

S P C M & ASSOCIATES
CHARTERED ACCOUNTANTS

5th Floor, Centre Point,
Mitra Mandal Chowk,
Next to Balasaheb Thackrey Hospital
CTS 6616, Plot No: 491, Parvati,
Pune-411009

STANDALONE FINANCIAL
STATEMENTS
OF
MSEB HOLDING COMPANY LIMITED
FOR THE
FINANCIAL YEAR
2022-2023

Chartered Accountants
Independent Auditor's Report

To the Members of MSEB HOLDING COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

We have audited the accompanying Standalone Financial Statements of MSEB HOLDING COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph and para 7.3(d) below on the non-compliance of certain Indian Accounting Standards(Ind AS), in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2023, and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.*

2. Basis for Qualified Opinion

We have not been able to obtain necessary information and explanations for the purpose of our audit in case of the followings: -

- a) Determining the ownership of Tangible Fixed Assets transferred under provisional Transfer Scheme since finalised on 31st March'2016 vide GR No. Reform2010/Pr.Ka.117/Urja of Rs. 1,44,53,400 Thousands (refer note no. 7.2);
- b) The balances outstanding in the books of the company with its wholly-owned subsidiaries i.e. MSEDCL, MSETCL and MSPGCL are under reconciliation, discussions and deliberations (refer note no 9.1 & 20.1) and which may have impact on the financial position and certain disclosures in the financial statements.



- c) The company has given Corporate guarantee on behalf of Subsidiary companies MSEDCL and MSPGCL for which no Guarantee fees of whatsoever nature has been charged and therefore no fair valuation of such Corporate Guarantee fees has been done as per requirements of Ind-AS 109 and as such impact of which is not ascertainable. (refer Note No. 27.5 and 27.6)

(Amount in Crores)

Name of Company	To whom Guarantee is Given	Amount of Guarantee
MSEDCL	Rural Electrification Corporation	8400
MSEDCL	Central Bank of India	1000*
MSPGCL	Power Finance Corporation	2160*
MSPGCL	Rural Electrification Corporation	2160
MSPGCL	Bank of Baroda	1000*

* Amount of guarantee will be increased by Interest+ Commitment Charges, Liquidated damages as may be applicable.

- d) Share Application money received from MSPGCL during F.Y. 2022-2023 amounting to Rs. 3,19,500/- Thousands is directly paid by The Government of Maharashtra ("GoM") to Ministry of Water Charges and Rs. 5,91,910/- Thousands is directly paid by GoM to K.f.W Development Bank, Germany on behalf of MSPGCL as per GR issued by GoM, contravening the provision of Section 42 of The Companies Act 2013. (Refer note no. 14(2)).

Consequential impact of Para a) to d) above on the Profit, reserves and EPS are neither quantified / quantifiable, nor disclosed.

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

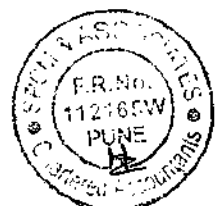
3. Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:



- 3.1 Refer Note No. 9.2 where the company has shown advance tax of Rs. 17,33,665 Thousands (P.Y. Rs. 16,50,800 Thousands) net of the provision of tax in the books of accounts amounting to Rs. 4,00,728 Thousands and Amount paid under protest Rs. 2,91,700 Thousands. There is no such liability as per income tax records as cases are in appeal. The amount of provision made in the books is as per Company's judgment only and the amount shown as recoverable is subject to reconciliations and confirmations.
- 3.2 Refer Note No. 10.1 where the debts outstanding against rentals from property due from subsidiaries amounting to Rs.49,51,404 Thousands (P.Y. Rs. 46,18,187 Thousands) have been long outstanding. Provision for Expected Credit Loss as per IND AS 109 has been duly made in the books.
- 3.3 Refer Note No. 8.2 where the value of investments of the company in MSEDCL of Rs. 48,27,39,849 Thousands (P.Y. Rs. 47,77,39,849 Thousands) has been diminished due to continuous losses incurred by MSEDCL. The diminution in the value of shares has not been provided for in the books. MSEDCL has earned profit in the F.Y 2021-2022, however, Reserves/other equity as on 31st March 2022 are negative. The figures for 31.03.2023 have not yet been finalized.
- 3.4 It has been observed that the Gratuity and leave encashment provision in books contains the provision of employees of civil unit and the same is taken in books from the date of their joining instead from the day they are deputed in MSEBHCL i.e. from F.Y. 2013-2014.
- 3.5 Refer Note No.28, where the company has reported that due to the reasonable uncertainty on the lease period on account of ongoing disputes on the assets taken on lease, the Company has not recognised the "Right of Use Assets" (ROU) and a corresponding lease liability for all the lease arrangements in which it is a lessee.

Our report is not qualified in respect of above matters.



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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this Auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

5. Management's responsibility for the Standalone Financial Statements

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

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

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



6. Auditor's responsibility

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

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

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



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

7. Report on other legal and regulatory requirements

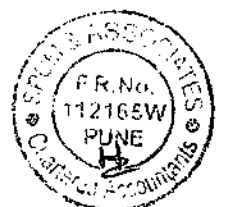
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure "B" on the directions issued by The Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, based on our audit, 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, *except for the effect of the matters described in the para 'Basis for Qualified Opinion'* above 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 Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



- d. Subject to our observations in para 2 & 3 above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. The provisions of Section 164(2) of the Companies Act, 2013, are not applicable to the Company, pursuant to the Notification No. GSR 463 (E) dated 5th June, 2015 issued by the Government of India;
- 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 C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. In terms of provisions of Section 197(16) of the Act, we report as under:

The Company being a Government Company within the meaning of Section 2(45) of the Act, the provisions of Section 197 of the Act, pertaining to managerial remuneration, are not applicable to it vide MCA Notification dated 5th June 2015.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 Note 27.8 to its standalone financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts and also as per the Board's estimates, there are no material foreseeable losses, requiring provision under the applicable law or accounting standards;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) We have received representation from the Management that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

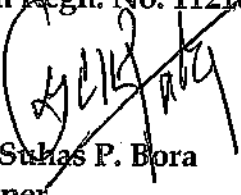


b) We have received representation from the Management that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv)(b) contain any material mis-statement.

v. No dividend is declared or paid during the year by the company.

For SPCM & Associates
Chartered Accountants
Firm Regn. No. 112165W


CA Suhaz P. Bora
Partner
No. 039765



UDIN:23039765 B6YJID1958
Place: Mumbai
Date: 08-11-2023

Annexure "A" to Independent Auditors' Report on the Standalone Financial Statements of MSEB Holding Company Limited for the year ended 31 March 2023

Referred to in Paragraph 7(1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

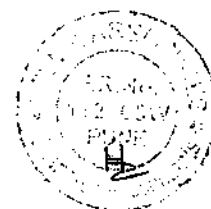
(i) (a) (A) The Company has maintained fixed assets register in respect of assets allocated under Scheme of Transfer and additions made thereto after the incorporation of the Company pursuant to above scheme capturing the details of quantity and location of the asset. (Refer Note No. 7.5). *The company needs to further streamline its fixed asset register to show proper and identifiable records, to the extent possible, showing full particulars, including quantitative details and situation of fixed assets.*

(B) According to the information and explanations given to us, the Company has no intangible assets and accordingly the requirements under paragraph 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 ("The Order") are not applicable to the Company.

(b) As explained to us fixed assets have not been physically verified by the company during the year. Last physical verification of the Fixed Assets was carried out by the management during the year 2010-11. The discrepancies after 2010-11, if any, with the book records whether material or otherwise could not be ascertained. (Refer Note No. 7.5).

(c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are not held in the name of the company since all the assets were transferred consequent upon the decision of the Government of Maharashtra (GOM) for reorganization of MSEB, pursuant to Chapter XIII of Electricity Act 2003 and further increased under the provisional Transfer Scheme, since finalised on 31st March'2016 vide GR No. Reform 2010 /Pr.Ka.117 /Urja. Details of such cases where the title deeds are not in name of company are reported at Note 7.7 of the Standalone Financial Statements. The supporting document to verify in whose name the title deed of immovable property is held is not provided for verification.

(d) According to the information and explanations given to us by the management, no revaluation of Plant, Property and Equipment (Including Right of use Assets) was done by the Company. Also, the Company does not hold any Assets which fall under the purview of Intangible Assets. Accordingly, the requirements under paragraph 3(i)(d) of the Companies (Auditor's Report) Order, 2020 ("The Order") are not applicable to the Company.

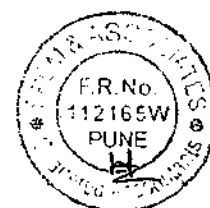


- (e) According to the records of the company examined by us and the information and explanations given to us, there are no proceedings initiated or are pending against the company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, during the year, company is involved in renting activity only and therefore no inventory is carried by the company. Accordingly, clause (ii)(a) of the Order is not applicable to the company.
- (b) According to the records of the company examined by us and the information and explanations given to us, no working capital loan was sanctioned in excess of five crore rupees, in aggregate, from Banks or any financial institutions on the basis of security of current assets. Accordingly, the requirements under paragraph 3(ii)(b) of Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has provided any guarantee or security in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made Investment in shares of wholly owned subsidiaries during the period under audit. The Company has granted loan to company during the year, details of the loan is stated in sub-clause (A) and (B) below.
- (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans/advance to one of its wholly owned subsidiary company.

Particulars	Amount in Thousands
Aggregate amount during the year	6,787
Balance outstanding as at balance sheet date	3,67,95,308

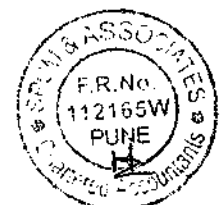
- (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted Interest free loans to parties other than Subsidiary.

Particulars	Amount in Thousands
Aggregate amount during the year-Others	2,435
Balance outstanding as at balance sheet date - Others	8,435



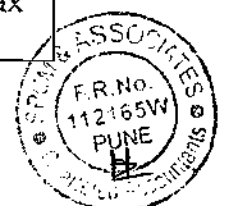
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the Investment made are, prima facie, not prejudicial to the interest of the Company. However, the terms and Conditions of Loans given to company other than subsidiary company are prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has not been stipulated and therefore we are unable to comment as to whether repayments or receipts have been regular or not.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, as regards to the point whether there is any overdue amount for more than ninety days in respect of loans given, we are unable to comment upon the same, since there is no stipulated repayment schedule.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, as regards to the point whether there is any loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party, we are unable to comment upon the same since there is no stipulated repayment schedule.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans either repayable on demand or without specifying any terms or period of repayment. Details of which are as under:-

Particulars	Amount in Thousands
Aggregate amount of loan granted during the year without specifying the terms or period of payment	9,222
Percentage thereof to Total loans granted	100%
Percentage of total loans granted to Promoter, Related parties as per Section 2(76) of Companies Act,2013.	73.60%



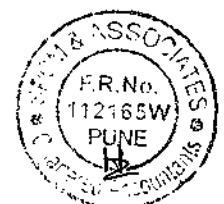
- (iv) According to the information and explanations given to us during the year the Company has given guarantee in respect of loan raised by its Wholly Owned Subsidiary Companies i.e. MSEDCL and MSPGCL, however no loans were granted which are covered under Section 185 of the Companies Act, 2013. In respect of loans given to a company other than its wholly owned subsidiary, company has not complied with the provision of Section 186(7) of the Companies Act, 2013. In respect of investments in the Subsidiary company and loan given to the subsidiary company the provisions of Section 186 of the Companies Act, 2013 are not applicable, since the investment has been made by the Company in its wholly owned subsidiary companies.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any public deposits and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. As per the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- (vi) As the Company is not engaged in production, processing, manufacturing and/ or similar activities, the rules prescribed by Central Government for maintenance for cost records under sub section (1) of Section 148 of the Companies Act, 2013 are not applicable to the company. Hence, provisions of Clause 3 (vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income-tax, Service tax, duty of Customs, duty of Excise, GST, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and the information and explanations given to us, disputed dues payable by the Company as on 31st March 2023 on account of Income-tax, Sales-tax, Service-tax, Duty of Custom, Duty of Excise, Value Added Tax and GST are as under:-

