32nd ANNUAL GENERAL MEETING

DAY & DATE	:	MONDAY, 18TH SEPTEMBER, 2017.
TIME	:	11:00 AM.
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, 2230182.
(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 Agents (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, 2366794
Email: vadodara@linkintime.com

Bankers:

IDBI Bank Ltd.
Syndicate Bank
State Bank of India
Oriental Bank of Commerce
Indian Overseas Bank
Vijaya Bank
The Karur Vysya Bank Ltd.
Union Bank of India
United Bank of India
Dena Bank
Bank of Baroda
Central Bank of India
Kotak Mahindra Bank Ltd.

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

Cost Auditors : Y S Thakar & Co.,
Cost Accountants, Vadodara.
(FRN : 000318)

Secretarial Auditors: M/s. J J Gandhi & Co.,
Practicing Company Secretary, Vadodara.
(CP No. : 2515)

Board of Directors

Shri Sujit Gulati, IAS	Chairman
Prof. Shekhar Chaudhuri	Director
Dr. K M Joshi	Director
Shri P K Gera, IAS	Director
Shri Pankaj Joshi, IAS	Director (w.e.f. 20-10-2016)
Smt. Shahmeena Husain, IAS	Director (upto 20-10-2016)
Shri Sanjeev Kumar, IAS	Director (upto 22-06-2017)
Shri Milind Torawane, IAS	Director (w.e.f. 15-07-2017)
Dr. Ajay N. Shah	Director (upto 11-01-2017)
Shri S B Dangayach	Director
Prof. B A Prajapati	Director
Shri N N Misra	Director
Shri Ashok Kumar	Director (upto 19-10-2016)
Shri S M. Awale	Director (w.e.f. 20-10-2016 to 09-08-2017)
Shri Jankiraman M	Director (w.e.f. 10-08-2017)
CS V V Vachhrajani	Director
Smt. Sonal Mishra, IAS	Managing Director (upto 19-05-2017)
Smt. Shahmeena Husain, IAS	Managing Director (w.e.f. 20-05-2017)

Company Secretary & DGM (Legal) CS A C Shah

Senior Executives

Shri N K Purohit	General Manager (Mines - SLPP)
CA G S Chahal	General Manager & CFO
Shri N K Singh	Addl. General Manager (SLPP)
Shri S N Purohit	Addl. General Manager (BD & BO)
Shri P J Sheth	Addl. General Manager (Finance)
Shri K S Munshi	Addl. General Manager (TS & SCM)
Shri C M Patel	Addl. General Manager (Operations- SLPP)

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, 11th August, 2017 to Friday, 18th August, 2017 (both days inclusive).**
2. The Companies Act, 2013 and the Listing Regulations require a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions to be passed at General Meetings.
3. (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 Agents (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 DP (Depository Participant) 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.
4. Members may visit the Shareholders' Service page on the Company's Website 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.
5. Any Member desirous of obtaining any information concerning the accounts and operations of the Company is requested to send his/her queries to the Company at least fifteen days before the date of the Meeting.
6. 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.
7. 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.
8. 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 will lie for the amounts so transferred with the IEPF Authority. The Members may please note that with the unpaid / unclaimed dividends of past years up to FY 2008-09 have been transferred to the Central Government Account / IEPF.
9. 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 2009-10 to 2015-16 shall be due for transfer to "IEPF" as follows :

Particulars	FY	Due for Transfer To Fund
15th Dividend	2009-2010	September, 2017
16th Dividend	2010-2011	September, 2018
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

Members are requested to lodge their claims for past years' dividends, if any, with the Company or to its R&T Agent immediately.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Thirty Second (32nd) Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on **Monday, the 18th day of September, 2017 at 11.00 am** at the **Registered Office of the Company at P.O.: Petrochemicals – 391 346, Dist.: Vadodara,** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 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 Vachhrajani (DIN:00091677), who retires by rotation and being eligible, offers himself for re-appointment.
5. **To ratify appointment of Statutory Auditors:**

   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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), including any modification(s) or re-enactment(s) thereof for the time being in force, the appointment of K C Mehta & Co., Chartered Accountants, Vadodara, (ICAI Firm Registration No.: FRN 106237W), as Statutory Auditors of the Company as approved by the Members at the 30th Annual General Meeting (AGM) of the Company, for a period of five years i.e. from the conclusion of the 30th AGM until conclusion of the 35th AGM of the Company, be and is hereby ratified for a period of one year i.e. FY 2017-18, being third year of their Appointment, and that the Board of Directors of the Company, be and is hereby authorized to fix remuneration of the Auditors."

SPECIAL BUSINESS:

6. **To appoint Smt. Shahmeena Husain, IAS (DIN: 03584560) as Director and Managing Director of the Company:**

   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 Sections 161 and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any 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 (AoA), Smt. Shahmeena Husain, IAS (DIN: 03584560), Director of the Company, who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company not liable to retire by rotation."

   "**FURTHER RESOLVED THAT** pursuant to the provisions of Sections 161, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any modification(s) or re-enactment(s) thereof for the time being in force) and Article 95 of the Articles of Association of the Company (AoA), approval of Members, be and is hereby accorded to the appointment of Smt. Shahmeena Husain, IAS (DIN: 03584560) as Managing Director of the Company, holding Additional charge, with effect from 20th May, 2017 vice Smt. Sonal Mishra, IAS (DIN: 03461909), for a period of five (05) years or till further communication from the Government of Gujarat (GoG), whichever is earlier, and that the Board of Directors be and is hereby authorized to consider and agree to the terms as to remuneration, including any revision thereof from time to time, as may be communicated by the GoG during her tenure as Managing Director of the Company."

7. **To appoint Shri Pankaj Joshi, IAS (DIN: 01532892), Nominee of Gujarat Urja Vikas Nigam Limited Ltd. (GUVNL), as Director of the Company:**

   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 152, 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 modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 89 and 93 of the Articles of Association of the Company (AoA), Shri Pankaj Joshi, IAS (DIN: 01532892), Director of the Company, Nominee of Gujarat Urja Vikas Nigam Ltd., who holds office up to 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 from a Member pursuant to Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Nominee Director of the Company and that he shall be liable to retire by rotation."

8. **To appoint Shri Milind Torawane, IAS (DIN: 03632394), Nominee of Government of Gujarat (GoG), as Director of the Company:**

   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 152, 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 modification(s) or re-enactment(s) thereof for the time being in force) read with Article 89 of the Articles of Association of the Company (AoA), Shri Milind Torawane, IAS (DIN: 03632394), Director of the Company, Nominee of Government of Gujarat, who holds office up to 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 from a Member pursuant to Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Nominee Director of the Company and that he shall be liable to retire by rotation."

9. To approve material Transactions with Related Parties:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special 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, (LODR) 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 arms' length price, for the Financial Year 2016-17, as recommended and approved by the Audit Committee and the Board of Directors respectively in their respective Meetings held on 18-05-2017:

	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 2016-17 (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) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Gas based Power Station. (iii) PPAs 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 28-04-2015 and 27-01-2016 for 15 MW Wind Farm. (vii) PPAs dated 20/09/2016 and 16/12/2016 for 26 MW Wind Farm. (viii) PPAs dated 20/09/2016, 03/12/2016 and 30/12/2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri Sujit Gulati, IAS. 2. Shri Pankaj Joshi, IAS. 3. Shri Sanjeev Kumar, IAS.	Promoter	Sale of Electricity	1,07,697.10
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Stations and other Agreements / Contracts.	zGujarat Alkalies & Chemicals Ltd. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity, Water Charges & purchase of Chemicals	12,807.05
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Stations and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	1. Dr. Ajay N. Shah (upto 11-01-2017) 2. CS V V Vachharajani	Promoter	Sale of Electricity, Water Charges & purchase of Chemicals	12,219.13

"**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 (LODR), 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 arms' length price, for the Financial Year 2017-18, as recommended and approved by the Audit Committee and the Board of Directors respectively in their respective meetings held on 27-03-2017:

	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 2017-18 (₹ 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) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Gas based Power Station. (iii) PPAs 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 28-04-2015 and 27-01-2016 for 15 MW Wind Farm. (vii) PPAs dated 20/09/2016 and 16/12/2016 for 26 MW Wind Farm. (viii) PPAs dated 20/09/2016, 03/12/2016 and 30/12/2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri Sujit Gulati, IAS. 2. Shri Pankaj Joshi, IAS. 3. Shri Sanjeev Kumar, IAS. (upto 22-06-2017) 4. Shri Milind Torawane, IAS. (w.e.f. 15-07-2017)	Promoter	Sale of Electricity	1,14,500.00
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Stations and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges & purchase of Chemicals	18,000.00
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Stations and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity, Water Charges & purchase of Chemicals	16,500.00

10. To ratify remuneration payable to Cost Auditors for the financial year 2017-18 ending on 31st March, 2018:

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 Rule 14 of 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 ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand) plus applicable Taxes on services (by whatever name called) reimbursement of reasonable out of pocket expenses for FY 2017-18, payable to Diwanji & Associates, Vadodara, (Firm Registration No.:100227), 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 March 31, 2018, be and the same is hereby ratified."

"**FURTHER RESOLVED 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 Co.Ltd.

(CS A C Shah)
Company Secretary &
DGM (Legal)

Place: Vadodara.
Date: 11th August, 2017.

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 Paid up 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 Time of 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, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 32nd Annual General Meeting (AGM). Persons who are Members of the Company, holding shares either in physical mode or in dematerialized mode as on Monday, 11th September, 2017, (i.e. the Cut-off date) will be eligible to vote by electronic means or in the AGM.

Members of the Company attending the 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 their vote again at the venue of the 32nd 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 remote e-Voting period begins on Friday, 15th September, 2017 at 9.00 am and ends on Sunday, 17th September, 2017 at 5.00 pm. The e-Voting module shall be disabled by CDSL for voting upon expiry of the e-Voting period on Sunday, 17th September, 2017 at 5.00 pm.

(ii) Shareholders should log on to the e-Voting website www.evotingindia.com (ONLY MEMBERS CAN VOTE ON REMOTE E-VOTING).

(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 Mode 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 mode 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 ten (10) digit alpha-numeric *PAN issued by Income Tax Dept. (Applicable to Shareholders) • Members who have not updated their Income Tax PAN with the Company / Depository Participant, are requested to use the sequence number which is printed on e-Voting Instruction Slip indicated in the Income Tax PAN column.
Date of Birth (DOB)	Enter the Date of Birth (DoB) as recorded in your Demat Account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said Demat Account or Folio. • Please enter the DOB or Dividend Bank Details in order to login. If the said details are not recorded with the Depository or the Company, please enter the User ID / Folio number in the Dividend Bank details fields as mentioned in instruction No. (iv) above.

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

(ix) Members holding shares in physical mode will then directly reach the 'Company selection' screen. However, Members holding shares in Demat mode 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 also to be 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 mode, the details can be used only for e-Voting on the resolutions contained in this Notice.

(xi) Click on the 'EVSN' (No.: 170726020) for Gujarat Industries Power Company Limited (GIPCL) 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 print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat Shareholder has forgotten the 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 cast their vote using CDSL's mobile App m-Voting available for android based mobiles. The m-Voting App can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile App while voting on your mobile.**

(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 Corporate.

b) A scan copy of the Registration Form bearing the stamp and sign of the entity should be submitted by email to helpdesk.evoting@cdslindia.com.

c) After receiving the login details a corporate user should be created using the admin login and password. The Corporate user would be able to link the account(s) for which they wish to vote on.

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

e) A scan 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 (Membership No. FCS 1602), as the Scrutinizer for conducting the remote e-Voting and voting process through ballot / polling at the 32nd 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 Monday, 11-09-2017 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 32nd 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 make, 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 32nd 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 32nd AGM subject to receipt of requisite 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 32nd AGM.

vii. You can also update your 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.) (0265) 2232768, 2230182
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/ 2356794
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

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.: 6.

Pursuant to the provisions of Article 95 of the Articles of Association of the Company (AoA), Notification No. AIS/35.2017/10/G dated 12th May, 2017 of the Govt. of Gujarat (GoG). The Board of Directors vide resolution dated 20-05-2017 appointed Smt. Shahmeena Husain, IAS, (DIN: 03584560) as Director and Managing Director of the Company with effect from 20th May, 2017 vice Smt. Sonal Mishra, IAS (DIN: 03461909), for a period of five (05) years or till further orders of the GoG, whichever is earlier as per the terms and conditions as regards remuneration as may be prescribed by the GoG from time to time and agreed by the Board of Directors of the Company, including the perks viz. free furnished residential accommodation, electricity charges and chauffer driven car to be provided by Company and that she will not be liable to retire by rotation.

Brief Resume of Smt. Shahmeena Husain, IAS (DIN: 03584560):-

Smt. Shahmeena Husain, IAS, (DIN: 03584560) is M.Sc. with Zoology and a senior IAS Officer of 1997 batch. She has held important positions in various Departments of Govt. of Gujarat and also as Chairman of Dakshin Gujarat Vij Company Ltd. (DGVCL) and Madhya Gujarat Vij Company Ltd. (MGVCL) from September, 2014 to October, 2016. She was also Director of Gujarat Urja Vikas Nigam Ltd. (GUVNL), Madhya Gujarat Vij Company Ltd. (MGVCL), Gujarat State Electricity Corporation Ltd. (GSECL), Gujarat Energy Transmission Corporation Ltd. (GETCO) and other Companies.

Presently, Smt. Shahmeena Husain, IAS holds Directorship in the following other Companies / entities.

1. Gujarat Green Revolution Company Ltd.

Your Directors recommend her appointment as Director and Managing Director of the Company, as proposed in the Resolution at Item No.6 as an Ordinary Resolution.

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

Item No.: 7.

Pursuant to the provisions of Section 152, 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 modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 89 and 93 of the Articles of Association of the Company, the Board of Directors of the Company has appointed Shri Pankaj Joshi, IAS (DIN: 01532892) as Director, Nominee of Gujarat Urja Vikas Nigam Ltd. He holds the office of Director up to this Annual General Meeting.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing appointment of Shri Pankaj Joshi, IAS (DIN: 01532892) as Nominee Director of the Company, liable to retire by rotation.

Shri Pankaj Joshi, IAS (DIN: 01532892) 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.

Brief resume of Shri Pankaj Joshi, IAS (DIN: 01532892):

Shri Pankaj Joshi is B.Tech (Civil Engg.), M.Tech (Water Resources Engg.), IIT, New Delhi and has done M. Phil in Defence and Strategic Studies.

Shri Pankaj Joshi is 1989 batch IAS Officer and is presently Managing Director of Gujarat Urja Vikas Nigam Limited (GUVNL).

He has previously held various senior positions for about twenty years in the Government of Gujarat in various departments like Land Revenue, Personnel, General Administration, Urban Development and Education etc. and for about six years with Government of India in various departments like Urban development, Staff Officers, Social Justice and Empowerment etc.

Currently he is also Director on the Board of Directors of:

Gujarat Urja Vikas Nigam Limited.

Gspc Pipavav Company Limited

Gujarat State Electricity Corporation Limited.

Gujarat Energy Transmission Corporation Ltd.

Madhya Gujarat Vij Co. Limited.

Dakshin Gujarat Vij Co. Limited.

Paschim Gujarat Vij Co. Limited.

Uttar Gujarat Vij Co. Limited.

Gujarat Industrial Development Corporation.

Torrent Power Limited

Your Directors recommend for approval of appointment of Shri Pankaj Joshi, IAS (DIN: 01532892) as Nominee Director of the Company, as proposed in the Resolution at Item No. 7 of this Notice.

None of the Directors except Shri Pankaj Joshi, IAS, is in any way interested or concerned in the said Resolution.

Item No.: 8.

Pursuant to the provisions of Section 152, 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 modification(s) or re-enactment(s) thereof for the time being in force) read with Article 89 of the Articles of Association of the Company, the Board of Directors of the Company has appointed Shri Milind Torawane, IAS (DIN: 03632394) as Director, Nominee of Government of Gujarat (GoG). He holds the office of Director up to this Annual General Meeting.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing appointment of Shri Milind Torawane, IAS (DIN: 03632394) as Director, Nominee of GoG, liable to retire by rotation.

Shri Milind Torawane, IAS (DIN: 03632394) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Director.

Brief resume of Shri Milind Torawane, IAS (DIN: 03632394):

Shri Milind Torawane, IAS (DIN: 03632394) is BE (Electronics & Communication).

Shri Milind Torawane, IAS (DIN: 03632394) is year 2000 batch IAS Officer and is presently Secretary (Expenditure), Finance Department, Govt. of Gujarat.

He has previously held various senior positions for more than 16 years in the Central Government and Government of Gujarat in various departments like Land Revenue, Personnel, General Administration, Urban Development and Education, Social Justice and Empowerment etc.

Currently he is Director on the Board of Directors of:

Gujarat Urja Vikas Nigam Limited.

Gujarat Energy Transmission Corporation Ltd.

GSPC Pipavav Company Limited

Bhavnagar Energy Company Limited

Gujarat Gas Limited

GSPC LNG Company Limited

Gujarat State Water Supply & Sewerage Board

Gujarat Maritime Board

Gujarat State Police Housing Corporation

Gujarat Water Infrastructure Company Limited

Your Directors recommend for approval of appointment of Shri Milind Torawane, IAS (DIN: 03632394) as Nominee Director of the Company, as proposed in the Resolution at Item No. 8 of this Notice.

None of the Directors except Shri Milind Torawane, IAS (DIN: 03632394), is in any way interested or concerned in the said Resolution.

Item No. 9.

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).

Rule 15 of the Companies (Meetings of the Board and its' Powers) 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 Financial Statements of the Company, without approval of the Members of the Company by a Special Resolution.

Accordingly, considering the Annual Consolidated Turnover of the Company for FY 2016-17 of ₹1,38,161.39 Lakhs and the value of transactions with Related Parties viz. Gujarat Urja Vikas Nigam Ltd. (GUVNL), Gujarat State Fertilizers & Chemicals Ltd. (GSFC) and Gujarat Alkalies & Chemicals Ltd. (GACL) Promoters of the Company, in the ordinary course of business at arms' length price, which are exceeding the prescribed limit of 10% of the Annual Consolidated Turnover of the Company as per the Last Audited 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 arms' length price, which are likely to exceed the prescribed limit of 10% of the Annual Consolidated Turnover of the Company during the FY 2017-18.

Your Directors recommend, for your approval, the Resolution at Item No. 9 of this Notice.

Shri Sujit Gulati, IAS, Shri Pankaj Joshi, IAS, Shri Sanjeev Kumar, 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. 10:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Diwanji & Associates (ICWA Firm Registration No.:100227), Vadodara, Cost Auditor, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹1,25,000/- (Rupees One Lakh Twenty Five Thousand) plus applicable Tax on services (by whatever name called), reimbursement of reasonable out of pocket expenses, payable to the Cost Auditor 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. 10 of this Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31st March, 2018.

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 is open for inspection at the Registered Office of the Company between 9.30 am to 12.30 pm on all working days of the Company prior to the date of the Meeting.

By Order of the Board
For Gujarat Industries Power Co.Ltd.

(CS A C Shah)
Company Secretary
& DGM (Legal)

Place: Vadodara.
Date: 11th August, 2017.

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 recent 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).	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 Vice President (Legal) 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.	NIL
Name of the Private Companies in which, Directorship held thro' relatives	NIL	NA
Membership / Chairmanship of Committee(s)	Gujarat Alkalies and Chemicals Ltd. 1. Audit Committee 2. Stakeholders' Relationship-cum- Investors' Grievance Committee 3. Corporate Social Responsibility (CSR) Committee 4. Project Committee 5. Personnel Committee 6. Risk management-cum-Safety Committee	NIL
No. of Shares held	NIL	NIL

To
The Members,

Your Directors have pleasure to present the Thirty Second Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017.

Financial Performance:

(₹ in Lakhs)

	2016-17	2015-16
Revenue from Operations	1,31,056	1,35,223
Other Income	7,102	3,621
Total Expenditure	88,155	95,104
Gross Profit : (before deducting any of the following)	50,003	43,740
(a) Finance Cost	7,319	7,557
(b) Depreciation	12,587	11,213
(c) Provision for Deferred Tax	773	1,110
(d) Provision for Current Income Tax (including MAT credit entitlement)	6,400	5,035
(e) Other Comprehensive Income (Net of Tax)	2,263	(47.80)
Net Profit including other comprehensive income:	25,187	18,777
Add : Balance brought forward from Previous Year (including other Comprehensive Income)	12,058	9,836
Surplus available for Appropriation	37,245	28,613
Appropriations :		
General Reserve	8,000	6,000
Expansion Reserve	8,000	6,000
Dividend On Equity Shares (including Dividend Tax) paid	4,915	4,555
Carried to Balance Sheet	16,330	12,058
TOTAL	37,245	28,613

Dividend:

Your Directors are happy to recommend a Dividend of ₹ 2.70 (Rupees Two and Paise Seventy) per share on 15,12,51,188 Equity Shares of ₹ 10/- each fully paid up, for the year ended on 31st March, 2017 (Previous Year ₹ 2.70 per share). The Dividend, if approved by the Shareholders at the ensuing 32nd Annual General Meeting (AGM), shall be paid to those Shareholders, whose names appear on the Register of Members of the Company as on the Books Closure Date i.e. on 11th August, 2017. In respect of shares held in dematerialised 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 that date.

OPERATIONS:

Vadodara Gas based Stations:

Station – I (145 MW):

During the year under review, the Station generated 701.893 Million Units (MUs) at a Plant Load Factor (PLF) of 55.26% as against generation of 719.485 MUs at PLF of 56.49% during the preceding year. The Plant Availability Factor (PAF) was at 98.15% during the year under review as against 96.71% during the preceding year.

Planned shutdown for Combustion Inspection of GT#1, Annual Maintenance of all the three Heat Recovery Steam Generators (HRSGs), Hot Gas Path Inspection (HGPI) of GT#2 and Major Inspection of GT#3 HRSG was carried out during the year. In-house modification of Inverted Guide Vein (IGV) was successfully carried out in GT#3.

The Station achieved highest ever daily PLF @ 90.10% on 21/03/2017.

Station – II (165 MW):

During the year under review, the generation was 59.011 Million Units (MUs) at a Plant Load Factor (PLF) of 4.08% as against generation of 235.478 MUs at a PLF of 16.25% in the preceding year. The Plant Availability Factor (PAF) for the Station was 33.42% for the year under review as against 96.65% during the preceding year. PAF for the Station was lower due to expiry of Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited (GUVNL), on 31/07/2016.

Annual Maintenance of HRSG was carried out during the year. HRSG kept under preservation.

Your Directors are glad to inform that as a result of consistent efforts to operate the Plant auxiliaries at Optimum Level and energy conservation measures during the year under review the auxiliary consumption has come down to 2.5% for the year under review, which is 0.5% less than the normative level of 3%.

It is also heartening to note that despite the ageing factor of the main Plant equipments, the operating parameters i.e. output and heat rate have been maintained due to proactive operation and maintenance practices and vigilant monitoring of the performance. The improved PAF for Station I for the year under review is the testimony of our commitment.

PLF was low mainly due to prolonged backing down by State Load Dispatch Centre (SLDC).

Continuous efforts are made to maintain optimum available supply of gas for the Stations. Currently, out of total gas requirement for Vadodara Stations, gas is tied up with GAIL (India) Ltd. (GAIL). The remaining quantity is tied up, with Gujarat State Petroleum Corporation Ltd (GSPCL), for supply of Spot gas on “as and when required” basis.

Long term agreement has been signed with Hettich India Pvt. Ltd., Vadodara, for sharing the available spare capacity of De-mineralized (DM) Water.

During the year under review, sale of 50036 Kilo Litres (KL) DM water has been achieved as compared to sale of 21880 KL of DM water achieved during the preceding year, an increase of 115%.

Your Company is planning expansion of DM water Plant and exploring possibilities to lay DM water pipe line network to reach bulk customers in the nearby Industrial areas.

Long term agreement has been signed with Ishedu (Division of Jayant Agro Limited) for sharing the available spare capacity of infrastructure of Joint Water Supply Scheme (JWSS) of GIPCL and GACL. Services like Third Party Water Sample Analysis facilities on chargeable basis are also provided to interested parties.

During the year under review, implementation of various energy conservation jobs as well as new initiatives have been undertaken. Major energy conservation and efficiency improvement measures by way of modification in various auxiliary equipments and redefining operational parameters have been successfully implemented as elaborated in the **Annexure 'C'** annexed to this Report.

It gives immense pleasure to inform that the Vadodara Plant of your Company has been conferred the National level "Energy Efficient Unit – Award – 2016" by the Confederation of Indian Industry (CII), Hyderabad.

Your Directors are pleased to inform that the Gas based Power Plant at Vadodara has been awarded First Prize, at the "National Energy Conservation Award - 2016" in Thermal Power Plant Sector category by the Ministry Of Power (MoP), Govt. of India.

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 equipments and creating a safe and healthy work environment for the employees. Your 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 Vadodara Plant has successfully completed accident free operations for the entire year under review i.e. FY 2016–17.

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

Surat Lignite Power Plant (SLPP):

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

During the year under review, Phase–I generated 1526.640 Million Units (MUs) at a Plant Load Factor (PLF) of 69.71% as against 1643.210 MUs at a PLF of 74.83% during the previous year. Plant Availability Factor (PAF) was 84.98% as against 89.03% during the previous year. Low grid demand resulted into loss in PLF by 10.93% during the year under review against 10.57% during the previous year.

Less plant Availability / Generation during the year under review is mainly because of planned outage of both the Units. Capital Overhauling of Unit-1 and Annual Overhauling of Unit-2 was carried out during the second quarter of F.Y. 2016-17. During the preceding year, Annual Overhauling of only Unit-2 was carried out. In Unit-1, minor maintenance work was carried out during F.Y. 2015-16 for seven days.

Commercial availability was at 78.87% as against 83.74% during the previous year.

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

During the year under review, Phase-II generated 1651.556 MUs at a PLF of 75.41% as against 1440.694 MUs at a PLF of 65.61% during the preceding year. PAF was 87.80% as against 75.88% during the preceding year.

Commercial availability was at 86.41% as against 75.17% during the previous year.

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.

Mining:

Your Directors are happy to inform that performance of Mining Division was excellent during the year under review. During the year under review, Valia Lignite Mine recorded the highest ever production of 28.05 Lakh Te as against 26.84 Lakh Te during the preceding year.

Total 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, sufficient quantity of Lignite has been stocked for operations during monsoon.

Your Directors are glad to inform that during the year under review, Valia Lignite Mine has won prizes for 'Overall', 'Thrust Area (Slope Stability)','Health, First Aid & Vocational Training' ,'Survey Office, Plans and Sections', 'Best Publicity, Propaganda & House Keeping' categories and Vastan Lignite Mine has won prizes for 'Maintenance of HEMM' and 'Health, First Aid & Vocational Training' categories, at Gujarat level, from Director General of Mines Safety.

It is a matter of pride for all of us to note that your Company has received three National Safety Awards (Mines) from the Ministry of Labour & Employment, Govt. of India, at the hands of Hon'ble President of India viz. two Winner Awards for Vastan Lignite Mine for the year 2013 & year 2014 and one Runner Award for Mangrol Lignite Mine for the year 2013.

5 MW PV based Solar Power Plant:

During the year under review, 5 MW PV based Solar Power Plant at SLPP generated 7.58 MUs with 17.30% PLF as against 7.73 MUs with PLF of 17.61% during the preceding year.

Less generation and PLF during the year under review was due to extended cloudy weather during monsoon season.

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

During the year under review, your Company successfully commissioned the Govt. of Gujarat (GoG) sponsored, Grid connected two Distributed Solar Pilot plants of 1 MW each at Village Amrol, Dist.: Anand in Central Gujarat in April, 2016 and at Village Vastan, Taluka Mangrol, Dist.: Surat in South Gujarat in May, 2016 respectively.

These Power plants have been developed on Research & Development basis with novel concept of cultivation of agriculture crops under the Solar Panels by reusing water used to clean the Solar Panels and drip Irrigation facility.

During the year under review, the 1 MW Amrol DSPP generated 1.365 MUs at a Capacity Utilization Factor (CUF) of 16.83% and the 1 MW Vastan DSPP generated 1.21 MU at a CUF of 15.20% respectively.

The DSPP have been acknowledged as one of the innovative Projects, in the book titled "Book on Innovations – for the PM Award for Excellence' released by the Hon'ble Prime Minister of India. Further, your Directors are pleased to inform that this novel concept of Agri Solar Power Project has received National Level "Golden Peacock Eco-Innovation" Award of the Institute of Directors, New Delhi.

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 Directors are pleased to inform that the initiative taken by your Company in 2012 for providing water as well as oil testing analysis services to interested parties on chargeable basis as a part of diversification of activities and optimization of use of available spare infrastructure and resources for increasing revenues has received encouraging response.

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 total internals of five fields and partially replaced internals of two fields (out of fourteen fields) of Unit-4 Electrostatic precipitator during the annual overhauling at a total expenditure of ₹ 389.54 Lakhs to reduce suspended particulate matter (SPM) emission through stack / chimney.

Your Company planted 3080 nos. of saplings (more than 90% survival rate) in the Plant and Colony premises for better green coverage.

Expansion Plans:

Wind Power Projects:

The Company had issued two Letters of Intent (LoIs), both dated 01.09.2014 on Leitwind Shriram Manufacturing Ltd. (LSML), Chennai on EPC turnkey basis for setting up Wind Power Projects of 27 MW (18 x 1.5 MW) at Village Kotadapitha and 24 MW (16 x 1.5 MW) at Village Jambarwada, Taluka Babra, Dist.: Amreli, Gujarat respectively.

Due to inordinate delay in Project execution by LSML it was decided by your Directors to terminate the LoI for 24 MW (16 x 1.5 MW) at the Jambarwada Site.

Thereafter, in view of the financial difficulties faced by LSML, the LoI for the 27 MW Wind Based Power Project at Village Kotadapitha was truncated to 15 MW. The said 15 MW Project has been commissioned in November 2016.

During the year under review, the 15 MW Kotadapitha Wind Farm generated 32.35 MUs at a CUF of 28.04%.

97.4 MW Wind Power Projects:

Your Directors are pleased to inform that the 97.4 MW Wind Farms, at various locations in Gujarat, have been commissioned, in phased manner by March 2017 i.e. ahead of schedule.

During the year under review, the 26 MW Rojmal Wind Farm generated 13.29 MUs at a CUF of 13.12%; and the 71.4 MW Wind Farms at three different locations generated 36.47 MUs at a CUF of 22.15%.

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

Your Directors are pleased to inform that your Company had emerged as successful Bidder in the e-reverse auction for 2 x 40 MW Solar Power Projects at Gujarat Solar Park, Village Charanka, Dist.: Patan, Gujarat under the National Solar Mission, Phase II, Batch IV on EPC basis. The Company has issued two LoIs to M/s. Vikram Solar Private Limited (VSPL), Kolkata for the said two Solar Power Projects.

Your Directors are happy to inform that 40 MW capacity has been successfully commissioned and certified by Solar Energy Corporation of India Limited (SECI) and the balance capacity will be commissioned by August / September, 2017. There has been slight delay in commissioning of the balance capacity due to heavy rain and floods in the area during July / August, 2017.

Empanelment as Channel Partner by the Ministry of New and Renewable Energy (MNRE), Government of India (GoI):

Your Directors feel proud to inform that your Company has been empanelled by the MNRE, GoI, as Channel partner under the Grid Connected Rooftop and Small Power Plants Programme.

