capital as on 31-03-09 is Rs. 3262,30,95,950/-.

## SECTORAL PERFORMANCE:

This is the 4<sup>th</sup> year post operationalization of the Companies. The performance of GUVNL and its subsidiary companies (sector) as a whole is stable. The Sector continued various measures to improve the financial health as well as the internal efficiencies. However due to high expenditure on fuels and its impact on consumers through higher fuel surcharge, it was decided to defer the recovery of fuel cost and as a result , the sector has been able to book a profit after tax of Rs. 12,597 lakhs for the year 2008-09 as against profit of Rs. 10,240 lakhs for the year 2007-08. A summarized sectoral performance is given hereunder:

Sr. No.	Particulars	Rs. in lakh 2008-09	Rs. in lakh 2007-08
1.	Total Turnover	2009212	1626856
2.	Total Expenditure	1994337	1614632
3.	Profit before tax	14875	12224
4.	Provision for income tax:		
	Current	1726	1632
	Fringe benefit	549	349
	Wealth tax	3	3
5.	<b>Profit after tax</b>	<b>12597</b>	<b>10240</b>



## DIVIDEND:

The company being in consolidation phase and having carried forward losses your Directors do not recommend any dividend on Equity Shares for the financial year 2008-09.

## INDUSTRY OVERVIEW:

Reliable power at reasonable rate is a basic infrastructure required for any meaningful socio-economic development. However, being highly capital intensive in nature, mobilizing adequate financial resources at competitive cost for developing generation, transmission and distribution infrastructure has always been a challenge for the Power Sector; and this has been a major factor that contributed to less than required generation and transmission capacity addition in the Country. Although electricity generation has increased substantially in recent years, the demand for electricity in India is still substantially higher than the available supply. The data of Nation as a whole with respect to gap between demand and supply is given in following table:

Fiscal Year	Energy Requirement (Million units)	Energy Availability (Million units)	Energy Shortage	
			(Million units)	%
2004-05	591373	548115	43258	7.3
2005-06	631554	578819	52735	8.4
2006-07	690587	624495	66092	9.6
2007-08	737052	664660	72392	9.8
2008-09	777039	691038	86001	11.1

Source: - Ministry of Power Annual Report 2008-09.

## OPERATIONS:

The total generating capacity of the various sources at the beginning of the year 2008-09 was 9492 MW. The total installed power generating capacity in the state at the end of year 2008-09 was as under:-

### IN MW

Sr. No	PLANTS	GSECL	Pvt. Sector	Central Sector	Addition during the year	Total Gujarat
1	Thermal	3865	900	1095	367	6227
2	Gas	354	1516	424	5	2299
3	Nuclear	-	-	559	-	559
4	Hydro	547	-	232	-	779
5	<b>Total</b>	<b>4766</b>	<b>2416</b>	<b>2310</b>	<b>372</b>	<b>9864</b>

During the year 2008-09, in Central Sector, Sipat Thermal Power Project stage-II and Kahalgoan Thermal Power Project stage –II were commissioned, from which Gujarat has share of 273 MW and 94 MW respectively. Further, GIPCL has increased installed capacity for stage –II Gas based Project by 5 MW i.e. from 160MW to 165 MW. Thus, net capacity addition was 372 MW during F.Y. 2008-09.



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The installed capacity of Wind Turbine Generator at the end of year 2008-09 was 1463 MW as against 1185 MW in the beginning of the year.

Further, GUVNL has signed the following Power Purchase Agreements with Independent Power Producers:-

<b>SR. NO</b>	<b>Name &amp; location of IPP</b>	<b>Fuel</b>	<b>Capacity ( in MW)</b>	<b>Date of signing of the PPA</b>
1	Gujarat State Energy Generation Ltd., Hazira	Gas	351.43	18th June 2008
2	Gujarat Industries Power Company Ltd., Mangrol, Surat	Lignite	250	1st October 2009

Moreover, 375 MW unit of Utran Gas based power project of GSECL from which GUVNL has full allocation as per PPA was commissioned on 7<sup>th</sup> November, 2009.

## **PURCHASE OF POWER:**

The total purchase of power during the year 2008-09 from various sources was as under:-

<b>Sr. No.</b>	<b>Name of Agency</b>	<b>MUs</b>
1	NPC	2275
2	NTPC	12961
3	SSNNL	363
4	UI OVERDRAWAL	773
	<b>TOTAL CENTRAL SECTOR (1 to 4)</b>	<b>16372</b>
5	GSEG	951
6	GIPCL – Stage II	1095
7	GIPCL – SLPP	1549
8	GMDC	926
9	GSECL	25998
	<b>TOTAL STATE SECTOR (5 to 9)</b>	<b>30519</b>
10	ESSAR	1736
11	GPEC	3917
	<b>TOTAL IPPs (10 to 11)</b>	<b>5653</b>
12	BILATERAL PURCHASE	985
13	POWER EXCHANGE	3
14	WIND FARMS	1306
15	OTHERS – CPP etc	933
	<b>TOTAL POWER PURCHASE</b>	<b>55771</b>





## CLIMATE CHANGE INITIATIVES DURING THE YEAR 2008-09:

As a step towards addressing the climate change issue, as a small beginning, GUVNL has executed 64 number of Power Purchase Agreement with various developers for purchase of power from renewable sources during the year 2008-09.

Sources	Numbers of PPA	Capacity (In MW)
Wind Farms	61	240
Solar	1	5
Mini / Small Hydel	2	4
<b>TOTAL</b>	<b>64</b>	<b>249</b>

## SALE OF POWER:

The details of power sold to various DISCOMs and licensees during the year 2008-09 are as under:-

Sr. No.	Name of Licensee	MUs
1	DGVCL	10324
2	UGVCL	13512
3	PGVCL	19189
4	MGVCL	6668
5	Torrent Power, Ahmedabad	1487
6	Torrent Power, Surat	3064
7	Kandla Port Trust	14
<b>8</b>	<b>Total</b>	<b>54258</b>

GUVNL has exported 553 MUs amounting to Rs 33,300 lakhs at the average rate of Rs 6.03 per unit under Unscheduled Interchange and 462 MUs amounting to Rs 35,700 lakhs at the average rate of Rs 7.71 per unit through bilateral agreements in short term market during the year 2008-09.

## FORAY OF GUVNL IN POWER EXCHANGES:-

Central Electricity Regulatory Commission notified the guidelines for setting up and operation of Power Exchange and has granted permission to two Power Exchanges namely Indian Energy Exchange and Power Exchange of India Ltd for trading of power on day ahead basis.

In wake of the competitive scenario where power sector is moving from the present electricity market of long term power purchase agreements (PPAs), short term agreements, bilateral markets and UI to one which encompasses all these along with a common electricity market place for standard contracts with a nationwide reach, assuring a better price and payment security.

The power exchange, being a demutualised, nationwide, electronic exchange offering an instrument to hedge price risk more efficiently at a reasonably priced cost where the focal point is to ensure fair trade practices, to increase market reliability, to help distribution licensees in precisely adjusting



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portfolio as a function of consumption or generation profile and make the sector more pulsating and unlock untapped power sources like captive, co-generation and renewable for selling of power.

CERC accorded approval to IEX to commence its operations and 27<sup>th</sup> June 2008 marked its presence in the history of Indian Power Sector as Indian Energy Exchange Ltd (IEX), India's first-ever power Exchange goes LIVE from 27<sup>th</sup> June 2008 where as Power Exchange India Ltd started functioning from 22<sup>nd</sup> October 2008.

Since past few years, GUVNL is actively purchasing and selling power in short term power market through Traders under bilateral agreements, where the oscillation in price and quantum of power is very high. GUVNL took the major foray by becoming the Trading cum Clearing Member of Power Exchange India Ltd and Member of Indian Energy Exchange. This will help GUVNL to purchase power for short term requirement and sell of, as and when available, surplus power at a competitive tariff.

During the year GUVNL has sold 313 MUs through Power Exchange amounting to Rs. 24,900 lakhs at the average realization rate of Rs. 7.95 per unit.

### **THIRD ROUND OF COMPETITIVE BID FOR PURCHASE OF LONG TERM POWER:-**

To meet the requirement of power beyond 2016-17, GUVNL has initiated third round of Competitive Bid for tie up of 3000 MW  $\pm 20\%$  on long term basis in which 35 parties have shown interest by registering with GUVNL for participation up to 14<sup>th</sup> August 2009. Now these parties will submit the price bid on 11<sup>th</sup> January, 2010.

### **SALE OF SURPLUS POWER THROUGH SHORT TERM SALE AGREEMENTS:**

During lean load period, night hours etc, GUVNL has sold 462 MUs amounting to Rs 357 Crores at the average realization rate of Rs 7.71 per unit through various Traders to other States in order to achieve maximum utilization of resources. The rate for sale of power is invited through competitive bidding process.

GUVNL is able to increase the quantum of sale of surplus power by way of appropriate planning and better load management. Also the generating stations are used to full generation capabilities so as to achieve maximum PLF.

### **TRANSMISSION CHARGES**

GUVNL also pays for the transmission of the power within the State to Gujarat Energy Transmission Corporation (GETCO) which is the Company responsible for transmission of power. The transmission charges for transmission of power from the Central Sector Generating Stations through the Central Transmission Utility – PGCIL owned lines are determined by the Central Electricity Regulatory Commission and GUVNL is sharing the transmission charges in accordance with the methodology specified by the CERC under the Regulations for Terms & Conditions of tariff as amended from time to time.

### **PROGRESS OF VARIOUS GOVT. SCHEMES :**

#### **I. ELECTRIFICATION UNDER TRIBAL AREA SUB-PLAN :**

Electricity is a basic requirement for establishing the infrastructure in the developing economy leading to socioeconomic transformation in the Rural Area. The Distribution Companies of Gujarat Urja Vikas Nigam Ltd. undertake the work of Rural Electrification in the Tribal Areas under Tribal Area Sub-Plan(TASP). The TASP scheme is financed by State Government for electrification of villages and also extensive electrification of petaparas of the villages electrified earlier. From the year 1998-99 Govt. is providing grant under this scheme for electrification of petaparas and Agricultural wells. All inhabited tribal villages feasible for electrification have



also been electrified along with 100% village electrification in the State.

Grant of Rs. 14900 lakhs was given to GUVNL for the year 2008-2009 to electrify 13790 Nos. of wells and 180 Nos. of petaparas. Against this at the end of March-09, 10700 wells and 171 Nos. of petaparas were electrified at a cost of Rs. 14900.05 lakhs. Thus GUVNL has achieved 100% financial target under this scheme.

## **II. KUTIR JYOTI SCHEME**

Gujarat Government is providing grant to give single point residential lighting connection in Tribal area free of cost. The BPL family or family whose annual income is less than Rs. 11,000/- is eligible to avail single phase lighting connection. The list of beneficiaries is to be prepared by Project Officer for Tribal area and to be submitted to GUVNL. Kutir Jyoti connection is given to the beneficiary house hold situated up to 100 meters from the existing low tension line. Beneficiary has to pay the energy bill. This scheme is in operation from the year 1990-91.

Grant of Rs. 1900 lakhs was given to GUVNL to electrify 76000 Nos. of Kutir Jyoti connection for the year 2008-09. Against this at the end of March-09, 74811 Nos of Kutir Jyoti connections were given at a cost of Rs. 1900.1 lakhs. Thus GUVNL has achieved 100% financial target under this scheme.

## **III. HOUSEHOLD ELECTRIFICATION OF PRIMITIVE TRIBE.**

This is a special scheme formulated and implemented by State Govt. for the Primitive tribal group who remain isolated from the main stream society. New scheme is formulated to electrify only house hold of primitive tribe. Rs. 530 lakhs was given as grant to GUVNL to electrify 13033 Nos of house hold of primitive tribe for the year 2008-09. Against this at the end of March-09, 12885 Nos of Primitive house hold connections were given at a cost of Rs. 530.04 lakhs. Thus GUVNL has achieved 100% financial target under this scheme.

## **IV. ZUPADPATTI SCHEME**

To meet the basic requirement of poor families in Gujarat State, Government of Gujarat sponsored Zupadpatti Scheme (Hutments). Under this scheme, single phase connections with one point wiring is being given free of cost with CFL bulb. The BPL beneficiaries and family whose annual income is less than Rs. 11,000/- is eligible to avail single phase lighting connection. The list of beneficiaries is to be prepared by District Social Welfare Officer/ Taluka Panchayat for rural area and Chief Officer / Municipal Commissioner for Urban area and to be submitted at concerned field office of DISCOM. List of beneficiaries is prepared at local level by above authority by collecting Registration Fees. For rural area the beneficiaries have to pay Rs. 50/- and for urban area the beneficiaries have to pay Rs. 100/- as registration fees. The beneficiaries will have to pay the energy bills for energy utilized regularly as per the company's norms.

196520 connections have been given at a cost of Rs. 7299.06 lakhs during 2008-09 against target of 197871 with an outlay of Rs. 7298.92 lakhs.

## **V. SPECIAL COMPONENT PLAN SCHEME :**

For electrification of Schedule Caste Localities, State Govt. is allocating the fund as grant to GUVNL every year for implementing the programme under Special Component Plan. From the year 1998-99, this fund is being made available to GUVNL. The electrification (including intensive electrification) is being carried out every year in the localities from where demands are coming.



During the year 2008-09, 7593 Nos. of house hold of scheduled caste beneficiaries have been electrified at a cost of Rs. 268.35 lakhs.

## **VI. RAJIV GANDHI VIDYUTIKARAN YOJANA (RGGVY)**

Under this Central Government Scheme, Rural Electrification Corporation will provide 90% of the expenditure as subsidy and 10% as soft loan to State Government. State Government has to provide analogous electricity to urban and rural areas. The financial assistance is provided for electrification of villages, petaparas. All Below Poverty Line families will be considered under the scheme and they are provided electricity connection free of cost. Electrification of all beneficiaries will include one point wiring in the house with one CFL bulb. The beneficiaries have to pay the bills for energy utilized regularly as per the company's norms.

During the year 2008-09, 78358 BPL house holds have been electrified.