Sr. No	Name of Statute	Nature of Dues	Amount (In Thousands)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Penalty	11,21,737	AY 2007-08	Commissioner of Income Tax (Appeals)

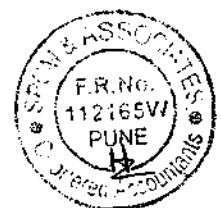


2	Income Tax Act, 1961	Penalty	10,34,815	AY 2009-10	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Income Tax + Interest	1,229	AY 2018-19	Commissioner of Income Tax (Appeals)

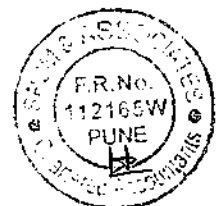
- (viii) In our opinion and according to the information and explanations given to us, there are no such transactions which were not recorded in the books of accounts and are surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961. Accordingly, the requirements under paragraph 3(viii) of Order are not applicable to the Company and hence not commented upon.
- (ix) According to the information and explanations given to us and on the basis of our verification, in respect of loans availed by the company:
- (a) The Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable. However, in respect of Bonds issued by erstwhile MSEB, no confirmation for determination of the Liability recorded in the books of the Company under provisional Transfer Scheme, since finalized on 31st March'2016 vide GR No. Reform 2010/Pr.Ka.117/Urja, is received from the Company and hence we are unable to comment in respect of default, if any.
 - (b) The Company is not been declared wilful defaulter by any bank or financial institution or other lender.
 - (c) Not Applicable, since the company has not obtained any term loan.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
 - (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer and no term loans were raised by the company. Accordingly, clause 3 (x)(a) of the Order is not applicable and hence not commented upon.



- (b) According to the information and explanations given to us and on the basis of our overall examination of the Balance Sheet, the Company has made preferential allotment or private placement of shares during the year under review. The company has not complied with the requirements of Section 42 of the Act and the amounts raised have been used for the purpose for which funds were raised. Company has not made preferential allotment or private placement of fully or partly convertible debentures during the year under review.
- (xi) (a) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have not come across any instance of fraud, either noticed or reported during the year, on or by the Company.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There are no whistle blower complaints, received during the year by the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our audit procedures performed and according to the information and explanations given to us, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind AS).
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) Based on our audit procedures performed and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

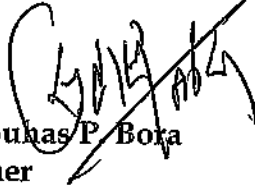


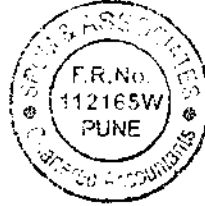
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly clause 3(xvi) of the order is not applicable to the company.
- (xvii) In our opinion and according to the information and explanations given to us the company has not incurred any cash losses in the current year and in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, the unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 in respect of other than ongoing project have been transferred to a Fund specified in Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the Financial Year in compliance with Second proviso to subsection (5) of Section 135 of the Companies Act, 2013.



- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 with respect of any ongoing project that has not been transferred to a Special account in compliance with the provision of subsection (6) of Section 135 of the Companies Act, 2013.

**For SPCM & Associates
Chartered Accountants
Firm Regn. No. 112165W**


**CA Suhans P Bora
Partner
Membership No. 039765**



UDIN: 23039765 B6YJ1U 1958

Place: Mumbai
Date: 08-11-2023

Chartered Accountants

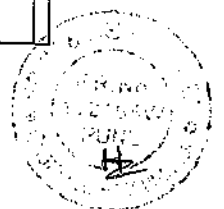
**Annexure "B"- Report on the Standalone Financial Statements of
MSEB Holding Company Limited for the year ended 31 March 2023**

**Directions / Sub-Directions issued by Comptroller and Auditor
General of India under sub-section (5) of section 143 of the Act**

In terms of Directions issued by the Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act, and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanation given to us, we give a statement on the matters specified in the said Directions.

i. Directions under sub-section (5) of section 143 of the Act

Sr. No.	AUDITOR'S COMMENTS	
1.	Whether the company has system in place to process all the accounting transactions through IT systems? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Not Applicable, since all the accounting transactions are processed manually and later accounting entries are passed in accounting software.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Company).	According to information and explanations given to us, there are no such cases of restructuring of Loans or cases of waiver/write off of debts/loans/interest by the lenders of the company.

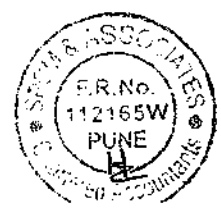


	3. Whether funds (grants/subsidy etc.) received/receivable for the specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	According to information and explanations given to us, no funds (grants/subsidy etc.) are received/receivable for the specific schemes from Central/ State Government or its agencies.
--	---	--



i. Sector specific Sub Directions

Sr. No.	AUDITOR'S COMMENTS	
Sr. No.	Directions	Replies
1	Whether the company has an effective system of recovery of Revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with applicable Accounting Standards?	The recovery of rent from subsidiary companies had been long outstanding although the same is properly accounted for.
2	Where land Acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all case? The cases of deviation may be please be detailed.	This clause is not applicable on the company.
3	Whether Profit/Loss mentioned in Audit Report is per profit & Loss statements of the Company?	Yes, the Profit mentioned in Audit Report is as per Statement of Profit and Loss of the Company.
4.	Examine whether the provisions of the Companies Act were followed w.r.t to reporting and disclosures of CSR Activities.	Yes, the Company has made disclosures relating provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility.



“Annexure C” to the Independent Auditor’s Report on the Standalone Financial Statements of MSEB Holding Company Limited for the year ended 31 March 2023

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

(Referred to in paragraph 7(3)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of MSEB Holding Company Ltd. (“the Company”) as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements 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.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements based on the 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. 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 the 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.



Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



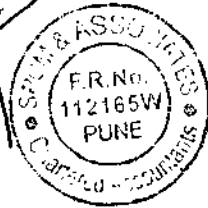
(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls with reference to standalone financial statements

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

**For SPCM & Associates
Chartered Accountants
Firm Regn. No. 112165W**

**CA. Suhas P. Bora
Partner
Membership No. 039765**



UDIN: 23039765 86YJI01958

Place: Mumbai

Date: 08-11-2023

PART -I BALANCE SHEET
MSEB Holding Company Limited
(CIN:-U40100MH2005SGC153649)
Standalone Balance Sheet as at 31st March 2023

		(Amount in Thousands)		
Particulars		Note No.	As at 31st March 2023	As at 31st March 2022
1			2	3
ASSETS				
(1) Non Current Assets				
a	Property, Plant & Equipment	6	24,03,962	23,56,095
b	Capital Work in Progress	6	74,394	71,484
c	Investment Properties	7	64,26,064	67,90,872
d	Goodwill		-	-
e	Other Intangible Assets		-	-
f	Intangible Assets under Development		-	-
g	Biological Assets other than bearer plants		-	-
h	Financial Assets		-	-
	(i) Investments	8	83,26,85,969	83,17,74,559
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(iv) Others		-	-
i	Deferred Tax Assets (Net)		-	-
j	Other Non Current Assets	9	3,89,05,825	3,87,79,209
(2) Current Assets				
a	Inventories		-	-
b	Financial Assets		-	-
	(i) Investments		-	-
	(ii) Trade Receivables	10	46,54,901	43,43,368
	(iii) Cash & cash Equivalents	11	1,000	64
	(iv) Bank Balances Other than (iii) above	12	1,60,910	2,24,082
	(v) Loans		-	-
	(vi) Others		-	-
c	Current Tax Assets (Net)		-	-
d	Other Current assets	13	7,839	8,535
Assets held for sale/Assets included in disposal group(s) held for sale			-	-
Total Assets			88,53,20,863	88,43,48,267
EQUITY AND LIABILITIES				
EQUITY				
a	Equity Share capital	14	90,23,42,615	89,26,62,115
b	Other Equity	15	-2,01,98,503	-1,14,97,401
LIABILITIES				
(1) Non Current Liabilities				
a	Financial liabilities		-	-
	(i) Borrowings		-	-
	(ii) Trade Payables		-	-
	(iii) Other financial Liabilities (other than those specified in item (b))		-	-



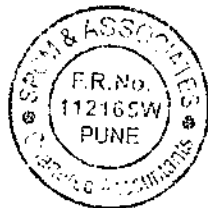
(Amount in Thousands)

	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
b	Provisions	16	61,991	59,782
c	Deferred Tax Liabilities (Net)	17	-	-
d	Other Non Current Liabilities			
(2)	Current Liabilities			
a	Financial liabilities			
	(i) Borrowings		-	-
	(ii) Trade Payables	18	43,578	60,255
	(iii) Other financial Liabilities (other than those specified in item (c))	19	21,702	16,252
b	Other Current Liabilities	20	30,26,784	30,31,275
c	Provisions	21	22,697	15,990
d	Other Current Liabilities			
	Liabilities classified as held for sale/ Liabilities included in disposal group held-for sale		-	-
	Total Liabilities and Equity		88,53,20,863	88,43,48,267
	Significant Accounting Policies	1-5		
	Notes to accounts	6-42		

See accompanying notes to the financial statement
As per our report of even date

For SPCM AND ASSOCIATES
Chartered Accountants
Firm Registration Number: 112165W

CA. Suhas P. Bora
Partner
Membership Number : 039765
Place : Mumbai
Date : 08-11-2023
UDIN: 23039765 BGYJIU1958



For and on behalf of Board of Directors of
MSEB Holding Company Limited

Ashek Phalnikar
Director(F)(I/c)
(DIN. 08908820)

Julee Wagh
Director
(DIN: 06892478)

Abha Shukla
Managing Director
(DIN: 09054999)

Chandrashekhhar Gadre
CGM (Finance)(I/C)

Subodh Zare
Company Secretary
Mem. No. A22980

Place : Mumbai
Date :



PART II - STATEMENT OF PROFIT AND LOSS

MSEB Holding Company Limited

(CIN:-U40100MH2005SGC153649)

Standalone Statement of Profit and Loss for the year ended 31st March 2023

		(Amount in Thousands)		
	Particulars	Note	For the Year 2022-2023	For the Year 2021-2022
(i)	Revenue from operations	22	8,16,187	8,16,187
(ii)	Other Income	23	16,082	17,029
I	Total Income (i)+(ii)		8,32,269	8,33,216
	Expenses			
(i)	Cost of materials consumed		-	-
(ii)	Purchase of Stock-in-Trade		-	-
(iii)	Changes in Inventories of finished goods, Stock-in-trade and work-in-progress		-	-
(iv)	Employee Benefits Expenses	24	66,227	68,865
(v)	Finance Costs		-	-
(vi)	Depreciation and amortization expense	25	4,14,048	4,09,412
(vii)	Others expenses	26	2,81,646	3,02,074
II	Total Expenses ((i) to (vii))		7,61,921	7,80,351
III	Profit /(Loss) before exceptional items and tax (II-I)		70,348	52,865
IV	Exceptional Items			
V	Profit /(Loss) before tax (III - IV)		70,348	52,865
VI	Tax Expenses:			
	(1) Current Tax -MAT		-	-
	(2) MAT Credit Entitlement		-	-
	(2) Deferred Tax		-	-
	(3) Previous Year Taxes		-	-
VII	Profit /(Loss) for the period from continuing operations (V-VI)		70,348	52,865
VIII	Profit /(Loss) from discontinued operations before tax			
IX	Tax Expenses of discontinued operations			
X	Profit /(Loss) from discontinued operations (After tax) (VIII- IX)			
XI	Profit /(Loss) for the period		70,348	52,865
XII	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to profit or loss		-2,360	-1,498
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-2,360	-1,498
(B)	(i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)			
XIII	Other Comprehensive Income(A+B)		-2,360	-1,498

