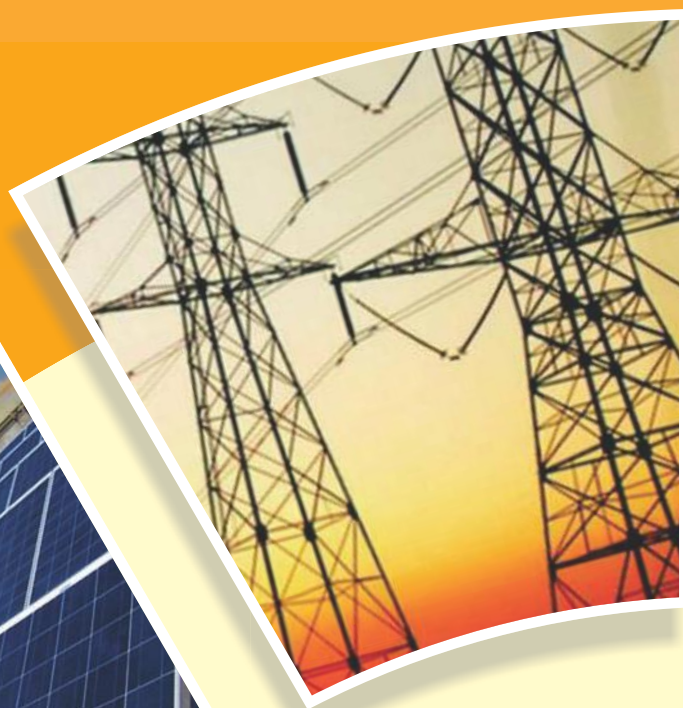
MSEB HOLDING COMPANY LTD.

(Govt. of Maharashtra Undertaking)



14th Annual Report
2018-2019

MSEB HOLDING CO. LTD.

14th Annual Report for Financial Year 2018-2019

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MSEB HOLDING COMPANY LIMITED

Board of Directors for the Financial year 2018-2019
(upto the date of Annual General Meeting)

Chairman

(Shri. Chandrashekhar Bawankule, Hon'ble Minister (Energy, New & Renewable Energy & State Excise), Maharashtra, w.e.f. 18-12-2014

Vice Chairman

Shri. Madan Yerawar, (Hon'ble Minister of State for Energy), Maharashtra, w.e.f. 08-07-2016

Managing Director

Shri. Arvind Singh - IAS, w.e.f. 14-02-2017

Directors

Shri Bipin Shrimali - IAS, w.e.f. 18-02-2014

Shri. Sanjeev Kumar - IAS, w.e.f. 21-12-2015

Shri. Rajeev Kumar Mital - IAS, w.e.f. 21-01-2015 upto 02-05-2018

Shri. Parrag Jaiin Nainutia - IAS, w.e.f. 02-05-2018

Shri. Surendra N. Pandey - IPS, w.e.f. 26-10-2016 to 02-06-2018

Shri. Praksh Page, w.e.f. 07-07-2005

Shri. R. B. Goenka, w.e.f. 25-02-2015

Shri. Vishwas Pathak, w.e.f. 21-08-2015

Smt. Neeta Kelkar, w.e.f. 16-10-2018

Director (Finance) & CFO

Shri. Sunil Pimpalkhute, w.e.f. 04-08-2018

Company Secretary

Shri. Subodh Rameshravji Zare, w.e.f. 21-08-2015

DIRECTORS' REPORT

To,
The Members,
MSEB Holding Company Ltd.

The Directors have pleasure to present the 14th Annual Report of your Company during the financial year ended on 31st March, 2019 along with Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

(Amt. in Rupees)

Particulars	2018-19	2017-18
Total Income	84,49,09,512	41,21,42,998
Expenses		
Employees remuneration and benefits	4,79,73,682	5,73,35,544
Other Expenses	24,85,78,427	24,37,43,292
Depreciation	46,27,33,902	46,31,63,935
Total Expenses	**75,92,86,011**	**76,42,42,771**
Profit/(Loss) Before Tax	**8,56,23,501**	**(35,20,99,773)**
Provision for Tax- Current year tax, Previous year tax and deferred tax (net)	40,79,78,523	---
Profit/(Loss) after Tax	**(32,23,55,022)**	**(35,20,99,773)**
Items that will be reclassified to profit or loss	22,58,477	1,04,34,139
Comprehensive Income for the period	**(32,00,96,545)**	**(34,16,65,634)**

During the year under review, there is a profit before Tax of Rs. 8,56,23,501 against the loss of Rs. 34,01,46,166 for the previous year 2017-18. The total loss after provision of tax is Rs. 32,00,96,545 for FY 2018-19 as against that of Rs. 35,20,99,773 during the previous year 2016-17. The major element of revenue for the Company is rentals from the properties of the company leased to subsidiaries for their use.

The total gross asset base of the Company at the end of 31.03.2019 was Rs. 1,034.95 crores. The Company has suffered losses during the year, which is mainly on account of depreciation amounting to Rs. 46,27,33,902.

