GUJARAT INDUSTRIES POWER COMPANY LIMITED
Regd. Office: P.O. Petrochemicals – 391 346, Dist. Vadodara (Gujarat).
Tel. No. 0265–2232768, Fax No.: 0265-2230029
Email: cssddesai@gipcl.com Website: www.gipcl.com
CIN – L99999GJ1985PLC007868
By Blue Dart courier

SEC/ST.EXCH/REG.34/2018/ 27th September, 2018.

BSE Ltd. (Listing Dept.) Sir Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	National Stock Exchange of India Ltd. Exchange Plaza, 5th floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051.

Scrip Code: 517300 Scrip Symbol: GIPCL EQ.

Sub.: Submission of Annual Report of the Company for FY 2017-18 after the 33rd Annual General Meeting of the Company for the FY 2017-18 held on 27.09.2018.

Dear Sir,

The 33rd Annual General Meeting of the Company for the FY 2017-18 was held on 27.09.2018 at the Registered Office of the Company.

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith printed copy of the Annual Report of the Company for the FY 2017-18 containing, inter alia, the following:

1. Notice convening 33rd Annual General Meeting together with Explanatory Statement;
2. Board's Report for FY 2017-18; Management Discussion and Analysis Report and Corporate Governance Report; and
3. Audited Financial Statements i.e. Standalone and Consolidated Balance Sheet as at 31st March, 2018, Profit and Loss Account, Notes annexed to and forming part of the Audited Financial Statements and Cash Flow Statement as on that date; together with Auditors Report thereon;

The above is for your record and necessary action, if any.

Thanking you,
Yours faithfully,
For Gujarat Industries Power Company Limited

Swati Desai

Swati Desai
Company Secretary and Addl. G.M. (Legal)

GUJARAT INDUSTRIES POWER CO PO PETROCHEMICAL DIST VADODARA 391346

Encl.: As above

GUJARAT INDUSTRIES POWER COMPANY LIMITED

33rd ANNUAL REPORT

2017-2018

Awards

25th Mines Enviro.& Mineral Conservation Week
2017-18 & Swachhta Trophy

Mines Awards 2018
Over All Performance

Fly Ash Utilization
Award - 2018

THIRTY THIRD ANNUAL GENERAL MEETING		
DAY & DATE	:	THURSDAY, 27TH SEPTEMBER, 2018.
TIME	:	3.00 P.M.
PLACE	:	REGISTERED OFFICE: P.O.: PETROCHEMICALS - 391 346, DIST.: VADODARA, GUJARAT.

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

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

Registrar & Transfer Agent (RTA) : Link Intime India Private Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020.
(Tel.) (0265) 2356573/2356794
Email: vadodara@linkintime.com

Bankers:

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

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

Cost Auditors : M/s. Diwanji & Associates,
Cost Accountants, Vadodara.
(FRN : 100227)

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

Board of Directors (As on 29-08-2018):

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

Company Secretary & Addl. Gen. Manager (Legal): Smt. Swati Desai

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

Senior Executives:

Shri N K Purohit	Chief General Manager (Mines - SLPP)
Shri N K Singh	General Manager (SLPP)
Shri S N Purohit	General Manager (BD & BO)
Shri C M Patel	General Manager (O & M - 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 close from **Friday, 7th September, 2018 to Friday, 14th September, 2018 (both days inclusive)**.

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

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

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

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

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

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

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

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

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

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

9. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, companies are required to transfer its unpaid / unclaimed dividend after expiry of seven (7) years from the date from which they become due for payment, to the special fund called "Investors Education and Protection Fund (IEPF)". Claims will lie for the amounts so transferred with the IEPF Authority. The Members may please note that the unpaid / unclaimed dividends of past years up to FY 2009-10 have been transferred to the Central Government Account / IEPF.

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

Members are requested to note that the dividends for FY 2010-11 to 2016-17 shall be due for transfer to "IEPF" as follows:-

Particulars	FY	Due for Transfer To Fund
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
22nd Dividend	2016-2017	September, 2023

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Thirty Third (33rd) Annual General Meeting of the Members of Gujarat Industries Power Company Limited will be held on Thursday, 27th day of September, 2018 at 3.00 p.m. at the Registered Office of the Company at P.O.: Petrochemicals – 391 346, District: Vadodara, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (including the consolidated financial statements) for the financial year ended March 31, 2018 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 Pankaj Joshi, IAS (DIN: 01532892), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Milind Torawane, IAS (DIN: 03632394), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To appoint Shri Raj Gopal, IAS (DIN: 02252358), Nominee of Government of Gujarat, 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 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 88 and 94 of the Articles of Association of the Company, Resolution No. GUV-1108-1336-K dated 7th August, 2018 of Government of Gujarat (GoG), Energy & Petrochemicals Department (EPD), Shri Raj Gopal, IAS (DIN: 02252358), who holds office of Director up to the date of this Annual General Meeting and being 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 not liable to retire by rotation."

6. **To appoint Smt. Vatsala Vasudeva, IAS (DIN:07017455), 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 Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Article 94 of the Articles of Association of the Company, Smt. Vatsala Vasudeva, IAS (DIN:07017455), Director of the Company, who holds office upto the date of this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing 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 and 198 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 statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles 95 and 96 of the Articles of Association (AoA) of the Company, approval of Members, be and is hereby accorded to the appointment of Smt. Vatsala Vasudeva, IAS, (DIN:07017455) as Managing Director of the Company with effect from 20th August, 2018 vice Smt. Shahmeena Husain, IAS (DIN:03584560), 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 is hereby authorized to consider and agree to the terms as to remuneration, including any revision therein from time to time, as may be communicated by the GoG during her tenure as Managing Director of the Company."

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded to the following material Related Party Transactions (RPTs), entered into, in the ordinary course of business at arm's length price, for the Financial Year 2017-18, as recommended and approved by the Audit Committee and the Board of Directors respectively in their respective Meetings held on 24th May 2018:

Sr.	Date of contract / arrangement	Name of the party	Name(s) of the interested Director(s)	Relation with Director/ Company/ Nature of concern or interest	Principal terms and conditions	FY 2017-18 (Amount ₹ in Lakh)
	(1)	(2)	(3)	(4)	(5)	(6)
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station. (ii) Short Term Open Access arrangement for 165 MW Gas based Power Station (iii) PPA dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP Phase-I). (iv) PPAs dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP Phase-II). (v) PPA dated December 18, 2010 for 5 MW Solar Power Plant. (vi) PPAs dated April 28, 2015 and January 27, 2016 for 15 MW Wind Farm. (vii) PPAs dated September 2, 2016 and December 16, 2016 for 26 MW Wind Farm. (viii) PPAs dated September 20, 2016, December 03, 2016 and December 30, 2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited. (GUVNL)	1. Shri Sujit Gulati, IAS. 2. Shri Pankaj Joshi, IAS. 3. Shri Milind Torawane, IAS.	Promoter	Sale of Electricity (net of rebate on sales)	107970.89
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Limited. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity & Purchase of Chemicals	11359.12
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Limited. (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges & Purchase of Chemicals	12250.03

"**RESOLVED FURTHER THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded to the following material Related Party Transactions (RPTs) to be entered into, in the ordinary course of business at arm's length price, for the Financial Year 2018-19, as recommended and approved by the Audit Committee and the Board of Directors respectively in their respective meetings held on April 03,2018:

Sr.	Date of contract / arrangement	Name of the party	Name(s) of the interested Director(s)	Relation with Director/ Company/ Nature of concern or interest	Principal terms and conditions	Estimated Amount of contract or arrangement FY 2018-19 (₹ in Lakh)
	(1)	(2)	(3)	(4)	(5)	(6)
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station. (ii) PPA dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP Phase-I). (iii) PPAs dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP Phase-II). (iv) PPA dated December 18, 2010 for 5 MW Solar Power Plant. (v) PPAs dated April 28, 2015 and January 27, 2016 for 15 MW Wind Farm. (vi) PPAs dated September 2, 2016 and December 16, 2016 for 26 MW Wind Farm. (vii) PPAs dated September 20, 2016, December 03, 2016 and December 30, 2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited. (GUVNL)	1. Shri Sujit Gulati, IAS (upto 07-08-2018). 2. Shri Raj Gopal, IAS (w.e.f. 07-08-2018). 3. Shri Pankaj Joshi, IAS. 4. Shri Milind Torawane, IAS.	Promoter	Sale of Electricity (net of rebate on sales)	115000
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Limited. (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity & Purchase of Chemicals	12500
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Limited. (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges & Purchase of Chemicals	15000

8. To ratify the remuneration payable to Cost Auditors for the financial year 2018-19 ending on March 31, 2019:

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand) plus applicable taxes, reimbursement of reasonable out of pocket expenses for FY 2018-19, payable to Diwanji & Company, Vadodara, (Firm Registration No.:000339), Cost Auditors of the Company, as fixed and approved by the Board of Directors of the Company, to conduct audit of the Cost Records of the Company for the Financial Year ending on March 31, 2019, 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 Company Limited

Swati Desai
Company Secretary & Addl. G.M (Legal)

Place: Vadodara.
Date: August 27, 2018.

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

NOTES:

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

Voting through electronic means:

The Company is pleased to offer remote e-Voting (e-Voting from a place other than the venue of the Annual General Meeting) facility as an alternative mode of voting, which will enable the Members to cast their vote electronically in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) (including any modification or re-enactment thereof for the time being in force). Necessary arrangements have been made by Company with Central Depository Services (India) Limited (CDSL) to facilitate e-Voting. The facility for voting through polling paper shall be made available at the venue of the 33rd Annual General Meeting (AGM). Persons who are Members of the Company, holding shares either in physical mode or in dematerialized mode as on Thursday, 20th September, 2018, (i.e. the Cut-off date) will be eligible to vote by electronic means or in the AGM.

Members of the Company attending the 33rd AGM, who have not cast their votes through remote e-Voting, shall be eligible to exercise their voting rights at the Meeting. Members, who have already cast their votes through remote e-Voting may attend the Meeting but shall not be entitled to cast the vote again at the venue of the 33rd AGM.

The instructions for e-Voting are as under:

SECTION A - E-VOTING PROCESS -

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Monday, 24th September, 2018 at 9.00 a.m. and ends on Wednesday, 26th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 20th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xviii) **Shareholders can also 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, Apple and Windows phone. 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 Corporates.

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

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

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

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

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

SECTION B - OTHER E-VOTING INSTRUCTIONS:

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

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

iii. The Company has appointed CS Vijay L. Vyas, Practicing Company Secretary (ICSI Membership No. FCS 1602), as the Scrutinizer for conducting the remote e-Voting and voting process through polling at the 33rd 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 Thursday, 20th September, 2018 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 33rd AGM, first count the votes cast at the Meeting and thereafter unblock the votes casted through remote E-Voting in the presence of at least two (2) witness not in the employment of the Company and prepare, not later than forty eight (48) hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or the person authorized by him in writing shall declare the result of the voting forthwith, in the format prescribed under Regulation 44(3) of the SEBI (LODR) Regulations, 2015.

v. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.gipcl.com,** Notice Board of the Company at Registered Office and on the website of CDSL **https://www.evotingindia.com** within two (2) days of passing of the resolutions at the 33rd 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 33rd AGM subject to receipt of sufficient votes.

vi. The Company will submit the voting Results in the format specified, with the Stock Exchanges where the Shares of the Company are listed, within forty eight (48) hours of conclusion of the 33rd AGM.

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

Contact Details:

Company : **Gujarat Industries Power Company Limited**
Regd. Office: P.O.: Petrochemicals – 391 346,
District: Vadodara, Gujarat, India.
Tel. No.: 0265 – 2232768,
Fax No.: 0265 - 2230029.
E-mail ID: investors@gipcl.com

Registrar and Transfer Agent: **Link Intime India Pvt. Ltd.**
B-102-103, Shangrila Complex,
Near Radhakrishna Char Rasta,
Opp. HDFC Bank, Akota, Vadodara – 390 020.
Phone: +91-265-2356573/ 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

ANNEXURE TO THE NOTICE

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

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

Item No. 5:

Pursuant to the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 88 and 94 of the Articles of Association of the Company, Resolution No. GUV-1108-1336-K dated 7th August, 2018, by Government of Gujarat (GoG), Energy & Petrochemicals Department (EPD), the Board of Directors appointed Shri Raj Gopal, IAS (DIN: 02252358), Principal Secretary, Energy and Petrochemicals Department, Government of Gujarat (GoG), as Additional Director and Chairman of the Company vice Shri Sujit Gulati, IAS (DIN: 00177274), not liable to retire by rotation. He hold's the office of Additional Director upto this AGM.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing his appointment as Director, not liable to retire by rotation.

As on the date of this Report, he does not hold any shares of the Company, and is not related to any of the Directors or Key Managerial Personnel of the Company.

Shri Raj Gopal, IAS (DIN: 02252358) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given the consent to act as Director.

Brief resume of Shri Raj Gopal, IAS (DIN: 02252358):

Shri Raj Gopal, IAS (DIN: 02252358), aged 59 years, is M.A., LL.B and is MBA from University of Hull, UK. He is a senior IAS Officer of Gujarat Cadre of 1987 batch. He is having varied and rich experience of more than 30 years and has held key positions in various Departments of Government of Gujarat (GoG) viz. Revenue, Agriculture, Corporation, Tourism, Urban Development, Sales Tax, Rural Development, Geology and Mines, Road Transport and Energy.

Presently, Shri Raj Gopal, IAS (DIN:02252358) is Principal Secretary to Government of Gujarat, Energy and Petrochemicals Department (EPD). He has held directorship on the Board of several GoG controlled / owned Companies from time to time.

Presently he is Director on the Board of Directors of the following Companies viz. Gujarat Urja Vikas Nigam Limited, Gujarat Energy Transmission Corporation Limited, Gujarat State Electricity Corporation Limited, Gujarat Power Corporation Limited, Gujarat State Petroleum Corporation Limited, Gujarat State Petronet Limited, Gujarat State Fertilizers & Chemicals Limited, Gujarat Gas Limited and GSPC LNG Limited.

Your Directors recommend the appointment of Shri Raj Gopal, IAS (DIN: 02252358) as Director of the Company, as proposed in the Resolution at Item No. 5 of this Notice.

None of the Directors except Shri Raj Gopal, IAS (DIN: 02252358), is in any way interested or concerned in the said Resolution.

Item No. 6:

Pursuant to the provision of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles 94, 95 and 96 of the Articles of Association of the Company and Notification No. AIS/35.2018/29/G dated 18th August, 2018, by the Government of Gujarat, General Administration Department, the Board of Directors of the Company has appointed Smt. Vatsala Vasudeva, IAS (DIN:07017455) as Director and Managing Director of the Company vice Smt. Shahmeena Husain, IAS (DIN: 03584560) with effect from 20th August, 2018 for a period of five years or till further communication from the Government of Gujarat whichever is earlier and that the Board of Directors of the Company be and is hereby authorized to consider and agree to terms as to remuneration including any revision therein from time to time, as may be communicated by the GoG, during her tenure as Managing Director of the Company.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Act, from a Member of the Company proposing her appointment as Managing Director of the Company for a period of five years, not liable to retire by rotation.

As on the date of this Report, she does not hold any shares of the Company, and is not related to any of the Directors or Key Managerial Personnel of the Company. She is a Director on the Board of the Company only.

Smt. Vatsala Vasudeva, IAS (DIN:07017455) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given consent to act as Director of the Company.

Brief resume of Smt. Vatsala Vasudeva, IAS (DIN:07017455):

Smt. Vatsala Vasudeva, IAS (DIN: 07017455), aged 48 years, is B.A. (Hons.) with English Literature and has done Masters in Business Administration (MBA). She is IAS officer of Gujarat Cadre of 1995 batch. She is having varied and rich experience of more than 22 years and has held key positions in various Departments of Government of Gujarat (GoG) viz. Secretary, Cottage & Rural Industries, Secretary to Governor, Labour Commissioner, Collector Surat and Valsad etc.

Your Directors recommend the appointment of Smt. Vatsala Vasudeva, IAS (DIN:07017455) as Director and Managing Director of the Company, as proposed in the Resolution at Item No. 6 of this Notice.

None of the Directors except Smt. Vatsala Vasudeva, IAS (DIN:07017455) is in any way interested or concerned in the said Resolution.

Item No.7:

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

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

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

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

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

Accordingly, considering the Annual Consolidated Turnover of the Company for FY 2017-18 of ₹ 1,41,521 Lakh and the value of transactions with Related Parties viz. Gujarat Urja Vikas Nigam Limited (GUVNL), Gujarat State Fertilizers & Chemicals Limited (GSFC) and Gujarat Alkalies & Chemicals Limited (GACL), Promoters of the Company, in the ordinary course of business at arm's length price, which are exceeding the prescribed limit of 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statements of the Company (Regulation 23 of the SEBI (LODR) Regulations, 2015), the transactions with RPTs being material in nature, are placed for approval of the Members, as recommended by the Audit Committee and the Board of Directors of the Company.

Further as recommended by the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company is required for the material transactions with Related Parties, in the ordinary course of business at arm's length price, which are likely to exceed the prescribed limit of 10% of the Annual Consolidated Turnover of the Company during the FY 2018-19.

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

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

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

Item No. 8:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Diwanji & Company (Firm Registration No.:000339), Vadodara, Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, 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, payable to the Cost Auditors is to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of this Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2019.

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

Inspection of documents:

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

By Order of the Board
For Gujarat Industries Power Company Limited

Swati Desai
Company Secretary & Addl. G.M (Legal)

Place: Vadodara.
Date: August 27, 2018.

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 Pankaj Joshi, IAS	Shri Milind Torawane, IAS
DIN	01532892	03632394
Date of Birth	19.10.1965	30.08.1972
Date of Appointment	20.10.2016	15.07.2017
Qualifications	B.Tech (Civil Engg.), M.Tech (Water Resources Engg.), IIT, New Delhi and has done M. Phil. in Defence and Strategic Studies.	Bachelor of Engineering (Electronics & Telecommunications).
Nature of Expertise / Experience	Shri Pankaj Joshi is senior IAS Officer of 1989 batch and is presently Managing Director of Gujarat Urja Vikas Nigam Limited (GUVNL). He has previously held various senior positions for about twenty one 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.	Shri Milind Torawane, IAS (DIN: 03632394) is of year 2000 batch IAS Officer and is presently Secretary (Expenditure), Finance Department, Government of Gujarat. He has previously held various senior positions for more than Sixteen years in the Government of Gujarat in various departments like Land Revenue, Personnel, General Administration, Urban Development and Education, Social Justice and Empowerment etc.
Names of other Companies in which Directorship is held	1. Gujarat Urja Vikas Nigam Limited. 2. GSPC Pipavav Power Company Limited. 3. Gujarat State Electricity Corporation Limited. 4. Gujarat Energy Transmission Corporation Limited. 5. Madhya Gujarat Vij Company Limited. 6. Dakshin Gujarat Vij Company Limited. 7. Paschim Gujarat Vij Company Limited. 8. Uttar Gujarat Vij Company Limited. 9. Torrent Power Limited.	1. Gujarat Urja Vikas Nigam Limited. 2. GSPC Pipavav Power Company Limited. 3. Gujarat Energy Transmission Corporation Limited. 4. Bhavnagar Energy Company Limited. 5. Gujarat Gas Limited. 6. GSPC LNG Company Limited. 7. Gujarat Water Infrastructure Limited. 8. Gujarat State Police Housing Corporation Limited.
Name of the Private Companies in which, Directorship held through relatives	None	None
Membership / Chairmanship of Committee(s) of other Company	Three (Chairmanship)	None
No. of Shares held	None	None
No. of Board meeting attended	Six	Three
Relationship with other Directors / Key Managerial Personnel	None	None

BOARD'S REPORT

To
The Members,

Your Directors have pleasure to present the Thirty Third Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018.

Financial Performance:

(₹ in Lakh)

	2017-18	2016-17
Revenue from Operations	**1,36,395**	1,31,056
Other Income	**5,124**	7,102
Total Expenditure	**87,309**	88,155
Gross Profit : (before deducting any of the following)	**54,209**	50,003
(a) Finance Cost	**6,696**	7,319
(b) Depreciation	**15,765**	12,587
(c) Provision for Deferred Tax	**545**	773
(d) Provision for Current Income Tax (including MAT credit entitlement)	**6,753**	6,400
(e) Other Comprehensive Income (Net Of Tax)	**2,792**	2,263
Net Profit including other comprehensive income:	**27,242**	25,187
Add :Balance brought forward from Previous Year (including other Comprehensive Income)	**16,330**	12,058
Surplus available for Appropriation	**43,572**	37,245
Less: Appropriations:		
i. General Reserve	**9,000**	8,000
ii. Expansion Reserve	**9,000**	8,000
iii. Dividend On Equity Shares (including Dividend Tax) paid	**4,915**	4,915
iv. Carried to Balance Sheet	**20,657**	16,330
TOTAL	**43,572**	37,245

Dividend:

Your Directors are pleased 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, 2018 (Previous year ₹ 2.70 per share). The Dividend, if approved by the Shareholders at the ensuing 33rd Annual General Meeting, shall be paid to those Members, whose names appear in the Register of Members of the Company as on 7th September, 2018. In respect of Shares held in dematerialized form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as beneficial owners as on 07-09-2018.

OPERATIONS:

Vadodara Gas based Stations:

Station I (145 MW):

During the year under review, the Station generated 676.210 Million Units (MUs) at the Plant Load Factor (PLF) of 53.24% as against generation of 701.893 MUs at PLF of 55.26% during the preceding year. The Plant Availability Factor (PAF) was at 92.81% during the year under review as against 98.15% during the preceding year.

Planned Shutdown for improvement in Heat Rate of GT-1 and Renovation of Inlet Air Filter house and Exhaust System was carried out during the year. Major Overhauling of STG-1, Combustion Inspection of GT-2 and Statutory Annual Inspections of HRSG were also carried out during the year.

Your Directors are glad to inform that protecting the interest of Participating Units & Gujarat Urja Vikas Nigam Limited (GUVNL) to meet individual scheduled demand, Company qualified in competitive bidding and has received Letter of Award from GUVNL for the sale of 25 MW power on 'Round The Clock' basis starting from 01/03/2018 to 19/05/2018 and further extended up to 30/06/2018. By virtue of the above initiative, operations of Station at optimum loading is ensured during lean period of power demand.

Station – II (165 MW):

The Power Purchase Agreement (PPA) with GUVNL expired on 31/07/2016 and considering the factors such as significant balance useful life of the plant, consistent power demand and especially during peak hours observed in the region, proximity of the plant at the heart of load centre, situated at Petrochemicals Complex etc. The Company has filed a petition with Gujarat Energy Regulatory Commission (GERC) for regulatory recourse to utilize the idle plant capacity in lieu of expiry of PPA, to mitigate peak shortages in the grid due to increased share of renewable energy associated with its uncertainty and variability requiring quick generation ramp rates at a short notice for safety and sustainability of the Grid.

During the year under review, under Short Term Open Access (STOA) this station has been scheduled for 35.62 Million Units (MUs) at a PLF of 5.12% as against generation of 59.011 MUs at a Plant Load Factor (PLF) of 4.08% in the preceding year under merit order dispatch.

Continuous efforts are made to maintain optimum available supply of gas for the Stations.

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

Surat Lignite Power Plant (SLPP):

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

During the year under review, Phase–I generated 1589.341 Million Units (MUs) at a Plant Load Factor (PLF) of 72.57% as against 1526.640 MUs at a PLF of 69.71% during the preceding year. Plant Availability Factor (PAF) was 83.24% as against 84.98% during the preceding year. Commercial availability was at 74.83% as against 78.87% during the preceding year. Low Plant Availability was mainly due to temporary disruption of supply of lignite due to prolonged monsoon.

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

During the year under review, Phase-II generated 1682.374 MUs at a PLF of 76.82% as against 1651.556 MUs at a PLF of 75.41% during the preceding year. Plant Availability Factor (PAF) was 85.41% as against 87.80% during the preceding year. Commercial availability was at 80.07% as against 86.41% during the preceding 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:

During the year under review, Valia Lignite Mine recorded the highest ever lignite production of 29.06 Lakh Te as against 28.05 Lakh Te during the preceding year and highest ever limestone production of 2.86 Lakh Te from Vastan Limestone Mine as against 2.52 Lakh Te during the preceding year.

Most of the requirement of lignite was met from our captive Vastan Lignite Mine and Mangrol-Valia Lignite Mine. To meet the demand of all the four units for operations during monsoon, highest ever Lignite Stock of 6.29 Lakh Te has been created on 31/03/2018 as against the 4.95 Lakh Te on 31/03/2017.

5 MW PV based Solar Power Plant:

During the year under review, 5 MW PV based Solar Power Plant at SLPP generated 7.034 MUs with 16.06% PLF as against 7.578 MUs with PLF of 17.30% during the preceding year.

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

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

During the year under review, the 1 MW Amrol DSPP generated 1.498 MUs at a Capacity Utilization Factor (CUF) of 17.10% and the 1 MW Vastan DSPP generated 1.283 MU at a CUF of 14.64% respectively.

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

Your Directors are pleased to inform that this novel concept of Distributed Agri Solar Power Project has received National Level "Golden Peacock Eco-Innovation" Award of the Institute of Directors, New Delhi.

112.4 MW Wind Power Projects:

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

During the year under review, the 112.4 MW Wind farms have generated 252.7 MUs at a Capacity Utilization Factor (CUF) of 25.66%.

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

Your Directors are pleased to inform that your Company has successfully commissioned 2x40 MW Solar Power Projects at Gujarat Solar Park, Village Charanka, District Patan during the year under review and Plot – 1 (40 MW) has generated 32.81 MUs with 19.26% CUF whereas Plot – 3 (40 MW) has generated 38.73 MUs with 19.85% CUF since Unit Commercial Operation (Plot-1: 20 MW – 27.09.2017, balance: 20 MW – 14.10.2017; Plot-3: 30 MW – 03.09.2017, balance: 10 MW – 27.09.2017).

Safety Performance:

The health and safety of all the employees is the prime concern of the Company. Your Directors are pleased to inform that your Company is making sincere and committed efforts to maintain the safety of Plant equipment and creating a safe and healthy work environment for the employees. The Company has been spending sufficient amount for the health and safety related activities. Constant efforts are made to maintain accident free operations at all the locations.

Your Company has adopted a comprehensive Health and Safety Policy under the Integrated Management System (IMS).

Your Directors are glad to inform that the Company has successfully completed accident free operations for the entire year under review i.e. FY 2017–18.

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

Environmental Protection:

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

Vadodara Plant:

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

Surat Lignite Power Plant (SLPP):

During the year under review, your Company replaced total internals of four fields and partially replaced internals of one field (out of fourteen fields) of Unit-4 Electrostatic Precipitator (ESP), total internals of One field (out of twelve fields) of Unit-2 ESP during annual over hauling at total expenditure of ₹ 385.08 Lakh to reduce suspended particulate matter (SPM) emission through stack / chimney.

Your Company planted 201 nos. of saplings (100% survival rate) in the Plant and Colony premises for better green coverage.

Growth Plans:

75 MW (AC) Solar Power Project at Charanka:

Your Directors are pleased to inform that your Company has emerged as successful Bidder for 75 MW (AC) Solar Power Project during reverse e-auction for 500 MW Solar Power Project held by Gujarat Urja Vikas Nigam Limited (GUVNL). The Company has issued LoI for Engineering, Procurement & Construction (EPC) contract on 19/03/2018 to Bharat Heavy Electricals Limited (BHEL) for the said Solar Power Project at Gujarat Solar Park, Charanka.

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

Your Directors are pleased to inform that during the year under review your Company has successfully maintained standard guidelines for IMS covering ISO:9001:2008, ISO:14001:2004 and OHSAS 18001:2007 certification for Quality Management System (QMS), Environment Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) and ISO 50001:2011 for Energy Management System (EnMS) Certification for its Power Stations at Vadodara and SLPP. Your Company is one of the first group of Power Plants to have implemented and obtained ISO 50001:2011 Certification. Surveillance Audit for all the standards including up gradation of Quality and Environment Management System Standards (2015 version) have been successfully conducted in May, 2018 which is accredited by TUV India Limited and is also valid for FY 2018-19.

Awards and Accolades:

During the year under review, Valia Lignite Mine has won overall second prize for the Overall Performance among the lignite mines of Gujarat State, from Director General of Mining Safety during Gujarat Lignite Mines Safety & Swachhata Week 2017-18. Valia Mine has also won prizes for ‘Record Maintenance’, ‘Publicity, Propaganda & House Keeping and ‘Thrust Area (Safety Management Plan)’ and Vastan Lignite Mine has won prizes for ‘Health, First Aid & Vocational Training’, ‘Survey Office, Plans & Sections’ and ‘Mine Illumination & Electrical Installations’.