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 have been successfully conducted and accredited by TUV India Ltd. in May, 2017.

Subsidiary:

During the year under review, the Company's wholly owned subsidiary GIPCL Projects and Consultancy Company Limited (GIPCO) has been struggling to perform for the consecutive fifth year in the highly competitive service sector.

With a view to achieve administrative and operational convenience, your Directors have decided to merge GIPCO with GIPCL. The services offered / provided by GIPCO will be continued through respective verticals of GIPCL.

Public Deposits:

During the year 2016-17, 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 Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and their Listing Fees for the FY 2017-18 have been paid.

Insurance:

The properties and the insurable interest of the Company are adequately insured. Your 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, your Company has undertaken projects in the areas of Health, Education, Livelihood, Development of Village Infrastructure, Land loser focused intervention, Sanitation, 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 6.99 MUs electrical energy.

Related Party Transactions:

There was no materially significant Transaction made by the Company with 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, are given in **Annexure E** to 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, 2017 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 18th May, 2017 issued by CS JJ Gandhi, Practicing Company Secretary, Vadodara 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:

Since the 31st AGM held on 23/09/2016, there were following changes in Board of Directors of your Company:

GUVNL nominated Shri Pankaj Joshi, IAS (DIN:01532892) as Director vice Smt. Shahmeena Husain, IAS (DIN:03584560) w.e.f.20/10/2016.

The Board places on record its sincere appreciation for the valuable guidance and support extended by Smt. Shahmeena Husain, IAS, during her tenure as Director of the Company.

Vide Notification dated 12/05/2017, the General Administration Dept.,(GAD), Government of Gujarat (GoG) has placed the services of Smt. Shahmeena Husain, IAS, (DIN:03584560) for appointment, holding additional charge, as Managing Director of your Company vice Smt. Sonal Mishra, IAS (DIN:03461909).

Accordingly, pursuant to the provisions of the Article 95 of Articles of Association of the Company, the Board of Directors has appointed Smt. Shahmeena Husain, IAS as Additional Director and Managing Director of the Company w.e.f. 20/05/2017 vice Smt. Sonal Mishra, IAS.

The Board places on record its sincere appreciation for the leadership and valuable contributions made by Smt. Sonal Mishra, IAS, during her tenure as Managing Director of the Company.

IDBI Bank Limited nominated Shri Shalil Awale (DIN: 06804536) as Nominee Director vice Shri Ashok Kumar (DIN: 07317803) w.e.f. 20/10/2016.

The Board places on record its appreciation for the valuable guidance and support extended by Shri Ashok Kumar, during his tenure as Director of the Company.

Thereafter, IDBI Bank Limited nominated Shri Janakiraman M (DIN: 06919906) as Nominee Director vice Shri Shalil M Awale (DIN: 06804536) w.e.f. 10/08/2017.

The Board places on record its appreciation for the valuable guidance and support extended by Shri Shalil M Awale, during his tenure as Director of the Company.

Dr. Ajay N. Shah (DIN: 01141239) has resigned as Director of the Company w.e.f. 11/01/2017.

The Board places on record its appreciation for the valuable guidance and support extended by Dr. Ajay N. Shah, during his tenure as Director of the Company.

Consequent to transfer of Shri Sanjeev Kumar, IAS (DIN:03600655) by GoG vide GAD Notification dated 13th June, 2017, the Finance Department, GoG vide its Order dated 15.07.2017 nominated Shri Milind Torawane, IAS (DIN:03632394), Secretary (Expenditure), GoG as Director on the Board of Directors vice Shri Sanjeev Kumar, IAS (DIN:03600655).

The Board places on record its appreciation for the valuable guidance and support extended by Shri Sanjeev Kumar, IAS, during his tenure as Director of the Company.

Shri P K Gera, IAS (DIN: 05323992) and CS V V Vachharajani (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 at Sr. Nos. 03, 04, 06, 07 and 08 of the Notice dated 11th August, 2017 of the 32nd 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: www.gipcl.com.

Performance Evaluation of Board, Committees and Directors:

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013, your Company has constituted a Nomination & Remuneration (NR) Committee of Directors to evaluate the performance of Directors on 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;
5. Thorough compliance with the Code of conduct;

The NR 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 NR 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 2016-17.

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 2016-17 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 3:30 p.m. to 5:30 p.m. on all working days of the Company up to the date of the ensuing 32nd 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:

Vijay Tewar & Co., Chartered Accountants, Vadodara, (ICAI Firm Reg. No.:111422W), were appointed as Internal Auditors of the Company for the Financial Year 2016-17 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 2017-18. The Audit Committee of Directors periodically review 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. Pursuant to the provisions of Section 139 of the Act, appointment of Statutory Auditors has to be ratified by the Members at every AGM. Accordingly, resolution at Sr. No. 5 of the Notice of 32nd AGM is recommended for approval of the Members for ratification of the appointment of Statutory Auditors, for the Financial Year 2017-18.

Cost:

Y S Thakar & Co., Cost Auditors, Vadodara (ICWA Firm Registration No.:00318), were appointed as Cost Auditors of the Company for the Financial Year 2016-17.

The Board of Directors has appointed Diwanji & Associates, Vadodara (ICWA Firm Registration No.:100227), as Cost Auditor of the Company for the Financial Year 2017-18.

Resolution at Sr. No.10 of the Notice of 32nd AGM is recommended for ratification of the Members for the remuneration payable to Cost Auditors for the Financial Year 2017-18.

Secretarial:

JJ Gandhi & Co., Practicing Company Secretaries, Vadodara, (CP No. 2515) have been appointed as Secretarial Auditor of the Company for the year 2016-17. Report of JJ Gandhi & Co. for the Financial Year 2016-17 ended on 31st March, 2017 in the prescribed Form-MR 3 is annexed to this Report as **Annexure 'B'**.

Extract of Annual Return:

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

Your Directors further state that during the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Sujit Gulati, IAS
Chairman
(DIN:00177274)

Date: 18th August, 2017.
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 Education, Community Health, Livelihood Development and Rural Infrastructure Development like roads, culverts 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, 2017: Smt. Sonal Mishra, IAS, Chairperson, Dr. KM Joshi and Shri SB Dangayach.
3. Average net profit of the Company before tax & exceptional item for last three financial years:

   Average net profit before tax: ₹ 25800.00 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as at Sr.3 above):

   The Company is required to spend ₹516.00 Lakhs towards CSR.
5. Details of CSR spend for the financial year:
   a. Total amount spent for the financial year: ₹ 517.09 Lakhs.
   b. Amount unspent, if any: Not Applicable
   c. Manner in which the amount spent during the financial year 2016-17 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, Mobile Medical Unit, Medical Camps, Modern Diagnostic Centre	Health	Vadodara	23.27	Direct-22.43 Overheads-NIL	22.43	22.43 SVADES
			SLPP	231.25	Direct 231.15 Overheads-NIL	231.15	231.15 DEEP
2.	Infrastructure Support, Resource & Empowerment, Education Activities	Education	Vadodara	45.92	Direct 48.55 Overheads-NIL	48.55	48.55 Direct
			SLPP	65.80	Direct 69.83 Overheads-NIL	69.83	69.83 DEEP
3.	Self Help Groups, Skill enhancement Training	Livelihood	SLPP	20.02	Direct 19.39 Overheads-NIL	19.39	19.39 DEEP
4.	Roads & Infrastructures	Village Infrastructure Development	Vadodara	5.62	Direct 3.37 Overheads-NIL	3.37	3.37 SVADES
			SLPP	63.25	Direct 63.07 Overheads-NIL	63.07	63.07 DEEP
5.	Maintenance & Protection, Nursery & Vermicompost	Resource Centre for Training	SLPP	5.16	Direct 5.91 Overheads-NIL	5.91	5.91 DEEP
6.	-	Contingency	Vadodara	0.25	Direct 0.35 Overheads-NIL	0.35	0.35 Direct
			SLPP	1.55	Direct 1.39 Overheads-NIL	1.39	1.39 DEEP
	-	**Sub-Total**	**Vadodara**	**75.06**	Direct 74.70 Overheads-NIL	**74.70**	**48.90 Direct** **25.80 SVADES**
			SLPP	**387.03**	Direct 390.74 Overheads-NIL	**390.74**	**390.74 DEEP**
			TOTAL	**462.09**	**465.44**	**465.44**	**465.44**
7.	Administrative & Capital	Administrative Expenses	SLPP	55.36	Direct-NIL Overheads-51.65	51.65	51.65 **DEEP**
			GRAND TOTAL	**517.45**		**517.09**	**517.09**

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'.

Sonal Mishra, IAS
Managing Director and
Chairperson of CSR Committee
(DIN: 03461909).

CSR POLICY

(Approved by the Board of Directors on 5th May, 2014)

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Gujarat Industries Power Company Limited is committed to the cause of socio economic development of people, particularly those whose sources of livelihood are affected by our business. We are committed to taking up projects and activities that aim at raising their Human Development Index including but not limited to projects or programmes listed out in the Schedule VII to the Companies Act, 2013 as amended. It shall remain our endeavor to involve them as stakeholders by following participatory approach through which we will address their concerns, priorities, needs and aspirations. We shall remain conscious of our obligations as a responsible corporate entity to the cause of society at large by taking up activities that contribute to – promotion of social harmony, increasing opportunities to socially and economically disadvantaged sections of society, and mitigation of environmental degradation.

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **on 31st March, 2017**, 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 **31st March, 2017**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). – As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. 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, 1992;
   C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable to the Company during the Audit Period;
   D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
   E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
   F. 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;
   G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
   H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;

6. 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;
   1. The Electricity Act, 2003;
   2. The Mines Act, 1952;
   3. The Mines & Minerals (Development Regulations) Act, 1957;
   4. The Land Acquisition Act, 1894 (The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 1986);
   5. The Environment (Protection) Act, 1986;
   6. The Air (Prevention and Control of Pollution) Act, 1981; and
   7. The Water (Prevention and Control of Pollution) Act, 1974

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) 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 mentioned above and that the company is in the process of compliance of Regulation 17(1) related to the appointment of Independent Directors.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

Based on the Compliance mechanism established by the Company and on the basis of certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report by way of information that designation of Smt. Sonal Mishra, IAS, appears in the signatory details on MCA portal as 'Additional Director' instead of 'Managing Director'. However, the Company has already filed requisite form to rectify the designation.

For J. J. Gandhi & Co.
Practising Company Secretaries
(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515

Place: Vadodara.
Date: 18th May, 2017.

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

Annexure to Secretarial Audit Report

Date: 18th May, 2017

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the 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 the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

For J. J. Gandhi & Co.
Practising Company Secretaries
(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515.

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. Renewable Energy application in Utilities to replace Fossil Fuel Energy by installation of 30 KW; Control Building No. 1, Roof-Top Solar, Projected Annual Generation is 0.03942 MUs and saving of ₹ 2.25 Lakhs.
2. Revamping work on Vacuum Pump no. 2 resulted in to Annual Saving of 0.212400 MUs (18.36 Metric Ton of Oil Equivalent) & ₹ 12.11 Lakhs.
3. Modification by Retrofitting of new small Bowl assembly with new taper column pipe and shaft to fit assembly with EXISTING column pipe in Condenser Cooling Water Pump and to couple with SAME High Tension Induction Motor of Capacity 355 KW resulted in to Annual Saving of 0.368928 MUs (31.72 Metric Ton of Oil Equivalent) and ₹ 21.03 Lakhs.
4. Replacement of total 21 Nos. Electrical Energy operated Ventilator Fan by Renewable Energy operated Turbo Ventilator Fan in hall area of main Machines resulted in to Annual Saving of 0.095046 MUs (8.17 Metric Ton of Oil Equivalent) and ₹ 5.42 Lakhs.

Energy Saving for the F.Y. : 2016-17	Electrical Energy in Million Units	Equivalent Metric Ton of Oil Equivalent (MToE)
	0.715	58.25

At SLPP:

Several energy conservation measures taken during the year helped to conserve about 12.70 MUs Electrical energy amounts to saving of ₹ 3.80 Crores. Following are some of the major measures taken for conservation of energy:

- Modification carried out in Unit-3 to utilize Primary air in ash cooler instead of separate ash cooler blower air which helped to reduce running hours of ash cooler blower resulting into saving of 5.22 Lakhs kWh electrical energy/annum.
- Conventional cooling tower fan blades assembly of Phase-II cooling tower was replaced with aerodynamically designed energy efficient fan blades assembly which helped to conserve 2.00 Lakhs kWh electrical energy/annum.
- Limestone Mill-D compressor ACW line modification helped to eliminate operation of Boiler ACW booster pump which helped to conserve 6.80 Lakhs kWh electrical energy/ annum.
- Condenser tube cleaning (Unit-1 & 4) helped to conserve 55.15 Lakhs kWh electrical energy/ annum.
- Conversion of old PCH primary crusher motors connection from delta to star helped to conserve 1.94 Lakh kWh electrical energy / annum.
- Energy efficient surface insulation application in Boilers helped to improve boiler efficiency resulted in to reduction in Lignite consumption by 2950 MT / annum.
- Attending Air Pre Heater (APH) and flue gas path leakages in Units 1, 2 & 4 helped to reduce loading of ID fans resulted in to saving of 52.12 Lakhs kWh electrical energy/annum.
- Provision for remote On / Off operation for one Cooling Tower fan from control room helped to stop Cooling Tower fan during unplanned partial loading like backing down by SLDC, outage of equipment, etc. resulted in to saving of 1.34 Lakh kWh electrical energy /annum.
- Pneumatic positioners in instrument air system were replaced with smart positioners which helped to reduce consumption of instrument air and resulted into saving of 0.13 Lakh kWh electrical energy / annum.

  Smart soot blowing in Phase-II Units helped in saving of steam and DM water consumption and 2.33 Lakhs kWh electrical energy.

Energy Conservation Proposals:

At Vadodara:

- Additional one new small capacity Condenser Cooling Water Pump in Station I to cater condenser cooling water requirement of condenser of STG in parallel with existing 355 KW CW pump for low loading of Station-1 is proposed. This will help to conserve 610781 KWh electrical energy per annum
- Service water for domestic use in the Plant, administration buildings, canteen is used from Filter water which is used for DM water production. The cost of filtered water is 21/m3.For activities like washing utensils and in toilets filter water is not used. Borewell water can be used for this purpose. Saving of 1800m3/annum filtered water will be saved. Saving of ₹ 37,800 per Annum.

At SLPP:

- Use of aerodynamically designed energy efficient cooling tower fan blades (2 Nos.) in Phase-II Units. Saving of 2.00 Lakhs kWh electrical energy per annum is expected.
- Attending Air Pre Heater (APH) and flue gas leakages in all four Units. This would help to reduce loading of ID fans and expected annual saving is 13.6 Lakhs kWh electrical energy.
- In Ph-I & II Boilers, application of energy efficient surface insulation is planned in remaining area to improve Boiler efficiency further. This would help reduce Lignite consumption by 5150 MT per annum.
- In instrument air system, replacement of 10 nos. pneumatic positioners with smart positioners is planned. This will help reduce consumption of instrument air and saving of 0.132 Lakh kWh electrical energy per annum is expected.
- Condenser tubes cleaning in Unit 2 & 3 is planned which will help conserve about 73.53 Lakhs kWh electrical energy per annum.
- Phase-I air compressor ACW line modification is planned by which saving of 2.27 Lakhs kWh electrical energy per annum is expected.
- Seal and purge air interconnection is planned to cater service air requirement in Phase II. Expected annual saving is 10.91 Lakhs kwh electrical energy.
- Drum level controller modification for low load operation of the Units is planned which will help save about 8.71 Lakhs kwh electrical energy per annum.

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 in Foreign Exchange. Foreign Exchange, outgo during the year was to the tune of R. NIL (R.10.37 Lakhs during preceding year).

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

At Vadodara:

1. Power Transducers of accuracy class 0.5 installed & commissioned for monitoring energy consumption of Low Tension Auxiliaries and Lighting Transformers.
2. In Station-I, existing old, Human Machine Interface of Steam Turbine Governing System was replaced / upgraded by State of the Art latest S+ Platform software of ABB make.

At SLPP:

1. Phase-I: Successful Up-gradation of Unit - I Pro control DCS system with advanced technology based maxDNA DCS.
2. During Unit-I turbine capital overhauling, major activities like (a) replacement of conventional spray type insulation by ceramic blanket type insulation (b) replacement of Pressure Reducing De-superheating Station (PRDS) spray control valve by modified design control valve (c) Attending identified leakages in condenser and associated piping detected during helium leak test (d) Necessary flow path correction based on Steam Path audit etc. were carried out to improve turbine performance.
3. Installation of Diverter plate in Primary Air Wind Box of combustor.
4. Installation of two Drain Valves in Primary Air Wind box of Combustor.
5. Strengthening of Economizer coil support beams in Unit-1 and 2 Boiler by providing pipe bracings in between three supports beams.
6. Replacement of Unit-4 FBHE-IV evaporator coil plain tubes by Rifle tubes and providing positive slope to riser of evaporator coil.
7. Up gradation of Material of Construction of back-pass steam cooled wall roof tube.
8. Up gradation of Material of Construction of fluidizing nozzles components
9. Post Operational Chemical cleaning of Unit-I Boiler during AOH-2016.
10. Tubular Air Pre-heater (TAPH) leaky tubes were identified & plugged during every opportunity and arresting atmospheric air infiltration by patching corroded duct in flue gas path & ESP casing.
11. Electrostatic Precipitator fields replacement, overhauling, servicing / repairing work was carried out during Annual Overhauling. 05 fields' complete internals and 02 fields' partial internals were replaced in Unit-4 Boiler. 38 fields of Units 1, 2 and 4 Boilers were overhauled.
12. Innovative approach adopted to erect scaffolding in Boiler during forced outages of Unit-2 and 3 Cyclone refractory (major) repairing work.
13. Replacement of Unit-2 ID fan-2B connecting coupling from Geared type to membrane type axially split coupling.
14. Modification in casing internals of Unit-4 lignite conveyor - I.
15. In-house repair of plug & pin assembly of BFP R/C valves (Units 1 and 2) to save costly spares.
16. Erection of Fire Spray System for all floor of old Secondary Crusher House.
17. Erection of ENCON make Energy Efficient Fan Assembly & Addax Rexnord make light weight composite drive shaft for Unit-3 Cooling Tower - VI and Unit-4 Cooling Tower - II.
18. Unit – 4 Cooling Tower - VI Gear Box piping modification for oil top up from outside.
19. Unit-4 Cooling Tower-VII, Gear box base frame provision to resolve high vibration issue.
20. Use of U.P.V.C. heavy Industrial grade materials against M.S.R.L (Mild Steel Rubber Lined) for Acid (HCL) & Chemical (Caustic) Application.
21. Installation of AODD (Air Operated Double Diaphragm) Pump for Acid unloading in place of Horizontal Centrifugal ALLOY 20 Pump in CW Treatment Plant.
22. Up-gradation of old static distance protections relays of 220 kV outgoing transmission lines of Phase-I with numerical relays.
23. Vertical bus bar replacement in Unit-1 LT switchgears from Aluminum to Copper.
24. Modification of power and control circuit of SLPP-II guard pond pumps.
25. PID (Puncture Insulator Detection) testing carried out for SLPP-I and SLPP-II 220 kV switchyard porcelain insulator strings.
26. Installation of online moisture and acidity removal system in Unit-2 Generator Transformer.
27. Installation of conservator Air Cell in Unit Auxiliary Transformer of Unit-1.
28. Installation of motor protection circuit breakers in EDS (Eccentric Disc Screen) system motors.
29. Auto start of cooling tower motor of Phase-I through SMS system.
30. Testing and commissioning of transformer and HT panels for 1 MW Solar cum Agriculture Plant.
31. 1 MW Distributed Solar Power Project and 70 kW (2 x 25 kW, 20 kW) Roof-Top Solar project : Data acquisition in SCADA System and MIS monitoring: In house development of SCADA system for 1 MW Distributed Solar Pilot Project at Vastan village. Also, SCADA for roof top Solar plant of School and town centre were integrated with 1 MW SCADA.
32. Up gradation of Phase-I Ash Handling Plant PLC from Allen Bradly make 5/60 series to latest control logix series PLC of Rockwell Automation.
33. SLPP Phase-I &II: Installation of smart positioners (13 Nos.) for the pneumatic Control valves.
34. Improvement in System capacity utilization for Lignite Handling and Limestone Handling, Milling & conveying system by better coordination and effective control on O & M practices.
35. ELHS secondary crusher Beater head and beater arm connecting pin modified from split cotter pin to threaded type.
36. Feed table arrangement of ELHS Stacker Re-claimer machine was changed from Garland type to fixed type.

37. In house developed Belt Feeder was provided in place of Eccentric Disc Screen in primary crusher house.
38. In situ strengthening of highly corroded conveyor galleries of BCN 6AB & BCN 13AB.
39. Dust Suppression system at Apron Feeder area was upgraded from plain water to Fog type.
40. Modification in Jacket cooling system for compressor in Limestone milling area.
41. Set up of food waste decompose system at plant for treatment of daily generated food waste and converting the same in to manure.
42. Development of in-house nursery in which developing various plants from existing available plants and planting seeds of seasonable flower.
43. Covered both Fore-bay water channel with green HDPE net in order to reduce suction possibilities of foreign material in CW Pumps & reduction in water evaporation.
44. Protection coating applied inside RCC surface of Unit - 2 Cooling Tower cells.

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

At Vadodara:

1. Saving in Overhauling through Innovative Approach:

I. GT-3 Major Inspection: Awarded separate contract for Technical Advisory service and Labour service instead of Single comprehensive contract for Major Inspection. This resulted in saving of ₹ 32.00 Lakhs.

II. GT-3 Generator Inspection: Hired Non-OEM expert party for the First time. The job was completed successfully in ₹ 12.83 Lakhs as against OEM cost of ₹ 32.82 Lakhs. This resulted in net saving of ₹ 20.00 Lakhs.

2. Vendor Development:

I. Relocation of IGV Operating system in GT-3: IGV Operating System relocated through Non OEM Vendor. OEM has quoted for ₹ 155.00 Lakhs. However, the job was successfully completed in ₹ 11.00 Lakhs with use of existing Spares.

This resulted in net saving of ₹ 144.00 Lakhs.

II. Renovation of Inlet Air Filter House of GT-2 & GT-3: Renovation of Inlet Air Filter House of GT-2 & GT-3 carried out for the first time after @ 25 years of operation. Costly OEM Spares replaced by developing re-engineering with in-house expertise. Total job completed in total cost of ₹ 7.00 Lakhs as against OEM estimated cost of ₹ 70.00 Lakhs.

This resulted in total saving of ₹ 126.00 Lakhs.

III. **Other Vendor development Jobs:**

Sr. No.	Description of Part Developed	Qty.	Approx. Saving in ₹
1	Shaft STG AOP Station-2	1 No	15,000
2	Base Frame of CW pump-B Station-1	1 No	2,50,000
3	Sleeves of CW Pump	1 Set	30,000
4	Shaft of Effluent unloading pump	1 No	15,000
5	Sleeves and wear ring Effluent unloading pump	2 Sets	20,000
6	Wearing Ring, Sleeves of ACW-2 Station-1	1 Set	50,000
		Total	**3,80,000**

At SLPP:

1. maxDNA DCS system is with advanced technology and have all required diagnostic features and availability of the spare and service support is for next 15 years from now. The same system is also supplied by BHEL for Phase-II (Unit 3 and 4) as a part of EPC Project, hence no additional spare inventory is to be maintained for this system.
2. Heat rate of Unit-1 Turbine improved by 31 kCal/kWh after completion of COH which helped to save fuel cost of about ₹ 1.4 crore per annum. Further, due to adoption of new insulation technique, there was reduction in convection/radiation loss and saving of 2-3 days generation and this will also help for re-use of the ceramic blanket (60-70%) during next COH.
3. This helps to equalize the air flow throughout the nozzles grate and will help to minimize the erosion of fluidizing nozzles installed nearby area of Seal pot-II.
4. This modification will facilitate to drain out back shifted bed ash in case of chocking of ash conveying line and drain out ash & water mixture in case of tube leakage. Thus overloading of wind box will be prevented and probability of collapsing of wind box will be reduced.
5. This will prevent further deformation of beams and enhance the life.
6. This will prevent boiler tube leakage due to effect of caustic gouging and diminish the effect of DNB (Departure of nucleate boiling).
7. Up gradation of material will minimize the effect of overheating and will prevent boiler tube leakage due to long term overheating.
8. This will minimize the erosion and enhance the life of nozzles.
9. Boiler completed 154 days continuous running without any outage due to tube leakage since 15th Oct-2016, surpassed the previous record of 127 days in F.Y. 2007-08.
10. This has resulted in optimization of the loading of primary air / secondary air/induced draft fans and hence reduction of auxiliary power consumption.
11. It has helped to address CPCB/GPCB norms effectively.
12. Complete erection of scaffolding was avoided and generation of 3 to 4 days was saved along with due care of safety of the personnel working on the job.
13. This will help to save the maintenance time during dismantling of the coupling. Also, this connecting coupling will take care more misalignment compared to previous.
14. Unit-4 Lignite conveyer-I casing internals were modified to avoid the lignite jamming problem in grooves. By this modification loading of the lignite conveyor and auxiliary power consumption will reduce.
15. BFP R/C valve spare cost around ₹ 11.00 Lakhs was saved.
16. This will help to quench fire quickly and easily at secondary crusher house from outside of the crusher building and will help to reduce major loss and injury.
17. Total energy saving achieved is 13.52 kW/hr for Unit-3 Cooling Tower - VI & Unit - 4 Cooling Tower - II. Vibration level also got reduced.
18. No need to go inside cooling tower for oil top up. Hence, associated risk is minimized. Also, electrical isolation will not be required.
19. Gearbox vibration have been reduced which helped to improve system reliability.
20. On an average 35% to 40% cost saving achieved against MSRL pipes. Maintenance down time was also reduced.
21. Maintenance cost is reduced. Pump availability, reliability and safety is improved. Total Cost saving is ₹ 1.91 Lakhs.

22. Numerical relays are faster in sensing & clearing the faults than the static relays thereby reducing the electrical stresses on equipments like generators and transformers & associated measuring & protection equipments.
23. Aluminum bus bars were replaced with copper bus bars for critical switchgears to avoid loss of generation in case of bus bar failures because of ageing over the period of time.
24. The guard pond pumps are required to meet fire water requirement in case of fire. Therefore, power circuit and control circuit were modified in such a manner that both guard pond pumps can be run parallel to meet emergency requirement against earlier scheme in which only one pump could be taken into service at a time.
25. PID testing has helped to find out faulty insulator strings in live line condition without taking shutdown for verification. Based on PID testing report, weak insulator strings were replaced so that loss of generation on account of insulator failure can be avoided.
26. This helps to remove moisture absorbed by oil & paper insulation as well as to reduce the acidity of transformer oil. This shall help in stopping further degradation of transformer oil and main winding.
27. This shall prevent the direct contact of transformer oil and air/ moisture and thereby will enhance the transformer life.
28. This shall provide better protection in case of locked rotor conditions and minimize the motor failures in EDS system.
29. Starting/ Stopping of cooling tower from control room became possible by installing mobile starter. This shall help in switching off / on of cooling motors based on the load requirements and will help to conserve good amount of energy.
30. Testing and commissioning of transformer and HT panels for 1 MW Solar cum Agriculture Plant was carried out departmentally to optimize the project cost.
31. Cost of Procurement of new SCADA system saved as in-house development done which helped to save ₹ 13.00 Lakhs. Further, due to adopting maxDNA DCS system platform (common software with exiting Phase-II DCS System), maintenance will be easier.
32. Upgraded PLC is operation friendly and having system diagnosis facility. Operator can diagnose the system problem easily.
33. This will reduce consumption of compressed air & spares and there is ease in maintenance.
34. Reduction in specific power consumption of Lignite Handling system from 4.95 kWh/MT to 4.23 Kwh/MT (14.8 %) helped in saving of Energy by 2.47 MUs and Limestone Handling, Milling & Conveying system from 44.19 kWh/MT to 32.15 kWh/MT (27.2%) helped in saving of energy by 3.45 MUs.
35. This has helped to improve reliability and availability of crushers due to reduction in breakdown incidences of hammer which was getting dislocated.
36. This has helped to minimize the spillage of Lignite while reclaiming from stockpile and also helped to improve system capacity utilization.
37. This has improved system availability with saving of ₹ 60.00 Lakhs.
38. This helped to improve life of conveyor galleries.
39. Modification is useful in dust suppression and thereby maintains healthy environment and better housekeeping.
40. This has helped to improve cooling of compressors and reduce the running hours of ACW booster pump of Phase-II system.
41. The manure so produced is being utilized for development & maintenance of horticulture, green belt, etc. in power plant, colony, mines and solar plant at no any additional cost.
42. This has helped to reduce purchase cost of the plants and improved beautification at low cost.
43. This has helped to improve the availability of C.W. pumps and minimized the strainer cleaning frequency. Also, it helped to reduce water loss due to evaporation.
44. This has helped to reduce algae formation and improved cooling tower efficiency.