## **VII. SAGARKHEDU SARVANGI VIKAS YOJANA**

Humidity and the saline atmosphere of the Coastal area cause corrosion of Conductors, corrosion of Poles, , failure of Disk and Pin insulators, corrosion of Distribution Boxes and service lines etc. which affect the quality of power supply. Therefore to improve the infrastructure and uplift the life of the people living in the coastal belt, State Government has declared " Sagarkhedu Sarvangi Vikas Yojana". This Scheme is a 12 point Programme. Energy Development is one of them. This Scheme covers 12 Coastal Districts of Valsad, Navsari, Surat, Bharuch, Anand, Ahmedabad, Jamnagar, Junagadh, Porbandar, Kutchh, Bhavnagar and Amreli comprising of 38 Talukas. Under this scheme activities such as Strengthening of Distribution line , Strengthening of Transmission Line with Replacement of Conductors, Erection of new 66 KV Substations are carried out. Due to these activities people residing in coastal belt get benefit such as noticeable reduction in line faults, availability of quality power supply at adequate Voltage, reduction in losses to the Industries in coastal area, reduction in accidents due to breakage of Conductors, reduction in Transformer failure and reduction in burning of electric motors, reduction in maintenance cost of lines, reduction in Transmission and distribution losses.

During the year 2008-09, Rs. 8002.12 lakhs have been spent for replacing distribution line with poles, strengthening of Transmission lines and creation of new 66 KV sub stations.

## **VIII. REPLACEMENT OF EXISTING PUMP SETS BY ENERGY EFFICIENT PUMPS**

As part of energy conservation and demand side management, project for replacement of existing pump sets of farmers with Energy Efficient pump sets to reduce the power demand in Ag. Sector is taken up. With this measure it is possible to achieve 10 to 15 % energy savings. The project is proposed for implementation on tripartite basis and the project cost to be shared equally by the State Govt., DISCOM & Ag. Consumer, who is willing to take benefit under this scheme. This project is proposed in Vijapur, Mehsana & Visnagar Taluka of Mehasana District, Mansa Taluka of Gandhinagar District, Himatnagar & Prantij Taluka of Sabarkantha District, Halvad Taluka of Surendranagar District, Deesa, Dhanera & Kankrej Taluka of Banaskantha District and Amreli taluka of Amreli District.

During the year 2008-09, 419 existing pump sets were replaced by Energy efficient pump sets at cost of Rs. 264.84 lakhs having Contribution from consumers-Rs.98.80 lakhs, DISCOMs-Rs.83.02 lakhs & GOG- Rs.83.02 lakhs.

## **IX. JYOTI GRAM YOJANA**

The Jyoti Gram Yojana (JGY) is a scheme by Government of Gujarat to make available three phase quality power supply for 24 hours to all the villages and their Hamlets for non-



agricultural activities while ensuring improved quality power supply to agriculture implemented in a record time of just 30 months! The scheme started in September 2003 and completed by March 2006. The scheme involved laying of a parallel rural distribution network across the state to separate agricultural consumers to facilitate load management and regulate agricultural consumption without affecting power supply to other consumers by laying 78,454 Kilometers of new lines, 1904 No's of JGY Feeders, 18,724 nos of new transformer centres and 3487 Special Design Transformers have been installed. All 18000 villages are covered under the scheme with a total expenditure of Rs. 129029.72 lakhs out of which Rs. 111037.43 lakhs is the contribution from GOG. Thus all 18000 villages have benefited from the scheme.

## **X RESTRUCTURED ACCELERATED POWER DEVELOPMENT AND REFORMS PROGRAMME. (RAPDRP) UNDER XITH PLAN**

The RAPDRP schemes are to be implemented in towns during XI Five Year Plan as per GoI notification dated 19.09.2008. The RAPDRP scheme is divided in to three parts i.e. Part-A, Part-B and Part C. The part-A consists of establishing base line data for converting existing system in to IT base, including consumer indexing, DTR metering etc. This part is to be implemented within 3 years to avail the benefit of loan as grant; otherwise it will be treated as loan only. Part-B consists of renovation, modernization and strengthening of 11 KV system including Reconductoring, load bifurcation, feeder separation, HVDS, Replacement of Electro Magnetic energy meters with tamper proof electronic meters along with strengthening of weak sub transmission system, if required. The loan shall be converted in to grant up to 50% if target of AT&C loss is achieved in the project areas and the project is completed within stipulated time; otherwise it will be treated as a part of central assistance to State. Part C is to be implemented by MOP / PFC.

The provision under RAPDRP for nation as whole, towards Part A is Rs. 10,000 Crs, Part B Rs. 40,000 Crs and Part C Rs. 1177 Crs. during the 11<sup>th</sup> Five Year Plan. The nodal agency for implementing RAPDRP is Power Finance Corporation Limited - PFC, New Delhi. The subsidiary companies of Gujarat Urja Vikas Nigam Ltd i.e. Dakshin Gujarat Vij Company Limited (DGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Paschim Gujarat Vij Company Limited (PGVCL), Uttar Gujarat Vij Company Limited (UGVCL) are entitled for Part A and Part B.

Accordingly all the four DISCOMs have submitted their proposals for Part A of RAPDRP to Power Finance Corporation Ltd., Ministry of Power New Delhi on 10.02.2009.

During the year 2008-09, partial approval for Part A projects of MGVCL amounting to Rs. 4737 lakhs has been received from PFC Ltd. New Delhi vide their letter-dated 27.02.2009 and an amount of Rs. 1353 lakhs is received.

### **AWARDS/PRIZES:**

**The State of Gujarat and GUVNL and Subsidiary Companies received various awards/prizes for various achievements in the Energy Sector. The details are given hereunder :**

- ▶ FALCON STRATEGIS ADVISORS (INDIA) has conferred **ENERTIA AWARD-2009** to subsidiary Company MGVCL considering excellent performance in the area of Reduction in Distribution Losses, Reduction in Transformer Failure Rate as well as Continuous and Qualitative Power supply on 28.11.2009,.
- ▶ State of Gujarat has won Power India Excellence Award 2009 at the 11<sup>th</sup> International Exhibition and Conference organized by India Tech Foundation for excellent work in Power Sector Reforms and Initiatives at the function held at Mumbai on 25-11-09.



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- ▶▶ Uttar Gujarat Vij Company Ltd. awarded Trophy under Second India Power Award 2009 for overall utility performance under AG dominant category by Council of Power Utilities at New Delhi on 17-11-09.
- ▶▶ GUVNL has bagged CSI- Nihilent e-Governance Award 2008-09 for the Project Category of Implementation of Information Security Management System (ISMS) Project in GUVNL & its subsidiary companies.
- ▶▶ Trophy and First Prize received by Subsidiary Company Uttar Gujarat Vij Company Ltd. on 24-02-09 for excellent work in Rural electrification awarded by Indian Electrical & Electronics Manufacturers Association (IEEMA)
- ▶▶ Trophy and Prize received by Subsidiary Company Madhya Gujarat Vij Company Ltd. on 24-02-09 for excellent work in the field of electricity distribution in Urban and Rural areas awarded by Indian Electrical & Electronics Manufacturers Association (IEEMA)
- ▶▶ Golden Shield awarded by Ministry of Power, Government of India at Delhi on 10-02-09 to GETCO for completion of 220 KV Rajpar sub-station in Surendranagar district in record time.
- ▶▶ Jyoti Gram Yojana of the State of Gujarat received "India Power Award -2008" at New Delhi on 3-11-08 from Council of Power Utilities for excellent work in the field of Rural Electrification.

## **E-URJA PROJECT:**

### **END-TO-END IT SOLUTION FOR GUVNL AND ITS SUBSIDIARIES**

After implementation of e-Urja system at all locations across GUVNL and all subsidiary companies, and a special drive to enter all transactions through the system, the focused attention of all users was drawn at sustained usage of the system during the year 2008-09.

Following Major activities related to the Project have been carried out during the year:

- ▶▶ A major thrust kept on 100% transactions through the system, for all the modules related to business activities of all companies and reinforcement of e-Urja system.
- ▶▶ For ensuring that all the day-to-day transactions and their approval could be completed in reasonable time monitoring the processes and taking remedial actions was undertaken on ongoing basis.
- ▶▶ Activities performed such as work flow purging and performance tuning of custom queries. A significant improvement in process time achieved for number of processes resulting into reduced time of 30 seconds from 20-30 minutes.
- ▶▶ Finalization of Information Technology Policy for GUVNL and subsidiary companies.
- ▶▶ Oracle database 10g administration workshop II training from 21.07.08 to 25.07.08 at GETRI for 18 participants of GUVNL and its subsidiary companies. 5 days Oracle training on "Building OA Framework Applications Ed 1.1. Training envisaged to provide an overview of the architecture of Oracle module with hands-on practice so as to enable the users to understand fundamental concepts and achieve self independence in operation.
- ▶▶ A seminar sponsored by Oracle, on Cyber crime security and Legislation was arranged in July-08. Retd. Chief Justice of Gujarat High court, IG (Security), Microsoft Security specialist and Cyber Law consultant & Advocate were the faculties on various topics such as Cyber Law and Cyber crime, Indian Cyber Law, The Information Technology Act 2000 & Most Common techniques to commit computer related fraud and abuse.





- ▶ DISCOMs continued to use e-Urja as well as legacy system in parallel as rollout of e-Urja fully in all 490 sub divisions is under progress. Modification of e-Urja billing and bringing it at par with legacy system in all respect is on hand. On successful completion of matching both the systems, switch over plan to e-Urja shall be prepared and implemented during the year.
- ▶ Management Dashboards, MIS reports and GERC reports for Utility Billing developed for DISCOMs. Interface between HT/LT Billing to CRM & AR is under development.
- ▶ Actions initiated for Business Continuity Plan & setting up of Disaster Recovery Site.
- ▶ The existing Band width capacity of PGVCL, Corporate office of Rajkot to GUVNL, Baroda has been increased from 8 Mbps to 12 Mbps of BSNL and 2 Mbps to 4 Mbps of Tulip. 60 nos. of Leased Circuits added along with additional equipments from BSNL.
- ▶ The internet bandwidth increased from total 8 Mbps to 12 Mbps for catering the requirement of e-payment and faster access of internet.
- ▶ To ensure that e-Urja is used 100% for all the activities and to achieve end to end usage, Period Closure activity completed till March 09 in respect of Modules viz. Accounts Receivable (AR), Purchase Orders (PO), Inventory (INV.), Projects (PRJ), whereas in case of Fixed Assets (FA) and General Ledger (GL) it is under progress.
- ▶ Actions have been initiated to implement Online Payment solution for consumers and integrate it with e-Urja system called "e-billing".
- ▶ In Datacenter actions have been initiated to improve performance of servers by adding more computing power.

## GETRI ACTIVITIES :

Gujarat Energy Training and Research Institute (GETRI) is an autonomous institute promoted by Gujarat Urja Vikas Nigan Limited and its group companies and registered under Bombay Public Trust Act. This institute has been established with a view to provide a platform for continuous development of employees supported by research and documentation of best practices needed in the modern era. The Institute decided vision, mission and goals and is continuously striving to achieve the same.

### Achievement : 2008-09

Sr. No.	Particulars	No. of Training Programmes	No. of Employees Trained
01	GETRI	267	5961
02	Generation Trg. (WTPS)	104	2686
03	GEKCs -(1-GETCO & 8-DISCOMs)	616	16029
04	Other In house Training	66	2707
05	External Training	215	818
	<b>TOTAL</b>	<b>1268</b>	<b>28201</b>

- ▶ GETRI has trained 28201 (with 54672 man-day training) employees of GUVNL and its group companies during 2008-09 against its target of 25000.
- ▶ Wanakbori TPS Training Centre has been accredited by Central Electricity Authority, New Delhi for a period of two years w.e.f. August, 2008.
- ▶ GETRI has obtained accreditation from Central Electricity Authority, New Delhi for a period of three years w.e.f. from 9 January, 2009.



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- ▶ GETRI has obtained recognition from Gujarat University, Ahmedabad for commencing Post Graduation Diploma course in:
  - A) Power Management
  - B) Value Added Tax and Central Excise (Part-time)
- ▶ GETRI has conducted seven special batches for the staff of Chief Electrical Inspectorate, GoG.

GETRI publishes quarterly News magazine "Energy Next" and launched its own Website \_\_\_\_\_ for the benefit of people.

## **HUMAN RESOURCES :**

The Human Resources being the most valuable asset the Company endeavors to provide an environment that each employee is motivated to contribute his/her best to achieve the Company's Goals/Objectives. The Company has taken series of proactive HR initiatives including need based training and development programmes with special emphasis on developing competencies of employees and thereby enhancing organizational effectiveness.

## **PAY REVISION :**

The pay revision for employees/officers of GUVNL and Subsidiary Companies was due w.e.f.1-1-2006. The negotiations with the representatives of Unions/Associations had begun from October 2008 and 13/14 rounds of meetings were held which concluded with a settlement signed on 30-06-2009. Accordingly General Standing Order (GSO)-1 regarding Revision of Pay Scales, Allowances and other terms and conditions of employment of employees/officers of GUVNL and Subsidiary Companies was issued on 1-7-2009. The Industrial Relations remained cordial.

## **STAFF WELFARE ACTIVITIES:**

For the best administration of any Company an officer/employee should have quality of better planning, greater involvement and deeper unity. Employee Welfare plays an important role to cultivate the above qualities and to motivate the employees. GUVNL has taken utmost care and given ample importance in the field of welfare activities. Apart from Statutory Welfare Provisions, the Company has given due importance to the non-statutory welfare activities. A good number of welfare activities have continued to be handled in GUVNL even for subsidiary companies for the sake of synergy, coordination and functional needs. The number of staff welfare activities were carried out during the year like sports, AIESCB tournaments, Grant to Employees Organization for cultural programmes, Inter Company Music Competition, Inter Company Drama Competition, Loans to Cooperative Society, Staff Voluntary Retirement Cum death Benevolent Fund Scheme-II, Merit Awards to the employees and their family members for their bright performance in the field of Education, Sports and Fine Arts, Sports Complex at Vidyutnagar Colony, Vadodara, Gymnasium at Corporate Office, Colony and GETRI ,yoga room, swimming pool etc.