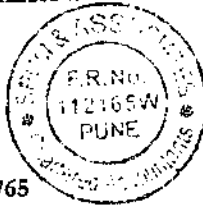


XIV	Total Comprehensive Income for the period (XI + XIII)		67,988	51,367
XVII	Earnings per equity share (for continuing and discontinued operations)			
	Basic (Rs.)	33	0.00	0.00
	Diluted (Rs.)	33	0.00	0.00
	Significant Accounting Policies	1-5		
	Notes to accounts	6-42		

See accompanying notes to the financial statement
As per our report of even date

For SPCM AND ASSOCIATES
Chartered Accountants
Firm Registration Number:112165W

CA. Suhas P. Bora
Partner
Membership Number : 039765



Place : Mumbai
Date : 08-11-2023
UDIN: 28039765BGYJIU1958

For and on behalf of Board of Directors of
MSEB Holding Company Limited

Ashok Phalnikar
Director(F)(I/c)
(DIN. 08908820)

Jutee Wagh
Director
(DIN: 06892478)

Abha Shukla
Managing Director
(DIN: 09054999)

Chandrashekhar Gadre
CGM (Finance)(I/C)

Subodh Zare
Company Secretary
Mem. No. A22980

Place : Mumbai
Date :



MSEB Holding Company Limited
(CIN:-U40100MH2005SGC153649)

Standalone Cash Flow Statement for the year ended 31st March 2023

PARTICULARS	(Amount in Thousands)			
	2022-2023		2021-2022	
A. Cash flows from operating activities				
Net profit before taxation		70,348		52,865
Adjustments for:				
Depreciation	4,14,048		4,09,412	
Interest income	(12,078)		(14,706)	
Provision for Expected Credit Loss	21,659		29,934	
Provision for Doubtful Advances	2,435		2,500	
Subtotal		4,26,064		4,27,140
Operating profit before working capital changes		4,96,412		4,80,005
Adjustments for:				
Increase/(Decrease) in Reserves				
Increase/(Decrease) in Other Long Term Liabilities	(16,676)		2,047	
Increase/(Decrease) in Long Term Provisions	(151)		4,319	
Increase/(Decrease) in Other Current Liabilities	(4,492)		(6,894)	
Increase/(Decrease) in Other Current Financial Liabilities	5,449		2,770	
Increase/(Decrease) in Short Term Provisions	6,708		(5,857)	
Increase/(Decrease) in Deferred Tax Liabilities				
(Increase)/Decrease in Other Non Current Assets	(1,29,051)		(53,235)	
(Increase)/Decrease in Other Bank Balances and Term Deposit	63,172		84,676	
(Increase)/Decrease in Other Current assets	698		7,055	
(Increase)/Decrease in Trade Receivables	(3,33,192)	(4,07,536)	(4,52,094)	(4,17,213)
Cash generated from operations		88,875		62,792
Less: Taxes paid(net of refunds)				
Cash flow before extraordinary item		88,875		62,792
Add/ Less: Extra-ordinary items				
Net cash from operating activities (A)		88,875		62,792
B. Cash flows from investing activities				
Purchase of fixed assets and addition to Capital Work in Progress	(1,00,018)		(75,859)	
Sale of Assets				
Purchase of Non Current Investments	(9,11,410)		(1,06,05,500)	
Interest received (Net of TDS)	12,078		14,706	
Net cash used for investing activities (b)		(9,99,350)		(1,06,66,653)
C. Cash flows from financing activities				
Proceeds from issuance of Share Application Money Pending allotment	9,11,410		96,80,500	
Proceeds from issuance of Shares			9,25,000	
Interest paid				



Increase in Long Term borrowings on account of Interest				
Interest charged to P & L				
Decrease in Other Current Liabilities on account of interest				
Net cash from financing activities (C)		9,11,410		1,06,05,500
Net increase in cash and cash equivalents (A + B + C)		936		1,639
Cash and cash equivalents at beginning of period		64		(1,575)
Cash and cash equivalents at end of period		1,000		64

Foot Note:

- 1) Cash flow is prepared under Indirect Method as prescribed in IND AS 7-Cash Flow Statements
- 2) Cash & Cash Equivalents included in the Financial Statements comprise the following.

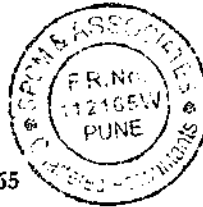
Cash & Cash Equivalents	As on 31.03.23	As on 31.03.22
Balance in Current accounts	999	63
Cash	1	1
Cheques on hand	-	-
Balance in Fixed Deposits (maturity less than 3 months)	-	-
Balance in Fixed Deposits (maturity less than 12 months more than 3 months)	1,60,910	2,24,082
Total	1,61,910	2,24,146

See accompanying notes to the financial statement
As per our report of even date

For SPCM AND ASSOCIATES
Chartered Accountants
Firm/Registration Number:112165W

CA. Subhas B. Bora
Partner
Membership Number : 039765

Place : Mumbai
Date : 08-11-2023
UDIN: 280397651864YJ1U1958



For and on behalf of Board of Directors of
MSEB Holding Company Limited

Ashok Phalnikar
Director(F)(I/c)
(DIN. 08908820)

Jyotee Wagh
Director
(DIN: 06892478)

Abha Shukla
Managing Director
(DIN: 09054999)

Chandrashekhhar Gadre
CGM (Finance)(I/C)

Subodh Zare
Company Secretary
Mem. No. A22980

Place : Mumbai
Date :



MSEB Holding Company Limited
(CIN:-U40100MH2005SGC153649)

Statement of changes in equity
PART -I BALANCE SHEET

Standalone Statement of changes in Equity for the year ended 31st March 2023

A. Equity Share Capital

Particulars	Amount (Thousands)
As at 1st April 2021	89,17,37,115
Issue of share capital (As per Note 14)	9,25,000
As at 31st March 2022	89,26,62,115
Issue of share capital (As per Note 14)	96,80,500
As at 31st March 2023	90,23,42,615

B. Instruments entirely equity in nature

a. Compulsorily Convertible Preference Shares

Particulars	Amount (Thousands)
As at 1st April 2021	-
Issued during the year 2021-2022	-
As at 31st March 2022	-
Issued during the year 2022-2023	-
As at 31st March 2023	-

b. Compulsorily Convertible Debentures

Particulars	Amount (Thousands)
As at 1st April 2022	-
Issued during the year 2021-2022	-
As at 31st March 2022	-
Issued during the year 2022-2023	-
As at 31st March 2023	-

c. Instrument (any other instrument entirely equity in nature)

Particulars	Amount (Thousands)
As at 1st April 2021	-
Issued during the year 2021-2022	-
As at 31st March 2022	-
Issued during the year 2022-2023	-
As at 31st March 2023	-



**Statement of changes in equity
MSEB Holding Company Limited
Standalone Statement of changes in Equity for the year ended 31st March 2023**

A. Equity Share Capital	
Particulars	Amt (Thousands)
As at 31st March, 2022	89,26,62,115
Issue of share capital	96,80,500
As at 31st March, 2023	90,23,42,615

**B: Other Equity
For the year ended 31st March 2023**

	Share application money pending allotment	Equity component of financial instruments	Reserves and Surplus			Retained Earnings
			Capital reserves	Securities premium Reserve	Other reserves (Specify nature)	
Balance as on 1st April 2022	96,80,500	-	-	-	-2,11,77,901	
Profit for the year	-	-	-	-	70,348	
Other Comprehensive Expenditure for the year	-	-	-	-	-2,360	
Dividends	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	
Share Application Money received during the year	9,11,410	-	-	-	-	
Shares issued during the year	96,80,500	-	-	-	-	
Balance as on 31st March 2023	9,11,410	-	-	-	-2,11,09,913	

See accompanying notes to the financial statements
As per our report of even date

For SPCM AND ASSOCIATES
Chartered Accountants
Firm/Registration Number: I12165W

(Signature)
CA. Sakas P. Bora
Partner
Membership Number : 039/05

Place : Mumbai
Date : 08-11-2023
UDIN: 2808976586YJ1101958



For and on behalf of Board of Directors of
MSEB Holding Company Limited

(Signature)
Ashraf Phalnikar
Director (F) (I/c)
(DIN. 08908820)

(Signature)
Abha Shukla
Managing Director
(DIN: 09054999)

(Signature)
Chandrasekhkar Gadre
CGM (Finance) (I/C)

(Signature)
Subodh Zare
Company Secretary
Mem. No. A22980



Place : Mumbai
Date :

Note 1: Corporate information:

MSEB Holding Company Limited. (MSEBHCL) was incorporated w.e.f. 31.05.2005 consequent upon the decision of the Government of Maharashtra (GOM) for reorganization of MSEB, pursuant to Chapter XIII of Electricity Act 2003. It has three Subsidiaries Companies viz. Maharashtra State Power Generation Co. Ltd. (MSPGCL), Maharashtra State Electricity Transmission Co. Limited (MSETCL), Maharashtra State Electricity Distribution Co. Limited (MSEDCL). The Company started its operation from 6th June 2005 in accordance with the "Provisional Transfer Scheme" of the Government of Maharashtra. The "Provisional Transfer Scheme" was a scheme under which all the three subsidiary Companies and this Company came into existence from the erstwhile MSEB Board. The said scheme has been finalised and the Financial Restructuring Plan (FRP) has been approved by the GOM on 31st March 2016 and has been notified vide GR No. Reform2010/Pr.Ka.117/Urja-3. The scheme has been implemented during the F.Y. 31-03-2016 with retrospective effect from 05-06-2005.

Note2: Basis of preparation:

The standalone financial statements have been prepared to comply, in all material aspects, in accordance with the Indian Accounting Standards (herein after referred to as 'IND AS') notified under Section 133 of the Companies Act, 2013 (the Act), [the Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the Act].

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years, if the revision affects both current and future years (Refer Note No. 4 on significant accounting judgements, estimates and assumption).

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments.) at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian Rupees ("INR" or "Thousand") which is the Company's functional currency.

Note3: Current and Non-Current classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.



- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,

Or

- There is no unconditional right to defer the settlement of the liability for at twelve months after the reporting period.

Deferred tax assets/liabilities are classified as non-current on net basis.

All other liabilities are classified as non-current.

Note 4: Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Fair value measurements of financial instruments
- Impairment of non-financial assets;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Evaluation of recoverability of deferred tax assets;
- Revenue recognition

Note 5: Significant accounting policies:

1. Property, Plant and Equipment (PPE):

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits



associated with the item will flow to the Company and the cost of the items can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in Statement of profit and loss, when expenses are incurred.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Capital Expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss on the date of retirement or disposal.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, are adjusted prospectively.

When the use of a Property changes from owner-occupied to Investment property, the property is reclassified as Investment Property at its carrying amount on the date of classification.

Leased Assets

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other case, buildings constructed on leasehold lands are amortised over the primary lease of the lands. Freehold land is not depreciated.

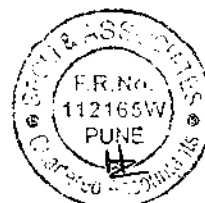
Estimated useful lives of the assets are as follows:

Nature of Assets	Years
Leasehold Land	01 to 90
Buildings	01 to 60
Plant & Equipment	01 to 15
Furniture & Fixtures	01 to 10
Vehicles	01 to 08
Computers	01 to 03

Assets individually costing Rupees five thousand or less are fully depreciated over a period of twelve months from the date available for use.