Vastan Limestone Mine has won First prize for the Systematic & Scientific Development among the 74 Limestone and Bauxite Mines of Gujarat State during 25th Environment & Mineral Conservation Week 2017-18. Vastan Limestone Mine has also won prizes for ‘Mineral Conservation’ and ‘Publicity, Propaganda & House Keeping’.

SLPP received National Energy Management Award- 2017 for Outstanding Performance in Energy Conservation conferred by Confederation of Indian Industry (CII), Hyderabad and identified as ‘Energy Efficient Unit’.

For Outstanding Performance in Environment Management, SLPP received ‘Environment Excellence Award- 2017’ conferred by Mission Energy Foundation jointly promoted by Ministry of Power (MoP), Ministry of Environment and Forest & Climate Change (MoEF and CC) and Ministry of Science and Technology.

National Award for Fly Ash Utilization in F.Y. 2017-18 was awarded to SLPP by Mission Energy Foundation jointly supported by Ministry of Environment & Forest and Climate Change (MoEF & CC), Ministry of Power, Coal, Renewable Energy, Ministry of Road and Highways, Ministry of Science and Technology & Ministry of Urban Development.

Subsidiary:

During the previous Financial Year 2016-17, the Company had approached the National Company Law Tribunal (NCLT), Ahmedabad Bench seeking its approval to the Scheme of Arrangement (the Scheme) in the nature of Merger of the Company with its wholly owned subsidiary GIPCL Projects and Consultancy Company Limited (GIPCO). The Hon'ble NCLT, vide its Orders dated 06/11/2017 had approved the Scheme, subject to fulfilling certain conditions by GIPCL. In view of the cost involved, your Board had decided to go for Voluntary Liquidation of GIPCO under the Insolvency and Bankruptcy Code (IBC), 2016 instead of the Scheme of Arrangement in the nature of Merger.

On application, the National Company Law Tribunal (NCLT), Ahmedabad Bench has allowed Gujarat Industries Power Company Limited and GIPCL Projects and Consultancy Company Limited to withdraw their respective Applications seeking approval of the Hon'ble Bench to the Scheme of Arrangement in the nature of Merger of GIPCO with GIPCL & vide its two separate Orders dated 26/04/2018, recalled the earlier order dated 06/11/2017.

Public Deposits:

During the year 2017-18, your Company has not accepted/renewed any Fixed Deposit. As on the date of this Report, there is No Deposit either unpaid / unclaimed or due for transfer to Investors' Education and Protection Fund (IEPF).

Particulars of loans, guarantees or investments:

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

Listing Regulations compliance:

Equity Shares of your Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and their Listing Fees for the FY 2018-19 have been paid.

Insurance:

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

Corporate Social Responsibility (CSR) Initiatives:

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

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

Energy Conservation and Technology Absorption:

The measures taken by your Company towards Energy Conservation and Technology Absorption are given in the **Annexure 'C'** to this Report. These measures have resulted in conserving about 2.59 million cubic meter of gas fuel equivalent to 2468 MToE at Vadodara Station and 13.29 Million Units (MUs) electrical energy at SLPP.

Related Party Transactions:

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

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

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

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

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

Vigil Mechanism or Whistle Blower Policy:

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

Directors' Responsibility Statement:

The Board of Directors of the Company confirms:

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

b. that the selected accounting policies were applied consistently and Directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 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 24th May, 2018 issued by J J Gandhi & Co., Practicing Company Secretaries, Vadodara (CP No. 2515) is annexed forming part of this Report.

Management Discussion and Analysis:

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

Risk Management:

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

Directors:

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

The Board of Directors of your Company has appointed Shri Raj Gopal, IAS (DIN:02252358) as Additional Director and Chairman of the Company w.e.f. 07.08.2018. Shri Raj Gopal, IAS (DIN: 02252358) holds office of Director up to the date of the ensuing 33rd Annual General Meeting (AGM) of the Company.

Your Directors recommend for your approval Resolution at Sr. No. 5 of the Notice of the 33rd AGM for appointment of Shri Raj Gopal, IAS, as Nominee Director of the Company.

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

Vide Notification No. AIS/35.2018/29/G dated 18th August, 2018, Government of Gujarat (GoG), General Administration Department has placed the services of Smt. Vatsala Vasudeva, IAS (DIN: 07017455) for appointment as Managing Director of your Company vice Smt. Shahmeena Husain, IAS (DIN: 03584560).

Accordingly, pursuant to the provisions of Article 94, 95 & 96 of the Articles of Association of the Company, the Board of Directors has appointed Smt. Vatsala Vasudeva, IAS (DIN: 07017455) as Additional Director and Managing Director of your Company vice Smt. Shahmeena Husain, IAS (DIN: 03584560) w.e.f. 20th August, 2018.

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

Your Directors recommend for your approval resolution at Sr. 6 of the Notice of 33rd AGM for appointment of Smt. Vatsala Vasudeva, IAS (DIN: 07017455) as Director and Managing Director of the Company.

The 32nd AGM was held on 18th September, 2017, post which IDBI Bank Limited has vide its letter dated 10th May, 2018, withdrawn the nomination of Shri Janakiraman M (DIN: 06919906), with immediate effect and the same was noted by the Board of Directors. The Board places on record its sincere appreciation for the guidance and support extended by Shri Janakiraman M, during his tenure as Director of the Company.

Shri Pankaj Joshi, IAS (DIN: 05323992) and Shri Milind Torawane, IAS (DIN: 03632394), Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend for your approval resolutions for the re-appointment of Shri Pankaj Joshi, IAS (DIN: 05323992) and Shri Milind Torawane, IAS (DIN: 03632394) as Directors of the Company, liable to retire by rotation, as stated in the Notice of the 33rd AGM.

Policy on Directors' Appointment and Remuneration:

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

Performance Evaluation of Board, Committees and Directors:

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

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

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

The 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 criteria.

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 Lakh 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 2017-18.

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 2017-18 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 33rd AGM. None of such employees is a relative of any Director of the Company.

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

Auditors:

Internal:

K N Mehta & Company, Chartered Accountants, Vadodara, (ICAI Firm Reg. No.:106242W) were appointed as Internal Auditors of the Company for the Financial Year 2017-18 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 2018-19.

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

Statutory:

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

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

Cost:

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

Diwanji & Associates, Cost Auditors, Vadodara (Firm Registration No.:100227) were appointed as Cost Auditors of the Company for the Financial Year 2017-18.

The Board of Directors has appointed Diwanji & Company (Firm Registration No.:000339) as Cost Auditors of the Company for the Financial Year 2018-19.

Resolution at Sr.No. 8 of the Notice of 33rd AGM is recommended for ratification of the Members for the remuneration payable to Cost Auditors for the Financial Year 2018-19.

Secretarial:

J J Gandhi & Co., Practicing Company Secretaries, Vadodara, (CP No. 2515) have been appointed as Secretarial Auditors of the Company for the year 2017-18. Report of J J Gandhi & Co. for the Financial Year 2017-18 ended on 31st March, 2018 in the prescribed Form-MR 3 is annexed to this Report as **Annexure 'B'**.

Your Company is in the process of appointing one more Independent Director to be compliant with the provisions of Regulation 17(1)(b) of the Listing Regulations.

Extract of Annual Return:

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

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

Acknowledgements:

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

For and On behalf of the Board

Shri Raj Gopal, IAS
Chairman
(DIN: 02252358)

Date: 29th August, 2018.
Place: Gandhinagar

ANNEXURE 'A' TO BOARD'S REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

2. Composition of the CSR Committee as on 31st March, 2018:
   Smt. Shahmeena Husain, IAS, Chairperson
   Dr. KM Joshi
   Shri SB Dangayach.

3. Average net profit of the Company before tax & exceptional item for last three financial years: ₹ 27205.00 Lakh.

4. Prescribed CSR Expenditure (two percent of the amount as at Sr.3 above): The Company is required to spend ₹ 544.00 Lakh towards CSR.

5. Details of CSR spend for the financial year:
   a. Total amount spent for the financial year: ₹ 561.27 Lakh.
   b. Amount unspent, if any: Not Applicable.
   c. Manner in which the amount spent during the financial year 2017-18 is detailed below:

(₹ in Lakh)

Sr. No.	Project / activity identified	Sector in which project is covered	Program Location/ Area	Amount of Outlay (Budget)	Amount spent on the Projects under - Direct expenditure & Overheads	Cumulative expenditure upto reporting period	Amount spent Direct or through implementing agencies DEEP and SVADES
1.	Drinking Water, Sanitation, Support to CHC, Medical Camps, Mobile Medical Unit.	Health	Vadodara	17.00	Direct-17.56 Overheads - NIL	17.56	17.56 **SVADES**
			SLPP	261.37	Direct 249.73 Overheads-NIL	249.73	249.73 **DEEP**
2.	Infrastructure Support, Resource & Empowerment, Education Activities.	Education	Vadodara	33.00	Direct 32.12 Overheads - NIL	32.12	32.12 **Direct**
			SLPP	64.04	Direct 47.09 Overheads - NIL	47.09	47.09 **DEEP**
3.	Self Help Groups, Skill enhancement Training.	Livelihood	SLPP	19.97	Direct 19.69 Overheads - NIL	19.69	19.69 **DEEP**
4.	Roads & Infrastructures.	Village Infrastructure Development	Vadodara	3.00	Direct 1.50 Overheads - NIL	1.50	1.50 **SVADES**
			SLPP	56.57	Direct 50.04 Overheads - NIL	50.04	50.04 **DEEP**
5.	Maintenance & Protection, Nursery & Vermicompost.	Resource Centre for Training	SLPP	10.03	Direct 10.20 Overheads - NIL	10.20	10.20 **DEEP**
6.		Contingency	Vadodara	2.00	Direct 0.54 Overheads - NIL	0.54	0.54 **Direct**
			SLPP	40.00	Direct 78.12 Overheads - NIL	78.12	8.85 **Direct** 69.27 **DEEP**
		Sub-Total	**Vadodara**	**55.00**	Direct 51.72 Overheads - NIL	**51.72**	**32.66 Direct** **19.06 SVADES**
			SLPP	**451.98**	Direct 454.87 Overheads - NIL	**454.87**	**8.85 Direct** **446.02 DEEP**
			TOTAL	**506.98**	**506.59**	**506.59**	**506.59**
7.	Administrative & Capital.	Administrative Expenses	SLPP	67.35	Direct - NIL Overheads - 54.68	54.68	54.68 **DEEP**
			GRAND TOTAL	**574.33**	**561.27**	**561.27**	**561.27**

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'.

Shahmeena Husain, IAS
Managing Director and
Chairperson of CSR Committee
(DIN: 03584560).

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

(For the Financial year ended on 31st March, 2018)

[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 -391 346
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, 2018**, 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, 2018**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 financial year under review.
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, 2015.
   C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable, as the Company did not issue any security during the financial year under review.
   D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable, as the Company has not granted any options to its employees during the financial year under review.
   E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable, as the Company neither issued nor listed any debt securities during the financial year under review.
   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, as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
   H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable, as the Company did not buy back any security during the financial year under review.
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.
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 except the required compliance of Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of 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 at least 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.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

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.

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

(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515

Place: Vadodara
Date: 24th May, 2018

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: 24th May, 2018

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. Major Inspection of Gas Turbine No. 1 of Station-1 with installation of uprate hot gas path component resulted in projected annual saving of 0.65 Million Cubic Meter worth ₹ 19 Million of high priced gas fuel.
2. Major Inspection of Steam Turbine of Station-1 with replacement of LP Stage Blade, in-situ replacement of inter-stage sealing fins, revamping/replacement of damaged energy drain accessories, Condenser cleaning resulted in projected annual saving of 1.8 Million Cubic Meter worth ₹ 53 Million of high priced gas fuel.
3. Energy Efficiency activities in Station-2 of Steam Turbine Condenser, Cleaning of Cooling Tower basin & forebay resulted in to actual annual energy saving of 0.14 Million Cubic Meter worth ₹ 3.5 Million of high priced gas fuel.
4. Energy saving:

Energy Saving for the F.Y.: 2017-18	Primary Energy in Million Cubic Meter	Equivalent Metric Ton of Oil Equivalent (MToE)
	2.59	2468

5. Energy Audit Services carried out during the year to external energy intensive sectors which has additional revenue generation of ₹ 16.23 lakh.

At SLPP:

SLPP received National Energy Management Award- 2017 for Outstanding Performance in Energy Conservation conferred by Confederation of Indian Industry (CII), Hyderabad and identified as 'Energy Efficient Unit'.

Several energy conservation measures taken during the year helped to conserve about 13.29 MUs Electrical energy and 19401 MT Lignite amounting to total saving of ₹ 6.64 Crores. Following are some of the major measures taken for conservation of energy:

- Modification carried out in Unit - IV 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 in saving of 5.22 Lakh kWh electrical energy and 547 MT Lignite during the year.
- Improvement in system capacity utilization for Lignite Handling system by better coordination and effective control on O & M practices helped to reduce specific power consumption from 4.23 kWh/MT to 3.35 kWh/MT (20.8%). This has helped to save about 30.96 Lakh kWh electrical energy and Lignite by 3243 MT during the year.
- 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 0.9 Lakh kWh electrical energy and 96 MT Lignite during the year.
- Condenser tubes cleaning (Unit- II & III) and vacuum pump servicing helped to improve Unit heat rate and thereby reduction in Lignite consumption by 4054 MT/annum.
- Conversion of Lignite handling system new PCH (Primary Crusher House) primary crusher motors connection from delta to star helped to conserve 7.48 Lakh kWh electrical energy and 783 MT Lignite during the year.
- Energy efficient surface insulation application in Boilers helped to improve Boiler efficiency and thereby reduction in Lignite consumption by 1425 MT/annum.
- Attending Air Pre Heater (APH) and flue gas path leakages in Units I, II, III & IV helped to reduce loading of ID fans and resulted into saving of 85.71 Lakh kWh electrical energy and 8979 MT Lignite during the year.
- 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. resulting in saving of 0.82 Lakh kWh electrical energy and 86 MT Lignite during the year.
- Pneumatic positioners in instrument air system were replaced with smart positioners which helped to reduce consumption of instrument air and resulted into saving of 0.12 Lakh kWh electrical energy and 12 MT Lignite during the year.
- Change in operation philosophy of CW pump helped to conserve 0.87 Lakh kWh electrical energy and 92 MT Lignite during the year.
- Conventional lightings were replaced with energy efficient LED lightings which helped to conserve 4500 kWh electrical energy during the year.
- Changing the controller position of Lime Stone Mill A, B & C from "Air fail to Close" to "Air fail to Open" position helped to conserve 0.76 Lakh kWh electrical energy and 80 MT Lignite during the year.

Energy Conservation Proposals:

At Vadodara:

- 12 Nos. (Twelve Nos.) Turbo Ventilator Fans in plant area to replace Electrical Motor operated Exhaust Fan each of 0.75 KW with anticipated operation of 100 Days is expected to result in to Annual Electrical Energy saving of 21600 KWh.
- 100 KW; Roof-top Solar at Joint Water Supply Scheme location, 50 KW; Roof-top Control Building with anticipated CUF of 20% would result in to saving of 0.1752 MUs and 0.0876 MUs respectively.

At SLPP:

- Installation of Variable Frequency Drive in Effluent Treatment Plant (ETP) Guard Pond Pumps. This would help to reduce loading of pumps and annual saving of 72708 kWh electrical energy is expected.
- Phase -I Compressor ACW line modification is planned by which saving of 68672 kWh electrical energy per annum is expected.
- Reduction of impeller stage in Unit – III Condensate Extraction Pump is planned. This would help to reduce loading of pump and annual saving of 273312 kWh electrical energy is expected.
- Optimization of running hours of Effluent Treatment Plant (ETP) Guard Pond pump by arresting leakages. Saving of 27664 kWh electrical energy per annum is expected.
- Replacement of 120 nos. 150 W HPSV Lamps by 70 W LED Fixtures. Saving of 51903 kWh electrical energy per annum is expected.
- Use of aerodynamically designed energy efficient cooling tower fan blades (2 Nos.) in Phase-II Units. Saving of 2.00 Lakh kWh electrical energy per annum is expected.
- Arresting Air ingress at different sections of flue gas path in all the four boilers. This would help to reduce loading of ID fans and annual saving of 2563147 kWh electrical energy is expected.
- In Ph-I & II Boilers, application of energy efficient surface insulation is planned in remaining area to improve Boiler efficiency further. This would help to reduce Lignite consumption by 1102 MT per annum.
- Condenser tubes cleaning in Unit - II & III is planned. This would help to reduce Lignite consumption by 10524 MT per annum.
- In instrument air system, replacement of 10 nos. pneumatic positioners with smart positioners is planned. This will help to reduce consumption of instrument air and saving of 0.132 Lakh kWh electrical energy per annum is expected.
- Overhauling of Raw Water Pump-3 and providing energy efficient coating on impeller. Saving of 353320 kWh electrical energy per annum is expected.

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

B. Technology Absorption:

RESEARCH & DEVELOPMENT (R&D)

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

C. Foreign Exchange Earnings and Outgo:

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

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

At Vadodara:

1. Partial (Front-end) Up-gradation of Honeywell DCS (Distributed Control System) in 145 MW Station-I which included the main system (EPKS) Release Upgrade and replacement of Man Machine Interface (MMI) hardware of Servers and Work Stations with latest OS.
2. Saving in Overhauling through Innovative Approach:

   GT-1 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 ₹ 25.00 Lakh.

   GT-1 Generator Inspection: Hired Non-OEM expert party. The job was completed successfully at cost of ₹ 12.38 Lakh as against OEM cost of ₹ 32.82 Lakh. This resulted in net saving of ₹ 20.44 Lakh.

   STG-1 Major Overhauling: Awarded separate contract for Technical Advisory service and Labour service instead of Single comprehensive contract for Major Inspection. This resulted in saving of ₹ 30.00 Lakh.

   STG-1 Generator Inspection: Hired Non-OEM expert party for the first time and job was completed successfully at a cost of ₹ 12.38 Lakh. This resulted in net saving of ₹ 21.00 Lakh (Approximately 62%). The Scope of work has higher specifications in terms of advance cleaning methods and diagnostic testing.

At SLPP:

1. Improvisation in Dust Suppression and sealing system.
2. Refurbishment of JNT-1 critical structure in safe way by altering the elevation of new bracings and strengthening of all nine columns.
3. Alteration of Material of Construction (MoC) of Back-pass Steam Cooled Wall and Seal-pot water wall tubes.
4. Installation of Membrane type Axial split connecting coupling instead of Geared coupling in ID fan.

5. Phase-I: In-house up-gradation of Programmable Logic Controller (PLC) of Limestone Mill-C and DM Plant from Siemens S5 to S7 series.
6. SLPP Phase-I & II: Installation of smart positioners (9 Nos.) for the pneumatic Control valves.
7. Installation of new oxygen analyzers at APH outlet in Phase-II both units (Unit – III & IV).
8. Recycling, vendor development, in-house and external repair of various instruments and electronic cards.
9. Provision of online environmental data (Sox, NOx, Particulate matter, Zero Effluent discharge flow and camera at ETP discharge) of all four units to GPCB/CPCB website.
10. Replacement of old Yaskawa (Japan) make VFD with L&T make advanced digital vector drive VFD for 2 X 132 kW twin drive of feeder breaker chain conveyor.
11. Replacement of porcelain insulators with Silicon Rubber Insulators in 220 kV switchyard.
12. Provision of Junction box and copper cables for Phase-II ID fan motor.
13. Establishment of standby wireless link for RTU through MPLS line.
14. Up-gradation of old static Motor protection relays by new generation numerical relays in Phase-I.
15. Installation of photo cells in place of conventional timers in some of the Lignite and Limestone Handling System (LLHS) areas.
16. Switching on & off of three cooling tower fans through new technological GPS based SMS system.
17. Unit-III: Eliminating spray flow passing through HP bypass by overhauling of HPBP spray isolation valve (BD) and control valve (BPE) and development of new vendor.
18. Modification in ACW line of Phase-II Compressor Dryer (A, B & C).
19. Installation of ENCON make energy efficient fan assembly & light weight composite drive shaft for Unit - IV Cooling Tower - 5.
20. Re-routing of Fire hydrant & spray pipe line passing adjacent to Lignite Handling System Junction Tower -1.
21. Overhauling of Phase-II CW Pump-1 to address high vibration problem.
22. Installation of separate 100 NB GI quick filling line for filling Emergency Cooling Water (ECW) tank parallel to existing 50 NB line.
23. Vendor development for Phase-II cooling tower composite drive shaft.
24. Overhauling of Patna River Water Pump-2 without supervision service of OEM.
25. Revival & restoration of ETP thickener mechanism, Phase-II PT Plant area without supervision service of OEM.
26. Phase-II DM Plant Bulk acid storage tank MSRL (Mild Steel rubber lined) manhole replaced by HDPE (High-density polyethylene) manhole.
27. Operational modification to reduce the timings of initial and final purging during operation of Phase- I Bed Ash conveying system.
28. Installation & commissioning of new overhead water tank with pipe line network at Industrial canteen.
29. Implementation of fully automatic food waste convertor near Canteen.
30. In-house modification in all four nos. ID fan motor platforms in Unit-III & IV for smooth cooling water discharge & draining by eliminating water accumulation on platforms and damage prevention to foundation spring units.
31. Fast restoration of Unit-I Cooling Tower-1 motor base frame grouting by fixing and welding of new MS channels on periphery of gear box foundation and frame.
32. During water crises in River Tapi, modification of intake well opening was done by increasing the opening size at bottom and by lowering the level switch.

Benefits derived as a result of the above efforts:

At Vadodara:

1. Extended life cycle support with mitigated obsolescence risk and enhanced availability of the DCS system, New Release/ license avoids loss of control state of the DCS during extreme condition of server failures and improved Back-up Restore Utility helps restoring the system quickly during failures.
2. Overhauling through Innovative Approach has resulted in net saving of ₹ 96.00 Lakh

At SLPP:

1. Helped to minimize the Lignite spillage, fugitive dust emission and reduction in minor fire calls thereby maintaining healthy environment and better housekeeping.
2. Helped in improving structural stability and life of Lignite Handling System Junction Tower-1 (JNT-1) critical structure.
3. Helped in countering higher heat flux and minimize tube leakages in back-pass steam cooled wall and seal-pot water wall area.
4. The maintenance time will be reduced by almost 70% related with assembling and dismantling of the coupling. This type of coupling also takes care of more misalignment which enhances the equipment running with less vibration and improves the availability.
5. The upgraded PLC is operation friendly and having system diagnosis facility for ease in troubleshooting. Operator can diagnose the system problem easily.
6. This will reduce consumption of compressed air, spares and ease in maintenance.

7. This improvisation will help Boiler Maintenance Department & Operation Department to diagnose and analyze the problems of APH tube leakages and air ingress in flue gas path to facilitate planning for further maintenance work.
8. Cost benefit of ₹ 36 Lakh was achieved by recycling the electronic modules and instruments by repairing/vendor development. This also helped to save environment on recycling of electronics parts.
9. GIPCL has complied statutory requirement from State and Central Pollution Control Boards.
10. This is with advanced technology, analog signals to digital signals, being user friendly helps in faster trouble shooting.
11. Silicon Rubber Insulators are having excellent insulation performance, not susceptible to explosion, high resistance to breakage and economical as compared to porcelain insulators.
12. This has helped to ease termination of power cables for ID fan motor in motor terminal box and reduction in overheating of power cables thereby reduction in loss of generation.
13. Establishing standby wireless link along with existing PLCC link has helped to enhance availability of SLPP switchyard data at SLDC Jambuva.
14. Due to this, fault analysis has become easier. Further, relays are faster in sensing & clearing the faults thereby reducing the electrical stresses on equipments.
15. This helped to optimize energy consumption for street lighting.
16. This helped in saving of cable and optimization of CT fan operating hours.
17. This has helped to improve turbine heat rate. Also, development of new vendor helped to reduce maintenance cost by ₹ 2 Lakh.
18. This has resulted into maintenance flexibility and improved system reliability.
19. Before replacement of fan assembly, motor was drawing 49.93 kW. After replacement, motor is drawing 37.25 kW. Thus, total energy saving achieved is 12.68 kW/hr with 38.13% increased air flow. Vibration level reduced drastically from more than 10 mm/sec to less than 5mm/sec.
20. Hydrant system reliability improved. Frequent water leakages & fire hydrant system outage avoided.
21. One major critical auxiliary was made available for operation and thereby generation loss was avoided.
22. This has helped to reduce ECW tank filling time. This improves availability of cooling water to Emergency Boiler Feed Pump (EBFP) during blackouts.
23. The cost difference between new and old shaft is ₹ 3.5 Lakh. Total saving for procurement of 5 nos. drive shaft was ₹ 17.5 Lakh during F.Y. 2017-18.
24. OEM service engineer supervision charge of ₹ 74326.00 was saved.
25. Service engineer supervision charge of ₹ 40000.00 was saved.
26. This helped to improve system availability, reliability and safety.
27. This has resulted in saving in Auxiliary Power Consumption by approx. 0.35 MU.
28. Eliminated emergency situation and external water tanker requirement at Industrial canteen during breakdown or maintenance of water supply line which also helped to maintain water stock during emergency or breakdown.
29. Eliminated issue of food waste disposal and also reduced expenditure towards purchase of vermicompost for maintenance/development of horticulture in Plant and Colony.
30. This modification facilitated smooth cooling water discharge & draining and also eliminated water accumulation on platforms and damage to foundation spring units.
31. Reduced Equipment down time by timely completion of repairing works without affecting base frame orientation.
32. Ensured availability of sufficient water flow without tripping of intake well pumps to run all four units smoothly.

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 31.03.2018

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

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS	
CIN	L99999GJ1985PLC007868
Registration Date	1st June, 1985
Name of the Company	GUJARAT INDUSTRIES POWER COMPANY LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	P.O. Petrochemicals – 391 346, Dist.: Vadodara. Tele No.: 0265-2232768 Email:investors@gipcl.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited B/102-103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta , Opp. HDFC Bank Akota, Vadodara – 390 020. Tele No.: 0265-2356573, 2356794 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	21.17	2(6)

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	
V. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i. Category wise Shareholding									
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)									
Bodies Corporate	84236161	3804100	88040261	58.21	84236161	3804100	88040261	58.21	0
Sub Total (A)(1)	**84236161**	**3804100**	**88040261**	**58.21**	**84236161**	**3804100**	**88040261**	**58.21**	**0**
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Government	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)				0				0	
Sub Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**84236161**	**3804100**	**88040261**	**58.21**	**84236161**	**3804100**	**88040261**	**58.21**	**0**
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	9131143	3200	9134343	6.04	12804757	1400	12806157	8.47	2.42
(b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e) Foreign Portfolio Investor	5919440	0	5919440	3.91	5060035	0	5060035	3.34	-0.56
(f) Financial Institutions/Banks	40028	3400	43428	0.02	43659	3300	46959	0.03	0.002
(g) Insurance Companies	7346079	0	7346079	4.85	6286105	0	6286105	4.15	-0.70
(h) Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i) Any Other (Specify)									
UTI	0	2200	2200	0.001	0	300	300	0.0002	-0.001
Sub Total (B)(1)	**22436690**	**8800**	**22445490**	**14.83**	**24194556**	**5000**	**24199556**	**15.99**	**1.16**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	11525973	28333	11554306	7.63	11824033	28333	11852366	7.83	0.19
Sub Total (B)(2)	**11525973**	**28333**	**11554306**	**7.63**	**11824033**	**28333**	**11852366**	**7.83**	**0.19**
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	10973728	1427427	12401155	8.19	11955414	1093716	13049130	8.62	0.42
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3533663	0	3533663	2.33	5320833	0	5320833	3.51	1.18
(b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c) Employee Trusts	0	0	0	0	0	0	0	0	0
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)									0
Trusts	8400	0	8400	0.005	8400	0	8400	0.005	0
Hindu Undivided Family	1382235	0	1382235	0.91	947385	0	947385	0.62	-0.28
Non Resident Indians (Non Repat)	136614	0	136614	0.09	147165	0	147165	0.09	0.007
Non Resident Indians (Repat)	371605	0	371605	0.24	359330	0	359330	0.237	-0.008
Unclaimed Shares	2708	0	2708	0.001	1208	0	1208	0.0008	-0.001
Clearing Member	386544	0	386544	0.25	337237	0	337237	0.22	-0.03
Bodies Corporate	10982657	5550	10988207	7.26	6983967	4350	6988317	4.62	-2.64
Sub Total (B)(3)	**27778154**	**1432977**	**29211131**	**19.31**	**26060939**	**1098066**	**27159005**	**17.95**	**-1.35**
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**61740817**	**1470110**	**63210927**	**41.79**	**62079528**	**1131399**	**63210927**	**41.79**	**0**
Total (A)+(B)	**145976978**	**5274210**	**151251188**	**100**	**146315689**	**4935499**	**151251188**	**100**	**0**
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
Total (A)+(B)+(C)	**145976978**	**5274210**	**151251188**	**100**	**146315689**	**4935499**	**151251188**	**100**	

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 total shares to total shares	% of Shares Pledged/ encumbered	% change in share-holding during the year
Gujarat Urja Vikas Nigam Limited	38384397	25.38	0.00	38384397	25.38	0.00	0.00
Gujarat Alkalies & Chemicals Limited	23088980	15.27	0.00	23088980	15.27	0.00	0.00
Gujarat State Fertilizers and Chemicals Limited	22362784	14.79	0.00	22362784	14.79	0.00	0.00
Petrofils Co-operative Limited	3804100	2.52	0.00	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 Promoters Shareholding

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

Sr.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares held	%	No. of Shares held	%
1.	ICICI Prudential Balanced Fund	6696554	4.42	6704557	4.43
2.	HDFC Trustee Company Limited - HDFC Prudence Fund	0.00	0.00	6100000	4.03
3.	Life Insurance Corporation Of India	5258204	3.48	5258204	3.47
4.	Gujarat Power Corporation Limited	4977491	3.29	4977491	3.29
5.	Gujarat State Petroleum Corporation Limited	3697000	2.44	3697000	2.44
6.	ICICI Prudential Life Insurance Co. Limited	5336191	3.52	3639526	2.40
7.	Gujarat State Electricity Corporation Limited	2205882	1.46	2205882	1.45
8.	Government Of Singapore - E	2100000	1.39	2100000	1.38
9.	Comgest Growth PLC-Comgest Growth India	1785101	1.18	1785101	1.18
10.	GAIL (India) Limited	570600	0.37	570600	0.37

v. Shareholding of Directors and Key Managerial Personnel.