## **DIRECTORS :**

During the period under review the Energy and Petrochemicals Dept., Govt. of Gujarat vide Resolution No. GUV-1108-1336 -K dated 10<sup>th</sup> December,2009 appointed Shri D.J.Pandian, IAS, Principal Secretary, E&P Dept. as the Chairman of the Company vice Shri S.Jagadeesan , IAS transferred. Further the Government of Gujarat, Energy and Petrochemicals Dept. has vide Govt. Resolution Number GUV-13-2009-706516-K dated 16<sup>th</sup> December,2009 appointed Shri Atanu Chakraborty, IAS, Secretary (Economic Affairs), Finance Dept, Govt. of Gujarat as Government nominee Director on the Board of Company vice Shri Tapan Ray ,IAS transferred.

Your Directors place on record their deep appreciation of the valuable contribution made by Shri





S.Jagadeesan, IAS during his tenure as Chairman of the Company and by Shri Tapan Ray, IAS during his tenure as Director of the Company.

## **AUDITORS:**

M/s S.C.Bapna & Associates, Chartered Accountants, Vadodara have been appointed as Statutory Auditors of the Company for F.Y.2009-10 by the office of Comptroller & Auditor General of India, New Delhi. As per the provisions of Section 224(8)(aa) of the Companies Act, 1956, remuneration of Statutory Auditors appointed by C&AG is required to be fixed by the Company in General Meeting.

## **AUDITORS' REPORT:**

The notes to the accounts referred to in Auditors' Report are self explanatory and therefore, do not call for any further comments pursuant to section 217(3) of the Companies Act,1956.

The Comments of the Comptroller & Auditor General of India pursuant to Section 619(4) of the Companies Act,1956 are awaited and the same shall be sent as soon as received along with management replies to each comment as an Addendum forming part of this Report.

## **COST AUDITORS:**

The Government of India, Ministry of Finance has issued Cost Audit Order under Section 233B of the Companies Act, 1956 to appoint Cost Auditor to audit the Cost Accounting Records and Books of Accounts maintained by the Company in respect of Electricity Industry. Accordingly, the Board of Directors appointed M/s. R.K.Patel & Co, Vadodara as Cost Auditors for the Financial Year 2008-09, which has been approved by the Central Government for auditing the Cost Accounts relating to Bulk Purchase and Sale of Electricity. The Cost Auditors have submitted the cost audit report for the Financial Year 2008-09 and the same has been filed with the Central Govt.

For the Financial Year 2009-10, the Board of Directors have re-appointed M/s. R.K. Patel & Co., Vadodara as cost Auditors of the Company to conduct the Cost Audit of the said product and it has also been approved by the Central Government.

## **SUBSIDIARY COMPANIES:**

The documents required to be attached to the Balance sheet of holding company and the statement referred to in sub section 3 of section 212 of the Companies Act,1956 shall be sent as an addendum forming part of this report in respect of following subsidiary companies. The Comments of C&AG are also awaited by all Six Subsidiary Companies on the date of this report and the same shall be sent as soon as received as an addendum forming part of this report.

- 1.Gujarat State Electricity Corp.Ltd.
- 2.Gujarat Energy Transmission Corp. Ltd.
- 3.Uttar Gujarat Vij Co.Ltd.
- 4.Dakshin Gujarat Vij Co.Ltd.
- 5.Paschim Gujarat Vij Co.Ltd.
- 6.Madhya Gujarat Vij Co.Ltd.

## **AUDIT COMMITTEE :**

Pursuant to Section 292 A of the Companies Act, 1956, the 'Audit Committee' is presently constituted consisting of the following Directors w.e.f. 19-12-09.

- |                                |          |
|--------------------------------|----------|
| 1. Shri D.J.Pandian, IAS       | Chairman |
| 2. Shri Atanu Chakraborty, IAS | Member   |
| 3. Shri P.H.Rana,              | Member   |



# GUJARAT URJA VIKAS NIGAM LIMITED

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The Audit Committee held its meetings on 29-11-08 and 21-03-09 during the year 2008-09. The Audit Committee has, at its meeting held on 08.10.09, reviewed and recommended Annual Accounts 2008-09 to the Board for approval which was approved by the Board.

## DISCLOSURES:

### (a) Particulars of Employees:

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

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

Since the Company is engaged in power trading business, the provisions are not applicable to the Company. However brief details of energy conservation measures taken through Discoms are given hereunder for information.

For the year 2008-09 a total budget provision of Rs. 3000 lakhs was made under Energy Conservation Programme. Under this, activities like replacement of existing Ag. Pumps with Energy Efficient Pump sets, Installation of APFC Panels, Kisan Hit Urja Shakti Yojana (KHUSHY-HVDS), IEC (Information, Education, Communication) were planned.

**The Energy Efficient Pump Sets Project** was implemented in selected 5 talukas of UGVCL & PGVCL as a pilot project. Later on, 6 more talukas were covered. Under this project, the HP Based Ag connections are offered the EE pump sets at 1/3<sup>rd</sup> of the total cost of the set. Balance 2/3<sup>rd</sup> amount is equally borne by Govt. of Gujarat & DISCOMS respectively. Approximately 10 to 15 % energy saving is achieved in each EE pump set which ultimately reduces the demand of Ag Load.

**Automatic Power Factor Control Panels** are installed at transformer center of Ag. Dominant Rural Feeders having high losses, in order to provide quality power supply to Agricultural Consumers. This has helped reduce T & D Losses to some extent & enhanced capacity of H.T. line & T/C. This has resulted in to overall system improvement by way of improvement of Power Factor & reduction in Reactive Power thereby saving in energy.

**KHUSHY** is a High Voltage Distribution System of installing smaller size of Distribution Transformers and thereby reduction of LT Lines up to negligible level by converting it into HV Line. In rural area the existing distribution system consists of 11KV Lines with lengthy 3 Ph 4 wire LT lines. In this system, the Line Losses are very high; Voltage profile and reliability are also unsatisfactory. To improve Voltage profile in rural area the small capacity of Distribution Transformers are to be installed by extending 11KV Line as possible as nearer to the load and Distribution Transformer of the capacity of 10, 16 KVA are erected and supply is released to consumer through a short length of LT Lines preferably through insulated overhead cables known as Aerial Bunched Cable (ABC)/PVC Cable. In Order to ensure pilferage proof system, one of several remedial measures is reducing LT line (System) being exposed to theft. The whole idea is to have Less LT system and gradually move on to LT Less system. Even the short LT Lines are to be laid using ABC /PVC Cables.

During the year 2008-09, 419 Nos. of existing pump sets were replaced by EE pump sets, 5802 Nos. of APFC panels installed & 37113 Nos. of small capacity transformers installed under KHUSHY. Total expenditure was Rs. 3000 lakhs.



For the year 2009-10, a total budget provision of Rs. 4227 lakhs has been made. As on 31<sup>st</sup> Oct'09, 4647 Nos. of existing pumps have been replaced by EE pump sets, 1130 Nos. of small capacity Transformers have been installed under KHUSHY. The total expenditure as on 31<sup>st</sup> Oct'09 is Rs.2254 lakhs.

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

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

**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, 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 made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the profit or loss of the Company for that period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions 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 have been prepared on a going concern basis.

**ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation of the valuable guidance, support and assistance received from the Ministry of Power, Govt.of India, Government of Gujarat, GERC and other Central and State Govt. Authorities/Departments, Banks, Financial Institutions, GSFS, GPCL,GIPCL and for the valuable services rendered by the employees of the GUVNL and its subsidiary Companies.

For and on behalf of the Board

Date : 19/12/2009  
Place : Vadodara

**D. J. Pandian**  
Chairman



# GUJARAT URJA VIKAS NIGAM LIMITED

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## ADDENDUM NO. 1 TO DIRECTORS' REPORT 2008-09

To,  
The Members,  
Gujarat Urja Vikas Nigam Ltd.

### Documents of Subsidiary Companies.

As required by section 212 of the Companies Act, 1956 the statement referred to in sub section 3 and the documents required to be attached to the Balance Sheet of holding Company are attached in respect of following Subsidiary Companies;

1. Gujarat State Electricity Corp.Ltd.
2. Gujarat Energy Transmission Corp. Ltd.
3. Madhya Gujarat Vij Co.Ltd.
4. Uttar Gujarat Vij Co.Ltd.
5. Dakshin Gujarat Vij Co.Ltd.
6. Paschim Gujarat Vij Co.Ltd.

The Comments of C&AG are also awaited by Subsidiary Companies except DGVCL on the date of this report and the same shall be sent as soon as received as an addendum forming part of this report.

**For and on behalf of the Board**

**D. J. Pandian**  
Chairman

Date : **24-12-2009**  
Place : **Gandhinagar**

**ADDENDUM NO. 2 TO DIRECTORS' REPORT 2008-09**

**To,  
The Members,  
Gujarat Urja Vikas Nigam Ltd.**

**A. Comments of Comptroller and Auditor General of India on the Annual Accounts of Gujarat Urja Vikas Nigam Limited ,Vadodara under section 619 (4) of the Companies Act,1956 for the year ended 31<sup>st</sup> March, 2009 and Replies of the Company.**

The Comments of Comptroller and Auditor General of India on the Annual Accounts of Gujarat Urja Vikas Nigam Limited ,Vadodara under section 619 (4) of the Companies Act,1956 for the year ended 31<sup>st</sup> March, 2009 and the Replies of the Company to each comment are attached to this addendum to the Directors' Report 2008-09.

**B. Documents of Subsidiary Companies.**

The documents in respect of Subsidiary Companies were already attached with an addendum dated 24-12-09 as required by section 212 of the Companies Act,1956 except the Comments of C&AG. The C&AG Comments are attached in respect of following Subsidiary Companies:

1. Gujarat State Electricity Corp.Ltd.
2. Gujarat Energy Transmission Corp. Ltd.
3. Madhya Gujarat Vij Co.Ltd.
4. Uttar Gujarat Vij Co.Ltd.
5. Paschim Gujarat Vij Co.Ltd.

**For and on behalf of the Board**

**D. J. Pandian**  
Chairman

Date : **05-02-2010**  
Place : **Gandhinagar**



# GUJARAT URJA VIKAS NIGAM LIMITED

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## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GUJARAT URJA VIKAS NIGAM LIMITED, VADODARA, FOR THE YEAR ENDED 31 MARCH 2009.**

The preparation of financial statements of GUJARAT URJA VIKAS NIGAM LIMITED for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is 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 8<sup>th</sup> October 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of GUJARAT URJA VIKAS NIGAM LIMITED for the year ended 31<sup>st</sup> March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies, Act 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

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

**Sd/-**

**(Dhiren Mathur)**  
Accountant General

Place : **Ahmedabad**  
Date : **20-01-2010**



Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the Accounts of Gujarat Urja Vikas Nigam Limited, Vadodara for the year ended 31<sup>st</sup> March 2009 and Replies of the Company.

Point No.	Comments of C & AG	Reply by Company
1.	<p><b><u>Comments on Profitability</u></b></p> <p><b>Other Income (Schedule 14)</b></p> <p><b>Rebate for prompt payment (Rs.279.48 crore)</b></p> <p>From the current accounting year 2008-09, the company has started following policy of recognizing the rebate in the year in which payment is made for power purchase.</p> <p>The above income is overstated by Rs.67.86 crore due to erroneous accounting of rebate for prompt payment for the power purchase bills of GSECL pertaining to FY 2008-09 availed in FY 2009-10 as a result of payment made during 2009-10. Consequently, profit for the year is overstated by Rs.67.86 crore.</p>	<p>The payment to GSECL in respect of Power Purchase and other transactions is always made in advance. The net effect of both these transactions is the amount receivable from GSECL at the end of every month. Since the Company has always made advance payment to GSECL, the rebate extended by GSECL is in order. Further, as per the AS-9 also since there was no significant uncertainty regarding amount of consideration that will be received in the form of rebate as there was always a debit balance (receivable) in the books of GUVNL in respect of GSECL, the prompt payment rebate for purchase of power is in order.</p>
2.	<p><b><u>Repairs and Maintenance (Schedule 16)</u></b></p> <p><b>Repairs and maintenance office equipment – Rs.0.06 crore</b></p> <p>The above balance is understated by Rs.6.41 crore due to annual technical support fees for E-URJA project for the period April, 2008 to February 2009, prepaid in February, 2008. This expenditure was erroneously debited to Profit and loss account in previous year instead of in the current year. Consequently, the above balance, as well as prior period income is understated and profit for the current year is overstated to that extent.</p>	<p>In the instant case, though the entry was correctly passed in the FY 2007-08 with proper Account Head, however due to operation of wrong Account Code the same was accounted as expenses for FY 2007-08 instead of pre-paid expenses.</p> <p>Since the expenditure was already accounted in the previous year, passing of the entry in FY 2008-09 would not have affected the P&amp;L account of the Company.</p>



# GUJARAT URJA VIKAS NIGAM LIMITED

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Point No.	Comments of C & AG	Reply by Company
3.	<p><b><u>Comments on Disclosure</u></b></p> <p><b>Disclosure of provision for gratuity.</b> Provision made for gratuity in the P&amp;L Account is Rs.48.46 lakh whereas difference between provisions for gratuity for the years 2007-08 and 2008-09 in the balance sheet can be worked out at Rs.11310.64 lakh. This discrepancy arises as Company is showing provision for gratuity in the balance sheet on consolidated basis (inclusive of provision for subsidiaries). This fact should have been disclosed properly in the notes forming part of the accounts.</p>	<p>Audit observation is noted for implementation in future after taking into account the taxation issues, if any.</p>

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

**Sd/-  
(Dhiren Mathur)  
Accountant General**

**Place : Ahmedabad  
Date : 20-01-2010**

**For and on behalf of Board of Directors  
Gujarat Urja Vikas Nigam Limited**

**Sd/-  
(D.J.Pandian, IAS)  
Chairman**

**Place : Gandhinagar  
Date : 05-02-2010**





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E-mail :

**SHAH  
MEHTA  
AND  
BAKSHI**

CHARTERED  
ACCOUNTANTS

## **AUDITOR'S REPORT**

We have audited the attached Balance Sheet of **GUJARAT URJA VIKAS NIGAM LIMITED**, as at 31<sup>st</sup> March, 2009 and also the annexed Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date. 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.