2. Investment properties:

Investment properties comprise portions of freehold land and office buildings that held for long-term rentals yields and/or for capital appreciation. Investment properties are



initially recognised at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their useful lives. All other repair and maintenance costs are recognised in profit and loss as incurred.

Depreciation on building is provided over the estimated useful lives as specified in schedule II to The Companies Act, 2013. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the statement of profit and loss when the change arises.

Though the Company measures investment property using cost based measurement and considered the same amount as the fair value of all the investment properties.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

3. Intangible assets:

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in Statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset (except goodwill) is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

- a) Goodwill – Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses.
- b) Software – Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years.



- c) Licences – Acquired licenses are initially recognised at cost. Subsequently, licenses are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in statement of profit and loss on a straight-line basis over the unexpired period of the license and is disclosed under ‘depreciation and amortisation’. The amortisation period relating to licenses acquired in a business combination is determined primarily by reference to the unexpired license period.
- d) Other acquired intangible assets – Other intangible assets are initially recognised at cost. Other intangible assets acquired in business combinations are amortised over the estimated useful lives from the date they are available for use.

Intangible assets that have an indefinite useful life, for example goodwill, and intangible assets not yet put to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

4. Impairment of non-financial assets:

At each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined at the higher of the fair value less cost to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously re-valued with the revaluation taken to Other Comprehensive Income (the ‘OCI’). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

5. Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and on hand which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value. Outstanding bank overdrafts are shown within the borrowings in current liabilities in the statement of financial position and which are considered an integral part of the Company’s cash management.



6. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable, excluding discounts, rebates, and GST and other taxes as applicable for the time being in force. The Company assesses its revenue arrangements against specific criteria i.e whether it has exposure to the significant risks and rewards associated with the sale of goods or rendering of services, in order to determine if it is acting as a principal or as an agent.

a. Interest income –

For all the financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

b. Dividend income –

Dividend income is recognised when the Company's right to receive the payment is established.

c. Lease Income –

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals are recognised on straight line basis as per the terms of the agreements in the statement of profit and loss.

7. Accounting/ classification of expenditure and income

Prior Period Items includes items of income or expenses which arise in the current period as a result of error or omission in the preparation of financial statements of one or more prior years. These are separately accounted for either by –

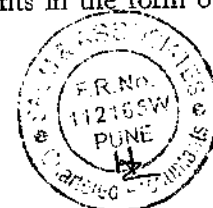
a) Restating the comparative amounts for the prior period(s) in which the error occurred, or

(b) When the error occurred before the earliest prior period(s) presented, restating the opening balances of assets, liabilities and equity for that period, so that the financial statements are presented as if the error had never occurred.

Only where it is impracticable to determine the cumulative effect of an error on prior periods, then such effect is corrected prospectively from the earliest date practicable.

8. Employee benefits:

The Company's post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.



Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the statement of financial position. Scheme Liabilities are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. Plan assets are assets that are held by a long term employee benefit fund or qualifying insurance policies.

All the expenses excluding re-measurements of the net defined benefits liability (asset), in respect of defined benefit plans are recognised in the profit and loss as incurred. Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Compensated Absence

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

The amount charged to the income statement in respect of these plans is included within operating costs.

The Company's contribution to defined contribution plans are recognised in Statement of profit and loss as they fall due. The Company has no further obligations under these plans beyond its periodic contributions.

9. Borrowing costs:

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

10. Leases:

The Company has adopted Ind AS 116 "Leases" effective from 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).



Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing Cash Flows.

11. Earnings per share:

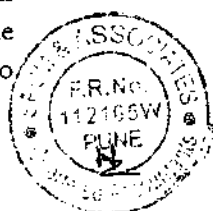
The Company's earnings per share (EPS) are determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options (using the treasury stock method for options), except where the result would be anti-dilutive.

12. Taxes on Income:

a. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in equity. The Company periodically evaluates positions taken in the tax returns with respect to



which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

b. Deferred tax

Deferred tax liability/Asset is provided on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary difference, except –

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit/(tax loss).
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will be not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit/(tax loss).
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current incomes tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



13. Provisions, Contingent Liabilities, Contingent Assets and Commitments:

- a. **General** – Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursements.
- If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- b. **Contingencies** – Contingencies liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

14. Fair value measurement:

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

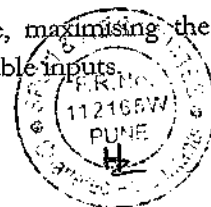
- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the level of the fair value hierarchy as explained above.

15. Financial Instruments:

(i) Financial assets:

Initial recognition and measurement:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/deducted to the fair value on initial recognition. Transaction costs related to the acquisition of financial assets and financial liabilities, that are fair valued through profit or loss, are recognized in Statement of Profit and Loss Account.

Subsequent measurement

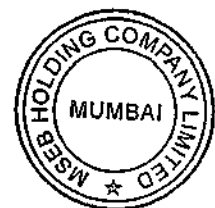
For purpose of subsequent measurement financial assets are classified into two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit & loss), or recognised in other comprehensive income (i.e fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).



- **Cash flow characteristic test:** 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designed at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristic test:** 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.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investment are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

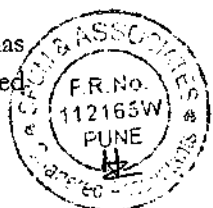
If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

De-recognition

A financial asset (or where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognised (i.e removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained



the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In case, the Company also recognises an associated liability, the transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost in the financial statements.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivable; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the history observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12- months ECL is used to provide for impairment loss. However, if credit risk has increased significantly



lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then Company reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Expected credit loss has been provided on the Long Term Trade Receivables against rentals from property on the basis of the following slabs to arrive at the time value

No of Days	ECL
0-90 Days	1%
90-180 Days	3.25%
180 & Above	6.5%

(ii) Financial Liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payable, maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

De-recognition

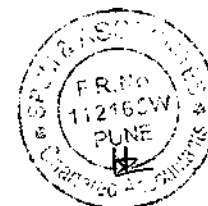
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

16. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on 'Statement of Cash Flow'. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

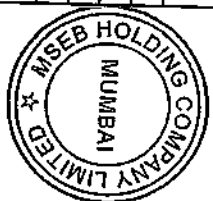
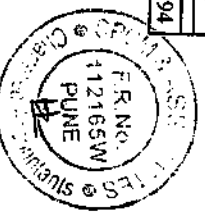


Note 6

STANDALONE PROPERTY, PLANT AND EQUIPMENT

(Amt in Thousands)

Particulars	Leasehold Land	Freehold Land	Plant & Machinery	Vehicles	Furniture & Fixtures	Computers	Total	Capital Work in Progress
Year ended 31st March 2022								
Gross Carrying Amount								
Cost as at 1st April 2021	20,45,934	7,08,880	1,90,505	11,316	1,28,816	5,392	30,90,842	3,758
Additions	-	-	7,044	-	528	561	8,134	72,610
Adjustments	-	-	-	-	-	-	-	-
Disposal/Transfers	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	20,45,934	7,08,880	1,97,549	11,316	1,29,344	5,953	30,98,976	4,885
Accumulated Depreciation and Impairment								
(Opening Accumulated Depreciation	4,65,405	-	1,05,854	8,574	1,14,985	3,460	6,98,278	-
Depreciation Charge during the year	32,935	-	7,481	602	2,841	745	44,603	-
Adjustments	-	-	-	-	-	-	-	-
Disposal/Transfers	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment	4,98,340	-	1,13,335	9,176	1,17,826	4,205	7,42,881	-
Net Carrying Amount	15,47,595	7,08,880	84,214	2,140	11,518	1,748	23,56,095	71,484
Year ended 31st March 2023								
Gross Carrying Amount								
(Opening Gross Carrying Amount	20,45,934	7,08,880	1,97,549	11,316	1,29,344	5,953	30,98,976	71,484
Additions	-	-	88,316	-	8,076	715	97,107	86,905
Adjustments	-	-	-	-	-	-	-	-
Disposal/Transfers	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	20,45,934	7,08,880	2,85,865	11,316	1,37,420	6,668	31,96,084	83,995
Accumulated Depreciation and Impairment								
(Opening Accumulated Depreciation	4,98,340	-	1,13,335	9,176	1,17,826	4,205	7,42,881	-
Depreciation Charge during the year	32,935	-	11,816	602	2,962	926	49,240	-
Adjustments	-	-	-	-	-	-	-	-
Disposal/Transfers	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment	5,31,274	-	1,25,151	9,778	1,20,787	5,131	7,92,122	-
Net Carrying Amount	15,14,660	7,08,880	1,60,714	1,538	16,633	1,537	24,03,962	74,394



Note 7

STANDALONE INVESTMENT PROPERTY

(Amount in Thousands)

Particulars	Freehold Buildings
Cost	
Cost as at 1st April 2021	1,18,15,293
Additions	-
Adjustments	-
Disposal/Transfers	-
As at 31st March 2022	1,18,15,293
Additions	-
Adjustments	-
Disposal/Transfers	-
As at 31st March 2023	1,18,15,293
Accumulated Depreciation	
As at 1st April 2021	46,59,612
Depreciation Charge during the year	3,64,809
Adjustments	-
Disposal/Transfers	-
As at 31st March 2022	50,24,421
Depreciation Charge during the year	3,64,808
Adjustments	-
Disposal/Transfers	-
As at 31st March 2023	53,89,229
Net Book Value	
As at 31st March 2022	67,90,872
As at 31st March 2023	64,26,064
Fair Value	
As at 31st March 2021	67,90,872
As at 31st March 2022	64,26,064
	2022-2023
Rental Income derived from investment properties	8,16,187
Direct operating expenses (including repairs and maintenance) generating rental income	1,22,667
Profit arising from investment properties	6,93,520

7.1) On transition to Ind AS, MSEBHCL has opted to continue with the carrying value of all Property, Plant and Equipment recognised as at 1st April 2015 measured as per previous Generally Accepted Accounting Principles (GAAP) specified in Companies(Accounting Standards) Rules 2006 notified by the Central Government and other provisions of the Companies Act 1956 and use that carrying value as the deemed cost of the property, plant and equipment.

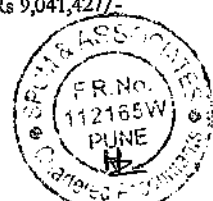
7.2) The fixed assets appearing in the books of the Company have been transferred from erstwhile MSEB as per the FRP but has not yet been transferred in the name of MSEBHCL. However the same are considered to be owned by the Company. Depreciation for the year, has been calculated and charged to revenue account on the basis of nomenclature of overall Gross Block for each type of asset available with the company.

7.3) The exact date of asset put to use could not be obtained from erstwhile MSEB/GOM, instead the year in which the asset has been put to use has been made available. The depreciation for the first year has been calculated as if the asset has been put to use on 1st April of the relevant financial year.

7.4) On Finalisation of FRP the value of Assets have been increased by Rs. 1,39,67,512 (Thousands) and Equity has been issued to the GOM against the same. The respective assets have been valued according to the valuation received from GOM and depreciation on the same has been calculated based on the remaining useful life of the assets.

7.5) Physical Verification of Assets had been conducted by the Management during the financial year 2010-11. The Company has also compiled Fixed Asset Register from the date of restructuring i.e 06-06-2005 till the end of current financial year. All records relating to Opening Balances as appearing in the Asset Register to the extent received from erstwhile MSEB had been reconciled at the time of physical verification. The asset wise details of cost of assets, its valuation as on 05-06-2005 and written down values as per the asset register have also been reconciled with the opening balances incorporated in Accounts.