Sr.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares held	%	No. of Shares held	%
	Director				
1.	Shri Sujit Gulati, IAS	NIL	NA	NIL	NA
2.	Prof. Shekhar Chaudhuri	NIL	NA	NIL	NA
3.	Dr. K M Joshi	NIL	NA	NIL	NA
4.	Shri P K Gera, IAS	NIL	NA	NIL	NA
5.	Shri Pankaj Joshi, IAS	NIL	NA	NIL	NA
6.	Shri Milind Torawane , IAS	NIL	NA	NIL	NA
7.	Shri S B Dangayach	NIL	NA	NIL	NA
8.	Dr. B A Prajapati	NIL	NA	NIL	NA
9.	Shri N N Misra	NIL	NA	NIL	NA
10.	CS V V Vachharajani	NIL	NA	NIL	NA
11.	Shri Janakiraman M.	NIL	NA	NIL	NA
12.	Smt. Shahmeena Husain, IAS	NIL	NA	NIL	NA
	Key Managerial Personnel				
1.	CA K K Bhatt	NIL	NA	NIL	NA
2.	Swati Desai	NIL	NA	NIL	NA

V. INDEBTEDNESS

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

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
(i) Indebtedness at the beginning of the financial year	41728.75	NIL	NIL	41728.75
(ii) Change in Indebtedness during the financial year	19902.67	NIL	NIL	19902.67
(iii) Net Change	19902.67	NIL	NIL	19902.67
Total (i+ii)	**61631.42**	**NIL**	**NIL**	**61631.42**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Particulars of Remuneration	Amount (₹ in Lakh)	
	Smt. Sonal Mishra, IAS, Managing Director (Up to 19.05.2017)	Smt. Shahmeena Husain, IAS, Managing Director (From 20.05.2017)
Salary	3.11	NIL
Value of perquisites (including Tax on perquisites)	NIL	NIL

B. Remuneration to other Directors:

Name	Sitting Fees paid per meeting (in ₹)		
	Board Meetings	Committee Meetings	Total
Independent Directors			
Prof. Shekhar Chaudhuri	30000	20000	50000
Dr. K M Joshi	80000	220000	300000
Shri S B Dangayach	70000	50000	120000
Dr. B A Prajapati	60000	100000	160000
Shri N N Misra	70000	10000	80000
Total (1)	**310000**	**400000**	**710000**
Other Non Executive Directors			
Shri Sujit Gulati, IAS, Chairman*	80000	0	80000
Shri P K Gera, IAS*	40000	40000	80000
Shri Pankaj Joshi, IAS*	60000	0	60000
Shri Sanjeev Kumar, IAS* (upto 22.06.2017)	10000	0	10000
Shri S M Awale** (upto 09.08.2017)	30000	20000	50000
CS V V Vachharajani	60000	40000	100000
Shri Milind Torawane, IAS* (from 15.10.2017)	30000	0	30000
Shri Janakiraman M** (from 10.08.2017)	30000	0	30000
Total (2)	**350000**	**100000**	**450000**
Grand Total(1) + (2)	**650000**	**500000**	**1150000**

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

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

Sr. No.	Particulars of Remuneration	CA G S Chahal, General Manager (Finance) & Chief Finance Officer (Upto 04.12.2017)	CA K K Bhatt, Addl. General Manager (Finance) & Chief Finance Officer (From 08.02.2018)	CS A C Shah, Company Secretary & Dy. General Manager (Legal) (Upto 05.03.2018)	Smt. Swati Desai, Company Secretary & Addl. General Manager (Legal) (From 06.03.2018)	Total Amount
1.	Salary & Allowances	19.63	4.67	*48.46	1.60	74.36

* Inclusive of retirement dues.

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

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

ANNEXURE E

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL.**
   (a) Name(s) of the related party and nature of relationship: **N.A.**
   (b) Nature of contracts/arrangements/transactions: **N.A.**
   (c) Duration of the contracts / arrangements/transactions: **N.A.**
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
   (e) Justification for entering into such contracts or arrangements or transactions : **N.A.**
   (f) Date(s) of approval by the Board: **N.A.**
   (g) Amount paid as advances, if any: **N.A.**
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
2. Details of material contracts or arrangement or transactions at arm's length basis
   (a) Name(s) of the related party and nature of relationship : **As per Table below**
   (b) Nature of contracts/arrangements/transactions : **As per Table below**
   (c) Date(s) of approval by the Board, if any. : **24/05/2018**

Sr.	Date of contract / arrangement	Name of the party	Name(s) of the interested Director(s)	Relation with Director/ Company/ Nature of concern or interest	Principal terms and conditions	FY 2017-18 (Amount ₹ in Lakh)
	(1)	(2)	(3)	(4)	(5)	(6)
1	(i) Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station. (ii) Short Term Open Access arrangement for 165 MW Gas based Power Station (iii) PPA dated April 15, 1997 for 250 MW Surat Lignite Power Plant (SLPP Phase-I). (iv) PPAs dated October 1, 2009 and August 13, 2013 for 250 MW Surat Lignite Power Plant (SLPP Phase-II). (v) PPA dated December 18, 2010 for 5 MW Solar Power Plant. (vi) PPAs dated April 28, 2015 and January 27, 2016 for 15 MW Wind Farm. (vii) PPAs dated September 2, 2016 and December 16, 2016 for 26 MW Wind Farm. (viii) PPAs dated September 20, 2016, December 03, 2016 and December 30, 2016 for 71.4 MW Wind Farms.	Gujarat Urja Vikas Nigam Limited (GUVNL)	1. Shri Sujit Gulati, IAS. 2. Shri Pankaj Joshi, IAS. 3. Shri Milind Torawane, IAS.	Promoter	Sale of Electricity (net of rebate on sales)	107970.89
2	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat Alkalies & Chemicals Limited (GACL)	Shri P K Gera, IAS.	Promoter	Sale of Electricity & Purchase of Chemicals	11359.12
3	Memorandum of Understanding (MoU) dated May 3, 1989 for Sale of Power from 145 MW Gas based Power Station and other Agreements / Contracts.	Gujarat State Fertilizers & Chemicals Limited (GSFC)	CS V V Vachhrajani.	Promoter	Sale of Electricity, Water Charges & Purchase of Chemicals	12250.03

(d) Duration of the contracts / arrangements/transactions: **Long Term/Short Term**
(e) Salient terms of the contracts or arrangements or transactions including the value, if any: **Sale of Electrical Energy, Purchase of Chemicals 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
Shri Raj Gopal, IAS
Chairman
(DIN: 02252358)

Date: 29th August, 2018
Place: Gandhinagar.

ANNEXURE F

List of Top Ten Employees in terms of Remuneration Drawn during FY 2017-18

(₹ in Lakh)

Emp. No.	Name	Designation	Salary
402	C M Patel	GM (O&M – SLPP)	35.07
971	N K Purohit	CGM (Mines)	33.31
549	N K Singh	GM (SLPP)	33.26
7	K S Munshi	GM (TS & SCM)	32.15
237	S S Muley	Addl. GM (EMD)	31.88
304	K H Mistry	Addl. GM (Civil)	30.86
95	S N Purohit	GM (BD & BO)	30.82
43	B C Shah	Addl. GM (M&C)	29.62
299	C N Paghdar	Addl. GM (IMD)	29.08
8	M J Desai	Addl. GM (C&L)	28.70

MANAGEMENT DISCUSSION AND ANALYSIS 2017-18

Your Company, jointly promoted by Gujarat Electricity Board (GEB) [now Gujarat Urja Vikas Nigam Limited (GUVNL)], Gujarat Alkalies and Chemicals Limited (GACL), Gujarat State Fertilizers and Chemicals Limited (GSFC), and Petrofils Co-operative Limited (PCL) to cater to their captive power requirements, has completed thirty three years on 1st June, 2018, 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 1009.4 MW.

SECTOR OVERVIEW

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

The total power generation in the country during FY 2017-18 was 1206.306 Billion Units (BUs) upto 31st March, 2018 (Previous Year 1160.141 BU) as against the target of 1229.400 BUs for the year i.e. about 98.12% of the target for the year. The annual growth in the energy generation during the FY 2017-18 was 5.23% as against 5.80% for same period last year i.e. FY 2016-17.

The installed generation capacity in the country, as on 31st March, 2018 was 344002 MW. Coal, with around 57% share, is still the primary source of fuel for power generation in India.

Installed Generation Capacity (As on 31/03/2018)

All India	Thermal				Nuclear	Hydro (Renewable)	RES@ (MNRE)	Grand Total
	Coal	Gas	Diesel	Total				
MW*	197171	24897	838	222907	6780	45293	69022	344002
%	57.32	7.24	0.24	64.80	1.97	13.17	20.06	100

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

Electricity - Capacity Addition and Generation

Target Vs. Achievement (2017-18):

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

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

[Source: Central Electricity Authority (CEA)]

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

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

Type/Sector	Target Addition(in MW)			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 2017-18

	Thermal	Hydro	Nuclear	Bhutan (Import)	Total
Target (MU)*	1042028	141400	40972	5000	1229400
Achievement up to March, 2017 (MU)*	1036372	126148	38140	4918	1205579
%	99.46	89.21	99.72	101.28	98.29

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

Thermal Plant Load Factor (PLF):

The average All India Thermal PLF (%) was higher at 60.72% for FY 2017-18 as compared to 59.81% for the same period during FY 2016-17.

[Source: Central Electricity Authority (CEA)]

Fuel Availability for Power Generation:

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

Coal:

With about 197171 MW i.e. 57.32% of the installed capacity of 344002 MW as on 31st March, 2018 being contributed by Coal based Power Plants, Coal remains a key fuel for power generation.

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

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

Gas:

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

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

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

Renewable Energy:

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

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

Renewable Energy accounted for 20.06%, i.e. 69022 MW, of the total installed capacity as on 31-03-2018. **[Source: Central Electricity Authority (CEA)].**

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

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

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

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

Various policy measures have been initiated and special steps taken in addition to providing financial support to various schemes being implemented by the MNRE for achieving the target of renewable energy capacity to 175 GW by the year 2022. These include, inter alia, suitable amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation (RPO) and for providing Renewable Generation Obligation (RGO); setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor project; guidelines for procurement of solar and wind power though tariff based competitive bidding process, National Offshore Wind Energy Policy notified, Repowering of Wind Power Projects, Standards for Deployment of Solar Photovoltaic systems/devices, orders for waiving the Inter State Transmission System charges and losses for interstate sale of Solar and Wind power for projects to be commissioned by March 2019; identification of large government complexes/buildings for rooftop projects; provision of roof top solar and 10 percent renewable energy as mandatory under Mission Statement and Guidelines for development of smart cities; incorporating measures in Integrated Power Development Scheme (IPDS) for encouraging distribution companies and making net-metering compulsory and raising funds from bilateral and international donors as also the Green Climate Fund to achieve the target etc.

OPPORTUNITIES AND CONCERNS

Opportunities:

With the increase in the per capita income levels there will be substantial increase in the per capita electricity demand. The National Electricity Policy (NEP) 2005 aimed at providing a per capita electricity availability of 1000 kWh by FY 2012; against this target, the provisional per capita electricity consumption was 1075 kWh for FY 2015-16.

[Source: Central Electricity Authority (CEA)].

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

Power Supply Position in the Country during 2017-18 (*Provisional upto March 2018)

Particulars	Energy (MU)	Peak (MW)
Requirement.	1213325	164066
Availability.	1204697	160752
Surplus(+)/Shortage(-).	-8629	-3314
%Surplus(+)/Shortage(-).	-0.7	-2.0

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

The Electricity Generation Target fixed by Ministry of Power (MoP) for FY 2018-19 is as follows:

Electricity Generation Target for FY 2018-19:

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

[Source: Central Electricity Authority (CEA)]

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

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

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

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

The Company has also successfully commissioned 2x40 MW Solar Power Projects at Charanka Solar Park, Gujarat during F.Y 2017-18 and is in process of installing additional 75 MW Solar PV Project at same location awarded under competitive Bidding of GUVNL.

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

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

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

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

Key Risks and Concerns:

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

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

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

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

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

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

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

REVIEW OF COMPANY'S BUSINESS:

The Company currently has a combined installed capacity of 1009.4 MW at its locations at Vadodara Plant and Surat Lignite Power Plant (SLPP) including 5 MW PV based Solar Power Plant at SLPP, Distributed Solar Power Plants of 1 MW each at Village Amrol Ta. & Dist.: Anand & Village Vastan, Ta. Mangrol, Dist.: Surat, 112.4 MW Wind Farm in various locations in Districts Amreli, Porbandar and Kutch and 80 MW Solar Power at Gujarat Solar Park, Charanka, District Patan.

MANAGEMENT CONTROL, INTERNAL CONTROL AND INTERNAL AUDIT SYSTEMS:

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

Few recent initiatives in that direction are given below:

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

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

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

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

FINANCIAL REVIEW:

ON STAND ALONE BASIS:

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

Your Company's Total Income for the year ended 31st March, 2018 was ₹ 141518 Lakh as compared to ₹ 138158 Lakh in the previous year.

The Total Income includes earnings from sale of electrical energy of ₹ 135819 Lakh as compared to ₹ 130381 Lakh recorded in the previous year.

The Profit Before Tax was ₹ 31748 Lakh as compared to ₹ 30097 Lakh in the previous year.

The Net Profit of ₹ 24450 Lakh has been arrived at after taking into account the provisions for current Income Tax (Minimum Alternate Tax) ₹ 6753 Lakh and Deferred Tax liability of ₹ 545 Lakh.

During the year, Gross Block has increased by ₹ 36419 Lakh. The increase was mainly due to capitalisation of 80 MW Solar Plant.

The total dividend payout (proposed) for the year @ ₹ 2.70 per Equity Share is ₹ 4923 Lakh including Corporate Tax on Dividend.

As on 31st March 2018, the net worth of the Company stood at ₹ 245902 Lakh as against ₹ 223597 Lakh as at the end of previous financial year ended on 31st March, 2017.

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. 2017-18 was ₹ 2.66 Lakh as compared to ₹ 3.04 Lakh in the previous period.

The profit after tax was ₹ 1.66 Lakh as against ₹ 1.39 Lakh during the previous period.

During the current financial year, the Board of Directors of GIPCL Projects And Consultancy Services Company Limited (GIPCO) has approved the Voluntary Liquidation of GIPCO under the Insolvency and Bankruptcy Code, 2016, which is under process. The management does not expect any material impact of such plans on the operations of the Company.

ASSOCIATE COMPANY:

Your company has invested ₹ 21808 Lakh in the Equity Share capital of BECL with share holding of 21.17%. The consolidated balance sheet is prepared based on most recent available balance sheet i.e. Balance Sheet as on 31.03.2017 prepared under Ind AS.

Based on above financials, loss on consolidation is considered as ₹ 7847.35 Lakh and loss on share of OCI of Associate is considered as ₹ 0.73 Lakh. Accordingly, investment is reduced to that extent.

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 2017-2018, the Company maintained its high standards of Safety. Your Directors place on record their sincere appreciation for the unstinting efforts and contribution put in by the employees of the Company.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY AND WELFARE:

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

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

CAUTIONARY STATEMENT:

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

CORPORATE GOVERNANCE REPORT

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

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Philosophy:

At GIPCL, 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, 2018, out of which seven (07) are Non-Independent Directors and other five (05) are Independent Directors. Managing Director is an Executive Director, all other Directors are Non Executive Directors.

(2) Brief Resume of Directors:

a) Reappointment of Directors retiring by rotation:

The resume of Shri Pankaj Joshi, IAS (DIN: 01532892) and Shri Milind Torawane, IAS (DIN: 03632394) are given in the Explanatory Statement annexed to the Notice convening the 33rd Annual General Meeting (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 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 3rd April, 2018 noted the said declarations of Independent Directors.

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

During the year 2017-18, Eight (08) Board Meetings were held viz.

Quarter	Date(s) of Meeting
1st Quarter - From April to June, 2017.	18th May and 17th June, 2017.
2nd Quarter - From July to September, 2017.	8th August and 18th September, 2017.
3rd Quarter - From October to December, 2017.	6th November and 21st December, 2017.
4th Quarter - From January to March, 2018.	8th February and 26th February, 2018.

(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 18.09.2017	Directorships in other Companies / entities	Audit Committee and Stakeholders' Relationship Committee	
				Membership	Chairmanship
Shri Sujit Gulati, IAS Chairman	08	YES	09	02	—
Prof. Shekhar Chaudhuri	03	YES	02	02	—
Dr. K M Joshi	08	YES	—	—	—
Shri P K Gera, IAS	04	NO	03	02	—
Shri Pankaj Joshi, IAS	06	YES	09	—	—
Shri S B Dangayach	07	YES	08	01	—
Dr. B A Prajapati	06	NO	01	01	—
Shri Sanjeev Kumar, IAS *(upto 22.06.2017)*	01	NA	—	—	—
Shri N N Misra	07	YES	05	03	—
Shri S M Awale *(upto 09.08.2017)*	03	NA	—	—	—
CS V V Vachharajani	06	YES	—	—	—
Shri Milind Torawane, IAS *(from 15.07.2017)*	03	NO	08	—	—
Shri Janakiraman M *(from 10.08.2017)*	03	YES	—	—	—
Smt. Sonal Mishra, IAS Managing Director *(upto 19.05.2017)*	01	NA	—	—	—
Smt. Shahmeena Husain, IAS Managing Director *(from 20.05.2017)*	07	YES	02	—	—

- The shareholding of Directors and their relatives as on 31st March, 2018 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
19.09.2015 30th AGM.	11:00 A.M.	Registered Office of the Company at P.O.: Petrochemicals-391 346, District: Vadodara.	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 and omnibus approval for material Related Party Transactions during FY 2016-17.
18.09.2017 32nd AGM	11:00 A.M.		1. Approval of Material Transactions with Related Parties for the Financial Year 2016-17 and omnibus approval for material Related Party Transactions during FY 2017-18.

Postal Ballot:

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

4. BOARD COMMITTEES :

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

(A) Audit Committee.

(B) Stakeholders' Relationship Committee (SRC).

(C) Nomination and Remuneration (NR) Committee.

(D) Corporate Social Responsibility (CSR) Committee.

(E) Personnel Committee.

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

(ii) Committee Meeting Minutes :

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

(A) Audit Committee :

(a) Composition

As on March 31, 2018, 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 Janakiraman M, Nominee, Non Executive Director (from 10.08.2017 to 10.05.2018).

(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 2017-18, four (04) Meetings of the Committee were held viz.:

18.05.2017	08.08.2017	06.11.2017	08.02.2018

Details of Attendance:

Name	No. of Meetings attended
Dr. K M Joshi	04
Prof. Shekhar Chaudhuri	01
Dr. B A Prajapati	04
Shri S M Awale (upto 09.08.2017)	02
Shri Janakiraman (from 10.08.2017)	-

(B) Stakeholders' Relationship Committee:

(a) Composition

As on March 31, 2018, the Stakeholders' Relationship Committee comprised of two (02) Directors viz.:

Dr. K M Joshi, Independent, Non Executive Director, Chairman of the Committee; and Smt. Shahmeena Husain, 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 Smt. Swati Desai, Company Secretary & Addl. G.M. (Legal) as the Compliance Officer. Her contact details are as follows:

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

(c) Meetings and Attendance

During the year 2017-18, four (04) Meetings of the Committee were held viz.:

18.05.2017	08.08.2017	06.11.2017	02.02.2018

Details of Attendance:

Name	No. of Meetings attended
Dr. K M Joshi	04
Smt. Sonal Mishra, IAS *(up to 19.05.2017)*	01
Smt. Shahmeena Husain, IAS *(from 20.05.2017)*	03

To facilitate timely approval/registration of securities related transactions each up to 1000 Equity shares, powers have been delegated to a Sub-Committee comprising of Managing Director, Chief Finance Officer and Company Secretary & Addl. G.M. (Legal), 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 2017-18, one (01) Complaint was received and same was attended and resolved to the satisfaction of shareholder. No Shareholders' Complaint(s) and No Share Transfer Request(s) was pending as on March 31, 2018.

(C) Nomination and Remuneration Committee:

(a) Composition

As on March 31, 2018, 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 2017-18, five (05) meetings of the Committee were held viz.:

18.05.2017	08.08.2017	06.11.2017	29.12.2017	02.02.2018

Details of Attendance

Name	No. of Meetings attended
Dr. K M Joshi	05
Shri P K Gera, IAS	04
Dr. B A Prajapati	04

(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 March 31, 2018, the CSR Committee comprised of three (03) Directors viz.:
Smt. Shahmeena Husain, 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 2017-18, four (04) Meetings of the Committee were held viz.:

18.05.2017	08.08.2017	06.11.2017	08.02.2018

Details of Attendance

Name	No. of Meetings attended
Smt. Sonal Mishra, IAS *(up to 19.05.2017)*	01
Smt. Shahmeena Husain, IAS *(from 20.05.2017)*	03
Dr. K M Joshi	04
Shri S B Dangayach	04

(E) Personnel Committee:

(a) **Composition**

As on March 31, 2018, the Personnel Committee comprised of three (03) Directors viz.:
Dr. K M Joshi, Independent, Non Executive Director and Chairperson of the Committee;
Dr. B. A. Prajapati; Independent, Non Executive Director;
CS V V Vachharajani, Nominee, Non Executive Director; and
Smt. Shahmeena Husain, IAS, Managing Director.

(b) **Terms of Reference**

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

(c) **Meetings and Attendance**

During 2017-18, four (04) Meetings of the Committee were held viz.:

14.09.2017	21.12.2017	05.01.2018	20.01.2018

Details of Attendance

Name	No. of Meetings attended
Dr. K M Joshi	04
Dr. B A Prajapati	01
CS Vachharajani	04
Smt. Shahmeena Husain, IAS *(from 20.05.2017)*	04

(d) **Remuneration Policy**

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

Details of Remuneration paid to Directors:

Executive Director:

Following remuneration was paid during the FY 2017-18 to Smt. Sonal Mishra, IAS, Managing Director of the Company up to 19.05.2017 and to Smt. Shahmeena Husain, IAS, Managing Director of the Company from 20.05.2017:

Particulars of remuneration	Amount (₹ in Lakh)	
	Smt. Sonal Mishra, IAS (up to 19.05.2017)	Smt. Shahmeena Husain, IAS (from 20.05.2017)
Salary	**3.11**	**NIL**
Value of perquisites	**NIL**	**NIL**
Total	**3.11**	**NIL**

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 Sujit Gulati, IAS* Chairman	No	No	80000	0	80000
Prof. Shekhar Chaudhuri	No	No	30000	20000	50000
Dr. K M Joshi	No	No	80000	220000	300000
Shri P K Gera, IAS*	No	No	40000	40000	80000
Shri Pankaj Joshi, IAS*	No	No	60000	0	60000
Shri S B Dangayach	No	No	70000	50000	120000
Dr. B A Prajapati	No	No	60000	100000	160000
Shri Sanjeev Kumar, IAS* *(upto 22.06.2017)*	No	No	10000	0	10000
Shri N N Misra	No	No	70000	10000	80000
Shri S M Awale *(upto 09.08.2017)*	No	No	30000	20000	50000
CS V V Vachharajani	No	No	60000	40000	100000
Shri Milind Torawane, IAS* *(from 15.07.2017)*	No	No	30000	0	30000
Shri Janakiraman M** *(from 10.08.2017)*	No	No	30000	0	30000
Total			**650000**	**500000**	**1150000**

* 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. 44 of the Standalone Financial Statements, forming part of this Annual Report.

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

c) Senior Executives of the Company have to disclose on Annual basis to the Board of Directors about any material and commercial transaction, where they have personal interest that may have a potential conflict with the interest of the Company at large. No such transaction has taken place during 2017-18.

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(1)(b) 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 2017-18	21	2708
Add: No. of Shares credited during FY 2017-18.	Nil	Nil
Total	**21**	**2708**
Less: Shares Transferred during the year to the designated Demat Account of IEPF Authority.	11	1500
At the end of FY 2017-18	**10**	**1208**

Quarterly Compliance Report:

The Company has submitted Corporate Governance Compliance Report in the prescribed format within prescribed time limit for each Quarter of FY2017-18 to the Stock Exchanges where the equity shares of the Company are listed viz. BSE and NSE as follows:

Quarter ended on	Date of submission to BSE	Date of submission to NSE
30.06.2017	05.07.2017	05.07.2017
30.09.2017	11.10.2017	11.10.2017
31.12.2017	09.01.2018	09.01.2018
31.03.2018	13.04.2018	13.04.2018

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 2017-18. 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 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 http://www.gipcl.com/financial-reports-new.htm. The Company also sends Annual Report to shareholder at the address registered with the Company/Depositories. As a part of green governance, the Company has started sending Annual Report and other correspondence by e-mail to those shareholders who have furnished e-mail address to their Depository Participants (DPs) or to the Company.

Financial Results of the Company were published as follows:

Period FY 2017-18	Date of Approval by Board	Date of publication	Newspapers
Q1 UFR*	18.05.2017	20.05.2017	Financial Express give (All editions)
Q2 UFR*	08.08.2017	09.08.2017	Loksatta-Vadodara (Gujarati) edition
Q3 UFR*	06.11.2017	08.11.2017	
Full year AFR**	24.05.2018	26.05.2018	

* 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 minutes of subsidiary company are placed before the Company's Board of Directors regularly.