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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation; we believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Section 227 – (4-A) 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.
2. **FURTHER AND SUBJECT TO OUR COMMENTS IN THE ANNEXURE REFERRED TO IN PARAGRAPH 1 ABOVE.**
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account of the Company.



# GUJARAT URJA VIKAS NIGAM LIMITED

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- d) The Company being a Government Company, in view of the Notification No. GSR 829 (E) Dated 21<sup>st</sup> October, 2003 issued by the Government of India, the provisions of clause(g) of sub section (i) section 274 of the Companies Act, 1956 are not applicable to the Company.
- e) In our opinion the Profit and Loss Account, the Balance Sheet and the Cash flow statement dealt with by this report comply with the other Accounting Standards as referred to in the Section 211 (3C) of the Companies Act, 1956 and
- f) In our opinion and to the best of our information and according to the explanations given to us and read with the other notes appearing thereon, 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 the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and;
  - ii) In the case of the Profit and Loss Account of the profit for the year ended on that date.
  - iii) In the case of Cash flow statement, of the cash flow for the year ended on that date.

**For Shah Mehta and Bakshi  
Chartered Accountants**

**PLACE : VADODARA  
DATE : 08-10-2009**

**sd/-  
(J. P. Shah)  
Partner  
M. No. 33115**



**ANNEXURE TO THE AUDITORS REPORT  
(AS REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)**

1. a) The Company has compiled the fixed assets register in respect of Assets purchased / constructed as well as Assets of erstwhile GEB transferred to the Company under the Notification dated 03/10/2006 issued by the Government of Gujarat showing particulars including quantitative details, except that certain details such as location, identification no. etc of Fixed Assets are in the process of being updated.  
b) As informed, the fixed assets have been physically verified by the management twice during the current year for the first time. However the discrepancies noticed on physical verification is under process of reconciliation.  
c) No substantial part of the fixed assets has been disposed off during the year.
2. The company does not hold any inventory of goods. Accordingly sub clauses (a) (b) & (c) of clause (ii) are not applicable.
3. In our opinion and according to the information and explanation given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
On the strength of a legal opinion obtained by the Company, it has represented that the provisions of section 299, 300 and 301 of the Companies Act, 1956 are not attracted to the transaction entered in to by the company with its subsidiaries and are not liable to be listed in the register maintained under section 301 of Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures / system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of electricity. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards prevalent in India, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has entered into contract / arrangements with company / companies being its Subsidiary Company. As per the information and explanations given to us and based on the legal opinion obtained by the Company, the transactions pursuant to these contracts and / or arrangement are not falling under the provisions of section 301 of the Companies Act, 1956 and accordingly these transactions are not entered into the register required to be maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under.
7. The Company has appointed an independent firm of Chartered Accountants as an internal auditor with defined scope, which in our opinion is commensurate with the size of the Company and the nature of its business.
8. The Central Government has prescribed maintenance of Cost records under section 209 (1) (d) of the Companies Act, 1956. The Company has appointed a firm of Cost Accountants for the preparation of Cost Records. We have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed records have been made and maintained.



# GUJARAT URJA VIKAS NIGAM LIMITED

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9. According to the information and explanations given to us in respect of statutory and other dues:
- a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs duty, cess and any other statutory dues with the appropriate authorities. According to information and explanations given to us, no undisputed amount payable in respect of such statutory dues were in arrears as at 31.03.2009 for the period of more than six months from the date they become payable as on date.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Customs duty and cess, which have not been deposited on account of any dispute except as under:

Sr. No.	Nature of the Statute	Nature of the Dispute	Amount (in Rs.)*	Period	Forum where dispute is Pending
1.	Bombay Stamp Act	Stamp Duty on Mortgage Deed	11,08,00,000	Demand pertaining to erstwhile GEB	Chief Controller of Revenue Authority, Gandhinagar
2.	Income Tax Act, 1961	Regular Demand with interest	1,82,94,956	A.Y. 2006-07	CIT(A), Vadodara
3.	Income Tax Act, 1961	FBT	15,45,859	A.Y. 2006-07	CIT(A), Vadodara
4.	Income Tax Act, 1961	Interest u/s 234B and 234C	NIL	A.Y. 2006-07	ITAT, Ahmedabad
5.	Income Tax Act, 1961	TDS on Transmission charges	47,88,18,541	A.Y. 2006-07 to A.Y. 2009-10	ITAT, Ahmedabad

\*Net of payment made and excluding demand pertaining to erstwhile GEB except for Sr. No. 1 above as the same are not quantifiable.

10. As the Company is registered during December, 2004 i.e. not in existence for more than five years from the date of registration till the last day of the financial year covered under the report, clause (x) is not applicable to the Company.
11. In our opinion and according to the information and explanations given to us the Company has not defaulted in the repayment of dues to a financial institution or bank or debenture holders.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statutes applicable to a chit fund, nidhi or mutual benefit fund / society are not applicable to the Company.



14. Based on the examination of the accounts and as per the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by subsidiary companies from bank or financial institutions are not prejudicial to the interest of the Company.
16. In our opinion, the term loans have been applied to the purposes for which they were raised.
17. According to information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised during the year on short-term basis have been used for long term investment and no long-term fund raised during the year have been used to finance short-term assets except permanent working capital.
18. Based on the legal opinion obtained by the Company, the provisions of Section 301 of the Companies Act, 1956 are not applicable to the Company. In view of the above, the clause in respect of preferential allotment of shares is not applicable.
19. The liabilities under the bonds issued by the erstwhile GEB transferred to the Company are secured by a guarantee given by Government of Gujarat.
20. The company has not raised money by public issue during the year.
21. We have been informed that the vigilance department of the Company is regularly investigating frauds and other irregularities involved in the Company's transactions. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Shah Mehta and Bakshi  
Chartered Accountants**

**PLACE : VADODARA  
DATE : 08-10-2009**

**sd/-  
(J. P. Shah)  
Partner  
M. No. 33115**



# GUJARAT URJA VIKAS NIGAM LIMITED

5<sup>th</sup> Annual Report 2008-09

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH , 2009

Sr. No.	Particulars	Schedule Number	[ RS. IN LAKHS ]		
			AS AT 31 <sup>ST</sup> MARCH, 2009	AS AT 31 <sup>ST</sup> MARCH, 2008	
	<b>SOURCES OF FUNDS</b>				
	<b>SHAREHOLDERS FUND</b>				
1	Share Capital	1	326230.96		258462.87
2	Share Application Money	2	5505.90		61204.30
3	Reserves & Surplus	3	25000.00		0.00
	<b>LOAN FUNDS</b>				
4	Secured Loans	4	139721.75	140411.36	
5	Unsecured Loans	5	189032.89	176818.81	317230.17
<b>6</b>	<b>TOTAL</b>		<b>685491.50</b>		<b>636897.34</b>
	<b>APPLICATION OF FUNDS</b>				
	<b>FIXED ASSETS</b>				
7	Gross Block	6	19544.24	18970.57	
8	Less : Accumulated Depreciation		4530.30	1635.75	
<b>9</b>	<b>Net Block</b>		15013.94		17334.81
10	Assets not in use		21.03		2.27
<b>11</b>	<b>Investments</b>	7	664856.04		558204.74
	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
12	Sundry Debtors	8	12489.36	25005.29	
13	Cash & Bank Balances	9	43826.33	30221.30	
14	Loans & Advances	10	164691.58	134513.73	
<b>15</b>	<b>Total Current Assets</b>		<b>221007.27</b>	<b>189740.33</b>	
	<b>Less: Current Liabilities &amp; Provisions</b>				
16	Current Liabilities	11	207220.96	132080.25	
17	Provisions	12	70109.12	58729.00	
<b>18</b>	<b>Total Current Liabilities &amp; Provisions</b>		<b>277330.08</b>	<b>190809.25</b>	
<b>19</b>	<b>Net Current Assets</b>		<b>-56322.81</b>		<b>-1068.93</b>
<b>20</b>	<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted )				
	<b>Profit &amp; Loss Account</b> <b>as per Annexed Accounts</b>		61923.30		62424.45
	Significant Accounting Policies & Notes on Accounts	22			
	<b>TOTAL</b>		<b>685491.50</b>		<b>636897.34</b>

As per our report of even date

For Shah Mehta and Bakshi  
Chartered Accountants

**J. P. SHAH**  
Partner  
Membership No.033115

Place : **VADODARA**  
Date : **October 8, 2009**

For and on behalf of the Board

**S. JAGADEESAN, IAS**  
Chairman

**S. B. KHYALIA**  
Executive Director (Fin)

Place : **VADODARA**  
Date : **October 8, 2009**

**L. CHUAUNGO, IAS**  
Managing Director

**PARTHIV BHATT**  
Company Secretary



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

Sr No	Particulars	Schedule Number	[ RS. IN LAKHS ]	
			Year ended 31 <sup>ST</sup> March, 2009	Year ended 31 <sup>ST</sup> March, 2008
	<b>INCOME</b>			
1	Sale of Power	13	1736735.28	1401392.19
2	Other Income	14	31093.81	13352.48
3	<b>TOTAL INCOME</b>		<b>1767829.09</b>	<b>1414744.66</b>
	<b>EXPENDITURE</b>			
4	Purchase of Power	15	1738640.55	1399999.24
5	Repairs & Maintenance	16	115.10	37.96
6	Payments to and Provisions for Employees	17	1468.55	1549.78
7	Interest and Finance Charges	18	23656.25	13122.56
8	Administration and Other Expenses	19	678.03	985.62
9	Depreciation	20	2933.51	861.74
10	<b>TOTAL EXPENDITURE</b>		<b>1767491.99</b>	<b>1416556.89</b>
11	<b>PROFIT / (LOSS) BEFORE TAX AND PRIOR PERIOD ADJUSTMENTS</b>		<b>337.10</b>	<b>-1812.23</b>
12	Prior Period Income (Net of Expenditure)	21	177.05	2351.38
13	<b>PROFIT BEFORE TAX</b>		<b>514.15</b>	<b>539.15</b>
14	Provision for Income Tax		13.00	15.00
	Fringe Benefit Tax			50.00
	Current		0.00	50.00
	Past Year		0.00	100.22
15	<b>PROFIT AFTER TAX</b>		<b>501.15</b>	<b>373.93</b>
16	Balance brought forward from last Balance Sheet		-62424.45	-62798.38
17	<b>Balance Carried To The Balance Sheet</b>		<b>-61923.30</b>	<b>-62424.45</b>
18	<b>Earnings Per Share (Basic) (in Rs.)</b>		<b>0.0162</b>	<b>0.0158</b>
18	<b>Earnings Per Share (Diluted) (in Rs.)</b>		<b>0.0159</b>	<b>0.0125</b>
19	Significant Accounting Policies & Notes on Accounts	22		

**As per our report of even date**

**For Shah Mehta and Bakshi**

Chartered Accountants

**J. P. SHAH**

Partner

Membership No.033115

Place : **VADODARA**

Date : **October 8, 2009**

**For and on behalf of the Board**

**S. JAGADEESAN, IAS**

Chairman

**S. B. KHYALIA**

Executive Director (Fin)

Place : **VADODARA**

Date : **October 8, 2009**

**L. CHUAUNGO, IAS**

Managing Director

**PARTHIV BHATT**

Company Secretary



# GUJARAT URJA VIKAS NIGAM LIMITED

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## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	[ RS. IN LAKHS]	
	Year ended 31 <sup>ST</sup> March, 2009	Year ended 31 <sup>ST</sup> March, 2008
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax &amp; Prior Period Adjustments</b>	<b>337.10</b>	<b>-1812.23</b>
<b>Adjustments For: Add / (Less) :-</b>		
Dividend Income	(1116.61)	(248.67)
Provision for Wage revision	66.56	338.76
Provision for Gratuity	11310.64	8947.57
Provision for Leave Encashment	213.98	15.68
Depreciation	2933.51	861.74
Interest and Financing charges	23656.25	13122.56
Prior Period Income (Net of Expenses)	177.06	2351.38
<b>Operating Profit Before Working Capital Changes</b>	<b>37578.49</b>	<b>23576.79</b>
(Increase) /Decrease In Sundry Debtors	12515.93	(12661.27)
(Increase) /Decrease In Loan & advances	(41810.67)	(14633.53)
Increase /(Decrease) In Provisions	(157.50)	(85.18)
Increase /(Decrease) In Trade Payables and other liabilities	869.85	(21595.50)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>8996.10</b>	<b>-25398.69</b>
Less : Direct Tax (Including FBT) Paid	367.19	3788.72
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>	<b>8628.91</b>	<b>-29187.41</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(631.40)	(14829.13)
(Increase)/Decrease in CWIP	0.00	10137.45
Dividend Income	1116.61	248.67
Purchase of Other Investments	(20447.00)	(10495.01)
<b>B. NET CASH FROM INVESTING ACTIVITIES</b>	<b>(19961.79)</b>	<b>(14938.02)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money	5505.90	5200.00
Equity Share Capital	6563.79	19956.60
(Repayment) / Proceeds From Borrowings	11524.47	29917.58
Capital Grant received from Govt.	25000.00	0.00
Interest & Financing Charges Paid	(23656.25)	(13122.56)





## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
<b>C.</b>	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>24937.91</b>	<b>41951.62</b>
	<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>13605.03</b>	<b>(2173.81)</b>
	CASH AND CASH EQUIVALENT AS AT 1-4-2008 (OP.BAL)	30221.00	32395.12
	CASH AND CASH EQUIVALENT AS AT 31-3-2009 (CL.BAL)	43826.33	30221.30
	<b>CASH AND CASH EQUIVALENT</b>	<b>AS AT 31-03-2009</b>	<b>AS AT 31-03-2008</b>
	Cash on hand	1.89	1.58
	Cheques on hand	37701.52	0.00
	Balance with Scheduled Banks :		
	In Current Accounts	6080.54	30179.81
	In Fixed Deposit Accounts	42.38	39.92
	Remittance in Transit	0.00	0.00
		<b>43826.33</b>	<b>30221.30</b>

**Note :**

- (i) The above Cash Flow has been prepared under the Indirect Method as set out in AS - 3 on Cash Flow Statement.
- (ii) Cash flow from investing activities excludes non-cash transaction of purchase of other investments in subsidiary companies amounting to Rs.86204.30 lakhs.
- (iii) Cash flow from financing activities excludes non-cash transaction of conversion of Share Application Money to Equity Share Capital amounting to Rs.61204.30 lakhs.
- (iv) Cash Flow from financing activities excludes non-cash transaction of Interest waiver amounting to Rs. 1370.04 lakhs on Govt loans.

