34th Annual Report 2018-2019

GUJARAT INDUSTRIES POWER COMPANY LIMITED

Awards

Environment Excellence Award-2018

Excellence in Energy Management Award - 2018

GUJARAT INDUSTRIES POWER CO. LTD.

Efficient Management of Fly Ash - 2019

Power Plant Performance Award – Lignite - 2018

THIRTY FOURTH ANNUAL GENERAL MEETING		
DAY & DATE	:	FRIDAY, THE 20TH SEPTEMBER, 2019.
TIME	:	12:00 NOON
PLACE	:	REGISTERED OFFICE: P.O.: PETROCHEMICALS - 391 346, DIST.: VADODARA, GUJARAT.

Registered Office & Works: P.O.: Petrochemicals - 391 346,
Dist.: Vadodara, Gujarat, India.
(Tel.) (0265) 2232768
(Fax) (0265) 2230029.
Email : investors@gipcl.com
Website : www.gipcl.com
CIN:L99999GJ1985PLC007868

Surat Lignite Power Plant : At & Post: Nani Naroli, Taluka: Mangrol,
Dist.: Surat – 394 110, Gujarat.
(Tel.) (02629) 261063 to 261072.
(Fax) (02629) 261080.
Email: genslpp@gipcl.com

Registrar & Transfer Agent (RTA) : Link Intime India Private Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020.
(Tel.) (0265) 2356573
Email: vadodara@linkintime.com

Bankers:
Syndicate Bank
Central Bank of India
Oriental Bank of Commerce
State Bank of India
Bank of Baroda
Union Bank of India
Kotak Mahindra Bank Limited
The Karur Vysya Bank Limited
Indian Overseas Bank
IDBI Bank Limited

Statutory Auditors: K. C. Mehta & Co.,
Chartered Accountants, Vadodara.
(FRN : 106237W)

Cost Auditors : M/s. Diwanji & Associates,
Cost Accountants, Vadodara.
(FRN : 000339)

Secretarial Auditors: M/s. Samdani Kabra & Associates,
Practicing Company Secretaries, Vadodara.

Board of Directors (As on 20/08/2019):

Prof. Shekhar Chaudhuri	Director
Dr. K M Joshi	Director
Shri P K Gera, IAS	Director
Shri Pankaj Joshi, IAS	Director
Shri Milind Torawane, IAS	Director
Shri S B Dangayach	Director
Dr. B A Prajapati	Director
Shri N N Misra	Director
CS V V Vachhrajani	Director
Shri Prabhat Singh	Director
Smt. Vatsala Vasudeva, IAS	Managing Director

Company Secretary & Compliance Officer CS Udaykumar K Tanna

Chief Financial Officer & Addl. Gen. Manager (Finance): CA K K Bhatt

Senior Executives:

Shri N K Purohit	Chief General Manager (Mines - SLPP)
Shri N K Singh	General Manager (SLPP)
Shri S N Purohit	General Manager (BD & BO)

CONTENTS

ATTENTION

1. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, the 30th August, 2019 to Friday, the 06th September, 2019 (both days inclusive)**.

2. (a) Pursuant to SEBI (Fourth Amendment) Regulations, 2018 notified on 8th June, 2018 effective from 5th December 2018, no transfer of shares, except in the case of transmission or transposition of securities, shall be processed unless the securities are held in dematerialized form with a depository.

   In view of same, Shareholders holding shares in physical form are requested to get their shares dematted at the earliest.

   (b) Pursuant to the SEBI Circulars No. SEBI / HO / MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 by which it has directed all the listed companies to record the **PAN** of all the shareholders and **Bank Account details** of registered shareholder. We request you to submit the relevant documents to the Company or the Registrar and Transfer Agent.

3. The Companies Act, 2013 and the Listing Regulations requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions to be passed at General Meetings.

4. (a) Members holding shares in Physical mode are advised to address all correspondence quoting their Ledger Folio Number (LF No.) and to immediately notify their change of address, change of Bank details, Deletion / Transmission of shares, Loss of share certificate etc., if any, to the Company or its Registrar and Transfer Agent (RTA) viz. Link Intime India Private Limited.

   (b) Members holding shares in Demat mode (i.e. electronic mode) are advised to address all correspondence in respect of Change of Address, Change of Bank Details, Deletion / Transmission of shares, to their Depository Participant (DP) by quoting their Client ID & DP ID No.. The Company or its RTA cannot act on any such request received directly from the Members holding shares in Demat mode.

5. Members may visit the Shareholders' Service page on the Company website of www.gipcl.com to submit their queries, if any or to download forms / format to get unclaimed dividend, for issue of duplicate share certificate, for nomination, for NECS mandate for registration of E-mail Address for "Go Green" initiatives etc.

6. Any Member desirous of obtaining any information concerning the accounts and operations of the Company is requested to send queries to the Company at least fifteen days before the date of the Meeting.

7. Members attending the Meeting are requested to bring with them the Attendance Slip and hand over the same at the entrance of the Meeting hall, failing which admission to the Meeting will not be permitted.

8. The new Nomination Form No. SH-13 (to register Nominee), Form SH-14 (to change / cancel the Nominee) and Form SH-4 (Share Transfer Form) as prescribed under the Companies Act, 2013 are available on the website of the Company viz. www.gipcl.com.

9. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, companies are required to transfer its unpaid / unclaimed dividend after expiry of seven (7) years from the date from which they become due for payment, to the special fund called "Investors Education and Protection Fund (IEPF)". Claims for the amounts so transferred will lie with the IEPF Authority only. The Members may please note that the unpaid / unclaimed dividends of past years up to FY 2010-11 have been transferred to the Central Government Account / IEPF.

10. As a measure of economy, the Company does not distribute copies of Annual Report at the venue of Annual General Meeting. Therefore, Members desirous of attending the Meeting are requested to bring along their copies.

Members are requested to note that the dividends for FY 2011-12 to 2017-18 shall be due for transfer to "IEPF" as follows:-

Particulars	FY	Due for Transfer To Fund
17th Dividend	2011-2012	September, 2019
18th Dividend	2012-2013	September, 2020
19th Dividend	2013-2014	September, 2021
20th Dividend	2014-2015	September, 2022
21st Dividend	2015-2016	September, 2023
22nd Dividend	2016-2017	September, 2024
23rd Dividend	2017-2018	September, 2025

Members are requested to lodge their claims for past year(s) dividends, if any, with the Company or to its R&T Agent immediately.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Thirty Fourth (34th) Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Friday, the 20th day of September, 2019 at 12:00 noon at the Registered Office of the Company at P.O.: Petrochemicals – 391 346, District: Vadodara, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (including the consolidated financial statements) for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri P K Gera, IAS (DIN: 05323992), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of CS V V Vachharajani (DIN: 00091677) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To approve remuneration payable to Smt. Vatsala Vasudeva, IAS, (DIN: 07017455), Managing Director:**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** further to appointment of Smt. Vatsala Vasudeva, IAS, (DIN: 07017455) as the Managing Director of the Company vice Smt. Shahmeena Husain, IAS (DIN:03584560) with effect from 20th August, 2018 as per the Government of Gujarat (GoG), General Administration Department (GAD) Notification No.: Notification No. AIS/ 35.2018/29/G dated 18/08/2018 and as approved by the Board of Directors and by the Members at the 33rd Annual General Meeting, approval of Members be and is hereby accorded to the terms of remuneration payable to Smt. Vatsala Vasudeva, IAS, as mentioned in the Resolution No.: GIP-13-2018-4173-K dated 11th January, 2019 issued by Energy and Petrochemicals Department (EPD), GoG, set out in the Explanatory Statement attached to this Notice and such remuneration as may be conveyed by the GoG and approved by the Board of Directors of the Company, from time to time, provided however that the period of appointment and the total remuneration payable by the Company to the Managing Director shall not exceed the limits prescribed under the Companies Act, 2013."

   "**RESOLVED FURTHER THAT** the remuneration as above payable to Smt. Vatsala Vasudeva, IAS, (DIN: 07017455), from time to time, shall be paid as minimum remuneration to the Managing Director even in the event of absence or inadequacy of profits in any year during her tenure as Managing Director, subject to the ceiling prescribed under sections 2(78) and 197 and Schedule V to the Companies Act, 2013."

6. **To appoint Shri Prabhat Singh (DIN:03006541), as Director pursuant to the provisions of Section 161 of the Companies Act, 2013**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 86 and 98 of the Articles of Association of the Company, Shri Prabhat Singh (DIN:03006541), Director of the Company, who holds office upto the date of this Annual General Meeting(AGM) and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years from this 34th AGM till the 39th AGM of the Company and that he shall not be liable to retire by rotation."

7. **To approve material Transactions with Related Parties:**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded to the following material Related Party Transactions (RPTs), entered into, in the ordinary course of business at arm's length price, for the Financial Year 2018-19, as recommended and approved by the Audit Committee and the Board of Directors respectively in their respective Meetings held on 17th May 2019:

Sr.	Date of contract / arrangement	Name of the party	Name(s) of the interested Director(s)	Relation with Director/ Company/ Nature of concern or interest	Principal terms and conditions	FY 2018-19 (Amount ₹ in Lakhs)
	(1)	(2)	(3)	(4)	(5)	(6)
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station. (ii) Short Term Open Access arrangement for 165 MW Gas based Power Station (iii) PPA dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP Phase-I). (iv) PPAs dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP Phase-II). (v) PPA dated December 18, 2010 for 5 MW Solar Power Plant. (vi) PPAs dated April 28, 2015 and January 27, 2016 for 15 MW Wind Farm. (vii) PPAs dated September 2, 2016 and December 16, 2016 for 26 MW Wind Farm. (viii) PPAs dated September 20, 2016, December 03, 2016 and December 30, 2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited. (GUVNL)	1. Shri Sujit Gulati, IAS, Chairman (upto 16.07.2018) 2. Shri Raj Gopal, IAS, Chairman (from 07.08.2018 to 31.01.2019) 3. Shri Pankaj Joshi, IAS. 4. Shri Milind Torawane, IAS.	Promoter	Sale of Electricity (net of rebate on sales)	98419.39
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Limited. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity & Purchase of Chemicals	15181.71
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Limited. (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges & Purchase of Chemicals	18069.18

"RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby, accorded to the following material Related Party Transactions (RPTs) to be entered into, in the ordinary course of business at arm's length price, for the Financial Year 2019-20, as recommended and approved by the Audit Committee and the Board of Directors respectively in their respective meetings held on 11th February, 2019:

Sr.	Date of contract / arrangement	Name of the party	Name(s) of the interested Director(s)	Relation with Director/ Company/ Nature of concern or interest	Principal terms and conditions	Estimated Amount of contract or arrangement FY 2019-20 (₹ in Lakhs)
	(1)	(2)	(3)	(4)	(5)	(6)
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station. (ii) PPA dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP Phase-I). (iii) PPAs dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP Phase-II). (iv) PPA dated December 18, 2010 for 5 MW Solar Power Plant. (v) PPAs dated April 28, 2015 and January 27, 2016 for 15 MW Wind Farm. (vi) PPAs dated September 2, 2016 and December 16, 2016 for 26 MW Wind Farm. (vii) PPAs dated September 20, 2016, December 03, 2016 and December 30, 2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited. (GUVNL)	1. Shri Pankaj Joshi, IAS 2. Shri Milind Torawane, IAS	Promoter	Sale of Electricity (net of rebate on sales)	115000
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Limited. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity & Purchase of Chemicals	15000
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Limited. (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges & Purchase of Chemicals	17500

8. To ratify the remuneration payable to Cost Auditors for the financial year 2019-20 ending on 31st March, 2020:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand) plus applicable taxes, reimbursement of reasonable out of pocket expenses for FY 2019-20, payable to Diwanji & Company, Vadodara, (Firm Registration No.:000339), Cost Auditors of the Company, as fixed and approved by the Board of Directors of the Company, to conduct audit of the Cost records of the Company for the Financial year ending on 31st March, 2020, be and the same is hereby ratified."

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

By Order of the Board
For Gujarat Industries Power Company Limited

CS Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place: Vadodara.
Date: 12th August, 2019

Registered Office:
P.O.: Petrochemicals – 391 346,
Dist.: Vadodara, Gujarat.
CIN – L99999GJ1985PLC007868

NOTES:

- MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total Share Capital of the Company. A Member holding more than ten per cent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. **PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representative(s) to attend and vote at the Meeting.
- Relevancy of questions and the order of the Shareholders to speak at the Meeting will be decided by the Chairman.

Voting through electronic means:

The Company is pleased to offer remote e-Voting (e-Voting from a place other than the venue of the Annual General Meeting) facility as an alternative mode of voting, which will enable the Members to cast their vote electronically in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) (including any modification or re-enactment thereof for the time being in force). Necessary arrangements have been made by Company with Central Depository Services (India) Limited (CDSL) to facilitate e-Voting. The facility for voting through polling paper shall be made available at the venue of the 34th Annual General Meeting (AGM). Persons who are Members of the Company, holding shares either in physical mode or in dematerialized mode as on Friday, 13th September, 2019, (i.e. the Cut-off date) will be eligible to vote by electronic means or in the AGM.

Members of the Company attending the 34th AGM, who have not cast their votes through remote e-Voting, shall be eligible to exercise their voting rights at the Meeting. Members, who have already cast their votes through remote e-Voting may attend the Meeting but shall not be entitled to cast the vote again at the venue of the 34th AGM.

The instructions for e-Voting are as under:

SECTION A - E-VOTING PROCESS -

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Tuesday, the 17th September, 2019 at 9.00 A.M. and ends on Thursday, the 19th September, 2019 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, the 13th, September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Mode and Physical Mode	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on e-Voting instruction Slip.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the "EVSN" for Gujarat Industries Power Company Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xix) **Note for Non – Individual Shareholders and Custodians**

a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c) After receiving the login details, user would be able to link the account(s) for which they wish to vote on.

d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

SECTION B - OTHER E-VOTING INSTRUCTIONS:

i. The voting rights of shareholders shall be in proportion to their shares in the Paid up Equity Share Capital of the Company.

ii. A copy of this Notice has been placed on websites of the Company and of CDSL.

iii. The Company has appointed CS Vijay L Vyas, Practicing Company Secretary (ICSI Membership No. 13175), as the Scrutinizer for conducting the remote e-Voting and voting process through polling at the 34th AGM in a fair and transparent manner. This E-Voting is optional. In terms of the requirements of the Act and the relevant Rules there under, the Company has fixed Friday, 13th September, 2019 as the "Cut-off date". The remote E-Voting / voting rights of the Members shall be reckoned on the Equity Shares held by them as on the Cut-off date.

iv. The Scrutinizer shall, immediately after the conclusion of voting at the 34th AGM, first count the votes cast at the Meeting and thereafter unblock the votes casted through remote E-Voting in the presence of at least two (2) witness not in the employment of the Company and prepare, not later than forty eight (48) hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or the person authorized by him in writing shall declare the result of the voting forthwith, in the format prescribed under Regulation 44(3) of the SEBI (LODR) Regulations, 2015.

v. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website ***www.gipcl.com***, Notice Board of the Company at Registered Office and on the website of CDSL ***https://www.evotingindia.com*** within two (2) days of passing of the resolutions at the 34th AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed, which shall place it on their website thereafter. The resolutions shall be deemed to have been passed on the date of the 34th AGM subject to receipt of sufficient votes.

vi. The Company will submit the voting Results in the format specified, with the Stock Exchanges where the Shares of the Company are listed, within forty eight (48) hours of conclusion of the 34th AGM.

vii. Shareholder(s) can also update their mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

Contact Details:

Company	: **Gujarat Industries Power Company Limited** Regd. Office: P.O.: Petrochemicals – 391 346, District: Vadodara, Gujarat, India. Tel. No.: 0265 – 2232768, Fax No.: 0265 - 2230029. E-mail ID: investors@gipcl.com
Registrar and Transfer Agent	: **Link Intime India Pvt. Ltd.** B-102-103, Shangrila Complex, Near Radhakrishna Char Rasta, Opp. HDFC Bank, Akota, Vadodara – 390 020. Phone: +91-265-2356573 Fax: +91-0265-2356791 E-mail: vadodara@linkintime.co.in
E-Voting Agency	: **Central Depository Services (India) Ltd.** E-mail ID: helpdesk.evoting@cdslindia.com

ANNEXURE TO THE NOTICE

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5:

The Members at the 33rd Annual General Meeting (AGM) held on 27th September, 2018 have approved the appointment of Smt. Vatsala Vasudeva, IAS, (DIN:07017455) as Managing Director of the Company with effect from 20/08/2018, vice Smt. Shahmeena Husain, IAS (DIN:03584560) for a period of Five years and had authorized the Board of Directors to consider and agree to the terms as to remuneration, including any revision therein, from time to time, as may be communicated by the Govt. of Gujarat (GoG), during her tenure as Managing Director of the Company.

Energy & Petrochemicals Department (EPD), GoG, vide Resolution No. GIP-13-2018-4173-K dated 11th January, 2019, has prescribed the terms as to remuneration, payable to Smt. Vatsala Vasudeva, IAS, (DIN:07017455) as Managing Director of the Company, as follows:

1. **Period of Deputation:**

   Smt. Vatsala Vasudeva, IAS, (DIN:07017455) (RR:GUJ:1997) shall be deputed as Managing Director of Gujarat Industries Power Co. Ltd. (GIPCL), Vadodara, for a initial period of two years with effect from 20.08.2018 i.e. the date on which she assumed charge as Managing Director of GIPCL or till her services are withdrawn by the State Government, whichever is earlier.

2. **Pay:**

   During the period of deputation, Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will be eligible to draw her monthly pay in the scale of ₹ 1,44,200 – ₹ 2,18,200/- by virtue of equation of the post of Managing Director of Gujarat Industries Power Company Limited (GIPCL), Vadodara, with the IAS cadre post of Secretary to Government vide State Government Resolution GAD No.:AIS/30.2015/Eq-311197/G dated 30.04.2015.

3. **Dearness Allowance:**

   Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will be eligible to draw Dearness Allowance at such rate as the State Government may prescribe from time to time.

4. **City Compensatory Allowance:**

   Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will be eligible to draw City Compensatory Allowance as per the rules applicable to the AIS Officer working in connection with the affairs of the State.

5. **House Rent Allowance:**

   Smt. Vatsala Vasudeva, IAS, (DIN:07017455) would be required to pay 10% of the pay plus DA / DP & CCA or the prescribed license fee for similar class of accommodation in the State Government, whichever is lower.

6. **Transfer Travelling Allowance (T.A.)/Joining Time**:

   Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will be entitled to Transfer TA and joining time both on joining the post of deputation and on reversion under the rules of Gujarat Industries Power Company Limited (GIPCL) to which she is deputed and which shall not be inferior to the relevant provisions of the AIS Rules. The expenditure on this account will be borne by GIPCL.

7. **T.A. and D.A. for journey on duty:**

   Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will be paid Travelling Allowance and Daily Allowance by GIPCL under the Rules of GIPCL for the journey undertaken by her in connection with the official work of GIPCL. While undertaking foreign visits by her, the instructions contained in GAD Circular No.: AIS/1099/1720/G dated 17th April, 1999, as amended from time to time will be applicable for the purpose of drawl of per diem and in other matters.

8. **Medical Facilities:**

   GIPCL shall afford to Smt. Vatsala Vasudeva, IAS, (DIN:07017455), medical service facilities as per the Rules of GIPCL but the same shall not be inferior to those admissible to an All India Service Officer of her rank and seniority under the All India Services (Medical Attendance) Rules, 1954.

9. **Leave and Pension:**

   During the period of deputation, Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will continue to be governed by the All India Service (Leave) Rules, 1955 and All India Services (DCRB) Rules, 1958. The entire expenditure in respect of leave taken during and at the end of deputation shall be borne by GIPCL.

10. **Provident Fund:**

    During the period of foreign service, Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will continue to subscribe to the All India Services (Provident Fund) Scheme / Contributory Provident Fund Scheme to which she was subscribing at the time of proceeding on foreign service in accordance with the rules of such Fund / Scheme.

11. **Conduct, Discipline and Appeal Rules:**

    During the period of foreign service, Smt. Vatsala Vasudeva, IAS, (DIN:07017455) shall continue to be governed by the All India Services (Conduct) Rules, 1968 and the All India Services (Discipline & Appeal) Rules, 1969.

12. **Leave Travel Concession:**

    GIPCL shall allow Leave Travel Concession to Smt. Vatsala Vasudeva, IAS, (DIN:07017455) as admissible to her under the All India Services (LTC) Rules, 1975. The whole expenditure in this regard will be borne by GIPCL.

13. **Disability Leave:**

    GIPCL will be liable to pay leave emoluments in respect of disability leave, if any, granted to Smt. Vatsala Vasudeva, IAS, (DIN:07017455) on account of any disability incurred in and through Foreign Service even though such disability manifests itself after termination of the foreign service. The relevant AIS rules will be applicable in such cases.

14. Leave Salary / Pension Contributions:

Smt. Vatsala Vasudeva, IAS, (DIN:07017455) shall not be permitted to join the Pension Scheme of GIPCL under any circumstances. The entire expenditure in respect of pension and leave salary contributions for the period of deputation shall be borne by GIPCL failing which by Smt. Vatsala Vasudeva, IAS, (DIN:07017455) herself.

GIPCL will pay to the Government, the leave salary and pension contribution at the rates in force from time to time in accordance with the orders issued by the President under F.R. 116. The payment of these contributions must be paid annually within 15 days from the end of each financial year or at the end of Foreign Service, if the deputation expires before the end of financial year. Delayed payment will attract liability of payment of interest in the terms of instructions contained in the Ministry of Finance's Notification No. F.1(1)/E.III/83 dated 10th August, 1983, as amended from time to time. Pending intimation of the rates of leave salary and pension contributions by the Accountant General, Gujarat, Rajkot / Ahmedabad, GIPCL shall pay Leave Salary and Pension Contribution provisionally at the prescribed rates.

15. Group Insurance:

Smt. Vatsala Vasudeva, IAS, (DIN:07017455) will be governed by the All India Services (Group Insurance) Rules, 1981. The amount deducted from her salary as per the prescribed rates as subscription towards the Central Government Employees Group Insurance Scheme, 1980 shall be remitted to the Accountant General, Gujarat, Rajkot / Ahmedabad by GIPCL. If at any time, the recovery of subscription falls in arrears, the same shall be recovered with interest admissible under the Scheme on the accretions to the Saving Fund.

16. Residuary Matters:

In all matters relating to conditions of service and benefits / facilities and perquisites in GIPCL not covered by items 1 to 15 above, Smt. Vatsala Vasudeva, IAS, (DIN:07017455) shall be governed by the provisions of AIS (Conditions of Services Residuary Matters) Rules, 1960.

The above mentioned terms and conditions would be applicable till Smt. Vatsala Vasudeva, IAS, (DIN:07017455) remains on deputation with GIPCL. On reversion from deputation, she will be governed by the relevant rules laid down for All India Service Officers."

Your Directors recommend, for your approval, the Resolution at Item No. 5 of this Notice.

None of the Directors, except Smt. Vatsala Vasudeva, IAS, is in any way interested or concerned in the said Resolution.

Item No.6.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Board of Directors of the Company has appointed Shri Prabhat Singh (DIN:03006541) as Additional Director and as Independent Director on 30-09-2018. He shall hold the office of Director until the conclusion of this Annual General Meeting.

The Company has received requisite Notice pursuant to the provisions of Section 160(1) of the Companies Act, 2013 (the Act), from the Members of the Company proposing appointment of Shri Prabhat Singh (DIN:03006541) as Independent Director of the Company for a period of five years, not liable to retire by rotation.

Shri Prabhat Singh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has also received declaration from Shri Prabhat Singh (DIN:03006541) that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board of Directors of the Company, Shri Prabhat Singh (DIN:03006541) fulfills the conditions for appointment as Independent Director as specified in the Act and the Rules made there under.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Shri Prabhat Singh (DIN:03006541) is appointed as Independent Director of the Company.

Brief Resume of Shri Prabhat Singh (DIN:03006541) is as follows:

Shri Prabhat Singh is an Engineering graduate from IIT, Kanpur, and having around 36 years of relevant experience in the Hydrocarbon Industry both in MNC (British Gas) and Maharatna PSUs (GAIL, NTPC, EIL) etc. He is a vastly experienced professional having worked his way up in diverse areas including Project Planning, Execution & Management, Exploration & Production, Training & Organizational Reforms and Business Development & Marketing.

Shri Prabhat Singh was Director (Marketing) of GAIL (India) Limited and has also served as (i) Chairman of Ratnagiri Gas and Power Private Limited (RGPPL), erstwhile Dabhol Power Company and (ii) Chairman of GAIL Global Singapore Pte Ltd. (GGSPL) - a global trading arm of GAIL at Singapore.

Presently, Shri Prabhat Singh is Managing Director and CEO of Petronet LNG Limited, New Delhi.

He also holds Directorship in Adani Petronet (Dahej) Port Private Limited and Petronet LNG Foundation.

Shri Prabhat Singh has been instrumental in putting the country on the world gas map. His major contribution has been the execution of world's longest exclusive LPG pipeline from Jamnagar, Gujarat to Loni, U.P. He is one of the core contributors to the concept of gas pooling for power & fertilizer sector which is under successful implementation.

This Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors recommend the Resolution at Item No. 6 as Ordinary Resolution.

None of the Directors except Shri Prabhat Singh (DIN:03006541)

Item No.7.

Consequent upon the enactment of the Companies Act, 2013 (the Act) and the Rules made there under, there have been wide spread changes in the entire gamut of corporate functions and compliance requirements.

One such compliance requirement pursuant to Section 188 of the Act pertains to Related Party Transactions (RPTs) where the net of coverage criteria has been widened to a great extent.

In terms of above, the Board of Directors of the Company has approved a Policy on 'Related Party Transactions' (RPTs).

The said Policy requires that the Company shall not enter into any contract or arrangement with a 'Related Party' without approval of the Audit Committee of Directors (the Audit Committee).

The Companies (Meetings of the Board and its Power) Rules, 2014 read with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require that the Company shall not enter into a contract or arrangement with any Related Party, inter alia, for sell, purchase or supply of any goods or material directly or through appointment of agents, exceeding 10% of Annual Consolidated Turnover of the Company as per the Last Audited Consolidated Financial Statements of the Company, without approval of the Members of the Company by an Ordinary Resolution.

Accordingly, considering the Annual Consolidated Turnover of the Company for FY 2018-19 of ₹ 1,52,416 Lakhs and the value of transactions with Related Parties viz. Gujarat Urja Vikas Nigam Limited (GUVNL), Gujarat State Fertilizers & Chemicals Limited (GSFC) and Gujarat Alkalies & Chemicals Limited (GACL), Promoters of the Company, in the ordinary course of business at arm's length price, which are exceeding the prescribed limit of 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Consolidated Financial Statements of the Company (Regulation 23 of the SEBI (LODR) Regulations, 2015), the transactions with RPTs being material in nature, are placed for approval of the Members, as recommended by the Audit Committee and the Board of Directors of the Company.

Further as recommended by the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company is required for the material transactions with Related Parties, in the ordinary course of business at arm's length price, which are likely to exceed the prescribed limit of 10% of the Annual Consolidated Turnover of the Company during the FY 2019-20.

Your Directors recommend, for your approval, the Resolution at Item No.7 of this Notice.

Shri Pankaj Joshi, IAS, Shri Milind Torawane, IAS, Shri P K Gera, IAS and CS V V Vachhrajani, representing the related parties, be deemed to be interested or concerned in the said Resolution.

None of the Directors, except above mentioned Directors, is in any way interested or concerned in the said Resolution.

Item No. 8:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Diwanji & Company (Firm Registration No.: 000339), Vadodara, Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand) plus applicable Taxes on Services (by whatever name called), reimbursement of reasonable out of pocket expenses, payable to the Cost Auditors is to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of this Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the said resolution.

Inspection of documents:

All documents referred to in this Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 9.30 a.m. and 12.30 p.m. on all working days of the Company prior to the date of the Meeting.

By Order of the Board
For Gujarat Industries Power Company Limited

CS Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place: Vadodara.
Date: 12th August, 2019.

Registered Office:
P.O.: Petrochemicals – 391 346,
Dist.: Vadodara, Gujarat.
CIN – L99999GJ1985PLC007868

DETAILS OF DIRECTORS SEEKING APPOINTMENT, AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015:

Name of Director	Shri P K Gera, IAS	CS Vishvesh V Vachhrajani
DIN	05323992	00091677
Date of Birth	26.11.1959	01.10.1969
Date of Appointment	01.03.2016	28.03.2016
Qualifications	B.Sc.(Elec. Engg.) (Hons.), M.Sc. (Public Economy Management), M.Phil.	B.Com, LLB, FCS (Fellow Member of The Institute of Company Secretaries of India). He has also passed the final exam of The Institute of Chartered Secretaries and Administrators (ACIS), London, United Kingdom (UK).
Nature of Expertise / Experience	He is a senior IAS Officer of 1985 - batch having experience of more than thirty two (32) years in the Central and State Government holding various positions in Land Revenue Management, Rural Development, District Administration, Agriculture, Finance, Training, Personnel & General Administration, Textiles, etc. His postings under Government of India and Government of Gujarat include: 1. Registrar and Joint Secretary, Central information Commission, New Delhi. 2. Director General, Sardar Patel Institute of Public Administration (SPIPA) & Ex.-Officio, Secretariat, Government of Gujarat (Administrative Reforms and Training), Gandhinagar, Gujarat. 3. Resident Commissioner, Government of Gujarat, New Delhi. 4. Joint Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA). 5. Director General, National Institute of Fashion Technology, New Delhi. 6. Managing Director, Gujarat Mineral Development Corporation Ltd. (GMDC). Presently, he is Managing Director, Gujarat Alkalies & Chemicals Limited (GACL).	He is a Professional having rich and varied experience of more than two and half decades in the field of Company Secretarial, Board Governance, Investor Relations, Legal, Corporate Communication and Industrial Relations. Presently, he is Company Secretary and Sr. Vice President (Legal & GST) in Gujarat State Fertilizers and Chemicals Ltd. (GSFC).
Names of other Companies in which Directorship is held	1. Gujarat Alkalies and Chemicals Limited 2. GACL – NALCO Alkalies & Chemicals Pvt. Ltd. 3. Gujarat Guardian Limited.	None
Name of the Private Companies in which, Directorship held through relatives	None	None
Membership / Chairmanship of Committee(s) of other Company	Gujarat Alkalies & Chemicals Limited (GACL) **Member:** 1. Audit Committee 2. Stakeholders' Relationship-cum-Investors' Grievance Committee 3. Corporate Social Responsibility Committee 4. Risk Management cum Safety Committee 5. Project Committee 6. Personnel Committee 7. Selection Committee	None
No. of Shares held	None	None
No. of Board meeting attended	One	Four
Relationship with other Directors / KMP	None	None

BOARD'S REPORT

To
The Members,

Your Directors have pleasure to present the Thirty Fourth Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019.

Financial Performance:

(₹ in Lakhs)

	2018-19	2017-18
Revenue from Operations	**140735**	135384
Other Income	**11691**	5124
Total Expenditure	**86022**	87309
Gross Profit : (before deducting any of the following)	**66404**	53199
(a) Finance Cost	**5032**	5685
(b) Depreciation	**16736**	15766
(c) Provision for Deferred Tax	**(4134)**	545
(d) Provision for Current Income Tax (including MAT credit entitlement)	**9322**	6753
(e) Other Comprehensive Income (Net Of Tax)	**(1568)**	2792
Exceptional Item	**(21808)**	-
Net Profit (including other comprehensive income):	**16072**	27242
Add :Balance brought forward from Previous Year (including other Comprehensive Income)	**20657**	16330
Surplus available for Appropriation	**36729**	43572
Less: Appropriations:		
i. General Reserve	**9000**	9000
ii. Expansion Reserve	**9000**	9000
iii. Dividend On Equity Shares (including Dividend Tax) paid	**4923**	4915
iv. Carried to Balance Sheet	**13806**	20657
TOTAL	**36729**	43572

Dividend:

Your Directors are happy to recommend a Dividend of ₹ 2.90 (Rupees Two and Paise Ninety) per share on 15,12,51,188 Equity Shares of ₹ 10/- each fully paid up, for the year ended on 31st March, 2019 (Previous year ₹ 2.70 per share). The Dividend, if approved by the Shareholders at the ensuing 34th Annual General Meeting (AGM), shall be paid to those Members, whose names appear in the Register of Members of the Company as on 6th September, 2019. In respect of Shares held in dematerialized form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as beneficial owners as on 6th September, 2019.

OPERATIONS:

Vadodara Gas based Stations:

Station I (145 MW):

During the year under review, the Station generated 698.400 Million Units (MUs) at the Plant Load Factor (PLF) of 54.98% as against generation of 676.210 MUs at PLF of 53.24% during the preceding year. The Plant Availability Factor (PAF) was at 94.26% during the year under review as against 91.55% during the preceding year.

Last row of condensate pre-heater module of HRSG-3 replaced due to ageing during Planned Shutdown of HRSG-3, which would result in overall improvement in efficiency of Combined Cycle operation.

Your Directors are glad to inform that protecting the interest of Participating Units & Gujarat Urja Vikas Nigam Limited (GUVNL) to meet individual's scheduled demand, Company qualified in competitive bidding and has received Letter of Award from Torrent Power Ltd. for the sale of 50 MW power on '09 a.m. to 09 p.m., 12 hours real time' basis starting from 01/07/2018 to 31/08/2018. By virtue of the above initiative, operations of Station at optimum loading was ensured during high wind generation period, monsoon period and subsequently lean period of power demand from conventional power plant.

Continuous efforts are made to maintain optimum available supply of gas at competitive price for commercially viable operation of the Station.

Company has made registration with Indian Energy Exchange as a client through M/s Tata Power Trading Limited for sale of power in open access maintaining and protecting interest of Participating units and GUVNL from October'18 and scheduled/qualified for 48.3075 MWh of energy.

Station – II (165 MW):

The Power Purchase Agreement (PPA) in the matter of:

Petition under Sections 86 (1) (b) of the Electricity Act, 2003 seeking approval of the Commission for procurement of power on "As and When required basis" from 165 MW GIPCL Station – II for a period of 5 years and approval of Power Purchase Agreement dated 29.03.2019, Honorable GERC has issued an order dated 03.06.2019 advising Petitioner to conduct a public hearing to take into account the suggestions /objections of the stakeholders / consumers, if any and invite suggestions/objections from the stakeholders on affidavit within 30 days from the date of issuance of public notice.

Company has also provided services of Energy Audit in association with M/s Electrical Research and Development Association, Vadodara, to the energy intensive sectors viz. Chemical Industries, Petrochemicals, Steel Industries, Captive Thermal Power Plant, Engineering Industries.

Company has also made commercial arrangements to supply surplus Demineralized (DM) water to some of adjoining industries to fetch additional revenue and to increase capacity utilization factor of the idle assets.

Surat Lignite Power Plant (SLPP):

Phase-I (2 x 125 MW Units 1 & 2):

During the year under review, Phase–I generated 1706.986 Million Units (MUs) at a Plant Load Factor (PLF) of 77.94% as against 1589.341 MUs at a PLF of 72.57% during the preceding year. Plant Availability Factor (PAF) was 83.99% as against 83.24% during the preceding year. Commercial availability was at 76.66% as against 74.83% during the preceding year.

Phase II (2 x 125 MW Units 3 & 4):

During the year under review, Phase-II generated 1814.728 MUs at a PLF of 82.86% as against 1682.374 MUs at a PLF of 76.82% during the preceding year. Plant Availability Factor (PAF) was 88.58% as against 85.41% during the preceding year. Commercial availability was at 83.50% as against 80.07% during the preceding year.

Your Directors are pleased to inform that SLPP Station (Phase-I & II together) achieved highest ever PLF 80.40% in Financial Year 2018-19 since last 6 years and second highest PLF since commissioning (earlier record: 82.36% PLF in F.Y. 2012-13). Further, SLPP Units achieved new heights in the field of Units' continuous running and minimum Unit outages. Better Plant performance helped to gain incentive in both SLPP Phase-I and SLPP Phase-II.

Constant endeavors are being made to improve the overall performance of the Units, including technology improvement and modifications. The required maintenance program for the upkeep of the Units was undertaken during the year under review.

Your Directors are glad to inform that the Surat Lignite Power Plant has successfully completed reportable accident free operations for the entire year under review i.e. FY 2018-19.

Safety Audit is being conducted through external competent agency to ensure zero accident and cover all employees and contract workmen for safety related training.

Mining:

During the year under review, Valia Lignite Mine recorded the highest ever lignite production of 30.27 Lakhs Te as against 29.06 Lakhs Te during the preceding year and highest ever monthly lignite production of 4.52 Lakhs Te from Valia Lignite Mine.

Most of the requirement of lignite was met from our captive Vastan Lignite Mine and Mangrol-Valia Lignite Mine. To meet the demand of all the four units for operations during monsoon, highest ever Lignite Stock of 10.40 Lakhs Te was created on 30/06/2018 as against the 7.83 Lakhs Te on 30/06/2017.

The open tendering process for Turnkey Mining Contract for Valia Lignite Mine was completed successfully in September, 2018 and work order issued to M/s P. C. Patel Infra Private Limited on 16th October, 2018. The contract has been awarded for the lignite quantity of 22.25 MTe during the 7 (Seven) years period.

5 MW PV based Solar Power Plant:

During the year under review, 5 MW PV based Solar Power Plant at SLPP generated 6.829 MUs with 15.59% PLF as against 7.044 MUs with PLF of 16.08% during the preceding year.

Less generation and PLF during the year under review was mainly due to degradation of PV modules over a period of time.

2 x 1 MW Distributed Solar Power Plants (DSPP):

During the year under review, the 1 MW Amrol DSPP generated 1.447 MUs at a Capacity Utilization Factor (CUF) of 16.39 and the 1 MW Vastan DSPP generated 1.315 MU at a CUF of 15.01% respectively.

Major activities were carried out in Agriculture field during the year under review under the guidance of Anand and Navsari Agricultural Universities.

Your Directors are pleased to inform that this novel concept of Distributed Agri Solar Power Project has received National Level "POWER AWARD-2018 " Award of the Independent Power Producers Association of India(IPPAI).

112.4 MW Wind Power Projects:

The Company has total installed and commissioned capacity of 112.4 MW of Wind Power Projects at different sites across State of Gujarat.

During the year under review, the 112.4 MW Wind farms have generated 261.68 MUs at a CUF of 26.58%.

2 x 40 MW Solar Power Projects at Gujarat Solar Park, Charanka:

During the year under review, Plot – 1 (40 MW) has generated 76.812 MUs with 21.92% CUF whereas Plot – 3 (40 MW) has generated 77.299 MUs with 22.06%.

75 MW Solar Power Projects at Gujarat Solar Park, Charanka:

Your Directors are pleased to inform that your Company had emerged as successful bidder for development of 75 MW Solar Project under RfS floated by GUVNL and Power Purchase agreement was signed with GUVNL on 24.10.2017. Engineering, Procurement and Construction (EPC) contract was awarded to M/s. Bharat Heavy Electricals Limited (BHEL) for 75 MW Solar Project at Gujarat Solar Park, Charanka. During the year under review, out of 75 MW capacity 25 MW was commissioned on 29.03.2019. Remaining capacity commissioned in phased manner with 30 MW on 26.04.2019 and balance 20 MW on 04.06.2019.

Safety Performance:

The health and safety of all the employees is prime concern of the Company. Your Directors are happy to inform that your Company is making sincere and committed efforts to maintain the safety of Plant equipment and creating a safe and healthy work environment for the employees. The Company has been spending sufficient amount for the health and safety related activities. Constant efforts are made to maintain accident free operations at all the locations. Your Company has adopted a comprehensive Health and Safety Policy under the Integrated Management System (IMS).

Your Directors are glad to inform that the Company has successfully completed accident free operations for the entire year under review i.e. FY 2018–19.

Safety Audit is conducted through external competent agency to ensure zero accident and cover all employees and contract workmen for safety related training.

Environmental Protection:

The Company recognizes Environment Management as an integral function of its operations. Towards this end your Company has adopted appropriate technology for control of pollutants at source.

Vadodara Plant:

Your Company has also imposed total ban on using thermocol and plastic below 40 micron size packing material for all incoming goods. Disposal of e-waste generated has been arranged through Central Pollution Control Board (CPCB) registered Vendors.

Surat Lignite Power Plant (SLPP):

During the year under review, your Company replaced internals of total two nos. fields of Unit-2 Electrostatic Precipitator (ESP) and three nos. fields of Unit-3 ESP at total expenditure of ₹ 253.89 Lakhs to reduce suspended particulate matter (SPM) emission through stack / chimney.