7. **GENERAL INFORMATION FOR SHAREHOLDERS:**

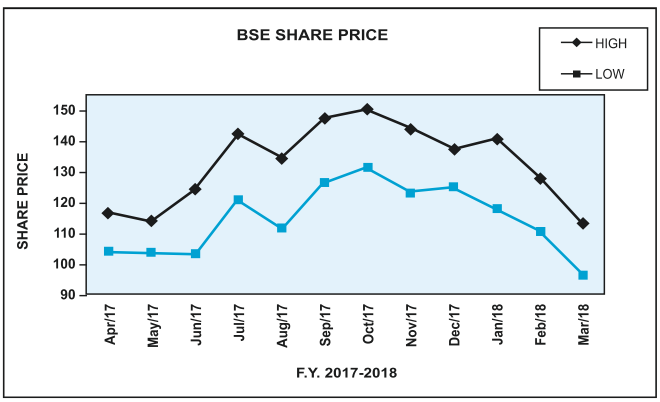
Financial Year of the Company	1st April to 31st March
Power Plant Locations	
145 MW Station I and 165 MW Station II	P. O. : Petrochemicals - 391 346, District: Vadodara.
500 MW Surat Lignite Power Plant ; and 5 MW PV based Solar Power Plant	At & P.O.: Village: Nani Naroli, Taluka: Mangrol, District: Surat – 394 110.
1 MW Distributed Solar Power Plants	1. Village: Amrol, District: Anand – 388 510. 2. Village: Vastan, Taluka: Mangrol, District: Surat-394 110.
15 MW Wind Power Project 26 MW Wind Power Project 50.4 MW Wind Power Project 21 MW Wind Power Project 80 MW Solar Power Project	Village: Kotadapitha, Ta. Babra, District: Amreli. Village: Rojmal, Ta. Botad, District: Rajkot. Village: Kuchhdi, Ta. & District: Porbandar. Village: Nakhatrana, Ta. & District: Kutch. Village Charanka, Ta.: & Dist.: Patan.
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, 5th floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.Listing Fees for FY 2018-19 has been paid to BSE and NSE on 23/04/2018.
Books Closure Dates	From Friday, 7th September, 2018 to Friday, 14th September, 2018 (both days inclusive)
Day, Date, Time and Venue of 33rd Annual General Meeting (AGM)	The 33rd AGM of the Company will be held on Thursday, the 27th September, 2018 at 3.00 p.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 01-10-2018
Name and Address of Compliance Officer of the Company	Smt. Swati Desai, Company Secretary & Addl. G.M. (Legal) P.O.: Petrochemicals - 391 346, Dist.: Vadodara. Fax No:0265-2230029, E-mail: investors@gipcl.com
Name and Address of Registrars and Transfer Agent (R & T Agent) of the Company for the communication for securities related transactions by shareholders holding shares in physical mode.	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 015. Ph. Nos. (0265) 2356573/2356794 E-mail:vadodara@linkintime.co.in
No. of Employees	542

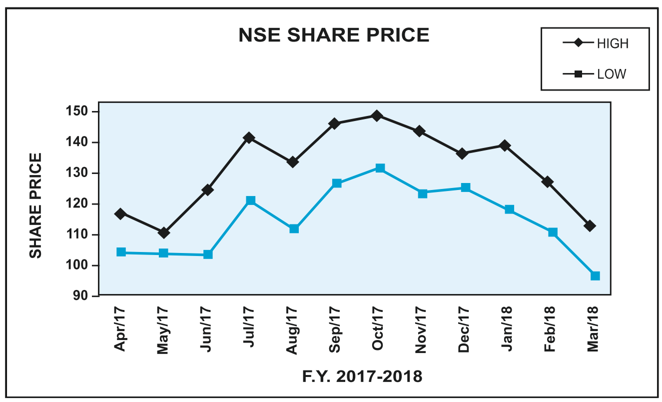
8. DATA OF SHARE PRICE ON BSE AND NSE:

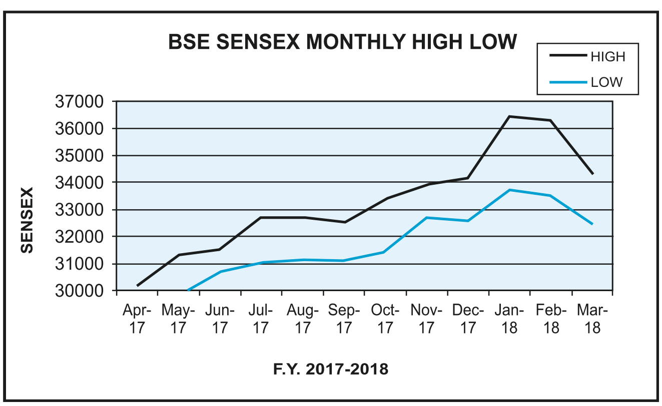
Monthly High and Low Market price of the Company's Equity shares traded on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during April 2017 to March 2018 are:

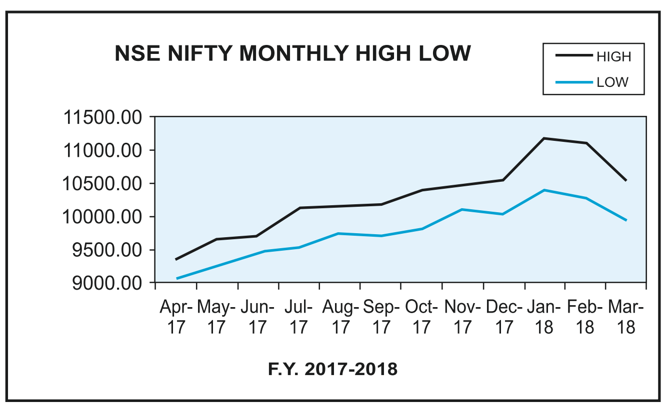
Month	BSE		NSE	
	High	Low	High	Low
APRIL 2017	116.40	103.90	116.40	103.85
MAY 2017	114.00	103.60	110.75	103.30
JUNE 2017	124.15	103.10	124.40	102.60
JULY 2017	142.10	120.95	142.90	120.75
AUGUST 2017	134.20	111.60	134.90	112.15
SEPTEMBER 2017	147.40	126.30	148.00	125.95
OCTOBER 2017	150.55	131.30	150.80	130.85
NOVEMBER 2017	144.00	123.00	144.90	122.50
DECEMBER 2017	137.55	125.00	137.55	123.05
JANUARY 2018	140.75	118.00	140.50	118.20
FEBRUARY 2018	127.85	110.25	128.40	109.00
MARCH 2018	113.00	96.25	113.35	96.00

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 2017 to March 2018:









Share Transfer System:

To ensure expeditious and timely approval and registration of securities related 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, 2018:

Category	No. of Shares held	(%) to Share Capital
Promoters	88040261	58.21
Central/State Govt. Bodies Corporate	18542623	12.26
Institutional Investors	19139521	12.65
Foreign Institutional Investors/ NRI	5566530	3.68
Indian Public	19664193	13.00
Transferred to IEPF	298060	0.20
GRAND TOTAL	**151251188**	**100**

Distribution of Shareholding as on 31st March, 2018:

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	53995	99.04	13020848	8.61
5001 – 10000	242	0.44	1786186	1.18
10001 – 20000	128	0.24	1835737	1.21
20001 – 30000	54	0.10	1334385	0.88
30001 – 40000	19	0.04	672100	0.44
40001 – 50000	11	0.02	512631	0.34
50001 – 100000	29	0.05	2066385	1.37
100001 and above	39	0.07	130022916	85.97
TOTAL	**54517**	**100.00**	**151251188**	**100.00**

Summary of Shareholders and Shares held in Physical and Demat mode as on 31st March, 2018:

Particulars	Physical	Demat NSDL	Demat CDSL	Total
Total Shareholders (Nos.)	9324	30294	14899	54517
Percentage to Total Shareholders (%)	17.10	55.57	27.33	100.00
Total shares (Nos.)	4935499	136146458	10169231	151251188
Percentage to Total Share Capital (%)	3.26	90.02	6.72	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 2017-18.

CEO AND CFO CERTIFICATION

We, Smt. Shahmeena Husain, IAS, Managing Director and CA K K Bhatt, Addl. General Manager (Finance) & 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 March 31, 2018 and to the best of our knowledge and belief:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;

b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 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

	CA K K Bhatt	**Smt. Shahmeena Husain, IAS**
Date: 24/05/2018.	**Addl. General Manager (Finance)**	**Managing Director**
Place: Vadodara.	**& Chief Finance Officer**	**((DIN: 03584560)**

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 2017-18.

For Gujarat Industries Power Company Limited

Date: 24/05/2018.
Place: Vadodara.

Smt. Shahmeena Husain, IAS
Managing Director
(DIN:03584560)

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, 2018** 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 except the required compliance of 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of 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.

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

Date: 24th May, 2018.
Place: Vadodara

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

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 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("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 state of affairs (financial position), profit or loss (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 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, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 Statement of Cash Flow and the 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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. 41 to the standalone Ind AS financial statements;

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; except a sum of ₹ 0.05 Lakhs which is held in abeyance due to pending legal cases.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 24th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

i. (a) 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, 2018	Net Block as at 31st March, 2018
Freehold land	07	15.54	15.54

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and 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, the Company has not given any loan or guarantee or security under section 185 of the Act. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.

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 aforesaid dues were in arrears, as at 31st March 2018 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, as at 31st March, 2018 which have not been deposited on account of dispute:

Nature of Statue	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	94.33	A.Y. 2014-15	Commissioner of Income Tax of Appeals, Baroda
Central Excise Act, 1944	Excise	115.51	F.Y. 2015-16	Audit, Central Excise Office, Surat.
Central Excise Act, 1944	Excise	91.09	F.Y. 2014-15	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 and according to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised. The company has not raised any money by way of initial public offer or further public offer during the year.

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

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 the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details have been disclosed in the standalone 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 and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.

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

xvi. 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: 24th May, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Gujarat Industries Power Company Limited** ("the Company") as of 31st March, 2018 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 Companies Act, 2013.

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") and the Standards on Auditing prescribed under section 143(10) of the Companies Act,2013 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, 2018, 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: 24th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	AS AT 31st March, 2018	AS AT 31st March, 2017
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5(i)	**2,61,513.76**	2,41,262.09
(b) Mine Development Assets	5a	**5,961.11**	10,410.98
(c) Capital work-in-progress	5(ii)	**475.66**	2,390.74
(d) Other Intangible assets	5(i)	**481.30**	521.25
(e) Intangible assets under development	5(ii)	**138.92**	55.20
(f) Financial Assets			
(i) Investments	6	**32,781.02**	28,056.56
(ii) Loans	7	**4.00**	4.05
(iii) Others	8	**7,830.03**	5,596.55
(g) Other non-current assets	9	**15,499.36**	10,276.01
Total Non-current Assets		**3,24,685.16**	2,98,573.43
2 Current assets			
(a) Inventories	10	**15,159.90**	15,980.28
(b) Financial Assets			
(i) Trade receivables	11	**25,997.68**	24,802.01
(ii) Cash and cash equivalents	12	**5,180.18**	108.24
(iii) Bank balances other than (ii) above	13	**671.33**	569.46
(iv) Loans	14	**0.05**	0.60
(v) Others	15	**5,807.67**	428.25
(c) Other current assets	16	**1,075.62**	960.41
Total Current Assets		**53,892.43**	42,849.25
Total Assets		**3,78,577.59**	3,41,422.68
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	17	**15,125.12**	15,125.12
(b) Other Equity	18	**2,30,777.21**	2,08,472.69
Total Equity		**2,45,902.33**	2,23,597.81
2 DEFERRED GOVERNMENT GRANT LIABILITIES	**19**	**6,263.55**	952.65
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	**36,128.72**	27,146.48
(ii) Other financial liabilities	21	**889.03**	911.14
(b) Provisions	22	**12,762.51**	15,187.04
(c) Deferred tax liabilities (Net)	23	**24,269.65**	23,055.44
(d) Other non-current liabilities	24	**13.71**	70.18
Total Non-current Liabilities		**74,063.62**	66,370.28
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**10,659.03**	4,074.27
(ii) Trade payables	26	**10,139.12**	10,375.17
(iii) Other financial liabilities	27	**19,751.91**	20,912.55
(b) Other current liabilities	28	**10,780.15**	13,649.85
(c) Provisions	29	**438.92**	364.26
(d) Current Tax Liabilities (Net)	30	**578.96**	1,125.84
Total Current Liabilities		**52,348.09**	50,501.94
Total Equity and Liabilities		**3,78,577.59**	3,41,422.68
See accompanying notes to the financial statements	1-53		

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
I	Revenue from Operations	31	1,36,394.68	1,31,056.25
II	Other Income	32	5,123.65	7,102.10
III	**TOTAL (I+II)**		**1,41,518.33**	**1,38,158.35**
IV	**EXPENDITURE :**			
	Cost of Material Consumed	33	61,930.29	66,189.99
	Generation Expenses	34	11,610.00	10,603.67
	Employee Benefits Expense	35	9,070.69	7,345.32
	Finance Cost	36	6,695.85	7,319.40
	Depreciation	5(i)	15,765.82	12,586.83
	Amortisation of Mines Development Assets	5a(ii)	204.12	135.13
	Other Expenses	37	4,493.83	3,881.21
	TOTAL (IV)		**1,09,770.60**	**1,08,061.55**
V	**Profit before Tax (III-IV)**		31,747.73	30,096.80
VI	**Tax Expenses**	38a &b		
	Current Tax		6,752.55	6,399.99
	Deferred Tax		544.71	772.85
VII	**Profit For the year (V-VI)**		24,450.47	22,923.96
VIII	**Other Comprehensive Income**			
	a) Remeasurement of Defined benefit plans		(63.04)	(183.62)
	b) Equity instruments through OCI		3,524.47	3,030.05
	Items that will not be reclassified to profit or loss		3,461.43	2,846.43
	c) Income tax on above	38c	669.51	583.06
	Total Other Comprehensive Income (net of tax)		2,791.92	2,263.37
IX	**Total Comprehensive Income for the year (VII+VIII)**			
	(Comprising Profit and Other Comprehensive Income for the year)		27,242.39	25,187.33
X	**Earning per share (Basic and Diluted)**	39	16.17	15.16
	See accompanying notes to the financial statements	1-53		

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2018		For the Year ended 31st March, 2017	
A	**Cash Flow From Operating Activities :**				
	Net Profit before Tax		31,747.73		30,096.80
	Adjustment for :				
	Depreciation	15,765.82		12,586.83	
	Amortisation of Mines Development Assets	204.12		135.13	
	Amortisation of Initial Mines Development Expenditure	649.48		576.92	
	Finance Cost	5,868.20		6,493.01	
	Unwinding of Decommissioning Liabilities	827.65		826.39	
	Amortisation of Government Grant	(198.70)		(47.35)	
	Provision for impairment of PPE	-		172.28	
	Loss on sale / write off of assets	0.47		0.41	
	Profit on sale / write off of assets	(0.21)		(86.89)	
	Interest Income	(785.91)		(1,599.64)	
	Dividend	(58.37)		(52.32)	
			22,272.55		19,004.77
	Operating Profit/(Loss) before changes in working capital		54,020.28		49,101.57
	Adjustment for (Increase)/Decrease in Operating Assets				
	Trade Receivables	(1,195.67)		1,764.11	
	Inventories	820.38		(910.70)	
	Loans and Advances	0.60		14.72	
	Other Assets	(9,955.91)		(1,376.20)	
	Adjustment for Increase/(Decrease) in Operating Liabilities				
	Trade payables	(236.05)		1,902.99	
	Other current liabilities and provisions	(1,945.37)		(2,071.99)	
			(12,512.02)		(677.07)
	Cash flow from operations after changes in working capital		41,508.26		48,424.50
	Net Direct Taxes (Paid)/Refunded		(7,394.41)		(5,145.60)
	Net Cash Flow from Operating Activities (Total - A)		34,113.85		43,278.90
B	**Cash Flow from Investing Activities :**				
	Purchase/adjustment of Fixed Assets including capital advance and Capital Work in Progress	(37,835.14)		(47,738.07)	
	Purchase of Investments	(1,200.00)		(0.00)	
	Sale of Fixed Assets	0.30		114.31	
	Interest Received	795.89		1,801.46	
	Dividend Received	58.37		52.32	
	Bank Balances not considered as Cash and Cash Equivalents	(101.87)		(111.71)	
	Net Cash Flow from Investing Activities (Total - B)		(38,282.45)		(45,881.69)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Sr. No.	Particulars		For the Year ended 31st March, 2018		For the Year ended 31st March, 2017
C	**Cash Flow from Financing Activities :**				
	Repayment of long-term borrowings	(13,222.08)		(10,512.08)	
	Net increase / (decrease) in working capital borrowings	4,303.67		(254.56)	
	Proceeds from Short Term borrowings	2,250.00		-	
	Proceeds from long-term borrowings	26,567.00		5,000.00	
	Government Grant for Capital Assets	-		952.65	
	Finance Cost Paid	(5,845.36)		(6,513.18)	
	Dividend on Equity Paid	(3,981.33)		(3,972.07)	
	Tax on Dividend Paid	(831.36)		(831.36)	
	Net Cash Flow from Financing Activities (Total - C)		9,240.54		(16,130.60)
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		5,071.94		(18,733.39)
	Opening Cash and Cash Equivalents		108.24		18,841.63
	Closing Cash and Cash Equivalents		5,180.18		108.24
	Note:				
	Cash and Cash equivalents includes :				
	- Cash on hand		1.76		1.60
	- Balance with Banks :				
	- Current Accounts	12.22		7.56	
	- Deposit Accounts	5,164.00		95.00	
	- Other Accounts	2.20	5,178.42	4.08	106.64
	TOTAL		5,180.18		108.24

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(i) Equity Share Capital

Particulars	(₹ in Lakhs)
As at 1st April, 2016	15,125.12
Additions/(Reductions)	-
As at 31st March,2017	15,125.12
As at 1st April, 2017	15,125.12
Additions/(Reductions)	-
As at 31st March, 2018	**15,125.12**

(ii) Other Equity (₹ in Lakhs)

Particulars	Reserve and Surplus						Item of Other Comprehensive Income	Total
	Capital Redemption Reserve	Expansion Reserve	Securities Premium Reserve	General Reserve	Cash Flow Hedge Reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at March 31, 2016	3,455.88	72,000.00	33,316.97	67,370.00	-	10,849.15	1,208.51	1,88,200.51
Profit for the year	-	-	-	-	-	22,923.95	-	22,923.95
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,383.44	2,383.44
Re-measurement of Defined Benefit Plans ,net of income tax	-	-	-	-	-	(120.07)	-	(120.07)
Total comprehensive income for the year	3,455.88	72,000.00	33,316.97	67,370.00	-	33,653.03	3,591.95	2,13,387.83
Payment of dividends	-	-	-	-	-	(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	-	12,737.89	3,591.95	2,08,472.69
Profit for the year	-	-	-	-	-	24,450.47	-	24,450.47
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,832.92	2,832.92
Re-measurement of Defined Benefit Plans, net of income tax	-	-	-	-	-	(41.01)	-	(41.01)
Total comprehensive income for the year	3,455.88	80,000.00	33,316.97	75,370.00	-	37,147.35	6,424.87	2,35,715.07
Payment of dividends	-	-	-	-	-	(4,083.78)	-	(4,083.78)
Tax on dividends	-	-	-	-	-	(831.36)	-	(831.36)
Impact of changes in fair value of derivatives	-	-	-	-	(22.72)	-	-	(22.72)
Transferred from retained earning	-	9,000.00	-	9,000.00	-	(18,000.00)	-	-
Balance as at March 31, 2018	**3,455.88**	**89,000.00**	**33,316.97**	**84,370.00**	**(22.72)**	**14,232.21**	**6,424.87**	**2,30,777.21**

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

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.

Recent accounting pronouncements :

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. This amendment has no effect on the financial statements of the Company.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on the Financial statements on adoption of Ind AS 115 is being evaluated by the Company.

3 Significant Accounting Policies

i) Statement of compliance

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

ii) Basis of Preparation

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

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

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

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

Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs

Notes to the financial statements

employed in their measurement which are described as follows: - Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. - Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. - Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or company's assumptions about pricing by market participants.

iii) Property, Plant & Equipment

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

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the 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) PPE (except those listed below) is provided on straight line method as per rates and methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and for renewable energy Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017.

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

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

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

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

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

Notes to the financial statements

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

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

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

v) Intangible Assets

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

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

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

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.

Notes to the financial statements

viii) Government Grant

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

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

ix) Investments in subsidiary and associate

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

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

x) Inventories

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

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

Weighted Average Cost

b) **Lignite**

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

c) **Stores and Spares**

Weighted Average Cost

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, and tax etc.

a) Revenue from sale of power 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.

Notes to the financial statements

xii) Leases

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

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

xiii) Foreign Exchange Transactions

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

xiv) Employee Benefits

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

a) Short-term employee benefits.

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

b) Defined contribution plans

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

c) Defined benefit plans

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

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

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

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

d) Other long term employee benefits

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

Notes to the financial statements

xv) Taxes on Income

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

Current tax

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

Deferred tax

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

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

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

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

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

Current and deferred tax for the year

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

xvi) Borrowing Costs

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

xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

Notes to the financial statements

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

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

xviii) Financial instruments

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

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

xix) Statement of Cash Flow

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

xx) Financial assets

a) Cash and cash equivalents

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

b) Financial assets at amortized cost

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

c) Financial assets at fair value through other comprehensive income

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

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

d) Financial assets at fair value through profit or loss

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

e) Impairment of Financial assets

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

Notes to the financial statements

f) **Derecognition of financial assets**

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

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

xxi) **Financial liabilities and equity instruments**

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

b) **Effective interest method**

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

c) **Equity instruments**

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

d) **Derecognition of financial liabilities**

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

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

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

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

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

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

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

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

Notes to 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 Wholesale Price Index (WPI) for inflation i.e.0.54% (Previous year 2.28 %) has been used for escalation of the current cost estimates and discounting rate used to determine the balance sheet obligation as at the end of the year is 7.40% (Previous year 6.69 %), which is the risk free government bond rate with 10 year yield.

b) Defined benefit obligation (DBO)

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

c) Government grant

Government grant has been recognized as receivable based on reasonable assurance that the conditions attached to the grant will be complied with and the grant will be received.

Notes to the financial statements

5(i) 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	1,35,604.97	979.66	258.39	1,193.56	33.5100	**1,87,952.84**	453.31	**453.31**	**1,88,406.15**
Additions during the year	-	147.86	8,289.96	240.15	8.66	69.37	-	**8,756.00**	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**	**1,43,894.93**	**1,219.81**	**267.05**	**1,261.99**	**32.1000**	**1,96,656.83**	**454.86**	**454.86**	**1,97,111.69**
Additions during the year	735.57	903.12	66,185.02	-	11.28	499.41	-	**68,334.40**	336.21	**336.21**	**68,670.61**
Deductions/ adjustment during the year	-	-	(24.59)	-	(0.34)	(5.30)	-	**(30.23)**	-	**-**	**(30.23)**
Balance as at 31 March 2017	**19,066.12**	**32,553.52**	**2,10,055.36**	**1,219.81**	**277.99**	**1,756.10**	**32.1000**	**2,64,961.00**	**791.07**	**791.07**	**2,65,752.07**
Additions during the year	1,369.84	1,822.51	32,913.06	169.92	23.90	37.99	-	**36,337.22**	82.46	**82.46**	**36,419.68**
Deductions/ adjustment during the year	-	(416.13)	(90.97)	-	-	(1.43)	-	**(508.53)**	-	**-**	**(508.53)**
Balance as at 31 March 2018	**20,435.96**	**33,959.90**	**2,42,877.45**	**1,389.73**	**301.89**	**1,792.66**	**32.1000**	**3,00,789.69**	**873.53**	**873.53**	**3,01,663.22**
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**
Addition / Disposal	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31 March 2018	-	-	**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	4.6800	**11,080.43**	132.83	**132.83**	**11,213.26**
Adjustment / Deduction during the year	-	-	-	-	-	(0.01)	(0.4100)	**(0.42)**	-	**-**	**(0.42)**
Balance as at 31 March 2016	-	**1,679.43**	**8,920.52**	**285.05**	**23.15**	**167.59**	**4.2700**	**11,080.01**	**132.83**	**132.83**	**11,212.84**
Depreciation during the year	-	1,708.77	10,236.15	280.81	23.80	196.03	4.2800	**12,449.84**	136.99	**136.99**	**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**	**19,156.67**	**565.86**	**46.90**	**360.45**	**8.5500**	**23,526.63**	**269.82**	**269.82**	**23,796.45**
Depreciation during the year	-	1,758.11	13,495.67	150.51	24.79	210.04	4.2800	**15,643.39**	122.41	122.41	**15,765.80**
Adjustment / Deduction during the year	-	(46.53)	(18.97)	(0.00)	-	(0.87)	-	**(66.37)**	-	**-**	**(66.37)**
Balance as at 31 March 2018	-	**5,099.78**	**32,633.37**	**716.37**	**71.69**	**569.62**	**12.8300**	**39,103.65**	**392.23**	**392.23**	**39,495.88**
Net Block as at 31 March 2017	**19,066.12**	**29,165.32**	**1,90,726.41**	**653.95**	**231.09**	**1,395.65**	**23.5500**	**2,41,262.09**	**521.25**	**521.25**	**2,41,783.34**
Net Block as at 31 March 2018	**20,435.96**	**28,860.12**	**2,10,071.80**	**673.36**	**230.21**	**1,223.05**	**19.2700**	**2,61,513.76**	**481.30**	**481.30**	**2,61,995.06**

Notes:

1. The conveyance of title for 1.04 hectares of free hold land of value ₹ 15.54 Lakh (for 2016-17 - 1.04 hectares of value ₹ 15.54 Lakh) in favour of the Company are awaiting completion of legal formalities.
2. In accordance with the Indian Accounting Standard (Ind AS) 36) on "Impairment of Assets", the Company 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 ₹ NIL (P.Y. ₹ 172.28 Lakh) has been made as at 31st March, 2018. Primary reason being non renewal of Power Purchase Agreement (PPA) by GUVNL and there being no other significant cash flows in the near future for the respective assets.
3. The company has successfully commissioned 80 MW Solar Projects at Charanka location in the state of Gujarat during the financial year 2017-18.
4. The Company had 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'.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

5 (ii) Capital Work in Progress

ASSETS	Tangible Assets	Intangible Assets	Total
Balance as at 31 March 2016	**3,471.48**	**-**	**3,471.48**
Additions during the year	65,773.39	55.20	65,828.59
Capitalised during the year	(66,854.13)	-	(66,854.13)
Balance as at 31 March 2017	**2,390.74**	**55.20**	**2,445.94**
Additions during the year	34,189.62	111.39	34,301.01
Capitalised during the year	(36,104.70)	(27.67)	(36,132.37)
Balance as at 31 March 2018	**475.66**	**138.92**	**614.58**

(₹ in Lakhs)

5a) Mine Development Assets

	As at 31st March, 2018	As at 31st March, 2017
(i) Initial Development Expenditure		
Opening Balance	**4,076.28**	4,653.20
Amortised During the year	**(649.48)**	(576.92)
Closing Balance	**3,426.80**	4,076.28
(ii) Asset For Decommissioning Liability *		
Opening Balance	**6,334.70**	7,181.89
Effect of changes in estimates	**(3,596.27)**	(712.06)
Depletion/Depreciation charged during the year	**(204.12)**	(135.13)
Closing Balance	**2,534.31**	6,334.70
TOTAL (i+ii)	**5,961.11**	10,410.98

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

6 Non- Current Investments

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Investments in Equity Instruments		
QUOTED		
11,03,360 (31st March, 2017 : 11,03,360) Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	**7,718.00**	4,489.57
1,06,578 (31st March, 2017: 1,06,578) Equity Shares of Gujarat Gas Limited of ₹ 10 each (Fully paid)	**884.81**	817.99
TOTAL QUOTED	**8,602.81**	5,307.56

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
UNQUOTED		
With Subsidiary *		
2,50,000 (31st March, 2017 : 2,50,000) Equity Shares of GIPCL Project & Consultancy Company Limited of ₹ 10 each (Fully paid)	**25.00**	25.00
With Associate*		
20,60,80,000 (31st March, 2017 : 20,60,80,000) Equity Shares of Bhavnagar Energy Company Limited of ₹ 10 each (Fully paid)	**20,608.00**	20,608.00
Share Application Money (Pending Allotment) (Refer note (e) below).	**1,200.00**	-
With Others		
97,18,181 (31st March, 2017 : 97,18,181) Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid) (Refer note (c))	**372.21**	-
1,00,00,000 (31st March, 2017 : 1,00,00,000) Equity Shares of GSPC LNG Limited of ₹ 10 each (Fully paid)	**1,973.00**	2,116.00
TOTAL UN-QUOTED	**24,178.21**	22,749.00
TOTAL INVESTMENT	**32,781.02**	28,056.56
*Refer note3(ix) for method followed for accounting of investments.		
Aggregate cost of quoted investments	**561.68**	561.68
Aggregate market value of quoted investments	**8,602.81**	5,307.56
Aggregate carrying value of unquoted investments	**24,178.21**	22,749.00

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) The NAV of Gujarat State Energy Generation Ltd. for the Previous Year ended on 31 March 2017 was negative hence the Fair Value of such investment was considered as NIL.

d)

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 31st March, 2018	As at 31st March, 2017
GIPCL Projects & Consultancy Company Limited	**100%**	100%

e)

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

Proportion of ownership interest/voting rights held by the Company	As at 31st March, 2018	As at 31st March, 2017
Bhavnagar Energy Company Limited	**24.36%**	24.36%

NOTES TO THE FINANCIAL STATEMENTS

The Company has made investment of ₹ 1200 Lakhs in the Associate company - Bhavnagar Energy Company Limited during the year. Allotment of the shares on preferential allotment basis is approved by the Board of the Associate Company in the board meeting dated 28th March, 2018. The final allotment is still in process as at 31st March, 2018. Further as per letter dated 11th April 2018 for intimation regarding change in Capital Structure of the Company the share holding of the company in Associate post allotment will be 20.69%.