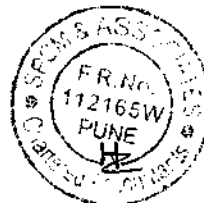
7.6) Sale deed specifying the cost of Land & Building at Dharavi purchased by erstwhile MSEB in May 1981 is yet to be registered. However the Land & Building is in the possession of MSEBHCL and as per the BMC directives, interest @14% on balance amount of sale consideration Rs 9,041,427/- towards cost of Dharavi Building being paid monthly basis. The matter is sub-judice at Bombay High Court



7.7) Title deeds of Immovable Property not in the name of the Company

LAND :

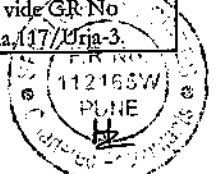
Description of item of Property	Gross Carrying Value (in '000)		Title Deeds held in the name of	Whether Title deed holder is a promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
	31st March 2023	31st March 2022				
Freehold Land ChunnaBhathi 72 Flats Colony Quarters	3,78,001	3,78,001	Maharashtra State Electricity Board	No	5th June 2005	Freehold land acquired consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with retrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Santacruz P-68 ,69;Vile Parle P-78,79 Colony Qtrs	3,30,879	3,30,879	Maharashtra State Electricity Board	No	5th June 2005	Freehold land acquired consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with retrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Total	7,08,880	7,08,880				
Lease Hold Land						
Prakashgad bldg, P.G-9 Admin off Bldg - HO MSEBHCL	8,45,286	8,45,286	MHADA	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with retrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Kurla Complex C 19	10,72,115	10,72,115	MMRDA	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with retrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Plot P-116 & Plot No P- 118 at Mhape	2,998	2,998	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with retrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Kurla Complex P _R-10 Colony Quarters	1,25,536	1,25,536	MMRDA	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with retrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Total	20,45,934	20,45,934				



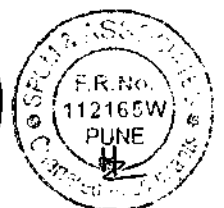
7.8) Title deeds of Immovable Property not in the name of the Company

BUILDINGS

Description of item of Property	Gross Carrying Value (in'000)		Title Deeds held in the name of	Whether Title deed holder is a promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
	31st March 2023	31st March 2022				
Building						
PrakashGad Bldg , Bandra (E) - HO MSEBHCL	1,71,893	1,71,893	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Prakash Ganga Bldg, Bandra - Kurla Complex HO MSEBHCL	1,59,162	1,59,162	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Estrella Batteries Bldg, Dharavi Adm Off Bldg - HO MSEBHCL	4,41,068	4,41,068	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Saudamini HajiAli (Total 21 flats)	1,94,140	1,94,140	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Bandra Reclamation, Bldg -3,4& 19 Colony Quarters each of 28 flats	7,96,035	7,96,035	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Bandra Kurla Complex P _R- 10 Colony Quarters	1,18,046	1,18,046	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Santacruz P-68 ,69;Vile Parle P-78,79 Colony Qtrs Total 36 flats	36,509	36,509	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.



Description of item of Property	Gross Carrying Value (in'000)		Title Deeds held in the name of	Whether Title deed holder is a promoter/director or	Property held since which date	Reason for not being held in the name of the Company
	31st March 2023	31st March 2022				
Borivali National Park S-148 Of Magathane,S-428 of Poiser	87,36,983	87,36,983	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Vaidya Nagar 60 Flats from MHADA colony Qarters	2,08,251	2,08,251	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
ChunnaBhatti 72 Flats Colony Quarters	51,924	51,924	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Anik Colony Quarters	4,22,273	4,22,273	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Swastik Mill Compound Colony Quarters Total 52 Flats	4,45,710	4,45,710	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Guest House Delhi (Total 4flats)	33,125	33,125	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
Stores						
Dharavi	63	63	Maharashtra State Electricity Board	No	5th June 2005	Consequent to the "Provisional Transfer Scheme" of Govt of Maharashtra implemented on 31st March 2016 with restrospective effect from 5th June 2005 vide GR No .Reform2010/Pr/Ka.117/Urja-3.
PMGP Kalachowki	112	112	BPT	No	5th June 2005	On Rent from Mumbai Port Trust



7.9) Capital work-in-progress (CWIP) Ageing schedule as on 31st March, 2023

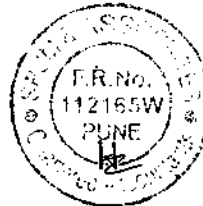
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	49,553	24,841.17	-	-	74,394
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress (CWIP) Ageing schedule as on 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	71,484	-	-	-	71,484
Projects temporarily suspended	-	-	-	-	-

CWIP where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).

- 7.10) There have been no proceedings initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 7.11) The Company has not revalued its property, plant and equipment during the current or previous year. No right-of-use assets or intangible assets are owned by the Company



Standalone Notes to Accounts:

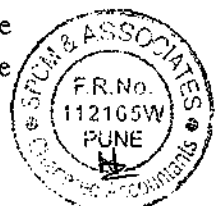
Note 8: Non-Current Investments

(Amt in Thousands)

	As at 31 st March 2023	As at 31 st March 2022
Trade Investments		
Investments in Equity Instruments		
-Unquoted		
-Subsidiary Companies		
1. Maharashtra State Power Generation Co. Ltd 50,000 shares of Rs. 10 each (P.Y 50,000 shares of Rs. 10 each)	500	500
2. Maharashtra State Power Generation Co. Ltd 25,918,446,226 shares of Rs. 10 each (P.Y 25,450,396,226 shares of Rs. 10 each)	259,184,462	254,503,962
3. Maharashtra State Electricity Transmission Co. Ltd 50,000 shares of Rs. 10 each (P.Y 50,000 shares of Rs. 10 each)	500	500
4. Maharashtra State Electricity Transmission Co. Ltd 8,984,924,733 shares of Rs. 10 each (P.Y 8,984,924,733 shares of Rs. 10 each)	89,849,247	89,849,247
5. Maharashtra State Electricity Distribution Co. Ltd 50,000 shares of Rs. 10 each (P.Y 50,000 shares of Rs. 10 each)	500	500
6. Maharashtra State Electricity Distribution Co. Ltd. 48,273,934,904 shares of Rs. 10 each (P.Y 47,773,934,904 shares of Rs. 10 each)	482,739,349	477,739,349
-Other Companies		
Ratnagiri Gas & Power Private Limited 442,226,131 (P.Y 442,226,131) shares of Rs. 10 each)- (Refer Note No. 8.4)	-	-
Kokan LNG Limited 74,053,869 shares of Rs. 10 each- (Refer Note No. 8.5)	-	-
Sub Total (a)	831,774,558	822,094,059
Share Application Money Pending Allotment		
1. Maharashtra State Power Generation Co. Ltd	911,410	4,680,500
2. Maharashtra State Electricity Transmission Co. Ltd	--	--
3. Maharashtra State Electricity Distribution Co. Ltd	--	5000,000
Sub Total (b)	911,410	9,680,500
Total (a) + (b)	832,685,969	831,774,559

Particulars	As at 31 st March 2023	As at 31 st March 2022
Aggregate amount of quoted investments	--	--
Aggregate amount of unquoted investments	831,774,558	822,094,059

8.1) Investments include Rs. 1,500 Thousands paid to subsidiary companies Viz, MSPGCL, MSETCL & MSEDCL (Rs. 500 Thousands per company) as stated in Point No.1,3&5 as a contribution towards the initial equity capital, for which share certificates are issued in the name of nominees of the GOM and have yet not been transferred in the name of the Company.



8.2) The investment of the company in MSEDCL of Rs.482,739,849 Thousands has been getting diminished due to continuous losses incurred by MSEDCL. The diminution in value of shares has not being provided for in the books. MSEDCL has incurred Loss in the F.Y 2021-22, Reserves/ Other Equity as on 31st March 2022 are negative. The figures for 31.03.2023 have not yet been finalized.

8.3) Share Application Money of Rs.911,410 Thousands (P.Y. Rs. 4,680,500 Thousands) accounted for during the year represent Investment of MSEB Holding Company Limited in Maharashtra State Power Generation Company Limited directly paid by GOM during the year 2022-23.

8.4) Investment in Ratnagiri Gas & Power Pvt Ltd Rs. 5,162,800 Thousands (P.Y 5,162,800 Thousands): RGPPL carried out an impairment study for Fixed Assets through KPMG. They submitted their final report on 13.05.2017, as follows:

Scenario 1 –

	Amount (in Rs)
Equity Value	(33,550,000,000)
Impairment of Fixed Assets	(22,413,000,000)

Scenario 2 – Considering potential loan restructuring

	Amount (in Rs.)
Equity Value	7,501,000,000
Impairment of Fixed Assets	(22,413,000,000)

As on 31.03.2017 details of equity holding is as under:

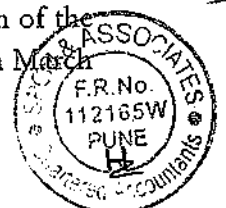
Name of Shareholder	Amount in Rs
NTPC Limited	9,743,083,000
GAIL (India) Limited	9,743,083,000
MSEB Holding Company Limited	5,162,800,000
IDBI Bank Limited	4,816,840,720
State Bank of India	3,833,600,000
ICICI Bank Limited	3,405,100,000
Canara Bank	822,100,000
IFCI Limited	676,117,430
Total	38,202,724,150

Indicators impacting RGPPL for Impairment assessment

External Indicator – asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use. There is indication of decline in assets value as neither Power Plant nor LNG terminal are working at their installed capacity from last 10 years.

Significant decline in net worth of the company:

RGPPL has incurred losses during last few years which has resulted in erosion of net worth of the company. Net worth of the company has been reduced by 622 crores and 913 crores from March



Particulars	(Amount in Crores)	
	March 31,2017	March 31,2016
Share Capital	38,203	38,203
Reserves & Surplus	-44,816	-35,680
Total	-6,613	2,523

Also, as per their report the Fair Value of Equity is Rs 3,355 crores negative.

Based on above, that the fair value of the investment as at 1st April 2015 was considered to be Nil.

8.5) The Demerger Scheme of Ratnagiri Gas and Power Private Limited (RGPPL) has been approved by NCLAT vide order dated 28th February, 2018 with Appointed Date as 1st January, 2016 thereby transferring the LNG undertaking from RGPPL to Konkan LNG Private Limited(KLPL).

Consequent on approval of the demerger by NCLAT and upon the Scheme becoming effective, existing issued/paid up equity share capital of MSEB Holding Company Ltd was reduced to Rs. 4,422,261,310 (consisting of 442,226,131 shares of Rs. 10/- each).

Accordingly, a sum of Rs. 740,538,690/-(74,053,869 Equity shares of Rs. 10/-each) was transferred to investment in KPL.

In order to comply with provision of Ind AS 109, the fair value of investment in RGPPL was considered to be NIL on 1st April 2015. On same basis the fair value of investment in Kokan LNG Private Limited has also been taken to be Nil as on 31st March 2023.

Note 9: Other Non-Current Assets

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Security Deposits		
Unsecured, Considered Good	-	-
Loans and advances to related parties		
Unsecured, Considered Good		
MSEDCL	36,795,308	36,831,721
Other loans and advances		
Unsecured, Considered Good		
Advances receivable in cash or in kind or in value to be received	8,780	6,317
Less: Provision for Doubtful Advances	(8,435)	(6,000)
Net Advances receivable	345	317
Other Deposits	3,206	2,504
Miscellaneous loans and advances	-	-
Advance Tax and Tax Deducted at Source (net of provision for tax)	14,83,664	14,00,799
Income Tax paid under Protest	5,41,701	5,41,701
Deposit with bank with original maturity greater than 12 months	75,000	-
Other Assets	6,601	2,166
Total	38,905,825	38,779,209



9.1) Loans and Advances to related parties-- MSEDCL of Rs. 36,795,308 Thousands (P.Y. Rs. 36,831,721 Thousand) and includes one major entry on account of Transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 2,070,553 Thousand which is under reconciliation, discussions and deliberations.