Your Company planted 1500 nos. of saplings (90% survival rate) in the Plant and Colony premises for better green coverage.

Growth Plans:

100 MW Solar Power Project at Raghanesda Solar Park:

Your Directors are pleased to inform that your Company has emerged as successful Bidder for 100 MW Solar Power Project at Raghanesda Solar Park, Dist. Patan, Gujarat, during reverse e-auction for 700 MW Solar Power Project held by Gujarat Urja Vikas Nigam Limited (GUVNL).

Accreditation for Integrated Management System (IMS) under ISO certifications:

Your Directors are pleased to inform that during the year under review, your Company has successfully maintained standard guidelines for IMS covering ISO:9001:2008, ISO:14001:2004 and OHSAS 18001:2007 certification for Quality Management System (QMS), Environment Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) and ISO 50001:2011 for Energy Management System (EnMS) Certification for its Power Stations at Vadodara and SLPP. Your Company is one of the first group of Power Plants to have implemented and obtained ISO 50001:2011 Certification. Surveillance Audit for all the standards including up gradation of Quality and Environment Management System Standards (2015 version) have been successfully conducted in May, 2019 which is accredited by TUV India Limited and is also valid for FY 2019-20.

Awards and Accolades:

During the year under review, Vastan Lignite Mine has won Overall First Prize for the Overall Performance among the lignite mines of Gujarat State, from Director General of Mining Safety during Gujarat Lignite Mines Safety & Swachhata Week 2018-19. Vastan Lignite Mine has also won prizes for 'Mine Workings and General Safety', 'Health, First Aid & Vocational Training', 'Publicity, Propaganda & Housekeeping' and 'Record Maintenance' and Valia Lignite Mine has won prizes for 'Swachhata Hi Seva Prize', 'Health, First Aid & Vocational Training' and 'Record Maintenance'.

Vastan Limestone Mine has won prizes for the 'Mine Working, Haul road, Maintenance & Transportation' and 'Health, Safety, Welfare & Occupational Health Check up facilities, Fire Fighting & Vocational Training' among the 24 Limestone Mines (Chemical and Soda Ash Group) of Gujarat State during 9th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week-2018.

SLPP received Winner Award in "Power Plant Performance – 2018– Lignite" in Thermal O&M "Conference – Expo – Award" on 08th June, 2018 at New Delhi organized by Mission Energy Foundation jointly supported by Central Electricity Authority (CEA), Ministry of Environment & Forest and Climate Change (MoEF and CC), Ministry of Power, Coal, Renewable Energy and Ministry of Science & Technology.

SLPP received National Energy Management Award - 2018 for Outstanding Performance in Energy Conservation conferred by Confederation of Indian Industry (CII), Hyderabad and recognized as 'Energy Efficient Unit'. The award was received on 31st August, 2018 in a function organized by CII at HICC, Hyderabad.

SLPP received Environment Excellence Award - 2018 under "Clean Generator of the Year – Lignite" category, conferred by Mission Energy Foundation jointly supported by Ministry of Environment & Forest and Climate Change (MoEF and CC), Ministry of Power (MoP), Coal, Renewable Energy and Ministry of Science & Technology. The Award was received on 21st September, 2018 in a Conference organized at New Delhi.

National Award conferred to SLPP, as the "Winner" of "National Fly Ash Utilization Award-2019" for Fly Ash

Utilization in Thermal Power Stations Category < = 500 MW by Mission Energy Foundation, supported by Ministry of Environment & Forest and Climate Change, Ministry of Power, Coal, Renewable Energy, Ministry of Road Transport and Highways, Ministry of Science & Technology and Ministry of Urban Development on 28th February, 2019 at Goa.

Subsidiary:

As approved by the respective Boards of Director, the process for Voluntary Liquidation of GIPCL Projects and Consultancy Company Limited (GIPCO), wholly owned subsidiary of your Company, has been initiated under the Insolvency and Bankruptcy Code (IBC), 2016.

Liquidator, GIPCL has submitted his Final Report and Application has been made to National Company Law Tribunal (NCLT) and its Order is awaited.

Public Deposits:

During the year 2018-19, your Company has not accepted/ renewed any Fixed Deposit. As at the date of this Report, there is no Deposit either unpaid / unclaimed or due for transfer to Investors' Education and Protection Fund (IEPF).

Particulars of loans, guarantees or investments:

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

Listing Regulations compliance:

Equity Shares of your Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and their Listing Fees for the FY 2019-20 have been paid.

Insurance:

The properties and the insurable interest of the Company are adequately insured. The Company has also taken necessary insurance cover as required under the Public Liability Insurance Act, 1991.

Corporate Social Responsibility (CSR) Initiatives:

As part of its CSR initiatives, the Company has undertaken projects in the areas of Health, Education, Livelihood, Development of Village Infrastructure, etc. These projects are in accordance with Schedule VII to the Companies Act, 2013.

Report on CSR activities is annexed to this Report as **Annexure 'A'**.

Energy Conservation and Technology Absorption:

The measures taken by your Company towards energy conservation and Technology Absorption are given in the **Annexure 'C'** to this Report. These measures have resulted in conserving about 235682 MMBtu of Gas Fuel Equivalent to 5939 Metric Tons of Oil Equivalent (MToE) of Vadodara Station and 19.04 Million Units (MUs) electrical energy at SLPP.

Related Party Transactions:

There were no materially significant transactions made by the Company with Promoters, Directors or Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company.

All related party transactions are placed before the Audit Committee as also the Board for approval. Omnibus approval of the Audit Committee has been obtained for transactions which are of repetitive nature.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure 'E'** and forms part of this Report.

The Policy on Related Party Transactions (RPTs) is uploaded on the website of the Company and can be accessed on the following link: http://www.gipcl.com/corporate-policies.htm

None of the Directors has pecuniary relationships or transactions vis-à-vis the Company.

Vigil Mechanism or Whistle Blower Policy:

The Company has a Vigil Policy / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The said Policy is explained in the Corporate Governance Report and also posted on the website of the Company at following link: http://www.gipcl.com/corporate-policies.htm

Directors' Responsibility Statement:

The Board of Directors of the Company confirms:

a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;

b. that the selected accounting policies were applied consistently and Directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts have been prepared on a going concern basis;

e. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively; and

f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance:

A detailed report on Corporate Governance along with Certificate dated 17th June, 2019 issued by J J Gandhi & Co., Practicing Company Secretaries, Vadodara (CP No. 2515) is annexed forming part of this Report.

Management Discussion and Analysis:

A report on Management Discussion and Analysis dealing with Business Operations and Performance, Research and Development, Expansion Project, Safety and Environment, Human Resource Development, Corporate Social Responsibility etc. is annexed forming part of this Report.

Risk Management:

The Board of Directors review the Report on Risk Management and Risk Minimization on quarterly basis. The provisions of Listing Regulations relating to Risk Management are not presently applicable to the Company.

Directors:

Government of Gujarat (GoG) vide Notification/Resolution dated 7th August, 2018, had appointed Shri Raj Gopal, IAS (DIN: 02252358), Principal Secretary, Energy & Petrochemicals Department (EPD), as Chairman of your Company vice Shri Sujit Gulati, IAS, (DIN: 00177274) w.e.f. 7th August, 2018.

The Board of Directors of your Company appointed Shri Raj Gopal, IAS (DIN:02252358) as Additional Director and Chairman of the Company w.e.f. 07.08.2018.

The Board places on record its sincere appreciation for the leadership, valuable guidance and support extended by Shri Sujit Gulati, IAS during his tenure as Chairman of the Company.

Thereafter, on attaining age of superannuation as Principal Secretary, EPD, Shri Raj Gopal, IAS, also tendered resignation from the Board of Directors of your Company.

The Board places on record its sincere appreciation for the leadership, valuable guidance and support extended by Shri Raj Gopal, IAS, during his tenure as Chairman of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Rules made there under, the Board of Directors appointed Shri Prabhat Singh (DIN:03006541) as Additional and Independent Director of the Company with effect from 30th September, 2018.

Your Directors recommend for your approval resolution at Sr.No. 06 of the Notice of 34th AGM for appointment of Shri Prabhat Singh as Independent Director of the Company.

Shri P K Gera, IAS (DIN: 05323992) and CS Vishvesh V. Vachhrajani (DIN: 00091677) Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend for your approval resolutions for the re-appointment of Shri P K Gera, IAS (DIN: 05323992) and CS Vishvesh V. Vachhrajani (DIN: 00091677)) as Directors of the Company, liable to retire by rotation, as stated in the Notice of the 34th AGM.

Policy on Directors' Appointment and Remuneration:

The Company has formulated and adopted a Policy on Directors' Appointment and Remuneration and the same is accessible on the website of the Company: http://www.gipcl.com/corporate-policies.htm

Performance Evaluation of Board, Committees and Directors:

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Nomination & Remuneration (NR) Committee of Directors to, inter alia, evaluate the performance of Directors, the Board and various Committees of the Board.

Appraisal of each Director of the Company is based on the broad criteria mentioned below as required under the provisions of Section 134(3)(p) of the Companies Act, 2013 (the Act).

1. Knowledge of the Job Profile;
2. Various Directions provided in the best interest of the Company on key issues; review of compliance management;
3. Achievement of Targets budget v/s actual and reasons for deviations; contribution towards new projects;
4. Detailed analysis of internal control functions; and
5. Thorough compliance with the Code of conduct.

The Nomination & Remuneration Committee shall evaluate the performance of each member of the Board of Directors with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act and as per the evaluation criteria mentioned above.

Evaluation of Independent Directors shall be carried out by the entire Board in the same manner as it is done for other Directors of the Company except the Director being evaluated.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criterion.

Evaluation of Executive Director of the Company is done by the entire Board except the Director being evaluated. The meeting for the purpose of evaluation of performance of Board Members is held at least once in a year. The Company has disclosed the criteria laid down by the Nomination & Remuneration Committee for performance evaluation, on its website for the reference and also in the Annual Report of the Company.

Particulars of Employees:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is not applicable as no Employee was paid remuneration during the year in excess of ₹ 1.02 Crores when employed throughout the year and ₹ 8.50 Lakhs per month when employed for a part of the year. Further, there was no employee holding 2% or more of the equity shares of the Company during 2018-19.

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, will be provided upon request.

The details of top ten employees in terms of remuneration drawn during the year 2018-19 is given at **Annexure 'F'** to this Board's Report.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during 9:30 a.m. to 12:30 p.m. on all working days of the Company up to the date of the ensuing 34th AGM. None of such employees is a relative of any Director of the Company.

None of such employees hold [by themselves or along with their spouse and dependent children(s)] more than two percent of the equity shares of the Company.

Auditors:

Internal:

K N Mehta & Company, Chartered Accountants, Vadodara, (ICAI Firm Reg. No.:106242W) were appointed as Internal Auditors of the Company for the Financial Year 2018-19 and they have submitted their Report to the Audit Committee of Directors.

K N Mehta & Company, Chartered Accountants, Vadodara, (ICAI Firm Reg. No.:106242W) have been appointed as Internal Auditors of the Company for the Financial Year 2019-20.

The Audit Committee of Directors periodically reviews the reports of Internal Auditors.

Statutory:

The Members at their 30th AGM have appointed K C Mehta & Co., Chartered Accountants, Vadodara (ICAI Firm Reg. No.:106237W) as Statutory Auditors of the Company, for a period of five consecutive financial years i.e. from FY 2015-16 to FY 2019-20.

The Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Second Amendment Rules, 2018, have done away with the provision of ratification of the appointment of Statutory Auditors for each year.

Cost:

Cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, have been maintained by your Company during the year under review.

Diwanji & Associates, Cost Auditors, Vadodara (Firm Registration No.:100227) were appointed as Cost Auditors of the Company for the Financial Year 2018-19.

The Board of Directors has appointed Diwanji & Company (Firm Registration No.:000339) as Cost Auditors of the Company for the Financial Year 2019-20.

Resolution at Sr.No. 08 of the Notice of 34th AGM is recommended for ratification of the Members for the remuneration payable to Cost Auditors for the Financial Year 2019-20.

Secretarial:

Samdani Kabra & Associates, Practicing Company Secretaries, Vadodara, (CP No.9927) have been appointed as Secretarial Auditors of the Company for the year 2018-19. Report of Samdani Kabra & Associates for the Financial Year 2018-19 ended on 31st March, 2019 in the prescribed Form-MR 3 is annexed to this Report as **Annexure 'B'**.

The Board of Directors have appointed M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara (CP No.9927) as Secretarial Auditors of the Company for FY 2019-20.

Extract of Annual Return:

The details forming part of the extract of Annual Return in prescribed Form MGT-9 is annexed to this Report as **Annexure 'D'**.

Your Directors further state that, the Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and no case was reported during the year under review.

Acknowledgements:

The Board of Directors places on record its gratitude and appreciation to the Government of India, Government of Gujarat, Financial Institutions, Banks, Insurance companies, Business Associates, Promoters, Shareholders and Employees of the Company for their valuable support and faith reposed by them in the Company.

For and On behalf of the Board

Vatsala Vasudeva, IAS	**Pankaj Joshi, IAS**
Managing Director	**Director**
(DIN: 07017455)	**(DIN: 01532892)**
Date: 20th August, 2019	**Date: 20th August, 2019**
Place: Vadodara	**Place: Gandhinagar**

ANNEXURE 'A' TO BOARD'S REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes and the CSR Policy is stated herein below:

   Major Corporate Social Responsibility (CSR) initiatives by your Company revolve around building community infrastructure, focus on women empowerment and their role in development. Interventions include Health, Education, Livelihood Development and Village Infrastructure Development like roads, Culvert, multi-purpose shed, class rooms, sanitation etc. in surrounding villages.

   The CSR Policy is accessible on the following link of the website of the Company:
   http://www.gipcl.com/corporate-policies.htm

2. Composition of the CSR Committee as on 31st March, 2019:
   Smt. Vatsala Vasudeva, IAS, Chairperson
   Dr. KM Joshi
   Shri SB Dangayach.
3. Average net profit of the Company before tax & exceptional item for last three financial years: ₹ 29,520 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as at Sr.3 above):
   The Company is required to spend ₹ 590.39 Lakhs towards CSR.
5. Details of amount spent for CSR for the financial year:
   a. Total amount spent for the financial year: ₹ 590.07 Lakhs.
   b. Amount unspent, if any: Not Applicable.
   c. Manner in which the amount spent during the financial year 2018-19 is detailed below:

(₹ in Lakhs)

Sr. No.	Project / activity identified	Sector in which project is covered	Program Location / Area	Amount of Outlay (Budget)	Amount spent on the Projects under - Direct expenditure & Overheads	Cumulative expenditure upto reporting period	Amount spent Direct or through implementing agencies DEEP and SVADES
1.	Drinking Water, Sanitation, Support to CHC, Medical Camps, Mobile Medical Unit	Health	Vadodara	20.00	Direct 17.10 Overheads-NIL	17.10	17.10 **SVADES**
			SLPP	158.06	Direct 158.53 Overheads-NIL	158.53	158.53 **DEEP**
2.	Infrastructure Support, Resource & Empowerment, Education Activities	Education	Vadodara	33.64	Direct 88.53 Overheads-NIL	88.53	88.53 **Direct**
			SLPP	148.46	Direct 95.36 Overheads-NIL	95.36	95.36 **DEEP**
3.	Self Help Groups, Skill enhancement Training	Livelihood	SLPP	35.45	Direct 34.79 Overheads-NIL	34.79	34.79 **DEEP**
4.	Roads, Culverts & Infrastructures	Village Infrastructure Development	Vadodara	9.36	Direct 9.36 Overheads-NIL	9.36	3.00 **SVADES** 6.36 **Direct**
			SLPP	116.60	Direct 118.68 Overheads-NIL	118.68	118.68 **DEEP**
5.	Maintenance & Protection, Nursery & Vermicompost	Resource Centre for Training	SLPP	12.03	Direct 12.34 Overheads-NIL	12.34	12.34 **DEEP**
6.		Contingency	Vadodara	2.00	Direct - NIL Overheads-NIL	0.00	0.00
		Sub-Total	**Vadodara**	**65.00**	Direct 114.99 Overheads-NIL	**114.99**	**94.89 Direct** **20.10 SVADES**
			SLPP	**470.60**	Direct 419.70 Overheads-NIL	**419.70**	**419.70** **DEEP**
			TOTAL	**535.60**	**534.69**	**534.69**	**534.69**
7.	Administrative & Capital	Administrative Expenses	SLPP	55.25	Direct - NIL Overheads-55.38	55.38	55.38 **DEEP**
			GRAND TOTAL	**590.85**	**590.07**	**590.07**	**590.07**

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy of the Company, is in compliance with CSR Objectives and Policy of the Company'.

Vatsala Vasudeva, IAS
Managing Director and
Chairperson of CSR Committee
(DIN: 07017455)

ANNEXURE 'B' TO BOARD'S REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

The Members,
Gujarat Industries Power Company Limited
P.O.: Petrochemicals – 391 346,
Dist. Vadodara,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Industries Power Company Limited** (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2019, according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (As reported to us there were no FDI, ODI and ECB transactions in the Company during Audit period);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   We report that, there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this Report:-

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 / 2018;

   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 / 2018.

vi. Other sector specific laws:

   Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;

   a. The Electricity Act, 2003;

   b. The Mines Act, 1952;

   c. The Mines & Minerals (Development Regulations) Act, 1957;

   d. The Land Acquisition Act, 2013 (Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013);

   e. The Environment (Protection) Act, 1986;

   f. The Air (Prevention and Control of Pollution) Act, 1981;

   g. The Water (Prevention and Control of Pollution) Act, 1974.

We have also examined compliance with the applicable clauses/regulations of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;and

ii. The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.

B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

D. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

E. During the audit period, there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Sd/-
Suresh Kumar Kabra
Partner
Samdani Kabra & Associates
Company Secretaries
ACS No. 9711; CP No. 9927
Vadodara, May 15, 2019.

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this Report.

Appendix A

The Members,
Gujarat Industries Power Company Limited
P.O.: Petrochemicals – 391 346,
Dist. Vadodara,
Gujarat, India.

Our Secretarial Audit Report of even date is to be read along with this letter, that:

i. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

iii. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.

iv. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Suresh Kumar Kabra
Partner
Samdani Kabra & Associates
Company Secretaries
ACS No. 9711; CP No. 9927
Vadodara, May 15, 2019.

ANNEXURE 'C' TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy:

Energy Conservation measures taken, additional investments and proposals, if any, being implemented for reduction of consumption of energy and impact of the measures for reduction of energy consumption and consequent impact on the cost of production.

Several energy conservation measures are taken at Vadodara and SLPP during the year under review. Some of the measures which have significant results are indicated below:

At Vadodara:

1. Optimum load operation, optimization of balance of plant auxiliaries of Station – I resulted in to reduction in Station Heat Rate by 85.04 KCal/KWh in comparison to previous Financial Year resulting in natural gas saving of 6.30 Million Cubic Meter, equivalent to 235682 MMBtu and 5939 Metric Ton of Oil Equivalent and projected annual saving of ₹ 2100 lakhs on account of highest priced gas consumed during the Financial Year.
2. Condenser Cooling Water Pump No. 3 of capacity 355 KW revamping work resulted in to projected annual saving of 42.20 MWh worth ₹ 3.4 lakhs

At SLPP:

Several energy conservation measures taken during the year helped to conserve about 19.04 MUs Electrical energy and 25680 MT Lignite amounting to total saving of approx. ₹ 7.95 Crores. Following are some of the major measures taken for conservation of energy:

- In Unit-4, one Condensate Extraction Pump (CEP) cartridge (of seven stages) was replaced with spare & modified cartridge of five stages. This has resulted into saving of 273312 kWh electrical energy and 288 MT Lignite during the year.
- Attending Air ingress at different sections of Flue gas ducts and ESP Casings & Hoppers in all the four boilers and replacement of total four TAPH blocks in Unit-1, Unit-2 & Unit-4 resulted in improvement of boiler draft power by approx. 2261 kW. This has resulted into total saving of 16.66 MUs electrical energy and 17558 MT Lignite during the year.
- Energy efficient surface insulation application in Boilers helped to improve Boiler efficiency and thereby helped to reduce Lignite consumption by 3629 MT/annum.
- Condenser cleaning was carried out in Unit-1 & 4 by Bullet shot method & various other supportive works like air ingress attending, repair jobs in Cooling Towers helped to improve Turbine heat rate by 11.57 kCal/kWh which is equivalent to saving of 1988 MT of Lignite during the year.
- Pneumatic positioners in instrument air system were replaced with smart positioners (10 nos.) which helped to reduce consumption of instrument air and resulted into saving of 13200 kWh electrical energy and 14 MT Lignite during the year.
- Overhauling of Phase-II CW Pump-1 helped to reduce power consumption of the pump due to which 876356 kWhr electrical energy & 924 MT Lignite was saved during the year.
- Old PCH Primary Crusher Motor (2 X 132 kW) Starter was changed from DOL to Delta-Star. This helped to save 161280 kWh electrical energy and 170 MT Lignite during the year.
- Improvement in system capacity utilization of Lignite Handling system by better coordination and effective control on O & M practices helped to reduce specific power consumption from 3.35 kWh/MT to 3.30 kWh/MT. This has helped to save about 190959 kWh electrical energy and 201 MT Lignite during the year.
- Overhauling of Raw Water Pump-2 was carried out. This has helped to reduce power consumption of pump by 11.45 kW resulting into saving of 82440 kWhr electrical energy and 87 MT Lignite during the year.
- Phase-I Air Compressor Auxiliary Cooling Water (ACW) circuit modification helped to save 68672 kWh electrical energy and 72 MT Lignite during the year.
- Improvement in system capacity utilization of Limestone Handling, Milling & Conveying Systems by better coordination and effective control on O & M practices helped to reduce specific power consumption from 32.22 kWh/MT to 29.72 kWh/MT. This has helped to save about 711551 kWh electrical energy and 750 MT Lignite during the year.

Energy Conservation Proposals:

At Vadodara:

- 100 KW; Roof-top Solar at estimated CUF of 20% equivalent to 0.1752 MUs substitute consumption of equal energy from fossil fuel generation.

At SLPP:

- Stage reduction in three Condensate Extraction Pumps (CEP) is planned by which saving of 819936 kWh electrical energy per annum is expected.
- Arresting Air ingress at different sections of flue gas path in all the four boilers. This would help to reduce loading of ID fans and annual saving of 2.20 MUs electrical energy is expected.
- In Ph-I & II Boilers, application of energy efficient surface insulation is planned in remaining area to improve Boiler efficiency further. This would help to reduce Lignite consumption by 11900 MT per annum.
- Condenser tubes cleaning in Unit - II & III is planned. This would help to reduce Lignite consumption by 1800 MT per annum.
- In instrument air system, replacement of 10 nos. pneumatic positioners with smart positioners is planned. This will help to reduce consumption of instrument air and saving of 0.132 Lakh kWh electrical energy per annum is expected.

- Unit-3 Cooling tower fills replacement work is planned. This will help to reduce loss in heat rate by approx. 15-20 kCal/kWh.
- Replacement of 120 nos. 150 W HPSV Lamps by 70 W LED Fixtures is planned by which saving of 51903 kWh electrical energy and 55 MT Lignite per annum is expected.
- Overhauling of Raw Water Pump - 3 is planned by which saving of 65000 kWh electrical energy per annum is expected.
- Overhauling of CW Pump-3 is planned and expected annual saving is 435000 kWhr electrical energy.
- Use of aerodynamically designed energy efficient cooling tower fan blades (2 Nos.) in Phase-II Units. Saving of 85498 kWh electrical energy per annum is expected.

The information required to be disclosed in Form A of the Annexure is not applicable since the Company is not covered within the List of Industries specified in the Schedule thereto.

B. Technology Absorption:

RESEARCH & DEVELOPMENT (R & D)

1. Specific Area in which R&D carried out by the Company : NIL
2. Benefits derived as a result of the above R&D: N.A.
3. Future plan of action: NIL
4. Expenditure on R & D: NIL
   (a) Capital
   (b) Recurring

C. Foreign Exchange Earnings and Outgo:

During the year there was no earning or outgo in Foreign Exchange (₹ NIL during preceding year).

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Efforts, in brief, made towards technology absorption, adaptation and innovation:

At Vadodara:

1. Partial (Front-end) Up-gradation of Honeywell DCS (Distributed Control System) in 145 MW Station-I which included the main system (EPKS) Release Upgrade and replacement of Man Machine Interface (MMI) hardware of Servers and Work Stations with latest OS.
2. For the spares requirement of next 4-5 years of 145 MW Station-1 plant, new and used spares sourced from 135 MW Gas based Plant scrapped by GSECL, Utran at marginal cost. We have also included various obsolete equipment/systems along with Spare Gas Turbine Rotor. This will lead to substantial saving in maintenance cost of Vaodara Complex.
3. For Safety Valve Floating of HRSG-1, 2 & 3, from this year we have introduced online Trevi test method without removing HRSG from Battery. This results in total saving of ₹ 7.00 Lakhs per annum.

At SLPP:

1. Phase-I Tubular Air Pre-heater (TAPH) bottom block tubes' thickness increased from 2.08 mm to 3.00 mm and incorporated in three blocks out of four bottom blocks.
2. Provision of additional manhole door in Unit-1 Boiler Cyclone-2 cone area.
3. Installation of nozzle pipe with dummy flange in cyclone roof and target area.
4. Sealing of Back pass inlet Super heater-3 coil area by insulation during refractory dry out.
5. Erection of new vortex finder along with modified eccentric sleeve in Unit-4.
6. Up-gradation of MoC of Back-pass steam cooled wall Roof tube from SA 210 Gr. A1 to SA 213 T11 to withstand higher flue gas temperature.
7. Sealpot-2 vulnerable zone tubes replaced with upgraded material SA 213 T11 in place of SA 209 T1.
8. Installation of Riffle tubes in FBHE-4 Evaporator coil in place of plain tubes in bottom & middle loop to eliminate phenomenon of Caustic Gauging in plain tubes.
9. In house repair of FBHE-4 Evaporator coil (2 nos.).
10. Bull-nose area refractory has been provided with additional retainer (modification) in Unit – 4 Cyclone.
11. Provision of pipe from outside of cyclone to cool bull nose area refractory.
12. Provision of additional stiffeners in cyclone roof plate and casing plate in Unit – 4 Cyclones.
13. New shape refractory anchors i.e UV anchors were introduced replacing Y type anchors.
14. Refractory dry-out schedule was revised from 25 hrs to 78 hrs.
15. Change in maintenance philosophy for opening seal pots manhole doors during unit shut down below 200 deg. C instead of 300 deg. C.
16. Replacement old 2000 AH HDP battery set of 415V UPS system with 1395 AH PLANTE battery by in-house re-sizing calculations for optimization of size & cost.
17. Commissioning of Energy Monitoring System (EnMS) with 150 nos. of energy meters.
18. In-house retrofitting of Numerical Generator protection relay (2 nos. 7UM622 relay Siemens make) in Unit-2 by replacing old electromagnetic relays including all wiring modifications in Generator Relay Panel.
19. Converting 2 nos. 132 kW Primary crusher (A2-1 & A2-2) motor Delta direct online starter to Delta /Star fully automatic starter for energy conservation in star mode.
20. Replacement of old transducers with programmable multi function transducers (40 nos).
21. 5 nos. ABB make SF6 Breakers retrofitted with new HPA Breakers.
22. Replacement of 625 nos. of old single ball bearing ceiling fan with 5 star energy efficient ceiling fan in colony.
23. Replacement of Belt Conveyor BCN-7AB Gallery critical structure in safe and shortest possible time by changing design, shortening of Length and providing additional supporting beam at Bunker end.

24. Modification of take up counter weight structure design in BCN-8B, BCN-M5 & BCN-M6 conveyor system.
25. Replacement of Vibro-feeder by Belt Feeder at External Lignite Handling System (ELHS) Primary crusher House.
26. Phase-I: In-house Up-gradation of Programmable Logic Controller (PLC) of Limestone Mill-A & B from Siemens S5 to S7 series.
27. SLPP Phase-I &II: Installation of smart positioners (10 Nos.) for the pneumatic Control valves.
28. Recycling, vendor development, in-house and external repair of various instruments and electronic cards.
29. Phase-I Instrument air compressors: Installation of digital load controller for equalized loading-unloading.
30. Provision of service water interruption alarm (siren) in Phase-II Cooling Water chlorination system.
31. SLPP Phase-II: Stage reduction in one Condensate Extraction Pump (CEP).
32. Condenser tube cleaning by Bullet shot method during Annual Overhauling.
33. New vendor development for Generator Bearing No. 4 & 5 Jacking Oil Hose.
34. Provision of Level transmitter in HPBP Control oil tank.
35. Acid & chemical unloading flexible hose pipe development for Phase-I Cooling Water treatment Plant. Acid unloading flexible hose pipe (Cotton braded PVC) replaced with Parker make Poly-Chem corrugated hose series 7274.
36. Procurement, Erection & Commissioning of Low weight Cooling Tower drive shaft assembly of carbon fiber material instead of SS material.
37. Overhauling of Phase-II CW Pump-1.
38. Repairing of Phase-I Cooling Water (CW) Fore-bay channel in shortest available shutdown of Phase-I Units by constructing new wall outside the existing tilted RCC wall without dismantling.
39. Covering of 50M Dia. Blow-Down Pit (PT Plant of Phase-I), N-Pit (DM Plant) and SSF Blow-Down Pit (CW-TP of Phase-II) with high durability High-density polyethylene (HDPE) UV treated net.

Benefits derived as a result of the above efforts:

At Vadodara:

1. Extended life cycle support with mitigated obsolescence risk and enhanced availability of the DCS system, New Release/ license avoids loss of control state of the DCS during extreme condition of Server failures and improved Back-up Restore Utility helps restoring the system quickly during failures.

At SLPP:

1. By increasing the thickness, service life of the tubes is expected to be about three to four years as compared to earlier life of 2 years. This will reduce spares and service cost associated with replacement of the tubes.
2. Helped to provide safe working condition in seal pot area for scaffolding erection.
3. Helped to provide safe access for scaffolding erection in Cyclone area.
4. Helped to execute APH tubes replacement work in parallel and bring back Unit-1 on bar early by 3 days after AOH.
5. Helped to improve ash collection efficiency of cyclone and to minimize cyclone outlet (back-pass inlet) flue gas temperature, which reduces partial loading of Unit due to higher flue gas temperature and minimize back-pass steam cooled roof tube leakages.
6. This helps to prevent overheating of tubes and eliminate roof tube leakages.
7. This has helped to reduce Boiler Tube Leakages in this area.
8. This modification helps to prevent evaporator tube leakage owing to caustic gauging.
9. This has helped to reduce material cost.
10. This has increased stability of refractory in hot condition.
11. This modification helped to avoid excessive thermal stress in the zone and damage to the refractory.
12. This has helped to provide more stability to the cyclone roof plate and casing plate in hot condition.
13. This gives better support to the refractory and helps to get better refractory life.
14. This has helped for better refractory dry-out and achieving more strength of applied refractory.
15. This has helped to avoid quenching and differential thermal expansion of refractory.
16. Direct cost benefit of around ₹ 147 Lakhs in battery procurement due to re-sizing. Helped in reducing energy loss and DM water loss due to technical advantage of PLANTE battery over HDP battery resulting in less float charging energy loss and less maintenance cost every year.
17. Better monitoring and easy identification of inefficient equipments & system for corrective action to save energy.
18. More accurate and reliable protection & monitoring, easy post fault analysis and reduction in the number of relays (in operation & optimization of spares, etc.). Cost benefit of more than ₹ 2 Lakhs achieved.
19. Primary crusher (A2-1 & A2-2) Motors were running in delta mode for requirement of high starting torque during start-up. After converting it to Delta /Star mode, twin drive starts in delta mode (for high starting torque) and after reaching at full speed, it switches over to star mode which consumes less Power.
20. Multifunction transducer can be programmed for any analog input so that same transducer can be used for all applications; hence more flexibility, accuracy & reduced inventory cost.
21. Helps to improve reliability of the breaker during operation.
22. This has helped to save approx. 20,000 kWh electrical energy per annum i.e. cost saving of around ₹ 1.4 Lakhs per year.
23. Helped to improve structural stability and life of Lignite Handling System BCN 7A/B critical structure.

24. Helped in reducing down time of respective conveyor by providing additional margin in Gravity take-up and make it possible to revive belt joints without providing additional belt.
25. Helped to reduce down time, improve system reliability and minimize choke up due to wet Lignite resulting to improved system capacity utilization.
26. The upgraded PLC is operation friendly and having system diagnosis facility for ease in troubleshooting. Operator can diagnose the system problem easily.
27. This will reduce the consumption of compressed air, spares and ease in maintenance.
28. Cost benefit of ₹ 39 Lakhs achieved by recycling the electronic modules and instruments by repairing/vendor development. This also helped to protect the environment due to recycling of electronics parts.
29. Compressor tripping on high lube oil/ACW temperature will be avoided and wear & tear of spares will be reduced.
30. Service water is used in CW Phase-II chlorination system to create vacuum through ejector. Whenever service water flow gets interrupted, alarm (siren) blows at DM plant, Fire dept. and control room and chlorination system gets off automatically. This has helped to avoid pressurization of system and chlorine leakage in case of interruption of service water flow.
31. This has helped to optimize energy consumption by approx. 52 KW.
32. Heat transfer across condenser tubes got improved. This has helped to improve condenser vacuum and subsequent plant efficiency.
33. Difference between old and new hose is ₹ 5000. Total saving during procurement of 12 nos. hose is ₹ 60000.
34. This helped to improve plant safety and operation & maintenance flexibility.
35. It is 100% safe and reliable for acid & alkali unloading system. Safety, availability and reliability of acid unloading system improved. Frequent acid leakages, erosion and corrosion avoided.
36. ₹ 3.92 Lakhs cost per shaft saved. Total saving for procurement of 02 nos. Cooling Tower drive shaft is ₹ 7.84 Lakhs during F.Y. 2018-19. Low weight carbon fiber drive shaft has helped to reduce starting torque, running vibration & extend motor bearing life.
37. Overhauling of Phase-II CW Pump-1 helped to reduce power consumption of the pump due to which 876356 kWhr electrical energy was saved during the year.
38. Damaged RCC wall was repaired in such a manner that new wall & damaged wall will act as single unit and will support the tilted damaged RCC wall to prevent against collapse. Major modification/rectification work completed in least possible outage duration of Units as well as cost saving due to selection of restoration methodology without dismantling of damaged wall.
39. Due to strainer chocking issues, there were frequent failures of various pumps installed at 50 M Dia. Blow-Down Pit (PT Plant of Phase-I), N-Pit (DM Plant) and SSF Blow-Down Pit (CW-TP of Phase-II) at about every quarter. After covering with the net, there is not a single failure of pump till date. Saving in breakdown maintenance cost as well as availability of equipments improved for smooth plant operations.

Imported Technology.

No new Technology was imported during the year under review.

ANNEXURE 'D' TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

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

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS	
CIN	L99999GJ1985PLC007868
Registration Date	1st June, 1985
Name of the Company	GUJARAT INDUSTRIES POWER COMPANY LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	P.O. Petrochemicals – 391 346, Dist.: Vadodara. Tele No.: 0265-2232768 Email:investors@gipcl.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited B/102-103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta , Opp. HDFC Bank Akota, Vadodara – 390 020. Tele No.: 0265-2356573 Email: vadodara@linkintime.com
II. PRINCIPAL BUSINESS OF THE COMPANY	Generation of Electricity.

III. DETAILS OF HOLDING / SUBSIDIARY / ASSOCIATE COMPANY

Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL	NIL	NIL	NIL	NIL
NIL	NIL	NIL	NIL	NIL

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i. Category wise Shareholding									
Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)									
Bodies Corporate	84236161	3804100	88040261	58.21	84236161	0	84236161	55.69	-2.52
Sub Total (A)(1)	**84236161**	**3804100**	**88040261**	**58.21**	**84236161**	**0**	**84236161**	**55.69**	**-2.52**
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Government	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)				0				0	
Sub Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**84236161**	**3804100**	**88040261**	**58.21**	**84236161**	**0**	**88040261**	**55.69**	-2.52
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	12804757	1400	12806157	8.47	13469757	1300	13471057	8.90	0.43
(b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e) Foreign Portfolio Investor	5060035	0	5060035	3.34	4343491	0	4343491	2.7	-0.47
(f) Financial Institutions/Banks	43659	3300	46959	0.03	3953368	3300	3956668	2.61	2.58
(g) Insurance Companies	6286105	0	6286105	4.15	5886105	0	5886105	3.89	-0.26
(h) Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i) Any Other (Specify)									
UTI	0	300	300	0.0002	0	300	300	0.0002	0.00
Foreign Bank	0	0	0	0	200	0	200	0.0001	0.0001
Sub Total (B)(1)	**24194556**	**5000**	**24199556**	**15.99**	**27652921**	**4900**	**27657821**	**18.28**	**2.28**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Central Government / State Government(s) / President of India									
Central Government / State Government(s)	11824033	28333	11852366	7.83	11525973	28333	11554306	7.63	-0.19
Sub Total (B)(2)	**11824033**	**28333**	**11852366**	**7.83**	**11525973**	**28333**	**11554306**	**7.63**	**-0.19**
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	11955414	1093716	13049130	8.62	13083335	934147	14017842	9.26	0.64
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5320833	0	5320833	3.51	7294960	0	7294960	4.82	1.35
(b) NBFCs registered with RBI	0	0	0	0	19034	0	19034	0.012	0.012
(c) Employee Trusts	0	0	0	0	0	0	0	0	0
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)									0
IEPF	0	0	0	0	371293	0	371293	0.24	0.24
Trusts	8400	0	8400	0.005	8400	0	8400	0.005	0
Hindu Undivided Family	947385	0	947385	0.62	1102198	0	1102198	0.72	0.10
Non Resident Indians (Non Repat)	147165	0	147165	0.09	181228	0	181228	0.11	0.02
Non Resident Indians (Repat)	359330	0	359330	0.237	473397	0	473397	0.31	0.07
Unclaimed Shares	1208	0	1208	0.0008	1208	0	1208	0.0008	0
Clearing Member	337237	0	337237	0.22	703052	0	703052	0.46	0.24
Bodies Corporate	6983967	4350	6988317	4.62	3626398	4250	3630648	2.40	-2.21
Sub Total (B)(3)	26060939	1098066	27159005	17.95	26864503	938397	27802900	18.38	0.42
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**62079528**	**1131399**	**63210927**	**41.79**	**66043397**	**971630**	**67015027**	**44.31**	**2.52**
Total (A)+(B)	**146315689**	**4935499**	**151251188**	**100**	**150279558**	**971630**	**151251188**	**100**	**0**
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
Total (A)+(B)+(C)	**146315689**	**4935499**	**151251188**	**100**	**150279558**	**971630**	**151251188**	**100**	**0**

ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of Shares held	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares held of the Company	% of total shares to total shares	% of Shares Pledged/ encumbered	% change in share-holding during the year
Gujarat Urja Vikas Nigam Limited	38384397	25.38	0.00	38384397	25.38	0.00	0.00
Gujarat Alkalies & Chemicals Limited	23088980	15.27	0.00	23088980	15.27	0.00	0.00
Gujarat State Fertilizers and Chemicals Limited	22362784	14.79	0.00	22362784	14.79	0.00	0.00
Petrofils Co-operative Limited	3804100	2.52	0.00	0	0	0.00	100.00
Liquidator Petrofils Co-operative Limited	400000	0.26	0.00	400000	0.26	0.00	0.00
Total	**88040261**	**58.21**	**0.00**	**84236161**	**55.69**	**0.00**	**2.52**

iii. Change in Promoters Shareholding (Please specify if there is no change).

Consequent to Order passed on 25/07/2018 by Hon'ble Gujarat High Court in the OJ Appeal 53 of 2007, 3804100 Equity shares held in the name of one of the Promoters viz. Petrofils Co-operative Limited, were transferred in favour of The Mehsana District Central Co-operative Bank Limited (MDCCBL).

iv. Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares held	%	No. of Shares held	%
1.	HDFC Trustee Company Limited-HDFC Prudence Fund	6100000	4.03	6765000	4.47
2.	ICICI Prudential Balanced Fund	6704557	4.43	6704557	4.43
3.	Life Insurance Corporation Of India	5258204	3.47	5258204	3.47
4.	Gujarat Power Corporation Limited	4977491	3.29	4977491	3.29
5.	The Mehsana District Central Co-operative Bank Limited	0.00	0.00	3804100	2.51
6.	Gujarat State Petroleum Corporation Limited	3697000	2.44	3697000	2.44
7.	Gujarat State Electricity Corporation Limited	2205882	1.45	2205882	1.45
8.	Government Of Singapore - E	2100000	1.38	2100000	1.38
9.	Comgest Growth PLC-Comgest Growth India	1785101	1.18	1000932	0.66
10.	GAIL (India) Limited	570600	0.37	570600	0.37

v. Shareholding of Directors and Key Managerial Personnel.