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
f)	**Other investments**		
	Financial assets carried at fair value through other comprehensive income		
	Investment in equity instruments		
	- Gujarat Alkalies and Chemicals Limited	**7,718.00**	4,489.57
	- Gujarat Gas Limited	**884.81**	817.99
	- Gujarat State Energy Generation Limited	**372.21**	-
	- GSPC LNG Limited	**1,973.00**	2,116.00
	TOTAL	**10,948.02**	7,423.56
7	**Loans**		
	Secured (Considered good)		
	Loan to Employees	**-**	0.05
	Unsecured Considered good		
	Other loans & Advances	**4.00**	4.00
	TOTAL	**4.00**	4.05
8	**Other Financial Assets**		
	Unsecured Considered good		
	Escrow Account (Mines Closure)	**7,719.57**	5,487.31
	Security Deposits	**110.46**	109.24
	TOTAL	**7,830.03**	5,596.55
9	**Other Non Current Assets**		
	Secured (Considered good)		
	Capital Advance	**2,814.69**	5,354.34
	Unsecured (Considered good)		
	Capital Advance	**778.08**	845.85
	Prepayments *	**8,931.38**	1,195.59
	Others	**148.77**	148.77
	Advance tax (net of provisions)	**2,826.44**	2,731.46
	TOTAL	**15,499.36**	**10,276.01**

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
10	**Inventories**		
	Raw Materials (Fuel)	**4,370.59**	5,496.03
	Stores and Spares	**10,789.31**	10,484.25
	TOTAL	**15,159.90**	15,980.28
	Refer note 3(x) for valuation policy		

11	**Trade Receivables**		
	Unsecured (Considered good)		
	Others	**25,997.68**	24,802.01
	TOTAL	**25,997.68**	24,802.01

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

As at 31st March,2018 the Company had two customers (31st March ,2017 one customers) having outstanding more than 5% of total trade receivables that accounted for @ 89.37% (31st March,2017 @ 89.02%) of total trade receivables outstanding .

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

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

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
12	**Cash And Cash Equivalents**		
	Cash on hand	**1.76**	1.60
	Balances with Banks:		
	- In current account	**12.22**	7.56
	- In deposit account	**5,164.00**	95.00
	- Others	**2.20**	4.08
	TOTAL	**5,180.18**	**108.24**

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

13	**Other Bank Balances**		
	Earmarked bank balances*	**671.33**	569.46
	TOTAL	**671.33**	569.46

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
14	**Current Loans**		
	Secured (Considered good)		
	Loan to Employees	**0.05**	0.31
	Unsecured (Considered good)		
	Loans & Advances to related Parties*	**-**	0.29
	TOTAL	**0.05**	0.60

*Refer note no. 44

15	**Other Financial Assets**		
	Unsecured (Considered good)		
	Government grant receivable	**5,509.60**	-
	Other Receivables	**179.16**	299.36
	Interest Accrued	**118.91**	128.89
	TOTAL	**5,807.67**	428.25

Government grant amounting to ₹ 5,509.60 Lakhs of Viability Gap Funding (VGF) is receivable from Solar Energy Corporation of India vide VGF Securitization Agreement dated 23rd August, 2016 for installation of Solar Power plants at Charanka. The Company is entitled to VGF on its investment in solar plants, successful completion of work of its installation and few other terms and conditions. All the terms and conditions attached to the agreement are fulfilled except creation of charge on assets for security; Bank guarantee; execution of trusteeship and hypothecation documents. There is reasonable assurance that these conditions will be complied with and grants will be received.

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
16	**Other Current Assets**		
	Unsecured (Considered good)		
	Prepayments (Refer note no. 9)	**263.02**	31.17
	Other loans & Advances	**812.60**	929.24
	Unsecured (Considered doubtful)		
	Other loans & Advances	**37.50**	-
	Less: Provision for Impairment	**(37.50)**	-
	TOTAL	**1,075.62**	960.41
	Movement of Impairment :		
	Balance at the beginning of the year	**-**	-
	Provision during the year	**37.50**	-
	Balance at the end of the year	**37.50**	**-**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
17	**Equity Share Capital**		
	Authorised		
	32,50,00,000 Equity Shares of ₹ 10/-each	**32,500.00**	32,500.00
	61,00,000 Cumulative Redeemable Preference Shares	**6,100.00**	6,100.00
	(With dividend not exceeding 15% p.a.) of ₹ 100/- each.		
	TOTAL	**38,600.00**	38,600.00
	Issued, Subscribed And Paid Up		
	15,12,51,188 Equity Shares of ₹ 10/-each fully paid	**15,125.12**	15,125.12
	TOTAL	**15,125.12**	15,125.12

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 in Lakhs
As at 1st April, 2016	**15,12,51,188**	15,125.12
Additions/(Reductions)	-	-
As at 31st March,2017	**15,12,51,188**	15,125.12
As at 1st April, 2017	**15,12,51,188**	15,125.12
Additions/(Reductions)	-	-
As at 31st March, 2018	**15,12,51,188**	**15,125.12**

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

Name of Share Holders	As at 31st March, 2018		As at 31st March, 2017	
	%	No. of shares	%	No. of shares
Gujarat Urja Vikas Nigam Limited	**25.38**	**3,83,84,397**	25.38	3,83,84,397
Gujarat Alkalies & Chemicals Limited	**15.27**	**2,30,88,980**	15.27	2,30,88,980
Gujarat State Fertilizers & Company Limited	**14.79**	**2,23,62,784**	14.79	2,23,62,784

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

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
18	**Other Equity**		
	Capital Redemption Reserve	**3,455.88**	3,455.88
	Expansion Reserve	**89,000.00**	80,000.00
	Securities Premium Account	**33,316.97**	33,316.97
	General Reserve	**84,370.00**	75,370.00
	Cash Flow Hedge Reserve	**(22.72)**	-
	Retained earnings	**14,232.21**	12,737.89
	Equity instruments through other comprehensive income	**6,424.87**	3,591.95
	TOTAL	**2,30,777.21**	2,08,472.69
	Capital Redemption Reserve (Refer note 18 a)		
	Balance at the beginning of the year	**3,455.88**	3,455.88
	Addition/(Deduction) during the year	**-**	-
	Balance at the end of the year	**3,455.88**	3,455.88
	Expansion Reserve (Refer note 18 b)		
	Balance at the beginning of the year	**80,000.00**	72,000.00
	Addition/(Deduction) during the year	**9,000.00**	8,000.00
	Balance at the end of the year	**89,000.00**	80,000.00
	Securities Premium Account (Refer note 18 c)		
	Balance at the beginning of the year	**33,316.97**	33,316.97
	Addition/(Deduction) during the year	**-**	-
	Balance at the end of the year	**33,316.97**	33,316.97
	General Reserve (Refer note 18 d)		
	Balance at the beginning of the year	**75,370.00**	67,370.00
	Addition/(Deduction) during the year	**9,000.00**	8,000.00
	Balance at the end of the year	**84,370.00**	75,370.00
	Cash Flow Hedge Reserve (Refer note 18 e)		
	Balance at the beginning of the year	**-**	-
	Addition/(Deduction) during the year	**(22.72)**	-
	Balance at the end of the year	**(22.72)**	-
	Retained earnings		
	Balance at the beginning of the year	**12,737.89**	10,849.15
	Add : Profit for the year	**24,450.47**	22,923.95
	Less: Remeasurement of Defined benefit plans	**41.01**	120.07
	Less : Transfer to Expansion Reserve	**9,000.00**	8,000.00
	Less : Transfer to General Reserve	**9,000.00**	8,000.00
	Less : Dividend paid (Refer note no. 18 h)	**4,083.78**	4,083.78
	Less : Corporate Dividend Tax paid	**831.36**	831.36
	Balance at the end of the year	**14,232.21**	12,737.89
	Equity instruments through other comprehensive income (Refer note 18 f)		
	Balance at the beginning of the year	**3,591.95**	1,208.51
	Add/(Less): Changes in Fair value of investment	**2,832.92**	2,383.44
	Balance at the end of the year	**6,424.87**	3,591.95
	TOTAL	**2,30,777.21**	2,08,472.69

NOTES TO THE FINANCIAL STATEMENTS

a) Capital Redemption Reserve represents reserve created initially at the time of redemption of 13% Cumulative Redeemable Preference Shares amounting to ₹ 5005 Lakhs and at the time of redemption of 13.5% Cumulative Redeemable Preference shares amounting to ₹ 2495 Lakhs. It was thereafter reduced by ₹ 4044.12 Lakhs upon subsequent issue in October 2005 of 40,441,176 equity shares of ₹ 10 each.

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

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

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

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

f) The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

g) The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable entirely.

h) On 21st September , 2017, a dividend of ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakhs.) was paid to holders of fully paid equity shares. On 26th September , 2016 , the dividend was paid @ ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakhs).

i) In respect of the year ended 31st March, 2018, 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 ₹ 4083.78 Lakhs and the dividend distribution tax thereon amounts to ₹ 839.43 Lakhs.

(₹ in Lakhs)

			As at 31st March, 2018	As at 31st March, 2017
19	**Deferred Government Grant**			
	Government Grant towards Capital Assets		**6,263.55**	952.65
		TOTAL	**6,263.55**	952.65
	Deferred Government Grant			
	Opening balance		**952.65**	1,000.00
	Add : Receivable during the year (Refer note 15 above)		**5,509.60**	-
	Less : Transferred to Statement of Profit and Loss		**(198.70)**	(47.35)
	Closing Balance		**6,263.55**	952.65
20	**Non- Current Financial Liabilities**			
	Secured Loans			
	Term Loan From Banks		**36,128.72**	27,146.48
		TOTAL	**36,128.72**	27,146.48

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,Wind projects and Solar Projects). Further, the Term Loan from Banks are secured by a first charge by way of hypothecation of all the movable (save and except Book Debts) including tangible movable machinery, spares ,tools and accessories, both present and future, ranking pari passu, subject to prior charge created/to be created on current assets and receivables in favour of Company's Bankers for working capital arrangement, pertaining to the Company's Plants (Phase II - Unit 3 and 4,Wind projects and Solar Projects).

NOTES TO THE FINANCIAL STATEMENTS

b) Term Loans from Banks consists of the following:

(₹ in Lakhs)

Name of Banks	As at 31-03-2018	Current Maturities of Loan	As at 31-03-2017	Current Maturities of Loan in PY
Central Bank of India	**2,000.00**	**1,000.00**	**3,000.00**	1,000.00
State Bank of India	**1,125.00**	**500.00**	**1,625.00**	500.00
Bank of Baroda [1]	-	-	**3,250.00**	1,000.00
Oriental Bank of Commerce	-	-	**6,000.00**	2,000.00
Union Bank of India	**4,500.00**	**2,000.00**	**6,500.00**	2,000.00
IDBI Bank Ltd.	-	-	**4,158.56**	1,512.08
State Bank of Bikaner & Jaipur	**1,125.00**	**500.00**	**1,625.00**	500.00
Canara Bank	-	-	**3,000.00**	1,000.00
Karur Vysya Bank Ltd.	-	-	**3,500.00**	1,000.00
State bank of india	**11,142.50**	**5,512.00**	-	-
State Bank of India [2]	30,000.00	**4,251.78**	**5,000.00**	-
Axis Bank [3]	1,110.98	**1,110.98**	-	-
	51,003.48	**14,874.76**	**37,658.56**	**10,512.08**

[1] Refer note 25 below
[2] Sanctioned Limit ₹ 472.42 Crore Current Maturity based on sanctioned limit
[3] Sanctioned limit ₹ 303 Crore Current Maturity based on sanctioned limit

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

Name of Banks	No of quarterly Instalments outstanding after 31.03.2018	Amount of Instalments per quarter (₹ in Lakh)	Rate of Interest	Date of Maturity
State Bank of India	9	125.00	8.00%	30-06-2020
State Bank of India	8	1378.00	8.00%**	30-06-2020
	1	118.50		
Union Bank of India	9	500.00	8.50%	30-06-2020
State Bank of Bikaner & Jaipur	9	125.00	8.00%	30-06-2020
State Bank of India *	24	1062.95	8.00%**	31-03-2028
	8	1299.16		
	8	1417.26		
Axis Bank *	4	314.08	7.85%**	30-06-2027
	8	348.81		
	4	363.91		
	4	369.95		
	4	374.48		
	4	385.05		
	4	391.09		
	4	385.05		
	2	762.55		
Axis Bank*	40	380.00	7.85%	30-06-2028

* Repayment of loan details are as per sanctioned terms.
** Based on current MCLR

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
21	**Other Financial Liabilities**		
	Security deposits	**887.71**	909.30
	Others	**1.32**	1.84
	TOTAL	**889.03**	911.14
22	**Long Term Provisions**		
	Employee Benefits (Refer note 45)	**4,343.64**	3,999.56
	Provision for decommissioning of Mines	**8,418.87**	11,187.48
	TOTAL	**12,762.51**	15,187.04
a)	**Provision for decommissioning of Mines**		
	Opening Balance	**11,187.48**	11,073.15
	Unwinding of Interest	**827.65**	826.39
	Effect of changes in estimates	**(3,596.27)**	(712.06)
	Closing Balance	**8,418.86**	11,187.48
	Current provision	**-**	-
	Non Current Provision	**8,418.86**	11,187.48

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.

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
23	**Deferred Tax Liabilities (Net)**		
a)	**The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:**		
	Deferred tax assets	**1,620.50**	1,478.72
	Deferred tax liabilities	**(25,890.15)**	(24,534.16)
	TOTAL	**(24,269.65)**	(23,055.44)

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

b) Major Components of Deferred Tax Assets and Liabilities :

As at 31st March, 2018	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Defined benefit obligation	1,478.72	119.75	**22.03**	1,620.50
TOTAL Deferred Tax Assets	**1,478.72**	**119.75**	**22.03**	**1,620.50**
Deferred Tax Liabilities				
Property, plant and equipment	22,947.69	672.47	**-**	23,620.16
Equity Instruments at FVTOCI	1,250.92	-	**691.54**	1,942.46
Expenses/ Provisions allowable on payment basis	335.55	(8.01)	**-**	327.54
TOTAL Deferred Tax Liabilities	**24,534.16**	**664.46**	**691.54**	**25,890.15**
Net Deferred Tax Liabilities	**(23,055.44)**	**(544.71)**	**(669.51)**	**(24,269.65)**

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	1,211.860	203.310	**63.550**	1,478.720
TOTAL Deferred Tax Assets	**1,211.860**	**203.310**	**63.550**	**1,478.720**
Deferred Tax Liabilities				
Property, plant and equipment	21,968.830	978.860	**-**	22,947.690
Equity Instruments at FVTOCI	604.310	-	**646.610**	1,250.920
Expenses/ Provisions allowable on payment basis	338.250	(2.700)	**-**	335.550
TOTAL Deferred Tax Liabilities	**22,911.390**	**976.160**	**646.610**	**24,534.160**
Net Deferred Tax Liabilities	**(21,699.530)**	**(772.850)**	**(583.060)**	**(23,055.440)**

c) Unused Tax Credit (MAT Credit) for which no deferred tax asset is recognised is ₹ 11056.66Lakhs. In absence of reasonable certainty, the management does not recognise the MAT credit entitlement.

Assessment year (A.Y.) to which MAT credit pertains	Year Of Expiry (AY)	(₹ in Lakhs)
2011-12	**2026-27**	1,326.64
2012-13	**2027-28**	2,822.04
2013-14	**2028-29**	1,969.73
2014-15	**2029-30**	832.01
2016-17	**2031-32**	1,700.33
2017-18	**2032-33**	1,228.83
2018-19	**2033-34**	1,177.08
TOTAL		11,056.66

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
24	**Other Non-Current Liabilities**		
	Advance From Customers	**8.19**	55.03
	Provision for tax (net of advances)	**5.52**	15.15
	TOTAL	**13.71**	**70.18**

25	**Current Financial Liabilities - Borrowings**		
	BORROWINGS		
	Secured Loans :		
	Working Capital Loans from Banks	**8,377.94**	4,074.27
	Bank Of Baroda - FCNR	**2,281.09**	-
	TOTAL	**10,659.03**	4,074.27

The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capital facilities for Company's Plants at Baroda and Surat. These facilities are secured by a first charge by way of hypothecation in favour of Banks on the company's current assets and receivables, both present and future, ranking pari passu inter se, the members of the consortium relating to the respective Plants.

During the year, existing Bank Of Baroda Long Term Loan has been converted into 6 months Foreign Currency Non - Repatriable loan (FCNR) with roll over at every 6 months.

26	**Trade Payable**		
	Micro and Small Enterprises	**70.49**	38.17
	Other than Micro and Small Enterprises	**10,068.63**	10,337.00
	TOTAL	**10,139.12**	10,375.17

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 ₹ 70.49 Lakhs (P.Y. ₹ 38.17 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)

27	**Other Financial Liabilities**		
	Current Maturities of long term debts	**14,874.76**	10,512.08
	Interest Accrued but not due on borrowings	**27.64**	4.23
	Interest Accrued and due on borrowings	**8.88**	-
	Items covered by IEPF		
	- Unclaimed Dividends	**671.33**	568.88
	- Unclaimed Interest on Debentures	**-**	0.57
	Security Deposits	**277.78**	438.54
	Other Payable	**1,258.95**	459.84
	Liability for Capital Goods	**2,632.57**	8,928.41
	TOTAL	**19,751.91**	20,912.55

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
28	**Other Current Liabilities**		
	Statutory Dues	**600.26**	302.38
	Liquidated Damage from vendors	**10,094.40**	13,278.93
	Advance from customer	**85.49**	68.54
	TOTAL	**10,780.15**	13,649.85
29	**Short Term Provisions**		
	Employee Benefits (refer note 45)	**438.92**	364.26
	TOTAL	**438.92**	364.26
30	**Current Tax Liabilities (Net)**		
	Provision for tax (net of advance tax)	**578.96**	1,125.84
	TOTAL	**578.96**	1,125.84

(₹ in Lakhs)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
31	**Revenue From Operations**		
	Sale of Electrical Energy	**1,35,819.29**	1,30,380.97
	Sale of services	**20.35**	10.44
	Other operating Revenues	**555.04**	664.84
	TOTAL	**1,36,394.68**	1,31,056.25
32	**Other Income**		
	Interest on Deposits with Banks	**471.13**	1,252.65
	Dividend	**58.37**	52.32
	Other Interest	**0.02**	78.01
	Insurance Claims	**-**	2,087.67
	Liquidated Damages	**4,046.22**	3,288.45
	Miscellaneous Income	**547.91**	343.00
	TOTAL	**5,123.65**	7,102.10
33	**Cost Of Material Consumed**		
	Consumption of		
	- Gas	**22,252.92**	23,746.89
	- Lignite	**46,115.02**	51,824.89
	- Lime Stone	**1,208.31**	891.71
	- Furnace oil	**1,011.86**	744.75
	- Coal	**2,999.70**	-
	Lignite Extraction Expenses	**23,806.91**	28,357.32
	Less : Inter Division transfer	**35,464.43**	39,375.57
	TOTAL	**61,930.29**	66,189.99

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
34	**Generation Expenses**		
	Consumption of Stores and Spares	3,595.44	2,671.72
	Water Charges	1,762.43	1,754.64
	Electricity Charges	1,039.56	1,071.89
	Insurance	1,209.34	1,211.36
	Operation Expenses	2,714.35	2,500.79
	Repairs and Maintenance to Plant and Machinery	1,288.88	1,393.27
	TOTAL	11,610.00	10,603.67
35	**Employees Benefit Expenses**		
	Salary and Wages	6,815.47	4,875.10
	Contribution to Provident , Pension and Superannuation Fund	450.20	453.39
	Welfare Expenses and Other Benefits	1,805.02	2,016.83
	TOTAL	9,070.69	7,345.32
36	**Finance Cost**		
	Interest on		
	- Term Loans	4,228.14	3,922.44
	- Working Capital Loans	174.52	50.73
	- Others	9.44	1,227.37
	- Unwinding of discount on Decommissioning liability	827.65	826.39
	Bank Charges and Commission	445.26	296.07
	Cash Rebate on Sales	1,010.84	996.40
	TOTAL	6,695.85	7,319.40
37	**Other Expenses**		
	Repairs and Maintenance		
	- Buildings	442.74	381.31
	- Others	116.88	127.66
	Rent	293.59	39.29
	Rates and Taxes	286.28	284.71
	Communication Expenses	54.30	51.24
	Travelling & Conveyance Expenses	330.53	330.32
	Legal, Professional and Consultancy Fees	282.87	277.75
	CSR Expenditure (Refer a below)	561.26	517.08
	Provision for impairment of Asset		
	- Equity Instrument	37.50	-
	- PPE	-	172.28
	Miscellaneous Expenses *	2,087.88	1,699.57
	TOTAL	4,493.83	3,881.21

*None of the items individually account for more than 1% of Revenue from operation.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Details of CSR Expenditure are as under:		
Gross Amount required to be spent	544.11	516.00
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	561.26	517.08
- yet to be paid in Cash	-	-
TOTAL	561.26	517.08

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
38 Tax Expense		
a) Current tax in relation to		
- current year	6,752.55	6,399.99
Deferred tax	544.71	772.85
TOTAL	7,297.26	7,172.84
b) The income tax expense for the year can be reconciled to the accounting profit as follows:-		
Profit before tax	31,747.73	30,096.80
Income tax expense at 34.608%	10,987.25	10,415.90
Effect of Income exempt under Income Tax	(20.20)	(18.12)
Tax deduction in respect of profit from eligible power generation undertaking u/s 80IA	(5,706.63)	(4,598.05)
Expenses not allowable under Income Tax	277.34	359.41
Effect of depreciation	37.71	(1,068.23)
Tax on normal provision	5,575.46	5,090.91
Additional tax payable under MAT*	1,177.08	1,309.08
Income tax expense in recognized in statement of profit or loss	6,752.55	6,399.99

*The Company is entitled to the MAT credit under the provisions of the Income-tax act,1961.In absence of reasonable certainty, the management does not recognise the MAT credit entitlement.

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
c) Income tax recognised in other comprehensive income (OCI):-		
Deferred tax arising on income and expense recognised in OCI		
Remeasurement of Defined benefit plans	(22.03)	(63.55)
Gain /Loss on Equity instruments through Other comprehensive income	691.54	646.61
TOTAL Income tax recognised in OCI	669.51	583.06

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
39	**In accordance with Ind AS 33 – 'Earnings Per Share', the Basic and Diluted Earning Per Share (EPS) has been calculated as under :**		
	Profit available to equity shareholders (₹ in Lakhs)	**24,450.47**	22,923.96
	Weighted Average number of equity shares	**15,12,51,188**	15,12,51,188
	Earning Per Share of ₹ 10/- each		
	Basic (₹)	**16.17**	15.16
	Diluted (₹)	**16.17**	15.16
40	**Commitments :**		
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	**28,074.65**	30,828.96
	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 Lakh (P.Y. 22,000 Lakh). Out of this, ₹ 21,808 Lakh (P.Y. ₹ 20,608 Lakh) has been paid. The Company has also committed to contribute towards Sub Debt financing to the tune of ₹ 2,000 Lakh (P.Y. ₹ 2000 Lakh). In addition to the above, the Company has committed to contribute towards cost overrun in future, if any, which will be partly by way of contribution towards Equity and partly towards Sub Debt financing.	**2,192.00**	3,392.00
41	**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.	**9.04**	9.04
	- By Ex-employee against recovery of notice period	**1.02**	1.02
	b) Demand for Water Reservation Charges and interest thereon from Narmada Water Resources and Water Supply Department relating to Surat Lignite Power Plant is contested and not acknowledged as debt since at the relevant time project was under implementation and regular drawl of water was not made.	**878.87**	743.48
	c) In respect of following cases of land acquisition, various claims are pending against the Company. Depending upon the final compensation amount that may be determined by the Competent Court, the cost of land may change requiring appropriate adjustment then:		
	- Leasehold land of 165 MW Baroda	**218.60**	218.60
	- Freehold land at Surat Lignite Power Stations	**503.15**	533.10
	d) Income Tax Demand contested in Appeal.	**2,673.08**	2,472.76
	e) Demand of Property Tax under discussion with Grampanchayat, Nani Naroli, Dist.Surat.	**147.50**	131.00
	f) Liability likely to arise on account of transportation charges for gas which is under dispute.	**448.50**	448.50

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
g)	The company has been recovering the corporate action on the share holding of Petrofils Cooperative Ltd. A portion of the said shareholding is under dispute at High Court of Gujarat. Subject to its final outcome, the company may be directed by the Honorable Court to make a payment towards the portion of such recovery.	**Amount not ascertainable**	Amount not ascertainable
h)	Cases pending at the High Court of Gujarat for regularization of contract workmen.	**Amount not ascertainable**	Amount not ascertainable
i)	The Interest claimed by M/s GAIL in respect of demand towards the "Pay for if not taken liability " on account of R-LNG Contract which the Company has entered in to with M/s GAIL to partially meet with its Fuel (Gas) requirement.	**134.00**	134.00
j)	Claims and disputes raised by Mines Developer and Operator Contractor of Vastan South Pit on account of change in stripping ratio and diesel price escalation.	**9,829.38**	9,829.38
k)	Excise duty including interest and penalty on captive consumption of lignite.	**213.09**	119.19

42	**Payment to Auditors (Fees excluding tax)**		
	Statutory Auditors		
-	As Auditor	**12.75**	12.00
-	For Taxation Service	**1.20**	2.80
-	Other Services	**0.75**	10.76
-	Reimbursement of Expenses	**0.21**	0.03
	Total	**14.91**	25.59
	Cost Auditors		
-	As Auditor	**1.25**	1.00
-	Other Services	**-**	0.44
	Total	**1.25**	1.44

43 Leases

Operating lease arrangements

Operating leases relate to leases of land with lease terms ranging from 25 to 99 years. The Company does not have an option to purchase the land at the expiry of the lease periods. Amount paid in advance are shown as Prepayments and are transferred to Statement of profit and loss based on the lease term.

The company does not have any non-cancellable operating lease commitments.