3. 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 31.03.2017

[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 LTD.
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, 2230182 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, 2366794 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
GIPCL Projects and Consultancy Company Ltd. 2nd Floor, GIPCL Corporate Building, P.O. Petrochemicals – 391 346, Dist.: Vadodara.	U74999GJ2012PLC071761	Subsidiary	100.00	2(87)
Bhavnagar Energy Company Ltd. 3rd Floor, Block No. 8, Udyog Bhavan, Gandhinagar.	U40102GJ2007SGC051396	Associate	24.36%	2(6)

V. 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. Promoters									
(1) Indian									
Individual	0	0	0	0	0	0	0	0	0
Central Govt.	0	0	0	0	0	0	0	0	0
State Govt.	0	0	0	0	0	0	0	0	0
Bodies Corporate	84236161	3804100	88040261	58.21	84236161	3804100	88040261	58.21	0
Banks / FIs	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	84236161	3804100	88040261	58.21	84236161	3804100	88040261	58.21	0
(2) Foreign									
NRIs- Individual	0	0	0	0	0	0	0	0	0
Others- Individual	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Banks / FIs	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**84236161**	**3804100**	**88040261**	**58.21**	**84236161**	**3804100**	**88040261**	**58.21**	**0**
B. Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	9026322	5400	9031722	5.9699	9131143	5400	9136543	6.0392	0.0693
Banks / FI	20263	3400	23663	0.0156	40028	3400	43428	0.0287	0.0131
Venture Capital Funds	0	0	0	0	0	0	0	0	
Insurance Companies	14537174	0	14537174	9.6113	7346079	0	7346079	4.8569	-4.7544
FIIs/Foreign Portfolio Investors	5059497	0	5059497	3.3451	5919440	0	5919440	3.9136	0.5685
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	**28643256**	**8800**	**28652056**	**18.942**	**22436690**	**8800**	**22445490**	**14.839**	**-4.1035**
(2) Central Govt./State Govt.	7828973	3725333	11554306	7.6392	11525973	28333	11554306	7.6392	0
Sub-Total (B)(2):	7828973	3725333	11554306	7.6392	11525973	28333	11554306	7.6392	0

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	
(3) Non Institutions									
a) Bodies Corporate									
Indian	5415966	5750	5421716	3.584	10982657	5550	10988207	7.2649	3.6809
Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
Individual Shareholders holding nominal share capital upto ₹ 2 lakhs.	11826043	1456847	13282890	8.7838	11788108	1427427	13215535	8.7375	-0.0463
Individual Shareholders holding nominal share capital in excess of upto ₹ 2 lakhs.	2564475	0	2564475	1.6955	2719283	0	2719283	1.7979	0.1024
Others (specify)	0	0	0	0	0	0	0	0	0
Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
Other Foreign Nationals	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
NRI / OCBs	444319	0	444319	0.2937	508219	0	508219	0.336	0.0423
Clearing Members / Clearing House	133044	0	133044	0.0880	386544	0	386544	0.2556	0.1676
Trusts	11533	0	11533	0.0076	8400	0	8400	0.0056	-0.002
Limited Liability Partnership	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	1143880	0	1143880	0.7563	1382235	0	1382235	0.9139	0.1576
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Unclaimed Shares	2708	0	2708	0.0018	2708	0	2708	0.0018	0
Sub-Total (B)(3)	21541968	1462597	23004565	15.211	27778154	1432977	29211131	19.313	4.1025
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**58014197**	**5196730**	**63210927**	**41.79**	**61740817**	**1470110**	**63210927**	**41.79**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL (A+B+C)	142250358	9000830	151251188	100	145976978	5274210	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 Ltd.	23088980	15.27	0.00	23088980	15.27	0.00	0.00
Gujarat State Fertilizers and Chemicals Ltd.	22362784	14.79	0.00	22362784	14.79	0.00	0.00
Petrofils Co-operative Limited	3804100	2.52	0.00	3804100	2.52	0.00	0.00
Liquidator Petrofils Co-operative Limited	400000	0.26	0.00	400000	0.26	0.00	0.00
Total	**88040261**	**58.21**	**0.00**	**88040261**	**58.21**	**0.00**	**0.00**

iii. Change in Promoters' Shareholding (Please specify if there is no change).
There is no Change in Promoter's Shareholding

iv. Shareholding Pattern of Top 10 Shareholders(Other than Promoters)

Sr.	Name	No. of Shares held & (%)
1.	ICICI Prudential Balanced Fund	6696554 (4.42)
2.	ICICI Prudential Life Insurance Co. Ltd.	5336191 (3.52)
3.	Life Insurance Corporation of India	5258204 (3.48)
4.	Gujarat Power Corporation Limited	4977491 (3.29)
5.	Gujarat State Petroleum Corp. Ltd.	3697000 (2.44)
6.	ICICI Lombard General Ins. Co. Ltd.	3500000 (2.31)
7.	Gujarat State Electricity Corp. Ltd.	2205882 (1.46)
8.	Govt. of Singapore - Emerging Funds	2100000 (1.39)
9.	Comgest Growth PLC- Comgest Growth India	1785101 (1.18)
10.	UTI Mid Cap Fund	1525455 (1.01)

v. Shareholding of Directors and Key Managerial Personnel

Sr.	Name of Director /Key Managerial Personnel	No. of Shares held
1.	Shri Sujit Gulati, IAS	Nil
2.	Prof. Shekhar Chaudhuri	Nil
3.	Dr. K M Joshi	Nil
4.	Shri P K Gera, IAS	Nil
5.	Shri Pankaj Joshi, IAS	Nil
6.	Shri Sanjeev Kumar, IAS	Nil
7.	Shri S B Dangayach	Nil
8.	Dr. B A Prajapati	Nil
9.	Shri N N Misra	Nil
10.	Shri S M Awale	Nil
11.	CS V V Vachharajani	Nil
12.	Smt. Sonal Mishra, IAS	Nil
Key Managerial Personnel		
1.	CA G S Chahal	Nil
2.	CS A C Shah	Nil

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	47499.47	NIL	NIL	47499.47
(ii) Change in Indebtedness during the financial year	(5770.72)	NIL	NIL	(5770.72)
(iii) Net Change	(5770.72)	NIL	NIL	(5770.72)
Total (i-ii)	**41728.75**	**NIL**	**NIL**	**41728.75**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Particulars of remuneration	Amount (₹ in Lakhs)
Smt. Sonal Mishra, IAS	
Salary	18.48
Value of perquisites (including Tax on perquisites)	4.43
Total	**22.91**

B. Remuneration to other Directors:

Name	Sitting Fees paid per meeting (in ₹)		
	Board Meetings	Committee Meetings	Total
Shri L. Chuaungo, IAS, Chairman (up to 27.06.2016)*	10,000/-	0	10,000/-
Shri Sujit Gulati, IAS, Chairman (from 20.07.2016)*	50,000/-	10,000/-	60,000/-
Prof. Shekhar Chaudhuri	20,000/-	10,000/-	30,000/-
Dr. K M Joshi	50,000/-	1,70,000/-	2,20,000/-
Dr. P K Das, IAS (Retd.) (up to 26.07.2016)	10,000/-	50,000/-	60,000/-
Smt. Shahmeena Husain, IAS (up to 20.10.2016)*	20,000/-	10,000/-	30,000/-
Shri P K Gera, IAS (from 01.03.2016)*	30,000/-	10,000/-	40,000/-
Shri Pankaj Joshi, IAS (from 20.10.2016)*	30,000/-	10,000/-	40,000/-
Shri Sanjeev Kumar, IAS*	0	0	0
Dr. Ajay N Shah (up to 11.01.2017)	0	0	0
Shri S B Dangayach	40,000/-	40,000/-	80,000/-
Dr. B A Prajapati	60,000/-	90,000/-	1,50,000/-
Shri N N Misra (from13.10.2015)	40,000/-	20,000/-	60,000/-
Shri Ashok Kumar**(IDBI Nominee Director) (up to 20.10.2016)	10,000/-	10,000/-	20,000/-
Shri S M Awale**(IDBI Nominee Director) (from 20.10.2016)	20,000/-	20,000/-	40,000/-
CS V V Vachharajani (from 28.03.2016)	40,000/-	0	40,000/-
Total	**4,30,000/-**	**4,50,000/-**	**8,80,000/-**

* Fees Deposited in Govt. Treasury. ** Fees Deposited with IDBI Bank Ltd.

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

Sr. No.	Particulars of Remuneration	CA S P Desai, Chief General Manager & Chief Finance Officer (upto 04.06.2016)	CA GS Chahal, General Manager & Chief Finance Officer (From 05.12.2016)	CS A C Shah, Company Secretary & DGM (HR, Legal & Admn.)	Total Amount ₹ Lakhs
TOTAL	Salary & Allowances	4.36	8.21	20.49	33.06

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 arms 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. : **18-05-2017**

	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 2016-17 (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) Power Purchase Agreement (PPA) dated August 1, 1996 for 165 MW Gas based Power Station. (iii) PPAs 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 28-04-2015 and 27-01-2016 for 15 MW Wind Farm. (vii) PPAs dated 20/09/2016 and 16/12/2016 for 26 MW Wind Farm. (viii) PPAs dated 20/09/2016, 03/12/2016 and 30/12/2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri Sujit Gulati, IAS. 2. Shri Pankaj Joshi, IAS. 3. Shri Sanjeev Kumar, IAS.	Promoter	Sale of Electricity	1,07,697.10
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Stations and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Ltd. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity, Water Charges & purchase of Chemicals	12,807.05
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Stations and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Ltd. (GSFC)	1. Dr. Ajay N. Shah (upto 11-01-2017) 2. CS V V Vachharajani	Promoter	Sale of Electricity, Water Charges & purchase of Chemicals	12,219.13

(d) Duration of the contracts / arrangements/transactions **: Long Term**

(e) Salient terms of the contracts or arrangements or transactions including the value, if any: **Sale of Electrical Energy, Purchase of Chemicals and Water Charges.**

(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

Sujit Gulati, IAS
Chairman
(DIN:00177274)

Date: 18th August, 2017
Place: Gandhinagar.

ANNEXURE F

List of Top Ten Employees in terms of Remuneration Drawn during FY 2016-17

(₹ in Lakhs)

Emp No.	Name	Designation	Salary
292	D M Chandarana	DGM (Operations)	24.64
237	S S Muley	DGM (Elect.)	27.18
299	C N Pagdhar	DGM (C & I)	27.34
8	M J Desai	DGM (C&L)	28.14
7	K S Munshi	AGM (TS & SCM)	28.41
971	N K Purohit	GM (Mines)	29.04
402	C M Patel	DGM (Operations)	29.63
549	N K Singh	AGM (SLPP)	30.05
95	S N Purohit	AGM (BD & BO)	30.48
386	P J Sheth	AGM (Finance)	30.85

MANAGEMENT DISCUSSION AND ANALYSIS 2016-17

Your Company was jointly promoted by Gujarat Electricity Board (GEB) [now Gujarat Urja Vikas Nigam Ltd. (GUVNL)], Gujarat Alkalies and Chemicals Ltd. (GACL), Gujarat State Fertilizers and Chemicals Ltd. (GSFC), and Petrofils Co-operative Ltd. (PCL) to cater to their captive power requirements has completed thirty two years on 1st June, 2017, 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 929.4 MW.

SECTOR OVERVIEW

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

The total power generation in the country during FY 2016-17 was 1159.835 Billion Units (BUs) upto 31st March, 2017 (Previous Year 1107.822 BU) as against the target of 1178.000 BUs for the year, about 98.45% of the target for the year. The annual growth in the energy generation during the year has been 4.70% over same period last year i.e. FY 2015-16.

The installed generation capacity in the country, as on 31st March, 2017 was 326848 MW. Coal, with more than 60% share, is still the primary source of fuel for power generation in India.

Installed Generation Capacity (As on 31/03/2017)

All India	Thermal				Nuclear	Hydro (Renewable)	RES@ (MNRE)	Grand Total
	Coal	Gas	Diesel	Total				
MW*	192163	25329	838	218330	6780	44478	57260	**326848**
%	58.79	7.75	0.25	66.79	2.07	13.60	17.51	100

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

Electricity - Capacity Addition and Generation

Target Vs. Achievement (2016-17):

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, has 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 Generation Capacity Addition Target / Achievement for FY 2016-17 was as follows:

(a) Generation Capacity Addition / Achievement:

Type/Sector	Target Addition(in MW)			Total	Achievement	
	Central	State	Private		(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 Target Vs. Achievement for FY 2016-17:

	Thermal	Hydro	Nuclear	Bhutan (Import)	Total
Target (MU)*	999000	134000	40000	5000	1178000
Achievement up to March, 2017 (MU)*	994215	122312	37664	5644	1159835
%	99.52	91.28	94.16	112.88	98.45

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

Thermal Plant Load Factor (PLF):

The average All India Thermal PLF (%) was lower at 60.16% for FY 2016-17 as compared to 62.04% for the same period during FY 2015-16. This was mainly on account of coal / Natural Gas shortages, transmission constraints, delay in stabilization of newly commissioned units etc.

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 192163 MW i.e. 58.79% of the installed capacity of 326848 MW as on 31st March, 2017 contributed by coal based Power Plants, coal remains a key fuel for power generation.

As per the Report of the Working Group on Power-12th Plan (2012-17), Coal-based generation is expected to continue to be the predominant source of electricity during the 12th plan period and beyond. Out of the total capacity addition of 88,537 MW envisaged during the 12th plan, coal/lignite-based capacity addition is expected to be about 69,800 MW (78.84%). Hydro, Nuclear and Gas/LNG based generation is expected to constitute about 10,897 MW (12.31%), 5,300 MW (5.99%) and 2540 MW (2.87%). Thus, coal requirement was estimated at 842 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 problem of 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 growth of 3.34% during FY 2016-17 corresponding to the same period last year. The shortfall in supply to power sector is due to decline in production of gas from the domestic gas fields especially from KG-D6 gas field.

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 17.51%, i.e. 57260 MW, of the total installed capacity as on 31-03-2017. **[Source: Central Electricity Authority (CEA)].**

As per the Ministry of New and Renewable Energy (MNRE), GoI statistics, against a target of 16660 MW of Grid Interactive Power for 2016-17, the Total Deployment in 2016-17 **(As on 28-02-2017)** was 5415.32 MW of which Wind power accounted for about 43.83% Solar power accounted for about 51.77%, Small Hydro power accounted for about 1.35%, Power from Bagasse based Cogeneration accounted for about 2.89%, Biomass power and Waste to Power etc. accounted for the remaining capacity addition. **[Source: Website of MNRE]**

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 Government has already started acting on this agenda. Some of the significant steps taken recently are Policy envisaging that all states should mandatorily meet Renewable Purchase Obligations (RPO) of 5 per cent of total generation which goes up by 1 per cent with every passing year till FY2020 to reach a level of 15 per cent. Launch of National Solar Mission (NSM), which aims to ensure that solar energy technologies in the country achieve grid parity by 2022. It has plans for deployment of 20 GW of solar power by 2022. Imposition of Green Energy Cess of ₹ 50/- per tonne for all domestic and imported coal based projects. The funds raised will be utilized to drive development in the renewable energy sector.

CERC also issued new guidelines for tariff determination for all renewable energy sources to give further impetus to the development of this sector. A new scheme on Generation Based Incentive (GBI) was introduced for the wind power projects and a similar scheme is under development for the solar power projects as well.

With increasing focus on environment related issues, power projects, employing clean and environment-friendly technology (hydroelectric and other renewable energy sources) can also earn carbon credits, which are traded extensively in the international market; thus providing an additional source of revenue.

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 1075 kWh for FY 2015-16.**[Source: Central Electricity Authority (CEA)].**

Based on the Load Generation Balance Report for 2017-18 of CEA, the anticipated power supply position of the Country during 2017-18 is presented in the table below:

Power Supply Position in the Country during 2017-18

Particulars	Energy (MU)	Peak (MW)
Requirement.	1229661	169130
Availability.	1337828	180601
Surplus(+)/Shortage(-).	108167	11471
%Surplus(+)/Shortage(-).	8.8	6.8

[Source: Load Generation Balance Report 2017-18 of CEA]

The Electricity Generation Target fixed by Ministry of Power (MoP) for FY 2017-18 is as follows:

Electricity Generation Target for FY 2017-18:

	Hydro	Thermal	Nuclear (Import)	Bhutan	Total
Target (MU)*	1042028	141400	40972	5000	1229400

[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 successfully 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 successfully commissioned 15 MW Wind based Power Project at Village Kotdapitha, Taluka Babra, Dist.: Amreli and 97.4 MW Wind Farms in Porbandar, Rajkot and Kutch districts of Gujarat.

Your Company is also implementing 2 x 40 MW Solar Power Projects at Charanka Solar Park, Gujarat. Out of this 30 MW has already been successfully commissioned.

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.

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

- Solar Park
- Solar Roof Top
- Wind Farms / Repowering
- 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 vertical has been created 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 macroeconomic 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 (PUs). Dwindling supplies from domestic gas fields (APM gas) at present and increasing price of imported R-LNG shall have a considerable impact on the generation at Vadodara Plant. Further, due to high generation cost by using R-LNG as fuel in comparison to low cost conventional fuels like coal and lignite, as well as due to extensive penetration of low cost Renewable Energy in the State Grid, Vadodara gas based Power Stations are not able to stand in the merit order of the State Load Dispatch Center (SLDC).

Your Company has entered into Agreements with gas suppliers for adequate supply of fuel for its gas-based Power Stations at Vadodara Plant. 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 929.4 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 and 112.4 MW Wind Farms in various locations in Districts Amreli, Porbandar, Rajkot and Kutch.

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. Centralisation 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 by internal team of Accountants/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:

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and applicable mandatory Accounting Standards notified under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the

Companies (Accounts) Rule, 2014 have been followed in preparation of these financial statements, except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003.

The financial statements have been prepared in accordance with Ind AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015.

Your Company's total income for the year ended 31st March, 2017 was ₹ 138158 Lakhs as compared to ₹ 138844 Lakhs in the previous year. The total income includes earnings from sale of electricity energy of ₹ 131056 Lakhs as compared to ₹ 135223 Lakhs recorded in the previous year.

Your Company has earned ₹ 1253 Lakhs as interest on deposits by parking surplus funds as a result of prudent management of working capital. (P.Y. ₹ 2411 Lakhs).

The fuel cost has decreased from ₹ 71585 Lakhs to ₹ 66190 Lakhs. The reduction in expenditure was due to reduction in generation and gas price in case of gas based Power Plants. In case of lignite based power plants same was higher due to increase in generation and lignite price (mainly due to increase in statutory levies).

Finance cost has decreased from ₹ 7557 Lakhs to ₹ 7319 Lakhs due to reduction of interest on term loan consequent to scheduled repayment and unwinding of discount on decommissioning liabilities.

The Profit before tax was ₹ 30097 Lakhs as compared to ₹ 24970 Lakhs in the previous year.

The Corporate Tax Liability for the year under Minimum Alternate Tax provisions of the Act was ₹ 6400 Lakhs as compared to ₹ 5320.00 Lakhs in the previous year.

The net profit of ₹ 22924 Lakhs has been arrived at after taking into account the provisions for current Income Tax (Minimum Alternate Tax, ₹ 6400 Lakhs, Deferred Tax liability of ₹ 773 Lakhs.

During the year, Gross Block has increased by ₹ 68671 Lakhs. The increase was mainly in the Buildings, Plant & Machinery and Office Equipments.

Your Company has not invested during the year under review, in to the Equity Share Capital of M/s Bhavnagar Energy Company Limited (BECL), an Associate.

The other non-current assets include ₹ 5354 Lakhs as secured advance towards the Solar Projects under progress.

The total dividend payout (proposed) for the year @ ₹ 2.70 per Equity Share is ₹ 4915 Lakhs (P.Y. ₹ 4915 Lakhs) including Corporate Tax on Dividend.

As on 31st March 2017, the net worth of the Company stood at ₹ 251673 Lakhs as against ₹ 197411 Lakhs as at the end of previous financial year ended on 31st March, 2016.

CONSOLIDATED FINANCIAL RESULTS:

The Consolidated Financial statements include financial results of GIPCL Projects and Consultancy Company Limited (GIPCO), 100% subsidiary of GIPCL and Bhavnagar Energy Company Limited (BECL), an Associate as per applicable Indian Accounting Standards (Ind AS).

SUBSIDIARY COMPANY:

Your Company has incorporated a 100% wholly owned Subsidiary under the name and style of "GIPCL Projects And Consultancy Company Limited" in 2012. The total income of the Subsidiary Company for the F.Y. 2016-17 was ₹ 3.04 Lakhs as compared to ₹ 3.29 Lakhs in the previous period.

The profit after tax was ₹ 1.40 Lakhs as against ₹ 2.36 Lakhs during the previous period.

ASSOCIATE COMPANY:

Your Company has invested ₹ 20608 Lakhs in the Equity Share capital of BECL with share holding of 24.36%.

The financial statements for Associate prepared under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) are not available. The investment in associate has been carried at cost and no other effect has been given in the consolidated financial statements for transactions with / amounts relating to the associate.

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 2016-2017, 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.

Your 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 Education, Community Health, Livelihood Development and Rural Infrastructure Development like roads, community hall, multipurpose shed 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 comprises of total Twelve (12) Directors as on 31st March, 2017, out of which seven (07) are Non-Independent Directors and other Five (05) are Independent Directors. Managing Director is an Executive and Non Independent 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 V V Vachharajani (DIN: 00091677) are given in the Explanatory Statement annexed to the Notice convening the 32nd Annual General Meeting (AGM) of the Company, forming part of this Annual Report.

b) Regularization of appointment of Directors:

The resume of Smt. Shahmeena Husain, IAS (DIN: 03584560), Shri Pankaj Joshi (DIN: 01532892) and Shri Milind Torawane, IAS (DIN: 03632394) are given in the Explanatory Statement annexed to the Notice convening the 32nd AGM of the Company, forming part of this Annual Report.

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 / she 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 18th May, 2017 noted the said declarations of Independent Directors.

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

During the year 2016-17, Six (06) Board Meetings were held viz.

Quarter	Date(s) of Meeting
1st Quarter - From April to June, 2016.	27th May, 2016
2nd Quarter - From July to September, 2016.	26th August and 23rd September, 2016
3rd Quarter - From October to December, 2016.	9th December 2016
4th Quarter - From January to March, 2017.	9th February and 27th March, 2017

(4) 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 23.09.2016	Directorships in other Companies entities	Audit Committee and Stakeholders' Relationship Committee	
				Membership	Chairmanship
Shri L Chuaungo, IAS, Chairman. *(up to 27/06/2016)*	01	NA	-	-	-
Shri Sujit Gulati, IAS, Chairman *(from 20/07/2016)*	05	YES	09	02	-
Prof. Shekhar Chaudhuri	02	YES	02	03	-
Dr. K M Joshi	05	YES	01	01	01
Dr. P K Das, IAS (Retd.) *(up to 26/07/2016)*	01	NA	-	-	-
Smt. Shahmeena Husain, IAS *(up to 20/10/2016)*	02	NO	-	-	-
Shri Pankaj Joshi, IAS *(from 20/10/2016)*	03	NA	09	-	-
Shri Sanjeev Kumar, IAS	-	NO	08	-	-
Dr. Ajay N Shah *(up to 11/01/2017)*	-	NO	-	01	01
Shri S B Dangayach	04	YES	09	-	-
Dr. B A Prajapati	06	YES	02	03	-
Shri N N Misra	04	YES	05	04	-
Shri Ashok Kumar *(up to 19/10/2016)*	01	NO	-	-	-
Shri S M Awale *(from 20/10/2016)*	02	NA	01	01	-
Shri P K Gera, IAS	03	NO	04	02	-
CS V V Vachharajani	04	NO	-	-	-
Smt. Sonal Mishra, IAS, Managing Director	05	NO	01	01	-

- The shareholding of Directors and their relatives as on 31st March, 2017 was NIL.
- None of the Directors are interrelated.
- 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

(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 (AGM) of the Company held, are as under:

DATE AND NO. OF AGM	TIME	VENUE OF AGMs	SPECIAL RESOLUTION(s) PASSED AT AGMs
20.09.2014 29th AGM.	11:00 A.M.	Registered Office of the Company at P.O.: Petrochemicals-391 346, District: Vadodara.	1. Powers to create security u/s 180(1)(a) of the Companies Act, 2013, on the assets of the Company; 2. Powers to borrow u/s 180(1)(c) of the Companies Act, 2013.; and 3. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
19.09.2015 30th AGM.	11:00 A.M.		1. To grant approval for material transactions with related Parties (RPTs) pursuant to the provisions of Section 188 of the Companies Act, 2013 (the Act) and Clause 49 of the Listing Agreement. 2. Appointment of following Independent Directors for a period of five years: a) Prof. Shekhar Chaudhuri (DIN:00052904); b) Prof. K M Joshi (DIN:00501563); and c) Dr. P K Das, IAS (Retd.) (DIN:00501499)
23.09.2016 31th AGM.	11:00 A.M.		1. Approval of Material Transactions with Related Parties for the Financial Year 2015-16.

Postal Ballot:

During last year, the Company has not passed any Special Resolution by Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of 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

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

(ii) Committee Meeting Minutes :

Minutes of all Committee Meetings are prepared by the Company Secretary, 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 31.3.2017, 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 M Awale, Nominee, Non Executive Director (from 20/10/2016).

(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.

(c) **Meetings and Attendance**

During the year 2016-17, five (05) Meetings of the Committee were held viz.:

27.05.2016	26.08.2016	09.12.2016	09.02.2017	27.03.2017

Details of Attendance:

Name	No. of Meetings attended
Dr. K M Joshi	04
Prof. Shekhar Chaudhuri	01
Dr. B A Prajapati	04
Shri Ashok Kumar *(up to 19.10.2016)*	01
Shri S M Awale *(from 20.10.2016)*	02
Dr. P K Das, IAS (Retd.) *(up to 26.07.2016)*	01

(B) **Stakeholders' Relationship Committee:**

(a) **Composition**

As on 31.3.2017, the Stakeholders' Relationship Committee comprised of two (02) Directors viz.:

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

Smt. Sonal Mishra, IAS, Managing Director.

(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 Board has designated CS A C Shah, Company Secretary & DGM (HR, Legal & Admn.) as the Compliance Officer. His contact details are as follows:

Gujarat Industries Power Company Ltd.,
P.O. Petrochemicals - 391 346,
Dist. Vadodara.
Ph No.:0265-2232768, 2230182 Fax No: 0265-2230029.
Email: investors@gipcl.com
Website : www.gipcl.com

(c) **Meetings and Attendance**

During the year 2016-17, four (04) Meetings of the Committee were held viz.:

04.04.2016	26.08.2016	09.12.2016	09.02.2017

Details of Attendance:

Name	No. of Meetings attended
Dr. K M Joshi	04
Smt. Sonal Mishra, IAS	04
Dr. P K Das, IAS (Retd.)*(up to 26.07.2016)*	01

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, General Manager & Chief Finance Officer and Company Secretary & DGM (HR, Legal and Admn.), 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 2016-17, Five (05) Complaints have been received and all of them have already been attended and resolved to the satisfaction of shareholders. No Shareholders' Complaint(s) and share transfer request(s) are pending as on 31st March, 2017.

(C) Nomination and Remuneration Committee:

(a) Composition

As on 31st March, 2017, 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) Meetings and Attendance

During the year 2016-17, six (06) meetings of the Committee were held viz.:

04.04.2016	27.05.2016	26.08.2016	17.10.2016	09.12.2016	09.02.2017

Details of Attendance

Name	No. of Meetings attended
Dr. K M Joshi	05
Shri P K Gera, IAS	01
Dr. B A Prajapati	04
Smt. Sonal Mishra, IAS *(up to 16.08.2016)*	02
Dr. P K Das, IAS (Retd.) *(up to 26.07.2016)*	02
Smt. Shahmeena Husain, IAS*(up to 20.10.2016)*	01

(d) 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, 2017, the CSR Committee comprised of three (03) Directors viz.:

Smt. Sonal Mishra, 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 the year 2016-17, four (04) Meetings of the Committee were held viz.:

27.05.2016	26.08.2016	09.12.2016	09.02.2017

Details of Attendance

Name	No. of Meetings attended
Smt. Sonal Mishra, IAS	04
Dr. K M Joshi	03
Shri S B Dangayach	03
Dr. P K Das, IAS (Retd.) *(up to 26.07.2016)*	01

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:

Smt. Sonal Mishra, IAS, Managing Director of the Company was paid following remuneration during 2016-17:

Particulars	Amount (₹ in Lakhs)
Smt. Sonal Mishra, IAS	
Salary	18.48
Value of perquisites	4.43
Total	**22.91**

Non Executive Directors:

Name	Relationship with other Directors	Business relationship with the Company, if any	Sitting Fees paid per meeting (in ₹)		
			Board Meetings	Committee Meetings	Total
Shri L Chuaungo, IAS* Chairman *(up to 27/06/2016)*	No	No	10,000/-	0	10,000/-
Shri Sujit Gulati, IAS* Chairman *(from 20/07/2016)*	No	No	50,000/-	10,000/-	60,000/-
Prof. Shekhar Chaudhuri	No	No	20,000/-	10,000/-	30,000/-
Dr. K M Joshi	No	No	50,000/-	1,70,000/-	2,20,000/-
Dr. P K Das, IAS (Retd.) *(up to 26/07/2016)*	No	No	10,000/-	50,000/-	60,000/-
Smt. Shahmeena Husain, IAS* *(up to 20/10/2016)*	No	No	20,000/-	10,000/-	30,000/-
Shri Pankaj Joshi, IAS* *(from 20/10/2016)*	No	No	30,000/-	10,000/-	40,000/-
Shri Sanjeev Kumar, IAS*	No	No	-	-	-
Dr. Ajay N Shah *(up to 11/01/2017)*	No	No	-	-	-
Shri S B Dangayach	No	No	40,000/-	40,000/-	80,000/-
Dr. B A Prajapati	No	No	60,000/-	90,000/-	1,50,000/-
Shri N N Misra	No	No	40,000/-	20,000/-	60,000/-
Shri Ashok Kumar** *(up to 20/10/2016)*	No	No	10,000/-	10,000/-	20,000/-
Shri S M Awale** *(from 20/10/2016)*	No	No	20,000/-	20,000/-	40,000/-
Shri P K Gera, IAS*	No	No	30,000/-	10,000/-	40,000/-
CS V V Vachharajani	No	No	40,000/-	-	40,000/-
Total			**4,30,000/-**	**4,50,000/-**	**8,80,000/-**

* Fees Deposited in Govt. Treasury. ** Fees Deposited with IDBI Bank Ltd.

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 are set out in the Note No. 47 of the Standalone Financial Statements, forming part of this Annual Report.

b) The 'Policy on Related Party Transactions (RPT)' and 'Policy Statement on Material Subisidiary is accessible on the following link of Company's website **http://www.gipcl.com/writereaddata/Portal/Images/pdf/5_Rpt_Policy_corrected_10022017.pdf** and **http://www.gipcl.com/writereaddata/Portal/Images/pdf/4_Policy_On_Material_Subsidiary_10022017.pdf** respectively.

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 2016-17.

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, except Regulation 17 in respect of composition of Board of Directors relating to appointment of Independent Directors, 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, 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 2016-17	21	2708
Add: No. of Shares credited during FY 2016-17.	Nil	Nil
Total	21	2708
Less: No. of Shareholders who approached and to whom shares were transferred during the year.	Nil	Nil
At the end of FY 2016-17	**21**	**2708**

Quarterly Compliance Report:

The Company has submitted Corporate Governance Compliance Report in the prescribed format within prescribed time limit for each Quarter during 2016-17 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
30th June, 2016.	13/07/2016	13/07/2016
30th September, 2016.	06/10/2016	07/10/2016
31st December, 2016.	05/01/2017	06/01/2017
31st March, 2017.	13/04/2017	11/04/2017

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 2016-17. A declaration by Managing Director to this effect is attached to and forming 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. 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. The Window closure period for the said purpose is ten trading days before the date of Board Meeting and two trading days after date of the Board Meeting.

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.

CEO and CFO Certification:

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

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 www.gipcl.com. 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 DPs or to the Company.

Financial Results of the Company were published as follows:

Period FY 2016-17	Date of Approval by Board	Date of publication	Newspapers
Q1 UFR*	26/08/2016	27/08/2016	Financial Express give (All editions) Loksatta-Vadodara (Gujarati) edition
Q2 UFR*	09/12/2016	10/12/2016	
Q3 UFR*	09/02/2017	10/02/2017	
Full year AFR**	18/05/2017	19/05/2017	

* 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 has 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). GIPCO has obtained Certificate to Commence Business on 8th October, 2012. The said company has already commenced commercial activity. The minutes of subsidiary company are placed before the Company's Board of Directors regularly.