Sr.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares held	%	No. of Shares held	%
	Director				
1.	Shri Sujit Gulati, IAS *(upto 16/07/2018)*	NIL	NA	NIL	NA
2.	Shri Raj Gopal, IAS *(from 7/08/2018 to 31/1/2019)*	NA	NA	NA	NA
3.	Prof. Shekhar Chaudhuri	NIL	NA	NIL	NA
4.	Dr. K M Joshi	NIL	NA	NIL	NA
5.	Shri P K Gera, IAS	NIL	NA	NIL	NA
6.	Shri Pankaj Joshi, IAS	NIL	NA	NIL	NA
7.	Shri Milind Torawane , IAS	NIL	NA	NIL	NA
8.	Shri S B Dangayach	NIL	NA	NIL	NA
9.	Dr. B A Prajapati	NIL	NA	NIL	NA
10.	Shri N N Misra	NIL	NA	NIL	NA
11.	CS V V Vachharajani	NIL	NA	NIL	NA
12.	Shri Janakiraman M. *(upto 10/05/2018)*	NIL	NA	NA	NA
13.	Smt. Shahmeena Husain, IAS *(Upto 20/08/2018)*	NIL	NA	NA	NA
14.	Smt. Vatsala Vasudeva, IAS *(from 20/08/2018)*	NA	NA	NIL	NA
15.	Shri Prabhat Singh *(from 30/09/2018)*	NA	NA	NIL	NA
	Key Managerial Personnel				
1.	CA K K Bhatt	NIL	NA	NIL	NA
2.	CS Swati Desai *(upto 26/10/2018)*	NIL	NA	NIL	NA

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ in Lakhs)**

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
(i)Indebtedness at the beginning of the financial year	61,659.06	NIL	NIL	61,659.06
(ii)Change in Indebtedness during the financial year	(4,380.71)	NIL	NIL	(4,380.71)
(iii) Net Change	(4,380.71)	NIL	NIL	(4,380.71)
Total (i + ii)	**57,278.35**	**NIL**	**NIL**	**57,278.35**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Particulars of Remuneration	Amount (₹ in Lakhs)	
	Smt. Shahmeena Husain, IAS, Managing Director (Up to 20.08.2018)	**Smt. Vatsala Vasudeva, IAS, Managing Director (From 20.08.2018)**
Salary	0.48	17.11
Value of perquisites (including Tax on perquisites)	–	01.75
Total	**0.48**	**18.86**

B. Remuneration to other Directors:

Name	Sitting Fees (in ₹)		
	Board Meetings	**Committee Meetings**	**Total**
Independent Directors			
Prof. Shekhar Chaudhuri	40000	20000	60000
Dr. K M Joshi	70000	190000	260000
Shri S B Dangayach	70000	90000	160000
Dr. B A Prajapati	70000	120000	190000
Shri N N Misra	60000	0	60000
Total (1)	**310000**	**420000**	**730000**
Other Non Executive Directors			
Shri Sujit Gulati, IAS, Chairman* *(Upto 16.7.2018)*	30000	0	30000
Shri Raj Gopal, IAS, Chairman* *(from 07.08.2018 to 31.01.2019)*	30000	0	30000
Shri P K Gera, IAS*	10000	0	10000
Shri Pankaj Joshi, IAS*	50000	0	50000
Shri Milind Torawane, IAS* *(from 15.10.2017)*	40000	0	40000
CS V V Vachharajani	40000	20000	60000
Total (2)	**200000**	**20000**	**220000**
Grand Total(1) + (2)	**510000**	**440000**	**950000**

* Fees Deposited in Govt. Treasury

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager **(₹ in Lakhs)**

Sr. No.	Particulars of Remuneration	CA K K Bhatt, Addl. General Manager (Finance) & Chief Finance Officer	Smt. Swati Desai, Company Secretary & Addl. General Manager (Legal) (upto 26.10.2018)	Total Amount
1.	Salary & Allowances	29.52	14.51	44.03

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL. **(Amount in ₹)**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
N.A.	N.A.	N.A.	NIL	N.A.	N.A.

ANNEXURE E

Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL.**
   - (a) Name(s) of the related party and nature of relationship: **N.A.**
   - (b) Nature of contracts/arrangements/transactions: **N.A.**
   - (c) Duration of the contracts/arrangements/transactions: **N.A.**
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
   - (e) Justification for entering into such contracts or arrangements or transactions : **N.A.**
   - (f) Date(s) of approval by the Board: **N.A.**
   - (g) Amount paid as advances, if any: **N.A.**
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
2. Details of material contracts or arrangement or transactions at arm's length basis
   - (a) Name(s) of the related party and nature of relationship : **As per Table below**
   - (b) Nature of contracts/arrangements/transactions : **As per Table below**
   - (c) Date(s) of approval by the Board, if any. : **17/05/2019**
   - (d) Duration of the contracts / arrangements/transactions : **Long Term/Short Term**
   - (e) Salient terms of the contracts or arrangements or transactions including the value, if any: **Sale of Electrical Energy, Purchase of Chemicals, O & M spares and Water charges.**

Sr.	Date of contract / arrangement	Name of the party	Name(s) of the interested Director(s)	Relation with Director/ Company/ Nature of concern or interest	Principal terms and conditions	FY 2018-19 (Amount ₹ in Lakhs)
	(1)	(2)	(3)	(4)	(5)	(6)
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station. (ii) Short Term Open Access arrangement for 165 MW Gas based Power Station (iii) PPA dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP Phase-I). (iv) PPAs dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP Phase-II). (v) PPA dated December 18, 2010 for 5 MW Solar Power Plant. (vi) PPAs dated April 28, 2015 and January 27, 2016 for 15 MW Wind Farm. (vii) PPAs dated September 2, 2016 and December 16, 2016 for 26 MW Wind Farm. (viii) PPAs dated September 20, 2016, December 03, 2016 and December 30, 2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri Sujit Gulati, IAS, Chairman (upto 16.07.2018) 2. Shri Raj Gopal, IAS, Chairman (from 07.08.2018 to 31.01.2019) 3. Shri Pankaj Joshi, IAS. 4. Shri Milind Torawane, IAS.	Promoter	Sale of Electricity (net of rebate on sales)	98419.39
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Limited (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity & Purchase of Chemicals	15181.71
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Limited (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges, Purchase of Chemicals & O & M spares	18069.18

(f) Amount paid as advances, if any: **NIL**

Note: Form shall be signed by the persons who have signed the Board's Report.

For and On behalf of the Board

Vatsala Vasudeva, IAS
Managing Director
(DIN: 07017455)

Date: 20th August, 2019
Place: Vadodara

Pankaj Joshi, IAS
Director
(DIN: 01532892)

Date: 20th August, 2019
Place: Gandhinagar

ANNEXURE F

List of Top Ten Employees in terms of Remuneration drawn during FY 2018-19

(₹ in Lakhs)

Emp. No.	Name	Designation	Amount
549	N.K. SINGH	GM (SLPP)	3458510
971	N.K.PUROHIT	CGM (MINES)	3384647
95	S. N. PUROHIT	GM (BD & BO)	3324434
237	S. S. MULEY	Addl.GM (EMD)	3195851
299	C. N. PAGHDAR	Addl. GM (IMD)	3070160
292	D. M.CHANDARANA	Addl. GM (BO)	3053776
33	M. C.VADALIA	Dy. GM (Control & Instrumentation)	2929590
152	B. D.VANAR	Addl. GM (H,S & E)	2915029
34	P.S.GOYAL	Addl. GM (Mechanical)	2888507
1059	PRAKASH CHAND	Addl. GM (Mines)	2835733

MANAGEMENT DISCUSSION AND ANALYSIS 2018-19

Your Company, jointly promoted by Gujarat Electricity Board (GEB) [now Gujarat Urja Vikas Nigam Limited (GUVNL)], Gujarat Alkalies and Chemicals Limited (GACL), Gujarat State Fertilizers and Chemicals Limited (GSFC), and Petrofils Co-operative Limited (PCL) to cater to their captive power requirements, has completed thirty four years on 1st June, 2019, since its establishment in the year 1985.

It is a matter of pride that your Company, which began as the first group captive power plant in the country, has transformed into a dynamic Independent Power Producer (IPP) with total installed generation capacity of 1084.4 MW.

SECTOR OVERVIEW

Power Generation in India: *[Source: Central Electricity Authority (CEA)]*

The total power generation(provisional based on actual assessment) in the country during FY 2018-19 was 1249.19 Billion Units (BUs) upto 31st March, 2019 (Previous Year 1206.306 BU) as against the target of 1265.00 BUs for the year i.e. about 98.75% of the target for the year. The annual growth in the energy generation during the FY 2018-19 was 3.55% as against 3.95% for same period last year i.e. FY 2017-18.

The installed generation capacity in the country, as on 31st March, 2019 was 356100 MW. Coal, with around 56% share, is still the primary source of fuel for power generation in India.

Installed Generation Capacity (As on 31/03/2019)

All India	Thermal				Nuclear	Hydro (Renewable)	**RES@ (MNRE)	Grand Total
	Coal / Lignite	Gas	Diesel	Total				
MW*	200704	24937	638	226279	6780	45399	77642	**356100**
%	56.36	7.00	0.18	63.54	1.90	12.76	21.80	100

* Figures are rounded off to nearest digit. ***Source: Central Electricity Authority (CEA)]***

**Installed capacity in case of RES is provisional as on 31.01.2019.

Electricity - Capacity Addition and Generation

Target Vs. Achievement (2018-19):

The Indian power sector has historically been characterized by demand-supply gap which has been increasing over the years. The National Electricity Plan (NEP) 2007, had projected total capacity addition of 88537 MW, for the 12th Plan (Year: 2012-17) as under:

	Thermal			Hydro	Nuclear	Total
	Coal / Lignite	Gas/LNG	Total			
MW	69800	2540	**72340**	**10897**	**5300**	**88537**
%	78.84	2.87	81.71	**12.31**	**5.99**	**100**

[Source: Central Electricity Authority (CEA)]

The Sector wise Generation Capacity Addition Target / Achievement for the 12th Plan was as follows:

(a) Generation Capacity Addition / Achievement**:**

Type/Sector	Target Addition (in MW)*				Achievement	
	Central	State	Private	**Total**	**(in MW)***	**%**
Thermal	14878	13922	43540	72340	91730	126.80
Hydro	6004	1608	3285	10897	5479	50.28
Nuclear	5300	-	-	5300	2000	37.73
Total*	**26182**	**15530**	**46825**	**88537**	**99209**	**112.05**

* Figures are rounded off to nearest digit. ***[Source: Central Electricity Authority (CEA)]***

(b) Electricity Generation (MU) Target Vs. Achievement for FY 2018-19

	Thermal	Hydro	Nuclear	Bhutan (Import)	Total
Target (MU)*	1091500	130000	38500	5000	1265000
Achievement up to March, 2019 (MU)*	1072012	135040	37706	4433	1249192
% Ach.	98.21	103.88	97.94	88.67	98.75

* Figures are rounded off to nearest digit. ***[Source: Central Electricity Authority (CEA)]***

Thermal Plant Load Factor (PLF):

The average All India Thermal PLF (%) (Coal and Lignite based) was 61.07% for FY 2018-19 as compared to 60.67% for the same period during FY 2017-18.

[Source: Central Electricity Authority (CEA)]

Fuel Availability for Power Generation:

Availability and quality of coal and availability of gas for power sector continued to be a critical issue for thermal generation growth.

Coal:

With about 194444 MW i.e. 54.60% of the installed capacity of 356100 MW as on 31st March, 2019 being contributed by Coal based Power Plants, Coal remains a key fuel for power generation.

As per Energy Generation Programme of Central Electricity Authority (CEA), Coal-based generation is expected to continue to be the predominant source of electricity during the year 2018-19.

Out of the total target capacity addition of 88,537 MW during the 12th Plan, coal/lignite-based capacity addition was expected to be about 69,800 MW (78.84%). The coal requirement was estimated at 842 Million Tonnes (MT) at the end of 12th Plan and at 1040 MT at the end of 13th Plan. ***[Source: Central Electricity Authority (CEA)***

Gas:

Owing to the reducing availability of Natural Gas from the domestic gas fields and also due to increasing cost of Imported R-LNG, the gas based generation had a very marginal growth of 0.29% (in PLF %) during FY 2017-18 as compared to corresponding period last year. The installed capacity has been reduced to 24897.46 MW as against 25329.38 MW. (reduced by 1.7%- in Installed capacity terms).

Gas available from KG basin has been allocated to existing projects only and Power sector has been given third priority in gas allocation after Fertilizer and LPG Sectors.

The Ministry of Power (MoP) has recommended that Power sector be given the highest priority as far as domestic gas allocation is concerned in view of power shortage in the country.

Renewable Energy

Considering the ever increasing electricity demand and inadequate availability of fuel, there is a dire need to tap various new sources of energy including renewable energy. Further, growing awareness with regard to benefits of clean energy have also prompted renewed focus on renewable energy by all the stakeholders in the energy ecosystem.

Taking into consideration the growing threat of climate change, the need to develop domestic supply options to the maximum extent and the need to diversify energy sources, renewable energy sources remain important to India's Energy Sector.

Renewable Energy accounted for 21.80%, i.e. 77642 MW, of the total installed capacity as on 31-03-2019. ***[Source: Central Electricity Authority (CEA)].***

As per the Ministry of New and Renewable Energy (MNRE), GoI statistics, against a target of 14510 MW of Grid Interactive Power for 2017-18, the Total Deployment in 2017-18 was 11787.66 MW (81.23%) of which Wind Power accounted for 14.98%, Solar Power accounted for about 79.42%, Small Hydro Power accounted for about 0.90%, Power from Bagasse based Co-Generation accounted for about 4.40%, Power from non Bagasse based Co-Generation and Waste to Power accounted for 0.28%.

With fuel shortage becoming a reality in the last couple of years, it is imperative for India to have a focused strategy for renewable energy.

The Ministry of New and Renewable Energy (MNRE) has taken several steps to fructify Prime Minister's dream of a clean energy future for the 'New India'. The largest renewable capacity expansion programme in the world is being taken up by India. The Government is aiming to increase share of clean energy through massive thrust in renewables. Core drivers for development and deployment of new and renewable energy in India have been Energy security, Electricity shortages, Energy Access, Climate change etc.

In order to achieve the renewable energy target of 175 GW by the year 2022, the major programmes/schemes on implementation of Solar Park, Solar Roof Top Scheme, Solar Defence Scheme, Solar scheme for CPUs Solar PV power plants on Canal Bank and Canal Tops, Solar Pump, Solar Rooftop etc. have been launched during the last few years.

Various policy measures have been initiated and special steps taken in addition to providing financial support to various schemes being implemented by the MNRE for achieving the target of renewable energy capacity to 175 GW by the year 2022. These include, inter alia, suitable amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation (RPO) and for providing Renewable Generation Obligation (RGO); setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor project; guidelines for procurement of solar and wind power though tariff based competitive bidding process, National Offshore Wind Energy Policy notified, Repowering of Wind Power Projects, Standards for Deployment of Solar Photovoltaic systems/devices, orders for waiving the Inter

State Transmission System charges and losses for interstate sale of Solar and Wind power for projects to be commissioned by March 2019; identification of large government complexes/ buildings for rooftop projects; provision of roof top solar and 10 percent renewable energy as mandatory under Mission Statement and Guidelines for development of smart cities; incorporating measures in Integrated Power Development Scheme (IPDS) for encouraging distribution companies and making net-metering compulsory and raising funds from bilateral and international donors as also the Green Climate Fund to achieve the target etc.

OPPORTUNITIES AND CONCERNS

Opportunities:

With the increase in the per capita income levels there will be substantial increase in the per capita electricity demand. The National Electricity Policy (NEP) 2005 aimed at providing a per capita electricity availability of 1000 kWh by FY 2012; against this target, the provisional per capita electricity consumption was 1122 kWh for FY 2016-17.

[Source: Central Electricity Authority (CEA)].

Based on the Load Generation Balance Report of CEA for 2018-19, the anticipated power supply position during 2018-19 is presented in the table below:

Power Supply Position in the Country during 2018-19

Particulars	Energy (MU)	Peak (MW)
Requirement.	1337036	180682
Availability.	1398706	185122
Surplus(+)/Shortage(-).	61670	4440
%Surplus(+)/Shortage(-).	4.6%	2.5%

[Source:Website of Ministry of Power (MoP) www.powermin.nic.in]

The Electricity Generation Target fixed by Ministry of Power (MoP) for FY 2019-20 is as follows:

Electricity Generation Target for FY 2019-20:

	Hydro	Thermal	Nuclear (Import)	Bhutan	Total
Target (BU)	1091.500	130.000	38.500	5.000	1265.000

[Source: Central Electricity Authority (CEA)]

In order to provide cheaper power to consumers, large size power projects are being developed at different locations by various project developers.

India is endowed with huge renewable sources for energy. Both technology routes for conversion of solar radiation into heat and electricity, Solar Thermal and Solar Photovoltaic (PV), can effectively be harnessed providing huge scalability for solar power in India. With the increased focus on Research and Development for reducing the costs of setting up solar power projects and the tariffs being offered for solar power, the sector provides bright opportunities.

Your Company has commissioned Two Distributed Solar cum-Agriculture Power Projects of 1 MW each at Village Amrol, Ta. & Dist.: Anand and Village Vastan, Ta. Mangrol, Dist.Surat.

Your Company has also commissioned 112.4 MW Wind based Power Project at different sites in State of Gujarat during F.Y 2016-17.

The Company has also successfully commissioned 2 x 40 MW Solar Power Projects at Charanka Solar Park, Gujarat during F.Y 2017-18 and 75 MW Solar PV Project at the same location on 4th June 2019, in phased manner awarded under competitive Bidding of GUVNL.

Your Company has approached various Govt. authorities like MNRE, SECI, NTPC, Port Trust., GoG Departments etc. to explore opportunities to enhance its Solar and Wind based Power Generation Capacity.

The Company is also exploring business opportunities in the following areas:

- Solar Park
- Solar Roof Top
- Wind Farms
- Energy Audit
- Micro Grid
- Floating Solar
- O & M Services
- Consultancy Services
- Energy generation through Bio Gas and Municipal Solid Waste (MSW).

A dedicated Business Development Cell has been set up to look for new business opportunities.

Key Risks and Concerns:

Power sector is a highly capital intensive industry with long gestation periods before commencement of revenue streams (construction/commissioning periods of 4-5 years) and an even longer operating period (over 25 years). Since most of the projects have such a long time frame, there are some inherent risks in both the internal and external environment.

The macro economic factors like the growth of the economy, interest rates, as well as the political and economic environment have a significant effect on the business environment and the sector as a whole.

The graduation from the regulated regime to a competitive scenario has made developers conscious of the costs incurred (both capital and operating costs) and delays in equipment delivery schedules due to inadequate manufacturing capacity in the country.

New policies have boosted the security of utilities' revenue directly impacting both their willingness and ability to pay for the power purchased. Over the long term, unless Aggregate Technical and Commercial (AT&C) losses are reduced, the ability of state utilities to meet their obligations will be of grave concern.

Considering the proposed capacity addition and the capital intensive nature of power projects, high level of debt financing will be required. The company, sector and group level exposures of various banks and insurance companies need to be increased in order to adequately fund the proposed capacity addition.

Your Company is dependent on the domestic market for its business and revenues. The Company's power generating facilities are located in Gujarat and entire revenue of the Company are derived from the domestic market. These factors may potentially expose the Company to risks of a significant nature to the state of economy. Adverse changes in the Government policies or regulations, the taxes levied by the central or state Governments or removal of tax concessions, exemptions or incentives, or claims by tax authorities may affect the financial condition and operational results of the Company.

Generation of Power at the Company's Power Stations can be adversely affected due to various factors including non-availability of natural Gas from domestic gas fields, high cost of R-LNG, lignite/fuel, grid disturbances, load management in the grid, lower off-take by Participating Units. Your Company has entered into Agreements with gas suppliers for adequate supply of fuel for its gas-based Power Stations at Vadodara Plant. However, the dwindling supplies from domestic gas fields at present and increasing price of imported R-LNG shall have a considerable impact on the generation at Vadodara Plants. To remain unaffected by the grid disturbances, your Company has developed systems to isolate its Power Stations from the grid. To mitigate the concerns, external environment is monitored and internal environment is managed on a continuous basis.

REVIEW OF COMPANY'S BUSINESS:

The Company currently has a combined installed capacity of 1084.4 MW at its locations at Vadodara Plant and Surat Lignite Power Plant (SLPP) including 5 MW PV based Solar Power Plant at SLPP, Distributed Solar Power Plants of 1 MW each at Village Amrol Ta. & Dist.: Anand & Village Vastan, Ta. Mangrol, Dist.: Surat, 112.4 MW Wind Farm in various locations in Districts Amreli, Porbandar & Kutch and 80 MW Solar Power Projects and 75 MW Solar Power Project.

MANAGEMENT CONTROL, INTERNAL CONTROL AND INTERNAL AUDIT SYSTEMS:

Your Company has put in place internal control systems and processes commensurate with its size and scale of operations.

Few recent initiatives in that direction are given below:

1. Implementation of an Enterprise Resource Planning (ERP) System developed by SAP for better control on cash flows, costs, automation of procurement processes and digital office after a comprehensive study of various functionalities. This System has control processes designed to take care of various audit requirements;
2. Technical up gradation of servers and functional modules of SAP ERP;
3. Central Data Monitoring Cell has been set up for monitoring of operations data for plants and projects under Solar and Wind at various locations;
4. Centralization of processes wherever feasible, with IT support, to reduce cycle time and avoid repetition of activities.

In addition, the Company has an Internal Audit and review by external independent firm of Chartered Accountants and pre-audit of payments is being carried out by internal team of Accountants as well as by external Agencies which oversees the implementation and adherence to various systems and processes and preparation of Financial Statements as per Generally Accepted Principles and Practices. The internal control measures such as defining various levels of the authority through delegation of powers, well laid down procurement procedures, checks and balances in the financial system to safeguard the assets, budgetary controls and variance analysis are in place.

The procurement and operational maintenance activities are planned well in advance to avoid any possible risk of late delivery of materials/inputs, delay in attending to maintenance needs etc. Your Company stores and maintains all the relevant data and information as a back-up, to avoid any possible risk of loss of any important business data.

A qualified and independent Audit Committee of Directors periodically reviews the internal audit reports.

FINANCIAL REVIEW:

ON STAND ALONE BASIS:

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

Your Company's total income for the year ended 31st March, 2019 was ₹ 152427 Lakhs as compared to ₹ 140507 Lakhs in the previous year.

The total income of the current year includes earnings from sale of electrical energy of ₹ 140056 Lakhs as compared to ₹ 134808 Lakhs recorded in the previous year.

During the year under review, Loss on Extinguishment of Investment in Associate amounting to ₹ 21808 Lakhs was booked as exceptional item.

The Profit before tax (after exceptional item) was ₹ 22828 Lakhs as compared to ₹ 31748 Lakhs in the previous year.

The net profit of ₹ 17640 Lakhs has been arrived at after taking into account the provisions for current Income Tax (Minimum Alternate Tax) ₹ 9322 Lakhs, Deferred Tax liability of ₹ 4134 Lakhs.

During the year, Gross Block has increased by ₹ 12068 Lakhs. The increase was mainly due to capitalisation of 25 MW Solar Power Plant.

The total dividend payout (proposed) for the year @ ₹ 2.90 per Equity Share is ₹ 5288 Lakhs including Corporate Tax on Dividend.

As on 31st March 2019, the net worth of the Company stood at ₹ 257074 Lakhs as against ₹ 245902 Lakhs as at the end of previous financial year ended on 31st March, 2018.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Key Ratios	2018-19	2017-18	% Variance*	Explanation
Debtors Turnover	0.15	0.19	21%	
Inventory Turnover	0.12	0.11	-5%	
Interest Coverage Ratio	11.53	8.21	40%	As against reduction in interest cost by 4% , there was a 35% increase in EBIT due to better performance of Power Plants and capacity addition in Renewable i.e solar based Power Plants which resulted into favourable interest coverage ratio by 40%
Debt Equity Ratio	0.20	0.21	4%	
Operating Profit Margin (%)	33%	30%	8%	
Net Profit Margin (%)	16%	23%	-31%	During the year, 2018-19, there was a loss on Extinguishment of investment in Associate to the tune of ₹ 21808 Lakhs (Refer note 38) resulting in reduction in the profit before tax of ₹ 8989 Lakhs.
Return on Net Worth	9%	13%	-31%	During the year, 2018-19, there was a loss on Extinguishment of investment in Associate to the tune of ₹ 21808 Lakhs (Refer note 38) resulting in reduction in the profit before tax of ₹ 8989 Lakhs.

* Positive figure indicates favourable variance.

CONSOLIDATED FINANCIAL RESULTS:

GROUP INFORMATION:

The Consolidated financial statements relate to the Company i.e Gujarat Industries Power Company Limited (GIPCL) and its wholly owned subsidiary Company viz. GIPCL Projects & Consultancy Co. Ltd. (GIPCO). Thus, the Group comprises of GIPCL and its subsidiary GIPCO.

SUBSIDIARY COMPANY:

During the previous financial year, the Board of Directors had approved the Voluntary Liquidation of GIPCO under the Insolvency and Bankruptcy Code, 2016. Pursuant to such approval, the process of voluntary liquidation of GIPCO was initiated during the year and the affairs of GIPCO were handed over to the Liquidator. The winding up of GIPCO by the Liquidator commenced on 3rd January, 2019, being the date of appointment of the Liquidator, and was closed on 20th March, 2019, after realization of all assets, discharge of all liabilities and final distribution to the shareholders (i.e GIPCL) as per the Final Report submitted by the Liquidator.

As a result current Group Financial Statements reflect the following in addition to financials of GIPCL:

1. financial performance of GIPCO for the period from 1st April, 2018 to 3rd January, 2019 (the date of handing over the affairs to the Liquidator) in the group's financial performance;
2. financial position of GIPCO as of 20th March, 2019 (close of liquidation), i.e., GIPCO's affairs have been wound up and liquidated;
3. cash flows for the period from 1st April, 2018 to 20th March, 2019.

HUMAN RESOURCE & INDUSTRIAL RELATIONS:

Humans are considered as one of the most critical resources in the business which can be continuously smoothened to maximize the effectiveness of the Organization. Human resources build the Enterprise and a sense of belonging inculcates the spirit of dedication and loyalty amongst them towards strengthening the Company's sustainable growth. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing their contribution to the Company.

The strength of your Company lies in its team of highly competent and highly motivated personnel. This has made it possible for your Company to make significant improvements and progress in all areas of activities.

During the year 2018-2019, the Company maintained its high standards of Safety. Your Directors place on record their sincere appreciation for the unstinting efforts and contribution put in by the employees of the Company.

The Company continued in its endeavor to impart appropriate and relevant training to its employees to upgrade skill to meet the challenges that are ahead and to enhance their performance. The Company has also taken up an exercise on career growth and planning by identifying potentials and training needs of employees by engaging professionals in the field.

With an objective of motivating the workforce and to increase their skill sets to meet future business requirements various initiatives have been undertaken.

The industrial relations remained cordial throughout the year at Vadodara and SLPP Plants.

CORPORATE SOCIAL RESPONSIBILITY AND WELFARE:

Being a conscientious corporate body, your Company has been actively involved in the socio-economic development and welfare of the people living around the Power Plants at Vadodara and SLPP through Society for Village Development in Petrochemicals Area (SVADES) at Vadodara and through Company promoted NGO - Development Efforts for Rural Economy and People (DEEP) at SLPP.

Major Corporate Social Responsibility (CSR) initiatives by your Company revolve around building community infrastructure, focus on women empowerment and their role in development. Interventions include Health, Education, Livelihood Development and Village Infrastructure Development like roads, Culvert, multi-purpose shed, class rooms, sanitation etc. in surrounding villages.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis, forming part of the Board's Report, describing the objectives, projections, estimates, expectation and predictions of the Company may be "Forward Looking" statements within the meaning of applicable security regulations and laws. These statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance in the format prescribed by SEBI pursuant to Listing Regulations as amended is set out below:

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Philosophy:

At GIPCL, the Corporate Governance is aimed primarily to present the management with tools essential for the business practices required for legal and ethical conduct and fair financial reporting in tune with committed corporate response based on transparency, accountability and integrity. It stems from the management's mindset and involves necessarily a creative, generative and positive thinking attitude adding value to various stakeholders which are served as end customers of the Company.

2. BOARD OF DIRECTORS:

(1) Composition of the Board:

The Board of Directors comprised of total Eleven (11) Directors as on 31st March, 2019, out of which Five (05) are Non-Independent Directors and Six (06) are Independent Directors. Managing Director is an Executive Director, all other Directors are Non Executive Directors.

(2) Brief Resume of Directors:

a) Reappointment of Directors retiring by rotation:

The resume of Shri P K Gera, IAS (DIN: 05323992) and CS Vishvesh V. Vachhrajani (DIN: 00091677) are given in the Explanatory Statement annexed to the Notice convening the 34th Annual General Meeting (AGM) of the Company, forming part of this Annual Report.

b) Declaration by Independent Directors:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors has at its Meeting held on 24th April, 2019 noted the said declarations of Independent Directors.

After assessment, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management.

(3) Number of Board Meetings held and Dates thereof:

During the year 2018-19, Seven (07) Board Meetings were held viz.

Quarter	Date(s) of Meeting
1st Quarter - From April to June, 2018.	3rd April and 24th May, 2018.
2nd Quarter - From July to September, 2018.	12th July and 13th August, 2018.
3rd Quarter - From October to December, 2018.	1st October and 1st November, 2018.
4th Quarter - From January to March, 2019.	11th February, 2019.

(4) (a) Attendance of Directors at the Board Meetings, last AGM and their Directorships and Committee Memberships in other Companies:

Name	No. of Board Meetings attended	Attendance at last AGM held on 27.09.2018	Directorships in other Companies / entities	Audit Committee and Stakeholders' Relationship Committee	
				Membership	Chairmanship
Shri Sujit Gulati, IAS, Chairman (upto 16-07-2018)	03	NA	—	—	—
Shri Raj Gopal, IAS, Chairman (from 07-08-2018 upto 31-01-2019)	03	NO	—	—	—
Prof. Shekhar Chaudhuri	04	NO	01	02	—
Dr. K M Joshi	07	YES	01	—	—
Shri P K Gera, IAS	01	NO	03	02	—
Shri Pankaj Joshi, IAS	05	NO	09	—	—
Shri S B Dangayach	07	NO	07	01	—
Dr. B A Prajapati	07	NO	01	01	—
Shri N N Misra	06	YES	10	03	—
Shri Milind Torawane, IAS	04	NO	08	—	—
CS V V Vachharajani	04	YES	—	—	—
Shri Janakiraman M (upto 10.05.2018)	00	NO	—	—	—
Shri Prabhat Singh (from 30.09.2018)	00	NA	04	—	—
Smt. Shahmeena Husain, IAS, Managing Director (upto 20.08.2018)	04	NA	—	—	—
Smt. Vatsala Vasudeva, IAS, Managing Director (from 20.08.2018)	03	YES	—	—	—

- Shareholding of Directors and their relatives as on 31st March, 2019 was NIL. None of the Directors are inter related.
- In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Membership / Chairmanships of only Audit and Stakeholders' Relationship Committees in all public limited companies have been considered.
- The details of familiarization program imparted to Independent Directors of the Company is available on the website of the Company on the following link:

  http://www.gipcl.com/writereaddata/Portal/Images/pdf/Familiarization-Program-for-Independent-Directors.pdf

(4) (b) Directors holding directorship in other listed entities:

Following Directors hold directorship in listed entities other than GIPCL:

Director	Listed Entity and Category of Directorship
Shri Pankaj Joshi, IAS	Torrent Power Limited,Non executive- Nominee Director
Shri P K Gera, IAS	Gujarat Alkalies & Chemicals Limited, Executive Director- Managing Director
Shri Milind Torawane, IAS	Gujarat Gas Limited, Non Executive - Non Independent
Shri S B Dangayach	Gujarat Mineral Development Corporation Limited, Independent Director
Shri Prabhat Singh	Petronet LNG Limited, Executive Director- Managing Director

(5) Board Agenda and Minutes of Proceedings of Board Meetings:

The Agenda and Notes on agenda along with enclosures are circulated to Directors in advance. All material information is incorporated in the Agenda Notes and where it is not practicable to circulate the documents, it is tabled before the Board with specific mention of same in the Agenda. Additional and supplementary items on the Agenda are permitted in certain circumstances with the permission of the Chairman and consent of majority of Directors.

The Company Secretary records Minutes of proceedings of each Board Meeting. In terms of Secretarial Standards (SS-1), draft Minutes are circulated to Directors for their suggestions/comments before submitting to the Chairman for finalization and also for confirmation after it is finalized and approved by the Chairman. The minutes are entered in the Minutes Book within thirty (30) days from the conclusion of the Meeting.

3. GENERAL BODY MEETINGS:

The details as to the date, time and venue of the last three Annual General Meetings (AGMs) of the Company held, are as under:

DATE AND NO. OF AGM	TIME	VENUE OF AGMs	SPECIAL RESOLUTION(s) PASSED AT AGMs
23.09.2016 31st AGM	11:00 A.M.	Registered Office of the Company at P.O.: Petrochemicals-391 346, District: Vadodara.	Approval of Material Transactions with Related Parties for the Financial Year 2015-16 and omnibus approval for material Related Party Transactions during FY 2016-17.
18.09.2017 32nd AGM	11:00 A.M.		Approval of Material Transactions with Related Parties for the Financial Year 2016-17 and omnibus approval for material Related Party Transactions during FY 2017-18.
27.09.2018 33rd AGM	3:00 P.M.		NIL

Postal Ballot:

During last year, the Company has not passed any Special Resolution by Postal Ballot.

4. BOARD COMMITTEES :

(i) The Board of Directors of the Company has constituted following Committees:

(A) Audit Committee.

(B) Stakeholders' Relationship Committee (SRC).

(C) Nomination and Remuneration (NR) Committee.

(D) Corporate Social Responsibility (CSR) Committee.

(E) Personnel Committee.

The Company Secretary acts as Secretary to all the above Committees of Directors.

(ii) Committee Meeting Minutes :

Minutes of all Committee Meetings are, circulated to the Members as per the requirements of Secretarial Standards and approved by the Chairperson of the Committee/Meeting.

(A) Audit Committee :

(a) Composition

As on 31st March, 2019, the Audit Committee comprised of four (04) Directors viz.:

Dr. K M Joshi, Independent, Non Executive Director, Chairman of the Committee;

Prof. Shekhar Chaudhuri, Independent, Non Executive Director;

Dr. B A Prajapati, Independent, Non Executive Director; and

Shri S B Dangayach, Independent Director, Non Executive Director.

(b) Terms of Reference

The terms of reference of Audit Committee are commensurate with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the provisions of Section 177 of the Companies Act, 2013. It includes review and recommendation for approval to the Board, quarterly and annual unaudited / audited financial results, adequacy of internal control system and procedures, appointment of Statutory Auditors, Cost Auditors and Internal Auditors, Related Party Transactions (RPTs), Revenue and Capital Budgets, Cost Audit Report, reports and performance of Internal Auditors and action taken by respective Departments on the matters reported by Internal Auditors etc. The terms of reference of Audit Committee shall be appropriately amended in line with the requirements of Sub-Regulation 4 of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

(c) Meetings and Attendance

During the year 2018-19, five (05) Meetings of the Committee were held viz.:

03.04.2018	24.05.2018	13.08.2018	01.11.2018	11.02.2019

Details of Attendance:

Name	No. of Meetings attended
Dr. K M Joshi	05
Prof. Shekhar Chaudhuri	02
Dr. B A Prajapati	05
Shri Janakiraman (upto 10.05.2018)	-
Shri S B Dangayach (from 24.05.2018)	04

(B) Stakeholders' Relationship Committee:

(a) Composition

As on 31st March, 2019, the Stakeholders' Relationship Committee comprised of two (02) Directors viz.:

Dr. K M Joshi; Independent, Non Executive Director, Chairman of the Committee; and Smt. Vatsala Vasudeva, IAS, Managing Director.

Thereafter, the Board at its Meeting held on 24/04/2019 co-opted CS V V Vachharajani, Non Executive - Nominee Director, as Member of Stakeholders' Relationship Committee.

(b) Terms of Reference

The Committee considers and approves all Securities related transactions and also looks into redressal of investors' complaints, reviews the system and procedure of redressal and recommends measures to strengthen the same in line with statutory framework of applicable laws.

The role of the Committee has been amended in line with the SEBI (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018, by the Board of Directors at its Meeting held on 24/04/2019.

The Board has designated CS Udaykumar K. Tanna, Company Secretary as the Compliance Officer, whose contact details are as follows:

Gujarat Industries Power Company Ltd.,
P.O.: Petrochemicals - 391 346,
Dist.: Vadodara.
Ph No.:0265- 2232768 Fax No: 0265-2230029.
Email: investors@gipcl.com Website: www.gipcl.com

(c) Meetings and Attendance

During the year 2018-19, three (03) Meetings of the Committee were held viz.:

24.05.2018	12.10.2018	02.01.2019

Details of Attendance:

Name	No. of Meetings attended
Dr. K M Joshi	03
Smt. Shahmeena Husain, IAS (upto 20.08.2018)	01
Smt.Vatsala Vasudeva, IAS (from 20.08.2018)	02

To facilitate timely approval/registration of securities related transactions each up to 1000 Equity shares, powers have been delegated to a Sub-Committee comprising of Managing Director, Chief Financial Officer and Company Secretary, which meets at least once in a fortnight to process and approve all types of Securities related transactions.

(d) Details of Shareholders' Complaints - Received, Resolved and Pending:

During 2018-19, Five (05) Complaints were received and same were attended and resolved to the satisfaction of shareholder. No Shareholders' Complaint and No Share Transfer Request was pending as on 31st March, 2019.

(C) Nomination and Remuneration Committee:

(a) Composition

As on 31st March, 2019, the Nomination and Remuneration Committee comprised of three (03) Directors viz.:
Dr. K M Joshi, Independent, Non Executive Director, Chairman of the Committee;
Shri P K Gera, IAS, Nominee, Non Executive Director; and
Dr. B A Prajapati, Independent, Non-Executive Director.

(b) Terms of Reference

- To consider and approve appointments and promotion of Senior executives and to make recommendations to the Board regarding Personnel and HR matters and Policies.
- To consider and recommend to the Board for appointment, remuneration and evaluation of performance of Directors.

(c) Core Skills

Pursuant to the Policy for Evaluation of Board Performance, the Board has identified the following skill areas:

1. Job Knowledge;
2. Advise/Directions to the management in the best interest of the Company;
3. Target achievement and contribution to new business opportunities;
4. Analysis of Internal control; and
5. Compliance with Code of Conduct.

(d) Meetings and Attendance

During 2018-19, four (04) meetings of the Committee were held viz.:

24.05.2018	13.08.2018	01.11.2018	11.02.2019

Details of Attendance

Name	No. of Meetings attended
Dr. K M Joshi	04
Shri P K Gera, IAS	—
Dr. B A Prajapati	04

(e) Performance Evaluation Criteria for Independent Directors.

The Board of Directors of the Company has laid down following criteria for performance evaluation of Independent Directors:

1. Knowledge of the Job Profile;
2. Various Directions provided in the best interest of the Company on key issues; review of compliance management;
3. Achievement of Targets, Budget v/s Actual and reasons for deviations; contribution towards new projects;
4. Detailed analysis of internal control function;
5. Compliance with the Code of Conduct;

The said Performance Evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated.

(D) Corporate Social Responsibility (CSR) Committee:

(a) Composition

As on 31st March, 2019, the CSR Committee comprised of three (03) Directors viz.:
Smt. Vatsala Vasudeva, IAS, Managing Director and Chairperson of the Committee;
Dr. K M Joshi, Independent, Non Executive Director; and
Shri S B Dangayach, Independent, Non Executive Director.