Payments recognized as an expense

Minimum lease payments	**263.02**	30.16
Total	**263.02**	30.16

NOTES TO THE FINANCIAL STATEMENTS

44 Related Party Disclosures

a) Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties:

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Ltd	Entity having Significant Influence
GIPCL Projects and Consultancy Company Ltd.	Subsidiary Company
Bhavnagar Energy Corporation Limited	Associate Company
GIPCL Provident Fund Trust	Enterprise over which KMP is having Significant Influence
Smt. Sonal Mishra	Key Management Personnel (KMP) till 19.05.2017
Smt. Shahmeena Hussain	Key Management Personnel (KMP) w.e.f. 20.05.2017
Development Efforts for Rural Economy and Pepople (DEEP) – NGO promoted by the company	Enterprise over which KMP is having Significant Influence
Urja Foundation - Welfare Trust formed by the company.	Enterprise over which KMP is having Significant Influence
Gujarat Mineral Development Corporation Ltd.	Enterprise over which KMP is having Significant Influence till 19.05.2017
Gujarat Green Revolution Company Ltd.	Enterprise over which KMP is having Significant Influence
Shri S.P.Desai	Chief Finance Officer upto 04.06.2016
Shri G S Chahal	Chief Finance Officer from 05.12.2016 upto 04.12.2017
Shri K K Bhatt	Chief Finance Officer w.e.f. 08.12.2017
Shri A C Shah	Company secretary upto 11.03.2018
Smt. Swati Desai	Company secretary w.e.f. 12.03.2018
Shri Sujit Gulati, IAS	Chairman
Shri Pankaj Joshi, IAS	Director
Shri P K Gera, IAS	Director
Prof. Shekhar Chaudhari	Director
Shri Sanjeev Kumar	Director
DR. K M Joshi	Director
Shri S B Dangyach	Director
Shri B A Prajapati	Director
Shri Milind Torawane	Director
Shri Jankiraman	Director
Shri N N Mishra	Director
Shri V V Vachhrajani	Director
Shri L. Chuaungo, IAS	Director upto 27.06.2016
Shri Ashok Kumar	Director upto 19.10.2016
DR. P.K.Das, IAS (RETD.)	Director upto 26.07.2016

NOTES TO THE FINANCIAL STATEMENTS

b) The following transactions were carried out with the related parties in ordinary course of business during the year:

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	Subsidiary Company	Associate Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Transactions during the year						
Sale of Electricity Energy (Net of Adjustment)	**1,08,981.75**	**-**	**-**	**-**	**-**	**1,08,981.75**
	(1,05,290.12)	-	-	-	-	(1,05,290.12)
Gujarat Urja Vikas Nigam Limited	**1,08,981.75**	**-**	**-**	**-**	**-**	**1,08,981.75**
	(1,05,290.12)	-	-	-	-	(1,05,290.12)
Bill Discounting Charges Recovered	**96.25**	**-**	**-**	**-**	**96.25**	
	(1,411.16)	-	-	-	-	(1,411.16)
Gujarat Urja Vikas Nigam Limited	**96.25**	**-**	**-**	**-**	**-**	**96.25**
	(1,411.16)	-	-	-	-	(1,411.16)
Rebate on Sales	**1,010.86**	**-**	**-**	**-**	**-**	**1,010.86**
	(995.82)	-	-	-	-	(995.82)
Gujarat Urja Vikas Nigam Limited	**1,010.86**	**-**	**-**	**-**	**-**	**1,010.86**
	(995.82)	-	-	-	-	(995.82)
Dividend Paid	**1,036.38**	**-**	**-**	**-**	**-**	**1,036.38**
	(1,036.38)	-	-	-	-	(1,036.38)
Gujarat Urja Vikas Nigam Limited	**1,036.38**	**-**	**-**	**-**	**-**	**1,036.38**
	(1,036.38)	-	-	-	-	(1,036.38)
Remuneration	**-**	**-**	**-**	**77.48**	**-**	**77.48**
	-	-	-	(51.63)	-	(51.63)
Smt Sonal Mishra	**-**	**-**	**-**	**3.11**	**-**	**3.11**
	-	-	-	(18.48)	-	(18.48)
Shri S P Desai	-	-	-	-	-	-
	-	-	-	(4.36)	-	(4.36)
Shri G S Chahal	-	-	-	19.63	-	19.63
	-	-	-	(8.21)	-	(8.21)
Shri K K Bhatt	-	-	-	4.67	-	4.67
	-	-	-	-	-	-
Shri A C Shah	-	-	-	48.46	-	48.46
	-	-	-	(20.58)	-	(20.58)
Smt. Swati Desai	-	-	-	1.60	-	1.60
	-	-	-	-	-	-
Perquisites	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	(4.43)	-	(4.43)
Smt Sonal Mishra	-	-	-	-	-	**-**
	-	-	-	(4.43)	-	(4.43)
Expenses Recovered	**-**	**0.78**	**-**	**-**	**-**	**0.78**
	-	(6.11)	-	-	-	(6.11)
GIPCL Projects and Consultancy Company Ltd.	**-**	**0.78**	**-**	**-**	**-**	**0.78**
	-	(6.11)	-	-	-	(6.11)
Payment Made On Behalf of subsidiary	**-**	**0.50**	**-**	**-**	**-**	**0.50**
	-	(0.29)	-	-	-	(0.29)
GIPCL Projects and Consultancy Company Ltd.	**-**	**0.50**	**-**	**-**	**-**	**0.50**
	-	(0.29)	-	-	-	(0.29)

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	Subsidiary Company	Associate Company	KMP	Enterprise over which KMP is having Significant Influence	Total
Contribution Towards Equity	-	-	**1,200.00**	-	-	**1,200.00**
	-	-	-	-	-	-
Bhavnagar Energy Corporation Limited	-	-	**1,200.00**	-	-	**1,200.00**
	-	-	-	-	-	-
Contribution made by compnay	-	-	-	-	**327.04**	**327.04**
	-	-	-	-	(324.58)	(324.58)
GIPCL Provident Fund Trust	-	-	-	-	**327.04**	**327.04**
	-	-	-	-	(324.58)	(324.58)
Contribution Towards CSR Activities	-	-	-	-	**500.70**	**500.70**
	-	-	-	-	(442.38)	(442.38)
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	-	-	-	-	**500.70**	**500.70**
	-	-	-	-	(442.38)	(442.38)
Purchase of Lignite	-	-	-	-	**479.00**	**479.00**
	-	-	-	-	(15,372.79)	(15,372.79)
Gujarat Mineral Development Corporation Ltd.	-	-	-	-	**479.00**	**479.00**
	-	-	-	-	(15,372.79)	(15,372.79)
Sitting Fees Paid To Directors	-	-	-	**12.50**	-	**12.50**
	-	-	-	(8.80)	-	(8.80)
Shri Sujit Gulati, IAS*	-	-	-	**0.80**	-	**0.80**
	-	-	-	(0.60)	-	(0.60)
Shri Pankaj Joshi, IAS*	-	-	-	**0.60**	-	**0.60**
	-	-	-	(0.40)	-	(0.40)
Shri P K Gera, IAS*	-	-	-	**0.80**	-	**0.80**
	-	-	-	(0.40)	-	(0.40)
Shri Sanjeev Kumar,IAS*	-	-	-	**0.10**	-	**0.10**
	-	-	-	-	-	-
Prof. Shekhar Chaudhari	-	-	-	**0.70**	-	**0.70**
	-	-	-	(0.30)	-	(0.30)
DR. K M Joshi	-	-	-	**3.20**	-	**3.20**
	-	-	-	(2.20)	-	(2.20)
Shri S B Dangyach	-	-	-	**1.30**	-	**1.30**
	-	-	-	(0.80)	-	(0.80)
Shri B A Prajapati	-	-	-	**1.80**	-	**1.80**
	-	-	-	(1.50)	-	(1.50)
Shri Milind Torawane,IAS*	-	-	-	**0.30**	-	**0.30**
	-	-	-	-	-	-
Shri Jankiraman	-	-	-	**0.30**	-	**0.30**
	-	-	-	-	-	-
Shri N N Mishra	-	-	-	**0.90**	-	**0.90**
	-	-	-	(0.60)	-	(0.60)
Smt Shahmeena Hussain,IAS*	-	-	-	-	-	-
	-	-	-	(0.30)	-	(0.30)
Shri L. Chuaungo, IAS*	-	-	-	-	-	-
	-	-	-	(0.10)	-	(0.10)
Shri Ashok Kumar				-		-
				(0.20)		(0.20)

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
DR. P.K.Das,IAS (Retd.)				-		-
				(0.60)		(0.60)
Shri S M Awale	**-**	**-**	**-**	**0.50**	**-**	**0.50**
	-	-	-	(0.40)	-	(0.40)
Shri V V Vachhrajani	**-**	**-**	**-**	**1.20**	**-**	**1.20**
	-	-	-	(0.40)	-	(0.40)

*Deposited to Government Treasury

Balance as at: (₹ in Lakhs)

Receivable	Relationship	As at 31st March, 2018	As at 31st March, 2017
Gujarat Urja Vikas Nigam Limited	Entity having Significant Influence	**21,326.43**	22,078.53
GIPCL Provident Fund Trust	Enterprise over which KMP is having Significant Influence	**100.00**	229.90
GIPCL Projects and Consultancy Company Ltd.	Subsidiary Company	**-**	0.29
		21,426.43	22,308.72

45 Post Employment Benefits:

a) Defined Contribution plans:

The Company makes contributions towards provident fund, pension scheme and Superannuation Fund to Defined Contribution retirement benefit plan for qualifying employees.

The Company pays fixed contribution to fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India.

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:(i)Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:(ii) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.(iii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.(iv) Fixation of rate of interest to be credited to members' accounts.

The provident fund plan is operated by the Gujarat Industries Power Company Ltd. Provident Fund Trust (the Trust). Eligible employees receive benefits from the said trust which is a defined contribution plan. Under the plan, the Company is required to contribute a specified percentage of employee's salary to the retirement benefit plan to fund the benefits. The Company has recognised ₹ 327.04 Lakhs (P.Y. ₹ 324.58 Lakhs) for Provident Fund contributions and ₹ 78.35 Lakhs (P.Y. ₹ 81.20 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 ₹ 44.80 Lakhs (P.Y. ₹ 47.64 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

b) Defined benefit plans

Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – Earned Leave balance subject to a minimum available 45 days per calendar year. Encashment on retirement – maximum 300 days

Sick Leave benefit

Accrual- 10 days per year

The leave is encashable.Leave encashment occurs due to retirement and death. There is no limit on maximum accumulation of leave days

The Company has recognised ₹ 419.87 Lakhs (P.Y. ₹ 519.70 Lakhs) towards Leave encashment (including Earned Leave and Sick Leave).

The provision towards the Leave Encashment is as under. **(₹ in Lakhs)**

	As at 31st March, 2018	As at 31st March, 2017
Current	246.26	214.51
Non-Current	1,980.93	1,813.73
Total	**2,227.19**	2,028.24

Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is at actual on superannuation, resignation, termination, disablement or on death.

Scheme is not funded. The liability for gratuity as above is recognised on the basis of actuarial valuation.

Post-Retirement Medical Benefits

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided with reimbursement of Insurance Premium restricted to ₹ 10000/-. The liability for the same is recognised annually on the basis of actuarial valuation. An employee should have put in a minimum of 10 years of service rendered in continuity in GIPCL at the time of superannuation to be eligible for availing post-retirement medical facilities.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment 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, 2018 by Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	For the year ended 31st March	
	2018	2017
Type of Benefit	**Gratuity**	Gratuity
Country	**India**	India
Reporting Currency	**INR**	INR
Reporting Standard	**Indian Accounting Standard 19 (Ind AS 19)**	
Funding Status	**Unfunded**	Unfunded
Starting Period	**01.04.2017**	01.04.2016
Date of Reporting	**31.03.2018**	31.03.2017
Period of Reporting	**12 Months**	12 Months

Assumptions (Current Period)

Particulars	For the year ended 31st March	
	2018	2017
Expected Return on Plan Assets	**N.A.**	N.A.
Rate of Discounting	**7.78%**	7.39%
Rate of Salary Increase	**6.00%**	6.00%
Rate of Employee Turnover	**2.00%**	2.00%
Mortality Rate During Employment	**Indian Assured LivesMortality (2006-08)**	
Mortality Rate After Employment	**N.A.**	N.A.

(₹ in Lakhs)

Particulars	**Gratuity (Non Funded)**		**Post Retirement Medical Benefit Plan (Non Funded)**	
	For the year ended 31st March		**For the year ended 31st March**	
	2018	**2017**	**2018**	**2017**
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit obligation				
Present Value of Defined Benefit obligation at beginning of the year	**2,193.01**	1,810.53	**142.56**	122.20
Current Service Cost	**128.11**	120.73	**4.19**	21.58
Interest Cost	**162.06**	145.57	**-**	-
Actuarial (gain)/loss	**63.05**	183.62	**-**	-
Benefits paid	**(135.99)**	(67.43)	**(1.63)**	(1.22)
Present Value of Defined Benefit obligation at year end	**2,410.24**	2,193.01	**145.12**	142.56
II. Reconciliation of fair value of assets and obligation				
Fair value of Plan Assets as at the beginning of the year	**2,193.01**	1,810.53	**142.56**	122.20
Present Value of Defined Benefit obligation as at the end of the year	**2,410.24**	2,193.01	**145.12**	142.56
Liabilities recognized in Balance Sheet	**2,410.24**	2,193.01	**145.12**	142.56

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Gratuity (Non Funded) For the year ended 31st March 2018	2017	Post Retirement Medical Benefit Plan (Non Funded) For the year ended 31st March 2018	2017
III. Expense recognized during the year				
Current Service Cost	**128.11**	120.73	**4.19**	21.58
Interest Cost	**162.06**	145.57	**-**	-
Actuarial (gain)/loss	**63.05**	183.62	**-**	-
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Total Expenses/(Gain) recognized in Profit and loss account	**353.22**	449.91	**145.12**	142.56
IV. Actuarial assumptions				
Mortality Table (Indian Assured Lives Mortality)	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	7.39%	7.39%	**7.39%**	7.39%
Rate of escalation in salary (per annum)	6.00%	6.00%	**6.00%**	6.00%
V. Amounts for the current and previous periods				
Defined benefit obligation	**2,410.24**	2,193.01	**145.12**	142.56
Experience loss(gain) on plan liabilities	**133.47**	77.43	**NA**	NA

Maturity Analysis of Projected Benefit Obligation are as under: (₹ in Lakhs)

Gratuity	As at 31st March, 2018	As at 31st March, 2017
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	**188.97**	146.32
2nd Following Year	**110.48**	143.01
3rd Following Year	**113.55**	107.89
4th Following Year	**273.17**	99.42
5th Following Year	**250.14**	249.39
6th To 10th Year	**1,524.21**	1,264.55
11th and Above	**2,506.63**	2,491.54
Sensitivity Analysis are as under:		
Projected Benefit Obligation on Current Assumptions	**2,410.24**	2,193.01
Delta Effect of +1% Change in Rate of Discounting	**(165.49)**	(159.79)
Delta Effect of -1% Change in Rate of Discounting	**187.99**	182.31
Delta Effect of +1% Change in Rate of Salary Increase	**189.45**	183.02
Delta Effect of -1% Change in Rate of Salary Increase	**169.60**	(163.19)
Delta Effect of +1% Change in Rate of Employee Turnover	**23.21**	17.49
Delta Effect of -1% Change in Rate of Employee Turnover	**25.83**	(19.52)

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

46 Operating Segment

a) The Company's operations fall under single segment namely "Power Generation", taking into account the different risks and returns, the organization structure and the internal reporting systems hence no separate disclosure of Operating Segment is required to be made as required under Ind AS – 108 "Operating Segment".

b) **Information about major customers**

Company's significant revenues (more than 80%) are derived from sales to Public Sector Undertaking. The total sales to such companies during the year amounted to ₹ 108,981.75 lakhs (P Y ₹ 105,290.12 Lakhs) .

c) **Information about geographical areas:**

Segment revenue from "Sale of Power" represents revenue generated from external customers which is fully attributable to the Company's Country of domicile i.e. India.

All assets are located in the Company's Country of domicile.

d) **Information about products and services**

The Company derives revenue from sale of power. The information about revenues from external customers is disclosed in Note no. 31 of the Financial Statements.

47 Financial instruments disclosure:

Capital management

The Company's objective when managing capital is to:

a) 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

b) Maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity (Refer Note 17 & 18). The Company is not subject to any externally imposed capital requirements.

Management of the Company reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing Ratio

The gearing ratio at end of the reporting period is as follows. **(₹ in Lakhs)**

	As at 31st March, 2018	As at 31st March, 2017
Debt	**61,662.51**	41,732.83
Total Equity	**2,45,902.33**	2,23,597.81
Debt to Equity Ratio	**0.25**	0.19

1. Debt is defined as all Long Term Debt outstanding + Current Maturity outstanding in lieu of Long Term Debt +Short Term Debt outstanding.
2. Equity is defined as Equity Share Capital + Other Equity

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Categories of financial instruments

	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	**25,997.68**	24,802.01
(b) Cash and cash equivalents	**5,180.18**	108.24
(c) Other bank balances	**671.33**	569.46
(d) Loans	**4.05**	4.65
(e) Other financial assets	**13,637.70**	6,024.80
Measured at FVTOCI		
(a) Investments in equity instruments	**-**	-
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	**46,787.75**	31,220.75
(b) Trade payables	**10,139.12**	10,375.17
(c) Other financial liabilities	**20,640.94**	21,823.69

Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk and interest rate risk.

Interest rate risk management - Borrowings

The Company's main interest rate risk arises from the long term borrowings with floating rates.

The Company's floating rates borrowings are carried at amortised cost. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk management - Investment

The Company invests the surplus fund generated from operations in bank deposits . Bank deposits are made for a period of upto 12 months and carry interest rate of 6.0%-6.5% 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, 2018 would increase / decrease by ₹ 547.40 Lakhs (P.Y. ₹ 371.18 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS

Foreign Currency Exchange Risk Management

The Company has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The Forward exchange contracts used for hedging foreign currency exposure and outstanding as at year ended 31st March, 2018 are as under:-

(₹ in Lakhs)

Currency	No Of Contracts	Buy (USD)	INR Equivanents
Forward Contract to buy USD as at 31.03.2018	**4**	**35.37**	**2,327.63**
Forward Contract to buy USD as at 31.03.2017	-	-	-

Sensitivity to risk

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ' 15 ('000) gain in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal but opposite effect

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.

(₹ in Lakhs)

Particulars		1 year – 3 years	More than 3 years	Total
As at 31 March, 2018				
Trade Payable		**10,139.12**	**-**	**10,139.12**
Security Deposits from Contractors		**277.78**	**887.81**	**1,165.59**
	Total	**10,416.90**	**887.81**	**11,304.71**
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**

NOTES TO THE FINANCIAL STATEMENTS

The Company has access to committed credit facilities as described below, of which ₹ 19,539 Lakhs were unused at the end of the reporting period (as at 31st March, 2017 ₹ 20,204.81 Lakh). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in Lakhs)

Secured bank overdraft facility, reviewed annually and payable at call:	**As at 31st March, 2018**	As at 31st March, 2017
Amount used	**8248.02**	4,070.19
Amount unused	**11290.98**	20,204.81

Fair value measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets at fair value through other comprehensive income (FVTOCI) (₹ in Lakhs)

Financial assets/ financial liabilities	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Fair value as at**	
			As at 31st March, 2018	As at 31st March, 2017
Investment in equity instruments (quoted)	Level 1	Quoted bid prices from BSE	**8,602.81**	5,307.56
Investment in Equity Instruments (unquoted)	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable	**1,973.00**	2,116.00

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 6 approximate their fair values.

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

49 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.

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

51 In the F.Y. 2016-17, the Board of Directors, decided to reorganize the operations of its wholly owned subsidiary - GIPCL Projects & Consultancy Services Co. Ltd. (GIPCO) by way of a scheme of Arrangement in the nature of Merger which provided for the merger of the subsidiary with the Company on a going concern basis per applicable provisions of the Companies Act, 2013. During the current financial year, the Board of Directors has changed the plans of merging the subsidiary and has finally approved the Voluntary Liquidation of GIPCO under the Insolvency and Bankruptcy Code, 2016. The process of liquidation is in the process at the year end. The management does not expect any material impact of such plans on the operations of the Company.

NOTES TO THE FINANCIAL STATEMENTS

52 Previous year figures have been reclassified and regrouped wherever necessary to confirm to current year's classification.

53 Approval of Financials Statements

The Standalone Financial Statements were approved for issue by the Board of Directors on 24th May, 2018.

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

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, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow 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 ("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 state of affairs (financial position), consolidated profit or loss (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 the assets of the Group and its associate 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 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.

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 consolidated 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 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 we have obtained 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, of the consolidated state of affairs (financial position) of the Group and its associate as at 31st March, 2018, their consolidated profit (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw your attention to the note no.2 (b) (vii) of the accompanying statement relating to inclusion of associate's financial information in the consolidated Ind AS financial statements.

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, and 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 Statement of Cash Flow 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 (Ind AS) 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, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the Directors of the Group, is disqualified as on 31st March, 2018 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. 41 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, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; except a sum of ₹ 0.05 Lakhs which is held in abeyance due to pending legal cases.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 24th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Gujarat Industries Power Company Limited** (hereinafter referred to as "the Holding Company"), its subsidiary company and its associate company as of 31st March, 2018 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, its subsidiary company and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 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 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 consolidated 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 consolidated 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 consolidated 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 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, 2018, 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 most recent audited financial statements available are for the financial year ended 31st March 2017. The Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act dated 23rd March, 2018, as available for the financial year ended as at 31st March, 2017, issued by other auditors is unmodified.

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

Vishal P. Doshi
Partner
Membership No. 101533

Place: Gandhinagar
Date: 24th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	AS AT 31st March, 2018	AS AT 31st March, 2017
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5(i)	**2,61,513.76**	2,41,262.09
(b) Mine Development Assets	5a	**5,961.11**	10,410.98
(c) Capital work-in-progress	5(ii)	**475.66**	2,390.74
(d) Other Intangible assets	5(i)	**481.30**	521.25
(e) Intangible assets under development	5(ii)	**138.92**	55.20
(f) Financial Assets			
(i) Investments	6	**24,907.94**	28,031.56
(ii) Loans	7	**4.00**	4.05
(iii) Others	8	**7,830.03**	5,596.55
(g) Other non-current assets	9	**15,499.36**	10,276.01
Total Non-current Assets		**3,16,812.08**	2,98,548.43
2 Current assets			
(a) Inventories	10	**15,159.90**	15,980.28
(b) Financial Assets			
(i) Trade receivables	11	**25,997.68**	24,802.01
(ii) Cash and cash equivalents	12	**5,219.12**	145.97
(iii) Bank balances other than (ii) above	13	**671.33**	569.46
(iv) Loans	14	**0.05**	0.31
(v) Others	15	**5,808.40**	429.05
(c) Current Tax Assets (Net)	17	**0.07**	-
(d) Other current assets	16	**1,075.62**	960.41
Total Current Assets		**53,932.17**	42,887.49
Total Assets		**3,70,744.25**	3,41,435.92
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	17	**15,125.12**	15,125.12
(b) Other Equity	18	**2,22,943.58**	2,08,485.48
Total Equity		**2,38,068.70**	2,23,610.60
2 Deferred Government Grant		**6,263.55**	952.65
LIABILITIES			
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	**36,128.72**	27,146.48
(ii) Other financial liabilities	21	**889.03**	911.14
(b) Provisions	22	**12,762.51**	15,187.04
(c) Deferred tax liabilities (Net)	23	**24,269.65**	23,055.44
(d) Other non-current liabilities	24	**13.71**	70.18
Total Non-current Liabilities		**74,063.62**	66,370.28
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**10,659.03**	4,074.27
(ii) Trade payables	26	**10,139.38**	10,375.16
(iii) Other financial liabilities	27	**19,751.91**	20,912.55
(b) Other current liabilities	28	**10,780.18**	13,649.85
(c) Provisions	29	**438.92**	364.26
(d) Current Tax Liabilities (Net)	30	**578.96**	1,126.30
Total Current Liabilities		**52,348.38**	50,502.39
Total Equity and Liabilities		**3,70,744.25**	3,41,435.92
See accompanying notes to the financial statements	1-55		

As per our report of even date attached

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

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
I	Revenue from Operations	31	1,36,394.68	1,31,056.25
II	Other Income	32	5,126.32	7,105.14
III	**TOTAL (I+II)**		1,41,521.00	1,38,161.39
IV	**EXPENDITURE :**			
	Cost of Material Consumed	33	61,930.29	66,189.99
	Generation Expenses	34	11,610.00	10,603.67
	Employee Benefits Expense	35	9,070.69	7,345.32
	Finance Cost	36	6,695.89	7,319.40
	Depreciation	5(i)	15,765.82	12,586.83
	Amortisation of Mines Development Assets	5a(ii)	204.12	135.13
	Other Expenses	37	4,494.22	3,881.70
	TOTAL (IV)		1,09,771.03	1,08,062.04
V	**Profit before Tax (III-IV)**		31,749.97	30,099.35
VI	**Tax Expenses**	38 a & b		
	Current Tax		6,753.13	6,401.15
	Deferred Tax		544.71	772.85
VII	**Profit For the year before share of Associates (V-VI)**		24,452.13	22,925.35
VIII	Profit/(Loss) of Associates on Consolidation	6	(7,847.35)	-
IX	**Profit For the year after share of Associates (VII-VIII)**		16,604.78	22,925.35
X	**Other Comprehensive Income**			
	a) Remeasurement of Defined benefit plans		(63.04)	(183.62)
	b) Equity instruments through OCI		3,524.47	3,030.05
	Items that will not be reclassified to profit or loss		3,461.43	2,846.43
	c) Income tax on above	38c	669.50	583.07
	d) Share of OCI income of Associates (will not be reclassified to profit or loss)		(0.73)	-
	Total Other Comprehensive Income (net of tax)		2,791.20	2,263.36
XI	**Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)**		19,395.98	25,188.71
XII	**Earning per share (Basic and Diluted)**		10.98	15.16
	See accompanying notes to the financial statements	1-55		

As per our report of even date attached

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

Vishal P Doshi
Partner
Membership No. 101533

Place : Gandhinagar
Date : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2018		For the Year ended 31st March, 2017	
A	**Cash Flow From Operating Activities :**				
	Net Profit before Tax		**31,749.97**	30,099.35	
	Adjustment for :				
	Depreciation	**15,765.82**		12,586.83	
	Amortisation of Mines Development Assets	**204.12**		135.13	
	Amortisation of Initial Mines Development Expenditure	**649.48**		576.92	
	Finance Cost	**5,868.24**		6,493.01	
	Unwinding of Decommissioning Liabilities	**827.65**		826.39	
	Amortisation of Government Grant	**(198.70)**		(47.35)	
	Provision for impairment of PPE	**-**		172.28	
	Loss on sale / write off of assets	**0.47**		0.41	
	Profit on sale / write off of assets	**(0.21)**		(86.89)	
	Interest Income	**(788.58)**		(1,602.68)	
	Dividend	**(58.37)**		(52.32)	
			22,269.92		19,001.73
	Operating Profit/(Loss) before changes in working capital		**54,019.89**		49,101.08
	Adjustment for (Increase)/Decrease in Operating Assets				
	Trade Receivables	**(1,195.67)**		1,764.11	
	Inventories	**820.38**		(910.70)	
	Loans and Advances	**0.31**		8.90	
	Other Assets	**(9,955.91)**		(1,376.20)	
	Adjustment for Increase/(Decrease) in Operating Liabilities				
	Trade payables	**(235.78)**		1,902.98	
	Other current liabilities and provisions	**(1,945.38)**		(2,071.97)	
			(12,512.05)		(682.88)
	Cash flow from operations after changes in working capital		**41,507.84**		48,418.20
	Net Direct Taxes (Paid)/Refunded		**(7,395.52)**		(5,146.45)
	Net Cash Flow from Operating Activities (Total - A)		**34,112.32**		43,271.75
B	**Cash Flow from Investing Activities :**				
	Purchase/adjustment of Fixed Assets including capital advance and Capital Work in Progress	**(37,835.14)**		(47,738.07)	
	Purchase of Investments	**(1,200.00)**		-	
	Sale of Fixed Assets	**0.30**		114.31	
	Interest Received	**798.63**		1,804.67	
	Dividend Received	**58.37**		52.32	
	Bank Balances not considered as Cash and Cash Equivalents	**(101.87)**		(111.71)	
	Net Cash Flow from Investing Activities (Total - B)		**(38,279.71)**		(45,878.48)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2018		For the Year ended 31st March, 2017	
C	**Cash Flow from Financing Activities :**				
	Repayment of long-term borrowings	(13,222.08)		(10,512.08)	
	Net increase / (decrease) in working capital borrowings	4,303.67		(254.56)	
	Proceeds from Short Term borrowings	2,250.00		-	
	Proceeds from long-term borrowings	26,567.00		5,000.00	
	Government Grant for Capital Assets	-		952.65	
	Finance Cost Paid	(5,845.36)		(6,513.18)	
	Dividend on Equity Paid	(3,981.33)		(3,972.07)	
	Tax on Dividend Paid	(831.36)		(831.36)	
	Net Cash Flow from Financing Activities (Total - C)		9,240.54		(16,130.60)
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		5,073.15		(18,737.33)
	Opening Cash and Cash Equivalents		145.97		18,883.30
	Closing Cash and Cash Equivalents		5,219.12		145.97
	Note:				
	Cash and Cash equivalents includes :				
	- Cash on hand		1.76		1.60
	- Balance with Banks :				
	- Current Accounts	14.82		8.53	
	- Deposit Accounts	5,200.34		131.76	
	- Other Accounts	2.20	5,217.36	4.08	144.37
	TOTAL		5,219.12		145.97

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(i) Equity Share Capital

Particulars	(₹ in Lakhs)
As at 1st April, 2016	15,125.12
Additions/(Reductions)	-
As at 31st March,2017	15,125.12
As at 1st April, 2017	15,125.12
Additions/(Reductions)	-
As at 31st March, 2018	**15,125.12**

(ii) Other Equity (₹ in Lakhs)

Particulars	Reserve and Surplus						Item of Other Comprehensive Income		Total
	Capital Redemption Reserve	Expansion Reserve	Securities Premium Reserve	General Reserve	Cash Flow Hedge Reserve	Retained earnings	Equity instruments through other comprehensive income	Share of OCI of associate accounted for using equity method	
Balance as at March 31, 2016	3,455.88	72,000.00	33,316.97	67,370.00	-	10,860.54	1,208.51	-	1,88,211.90
Profit for the year	-	-	-	-	-	22,925.35	-	-	22,925.35
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,383.44	-	2,383.44
Re-measurement of Defined Benefit Plans ,net of income tax	-	-	-	-	-	(120.07)	-	-	(120.07)
Total comprehensive income for the year	3,455.88	72,000.00	33,316.97	67,370.00	-	33,665.82	3,591.95	-	2,13,400.62
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	-	12,750.68	3,591.95	-	2,08,485.48
Profit for the year	-	-	-	-	-	16,604.78	-	-	16,604.78
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,832.93	-	2,832.93
Re-measurement of Defined Benefit Plans ,net of income tax	-	-	-	-	-	(41.01)	-	-	(41.01)
Share of OCI income of Associates (will not be reclassified to profit or loss)	-	-	-	-	-	-	-	(0.73)	(0.73)
Total comprehensive income for the year	3,455.88	80,000.00	33,316.97	75,370.00	-	29,314.45	6,424.88	(0.73)	2,27,881.44
Payment of dividends for the year ended 31-03-2017	-	-	-	-	(22.72)	(4,083.78)	-	-	(4,106.50)
Tax on dividends	-	-	-	-	-	(831.36)	-	-	(831.36)
Transferred from retained earning	-	9,000.00	-	9,000.00	-	(18,000.00)	-	-	-
Balance as at March 31, 2018	**3,455.88**	**89,000.00**	**33,316.97**	**84,370.00**	**(22.72)**	**6,399.31**	**6,424.88**	**(0.73)**	**2,22,943.58**

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

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 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.