**As per our report of even date**

**For Shah Mehta and Bakshi**  
Chartered Accountants

**J. P. SHAH**

Partner  
Membership No.033115

Place : **VADODARA**

Date : **October 8, 2009**

**For and on behalf of the Board**

**S. JAGADEESAN, IAS**  
Chairman

**S. B. KHYALIA**  
Executive Director (Fin)

Place : **VADODARA**

Date : **October 8, 2009**

**L. CHUAUNGO, IAS**  
Managing Director

**PARTHIV BHATT**  
Company Secretary



# GUJARAT URJA VIKAS NIGAM LIMITED

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## SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH , 2009

### **SCHEDULE: 1** **SHARE CAPITAL**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	<b>AUTHORISED</b> <b>500,00,00,000</b> (Previous Year 500,00,00,000) Equity Shares each of Rs. 10 each	500000.00	500000.00
2	<b>ISSUED, SUBSCRIBED and PAID-UP</b> <b>*326,23,09,595</b> (Previous Year:258,46,28,695) Equity Shares of Rs. 10 each fully paid-up	326230.96	258462.87
3	<b>TOTAL</b>	<b>326230.96</b>	<b>258462.87</b>
<p>*Out of the above, 162,87,12,000 Equity Shares are issued to Government of Gujarat as fully paid-up pursuant to the Notification No. GHU-2006-91-GUV-1106-590-K dated 3<sup>rd</sup> October, 2006 without payment being received in cash and 62,30,60,695 Equity Shares are allotted to Government of Gujarat on conversion of loans vide G R No.GUV-1106-K dtd.22<sup>nd</sup> March, 2007.</p>			
<p>During the year the Company has issued 6,56,37,900 Equity Shares to Government of Gujarat as fully paid-up against consideration received in cash and 61,20,43,000 Equity Shares as fully paid-up in lieu of Jyoti Gram Yojana (JGY) financial assistance.</p>			

### **SCHEDULE: 2** **SHARE APPLICATION MONEY**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	Share Application Money	5505.90	61204.30
2	<b>TOTAL</b>	<b>5505.90</b>	<b>61204.30</b>

### **SCHEDULE: 3** **RESERVES & SURPLUS**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	Capital Reserve	25000.00	0.00
2	<b>TOTAL</b>	<b>25000.00</b>	<b>0.00</b>



## SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH , 2009

### **SCHEDULE: 4** **SECURED LOANS**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
<b>1</b>	<b>LOAN FROM BANKS</b>		
i	Term Loans	63972.21	67138.63
	Interest Accrued and Due (Due within one year Rs.172.34 Crs., Previous year Rs. 118.21 Crs.)	252.16	349.32
ii	Bills Discounting under DPG (Due within one year Rs.5.39 Crs., Previous year Rs. 27.94 Crs.)	667.28	1664.75
iii	Cash Credit	69074.59	61108.95
<b>2</b>	<b>LOAN FROM FINANCIAL INSTITUTIONS</b> (Due within one year Rs.28.97 Crs., Previous year Rs. 43.93 Crs.)	5755.51	10149.71
<b>3</b>	<b>TOTAL</b>	<b>139721.75</b>	<b>140411.36</b>

### **Notes :**

1	Loan from PFC is secured against the mortgage charge on the assets of Bharuch Transmission Circle of GETCO.
2	Loan from Rural Electrification Corporation is secured against the hypothecation charge on the assets of Idar & Talod O&M Divisions of UGVCL.
3	Loan from State Bank of India is secured against the hypothecation charge on the assets of Valsad & Surat O&M Circles, Ankleshwar Indl. and O&M Division, Bharuch City and O&M Division and Rajpipla O&M Division of DGVCL.
4	Loan from Oriental Bank of Commerce is secured against the hypothecation charge on the assets of Baroda City Circle and Jambuva O&M Division of MGVL.
5	Loan from Central Bank of India is secured against the hypothecation charge on the assets of Rajkot Rural Division & Rajkot RSO of PGVCL.
6	Loan from Bank of India is secured against the hypothecation charge on the assets of Godhra and Dahod O&M Divisions of MGVL.
7	Loan from State Bank of India is secured against the hypothecation charge on the Plant & Machinery of Dhrangadhra O & M Division of PGVCL.
8	Loan from Indian Overseas Bank is secured against the hypothecation charge on the assets of Dhrangadhra and Surendranagar O & M Division of PGVCL.
9	Loan from State Bank of India is secured against the hypothecation charge on the assets of Gondal, Jetpur, Rajkot, Jamnagar, Dhoraji and Ranasan TR. Division of GETCO.
10	Loan from Bank of Baroda is secured against the hypothecation charge on the assets of Rajkot, Amreli, Bhuj O & M Circle & Jamnagar Rural Division of PGVCL.
11	Loan from REC is secured against the hypothecation charge on the assets of Himatnagar Circle, Division & R S O, Modasa Division and Mehsana Circle, Division & R S O of UGVCL.



# GUJARAT URJA VIKAS NIGAM LIMITED

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## SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009

12	Loan from Dena Bank is secured against the hypothecation charge on the assets of Amreli ,Dhasa & Vertej Tr. Division of GETCO
13	Loan from Indian Overseas Bank is secured against the hypothecation charge on the assets of Vijapur, Mehsana & Chhatral Tr. Division of GETCO
14	Loan from Union Bank of India is secured against the hypothecation charge on the assets of Soja, Dhansura & Chhatral Tr. Division of GETCO
15	Loan from Bank of Baroda is secured against the hypothecation charge on the assets of Bhavnagar, Junagadh Rural, Botad, Mahuva, Bhavnagar City, Keshod (No.1), Keshod REC & Surendranagar O & M Division of PGVCL
16	Loan from Allahabad Bank is secured against the hypothecation charge on the assets of Sabarmati, Gandhinagar & Bavla O & M Division of UGVCL
17	Loan from State Bank of India is secured against the hypothecation charge on the assets of Valsad, Surat, Ankleshwar Indl. Divn., Bharuch City Divn., Bharuch O & M Divn and Ankleshwar O & M Division of DGVCL
18	Loan from Bank of Baroda is secured against the hypothecation charge on the assets of Amreli, Bhuj, Jamnagar Rural Divn. Mahuva O & M Division, Keshod REC Divn., Surendranagar O & M Divn of PGVCL
19	Loan from Canara Bank is secured against the hypothecation charge on the assets of Halol O & M Divn, Baroda O & M Divn and Dabhoi O & M Divn of MGVCL
20	Bills Discounting limits availed from ICICI Bank, SIDBI, HDFC Bank, State Bank of India and Allahabad Bank are secured under the Deferred Payment Guarantees issued by consortium member banks.
21	Cash Credit Limit is secured against the hypothecation charge in favour of UCO Bank Consortium & SBI Consortium on the Stocks and Book Debts of the Company and its six Subsidiary Companies ranking pari passu.

### SCHEDULE: 5 UNSECURED LOANS

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
<b>1</b>	<b>INTER CORPORATE DEPOSIT</b> (Due within one year Rs. Nil , Previous year Rs. 8.04 Crs.)	0.00	804.00
<b>2</b>	<b>BONDS</b>		
i	12% S L R Bonds (Due within one year Rs. Nil, Previous year Rs. Nil.)	521.27	521.27
ii	11.50% S L R Bonds (Due within one year Rs. 6.07 Crs., Previous year Rs. 5.28 Crs.)	1081.26	1609.09
iii	Series V 12% Privately Placed Bonds (Due within one year Rs. 5.14 Crs., Previous year Rs. 3.86 Crs.)	514.43	900.26
iv	Series VI 11.25% Privately Placed Bonds (Op. I) (Due within one year Rs. 7.37 Crs., Previous year Rs. Nil)	736.73	1289.27
v	Series VI 8.50% Privately Placed Bonds (Op. I) (Due within one year Rs. 8.32 Crs., Previous year Rs. Nil)	831.85	1455.75



## SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009

### **SCHEDULE: 5** **UNSECURED LOANS**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
vi	Series VI 11.50% Privately Placed Bonds (Op. II) (Due within one year Rs.Nil, Previous year Rs. Nil)	2621.33	2621.33
vii	Series VI 11.75% Privately Placed Bonds (Op. III) (Due within one year Rs. Nil, Previous year Rs. Nil)	749.94	749.94
viii	Series VI 8.50% Privately Placed Bonds (Op. III) (Due within one year Rs.Nil, Previous year Rs. Nil)	1385.87	1385.87
ix	Series VII 11% Privately Placed Bonds (Op. I) (Due within one year Rs. Nil, Previous year Rs. 12.37 Crs.)	0.00	1237.03
x	Series VII 11.25% Privately Placed Bonds (Op. II) (Due within one year Rs. Nil, Previous year Rs. Nil)	36.59	36.59
xi	Series VII 11.50% Privately Placed Bonds (Op. III) (Due within one year Rs. Nil, Previous year Rs. Nil)	491.80	491.80
xii	Series VIII 8.95% Privately Placed Bonds (Due within one year Rs. Nil, Previous year Rs. Nil)	4728.49	4728.49
xiii	Series IX 8% Privately Placed Bonds (Due within one year Rs. Nil, Previous year Rs. Nil)	923.91	923.91
xiv	Series X 8% Privately Placed Bonds (Due within one year Rs. Nil, Previous year Rs. Nil)	2771.74	2771.74
<b>3</b>	<b>LOAN FROM BANKS</b>	96543.46	83109.69
	Interest Accrued and Due (Due within one year Rs.916.32 Crs., Previous year Rs. 725.52 Crs.)	17.72	71.04
<b>4</b>	<b>LOAN FROM FINANCIAL INSTITUTIONS</b>	36889.00	30154.39
	(Due within one year Rs.219.56 Crs., Previous year Rs. 152.96 Crs.)		
<b>5</b>	<b>LOAN FROM GOVERNMENT OF GUJARAT</b>	37752.72	40152.53
	Interest Accrued and Due (Due within one year Rs.30.94 Crs., Previous year Rs. 12.23 Crs.)	0.00	1370.04
<b>6</b>	<b>LOAN FROM CENTRAL ELECTRICITY AUTHORITY</b>	353.21	353.21
	Interest Accrued and Due (Due within one year Rs.4.35 Crs., Previous year Rs. 4.35 Crs.)	81.57	81.57
<b>7</b>	<b>TOTAL</b>	<b>189032.89</b>	<b>176818.81</b>

**SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

**SCHEDULE: 6**  
**FIXED ASSETS**

[ RS. IN LAKHS ]

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-04-2008	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31-03-2009	AS AT 01-04-2008	ADDITIONS DURING THE YEAR	DEDUCTIONS WRITE BACK DURING THE YEAR	AS AT 31-03-2009	AS AT 31-03-2009	AS AT 31-03-2009
	1	2	3	4	5	6	7	8	9	10
BUILDING	380.97	0.00	0.00	380.97	13.97	6.21	0.00	20.18	360.79	367.00
PLANT AND MACHINERY	573.60	4.39	0.42	577.56	185.14	21.80	0.00	206.94	370.62	388.49
LINE & CABLE NETWORK	15.57	0.00	0.00	15.57	2.44	1.48	0.00	3.91	11.66	13.14
FURNITURE & FITTINGS	617.53	1.56	1.56	617.53	268.55	39.09	0.00	307.63	309.90	348.99
COMPUTERS	17135.16	625.77	44.72	17716.21	1072.78	2844.43	30.47	3886.75	13829.45	16062.38
OTHERS	99.60	1.20	9.74	91.06	14.78	4.26	1.54	17.50	73.56	84.78
VEHICLES	148.13	0.00	2.80	145.33	78.09	10.44	1.15	87.38	57.95	70.04
<b>TOTAL</b>	<b>18970.57</b>	<b>632.91</b>	<b>59.24</b>	<b>19544.24</b>	<b>1635.75</b>	<b>2927.70</b>	<b>33.15</b>	<b>4530.30</b>	<b>15013.94</b>	<b>17334.81</b>
<b>PRVIOUS YEAR (2007-08)</b>	<b>4464.26</b>	<b>16484.04</b>	<b>1977.73</b>	<b>18970.57</b>	<b>1094.58</b>	<b>858.97</b>	<b>317.80</b>	<b>1635.75</b>	<b>17334.81</b>	<b>3369.69</b>

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## SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009