(b) Terms of Reference

To design, review and recommend for approval of the Board of Directors, CSR Policy for socio economic development of people, particularly in the areas where GIPCL's facilities are located by taking up projects and activities that aim at raising their Human Development Index including but not limited to projects or programs listed out in the Schedule VII to the Companies Act, 2013, as amended. To involve all the stakeholders by following participatory approach to address their concerns, priorities, needs and aspirations and take up activities that contribute to – promotion of social harmony, increasing opportunities for socially and economically challenged sections of the society, and to mitigate environmental degradation.

(c) Meetings and Attendance

During 2018-19, four (04) Meetings of the Committee were held viz.:

24.05.2018	13.08.2018	01.11.2018	11.02.2019

Details of Attendance

Name	No. of Meetings attended
Smt. Shahmeena Husain, IAS *(up to 20.08.2018)*	02
Smt. Vatsala Vasudeva, IAS *(from 20.08.2018)*	02
Dr. K M Joshi	04
Shri S B Dangayach	04

(E) Personnel Committee:

(a) Composition

As on 31st March, 2019, the Personnel Committee comprised of four (04) Directors viz.:
Dr. K M Joshi, Independent, Non Executive Director and Chairperson of the Committee;
Dr. B. A. Prajapati; Independent, Non Executive Director;
CS V V Vachharajani, Nominee, Non Executive Director; and
Smt. Vatsala Vasudeva, IAS, Managing Director.

(b) Terms of Reference

1. Recruitment, promotion and salary fixation / revision pertaining to present and future Personnel of the Company;
2. To review and recommend to the Board of Directors, revision in the Powers delegated to the Managing Director, from time to time;
3. To review and recommend to the Board of Directors about change in the Organization structure including creation/deletion/revision of position/grades;
4. To review the various Human Resources Policies of the Company and recommend / suggest changes, if any, thereof to the Board, for its approval;
5. To convene and hold Meetings as and when required to consider and approve various Agenda Items;
6. To keep the Board of Directors informed about the decisions of the Committee by circulating the approved Minutes of Meetings of the Committee;
7. The quorum of the Committee shall be minimum 03 (three) Members, present in person.

(c) Meetings and Attendance

During 2018-19, two (02) Meetings of the Committee were held viz.:

01.10.2018	02.01.2019

Details of Attendance

Name	No. of Meetings attended
Dr. K M Joshi	02
Dr. B A Prajapati	02
CS V V Vachharajani	02
Smt. Vatsala Vasudeva, IAS *(from 20.08.2018)*	02

All the recommendations made by various Committees of Directors from time to time have been accepted by the Board and there was no instance of non acceptance of any recommendation during the year.

(d) Remuneration Policy

The Company has formulated a Remuneration Policy for its Directors and the same is available on the following link on its website: http://www.gipcl.com/writereaddata/Portal/Images/pdf/Nomination-Remuneration-cum-Board-Diversity-Policy.PDF. The criteria for making payments to Non-executive Directors of the Company is posted on the following link on the Company's website: http://www.gipcl.com/writereaddata/Portal/Images/pdf/Criteria-for-making-Payments-to-Non-Executive-Directors.pdf

Details of Remuneration paid to Directors:

Executive Director:

Following remuneration was paid during the FY 2018-19 to Smt. Shahmeena Husain, IAS, Managing Director of the Company up to 20.08.2018 and to Smt. Vatsala Vasudeva, IAS, Managing Director of the Company from 20.08.2018:

Particulars of remuneration	Amount (₹ in Lakhs)	
	Smt. Shahmeena Husain, IAS (up to 20.08.2018)	Smt. Vatsala Vasudeva, IAS (from 20.08.2018)
Salary	**0.48**	**17.11**
Value of perquisites	–	**01.75**
Total	**0.48**	**18.86**

Non Executive Directors:

Name	Relationship with other Directors	Business relationship with the Company, if any	Sitting Fees (in ₹)		
			Board Meetings	Committee Meetings	Total
Shri Sujit Gulati, IAS* Chairman	No	No	80000	0	80000
Shri Sujit Gulati, IAS*Chairman *(upto 16-07-18)*	No	No	30000	0	30000
Shri Raj Gopal, IAS*Chairman *(from 07-08-2018 to 31-01-2019)*	No	No	30000	0	30000
Prof. Shekhar Chaudhuri	No	No	40000	20000	60000
Dr. K M Joshi	No	No	70000	190000	260000
Shri P K Gera, IAS*	No	No	10000	0	10000
Shri Pankaj Joshi, IAS*	No	No	50000	0	50000
Shri S B Dangayach	No	No	70000	90000	160000
Dr. B A Prajapati	No	No	70000	120000	190000
Shri N N Misra	No	No	60000	0	60000
CS V V Vachharajani	No	No	40000	20000	60000
Shri Milind Torawane, IAS*	No	No	40000	0	40000
Total			**510000**	**440000**	**950000**

** Fees Deposited in Govt. Treasury.*

5. DISCLOSURES:

a) The Company does not have any materially significant related party transactions i.e. transactions material in nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties, including with promoters/promoter group which hold 10% or more shareholding are set out in the Note No. 44 of the Standalone Financial Statements, forming part of this Annual Report.

b) The 'Policy on Related Party Transactions (RPT)' and 'Policy Statement on Material Subsidiary is accessible on the following link of Company's website

http://www.gipcl.com/writereaddata/Portal/Images/pdf/5Rpt_Policy corrected_10022017.pdf

http://www.gipcl.com/writereaddata/Portal/Images/pdf/4_Policy_On_Material_Subsidiary_10022017.pdf

c) Senior Executives of the Company have to disclose on Annual basis to the Board of Directors about any material and commercial transaction, where they have personal interest that may have a potential conflict with the interest of the Company at large. No such transaction has taken place during 2018-19.

d) The Company has complied with the requirements of regulatory authorities on capital markets viz. SEBI, Stock Exchanges, MCA and no penalties or strictures have been imposed against the Company during last three years.

e) All the mandatory requirements under Listing Regulations, including compliances with Corporate Governance requirements specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, have been complied with.

f) The Company has a Whistle Blower Policy and Vigil Mechanism in place and the same is accessible on the following link of its website: http://www.gipcl.com/writereaddata/Portal/Images/pdf/6_Vigil_Mechanism_whistle_Blower_Policy_10022017.pdf No person has been denied access to the Audit Committee during the year under review. In respect of adoption of other non-mandatory requirements as specified in Part E of Schedule II of the SEBI(LODR) Regulations, 2015, the Company will review its implementation at appropriate time.

g) Disclosure pursuant to applicable Listing Regulations in respect of unclaimed shares in demat mode lying in a separate Demat suspense account:

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of FY 2018-19	10	1208
Add: No. of Shares credited during FY 2018-19.	Nil	Nil
Total	**10**	**1208**
Less: Shares Transferred during the year to the designated Demat Account of IEPF Authority.	0	0
At the end of FY 2018-19	**10**	**1208**

h) No funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A);

i) Details of Fees paid to Statutory Auditors during FY 2018-19:

Sr.	Particulars of Fees	Amount (₹ In Lakhs)
1	Audit Fees	12.75
2	Taxation Services	2.40
3	Other services	1.10
4	Reimbursement of expenses	0.14
	Total	**16.39**

j) No complaints were received or were pending as on 31st March, 2019 in relation to the Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Quarterly Compliance Report:

The Company has submitted Corporate Governance Compliance Report in the prescribed format within prescribed time limit for each Quarter of FY2018-19 to the Stock Exchanges where the equity shares of the Company are listed viz. BSE and NSE as follows:

Quarter ended on	Date of submission to BSE	Date of submission to NSE
30.06.2018	07.07.2018	09.07.2018
30.09.2018	11.10.2018	11.10.2018
31.12.2018	11.01.2019	11.01.2019
31.03.2019	15.04.2019	15.04.2019

Code of Conduct:

The Board of Directors of the Company has adopted 'Code of Conduct' including duties of Independent Directors for its members and senior executives of the Company. The said Code of Conduct has been placed on the website of the Company accessible on the following link: http://www.gipcl.com/code-of-conduct.htm

Directors and senior executives have affirmed compliance with the 'Code of Conduct' during the financial year 2018-19. A declaration by Managing Director to this effect is attached to and forms part of this Report.

Insider Trading:

The Company has in place 'Code for Prevention of Insider Trading' on the lines prescribed by the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. It is applicable to all Directors and designated employees of the Company. Trading Window would remain closed for them during the period when price sensitive information is unpublished. Till FY 2018-19, the Window closure period for the said purpose was ten trading days before the date of Board Meeting and two trading days after the Board Meeting. From FY 2019-20, the Window closure period shall commence from the end of the quarter up to 48 hours from the date of the publication of financial results.

Company Secretary has been designated as Compliance Officer for the purpose.

Risk Management:

The Company has laid down system and procedure of regular monitoring of various kinds of risks that are inherent to the nature of its business and operations. Regular reporting on quarterly basis is done to the Board of Directors on Risk assessment and steps taken to mitigate/minimize the same.

Accounting Treatment Related Disclosure:

The Company has followed uniform accounting practices and has adhered to all the applicable accounting standards under the Companies Act, 2013 in the preparation of its Annual Financial Statements.

Credit Rating:

CARE Ratings Limited has reaffirmed the following ratings for Bank facilities:

Facilities	Rating
Long Term	CARE AA – (Double AA Minus)
Short Term	CARE A1+ (A one plus)

CEO and CFO Certification:

Pursuant to the requirements of Listing Regulations, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued Certificate which is annexed to and forms part of this Report.

Certification by Practising Company Secretary:

Certificate from Devesh Pathak & Associates, Practising Company Secretary, Vadodara has been obtained confirming that none of the Directors on the Board of Directors of the Company have been debarred or are disqualified from being appointed or continuing as a Director.

6. MEANS OF COMMUNICATION:

Apart from furnishing the copies of the Unaudited Quarterly & Half Yearly Results and Audited Annual Results to all the Stock Exchanges where the shares of the Company are listed, the Company publishes the results in one English Newspaper and one Vernacular language newspaper. The Financial Results and Shareholding Pattern of the Company are posted on the BSE Listing Centre and NEAPS portals regularly.

Unaudited/Audited Financial Results, Pattern of Shareholding, details of Directors, latest full Annual Report and other information pertaining to the Company are also available on the Company's website http://www.gipcl.com/financial-reports-new.htm. The Company also sends Annual Report to shareholder at the address registered with the Company/Depositories. As a part of green governance, the Company has started sending Annual Report and other correspondence by e-mail to those shareholders who have furnished e-mail address to their Depository Participants (DPs) or to the Company.

Financial Results of the Company were published as follows:

Period FY 2018-19	Date of Approval by Board	Date of publication	Newspapers
Q1 UFR*	24.05.2018	26.05.2018	Business Standard (All editions)
Q2 UFR*	13.08.2018	15.08.2018	Loksatta-Vadodara (Gujarati) edition
Q3 UFR*	01.11.2018	03.11.2018	
Full year AFR**	17.05.2019	18.05.2019	

*UFR - Unaudited Financial Results **AFR- Audited Financial Results

Corporate Announcements, if any released during the year, which are materially significant in nature, are also displayed on the Company's website on the following link: *http://www.gipcl.com/newslist.htm* immediately on release of the same.

No presentations were made to institutional investors or to analysts.

Subsidiary Company:

The Company had promoted a wholly owned non material unlisted Indian subsidiary Company viz. GIPCL Projects and Consultancy Company Ltd. (GIPCO) incorporated on 30th August, 2012 having CIN U74999GJ2012PLC071761. The Board of Directors of GIPCL and GIPCO on 21st December, 2017 and 22nd December, 2017 respectively approved Voluntary Liquidation of GIPCO under Section 59 of The Insolvency and Bankruptcy Code, 2016 and Regulations made there under. Accordingly, Liquidator, GIPCO has submitted its Final Report and Application has been moved to National Company Law Tribunal (NCLT) on 26/04/2019 for Voluntary Liquidation of GIPCO and the Order is awaited.

The minutes of subsidiary company were placed before the Company's Board of Directors regularly.

7. **GENERAL INFORMATION FOR SHAREHOLDERS:**

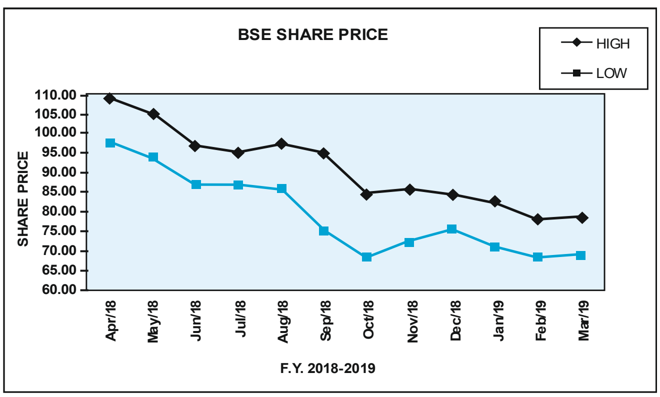
Financial Year of the Company	1st April to 31st March
Power Plant Locations	
145 MW Station I and 165 MW Station II	P. O. : Petrochemicals - 391 346, District: Vadodara.
500 MW Surat Lignite Power Plant ; and 5 MW PV based Solar Power Plant	At & P.O.: Village: Nani Naroli, Taluka: Mangrol, District: Surat – 394 110.
1 MW Distributed Solar Power Plants	1. Village: Amrol, District: Anand – 388 510. 2. Village: Vastan, Taluka: Mangrol, District: Surat-394 110.
15 MW Wind Power Project 26 MW Wind Power Project 50.4 MW Wind Power Project 21 MW Wind Power Project 80 MW Solar Power Project 75 MW Solar Power Project	Village: Kotadapitha, Taluka: Babra, Dist.: Amreli. Village: Rojmal, Ta.: Botad, Dist.: Rakjot. Village: Kuchhdi, Ta.: & Dist.: Porbandar. Village: Nakhatrana, Ta.: & Dist.: Kutch. Village Charanka, Ta.: & Dist.: Patan. Village Charanka, Ta.: & Dist.: Patan.
Listing on Stock Exchanges with Scrip Code / Symbol and confirmation of Listing Fees paid for FY 2019-20.	1. BSE Ltd. (BSE) Scrip Code : 517300 Sir Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Ltd.(NSE) Scrip Symbol : GIPCL- EQ Exchange Plaza, 5th floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051. Listing Fees for FY 2019-20 has been paid to BSE on 10/04/2019 and to NSE on 17/04/2019.
Books Closure Dates	From Friday, the 30th August, 2019 to Friday, the 06th September, 2019 (both days inclusive).
Day, Date, Time and Venue of 34th Annual General Meeting (AGM)	The 34th AGM of the Company will be held on Friday, the 20th September, 2019 at 12:00 noon of the Company at P.O.: Petrochemicals - 391 346, Dist.: Vadodara.
Corporate Identification Number (CIN)	L99999GJ1985PLC007868
ISIN No. allotted by NSDL and CDSL to Equity Shares	INE162A01010
Time taken for processing of share transfer request and dispatch thereof	Within 15 days
Time taken for processing of dematerialization requests	Within 15 days
Dividend Payment date	Dividend shall be paid, subject to approval of the Shareholders, on or before 24/09/2019
Name and Address of Compliance Officer of the Company	Mr. Udaykumar K. Tanna, Company Secretary & Compliance Officer, P.O.: Petrochemicals - 391 346, Dist.: Vadodara. Phone: 0265-2232768, Fax: 0265-2230029, E-mail: investors@gipcl.com
Name and Address of Registrars and Transfer Agent (R & T Agent) of the Company for the communication for securities related transactions by shareholders holding shares in physical mode.	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 015. Phone: (0265) 2356573 E-mail:vadodara@linkintime.co.in
No. of Employees	544

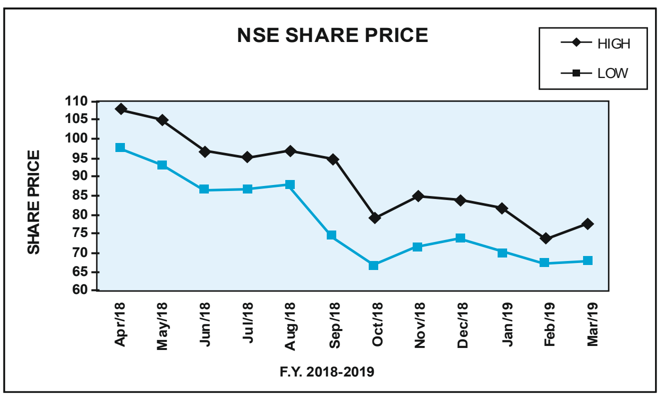
8. **DATA OF SHARE PRICE ON BSE AND NSE:**

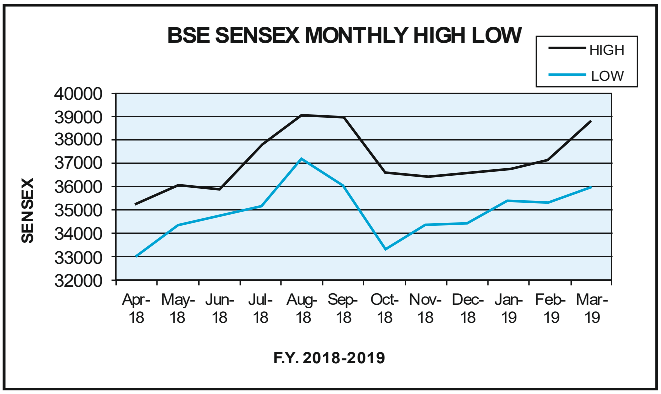
Monthly High and Low Market price of the Company's Equity shares traded on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during April 2018 to March 2019 are:

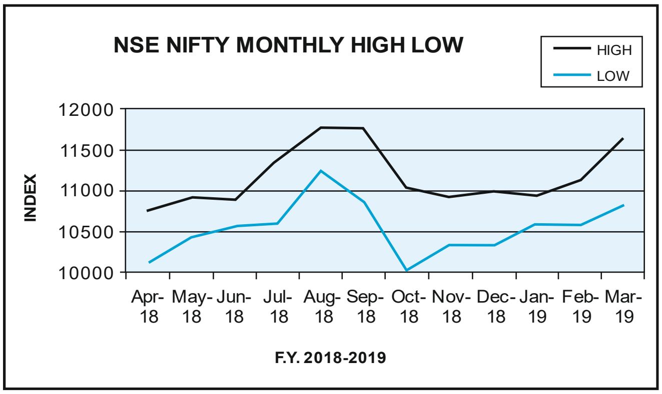
Month	BSE		NSE	
	High	Low	High	Low
APRIL 2018	108.95	97.45	107.90	97.60
MAY 2018	104.75	93.40	105.05	93.15
JUNE 2018	96.50	86.65	96.85	86.70
JULY 2018	95.00	86.50	95.35	86.90
AUGUST 2018	97.00	85.40	97.00	88.20
SEPTEMBER 2018	94.90	74.80	94.70	74.60
OCTOBER 2018	84.00	68.00	79.55	67.10
NOVEMBER 2018	85.50	72.00	85.30	72.05
DECEMBER 2018	84.00	75.20	84.30	74.25
JANUARY 2019	81.80	70.70	82.00	70.60
FEBRUARY 2019	77.95	68.10	74.25	67.85
MARCH 2019	78.20	68.60	78.00	68.05

Graphical presentations of Monthly High / Low Share prices on BSE and NSE and Monthly High/Low movement of BSE Sensex and NSE- Nifty during the period from April 2018 to March 2019:









Share Transfer System:

To ensure expeditious and timely approval and registration of each securities related transaction up to 1000 Equity Shares, powers have been delegated to a Sub-Committee of Senior Officials of the Company under the Chairpersonship of Managing Director. Requests of more than 1000 shares and issue of duplicate share certificates are considered and ratified / approved by Stakeholders' Relationship Committee of Directors. Duly transferred share certificates are normally returned within a period of fifteen (15) days from the date of receipt of the same, provided all the required documents and attachments are in order.

Pattern of Shareholding as on 31st March, 2019:

Category	No. of Shares held	(%) to Share Capital
Promoters	84236161	55.69
Central/State Govt. Bodies Corporate	15184954	10.04
Institutional Investors	23314130	15.41
Foreign Institutional Investors/ NRI	4998316	3.31
Indian Public	23127300	15.29
NBFC registered with RBI	19034	0.01
IEPF	371293	0.25
GRAND TOTAL	**151251188**	**100**

Distribution of Shareholding as on 31st March, 2019:

Category (No. of Shares) From To	No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Total No. of Shareholders
Upto 5000 Shares	52752	98.87	13778229	9.11
5001 - 10000	282	0.53	2030650	1.34
10001 - 20000	132	0.25	1862897	1.23
20001 - 30000	67	0.13	1665536	1.1
30001 - 40000	31	0.06	1105848	0.73
40001 - 50000	17	0.03	772937	0.51
50001 - 100000	29	0.05	2173424	1.44
100001 and above	45	0.08	127861667	84.54
TOTAL	**53355**	**100.00**	**151251188**	**100.00**

Summary of Shareholders and Shares held in Physical and Demat mode as on 31st March, 2019:

Particulars	Physical	Demat NSDL	Demat CDSL	Total
Total Shareholders (Nos.)	7997	29810	15548	53355
Percentage to Total Shareholders (%)	14.99	55.87	29.14	100.00
Total shares (Nos.)	971630	139460067	10819491	151251188
Percentage to Total Share Capital (%)	0.64	92.21	7.15	100.00

The Company's equity shares are available for trading on BSE & NSE through the depository system of NSDL and CDSL. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the year 2018-19.

CEO AND CFO CERTIFICATION

We, Smt. Vatsala Vasudeva, IAS, Managing Director and CA K K Bhatt, Addl. General Manager (Finance) & Chief Financial Officer, responsible for the finance function certify that:

a) We have reviewed the financial statements and Cash Flow
Statement for the year ended March 31, 2019 and to the best of our knowledge and belief:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;

b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) We have indicated, where ever applicable, to the Auditors and the Audit Committee :
   i) significant changes, if any, in internal control over financial reporting during the year under reference;
   ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
   iii) instances, during the year, of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Gujarat Industries Power Company Limited

	CA K K Bhatt	**Smt. Vatsala Vasudeva, IAS**
Date: 26th June, 2019	**Addl. General Manager (Finance)**	**Managing Director**
Place: Vadodara.	**& Chief Financial Officer**	**(DIN: 07017455)**

Declaration regarding Compliance of Code of Conduct by Directors and Senior Management Personnel of the Company

This is to certify that the Members of the Board and Senior Management have furnished affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

For Gujarat Industries Power Company Limited

Date: 26th June, 2019
Place: Vadodara.

Smt. Vatsala Vasudeva, IAS
Managing Director
(DIN: 07017455)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Gujarat Industries Power Company Limited
P.O. Petrochemicals - 391346
Dist. Vadodara.

We have examined the compliance of the conditions of Corporate Governance by **Gujarat Industries Power Company Limited** (hereinafter referred to as the Company), for the financial year ended **March 31, 2019** as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for J. J. Gandhi & Co.
Practising Company Secretaries

Date: 17th June, 2019
Place: Vadodara

(J. J. Gandhi)
Proprietor
CP No. 2515

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gujarat Industries Power Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gujarat Industries Power Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note no. 38a of the standalone financial statements, which describes the effect of the loss on extinguishment of rights in Bhavnagar Energy Company Limited, an Associate of the Company, pursuant to scheme notified by Government of Gujarat wherein the Associatehas been merged with Gujarat State Electricity Corporation Ltd. with effect from 1st April, 2018. This has resulted in loss of the Company's entire investment in the Associate of ₹ 21,808/- lacs which has been written off as exceptional item. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the matter
1.	**Provision for Mine Decommissioning Cost and corresponding Asset for Mine Closure** **(Refer to note 3(iv), 4((iii) (a), 5(a) and 22 (a) to the standalone financial statements)** The Company has an obligation to restore and rehabilitate the mining sites operated upon by the Company at the end of mine operation closure. This decommissioning liabilityis recorded based on estimates of the costs required to fulfill this obligation. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the decommissioning liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred at reporting date. We have considered the measurement of decommissioning costs as Key Audit Matter as it requires significant management judgement, including complex accounting calculations and estimates that involves high estimation uncertainty.	**Principal Audit Procedures** Our audit procedures included the following: • Evaluating the approach adopted by the management in determining the expected costs of decommissioning of the concerned mines, through review of the cost elements and comparison to previous provision made. • Compare current estimates of costs with actual decommissioning and restoration costs previously incurred. • Reviewing the unwind of interest as well as understanding if any restoration was undertaken during the year. • Considering the inputs into the calculation including the discount and inflation rates for comparison to external sources as well as the expected timing of cash flows. • Confirm whether the decommissioning dates are consistent with the Company's business plans • Assessing the appropriateness of the disclosures made in the financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the matter
		Conclusion: Based on the procedures described above, we did not identify any material exceptions to the management's estimation process, methodology and disclosure of the subject matter in financial statements.
2.	**Litigations and Claims** **(Refer to note 3 (xvii), 4(i) and 42 to the standalone financial statements)** Litigation and claims are pending with multiple tax and regulatory authorities and there are claims from vendors/suppliers and employees which have not been acknowledged as debt by the company. In the normal course of business, financial exposures may arise from pending legal/regulatory proceedings and from above referred claims not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective. We have considered Litigations and claims as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.	**Principal Audit Procedures** Our audit procedures included the following: • Understanding the current status of disputed tax matters and other litigations and claims and discussing selected matters with the entity's management. • Critically assessing the entity assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. **Conclusion:** Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.
3.	**Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit** **(Refer to note 3 (xv), 23, 39 (a) and (b) to the standalone financial statements)** The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law. We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	**Principal Audit Procedures** Our audit procedures included the following: • Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. • Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. • Assessing the adequacy of the deferred tax disclosures to the financial statements. **Conclusion:** Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

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

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

1. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid standalonefinancial statements comply with the Ind AS specified under Section 133 of the Act;
   e. on the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
   f. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
   g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act; and
   h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;
      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; except a sum of ₹ 0.05 Lakhs which is held in abeyance due to pending legal cases.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 17th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Gujarat Industries Power Company Limited**)

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

(b) The fixed assets of the company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets (Property, Plant & Equipment) has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following cases (which are awaiting legal formalities) as on date of report:

(₹ in Lakhs)

Category of Assets	Total No. of Cases	Gross Block as at 31st March, 2019	Net Block as at 31st March, 2019
Freehold land	13	157.30	157.30

ii. In our opinion, the inventories have been physically verified by the management at reasonable interval during the year. In certain cases, the stocks have been verified on the basis of visual survey/ estimates. In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.

iv. The Company has not given any loan or guarantee or security under section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the order of the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales tax, duty of customs, value added tax, goods and service tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31st March, 2019 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed dues in respect of value added tax, goods and service tax and duty of customs which have not been deposited. The following are the particulars of income tax, duty of excise and service tax as at 31st March 2019 which have not been deposited on account of dispute:

Nature of Statue	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	94.33	A.Y. 2014-15	Commissioner of Income Tax of Appeals
		15.58	A.Y. 2016-17	Commissioner of Income Tax of Appeals
Central Excise Act, 1944	Excise	32.54	F.Y. 2017-18	Assistant Commissioner, (Appeals)
		110.39	F.Y. 2016-17	CESTAT
		129.27	F.Y. 2015-16	CESTAT
		103.50	F.Y. 2014-15	CESTAT
Central Excise Act, 1944	Service tax	856.84	F.Y. 2012-13 & F.Y.2016-17	CESTAT

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from any financial institutions or government nor has issued any debentures.

ix. In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.

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

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 17th May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Gujarat Industries Power Company Limited** on the standalone financial statements of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of **Gujarat Industries Power Company Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31stMarch, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 17th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5(i)	**2,56,923.24**	2,61,513.76
(b) Mine Development Assets	5a	**5,921.99**	5,961.11
(c) Capital work-in-progress	5(ii)	**16,626.53**	475.66
(d) Other Intangible assets	5(i)	**390.04**	481.30
(e) Intangible assets under development	5(ii)	**105.80**	138.92
(f) Financial Assets			
(i) Investments	6	**8,955.42**	32,781.02
(ii) Loans	7	**4.00**	4.00
(iii) Others	8	**10,317.17**	7,830.03
(g) Other non-current assets	9	**17,062.81**	15,499.36
Total Non-current Assets		**3,16,307.00**	3,24,685.16
2 Current assets			
(a) Inventories	10	**16,557.13**	15,159.90
(b) Financial Assets			
(i) Trade receivables	11	**21,441.22**	25,997.68
(ii) Cash and cash equivalents	12	**26,060.34**	5,180.18
(iii) Bank balances other than (ii) above	13	**170.06**	671.33
(iv) Loans	14	**-**	0.05
(v) Others	15	**1,077.31**	5,807.67
(c) Current Tax Assets (Net)		**-**	-
(d) Other current assets	16	**1,524.84**	1,075.62
Total Current Assets		**66,830.90**	53,892.43
TOTAL ASSETS		**3,83,137.90**	3,78,577.59
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	17	**15,125.12**	15,125.12
(b) Other Equity	18	**2,41,948.80**	2,30,777.21
Total Equity		**2,57,073.92**	2,45,902.33
2 DEFERRED GOVERNMENT GRANT LIABILITIES	19	**5,921.25**	6,263.55
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	**36,658.50**	36,128.72
(ii) Trade payables		**-**	-
(iii) Other financial liabilities	21	**791.66**	889.03
(b) Provisions	22	**14,649.37**	12,762.51
(c) Deferred tax liabilities (Net)	23	**24,258.93**	24,269.65
(d) Other non-current liabilities	24	**16.74**	13.71
Total Non-current Liabilities		**76,375.20**	74,063.62
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**5,887.52**	10,659.03
(ii) Trade payables	26		
- Micro and Small Enterprises		**77.98**	70.49
- Other than Micro and Small Enterprises		**15,104.85**	10,068.63
(iii) Other financial liabilities	27	**20,879.70**	19,751.91
(b) Other current liabilities	28	**1,081.61**	10,780.15
(c) Provisions	29	**372.42**	438.92
(d) Current Tax Liabilities (Net)	30	**363.45**	578.96
Total Current Liabilities		**43,767.53**	52,348.09
TOTAL EQUITY AND LIABILITIES		**3,83,137.90**	3,78,577.59
See accompanying notes to the financial statements	1-55		

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I	Revenue from Operations	31	**1,40,735.26**	1,35,383.84
II	Other Income	32	**11,691.28**	5,123.65
III	**TOTAL (I+II)**		**1,52,426.54**	1,40,507.49
IV	**EXPENDITURE :**			
	Cost of Material Consumed	33	**61,994.88**	61,930.29
	Generation Expenses	34	**11,228.94**	11,610.00
	Employee Benefits Expense	35	**8,757.16**	9,070.69
	Finance Cost	36	**5,031.63**	5,685.01
	Depreciation	5(i)	**16,735.65**	15,765.82
	Amortisation of Mines Development Assets	5a(ii)	**104.53**	204.12
	Other Expenses	37	**3,937.32**	4,493.83
	TOTAL (IV)		**1,07,790.11**	1,08,759.76
V	**Profit before excptional item & Tax (III-IV)**		**44,636.43**	31,747.73
VI	**Exceptional Items**	38	**21,808.00**	-
VII	**Profit before Tax (V-VI)**		**22,828.43**	31,747.73
VIII	**Tax Expenses**	39a &b		
	Current Tax		**9,321.56**	6,752.55
	Deferred Tax		**(4,133.56)**	544.71
IX	**Profit For the year (VII-VIII)**		**17,640.43**	24,450.47
X	**Other Comprehensive Income**			
	a) Remeasurement of Defined benefit plans		**(54.61)**	(63.04)
	b) Equity instruments through OCI		**(1,992.60)**	3,524.47
	Items that will not be reclassified to profit or loss		**(2,047.21)**	3,461.43
	c) Income tax on above	39c	**(478.86)**	669.51
	Total Other Comprehensive Income (net of tax)		**(1,568.35)**	2,791.92
XI	**Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)**		**16,072.08**	27,242.39
XII	**Earning per share (Basic and Diluted)**	40	**11.66**	16.17
	See accompanying notes to the financial statements	1-55		

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
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DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
A	**Cash Flow From Operating Activities :**				
	Net Profit before Tax after exceptional items		**22,828.43**		31,747.73
	Adjustment for :				
	Depreciation	**16,735.65**		15,765.82	
	Amortisation of Mines Development Assets	**104.53**		204.12	
	Amortisation of Initial Mines Development Expenditure	**673.46**		649.48	
	Finance Cost	**4,413.18**		4,857.36	
	Unwinding of Decommissioning Liabilities	**618.45**		827.65	
	Amortisation of Government Grant	**(342.30)**		(198.70)	
	Loss on sale / write off of assets	**5.25**		0.47	
	Profit on sale / write off of assets	**(2.14)**		(0.21)	
	Profit on Liquidation of Subsidiary	**(12.50)**		-	
	Loss on Extinguishment of Investment in Associate	**21,808.00**		-	
	Interest Income	**(798.63)**		(156.39)	
	Dividend	**(75.98)**		(58.37)	
			43,126.97		21,891.23
	Operating Profit/(Loss) before changes in working capital		**65,955.40**		53,638.96
	Adjustment for (Increase)/Decrease in Operating Assets				
	Trade Receivables	**4,556.46**		(1,195.67)	
	Inventories	**(1,397.23)**		820.38	
	Loans and Advances	**0.05**		0.60	
	Other Assets	**(1,908.46)**		(9,955.91)	
	Adjustment for Increase/(Decrease) in Operating Liabilities				
	Trade payables	**5,043.71**		(236.05)	
	Other current liabilities and provisions	**(8,264.41)**		(1,945.35)	
			(1,969.88)		(12,512.00)
	Cash flow from operations after changes in working capital		**63,985.52**		41,126.96
	Net Direct Taxes (Paid)/Refunded		**(4,968.20)**		(7,394.41)
	Net Cash Flow from Operating Activities (Total - A)		**59,017.32**		33,732.55
B	**Cash Flow from Investing Activities :**				
	Purchase/adjustment of Fixed Assets including capital advance and Capital Work in Progress	**(25,280.95)**		(37,835.16)	
	Sale of Investments	**37.50**		(1,200.00)	
	Sale of Fixed Assets	**11.22**		0.30	
	Interest Received	**745.07**		166.37	
	Dividend Received	**75.98**		58.37	
	Bank Balances not considered as Cash and Cash Equivalents	**501.27**		(101.87)	
	Net Cash Flow from Investing Activities (Total - B)		**(23,909.91)**		(38,911.99)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Sr. No.	Particulars		For the Year ended 31st March, 2019		For the Year ended 31st March, 2018
C	**Cash Flow from Financing Activities :**				
	Repayment of long-term borrowings	**(14,462.98)**		(13,222.08)	
	Net increase / (decrease) in working capital borrowings	**(2,490.42)**		4,303.67	
	Proceeds from Short Term borrowings	-		2,250.00	
	Repayment of Short Term borrowings	**(1,000.00)**		-	
	Proceeds from long-term borrowings	**13,600.00**		26,567.00	
	Finance Cost Paid	**(4,449.37)**		(4,834.52)	
	Dividend on Equity Paid	**(4,585.05)**		(3,981.33)	
	Tax on Dividend Paid	**(839.43)**		(831.36)	
	Net Cash Flow from Financing Activities (Total - C)		**(14,227.25)**		10,251.38
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		**20,880.16**		5,071.94
	Opening Cash and Cash Equivalents		**5,180.18**		108.24
	Closing Cash and Cash Equivalents		**26,060.34**		5,180.18
	Note:				
	Cash and Cash equivalents includes :				
	- Cash on hand		**1.66**		1.76
	- Balance with Banks :				
	- Current Accounts	**10.68**		12.22	
	- Deposit Accounts	**26,048.00**		5,164.00	
	- Other Accounts	**-**	**26,058.68**	2.20	5,178.42
	TOTAL		**26,060.34**		5,180.18

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

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AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(i) **Equity Share Capital**

Particulars	**(₹ in Lakhs)**
As at 1st April, 2017	15,125.12
Additions/(Reductions)	-
As at 31st March, 2018	15,125.12
As at 1st April, 2018	**15,125.12**
Additions/(Reductions)	-
As at 31st March, 2019	**15,125.12**

(ii) **Other Equity** **(₹ in Lakhs)**

Particulars	Reserve and Surplus						Item of Other Comprehensive Income	Total
	Capital Redemption Reserve	Expansion Reserve	Securities Premium Reserve	General Reserve	Cash Flow Hedge Reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 31st March, 2017	**3,455.88**	**80,000.00**	**33,316.97**	**75,370.00**	**-**	**12,737.89**	**3,591.95**	**2,08,472.69**
Profit for the year	-	-	-	-	-	24,450.47	-	24,450.47
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,832.92	2,832.92
Re-measurement of Defined Benefit Plans, net of income tax	-	-	-	-	-	(41.01)	-	(41.01)
Total comprehensive income for the year	**3,455.88**	**80,000.00**	**33,316.97**	**75,370.00**	**-**	**37,147.35**	**6,424.87**	**2,35,715.07**
Payment of dividends	-	-	-	-	-	(4,083.78)	-	(4,083.78)
Tax on dividends	-	-	-	-	-	(831.36)	-	(831.36)
Impact of changes in fair value of derivatives	-	-	-	-	(22.72)	-	-	(22.72)
Transferred from retained earning		9,000.00	-	9,000.00	-	(18,000.00)	-	-
Balance as at 31st March, 2018	**3,455.88**	**89,000.00**	**33,316.97**	**84,370.00**	**(22.72)**	**14,232.21**	**6,424.87**	**2,30,777.21**
Profit for the year	-	-	-	-	-	17,640.43	-	17,640.43
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(1,532.82)	(1,532.82)
Re-measurement of Defined Benefit Plans ,net of income tax	-	-	-	-	-	(35.53)	-	(35.53)
Total comprehensive income for the year	**3,455.88**	**89,000.00**	**33,316.97**	**84,370.00**	**(22.72)**	**31,837.12**	**4,892.04**	**2,46,849.29**
Payment of dividends	-	-	-	-	-	(4,083.78)	-	(4,083.78)
Tax on dividends	-	-	-	-	-	(839.43)	-	(839.43)
Impact of changes in fair value of derivatives	-	-	-	-	22.72	-	-	22.72
Transferred from retained earning		9,000.00	-	9,000.00	-	(18,000.00)	-	-
Balance as at 31st March, 2019	**3,455.88**	**98,000.00**	**33,316.97**	**93,370.00**	**-**	**8,913.91**	**4,892.04**	**2,41,948.80**

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

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AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

Gujarat Industries Power Company Limited ('GIPCL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at P.O.: Petrochemicals – 391346, Dist.: Vadodara (CIN: L99999GJ1985PLC007868). The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in generation of power from gas, lignite, wind and solar. The Principal places of business are located in Gujarat, India.

2 Application of new Indian Accounting Standard

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on 1st April, 2019 and therefore, the company shall apply the same with effect from that date.

Recent accounting pronouncements :

a) **Ind AS-116 – Leases:** The Standard replaces the existing Ind AS 17 "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

b) **Other Amendments:**

Several other Indian Accounting Standards have been amended on various issues with effect from 1st April, 2019. The following amendments are relevant to the company

(i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 23 "Borrowing Costs"- Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(iv) Ind AS 28 "Investments in Associates and Joint Ventures"- Application of Ind AS 109 "Financial Instruments" to long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture.

(v) Ind AS 103 "Business Combination" - Re-measurement of previously held interests when an entity obtains control of a business that is a joint operation;

(vi) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments;

(vii) Ind AS 111 "Joint Arrangements"- Non-remeasurement of previously held interests when an entity obtains joint control of a business that is a joint operation;

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

3 Significant Accounting Policies

i) **Statement of compliance**

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

NOTES TO THE FINANCIAL STATEMENTS

ii) Basis of Preparation

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

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

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

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

Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows: - Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. - Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. - Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or company's assumptions about pricing by market participants.

iii) Property, Plant & Equipment

The Company had elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning liabilities included in the cost of other Property Plant & Equipment (PPE) which has been adjusted in terms of para D 21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

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

Works under erection/installation /execution (including such work pertaining to a new project) are shown as Capital Work in Progress.

Capital Spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are capitalized at cost.

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

Freehold Land is not depreciated. Depreciation of the PPE other than Land commences when the assets are ready for their intended use. Depreciation on all (fixed assets) PPE (except capital spares) is provided on straight line method as per rates and methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and for renewable energy Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017.

