

# 28<sup>th</sup> ANNUAL REPORT 2020-21



**GUJARAT STATE ELECTRICITY CORPORATION LTD**  
(A wholly owned Subsidiary of Gujarat Urja Vikas Nigam Limited)

# Manubhai & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Gujarat State Electricity Corporation Limited

### Qualified Opinion

We have audited the accompanying financial statements of Gujarat State Electricity Corporation Limited ('the Company'), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its surplus, its changes in equity and its cash flows for the year ended on that date.

### Basis for qualified opinion

- The company recognises replaced items of Property, Plant and Equipment (PPE) as addition of PPE. However, carrying amount of old parts, which are replaced, not derecognised from PPE. This is not in accordance with Ind AS – 16 "Property, Plant and Equipment". The effect of non-compliance of Ind AS – 16 is not ascertainable.
- The company recognizes capital spares as PPE and other spares as inventory based on pre-defined code system and not in accordance with requirement of Ind AS – 2 'Inventories' and Ind – AS 16 'Property, Plant and Equipment'. The effect of such non-compliance of Ind AS – 2 and Ind AS – 16 is not ascertainable.
- Balances under the group of other financial assets, other current assets, other current financial liabilities and trade payables are subject to confirmation and effect on these balances on account of adjustment, if any, required upon such confirmation are not determinable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Emphasis of matter

We draw attention to following notes to the financial statements

- Note no. 4(iv) to the financial statements in respect of surrendering of the mine and consequential financial effect on the company.
- Note no. 25 to the financial statements in respect of recognition of deferred tax assets on unabsorbed depreciation, unused tax losses and unused tax credit for the reason stated in the said note.

Our opinion is not modified in respect of these matters.



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