### **SCHEDULE: 7** **INVESTMENTS**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
	<b>INVESTMENTS (AT COST):</b>		
<b>1</b>	<b>Govt. Promissory Notes</b>	1.25	1.25
<b>2</b>	<b>Investment in Subsidiary Companies</b>		
<b>A</b>	<b>Unquoted, Non-Trade</b>		
I (a)	91,29,72,424 (Previous year 573,300,000 ) Equity Shares of Rs.10/- each in Gujarat State Electricity Corporation Ltd., fully paid-up.	190498.95	57330.01
I (b)	Share Application Money in Gujarat State Electricity Corporation Ltd.	36956.60	10900.00
II (a)	38,97,16,674 (Previous Year 450,070 ) Equity Shares of Rs.10/- each in Gujarat Energy Transmission Corporation Ltd., fully paid-up.	155751.65	45.01
II (b)	Share Application Money in Gujarat Energy Transmission Corporation Ltd.	5000.00	0.00
III(a)	23,77,25,547(Previous Year 50,080 ) Equity Shares of Rs.10/- each in Dakshin Gujarat Vij Company Ltd., fully paid-up.	45641.34	5.01
III(b)	Share Application Money in Dakshin Gujarat Vij Company Ltd.	3000.00	0.00
IV(a)	21,26,41,422 (Previous Year 50,090 ) Equity Shares of Rs.10/- each in Madhya Gujarat Vij Company Ltd., fully paid-up.	41356.65	5.01
IV(b)	Share Application Money in Madhya Gujarat Vij Company Ltd.	3000.00	0.00
V(a)	42,29,03,896 (Previous Year 50,100 ) Equity Shares of Rs.10/- each in Paschim Gujarat Vij Company Ltd., fully paid-up.	107513.03	5.01
V(b)	Share Application Money in Paschim Gujarat Vij Company Ltd.	4000.00	0.00
VI(a)	20,71,48,722 (Previous Year 50,070 ) Equity Shares of Rs.10/- each in Uttar Gujarat Vij Company Ltd., fully paid-up.	53983.82	5.01
VI(b)	Share Application Money in Uttar Gujarat Vij Company Ltd.	3000.00	0.00
<b>B</b>	<b>Investment Suspense (Pending allotment of shares)</b>		
i	Gujarat State Electricity Corporation Ltd.	0.00	132268.95
ii	Gujarat Energy Transmission Corporation Ltd.	0.00	155706.64
iii	Dakshin Gujarat Vij Company Ltd.	0.00	29158.37
iv	Madhya Gujarat Vij Company Ltd.	0.00	26790.01
v	Paschim Gujarat Vij Company Ltd.	0.00	86963.53
vi	Uttar Gujarat Vij Company Ltd.	0.00	44358.59
	(Refer Note No.7 of Part—B of Schedule 22 of Notes forming part of Accounts)		
<b>3</b>	<b>Investment in Other Companies</b>		
<b>A</b>	<b>Quoted, Non-Trade</b>		
i	1,13,50,000 (Previous Year 1,13,50,000 ) Equity Shares of Rs.10/- each in Gujarat State Petronet Ltd.,fully paid-up.	1135.00	1135.00
ii	3,83,84,397 (Previous Year 3,83,84,397 ) Equity Shares of Rs. 10/- each in Gujarat Industrial Power Ltd., fully paid-up.	9092.35	9092.35
<b>B</b>	<b>Un-quoted, Non-Trade</b>		
i	19,30,000 (Previous Year 19,30,000 ) Equity Shares of Rs.100/- each in Gujarat Power Corporation Ltd., fully paid-up.	1930.00	1930.00
ii	2,90,03,636 (Previous Year 2,00,00,000 ) Equity Shares of Rs.10/- each in Gujarat State Energy Generation Ltd., fully paid-up.	2990.40	2000.00
	Shares Application Money in Gujarat State Energy Generation Ltd.	0.00	500.00
iii	50,000 (Previous Year 50,000 ) Equity Shares of Rs.10/- each in GSPC Gas Co. Ltd., fully paid-up.	5.00	5.00
<b>4</b>	<b>TOTAL</b>	<b>664856.04</b>	<b>558204.74</b>
	<b>Aggregate Cost of Quoted Investments</b>	<b>10227.35</b>	<b>10227.35</b>
	<b>Market Value of Quoted Investments</b>	<b>20001.67</b>	<b>31790.54</b>



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## SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH , 2009

### **SCHEDULE: 8** **SUNDRY DEBTORS**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
	<b>SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)</b>		
1	Debts exceeding Six Months	0.00	0.00
2	Other Debts	12489.36	25005.29
<b>3</b>	<b>TOTAL</b>	<b>12489.36</b>	<b>25005.29</b>

### **SCHEDULE: 9** **CASH AND BANK BALANCES**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	Cash on hand	1.89	1.58
2	Cheques on hand	37701.52	0.00
3	Balance with Scheduled Banks :		
	In Current Accounts	6080.54	30179.81
	In Fixed Deposit Accounts	42.38	39.92
<b>4</b>	<b>TOTAL</b>	<b>43826.33</b>	<b>30221.30</b>





**SCHEDULES 1 to 12 & 22 FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH , 2009**

**SCHEDULE: 10**  
**LOANS AND ADVANCES\***

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	Advances Recoverable in Cash or in kind or for value to be received	55787.93	38900.73
2	Loans & Advances to Staff	104.54	129.17
3	Interest Accrued but not due on Loan	309.97	2498.88
4	Deposits	658.58	348.79
5	Advances to Subsidiary Companies	47466.52	48867.53
6	Subsidy Receivable from Government of Gujarat	60364.04	43768.63
<b>7</b>	<b>TOTAL</b>	<b>164691.58</b>	<b>134513.73</b>
	<b>* Unsecured considered good</b>		

**SCHEDULE: 11**  
**CURRENT LIABILITIES**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	Sundry Creditors	95485.86	75984.69
2	Advance received from Subsidiary Companies	107307.53	50180.41
3	Deposits	2838.06	3945.60
4	Interest Accrued But Not Due	1396.61	1753.25
5	Other Current Liabilities	192.90	216.30
<b>6</b>	<b>TOTAL</b>	<b>207220.96</b>	<b>132080.25</b>

**SCHEDULE: 12**  
**PROVISIONS**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008
1	Provision for:		
	(i) Income Tax - Past Year (Net of payment)	0.00	83.00
	(ii) Income Tax - MAT (Net of payment)	84.54	134.54
	(iii) Fringe Benefit Tax (Net of payment)	2.07	13.57
2	Provision for Gratuity	69468.16	58157.52
3	Provision for Leave Encashment	554.35	340.37
<b>4</b>	<b>TOTAL</b>	<b>70109.12</b>	<b>58729.00</b>



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## SCHEDULES 13 to 22 FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

### SCHEDULE : 13 REVENUE FROM SALE OF POWER

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
1	Supplies in bulk to licensees	170794.80	142140.53
2.	<b>Sub Total</b>	<b>170794.80</b>	<b>142140.53</b>
	<b>Sale of Power to Subsidiaries ...</b>		
3	Madhya Gujarat Vij Company Ltd (MGVCL)	224988.36	171815.11
4	Paschim Gujarat Vij Company Ltd (PGVCL)	480369.77	399540.53
5	Uttar Gujarat Vij Company Ltd (UGVCL)	371564.87	293085.87
6	Dakshin Gujarat Vij Company Ltd (DGVCL)	395109.16	319450.33
	<b>Sub Total</b>	<b>1472032.16</b>	<b>1183891.83</b>
	<b>Sale of Power to Others</b>		
7	Sale of Power through Trading	60563.56	16454.49
	<b>Sub Total</b>	<b>60563.56</b>	<b>16454.49</b>
8	<b>Total Rev. from Sale of Power to Licensees, Subsidiaries and Others</b>	<b>1703390.52</b>	<b>1342486.84</b>
9	U I charges Recoveries	33344.76	58905.34
10	<b>Total Miscellaneous revenue</b>	<b>33344.76</b>	<b>58905.34</b>
11	<b>TOTAL</b>	<b>1736735.28</b>	<b>1401392.19</b>

### SCHEDULE : 14 OTHER INCOME

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
1	<b>INTEREST</b>		
i	Interest on Staff Loans and Advances.	22.36	12.62
ii	Interest on Other Loans and Advances	38.78	14.02
iii	Interest from Banks (other than on Fixed Deposits).	0.00	0.40
iv	Interest on UI Pool Account	486.22	48.83
	<b>Total Interest (i to iv)</b>	<b>547.36</b>	<b>75.87</b>
2	Dividend	1116.61	248.67
3	Interest Provision no longer required	1370.04	0.00
4	Rebate for Prompt Payment	27948.06	12162.13
5	Incentive from CPSUs	0.00	732.59
6	Cash Discount	11.43	91.01
7	Gain on Sale of Fixed Assets	0.00	0.54
8	Gain on Foreign Exchange Fluctuations	0.00	10.58
9	Grant for Energy Conservation from Govt. of Gujarat	50.00	0.00
10	Miscellaneous Income	50.31	31.09
11	<b>TOTAL</b>	<b>31093.81</b>	<b>13352.48</b>



**SCHEDULES 13 to 22 FORMING PART OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH , 2009**

**SCHEDULE : 15  
PURCHASE OF POWER**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
<b>A.</b>	<b>Power purchased from Central Sector...</b>		
1	NPC- Tarapur APS	10694.51	11610.12
2	NPC- Kakrapar APS	6260.78	10741.58
3	NPC- Tarapur APS - Extn.	25485.59	31648.43
4	NTPC-Vindhyachal- I	26127.34	29730.20
5	NTPC-Vindhyachal-II	31580.54	31637.11
6	NTPC-Korba	27802.58	31742.95
7	NTPC-Kawas	65140.69	45778.42
8	NTPC-Gandhar	74839.71	37568.56
9	NTPC-Northern Region	44544.28	35813.59
10	NTPC-Eastern Region	6066.65	0.00
11	NTPC-Southern Region	19429.07	0.00
<b>A.</b>	<b>Total purchase from Central Sector (A.1 to 11)</b>	<b>337971.74</b>	<b>266270.97</b>
<b>B.</b>	<b>Power purchased from IPPs</b>		
1	Sardar Sarovar Narmada Nigam Ltd	7440.20	14294.55
2	ESSAR Power Limited	59409.38	55497.42
3	Gujarat Paguthan Energy Corporation Pvt. Ltd.	222964.56	185712.44
4	Gujarat Industries Power Company Ltd 160 MW	40429.52	29719.16
5	Gujarat Industries Power Company Ltd SLPP	31200.08	34153.26
6	Gujarat State Energy Generation Limited (Hazira)	29971.32	29433.09
7	Gujarat Mineral Development Corporation (GMDC)	18609.92	16267.36
8	Gujarat State Electricity Coporation Ltd.- Sikka	45002.84	39789.11
9	Gujarat State Electricity Coporation Ltd.- Ukai TPS	89701.11	85306.78
10	Gujarat State Electricity Coporation Ltd.- Wanakbori # 1 to 6	197280.37	173921.84
11	Gujarat State Electricity Coporation Ltd.- Gandhinagar # 1 to 4	108090.40	88699.31
12	Gujarat State Electricity Coporation Ltd.- Gandhinagar	41112.37	37147.53
13	Gujarat State Electricity Coporation Ltd.- Wanakbori	38164.54	35964.99
14	Gujarat State Electricity Coporation Ltd.- Dhuvaran	56715.81	41033.44
15	Gujarat State Electricity Coporation Ltd.- Dhuvaran-Old	67735.85	59514.39
16	Gujarat State Electricity Coporation Ltd.- KLTPS	26707.57	28013.26
17	Gujarat State Electricity Coporation Ltd.- Utran	30252.46	23413.37
18	Gujarat State Electricity Coporation Ltd.- Ukai Hydro	2626.99	2659.00
19	Gujarat State Electricity Coporation Ltd.- Kadana Hydro	6221.38	7216.21
<b>B.</b>	<b>Total purchase from IPPs (B.1 to 19)</b>	<b>1119636.67</b>	<b>987756.50</b>



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## SCHEDULES 13 to 22 FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
<b>C.</b>	<b>Power purchased from Sanction Holders and Others</b>		
1	Gujarat Industries Power Company Ltd 145 MW	19420.83	12140.66
2	Wind Farms	43188.98	16826.39
3	GSECL Wind Farm	510.93	0.00
4	Captive Power Plants	19684.27	14873.22
	Less: Compensation received from Govt	0.00	7600.00
		19684.27	7273.22
5	Short Term Purchase of Power	65082.37	27613.99
6	Purchase of Power through Power Exchange	218.35	0.00
7	UI Expenses	40195.92	4572.97
<b>C.</b>	<b>Total Power Purchased (C.1 to 7)</b>	<b>188301.65</b>	<b>68427.24</b>
<b>D.</b>	<b>Wheeling Charges</b>		
1	Transmission Charges to Power Grid Corporation	23850.49	12891.61
2	Wheeling Charges to WREB Constitutents	1084.34	578.31
4	Wheeling Charges.	451.84	1148.45
5	Wheeling /Transmission Charges payable to GETCO	67343.82	62926.16
<b>D.</b>	<b>Total Wheeling Charges (D.1 to 5)</b>	<b>92730.49</b>	<b>77544.54</b>
<b>E.</b>	<b>TOTAL (A+B+C+D)</b>	<b>1738640.55</b>	<b>1399999.24</b>

### SCHEDULE : 16 REPAIRS & MAINTENANCE

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
	<b>Repairs &amp; Maintenance</b>		
1	Civil Works	89.35	0.00
2	Lines & Cable Networks	7.37	0.05
3	Vehicles	11.06	0.00
4	Furniture & Fixtures	1.79	0.00
5	Office Equipments	5.53	37.91
<b>6</b>	<b>TOTAL</b>	<b>115.10</b>	<b>37.96</b>

### SCHEDULE : 17 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
1	Salaries & Allowances	1039.33	1316.80
2	Leave Encashment	274.12	53.79
3	Contribution to PF & Other Funds	63.18	61.81
4	Gratuity	48.46	44.36
5	Staff Welfare	43.46	73.01
<b>6</b>	<b>TOTAL</b>	<b>1468.55</b>	<b>1549.78</b>



**SCHEDULES 13 to 22 FORMING PART OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH , 2009**

**SCHEDULE : 18**

**INTEREST AND FINANCE CHARGES**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
1	Term Loans	9789.81	1184.39
2	Cash Credit for Working Capital	12504.69	10466.92
3	Others	848.63	1268.31
4	Bank Charges & Guarantee Fees	513.12	919.17
<b>5</b>	<b>TOTAL (1 to 4)</b>	<b>23656.25</b>	<b>13838.80</b>
6	Less : Interest & Finance Charges Capitalised	0.00	716.24
<b>7</b>	<b>Net Interest &amp; Finance Charges</b>	<b>23656.25</b>	<b>13122.56</b>

**SCHEDULE : 19**

**ADMINISTRATION & OTHER EXPENSES**

Sr. No.	Particulars	[ RS. IN LAKHS ]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
1	Insurance	0.67	0.08
2	Telephone & Postage Expenses	24.52	27.53
3	Audit Fees	4.41	4.49
4	Travelling & Conveyance	118.53	97.36
5	Printing & Stationery	27.80	29.94
6	Computer Expenses	8.87	23.14
7	Advertisement	1.44	1.73
8	Donation	0.00	203.82
9	Electricity Charges	88.56	176.84
10	Loss on Sale of Investments	0.00	7.83
11	Expenditure on Training to Staff.	2.78	4.43
12	Refund of Penalty to Suppliers (Net of Income)	34.56	28.48
13	Legal & Professional Fees	282.42	276.86
14	Expenses for Energy Conservation	22.87	0.00
15	Miscellaneous Expenses	60.61	103.10
<b>16</b>	<b>TOTAL</b>	<b>678.03</b>	<b>985.62</b>