9.2) The Company has shown advance tax of Rs. 14,83,664 Thousand (P.Y Rs.14,00,799 Thousands) net of the provision of tax in the books of accounts amounting to Rs. 400,728 Thousands (P.Y Rs. 400,728 Thousands) and Income tax Paid under Protest of Rs. 5,41,701 Thousands (P.Y Rs. 5,41,701 Thousands) and there is no such liability as per income tax records as cases are in appeal. The amount of provision made in the books are as per Companies judgement only.

Note 10: Trade Receivables: -

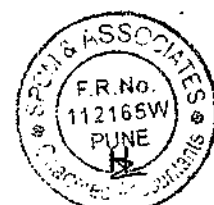
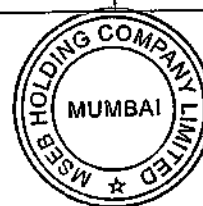
(Amt in Thousands)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Long Term Trade Receivables		
-against rentals from property		
Considered Good exceeding over six months	4,524,337	4,191,201
Considered Good not exceeding six months	428,840	428,784
Less/Add : Allowance for Expected Credit Loss	298,276	276,617
Total	4,654,901	4,343,368

For Current Reporting Period:

(Amt in Thousands)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
Undisputed Trade Receivables- Considered Good	428,840	428,784	857,569	717,925	2,520,059	4,953,177
Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
Disputed Trade Receivables- Considered Good	--	--	--	--	--	--
Disputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
Others	--	--	--	--	--	--
Total	428,840	428,784	857,569	717,925	2,520,059	4,953,177
Less/Add: Allowance for Expected Credit Loss						(298,276)
Total						4,654,901



For Previous Reporting Period:

Particulars	(Amt in Thousands)					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
Undisputed Trade Receivables- Considered Good	428,866	428,784	875,104	769,214	2,118,016	4,619,985
Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
Disputed Trade Receivables- Considered Good	--	--	--	--	--	--
Disputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
Others	--	--	--	--	--	--
Total	428,866	428,784	875,104	769,214	2,118,016	4,619,985
Less/Add : Allowance for Expected Credit Loss						(276,617)
Total						4,343,368

10.1) The Gross debts outstanding against rentals from property as above includes outstanding from subsidiaries amounting to Rs. 4,951,404 Thousands (P.Y. Rs. 4,618,187 Thousands) which have been long outstanding, against which ECL provision has been made upto 31.03.2023 amounting to Rs. 298,276 Thousands (P.Y. Rs. 276,617 Thousands).

Note 11: Cash & Cash Equivalents

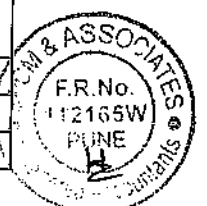
Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Cash and Cash Equivalent		
a. Balances with banks		
In Current Accounts	999	63
In Deposit Accounts with original maturity less than 3 months	-	-
b. Cash on Hand	1	1
c. Cheques on Hand	-	-
Total	1,000	64

Note12: Other Cash and Cash Equivalents

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Cash and Cash Equivalent		
In Deposit Accounts with original maturity of more than 3 months but less than 12 months	160,910	224,082
Total	160,910	224,082

Note13: Other Current Assets

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Prepaid Expenses	203	877
Interest Accrued and due on fixed deposits	7,635	7,658
Total	7,839	8,535



Note 14: Standalone Share Capital

(Amt in Thousands)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount	Number of shares	Amount
A) Authorised Share Capital				
99,000,000 (P.Y. 99,000,000) Equity Shares (hereafter referred to as 'shares') of Rs. 10 each	99,00,00,00,000	99,00,00,00,000	99,00,00,00,000	99,00,00,00,000
B) Issued, Subscribed & Paid up Capital				
90,23,42,61,502 (P.Y. 89,26,62,11,502) Equity Shares (hereafter referred to as 'shares') of Rs. 10 each fully paid up.	90,23,42,61,502	90,23,42,61,502	89,26,62,11,502	89,26,62,11,502
Total	90,23,42,61,502	90,23,42,61,502	89,26,62,11,502	89,26,62,11,502

a) Details of the shareholders holding more than 5% of the Capital

Name of the Shareholder	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares held	% of Total Paid up Capital	No. of shares held	% of Total Paid up Capital
Gov of Maharashtra and its nominees	90,23,42,61,502	100%	89,26,62,11,502	100%
	90,23,42,61,502	100%	89,26,62,11,502	100%

b) Reconciliation of number of shares outstanding at the beginning and at the end of reporting year / period:

Name of the Shareholder	As at 31 March 2023		As at 31 March, 2022	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	89,26,62,11,502	89,17,37,11,502		
Shares issued during the year	96,80,50,000	9,25,00,000		
Shares bought back during the year	0	0		
Shares outstanding at the end of the year	90,23,42,61,502	89,26,62,11,502		

c) Details of Issued, Subscribed & paid up capital during the year.

96,80,50,000 Equity shares of Rs. 10/- each were allotted on 28-04-2022. Consideration for issue of 46,80,50,000 shares amounting to Rs. 4,680,500 was directly paid by GOM to MSPGCL as per GR issued by GOM. Consideration for issue of 50,00,00,000 shares amounting to Rs. 5,000,000 was directly paid by GOM to MSDCL as per GR issued by GOM.

d) Rights, Preferences and restrictions attaching to each class of shares

The Company has only one class of Equity Shares having par value of Rs. 10 per share.



e) Shares in respect of each class in the Company held by its Holding Company or its ultimate holding Company including shares:
Not applicable.

f) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts.
Not applicable.

g) Aggregate number of bonus shares issued, shares issued for consideration other cash and shares bought back during the period of five years immediately preceding reporting date.

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
i) Equity Shares allotted as fully paid up Bonus Shares	NIL	NIL	NIL	NIL	NIL
ii) Equity Shares issued for consideration other than cash	NIL	NIL	NIL	NIL	NIL

h) Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date.
Not Applicable

i) Calls unpaid (showing aggregate value of calls unpaid by directors and officers).
Not Applicable

j) Forfeited Shares (amount originally paid up)
Not Applicable

k) Disclosure of Shareholding of Promoters

Disclosure as per Note 6(A)(m) of Shareholding of Promoters as on 31.03.2023

Sr. No.	Promoter's Name	No. of shares	% of total shares	% of Change during the Year
1	Gov of Maharashtra and its nominees	90,23,42,61,502	100%	-

Disclosure as per Note 6(A)(m) of Shareholding of Promoters as on 31.03.2022

Sr. No.	Promoter's Name	No. of shares	% of total shares	% of Change during the Year
1	Gov of Maharashtra and its nominees	89,26,62,11,502	100%	-



Note 15: OTHER EQUITY

(Amt in Thousands)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(21,177,901)	(21,229,269)
Add: Profit / (Loss) for the year	67,988	51,367
Closing balance	(21,109,913)	(21,177,901)
Total (A)	(21,109,913)	(21,177,901)
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Particulars	As at 31 March, 2023	As at 31 March, 2022
100% pertaining to Govt. Of Maharashtra.	911,410	9,680,500
Total (B)	911,410	9,680,500
Total (A+B)	(20,198,503)	(11,497,401)

15.1 Share application money have been directly paid by Government of Maharashtra (GOM) to our subsidiary company MSPGCL amounting to Rs. Rs.911,410 Thousands

15.2 Share Application money received during F.Y.2022-2023 amounting to Rs. 911,410 Thousands from MSPGCL for which shares have been allotted on 11/07/2023. Share application money have been directly paid by the Government of Maharashtra (GOM) to Ministry of Water Charges amounting to Rs. 319,500 Thousands and Rs. 591,910 Thousands is directly paid by the Government of Maharashtra (GOM) to the Lender company from whom MSPGCL had availed the borrowings.

Note 16: Long Term Provisions

(Amt in Thousands)

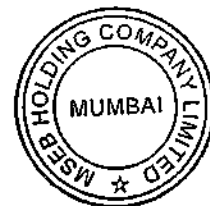
Particulars	As at 31 st March 2023	As at 31 st March 2022
Provision for Employee Benefits		
Provision for compensated absence	21,587	21,621
Provision for gratuity	21,100	22,912
Other Provisions	19,304	15,249
Total	61,991	59,782

16.1) Provision for Gratuity and leave encashment has been accounted for on the basis of Actuarial valuation.

Note 17: Deferred Tax Liability/Asset (net)

(Amt in Thousands)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Deferred Tax Liabilities (A)		
Timing difference on account of WDV of Fixed Assets	1,962,515	2,076,598
Total (A)	1,962,515	2,076,598
Deferred Tax Assets (B)		
Employee Benefits	54,187	51,273
Unabsorbed Depreciation	4,335,691	4,571,806
Others	298,276	276,617
Total (B)	4,688,154	4,899,697
Timing Difference(B-A)	2,725,638	2,823,099
Rate of Tax	27.82%	27.82%
Deferred Tax Assets/(Liabilities)	758,273	785,386
Deferred Tax Charged/ (Credit)to Profit and Loss	-	-



17.1) During the year under review, the company has made reassessment of historical pre-tax earnings, future probable taxable profits and came to the conclusion that no deferred tax asset / liability needs to be recognised, since there is reasonable uncertainty about the future taxable profits against which the carried forward unused tax losses and unused tax credits shall be adjusted.

Note 18: Trade Payables

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Trade Payable	-	-
-under Micro, Small and Medium Enterprises	-	-
-Others	43,578	60,255
Total	43,578	60,255

18.1) Details of Dues to Micro and Small Enterprises:

Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Act, 2006:

The Company has obtained confirmations from suppliers and service providers who have registered themselves under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the balance due to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is Rs. NIL

a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

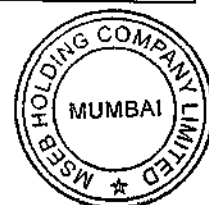
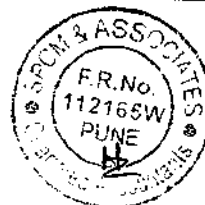
Sr No.	Particulars	31.03.2023	31.03.2022
1	Principal Amount due and remaining Unpaid	Nil	Nil
2	Interest Due on above and the unpaid interest thereon	Nil	Nil
3	Interest paid	Nil	Nil
4	Payment made beyond the appointed day during the year	Nil	Nil
5	Interest due and payable for the period of delay	Nil	Nil
6	Interest accrued and remaining unpaid	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

18.2) Balances as on 31st March 2023 of Trade payables are subject to confirmations from the respective Vendors.

18.3) Trade Payables Ageing Schedule

i) **For Current Reporting Period:**

Particulars	(Amt in Thousands)				TOTAL
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	42,776	802	-	-	43,578
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



ii) For Previous Reporting Period:

(Amt in Thousands)

Particulars	Outstanding for following periods from due date of payment				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	60,011	243	-	-	60,255
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 19: Other Current Financial Liabilities

(Amt in Thousands)

Particulars	As at 31 st March 2023	As at 31 st March 2022
EMD	2,001	1,658
Security Deposit	15,727	14,492
Retention Money	3,974	102
Total	21,702	16,252

Note 20: Other Current Liabilities

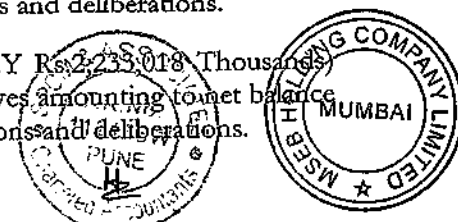
(Amt in Thousands)

Particulars	As at 31 st March 2023	As at 31 st March 2022
a) Current maturities of long term debts- unsecured	--	--
b) Interest accrued and due on borrowings	--	--
Interest accrued but not due on Govt Loans	--	--
Interest accrued and due on State Govt Loan	--	--
c) Inter Company Payable		
MSETCL	729,904	729,979
MSPGCL	2,230,786	2,233,018
MSEB Residual	5,346	5,346
MSEB CPF	326	474
d) Other Payables		
Statutory Dues	58,518	61,132
Others	1,903	1,324
Total	3,026,784	3,031,275

The Company has elected to continue with the carrying amount of Inter Company Payables and use that carrying amount as their fair value.