NOTES TO THE FINANCIAL STATEMENTS

Capital Spares are depreciated over the useful life of such Spares but not exceeding the remaining useful life of related tangible asset. In case of fully depreciated tangible asset remaining useful life is considered as technically evaluated by the management.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

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

Assets are identified with power generating units/power plants. As per Central Electricity Regulatory Commission (Terms and condition of Tariff) Regulation, 2014 useful life of Gas/Lignite based power plant is 25 Years and as per Central Electricity Regulatory Commission (Terms and condition of Tariff) Regulation, 2017 useful life of solar and wind power generating units is also 25 years.

iv) Mine Development Asset

Mine Development asset comprises of initial expenditure for lignite mines and removal of overburden and estimated future decommissioning costs.

Decommissioning cost includes cost of restoration. Provisions for decommissioning costs are recognized when the Company has a legal or constructive obligation to restore mines, dismantle and remove a facility or an item of property, plant & equipment and to restore the site on which it is located. The full eventual estimated liability towards costs relating to dismantling and restoring mines and allied facilities are recognized in respective mine development asset.The amount recognized is the present value of the estimated future expenditure determined at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. In case reversal of provision exceeds the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Mine development asset including decommissioning costs is amortized as per the provisions of Fuel Price Mechanism agreed by the Company with the Buyer. Such amortization is based either on quantity of Lignite actually extracted during the year or period based fixed amortization on a yearly basis as per the respective provisions of the Fuel Price Agreement referred above. However, the Amortization method, in case of any mine, once agreed under the Fuel Price Mechanism, is consistently applied over the life of mine.

v) Intangible Assets

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

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

Depreciation on all intangible assets is provided on straight line method as per rates and methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and for renewable energy Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017.

NOTES TO THE FINANCIAL STATEMENTS

vi) **Impairment Of Assets**

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

vii) **Non-current assets held for sale**

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

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

viii) **Government Grant**

Government grants, including non-monetary grants at fair value are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognized and disclosed as Deferred Income in the balance sheet and transferred to the Statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

ix) **Investments in subsidiary and associate**

An associate in an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over the policies.

Investments in Subsidiaries and Associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiaries and Associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

x) **Inventories**

Inventories are valued at lower of cost or net realizable value as under:

a. **Raw Materials - Fuel (other than Lignite from Captive Mines)**

Weighted Average Cost

b. **Lignite**

Absorption costing. Cost Includes Extraction Cost, Mining overheads including amortized cost as per 3(iv) above.

c. **Stores and Spares**

Weighted Average Cost

NOTES TO THE FINANCIAL STATEMENTS

xi) Revenue Recognition

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

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

Contract assets are recognized when there is right to consideration in exchange for goods or services that are transferred to a customer and when that right is conditioned on something other than the passage of time.

a. Revenue from sale of power is recognized when no significant uncertainty as to the measurability or ultimate collection exists.

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

c. Dividend income is recognized when the right to receive payment is established.

d. Claims lodged with insurance company in respect of risk insured are accounted on admittance basis.

e. Delayed payment charges under Power Purchase Agreements are recognized, on grounds of prudence, as and when recovered.

f. Other income is recognized on accrual basis except when realization of such income is uncertain.

g. Deviation Settlement Mechanism (DSM) charges receivable/payable is accounted as and when notified by State Load Dispatch Center (SLDC)

h. Liquidated damages/penalties deducted from suppliers / contractors are recognized as income or credited to the cost of assets at the time of final settlement. Till such time, they are shown under liabilities.

xii) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Operating lease payments are recognized as prepayments and amortized on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

xiii) Foreign Exchange Transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates. Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period. Exchange differences on monetary items are recognized in the Statement of profit and loss in the period in which they arise.

xiv) Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensated absences and post-retirement medical benefits.

a. Short-term employee benefits.

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

b. Defined contribution plans

Employee Benefit under defined contribution plans comprising provident fund, superannuation fund and pension scheme are recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. Company's contribution is paid to a fund administered through a separate trust.

NOTES TO THE FINANCIAL STATEMENTS

c. **Defined benefit plans**

For Defined Benefit plans comprising of gratuity and post-retirement medical benefits are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above) ,are recognized in other comprehensive income in the period in which they occur and are not subsequently reclassified to profit and loss.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation.

d. **Other long term employee benefits**

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

xv) **Taxes on Income**

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

Current tax

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

Deferred tax

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

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability, Accordingly, MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the year

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

NOTES TO THE FINANCIAL STATEMENTS

xvi) Borrowing Costs

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

xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

xviii) Financial instruments

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

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

xix) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

xx) Financial assets

a. Cash and cash equivalents

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

b. Financial assets at amortized cost

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

c. Financial assets at fair value through other comprehensive income

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

NOTES TO THE FINANCIAL STATEMENTS

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

d. **Financial assets at fair value through profit or loss**

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

e. **Impairment of Financial assets**

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

f. **Derecognition of financial assets**

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

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

xxi) Financial liabilities and equity instruments

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

b. **Effective interest method**

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

c. **Equity instruments**

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

d. **Derecognition of financial liabilities**

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

e. The company designates certain hedging instruments, such as derivatives, such as forward contracts, as either fair value hedges or cash flow hedges . Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

NOTES TO THE FINANCIAL STATEMENTS

4 i) **Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for GIPCL Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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

ii) **Critical judgments in applying accounting policies**

The following are the critical judgments, apart from those involving estimations (Refer note 4.iii), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

a. **Determining whether an arrangement contain leases and classification of leases**

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

b. **Evaluation of indicators for impairment of Property, Plant and Equipment**

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

iii) **Assumption and key sources of estimation uncertainty**

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a. **Estimation of provision for decommissioning**

The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Mines at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Mines is estimated on the basis of long term production profile of the relevant Mines. The General Wholesale Price Index (WPI) for inflation i.e.1.32% (Previous year 0.54%) has been used for escalation of the current cost estimates and discounting rate used to determine the balance sheet obligation as at the end of the year is 7.35% (Previous year 7.40%), which is the risk free government bond rate with 10 year yield.

b. **Defined benefit obligation (DBO)**

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

c. **Investments in Unquoted Equity Instruments**

The unquoted investments of the Company are measured at fair value for financial reporting purposes. In estimating the fair value of an the investment, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation.

NOTES TO THE FINANCIAL STATEMENTS

5(i) Property, Plant and Equipment and Intangible Assets

(₹ in Lakhs)

ASSETS	Tangible Assets								Intangible Assets		TOTAL
	Freehold Land	Building	Plant and Machinery	Capital Spares	Furniture and Fixture	Office Equipments	Vehicles	Total	Computer Software	Total	
Gross Block											
Balance as at 1st April, 2017	**19,066.12**	**32,553.52**	**2,10,055.40**	**1,219.81**	**277.99**	**1,756.10**	**32.10**	**2,64,961.04**	**791.07**	**791.07**	**2,65,752.11**
Additions during the year	1,369.84	1,822.51	32,913.06	169.92	23.90	37.99	-	**36,337.22**	82.46	82.46	**36,419.68**
Deductions/adjustment during the year	-	(416.13)	(90.97)	-	-	(1.43)	-	**(508.53)**	-	-	**(508.53)**
Balance as at 31st March, 2018	**20,435.96**	**33,959.90**	**2,42,877.49**	**1,389.73**	**301.89**	**1,792.66**	**32.10**	**3,00,789.73**	**873.53**	**873.53**	**3,01,663.26**
Additions during the year	-	238.57	11,684.29	-	3.39	42.29	62.73	**12,031.27**	36.90	36.90	**12,068.16**
Deductions/adjustment during the year	-	-	(10.84)	-	-	(2.16)	(7.51)	**(20.51)**	-	-	**(20.51)**
Balance as at 31st March, 2019	**20,435.96**	**34,198.47**	**2,54,550.94**	**1,389.73**	**305.28**	**1,832.79**	**87.33**	**3,12,800.49**	**910.43**	**910.43**	**3,13,710.92**
Impairment											
Balance as at 1st April, 2017	-	-	**172.28**	-	-	-	-	**172.28**	-	-	**172.28**
Addition / Disposal	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31st March, 2018	-	-	172.28	-	-	-	-	**172.28**	-	-	**172.28**
Addition / Disposal	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31st March, 2019	-	-	**172.28**	-	-	-	-	**172.28**	-	-	**172.28**
Accumulated Depreciation										-	
Balance as at 1st April, 2017	-	**3,388.20**	**19,156.67**	**565.86**	**46.90**	**360.45**	**8.55**	**23,526.63**	**269.82**	**269.82**	**23,796.45**
Depreciation during the year	-	1,758.11	13,495.67	150.51	24.79	210.04	4.28	**15,643.39**	122.41	122.41	**15,765.80**
Adjustment/Deduction during the year	-	(46.53)	(18.97)	(0.00)	-	(0.87)	-	**(66.37)**	-	-	**(66.37)**
Balance as at 31st March, 2018	-	**5,099.78**	**32,633.37**	**716.37**	**71.69**	**569.62**	**12.83**	**39,103.65**	**392.23**	**392.23**	**39,495.88**
Depreciation during the year	-	1,793.25	14,405.48	159.98	26.64	213.85	8.29	**16,607.49**	128.16	128.16	**16,735.65**
Adjustment/Deduction during the year	-	-	(1.24)	(0.00)	-	(0.67)	(4.26)	**(6.17)**	-	-	**(6.17)**
Balance as at 31st March, 2019	-	**6,893.03**	**47,037.61**	**876.35**	**98.33**	**782.80**	**16.86**	**55,704.97**	**520.39**	**520.39**	**56,225.36**
Net Block as at 31st March, 2018	**20,435.96**	**28,860.12**	**2,10,071.84**	**673.36**	**230.21**	**1,223.05**	**19.27**	**2,61,513.80**	**481.30**	**481.30**	**2,61,995.10**
Net Block as at 31st March, 2019	**20,435.96**	**27,305.44**	**2,07,341.05**	**513.38**	**206.95**	**1,050.00**	**70.47**	**2,56,923.24**	**390.04**	**390.04**	**2,57,313.28**

Notes:

1. The conveyance of title for 3.93 hectares of free hold land of value ₹157.30 Lakhs (for 2017-18 - 3.93 hectares of value ₹157.30 Lakhs) in favour of the Company are awaiting completion of legal formalities.
2. In accordance with the Indian Accounting Standard (Ind AS) 36) on "Impairment of Assets", the Company had carried out in earlier years an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, provision for impairment of Assets had been made. Primary reason being non renewal of Power Purchase Agreement (PPA) by GUVNL and there being no other significant cash flows in the near future for the respective assets.
3. The company has successfully commissioned 25 MW Solar Projects at Charanka location in the state of Gujarat during the financial year 2018-19.
4. The Company had elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning liabilities included in the cost of other Property Plant & Equipment (PPE) which has been adjusted in terms of para D 21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

5 (ii) Capital Work in Progress

ASSETS	Tangible Assets	Intangible Assets	Total
Balance as at 1st April 2017	**2,390.74**	**55.20**	**2,445.94**
Additions during the year	34,189.62	111.39	34,301.01
Capitalised during the year	(36,104.70)	(27.67)	(36,132.37)
Balance as at 31st March, 2018	**475.66**	**138.92**	**614.58**
Additions during the year	29,268.01	3.78	29,271.79
Capitalised during the year	(13,117.14)	(36.90)	(13,154.04)
Balance as at 31st March, 2019	**16,626.53**	**105.80**	**16,732.33**

(₹ in Lakhs)

5a) Mine Development Assets

		As at 31st March, 2019	As at 31st March, 2018
(i)	**Initial Development Expenditure**		
	Opening Balance	**3,426.80**	4,076.28
	Amortised During the year	**(673.46)**	(649.48)
	Closing Balance	**2,753.34**	3,426.80
(ii)	**Asset For Decommissioning Liability ***		
	Opening Balance	**2,534.31**	6,334.70
	Effect of changes in estimates	**738.87**	(3,596.27)
	Depletion/Depreciation charged during the year	**(104.53)**	(204.12)
	Closing Balance	**3,168.65**	2,534.31
	TOTAL (i+ii)	**5,921.99**	5,961.11

*The Government of Gujarat vide its various orders have granted mining lease for lignite for 30 years from respective dates covering the area of 3565 hectares. The said lease provides to use all lignite excavated from the above area for captive use in existing / proposed power plants of the company. The said areas include 80 hectares of land for lime stone also.

6 Non- Current Investments

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Investments in Equity Instruments		
QUOTED		
11,03,360 (31st March, 2018 : 11,03,360) Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	**5,447.29**	7,718.00
5,32,890 (31st March, 2018: 1,06,578) Equity Shares of Gujarat Gas Limited of ₹ 2/- each (PY ₹ 10/- each) (Fully paid) (Share split into 1:5 ratio)	**790.01**	884.81
TOTAL QUOTED	**6,237.30**	8,602.81

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
UNQUOTED		
With Subsidiary *		
NIL (31st March, 2018 : 2,50,000) Equity Shares of GIPCL Project & Consultancy Company Limited of ₹ 10/- each (Fully paid) (refer note 53)	-	25.00
With Associate*		
NIL (31st March, 2018 : 20,60,80,000) Equity Shares of Bhavnagar Energy Company Limited of ₹ 10/- each (Fully paid) (refer note 38a)	-	21,808.00
With Others		
97,18,181 (31st March, 2018 : 97,18,181) Equity Shares of Gujarat State Energy Generation Limited of ₹ 10/- each (Fully paid)	513.12	372.21
1,00,00,000 (31st March, 2018 : 1,00,00,000) Equity Shares of GSPC LNG Limited of ₹ 10/- each (Fully paid)	2,205.00	1,973.00
1 (31st March, 2018 : NIL) Equity Shares of Gujarat State Electricity Company Limited of ₹ 10/- each (Fully paid) (refer note 38a)	0.00	-
TOTAL UN-QUOTED	2,718.12	24,178.21
TOTAL INVESTMENT	8,955.42	32,781.02
*Refer note3(ix) for method followed for accounting of investments.		
Aggregate cost of quoted investments	561.68	561.68
Aggregate market value of quoted investments	6,237.30	8,602.81
Aggregate carrying value of unquoted investments	2,718.12	24,178.21

b) The Company has elected to continue with the carrying value of its investments in subsidiary and associate, measured as per the Previous GAAP and used that carrying value on the transition date 1st April, 2015 in terms of Para D15(b)(ii) of Ind AS 101.

c)

Details of Subsidiary	Principal activity	Place of incorporation	Principal place of business
GIPCL Projects & Consultancy Company Limited	Consultancy services to new or existing projects, plants, facilities, in the fields of designing , engineering and management	Vadodara, Gujarat	Vadodara, Gujarat

Proportion of ownership interest/voting rights held by the Company	As at 31st March, 2019	As at 31st March, 2018
GIPCL Projects & Consultancy Company Limited	-	100%

Refer note no. 53

d)

Details of Associate	Principal activity	Place of incorporation	Principal place of business
Bhavnagar Energy Company Limited	**Power Generation**	Gandhinagar, Gujarat	Padva, Bhavnagar, Gujarat

Proportion of ownership interest/voting rights held by the Company	As at 31st March, 2019	As at 31st March, 2018
Bhavnagar Energy Company Limited	-	24.36%

Refer note no. 38a

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
e	**Other investments**			
	Financial assets carried at fair value through other comprehensive income			
	Investment in equity instruments			
	- Gujarat Alkalies and Chemicals Limited		**5,447.29**	7,718.00
	- Gujarat Gas Limited		**790.01**	884.81
	- Gujarat State Energy Generation Limited		**513.12**	372.21
	- GSPC LNG Limited		**2,205.00**	1,973.00
	- Gujarat State Electricity Company Limited		**0.00**	-
		TOTAL	**8,955.42**	10,948.02
7	**Loans**			
	Unsecured Considered good			
	Other loans & Advances		**4.00**	4.00
		TOTAL	**4.00**	4.00
8	**Other Financial Assets**			
	Unsecured Considered good			
	Escrow Account (Mines Closure)		**10,207.63**	7,719.57
	Security Deposits		**109.54**	110.46
		TOTAL	**10,317.17**	7,830.03
9	**Other Non Current Assets**			
	Secured (Considered good)			
	Capital Advance		**593.61**	2,814.69
	Unsecured (Considered good)			
	Capital Advance		**782.13**	778.08
	Prepayments *		**12,679.03**	8,931.38
	Others		**148.77**	148.77
	Advance tax (net of provisions)		**2,859.27**	2,826.44
		TOTAL	**17,062.81**	15,499.36

* The Company has entered into various leasehold land agreements as a permitted transferee with GIDC, erstwhile IPCL, Suzlon Gujarat Wind Park Limited, K.P.Energy Limited, Inox Infrastructure Services Limited, Leitwind Shriram Mfg. Limited and Gujarat Power Corporation Ltd.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
10	**Inventories**			
	Raw Materials (Fuel)		**5,446.21**	4,370.59
	Stores and Spares		**11,110.92**	10,789.31
		TOTAL	**16,557.13**	15,159.90
	Refer note 3(x) for valuation policy			

11	**Trade Receivables**			
	Unsecured (Considered good)			
	Others		**21,441.22**	25,997.68
		TOTAL	**21,441.22**	25,997.68

Generally, the Company enters into long-term electrical energy sales arrangement with its customers. The credit period on sales of electrical energy is normally 30 to 60 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

As at 31st March,2019 the Company had two customers (31st March ,2018 two customers) having outstanding more than 5% of total trade receivables that accounted for @ 83.88% (31st March,2018 @ 89.37%) of total trade receivables outstanding .

Accordingly, the Company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Public Sector Undertakings which is reputed and creditworthy undertaking.

12	**Cash And Cash Equivalents**			
	Cash on hand		**1.66**	1.76
	Balances with Banks:			
	- In current account		**10.68**	12.22
	- In deposit account		**26,048.00**	5,164.00
	- Others		**-**	2.20
		TOTAL	**26,060.34**	5,180.18

The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

13	**Other Bank Balances**			
	Earmarked bank balances*		**170.06**	671.33
		TOTAL	**170.06**	671.33

* These balances pertains to amount deposited in unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
14	**Current Loans**			
	Secured (Considered good)			
	Loan to Employees		-	0.05
		TOTAL	-	0.05
15	**Other Financial Assets**			
	Unsecured (Considered good)			
	Government grant receivable		-	5,509.60
	Other Receivables		**136.84**	179.16
	Contract Assests (Refer note no.46b)		**768.00**	-
	Interest Accrued		**172.47**	118.91
		TOTAL	**1,077.31**	5,807.67
16	**Other Current Assets**			
	Unsecured (Considered good)			
	Prepayments (Refer note no. 9)		**408.68**	263.02
	Prepaid Expenses		**335.93**	273.53
	Balance with Govt. Authorities		**498.70**	373.33
	Other loans & Advances		**281.53**	165.74
	Unsecured (Considered doubtful)			
	Other loans & Advances		**37.50**	37.50
	Less: Provision for Impairment		**(37.50)**	(37.50)
		TOTAL	**1,524.84**	1,075.62
	Movement of Impairment :			
	Balance at the beginning of the year		**37.50**	-
	Provision during the year		-	37.50
	Balance at the end of the year		**37.50**	37.50
17	**Equity Share Capital**			
	Authorised			
	32,50,00,000 Equity Shares of ₹ 10/-each		**32,500.00**	32,500.00
	61,00,000 Cumulative Redeemable Preference Shares (With dividend not exceeding 15% p.a.) of ₹ 100/- each		**6,100.00**	6,100.00
		TOTAL	**38,600.00**	38,600.00
	Issued, Subscribed And Paid Up			
	15,12,51,188 Equity Shares of ₹ 10/-each fully paid		**15,125.12**	15,125.12
		TOTAL	**15,125.12**	15,125.12

NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	No. of shares	₹ in Lakhs
As at 1st April, 2017	15,12,51,188	15,125.12
Additions/(Reductions)	-	-
As at 31st March, 2018	15,12,51,188	15,125.12
As at 1st April, 2018	**15,12,51,188**	**15,125.12**
Additions/(Reductions)	**-**	**-**
As at 31st March, 2019	**15,12,51,188**	**15,125.12**

b) List of share holders holding more than 5% shares

Name of Share Holders	As at 31st March, 2019		As at 31st March, 2018	
	%	No. of shares	%	No. of shares
Gujarat Urja Vikas Nigam Limited	**25.38**	**3,83,84,397**	25.38	3,83,84,397
Gujarat Alkalies & Chemicals Limited	**15.27**	**2,30,88,980**	15.27	2,30,88,980
Gujarat State Fertilizers & Company Limited	**14.79**	**2,23,62,784**	14.79	2,23,62,784

c) Right, preferences and restrictions attached to Equity shares :

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

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
18 Other Equity		
Capital Redemption Reserve	**3,455.88**	3,455.88
Expansion Reserve	**98,000.00**	89,000.00
Securities Premium Account	**33,316.97**	33,316.97
General Reserve	**93,370.00**	84,370.00
Cash Flow Hedge Reserve	**-**	(22.72)
Retained earnings	**8,913.91**	14,232.21
Equity instruments through other comprehensive income	**4,892.05**	6,424.87
TOTAL	**2,41,948.80**	2,30,777.21

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Capital Redemption Reserve (Refer note 18 a)		
Balance at the beginning of the year	**3,455.88**	3,455.88
Addition/(Deduction) during the year	**-**	-
Balance at the end of the year	**3,455.88**	3,455.88
Expansion Reserve (Refer note 18 b)		
Balance at the beginning of the year	**89,000.00**	80,000.00
Addition/(Deduction) during the year	**9,000.00**	9,000.00
Balance at the end of the year	**98,000.00**	89,000.00
Securities Premium Account (Refer note 18 c)		
Balance at the beginning of the year	**33,316.97**	33,316.97
Addition/(Deduction) during the year	**-**	-
Balance at the end of the year	**33,316.97**	33,316.97
General Reserve (Refer note 18 d)		
Balance at the beginning of the year	**84,370.00**	75,370.00
Addition/(Deduction) during the year	**9,000.00**	9,000.00
Balance at the end of the year	**93,370.00**	84,370.00
Cash Flow Hedge Reserve (Refer note 18 e)		
Balance at the beginning of the year	**(22.72)**	-
Addition/(Deduction) during the year	**22.72**	(22.72)
Balance at the end of the year	**-**	(22.72)
Retained earnings		
Balance at the beginning of the year	**14,232.21**	12,737.89
Add : Profit for the year	**17,640.43**	24,450.47
Less : Remeasurement of Defined benefit plans	**35.53**	41.01
Less : Transfer to Expansion Reserve	**9,000.00**	9,000.00
Less : Transfer to General Reserve	**9,000.00**	9,000.00
Less : Dividend paid (Refer note no. 18 h)	**4,083.78**	4,083.78
Less : Corporate Dividend Tax paid	**839.43**	831.36
Balance at the end of the year	**8,913.91**	14,232.21
Equity instruments through other comprehensive income (Refer note 18 f)		
Balance at the beginning of the year	**6,424.87**	3,591.95
Add/(Less): Changes in Fair value of investment	**(1,532.82)**	2,832.92
Balance at the end of the year	**4,892.05**	6,424.87
TOTAL	**2,41,948.80**	2,30,777.21

NOTES TO THE FINANCIAL STATEMENTS

a. Capital Redemption Reserve represents reserve created initially at the time of redemption of 13% Cumulative Redeemable Preference Shares amounting to ₹ 5,005 Lakhs and at the time of redemption of 13.5% Cumulative Redeemable Preference shares amounting to ₹ 2,495 Lakhs. It was thereafter reduced by ₹ 4,044.12 Lakhs upon subsequent issue in October 2005 of 40,441,176 equity shares of ₹ 10 each.

b. Expansion reserve represents the amount kept aside for future expansion before distributing dividend from the distributable profit.

c. Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

d. The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of profit and loss.

e. The Company had taken a Foreign currency Non-repatriable (FCNR) loan during the previous year which exposed the Company to Foreign currency rate movements. In order to hedge the risk of foreign currency fluctuation; the Company had entered into foreign currency forward contracts on back to back basis. These hedge relationship was designated as cash flow hedge and the movements in both the hedged item – FCNR Loan and the hedging instruments – forward contracts was reflected in cash flow hedge per Company's accounting policy.

f. The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

g. The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable entirely.

h. On 27th September, 2018, a dividend of ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakhs.) was paid to holders of fully paid equity shares. On 21st September, 2017, the dividend was paid @ ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakhs).

i. In respect of the year ended 31st March, 2019, the Board of Directors has proposed a final dividend of ₹ 2.90/- per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 4,386.28 Lakhs and the dividend distribution tax thereon amounts to ₹ 901.61 Lakhs.

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
19	**Deferred Government Grant**			
	Government Grant towards Capital Assets		**5,921.25**	6,263.55
		TOTAL	**5,921.25**	6,263.55
	Deferred Government Grant			
	Opening balance		**6,263.55**	952.65
	Add : Receivable during the year		**-**	5,509.60
	Less : Transferred to Statement of Profit and Loss		**(342.30)**	(198.70)
	Closing Balance		**5,921.25**	6,263.55

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
20	**Non- Current Financial Liabilities**		
	BORROWINGS		
	Secured Loans		
	Term Loan From Banks	**36,658.50**	36,128.72
	TOTAL	**36,658.50**	36,128.72

a) The Term Loans from Banks are secured by way of first mortgage and charge created/ to be created, ranking pari passu, on all immovable properties i.e. fixed assets, both present and future, pertaining to the Company's Plants(SLPP Phase II - Unit 3 and 4,Wind projects and Solar Projects). Further, the Term Loan from Banks are secured by a first charge by way of hypothecation of all the movable (save and except Book Debts) including tangible movable machinery, spares, tools and accessories, both present and future, ranking pari passu, subject to prior charge created/to be created on current assets and receivables in favour of Company's Bankers for working capital arrangement, pertaining to the Company's Plants (SLPP Phase II - Unit 3 and 4,Wind projects and Solar Projects).

b) Term Loans from Banks consists of the following:

(₹ in Lakhs)

Name of Banks	As at 31st March, 2019	Current Maturities of Loan	As at 31st March, 2018	Current Maturities of Loan in PY
Axis Bank [1]	**10,210.00**	**1,520.00**	1,110.98	1,110.98
Bank of Baroda [2]	**1,250.00**	**1,000.00**	-	-
Central Bank of India (a)	**1,000.00**	**1,000.00**	2,000.00	1,000.00
Central Bank of India (b)	**2,250.00**	**-**	-	-
State Bank of India (erstwhile State Bank of Bikaner & Jaipur)	**625.00**	**500.00**	1,125.00	500.00
State bank of India (c)	**5,630.50**	**5,512.00**	11,142.50	5,512.00
State Bank of India (erstwhile State Bank of Saurashtra)	**625.00**	**500.00**	1,125.00	500.00
State Bank of India [3] (d)	**27,300.00**	**2,700.00**	30,000.00	4,251.78
Union Bank of India	**2,500.00**	**2,000.00**	4,500.00	2,000.00
	51,390.50	**14,732.00**	**51,003.48**	**14,874.76**

[1] Current Maturity based on sanctioned terms

[2] Refer note 25 below

[3] Current Maturity based on sanctioned terms

NOTES TO THE FINANCIAL STATEMENTS

c) **The terms of repayment of the above loans are as follows:**

Name of Banks	No of quarterly Instalments outstanding after 31st March, 2019	Amount of Instalments per quarter (₹ in Lakhs)	Rate of Interest (Based on MCLR)	Date of Maturity
Axis Bank	26	380.00	8.35%	30th June, 2028
	1	330.00		
Bank of Baroda	5	250.00	8.30%	30th June, 2020
Central Bank of India (a)	4	250.00	8.20%	31st March, 2020
Central Bank of India (b)	59	407.00	8.20%	31st March, 2035
	1	387.00		
State Bank of India (erstwhile State Bank of Saurashtra)	5	125.00	8.25%	30th June, 2020
State bank of India (c)	4	1378.00	8.55%	30th June, 2020
	1	118.50		
State Bank of India (erstwhile State Bank of Bikaner & Jaipur)	5	125.00	8.25%	30th June, 2020
State Bank of India (d)	20	675.00	8.38%	31st March, 2028
	8	825.00		
	8	900.00		
Union Bank of India	5	500.00	8.50%	30th June, 2020

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
21	**Other Financial Liabilities**		
	Security deposits	**791.66**	887.71
	Others	**-**	1.32
	TOTAL	**791.66**	889.03
22	**Long Term Provisions**		
	Employee Benefits (Refer note 45)	**4,873.20**	4,343.64
	Provision for decommissioning of Mines	**9,776.17**	8,418.87
	TOTAL	**14,649.37**	12,762.51
a)	**Provision for decommissioning of Mines**		
	Opening Balance	**8,418.87**	11,187.48
	Unwinding of Interest	**618.45**	827.65
	Effect of changes in estimates	**738.87**	(3,596.27)
	Closing Balance	**9,776.17**	8,418.87
	Current provision	**-**	-
	Non Current Provision	**9,776.17**	8,418.87

NOTES TO THE FINANCIAL STATEMENTS

b) The Company estimates provision for decommissioning as per the principles of Ind AS 37 for the future closure of Mines at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the closure events occur which are uncertain. Costs for decommissioning are changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Mines is estimated on the basis of lignite reserve available in the Mining Lease area allocated. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

23 Deferred Tax Liabilities (Net)

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

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets		**1,632.23**	1,620.50
Deferred tax liabilities		**(25,891.16)**	(25,890.15)
	TOTAL	**(24,258.93)**	(24,269.65)

b) Major Components of Deferred Tax Assets and Liabilities :

As at 31st March, 2019	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Defined benefit obligation	1,620.50	(7.35)	19.08	1,632.23
TOTAL Deferred Tax Assets	**1,620.50**	**(7.35)**	**19.08**	**1,632.23**
Deferred Tax Liabilities				
Property, plant and equipment	23,620.16	475.62	-	24,095.78
Equity Instruments at FVTOCI	1,942.46	-	(459.78)	1,482.68
Expenses/ Provisions allowable on payment basis	327.54	(14.83)	-	312.71
TOTAL Deferred Tax Liabilities	**25,890.15**	**460.79**	**(459.78)**	**25,891.16**
Net Deferred Tax Liabilities	**(24,269.65)**	**(468.14)**	**478.86**	**(24,258.93)**

As at 31st March, 2018	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Defined benefit obligation	1,478.72	119.75	22.03	1,620.50
TOTAL Deferred Tax Assets	**1,478.72**	**119.75**	**22.03**	**1,620.50**
Deferred Tax Liabilities				
Property, plant and equipment	22,947.69	672.47	-	23,620.16
Equity Instruments at FVTOCI	1,250.92	-	691.54	1,942.46
Expenses/Provisions allowable on payment basis	335.55	(8.01)	-	327.54
TOTAL Deferred Tax Liabilities	**24,534.16**	**664.46**	**691.54**	**25,890.15**
Net Deferred Tax Liabilities	**(23,055.44)**	**(544.71)**	**(669.51)**	**(24,269.65)**

NOTES TO THE FINANCIAL STATEMENTS

c. Unused Tax Credit (MAT Credit) for which no deferred tax asset is recognised is as follows:

(₹ in Lakhs)

Assessment year (A.Y.) to which MAT credit pertains	Year of Expiry (A Y)	As at 31st March 2019	As at 31st March 2018
2011-12	**2026-27**	**1,326.64**	1,326.64
2012-13	**2027-28**	**2,822.04**	2,822.04
2013-14	**2028-29**	**1,969.73**	1,969.73
2014-15	**2029-30**	**832.01**	832.01
2016-17	**2031-32**	**1,700.33**	1,700.33
2017-18	**2032-33**	**1,228.83**	1,228.83
2018-19	**2033-34**	**1,198.90**	1,177.08
TOTAL		**11,078.48**	11,056.66
Less: MAT Credit Utilised During the year		**4,601.70**	-
TOTAL		**6,476.77**	11,056.66

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

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
24	**Other Non-Current Liabilities**		
	Advance From Customers	**8.54**	8.19
	Provision for tax (net of advances)	**8.20**	5.52
	TOTAL	**16.74**	**13.71**
25	**Current Financial Liabilities - Borrowings**		
	Secured Loans :		
	Working Capital Loans from Banks	**5,887.52**	8,377.94
	Bank Of Baroda - FCNR	**-**	2,281.09
	TOTAL	**5,887.52**	10,659.03

The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capital facilities for Company's Plants at Baroda and Surat. These facilities are secured by a first charge by way of hypothecation in favour of Banks on the company's current assets and receivables, both present and future, ranking pari passu inter se, the members of the consortium relating to the respective Plants.

During the previous year, then existing Bank Of Baroda Long Term Loan had been converted into 6 months Foreign Currency Non - Repatriable loan (FCNR) with roll over at every 6 months. After end of six months in the current year it was again converted to Rupee Long term loan.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
26	**Trade Payable**		
a	Micro and Small Enterprises	**77.98**	70.49
	Other than Micro and Small Enterprises	**15,104.85**	10,068.63
	TOTAL	**15,182.83**	10,139.12

b The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. Further information of the same is as follows:-

	As at 31st March, 2019	As at 31st March, 2018
Trade payables -Total outstanding dues of Micro & Small enterprises		
(a) Principal & Interest amount remaining unpaid but not due as at year end		
- Principal	**77.98**	70.49
- Interest		
(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) Interest accrued and remaining unpaid as at year end	-	-
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

		As at 31st March, 2019	As at 31st March, 2018
27	**Other Financial Liabilities**		
	Current Maturities of long term debts	**14,732.00**	14,874.76
	Interest Accrued but not due on borrowings	**0.33**	27.64
	Interest Accrued and due on borrowings	**-**	8.88
	Items covered by IEPF		
	- Unclaimed Dividends	**170.06**	671.33
	Security Deposits	**730.65**	277.78
	Other Payable	**1,926.10**	1,258.95
	Liability for Capital Goods	**3,320.56**	2,632.57
	TOTAL	**20,879.70**	19,751.91

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
28	**Other Current Liabilities**		
	Statutory Dues	**352.43**	600.26
	Liquidated Damage from vendors	**701.83**	10,094.40
	Advance from customer	**27.35**	85.49
	TOTAL	**1,081.61**	10,780.15
29	**Short Term Provisions**		
	Employee Benefits (refer note 45)	**372.42**	438.92
	TOTAL	**372.42**	438.92
30	**Current Tax Liabilities (Net)**		
	Provision for tax (net of advance tax)	**363.45**	578.96
	TOTAL	**363.45**	578.96

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
31	**Revenue From Operations**		
	Sale of Electrical Energy (refer note no. 46a)	**1,40,055.85**	1,34,808.45
	Sale of services	**25.15**	20.35
	Other operating Revenues	**654.26**	555.04
	TOTAL	**1,40,735.26**	1,35,383.84
32	**Other Income**		
	Interest on Deposits with Banks	**1,197.15**	471.13
	Dividend	**75.98**	58.37
	Other Interest	**15.95**	0.02
	Interest on Income Tax Refund	**152.77**	-
	Liquidated Damages	**9,765.29**	4,046.22
	Profit on Liquidation of Subsidiary	**12.50**	-
	Miscellaneous Income	**471.64**	547.91
	TOTAL	**11,691.28**	5,123.65

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
33	**Cost Of Material Consumed**		
	Consumption of		
	- Gas	**31,577.23**	22,252.92
	- Lignite	**38,832.35**	46,115.02
	- Lime Stone	**1,140.03**	1,208.31
	- Furnace oil	**1,217.07**	1,011.86
	- Coal	**-**	2,999.70
	Lignite Extraction Expenses	**21,352.15**	23,806.91
	Less : Inter Division transfer	**32,123.95**	35,464.43
	TOTAL	**61,994.88**	61,930.29
34	**Generation Expenses**		
	Consumption of Stores and Spares	**2,956.18**	3,595.44
	Water Charges	**1,951.84**	1,762.43
	Electricity Charges	**1,059.49**	1,039.56
	Insurance	**1,082.71**	1,209.34
	Operation Expenses	**3,220.80**	2,714.35
	Repairs and Maintenance to Plant and Machinery	**957.92**	1,288.88
	TOTAL	**11,228.94**	11,610.00
35	**Employees Benefit Expenses**		
	Salary and Wages	**6,331.95**	6,815.47
	Contribution to Provident , Pension and Superannuation Fund	**471.61**	450.20
	Welfare Expenses and Other Benefits	**1,953.60**	1,805.02
	TOTAL	**8,757.16**	9,070.69
36	**Finance Cost**		
	Interest on		
	- Term Loans	**4,179.89**	4,228.14
	- Working Capital Loans	**58.26**	174.52
	- Others	**1.06**	9.44
	- Unwinding of discount on Decommissioning liability	**618.45**	827.65
	Bank Charges and Commission	**173.97**	445.26
	TOTAL	**5,031.63**	5,685.01

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
37	**Other Expenses**		
	Repairs and Maintenance		
	- Buildings	**366.98**	442.74
	- Others	**134.04**	116.88
	Rent	**344.95**	293.59
	Rates and Taxes	**258.46**	286.28
	Communication Expenses	**44.00**	54.30
	Travelling & Conveyance Expenses	**354.23**	330.53
	Legal, Professional and Consultancy Fees	**131.83**	282.87
	CSR Expenditure (Refer below note)	**590.07**	561.26
	Provision for impairment of Asset		
	- Equity Instrument	**-**	37.50
	Miscellaneous Expenses *	**1,712.76**	2,087.88
	TOTAL	**3,937.32**	4,493.83
	*None of the items individually account for more than 1% of Revenue from operation.		
a	**Details of CSR Expenditure are as under:**		
	Gross Amount required to be spent	**590.39**	544.11
	Amount Spent		
	a) Construction/acquisition of any Asset		
	- in Cash	**-**	-
	- yet to be paid in Cash	**-**	-
	TOTAL	**-**	**-**
	b) On purposes other than (a) above		
	- in Cash	**590.07**	561.26
	- yet to be paid in Cash	**-**	-
	TOTAL	**590.07**	**561.26**
38	**Exceptional Items**		
	Loss on Extinguishment of Investment in Associate	**21,808.00**	-
	TOTAL	**21,808.00**	-

The Company had investment in equity shares of Bhavnagar Energy Company Limited (BECL) (a subsidiary of Gujarat Power Corporation Limited which is a wholly owned Government of Gujarat (GOG) undertaking), a company controlled by GOG. BECL has been merged with Gujarat State Electricity Corporation Ltd. (GSECL), a wholly owned subsidiary of Gujarat Urja Vikas Nigam Ltd. vide a Scheme notified by GOG on 27th August 2018. The Scheme called 'Gujarat Electricity Reform (Transfer of Generation Undertakings) Scheme' is notified under Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003. BECL has been merged with GSECL with effect from 1st April, 2018. As per this Scheme, each shareholder of BECL, including our Company, is entitled to receive 1 equity share of GSECL as consideration for transfer / merger and in extinguishment of their rights as shareholder of BECL. It may be noted that the transfer of the undertakings under the notified scheme was provisional for a period of twelve months from the date of the transfer i.e. up to 31st March, 2019 and the GoG had the power to alter the terms and conditions till that time. Till the date of approval of financial statements, there is no change in the status. The Company is yet to receive the equity share from GSECL as of the date of these financial statements.

However, as a consequence of the aforesaid Scheme, the Company's shareholding in BECL is extinguished and hence the carrying value of investment in BECL of ₹ 21,808 Lakhs as on the date of notification is recognized as a loss in the value of investment and reflected as an exceptional item.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
39	**Tax Expense**		
a.	**Current tax in relation to**		
	- current year	**9,481.81**	6,752.55
	- earlier year	**(160.25)**	-
	Deferred tax in relation to		
	- current year	**468.14**	544.71
	- MAT credit	**(4,601.70)**	-
	TOTAL	**5,188.00**	7,297.26
b.	**The income tax expense for the year can be reconciled to the accounting profit as follows:-**		
	Profit before tax after exceptional items	**22,828.43**	31,747.73
	Income tax expense at 34.944% (PY 34.608%)	**7,977.17**	10,987.25
	Effect of Income exempt under Income Tax	**(26.55)**	(20.20)
	Tax deduction in respect of profit from eligible power generation undertaking u/s 80IA	**(6,908.56)**	(5,706.63)
	Expenses not allowable under Income Tax	**7,884.35**	277.34
	Effect of depreciation	**555.41**	37.71
	Tax on normal provision	**9,481.81**	5,575.46
	Additional tax payable under MAT*	**-**	1,177.08
	Income tax expense recognized in statement of profit and loss	**9,481.81**	6,752.55

*The Company is entitled to the MAT credit under the provisions of the Income-tax Act,1961. In absence of reasonable certainty, the management does not recognise the MAT credit entitlement. However the Company recognises MAT credit as and when utilised, current year MAT credit utilisation is ₹ 4,601.70 Lakhs.