7. GENERAL INFORMATION FOR SHAREHOLDERS:

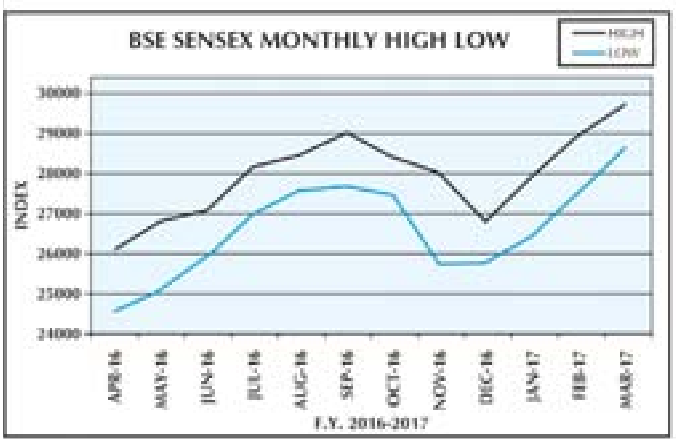
Financial Year of the Company	1^{st} April to 31^{st} March
Power Plant Locations	
145 MW Station I; and 165 MW Station II	P. O. : Petrochemicals - 391 346, District: Vadodara.
500 MW Surat Lignite Power Plant ; and 5 MW PV based Solar Power Plant	At & P.O.: Village: Nani Naroli, Taluka: Mangrol, District: 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	Village: Kotadapitha, Ta. Babra, District: Amreli. Village: Rojmal, Ta. Botad, District: Rajkot. Village: Kuchhdi, Ta. & District: Porbandar. Village: Nakhatrana, Ta. & District: Kutch.
Listing on Stock Exchanges with Scrip Code / Symbol and confirmation of Listing Fees paid for FY 2017-18.	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, 5^{th} floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.Listing Fees for FY 2017-18 has been paid to BSE and NSE on 07/04/2017.
Books Closure Dates	From Friday, the 11^{th} August, 2017 to Friday, the 18^{th} August, 2017 (both days inclusive).
Day, Date, Time and Venue of 32^{nd} Annual General Meeting (AGM)	The 32^{nd} AGM of the Company will be held on Monday, the 18^{th} September, 2017 at 11.00 a.m. at the Registered Office 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 22-09-2017.
Name and Address of Compliance Officer of the Company	CS A C Shah Company Secretary & DGM (HR, Legal & Admn.) P.O.: Petrochemicals - 391 346, Dist.: Vadodara. Fax No:0265-2230029 E-mail: investors@gipcl.com
Name and Address of Registrars and Transfer Agents (R & T Agents) 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. Ph. Nos. (0265) 2356573/2366794 Fax Nos.(0265) 2356791 E-mail:vadodara@linkintime.co.in
No. of Employees	568

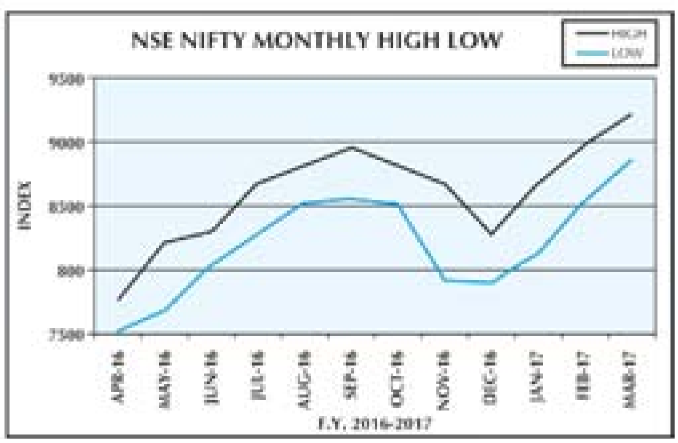
8. DATA OF SHARE PRICE ON BSE AND NSE:

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 2016 to March 2017 are:

Month	BSE		NSE	
	High	Low	High	Low
APRIL 2016	85.00	78.70	85.60	79.00
MAY 2016	88.30	79.50	88.85	80.30
JUNE 2016	95.90	84.00	96.00	83.40
JULY 2016	99.00	88.00	98.80	87.05
AUGUST 2016	97.00	88.20	96.70	88.05
SEPTEMBER 2016	92.05	84.10	92.15	89.25
OCTOBER 2016	98.90	86.30	99.20	86.45
NOVEMBER 2016	110.05	85.80	109.40	85.25
DECEMBER 2016	106.00	91.40	106.00	91.25
JANUARY 2017	116.50	93.65	116.00	94.05
FEBRUARY 2017	113.00	101.50	113.00	101.00
MARCH 2017	111.90	100.00	109.95	100.00

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 2016 to March 2017 :





Share Transfer System:

To ensure expeditious and timely approval and registration of securities related to each 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. For 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, 2017:

Category	No. of Shares held	(%) to Share Capital
Promoters	88040261	58.21
Central/State Govt. Bodies Corporate	22542513	14.90
Institutional Investors	16526050	10.93
Foreign Institutional Investors/ NRI	6427659	4.25
Indian Public	17714705	11.71
GRAND TOTAL	**151251188**	**100.00**

Distribution of Shareholding as on 31st March, 2017:

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	57761	99.32	12596075	8.33
5001 – 10000	174	0.31	1267636	0.84
10001 – 20000	95	0.16	1341895	0.89
20001 – 30000	46	0.08	1146980	0.76
30001 – 40000	18	0.03	637959	0.42
40001 – 50000	8	0.01	356806	0.23
50001 – 100000	14	0.02	1072864	0.71
100001 and above	42	0.07	132830973	87.82
TOTAL	**58158**	**100.00**	**151251188**	**100.00**

Summary of Shareholders and Shares held in Physical and Demat mode as on 31st March, 2017:

Particulars	Physical	Demat NSDL	Demat CDSL	Total
Total Shareholders(Nos.)	12238	31957	13963	58158
Percentage to Total Shareholders (%)	21.04	54.95	24.01	100.00
Total shares(Nos.)	5274210	138445400	7531578	151251188
Percentage to Total Share Capital (%)	3.49	91.53	4.98	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 2016-17.

CEO AND CFO CERTIFICATION

We, Smt. Sonal Mishra, IAS, Managing Director and CA G S Chahal, General Manager & Chief Finance Officer, responsible for the finance function certify that:

a) We have reviewed the financial statements and Cash Flow Statement for the year ended 31st March, 2017 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 31st March, 2017 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 of :

   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

Date: 18/05/2017	**CA GS Chahal** **General Manager** **& Chief Finance Officer**	**Smt. Sonal Mishra, IAS** **Managing Director** **(DIN:03461909)**
Place: Vadodara.		

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 2016-17.

For Gujarat Industries Power Company Ltd.

Date: 18/05/2017
Place: Vadodara.

Smt. Sonal Mishra, IAS
Managing Director
(DIN:03461909)

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, 2017** 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 and that the company is in the process of compliance of Regulation 17(1) related to the appointment of Independent Directors.

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.

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

Place: Vadodara
Date: 18th May, 2017

INDEPENDENT AUDITORS' REPORT

To
the Members of
Gujarat Industries Power Company Limited

Report on the Standalone Indian Accounting Standards (Ind AS) financial statements

We have audited the accompanying standalone Ind AS financial statements of **Gujarat Industries Power Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The transition date opening balance sheet as at 1st April, 2015 included in these standalone Ind AS financial statements, is based on the previously issued statutory standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 13th June, 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
    e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. 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 Ind AS financial statements – Refer Note No. 44 to the standalone Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. Amounts due and outstanding to be credited to Investor Education & Protection Fund which was transferred on 8th May, 2017. Refer Note No. 29 to the standalone Ind AS financial statements and;

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note no. 13 to the standalone Ind AS financial statements.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 18th May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditor's Report to the members of **Gujarat Industries Power Company Limited** ("the Company") on the standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

i. (a) In our opinion 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, 2017	Net Block as at 31st March, 2017
Freehold land	3	15.54	15.54

ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals, and as explained to us, no material discrepancies were noticed during the physical verification.

iii. In our opinion and according to the information and explanations given to us, 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. In our opinion and according to the information and explanations given to us, no loan or guarantee or security is given as per provision of section 185 and 186 of the Act. However, the Company has complied with the provisions of Section 186 of the Act to the extent applicable in respect of Investments made.

v. In our opinion and 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 Companies Act, 2013 and the rules framed thereunder 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) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2017 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 the records of the Company examined by us, there are no disputed dues in respect of value added tax, duty of customs and Service tax which have not been deposited. The following are the particulars of income tax and duty of excise, as at 31st March, 2017 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	0.02	A.Y. 2012-13	Commissioner of Income Tax of Appeals, Baroda
Central Excise Act, 1944	Excise	49.01	F.Y. 2015-16	Audit, Central Excise Office, Surat.

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 institution, government or debenture holders.

ix. In our opinion, the Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.

x. In our opinion and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with 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 and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone Ind AS 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 under review 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 with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.

xvi. 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: 18th May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Gujarat Industries Power Company Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India(ICAI) and the Standards on Auditing issued by ICAI deemed to be 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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: 18th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
I ASSETS				
1 Non-current Assets				
(a) Property, Plant and Equipment	5	241,262.09	185,576.81	187,952.84
(b) Mine Development Assets	5a	10,410.98	11,835.09	21,587.50
(c) Capital work-in-progress		2,390.74	3,471.48	4,123.80
(d) Other Intangible assets	5	521.25	322.03	453.31
(e) Intangible assets under development		55.20	-	-
(f) Financial Assets				
(i) Investments	6	28,056.56	25,026.51	22,544.44
(ii) Loans	7	4.05	12.86	13.33
(iii) Others	8	5,596.55	3,557.43	1,809.25
(g) Non-current Tax Assets (Net)	9	2,731.46	2,801.50	2,852.08
(h) Other non-current Assets	10	7,544.55	18,335.75	7,864.12
Total Non-current Assets		298,573.43	250,939.46	249,200.67
2 Current Assets				
(a) Inventories	11	15,980.27	15,069.58	14,786.08
(b) Financial Assets				
(i) Trade receivables	12	24,802.01	26,566.12	12,850.33
(ii) Cash and cash equivalents	13	208.11	18,841.63	36,197.19
(iii) Bank balances other than (ii) above	14	465.51	457.75	360.75
(iv) Loans	15	0.60	6.51	5.17
(v) Others	16	428.25	2,227.30	1,915.38
(c) Current Tax Assets (Net)	17	-	59.32	-
(d) Other current assets	18	960.41	595.67	2,516.68
Total Current Assets		42,845.16	63,823.88	68,631.58
Total Assets		341,418.59	314,763.35	317,832.25
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	19	15,125.12	15,125.12	15,125.12
(b) Other Equity	20	208,472.69	188,200.51	173,978.77
Total Equity		223,597.81	203,325.63	189,103.89
LIABILITIES				
2 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	27,146.48	32,658.56	43,170.64
(ii) Other financial liabilities	22	909.30	894.70	857.47
(b) Non-current Tax liabilities (Net)	23	15.15	15.15	34.57
(c) Provisions	24	15,187.04	14,430.44	20,762.84
(d) Deferred tax liabilities (Net)	25	23,055.43	21,699.52	20,611.21
(e) Other non-current liabilities	26	960.33	59.24	54.42
Total Non-current Liabilities		67,273.73	69,757.61	85,491.15
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	27	4,070.19	4,328.83	6,960.86
(ii) Trade payables	28	10,375.16	8,472.18	8,933.85
(iii) Other financial liabilities	29	20,914.39	12,446.12	13,619.73
(b) Other current liabilities	30	13,697.20	16,166.33	13,327.24
(c) Provisions	31	364.26	266.64	265.41
(d) Current Tax Liabilities (Net)	32	1,125.84	-	130.12
Total Current Liabilities		50,547.04	41,680.10	43,237.21
Total Equity and Liabilities		341,418.59	314,763.35	317,832.25
See accompanying notes to the financial statements	1-58			

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31-03-2017	For the Year ended 31-03-2016
I	Revenue from Operations	33	131,056.25	135,222.74
II	Other Income	34	7,102.10	3,621.00
III	**TOTAL (I+II)**		138,158.35	138,843.74
IV	**EXPENDITURE :**			
	Cost of Material Consumed	35	66,189.99	71,585.25
	Generation Expenses	36	10,603.67	12,336.23
	Employee Benefits Expense	37	7,345.32	6,821.65
	Finance Cost	38	7,319.40	7,556.83
	Depreciation	5	12,586.83	11,213.26
	Amortisation of Mines Development Assets	5a(ii)	135.13	547.31
	CSR Expenses	39	517.08	667.68
	Other Expenses	40	3,364.13	3,145.62
	TOTAL (IV)		108,061.55	113,873.83
V	**Profit before Tax (III-IV)**		30,096.80	24,969.91
VI	**Tax Expenses**	41a &b		
	Current Tax		6,400.00	5,034.91
	Deferred Tax		772.85	1,109.97
VII	**Profit For the year (V-VI)**		22,923.95	18,825.03
VIII	**Other Comprehensive Income**			
	Remeasurement of Defined benefit plans		(183.62)	(51.51)
	Equity instruments through OCI		3,030.05	(17.94)
	Items that will not be reclassified to profit or loss		2,846.43	(69.45)
	Income tax on above	41c	583.06	(21.65)
	Total Other Comprehensive Income (net of tax)		2,263.37	(47.80)
IX	**Total Comprehensive Income for the year (VII+VIII)** **(Comprising Profit and Other Comprehensive Income for the year)**		25,187.32	18,777.23
X	**Earning per share (Basic and Diluted)**	42	15.16	12.45
	See accompanying notes to the financial statements	1-58		

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr. No.	Particulars		For the Year ended 31-03-2017		For the Year ended 31-03-2016
A	**Cash Flow From Operating Activities :**				
	Net Profit before Tax		30,096.80		24,969.91
	Adjustment for :				
	Depreciation	12,586.83		11,213.26	
	Amortisation of Mines Development Assets	135.13		547.31	
	Amortisation of share issue expenses	-		106.36	
	Amortisation of Prepayments (Lease Hold Land)	30.17		18.23	
	Amortisation of Initial Mines Development Expenditure	576.92		1,103.36	
	Finance Cost	6,493.01		6,179.98	
	Unwinding of Decommissioning Liabilities	826.39		1,376.85	
	Amortisation of Government Grant	(47.35)		-	
	Provision for impairment of fixed assets	172.28		-	
	Loss on sale / write off of assets	0.41		0.94	
	Profit on sale / write off of assets	(86.89)		-	
	Interest Income	(1,599.64)		(2,385.69)	
	Dividend	(52.32)		(54.98)	
			19,034.94		18,105.62
	Operating Profit/(Loss) before changes in working capital		49,131.74		43,075.53
	Adjustment for (Increase)/Decrease in Operating Assets				
	Trade Receivables	1,764.11		(13,715.79)	
	Inventories	(910.69)		(283.50)	
	Loans and Advances	14.72		(0.87)	
	Other Assets	(793.69)		(1,184.50)	
	Adjustment for Increase/(Decrease) in Operating Liabilities				
	Trade payables	1,902.98		(461.67)	
	Other current liabilities and provisions	7,426.91		958.86	
			9,404.34		(14,687.47)
	Cash flow from operations after changes in working capital		58,536.08		28,388.06
	Net Direct Taxes (Paid)/Refunded		(5,145.60)		(5,193.19)
	Net Cash Flow from Operating Activities (Total - A)		53,390.48		23,194.87
B	**Cash Flow from Investing Activities :**				
	Purchase of Fixed Assets including capital advance and Capital Work in Progress	(56,284.31)		(18,553.18)	
	Prepayments for Lease Hold Land	(612.68)		(41.90)	
	Purchase of Investments	-		(2,500.00)	
	Sale of Fixed Assets	114.31		50.65	
	Interest Received	1,801.46		3,324.74	
	Dividend Received	52.32		54.98	
	Bank Balances not considered as Cash and Cash Equivalents	(7.76)		(97.00)	
	Net Cash Flow from Investing Activities (Total - B)		(54,936.66)		(17,761.70)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31-03-2017		For the Year ended 31-03-2016	
C	**Cash Flow from Financing Activities :**				
	Repayment of long-term borrowings	(10,512.08)		(10,512.08)	
	Net increase / (decrease) in working capital borrowings	(258.64)		(2,632.03)	
	Proceeds from long-term borrowings	5,000.00		-	
	Govt. Grant for Capital Assets	-		1,000.00	
	Finance Cost Paid	(6,513.18)		(6,188.35)	
	Dividend on Equity Paid	(3,972.07)		(3,682.06)	
	Tax on Dividend Paid	(831.36)		(774.20)	
	Net Cash Flow from Financing Activities (Total - C)		(17,087.33)		(22,788.73)
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		(18,633.52)		(17,355.56)
	Opening Cash and Cash Equivalents		18,841.63		36,197.19
	Closing Cash and Cash Equivalents		208.11		18,841.63

Notes: 1. The Cash flow statement has been prepared by the indirect method as set out in the Indian Accounting Standard-7 on "Cash Flow Statements".

2. Cash and Cash equivalents includes :

Cash on hand		1.60		2.50
Cheques on hand		-		1,000.00
Balance with Banks :				
Current Accounts	111.51		10.49	
Deposit Accounts	95.00	206.51	17,828.64	17,839.13
TOTAL		208.11		18,841.63

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

(i) Equity Share Capital

As at 1st April, 2015	15,125.12
Additions/(Reductions)	-
As at 31st March,2016	15,125.12
As at 1st April, 2016	15,125.12
Additions/(Reductions)	-
As at 31st March, 2017	**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	Retained earnings	Equity instruments through other comprehensive income	
Balance as at April 1, 2015 (as previously reported)	3,455.88	66,000.00	33,316.97	61,370.00	4,384.09	-	168,526.94
Impact of Ind AS adjustment to retained earnings	-	-	-	-	4,229.21	1,222.62	5,451.83
Adjustments for prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2015	3,455.88	66,000.00	33,316.97	61,370.00	8,613.30	1,222.62	173,978.77
Profit for the year	-	-	-	-	18,825.03	-	18,825.03
Other comprehensive income for the year, net of income tax	-	-	-	-	(33.68)	(14.11)	(47.80)
Total comprehensive income for the year	3,455.88	66,000.00	33,316.97	61,370.00	27,404.64	1,208.51	192,756.00
Payment of dividends for the year ended 31-03-2015	-	-	-	-	(3,781.29)	-	(3,781.29)
Tax on dividends	-	-	-	-	(774.20)	-	(774.20)
Transferred from retained earning	-	6,000.00	-	6,000.00	(12,000.00)	-	-
Balance as at March 31, 2016	3,455.88	72,000.00	33,316.97	67,370.00	10,849.15	1,208.51	188,200.51
Profit for the year	-	-	-	-	22,923.95	-	22,923.95
Other comprehensive income for the year, net of income tax	-	-	-	-	(120.07)	2,383.44	2,263.37
Total comprehensive income for the year	3,455.88	72,000.00	33,316.97	67,370.00	33,653.04	3,591.95	213,387.84
Payment of dividends for the year ended 31-03-2016	-	-	-	-	(4,083.78)	-	(4,083.78)
Tax on dividends	-	-	-	-	(831.36)	-	(831.36)
Transferred from retained earning	-	8,000.00	-	8,000.00	(16,000.00)	-	-
Balance as at March 31, 2017	**3,455.88**	**80,000.00**	**33,316.97**	**75,370.00**	**12,737.90**	**3,591.95**	**208,472.69**

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

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

3 Significant Accounting Policies

i) Statement of compliance

In accordance with the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016.

The financial statements have been prepared in accordance with Ind AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. The mandatory exceptions and optional exemption availed by the Company on first time adoption have been detailed in note no. 3.xxi.

Previous period figures in the Financial Statements have been restated in compliance to IND AS.

Upto the year ended 31st March, 2016, the Company had prepared the financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, except in so far as the said provisions were inconsistent with the provision of the Electricity Act, 2003.

In accordance with Ind AS 101 "First Time adoption of Indian Accounting Standards", the Company has presented a reconciliation of Shareholders' equity under Previous GAAP to Shareholders' equity under Ind AS as at 31st March, 2016 and 1st April, 2015 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2016.

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 lacs 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.

Notes to the financial statements

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

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.

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on all fixed assets (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.

Capital Spares are depreciated over the useful life of such Spares but not exceeding the remaining useful life of related tangible asset.

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.

As per Central Electricity Regulatory Commission (Terms and condition of Tariff) Regulation, 2014 useful life of Gas/ Lignite based power plant is 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.

Notes to the financial statements

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.

Intangible assets including Computer software are amortized on straight-line basis over a period of five years.

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 as non-current liability 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

The Company records the investments in subsidiary and associate at cost less impairment loss, if any.

On disposal of investment in subsidiary and associate the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Notes to the financial statements

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

xi) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, service tax and sales tax etc.

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

b. Revenue from sale of services is recognized as per terms & conditions of the contract.

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

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

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

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

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

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

i. 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.,

Notes to the financial statements

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.

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 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.

Notes to the financial statements

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.

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 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) 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.

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.

Notes to the financial statements

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.

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 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 profit or loss.

xxi) First-time adoption – mandatory exceptions and optional exemptions

a. Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

b. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

Notes to the financial statements

d. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e. Deemed cost for Property, Plant and Equipment, and Intangible Assets

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment, and Intangible Assets recognized as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

f. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 "Leases" for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

g. Equity investments at FVTOCI

The Company has designated investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

h. Investment in subsidiary and associate

The Company has elected to carry its investment in subsidiary and associate at deemed cost being the carrying amount under Previous GAAP on the transition date.

i. Decommissioning costs

The Company has availed optional exemption available with respect to decommissioning costs included in the Mine Development Assets. Accordingly, the Company has measured the decommissioning provision in accordance with Ind AS 37 as at transition date. The Company has computed the estimate of the amount that would have been included in the cost of the related asset by discounting the decommissioning provision computed at transition date using its best estimate of the historical risk adjusted discount rate to the date when decommissioning liability first arose. Thereafter, the Company has computed depreciation on those assets on the aforesaid estimated amount using the accounting policy mentioned in Note 3 (iii) above.

j. The difference between carrying amount of Mine Development Assets as on transition date and carrying amount computed considering the aforesaid exemption is adjusted in retained earnings.

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.

Key source of judgments and estimation of uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, decommissioning provision, impairment, employee benefit obligations, provisions, provision of income tax, valuation of deferred tax assets and contingent assets & liabilities.

Notes to the 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 Company'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 Company operates ("the functional currency") is Indian Rupee (₹) in which the company 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 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.

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 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 Consumer Price Index (CPI) for inflation i.e.2.28% (Previous year 3.21 %) 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 6.69% (Previous year 7.46 %), 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.

Notes to the financial statements

Note No. 5 - Property, Plant and Equipment

(₹ 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 01 April 2015	18,380.21	31,502.54	135,604.97	979.66	258.39	1,193.56	33.51	187,952.84	453.31	453.31	188,406.15
Additions during the year	-	147.86	8,289.95	240.15	8.66	69.37	-	8,755.99	1.55	1.55	8,757.55
Deductions/ adjustment during the year	(49.66)	-	-	-	-	(0.94)	(1.41)	(52.01)	-	-	(52.01)
Balance as at 31 March 2016	18,330.55	31,650.40	143,894.92	1,219.81	267.05	1,261.99	32.10	196,656.82	454.86	454.86	197,111.69
Additions during the year	735.57	903.12	66,185.02	-	11.28	499.41	-	68,334.40	336.21	336.21	68,670.62
Deductions/ adjustment during the year	-	-	(24.59)	-	(0.34)	(5.29)	-	(30.23)	-	-	(30.23)
Balance as at 31 March 2017	19,066.12	32,553.52	210,055.35	1,219.81	277.99	1,756.11	32.10	264,961.00	791.08	791.08	265,752.08
Impairment											
Balance as at 01 April 2015	-	-	-	-	-	-	-	-	-	-	-
Addition / Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	-	-	-	-	-	-	-	-	-	-	-
Addition / Disposal	-	-	172.28	-	-	-	-	172.28	-	-	172.28
Impairment as at 31 March 2017	-	-	172.28	-	-	-	-	172.28	-	-	172.28
Accumulated Depreciation											
Balance as at 01 April 2015	-	-	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	1,679.43	8,920.52	285.05	23.15	167.60	4.68	11,080.43	132.83	132.83	11,213.26
Adjustment / Deduction during the year	-	-	-	-	-	(0.01)	(0.41)	(0.42)	-	-	(0.42)
Balance as at 31 March 2016	-	1,679.43	8,920.52	285.05	23.15	167.59	4.27	11,080.01	132.83	132.83	11,212.84
Depreciation during the year	-	1,708.77	10,236.14	280.81	23.80	196.03	4.28	12,449.83	137.00	137.00	12,586.83
Adjustment / Deduction during the year	-	-	-	(0.00)	(0.05)	(3.17)	-	(3.22)	-	-	(3.22)
Balance as at 31 March 2017	-	3,388.20	19,156.66	565.86	46.90	360.45	8.55	23,526.62	269.83	269.83	23,796.45
Net Block as at 01 April 2015	18,380.21	31,502.54	135,604.97	979.66	258.39	1,193.56	33.51	187,952.84	453.31	453.31	188,406.15
Net Block as at 31 March 2016	18,330.55	29,970.97	134,974.40	934.76	243.90	1,094.40	27.83	185,576.81	322.03	322.03	185,898.84
Net Block as at 31 March 2017	19,066.12	29,165.32	190,726.41	653.95	231.09	1,395.65	23.55	241,262.09	521.25	521.25	241,783.34

Notes:

1. The conveyance of title for 1.04 hectares of free hold land of value ₹ 15.54 Lakhs (for 2014-2015 and 2015-16 - 1.04 hectares of value ₹ 15.54 Lakhs) in favour of the Company are awaiting completion of legal formalities.
2. Land includes 26.48 hectares of value ₹ 384.31 Lakhs (for 2015-16 26.48 hectares of value Rs 384.31 Lakhs for 2014-15 27.63 hectares of value ₹ 397.38 Lakhs), the process of possession and conveyance of title in favour of the Company is awaiting of legal formalities.
3. In accordance with the Indian Accounting Standard (Ind AS) 36) on "Impairment of Assets", the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, provision for impairment of Assets of ₹ 172.28 Lakhs (P.Y. Nil) has been made as at 31st March, 2017. 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.
4. The Company has elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised 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' (Refer Note 57).
5. The company has successfully commissioned 100.4 MW Wind Projects at various locations in the state of Gujarat during the financial year 2016-17.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016
5a	**Mine Development Assets**		
	(i) Initial Development Expenditure		
	Opening Balance	4,653.20	5,756.56
	Amortised During the year	(576.92)	(1,103.36)
	Closing Balance	4,076.28	4,653.20
	(ii) Asset For Decommissioning Liability *		
	Opening Balance	7,181.89	15,830.94
	Effect of change in discount and inflation rate	(712.06)	(8,101.72)
	Depreciation charged during the year	(135.13)	(547.31)
	Closing Balance	6,334.70	7,181.89
	Total (i+ii)	10,410.98	11,835.09

*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.

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
6	**Non- Current Investments**			
	(Trade - unless otherwise specified)			
a)	**Investments in Equity Instruments**			
	QUOTED			
	11,03,360 (31st March, 2016 : 11,03,360; 1st April, 2015 : 11,03,360) Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	4,489.57	1,826.61	1,764.27
	1,06,578 (31st March, 2016: 1,06,578; 1st April, 2015 : Nil) Equity Shares of Gujarat Gas Limited of ₹ 10 each (Fully paid) *	817.99	588.90	-
		5,307.56	2415.51	1764.27
	UNQUOTED			
	With Subsidiary			
	2,50,000 (31st March, 2016 : 2,50,000; 1st April, 2015 : 2,50,000) Equity Shares of GIPCL Projects & Consultancy Company Limited of ₹ 10 each (Fully paid)	25.00	25.00	25.00
	With Associate			
	20,60,80,000 (31st March, 2016 : 20,60,80,000; 1st April, 2015 : 18,10,80,000) Equity Shares of Bhavnagar Energy Company Limited of ₹ 10 each (Fully paid)	20,608.00	20,608.00	18,108.00
	With Others			
	Nil (31st March, 2016 : Nil; 1st April, 2015 : 1,00,000) Equity Shares of GSPC Gas Company Limited of ₹ 10 each (Fully paid) *	-	-	671.17

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
97,18,181 (31st March, 2016 : 97,18,181; 1st April, 2015 : 97,18,181) Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid)	-	-	-
1,00,00,000 (31st March, 2016 : 1,00,00,000; 1st April, 2015 : 1,00,00,000) Equity Shares of GSPC LNG Limited of ₹ 10 each (Fully paid) *	2,116.00	1,978.00	1,976.00
	22,749.00	22,611.00	20,780.17
Total	28,056.56	25,026.51	22,544.44

* The Company held 1,00,000 equity shares (unquoted) of GSPC LNG Limited During the year 2015-16, GSPC LNG Limited was merged into Gujarat Gas Limited as per amalgamation scheme dated 02-06-2015 . The company was allotted 80 equity shares of Gujarat Gas Limited against 76 equity shares of GSPC LNG Limited The shares of Gujarat Gas Limited are quoted.

Refer note3(ix) for method followed for accounting of investments

(₹ in Lakhs)

Aggregate cost of quoted investments	561.68	561.68	551.68
Aggregate market value of quoted investments	5,307.56	2,415.51	1,764.27
Aggregate carrying value of unquoted investments	22,749.00	22,611.00	20,780.17

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, India	Vadodara, India

Proportion of ownership interest/voting rights held by the Company	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
GIPCL Projects & Consultancy Company Limited	100%	100%	100%

d)

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

(₹ in Lakhs)

Proportion of ownership interest/voting rights held by the Company	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
Bhavnagar Energy Company Limited	24.36%	26.57%	25.38%

e) **Other investments**

Financial assets carried at fair value through other comprehensive income			
Investment in equity instruments	7,423.56	4,393.51	4,411.44
Total investments carrying value	7,423.56	4,393.51	4,411.44

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
7	**Loans**			
	Secured (Considered good)			
	Loan to Employees	**0.05**	0.36	0.83
	Unsecured Considered good			
	Other loans & Advances	**4.00**	12.50	12.50
	Total	**4.05**	12.86	13.33
8	**Other Financial Assets**			
	Unsecured Considered good			
	Escrow Account (Mines Closure)	**5,487.31**	3,408.54	1,662.78
	Security Deposits	**109.24**	148.89	146.47
	Total	**5,596.55**	3,557.43	1,809.25
9	**Non Current Tax Assets (Net)**			
	Advance tax (net of provisions)	**2,731.46**	2,801.50	2,852.08
	Total	**2,731.46**	2,801.50	2,852.08
10	**Other Non Current Assets**			
	Secured (Considered good)			
	Capital Advance	**5,354.34**	17,529.13	7,019.18
	Unsecured (Considered good)			
	Capital Advance	**845.85**	31.83	93.82
	Prepayments *	**1,195.59**	626.02	602.35
	Others	**148.77**	148.77	148.77
	Total	**7,544.55**	18,335.75	7,864.12

* Leasehold land is obtained as a permitted transferee as per agreement with GIDC/ IPCL. The Leasehold land has been derecognised from fixed asset as per Ind AS 17 and is recognised as prepaid asset under other non financial asset.

(₹ in Lakhs)

11	**Inventories**			
	Raw Materials (Fuel)	**5,496.03**	4,175.37	3,940.86
	Stores and Spares	**10,484.24**	10,894.21	10,845.22
	Total	**15,980.27**	15,069.58	14,786.08

Refer note 3(x) for valuation policy

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
12	**Trade Receivables**			
	Unsecured (Considered good)			
	Others	**24,802.01**	26,566.12	12,850.33
	Total	**24,802.01**	26,566.12	12,850.33

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.

Of the trade receivables balance as at 31st March, 2017 ₹ 22,078.53 Lakhs (as at 31st March, 2016 of ₹ 23,832.24 Lakhs; as at 1st April, 2015 of ₹ 10,023.24 Lakhs) is due from Gujarat Urja Vikas Nigam Limited, the Company's largest customer. There are no other customers who represent more than 5% of the total balance of trade receivables.