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## SCHEDULES 13 to 22 FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

### **SCHEDULE : 20**

#### **DEPRECIATION AND RELATED DEBITS**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
1	Depreciation on Buildings	6.21	6.21
2	Depreciation on Plant & Machineries	21.80	21.61
3	Depreciation on Lines & Cable Net Works	1.48	1.48
4	Depreciation on Vehicles	10.44	11.33
5	Depreciation on Furniture & Fixtures	39.09	39.09
6	Depreciation on Office Equipments & Computers	2848.69	779.25
7	Small & Low value Items	5.81	2.77
<b>8</b>	<b>TOTAL</b>	<b>2933.51</b>	<b>861.74</b>

### **SCHEDULE : 21**

#### **PRIOR PERIOD INCOME / (CHARGES)**

Sr. No.	Particulars	[ RS. IN LAKHS]	
		Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
	<b>PRIOR PERIOD INCOME</b>		
1	Interest Income for Prior Periods	68.88	0.00
2	Excess provision for Income Tax	0.00	17.00
3	Depreciation	0.00	302.46
4	Power Purchase	25.61	61.85
5	Other Income	129.19	1878.77
	<b>Total</b>	<b>223.68</b>	<b>2260.08</b>
	<b>PRIOR PERIOD EXPENDITURE</b>		
1	Power Purchase	63.95	29.21
2	Employees Cost	3.99	-0.67
3	Depreciation	0.00	18.77
4	Interest & Finance Charges	0.07	172.56
5	Admn. Expenses	-21.47	-311.16
6	Other Adjustments relating Prior Period	0.09	0.00
	<b>Total</b>	<b>46.63</b>	<b>-91.29</b>
	<b>Net Prior Period Income / (Charges)</b>	<b>177.05</b>	<b>2351.38</b>



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS  
FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED MARCH 31, 2009**

**SCHEDULE – 22**

**PART: A**

**SIGNIFICANT ACCOUNTING POLICIES**

The Company is wholly owned by Government of Gujarat. It was promoted as a part of restructuring plan of Gujarat Electricity Board ("GEB"), to buy and sell electricity, hold the shares in other companies, and acquire and hold residual assets and liabilities of GEB.

**1) BASIS OF ACCOUNTING:**

The Company prepares its Financial Statements under historical cost convention on accrual basis as a going concern, unless otherwise stated and the same comply with the generally accepted Accounting Principles (Indian GAAP) and the relevant Accounting Standards issued by the Institute of Chartered Accountants of India referred to in Section 211 (3C) of the Companies Act, 1956 unless otherwise stated.

**2) FIXED ASSETS:**

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. In case of fixed assets, for new projects / extension the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.
- b) Expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalized.

**3) DEPRECIATION:**

- a) Depreciation is provided on Straight Line Method at the rates and on the basis specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation on addition / deletions of assets during the year is provided pro-rata on quarterly basis from the ensuing quarter.

**4) INVESTMENTS:**

Long term investments are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided for.

**5) PROVISIONS:**

Provisions involving substantial degree of reliable estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligations. Provisions are not discounted to the present value and are determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year-end date and adjusted to reflect the best current estimate.



## 6) **CONTINGENT LIABILITIES :**

Contingent liabilities are disclosed in respect of which there are possible or present obligations that arise from past events but their existence is confirmed on occurrence or non-occurrence of one or more uncertain future events and in respect of which there may not probably be any outflow of resources.

## 7) **PROVISION FOR TAXES:**

- a) Provision for taxation is made at the current rate of tax on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.
- b) 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 asset 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 assets will be realized in future.

## 8) **EMPLOYEE COST & RETIREMENT BENEFITS:**

- a) The Company has a defined gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary ( $15/26 \times$  last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 3.50 lakhs, on superannuation, resignation, termination, disablement or on death. The scheme is funded by the Company and is managed by a separate trust through Life Insurance Corporation of India (LIC). The year's liability estimated on the basis of actuarial valuation made by LIC is charged to Profit & Loss Account.
- b) Leave encashment benefit available on retirement is provided on the basis of actuarial valuation made by LIC and the year's liability is charged to Profit & Loss Account.
- c) The retirement benefits in the nature of employer's contribution towards the contributory provident fund, employee pension scheme, and group insurance, EDLI etc. are paid / deposited with appropriate authorities during the year and charged to Profit and Loss Account.

## 9) **BORROWING COST:**

Borrowing Costs directly attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset up to the date the asset is put to use. Other Borrowing Costs are charged to the Profit and Loss Account in the year in which they are incurred.

## 10) **SUBSIDY AND GRANTS:**

Subsidies from Govt. of Gujarat are accounted on accrual basis whereas the Grants from Govt. of Gujarat are accounted on receipt basis.

## 11) **IMPAIRMENT OF ASSETS:**

The impairment of assets i.e. "The cash generating unit" as defined in Accounting Standard-28 issued by the Institute of Chartered Accountants of India on "Impairment of Assets" are identified at the Balance Sheet date with respect to carrying amount of the asset vis-à-vis its estimated revenue generation during balance useful life of that asset and the loss, if any, is recognized in Profit and Loss Account.





## **12) REVENUE RECOGNITION :**

Energy sales are accounted on the basis of billing on Bulk supply Tariff agreements entered into with Distribution Companies viz. Dakshin Gujarat Vij Co. Ltd., Madhya Gujarat Vij Co. Ltd., Paschim Gujarat Vij Co. Ltd. and Uttar Gujarat Vij Co. Ltd. and the contracts entered into with the Licensees viz. Torrent Power AEC Ltd., Torrent Power SEC Ltd. & Kandla Port Trust and Traders.

Surplus power, if any, is sold by putting bids in Power Exchange on day to day basis and the same is accounted on acceptance of bids.

## **13) POWER PURCHASE:**

Purchase of Energy from GSECL has been accounted on the basis of GERC Tariff order dated 06.05.2006, 31.03.2007 and 17.01.2009 for the power stations transferred under the Financial Restructuring Plan approved by Govt. of Gujarat and for the existing power stations with GSECL prior to unbundling, as per the provisions of respective Power Purchase Agreements (PPAs).

Power purchased from IPPs is accounted on the basis of Power Purchase Agreements entered into with the respective parties.

Power purchased from Central Sector is accounted on the basis of tariff determined by Central Electricity Regulatory Commission (CERC) through various orders.

Power purchased from Wind Farms and Traders (Bilateral) is accounted on the basis of contracts entered into with the respective parties.

Need based power is purchased by putting bids in Power Exchange on day to day basis and the same is accounted on acceptance of bids.

## **14) PENALTY :**

Penalty for delay in supply of materials is recovered as per the terms of purchase order at the time of accounting the purchases whereas refund of penalty is accounted when the order is fully executed by the supplier and the refund is approved by the competent authority.

## **15) DIVIDEND INCOME:**

Dividend on investment is recognized as and when received.

## **16) OTHER INCOME:**

Other Income is recognized on crystallization of claims / receipts.



# GUJARAT URJA VIKAS NIGAM LIMITED

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## **PART: B**

### **NOTES FORMING PART OF ACCOUNTS**

#### **1. The Contingent Liabilities not provided for in respect of**

- a. Letter of Credit opened by Banks Rs. 13734.70 Lakhs (Previous Year Rs. 12597.12 lakhs)
- b. Guarantee issued by the Bank on behalf of the Company Rs. 21823.87 Lakhs (Previous Year Rs. 35076.02 Lakhs)
- c. Bills discounted with various banks Rs. 101481.43 Lakhs (Previous Year Rs. 70766.70 Lakhs)
- d. Claims against the erstwhile GEB not acknowledged as Debts: Rs. 1900.00 Lakhs (Previous Year Rs. 1900.00 Lakhs) and disputed by the Company.
- e. Corporate Guarantee given by the Company for and on behalf of the subsidiary companies as under:

Company	2008-09		2007-08	
	Amount (Rs. Lakhs)	Beneficiary	Amount (Rs. Lakhs)	Beneficiary
All Subsidiaries except UGVCL	292600	UCO Bank Consortium for working capital limits	292600	UCO Bank Consortium for working capital limits
UGVCL	36750	State Bank Of India Consortium for working capital limits	36750	State Bank Of India Consortium for working capital limits
GETCO	7702	State Bank of Saurashtra for term loan	10600	State Bank of Saurashtra for term loan
GETCO & GSECL	Nil	Rural Electrification Corporation for term loan	30000	Rural Electrification Corporation for term loan
MGVCL	3500	Indian Overseas Bank for term loan	5000	Indian Overseas Bank for term loan

- f. Stamp duty payable on mortgage deed for loans from LIC availed by erstwhile GEB: Rs. 1108 Lakhs (Previous Year Rs. 1108 Lakhs) and disputed by the Company.
- g. Various claims by the employees against the erstwhile GEB: Amount is not ascertainable (Previous Year amount is not ascertainable).



- h. Disputed demand of Income Tax against erstwhile GEB: Amount is not ascertainable (Previous Year amount is not ascertainable).
- i. Disputed demand of Income Tax against the Company: Rs. 4987 Lakhs (Previous Year Rs. 83 Lakhs).
2. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. Nil (Previous Year Rs. Nil).
3. During the current year the balances with the following subsidiary companies except Dakshin Gujarat Vij Company Ltd. which were unreconciled till the previous year are fully reconciled:
- a) Gujarat State Electricity Corporation Ltd.
  - b) Gujarat Energy Transmission Corporation Ltd.
  - c) Madhya Gujarat Vij Company Ltd.
  - d) Paschim Gujarat Vij Company Ltd.
  - e) Uttar Gujarat Vij Company Ltd.

The balances as on 31<sup>st</sup> March as appearing in the respective companies' books are as under:

**(Rs. in Lakhs)**

<b>Subsidiaries</b>	<b>In the books of GUVNL</b>		<b>In the books of subsidiaries</b>	
	<b>2008-09</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2007-08</b>
GSECL	2166.59 (Dr)	21417.42 (Dr)	2166.59 (Cr)	76510.72 (Cr)
GETCO	45130.97 (Dr)	27335.03 (Dr)	45130.97 (Cr)	26675.88 (Cr)
DGVCL	33320.78 (Cr)	14182.90 (Cr)	33325.21 (Dr)	14608.42 (Dr)
MGVCL	23012.44 (Cr)	8898.26 (Cr)	23012.44 (Dr)	8909.45 (Dr)
PGVCL	16073.80 (Cr)	14831.49 (Cr)	16073.80 (Dr)	13299.94 (Dr)
UGVCL	34900.52 (Cr)	12267.76 (Cr)	34900.52 (Dr)	13997.87 (Dr)

#### 4. **Segment Reporting**

Since the Company has one segment, namely, Purchase and Sale of Power, there is no reportable segment.

5. The ownership of the land on which Gujarat Energy Training & Research Institute (GETRI), a training institute promoted by the Company and its subsidiary companies, is constructed rests with GETCO while the ownership of the building rests with the Company. Similarly, the ownership of the premises where the Company has created Data Centre for e-urja project rests with MGVCL. The Company has not made any lease or similar agreement with GETCO and MGVCL respectively.



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## 6. Investment in Subsidiary Companies

Pursuant to Govt. Notification No.GHU-(203)-GUV-1106-590-K dtd.12.12.2008 the Company has been allotted fully paid equity shares aggregating to Rs.4752,46,08,300/- consisting of face value of Rs. 1188,11,52,050/- and share premium of Rs. 3564,34,56,250/-. The said amount hitherto appearing as Investment Suspense now stands as investment in subsidiary companies as fully paid equity share capital with premium as under:

### AMOUNT (RUPEES)

SUBSIDIARIES	SHARE CAPITAL	SHARE PREMIUM	TOTAL
GSECL	3306723540	9920170630	<b>13226894170</b>
GETCO	3892666040	11677998150	<b>15570664190</b>
DGVCL	728959360	2186878070	<b>2915837430</b>
MGVCL	669750180	2009250560	<b>2679000740</b>
PGVCL	2174088130	6522264410	<b>8696352540</b>
UGVCL	1108964800	3326894430	<b>4435859230</b>
<b>TOTAL</b>	<b>11881152050</b>	<b>35643456250</b>	<b>47524608300</b>

## 7. Borrowings and Borrowings Cost

The borrowings from Banks and Financial Institutions, etc. made during the year and the cost of borrowings incurred during the year has been apportioned amongst all the seven companies on the basis of the Financial Restructuring Plan approved by the Govt. of Gujarat.

The Company has not executed the transfer agreements in respect of following loans availed from Banks, Financial Institutions, etc though the loans are apportioned amongst all the subsidiary companies:

Sr. No	Institutions	Amount Outstanding (Rs. in Lakhs)	
		31-03-2009	31-03-2008
1	REC	34136.19	53334.02
2	Banks	254307.80	247065.71
3	Bonds	170882.39	203566.47
4	Bills Discounting under DPG	26939.39	53698.47
5	GSFS	154576.64	78128.25
6	GIPCL	0.00	3196.00
7	Govt. of Gujarat	57978.39	60089.39
	<b>Total</b>	<b>698820.80</b>	<b>699078.31</b>



The Company has made a provision for interest accrued and due amounting to Rs.1370.04 lakhs on Govt. loans of Rs.5882 lakhs and Rs.1676 lakhs consequent upon these loans having been made interest bearing vide G R No.GUV-1205-3670-K dtd.13.08.2008. This includes provision of Rs.602.90 lakhs for 2006-07 @10.25% on Rs.5882 lakhs and Rs.767.13 lakhs for 2007-08 @ 10.15% on both these loans. During the current year these loans have been made interest free vide G R No. GUV-1205-3670-k-1 dtd. 22.12.2008. Accordingly, interest provided on these loans in the previous year has been written back and no interest is provided for the year.

Govt vide G R No. GEB-1104-7319-K dtd. 07.11.2008 has resolved to waive the interest on outstanding Govt. loans of Rs.84177.39 lakhs (as on 31.03.2005) which was earlier deferred till 2010-11 while approving the Financial Restructuring Plan of erstwhile GEB. Accordingly, no provision for interest is required to be made on these loans till 2010-11.