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
c.	**Income tax recognised in other comprehensive income (OCI):-**		
	Deferred tax arising on income and expense recognised in OCI		
	Remeasurement of Defined benefit plans	**(19.08)**	(63.55)
	Gain /Loss on Equity instruments through Other comprehensive income	**(459.78)**	646.61
	TOTAL Income tax recognised in OCI	**(478.86)**	583.06

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
40	**In accordance with Ind AS 33 – 'Earnings Per Share', the Basic and Diluted Earning Per Share (EPS) has been calculated as under :**		
	Profit available to equity shareholders (₹ in Lakhs)	**17,640.43**	24,450.47
	Weighted Average number of equity shares	**15,12,51,188**	15,12,51,188
	Earning Per Share of ₹ 10/- each		
	Basic (₹)	**11.66**	16.17
	Diluted (₹)	**11.66**	16.17

			As at 31st March, 2019	As at 31st March, 2018
41	**Commitments :**			
	a	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	**4,024.07**	28,074.65
	b	The Company has committed to invest in the Equity Share Capital of Bhavnagar Energy Company Limited (BECL) (CIN: U40102GJ2007SGC051396), as and when required, to the tune of ₹ 22,000 Lakhs (P.Y. ₹ 22,000 Lakhs). Out of this, ₹ 21,808 Lakhs (P.Y. ₹ 21,808 Lakhs) has been paid. The Company has also committed to contribute towards Sub Debt financing to the tune of ₹ 2,000 Lakhs (P.Y. ₹ 2,000 Lakhs). In addition to the above, the Company has committed to contribute towards cost overrun in future, if any, which will be partly by way of contribution towards Equity and partly towards Sub Debt financing.	**-**	2,192.00
42	**Contingent Liabilities not provided for** :			
	a	Claims against company pending before court (includes certain claims where the amount cannot be ascertained) :-		
		- By vendors against contractual obligations.	**2935.04**	9.04
		- By Ex-employee against recovery of notice period	**1.02**	1.02
	b	Demand for Water Reservation Charges and interest thereon from Narmada Water Resources and Water Supply Department relating to Surat Lignite Power Plant is contested and not acknowledged as debt since at the relevant time project was under implementation and regular drawl of water was not made.	**879.90**	878.87
	c	In respect of following cases of land acquisition, various claims are pending against the Company. Depending upon the final compensation amount that may be determined by the Competent Court, the cost of land may change requiring appropriate adjustment then:		
		- Leasehold land of 165 MW Baroda	**10.60**	218.60
		- Freehold land at Surat Lignite Power Stations	**483.28**	503.15
	d	Income Tax Demand contested in Appeal.	**2,651.61**	2,673.08

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
e	Demand of Property Tax under discussion with Grampanchayat, Nani Naroli, Dist.Surat.	**164.00**	147.50
f	Liability likely to arise on account of transportation charges for gas which is under dispute.	**448.50**	448.50
g	The company has been recovering the corporate action on the share holding of Petrofils Cooperative Ltd. A portion of the said shareholding is under dispute at High Court of Gujarat. Subject to its final outcome, the company may be directed by the Honorable Court to make a payment towards the portion of such recovery.	**-**	Amount not ascertainable
h	Cases pending at the High Court of Gujarat for regularization of contract workmen.	**Amount not ascertainable**	Amount not ascertainable
i	The Interest claimed by M/s GAIL in respect of demand towards the "Pay for if not taken liability " on account of R-LNG Contract which the Company has entered in to with M/s GAIL to partially meet with its Fuel (Gas) requirement.	**134.00**	134.00
j	Claims and disputes raised by Mines Developer and Operator Contractor of Vastan South Pit on account of change in stripping ratio and diesel price escalation.	**9,829.38**	9,829.38
k	Excise duty including interest and penalty on captive consumption of lignite.	**387.97**	213.09
l	Service tax including penalty on Liquidated Damages levied on Bharat Heavy Electricals Ltd. (BHEL)	**856.84**	-

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
43	**Payment to Auditors (Fees excluding tax)**		
	Statutory Auditors		
-	As Auditor	**12.75**	12.75
-	For Taxation Service	**2.40**	1.20
-	Other Services	**1.10**	0.75
-	Reimbursement of Expenses	**0.14**	0.21
	TOTAL	**16.39**	14.91
	Cost Auditors		
-	As Auditor	**1.25**	1.25
	TOTAL	**1.25**	1.25

NOTES TO THE FINANCIAL STATEMENTS

44 Related Party Disclosures

a) Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties:

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Ltd	Entity having Significant Influence
GIPCL Projects and Consultancy Company Ltd.	Subsidiary Company
Bhavnagar Energy Corporation Limited	Associate Company upto 1st April, 2018
GIPCL Provident Fund Trust	Enterprise over which KMP is having Significant Influence
Smt. Sonal Mishra	Key Management Personnel (KMP) till 19th May, 2017
Smt. Shahmeena Hussain	Key Management Personnel (KMP) till 20th August, 2018
Smt. Vatsala Vasudeva	Key Management Personnel (KMP) w.e.f. 20th August, 2018
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	Enterprise over which KMP is having Significant Influence
Urja Foundation - Welfare Trust formed by the company.	Enterprise over which KMP is having Significant Influence
Gujarat Mineral Development Corporation Ltd.	Enterprise over which KMP is having Significant Influence till 19th May, 2017
Gujarat Green Revolution Company Ltd.	Enterprise over which KMP is having Significant Influence till 20th August, 2018
Shri Sujit Gulati, IAS	Chairman upto 16th July, 2018
Shri Rajgopal	Chairman w.e.f. 7th August, 2018 upto 31st January, 2019
Shri Pankaj Joshi, IAS	Director
Shri P K Gera, IAS	Director
Prof. Shekhar Chaudhari	Director
Dr. K M Joshi	Director
Shri S B Dangyach	Director
Shri B A Prajapati	Director
Shri Milind Torawane	Director
Shri N N Mishra	Director
Shri V V Vachhrajani	Director
Shri Jankiraman	Director upto 10th May, 2018
Shri Prabhat Singh	Director w.e.f. 30th September, 2018
Shri Sanjeev Kumar	Director upto. 22nd June, 2017
Shri Shri S M Awale	Director upto. 9th August, 2017
Shri G S Chahal	Chief Financial Officer upto 4th December, 2017
Shri K K Bhatt	Chief Financial Officer w.e.f. 8th December, 2017
Shri A C Shah	Company Secretary upto 11th March, 2018
Smt. Swati Desai	Company Secretary upto 26th October, 2018

NOTES TO THE FINANCIAL STATEMENTS

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

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	Subsidiary Company	Associate Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Transactions during the year						
Sale of Electricity Energy (Net of Adjustment)	**99,427.42**	-	-	-	-	**99,427.42**
	(1,08,981.75)	-	-	-	-	(1,08,981.75)
Gujarat Urja Vikas Nigam Limited	**99,427.42**	-	-	-	-	**99,427.42**
	(1,08,981.75)	-	-	-	-	(1,08,981.75)
Bill Discounting Charges Recovered	**346.64**	-	-	-	-	**346.64**
	(96.25)	-	-	-	-	(96.25)
Gujarat Urja Vikas Nigam Limited	**346.64**	-		-	-	**346.64**
	(96.25)	-	-	-	-	(96.25)
Rebate on Sales	**1,008.03**	-	-	-	-	**1,008.03**
	(1,010.86)	-	-	-	-	(1,010.86)
Gujarat Urja Vikas Nigam Limited	**1,008.03**	-	-	-	-	**1,008.03**
	(1,010.86)	-	-	-	-	(1,010.86)
Dividend Paid	**1,036.38**	-	-	-	-	**1,036.38**
	(1,036.38)	-	-	-	-	(1,036.38)
Gujarat Urja Vikas Nigam Limited	**1,036.38**	-	-	-	-	**1,036.38**
	(1,036.38)	-	-	-	-	(1,036.38)
Remuneration	-	-	-	**61.62**	-	**61.62**
	-	-	-	(77.48)	-	(77.48)
Smt Shahmeena Hussain	-	-	-	**0.48**	-	**0.48**
	-	-	-	-	-	-
Smt Vatsala Vasudeva	-	-	-	**17.11**	-	**17.11**
	-	-	-	-	-	-
Smt Sonal Mishra	-	-	-	-	-	-
	-	-	-	(3.11)	-	(3.11)
Shri G S Chahal	-	-	-	-	-	-
	-	-	-	(19.63)	-	(19.63)
Shri K K Bhatt	-	-	-	**29.52**	-	**29.52**
	-	-	-	(4.67)	-	(4.67)
Shri A C Shah	-	-	-	-	-	-
	-	-	-	(48.46)	-	-
Smt. Swati Desai	-	-	-	**14.51**	-	**14.51**
	-	-	-	(1.60)	-	(1.60)
Perquisites	-	-	-	**1.75**	-	**1.75**
	-	-	-	-	-	-
Smt Vatsala Vasudeva	-	-	-	**1.75**	-	**1.75**
	-	-	-	-	-	-
Expenses Recovered	-	-	-	-	-	-
	-	(0.78)	-	-	-	(0.78)
GIPCL Projects and Consultancy Company Ltd.	-	-	-	-	-	-
	-	(0.78)	-	-	-	(0.78)
Payment Made On Behalf of subsidiary	-	-	-	-	-	-
	-	(0.50)	-	-	-	(0.50)
GIPCL Projects and Consultancy Company Ltd.	-	-	-	-	-	-
	-	(0.50)	-	-	-	(0.50)

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	Subsidiary Company	Associate Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Contribution Towards Equity	-	-	-	-	-	-
	-	-	-	-	-	-
Bhavnagar Energy Corporation Limited	-	-	-	-	-	-
	-	-	-	-	-	-
Contribution made by compnay	-	-	-	-	**349.11**	**349.11**
	-	-	-	-	(327.04)	(327.04)
GIPCL Provident Fund Trust	-	-	-	-	**349.11**	**349.11**
	-	-	-	-	(327.04)	(327.04)
Contribution Towards CSR Activities	-	-	-	-	**475.05**	**475.05**
	-	-	-	-	(500.70)	(500.70)
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	-	-	-	-	**475.05**	**475.05**
	-	-	-	-	(500.70)	(500.70)
Purchase of Lignite	-	-	-	-	-	-
	-	-	-	-	(479.00)	(479.00)
Gujarat Mineral Development Corporation Ltd.	-	-	-	-	-	-
	-	-	-	-	(479.00)	(479.00)
Sitting Fees Paid To Directors	-	-	-	**8.60**	-	**8.60**
	-	-	-	(12.50)	-	(12.50)
Shri Sujit Gulati, IAS*	-	-	-	**0.30**	-	**0.30**
	-	-	-	(0.80)	-	(0.80)
Shri Pankaj Joshi, IAS*	-	-	-	**0.50**	-	**0.50**
	-	-	-	(0.60)	-	(0.60)
Shri P K Gera, IAS*	-	-	-	**0.10**	-	**0.10**
	-	-	-	(0.80)	-	(0.80)
Shri Sanjeev Kumar,IAS*	-	-	-	-	-	-
	-	-	-	(0.10)	-	(0.10)
Prof. Shekhar Chaudhari	-	-	-	**0.40**	-	**0.40**
	-	-	-	(0.70)	-	(0.70)
DR. K M Joshi	-	-	-	**2.40**	-	**2.40**
	-	-	-	(3.20)	-	(3.20)
Shri S B Dangyach	-	-	-	**1.50**	-	**1.50**
	-	-	-	(1.30)	-	(1.30)
Shri B A Prajapati	-	-	-	**1.70**	-	**1.70**
	-	-	-	(1.80)	-	(1.80)
Shri Milind Torawane,IAS*	-	-	-	**0.40**	-	**0.40**
	-	-	-	(0.30)	-	(0.30)
Shri Jankiraman	-	-	-	-	-	-
	-	-	-	(0.30)	-	(0.30)
Shri N N Mishra	-	-	-	**0.50**	-	**0.50**
	-	-	-	(0.90)	-	(0.90)
Shri Raj Gopal	-	-	-	**0.30**	-	**0.30**
	-	-	-	-	-	-
Shri S M Awale	-	-	-	-	-	-
	-	-	-	(0.50)	-	(0.50)
Shri V V Vachhrajani	-	-	-	**0.50**	-	**0.50**
	-	-	-	(1.20)	-	(1.20)

*Deposited to Government Treasury

Previous year figures are in bracket

NOTES TO THE FINANCIAL STATEMENTS

Balance as at: (₹ in Lakhs)

Receivable	Relationship	As at 31st March, 2019	As at 31st March, 2018
Gujarat Urja Vikas Nigam Limited	Entity having Significant Influence	**15,456.83**	21,326.43
GIPCL Provident Fund Trust	Entity having Significant Influence	**129.92**	100.00
		15,586.75	21,426.43

45 **Post Employment Benefits:**

a) **Defined Contribution plans:**

The Company makes contributions towards provident fund, pension scheme and Superannuation Fund to Defined Contribution retirement benefit plan for qualifying employees.

The Company pays fixed contribution to fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India.

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:(i)Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:(ii) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.(iii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.(iv) Fixation of rate of interest to be credited to members' accounts.

The provident fund plan is operated by the Gujarat Industries Power Company Ltd. Provident Fund Trust (the Trust). Eligible employees receive benefits from the said trust which is a defined contribution plan. Under the plan, the Company is required to contribute a specified percentage of employee's salary to the retirement benefit plan to fund the benefits. The Company has recognised ₹ 349.11 Lakhs (P.Y. ₹ 327.04 Lakhs) for Provident Fund contributions and ₹ 76.41 Lakhs (P.Y. ₹ 78.35 Lakhs) for Pension Scheme in the Statement of Profit and Loss.

The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The superannuation fund plan is operated by Life Insurance Corporation of India (LIC) under its scheme of superannuation. The eligible employees receive benefit under the said scheme from LIC. Under the plan, the Company is required to contribute a specified percentage of employee's basic salary to the retirement benefit plan to fund the benefits. The Company has recognised ₹ 46.10 Lakhs (P.Y. ₹ 44.80 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

b) **Defined benefit plans**

Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – Earned Leave balance subject to a minimum available 45 days per calendar year. Encashment on retirement – maximum 300 days

Sick Leave benefit

Accrual- 10 days per year

The leave is encashable.Leave encashment occurs due to retirement and death. There is no limit on maximum accumulation of leave days

The Company has recognised ₹ 461.21 Lakhs (P.Y. ₹ 419.87 Lakhs) towards Leave encashment (including Earned Leave and Sick Leave).

NOTES TO THE FINANCIAL STATEMENTS

The provision towards the Leave Encashment is as under. **(₹ in Lakhs)**

	As at 31st March, 2019	As at 31st March, 2018
Current	223.40	246.26
Non-Current	2,220.67	1,980.93
TOTAL	**2,444.07**	**2,227.19**

Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is at actual on superannuation, resignation, termination, disablement or on death.

Scheme is not funded. The liability for gratuity as above is recognised on the basis of actuarial valuation.

Post-Retirement Medical Benefits

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided with reimbursement of Insurance Premium restricted to ₹ 10000/-. The liability for the same is recognised annually on the basis of actuarial valuation. An employee should have put in a minimum of 10 years of service rendered in continuity in GIPCL at the time of superannuation to be eligible for availing post-retirement medical facilities.

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

Investment riskThe present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk — A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk — The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk — The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

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

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

Particulars	**For the year ended 31st March**	
	2019	2018
Type of Benefit	**Gratuity**	Gratuity
Country	**India**	India
Reporting Currency	**INR**	INR
Reporting Standard	**Indian Accounting Standard 19 (Ind AS 19)**	
Funding Status	**Unfunded**	Unfunded
Starting Period	**1st April, 2018**	1st April, 2017
Date of Reporting	**31.03.2019**	31.03.2018
Period of Reporting	**12 Months**	12 Months

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March	
	2019	2018
Assumptions (Current Period)		
Expected Return on Plan Assets	**N.A.**	N.A.
Rate of Discounting	**7.76%**	7.78%
Rate of Salary Increase	**6.00%**	6.00%
Rate of Employee Turnover	**2.00%**	2.00%
Mortality Rate During Employment	**India Assured Lives (2006-08)**	
Mortality Rate After Employment	**N.A.**	N.A.

(₹ in Lakhs)

Particulars	Gratuity (Non Funded)		Post Retirement Medical Benefit Plan (Non Funded)	
	For the year ended 31st March		For the year ended 31st March	
	2019	**2018**	**2019**	**2018**
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit obligation				
Present Value of Defined Benefit obligation at beginning of the year	**2,410.24**	2,193.01	**145.12**	142.56
Current Service Cost	**132.95**	128.11	**11.48**	4.19
Interest Cost	**187.51**	162.06	**-**	-
Actuarial (gain)/loss	**54.61**	63.05	**-**	-
Benefits paid	**(138.02)**	(135.99)	**(2.35)**	(1.63)
Present Value of Defined Benefit obligation at year end	**2,647.73**	2,410.24	**154.25**	145.12
Liabilities recognized in Balance Sheet	**2,647.73**	**2,410.24**	**154.25**	145.12
II. Expense recognized during the year				
Current Service Cost	**132.95**	128.11	**11.48**	4.19
Interest Cost	**187.51**	162.06	**-**	-
Actuarial (gain)/loss	**54.61**	63.05	**-**	-
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Total Expenses/(Gain) recognized in Statement of Profit and loss	**375.07**	353.22	**11.48**	4.19
III. Actuarial assumptions				
Mortality Table (Indian Assured Lives Mortality)	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	7.78%	7.39%	**7.78%**	7.39%
Rate of escalation in salary (per annum)	6.00%	6.00%	**6.00%**	6.00%
IV. Amounts for the current and previous periods				
Defined benefit obligation	**2,647.73**	2,410.24	**154.25**	145.12
Experience loss(gain) on plan liabilities	**50.88**	133.47	**NA**	NA

NOTES TO THE FINANCIAL STATEMENTS

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

Gratuity	As at 31st March, 2019	As at 31st March, 2018
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	144.83	188.97
2nd Following Year	103.15	110.48
3rd Following Year	300.41	113.55
4th Following Year	275.42	273.17
5th Following Year	246.25	250.14
6th To 10th Year	1,687.84	1,524.21
11th and Above	2,555.42	2,506.63
Sensitivity Analysis are as under:		
Projected Benefit Obligation on Current Assumptions	2,647.73	2,410.24
Delta Effect of +1% Change in Rate of Discounting	(175.74)	(165.49)
Delta Effect of -1% Change in Rate of Discounting	199.11	187.99
Delta Effect of +1% Change in Rate of Salary Increase	200.62	189.45
Delta Effect of -1% Change in Rate of Salary Increase	(180.08)	(169.60)
Delta Effect of +1% Change in Rate of Employee Turnover	23.86	23.21
Delta Effect of -1% Change in Rate of Employee Turnover	(26.51)	(25.83)

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

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

46 On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers applicable from 1st April, 2018. The management has evaluated the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers and accounted for the same pursuant to Ind AS 115.

The Company has used the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.The Standard is applied to contracts that remaining in force as at 1st April, 2018. The application of the standard does not have any significant Impact on the retained earnings as at 1st April, 2018 or on these financial statements.

(a) **Disaggregation of revenue from contracts with customers** **(₹ in Lakhs)**

For the year ended 31st March, 2019	Non-Renewable	Renewable	Others	Total
Sale of Electrical Energy	1,20,433.45	19,622.40	-	**1,40,055.85**
Sale of services	-	-	25.15	**25.15**
Other operating Revenues	-	-	654.26	**654.26**
Timing of revenue recognition				
At a point in time	-	-	679.41	**679.41**
Over time	1,20,433.45	19,622.40	-	**1,40,055.85**

(b) **Contract assets**

The Company has recognised the following revenue-related contract assets **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019
Trade receivable (refer note 11)	**21,441.22**
Contract Assets (refer note 15)	**768.00**

NOTES TO THE FINANCIAL STATEMENTS

47 Leases

Operating lease arrangements

Operating leases relate to leases of land with lease terms ranging from 25 to 99 years. The Company does not have an option to purchase the land at the expiry of the lease periods. Amount paid in advance are shown as Prepayments and are transferred to Statement of profit and loss based on the lease term.

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

Payments recognized as an expense **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Minimum lease payments	322.99	263.02
TOTAL	322.99	263.02

48 Operating Segment

a The Company's operations fall under single segment namely "Power Generation", taking into account the different risks and returns, the organization structure and the internal reporting systems hence no separate disclosure of Operating Segment is required to be made as required under Ind AS – 108 "Operating Segment".

b Information about major customers

Company's significant revenues (more than 75%-80%) are derived from sales to Public Sector Undertaking. The total sales to such companies during the year amounted to **₹ 1,06,254.55 lakhs** (PY ₹ 1,08,981.75 Lakhs).

c Information about geographical areas:

Segment revenue from "Sale of Power" represents revenue generated from external customers which is fully attributable to the Company's Country of domicile i.e. India.

All assets are located in the Company's Country of domicile.

d Information about products and services

The Company derives revenue from sale of power. The information about revenues from external customers is disclosed in Note no. 31 of the Financial Statements.

49 Financial instruments disclosure:

Capital management

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
2. Maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity (Refer Note 17 & 18). The Company is not subject to any externally imposed capital requirements.

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

NOTES TO THE FINANCIAL STATEMENTS

Gearing Ratio

The gearing ratio at end of the reporting period is as follows. **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Debt	**57,278.02**	61,662.51
Total Equity	**2,57,073.92**	2,45,902.33
Debt to Equity Ratio	**0.22**	0.25
1. Debt is defined as all Long Term Debt outstanding + Current Maturity outstanding in lieu of Long Term Debt +Short Term Debt outstanding.		
2. Equity is defined as Equity Share Capital + Other Equity		
Categories of financial instruments		
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	**21,441.22**	25,997.68
(b) Cash and cash equivalents	**26,060.34**	5,180.18
(c) Other bank balances	**170.06**	671.33
(d) Loans	**4.00**	4.05
(e) Other financial assets	**11,394.48**	13,637.70
Measured at FVTOCI		
(a) Investments in equity instruments	**8,955.42**	10,948.02
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	**42,546.02**	46,787.75
(b) Trade payables	**15,182.83**	10,139.12
(c) Other financial liabilities	**21,671.36**	20,640.94

Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk and interest rate risk.

Interest rate risk management - Borrowings

The Company's main interest rate risk arises from the long term borrowings with floating rates.

The Company's floating rates borrowings are carried at amortised cost. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk management - Investment

The Company invests the surplus fund generated from operations in bank deposits . Bank deposits are made for a period of upto 12 months and carry interest rate of 6.25%-7.25% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

Price risks

The Company's equity securities price risk arises from investments held and classified in the balance sheet at fair value through OCI. The Company's equity investments in GACL & Gujarat Gas Ltd are publicly traded.

Price sensitivity analysis

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended 31st March, 2019 would increase / decrease by ₹ **447.77 Lakhs** (P.Y. ₹ 547.40 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

Foreign Currency Exchange Risk Management

The Company had entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The Forward exchange contracts used for hedging foreign currency exposure and outstanding as at year ended 31st March, 2019 are as under:-

(Amount in Lakhs)

Currency	No Of Contracts	Buy (USD)	INR Equivanents
Forward Contract to buy USD as at 31st March, 2019	-	-	-
Forward Contract to buy USD as at 31st March, 2018	4	35.37	2,327.63

Credit risk management

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

Major customers, being power purchasing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 15 % of total monetary assets at any time during the year.

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		1 year – 3 years	More than 3 years	Total
As at 31st March, 2019				
Trade Payable		**15,182.83**	**-**	**15,182.83**
Security Deposits from Contractors		**730.65**	**791.65**	**1,522.30**
	TOTAL	**15,913.48**	**791.65**	**16,705.13**
As at 31st March, 2018				
Trade Payable		10,139.12	-	10,139.12
Security Deposits from Contractors		277.78	887.81	1,165.59
	TOTAL	**10,416.90**	**887.81**	**11,304.71**

The Company has access to committed credit facilities as described below, of which ₹ 17,387.48 Lakhs were unused at the end of the reporting period (as at 31st March, 2018 ₹ 11,290.98 Lakhs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in Lakhs)

Secured bank overdraft facility, reviewed annually and payable at call:	**As at 31st March, 2019**	As at 31st March, 2018
Amount used	**5,887.52**	8,248.02
Amount unused	**17,387.48**	11,290.98

Fair value measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

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

Financial assets at fair value through other comprehensive income (FVTOCI) (₹ in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Fair value	
			As at 31st March, 2019	As at 31st March, 2018
Investment in equity instruments (quoted)	Level 1	Quoted bid prices from BSE	**6,237.30**	8,602.81
Investment in Equity Instruments (unquoted)	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable	**2,718.12**	1,973.00

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 6 approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

50 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

51 The value of realization of Assets other than Fixed Assets and Non Current Investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

52 The balances of Trade Receivables and Trade Payables are subject to adjustments, if any, on reconciliation / settlement.

53 During the previous financial year, the Board of Directors had approved the Voluntary Liquidation of GIPCL Projects & Consultancy Co. Ltd. (GIPCO), a wholly owned subsidiary, under the Insolvency and Bankruptcy Code, 2016. Pursuant to such approval, the process of voluntary liquidation of GIPCO was initiated during the year and the affairs of GIPCO were handed over to the Liquidator. The winding up of GIPCO by the Liquidator commenced on 3rd January 2019, the date of appointment of the Liquidator and was closed on 20th March 2019, as per the final report submitted by the Liquidator. The Company has received ₹ 37.50 Lakhs as full and final liquidation distribution proceeds as against its investment of ₹ 25.00 Lakhs. The liquidation distribution in excess of the carrying value of investment i.e. ₹ 12.50 Lakhs is recognized as gain on liquidation of subsidiary in Other Income note no. 32.

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

55 **Approval of Financials Statements**

The Standalone Financial Statements were approved for issue by the Board of Directors on 17th May, 2019.

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gujarat Industries Power Company Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Gujarat Industries Power Company Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us on separate financial statements and on the other financial information of the subsidiary as referred to in the "Other Matter", the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended as on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

Emphasis of Matter

We draw attention to Note no. 38a of the consolidated financial statements, which describes the effect of the loss on extinguishment of rights in Bhavnagar Energy Company Limited, an Associate of the Holding Company, pursuant to scheme notified by Government of Gujarat wherein the Associate has been merged with Gujarat State Electricity Corporation Ltd. with effect from 1st April, 2018. This has resulted in loss of the Group's entire investment in the Associate of ₹ 13,960.65/- lacs which has been written off as exceptional item. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the matter
1.	**Provision for Mine Decommissioning Cost and corresponding Asset for Mine Closure** **(Refer to note 3(iv), 4((iii) (a), 5(a) and 22 (a) to the consolidated financial statements)** The Group has an obligation to restore and rehabilitate the mining sites operated upon by the Group at the end of mine operation closure. This decommissioning liability is recorded based on estimates of the costs required to fulfill this obligation. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the decommissioning liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred at reporting date. We have considered the measurement of decommissioning costs as Key Audit Matter as it requires significant management judgement, including complex accounting calculations and estimates that involves high estimation uncertainty.	**Principal Audit Procedures** Our audit procedures included the following: • Evaluating the approach adopted by the management in determining the expected costs of decommissioning of the concerned mines, through review of the cost elements and comparison to previous provision made. • Compare current estimates of costs with actual decommissioning and restoration costs previously incurred. • Reviewing the unwind of interest as well as understanding if any restoration was undertaken during the year. • Considering the inputs into the calculation including the discount and inflation rates for comparison to external sources as well as the expected timing of cash flows. • Confirm whether the decommissioning dates are consistent with the Group's business plans • Assessing the appropriateness of the disclosures made in the financial statements.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td></td><td></td><td>Conclusion:
Based on the procedures described above, we did not identify any material exceptions to the management's estimation process, methodology and disclosure of the subject matter in financial statements.</td></tr>
<tr><td>2.</td><td>Litigations and Claims
(Refer to note 3 (xvii), 4(i) and 42 to the consolidated financial statements)
Litigation and claims are pending with multiple tax and regulatory authorities and there are claims from vendors/suppliers and employees which have not been acknowledged as debt by the Group.
In the normal course of business, financial exposures may arise from pending legal/regulatory proceedings and from above referred claims not acknowledged as debt by the group. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the consolidated financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective.
We have considered Litigations and claims as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</td><td>Principal Audit Procedures
Our audit procedures included the following:
• Understanding the current status of disputed tax matters and other litigations and claims and discussing selected matters with the entity's management.
• Critically assessing the Group's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation.
Conclusion:
Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</td></tr>
<tr><td>3.</td><td>Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit
(Refer to note 3 (xv), 23, 39 (a) and (b) to the consolidated financial statements)
The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law.
We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.</td><td>Principal Audit Procedures
Our audit procedures included the following:
• Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts.
• Inquiry and critical analysis of the management judgement on recognition of deferred tax asset.
• Assessing the adequacy of the deferred tax disclosures to the financial statements.
Conclusion:
Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</td></tr>
</table>

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Management Discussion and Analysis, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements and our auditor’s report thereon. The above-referred information is expected to be made available to us after the date of this audit report

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

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

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances & the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

1. We did not audit the financial statements of GIPCL Projects & Consultancy Co. Ltd. (GIPCO) subsidiary, whose financial statements reflect total assets of ₹ Nil as at 31st March 2019, total revenues of ₹ 1.52 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 0.63 lakhs and net cash flows amounting to ₹ 38.94 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on separate financial statements and on the other financial information of subsidiary, as noted in "Other Matters" above, we report, to the extent applicable, that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

   c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;

   d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

   e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.;

   f. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

   g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group and its associate to its Directors during the year is in accordance with the provisions of section 197 of the Act; and

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

      i. the Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 to the consolidated financial statements;

      ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group incorporated in India, except a sum of ₹ 0.05 Lakhs which is held in abeyance due to pending legal cases.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 17th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Gujarat Industries Power Company Limited)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of **Gujarat Industries Power Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiary company as of 31st March, 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Holding Company and its subsidiary, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 17th May, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars			Note No.	As at 31st March, 2019	As at 31st March, 2018
I	ASSETS				
1	Non-current assets				
	(a)	Property, Plant and Equipment	5(i)	**2,56,923.24**	2,61,513.76
	(b)	Mine Development Assets	5a	**5,921.99**	5,961.11
	(c)	Capital work-in-progress	5(ii)	**16,626.53**	475.66
	(d)	Other Intangible assets	5(i)	**390.04**	481.30
	(e)	Intangible assets under development	5(ii)	**105.80**	138.92
	(f)	Financial Assets			
		(i) Investments	6	**8,955.42**	24,907.94
		(ii) Loans	7	**4.00**	4.00
		(iii) Others	8	**10,317.17**	7,830.03
	(g)	Other non-current assets	9	**17,062.81**	15,499.36
	Total Non-current Assets			**3,16,307.00**	3,16,812.08
2	Current assets				
	(a)	Inventories	10	**16,557.13**	15,159.90
	(b)	Financial Assets			
		(i) Trade receivables	11	**21,441.22**	25,997.68
		(ii) Cash and cash equivalents	12	**26,060.34**	5,219.12
		(iii) Bank balances other than (ii) above	13	**170.06**	671.33
		(iv) Loans	14	**-**	0.05
		(v) Others	15	**1,077.31**	5,808.40
	(c)	Current Tax Assets (Net)	16	**-**	0.07
	(d)	Other current assets	17	**1,524.84**	1,075.62
	Total Current Assets			**66,830.90**	53,932.17
		TOTAL ASSETS		**3,83,137.90**	3,70,744.25
II	EQUITY AND LIABILITIES				
1	Equity				
	(a)	Equity Share capital	18	**15,125.12**	15,125.12
	(b)	Other Equity	19	**2,41,948.80**	2,22,943.58
	Total Equity			**2,57,073.92**	2,38,068.70
2	**Deferred Government Grant**		20	**5,921.25**	6,263.55
	LIABILITIES				
3	Non-current liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	21	**36,658.50**	36,128.72
		(ii) Other financial liabilities	22	**791.66**	889.03
	(b)	Provisions	23	**14,649.37**	12,762.51
	(c)	Deferred tax liabilities (Net)	24	**24,258.93**	24,269.65
	(d)	Other non-current liabilities	25	**16.74**	13.71
	Total Non-current Liabilities			**76,375.20**	74,063.62
4	Current liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	26	**5,887.52**	10,659.03
		(ii) Trade payables			
		- Micro and Small Enterprises	27	**77.98**	70.49
		- Other than Micro and Small Enterprises	27	**15,104.85**	10,068.89
		(iii) Other financial liabilities	28	**20,879.70**	19,751.91
	(b)	Other current liabilities	29	**1,081.61**	10,780.18
	(c)	Provisions	30	**372.42**	438.92
	(d)	Current Tax Liabilities (Net)	31	**363.45**	578.96
	Total Current Liabilities			**43,767.53**	52,348.38
		TOTAL EQUITY AND LIABILITIES		**3,83,137.90**	3,70,744.25
See accompanying notes to the financial statements			1-56		

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I	Revenue from Operations	32	**1,40,735.26**	1,35,383.84
II	Other Income	33	**11,680.29**	5,126.32
III	**TOTAL (I+II)**		**1,52,415.55**	1,40,510.16
IV	**EXPENDITURE :**			
	Cost of Material Consumed	34	**61,994.88**	61,930.29
	Generation Expenses	35	**11,228.94**	11,610.00
	Employee Benefits Expense	36	**8,757.16**	9,070.69
	Finance Cost	37	**5,031.63**	5,685.05
	Depreciation	5(i)	**16,735.65**	15,765.82
	Amortisation of Mines Development Assets	5a	**104.53**	204.12
	Other Expenses	38	**3,937.96**	4,494.23
	TOTAL (IV)		**1,07,790.75**	1,08,760.20
V	**Profit before Tax (III-IV)**		**44,624.80**	31,749.96
VI	**Exceptional Items**	39	**13,960.65**	-
VII	**Profit before Tax (V-VI)**		**30,664.15**	31,749.96
VIII	**Tax Expenses**	40		
	Current Tax		**9,321.80**	6,753.13
	Deferred Tax		**(4,133.56)**	544.71
IX	**Profit For the year before share of Associates (VII-VIII)**		**25,475.91**	24,452.12
X	Share of Profit/(Loss) of Associate on Consolidation		-	(7,847.35)
XI	**Profit For the year after share of Associate (IX-X)**		**25,475.91**	16,604.77
XII	**Other Comprehensive Income**			
	a) Remeasurement of Defined benefit plans		**(54.61)**	(63.04)
	b) Equity instruments through OCI		**(1,992.60)**	3,524.47
	Items that will not be reclassified to profit or loss		**(2,047.21)**	3,461.43
	c) Income tax on above		**(478.86)**	669.51
	d) Share of OCI income of Associates (will not be reclassified to profit or loss)		-	(0.73)
	Total Other Comprehensive Income (net of tax)		**(1,568.35)**	2,791.19
XIII	**Total Comprehensive Income for the year (XI+XII) (Comprising Profit and Other Comprehensive Income for the year)**		**23,907.56**	19,395.96
XIV	**Earning per share (Basic and Diluted)**	41	**16.84**	10.98
	See accompanying notes to the financial statements	1-56		

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
A	**Cash Flow From Operating Activities :**				
	Net Profit before Tax after exceptional items		**30,664.15**		31,749.96
	Adjustment for :				
	Depreciation	**16,735.65**		15,765.82	
	Amortisation of Mines Development Assets	**104.53**		204.12	
	Amortisation of Initial Mines Development Expenditure	**673.46**		649.48	
	Finance Cost	**4,413.18**		4,857.40	
	Unwinding of Decommissioning Liabilities	**618.45**		827.65	
	Amortisation of Government Grant	**(342.30)**		(198.70)	
	Loss on sale / write off of assets	**5.25**		0.47	
	Profit on sale / write off of assets	**(2.14)**		(0.21)	
	Profit on Liquidation of Subsidiary	**-**		-	
	Loss on Extinguishment of Investment in Associate	**13,960.65**		-	
	Interest Income	**(1,629.08)**		(788.58)	
	Dividend	**(75.98)**		(58.37)	
			34,461.67		21,259.08
	Operating Profit/(Loss) before changes in working capital		**65,125.82**		53,009.04
	Adjustment for (Increase)/Decrease in Operating Assets				
	Trade Receivables	**4,556.46**		(1,195.67)	
	Inventories	**(1,397.23)**		820.38	
	Loans and Advances	**0.05**		0.31	
	Other Assets	**(1,908.46)**		(9,955.91)	
	Adjustment for Increase/(Decrease) in Operating Liabilities				
	Trade payables	**5,043.45**		(235.79)	
	Other current liabilities and provisions	**(8,264.44)**		(1,945.31)	
			(1,970.17)		(12,511.99)
	Cash flow from operations after changes in working capital		**63,155.65**		40,497.05
	Net Direct Taxes (Paid)/Refunded		**(4,968.37)**		(7,395.52)
	Net Cash Flow from Operating Activities (Total - A)		**58,187.28**		33,101.53
B	**Cash Flow from Investing Activities :**				
	Purchase/adjustment of Fixed Assets including capital advance and Capital Work in Progress	**(25,280.95)**		(37,835.15)	
	Sale of Investments	**-**		(1,200.00)	
	Sale of Fixed Assets	**11.22**		0.30	
	Interest Received	**1,576.25**		798.63	
	Dividend Received	**75.98**		58.37	
	Bank Balances not considered as Cash and Cash Equivalents	**501.27**		(101.87)	
	Net Cash Flow from Investing Activities (Total - B)		**(23,116.23)**		(38,279.72)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
C	**Cash Flow from Financing Activities :**				
	Repayment of long-term borrowings	**(14,462.98)**		(13,222.08)	
	Net increase / (decrease) in working capital borrowings	**(2,490.42)**		4,303.67	
	Proceeds from Short Term borrowings	-		2,250.00	
	Repayment of Short Term borrowings	**(1,000.00)**		-	
	Proceeds from long-term borrowings	**13,600.00**		26,567.00	
	Liquidation expense	**(2.58)**		-	
	Finance Cost Paid	**(4,449.37)**		(4,834.56)	
	Dividend on Equity Paid	**(4,585.05)**		(3,981.33)	
	Tax on Dividend Paid	**(839.43)**		(831.36)	
	Net Cash Flow from Financing Activities (Total - C)		**(14,229.83)**		10,251.34
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		**20,841.22**		5,073.15
	Opening Cash and Cash Equivalents		**5,219.12**		145.97
	Closing Cash and Cash Equivalents		**26,060.34**		5,219.12
	Note:				
	Cash and Cash equivalents includes :				
	- Cash on hand		**1.66**		1.76
	- Balance with Banks :				
	- Current Accounts	**10.68**		14.82	
	- Deposit Accounts	**26,048.00**		5,200.34	
	- Other Accounts	**-**	**26,058.68**	2.20	5,217.36
	TOTAL		**26,060.34**		5,219.12

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(i) Equity Share Capital

Particulars	(₹ in Lakhs)
As at 1st April, 2017	15,125.12
Additions/(Reductions)	-
As at 31st March, 2018	15,125.12
As at 1st April, 2018	**15,125.12**
Additions/(Reductions)	-
As at 31st March, 2019	**15,125.12**

(ii) Other Equity **(₹ in Lakhs)**

Particulars	Reserve and Surplus						Item of Other Comprehensive Income		Total
	Capital Redemption Reserve	Expansion Reserve	Securities Premium Reserve	General Reserve	Cash Flow Hedge Reserve	Retained earnings	Equity instruments through other comprehensive income	Share of OCI of associate accounted for using equity method	
Balance as at 31st March, 2017	**3,455.88**	**80,000.00**	**33,316.97**	**75,370.00**	**-**	**12,750.68**	**3,591.95**	**-**	**2,08,485.48**
Profit for the year	-	-	-	-	-	16,604.78	-	-	16,604.78
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,832.92	-	2,832.92
Re-measurement of Defined Benefit Plans, net of income tax	-	-	-	-	-	(41.01)	-	-	(41.01)
Share of OCI income of Associates (will not be reclassified to profit or loss)	-	-	-	-	-	-	-	(0.73)	(0.73)
Total comprehensive income for the year	**3,455.88**	**80,000.00**	**33,316.97**	**75,370.00**	**-**	**29,314.45**	**6,424.87**	**(0.73)**	**2,27,881.44**
Payment of dividends	-	-	-	-	-	(4,083.78)	-	-	(4,083.78)
Tax on dividends	-	-	-	-	-	(831.36)	-	-	(831.36)
Impact of changes in fair value of derivatives	-	-	-	-	(22.72)	-	-	-	(22.72)
Transferred from retained earning	-	9,000.00	-	9,000.00	-	(18,000.00)	-	-	-
Balance as at 31st March, 2018	**3,455.88**	**89,000.00**	**33,316.97**	**84,370.00**	**(22.72)**	**6,399.31**	**6,424.87**	**(0.73)**	**2,22,943.58**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**25,475.91**	**-**	**-**	**25,475.91**
Derecognition due to Extinguishment of Investment in Associate	-	-	-	-	-	-	-	0.73	0.73
Liquidation expense (refer note 54)	-	-	-	-	-	(2.58)	-	-	(2.58)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(1,532.82)	-	(1,532.82)
Re-measurement of Defined Benefit Plans, net of income tax	-	-	-	-	-	(35.53)	-	-	(35.53)
Total comprehensive income for the year	**3,455.88**	**89,000.00**	**33,316.97**	**84,370.00**	**(22.72)**	**31,837.12**	**4,892.04**	**-**	**2,46,849.29**
Payment of dividends	-	-	-	-	-	(4,083.78)	-	-	(4,083.78)
Tax on dividends	-	-	-	-	-	(839.43)	-	-	(839.43)
Impact of changes in fair value of derivatives	-	-	-	-	22.72	-	-	-	22.72
Transferred from retained earning	-	9,000.00	-	9,000.00	-	(18,000.00)	-		-
Balance as at 31st March, 2019	**3,455.88**	**98,000.00**	**33,316.97**	**93,370.00**	**-**	**8,913.91**	**4,892.04**	**-**	**2,41,948.80**

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Group information

Gujarat Industries Power Company Limited ('GIPCL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at P.O.: Petrochemicals – 391346, Dist.: Vadodara . The Company's shares are listed and traded on Stock Exchanges in India. The Consolidated financial statements relate to the Company, its Subsidiary . The Group (comprising of the Company and its 100% Subsidiary : GIPCL Projects & Consultancy Co. Ltd. (GIPCO)) are mainly engaged in generation of power from gas, lignite, wind and solar. The Principal places of business are located in Gujarat, India.