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 Gujarat Urja Vikas Nigam Limited which is reputed and creditworthy undertaking.

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
Age of receivable:			
Within the credit period	**23,776.09**	26,566.12	12,850.33
1-30 days past due	**-**	-	-
31-60 days past due	**-**	-	-
More than 60 days past due	**1,025.92**	-	-
Total	**24,802.01**	26,566.12	12,850.33

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
13	**Cash And Cash Equivalents**			
	Cash on hand	**1.60**	2.50	1.87
	Cheques on hand	**-**	1,000.00	-
	Balances with Banks:			
	In current account	**111.51**	10.49	3.29
	In deposit account	**95.00**	17,828.64	36,192.03
	Total	**208.11**	18,841.63	36,197.19

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.

The details of Specified Bank Notes(SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as under:

Amount in ₹

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**76,000**	**30,633.00**	**106,633.00**
(+) Permitted receipts	-	561,608.00	561,608.00
(-) Permitted payments	-	500,026.00	500,026.00
(-) Amount deposited in banks	76,000	-	76,000.00
Closing cash in hand as on 30.12.2016	**-**	**92,215.00**	**92,215.00**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
14	**Other Bank Balances**			
	Balances with Banks			
	Earmarked Bank Balances	465.51	457.75	360.75
	Total	465.51	457.75	360.75

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.

(₹ in Lakhs)

15	**Current Loans**			
	Secured (Considered good)			
	Loan to Employees	0.31	0.40	1.30
	Unsecured (Considered good)			
	Loans & Advances to related Parties*	0.29	6.11	3.87
	Total	0.60	6.51	5.17

*Refer note no. 47

16	**Other Financial Assets**			
	Unsecured (Considered good)			
	Other Receivables	299.36	1,896.59	645.62
	Interest Accrued	128.89	330.71	1,269.76
	Total	428.25	2,227.30	1,915.38
17	**Current Tax Assets (Net)**			
	Advance tax (net of provisions)	-	59.32	-
	Total	-	59.32	-
18	**Other Current Assets**			
	Unsecured (Considered good)			
	Unamortised Expenses	-	-	106.36
	Prepayments (Refer Note no. 10)	31.17	18.23	18.23
	Other loans & Advances	929.24	577.44	2,392.09
	Total	960.41	595.67	2,516.68
19	**Equity Share Capital**			
	Authorised			
	32,50,00,000 Equity Shares of ₹ 10/-each	32,500.00	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	6,100.00
	Total	38,600.00	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	15,125.12
	Total	15,125.12	15,125.12	15,125.12

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

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	Amount
As at 1st April, 2015	151,251,188	15,125.12
Additions/(Reductions)	-	-
As at 31st March,2016	151,251,188	15,125.12
As at 1st April, 2016	**151,251,188**	**15,125.12**
Additions/(Reductions)	**-**	**-**
As at 31st March, 2017	**151,251,188**	**15,125.12**

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

Name of Share Holders	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	%	No. of shares	%	No. of shares	%	No. of shares
Gujarat Urja Vikas Nigam Limited	**25.38**	**38,384,397**	25.38	38,384,397	25.38	38,384,397
Gujarat Alkalies & Chemicals Limited	**15.27**	**23,088,980**	15.27	23,088,980	15.27	23,088,980
Gujarat State Fertilizers & Company Limited	**14.79**	**22,362,784**	14.79	22,362,784	14.79	22,362,784

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 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
20 Other Equity			
Capital Redemption Reserve	**3,455.88**	3,455.88	3,455.88
Expansion Reserve	**80,000.00**	72,000.00	66,000.00
Securities Premium Account	**33,316.97**	33,316.97	33,316.97
General Reserve	**75,370.00**	67,370.00	61,370.00
Retained earnings	**12,737.90**	10,849.15	8,613.30
Equity instruments through other comprehensive income	**3,591.95**	1,208.51	1,222.62
Total	**208,472.69**	188,200.51	173,978.77

	AS AT 31-03-2017	AS AT 31-03-2016
Capital Redemption Reserve (refer note 20 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 20 b)		
Balance at the beginning of the year	**72,000.00**	66,000.00
Addition/(Deduction) during the year	**8,000.00**	6,000.00
Balance at the end of the year	**80,000.00**	72,000.00

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016
Securities Premium Account (refer note 20 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 20 d)		
Balance at the beginning of the year	67,370.00	61,370.00
Addition/(Deduction) during the year	8,000.00	6,000.00
Balance at the end of the year	75,370.00	67,370.00
Retained earnings		
Balance at the beginning of the year	10,849.15	8,613.30
Add : Profit for the year	22,923.95	18,825.03
Less: Remeasurement of Defined benefit plans	120.07	33.68
Less : Transfer to Expansion Reserve	8,000.00	6,000.00
Less : Transfer to General Reserve	8,000.00	6,000.00
Less : Dividend paid (refer note no. 20 g)	4,083.78	3,781.29
Less : Corporate Dividend Tax paid	831.36	774.20
Balance at the end of the year	12,737.90	10,849.15
Equity instruments through other comprehensive income (refer note 20 e)		
Balance at the beginning of the year	1,208.51	1,222.62
Add/(Less): Changes in Fair value of investment	2,383.44	(14.11)
Balance at the end of the year	3,591.95	1,208.51
Total	208,472.69	188,200.51

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 4,04,41,176 equity shares of Rs 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 Act.

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 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.

f. 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.

g. On 26th September, 2016, a dividend of ₹ 2.70 per share (total dividend ₹ 4,083.78 Lakhs.) was paid to holders of fully paid equity shares. In 22nd September 2015 , the dividend paid was ₹ 2.50 per share (total dividend ₹ 3,781.29 Lakhs).

h. In respect of the year ended 31st March, 2017, the Board of Directors has proposed a final dividend of ₹ 2.70 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 ₹ 4,083.78 Lakhs and the dividend distribution tax thereon amounts to ₹ 831.36 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
21	**Non- Current Financial Liabilities**			
	Secured Loans			
	Term Loan From Banks	27,146.48	32,658.56	43,170.64
	Total	27,146.48	32,658.56	43,170.64

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(Phase II - Unit 3 and 4 and wind 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 (Phase II - Unit 3 and 4 and wind projects).

b) **Term Loans from Banks consists of the following:**

(₹ in Lakhs)

Name of Banks	As at 31-03-2017	Current Maturities of Loan	As at 31-03-2016	Current Maturities of Loan in PY
Central Bank of India	3,000.00	1,000.00	4,000.00	1,000.00
State Bank of India	1,625.00	500.00	2,125.00	500.00
Bank of Baroda	3,250.00	1,000.00	4,250.00	1,000.00
Oriental Bank of Commerce	6,000.00	2,000.00	8,000.00	2,000.00
Union Bank of India	6,500.00	2,000.00	8,500.00	2,000.00
IDBI Bank Limited	4,158.56	1,512.08	5,670.64	1,512.08
State Bank of Bikaner & Jaipur	1,625.00	500.00	2,125.00	500.00
Canara Bank	3,000.00	1,000.00	4,000.00	1,000.00
Karur Vysya Bank Limited	3,500.00	1,000.00	4,500.00	1,000.00
State Bank of India (Sanctioned limit: ₹472.43 crores)	5,000.00	-	-	-
	37,658.56	10,512.08	43,170.64	10,512.08

Name of Banks	As at 31-03-2016	Current Maturities of Loan	As at 01-04-2015	Current Maturities of Loan in PY
Central Bank of India	4,000.00	1,000.00	5,000.00	1,000.00
State Bank of India	2,125.00	500.00	2,625.00	500.00
Bank of Baroda	4,250.00	1,000.00	5,250.00	1,000.00
Oriental Bank of Commerce	8,000.00	2,000.00	10,000.00	2,000.00
Union Bank of India	8,500.00	2,000.00	10,500.00	2,000.00
IDBI Bank Limited	5,670.64	1,512.08	7,182.72	1,512.08
State Bank of Bikaner & Jaipur	2,125.00	500.00	2,625.00	500.00
Canara Bank	4,000.00	1,000.00	5,000.00	1,000.00
Karur Vysya Bank Limited	4,500.00	1,000.00	5,500.00	1,000.00
	43,170.64	10,512.08	53,682.72	10,512.08

NOTES TO THE FINANCIAL STATEMENTS

c) **The terms of repayment of the above loans are as follows:**

Name Of Banks	No. of qtr. Inst. outstanding after 31.03.2017	Amount of Installments per quarter (₹ in Lakhs)	Rate of Interest	Date of Maturity
Central Bank of India	12	250.00	8.50%	31.03.2020
State Bank of India	13	125.00	9.80%	30.06.2020
Bank of Baroda	13	250.00	9.85%	30.06.2020
Oriental Bank of Commerce	12	500.00	9.90%	31.03.2020
Union Bank of India	13	500.00	9.55%	30.06.2020
IDBI Bank Limited	11	378.02	10.00%	31.12.2019
State Bank of Bikaner & Jaipur	13	125.00	10.05%	30.06.2020
Canara Bank	12	250.00	9.55%	31.03.2020
Karur Vysya Bank Limited	14	250.00	10.30%	30.09.2020
State Bank of India*	24	1062.97	8.00%	31.03.2028
	8	1299.18		
	8	1417.29		

* Repayment of loan details are as per sanctioned terms.

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
22 Other Financial Liabilities			
Security deposits	**909.30**	894.70	857.47
Total	**909.30**	894.70	857.47
23 Non Current Tax Liabilities (Net)			
Provision for tax (net of advances)	**15.15**	15.15	34.57
Total	**15.15**	15.15	34.57
24 Long Term Provisions			
Employee Benefits (refer note 48)	**3,999.56**	3,357.29	2,964.82
Provision for decommissioning of Mines	**11,187.48**	11,073.15	17,798.02
Total	**15,187.04**	14,430.44	20,762.84

	For the Year ended 31-03-2017	For the Year ended 31-03-2016
a) Provision for decommissioning of Mines		
Opening Balance	**11,073.15**	17,798.02
Unwinding of Interest	**826.39**	1,376.85
Effect of change in the inflation & discount rate	**(712.06)**	(8,101.72)
Closing Balance	**11,187.48**	11,073.15
Current provision	**-**	-
Non Current Provision	**11,187.48**	11,073.15

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.

25 Deferred Tax Liabilities (Net) (₹ in Lakhs)

a) The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
Deferred tax assets	**1,478.73**	1,211.87	1,087.84
Deferred tax liabilities	**(24,534.16)**	(22,911.39)	(21,699.05)
Total	**(23,055.43)**	(21,699.52)	(20,611.21)

As at 31st March, 2017	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	1,211.87	203.31	63.55	1,478.73
Total Deferred Tax Assets	**1,211.87**	**203.31**	**63.55**	**1,478.73**
Deferred Tax Liabilities				
Property, plant and equipment	21,968.83	978.86	-	22,947.69
Financial liabilities at FVTOCI	604.31	-	646.61	1,250.92
Expenses/ Provisions allowable on payment basis	338.25	(2.70)	-	335.55
Total Deferred Tax Liabilities	**22,911.39**	**976.16**	**646.61**	**24,534.16**
Net Deferred Tax Liabilities	**(21,699.52)**	**(772.85)**	**(583.06)**	**(23,055.43)**

As at 31st March, 2016	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	1,087.84	106.20	17.83	1,211.87
Total Deferred Tax Assets	**1,087.84**	**106.20**	**17.83**	**1,211.87**
Deferred Tax Liabilities				
Property, plant and equipment	20,731.95	1,236.88		21,968.83
Financial liabilities at FVTOCI	608.14		(3.83)	604.31
Expenses/ Provisions allowable on payment basis	358.96	(20.71)		338.25
Total Deferred Tax Liabilities	**21,699.05**	**1,216.17**	**(3.83)**	**22,911.39**
Net Deferred Tax Liabilities	**(20,611.21)**	**(1,109.97)**	**21.65**	**(21,699.52)**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
26	**Other Non-Current Liabilities**			
	Advance From Customers	**55.03**	59.24	54.42
	Deferred revenue arising from government grant *	**905.30**	-	-
	Total	**960.33**	59.24	54.42

*The deferred revenue arises as a result of the grant of Rs 1000 Lakhs received from government of Gujarat, as an assistance to set up grid connected 1 MW Distributed Solar Power Pilot Projects on agriculture , Gauchar or Wasteland each at central and South Gujarat region as on 31.03.2016. The grant has been recognised in statement of profit and loss on the basis of depreciation charged on the said asset since date of capitalisation in the month of April , 2016.

(₹ in Lakhs)

27	**Current Financial Liabilities**			
	BORROWINGS			
	Secured Loans :			
	Working Capital Loans from Banks	**4,070.19**	4,328.83	6,960.86
	Total	**4,070.19**	4,328.83	6,960.86

The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capitalfacilities 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.

(₹ in Lakhs)

28	**Trade Payable**			
	Micro and Small Enterprises	**38.17**	83.92	94.35
	Other than Micro and Small Enterprises	**10,336.99**	8,388.26	8,839.50
	Total	**10,375.16**	8,472.18	8,933.85

a) Payment towards trade payables is made as per the terms and conditions of the contract / supplier orders. The average credit period is 30 days.

b) Based on the information available with the company, the balance due to Micro and Small Enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is ₹ 38.17 Lakhs (2015-16 ₹ 83.92 Lakhs , 2014-15 ₹ 94.53 Lakhs). Payment made to suppliers beyond the due date during the year was ₹ Nil (P.Y. ₹ Nil). No interest during the year has been paid to Micro and Small Enterprises on delayed payments. Further, interest accrued and remaining unpaid at the year end ₹ Nil (P.Y. ₹ Nil)

(₹ in Lakhs)

29	**Other Financial Liabilities**			
	Current Maturities of long term debts	**10,512.08**	10,512.08	10,512.08
	Interest Accrued but not due on borrowings	**4.23**	24.40	31.14
	Items covered by IEPF*			
	- Unclaimed Dividends	**568.88**	457.17	357.94
	- Unclaimed Interest on Debentures	**0.57**	0.57	2.20
	Security Deposits	**438.54**	341.36	300.19
	Other Payable	**461.68**	728.37	531.51
	Liability for Capital Goods	**8,928.41**	382.17	1,884.67
	Total	**20,914.39**	12,446.12	13,619.73

* Amounts due and outstanding to be credited to Investor Education & Protection Fund ₹ 5.51 lakhs (P. Y. ₹ 3.78 lakhs) for equity dividend and ₹ 0.57 Lakhs (P.Y. ₹ 0.57 Lakhs) for debenture interest which was transferred on 08th May, 2017.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
30	**Other Current Liabilities**			
	Statutory Dues	302.38	299.72	200.92
	Liquidated Damage Payable	13,278.93	14,843.93	13,089.85
	Deferred revenue arising from government grant	47.35	1,000.00	-
	Advance from customer	68.54	22.68	36.47
	Total	13,697.20	16,166.33	13,327.24
31	**Short Term Provisions**			
	Employee Benefits	364.26	266.64	265.41
	Total	364.26	266.64	265.41
32	**Current Tax Liabilities (Net)**			
	Provision for tax (net of advance tax)	1,125.84	-	130.12
	Total	1,125.84	-	130.12

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
33	**Revenue From Operations**		
	Sale of Electrical Energy	130,380.97	134,576.22
	Sale of Services	10.44	11.48
	Other Operating Revenues	664.84	635.04
	Total	131,056.25	135,222.74
34	**Other Income**		
	Interest on Deposits with Banks	1,252.65	2,411.19
	Dividend	52.32	54.98
	Other Interest	78.01	112.81
	Insurance Claims	2,087.67	902.20
	Liquidated Damages	3,288.45	2.53
	Miscellaneous	343.00	137.29
	Total	7,102.10	3,621.00
35	**Cost of Material Consumed**		
	Consumption of		
	Gas	23,746.89	39,800.47
	Lignite	51,824.89	33,956.07
	Lime Stone	891.71	1,795.08
	Furnace oil	744.75	636.06
	Coal	-	6,330.41
	Lignite Extraction Expenses	28,357.32	23,876.92
	Less : Inter Division transfer	39,375.57	34,809.76
	Total	66,189.99	71,585.25

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
36	**Generation Expenses**		
	Consumption of Stores and Spares	**2,671.72**	4,098.15
	Water Charges	**1,754.64**	1,470.37
	Electricity Charges	**1,071.89**	1,072.06
	Insurance	**1,211.36**	957.08
	Operation Expenses	**2,500.79**	2,831.27
	Repairs and Maintenance to Plant and Machinery	**1,393.27**	1,907.30
	Total	**10,603.67**	12,336.23
37	**Employees Benefit Expenses**		
	Salary and Wages	**4,875.10**	4,631.84
	Contribution to Provident , Pension and Superannuation Fund	**453.39**	402.14
	Welfare Expenses and Other Benefits	**2,016.83**	1,787.67
	Total	**7,345.32**	6,821.65
38	**Finance Cost**		
	Interest on		
	Term Loans	**3,922.44**	5,080.76
	Working Capital Loans	**50.73**	42.71
	Others	**1,227.37**	70.25
	Unwinding of discount on Decommissioning liability	**826.39**	1,376.85
	Bank Charges and Commission	**296.07**	119.71
	Cash Rebate on Sales	**996.40**	866.55
	Total	**7,319.40**	7,556.83
39	**CSR Expenditure**		
	CSR Expenditure	**517.08**	667.68
	Total	**517.08**	667.68
a	**Details of CSR Expenditure are as under:**		
	Gross Amount required to be spent	**516.00**	586.49
	Amount Spent		
	a) Construction/acquisition of any Asset		
	in Cash	-	-
	yet to be paid in Cash	-	-
	Total	-	-
	b) On purposes other than (i) above		
	in Cash	517.08	667.68
	yet to be paid in Cash	-	-
	Total	517.08	667.68
	Amount Unspent	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
40	**Other Expenses**		
	Repairs and Maintenance		
	Buildings	**381.31**	640.71
	Others	**127.66**	117.04
	Rent	**39.29**	22.36
	Rates and Taxes	**284.71**	257.14
	Communication Expenses	**51.24**	59.75
	Travelling & Conveyance Expenses	**330.32**	298.42
	Legal, Professional and Consultancy Fees	**277.75**	148.08
	Provision for impairment of Asset	**172.28**	-
	Amortisation of Share Issue Exp. (Refer Note No. 55)	**-**	106.36
	Miscellaneous Expenses *	**1,699.57**	1,495.76
	Total	**3,364.13**	3,145.62

(*None of the items individually account for more than Rs 1,000,000/- or 1% of Revenue from operation whichever is higher)

(₹ in Lakhs)

41	**Tax Expense**		
a.	**Current tax in relation to**		
	current year	**6,400.00**	5,320.00
	earlier years	**-**	(285.09)
		6,400.00	5,034.91
	Deferred tax	**772.85**	1,109.97
	Total	**7,172.85**	6,144.88
b.	**The income tax expense for the year can be reconciled to the accounting profit as follows:-**		
	Profit before tax	**30,096.80**	24,969.91
	Income tax expense at 34.608%	**10,415.90**	8,641.42
	Effect of Income exempt under Income Tax	**(18.12)**	(19.03)
	Tax deduction in respect of profit from eligible power generation undertaking u/s 80IA	**(4,598.05)**	(2,728.07)
	Expenses not allowable under Income Tax	**359.41**	423.91
	Effect of depreciation	**(1,068.23)**	(2,435.24)
	Tax on normal provision	**5,090.92**	3,883.00
	Additional tax payable under MAT*	**1,309.08**	1,437.00
	Income tax expense in recognized in statement of profit or loss	**6,400.00**	**5,320.00**

*The Company is entitled to the MAT credit under the provisions of the Income-tax act,1961. However following the concept of prudence, the management does not recognise the MAT credit entitlement.

c.	**Income tax recognised in other comprehensive income (OCI):-**		
	Deferred tax arising on income and expense recognised in OCI		
	Remeasurement of Defined benefit plans	**(63.55)**	(17.83)
	Gain /Loss on Equity instruments through Other comprehensive income	**646.61**	(3.83)
	Total Income tax recognised in OCI	**583.06**	(21.65)

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
42	**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	**22,923.95**	18,825.03
	Weighted Average number of equity shares	**151,251,188**	151,251,188
	Earning Per Share of ₹ 10/- each		
	Basic (₹)	**15.16**	12.45
	Diluted (₹)	**15.16**	12.45

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
43	**Commitments :**			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	**30,828.96**	71,893.94	25,884.02
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, ₹ 20,608 Lakhs (P.Y. ₹ 20,608 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.	**3,392.00**	3,392.00	5,892.00
c	The Company has committed to invest in the Equity Share Capital of International Stone Research Centre (ISRC), as and when required.	**NIL**	NIL	37.50
44	**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.	**4.04**	2,930.42	2,927.92
	By Ex-employee against recovery of notice period	**1.02**	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.	**743.48**	768.63	775.13
c	Bills of Exchange discounted with Banks in respect of Sales Invoices.	**NIL**	33,500.00	37,700.00
d	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	**218.60**	213.51	Amount not ascertainable
	Freehold land at Surat Lignite Power Stations	**533.10**	1,808.41	1,361.12

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
e	Income Tax Demand contested in Appeal.	2,472.76	2,652.73	2,651.40
f	Demand of Property Tax under discussion with Grampanchayat, Nani Naroli, Dist.Surat.	131.00	110.23	94.80
g	Liability likely to arise on account of transportation charges for gas which is under dispute.	448.50	448.50	448.50
h	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	Amount not ascertainable	Amount not ascertainable
i	Cases pending at the High Court of Gujarat for regularization of contract workmen.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
j	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	NIL
k	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	7,464.75
l	Excise duty on captive consumption of lignite.	49.01	NIL	NIL

			For the Year ended 31-03-2017	For the Year ended 31-03-2016
45	**Payment to Auditors (Fees excluding service tax)**			
	Statutory Auditors			
	- As Auditor		12.00	9.10
	- For Taxation Service		2.80	2.47
	- Other Services		10.76	0.49
	- Reimbursement of Expenses		0.03	0.45
		Total	25.59	*12.51
	Cost Auditors			
	- As Auditor		1.00	1.00
	- Other Services		0.44	0.43
		Total	1.44	1.43

* Includes amount paid to previous auditors of ₹ 2.88 Lakhs.

46 Leases

Operating lease arrangements

Operating leases relate to leases of land with lease terms upto 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.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
Payments recognized as an expense			
Minimum lease payments		**30.16**	18.23
	Total	**30.16**	18.23

47 **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 Limited	Entity having Significant Influence
GIPCL Projects and Consultancy Company Ltd.	Subsidiary Company
Bhavnagar Energy Corporation Limited	Associate Company
L Chuaungo	Key Management Personnel (KMP) till 26.04.2015
Smt. Sonal Mishra	Key Management Personnel (KMP) w.e.f. 27.04.2015
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

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	**105,290.12**	-	-	-	-	**105,290.12**
(Net of Adjustment)	(101,843.42)	-	-	-	-	(101,843.42)
Gujarat Urja Vikas Nigam Limited	**105,290.12**	-	-	-	-	**105,290.12**
	(101,843.42)	-	-	-	-	(101,843.42)
Bill Discounting Charges Recovered	**1,411.16**	-	-	-	-	**1,411.16**
	(2,535.70)	-	-	-	-	(2,535.70)
Gujarat Urja Vikas Nigam Limited	**1,411.16**	-	-	-	-	**1,411.16**
	(2,535.70)	-	-	-	-	(2,535.70)
Rebate on Sales	**995.82**	-	-	-	-	**995.82**
	(866.55)	-	-	-	-	(866.55)
Gujarat Urja Vikas Nigam Limited	**995.82**	-	-	-	-	**995.82**
	(866.55)	-	-	-	-	(866.55)
Dividend Paid	**1,036.38**	-	-	-	-	**1,036.38**
	(959.61)	-	-	-	-	(959.61)

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
Gujarat Urja Vikas Nigam Limited	1,036.38	-	-	-	-	1,036.38
	(959.61)	-	-	-	-	(959.61)
Interest Paid	-	-	-	-	-	-
	(64.78)	-	-	-	-	(64.78)
Gujarat Urja Vikas Nigam Limited	-	-	-	-	-	-
	(64.78)	-	-	-	-	(64.78)
Remuneration	-	-	-	18.48	-	18.48
	-	-	-	(19.17)	-	(19.17)
Smt Sonal Mishra	-	-	-	18.48	-	18.48
	-	-	-	(16.72)	-	(16.72)
Shri L Chuaungo	-	-	-	-	-	-
	-	-	-	(2.45)	-	(2.45)
Perquisites	-	-	-	4.43	-	4.43
	-	-	-	(2.84)	-	(2.84)
Smt Sonal Mishra	-	-	-	4.43	-	4.43
	-	-	-	(2.84)	-	(2.84)
Shri L Chuaungo	-	-	-	-	-	-
	-	-	-	-	-	-
Expenses Recovered	-	6.11	-	-	-	6.11
	-	(0.03)	-	-	-	(0.03)
GIPCL Projects and Consultancy Company Ltd.	-	6.11	-	-	-	6.11
	-	(0.03)	-	-	-	(0.03)
Payment Made On Behalf of subsidiary	-	0.29	-	-	-	0.29
	-	(1.97)	-	-	-	(1.97)
GIPCL Projects and Consultancy Company Ltd.	-	0.29	-	-	-	0.29
	-	(1.97)	-	-	-	(1.97)
Contribution Towards Equity	-	-	-	-	-	-
	-	-	(2,500.00)	-	-	(2,500.00)
Bhavnagar Energy Corporation Limited	-	-	-	-	-	-
	-	-	(2,500.00)	-	-	(2,500.00)
Consultancy Services	-	-	-	-	-	-
	-	-	(8.59)	-	-	(8.59)
Bhavnagar Energy Corporation Limited	-	-	-	-	-	-
	-	-	(8.59)	-	-	(8.59)
Contribution Towards CSR Activities	-	-	-	-	442.38	442.38
	-	-	-	-	(637.38)	(637.38)

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
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	-	-	-	-	442.38	442.38
	-	-	-	-	(637.38)	(637.38)
Purchase of Lignite	-	-	-	-	15,372.79	15,372.79
	-	-	-	-	-	-
Gujarat Mineral Development Corporation Ltd.	-	-	-	-	15,372.79	15,372.79
	-	-	-	-	-	-

Balance (Receivable) :	AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
Gujarat Urja Vikas Nigam Limited	22,078.53	23,832.24	10,023.24
GIPCL Projects and Consultancy Company Ltd.	0.29	6.11	4.11
Bhavnagar Energy Corporation Limited	-	-	4.65
Total	22,078.82	23,838.35	10,032.00

48 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 ₹ 324.58 Lakhs (P.Y. ₹ 278.03 Lakhs) for Provident Fund contributions and ₹ 81.20 Lakhs (P.Y. ₹ 82.03 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.

NOTES TO THE FINANCIAL STATEMENTS

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 ₹ 47.64 Lakhs (P.Y. ₹ 42.08 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

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 ₹ 10,000/-. 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 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 March 31, 2017 by M/s.K.A.Pandit Consultants & Actuaries, Fellow firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS

The principal assumptions used for the purposes of the actuarial valuations were as follows:.

	For the year ended 31st March		
	2017	2016	2015
Type of Benefit	**Gratuity**	Gratuity	Gratuity
Country	**India**	India	India
Reporting Currency	**INR**	INR	INR
Reporting Standard	**Indian Accounting Standard 19 (Ind AS 19)**		
Funding Status	**Unfunded**	Unfunded	Unfunded
Starting Period	**01.04.2016**	01.04.2015	01.04.2014
Date of Reporting	**31.03.2017**	31.03.2016	31.03.2015
Period of Reporting	**12 Months**	12 Months	12 Months

Assumptions (Current Period)	For the year ended 31st March		
	2017	2016	2015
Expected Return on Plan Assets	**N.A.**	N.A.	N.A.
Rate of Discounting	**7.39%**	8.04%	7.99%
Rate of Salary Increase	**6.00%**	6.00%	6.00%
Rate of Employee Turnover	**2.00%**	2.00%	2.00%
Mortality Rate During Employment	**Indian Assured Lives Mortality (2006-08)**		
Mortality Rate After Employment	**N.A.**	N.A.	N.A.

(₹ in Lakhs)

		Gratuity (Non Funded) For the year ended 31st March			Post Retirement Medical Benefit Plan (Non Funded) For the year ended 31st March		
		2017	2016	2015	**2017**	2016	2015
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	**1,810.53**	1,617.16	1,287.94	**122.20**	86.89	79.05
	Current Service Cost	**120.73**	113.34	106.31	**21.58**	36.82	8.97
	Interest Cost	**145.57**	129.21	119.91	**-**	-	-
	Actuarial (gain)/loss	**183.62**	51.51	177.42	**-**	-	-
	Benefits paid	**(67.43)**	(100.69)	(74.42)	**(1.22)**	(1.51)	(1.13)
	Present Value of Defined Benefit obligation at year end	**2,193.01**	1,810.53	1,617.16	**142.56**	122.20	86.89
II.	**Reconciliation of fair value of assets and obligation**						
	Fair value of Plan Assets as at the beginning of the year	**-**	-	-	**-**	-	-
	Present Value of Defined Benefit obligation as at the end of the year	**2,193.01**	1,810.53	1,617.16	**142.56**	122.20	86.89
	Liabilities recognized in Balance Sheet	**2,193.01**	1,810.53	1,617.16	**142.56**	122.20	86.89

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March					
	2017	2016	2015	2017	2016	2015
III. Expense recognized during the year						
Current Service Cost	120.73	113.34	106.31	21.58	36.82	8.97
Interest Cost	145.57	129.21	119.91	-	-	-
Actuarial (gain)/loss	183.62	51.51	177.42	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Total Expenses/(Gain) recognized in Profit and loss account	449.91	294.06	403.64	142.56	122.20	86.89

	2017	2016	2015	2014	2013	2012
IV. Amounts for the current and previous periods - Gratuity (Non Funded)						
Defined benefit obligation	2,193.01	1,810.53	1,617.16	1,287.94	1,166.76	937.99
Experience loss(gain) on plan liabilities	77.43	58.72	17.05	120.54	80.57	111.98
V. Amounts for the current and previous periods - Post Retirement Medical Benefit Plan (Non Funded)						
Defined benefit obligation	142.56	122.20	86.89	79.05	77.07	52.99
Experience loss(gain) on plan liabilities	NA	NA	NA	NA	NA	NA

Maturity Analysis of Projected Benefit Obligation are as under:

Gratuity	AS AT 31-03-2017	AS AT 31-03-2016
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	146.32	99.07
2nd Following Year	143.01	98.01
3rd Following Year	107.89	151.97
4th Following Year	99.42	96.14
5th Following Year	249.39	87.79
6th To 10th Year	1,264.55	1,178.82
Sensitivity Analysis are as under:		
Projected Benefit Obligation on Current Assumptions	2,193.01	1,810.53
Delta Effect of +1% Change in Rate of Discounting	(159.79)	(134.85)
Delta Effect of -1% Change in Rate of Discounting	182.31	153.70
Delta Effect of +1% Change in Rate of Salary Increase	183.02	155.30
Delta Effect of -1% Change in Rate of Salary Increase	(163.19)	(138.51)
Delta Effect of +1% Change in Rate of Employee Turnover	17.49	22.23
Delta Effect of -1% Change in Rate of Employee Turnover	(19.52)	(24.80)

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.

NOTES TO THE FINANCIAL STATEMENTS

49 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".