Recent accounting pronouncements :

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. This amendment has no effect on the financial statements of the Group.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on the Financial statements on adoption of Ind AS 115 is being evaluated by the Group.

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.

Notes to the CONSOLIDATED financial statements

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 2018.

vii) The most recent financial statements of the associate as prepared and presented under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) are available for the financial year ended as at 31st March, 2017. The Company does not have any other financial information for the intervening period from the most recent financial statements of the associate as available and the date of these Consolidated Ind AS financial statements i.e, upto 31 March 2018. Hence, the Company has used associate's most recent audited financial statements as available for the purpose of preparing and presenting these consolidated financial statements. These financial statements are audited by other auditors who have issued an unmodified opinion vide audit report dated 23rd March, 2018.

3 Significant Accounting Policies

i) Statement of compliance

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

ii) Basis of Preparation

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

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

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

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

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.

Notes to the CONSOLIDATED financial statements

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) PPE (except those listed below) is provided on straight line method as per rates and methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and for renewable energy Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017.

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

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

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

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

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.

Notes to the CONSOLIDATED financial statements

v) **Intangible Assets**

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

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

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

vi) **Impairment Of Assets**

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

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.

vii) **Government Grant**

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

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

viii) **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.

Notes to the CONSOLIDATED financial statements

c) **Stores and Spares**

Weighted Average Cost

ix) 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, and tax etc.

a) Revenue from sale of power 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.

x) 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.

xi) 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.

xii) 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.

Notes to the CONSOLIDATED financial statements

c) **Defined benefit plans**

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

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

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

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

d) **Other long term employee benefits**

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

xiii) **Taxes on Income**

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

Current tax

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

Deferred tax

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

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

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

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

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.

xiv) **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.

Notes to the CONSOLIDATED financial statements

xv) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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.

xvi) 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.

xvii) Statement of Cash Flow

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

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.

b) Financial assets at amortized cost

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

c) Financial assets at fair value through other comprehensive income

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

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

d) Financial assets at fair value through profit or loss

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

Notes to the CONSOLIDATED financial statements

e) Impairment of Financial assets

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

f) Derecognition of financial assets

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

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

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 statement of profit or loss.

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

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

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

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

Notes to the CONSOLIDATED financial statements

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

ii) Critical judgments in applying accounting policies

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

a) Determination of functional currency

Currency of the primary economic environment in which the Group operates ("the functional currency") is Indian Rupee (') in which the Group primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (').

b) Determining whether an arrangement contain leases and classification of leases

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

c) Evaluation of indicators for impairment of Property, Plant and Equipment

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

iii) Assumption and key sources of estimation uncertainty

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

a) Estimation of provision for decommissioning

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

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Mines is estimated on the basis of long term production profile of the relevant Mines. The General Wholesale Price Index (WPI) for inflation i.e.0.54% (Previous year 2.28 %) has been used for escalation of the current cost estimates and discounting rate used to determine the balance sheet obligation as at the end of the year is 7.40% (Previous year 6.69 %), which is the risk free government bond rate with 10 year yield.

b) Defined benefit obligation (DBO)

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

c) Government grant

Government grant has been recognized as receivable based on reasonable assurance that the conditions attached to the grant will be complied with and the grant will be received.

Notes to the CONSOLIDATED financial statements

5(i) 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**	**1,35,604.97**	**979.66**	**258.39**	**1,193.56**	**33.51**	**1,87,952.84**	**453.31**	**453.31**	**1,88,406.15**
Additions during the year	-	147.86	8,289.96	240.15	8.66	69.37	-	**8,756.00**	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**	**1,43,894.93**	**1,219.81**	**267.05**	**1,261.99**	**32.10**	**1,96,656.83**	**454.86**	**454.86**	**1,97,111.69**
Additions during the year	735.57	903.12	66,185.02	-	11.28	499.41	-	**68,334.40**	336.21	**336.21**	**68,670.61**
Deductions/ adjustment during the year	-	-	(24.59)	-	(0.34)	(5.30)	-	**(30.23)**	-	-	**(30.23)**
Balance as at 31 March 2017	**19,066.12**	**32,553.52**	**2,10,055.36**	**1,219.81**	**277.99**	**1,756.10**	**32.10**	**2,64,961.00**	**791.07**	**791.07**	**2,65,752.07**
Additions during the year	1,369.84	1,822.51	32,913.06	169.92	23.90	37.99	-	**36,337.22**	82.46	**82.46**	**36,419.68**
Deductions/ adjustment during the year	-	(416.13)	(90.97)	-	-	(1.43)	-	**(508.53)**	-	-	**(508.53)**
Balance as at 31 March 2018	**20,435.96**	**33,959.90**	**2,42,877.45**	**1,389.73**	**301.89**	**1,792.66**	**32.10**	**3,00,789.69**	**873.53**	**873.53**	**3,01,663.22**
Impairment											
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**
Addition / Disposal	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31 March 2018	-	-	**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	10,236.15	280.81	23.80	196.03	4.28	**12,449.84**	136.99	**136.99**	**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**	**19,156.67**	**565.86**	**46.90**	**360.45**	**8.55**	**23,526.63**	**269.82**	**269.82**	**23,796.45**
Depreciation during the year	-	1,758.11	13,495.67	150.51	24.79	210.04	4.28	**15,643.39**	122.41	**122.41**	**15,765.80**
Adjustment / Deduction during the year	-	(46.53)	(18.97)	(0.00)	-	(0.87)	-	**(66.37)**	-	-	**(66.37)**
Balance as at 31 March 2018	-	**5,099.78**	**32,633.37**	**716.37**	**71.69**	**569.62**	**12.83**	**39,103.65**	**392.23**	**392.23**	**39,495.88**
Net Block as at 31 March 2017	**19,066.12**	**29,165.32**	**1,90,726.41**	**653.95**	**231.09**	**1,395.65**	**23.55**	**2,41,262.09**	**521.25**	**521.25**	**2,41,783.34**
Net Block as at 31 March 2018	**20,435.96**	**28,860.12**	**2,10,071.80**	**673.36**	**230.21**	**1,223.05**	**19.27**	**2,61,513.76**	**481.30**	**481.30**	**2,61,995.06**

Notes:

1. The conveyance of title for 1.04 hectares of free hold land of value ₹ 15.54 Lakh (for 2016-17 - 1.04 hectares of value ₹ 15.54 Lakh) in favour of the Company are awaiting completion of legal formalities.
2. In accordance with the Indian Accounting Standard (Ind AS) 36) on “Impairment of Assets”, the Company 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 ₹ NIL (P.Y. ₹ 172.28 Lakh) has been made as at 31st March, 2018. Primary reason being non renewal of Power Purchase Agreement (PPA) by GUVNL and there being no other significant cash flows in the near future for the respective assets.
3. The company has successfully commissioned 80 MW Solar Projects at Charanka location in the state of Gujarat during the financial year 2017-18.
4. The Company had 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’.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

5 (ii) Capital Work in Progress

ASSETS	Tangible Assets	Intangible Assets	Total
Balance as at 31 March 2016	**3,471.48**	**-**	**3,471.48**
Additions during the year	65,773.39	55.20	65,828.59
Capitalised during the year	(66,854.13)	-	(66,854.13)
Balance as at 31 March 2017	**2,390.74**	**55.20**	**2,445.94**
Additions during the year	34,189.62	111.39	34,301.01
Capitalised during the year	(36,104.70)	(27.67)	(36,132.37)
Balance as at 31 March 2018	**475.66**	**138.92**	**614.58**

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
5a) Mine Development Assets		
(i) Initial Development Expenditure		
Opening Balance	**4,076.28**	4,653.20
Amortised During the year	**(649.48)**	(576.92)
Closing Balance	**3,426.80**	4,076.28
(ii) Asset For Decommissioning Liability *		
Opening Balance	**6,334.70**	7,181.89
Effect of change in discount and inflation rate	**(3,596.27)**	(712.06)
Depreciation charged during the year	**(204.12)**	(135.13)
Closing Balance	**2,534.31**	6,334.70
TOTAL (i+ii)	**5,961.11**	10,410.98

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

6 Non- Current Investments (₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Investments in Equity Instruments		
QUOTED		
11,03,360 (31st March, 2017 : 11,03,360) Equity Shares of Gujarat Alkalies and Chemicals Limited of ₹ 10/- each (Fully paid)	**7,718.00**	4,489.57
1,06,578 (31st March, 2017: 1,06,578) Equity Shares of Gujarat Gas Limited of ₹ 10 each (Fully paid)	**884.81**	817.99
TOTAL QUOTED	**8,602.81**	5,307.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
UNQUOTED		
With Associate		
20,60,80,000 (31st March, 2017 : 20,60,80,000) Equity Shares of Bhavnagar Energy Company Limited of ₹ 10 each (Fully paid)	**20,608.00**	20,608.00
Less: Loss on Consolidation	**7,848.08**	-
	12,759.92	20,608.00
Share Application Money (Pending Allotment) (Refer note (d) below).	**1,200.00**	-
Total With Associate (A)	**13,959.92**	20,608.00
With Others		
97,18,181 (31st March, 2017 : 97,18,181) Equity Shares of Gujarat State Energy Generation Limited of ₹ 10 each (Fully paid) (Refer note (b))	**372.21**	-
1,00,00,000 (31st March, 2017 : 1,00,00,000) Equity Shares of GSPC LNG Limited of ₹ 10 each (Fully paid)	**1,973.00**	2,116.00
Total With Others (B)	**2,345.21**	2,116.00
TOTAL UN-QUOTED (A+B)	**16,305.13**	22,724.00
TOTAL INVESTMENT	**24,907.94**	28,031.56
Refer note3(ix) for method followed for accounting of investments.		
Aggregate cost of quoted investments	**561.68**	561.68
Aggregate market value of quoted investments	**8,602.81**	5,307.56
Aggregate carrying value of unquoted investments	**16,305.13**	22,724.00

b) The NAV of Gujarat State Energy Generation Ltd. for the Previous Year ended on 31 March 2017 was negative hence the Fair Value of such investment was considered as NIL.

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
c)	**Other investments**		
	Financial assets carried at fair value through other comprehensive income		
	Investment in equity instruments		
	- Gujarat Alkalies and Chemicals Limited	**7,718.00**	4,489.57
	- Gujarat Gas Limited	**884.81**	817.99
	- Gujarat State Energy Generation Limited	**372.21**	-
	- GSPC LNG Limited	**1,973.00**	2,116.00
	TOTAL	**10,948.02**	7,423.56

d) The Company has made investment of ₹ 1200 Lakh in the Associate company - Bhavnagar Energy Company Limited during the year. Allotment of the shares on preferential allotment basis is approved by the Board of the Associate Company in the board meeting dated 28th March, 2018. The final allotment is still in process as at 31st March, 2018. Further as per letter dated 11th April 2018 for intimation regarding change in Capital Structure of the Company the share holding of the company in Associate post allotment will be 20.69%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

			As at 31st March, 2018	As at 31st March, 2017
7	**Loans**			
	Secured (Considered good)			
	Loan to Employees		-	0.05
	Unsecured Considered good			
	Other loans & Advances		4.00	4.00
		TOTAL	4.00	4.05
8	**Other Financial Assets**			
	Unsecured Considered good			
	Escrow Account (Mines Closure)		7,719.57	5,487.31
	Security Deposits		110.46	109.24
		TOTAL	7,830.03	5,596.55
9	**Other Non Current Assets**			
	Secured (Considered good)			
	Capital Advance		2,814.69	5,354.34
	Unsecured (Considered good)			
	Capital Advance		778.08	845.85
	Prepayments *		8,931.38	1,195.59
	Others		148.77	148.77
	Advance tax (net of provisions)		2,826.44	2,731.46
		TOTAL	15,499.36	10,276.01

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

			As at 31st March, 2018	As at 31st March, 2017
10	**Inventories**			
	Raw Materials (Fuel)		4,370.59	5,496.03
	Stores and Spares		10,789.31	10,484.25
		TOTAL	15,159.90	15,980.28
	Refer note 3(x) for valuation policy			
11	**Trade Receivables**			
	Unsecured (Considered good)			
	Others		25,997.68	24,802.01
		TOTAL	25,997.68	24,802.01

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31st March,2018 the Group had two customers (31st March ,2017 one customers) having outstanding more than 5% of total trade receivables that accounted for @ 89.37% (31st March,2017 @ 89.02%) of total trade receivables outstanding.

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

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

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
12	**Cash And Cash Equivalents**		
	Cash on hand	**1.76**	1.60
	Balances with Banks:		
	- In current account	**14.82**	8.53
	- In deposit account	**5,200.34**	131.76
	- Others	**2.20**	4.08
	TOTAL	**5,219.12**	145.97

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.

		As at 31st March, 2018	As at 31st March, 2017
13	**Other Bank Balances**		
	Earmarked bank balances*	**671.33**	569.46
	TOTAL	**671.33**	569.46

* 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.

		As at 31st March, 2018	As at 31st March, 2017
14	**Current Loans**		
	Secured (Considered good)		
	Loan to Employees	**0.05**	0.31
	TOTAL	**0.05**	0.31
15	**Other Financial Assets**		
	Unsecured (Considered good)		
	Government grant receivable	**5,509.60**	-
	Other Receivables	**179.16**	299.36
	Interest Accrued	**119.64**	129.69
	TOTAL	**5,808.40**	429.05

Government grant amounting to ₹ 5,509.60 Lakh of Viability Gap Funding (VGF) is receivable from Solar Energy Corporation of India vide VGF Securitization Agreement dated 23rd August, 2016 for installation of Solar Power plants at Charanka. The Group is entitled to VGF on its investment in solar plants, successful completion of work of its installation and few other terms and conditions. All the terms and conditions attached to the agreement are fulfilled except creation of charge on assets for security; Bank guarantee; execution of trusteeship and hypothecation documents. There is reasonable assurance that these conditions will be complied with and grants will be received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
16	**Other Current Assets**		
	Unsecured (Considered good)		
	Prepayments (Refer note no. 9)	**263.02**	31.17
	Other loans & Advances	**812.60**	929.24
	Unsecured (Considered doubtful)		
	Other loans & Advances	**37.50**	-
	Less: Provision for Impairment	**(37.50)**	-
	TOTAL	**1,075.62**	960.41
	Movement of Impairment :		
	Balance at the beginning of the year	**-**	-
	Provision during the year	37.50	-
	Balance at the end of the year	**37.50**	-
17	**Equity Share Capital**		
	Authorised		
	32,50,00,000 Equity Shares of ₹ 10/-each	**32,500.00**	32,500.00
	61,00,000 Cumulative Redeemable Preference Shares (With dividend not exceeding 15% p.a.) of ₹ 100/- each.	**6,100.00**	6,100.00
	TOTAL	**38,600.00**	38,600.00
	Issued, Subscribed And Paid Up		
	15,12,51,188 Equity Shares of ₹ 10/-each fully paid	**15,125.12**	15,125.12
	TOTAL	**15,125.12**	15,125.12

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

Particulars	No. of shares	₹ in Lakhs
As at 1st April, 2016	15,12,51,188	15,125.12
Additions/(Reductions)	-	-
As at 31st March,2017	15,12,51,188	15,125.12
As at 1st April, 2017	**15,12,51,188**	15,125.12
Additions/(Reductions)	**-**	-
As at 31st March, 2018	**15,12,51,188**	15,125.12

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

Name of Share Holders	As at 31st March, 2018		As at 31st March, 2017	
	%	No. of shares	%	No. of shares
Gujarat Urja Vikas Nigam Limited	**25.38**	**3,83,84,397**	25.38	3,83,84,397
Gujarat Alkalies & Chemicals Limited	**15.27**	**2,30,88,980**	15.27	2,30,88,980
Gujarat State Fertilizers & Company Limited	**14.79**	**2,23,62,784**	14.79	2,23,62,784

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
18	**Other Equity**		
	Capital Redemption Reserve	**3,455.88**	3,455.88
	Expansion Reserve	**89,000.00**	80,000.00
	Securities Premium Account	**33,316.97**	33,316.97
	General Reserve	**84,370.00**	75,370.00
	Cash Flow Hedge Reserve	**(22.72)**	-
	Retained earnings	**6,399.31**	12,750.68
	Equity instruments through other comprehensive income	**6,424.88**	3,591.95
	Share of OCI of associate	**(0.73)**	-
	TOTAL	**2,22,943.58**	2,08,485.48
	Capital Redemption Reserve (Refer note 18 a)		
	Balance at the beginning of the year	**3,455.88**	3,455.88
	Addition/(Deduction) during the year	**-**	-
	Balance at the end of the year	**3,455.88**	3,455.88
	Expansion Reserve (Refer note 18 b)		
	Balance at the beginning of the year	**80,000.00**	72,000.00
	Addition/(Deduction) during the year	**9,000.00**	8,000.00
	Balance at the end of the year	**89,000.00**	80,000.00
	Securities Premium Account (Refer note 18 c)		
	Balance at the beginning of the year	**33,316.97**	33,316.97
	Addition/(Deduction) during the year	**-**	-
	Balance at the end of the year	**33,316.97**	33,316.97
	General Reserve (Refer note 18 d)		
	Balance at the beginning of the year	**75,370.00**	67,370.00
	Addition/(Deduction) during the year	**9,000.00**	8,000.00
	Balance at the end of the year	**84,370.00**	75,370.00
	Cash Flow Hedge Reserve (Refer note 18 e)		
	Balance at the beginning of the year	**-**	-
	Addition/(Deduction) during the year	**(22.72)**	-
	Balance at the end of the year	**(22.72)**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Retained earnings		
Balance at the beginning of the year	**12,750.68**	10,860.54
Add : Profit for the year	**16,604.78**	22,925.35
Less: Remeasurement of Defined benefit plans	**41.01**	120.07
Less : Transfer to Expansion Reserve	**9,000.00**	8,000.00
Less : Transfer to General Reserve	**9,000.00**	8,000.00
Less : Dividend paid (Refer note no. 18 h)	**4,083.78**	4,083.78
Less : Corporate Dividend Tax paid	**831.36**	831.36
Balance at the end of the year	**6,399.31**	12,750.68
Equity instruments through other comprehensive income (Refer note 18 f)		
Balance at the beginning of the year	**3,591.95**	1,208.51
Add/(Less): Changes in Fair value of investment	**2,832.93**	2,383.44
Balance at the end of the year	**6,424.88**	3,591.95
TOTAL	**2,22,944.31**	2,08,485.48

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

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

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

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

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

f) The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

g) The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable entirely.

h) On 21st September , 2017, a dividend of ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakh.) was paid to holders of fully paid equity shares. On 26th September , 2016 , the dividend was paid @ ₹ 2.70 per share (Total dividend ₹ 4,083.78 Lakh).

i) In respect of the year ended 31st March, 2018, 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 ₹ 4083.78 Lakhs and the dividend distribution tax thereon amounts to ₹ 839.43 Lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
19	**Deferred Government Grant**		
	Govt. Grant towards Capital Assets	6,263.55	952.65
	TOTAL	**6,263.55**	952.65
	Deferred Government Grant		
	Opening balance	952.65	1,000.00
	Add : Receivable during the year (Refer note 15 above)	5,509.60	-
	Less : Transferred to Statement of Profit and Loss	(198.70)	(47.35)
	Closing Balance	**6,263.55**	952.65
20	**Non- Current Financial Liabilities**		
	Secured Loans		
	Term Loan From Banks	**36,128.72**	27,146.48
	TOTAL	**36,128.72**	27,146.48

a) The Term Loans from Banks are secured by way of first mortgage and charge created/ to be created, ranking pari passu, on all immovable properties i.e. fixed assets, both present and future, pertaining to the Group's Plants(Phase II - Unit 3 and 4,Wind projects and Solar Projects). Further, the Term Loan from Banks are secured by a first charge by way of hypothecation of all the movable (save and except Book Debts) including tangible movable machinery, spares ,tools and accessories, both present and future, ranking pari passu, subject to prior charge created/to be created on current assets and receivables in favour of Group's Bankers for working capital arrangement, pertaining to the Group's Plants (Phase II - Unit 3 and 4,Wind projects and Solar Projects).

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

(₹ in Lakhs)

Name of Banks	As at 31-03-2018	Current Maturities of Loan	As at 31-03-2017	Current Maturities of Loan in PY
Central Bank of India	**2,000.00**	**1,000.00**	3,000.00	1,000.00
State Bank of India	**1,125.00**	**500.00**	1,625.00	500.00
Bank of Baroda [1]	-	-	3,250.00	1,000.00
Oriental Bank of Commerce	-	-	6,000.00	2,000.00
Union Bank of India	**4,500.00**	**2,000.00**	6,500.00	2,000.00
IDBI Bank Ltd.	-	-	4,158.56	1,512.08
State Bank of Bikaner & Jaipur	**1,125.00**	**500.00**	1,625.00	500.00
Canara Bank	-	-	3,000.00	1,000.00
Karur Vysya Bank Ltd.	-	-	3,500.00	1,000.00
State bank of india	**11,142.50**	**5,512.00**	-	-
State Bank of India [2]	30,000.00	**4,251.78**	5,000.00	-
Axis Bank [3]	1,110.98	**1,110.98**	-	-
	51,003.48	**14,874.76**	**37,658.56**	**10,512.08**

[1] Refer note 25 below
[2] Sanctioned Limit ₹ 472.42 Crore Current Maturity based on sanctioned limit
[3] Sanctioned limit ₹ 303 Crore Current Maturity based on sanctioned limit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of Banks	No of quarterly Instalments outstanding after 31.03.2018	Amount of Instalments per quarter (₹ in Lakhs)	Rate of Interest	Date of Maturity
State Bank of India	9	125.00	8.00%	30-06-2020
State bank of india	8	1378.00	8.00%**	30-06-2020
	1	118.50		
Union Bank of India	9	500.00	8.50%	30-06-2020
State Bank of Bikaner & Jaipur	9	125.00	8.00%	30-06-2020
State Bank of India *	24	1062.95	8.00%**	31-03-2028
	8	1299.16		
	8	1417.26		
Axis Bank *	4	314.08	7.85%**	30-06-2027
	8	348.81		
	4	363.91		
	4	369.95		
	4	374.48		
	4	385.05		
	4	391.09		
	4	385.05		
	2	762.55		
Axis Bank*	40	380.00	7.85%	30-06-2028

* Repayment of loan details are as per sanctioned terms.
** Based on current MCLR

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
21 Other Financial Liabilities			
Security deposits		**887.71**	909.30
Others		**1.32**	1.84
	TOTAL	**889.03**	911.14
22 Long Term Provisions			
Employee Benefits (Refer note 47)		**4,343.64**	3,999.56
Provision for decommissioning of Mines		**8,418.87**	11,187.48
	TOTAL	**12,762.51**	15,187.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
a)	**Provision for decommissioning of Mines**		
	Opening Balance	**11,187.48**	11,073.15
	Unwinding of Interest	**827.65**	826.39
	Effect of change in the inflation & discount rate	**(3,596.27)**	(712.06)
	Closing Balance	**8,418.86**	11,187.48
	Current provision	**-**	-
	Non Current Provision	**8,418.86**	11,187.48

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.

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
23	**Deferred Tax Liabilities (Net)**		
a)	**The following is the analysis of deferred tax assets/ (liabilities) presented in the Balance Sheet:**		
	Deferred tax assets	**1,620.50**	1,478.72
	Deferred tax liabilities	**(25,890.15)**	(24,534.16)
	TOTAL	**(24,269.65)**	(23,055.44)

b) **Major Components of Deferred Tax Assets and Liabilities :**

(₹ in Lakhs)

As at 31st March, 2018	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred Tax Liabilities				
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Defined benefit obligation	1,478.72	119.75	22.03	1,620.50
TOTAL Deferred Tax Assets	**1,478.72**	**119.75**	**22.03**	**1,620.50**
Deferred Tax Liabilities				
Property, plant and equipment	22,947.69	672.47	-	23,620.16
Financial liabilities at FVTOCI	1,250.92	-	691.54	1,942.46
Expenses/ Provisions allowable on payment basis	335.55	(8.01)	-	327.54
TOTAL Deferred Tax Liabilities	**24,534.16**	**664.46**	**691.54**	**25,890.15**
Net Deferred Tax Liabilities	**(23,055.44)**	**(544.71)**	**(669.51)**	**(24,269.65)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

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	1,211.86	203.31	63.55	1,478.72
TOTAL Deferred Tax Assets	**1,211.86**	**203.31**	**63.55**	**1,478.72**
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	**(21,699.53)**	**(772.85)**	**(583.06)**	**(23,055.44)**

c) Unused Tax Credit (MAT Credit) for which no deferred tax asset is recognised is ₹ 11056.66 Lakhs. In absence of reasonable certainty, the management does not recognise the MAT credit entitlement.

Assessment year (A.Y.) to which MAT credit pertains	Year Of Expiry (A Y)	₹ in Lakhs
2011-12	2026-27	1,326.64
2012-13	2027-28	2,822.04
2013-14	2028-29	1,969.73
2014-15	2029-30	832.01
2016-17	2031-32	1,700.33
2017-18	2032-33	1,228.83
2018-19	2033-34	1,177.08
TOTAL		11,056.66

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
24 Other Non-Current Liabilities		
Advance From Customers	**8.19**	55.03
Provision for tax (net of advances)	**5.52**	15.15
TOTAL	**13.71**	70.18
25 Current Financial Liabilities		
BORROWINGS		
Secured Loans :		
Working Capital Loans from Banks	**8,377.94**	4,074.27
Bank Of Baroda - FCNR	**2,281.09**	-
TOTAL	**10,659.03**	4,074.27

The Consortium of banks have sanctioned Fund Based and Non - Fund Based Working Capital facilities for Group's Plants at Baroda and Surat. These facilities are secured by a first charge by way of hypothecation in favour of Banks on the Group's current assets and receivables, both present and future, ranking pari passu inter se, the members of the consortium relating to the respective Plants.