2 a Application of new Indian Accounting Standard

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on 1st April, 2019 and therefore, the company shall apply the same with effect from that date.

Recent accounting pronouncements :

a) Ind AS-116 – Leases: The Standard replaces the existing Ind AS 17 "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Consolidated Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

b) Other Amendments:

Several other Indian Accounting Standards have been amended on various issues with effect from 1st April, 2019. The following amendments are relevant to the company

(i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 23 "Borrowing Costs"- Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(iv) Ind AS 28 "Investments in Associates and Joint Ventures"- Application of Ind AS 109 "Financial Instruments" to long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture.

(v) Ind AS 103 "Business Combination" - Re-measurement of previously held interests when an entity obtains control of a business that is a joint operation;

(vi) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments;

(vii) Ind AS 111 "Joint Arrangements"- Non-remeasurement of previously held interests when an entity obtains joint control of a business that is a joint operation;

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

b Basis of Consolidation

The consolidated financial statements consists of Gujarat Industries Power Company Limited ("the Company") and its subsidiary company (collectively referred to as "the Group") and its associate (associate upto 1st April, 2018). The Consolidated Financial Statements have been prepared on the following basis:

i) Upon loss of control in a subsidiary, the holding derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet and recognises the gain or loss associated with the loss of control attributable to the former subsidiary in the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions and unrealised profits or losses as per Indian Accounting Standard (Ind AS) 110 – "Consolidated Financial Statements" considering the above note for current year.

iii) The difference between the cost of investment in the subsidiary and associate, and that Company's share of net assets at the time of acquisition of shares in the subsidiary and associate is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

iv) Minority Interest if any in the net assets of subsidiary is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

v) Investment in associate was accounted for using equity method as per Indian Accounting Standard (Ind AS)28 – "Accounting for Investments in Associates in Consolidated Financial Statements" in comparative previous financial year.

vi) Use of equity method is discontinued from the date when its investment ceases to be an associate and the retained investment if becomes subsidiary then is accounted in accordance with Ind AS 103, Business Combinations, and Ind AS 110; and if the retained interest in the former associate is a financial asset, the entity shall measure the retained interest at fair value. Upon such discontinuance of equity method, a gain or loss previously recognised in other comprehensive income will be reclassified to profit or loss on the disposal of the related assets or liabilities as a reclassification adjustment of gain or loss from equity to profit or loss.

vii) The financial statements of the subsidiary used in the consolidation for the year were drawn up to 20th March 2019.

viii) BECL has been merged with Gujarat State Electricity Corporation Ltd. (GSECL), a wholly owned subsidiary of Gujarat Urja Vikas Nigam Ltd. vide a Scheme notified by GOG on 27th August, 2018. BECL has been merged with GSECL with effect from 1st April, 2018. As a consequence of the same, the Company's shareholding in BECL is extinguished. Hence the investment in associate alongwith its gain or loss previously recognised in other comprehensive income has been derecognised and the difference between the proceeds received, if any and the carrying amount of the investment and Share in FVTOVCI of associate is charged to Statement of Profit and Loss Account (shown as Exceptional item).

3 Significant Accounting Policies

i) Statement of compliance

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

ii) Basis of Preparation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows: - Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. - Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. - Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

iii) Property, Plant & Equipment

The Group had elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning liabilities included in the cost of other Property Plant & Equipment (PPE) which has been adjusted in terms of para D 21 of Ind AS 101 'First – time Adoption of Indian Accounting Standards'.

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

Works under erection/installation /execution (including such work pertaining to a new project) are shown as Capital Work in Progress.

Capital Spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are capitalized at cost.

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

Freehold Land is not depreciated. Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on all (fixed assets) PPE (except those listed below) is provided on straight line method as per rates and methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and for renewable energy Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017.

Capital Spares are depreciated over the useful life of such Spares but not exceeding the remaining useful life of related tangible asset. In case of fully depreciated tangible asset remaining useful life is considered as technically evaluated by the management.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

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

Assets are identified with power generating units/power plants. As per Central Electricity Regulatory Commission (Terms and condition of Tariff) Regulation, 2014 useful life of Gas/Lignite based power plant is 25 Years and as per Central Electricity Regulatory Commission (Terms and condition of Tariff) Regulation, 2017 useful life of solar and wind power generating units is also 25 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iv) Mine Development Asset

Mine Development asset comprises of initial expenditure for lignite mines and removal of overburden and estimated future decommissioning costs.

Decommissioning cost includes cost of restoration. Provisions for decommissioning costs are recognized when the Group has a legal or constructive obligation to restore mines, dismantle and remove a facility or an item of property, plant & equipment and to restore the site on which it is located. The full eventual estimated liability towards costs relating to dismantling and restoring mines and allied facilities are recognized in respective mine development asset.The amount recognized is the present value of the estimated future expenditure determined at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. In case reversal of provision exceeds the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Mine development asset including decommissioning costs is amortized as per the provisions of Fuel Price Mechanism agreed by the Group with the Buyer. Such amortization is based either on quantity of Lignite actually extracted during the year or period based fixed amortization on a yearly basis as per the respective provisions of the Fuel Price Agreement referred above. However, the Amortization method, in case of any mine, once agreed under the Fuel Price Mechanism, is consistently applied over the life of mine.

v) Intangible Assets

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

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

Depreciation on all intangible assets is provided on straight line method as per rates and methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and for renewable energy Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017.

vi) Impairment Of Assets

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

vii) Non-current assets held for sale

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

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

viii) Government Grant

Government grants, including non-monetary grants at fair value are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognized and disclosed as Deferred Income in the balance sheet and transferred to the Statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

ix) Inventories

Inventories are valued at lower of cost or net realizable value as under:

a. **Raw Materials - Fuel (other than Lignite from Captive Mines)**

   Weighted Average Cost

b. **Lignite**

   Absorption costing. Cost Includes Extraction Cost, Mining overheads including amortized cost as per 3(iv) above.

c. **Stores and Spares**

   Weighted Average Cost

x) Revenue Recognition

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

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

Contract assets are recognized when there is right to consideration in exchange for goods or services that are transferred to a customer and when that right is conditioned on something other than the passage of time.

a. Revenue from sale of power is recognized when no significant uncertainty as to the measurability or ultimate collection exists.
b. Interest on investment is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
c. Dividend income is recognized when the right to receive payment is established.
d. Claims lodged with insurance company in respect of risk insured are accounted on admittance basis.
e. Delayed payment charges under Power Purchase Agreements are recognized, on grounds of prudence, as and when recovered.
f. Other income is recognized on accrual basis except when realization of such income is uncertain.
g. Deviation Settlement Mechanism (DSM) charges receivable/payable is accounted as and when notified by State Load Dispatch Center (SLDC)
h. Liquidated damages/penalties deducted from suppliers / contractors are recognized as income or credited to the cost of assets at the time of final settlement. Till such time, they are shown under liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

xi) **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Group. All other leases are classified as operating leases.

Operating lease payments are recognized as prepayments and amortized on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

xii) **Foreign Exchange Transactions**

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates. Transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period. Exchange differences on monetary items are recognized in the Statement of profit and loss in the period in which they arise.

xiii) **Employee Benefits**

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensated absences and post-retirement medical benefits.

a. **Short-term employee benefits.**

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

b. **Defined contribution plans**

Employee Benefit under defined contribution plans comprising provident fund, superannuation fund and pension scheme are recognized based on the undiscounted amount of obligations of the Group to contribute to the plan. Group's contribution is paid to a fund administered through a separate trust.

c. **Defined benefit plans**

For Defined Benefit plans comprising of gratuity and post-retirement medical benefits are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above) ,are recognized in other comprehensive income in the period in which they occur and are not subsequently reclassified to profit and loss.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation.

d. **Other long term employee benefits**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

xiv) Taxes on Income

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

Current tax

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

Deferred tax

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

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability, Accordingly, MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the year

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

xv) Borrowing Costs

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

xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

xvii) Financial instruments

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

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

xviii) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

xix) Financial assets

a. Cash and cash equivalents

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

b. Financial assets at amortized cost

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

c. Financial assets at fair value through other comprehensive income

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

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

d. Financial assets at fair value through profit or loss

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

e. **Impairment of Financial assets**

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

f. **Derecognition of financial assets**

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

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

xx) **Financial liabilities and equity instruments**

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

b. **Effective interest method**

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

c. **Equity instruments**

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

d. **Derecognition of financial liabilities**

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

e. The Group designates certain hedging instruments, such as derivatives, such as forward contracts, as either fair value hedges or cash flow hedges . Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

4 i) **Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for GIPCL Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii) Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (Refer note 4.iii), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

a. Determination of functional currency

Currency of the primary economic environment in which the Group operates ("the functional currency") is Indian Rupee in which the Group primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee.

b. Determining whether an arrangement contain leases and classification of leases

The Group enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

c. Evaluation of indicators for impairment of Property, Plant and Equipment

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

iii) Assumption and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a. Estimation of provision for decommissioning

The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Mines at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Mines is estimated on the basis of long term production profile of the relevant Mines. The General Wholesale Price Index (WPI) for inflation i.e.1.32% (Previous year 0.54%) has been used for escalation of the current cost estimates and discounting rate used to determine the balance sheet obligation as at the end of the year is 7.35% (Previous year 7.40%), which is the risk free government bond rate with 10 year yield.

b. Defined benefit obligation (DBO)

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

c. Unquoted Investments

The unquoted investments of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an the investment, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5(i) Property, Plant and Equipment & Intangible Assets

(₹ in Lakhs)

ASSETS	Tangible Assets								Intangible Assets		TOTAL
	Freehold Land	Building	Plant and Machinery	Capital Spares	Furniture and Fixture	Office Equipments	Vehicles	Total	Computer Software	Total	
Gross Block											
Balance as at 1st April, 2017	**19,066.12**	**32,553.52**	**2,10,055.40**	**1,219.81**	**277.99**	**1,756.10**	**32.10**	**2,64,961.04**	**791.07**	**791.07**	**2,65,752.11**
Additions during the year	1,369.84	1,822.51	32,913.06	169.92	23.90	37.99	-	**36,337.22**	82.46	82.46	**36,419.68**
Deductions/adjustment during the year	-	(416.13)	(90.97)	-	-	(1.43)	-	**(508.53)**	-	-	**(508.53)**
Balance as at 31st March, 2018	**20,435.96**	**33,959.90**	**2,42,877.49**	**1,389.73**	**301.89**	**1,792.66**	**32.10**	**3,00,789.73**	**873.53**	**873.53**	**3,01,663.26**
Additions during the year	-	238.57	11,684.29	-	3.39	42.29	62.73	**12,031.27**	36.90	36.90	**12,068.16**
Deductions/adjustment during the year	-	-	(10.84)	-	-	(2.16)	(7.51)	**(20.51)**	-	-	**(20.51)**
Balance as at 31st March, 2019	**20,435.96**	**34,198.47**	**2,54,550.94**	**1,389.73**	**305.28**	**1,832.79**	**87.33**	**3,12,800.49**	**910.43**	**910.43**	**3,13,710.92**
Impairment											
Balance as at 1st April, 2017	**-**	**-**	**172.28**	**-**	**-**	**-**	**-**	**172.28**	**-**	**-**	**172.28**
Addition/Disposal	-	-	-	-	-	-	-	**-**	-	-	**-**
Impairment as at 31st March, 2018	-	-	172.28	-	-	-	-	**172.28**	-	**-**	**172.28**
Addition/Disposal	-	-	-	-	-	-	-	**-**	-	-	**-**
Impairment as at 31st March, 2019	**-**	**-**	**172.28**	**-**	**-**	**-**	**-**	**172.28**	**-**	**-**	**172.28**
Accumulated Depreciation										**-**	
Balance as at 1st April, 2017	**-**	**3,388.20**	**19,156.67**	**565.86**	**46.90**	**360.45**	**8.55**	**23,526.63**	**269.82**	**269.82**	**23,796.45**
Depreciation during the year	-	1,758.11	13,495.67	150.51	24.79	210.04	4.28	**15,643.39**	122.41	122.41	**15,765.80**
Adjustment/Deduction during the year	-	(46.53)	(18.97)	(0.00)	-	(0.87)	-	**(66.37)**	-	-	**(66.37)**
Balance as at 31st March, 2018	**-**	**5,099.78**	**32,633.37**	**716.37**	**71.69**	**569.62**	**12.83**	**39,103.65**	**392.23**	**392.23**	**39,495.88**
Depreciation during the year	-	1,793.25	14,405.48	159.98	26.64	213.85	8.29	**16,607.49**	128.16	128.16	**16,735.65**
Adjustment/Deduction during the year	-	-	(1.24)	(0.00)	-	(0.67)	(4.26)	**(6.17)**	-	-	**(6.17)**
Balance as at 31st March, 2019	**-**	**6,893.03**	**47,037.61**	**876.35**	**98.33**	**782.80**	**16.86**	**55,704.97**	**520.39**	**520.39**	**56,225.36**
Net Block as at 31st March, 2018	**20,435.96**	**28,860.12**	**2,10,071.84**	**673.36**	**230.21**	**1,223.05**	**19.27**	**2,61,513.80**	**481.30**	**481.30**	**2,61,995.10**
Net Block as at 31st March, 2019	**20,435.96**	**27,305.44**	**2,07,341.05**	**513.38**	**206.95**	**1,050.00**	**70.47**	**2,56,923.24**	**390.04**	**390.04**	**2,57,313.28**

Notes:

1. The conveyance of title for 3.93 hectares of free hold land of value ₹157.30 Lakhs (for 2017-18 - 3.93 hectares of value ₹ 157.30 Lakhs) in favour of the Company are awaiting completion of legal formalities.
2. In accordance with the Indian Accounting Standard (Ind AS) 36) on "Impairment of Assets", the Company had carried out in earlier years an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, provision for impairment of Assets had been made. Primary reason being non renewal of Power Purchase Agreement (PPA) by GUVNL and there being no other significant cash flows in the near future for the respective assets.
3. The company has successfully commissioned 25 MW Solar Projects at Charanka location in the state of Gujarat during the financial year 2018-19.
4. The Company had elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning liabilities included in the cost of other Property Plant & Equipment (PPE) which has been adjusted in terms of para D 21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

5 (ii) Capital Work in Progress

ASSETS	Tangible Assets	Intangible Assets	Total
Balance as at 1st April, 2017	**2,390.74**	**55.20**	**2,445.94**
Additions during the year	34,189.62	111.39	34,301.01
Capitalised during the year	(36,104.70)	(27.67)	(36,132.37)
Balance as at 31st March, 2018	**475.66**	**138.92**	**614.58**
Additions during the year	29,268.01	3.78	29,271.79
Capitalised during the year	(13,117.14)	(36.90)	(13,154.04)
Balance as at 31st March, 2019	**16,626.53**	**105.80**	**16,732.33**

(₹ in Lakhs)

5a) Mine Development Assets

		As at 31st March, 2019	As at 31st March, 2018
(i)	**Initial Development Expenditure**		
	Opening Balance	**3,426.80**	4,076.28
	Amortised During the year	**(673.46)**	(649.48)
	Closing Balance	**2,753.34**	3,426.80
(ii)	**Asset For Decommissioning Liability ***		
	Opening Balance	**2,534.31**	6,334.70
	Effect of changes in estimates	**738.87**	(3,596.27)
	Depletion/Depreciation charged during the year	**(104.53)**	(204.12)
	Closing Balance	**3,168.65**	2,534.31
	TOTAL (i+ii)	**5,921.99**	5,961.11

*The Government of Gujarat vide its various orders have granted mining lease for lignite for 30 years from respective dates covering the area of 3565 hectares. The said lease provides to use all lignite excavated from the above area for captive use in existing / proposed power plants of the Group. The said areas include 80 hectares of land for lime stone also.

6 Non- Current Investments

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Investments in Equity Instruments		
QUOTED		
11,03,360 (31st March, 2018 : 11,03,360) Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	**5,447.29**	7,718.00
5,32,890 (31st March, 2018: 1,06,578) Equity Shares of Gujarat Gas Limited of ₹ 2/- each (PY ₹ 10/- each) (Fully paid) (Share split into 1:5 ratio)	**790.01**	884.81
TOTAL QUOTED	**6,237.30**	8,602.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
	UNQUOTED		
	With Associate		
	NIL (31st March, 2018 : 20,60,80,000) Equity Shares of Bhavnagar Energy Company Limited of ₹ 10 each (Fully paid) (refer note 39a)	**13,959.92**	20,608.00
	Less: Share of Loss of Associate on Consolidation	**-**	7,848.08
	Less: Loss on Extinguishment of Investment in Associate	**13,959.92**	-
		-	12,759.92
	Share Application Money (Pending Allotment)	-	1,200.00
	Total With Associate	-	13,959.92
	With Others		
	97,18,181 (31st March, 2018 : 97,18,181) Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid) (Refer note (c))	**513.12**	372.21
	1,00,00,000 (31st March, 2018 : 1,00,00,000) Equity Shares of GSPC LNG Limited of ₹ 10/- each (Fully paid)	**2,205.00**	1,973.00
	1 (31st March, 2018 : NIL) Equity Shares of Gujarat State Electricity Company Limited of ₹ 10/- each (Fully paid) (refer note 38a)	**0.00**	-
	TOTAL UN-QUOTED	**2,718.12**	16,305.13
	TOTAL INVESTMENT	**8,955.42**	24,907.94
a	Aggregate cost of quoted investments	**561.68**	561.68
	Aggregate market value of quoted investments	**6,237.30**	8,602.81
	Aggregate carrying value of unquoted investments	**2,718.12**	16,305.13

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
b	**Other investments**		
	Financial assets carried at fair value through other comprehensive income		
	Investment in equity instruments		
	- Gujarat Alkalies and Chemicals Limited	**5,447.29**	7,718.00
	- Gujarat Gas Limited	**790.01**	884.81
	- Gujarat State Energy Generation Limited	**513.12**	372.21
	- GSPC LNG Limited	**2,205.00**	1,973.00
	- Gujarat State Electricity Company Limited	**0.00**	-
	TOTAL	**8,955.42**	10,948.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
7	**Loans**			
	Unsecured Considered good			
	Other loans & Advances		**4.00**	4.00
		TOTAL	**4.00**	4.00
8	**Other Financial Assets**			
	Unsecured Considered good			
	Escrow Account (Mines Closure)		**10,207.63**	7,719.57
	Security Deposits		**109.54**	110.46
		TOTAL	**10,317.17**	7,830.03
9	**Other Non Current Assets**			
	Secured (Considered good)			
	Capital Advance		**593.61**	2,814.69
	Unsecured (Considered good)			
	Capital Advance		**782.13**	778.08
	Prepayments *		**12,679.03**	8,931.38
	Others		**148.77**	148.77
	Advance tax (net of provisions)		**2,859.27**	2,826.44
		TOTAL	**17,062.81**	15,499.36

* The Group has entered into various leasehold land agreements as a permitted transferee with GIDC/ erstwhile IPCL, Suzlon Gujarat Wind Park Limited, K.P.Energy Limited, Inox Infrastructure Services Limited, Leitwind Shriram Mfg. Limited and Gujarat Power Corporation Ltd.

10	**Inventories**			
	Raw Materials (Fuel)		**5,446.21**	4,370.59
	Stores and Spares		**11,110.92**	10,789.31
		TOTAL	**16,557.13**	15,159.90

Refer note 3(x) for valuation policy

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
11	**Trade Receivables**		
	Unsecured (Considered good)		
	Others	**21,441.22**	25,997.68
	TOTAL	**21,441.22**	25,997.68

Generally, the Group enters into long-term electrical energy sales arrangement with its customers. The credit period on sales of electrical energy is normally 30 to 60 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

As at 31st March, 2019 the Group had two customers (31st March, 2018 two customers) having outstanding more than 5% of total trade receivables that accounted for @ 83.88% (31st March, 2018 @ 89.37%) of total trade receivables outstanding.

Accordingly, the Group assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Group collects all its receivables from its customers within due date.

The Group has concentration of credit risk due to the fact that the Group has significant receivables from Public Sector Undertakings which is reputed and creditworthy undertaking.

12	**Cash And Cash Equivalents**		
	Cash on hand	**1.66**	1.76
	Balances with Banks:		
	- In current account	**10.68**	14.82
	- In deposit account	**26,048.00**	5,200.34
	- Others	**-**	2.20
	TOTAL	**26,060.34**	5,219.12

The deposits maintained by the Group with banks comprise time deposit, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

13	**Other Bank Balances**		
	Earmarked bank balances*	**170.06**	671.33
	TOTAL	**170.06**	671.33

* These balances pertains to amount deposited in unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.

14	**Current Loans**		
	Secured (Considered good)		
	Loan to Employees	**-**	0.05
	TOTAL	**-**	0.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
15	**Other Financial Assets**			
	Unsecured (Considered good)			
	Government grant receivable		-	5,509.60
	Other Receivables		**136.84**	179.16
	Contract Assets (Refer note no.47b)		**768.00**	-
	Interest Accrued		**172.47**	119.64
		TOTAL	**1,077.31**	5,808.40
16	**Current Tax Assets (Net)**			
	Advance tax (net of provisions)		-	0.07
		TOTAL	-	**0.07**
17	**Other Current Assets**			
	Unsecured (Considered good)			
	Prepayments (Refer note no. 9)		**408.68**	263.02
	Prepaid Expenses		**335.93**	273.53
	Balance with Govt. Authorities		**498.70**	373.33
	Other loans & Advances		**281.53**	165.74
	Unsecured (Considered doubtful)			
	Other Receivables		-	-
	Other loans & Advances		**37.50**	37.50
	Less: Provision for Impairment		**(37.50)**	(37.50)
		TOTAL	**1,524.84**	1,075.62
	Movement of Impairment :			
	Balance at the beginning of the year		**37.50**	-
	Provision during the year		-	37.50
	Balance at the end of the year		**37.50**	37.50
18	**Equity Share Capital**			
	Authorised			
	32,50,00,000 Equity Shares of ₹ 10/-each		**32,500.00**	32,500.00
	61,00,000 Cumulative Redeemable Preference Shares (With dividend not exceeding 15% p.a.) of ₹ 100/- each		**6,100.00**	6,100.00
		TOTAL	**38,600.00**	38,600.00
	Issued, Subscribed And Paid Up			
	15,12,51,188 Equity Shares of ₹ 10/-each fully paid		**15,125.12**	15,125.12
		TOTAL	**15,125.12**	15,125.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a) **A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:-**

Particulars	No. of shares	₹ in Lakhs
As at 1st April, 2017	15,12,51,188	15,125.12
Additions/(Reductions)	-	-
As at 31st March, 2018	15,12,51,188	15,125.12
As at 1st April, 2018	**15,12,51,188**	**15,125.12**
Additions/(Reductions)	**-**	**-**
As at 31st March, 2019	**15,12,51,188**	**15,125.12**

b) **List of share holders holding more than 5% shares**

Name of Share Holders	As at 31st March, 2019		As at 31st March, 2018	
	%	No. of shares	%	No. of shares
Gujarat Urja Vikas Nigam Limited	**25.38**	**3,83,84,397**	25.38	3,83,84,397
Gujarat Alkalies & Chemicals Limited	**15.27**	**2,30,88,980**	15.27	2,30,88,980
Gujarat State Fertilizers & Company Limited	**14.79**	**2,23,62,784**	14.79	2,23,62,784

c) **Right, preferences and restrictions attached to Equity shares :**

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

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
19 Other Equity		
Capital Redemption Reserve	**3,455.88**	3,455.88
Expansion Reserve	**98,000.00**	89,000.00
Securities Premium Account	**33,316.97**	33,316.97
General Reserve	**93,370.00**	84,370.00
Cash Flow Hedge Reserve	**-**	(22.72)
Retained earnings	**8,913.90**	6,399.31
Equity instruments through other comprehensive income	**4,892.05**	6,424.87
Share of OCI of associate	**-**	(0.73)
TOTAL	**2,41,948.80**	2,22,943.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Capital Redemption Reserve (Refer note 19 a)		
Balance at the beginning of the year	3,455.88	3,455.88
Addition/(Deduction) during the year	-	-
Balance at the end of the year	3,455.88	3,455.88
Expansion Reserve (Refer note 19 b)		
Balance at the beginning of the year	89,000.00	80,000.00
Addition/(Deduction) during the year	9,000.00	9,000.00
Balance at the end of the year	98,000.00	89,000.00
Securities Premium Account (Refer note 19 c)		
Balance at the beginning of the year	33,316.97	33,316.97
Addition/(Deduction) during the year	-	-
Balance at the end of the year	33,316.97	33,316.97
General Reserve (Refer note 19 d)		
Balance at the beginning of the year	84,370.00	75,370.00
Addition/(Deduction) during the year	9,000.00	9,000.00
Balance at the end of the year	93,370.00	84,370.00
Cash Flow Hedge Reserve (Refer note 19 e)		
Balance at the beginning of the year	(22.72)	-
Addition/(Deduction) during the year	22.72	(22.72)
Balance at the end of the year	-	(22.72)
Retained earnings		
Balance at the beginning of the year	6,399.31	12,750.68
Add : Profit for the year	25,475.91	16,604.78
Less : Liquidation expense (refer note 54)	2.58	-
Less : Remeasurement of Defined benefit plans	35.53	41.01
Less : Transfer to Expansion Reserve	9,000.00	9,000.00
Less : Transfer to General Reserve	9,000.00	9,000.00
Less : Dividend paid (Refer note no. 19 h)	4,083.78	4,083.78
Less : Corporate Dividend Tax paid	839.43	831.36
Balance at the end of the year	8,913.90	6,399.31
Equity instruments through other comprehensive income (Refer note 19 f)		
Balance at the beginning of the year	6,424.87	3,591.95
Add/(Less): Changes in Fair value of investment	(1,532.82)	2,832.92
Balance at the end of the year	4,892.05	6,424.87
Share of OCI of associate accounted for using equity method		
Balance at the beginning of the year	(0.73)	-
Add :Share of OCI income of Associates (will not be reclassified to profit or loss)	-	(0.73)
Less: Derecognition due to Extinguishment of Investment in Associate	(0.73)	-
Balance at the end of the year	-	(0.73)
TOTAL	2,41,948.80	2,22,943.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a. Capital Redemption Reserve represents reserve created initially at the time of redemption of 13% Cumulative Redeemable Preference Shares amounting to ₹ 5,005 Lakhs and at the time of redemption of 13.5% Cumulative Redeemable Preference shares amounting to ₹ 2,495 Lakhs. It was thereafter reduced by ₹ 4,044.12 Lakhs upon subsequent issue in October 2005 of 40,441,176 equity shares of ₹ 10 each.

b. Expansion reserve represents the amount kept aside for future expansion before distributing dividend from the distributable profit.

c. Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

d. The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of profit and loss.

e. The Group had taken a Foreign currency Non-repatriable (FCNR) loan during the previous year which exposed the Group to Foreign currency rate movements. In order to hedge the risk of foreign currency fluctuation; the Group had entered into foreign currency forward contracts on back to back basis. These hedge relationship was designated as cash flow hedge and the movements in both the hedged item – FCNR Loan and the hedging instruments – forward contracts was reflected in cash flow hedge per Group's accounting policy.

f. The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

g. The amount that can be distributed by the Group as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable entirely.

h. On 27th September, 2018, a dividend of ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakhs) was paid to holders of fully paid equity shares. On 21st September, 2017, the dividend was paid @ ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakhs).

i. In respect of the year ended 31st March, 2019, the Board of Directors has proposed a final dividend of ₹ 2.90/- per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 4,386.28 Lakhs and the dividend distribution tax thereon amounts to ₹ 901.61 Lakhs.

(₹ in Lakhs)

			As at 31st March, 2019	As at 31st March, 2018
20	**Deferred Government Grant**			
	Government Grant towards Capital Assets		**5,921.25**	6,263.55
		TOTAL	**5,921.25**	6,263.55
	Deferred Government Grant			
	Opening balance		**6,263.55**	952.65
	Add : Receivable during the year		**-**	5,509.60
	Less : Transferred to Statement of Profit and Loss		**(342.30)**	(198.70)
	Closing Balance		**5,921.25**	6,263.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
21	**Non- Current Financial Liabilities**		
	BORROWINGS		
	Secured Loans		
	Term Loan From Banks	**36,658.50**	36,128.72
	TOTAL	**36,658.50**	36,128.72

a) The Term Loans from Banks are secured by way of first mortgage and charge created/ to be created, ranking pari passu, on all immovable properties i.e. fixed assets, both present and future, pertaining to the Group's Plants(Phase II - Unit 3 and 4,Wind projects and Solar Projects). Further, the Term Loan from Banks are secured by a first charge by way of hypothecation of all the movable (save and except Book Debts) including tangible movable machinery, spares ,tools and accessories, both present and future, ranking pari passu, subject to prior charge created/to be created on current assets and receivables in favour of Group's Bankers for working capital arrangement, pertaining to the Group's Plants (Phase II - Unit 3 and 4,Wind projects and Solar Projects).

b) **Term Loans from Banks consists of the following:**

(₹ in Lakhs)

Name of Banks	As at 31st March, 2019	Current Maturities of Loan	As at 31st March, 2018	Current Maturities of Loan in PY
Axis Bank [1]	**10,210.00**	**1,520.00**	1,110.98	1,110.98
Bank of Baroda [2]	**1,250.00**	**1,000.00**	-	-
Central Bank of India (a)	**1,000.00**	**1,000.00**	2,000.00	1,000.00
Central Bank of India (b)	**2,250.00**	**-**	-	-
State Bank of India (erstwhile State Bank of Bikaner & Jaipur)	**625.00**	**500.00**	1,125.00	500.00
State bank of India (c)	**5,630.50**	**5,512.00**	11,142.50	5,512.00
State Bank of India (erstwhile State Bank of Saurashtra)	**625.00**	**500.00**	1,125.00	500.00
State Bank of India [3] (d)	**27,300.00**	**2,700.00**	30,000.00	4,251.78
Union Bank of India	**2,500.00**	**2,000.00**	4,500.00	2,000.00
	51,390.50	**14,732.00**	**51,003.48**	**14,874.76**

[1] Current Maturity based on sanctioned terms
[2] Refer note 25 below
[3] Current Maturity based on sanctioned terms

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c) **The terms of repayment of the above loans are as follows:**

Name of Banks	No of quarterly Instalments outstanding after 31st March, 2019	Amount of Instalments per quarter (₹ in Lakhs)	Rate of Interest (Based on MCLR)	Date of Maturity
Axis Bank	26	380.00	8.35%	30th June, 2028
	1	330.00		
Bank of Baroda	5	250.00	8.30%	30th June, 2020
Central Bank of India (a)	4	250.00	8.20%	31st March, 2020
Central Bank of India (b)	59	407.00	8.20%	31st March, 2035
	1	387.00		
State Bank of India (erstwhile State Bank of Saurashtra)	5	125.00	8.25%	30th June, 2020
State bank of India (c)	4	1378.00	8.55%	30th June, 2020
	1	118.50		
State Bank of India (erstwhile State Bank of Bikaner & Jaipur)	5	125.00	8.25%	30th June, 2020
State Bank of India (d)	20	675.00	8.38%	31st March, 2028
	8	825.00		
	8	900.00		
Union Bank of India	5	500.00	8.50%	30th June, 2020

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
22	**Other Financial Liabilities**		
	Security deposits	**791.66**	887.71
	Others	**-**	1.32
	TOTAL	**791.66**	889.03
23	**Long Term Provisions**		
	Employee Benefits (Refer note 46)	**4,873.20**	4,343.64
	Provision for decommissioning of Mines	**9,776.17**	8,418.87
	TOTAL	**14,649.37**	12,762.51
a)	**Provision for decommissioning of Mines**		
	Opening Balance	**8,418.87**	11,187.48
	Unwinding of Interest	**618.45**	827.65
	Effect of changes in estimates	**738.87**	(3,596.27)
	Closing Balance	**9,776.17**	8,418.87
	Current provision	**-**	-
	Non Current Provision	**9,776.17**	8,418.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) TThe Group estimates provision for decommissioning as per the principles of Ind AS 37 for the future closure of Mines at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the closure events occur which are uncertain. Costs for decommissioning are changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Mines is estimated on the basis of lignite reserve available in the Mining Lease area allocated. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

24 Deferred Tax Liabilities (Net)

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

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	**1,632.23**	1,620.50
Deferred tax liabilities	**(25,891.16)**	(25,890.15)
TOTAL	**(24,258.93)**	(24,269.65)

b) Major Components of Deferred Tax Assets and Liabilities :

As at 31st March, 2019	**Opening balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Defined benefit obligation	1,620.50	(7.35)	19.08	1,632.23
MAT Credit availed	-	-	-	-
TOTAL Deferred Tax Assets	**1,620.50**	**(7.35)**	**19.08**	**1,632.23**
Deferred Tax Liabilities				
Property, plant and equipment	23,620.16	475.62	-	24,095.78
Equity Instruments at FVTOCI	1,942.46	-	(459.78)	1,482.68
Expenses/ Provisions allowable on payment basis	327.54	(14.83)	-	312.71
TOTAL Deferred Tax Liabilities	**25,890.15**	**460.79**	**(459.78)**	**25,891.16**
Net Deferred Tax Liabilities	**(24,269.65)**	**(468.14)**	**478.86**	**(24,258.93)**

As at 31st March, 2018	**Opening balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Defined benefit obligation	1,478.72	119.75	22.03	1,620.50
TOTAL Deferred Tax Assets	**1,478.72**	**119.75**	**22.03**	**1,620.50**
Deferred Tax Liabilities				
Property, plant and equipment	22,947.69	672.47	-	23,620.16
Equity Instruments at FVTOCI	1,250.92	-	691.54	1,942.46
Expenses/ Provisions allowable on payment basis	335.55	(8.01)	-	327.54
TOTAL Deferred Tax Liabilities	**24,534.16**	**664.46**	**691.54**	**25,890.15**
Net Deferred Tax Liabilities	**(23,055.44)**	**(544.71)**	**(669.51)**	**(24,269.65)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c. **Unused Tax Credit (MAT Credit) for which no deferred tax asset is recognised is as follows:**

(₹ in Lakhs)

Assessment year (A.Y.) to which MAT credit pertains	Year of Expiry (AY)	As at 31st March 2019	As at 31st March 2018
2011-12	2026-27	1,326.64	1,326.64
2012-13	2027-28	2,822.04	2,822.04
2013-14	2028-29	1,969.73	1,969.73
2014-15	2029-30	832.01	832.01
2016-17	2031-32	1,700.33	1,700.33
2017-18	2032-33	1,228.83	1,228.83
2018-19	2033-34	1,198.90	1,177.08
TOTAL		**11,078.48**	11,056.66
Less: Mat Credit Utilised During the year		**4,601.70**	-
TOTAL		**6,476.77**	11,056.66

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

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
25	**Other Non-Current Liabilities**		
	Advance From Customers	**8.54**	8.19
	Provision for tax (net of advances)	**8.20**	5.52
	TOTAL	**16.74**	13.71
26	**Current Financial Liabilities - Borrowings**		
	Secured Loans :		
	Working Capital Loans from Banks	**5,887.52**	8,377.94
	Bank Of Baroda - FCNR	**-**	2,281.09
	TOTAL	**5,887.52**	10,659.03

The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capital facilities for Group's Plants at Baroda and Surat. These facilities are secured by a first charge by way of hypothecation in favour of Banks on the Group's current assets and receivables, both present and future, ranking pari passu inter se, the members of the consortium relating to the respective Plants.

During the previous year, then existing Bank Of Baroda Long Term Loan had been converted into 6 months Foreign Currency Non - Repatriable loan (FCNR) with roll over at every 6 months. After end of six months in the current year it was again converted to Rupee Long term loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
27	**Trade Payable**		
a	Micro and Small Enterprises	**77.98**	70.49
	Other than Micro and Small Enterprises	**15,104.85**	10,068.89
	TOTAL	**15,182.83**	10,139.38

b The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. Further information of the same is as follows:-

	As at 31st March, 2019	As at 31st March, 2018
Trade payables -Total outstanding dues of Micro & Small enterprises		
(a) Principal & Interest amount remaining unpaid but not due as at year end		
- Principal	**77.98**	70.49
- Interest		
(b) Interest paid by the Group in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) Interest accrued and remaining unpaid as at year end	-	-
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

		As at 31st March, 2019	As at 31st March, 2018
28	**Other Financial Liabilities**		
	Current Maturities of long term debts	**14,732.00**	14,874.76
	Interest Accrued but not due on borrowings	**0.33**	27.64
	Interest Accrued and due on borrowings	**-**	8.88
	Items covered by IEPF		
	- Unclaimed Dividends	**170.06**	671.33
	Security Deposits	**730.65**	277.78
	Other Payable	**1,926.10**	1,258.95
	Liability for Capital Goods	**3,320.56**	2,632.57
	TOTAL	**20,879.70**	19,751.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
29	**Other Current Liabilities**		
	Statutory Dues	**352.43**	600.29
	Liquidated Damage from vendors	**701.83**	10,094.40
	Advance from customer	**27.35**	85.49
	TOTAL	**1,081.61**	10,780.18
30	**Short Term Provisions**		
	Employee Benefits (refer note 46)	**372.42**	438.92
	TOTAL	**372.42**	438.92
31	**Current Tax Liabilities (Net)**		
	Provision for tax (net of advance tax)	**363.45**	578.96
	TOTAL	**363.45**	578.96

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
32	**Revenue From Operations**		
	Sale of Electrical Energy (refer note no. 47a)	**1,40,055.85**	1,34,808.45
	Sale of services	**25.15**	20.35
	Other operating Revenues	**654.26**	555.04
	TOTAL	**1,40,735.26**	1,35,383.84
33	**Other Income**		
	Interest on Deposits with Banks	**1,198.66**	473.80
	Dividend	**75.98**	58.37
	Other Interest	**15.95**	0.02
	Interest on Income Tax Refund	**152.77**	-
	Liquidated Damages	**9,765.29**	4,046.22
	Miscellaneous Income	**471.64**	547.91
	TOTAL	**11,680.29**	5,126.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
34	**Cost Of Material Consumed**		
	Consumption of		
	- Gas	**31,577.23**	22,252.92
	- Lignite	**38,832.35**	46,115.02
	- Lime Stone	**1,140.03**	1,208.31
	- Furnace oil	**1,217.07**	1,011.86
	- Coal	**-**	2,999.70
	Lignite Extraction Expenses	**21,352.15**	23,806.91
	Less : Inter Division transfer	**32,123.95**	35,464.43
	TOTAL	**61,994.88**	61,930.29
35	**Generation Expenses**		
	Consumption of Stores and Spares	**2,956.18**	3,595.44
	Water Charges	**1,951.84**	1,762.43
	Electricity Charges	**1,059.49**	1,039.56
	Insurance	**1,082.71**	1,209.34
	Operation Expenses	**3,220.80**	2,714.35
	Repairs and Maintenance to Plant and Machinery	**957.92**	1,288.88
	TOTAL	**11,228.94**	11,610.00
36	**Employees Benefit Expenses**		
	Salary and Wages	**6,331.95**	6,815.47
	Contribution to Provident , Pension and Superannuation Fund	**471.61**	450.20
	Welfare Expenses and Other Benefits	**1,953.60**	1,805.02
	TOTAL	**8,757.16**	9,070.69
37	**Finance Cost**		
	Interest on		
	- Term Loans	**4,179.89**	4,228.14
	- Working Capital Loans	**58.26**	174.52
	- Others	**1.06**	9.48
	- Unwinding of discount on Decommissioning liability	**618.45**	827.65
	Bank Charges and Commission	**173.97**	445.26
	TOTAL	**5,031.63**	5,685.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
38	**Other Expenses**		
	Repairs and Maintenance		
	- Buildings	**366.98**	442.74
	- Others	**134.04**	116.88
	Rent	**344.95**	293.59
	Rates and Taxes	**258.46**	286.28
	Communication Expenses	**44.00**	54.30
	Travelling & Conveyance Expenses	**354.23**	330.53
	Legal, Professional and Consultancy Fees	**132.47**	282.97
	CSR Expenditure (Refer below note)	**590.07**	561.26
	Provision for impairment of Asset		
	- Equity Instrument	-	37.50
	Miscellaneous Expenses*	**1,712.76**	2,088.18
	TOTAL	**3,937.96**	4,494.23

*None of the items individually account for more than 1% of Revenue from operation.