50 **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 19 & 20). 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 committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity

Gearing Ratio

The Company has outstanding debt of ₹ 41,728.75 as at the end of reporting period. Accordingly, the Company has gearing ratio of 0.19 as at March 31, 2017 and 0.23 as at March 31, 2016. Gearing ratio was 0.32 as at April, 1 2015.

Categories of financial instruments (₹ in Lakhs)

Particulars		AS AT 31-03-2017	AS AT 31-03-2016	As at 01-04-2015
Financial assets :				
Measured at amortised cost				
(a)	Trade and other receivables	24,802.01	26,566.12	12,850.33
(b)	Cash and cash equivalents	208.11	18,841.63	36,197.19
(c)	Other bank balances	465.51	457.75	360.75
(d)	Loans	4.65	19.37	18.50
(e)	Other financial assets	6,024.80	5,784.73	3,724.63
Measured at FVTOCI				
(a)	Investments in equity instruments	7,423.56	4,393.51	4,411.44
Financial liabilities :				
Measured at amortised cost				
(a)	Borrowings	31,216.67	36,987.39	50,131.50
(b)	Trade payables	10,375.16	8,472.18	8,933.85
(c)	Other financial liabilities	21,823.69	13,340.82	14,477.20

Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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 7%-7.5% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk.

Price risks

The Company's equity securities price risk arises from investments held and classified in the balance sheet either 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, 2017 would increase/ decrease by ₹ 371.18 Lakhs (P.Y. ₹ 219.68 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

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 31 March, 2017				
Trade Payable		**10,375.16**	**-**	**10,375.16**
Security Deposits from Contractors		**438.54**	**909.30**	**1,347.84**
	Total	**10,813.70**	**909.30**	**11,723.00**
As at 31 March, 2016				
Trade Payable		8,472.18	-	8,472.18
Security Deposits from Contractors		341.36	894.70	1,236.06
	Total	8,813.54	894.70	9,708.24
As at 01 April, 2015				
Trade Payable		8,933.85	-	8,933.85
Security Deposits from Contractors		300.19	857.47	1,157.66
	Total	9,234.04	857.47	10,091.51

The Company has access to committed credit facilities as described below, of which ₹ 20,204.81 Lakhs were unused at the end of the reporting period (as at March 31, 2016 ₹ 19,946.17 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:	**For the Year ended 31-03-2017**	For the Year ended 31-03-2016
Amount used	**4,070.19**	4,328.83
Amount unused	**20,204.81**	19,946.17

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.

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Fair value as at		
			As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Investment in equity instruments (quoted)	Level 1	Quoted bid prices from BSE	5,307.56	2,415.51	1,764.27

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.

51 The Company has a system of physical verification of Inventory, Fixed assets and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment differences, if any, is carried out on completion of reconciliation.

52 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

53 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.

NOTES TO THE FINANCIAL STATEMENTS

54 The balances of Trade Receivables and Trade Payables are subject to adjustments, if any, on reconciliation / settlement.

55 During the year, one- fifth of Share issue expenses amounting to ₹ NIL (PY ₹ 106.36 Lakhs)have been amortised on a prorata basis.

56 The Board of Directors of Gujarat Industries Power Co. Ltd., (GIPCL or the Transferee Company) in their meeting held on 26th August,2016 has approved the Scheme of Arrangement in the nature of Merger (the "Scheme") which provides for the Merger of GIPCL Projects & Consultancy Services Co. Ltd. (GIPCO or the Transferor Company), a 100% Subsidiary as a going concern, under Sections 232 and 233 and other relevant provisions of the Companies Act, 2013. The appointed date of the Scheme is 1st April, 2016.

Being a 100% subsidiary, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and all assets, liabilities, including reserves, of the Transferor Company, if any, shall be recorded in the books of the Transferee Company at their existing carrying amounts and in the same form as they appear in the Financial Statements of the Transferor Company.

Approvals are awaited from BSE Ltd. and NSE Ltd. pursuant to which the Scheme shall be filed before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench.

The Merger would be effective only once the Order is received from the NCLT and filed with the Registrar of Companies (ROC), Gujarat.

57 First time Ind As adoption - Reconciliation

i) Effect of Ind AS adoption on the Balance Sheet as at 31-03-2016 and 01-04-2015 (₹ in Lakhs)

Particulars		Notes to 57.i	As at 31-03-2016 (End of last period presented under Previous GAAP)			As at 01-04-2015 (Date of transition)		
			Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet	Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet
I	**ASSETS**							
1	**Non-current assets**							
(a)	Property, Plant and Equipment	57.i.i	186,221.06	(644.25)	185,576.81	188,573.42	(620.58)	187,952.84
(b)	Mine Development Assets	57.i.ii	4,653.20	7,181.89	11,835.09	5,756.56	15,830.94	21,587.50
(c)	Capital work-in-progress		3,471.48	-	3,471.48	4,123.80	-	4,123.80
(d)	Other Intangible assets		322.03	-	322.03	453.31	-	453.31
(e)	Intangible assets under development		-	-	-	-	-	-
(f)	Financial Assets		-		-		-	-
	(i) Investments	57.i.iii	23,213.68	1,812.83	25,026.51	20,713.68	1,830.76	22,544.44
	(ii) Loans		12.86	-	12.86	13.33	-	13.33
	(iii) Others		3,557.43	-	3,557.43	1,809.25	-	1,809.25
(g)	Non-current Tax assets (Net)		2,801.50	-	2,801.50	2,852.08	-	2,852.08
(h)	Other non-current assets	57.i.i	17,709.74	626.01	18,335.75	7,261.79	602.33	7,864.12
Total Non-current Assets			**241,962.98**	**8,976.48**	**250,939.46**	**231,557.22**	**17,643.45**	**249,200.67**
2	**Current assets**							
(a)	Inventories		15,069.58	-	15,069.58	14,786.08	-	14,786.08
(b)	Financial Assets							
	(i) Trade receivables		26,566.12	-	26,566.12	12,850.33	-	12,850.33
	(ii) Cash and cash equivalents		18,841.63	-	18,841.63	36,197.19	-	36,197.19
	(iii) Bank balances other than (ii) above		457.75	-	457.75	360.75	-	360.75

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Notes to 57.i	As at 31-03-2016 (End of last period presented under Previous GAAP) Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet	As at 01-04-2015 (Date of transition) Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet
(iv) Loans		6.51	-	6.51	5.17	-	5.17
(v) Others		2,227.30	-	2,227.30	1,915.38	-	1,915.38
(c) Current Tax Assets (Net)		59.32	-	59.32	-	-	-
(d) Other current assets	57.i.i	577.43	18.24	595.67	2,498.43	18.25	2,516.68
Total Current Assets		**63,805.64**	**18.24**	**63,823.88**	**68,613.33**	**18.25**	**68,631.58**
Total Assets		**305,768.62**	**8,994.72**	**314,763.35**	**300,170.55**	**17,661.70**	**317,832.25**
II EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share capital		15,125.12	-	15,125.12	15,125.12	-	15,125.12
(b) Other Equity	57.i.vi	182,453.14	5,747.38	188,200.51	168,526.94	5,451.83	173,978.77
Total Equity		**197,578.26**	**5,747.38**	**203,325.63**	**183,652.06**	**5,451.83**	**189,103.89**
LIABILITIES							
2 Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		32,658.56	-	32,658.56	43,170.64	-	43,170.64
(ii) Other financial liabilities		894.70	-	894.70	857.47	-	857.47
(b) Non-current Tax liabilities (Net)		15.15	-	15.15	34.57	-	34.57
(c) Provisions	57.i.ii	6,872.28	7,558.16	14,430.44	4,605.64	16,157.20	20,762.84
(d) Deferred tax liabilities (Net)	57.i.iv	21,095.21	604.32	21,699.52	20,003.07	608.14	20,611.21
(e) Other non-current liabilities		59.24	-	59.24	54.42	-	54.42
Total Non-current Liabilities		**61,595.14**	**8,162.48**	**69,757.61**	**68,725.81**	**16,765.34**	**85,491.15**
3 Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		4,328.83	-	4,328.83	6,960.86	-	6,960.86
(ii) Trade payables		8,472.18	-	8,472.18	8,933.85	-	8,933.85
(iii) Other financial liabilities		12,446.12	-	12,446.12	13,619.73	-	13,619.73
(b) Other current liabilities		16,166.33	-	16,166.33	13,327.24	-	13,327.24
(c) Provisions		5,181.77	(4,915.13)	266.64	4,820.89	(4,555.48)	265.41
(d) Current Tax Liabilities (Net)		-	-	-	130.12	-	130.12
Total Current Liabilities		**46,595.23**	**(4,915.13)**	**41,680.10**	**47,792.69**	**(4,555.48)**	**43,237.21**
Total Equity and Liabilities		**305,768.62**	**8,994.72**	**314,763.35**	**300,170.55**	**17,661.70**	**317,832.25**

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of this note.

Explanatory Notes to Balance sheet Reconciliation:

57.i.i **Reclassification of Leasehold Land** :-Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases and therefore are shown as prepayments. Consequently, as on the transition date 1st April, 2015 an amount of ₹ 620.58 Lakhs has been decapitalized and shown as prepayments under Ind AS. Similarly, an amount of ₹ 644.25 Lakhs has been shown as prepayments as at 31st March, 2016. This reclassification has no impact on equity.

NOTES TO THE FINANCIAL STATEMENTS

57.i.ii Adjustment of Decommissioning costs to Mines Development asset and its provision :-Under the Previous GAAP, recognition of decommissioning costs were not required whereas under Ind AS, such costs measured at discounted amounts, if the effect of time value of money is material, are to be capitalised. The Company has measured (as mentioned in note 3(iv)) decommissioning provisions at the transition date by availing optional exemption as per para D21 of Ind AS 101 'First time Adoption of Indian Accounting Standards'. This has resulted in increase in Mines development asset by ₹ 15,830.94 Lakhs and in Mine closure provision by ₹ 16,157.20 Lakhs as at 1st April, 2015 and Mines development asset by ₹ 7,181.89 Lakhs and in Mine closure provision by ₹ 7,558.16 Lakhs as at 31st March, 2016.

The net effect of aforesaid changes is decrease in total equity by ₹ 326.27 Lakhs as at 1st April, 2015 and ₹ 376.27 Lakhs as at 31st March, 2016.

57.i.iii Fair valuation of Investments in Equity Instruments :-Under the Previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries & Associates are measured at fair value. As at the transition date, the Company has made irrevocable choice to account for these investments at fair value through other comprehensive income (OCI), resulting in increase/(decrease) in total equity by ₹ 1,830.76 Lakhs and ₹ 1,812.83 Lakhs as at 1st April, 2015 and 31st March, 2016 respectively.

57.i.iv Deferred Tax :-Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax by ₹ 608.14 Lakhs as at 1st April, 2015 and ₹ 604.31 Lakhs during year ended 31st March, 2016.

57.i.v Proposed Dividend:- Under the Previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised as a provision in the financial statements. However, under Ind AS, such dividends are recognized when declared by shareholders in the annual general meeting. Accordingly, the provision for proposed dividend of ₹ 4,555.48 Lakhs as at 1st April, 2015 included under provisions has been reversed with corresponding adjustment to retained earnings, this has been recognized during the year ended 31st March, 2016. Similarly, the proposed dividend as at 31st March, 2016 has also been reversed resulting in increase in total equity by an amount of ₹ 4,915.14 Lakhs as at 31st March, 2016.

57.i.vi Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(₹ in Lakhs)

	Notes to 57.i	*As at 31-03-2016	**As at 01-04-2015
Total equity (shareholders' funds) under Previous GAAP		**197,578.26**	183,652.06
Adjustments:			
Dividends and related distribution tax not recognised as liability until declared under Ind AS	57.i.v	**4,915.13**	4,555.48
Net impact of recognition of decommissioning liabilities	57.i.ii	**(376.27)**	(326.27)
Equity instruments measured at fair value	57.i.iii	**1,812.83**	1,830.76
Deferred tax on above	57.i.iv	**(604.32)**	(608.14)
Total adjustment to equity		**5,747.37**	5,451.84
Total equity under Ind AS		**203,325.63**	189,103.89

*End of last period presented under Previous GAAP

**Date of transition

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

57.ii Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31st March, 2016

		Notes to 57.ii	Previous GAAP	Effect of transition to Ind AS	As per Ind AS P&L
I	Revenue from Operations		135,222.74	-	135,222.74
II	Other Income	57.ii.i	3,482.68	138.32	3,621.00
III	**TOTAL (I+II)**		**138,705.42**	**138.32**	**138,843.74**
IV	**EXPENDITURE :**				
	Cost of Material Consumed	57.ii.i 57.ii.ii	73,321.10	(1,735.85)	71,585.25
	Generation Expenses		12,336.23	-	12,336.23
	Employee Benefits Expense	57.ii.iii	6,873.16	(51.51)	6,821.65
	Finance Cost	57.ii.iv	6,179.98	1,376.85	7,556.83
	Depreciation & Impairment	57..ii.v	11,231.47	(18.21)	11,213.26
	Amortisation of Mines Development Assets	57.ii.vi	-	547.31	547.31
	CSR Expenses		667.68	-	667.68
	Other Expenses	57..ii.v	3,127.41	18.21	3,145.62
	TOTAL (IV)		**113,737.03**	**136.80**	**113,873.83**
V	**Profit before Tax (III-IV)**		**24,968.39**	**1.52**	**24,969.91**
VI	**Tax Expenses**				
	- Current Tax relating to		5,034.91	0.00	5,034.91
	- Deferred Tax		1,092.14	17.83	1,109.97
VII	**Profit For the year (V-VI)**		**18,841.34**	**(16.31)**	**18,825.03**
VIII	**Other Comprehensive Income**				
	Remeasurement of Defined benefit plans (a)	57.ii.iii	-	(51.51)	(51.51)
	Equity instruments through OCI (b)	57.ii.vii	-	(17.94)	(17.94)
	(i) Items that will not be reclassified to profit or loss (a) +(b)		-	(69.45)	(69.45)
	(ii) Income tax on above	57.ii.iii, 57.ii.vii	-	(21.65)	(21.65)
	Total Other Comprehensive Income (net of tax) (i)+(ii)		**-**	**(47.80)**	**(47.80)**
IX	**Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**18,841.34**	**(64.11)**	**18,777.23**

Notes to Profit Reconciliation for the year 2015-16:

57.ii.i Other Income:

Under Previous GAAP, interest income of ₹ 138.32 lakhs on Mines Closure Escrow Account was credited to Lignite Extraction expenses under Cost of Material Consumed. The same has been reclassified to Other Income.

57.ii.ii Reversal of Mine Closure Expenses

Under Previous GAAP, provision for Mines Closure Expenses of ₹ 1,874.17 lakhs recognised as Lignite Extraction expenses under Cost of Material Consumed is now reversed under IND AS as the same would not be recognised as such as per IND AS.

57.ii.iii Remeasurement of Post Employment Benefit Obligation:

Under In AS 19 ''Employee Benefits" Remeasurement i.e. actuarial gains and losses of defined benefit plan amounting to ₹ 51.51 Lakhs(net of tax ₹ 17.83 Lakhs) have been recognised in Other Comprehensive Income (OCI). This has resulted in increase in other comprehensive income by ₹ 33.68 Lakhs for year ended 31st March, 2016

NOTES TO THE FINANCIAL STATEMENTS

57.ii.iv Unwinding of discount on Decommissioning Provisions:

Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. As a result, the unwinding of discount on decommissioning liabilities has been recognized in the Statement of profit and loss as finance cost i.e ₹ 1,376.85 Lakhs for the year ended 31st March, 2016.

57.ii.v Reclassification of leasehold land :

Under Previous GAAP, leasehold land was shown as part of fixed assets and depreciated based on leasehold period, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments and amortized over the leasehold period. This reclassification resulted in decrease in depreciation expense by ₹ 18.21 Lakhs with corresponding increase in other expenditure.

57.ii.vi Amortisation of Mine Development Asset :

Decommissioning costs related to Mine closure were recognised as on the transition date consequent to application of para D21 of Ind AS 101 on First time Adoption of Indian Accounting Standards. This has resulted in increase in carrying value of Mine development assets by ₹ 15,830.94 Lakhs as at the transition date. Accordingly, the amortisation expense under Ind AS for the year ended 31st March 2016 has increased by ₹ 547.31 Lakhs.

57.ii.vii Fair valuation of Investments in Equity Instruments:

The Company has irrevocably elected to present the changes in fair value of equity instruments of companies other than Subsidiary & Associate, measured at fair value in Other Comprehensive Income (OCI), as at April 1 2015. Subsequent fair value changes have been recognized in Other Comprehensive Income (OCI). This has resulted in decrease in other comprehensive income by ₹ 17.94 Lakhs (net of tax of ₹ 3.83 Lakhs) during year ended 31st March, 2016.

57.ii.viii Reconciliation of total comprehensive income for the year ended 31st March, 2016 (₹ in Lakhs)

Particulars	Notes to 57.ii	Amount
Profit as per Previous GAAP		18,841.34
Adjustments:		
Reversal of provision for Mines Closure Liability	57.ii.ii	1,874.17
Effect of remeasurement of Post Employee Benefits (net of tax)	57.ii.iii	33.68
Unwinding of discounted provision of Mines Closure Liability	57.ii.iv	(1,376.85)
Depreciation impact of Mines Closure Liability capitalized as asset	57.ii.vi	(547.31)
Total effect of transition to Ind AS		**(16.31)**
Net Profit for the year as per Ind AS		**18,825.03**
Effect of remeasurement of Post Employee Benefits (net of tax)	57.ii.iii	(33.68)
Change in Fair Value of equity instrument (net of tax)	57.ii.vii	(47.80)
Total comprehensive income under Ind AS		**18,777.23**

58 Approval of Financial Statements:

The Standalone Financial Statements were approved for issue by the Board of Directors on 18/05/2017.

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
GUJARAT INDUSTRIES POWER COMPANY LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) financial statements

We have audited the accompanying consolidated Ind AS financial statements of **Gujarat Industries Power Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the Companies included in the Group and of its associate 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 its associate 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 the 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence obtained by us and referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31st March, 2017, their consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

1. The transition date opening balance sheet as at 1st April, 2015 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements, is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 13th June, 2015 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
2. The financial statements for associate prepared under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) are not available. The investment in associate has been carried at cost and no other effect has been given in the consolidated financial statements for transactions with / amounts relating to the associate.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the financial information of associate, as noted in "other matters" paragraph, 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 Ind AS financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, and the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed 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, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary and reports of the statutory auditor of an associate incorporated in India, none of the Directors of the Group companies and its associate company incorporated in India, is disqualified as on 31st March, 2017 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 over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

   g. 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 Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the Group - Refer Note No. 44 to the consolidated Ind AS financial statements;

      ii. The consolidated Ind AS financial statements do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. In case of Holding Company, amounts due and outstanding to be credited to Investor Education & Protection Fund which was transferred on 8th May, 2017. - Refer Note No. 29 to the consolidated Ind AS financial statements and

      iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Group. Refer Note no. 13 to the consolidated Ind AS financial statements.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 18th May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Gujarat Industries Power Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiary company as of 31st March, 2017 in conjunction with our audit of the consolidated Ind AS 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 (the "Guidance Note") 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India(ICAI) and the Standards on Auditing issued by ICAI deemed to be 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. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

Other Matter

In respect of the associate company, the report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, is not available and therefore, it is not covered in this report.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 18th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Note No.	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-205
I. ASSETS				
1 Non-current Assets				
(a) Property, Plant and Equipment	5	241,262.09	185,576.81	187,952.84
(b) Mine Development Assets	5a	10,410.98	11,835.09	21,587.50
(c) Capital work-in-progress		2,390.74	3,471.48	4,123.80
(d) Other Intangible assets	5	521.25	322.03	453.31
(e) Intangible assets under development		55.20	-	-
(f) Financial Assets				
(i) Investments	6	28,031.56	25,001.51	22,519.44
(ii) Loans	7	4.05	12.86	13.33
(iii) Others	8	5,596.55	3,557.43	1,809.25
(g) Non-current Tax Assets (Net)	9	2,731.46	2,801.50	2,852.08
(h) Other non-current Assets	10	7,544.55	18,335.75	7,864.12
Total Non-current Assets		298,548.44	250,914.46	249,175.67
2 Current Assets				
(a) Inventories	11	15,980.27	15,069.58	14,786.08
(b) Financial Assets				
(i) Trade receivables	12	24,802.01	26,566.12	12,850.36
(ii) Cash and cash equivalents	13	245.84	18,883.30	36,235.77
(iii) Bank balances other than (ii) above	14	465.51	457.75	360.75
(iv) Loans	15	0.31	0.40	1.30
(v) Others	16	429.05	2,228.27	1,916.69
(c) Current Tax Assets (Net)	17	-	59.32	-
(d) Other current assets	18	960.41	595.67	2,516.68
Total Current Assets		42,883.40	63,860.41	68,667.63
TOTAL ASSETS		341,431.84	314,774.88	317,843.30
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	19	15,125.12	15,125.12	15,125.12
(b) Other Equity	20	208,485.51	188,211.93	173,987.80
Total Equity		223,610.63	203,337.05	189,112.92
LIABILITIES				
2 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	27,146.48	32,658.56	43,170.64
(ii) Other financial liabilities	22	909.30	894.70	857.47
(b) Non-current Tax liabilities (Net)	23	15.15	15.15	34.57
(c) Provisions	24	15,187.04	14,430.44	20,762.84
(d) Deferred tax liabilities (Net)	25	23,055.43	21,699.52	20,611.21
(e) Other non-current liabilities	26	960.33	59.24	54.42
Total Non-current Liabilities		67,273.73	69,757.61	85,491.15
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	27	4,070.19	4,328.83	6,960.86
(ii) Trade payables	28	10,375.16	8,472.18	8,933.85
(iii) Other financial liabilities	29	20,914.36	12,446.09	13,620.17
(b) Other current liabilities	30	13,697.20	16,166.33	13,327.26
(c) Provisions	31	364.26	266.64	265.41
(d) Current Tax Liabilities (Net)	32	1,126.30	0.14	131.68
Total Current Liabilities		50,547.47	41,680.21	43,239.23
TOTAL EQUITY AND LIABILITIES		341,431.84	314,774.88	317,843.30
See accompanying notes to the consolidated financial statements	1-59			

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31-03-2017	For the Year ended 31-03-2016
I	Revenue from Operations	33	131,056.25	135,222.74
II	Other Income	34	7,105.14	3,624.29
III	TOTAL (I+II)		138,161.39	138,847.03
IV	EXPENDITURE :			
	Cost of Material Consumed	35	66,189.99	71,585.25
	Generation Expenses	36	10,603.67	12,336.23
	Employee Benefits Expense	37	7,345.32	6,821.65
	Finance Cost	38	7,319.40	7,556.83
	Depreciation	5	12,586.83	11,213.26
	Amortisation of Mines Development Assets	5a(ii)	135.13	547.31
	CSR Expenses	39	517.08	667.68
	Other Expenses	40	3,364.62	3,146.23
	TOTAL (IV)		108,062.04	113,874.44
V	Profit before Tax (III-IV)		30,099.35	24,972.59
VI	Tax Expenses	41a &b		
	Current Tax		6,401.15	5,035.20
	Deferred Tax		772.85	1,109.97
VII	Profit For the year (V-VI)		22,925.35	18,827.42
VIII	Other Comprehensive Income			
	Remeasurement of Defined benefit plans		(183.62)	(51.51)
	Equity instruments through OCI		3,030.05	(17.94)
	Items that will not be reclassified to profit or loss		2,846.43	(69.45)
	Income tax on above	41c	583.06	(21.65)
	Total Other Comprehensive Income (net of tax)		2,263.37	(47.80)
IX	Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)		25,188.72	18,779.62
X	Earning per share (Basic and Diluted)	42	15.16	12.45
	See accompanying notes to the consolidated financial statements	1-59		

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31-03-2017		For the Year ended 31-03-2016	
A	**Cash Flow From Operating Activities :**				
	Net Profit before Tax		30,099.35		24,972.59
	Adjustment for :				
	Depreciation	12,586.83		11,213.26	
	Amortisation of Mines Development Assets	135.13		547.31	
	Amortisation of share issue expenses	-		106.36	
	Amortisation of Prepayments (Lease Hold Land)	30.17		18.23	
	Amortisation of Initial Mines Development Expenditure	576.92		1,103.36	
	Finance Cost	6,493.01		6,179.98	
	Unwinding of Decommissioning Liabilities	826.39		1,376.85	
	Amortisation of Government Grant	(47.35)		-	
	Provision for impairment of fixed assets	172.28		-	
	Loss on sale / write off of assets	0.41		0.94	
	Profit on sale / write off of assets	(86.89)		-	
	Interest Income	(1,602.68)		(2,388.97)	
	Dividend	(52.32)		(54.98)	
			19,031.90		18,102.34
	Operating Profit/(Loss) before changes in working capital		49,131.25		43,074.93
	Adjustment for (Increase)/Decrease in Operating Assets				
	Trade Receivables	1,764.11		(13,715.76)	
	Inventories	(910.69)		(283.50)	
	Loans and Advances	8.90		1.37	
	Other Assets	(793.69)		(1,184.50)	
	Adjustment for Increase/(Decrease) in Operating Liabilities				
	Trade payables	1,902.98		(461.67)	
	Other current liabilities and provisions	7,426.91		958.37	
			9,398.52		(14,685.69)
	Cash flow from operations after changes in working capital		58,529.77		28,389.24
	Net Direct Taxes (Paid)/Refunded		(5,146.45)		(5,194.90)
	Net Cash Flow from Operating Activities (Total - A)		53,383.32		23,194.34
B	**Cash Flow from Investing Activities :**				
	Purchase of Fixed Assets including capital advance and Capital Work in Progress	(56,284.31)		(18,553.19)	
	Prepayments for Lease Hold Land	(612.68)		(41.90)	
	Purchase of Investments	-		(2,500.00)	
	Sale of Fixed Assets	114.31		50.65	
	Interest Received	1,804.67		3,328.36	
	Dividend Received	52.32		54.98	
	Bank Balances not considered as Cash and Cash Equivalents	(7.76)		(97.00)	
	Net Cash Flow from Investing Activities (Total - B)		(54,933.45)		(17,758.09)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr. No.	Particulars		For the Year ended 31-03-2017		For the Year ended 31-03-2016
C	Cash Flow from Financing Activities :				
	Repayment of long-term borrowings	(10,512.08)		(10,512.08)	
	Net increase / (decrease) in working capital borrowings	(258.64)		(2,632.03)	
	Proceeds from long-term borrowings	5,000.00		-	
	Govt. Grant for Capital Assets	-		1,000.00	
	Finance Cost Paid	(6,513.18)		(6,188.35)	
	Dividend on Equity Paid	(3,972.07)		(3,682.06)	
	Tax on Dividend Paid	(831.36)		(774.20)	
	Net Cash Flow from Financing Activities (Total - C)		(17,087.33)		(22,788.72)
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		(18,637.46)		(17,352.47)
	Opening Cash and Cash Equivalents		18,883.30		36,235.77
	Closing Cash and Cash Equivalents		245.84		18,883.30

Notes: 1. The Cash flow statement has been prepared by the indirect method as set out in the Indian Accounting Standard-7 on "Cash Flow Statements".

2. Cash and Cash equivalents includes :

Cash on hand		1.60		2.50
Cheques on hand		-		1,000.00
Balance with Banks :				
Current Accounts	112.48		11.92	
Deposit Accounts	131.76	244.24	17,868.88	17,880.80
TOTAL		245.84		18,883.30

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

(i) Equity Share Capital

As at 1st April, 2015	15,125.12
Additions/(Reductions)	-
As at 31st March, 2016	15,125.12
As at 1st April, 2016	15,125.12
Additions/(Reductions)	-
As at 31st March, 2017	**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	Retained earnings	Equity instruments through other comprehensive income	
Balance as at April 1, 2015 (as previously reported)	3,455.88	66,000.00	33,316.97	61,370.00	4,392.12	-	168,534.97
Impact of Ind AS adjustment to retained earnings	-	-	-	-	4,230.21	1,222.62	5,452.83
Adjustments for prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2015	3,455.88	66,000.00	33,316.97	61,370.00	8,622.33	1,222.62	173,987.80
Profit for the year	-	-	-	-	18,827.42	-	18,827.42
Other comprehensive income for the year, net of income tax	-	-	-	-	(33.68)	(14.11)	(47.80)
Total comprehensive income for the year	3,455.88	66,000.00	33,316.97	61,370.00	27,416.06	1,208.51	192,767.42
Payment of dividends for the year ended 31-03-2015	-	-	-	-	(3,781.29)	-	(3,781.29)
Tax on dividends	-	-	-	-	(774.20)	-	(774.20)
Transferred from retained earning	-	6,000.00	-	6,000.00	(12,000.00)	-	-
Balance as at March 31, 2016	3,455.88	72,000.00	33,316.97	67,370.00	10,860.57	1,208.51	188,211.93
Profit for the year	-	-	-	-	22,925.35	-	22,925.35
Other comprehensive income for the year, net of income tax	-	-	-	-	(120.07)	2,383.44	2,263.37
Total comprehensive income for the year	3,455.88	72,000.00	33,316.97	67,370.00	33,665.86	3,591.95	213,400.66
Payment of dividends for the year ended 31-03-2016	-	-	-	-	(4,083.78)	-	(4,083.78)
Tax on dividends	-	-	-	-	(831.36)	-	(831.36)
Transferred from retained earning	-	8,000.00	-	8,000.00	(16,000.00)	-	-
Balance as at March 31, 2017	**3,455.88**	**80,000.00**	**33,316.97**	**75,370.00**	**12,750.72**	**3,591.95**	**208,485.51**

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 and Associate. The Group (comprising of the Company and its Subsidiary) and Associate 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

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorized have been considered in preparing these consolidated financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

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. The Consolidated Financial Statements have been prepared on the following basis:

i) 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".

ii) 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.

iii) 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.

iv) Investment in associate is accounted for using equity method as per Indian Accounting Standard (Ind AS)28 – "Accounting for Investments in Associates in Consolidated Financial Statements"

v) The Company accounts for its share of post-acquisition changes in net assets of associate, after eliminating unrealised profits and losses resulting from transactions between the Company and its associate to the extent of its share, through its Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

vi) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March 2017.

vii) The financial statements for associate prepared under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) are not available. The investment in associate has been carried at cost and no other effect has been given in the consolidated financial statements for transactions with / amounts relating to the associate.

3 Significant Accounting Policies

i) Statement of compliance

In accordance with the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016.

The consolidated financial statements have been prepared in accordance with Ind AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) except in so far as the said provisions are inconsistent with the provision of the Electricity Act, 2003. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. The mandatory exceptions and optional exemption availed by the Group on first time adoption have been detailed in note no. 3.xx.

Previous period figures in the Financial Statements have been restated in compliance to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Upto the year ended 31st March, 2016, the Group had prepared the financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, except in so far as the said provisions were inconsistent with the provision of the Electricity Act, 2003.

In accordance with Ind AS 101 "First Time adoption of Indian Accounting Standards", the Group has presented a reconciliation of Shareholders' equity under Previous GAAP to Shareholders' equity under Ind AS as at 31st March, 2016 and 1st April, 2015 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2016.

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 lakhs 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 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

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.

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on all fixed assets (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.

Capital Spares are depreciated over the useful life of such Spares but not exceeding the remaining useful life of related tangible asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Rs.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.