20.1) Inter Company Payables:

- Inter Company Payables: MSETCL of Rs.729,904 Thousands (Rs. P.Y. 729,979 Thousands) includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 517,638 Thousands which are under reconciliation, discussions and deliberations.
- Inter Company Payables: MSPGCL of Rs.2,230,786 Thousands (P.Y Rs.2,233,018 Thousands) includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 3,162,786 Thousands which are under reconciliation, discussions and deliberations.



- iii) Inter Company Payables: MSEB Residual of Rs. 5,346 Thousands (P.Y Rs. 5,346 Thousands) consists of amount payable to the bond holders who could not be identified / traced as stated.

Note 21: Short Term Provisions

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Provision for Employee Benefits		
Provision for compensated absence	4,972	3,049
Provision for gratuity	6,528	3,691
Audit Fees Payable	894	913
Other Provisions	10,304	8,336
Total	22,697	15,990

Note 22: Revenue from Operation

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Income from Rentals	816,187	816,187
Total	816,187	816,187

Note 23: Other Income

Particulars	(Amt in Thousands)	
	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Interest on Fixed Deposits with bank	12,078	14,706
Rent from Staff Quarters	317	616
Other Miscellaneous Receipts	593	979
Application Fees	--	82
Sale of Scrap	2,966	541
Interest on Adani Deposit	102	83
Registration Fees	25	--
Prior Period Income	--	22
Total	16,082	17,029

Note 24: Employees Benefits Expense

Particulars	(Amt in Thousands)	
	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Salary	60,492	57,592
Directors Remuneration	838	6,726
Contribution to provident fund	4,897	4,548
Total	66,227	68,865

24.1) Salary includes payment made to employees of MSPGCL, MSEDCL and MSETCL working with the Company on deputation basis.

24.2) Mr. S Jagannathan Director (S& E) for the period April 2022 to May 2022. For the Period April 22 to March 23 no full time Director of Finance in the company.



Note 25: Depreciation and Amortisation expenses

(Amt in Thousands)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Depreciation and Amortisation expense	414,048	409,412
Total	414,048	409,412

Note 26: Other Expenses

(Amt in Thousands)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Administrative and General Expenses		
Rent, Rates & taxes	32,392	34,914
Legal & Professional Fees	16,205	10,955
Audit Fees		
-As an auditor	750	750
-other matters		
Printing & Stationery	658	970
Conveyance Expenses	31	24
Fees & Subscription	9,809	1,038
Telephone	159	170
Insurance on Fixed Assets	86	84
Repairs & Maintenance		
-Office Equipment's	45,068	31,791
-Vehicles	775	111
-Building	34,584	82,436
-Furniture	3,734	2,919
Meeting Expense	435	192
Travelling Expenses	603	261
Foreign Travelling Expenses	2,100	--
Postage & Telegram	6	6
Bank Charges & Commission	19	16
Books & Periodicals	9	33
Advertisement	3,176	4,322
Director Sitting Fees	2	--
Commission of Sale of Scrap	73	--
Vehicle Hiring Charges	8,714	8,668
Vehicle Expenses	813	1,498
Electricity Charges	28,055	25,342
Water Charges	7,532	7,649
Security Charges	25,073	24,512
Upkeep of Office Premises	26,571	26,203
Other Miscellaneous Expenses	643	949
Interest as per BMC directives	1,266	1,266
Profession Tax	3	3
Prior Period Expenses	6,473	1,274
Provision for Expected Credit Loss	21,659	29,934
Provision for Doubtful Advances written off	2,435	2,500
CSR Expenses	1,736	1,286
Total	281,646	302,074



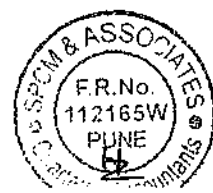
26.1) As per New Memorandum of Understanding dated 31/12/2018, the expenditure amounting to Rs.33,988 Thousands (P.Y. Rs. 35,701 Thousands) on account of Electricity Charges, Water Charges, House Keeping, Security Measures, Consultancy charges, Legal Charges, Printing & Stationery, Expenditure on Civil and Electrical Maintenance work and salaries and allowance of employees of Civil Division Bandra, Chief Engg. (C) Corporate Office MSEDCL have been borne by MSEBHCL on the basis of advices received from MSEDCL Civil Circle Bandra.

27: Contingent Liabilities and commitments

a) Contingent Liabilities

Nature of Dues	(Amt in Rs)		
	As at 31 st March 2023	As at 31 st March 2022	Period to which the amount relates
Penalty	1,371,737	1,371,737	A.Y 2007-08
Penalty	1,134,815	1,134,815	A.Y 2009-10
Tax and Interest	158,289	158,289	A.Y 2012-13
Tax and Interest	115,899	115,899	A.Y 2013-14
Tax and Interest	1,229	1,229	A.Y.2018-19

- 27.1) Out of the penalty of Rs. 1,371,7367 Thousands (P.Y. Rs. 1,371,737 Thousands) for the A.Y. 2007-08 Rs.250,000 Thousands have been paid under protest against which stay proceeding are pending under PCIT.
- 27.2) Out of the penalty of Rs. 1,134,815 Thousands (P.Y. Rs. 1,134,815 Thousands) for the A.Y. 2009-10 Rs.100,000 Thousands have been paid under protest against which stay proceeding are pending under PCIT.
- 27.3) Out of Tax and Interest of Rs. 158,289 Thousands (P.Y. Rs.158,289 Thousands) for the A.Y. 2012-13 Rs.75,802 Thousands have been paid. Further the balance demand plus interest of Rs. 83,736 Thousands has been fully paid / adjusted in the month of June, 2018.
- 27.4) Out of Tax and Interest of Rs. 115,899 Thousands (P.Y. Rs.115,899 Thousands) for the A.Y. 2013-14 Rs.115,899 Thousands have been paid.
- 27.5) The Company has given Corporate Guarantee of amounting Rs 8,400 crores in favour of REC and Central Bank of India Rs. 1,000/- crores plus Interest, Liquidated damages as may be levied by Central Bank of India in case of any default, on behalf of MSEDCL for grant of loan.
- 27.6) The Company has given Corporate Guarantee of amounting Rs 2,160 crores in favour of PFC and Rs. 2,160 crores in favour of REC and Rs. 1,000 crores plus Interest, Liquidated damages as may be levied by Bank of Baroda on behalf of MSPGCL for grant of loan.
- 27.7) MSEBHCL has given corporate guarantee to REC and Central Bank in favour of its fully owned Subsidiary i.e MSEDCL Company MSEBHCL has also given corporate guarantee to PEC, REC a Bank of Baroda in favour of another fully owned subsidiary i.e MSEPGL. MSBEHCL has neither given so far nor intend to give such corporate guarantee to any entity in the open market. There is no intention of MSEBHCL, of whatsoever nature, to gain commercial benefits out of such Corporate Guarantees. Furthermore, a charge has already been created on assets of the subsidiaries companies for the loans availed by them. Corporate



guarantee provided by MSEBHCL is an 'additional cover' to secure the liability. Hence there is very little risk to MSEBCHL as result, of which company has not charged any guarantee fees being no business expediency. Therefore, no commission on corporate guarantee is charged by MSEBHCL on Corporate Guarantee given on behalf of its subsidiary and therefore no fair value of such Corporate Guarantee given by MSEBHCL has been recognised and incorporated in the books of accounts.

27.8) Following Legal Cases are outstanding as on 31-03-2023

Details of Case	Petitioner	Respondent
Sub Division of Plot of Dharavi Office Building at Estrella Batteries compound. Case No. 1663/2004.	MSEB Holding Co. Ltd.	Estrella Batteries Ltd
Regarding vacation of 2nd floor in possession of Central Excise Dept in Dharavi Office Building at Estrella Batteries compound. Case No. RAE 533/801/2009.	MSEB Holding Co. Ltd.	Union Of India
Regarding vacation of 3rd & 4th floor portion in possession of MSEBHCL at HSBC, Fort. Case No. Appeal 213/18 TER 346/366/2001.	MSEB Holding Co. Ltd.	The Hongkong Shanghai Bank
Regarding vacation of the Dadar Guest House premises from Gurusingh Sabha Gurudwara bldg. Dadar, Case no RAD/533/2022	MSEB Holding Co. Ltd.	Gurusingh Sabha

Amount of liability that may arrive out of the above legal cases is not quantified hence no contingent Liability has been disclosed.

b) Commitments:

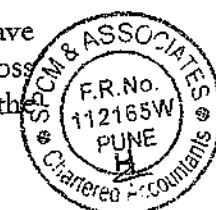
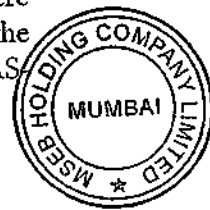
The estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Others Rs. Nil (P.Y. Rs. Nil/-)

Note 28: Leases (IND AS 116)

In the absence of information about Lease period due to ongoing litigations with the lessors, there is reasonable uncertainty about the lease period as well as the future lease payments etc. of the leasehold land / premises, it is not possible to provide lease disclosure in accordance with Ind AS 116.

Note 29: Employee Benefit (IND AS 19)

During the year the Company has carried out Actuarial Valuation of Gratuity and Leave Encashment. Short/Excess provision arising out of the same is charged/credited to Profit & Loss Account and Other Comprehensive Income. Disclosure as per IND AS 19 has been given to the extent available in the Report of Actuary.



Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
Discount	7.52%	7.23%	7.52%	7.23%
Salary Increase Rate	6.00%	6.00%	6.00%	6.00%
Withdrawal Rate	2.00%	2.00%	2.00%	2.00%
Retirement Age	58 & 60 yrs	58 & 60 yrs	58 yrs	58 yrs

Table 1. Total Expenses Recognised in the Statement of Profit & Loss Account

Particulars	(Amount in Thousands)			
	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
Service cost				
a. Current Service Cost	1,319	1,322	1,403	1,416
b. Past Service Cost	-	-	-	-
c. (Gain)/Loss on settlements	-	-	-	-
d. Total Service cost	1,319	1,322	1,403	1,416
Net Interest Cost				
a. Interest expense on DBO	1,790	1,586	1,673	1,523
b. Interest (income) on plan assets	-	-	-	-
c. Interest expense on effect of (asset ceiling)	-	-	-	-
e. Total net interest cost	1,790	1,586	1,673	1,523
Immediate Recognition of (Gains)/Losses- Other Long-Term Benefits	-	-	1,417	290
Other expenses/adjustments	-	-	-	-
Defined Benefit cost included in P & L	3,109	2,908	4,493	3,229

Table 2: Remeasurement Effects Recognized in other Comprehensive Income (OCI)

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
a. Actuarial (Gain)/Loss due to Demographic Assumption changes in DBO	-	-	-	-
b. Actuarial (Gain)/Loss due to Financial Assumption changes in DBO	(440)	(643)	-	-
c. Actuarial (Gain)/Loss due to Experience on DBO	2,799	2,141	-	-
d. Return on Plan Assets (Greater)/Less than Discount rate	-	-	-	-
e. Changes in asset ceiling / onerous liability (excluding interest income)	-	-	-	-
f. Total Actuarial (Gain)/ Loss included in OCI	2,360	1,498	-	-

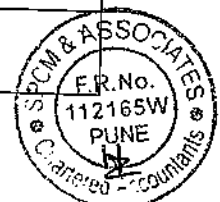


Table 3: Total Cost Recognised in Comprehensive Income

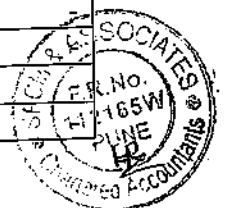
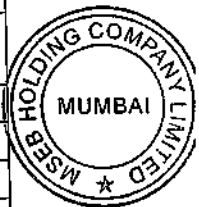
	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
Cost Recognised in P&L	3,109	2,908	4,493	3,229
Amounts Recognised in OCI	2,360	1,498	-	-
Total cost Recognised in Comprehensive Income	5,469	4,406	4,493	3,229