#### **8. Subsidy and Grants**

Various Subsidies and Grants received / receivable during the year from the Government of Gujarat have been apportioned amongst the subsidiary companies on appropriate basis. However, the grant received under the Financial Restructuring Plan (FRP) which hitherto used to be apportioned amongst the subsidiary companies is retained in the Company as Capital Reserve.

#### **9. Impairment of Assets**

The Company does not have any "Cash Generating Unit" as defined in Accounting Standard-28 issued by the Institute of Chartered Accountants of India on "Impairment of Assets" and as such, no exercise for assessment of residual life of the assets is necessary.

#### **10. Employees Cost**

The Company has reached a settlement with the recognized employees unions on the demands submitted by them for wage revision. As per the last settlement reached with the employees unions the wage revision is due effective from 01.01.2006. Based on the settlement with the employees unions the Company has accounted a liability of Rs. 66.56 lakhs for the year (including for the retired, resigned and expired employees) considering the total provision made in earlier years.

#### **11. Employee Benefits**

**(a)** Defined contribution to provident fund, employee pension scheme and Employees Death Linked Insurance.

The company makes contribution towards Employees' Provident Fund, Employees' Pension Scheme and Employees' Death Linked Insurance. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company has, during the year, recognized the sum of Rs. 89.88 lakhs (P.Y. Rs. 87.01 lakhs) as expense towards contributions to these plans.



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## (b) Defined contribution towards gratuity

The following table sets out the status of the gratuity scheme plans as at 31<sup>st</sup> March, 2009:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
<b>Amounts recognized in the balance sheet</b>		
Present value of obligation	516.93	482.96
Fair Value of Plan Assets	242.58	192.47
Unrecognized past service cost	NIL	NIL
Net Liability in the Balance Sheet	274.35	290.49
<b>Cost for the period</b>		
Current Service Cost	4.72	7.83
Interest on obligation	38.64	38.74
Expected return on plan assets	(19.84)	(14.59)
Net Actuarial (Gains) / Losses recognised in the year	24.94	9.41
Past Service Cost	NIL	NIL
Losses / (Gains) on Curtailments and Settlements	NIL	NIL
Expenses recognised in the statement of Profit & Loss	48.46	41.38
<b>Change in Benefit Obligations</b>		
Opening defined benefit obligation	482.96	484.19
Prior period adjustments	-	-
Current Service Cost	4.72	7.83
Interest on obligation	38.64	38.74
Actuarial (Gains) / Losses	22.54	8.71
Benefits paid	(31.93)	(56.50)
Closing defined benefit obligation	516.93	482.96
<b>Changes in Plan Assets</b>		
Opening fair value of Plan Assets	192.47	145.68
Expected return on Plan Assets	19.84	14.59
Actuarial Gains / (Losses)	(2.40)	(0.70)
Employers Contributions	64.60	89.40
Assets acquired in an amalgamation in the nature of purchase	NIL	NIL
Exchange differences on foreign plans	NIL	NIL
Benefits paid	(31.93)	(56.50)
Closing fair value of Plan Assets	242.58	192.47

## 12. Related Party Disclosure

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



### 13. Earnings Per Share

Sr. No.	Particulars	For the Year Ended 31-03-09	For the Year Ended 31-03-08
1	Profit After Tax (Rs.in lakhs)	501.15	373.93
2	Wtd. Average number of Equity Shares		
	Basic	3101412659	2372138340
	Diluted	3156471659	2984181340
3	Face Value per Share (Rs.)	10	10
4	Basic Earnings per Share (Rs.)	0.0162	0.0158
5	Diluted Earnings per Share (Rs.)	0.0159	0.0125

### 14. Break-up of Managerial Remuneration

(Rs. In Lakhs)

Particulars	For the Year Ended 31-03-09	For the Year Ended 31-03-08
<b>Paid to Managing Director and Whole time Directors</b>		
Salaries	13.19	12.39
Contribution to Funds	3.44	3.25
Value of Perquisites	Nil	Nil

### 15. Auditors' Remuneration

(Rs. In Lakhs)

Sr. No.	Particulars	For the Year Ended 31-03-09	For the Year Ended 31-03-08
1	Audit fees	4.00	4.00
2	Reimbursements:		
a.	Service Tax	0.41	0.49
	<b>Total:</b>	<b>4.41</b>	<b>4.49</b>

### 16. Dues to SSIs and Interest on Delayed Payments:

- (i) Based on the details available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" there are no dues to micro, small and medium enterprises as at 31<sup>st</sup> March 2009 on account of principal amount together with interest for delayed payment under the Act (previous year Nil).
- (ii) The Company has not received any claim for interest from any suppliers under the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act 1993".



# GUJARAT URJA VIKAS NIGAM LIMITED

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## 17. Taxation

During the year, in accordance with the AS-22 "Accounting for taxes on income issued by The Institute of Chartered Accountants of India, the company has recognized deferred tax on the basis of "Income Approach". The Company has huge amount of carried forward losses and unabsorbed Depreciation under the Income Tax Act. However, as a matter of prudence, deferred tax assets for the year have been recognized only to the extent of deferred tax liability. Hence the net effect in the books of accounts is "NIL".

Deferred Tax on depreciation on the opening balances of the assets vested by the Government of Gujarat for the financial year 2005-06 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 not be considered as timing difference.

The Deferred Tax Liability is worked out as under:

(Rs. in Lakhs)

Particulars	Deferred Tax Asset	Deferred Tax Liability
Depreciation		1221.16
Provision for Leave Encashment	84.70	-
Gratuity	5.42	-
Others	-	31.83
Total Deferred Tax Asset / (Liability)	<b>90.12</b>	<b>1252.99</b>
<b>Net Deferred Tax Liability</b>		<b>1162.88</b>
Set off against carried forward Deferred Tax Asset		<b>1162.88</b>
<b>Net effect of Deferred Tax Liability in Profit &amp; Loss A/c for the year</b>		<b>-NIL-</b>
<b>Previous Year</b>		<b>-NIL-</b>

## 18. Statement Of Management:

- (i) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated other wise in the Accounts. Subject to the notes and the method of accounting followed by the Company, provision for all known liabilities is adequate. There are no contingent liabilities except those stated in the notes.
- (ii) Balance Sheet, Profit & Loss Account and Cash Flow statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 1956 as well as give a true and fair view of the state of affairs of the Company as at the end of the year and results of the Company for the year under review.
- (iii) Since mandatory consolidation of accounts is not applicable to the Company, the management has decided not to prepare and present the consolidated Financial Statements





19. Additional Information pursuant to the provision of paragraphs 3, 4—C & 4—D of Part II of Schedule VI to The Companies Act, 1956 (As certified by the Management)

(i) Quantitative information in respect of Purchase and Sale of Power:

**Purchase of Power**

For the Year Ended March 31, 2009		For the Year Ended March 31, 2008	
MUs	Amount (Rs. Lakhs)	MUs	Amount (Rs. Lakhs)
<b>55771.21</b>	<b>1738640.56</b>	<b>53889.85</b>	<b>1399999.24</b>

**Sale of Power**

For the Year Ended March 31, 2009		For the Year Ended March 31, 2008	
MUs	Amount (Rs. Lakhs)	MUs	Amount (Rs. Lakhs)
<b>55586.44</b>	<b>1736735.28</b>	<b>53610.46</b>	<b>1401392.18</b>

The difference of 184.77 million units (previous year 279.39 million units) between purchase and sales of number of units by the Company is on account of the delivery point of sale being different from that of purchase, accounting of transmission losses of the energy sold through bilateral agreements (Trading) as per terms of agreements, etc. Considering the volume of power purchase and sale this is not significant.

(ii) **Expenditure in Foreign Currency**

Particulars	For the Year Ended March 31, 2009 (Rs. in Lakhs)	For the Year Ended March 31, 2008 (Rs. in Lakhs)
CIF Value of Imports	Nil	Nil
Remittances in Foreign Currency	Nil	Nil
Foreign Travel	Nil	Nil

(iii) **Earnings in Foreign Currency:** ————— Nil —————

20. Previous year figures have been regrouped / rearranged / recasted wherever necessary.

21. The balances of debtors, creditors, loans and advances are subject to confirmation and reconciliation, if any.

### SIGNATURE TO SCHEDULE 1 TO 22

**As per our report of even date**

**For Shah Mehta and Bakshi**

Chartered Accountants

**J. P. SHAH**

Partner

Membership No.033115

Place : **VADODARA**

Date : **October 8, 2009**

**For and on behalf of the Board**

**S. JAGADEESAN, IAS**

Chairman

**S. B. KHYALIA**

Executive Director (Fin)

Place : **VADODARA**

Date : **October 8, 2009**

**L. CHUAUNGO, IAS**

Managing Director

**PARTHIV BHATT**

Company Secretary



# GUJARAT URJA VIKAS NIGAM LIMITED

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## STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	U40109GJ2004 SGC 045195	State Code	04
CIN-	U40109GJ2004 SGC 045195		
Balance Sheet Date	31-03-2009		

### II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Other	6776809

### III. Position of Mobilization and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities.	96282158	Total Assets	96282158
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#### SOURCES OF FUNDS

Paid up Capital	32623096	Reserves & Surplus.	2500000
Share Application Money	550590		
Secured Loans	13972175	Unsecured Loan	18903289

#### APPLICATION OF FUNDS

Net Fixed Assets	1503497	Investments	66485604
Net Current Assets	-5632280	Misc. Expenditure	NIL
Accumulated Loss	6192329	Deferred Tax	NIL

### IV. Performance of the Company (Amount in Rs.Thousands)

Turnover	176782909	Total Expenditure	176732794
Profit/(Loss) before tax	+51415	Profit/(Loss) after tax	+50115
Earning per share in Rs.	0.0162	Dividend rate	NIL

### V. Generic Names of Three principal products/Services of the Company

(as per monetary terms)

Item code No.(ITC code)	NIL
Product Description:	Purchase & Sale of Energy.

### For and on behalf of the Board

**S. JAGADEESAN, IAS**  
Chairman

**L. CHUAUNGO, IAS**  
Managing Director

**S. B. KHYALIA**  
Executive Director (Fin)

**PARTHIV BHATT**  
Company Secretary

Place : **Vadodara**

Date : **October 8, 2009**



## STATEMENT PURSUANT TO SECTION 212(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company							
Sr. No.	Particulars	Gujarat State Electricity Corporation Ltd.	Gujarat Energy Transmission Corporation Ltd.	Madhya Gujarat Vij Company Ltd.	Dakshin Gujarat Vij Company Ltd.	Uttar Gujarat Vij Company Ltd.	Paschim Gujarat Vij Company Ltd.
1.	Financial Year of the Subsidiary ended on	<b>March 31, 2009</b>	<b>March 31, 2009</b>	<b>March 31, 2009</b>	<b>March 31, 2009</b>	<b>March 31, 2009</b>	<b>March 31, 2009</b>
2.	Date from which they became subsidiary companies	<b>April 1, 2005</b>	<b>April 1, 2005</b>	<b>April 1, 2005</b>	<b>April 1, 2005</b>	<b>April 1, 2005</b>	<b>April 1, 2005</b>
3.	a) Number of shares held by Gujarat Urja Vikas Nigam Ltd. with its nominees in the subsidiaries as at 31 <sup>st</sup> March, 2009  b) Extent of interest of holding company as at 31 <sup>st</sup> March, 2009.	<b>912972424</b>	<b>389716674</b>	<b>212641422</b>	<b>237725547</b>	<b>207148722</b>	<b>422903896</b>
4.	The net aggregate amount of the Profit/ (loss) so far as it concerns the members of the holding Company  a) Not dealt with in the Holding Company's Accounts  i) For the financial year ended 31 <sup>st</sup> March 2009 <b>(Rs. in lakhs)</b>  ii) For the previous financial years of the subsidiary companies since they become the Holding Company's subsidiary <b>(Rs. in lakhs)</b>	<b>7053.36</b>  <b>20508.67</b>	<b>3587.41</b>  <b>8867.94</b>	<b>452.78</b>  <b>3677.82</b>	<b>298.80</b>  <b>3186.92</b>	<b>595.48</b>  <b>1959.07</b>	<b>108.82</b>  <b>4544.37</b>



# GUJARAT URJA VIKAS NIGAM LIMITED

5<sup>th</sup> Annual Report 2008-09

b) Dealt with in the Holding Company's Accounts							
i) For the financial year ended 31 <sup>st</sup> March 2009 <b>(Rs. in lakhs)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
ii) For the previous financial years of the subsidiary companies since they become the Holding Company's subsidiary	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**For and on behalf of the Board**

<b>D. J. PANDIAN, IAS</b> Chairman	<b>L. CHUAUNGO, IAS</b> Managing Director
<b>S. B. KHYALIA</b> Executive Director (Fin)	<b>PARTHIV BHATT</b> Company Secretary

Place : **Vadodara**  
Date : **19<sup>th</sup> December, 2009**



## PROXY

### GUJARAT URJA VIKAS NIGAM LIMITED

Regd. Office: Sardar Patel Vidyut Bhavan, Race Course, Vadodara – 390 007

Folio No.

No. of shares held :

I We \_\_\_\_\_

of \_\_\_\_\_ being a Member/s of Gujarat Urja Vikas Nigam Limited, Vadodara hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the **FIFTH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, 29<sup>th</sup> December, 2009 at 1.30 p.m. at Conference Room, GUVNL, SP Vidyutt Bhavan Race Course, Vadodara - 390 007 and any adjournment thereof.

Please affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signature(s) of Member(s)  
across the Stamp

Note : The Proxy must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the Meeting.

## ATTENDANCE SLIP

### GUJARAT URJA VIKAS NIGAM LIMITED

Regd. Office: Sardar Patel Vidyut Bhavan, Race Course, Vadodara – 390 007

*(Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.)*

I hereby record my presence at the Fifth Annual General Meeting of the Company, held on Tuesday, 29<sup>th</sup> December, 2009 at 1.30 p.m. Conference Room, GUVNL, SP Vidyutt Bhavan Race Course, Vadodara - 390 007

Folio No.

No. of shares held :

Full Name of the Shareholder / Proxy :

Signature of Shareholder / Proxy :

**Note :** Only Shareholders of the Company or their proxies will be allowed to attend the Meeting.