As per Central Electricity Regulatory Commission (Terms and condition of Tariff) Regulation, 2014 useful life of Gas/ Lignite based power plant is 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 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.

Intangible assets including Computer software are amortized on straight-line basis over a period of five years.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 as non-current liability 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 measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, service tax and sales tax etc.

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

b. Revenue from sale of services is recognized as per terms & conditions of the contract.

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

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

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

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

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

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

i. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 .

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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).

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) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

xix) **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 profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

xx) **First-time adoption – mandatory exceptions and optional exemptions**

a. **Overall principle:**

The Group has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below.

b. **Derecognition of financial assets and financial liabilities**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. **Classification of debt instruments**

The Group has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

d. **Impairment of financial assets**

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e. **Deemed cost for Property, Plant and Equipment, and Intangible Assets**

The Group has elected to continue with the carrying value of all of its Property, Plant and Equipment, and Intangible Assets recognized as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

f. **Determining whether an arrangement contains a lease**

The Group has applied Appendix C of Ind AS 17 "Leases" for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

g. **Equity investments at FVTOCI**

The Group has designated investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

h. **Decommissioning costs**

The Group has availed optional exemption available with respect to decommissioning costs included in the Mine Development Assets. Accordingly, the Group has measured the decommissioning provision in accordance with Ind AS 37 as at transition date. The Group has computed the estimate of the amount that would have been included in the cost of the related asset by discounting the decommissioning provision computed at transition date using its best estimate of the historical risk adjusted discount rate to the date when decommissioning liability first arose. Thereafter, the Group has computed depreciation on those assets on the aforesaid estimated amount using the accounting policy mentioned in Note 3 (iii) above.

i. The difference between carrying amount of Mine Development Assets as on transition date and carrying amount computed considering the aforesaid exemption is adjusted in retained earnings.

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.

Key source of judgments and estimation of uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, decommissioning provision, impairment, employee benefit obligations, provisions, provision of income tax, valuation of deferred tax assets and contingent assets & liabilities.

ii) Critical judgments in applying accounting policies

The following are the critical judgements, 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 Consumer Price Index (CPI) for inflation i.e. 2.28% (Previous year 3.21 %) 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 6.69% (Previous year 7.46 %), 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 5 - Property, Plant and Equipment

(₹ 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 01 April 2015	18,380.21	31,502.54	135,604.97	979.66	258.39	1,193.56	33.51	187,952.84	453.31	453.31	188,406.15
Additions during the year	-	147.86	8,289.95	240.15	8.66	69.37	-	8,755.99	1.55	1.55	8,757.55
Deductions/ adjustment during the year	(49.66)	-	-	-	-	(0.94)	(1.41)	(52.01)	-	-	(52.01)
Balance as at 31 March 2016	18,330.55	31,650.40	143,894.92	1,219.81	267.05	1,261.99	32.10	196,656.82	454.86	454.86	197,111.69
Additions during the year	735.57	903.12	66,185.02	-	11.28	499.41	-	68,334.40	336.21	336.21	68,670.62
Deductions/ adjustment during the year	-	-	(24.59)	-	(0.34)	(5.29)	-	(30.23)	-	-	(30.23)
Balance as at 31 March 2017	19,066.12	32,553.52	210,055.35	1,219.81	277.99	1,756.11	32.10	264,961.00	791.08	791.08	265,752.08
Impairment											
Balance as at 01 April 2015	-	-	-	-	-	-	-	-	-	-	-
Addition / Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	-	-	-	-	-	-	-	-	-	-	-
Addition / Disposal (refer note 3 below)	-	-	172.28	-	-	-	-	172.28	-	-	172.28
Impairment as at 31 March 2017	-	-	172.28	-	-	-	-	172.28	-	-	172.28
Accumulated Depreciation											
Balance as at 01 April 2015	-	-	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	1,679.43	8,920.52	285.05	23.15	167.60	4.68	11,080.43	132.83	132.83	11,213.26
Adjustment / Deduction during the year	-	-	-	-	-	(0.01)	(0.41)	(0.42)	-	-	(0.42)
Balance as at 31 March 2016	-	1,679.43	8,920.52	285.05	23.15	167.59	4.27	11,080.01	132.83	132.83	11,212.84
Depreciation during the year	-	1,708.77	10,236.14	280.81	23.80	196.03	4.28	12,449.83	137.00	137.00	12,586.83
Adjustment / Deduction during the year	-	-	-	(0.00)	(0.05)	(3.17)	-	(3.22)	-	-	(3.22)
Balance as at 31 March 2017	-	3,388.20	19,156.66	565.86	46.90	360.45	8.55	23,526.62	269.83	269.83	23,796.45
Net Block as at 01 April 2015	18,380.21	31,502.54	135,604.97	979.66	258.39	1,193.56	33.51	187,952.84	453.31	453.31	188,406.15
Net Block as at 31 March 2016	18,330.55	29,970.97	134,974.40	934.76	243.90	1,094.40	27.83	185,576.81	322.03	322.03	185,898.84
Net Block as at 31 March 2017	19,066.12	29,165.32	190,726.41	653.95	231.09	1,395.65	23.55	241,262.09	521.25	521.25	241,783.34

Notes:

1. The conveyance of title for 1.04 hectares of free hold land of value Rs.15.54 Lakhs (for 2014-2015 and 2015-16 - 1.04 hectares of value Rs. 15.54 Lakhs) in favour of the Company are awaiting completion of legal formalities.
2. Land includes 26.48 hectares of value Rs. 384.31 Lakhs (for 2015-16 26.48 hectares of value Rs 384.31 Lakhs for 2014-15 27.63 hectares of value Rs. 397.38 Lakhs), the process of possession and conveyance of title in favour of the Company is awaiting of legal formalities.
3. In accordance with the Indian Accounting Standard (Ind AS) 36) on "Impairment of Assets", the Group during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, provision for impairment of Assets of Rs. 172.28 Lakhs (P.Y. Nil) has been made as at 31st March, 2017. 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.
4. The Group has elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised 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' (Refer Note 59).
5. The Company has successfully commissioned 100.4 MW Wind Projects at various locations in the state of Gujarat during the financial year 2016-17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016
5a Mine Development Assets		
(i) Initial Development Expenditure		
Opening Balance	4,653.20	5,756.56
Amortised During the year	(576.92)	(1,103.36)
Closing Balance	4,076.28	4,653.20
(ii) Asset For Decommissioning Liability *		
Opening Balance	7,181.89	15,830.94
Effect of change in discount and inflation rate	(712.06)	(8,101.72)
Depreciation charged during the year	(135.13)	(547.31)
Closing Balance	6,334.70	7,181.89
TOTAL (i+ii)	10,410.98	11,835.09

*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.

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
6 Non- Current Investments (Trade - unless otherwise specified)			
a) Investments in Equity Instruments			
QUOTED			
11,03,360 (31st March, 2016 : 11,03,360; 1st April, 2015 : 11,03,360) Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	4,489.57	1,826.61	1,764.27
1,06,578 (31st March, 2016: 1,06,578; 1st April, 2015 : Nil) Equity Shares of Gujarat Gas Limited* of ₹ 10 each (Fully paid)	817.99	588.90	-
	5,307.56	2415.51	1764.27
UNQUOTED			
With Associate			
20,60,80,000 (31st March, 2016: 20,60,80,000; 1st April, 2015: 18,10,80,000) Equity Shares of Bhavnagar Energy Company Limited of ₹ 10 each (Fully paid) **	20,608.00	20,608.00	18,108.00
With Others			
Nil (31st March, 2016 : Nil; 1st April, 2015 : 1,00,000) Equity Shares of GSPC Gas Company Limited of ₹ 10 each (Fully paid) *	-	-	671.17
97,18,181 (31st March, 2016 : 97,18,181; 1st April, 2015 : 97,18,181) Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid)	-	-	-
1,00,00,000 (31st March, 2016 : 1,00,00,000; 1st April, 2015 : 1,00,00,000) Equity Shares of GSPC LNG Limited of ₹ 10 each (Fully paid) *	2,116.00	1,978.00	1,976.00
	22,724.00	22,586.00	20,755.17
TOTAL	28,031.56	25,001.51	22,519.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

* The Group held 1,00,000 equity shares (unquoted) of GSPC LNG Limited During the year 2015-16, GSPC LNG Limited was merged into Gujart Gas Limited as per amalgmation sacheme dated 02-06-2015. The company was alloted 80 equity shares of Gujarat Gas Limited against 76 equity shares of GSPC LNG Limited The shares of Gujarat Gas Limited are quoted.

** refer note no. 2.vii

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
	Aggregate cost of quoted investments	561.68	561.68	551.68
	Aggregate market value of quoted investments	5,307.56	2,415.51	1,764.27
	Aggregate carrying value of unquoted investments	22,724.00	22,586.00	20,755.17
b)	**Other investments**			
	Financial assets carried at fair value through other comprehensive income			
	Investment in equity instruments	7,423.56	4,393.51	4,411.44
	Total investments carrying value	7,423.56	4,393.51	4,411.44
7	**Loans**			
	Secured (Considered good)			
	Loan to Employees	0.05	0.36	0.83
	Unsecured Considered good			
	Other loans & Advances	4.00	12.50	12.50
	TOTAL	4.05	12.86	13.33
8	**Other Financial Assets**			
	Unsecured Considered good			
	Escrow Account (Mines Closure)	5,487.31	3,408.54	1,662.78
	Security Deposits	109.24	148.89	146.47
	TOTAL	5,596.55	3,557.43	1,809.25
9	**Non Current Tax Assets (Net)**			
	Advance tax (net of provisions)	2,731.46	2,801.50	2,852.08
	TOTAL	2,731.46	2,801.50	2,852.08
10	**Other Non Current Assets**			
	Secured (Considered good)			
	Capital Advance	5,354.34	17,529.13	7,019.18
	Unsecured (Considered good)			
	Capital Advance	845.85	31.83	93.82
	Prepayments *	1,195.59	626.02	602.35
	Others	148.77	148.77	148.77
	TOTAL	7,544.55	18,335.75	7,864.12

* Leasehold land is obtained as a permitted transferee as per agreement with GIDC/ IPCL. The Leasehold land has been derecognised from fixed asset as per Ind AS 17 and is recognised as prepaid asset under other non financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
11 Inventories				
Raw Materials (Fuel)		5,496.03	4,175.37	3,940.86
Stores and Spares		10,484.24	10,894.21	10,845.22
	TOTAL	15,980.27	15,069.58	14,786.08
Refer note 3(ix) for valuation policy				
12 Trade Receivables				
(Unsecured - Considered Good)				
Others		24,802.01	26,566.12	12,850.36
	TOTAL	24,802.01	26,566.12	12,850.36

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

Of the trade receivables balance as at 31st March, 2017 ₹22,078.53 Lakhs (as at 31st March, 2016 of ₹ 23,832.24 Lakhs; as at 1st April, 2015 of ₹10,023.24 Lakhs) is due from Gujarat Urja Vikas Nigam Limited, the Group's largest customer. There are no other customers who represent more than 5% of the total balance of trade receivables.

Accordingly, the Group 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 Group has concentration of credit risk due to the fact that the Group has significant receivables from Gujarat Urja Vikas Nigam Limited which is reputed and creditworthy undertaking.

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
Age of receivable:				
Within the credit period		23,776.09	26,566.12	12,850.36
1-30 days past due		-	-	-
31-60 days past due		-	-	-
More than 60 days past due		1,025.92	-	-
	TOTAL	24,802.01	26,566.12	12,850.36
13 Cash And Cash Equivalents				
Cash on hand		1.60	2.50	1.87
Cheques on hand		-	1,000.00	-
Balances with Banks:				
- In current account		112.48	11.92	3.52
- In deposit account		131.76	17,868.88	36,230.38
	TOTAL	245.84	18,883.30	36,235.77

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.

The details of Specified Bank Notes(SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as under:

Amount in ₹

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	76,000	30,633	106,633
(+) Permitted receipts	-	561,608	561,608
(-) Permitted payments	-	500,026	500,026
(-) Amount deposited in banks	76,000	-	76,000
Closing cash in hand as on 30.12.2016	-	92,215	92,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
14	**Other Bank Balances**			
	Balances with Banks:			
	Earmarked Bank Balances	465.51	457.75	360.75
	TOTAL	465.51	457.75	360.75

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.

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
15	**Current Loans**			
	Secured (Considered good)			
	Loan to Employees	0.31	0.40	1.30
	TOTAL	0.31	0.40	1.30
16	**Other Financial Assets**			
	Unsecured (Considered good)			
	Other Receivables	299.36	1,896.59	645.62
	Interest Accrued	129.69	331.68	1,271.07
	TOTAL	429.05	2,228.27	1,916.69
17	**Current Tax Assets (Net)**			
	Advance tax (net of provisions)	-	59.32	-
	TOTAL	-	59.32	-
18	**Other Current Assets**			
	Unsecured (Considered good)			
	Unamortised Expenses	-	-	106.36
	Prepayments (Refer Note No. 10)	31.17	18.23	18.23
	Other loans & Advances	929.24	577.44	2,392.09
	TOTAL	960.41	595.67	2,516.68
19	**Equity Share Capital**			
	Authorised			
	32,50,00,000 Equity Shares of ₹10/-each	32,500.00	32,500.00	32,500.00
	50,00,000 Equity Shares of ₹10/-each	500.00	500.00	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	6,100.00
	TOTAL	39,100.00	39,100.00	39,100.00
	Issued, Subscribed And Paid Up			
	15,12,51,188 Equity Shares of ₹10/-each fully paid	15,125.12	15,125.12	15,125.12
	TOTAL	15,125.12	15,125.12	15,125.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

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

	No. of shares	Amount
As at 1st April, 2015	151,251,188	15,125.12
Additions/(Reductions)	-	-
As at 31st March,2016	151,251,188	15,125.12
As at 1st April, 2016	151,251,188	15,125.12
Additions/(Reductions)	-	-
As at 31st March, 2017	151,251,188	15,125.12

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

Name of Share Holders	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	%	No. of shares	%	No. of shares	%	No. of shares
Gujarat Urja Vikas Nigam Ltd.	25.38	38,384,397	25.38	38,384,397	25.38	38,384,397
Gujarat Alkalies & Chemicals Ltd.	15.27	23,088,980	15.27	23,088,980	15.27	23,088,980
Gujarat State Fertilizers & Company Ltd.	14.79	22,362,784	14.79	22,362,784	14.79	22,362,784

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 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
20 Other Equity			
Capital Redemption Reserve	3,455.88	3,455.88	3,455.88
Expansion Reserve	80,000.00	72,000.00	66,000.00
Securities Premium Account	33,316.97	33,316.97	33,316.97
General Reserve	75,370.00	67,370.00	61,370.00
Retained earnings	12,750.72	10,860.57	8,622.33
Equity instruments through other comprehensive income	3,591.95	1,208.51	1,222.62
TOTAL	208,485.51	188,211.93	173,987.80

	AS AT 31-03-2017	AS AT 31-03-2016
Capital Redemption Reserve (refer note 20 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 20 b)		
Balance at the beginning of the year	72,000.00	66,000.00
Addition/(Deduction) during the year	8,000.00	6,000.00
Balance at the end of the year	80,000.00	72,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016
Securities Premium Account (refer note 20 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 20 d)		
Balance at the beginning of the year	67,370.00	61,370.00
Addition/(Deduction) during the year	8,000.00	6,000.00
Balance at the end of the year	75,370.00	67,370.00
Retained earnings		
Balance at the beginning of the year	10,860.57	8,622.33
Add : Profit for the year	22,925.35	18,827.42
Less: Remeasurement of Defined benefit plans	120.07	33.68
Less : Transfer to Expansion Reserve	8,000.00	6,000.00
Less : Transfer to General Reserve	8,000.00	6,000.00
Less : Dividend paid (refer note no. 20 g)	4,083.78	3,781.29
Less : Corporate Dividend Tax paid	831.36	774.20
Balance at the end of the year	12,750.72	10,860.57
Equity instruments through other comprehensive income (refer note 20 e)		
Balance at the beginning of the year	1,208.51	1,222.62
Add/(Less): Changes in Fair value of investment	2,383.44	(14.11)
Balance at the end of the year	3,591.95	1,208.51
TOTAL	208,485.51	188,211.93

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 4,04,41,176 equity shares of Rs 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 Act.

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 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.

f. 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.

g. On 26th September , 2016, a dividend of ₹ 2.70 per share (total dividend ₹ 4,083.78 Lakhs.) was paid to holders of fully paid equity shares. In 22nd September 2015 , the dividend paid was ₹ 2.50 per share (total dividend ₹ 3,781.29 Lakhs).

h. In respect of the year ended 31st March, 2017, the Board of Directors has proposed a final dividend of ₹2.70 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 ₹ 4,083.78 Lakhs and the dividend distribution tax thereon amounts to ₹ 831.36 Lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
21	**Non- Current Financial Liabilities**			
	Secured Loans			
	Term Loan From Banks	27,146.48	32,658.56	43,170.64
	TOTAL	27,146.48	32,658.56	43,170.64

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(Phase II - Unit 3 and 4 and wind 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 (Phase II - Unit 3 and 4 and wind projects).

b) **Term Loans from Banks consists of the following:** (₹ in Lakhs)

Name of Banks	As at 31-03-2017	Current Maturities of Loan	As at 31-03-2016	Current Maturities of Loan in PY
Central Bank of India	3,000.00	1,000.00	4,000.00	1,000.00
State Bank of India	1,625.00	500.00	2,125.00	500.00
Bank of Baroda	3,250.00	1,000.00	4,250.00	1,000.00
Oriental Bank of Commerce	6,000.00	2,000.00	8,000.00	2,000.00
Union Bank of India	6,500.00	2,000.00	8,500.00	2,000.00
IDBI Bank Ltd.	4,158.56	1,512.08	5,670.64	1,512.08
State Bank of Bikaner & Jaipur	1,625.00	500.00	2,125.00	500.00
Canara Bank	3,000.00	1,000.00	4,000.00	1,000.00
Karur Vysya Bank Ltd.	3,500.00	1,000.00	4,500.00	1,000.00
State Bank of India (Sanctioned limit: ₹472.43 crores)	5,000.00	-	-	-
	37,658.56	10,512.08	43,170.64	10,512.08

Name of Banks	As at 31-03-2016	Current Maturities of Loan	As at 01-04-2015	Current Maturities of Loan in PY
Central Bank of India	4,000.00	1,000.00	5,000.00	1,000.00
State Bank of India	2,125.00	500.00	2,625.00	500.00
Bank of Baroda	4,250.00	1,000.00	5,250.00	1,000.00
Oriental Bank of Commerce	8,000.00	2,000.00	10,000.00	2,000.00
Union Bank of India	8,500.00	2,000.00	10,500.00	2,000.00
IDBI Bank Ltd.	5,670.64	1,512.08	7,182.72	1,512.08
State Bank of Bikaner & Jaipur	2,125.00	500.00	2,625.00	500.00
Canara Bank	4,000.00	1,000.00	5,000.00	1,000.00
Karur Vysya Bank Ltd.	4,500.00	1,000.00	5,500.00	1,000.00
	43,170.64	10,512.08	53,682.72	10,512.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c) **The terms of repayment of the above loans are as follows:**

Name Of Banks	No. of qtr. Inst. outstanding after 31-03-2017	Amount of Installments per quarter (₹ in Lakhs)	Rate of Interest	Date of Maturity
Central Bank of India	12	250.00	8.50%	31.03.2020
State Bank of India	13	125.00	9.80%	30.06.2020
Bank of Baroda	13	250.00	9.85%	30.06.2020
Oriental Bank of Commerce	12	500.00	9.90%	31.03.2020
Union Bank of India	13	500.00	9.55%	30.06.2020
IDBI Bank Limited	11	378.02	10.00%	31.12.2019
State Bank of Bikaner & Jaipur	13	125.00	10.05%	30.06.2020
Canara Bank	12	250.00	9.55%	31.03.2020
Karur Vysya Bank Limited	14	250.00	10.30%	30.09.2020
State Bank of India*	24	1062.97	8.00%	31.03.2028
	8	1299.18		
	8	1417.29		

* Repayment of loan details are as per sanctioned terms.

(₹ in Lakhs)

	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
22 Other Financial Liabilities			
Security deposits	909.30	894.70	857.47
TOTAL	909.30	894.70	857.47
23 Non Current Tax Liabilities (Net)			
Provision for tax (net of advances)	15.15	15.15	34.57
TOTAL	15.15	15.15	34.57
24 Long Term Provisions			
Employee Benefits (refer note 50)	3,999.56	3,357.29	2,964.82
Provision for decommissioning of Mines	11,187.48	11,073.15	17,798.02
TOTAL	15,187.04	14,430.44	20,762.84

	For the Year ended 31-03-2017	For the Year ended 31-03-2016
a) **Provision for decommissioning of Mines**		
Opening Balance	11,073.15	17,798.02
Unwinding of Interest	826.39	1,376.85
Effect of change in the inflation & discount rate	(712.06)	(8,101.72)
Closing Balance	11,187.48	11,073.15
Current provision	-	-
Non Current Provision	11,187.48	11,073.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) The 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.

25 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

a) The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
Deferred tax assets	1,478.73	1,211.87	1,087.84
Deferred tax liabilities	(24,534.16)	(22,911.39)	(21,699.05)
TOTAL	(23,055.43)	(21,699.52)	(20,611.21)

As at 31st March, 2017	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	1,211.87	203.31	63.55	1,478.73
Total Deferred Tax Assets	**1,211.87**	**203.31**	**63.55**	**1,478.73**
Deferred Tax Liabilities				
Property, plant and equipment	21,968.83	978.86	-	22,947.69
Financial liabilities at FVTOCI	604.31	-	646.61	1,250.92
Expenses/ Provisions allowable on payment basis	338.25	(2.70)	-	335.55
Total Deferred Tax Liabilities	**22,911.39**	**976.16**	**646.61**	**24,534.16**
Net Deferred Tax Liabilities	**(21,699.52)**	**(772.85)**	**(583.06)**	**(23,055.43)**

(₹ in Lakhs)

As at 31st March, 2016	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	1,087.84	106.20	17.83	1,211.87
Total Deferred Tax Assets	**1,087.84**	**106.20**	**17.83**	**1,211.87**
Deferred Tax Liabilities				
Property, plant and equipment	20,731.95	1,236.88	-	21,968.83
Financial liabilities at FVTOCI	608.14	-	(3.83)	604.31
Expenses/ Provisions allowable on payment basis	358.960	(20.71)	-	338.25
Total Deferred Tax Liabilities	**21,699.05**	**1,216.17**	**(3.83)**	**22,911.39**
Net Deferred Tax Liabilities	**(20,611.21)**	**(1,109.97)**	**21.65**	**(21,699.52)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
26	**Other Non-Current Liabilities**			
	Advance From Customers	55.03	59.24	54.42
	Deferred revenue arising from government grant *	905.30	-	-
	TOTAL	960.33	59.24	54.42

*The deferred revenue arises as a result of the grant of Rs 1000 Lakhs received from government of Gujarat, as an assistance to set up grid connected 1 MW Distributed Solar Power Pilot Projects on agriculture, Gauchar or Wasteland each at central and South Gujarat region as on 31.03.2016. The grant has been recognised in statement of profit and loss on the basis of depreciation charged on the said asset since date of capitalisation in the month of April, 2016.

(₹ in Lakhs)

27	**Current Financial Liabilities**			
	Secured Loans			
	Working Capital Loans from Banks	4,070.19	4,328.83	6,960.86
	TOTAL	4,070.19	4,328.83	6,960.86

The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capitalfacilities 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.

(₹ in Lakhs)

28	**Trade Payable**			
	Micro and Small Enterprises	38.17	83.92	94.35
	Other than Micro and Small Enterprises	10,336.99	8,388.26	8,839.50
	TOTAL	10,375.16	8,472.18	8,933.85

a) Payment towards trade payables is made as per the terms and conditions of the contract / supplier orders. The average credit period is 30 days.

b) Based on the information available with the Group, the balance due to Micro and Small Enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is ₹ 38.17 Lakhs (2015-16 ₹ 83.92 Lakhs , 2014-15 ₹ 94.53 Lakhs). Payment made to suppliers beyond the due date during the year was ₹ Nil (P.Y. ₹ Nil). No interest during the year has been paid to Micro and Small Enterprises on delayed payments. Further, interest accrued and remaining unpaid at the year end ₹ Nil (P.Y. ₹ Nil)

(₹ in Lakhs)

29	**Other Financial Liabilities**			
	Current Maturities of long term debts	10,512.08	10,512.08	10,512.08
	Interest Accrued but not due on borrowings	4.23	24.40	31.14
	Items covered by IEPF*			
	- Unclaimed Dividends	568.88	457.17	357.94
	- Unclaimed Interest on Debentures	0.57	0.57	2.20
	Security Deposits	438.54	341.36	300.19
	Other Payable	461.65	728.34	531.95
	Liability for Capital Goods	8,928.41	382.17	1,884.67
	TOTAL	20,914.36	12,446.09	13,620.17

* Amounts due and outstanding to be credited to Investor Education & Protection Fund ₹5.51 lakhs (P. Y. ₹ 3.78 lakhs) for equity dividend and ₹ 0.57 Lakhs(P.Y. ₹ 0.57 Lakhs) for debenture interest which was transferred on 8th May,2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
30	**Other Current Liabilities**			
	Statutory Dues	302.38	299.72	200.94
	Liquidated Damage Payable	13,278.93	14,843.93	13,089.85
	Deferred revenue arising from government grant	47.35	1,000.00	-
	Advance from customer	68.54	22.68	36.47
	TOTAL	13,697.20	16,166.33	13,327.26
31	**Short Term Provisions**			
	Employee Benefits	364.26	266.64	265.41
	TOTAL	364.26	266.64	265.41
32	**Current Tax Liabilities (Net)**			
	Provision for tax (net of advance tax)	1,126.30	0.14	131.68
	TOTAL	1,126.30	0.14	131.68

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
33	**Revenue From Operations**		
	Sale of Electrical Energy	130,380.97	134,576.22
	Sale of Services	10.44	11.48
	Other Operating Revenues	664.84	635.04
	TOTAL	131,056.25	135,222.74
34	**Other Income**		
	Interest on Deposits with Banks	1,255.69	2,414.48
	Dividend	52.32	54.98
	Other Interest	78.01	112.81
	Insurance Claims	2,087.67	902.20
	Liquidated Damages	3,288.45	2.53
	Miscellaneous	343.00	137.29
	TOTAL	7,105.14	3,624.29
35	**Cost of Material Consumed**		
	Consumption of		
	Gas	23,746.89	39,800.47
	Lignite	51,824.89	33,956.07
	Lime Stone	891.71	1,795.08
	Furnace oil	744.75	636.06
	Coal	-	6,330.41
	Lignite Extraction Expenses	28,357.32	23,876.92
	Less : Inter Division transfer	39,375.57	34,809.76
	TOTAL	66,189.99	71,585.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
36	**Generation Expenses**		
	Consumption of Stores and Spares	2,671.72	4,098.15
	Water Charges	1,754.64	1,470.37
	Electricity Charges	1,071.89	1,072.06
	Insurance	1,211.36	957.08
	Operation Expenses	2,500.79	2,831.27
	Repairs and Maintenance to Plant and Machinery	1,393.27	1,907.30
	TOTAL	10,603.67	12,336.23
37	**Employees Benefit Expenses**		
	Salary and Wages	4,875.10	4,631.84
	Contribution to Provident , Pension and Superannuation Fund	453.39	402.14
	Welfare Expenses and Other Benefits	2,016.83	1,787.67
	TOTAL	7,345.32	6,821.65
38	**Finance Cost**		
	Interest on		
	Term Loans	3,922.44	5,080.76
	Working Capital Loans	50.73	42.71
	Others	1,227.37	70.25
	Unwinding of discount on Decommissioning liability	826.39	1,376.85
	Bank Charges and Commission	296.07	119.71
	Cash Rebate on Sales	996.40	866.55
	TOTAL	7,319.40	7,556.83
39	**CSR Expenditure**		
	CSR Expenditure	517.08	667.68
	TOTAL	517.08	667.68
a	**Details of CSR Expenditure are as under:**		
	Gross Amount required to be spent	516.00	586.49
	Amount Spent		
	a) Construction/acquisition of any Asset		
	in Cash	-	-
	yet to be paid in Cash	-	-
	TOTAL	-	-
	b) On purposes other than (i) above		
	in Cash	517.08	667.68
	yet to be paid in Cash	-	-
	TOTAL	517.08	667.68
	Amount Unspent	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the Year ended 31-03-2017	For the Year ended 31-03-2016
40 Other Expenses		
Repairs and Maintenance		
Buildings	381.31	640.71
Others	127.66	117.04
Rent	39.29	22.36
Rates and Taxes	284.71	257.14
Communication Expenses	51.24	59.75
Travelling & Conveyance Expenses	330.32	298.42
Legal, Professional and Consultancy Fees	277.95	148.37
Provision for impairment of Asset	172.28	-
Amortisation of Share Issue Exp. (Refer Note No. 57)	-	106.36
Miscellaneous Expenses *	1,699.86	1,496.08
TOTAL	3,364.62	3,146.23

(*None of the items individually account for more than Rs 1,000,000/- or 1% of Revenue from operation whichever is higher)

(₹ in Lakhs)

41 Tax Expense		
a. Particulars		
Current tax in relation to		
current year	6,400.76	5,320.50
earlier years	0.39	(285.30)
	6,401.15	5,035.20
Deferred tax	772.85	1,109.97
TOTAL	7,174.00	6,145.17
b. The income tax expense for the year can be reconciled to the accounting profit as follows:-		
Profit before tax	30,099.35	**24,972.59**
Income tax expense	10,416.66	8,641.92
Effect of Income exempt under Income Tax	(18.12)	(19.03)
Tax deduction in respect of profit from eligible power generation undertaking u/s 80IA	(4,598.05)	(2,728.07)
Expenses not allowable under Income Tax	359.41	423.91
Effect of depreciation	(1,068.23)	(2,435.24)
Tax on normal provision	5,091.68	3,883.50
Effect of tax on MAT*	1,309.08	1,437.00
Income tax expense in recognized in statement of profit or loss	6,400.76	5,320.50

*The Company is entitled to the MAT credit under the provisions of the Income-tax act,1961. However following the concept of prudence, the management does not recognise the MAT credit entitlement.

c. Income tax recognised in other comprehensive income (OCI):-		
Deferred tax arising on income and expense recognised in OCI		
Remeasurement of Defined benefit plans	(63.55)	(17.83)
Gain /Loss on Equity instruments through Other comprehensive income	646.61	(3.83)
Total Income tax recognised in OCI	583.06	(21.65)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
42	**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	**22,925.35**	18,827.42
	Weighted Average number of equity shares	**151,251,188**	151,251,188
	Earning Per Share of ₹ 10/- each		
	Basic (₹)	**15.16**	12.45
	Diluted (₹)	**15.16**	12.45

	Particulars	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
43	**Commitments :**			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	**30,828.96**	71,893.94	25,884.02
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, ₹ 20,608 Lakhs (P.Y. ₹20,608 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.	**3,392.00**	3,392.00	5,892.00
c	The Company has committed to invest in the Equity Share Capital of International Stone Research Centre (ISRC), as and when required.	**NIL**	NIL	37.50
44	**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.	**4.04**	2,930.42	2,927.92
	By Ex-employee against recovery of notice period	**1.02**	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.	**743.48**	768.63	775.13
c	Bills of Exchange discounted with Banks in respect of Sales Invoices.	**NIL**	33,500.00	37,700.00
d	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	**218.60**	213.51	Amount not ascertainable
	Freehold land at Surat Lignite Power Stations	**533.10**	1,808.41	1,361.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	Particulars	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
e	Income Tax Demand contested in Appeal.	2,472.76	2,652.73	2,651.40
f	Demand of Property Tax under discussion with Grampanchayat, Nani Naroli, Dist.Surat.	131.00	110.23	94.80
g	Liability likely to arise on account of transportation charges for gas which is under dispute.	448.50	448.50	448.50
h	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	Amount not ascertainable	Amount not ascertainable
i	Cases pending at the High Court of Gujarat for regularization of contract workmen.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
j	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	NIL
k	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	7,464.75
l	Excise duty on captive consumption of lignite.	49.01	NIL	NIL

45	Name of Company	Subsidiary/ Associate	Country of Incorporation	Proportion (%) of Shareholding		
				As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
1	GIPCL Projects and Consultancy Company Limited	Subsidiary	India	100.00%	100.00%	100.00%
2	Bhavnagar Energy Company Limited (refer note 2.vii)	Associate	India	24.36%	26.57%	25.58%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

46 Information as per Schedule III of section 129 of the Companies Act,2013 is provided as under:

1. Additional Information:

Particulars	Net Assets i.e. total Assets minus total Liabilities		Share in Profit or Loss	
	As a % of consolidated Net Assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
Gujarat Industries Power Company Limited (Parent)	99.98%	223,597.81	99.99	22,923.95
Subsidiary:				
1 Foreign: NA				
2 Indian : GIPCL Projects and Consultancy Company Limited	0.02%	37.79	0.01	1.40
Associate:				
(Investment as per the equity method)				
1 Foreign : NA				
2 Indian : Bhavnagar Energy Company Limited (Refer note no. 2.vii)	0.00%	-	-	-
TOTAL	100%	223,635.60	100.00	22,925.35

(₹ in Lakhs)

	For the Year ended 31-03-2017	For the Year ended 31-03-2016
47 Payment to Auditors (Fees excluding service tax)		
Statutory Auditors		
As Auditor	12.25	9.35
For Taxation Service	2.80	2.54
Other Services	10.76	0.59
Reimbursement of Expenses	0.03	0.46
TOTAL	25.84	*12.94
Cost Auditors		
As Auditor	1.00	1.00
Other Services	0.44	0.43
TOTAL	1.44	1.43

* Includes amount paid to previous auditors of ₹ 3.06 Lakhs.