Table 4: Change in Defined Benefit Obligation

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
Defined Benefit Obligation as of Prior Year End	26,603	27,184	24,670	25,561
Service Cost				
a. Current Service cost	1,319	1,322	1,403	1,416
b. Past service cost	-	-	-	-
c. (Gain)/Loss on settlements	-	-	-	-
Interest Cost	1,790	1,586	1,673	1,523
Benefit payments from plan assets	-	-	-	-
Benefit payments directly by employer	(4,444)	(4,987)	(2,605)	(4,120)
Settlements	-	-	-	-
Participant contribution	-	-	-	-
Acquisition/ Divestiture	-	-	-	-
Actuarial (Gain)/ Loss -Demographic Assumptions	-	-	-	-
Actuarial (Gain)/ Loss -Financial Assumption	(440)	(643)	(520)	(705)
Actuarial (Gain)/ Loss -Experience	2,799	2,141	1,937	995
Other Expenses/adjustments	-	-	-	-
Defined Benefit Obligation as of Current Year End	27,628	26,603	26,559	24,670

Table 5: Change in Fair Value of Plan Assets

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
Fair value of plan assets at end of prior year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Settlements	-	-	-	-
Acquisition/ Divestiture	-	-	-	-
Actuarial (Gain)/ Loss on Plan Assets	-	-	-	-
Fair value of plan assets at end of year	-	-	-	-



Sensitivity Analysis

Defined Benefit Obligation	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-2023	2021-2022	2022-2023	2021-2022
Discount rate				
a. Discount rate - 100 basis points	29,227	28,162	28,459	26,384
a. Discount rate - 100 basis points impact (%)	5.79%	5.86%	7.15%	6.95%
b. Discount rate + 100 basis points	26,244	25,247	24,933	23,196
b. Discount rate + 100 basis points impact (%)	-5.01%	-5.10%	-6.12%	-5.98%
Salary increase rate				
a. Rate - 100 basis points	26,213	25,220	24,897	23,167
a. Rate - 100 basis points impact(%)	-5.12%	-5.20%	-6.26%	-6.09%
b. Rate+ 100 basis points	29,235	28,165	28,469	26,389
b. Rate + 100 basis points impact(%)	5.82%	5.87%	7.19%	6.96%

Valuation done by the actuary is relied upon.

Note 30: Segment Reporting (IND AS 108)

The company is a single-segment company with the object of holding shares in the subsidiaries on behalf of GOM. Hence additional disclosure under Indian Accounting Standard 108 is not required.

Note 31: Related Party Disclosure (IND AS 24)

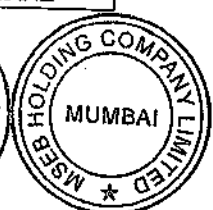
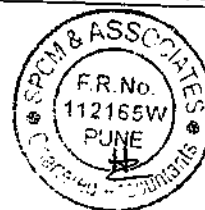
a) Subsidiary Companies

Sr No.	List of related parties over which control exists	Relationship
1	Maharashtra State Electricity Distribution Co. Ltd.	Wholly owned subsidiary
2	Maharashtra State Electricity Transmission Co. Ltd.	Wholly owned subsidiary
3	Maharashtra State Power Generation Co. Ltd.	Wholly owned subsidiary
4	Aurangabad Power Company Ltd	Subsidiary of MSEDCL
5	Mahagenco Ash Management Services Ltd.	Subsidiary of MSPGCL
6	Mahaguj Collieries Ltd	Subsidiary of MSPGCL
7	Dhopave Coastal Power Ltd	Subsidiary of MSPGCL

The above disclosure is based on representation received from the Company. In view of the exemption given in Para 25 of the Indian Accounting Standard, the company is not required to disclose transactions with its subsidiaries since they are state-controlled enterprises.

Name of related party	Relationship
Ratnagiri Gas and Power Private Limited	Enterprise over which Key Management Personnel, Relatives of Key Management Personnel etc are able to exercise significant influence.

Name of related party	Nature of Transaction	Amt in Thousands
Ratnagiri Gas and Power Private Limited	Dividend Received	Nil
	Investment made during the year	Nil
	Closing Balance Investment	442,226,131 shares of Rs. 10/- each and net realisable value is Nil
Kokan LNG Limited	Dividend Received	Nil
	Investment made during the year	Nil
	Closing Balance Investment	74,053,869 shares of Rs. 10/- each and net realisable value is Nil



b) Key Management Personnel:

Mr. Dinesh Waghmare	Managing Director (Upto 29/11/2022)
Mrs. Abha Shukla	Managing Director (from 29/11/2022)
Mr. Ravindra Sawant	Director (Finance) (Additional Charge) (from 01/04/2022 to 31/01/2023)
Mr. Balasaheb Thite	Director (Finance) (Additional Charge) (from 03/02/2023 to 21/07/2023)
Mr. Jaganathan Saravanasamy	Director (Security & Enforcement) (Upto 31/05/2022)
Mr. Rajiv Malewar	Director (I/C) (Security & Enforcement) from 31/05/2022
Mr. Subodh Rameshrajji Zare	Company Secretary

- I. Whole time Director -(S &E) Mr Jaganathan Saravanasamy has drawn remuneration of Rs.838 Thousands during the year.
- II. Full time Company Secretary has drawn salary of Rs. 2,483 Thousands was paid to him during the year.

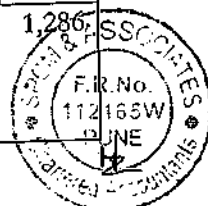
Note 32: Corporate Social Responsibility (CSR)

The Provisions of Section 135 regarding CSR are applicable to the Company. The details of expenditure incurred are as under

Particulars	(Amt in Thousands)	
	Year Ended 31/03/2023	Year Ended 31/03/2022
Average net profits over the last three years	86,795	64,280
2% of average net profits over the last three years	1,736	1,286
Amount expended on CSR activity for the year	-----	-----
Pending obligations towards expenditure on CSR at year End	1,736	1,286
Amount expended in next year	1,736	1,286

Disclosure with regards to CSR activities

Particulars	(Amt in Thousands)	
	F.Y.2022-2023	F.Y.2021-2022
(a) Amount required to be spent by the company during the year	1,736	1,286
(b) Amount of expenditure incurred	*1736 (* Spent during FY 2023-24)	*1,286 (* Spent during FY 2022-23)
(c) Shortfall/ (Excess) at the end of the year	1,736	1,286
(d) Total of previous years shortfall	0	0
(e) Reason for shortfall	--	--
(f) Nature of CSR activities	The amount is transferred to PM National Relief Fund as specified under Schedule VII to the Companies Act 2013 on 22/09/2023	Amount is transferred to Specified fund under Schedule VII i.e Maharashtra State Disaster Management Authority on 26/09/2022
(g) Details of related party transactions	Not Applicable	Not Applicable
(h) Provision made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	1,736	1,286



Note 33: Earnings per share as per (IND AS 33)

Particulars	(Amt in Thousands)	
	As at 31 st March 2023	As at 31 st March 2022
Profit/(Loss) after taxes	67,988	51,367
Weighted Average Number of equity shares outstanding	90162652324	89227184105
Face Value of Equity Shares Rs/share	10	10
Earnings per share (basic)	0.00	0.00
Earnings per share (diluted)	0.00	0.00

Note 34: Financial Instruments – Accounting, Classification and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value.

- 1) Fair value of cash and short-term deposits, trade and other short-term receivables, trade receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-terms maturities of these instruments.
- 2) Financial instruments with fixed and variables interest rates are evaluated by the Company based on parameters such as interest and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for the determining and disclosing the fair value of financial instruments by valuation technique:

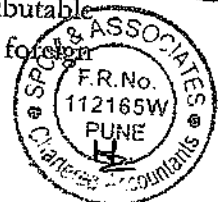
Level 1: quoted (unadjusted) process in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Note 35: Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.



Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to significant interest rate risk as the respective reporting dates.

Foreign currency risk

The Company is not exposed to foreign currency risk at the respective reporting dates.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as the date of initial recognition. It consists reasonable and supportive forwarding looking information such as:

- 1) Actual or expected significant adverse changes in business.
- 2) Actual or expected significant changes in the operating results of the counterparty.
- 3) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- 4) Significant increases in credit risk on other financial instruments of the same counterparty.
- 5) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

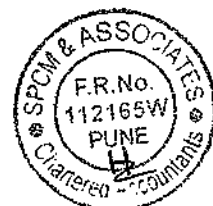
Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt the receivable due. When recoveries are made, these are recognised in profit or loss.

No significant changes in estimation techniques or assumptions were made during the year.

Liquidity risk

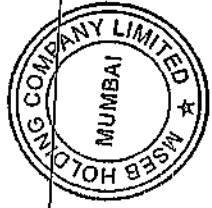
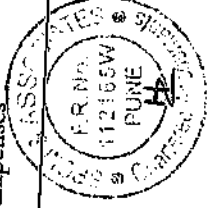
Liquid risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company is not exposed to liquidity risk at the respective reporting dates



Note 36:-
Additional Regulatory Information
Ratios

Particulars	Numerator	Denominator	2022-2023	2021-2022	Variation	Reasons for huge Variation (more than 25% as compared to the preceding year.)
(a) Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.55	1.46	5.74	
(b) Return on Equity Ratio (in Times)	Profit/(Loss) for the year less Preference dividend (if any)	Average Equity (Shareholder's Funds)	0.000077	0.000059	31.51	There is increase in Return on Equity due to Decrease in Expenses
(c) Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	0.17	0.19	-8.20	
(d) Net capital turnover ratio	Net Sales	Average Working capital	0.5162	0.6365	-18.90	There is decrease in ratio due increase in Average working capital due to Increase in Trade Receivable
(e) Net profit ratio	Net Profit After Tax	Net Sales	0.08	0.06	32.36	There is Increase in Net Profit ratio due to Decrease in Expenses
(f) Return on Capital employed	EBIT	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.00008	0.00006	32.21	There is Increase in ratio due to Decrease in Expenses
(g) Return on investment (Measured in terms of Returns on Total Assets of the Company)	Net Profit after Taxes	Avg Total Assets	0.0001	0.0001	31.52	There is Increase in ratio due to Decrease in Expenses



Note 37 :

The Company has no relation with companies struck off under section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956.

Note 38:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note 39:

There has been no delay in Charges or satisfaction to be registered with ROC beyond the statutory period

Note 40:

Utilisation of Borrowed funds and share premium The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries for the year ended 31st March 2023.

Note 41: The Code on Social Security 2020 ("the Code") relating to employee benefits, during the employment and postemployment, received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 42: Figures for the previous year have been regrouped wherever necessary.

For SPCM AND ASSOCIATES

Chartered Accountants

Firm Registration Number:112165W

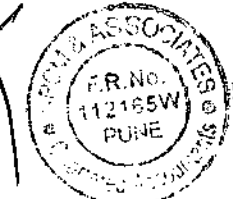
CA. Suhas P. Bora
Partner

Membership Number : 039765

Place : Mumbai

Date : 08-11-23

UDIN: 23039765 BGN



For and on behalf of Board of Directors of
MSEB Holding Company Limited

Ashok Phalnikar
Director(F)(I/c)
(DIN: 08908820)

Jyotee Wagh
Director
(DIN: 06892478)

Abha Shukla
Managing Director
(DIN: 09054999)

Chandrashekhar Gadre
CGM (Finance)(I/C)

Subodh Zare
Company Secretary

Place : Mumbai

Date :