During the year, existing Bank Of Baroda Long Term Loan has been converted into 6 months Foreign Currency Non - Repatriable loan (FCNR) with roll over at every 6 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
26	**Trade Payable**		
	Micro and Small Enterprises	**70.49**	38.17
	Other than Micro and Small Enterprises	**10,068.89**	10,336.99
	TOTAL	**10,139.38**	10,375.16

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 ₹ 70.49 Lakh (P.Y. ₹ 38.17 Lakh). 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)

		As at 31st March, 2018	As at 31st March, 2017
27	**Other Financial Liabilities**		
	Current Maturities of long term debts	**14,874.76**	10,512.08
	Interest Accrued but not due on borrowings	**27.64**	4.23
	Interest Accrued and due on borrowings	**8.88**	-
	Items covered by IEPF		
	- Unclaimed Dividends	**671.33**	568.88
	- Unclaimed Interest on Debentures	**-**	0.57
	Security Deposits	**277.78**	438.54
	Other Payable	**1,258.95**	459.84
	Liability for Capital Goods	**2,632.57**	8,928.41
	TOTAL	**19,751.91**	20,912.55
28	**Other Current Liabilities**		
	Statutory Dues	**600.29**	302.38
	Liquidated Damage from vendors	**10,094.40**	13,278.93
	Advance from customer	**85.49**	68.54
	TOTAL	**10,780.18**	13,649.85
29	**Short Term Provisions**		
	Employee Benefits (Refer note 47)	**438.92**	364.26
	TOTAL	**438.92**	364.26
30	**Current Tax Liabilities (Net)**		
	Provision for tax (net of advance tax)	**578.96**	1,126.30
	TOTAL	**578.96**	1,126.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
31	**Revenue From Operations**		
	Sale of Electrical Energy	**1,35,819.29**	1,30,380.97
	Sale of services	**20.35**	10.44
	Other operating Revenues	**555.04**	664.84
	TOTAL	**1,36,394.68**	1,31,056.25
32	**Other Income**		
	Interest on Deposits with Banks	**473.80**	1,255.69
	Dividend	**58.37**	52.32
	Other Interest	**0.02**	78.01
	Insurance Claims	**-**	2,087.67
	Liquidated Damages	**4,046.22**	3,288.45
	Miscellaneous	**547.91**	343.00
	TOTAL	**5,126.32**	7,105.14
33	**Cost Of Material Consumed**		
	Consumption of		
	- Gas	**22,252.92**	23,746.89
	- Lignite	**46,115.02**	51,824.89
	- Lime Stone	**1,208.31**	891.71
	- Furnace oil	**1,011.86**	744.75
	- Coal	**2,999.70**	-
	Lignite Extraction Expenses	**23,806.91**	28,357.32
	Less : Inter Division transfer	**35,464.43**	39,375.57
	TOTAL	**61,930.29**	66,189.99
34	**Generation Expenses**		
	Consumption of Stores and Spares	**3,595.44**	2,671.72
	Water Charges	**1,762.43**	1,754.64
	Electricity Charges	**1,039.56**	1,071.89
	Insurance	**1,209.34**	1,211.36
	Operation Expenses	**2,714.35**	2,500.79
	Repairs and Maintenance to Plant and Machinery	**1,288.88**	1,393.27
	TOTAL	**11,610.00**	10,603.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
35	**Employees Benefit Expenses**		
	Salary and Wages	**6,815.47**	4,875.10
	Contribution to Provident , Pension and Superannuation Fund	**450.20**	453.39
	Welfare Expenses and Other Benefits	**1,805.02**	2,016.83
	TOTAL	**9,070.69**	7,345.32
36	**Finance Cost**		
	Interest on		
	- Term Loans	**4,228.14**	3,922.44
	- Working Capital Loans	**174.52**	50.73
	- Others	**9.48**	1,227.37
	- Unwinding of discount on Decommissioning liability	**827.65**	826.39
	Bank Charges and Commission	**445.26**	296.07
	Cash Rebate on Sales	**1,010.84**	996.40
	TOTAL	**6,695.89**	7,319.40
37	**Other Expenses**		
	Repairs and Maintenance		
	- Buildings	**442.74**	381.31
	- Others	**116.88**	127.66
	Rent	**293.59**	39.29
	Rates and Taxes	**286.28**	284.71
	Communication Expenses	**54.30**	51.24
	Travelling & Conveyance Expenses	**330.53**	330.32
	Legal, Professional and Consultancy Fees	**282.97**	277.95
	CSR Expenditure (Refer a below)	**561.26**	517.08
	Provision for impairment of Asset		
	- Equity Instrument	**37.50**	-
	- PPE	**-**	172.28
	Miscellaneous Expenses *	**2,088.17**	1,699.86
	TOTAL	**4,494.22**	3,881.70

*None of the items individually account for more than 1% of Revenue from operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Details of CSR Expenditure are as under:		
Gross Amount required to be spent	**544.109**	515.998
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	**561.26**	517.08
- yet to be paid in Cash	**-**	-
TOTAL	**561.26**	517.08

38 Tax Expense		
a) Current tax in relation to		
- current year	**6,753.13**	6,401.15
Deferred tax	**544.71**	772.85
TOTAL	**7,297.84**	7,174.00
b) The income tax expense for the year can be reconciled to the accounting profit as follows:-		
Profit before tax	**31,749.97**	30,099.35
Income tax expense at 34.608%	**10,987.83**	10,417.05
Effect of Income exempt under Income Tax	**(20.20)**	(18.12)
Tax deduction in respect of profit from eligible power generation undertaking u/s 80IA	**(5,706.63)**	(4,598.05)
Expenses not allowable under Income Tax	**277.34**	359.41
Effect of depreciation	**37.71**	(1,068.23)
Tax on normal provision	**5,576.04**	5,092.07
Additional tax payable under MAT*	**1,177.08**	1,309.08
Income tax expense in recognized in statement of profit or loss	**6,753.13**	6,401.15

*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	**(22.03)**	(63.55)
Gain /Loss on Equity instruments through Other comprehensive income	**691.53**	646.61
TOTAL Income tax recognised in OCI	**669.50**	583.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
39	**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	**16,604.78**	22,925.35
	Weighted Average number of equity shares	**15,12,51,188**	15,12,51,188
	Earning Per Share of ₹ 10/- each		
	Basic (₹)	**10.98**	15.16
	Diluted (₹)	**10.98**	15.16
40	**Commitments :**		
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	**28,074.65**	30,828.96
	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 Lakh (P.Y. 22,000 Lakh). Out of this, ₹ 21,808 Lakh (P.Y. ₹ 20,608 Lakh) has been paid. The Company has also committed to contribute towards Sub Debt financing to the tune of ₹ 2,000 Lakh (P.Y. ₹ 2000 Lakh). In addition to the above, the Company has committed to contribute towards cost overrun in future, if any, which will be partly by way of contribution towards Equity and partly towards Sub Debt financing.	**2,192.00**	3,392.00
	c) Share in Commitments of Associate Company (Based on audited Results 2016-17)Estimated Contracts remain to be executed - Not provided for	**7,427.39**	-
41	**Contingent Liabilities not provided for** :		
	a) Claims against Group pending before court (includes certain claims where the amount cannot be ascertained) :-		
	- By vendors against contractual obligations.	**9.04**	9.04
	- By Ex-employee against recovery of notice period	**1.02**	1.02
	b) Demand for Water Reservation Charges and interest thereon from Narmada Water Resources and Water Supply Department relating to Surat Lignite Power Plant is contested and not acknowledged as debt since at the relevant time project was under implementation and regular drawl of water was not made.	**878.87**	743.48
	c) In respect of following cases of land acquisition, various claims are pending against the Group. Depending upon the final compensation amount that may be determined by the Competent Court, the cost of land may change requiring appropriate adjustment then:		
	- Leasehold land of 165 MW Baroda	**218.60**	218.60
	- Freehold land at Surat Lignite Power Stations	**503.15**	533.10
	d) Income Tax Demand contested in Appeal.	**2673.08**	2,472.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
e)	Demand of Property Tax under discussion with Grampanchayat , Nani Naroli, Dist.Surat.	**147.5**	131.00
f)	Liability likely to arise on account of transportation charges for gas which is under dispute.	**448.50**	448.50
g)	The Group has been recovering the corporate action on the share holding of Petrofils Cooperative Ltd. A portion of the said shareholding is under dispute at High Court of Gujarat. Subject to its final outcome, the Group may be directed by the Honorable Court to make a payment towards the portion of such recovery.	**Amount not ascertainable**	Amount not ascertainable
h)	Cases pending at the High Court of Gujarat for regularization of contract workmen.	**Amount not ascertainable**	Amount not ascertainable
i)	The Interest claimed by M/s GAIL in respect of demand towards the "Pay for if not taken liability " on account of R-LNG Contract which the Group has entered in to with M/s GAIL to partially meet with its Fuel (Gas) requirement.	**134.00**	134.00
j)	Claims and disputes raised by Mines Developer and Operator Contractor of Vastan South Pit on account of change in stripping ratio and diesel price escalation.	**9,829.38**	9,829.38
k)	Excise duty including interest and penalty on captive consumption of lignite.	**213.09**	119.19
l)	**Details of Contingent Liabilities of Associates (to the extent of share in associate)(Based on audited Results 2016-17)**		
	i. Liquidated Damages leviable by Gujarat Urja Vikas Nigam Limited as per PPA	**4080.17**	-
	ii. Differential amounts due to admissibility of Service Tax charged by the contractors but not acknowledged as debt.-	**7329.13**	-
	iii. Land Acquisition: Demand for upward revision - Not acknowledged as debt.	**33.78**	-
	iv. Claims by vendors against contractual obligation	**7840.34**	-
	v. Compensation to farmers towards damage of Trees and damage of fencing, earthen bund, etc for laying 610 mm dia / 700 mm dia MS pipe line for sweet water	**0.57**	-

42.

Sr. No.	Name of Company	Subsidiary / Associate	Country of Incorporation	Proportion (%) of Shareholding As at 31st March, 2018	As at 31st March, 2017
1	GIPCL Projects and Consultancy Company Limited	Subsidiary	India	100.00%	100.00%
2	Bhavnagar Energy Company Limited (refer note 2.vii)	Associate	India	24.36%	24.36%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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)	95.06%	2,45,902.33	147.26%	24,450.47
Subsidiary:				
Foreign: NA				
Indian: GIPCL Projects and Consultancy Company Limited	0.01%	14.45	0.01%	1.66
Associate:				
(Investment as per the equity method)				
Foreign: NA				
Indian :Bhavnagar Energy Company Limited (Refer note no.2(b)(vii))	4.93%	12,759.92	(47.27%)	(7,848.08)
Total	**100.00%**	**2,58,676.70**	**100.00%**	**16,604.05**

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
44 Payment to Auditors (Fees excluding service tax)			
Statutory Auditors			
- As Auditor		**13.00**	12.25
- For Taxation Service		**1.20**	2.80
- Other Services		**0.75**	10.76
- Reimbursement of Expenses		**0.21**	0.03
	Total	**15.16**	25.84
Cost Auditors			
- As Auditor		**1.25**	1.00
- Other Services		**-**	0.44
	Total	**1.25**	1.44

45 Leases

Operating lease arrangements

Operating leases relate to leases of land with lease terms ranging from 25 to 99 years. The Group does not have an option to purchase the land at the expiry of the lease periods. Amount paid in advance are shown as Prepayments and are transferred to Statement of profit and loss based on the lease term.

The Group does not have any non-cancellable operating lease commitments.

Payments recognized as an expense

Minimum lease payments		**263.02**	30.16
	Total	**263.02**	30.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

46 Related Party Disclosures

a) **Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties:**

Name of Related Parties	Nature of Relationship
Gujarat Urja Vikas Nigam Ltd	Entity having Significant Influence
GIPCL Provident Fund Trust	Enterprise over which KMP is having Significant Influence
Smt. Sonal Mishra	Key Management Personnel (KMP) till 19.05.2017
Smt. Shahmeena Hussain	Key Management Personnel (KMP) w.e.f. 20.05.2017
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
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
Gujarat Green Revolution Company Ltd.	Enterprise over which KMP is having Significant Influence
Shri S.P.Desai	Chief Finance Officer upto 04.06.2016
Shri G S Chahal	Chief Finance Officer from 05.12.2016 upto 04.12.2017
Shri K K Bhatt	Chief Finance Officer w.e.f. 08.12.2017
Shri A C Shah	Company secretary upto 11.03.2018
Smt. Swati Desai	Company secretary w.e.f. 12.03.2018
Shri Sujit Gulati, IAS	Chairman
Shri Pankaj Joshi, IAS	Director
Shri P K Gera, IAS	Director
Prof. Shekhar Chaudhari	Director
Shri Sanjeev Kumar	Director
DR. K M Joshi	Director
Shri S B Dangyach	Director
Shri B A Prajapati	Director
Shri Milind Torawane	Director
Shri Jankiraman	Director
Shri N N Mishra	Director
Shri V V Vachhrajani	Director
Shri L. Chuaungo, IAS	Director upto 27.06.2016
Shri Ashok Kumar	Director upto 19.10.2016
DR. P.K.Das, IAS (RETD.)	Director upto 26.07.2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) **The following transactions were carried out with the related parties in ordinary course of business during the year:**

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	KMP	Enterprise over which KMP is having Significant Influence	Total
Transactions during the year				
Sale of Electricity Energy (Net of Adjustment)	**1,08,981.75** (1,05,290.12)	**-** **-**	**-** **-**	**1,08,981.75** (1,05,290.12)
Gujarat Urja Vikas Nigam Limited	**1,08,981.75** (1,05,290.12)	**-** -	**-** -	**1,08,981.75** (1,05,290.12)
Bill Discounting Charges Recovered	**96.25** (1,411.16)	**-** **-**	**-** **-**	**96.25** (1,411.16)
Gujarat Urja Vikas Nigam Limited	**96.25** (1,411.16)	**-** -	**-** -	**96.25** (1,411.16)
Rebate on Sales	**1,010.86** (995.82)	**-** **-**	**-** **-**	**1,010.86** (995.82)
Gujarat Urja Vikas Nigam Limited	**1,010.86** (995.82)	**-** -	**-** -	**1,010.86** (995.82)
Dividend Paid	**1,036.38** (1,036.38)	**-** **-**	**-** **-**	**1,036.38** (1,036.38)
Gujarat Urja Vikas Nigam Limited	**1,036.38** (1,036.38)	**-** -	**-** -	**1,036.38** (1,036.38)
Remuneration	**-** -	**77.48** (51.63)	**-** -	**77.48** (51.63)
Smt Sonal Mishra	**-** -	**3.11** (18.48)	**-** -	**3.11** (18.48)
Shri S P Desai	- -	- (4.36)	- -	- (4.36)
Shri G S Chahal	**-** -	**19.63** (8.21)	**-** -	**19.63** (8.21)
Shri K K Bhatt	**-** -	**4.67** -	**-** -	**4.67** -
Shri A C Shah	**-** -	**48.46** (20.58)	**-** -	**48.46** (20.58)
Smt. Swati Desai	**-** -	**1.60** -	**-** -	**1.60** -
Perquisites	**-** **-**	**-** (4.43)	**-** **-**	**-** (4.43)
Smt Sonal Mishra	**-** -	**-** (4.43)	**-** -	**-** (4.43)
Contribution made by compnay	- -	- -	**327.04** (324.58)	**327.04** (324.58)
GIPCL Provident Fund Trust	- -	- -	**327.04** (324.58)	**327.04** (324.58)
Contribution Towards CSR Activities	**-** -	**-** -	**500.70** (442.38)	**500.70** (442.38)
Development Efforts for Rural Economy and People (DEEP) – NGO promoted by the company	**-** -	**-** -	**500.70** (442.38)	**500.70** (442.38)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Nature of Transaction	Entity having Significant Influence	KMP	Enterprise over which KMP is having Significant Influence	Total
Purchase of Lignite	**-**	**-**	**479.00**	**479.00**
	-	-	(15,372.79)	(15,372.79)
Gujarat Mineral Development Corporation Ltd.	**-**	**-**	**479.00**	**479.00**
	-	-	(15,372.79)	(15,372.79)
Sitting Fees Paid To Directors	-	**12.50**	**-**	**12.50**
	-	(8.80)	-	(8.80)
Shri Sujit Gulati, IAS*	-	**0.80**	**-**	**0.80**
	-	(0.60)	-	(0.60)
Shri Pankaj Joshi, IAS*	-	**0.60**	**-**	**0.60**
	-	(0.40)	-	(0.40)
Shri P K Gera, IAS*	-	**0.80**	**-**	**0.80**
	-	(0.40)	-	(0.40)
Shri Sanjeev Kumar,IAS*	-	**0.10**	**-**	**0.10**
	-	-	-	-
Prof. Shekhar Chaudhari	-	**0.70**	**-**	**0.70**
	-	(0.30)	-	(0.30)
DR. K M Joshi	-	**3.20**	**-**	**3.20**
	-	(2.20)	-	(2.20)
Shri S B Dangyach	-	**1.30**	**-**	**1.30**
	-	(0.80)	-	(0.80)
Shri B A Prajapati	-	**1.80**	**-**	**1.80**
	-	(1.50)	-	(1.50)
Shri Milind Torawane,IAS*	-	**0.30**	**-**	**0.30**
	-	-	-	-
Shri Jankiraman	-	**0.30**	**-**	**0.30**
	-	-	-	-
Shri N N Mishra	-	**0.90**	**-**	**0.90**
	-	(0.60)	-	(0.60)
Smt Shahmeena Hussain,IAS*	-	**-**	**-**	**-**
	-	(0.30)	-	(0.30)
Shri L. Chuaungo, IAS*	-	**-**	**-**	**-**
	-	(0.10)	-	(0.10)
Shri Ashok Kumar	-	**-**	**-**	**-**
	-	(0.20)	-	(0.20)
DR. P.K.Das,IAS (Retd.)	-	**-**	**-**	**-**
	-	(0.60)	-	(0.60)
Shri S M Awale	-	**0.50**	**-**	**0.50**
	-	(0.40)	-	(0.40)
Shri V V Vachhrajani	-	**1.20**	**-**	**1.20**
	-	(0.40)	-	(0.40)

*Deposited to Government Treasury

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Balance as at: (₹ in Lakhs)

Receivable	Relationship	As at 31st March, 2018	As at 31st March, 2017
Gujarat Urja Vikas Nigam Limited	Entity having Significant Influence	**21,326.43**	22,078.53
GIPCL Provident Fund Trust	Enterprise over which KMP is having Significant Influence	**100.00**	229.90
GIPCL Projects and Consultancy Company Ltd.	Subsidiary Company	**-**	0.29
		21,426.43	22,308.72

47 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 ₹ 327.04 Lakh (P.Y. ₹ 324.58 Lakh) for Provident Fund contributions and ₹ 78.35 Lakh (P.Y. ₹ 81.20 Lakh) 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 ₹ 44.80 Lakh (P.Y. ₹ 47.64 Lakh) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Sick Leave benefit

Accrual- 10 days per year

The leave is encashable.Leave encashment occurs due to retirement and death. There is no limit on maximum accumulation of leave days

The Company has recognised ₹ 419.87 Lakh (P.Y. ₹ 519.70 Lakh) towards Leave encashment (including Earned Leave and Sick Leave).

The provision towards the Leave Encashment is as under. **(₹ in Lakhs)**

	As at 31st March, 2018	As at 31st March, 2017
Current	246.26	214.51
Non-Current	1,980.93	1,813.73
Total	**2,227.19**	**2,028.24**

Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is at actual on superannuation, resignation, termination, disablement or on death.

Scheme is not funded. The liability for gratuity as above is recognised on the basis of actuarial valuation.

Post-Retirement Medical Benefits

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided with reimbursement of Insurance Premium restricted to ₹ 10000/-. The liability for the same is recognised annually on the basis of actuarial valuation. An employee should have put in a minimum of 10 years of service rendered in continuity in GIPCL at the time of superannuation to be eligible for availing post-retirement medical facilities.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment riskThe present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest riskA 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 riskThe 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 riskThe 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, 2018 by Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	**For the year ended 31st March**	
	2018	2017
Type of Benefit	**Gratuity**	Gratuity
Country	**India**	India
Reporting Currency	**INR**	INR
Reporting Standard	**Indian Accounting Standard 19 (Ind AS 19)**	
Funding Status	**Unfunded**	Unfunded
Starting Period	**01.04.2017**	01.04.2016
Date of Reporting	**31.03.2018**	31.03.2017
Period of Reporting	**12 Months**	12 Months

Assumptions (Current Period)

Particulars	**For the year ended 31st March**	
	2018	2017
Expected Return on Plan Assets	**N.A.**	N.A.
Rate of Discounting	**7.78%**	7.39%
Rate of Salary Increase	**6.00%**	6.00%
Rate of Employee Turnover	**2.00%**	2.00%
Mortality Rate During Employment	**Indian Assured LivesMortality (2006-08)**	
Mortality Rate After Employment	**N.A.**	N.A.

(₹ in Lakhs)

Particulars	**Gratuity (Non Funded)**		**Post Retirement Medical Benefit Plan (Non Funded)**	
	For the year ended 31st March		**For the year ended 31st March**	
	2018	**2017**	**2018**	**2017**
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit obligation				
Present Value of Defined Benefit obligation at beginning of the year	**2,193.01**	1,810.53	**142.56**	122.20
Current Service Cost	**128.11**	120.73	**4.19**	21.58
Interest Cost	**162.06**	145.57	**-**	-
Actuarial (gain)/loss	**63.05**	183.62	**-**	-
Benefits paid	**(135.99)**	(67.43)	**(1.63)**	(1.22)
Present Value of Defined Benefit obligation at year end	**2,410.24**	2,193.01	**145.12**	142.56
II. Reconciliation of fair value of assets and obligation				
Fair value of Plan Assets as at the beginning of the year	**2,193.01**	1,810.53	**142.56**	122.20
Present Value of Defined Benefit obligation as at the end of the year	**2,410.24**	2,193.01	**145.12**	142.56
Liabilities recognized in Balance Sheet	**2,410.24**	2,193.01	**145.12**	142.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Gratuity (Non Funded)		Post Retirement Medical Benefit Plan (Non Funded)	
	For the year ended 31st March		For the year ended 31st March	
	2018	**2017**	**2018**	**2017**
III. Expense recognized during the year				
Current Service Cost	**128.11**	120.73	**4.19**	21.58
Interest Cost	**162.06**	145.57	**-**	-
Actuarial (gain)/loss	**63.05**	183.62	**-**	-
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Total Expenses/(Gain) recognized in Profit and loss account	**353.22**	449.91	**145.12**	142.56
IV. Actuarial assumptions				
Mortality Table (Indian Assured Lives Mortality)	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	7.39%	7.39%	**7.39%**	7.39%
Rate of escalation in salary (per annum)	6.00%	6.00%	**6.00%**	6.00%
V. Amounts for the current and previous periods				
Defined benefit obligation	**2,410.24**	2,193.01	**145.12**	142.56
Experience loss(gain) on plan liabilities	**133.47**	77.43	**NA**	NA

Maturity Analysis of Projected Benefit Obligation are as under: (₹ in Lakhs)

Gratuity	**As at 31st March, 2018**	As at 31st March, 2017
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	**188.97**	146.32
2nd Following Year	**110.48**	143.01
3rd Following Year	**113.55**	107.89
4th Following Year	**273.17**	99.42
5th Following Year	**250.14**	249.39
6th To 10th Year	**1,524.21**	1,264.55
11th and Above	**2,506.63**	2,491.54
Sensitivity Analysis are as under:		
Projected Benefit Obligation on Current Assumptions	**2,410.24**	2,193.01
Delta Effect of +1% Change in Rate of Discounting	**(165.49)**	(159.79)
Delta Effect of -1% Change in Rate of Discounting	**187.99**	182.31
Delta Effect of +1% Change in Rate of Salary Increase	**189.45**	183.02
Delta Effect of -1% Change in Rate of Salary Increase	**169.60**	(163.19)
Delta Effect of +1% Change in Rate of Employee Turnover	**23.21**	17.49
Delta Effect of -1% Change in Rate of Employee Turnover	**25.83**	(19.52)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

48 Operating Segment

a) The Group's operations fall under single segment namely "Power Generation", taking into account the different risks and returns, the organization structure and the internal reporting systems hence no separate disclosure of Operating Segment is required to be made as required under Ind AS – 108 "Operating Segment".

b) **Information about major customers**

Group's significant revenues (more than 80%) are derived from sales to Public Sector Undertaking. The total sales to such companies during the year amounted to ₹ 108,981.75 lakhs (P Y ₹ 105,290.12 Lakhs) .

c) **Information about geographical areas:**

Segment revenue from "Sale of Power" represents revenue generated from external customers which is fully attributable to the Group's Country of domicile i.e. India.

All assets are located in the Group's Country of domicile.

d) **Information about products and services**

The Group derives revenue from sale of power. The information about revenues from external customers is disclosed in Note no. 31 of the Financial Statements.

49 Financial instruments disclosure:

Capital management

The Group's objective when managing capital is to:

a) Safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and

b) 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 17 & 18). The Group is not subject to any externally imposed capital requirements.

Management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity

Gearing Ratio

The gearing ratio at end of the reporting period is as follows. **(₹ in Lakhs)**

	As at 31st March, 2018	As at 31st March, 2017
Debt	**61,662.51**	41,732.83
Total Equity	**2,45,902.33**	2,23,597.81
Debt to Equity Ratio	**0.25**	0.19

1. Debt is defined as all Long Term Debt outstanding + Current Maturity outstanding in lieu of Long Term Debt.
2. Equity is defined as Equity Share Capital + Other Equity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Categories of financial instruments	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	**25,997.68**	24,802.01
(b) Cash and cash equivalents	**5,219.12**	145.97
(c) Other bank balances	**671.33**	569.46
(d) Loans	**4.05**	4.36
(e) Other financial assets	**13,638.43**	6,025.60
Measured at FVTOCI		
(a) Investments in equity instruments	**10,948.02**	7,423.56
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	**46,787.75**	31,220.75
(b) Trade payables	**10,139.38**	10,375.16
(c) Other financial liabilities	**20,640.94**	21,823.69

Financial risk management objectives

While ensuring liquidity is sufficient to meet Group's operational requirements, the Group's management also monitors and manages key financial risks relating to the operations of the Group by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk and interest rate risk.

Interest rate risk management

The Group's main interest rate risk arises from the long term borrowings with floating rates.

The Group's floating rates borrowings are carried at amortised cost. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate risk management - Investment

The Group invests the surplus fund generated from operations in bank deposits . Bank deposits are made for a period of upto 12 months and carry interest rate of 6.0%-6.5% 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 Group's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI. The Group's equity investments in GACL & Gujarat Gas Ltd are publicly traded.

Price sensitivity analysis

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended 31st March, 2018 would increase/ decrease by '₹ 528.79 Lakhs (P.Y. ₹ 371.18 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign Currency Exchange Risk Management

The Group has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

The Forward exchange contracts used for hedging foreign currency exposure and outstanding as at year ended 31st March, 2018 are as under:-

(Amount in Lakhs)

Currency	No Of Contracts	Buy (USD)	INR Equivanents
Forward Contract to buy USD as at 31.03.2018	**4**	**35.37**	**2,327.63**
Forward Contract to buy USD as at 31.03.2017	-	-	-

Sensitivity to risk

A 5% strengthening of the INR against key currencies to which the Group is exposed would have led to approximately an additional ' 15 ('000) gain in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal but opposite effect

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 31 March, 2018			
Trade Payable	**10,139.38**	**-**	10,139.38
Security Deposits from Contractors	**277.78**	**887.81**	1,165.59
Total	**10,417.16**	**887.81**	11,304.97
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has access to committed credit facilities as described below, of which ₹ 16026.98 Lakh were unused at the end of the reporting period (as at March 31, 2017 ₹ 20204.81 Lakh). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

₹ in Lakh

Secured bank overdraft facility, reviewed annually and payable at call:	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Amount used	**8248.02**	4,070.19
Amount unused	**16026.98**	20,204.81

Fair value measurement

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets at fair value through other comprehensive income (FVTOCI) **(₹ in Lakhs)**

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Fair value as at	
			As at 31st March, 2018	As at 31st March, 2017
Investment in equity instruments (quoted)	Level 1	Quoted bid prices from BSE	**8,602.81**	5,307.56
Investment in Equity Instruments (unquoted)	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable	**1,973.00**	2,116.00

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 6 approximate their fair values.

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

51 The value of realization of Assets other than Fixed Assets and Non Current Investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

53 In the F.Y. 2016-17, the Board of Directors, decided to reorganize the operations of its wholly owned subsidiary - GIPCL Projects & Consultancy Services Co. Ltd. (GIPCO) by way of a scheme of Arrangement in the nature of Merger which provided for the merger of the subsidiary with the Holding Company on a going concern basis per applicable provisions of the Companies Act, 2013. During the current financial year, the Board of Directors has changed the plans of merging the subsidiary and has finally approved the Voluntary Liquidation of GIPCO under the Insolvency and Bankruptcy Code, 2016. The process of liquidation is in the process at the year end. The management does not expect any material impact of such plans on the operations of the Group.

The details of the Subsidiary as at 31st March, 2018 is as follow:-

(₹ in Lakhs)

Particulars	**Total**
Non Current Assets	-
Cash and cash equivalents	38.94
Other Current Assets	0.80
Total Assets	**39.74**
Equity Share capital	25.00
Other Equity	14.44
Current Financial Liabilities	0.26
Other Current Liabilities	0.03
Total Equity and Liabilities	**39.74**
Total Income for the year	2.67
Total Expense for the year	0.43
Profit for the year after tax	1.66
Cash inflows for the year	1.21

54 Previous year figures have been reclassified and regrouped wherever necessary to confirm to current year's classification.

55 **Approval of Financials Statements**

The Standalone Financial Statements were approved for issue by the Board of Directors on 24th May 2018.

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 : 24th May, 2018

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

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	0.46
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 ₹ 10/- each Amount of Investment in Associates Extent of Holding %	 2060.8 Lacs 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

For Gujarat Industries Power Company Limited

Shahmeena Husain
Managing Director
DIN: 03584560

Sujit Gulati
Chairman
DIN: 00177274

K.K.Bhatt
AGM & CFO

Swati D Desai
Company Secretary

Place : Gandhinagar
Date : 24th May, 2018

NOTES

CSR Initiatives

Construction of RCC Road at Village
Nani Naroli, Taluka Mangrol, District Surat

Construction of Multi purpuse shed at
village Ushker, Taluka Mandvi, District Surat

Construction of Toilets -
Village Dungri, Taluka Mangrol, District Surat

Construction of Class Rooms, Primary School,
Village Dhanora, District Vadodara

Mobile Medical Unit

Aanganwadi Enrollment Day

**GUJARAT INDUSTRIES
POWER COMPANY LIMITED**

Registered Post / Courier

If undelivered, please return to;

GUJARAT INDUSTRIES POWER COMPANY LIMITED

P.O. Petrochemicals - 391346, Dist.: Vadodara, Gujarat - India

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