48 Leases

Operating lease arrangements

Operating leases relate to leases of land with lease terms upto 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	Year ended 31-03-2017	Year ended 31-03-2016
Minimum lease payments	30.16	18.23
TOTAL	30.16	18.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

49 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 Limited	Entity having Significant Influence
Bhavnagar Energy Corporation Limited	Associate Company
L Chuaungo	Key Management Personnel (KMP) till 26.04.2015
Smt. Sonal Mishra	Key Management Personnel (KMP) w.e.f. 27.04.2015
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

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)	**105,290.12**	-	-	-	-	**105,290.12**
	(101,843.42)	-	-	-	-	(101,843.42)
Gujarat Urja Vikas Nigam Limited	**105,290.12**	-	-	-	-	**105,290.12**
	(101,843.42)	-	-	-	-	(101,843.42)
Bill Discounting Charges Recovered	**1,411.16**	-	-	-	-	**1,411.16**
	(2,535.70)	-	-	-	-	(2,535.70)
Gujarat Urja Vikas Nigam Limited	**1,411.16**	-	-	-	-	**1,411.16**
	(2,535.70)	-	-	-	-	(2,535.70)
Rebate on Sales	**995.82**	-	-	-	-	**995.82**
	(866.55)	-	-	-	-	(866.55)
Gujarat Urja Vikas Nigam Limited	**995.82**	-	-	-	-	**995.82**
	(866.55)	-	-	-	-	(866.55)
Dividend Paid	**1,036.38**	-	-	-	-	**1,036.38**
	(959.61)	-	-	-	-	(959.61)
Gujarat Urja Vikas Nigam Limited	**1,036.38**	-	-	-	-	**1,036.38**
	(959.61)	-	-	-	-	(959.61)
Interest Paid	-	-	-	-	-	-
	(64.78)	-	-	-	-	(64.78)
Gujarat Urja Vikas Nigam Limited	-	-	-	-	-	-
	(64.78)	-	-	-	-	(64.78)
Remuneration	-	-	-	**18.48**	-	**18.48**
	-	-	-	(19.17)	-	(19.17)
Smt Sonal Mishra	-	-	-	**18.48**	-	**18.48**
	-	-	-	(16.72)	-	(16.72)

NOTES TO THE CONSOLIDATED 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
Shri L Chuaungo	-	-	-	-	-	-
	-	-	-	(2.45)	-	(2.45)
Perquisites	-	-	-	**4.43**	-	**4.43**
	-	-	-	(2.84)	-	(2.84)
Smt Sonal Mishra	-	-	-	**4.43**	-	**4.43**
	-	-	-	(2.84)	-	(2.84)
Shri L Chuaungo	-	-	-	-	-	-
	-	-	-	-	-	-
Contribution Towards Equity	-	-	-	-	-	-
	-	-	(2,500.00)	-	-	(2,500.00)
Bhavnagar Energy Corporation	-	-	-	-	-	-
Limited	-	-	(2,500.00)	-	-	(2,500.00)
Consultancy Services	-	-	-	-	-	-
	-	-	(8.59)	-	-	(8.59)
Bhavnagar Energy Corporation Limited	-	-	-	-	-	-
	-	-	(8.59)	-	-	(8.59)
Contribution Towards CSR Activities	-	-	-	-	**442.38**	**442.38**
	-	-	-	-	(637.38)	(637.38)
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	-	-	-	-	**442.38**	**442.38**
	-	-	-	-	(637.38)	(637.38)
Purchase of Lignite	-	-	-	-	**15,372.79**	**15,372.79**
	-	-	-	-	-	-
Gujarat Mineral Development Corporation Ltd.	-	-	-	-	**15,372.79**	**15,372.79**
	-	-	-	-	-	-

Balance (Receivable)	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
Gujarat Urja Vikas Nigam Limited	**22,078.53**	23,832.24	10,023.24
Total	**22,078.53**	23,832.24	10,023.24

50 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 ₹ 324.58 Lakhs (P.Y. ₹ 278.03 Lakhs) for Provident Fund contributions and ₹81.20 Lakhs (P.Y. ₹82.03 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 ₹ 47.64 Lakhs (P.Y. ₹42.08 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

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.

c 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 ₹10,000/-. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2017 by M/s.K.A.Pandit Consultants & Actuaries, Fellow firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	For the year ended 31st March		
	2017	2016	2015
Type of Benefit	**Gratuity**	Gratuity	Gratuity
Country	**India**	India	India
Reporting Currency	**INR**	INR	INR
Reporting Standard	**Indian Accounting Standard 19 (Ind AS 19)**		
Funding Status	**Unfunded**	Unfunded	Unfunded
Starting Period	**01.04.2016**	01.04.2015	01.04.2014
Date of Reporting	**31.03.2017**	31.03.2016	31.03.2015
Period of Reporting	**12 Months**	12 Months	12 Months

Assumptions (Current Period)	For the year ended 31st March		
	2017	2016	2015
Expected Return on Plan Assets	**N.A.**	N.A.	N.A.
Rate of Discounting	**7.39%**	8.04%	7.99%
Rate of Salary Increase	**6.00%**	6.00%	6.00%
Rate of Employee Turnover	**2.00%**	2.00%	2.00%
Mortality Rate During Employment	**Indian Assured LivesMortality (2006-08)**		
Mortality Rate After Employment	**N.A.**	N.A.	N.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	Gratuity (Non Funded)			Post Retirement Medical Benefit Plan (Non Funded)		
	For the year ended 31st March			For the year ended 31st March		
	2017	2016	2015	2017	2016	2015
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	1,810.53	1,617.16	1,287.94	122.20	86.89	79.05
Current Service Cost	120.73	113.34	106.31	21.58	36.82	8.97
Interest Cost	145.57	129.21	119.91	-	-	-
Actuarial (gain)/loss	183.62	51.51	177.42	-	-	-
Benefits paid	(67.43)	(100.69)	(74.42)	(1.22)	(1.51)	(1.13)
Present Value of Defined Benefit obligation at year end	2,193.01	1,810.53	1,617.16	142.56	122.20	86.89
II. Reconciliation of fair value of assets and obligation						
Fair value of Plan Assets as at the beginning of the year	-	-	-	-	-	-
Present Value of Defined Benefit obligation as at the end of the year	2,193.01	1,810.53	1,617.16	142.56	122.20	86.89
Liabilities recognized in Balance Sheet	2,193.01	1,810.53	1,617.16	142.56	122.20	86.89
III. Expense recognized during the year						
Current Service Cost	120.73	113.34	106.31	21.58	36.82	8.97
Interest Cost	145.57	129.21	119.91	-	-	-
Actuarial (gain)/loss	183.62	51.51	177.42	-	-	-
Expected return on plan assets	-	-	-	-	-	
Total Expenses/(Gain) recognized in Profit and loss account	449.91	294.06	403.64	142.56	122.20	86.89

	2017	2016	2015	2014	2013	2012
IV. Amounts for the current and previous periods - Gratuity (Non Funded)						
Defined benefit obligation	2,193.01	1,810.53	1,617.16	1,287.94	1,166.76	937.99
Experience loss(gain) on plan liabilities	77.43	58.72	17.05	120.54	80.57	111.98
V. Amounts for the current and previous periods - Post Retirement Medical Benefit Plan (Non Funded)						
Defined benefit obligation	142.56	122.20	86.89	79.05	77.07	52.99
Experience loss(gain) on plan liabilities	NA	NA	NA	NA	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Maturity Analysis of Projected Benefit Obligation are as under:

GRATUITY	AS AT 31-03-2017	AS AT 31-03-2016
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	146.32	99.07
2nd Following Year	143.01	98.01
3rd Following Year	107.89	151.97
4th Following Year	99.42	96.14
5th Following Year	249.39	87.79
6th To 10th Year	1,264.55	1,178.82
Sensitivity Analysis are as under:		
Projected Benefit Obligation on Current Assumptions	2,193.01	1,810.53
Delta Effect of +1% Change in Rate of Discounting	(159.79)	(134.85)
Delta Effect of -1% Change in Rate of Discounting	182.31	153.70
Delta Effect of +1% Change in Rate of Salary Increase	183.02	155.30
Delta Effect of -1% Change in Rate of Salary Increase	(163.19)	(138.51)
Delta Effect of +1% Change in Rate of Employee Turnover	17.49	22.23
Delta Effect of -1% Change in Rate of Employee Turnover	(19.52)	(24.80)

The sensitivity analysis presented above may not be representation 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.

51 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".

52 **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 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 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 19 & 20). The Company 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 committee 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 Group has outstanding debt of ₹41,728.75 as at the end of reporting period. Accordingly, the Company has gearing ratio of 0.19 as at March 31, 2017 and 0.23 as at March 31, 2016. Gearing ratio was 0.32 as at April, 1 2015.

Categories of financial instruments

(₹ in Lakhs)

Particulars	AS AT 31-03-2017	AS AT 31-03-2016	AS AT 01-04-2015
Financial assets :			
Measured at amortised cost			
(a) Trade and other receivables	**24,802.01**	26,566.12	12,850.36
(b) Cash and cash equivalents	**245.84**	18,883.30	36,235.77
(c) Other bank balances	**465.51**	457.75	360.75
(d) Loans	**4.36**	13.26	14.63
(e) Other financial assets	**6,025.60**	5,785.70	3,725.94
Measured at FVTOCI			
(a) Investments in equity instruments	**7,423.56**	4,393.51	4,411.44
Financial liabilities :			
Measured at amortised cost			
(a) Borrowings	**31,216.67**	36,987.39	50,131.50
(b) Trade payables	**10,375.16**	8,472.18	8,933.85
(c) Other financial liabilities	**21,823.66**	13,340.79	14,477.64

Financial risk management objectives

While ensuring liquidity is sufficient to meet Group's operational requirements, the Group's financial management committee 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

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

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 7%-7.5% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk.Considering these Deposits are short term in nature, there is no significant interest rate risk.

Price risks

The Group's equity securities price risk arises from investments held and classified in the balance sheet either 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, 2017 would increase/ decrease by ₹ 371.18 Lakhs (P.Y. ₹ 219.68 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

(₹ in Lakhs)

Particulars		1 year – 3 years	More than 3 years	Total
As at March 31, 2017				
Trade Payable		10,375.16	-	10,375.16
Security Deposits from Contractors		438.54	909.30	1,347.84
	TOTAL	10,813.70	909.30	11,723.00
As at March 31, 2016				
Trade Payable		8,472.18	-	8,472.18
Security Deposits from Contractors		341.36	894.70	1,236.06
	TOTAL	8,813.54	894.70	9,708.24
As at March 31, 2015				
Trade Payable		8,933.85	-	8,933.85
Security Deposits from Contractors		300.19	857.47	1,157.66
	TOTAL	9,234.04	857.47	10,091.51

The Company has access to committed credit facilities as described below, of which ₹20,204.81 Lakhs were unused at the end of the reporting period (as at March 31, 2016 ₹19,946.17 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:

	Year ended 31-03-2017	Year ended 31-03-2016
Amount used	**4,070.19**	4,328.83
Amount unused	**20,204.81**	19,946.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value measurement

This note provides information about how the Group 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 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.

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Fair value as at		
			As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Investment in equity instruments (quoted)	Level 1	Quoted bid prices from BSE	5,307.56	2,415.51	1,764.27

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.

53 The Group has a system of physical verification of Inventory, Fixed assets and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment differences, if any, is carried out on completion of reconciliation.

54 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

55 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.

56 The balances of Trade Receivables and Trade Payables are subject to adjustments, if any, on reconciliation / settlement.

57 During the year, one- fifth of Share issue expenses amounting to ₹NIL (PY ₹ 106.36 Lakhs)have been amortised on a prorata basis.

58 The Board of Directors of Gujarat Industries Power Co. Ltd., (GIPCL or the Transferee Company) in their meeting held on 26th August,2016 has approved the Scheme of Arrangement in the nature of Merger (the "Scheme") which provides for the Merger of GIPCL Projects & Consultancy Services Co. Ltd. (GIPCO or the Transferor Company), a 100% Subsidiary as a going concern, under Sections 232 and 233 and other relevant provisions of the Companies Act, 2013. The appointed date of the Scheme is 1st April, 2016.

Being a 100% subsidiary, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and all assets, liabilities, including reserves, of the Transferor Company, if any, shall be recorded in the books of the Transferee Company at their existing carrying amounts and in the same form as they appear in the Financial Statements of the Transferor Company.

Approvals are awaited from BSE Ltd. and NSE Ltd. pursuant to which the Scheme shall be filed before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench.

The Merger would be effective only once the Order is received from the NCLT and filed with the Registrar of Companies (ROC), Gujarat.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

59 First time Ind As adoption - Reconciliation

i) Effect of Ind AS adoption on the Balance Sheet as at 31-03-2016 and 01-04-2015

Particulars	Notes to 59.i	As at 31-03-2016 (End of last period presented under Previous GAAP)			As at 01-04-2015 (Date of transition)		
		Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet	Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet
I ASSETS							
1 Non-current assets							
(a) Property, Plant and Equipment	59.i.i	186,221.06	(644.25)	185,576.81	188,573.42	(620.58)	187,952.84
(b) Mine Development Assets	59.i.ii	4,653.20	7,181.89	11,835.09	5,756.56	15,830.94	21,587.50
(c) Capital work-in-progress		3,471.48	-	3,471.48	4,123.80	-	4,123.80
(d) Other Intangible assets		322.03	-	322.03	453.31	-	453.31
(e) Intangible assets under development		-	-	-	-	-	-
(f) Financial Assets							
(i) Investments	59.i.iii 59.i.vi	23,086.17	1,915.34	25,001.51	20,687.68	1,831.76	22,519.44
(ii) Loans		12.86	-	12.86	13.33	-	13.33
(iii) Others		3,557.43	-	3,557.43	1,809.25	-	1,809.25
(g) Non-current Tax assets (Net)		2,801.50	-	2,801.50	2,852.08	-	2,852.08
(h) Other non-current assets	59.i.i	17,709.73	626.02	18,335.75	7,261.79	602.33	7,864.12
Total Non-current Assets		**241,835.46**	**9,079.00**	**250,914.46**	**231,531.22**	**17,644.45**	**249,175.67**
2 Current assets							
(a) Inventories		15,069.58	-	15,069.58	14,786.08	-	14,786.08
(b) Financial Assets							
(i) Trade receivables		26,566.12	-	26,566.12	12,850.36	-	12,850.36
(ii) Cash and cash equivalents		18,883.30	-	18,883.30	36,235.77	-	36,235.77
(iii) Bank balances other than (ii) above		457.75	-	457.75	360.75	-	360.75
(iv) Loans		0.40	-	0.40	1.30	-	1.30
(v) Others		2,228.27	-	2,228.27	1,916.69	-	1,916.69
(c) Current Tax Assets (Net)		59.32	-	59.32	-	-	-
(d) Other current assets	59.i.i	577.44	18.23	595.67	2,498.43	18.25	2,516.68
Total Current Assets		**63,842.18**	**18.23**	**63,860.41**	**68,649.38**	**18.25**	**68,667.63**
TOTAL ASSETS		**305,677.64**	**9,097.23**	**314,774.88**	**300,180.60**	**17,662.70**	**317,843.30**
II EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share capital		15,125.12	-	15,125.12	15,125.12	-	15,125.12
(b) Other Equity	59.i.vii 59.i.vi	182,362.05	5,849.89	188,211.93	168,534.97	5,452.83	173,987.80
Total Equity		**197,487.17**	**5,849.89**	**203,337.05**	**183,660.09**	**5,452.83**	**189,112.92**
LIABILITIES							
2 Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		32,658.56	-	32,658.56	43,170.64	-	43,170.64
(ii) Other financial liabilities		894.70	-	894.70	857.47	-	857.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Notes to 59.i	As at 31-03-2016 (End of last period presented under Previous GAAP) Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet	As at 01-04-2015 (Date of transition) Previous GAAP#	Effect of transition to Ind AS	AS per Ind AS Balance Sheet
(b) Non-current Tax liabilities (Net)		15.15	-	15.15	34.57	-	34.57
(c) Provisions	59.i.ii	6,872.28	7,558.16	14,430.44	4,605.64	16,157.20	20,762.84
(d) Deferred tax liabilities (Net)	59.i.iv	21,095.21	604.31	21,699.52	20,003.07	608.14	20,611.21
(e) Other non-current liabilities		59.24	-	59.24	54.42	-	54.42
Total Non-current Liabilities		**61,595.14**	**8,162.47**	**69,757.61**	**68,725.80**	**16,765.34**	**85,491.15**
3 Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		4,328.83	-	4,328.83	6,960.86	-	6,960.86
(ii) Trade payables		8,472.18	-	8,472.18	8,933.85	-	8,933.85
(iii) Other financial liabilities		12,446.09	-	12,446.09	13,620.17	-	13,620.17
(b) Other current liabilities		16,166.33	-	16,166.33	13,327.26	-	13,327.26
(c) Provisions		5,181.77	(4,915.13)	266.64	4,820.89	(4,555.48)	265.41
(d) Current Tax Liabilities (Net)		0.14	-	0.14	131.68	-	131.68
Total Current Liabilities		**46,595.34**	**(4,915.13)**	**41,680.21**	**47,794.71**	**(4,555.48)**	**43,239.23**
TOTAL EQUITY AND LIABILITIES		**305,677.64**	**9,097.23**	**314,774.88**	**300,180.60**	**17,662.70**	**317,843.30**

Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of this note.

Explanatory Notes to Balance sheet Reconciliation:

59.i.i Reclassification of Leasehold Land :

Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases and therefore are shown as prepayments. Consequently, as on the transition date 1st April, 2015 an amount of ₹620.58 Lakhs has been decapitalized and shown as prepayments under Ind AS. Similarly, an amount of ₹644.25 Lakhs has been shown as prepayments as at 31st March, 2016. This reclassification has no impact on equity.

59.i.ii Adjustment of Decommissioning costs to Mines Development asset and its provision :

Under the Previous GAAP, recognition of decommissioning costs were not required whereas under Ind AS, such costs measured at discounted amounts, if the effect of time value of money is material, are to be capitalised. The Company has measured (as mentioned in note 3(iv)) decommissioning provisions at the transition date by availing optional exemption as per para D21 of Ind AS 101 'First time Adoption of Indian Accounting Standards'. This has resulted in increase in Mines development asset by ₹15,830.94 Lakhs and in Mine closure provision by ₹16,157.20 Lakhs as at 1st April, 2015 and Mines development asset by ₹7,181.89 Lakhs and in Mine closure provision by ₹7,558.16 Lakhs as at 31st March, 2016.

The net effect of aforesaid changes is decrease in total equity by ₹326.27 Lakhs as at 1st April, 2015 and ₹376.27 Lakhs as at 31st March, 2016.

59.i.iii Fair valuation of Investments in Equity Instruments :

Under the Previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries & Associates are measured at fair value. As at the transition date, the Company has made irrevocable choice to account for these investments at fair value through other comprehensive income (OCI), resulting in increase/(decrease) in total equity by ₹ 1,830.76 Lakhs and ₹1,812.83 Lakhs as at 1st April, 2015 and 31st March, 2016 respectively.

59.i.iv Deferred Tax :

Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax by ₹608.14 Lakhs as at 1st April, 2015 and ₹604.31 Lakhs during year ended 31st March, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

59.i.v Proposed Dividend:

Under the Previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised as a provision in the financial statements. However, under Ind AS, such dividends are recognized when declared by shareholders in the annual general meeting. Accordingly, the provision for proposed dividend of ₹4,555.48 Lakhs as at 1st April, 2015 included under provisions has been reversed with corresponding adjustment to retained earnings, this has been recognized during the year ended 31st March, 2016. Similarly, the proposed dividend as at 31st March, 2016 has also been reversed resulting in increase in total equity by an amount of ₹4,915.14 Lakhs as at 31st March, 2016.

59.i.vi Under previous GAAP consolidation of Associate was made using equity method as per Accounting Standard. The financial statements for associate prepared under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) are not available.Hence,under Ind AS, the investment in associate has been carried at cost and no other effect has been given in the consolidated financial statements for transactions with / amounts relating to the associate. However, under Previous GAAP, share of loss of associate on consolidation was adjusted in value of investment and reserves by an amount of ₹ 1 Lakhs as at 1st April,2015 and Rs 101.51 Lakhs (including ₹70.56 Lakhs of earlier years) as at 31st March,2016.

59.i.vii Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(₹ in Lakhs)

Particular	Notes to 59.i	*As at 31-03-2016	**As at 01-04-2015
Total equity (shareholders' funds) under Previous GAAP		**197,487.17**	183,660.09
Adjustments:			
Dividends and related distribution tax not recognised as liability until declared under Ind AS	59.i.v	**4,915.13**	4,555.48
Net impact of recognition of decommissioning liabilities	59.i.ii	**(376.27)**	(326.27)
Equity instruments measured at fair value	59.i.iii	**1,915.34**	1,831.76
Reduction in value of investment in associates	59.i.vi	**101.51**	1.00
Loss on consolidation	59.i.vi	**(101.51)**	(1.00)
Deferred tax on above	59.i.iv	**(604.31)**	(608.14)
Total adjustment to equity		**5,849.89**	5,452.84
Total equity under Ind AS		**203,337.05**	189,112.92

*End of last period presented under Previous GAAP
**Date of transition

59.ii Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31st March, 2016 (₹ in Lakhs)

		Notes to 59.ii	Previous GAAP	Effect of transition to Ind AS	As per Ind AS P&L
I	Revenue from Operations		135,222.74	-	135,222.74
II	Other Income	59.ii.i	3,485.97	138.32	3,624.29
III	**TOTAL (I+II)**		**138,708.71**	**138.32**	**138,847.03**
IV	**EXPENDITURE :**				
	Cost of Material Consumed	59.ii.i ,59.ii.ii	73,321.10	(1,735.85)	71,585.25
	Generation Expenses		12,336.23	-	12,336.23
	Employee Benefits Expense	59.ii.iii	6,873.16	(51.51)	6,821.65
	Finance Cost	59.ii.iv	6,179.98	1,376.85	7,556.83
	Depreciation & Impairment	59..ii.v	11,231.47	(18.21)	11,213.26
	Amortisation of Mines Development Assets	59.ii.vi	-	547.31	547.31
	CSR Expenses		667.68	-	667.68
	Other Expenses	59..ii.v	3,128.02	18.21	3,146.23
	TOTAL (IV)		**113,737.64**	**136.80**	**113,874.44**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		Notes to 59.ii	Previous GAAP	Effect of transition to Ind AS	As per Ind AS P&L
V	**Profit before Tax (III-IV)**		**24,971.07**	**1.52**	**24,972.59**
VI	**Tax Expenses**				
	- Current Tax relating to		5,035.20	0.00	5,035.20
	- Deferred Tax		1,092.14	17.83	1,109.97
VII	**Profit For the year before share of associate (V-VI)**		**18,843.73**	**(16.31)**	**18,827.42**
VIII	**Profit/(Loss) of associate on consolidation**	59.ii.ix	(30.95)	30.95	-
IX	**Profit For the year after share of associate (VII-VIII)**		**18,812.78**	**14.64**	**18,827.42**
X	**Other Comprehensive Income**				
	Remeasurement of Defined benefit plans (a)	59.ii.iii	-	(51.51)	(51.51)
	Equity instruments through OCI (b)	59.ii.vii	-	(17.94)	(17.94)
	(i) Items that will not be reclassified to profit or loss (a) +(b)	-	(69.45)	(69.45)	
	(ii) Income tax on above	59.ii.iii,59.ii.vii	-	(21.65)	(21.65)
	Total Other Comprehensive Income (net of tax) (i)+(ii)		**-**	**(47.80)**	**(47.80)**
IX	**Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)**		**18,812.78**	**(64.11)**	**18,779.62**

Notes to Profit Reconciliation for the year 2015-16:

59.ii.i Other Income:

Under Previous GAAP, interest income of ₹ 138.32 lakhs on Mines Closure Escrow Account was credited to Lignite Extraction expenses under Cost of Material Consumed. The same has been reclassified to Other Income.

59.ii.ii Reversal of Mine Closure Expenses

Under Previous GAAP, provision for Mines Closure Expenses of ₹ 1,874.17 lakhs recognised as Lignite Extraction expenses under Cost of Material Consumed is now reversed under IND AS as the same would not be recognised as such as per IND AS.

59.ii.iii Remeasurement of Post Employment Benefit Obligation :

Under In AS 19 " Employee Benefits" Remeasurement i.e. actuarial gains and losses of defined benefit plan amounting to ₹51.51 Lakhs (net of tax ₹ 17.83 Lakhs) have been recognised in Other Comprehensive Income (OCI). This has resulted in increase in other comprehensive income by ₹ 33.68 Lakhs for year ended 31st March, 2016

59.ii.iv Unwinding of discount on Decommissioning Provisions:

Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. As a result, the unwinding of discount on decommissioning liabilities has been recognized in the Statement of profit and loss as finance cost i.e ₹1,376.85 Lakhs for the year ended 31st March, 2016.

59..ii.v Reclassification of leasehold land :

Under Previous GAAP, leasehold land was shown as part of fixed assets and depreciated based on leasehold period, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments and amortized over the leasehold period. This reclassification resulted in decrease in depreciation expense by ₹18.21 Lakhs with corresponding increase in other expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

59.ii.vi Amortisation of Mine Development Asset :

Decommissioning costs related to Mine closure were recognised as on the transition date consequent to application of para D21 of Ind AS 101 on First time Adoption of Indian Accounting Standards. This has resulted in increase in carrying value of Mine development assets by ₹15,830.94 Lakhs as at the transition date. Accordingly, the amortisation expense under Ind AS for the year ended 31st March 2016 has increased by ₹547.31 Lakhs.

59.ii.vii Fair valuation of Investments in Equity Instruments :

The Company has irrevocably elected to present the changes in fair value of equity instruments of companies other than Subsidiary & Associate, measured at fair value in Other Comprehensive Income (OCI), as at April 1 2015. Subsequent fair value changes have been recognized in Other Comprehensive Income (OCI). This has resulted in decrease in other comprehensive income by ₹17.94 Lakhs (net of tax of ₹3.83 Lakhs) during year ended 31st March, 2016.

59.ii.viii Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Notes to 59.ii	Amount
Profit as per Previous GAAP		18,812.78
Adjustments:		
Reversal of provision for Mines Closure Liability	59.ii.ii	1,874.17
Effect of remeasurement of Post Employee Benefits (net of tax)	59.ii.iii	33.68
Unwinding of discounted provision of Mines Closure Liability	59.ii.iv	(1,376.85)
Depreciation impact of Mines Closure Liability capitalized as asset	59.ii.vi	(547.31)
Profit/(Loss) of associate on consolidation	59.ii.ix	30.95
Total effect of transition to Ind AS		**14.64**
Net Profit for the year as per Ind AS		**18,827.42**
Effect of remeasurement of Post Employee Benefits (net of tax)	59.ii.iii	(33.68)
Change in Fair Value of equity instrument (net of tax)	59.ii.vii	(47.80)
Total comprehensive income under Ind AS		**18,779.62**

59.ii.ix Under previous GAAP consolidation of Associate was made using equity method as per Accounting Standard. The financial statements for associate prepared under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) are not available.Hence,under Ind AS Balance Sheet, the investment in associate has been carried at cost and no other effect has been given in the consolidated financial statements for transactions with / amounts relating to the associate. Under previous GAAP, share of loss of associate on consolidation was ₹ 30.95 Lakhs.

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 : 18th May, 2017

Sonal Mishra
Managing Director
DIN no. 03461909

Sujit Gulati
Chairman
DIN: 00177274

G S Chahal
GM & CFO

A C Shah
Company Secretary

Place : Gandhinagar
Date : 18th May, 2017

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	Same as parent company
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	25.00
5	Reserves & Surplus	12.79
6	Total Assets	38.53
7	Total Liabilities	0.74
8	Investments	-
9	Turnover	-
10	Profit before taxation	2.55
11	Provision for taxation	1.15
12	Profit after taxation	1.40
13	Proposed Dividend	NIL
14	% of shareholding	100.00
15	Names of subsidiaries which are yet to commence operations	Nil
16	Names of subsidiaries which have been liquidated or sold during the year	Nil

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

SR. No.	Name of Associate	BHAVNAGAR ENERGY COMPANY LIMITED
1	Latest Audited Balance Sheet Date	-
2	Date on which Associate was associated	16th January, 2014
3	Shares of Associate held by the company on the year ended 31.03.2017 No. of Equity Shares of Rs. 10/- each Amount of Investment in Associates Extent of Holding %	 2060.8 Lakhs 20,608.00 24.36%
4	Description of how there is significant influence	Shareholding above 20%
5	Reason why the associate/joint venture is not consolidated	Financial Statements compliant with Indian Accounting Standard are not available.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
7	Profit / (Loss) for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-
8	Names of associates which are yet to commence operations	-
9	Names of associates which have been liquidated or sold during the year	Nil

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