	Details of CSR Expenditure are as under:		
	Gross Amount required to be spent	**590.39**	544.11
	Amount Spent		
	a) Construction/acquisition of any Asset		
	- in Cash	-	-
	- yet to be paid in Cash	-	-
	TOTAL	-	-
	b) On purposes other than (a) above		
	- in Cash	**590.07**	561.26
	- yet to be paid in Cash	-	-
	TOTAL	**590.07**	**561.26**

39	**Exceptional Items**		
	Loss on Extinguishment of Investment in Associate	**13,959.92**	-
	Loss of Share of OCI income of Associates	**0.73**	-
	TOTAL	**13,960.65**	-

a. The Company had investment in equity shares of Bhavnagar Energy Company Limited (BECL) (a subsidiary of Gujarat Power Corporation Limited which is a wholly owned Government of Gujarat undertaking), a Company controlled by Government of Gujarat. BECL has been merged with Gujarat State Electricity Corporation Ltd. (GSECL), a wholly owned subsidiary of Gujarat Urja Vikas Nigam Ltd. vide the Government of Gujarat (GoG) Notification dated 27th August 2018, published in Gujarat Government Gazette under Gujarat Electricity Industry (Reorganization & Regulation), Act, 2003, notified the Scheme called Gujarat Electricity Reform (Transfer of General Undertakings) Scheme, 2018. BECL is merged with GSECL wef 1st April, 2018. As per this Notification, shareholders of BECL, including our Company, are entitled to receive only 1 equity share of GSECL as consideration and in extinguishment of their rights as shareholder of BECL. It may be noted that the transfer of the undertakings under the notified scheme was provisional for a period of twelve months from the date of the transfer i.e. up to 31st March, 2019 and the GoG had the power to alter the terms and conditions till that time. Till the date of approval of financial statements, there is no change in the status. The Company is yet to receive the equity share from GSECL as of the date of these financial statements.

However, as a consequence of the aforesaid Scheme, the Group's shareholding in BECL is extinguished and hence the carrying value of investment in BECL of ₹ 13960.65 lakhs (net of the share in accumulated reserves of associate of ₹ 7847.35 lakhs) as on the date of notification is recognized as a loss in the value of investment and reflected as an exceptional item in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
40	**Tax Expense**		
a.	**Current tax in relation to**		
	- current year	**9,482.04**	6,753.13
	- earlier year	**(160.24)**	-
	Deferred tax		
	- current year	**(4,601.70)**	544.71
	- MAT credit	**468.14**	-
	TOTAL	**5,188.24**	7,297.84
b.	**The income tax expense for the year can be reconciled to the accounting profit as follows:-**		
	Profit before tax before exceptional items	**44,624.80**	31,749.96
	Less: Share of Losses of previous years of Associate	**7,847.35**	-
	Less: Exceptional item		
	- Loss on Extinguishment of Investment in Associate	**13,960.65**	-
	Profit before tax after exceptional items	**22,816.80**	31,749.96
	Income tax expense at 34.944%	**7,973.03**	10,987.83
	Effect of Income exempt under Income Tax	**(26.55)**	(20.20)
	Tax deduction in respect of profit from eligible power generation undertaking u/s 80IA	**(6,908.56)**	(5,706.63)
	Expenses not allowable under Income Tax	**7,884.35**	277.34
	Effect of depreciation	**555.41**	37.71
	Effect of depreciation	**4.37**	-
	Tax on normal provision	**9,482.04**	5,576.04
	Additional tax payable under MAT*	**-**	1,177.08
	Income tax expense in recognized in statement of profit and loss	**9,482.04**	6,753.13
	*The Group is entitled to the MAT credit under the provisions of the Income-tax Act, 1961. In absence of reasonable certainty, the management does not recognise the MAT credit entitlement. However the Group recognises MAT credit as and when utilised, current year MAT credit utilisation is ₹ 4601.70 Lakhs.		
c.	**Income tax recognised in other comprehensive income (OCI):-**		
	Deferred tax arising on income and expense recognised in OCI		
	Remeasurement of Defined benefit plans	**(19.08)**	(22.03)
	Gain /Loss on Equity instruments through Other comprehensive income	**(459.78)**	691.54
	TOTAL Income tax recognised in OCI	**(478.86)**	669.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

			For the year ended 31st March, 2019	For the year ended 31st March, 2018
41	**In accordance with Ind AS 33 – 'Earnings Per Share', the Basic and Diluted Earning Per Share (EPS) has been calculated as under :**			
	Profit available to equity shareholders (₹ in Lakhs)		**25,475.91**	16,604.77
	Weighted Average number of equity shares		**15,12,51,188**	15,12,51,188
	Earning Per Share of ₹ 10/- each			
	Basic (₹)		**16.84**	10.98
	Diluted (₹)		**16.84**	10.98

			As at 31st March, 2019	As at 31st March, 2018
42	**Commitments :**			
	a	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	**4,024.07**	28,074.65
	b	The Company has committed to invest in the Equity Share Capital of Bhavnagar Energy Company Limited (BECL) (CIN: U40102GJ2007SGC051396), as and when required, to the tune of ₹ 22,000 Lakhs (P.Y. ₹ 22,000 Lakhs). Out of this, ₹ 21,808 Lakhs (P.Y. ₹ 21,808 Lakhs) has been paid. The Company has also committed to contribute towards Sub Debt financing to the tune of ₹ 2,000 Lakhs (P.Y. ₹ 2,000 Lakhs). In addition to the above, the Company has committed to contribute towards cost overrun in future, if any, which will be partly by way of contribution towards Equity and partly towards Sub Debt financing.	**-**	2,192.00
	c	Share in Commitments of Associate Company (Based on audited Results 2016-17) Estimated Contracts remain to be executed - Not provided for	**-**	7,427.39
43	**Contingent Liabilities not provided for** :			
	a	Claims against Group pending before court (includes certain claims where the amount cannot be ascertained) :-		
		- By vendors against contractual obligations.	**2935.04**	9.04
		- By Ex-employee against recovery of notice period	**1.02**	1.02
	b	Demand for Water Reservation Charges and interest thereon from Narmada Water Resources and Water Supply Department relating to Surat Lignite Power Plant is contested and not acknowledged as debt since at the relevant time project was under implementation and regular drawl of water was not made.	**879.90**	878.87
	c	In respect of following cases of land acquisition, various claims are pending against the Group. Depending upon the final compensation amount that may be determined by the Competent Court, the cost of land may change requiring appropriate adjustment then:		
		- Leasehold land of 165 MW Baroda	**10.60**	218.60
		- Freehold land at Surat Lignite Power Stations	**483.28**	503.15
	d	Income Tax Demand contested in Appeal.	**2,651.61**	2,673.08
	e	Demand of Property Tax under discussion with Grampanchayat, Nani Naroli, Dist.Surat.	**164.00**	147.50
	f	Liability likely to arise on account of transportation charges for gas which is under dispute.	**448.50**	448.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
g	The Group has been recovering the corporate action on the share holding of Petrofils Cooperative Ltd. A portion of the said shareholding is under dispute at High Court of Gujarat. Subject to its final outcome, the Group may be directed by the Honorable Court to make a payment towards the portion of such recovery.	**-**	Amount not ascertainable
h	Cases pending at the High Court of Gujarat for regularization of contract workmen.	**Amount not ascertainable**	Amount not ascertainable
i	The Interest claimed by M/s GAIL in respect of demand towards the "Pay for if not taken liability " on account of R-LNG Contract which the Company has entered in to with M/s GAIL to partially meet with its Fuel (Gas) requirement.	**134.00**	134.00
j	Claims and disputes raised by Mines Developer and Operator Contractor of Vastan South Pit on account of change in stripping ratio and diesel price escalation.	**9,829.38**	9,829.38
k	Excise duty including interest and penalty on captive consumption of lignite.	**387.97**	213.09
l	LService tax including penalty on Liquidated Damages levied on Bharat Heavy Electricals Ltd. (BHEL)	**856.84**	-
m	**Details of Contingent Liabilities of Associates (to the extent of share in associate) (Based on audited Results 2016-17)**		
i.	Liquidated Damages leviable by Gujarat Urja Vikas Nigam Limited as per PPA	-	4080.17
ii.	Differential amounts due to admissibility of Service Tax charged by the contractors but not acknowledged as debt.	-	7329.13
iii.	Land Acquisition: Demand for upward revision - Not acknowledged as debt.	-	33.78
iv.	Claims by vendors against contractual obligation	-	7840.34
v.	Compensation to farmers towards damage of Trees and damage of fencing, earthen bund, etc for laying 610 mm dia /700 mm dia MS pipe line for sweet water	-	0.57

		For the year ended 31st March, 2019	For the year ended 31st March, 2018
44	**Payment to Auditors (Fees excluding tax)**		
	Statutory Auditors		
-	As Auditor	**12.75**	13.00
-	For Taxation Service	**2.51**	1.20
-	Other Services	**1.20**	0.75
-	Reimbursement of Expenses	**0.14**	0.21
	TOTAL	**16.59**	15.16
	Cost Auditors		
-	As Auditor	**1.25**	1.25
	TOTAL	**1.25**	1.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 Related Party Disclosures

a) Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties:

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Ltd	Entity having Significant Influence
GIPCL Provident Fund Trust	Enterprise over which KMP is having Significant Influence
Smt. Sonal Mishra	Key Management Personnel (KMP) till 19th May, 2017
Smt. Shahmeena Hussain	Key Management Personnel (KMP) till 20th August, 2018
Smt. Vatsala Vasudeva	Key Management Personnel (KMP) w.e.f. 20th August, 2018
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	Enterprise over which KMP is having Significant Influence
Urja Foundation - Welfare Trust formed by the company.	Enterprise over which KMP is having Significant Influence
Gujarat Mineral Development Corporation Ltd.	Enterprise over which KMP is having Significant Influence till 19.05.2017
Gujarat Green Revolution Company Ltd.	Enterprise over which KMP is having Significant Influence till 20.08.2018
Shri Sujit Gulati, IAS	Chairman upto 16th July, 2018
Shri Rajgopal	Chairman w.e.f. 7th August, 2018 upto 31st January, 2019
Shri Pankaj Joshi, IAS	Director
Shri P K Gera, IAS	Director
Prof. Shekhar Chaudhari	Director
Dr. K M Joshi	Director
Shri S B Dangyach	Director
Shri B A Prajapati	Director
Shri Milind Torawane	Director
Shri N N Mishra	Director
Shri V V Vachhrajani	Director
Shri Jankiraman	Director upto 10th May, 2018
Shri Prabhat Singh	Director w.e.f. 30th September, 2018
Shri Sanjeev Kumar	Director upto. 22nd June, 2017
Shri Shri S M Awale	Director upto. 9th August, 2017
Shri G S Chahal	Chief Financial Officer upto 4th December, 2017
Shri K K Bhatt	Chief Financial Officer w.e.f. 8th December, 2017
Shri A C Shah	Company Secretary upto 11th March, 2018
Smt. Swati Desai	Company Secretary upto 26th October, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	KMP	Enterprise over which KMP is having Significant Influence	Total
Transactions during the year				
Sale of Electricity Energy (Net of Adjustment)	**99,427.42**	-	-	**99,427.42**
	(1,08,981.75)	-	-	(1,08,981.75)
Gujarat Urja Vikas Nigam Limited	**99,427.42**	-	-	**99,427.42**
	(1,08,981.75)	-	-	(1,08,981.75)
Bill Discounting Charges Recovered	**346.64**	-	-	**346.64**
	(96.25)	-	-	(96.25)
Gujarat Urja Vikas Nigam Limited	**346.64**	-	-	**346.64**
	(96.25)	-	-	(96.25)
Rebate on Sales	**1,008.03**	-	-	**1,008.03**
	(1,010.86)	-	-	(1,010.86)
Gujarat Urja Vikas Nigam Limited	**1,008.03**	-	-	**1,008.03**
	(1,010.86)	-	-	(1,010.86)
Dividend Paid	**1,036.38**	-	-	**1,036.38**
	(1,036.38)	-	-	(1,036.38)
Gujarat Urja Vikas Nigam Limited	**1,036.38**	-	-	**1,036.38**
	(1,036.38)	-	-	(1,036.38)
Remuneration	-	**61.62**	-	**61.62**
	-	(77.48)	-	(77.48)
Smt Shahmeena Hussain	-	**0.48**	-	**0.48**
	-	-	-	-
Smt Vatsala Vasudeva	-	**17.11**	-	**17.11**
	-	-	-	-
Smt Sonal Mishra	-	-	-	-
		(3.11)	-	(3.11)
Shri G S Chahal	-	-	-	-
		(19.63)	-	(19.63)
Shri K K Bhatt	-	**29.52**	-	**29.52**
	-	(4.67)	-	(4.67)
Shri A C Shah	-	-	-	-
		(48.46)	-	-
Smt. Swati Desai	-	**14.51**	-	**14.51**
	-	(1.60)	-	(1.60)
Perquisites	-	**1.75**	-	**1.75**
	-	-	-	-
Smt Vatsala Vasudeva	-	**1.75**	-	**1.75**
	-	-	-	-
Contribution made by compnay	-	-	**349.11**	**349.11**
	-	-	(327.04)	(327.04)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	KMP	Enterprise over which KMP is having Significant Influence	Total
GIPCL Provident Fund Trust	-	**-**	**349.11**	**349.11**
	-	-	(327.04)	(327.04)
Contribution Towards CSR Activities	**-**	**-**	**475.05**	**475.05**
	-	-	(500.70)	(500.70)
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	**-**	**-**	**475.05**	**475.05**
	-	-	(500.70)	(500.70)
Purchase of Lignite	**-**	**-**	**-**	**-**
	-	-	(479.00)	(479.00)
Gujarat Mineral Development Corporation Ltd.	**-**	**-**	**-**	**-**
	-	-	(479.00)	(479.00)
Sitting Fees Paid To Directors	-	**8.60**	**-**	**8.60**
	-	(12.50)	-	(12.50)
Shri Sujit Gulati, IAS*	-	**0.30**	**-**	**0.30**
	-	(0.80)	-	(0.80)
Shri Pankaj Joshi, IAS*	-	**0.50**	**-**	**0.50**
	-	(0.60)	-	(0.60)
Shri P K Gera, IAS*	-	**0.10**	**-**	**0.10**
	-	(0.80)	-	(0.80)
Shri Sanjeev Kumar,IAS*	-	-	-	-
	-	(0.10)	-	(0.10)
Prof. Shekhar Chaudhari	-	**0.40**	**-**	**0.40**
	-	(0.70)	-	(0.70)
DR. K M Joshi	-	**2.40**	**-**	**2.40**
	-	(3.20)	-	(3.20)
Shri S B Dangyach	-	**1.50**	**-**	**1.50**
	-	(1.30)	-	(1.30)
Shri B A Prajapati	-	**1.70**	**-**	**1.70**
	-	(1.80)	-	(1.80)
Shri Milind Torawane,IAS*	-	**0.40**	**-**	**0.40**
	-	(0.30)	-	(0.30)
Shri Jankiraman	-	-	-	-
	-	(0.30)	-	(0.30)
Shri N N Mishra	-	**0.50**	**-**	**0.50**
	-	(0.90)	-	(0.90)
Shri Raj Gopal	-	**0.30**	**-**	**0.30**
	-	-	-	-
Shri S M Awale	-	-	-	-
	-	(0.50)	-	(0.50)
Shri V V Vachhrajani	-	**0.50**	**-**	**0.50**
	-	(1.20)	-	(1.20)

*Deposited to Government Treasury

(Previous Year figures are in bracket.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Balance as at: (₹ in Lakhs)

Receivable	Relationship	As at 31st March, 2019	As at 31st March, 2018
Gujarat Urja Vikas Nigam Limited	Entity having Significant Influence	**15,456.83**	21,326.43
GIPCL Provident Fund Trust	Entity having Significant Influence	**129.92**	100.00
		15,586.75	21,426.43

46 Post Employment Benefits:

a) Defined Contribution plans:

The Group makes contributions towards provident fund, pension scheme and Superannuation Fund to Defined Contribution retirement benefit plan for qualifying employees.

The Group pays fixed contribution to fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Group is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India.

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:(i)Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:(ii) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.(iii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.(iv) Fixation of rate of interest to be credited to members' accounts.

The provident fund plan is operated by the Gujarat Industries Power Company Ltd. Provident Fund Trust (the Trust). Eligible employees receive benefits from the said trust which is a defined contribution plan. Under the plan, the Group is required to contribute a specified percentage of employee's salary to the retirement benefit plan to fund the benefits. The Group has recognised ₹ 349.11 Lakhs (P.Y. ₹ 327.04 Lakhs) for Provident Fund contributions and ₹ 76.41 Lakhs (P.Y. ₹ 78.35 Lakhs) for Pension Scheme in the Statement of Profit and Loss.

The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The superannuation fund plan is operated by Life Insurance Corporation of India (LIC) under its scheme of superannuation. The eligible employees receive benefit under the said scheme from LIC. Under the plan, the Group is required to contribute a specified percentage of employee's basic salary to the retirement benefit plan to fund the benefits. The Group has recognised ₹ 46.10 Lakhs (P.Y. ₹ 44.80 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

b Defined benefit plans

Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – Earned Leave balance subject to a minimum available 45 days per calendar year. Encashment on retirement – maximum 300 days

Sick Leave benefit

Accrual- 10 days per year

The leave is encashable.Leave encashment occurs due to retirement and death. There is no limit on maximum accumulation of leave days

The Group has recognised ₹ 461.21 Lakhs (P.Y. ₹ 419.87 Lakhs) towards Leave encashment (including Earned Leave and Sick Leave).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The provision towards the Leave Encashment is as under. (₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Current	223.40	246.26
Non-Current	2,220.67	1,980.93
TOTAL	**2,444.07**	**2,227.19**

Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is at actual on superannuation, resignation, termination, disablement or on death.

Scheme is not funded. The liability for gratuity as above is recognised on the basis of actuarial valuation.

Post-Retirement Medical Benefits

The Group has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided with reimbursement of Insurance Premium restricted to ₹ 10000/-. The liability for the same is recognised annually on the basis of actuarial valuation. An employee should have put in a minimum of 10 years of service rendered in continuity in GIPCL at the time of superannuation to be eligible for availing post-retirement medical facilities.

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2019 by Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Particulars	For the year ended 31st March	
	2019	2018
Type of Benefit	**Gratuity**	Gratuity
Country	**India**	India
Reporting Currency	**INR**	INR
Reporting Standard	**Indian Accounting Standard 19 (Ind AS 19)**	
Funding Status	**Unfunded**	Unfunded
Starting Period	**1st April, 2018**	1st April, 2017
Date of Reporting	**31st March, 2019**	31st March, 2018
Period of Reporting	**12 Months**	12 Months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31st March	
	2019	2018
Assumptions (Current Period)		
Expected Return on Plan Assets	**N.A.**	N.A.
Rate of Discounting	**7.76%**	7.78%
Rate of Salary Increase	**6.00%**	6.00%
Rate of Employee Turnover	**2.00%**	2.00%
Mortality Rate During Employment	**Indian Assured Lives Mortality (2006-08)**	
Mortality Rate After Employment	**N.A.**	N.A.

(₹ in Lakhs)

Particulars	Gratuity (Non Funded)		Post Retirement Medical Benefit Plan (Non Funded)	
	For the year ended 31st March		For the year ended 31st March	
	2019	**2018**	**2019**	**2018**
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit obligation				
Present Value of Defined Benefit obligation at beginning of the year	**2,410.24**	2,193.01	**145.12**	142.56
Current Service Cost	**132.95**	128.11	**11.48**	4.19
Interest Cost	**187.51**	162.06	**-**	-
Actuarial (gain)/loss	**54.61**	63.05	**-**	-
Benefits paid	**(138.02)**	(135.99)	**(2.35)**	(1.63)
Present Value of Defined Benefit obligation at year end	**2,647.73**	2,410.24	**154.25**	145.12
Liabilities recognized in Balance Sheet	**2,647.73**	**2,410.24**	**154.25**	145.12
II. Expense recognized during the year				
Current Service Cost	**132.95**	128.11	**11.48**	4.19
Interest Cost	**187.51**	162.06	**-**	-
Actuarial (gain)/loss	**54.61**	63.05	**-**	-
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Total Expenses/(Gain) recognized in Statement of Profit and loss	**375.07**	353.22	**11.48**	4.19
III. Actuarial assumptions				
Mortality Table (Indian Assured Lives Mortality)	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	7.78%	7.39%	**7.78%**	7.39%
Rate of escalation in salary (per annum)	6.00%	6.00%	**6.00%**	6.00%
IV. Amounts for the current and previous periods				
Defined benefit obligation	**2,647.73**	2,410.24	**154.25**	145.12
Experience loss(gain) on plan liabilities	**50.88**	133.47	**NA**	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Gratuity	As at 31st March, 2019	As at 31st March, 2018
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	144.83	188.97
2nd Following Year	103.15	110.48
3rd Following Year	300.41	113.55
4th Following Year	275.42	273.17
5th Following Year	246.25	250.14
6th To 10th Year	1,687.84	1,524.21
11th and Above	2,555.42	2,506.63

Sensitivity Analysis are as under:

Gratuity	As at 31st March, 2019	As at 31st March, 2018
Projected Benefit Obligation on Current Assumptions	2,647.73	2,410.24
Delta Effect of +1% Change in Rate of Discounting	(175.74)	(165.49)
Delta Effect of -1% Change in Rate of Discounting	199.11	187.99
Delta Effect of +1% Change in Rate of Salary Increase	200.62	189.45
Delta Effect of -1% Change in Rate of Salary Increase	(180.08)	(169.60)
Delta Effect of +1% Change in Rate of Employee Turnover	23.86	23.21
Delta Effect of -1% Change in Rate of Employee Turnover	(26.51)	(25.83)

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

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

47 On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers applicable from 1st April 2018. The management has evaluated the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers and accounted for the same pursuant to Ind AS 115.The Group has used the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.The Standard is applied to contracts that remaining in force as at 1st April, 2018. The application of the standard does not have any significant Impact on the retained earnings as at 1st April, 2018 or on these financial statements.

(a) **Disaggregation of revenue from contracts with customers** **(₹ in Lakhs)**

For the year ended 31st March, 2019	Non-Renewable	Renewable	Others	Total
Sale of Electrical Energy	1,20,433.45	19,622.40	-	**1,40,055.85**
Sale of services	-	-	25.15	**25.15**
Other operating Revenues	-	-	654.26	**654.26**
Timing of revenue recognition				
At a point in time	-	-	679.41	**679.41**
Over time	1,20,433.45	19,622.40	-	**1,40,055.85**

(b) **Contract assets**

The Group has recognised the following revenue-related contract assets **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019
Trade receivable (refer note 11)	**21,441.22**
Contract Assets (refer note 15)	**768.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48 Leases

Operating lease arrangements

Operating leases relate to leases of land with lease terms ranging from 25 to 99 years. The Group does not have an option to purchase the land at the expiry of the lease periods. Amount paid in advance are shown as Prepayments and are transferred to Statement of profit and loss based on the lease term.

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

Payments recognized as an expense **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Minimum lease payments	**322.99**	263.02
TOTAL	**322.99**	263.02

49 Operating Segment

a The Group's operations fall under single segment namely "Power Generation", taking into account the different risks and returns, the organization structure and the internal reporting systems hence no separate disclosure of Operating Segment is required to be made as required under Ind AS – 108 "Operating Segment".

b Information about major customers

Group's significant revenues (more than 75%-80%) are derived from sales to Public Sector Undertaking. The total sales to such companies during the year amounted to **₹ 1,06,254.55 lakhs** (P Y ₹ 108,981.75 Lakhs) .

c Information about geographical areas:

Segment revenue from "Sale of Power" represents revenue generated from external customers which is fully attributable to the Group's Country of domicile i.e. India.

All assets are located in the Group's Country of domicile.

d Information about products and services

The Group derives revenue from sale of power. The information about revenues from external customers is disclosed in Note no. 32 of the Consolidated Financial Statements.

50 Financial instruments disclosure:

Capital management

The Group's objective when managing capital is to:

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

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

The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of total equity (Refer Note 18 & 19). The Group is not subject to any externally imposed capital requirements.

Management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Gearing Ratio

The gearing ratio at end of the reporting period is as follows. **(₹ in Lakhs)**

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
Debt	**57,278.02**	61,662.51
Total Equity	**2,57,073.92**	2,45,902.33
Debt to Equity Ratio	**0.22**	0.25

1. Debt is defined as all Long Term Debt outstanding + Current Maturity outstanding in lieu of Long Term Debt +Short Term Debt outstanding.
2. Equity is defined as Equity Share Capital + Other Equity

Categories of financial instruments		
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	**21,441.22**	25,997.68
(b) Cash and cash equivalents	**26,060.34**	5,219.12
(c) Other bank balances	**170.06**	671.33
(d) Loans	**4.00**	4.05
(e) Other financial assets	**11,394.48**	13,637.70
Measured at FVTOCI		
(a) Investments in equity instruments	**8,955.42**	10,948.02
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	**42,546.02**	46,787.75
(b) Trade payables	**15,182.83**	10,139.12
(c) Other financial liabilities	**21,671.36**	20,640.94

Financial risk management objectives

While ensuring liquidity is sufficient to meet Group's operational requirements, the Group's management also monitors and manages key financial risks relating to the operations of the Group by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk and interest rate risk.

Interest rate risk management - Borrowings

The Group's main interest rate risk arises from the long term borrowings with floating rates.

The Group's floating rates borrowings are carried at amortised cost. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate risk management - Investment

The Group invests the surplus fund generated from operations in bank deposits . Bank deposits are made for a period of upto 12 months and carry interest rate of 6.25%-7.25% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Price risks

The Group's equity securities price risk arises from investments held and classified in the balance sheet at fair value through OCI. The Group's equity investments in GACL & Gujarat Gas Ltd are publicly traded.

Price sensitivity analysis

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended 31st March, 2019 would increase / decrease by ₹447.77 Lakhs (P.Y. ₹ 547.40 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

Foreign Currency Exchange Risk Management

The Group had entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

The Forward exchange contracts used for hedging foreign currency exposure and outstanding as at year ended 31st March, 2019 are as under:-

(Amount in Lakhs)

Currency	No Of Contracts	Buy (USD)	INR Equivanents
Forward Contract to buy USD as at 31st March, 2019	-	-	-
Forward Contract to buy USD as at 31st March, 2018	4	35.37	2,327.63

Credit risk management

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

Major customers, being power purchasing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 15 % of total monetary assets at any time during the year.

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		1 year – 3 years	More than 3 years	Total
As at 31st March, 2019				
Trade Payable		**15,182.83**	**-**	**15,182.83**
Security Deposits from Contractors		**730.65**	**791.65**	**1,522.30**
	TOTAL	**15,913.48**	**791.65**	**16,705.13**
As at 31st March, 2018				
Trade Payable		10,139.12	-	10,139.12
Security Deposits from Contractors		277.78	887.81	1,165.59
	TOTAL	**10,416.90**	**887.81**	**11,304.71**

The Group has access to committed credit facilities as described below, of which ₹ 17,387.48 Lakhs were unused at the end of the reporting period (as at 31st March, 2018 ₹ 11,290.98 Lakhs). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in Lakhs)

Secured bank overdraft facility, reviewed annually and payable at call:	**As at 31st March, 2019**	As at 31st March, 2018
Amount used	**5,887.52**	8,248.02
Amount unused	**17,387.48**	11,290.98

Fair value measurement

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

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

Financial assets at fair value through other comprehensive income (FVTOCI) **(₹ in Lakhs)**

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Fair value	
			As at 31st March, 2019	As at 31st March, 2018
Investment in equity instruments (quoted)	Level 1	Quoted bid prices from BSE	**6,237.30**	8,602.81
Investment in Equity Instruments (unquoted)	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable	**2,718.12**	1,973.00

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 6 approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

51 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

52 The value of realization of Assets other than Fixed Assets and Non Current Investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

53 The balances of Trade Receivables and Trade Payables are subject to adjustments, if any, on reconciliation / settlement.

54 During the previous financial year, the Board of Directors had approved the Voluntary Liquidation of GIPCL Projects & Consultancy Co. Ltd. (GIPCO), a wholly owned subsidiary, under the Insolvency and Bankruptcy Code, 2016. Pursuant to such approval, the process of voluntary liquidation of GIPCO was initiated during the year and the affairs of GIPCO were handed over to the Liquidator. The winding up of GIPCO by the Liquidator commenced on 3rd January, 2019, the date of appointment of the Liquidator and was closed on 20th March, 2019, as per the final report submitted by the Liquidator. GIPCO's affairs have been wound up and been liquidated i.e., all assets have been realized, all liabilities have been discharged as well as final liquidation distribution has been made to the shareholder of GIPCO i.e., GIPCL. The liquidation cost and expenses amounting to ₹ 2.58 lakhs, has been recognized and shown as liquidation costs and adjusted against Retained Earning (Note no. 19).Hence, the current group financial statements reflect the following:1. financial performance of GIPCO for the period from 1st April, 2018 to 3rd January, 2019 (the date of handing over the affairs to the Liquidator) in the group's financial performance; 2. financial position of GIPCO as of 20th March, 2019 (close of liquidation), i.e., GIPCO's operations have been wound up and liquidated; 3. cash flows for the period from 1st April, 2018 to 20th March, 2019.

Further the details of the Subsidiary - GIPCO are as follows:-

Net Assets as of 3rd January, 2019, the date of handing over affairs to Liquidator

Particulars	₹ in Lakhs
Realised value of assets	**40.08**
Liability Discharged	-
Liquidation Costs and Expenses	**2.58**
Distribution to Members	**37.50**

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

56 Approval of Consolidated Financials Statements

The Consolidated Financial Statements were approved for issue by the Board of Directors on 17th May, 2019.

As per our report of even date attached

For **K.C.Mehta & Co.**
Chartered Accountants

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 17th May, 2019

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts ₹ in Lakhs)

Sr. No.	Name of the Subsidiary	GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED
1	The date when subsidiary was acquired	30th August, 2012
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2018 to 20th March, 2019*
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
4	Share capital	-
5	Reserves & Surplus	-
6	Total Assets	-
7	Total Liabilities	-
8	Investments	-
9	Turnover	-
10	Profit before taxation	0.87
11	Provision for taxation	0.24
12	Profit after taxation	0.63
13	Proposed Dividend	NIL
14	% of shareholding	NA - Under Liquidation
15	Names of subsidiaries which are yet to commence operations	Nil
16	Names of subsidiaries which have been liquidated or sold during the year.	GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED-Under Liquidation

*The Liquidator has concluded the Liquidation process on 20th March, 2019. Final Order from National Company Law Tribunal (NCLT) is awaited.

For Gujarat Industries Power Company Limited

Vatsala Vasudeva
Managing Director
DIN: 07017455

Pankaj Joshi
Director
DIN: 01532892

K.K.Bhatt
AGM (Fin.) & CFO

Udaykumar K. Tanna
Company Secretary & Compliance Officer

Place : Gandhinagar
Date : 17th May, 2019

NOTES

GUJARAT INDUSTRIES POWER COMPANY LIMITED

P.O. PETROCHEMICALS – 391 346, DISTRICT: VADODARA
PHONE NO.: (0265) 2232768, FAX NO.: (0265) 2230029.
Email : investors@gipcl.com Website : www.gipcl.com,
CIN – L99999GJ1985PLC007868

Attendance Slip

Name of the Shareholder:		
Folio No.	DP ID /Client ID	No. of Shares
For Physical Holding	For Demat holding	

II hereby record my presence at the 34th Annual General Meeting of the Company held on Friday, 20th September, 2019 at 12:00 noon at the Registered Office of the Company at P.O.: Petrochemicals - 391346, Dist.: Vadodara, Gujarat, as Shareholder / Proxy.

______________________________ ______________________________

Name of Proxy (Block Letters). Signature of the Shareholder/Proxy.

Notes:

1. Shareholder / Proxy holder wishing to attend the meeting must bring duly signed attendance slip to the meeting and hand over the same at the entrance.
2. Shareholder / Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.

FORM NO. MGT – 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

CIN : L99999GJ1985PLC007868

Name of the Company : GUJARAT INDUSTRIES POWER COMPANY LIMITED
Registered Office : P.O.: Petrochemicals – 391 346, Dist. : Vadodara, Gujarat.

Name(s) of Shareholder(s)	
Registered Address	
Email ID:	
Folio No. / DP ID / Client ID.	

I / We, being the Member(s) holding ______ equity shares of the above named Company, hereby appoint the following as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 34th Annual General Meeting of the Company, to be held on Friday, the 20th September, 2019 at 12:00 noon at the Registered Office of the Company at P.O.: Petrochemicals - 391 346, Dist.: Vadodara, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Name:____ Address : ____
   E-mail ID: ____ Signature: __________________________
   Or failing him
2. Name:____ Address : ____
   E-mail ID: ____ Signature: __________________________
   Or failing him
3. Name:____ Address : ____
   E-mail ID: ____ Signature: __________________________
   Or failing him

Item no.	Description	Option	
	Ordinary Business	**For**	**Against**
1.	To consider and adopt the Audited Financial Statements (including the consolidated financial statements) for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.		
2.	To declare a dividend on Equity Shares for FY 2018-19.		
3.	To appoint a Director in place of Shri P K Gera, IAS (DIN: 05323992), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of place of CS V V Vachharajani (DIN: 00091677) who retires by rotation and being eligible, offers himself for re-appointment.		
	Special Business		
5.	To approve remuneration payable to Smt. Vatsala Vasudeva, IAS, (DIN: 07017455), Managing Director.		
6.	To appoint Shri Prabhat Singh (DIN: 03006541) as Director.		
7.	To approve material Transactions with Related Parties.		
8.	To ratify the remuneration payable to Cost Auditors for the financial year 2019-20 ending on 31st March, 2020.		

Signed this ____________

Signature of Shareholder(s).

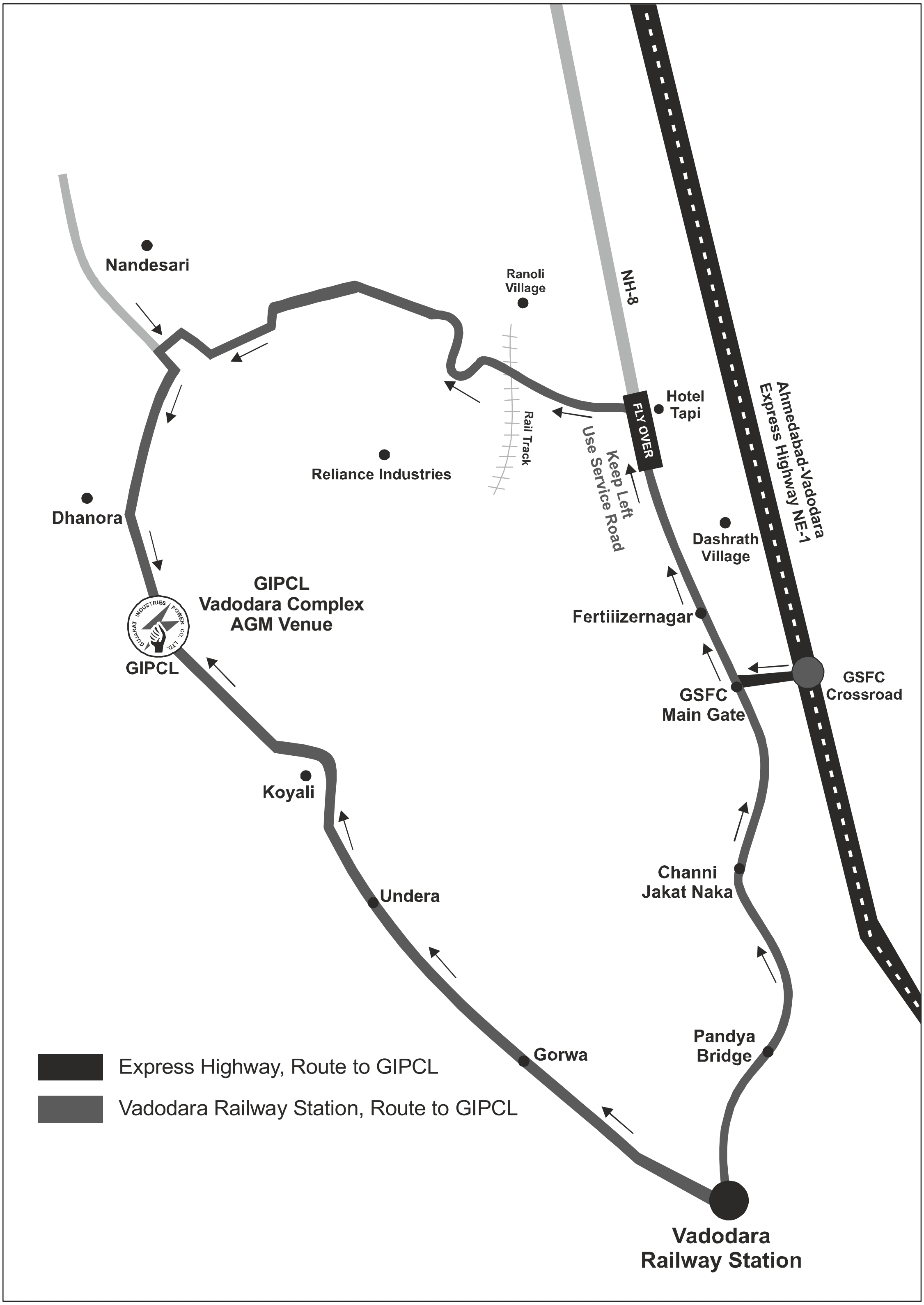
Signature of Proxy holders(s)

Affix
Re. 1
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than forty eight (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 34th Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.
5. **A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total Share Capital of the Company. A Member holding more than ten per cent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.**

Route Map of AGM Venue



NOTES

CSR Initiatives

CSR Excellence Award (FY 2017-18) for Women Empowerment at Gujarat CSR Summit 2018 - Vadodara

Sponsoring Taluka level Maths & Science Mela at Mangrol, District Surat

Construction of Class Rooms, Primary School at Village Vastan, Taluka Mangrol, District Surat

Support to BRC - Mangrol towards Special Children (Divyang) at Mangrol, District Surat

Swachh Bharat Abhiyaan Awareness Message on Household Toilets, Village Dungri, Ta.: Mangrol, District Surat.

Construction of Sanitation Unit, Primary School at Village Luna, Taluka Valia, District Bharuch

Registered Post / Courier

If undelivered, please return to;

GUJARAT INDUSTRIES POWER COMPANY LIMITED

P.O. Petrochemicals - 391346, Dist.: Vadodara, Gujarat - India

Phone: +91-265-2232768, 2230182, Fax: +91-265-2230029

Email: genbaroda@gipcl.com Website: www.gipcl.com

CIN: L99999GJ1985PLC007868