2. FINANCIAL HIGHLIGHTS:

i) The Total Income includes amount of Rs. 81.62 crores towards lease rentals received from the subsidiaries for use of the properties of the Company.

ii) It also includes interest received on Fixed Deposits of Rs. 1.73 crores.

iii) On transition to Ind AS, following adjustments have been made in the accounts:

a) The Company has opted to continue with the carrying value of all Investment Properties recognised as at 1st April, 2015 measured as per previous Generally Accepted Accounting Principles (GAAPs) specified in the 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 investment property.

b) Freehold land and office buildings have been classified as Investment properties.

c) Expected Credit Loss of Rs. 8,77,253 has been provided during the year on Rent receivables.

d) The figures for the previous year 2017-18 have been restated.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company.

4. DIVIDEND:

In view of loss for the year under review, and the considering the position of Reserves, no dividend has been recommended by the Board of Directors for the financial year ended 31st March, 2019.

5. EXTENSION FOR HOLDING ANNUAL GENERAL MEETING (AGM):

Your Company had applied for extension for holding of the 14th Annual General Meeting to the Registrar of Companies, Maharashtra, Ministry of Corporate Affairs, Govt. of India. The RoC has vide its letter dated September 17, 2019 granted extension of 3 (three) months for holding the Annual General Meeting.

6. DIRECTORS:

Shri. Parrag Jaiin Nainuta, IAS was appointed as Chairman & Managing Director of MSETCL w.e.f. 02.05.2018 in place of Shri. Rajeev Kumar Mital. Accordingly, Shri. Parrag Jaiin Nainutia was appointed as Additional Director of the Company w.e.f. 02.05.2018.

The Board places on record its deep sense of appreciation of the valuable contribution of the outgoing directors during their tenure with the Company.

Shri. Sunil Pimpalkhute was appointed as Additional Director and Whole-time Director designated as Director (Finance) & CFO w.e.f. 04.08.2018.

Smt. Neeta Shrirang Kelkar was appointed as an Independent Director on the Board of the Company for a term of 3 (three) consecutive years from 16.10.2018. Smt. Kelkar has furnished declaration to the effect that she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

Necessary resolutions relating to appointment of the aforesaid Directors, wherever applicable, were included in the Notice of the AGM.

7. KEY MANAGERIAL PERSONNEL (KMP):

During the financial year 2018-19, the following were the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

Sr. No.	Name of KMP	Designation	Date of Appointment	Date of Cessation
1.	Shri. Arvind Singh	Managing Director	1st March, 2017	5th November, 2019
2.	Shri. Sunil Laxman Pimpalkhute	Director (Finance) & Chief Financial Officer	4th August, 2018	-
3.	Shri. Subodh Rameshravji Zare	Company Secretary	21st August, 2015	-

8. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 and based on the information provided by management, it is hereby confirmed:

a) That in the preparation of the annual accounts for the year ending March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) That the annual accounts were prepared for the financial year ended 31st March, 2019 on a 'going concern basis;

e) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; *and*

f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. DECLARATION BY INDEPENDENT DIRECTOR:

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013.

10.PERFORMANCE EVALUATION OF DIRECTORS:

The requirement of performance evaluation of directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies *vide* Ministry of Corporate Affairs' Notification dt. 5th June, 2015.

11.DEPOSITS:

Your company has not invited/received any Deposits from the public covered under Chapter V of the Companies Act, 2013 from the Public during the year under report.

12.SHARE CAPITAL:

The Authorised Share capital of the Company remains unchanged at Rs. 99,000 crores as on 31.03.2019.

During the year under review, the paid-up Equity Share Capital of the Company has increased as under:

Particulars	Share Capital (Rs.)
Share Capital as on 31.03.2018	880865414020
Allotments during the year	8536851000
Share Capital as on 31.03.2019	88940,22,65,020

13.AMOUNT TRANSFERRED TO RESERVES:

In view of losses, the Board of Directors does not propose to transfer any amount to reserves.

14.CONSOLIDATED ACCOUNTS:

The Company as on 31st March, 2019, has 3 (three) direct wholly-owned subsidiaries and 4 (four) step down subsidiaries.

In accordance with IND AS-110 (Consolidated Financial Statements), the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. These financial statements have been prepared from the audited financial statements received from the subsidiary companies, as approved by their respective Board. The Consolidated Financial statements for the financial year 2018-19 have been attached as part of the Annual Accounts.

A brief summary of the results on a consolidated basis is given below:

(Rs. in Crores)

Particulars	2018-19	2017-18
Revenue		
Revenue from operations	73,965.13	63,693.91
Other Income	9,082.41	4,418.24
Total revenue	83,047.53	68,112.15
Expenses		
Cost of Material Consumed	54,575.63	44,743.96
Employees remuneration and benefits	6,871.76	6,408.74
Finance Costs	7,717.68	7,650.68
Depreciation and amortization	7,287.68	6,750.86
Other Expenses	10,374.47	5,197.87
Total expenses	**86,827.21**	**70,752.08**
Share of Profit in associates and joint venture	4.84	6.69
Profit/(Loss) Before Tax	**(4,269.83)**	**1,921.79**
Provision for Tax - Current year tax, Previous year tax and deferred tax (net)	(485.67)	(338.21)
Profit/(Loss) after Tax	**(4,755.50)**	**2,260.00**
Items that will be reclassified to profit or loss	(253.87)	(70.65)
Comprehensive Income for the period	**(5,009.37)**	**2,189.35**

Net Increase in Loss before Depreciation in the F.Y. 2018-2019 as compared to previous year is majorly on account of:

i) **Increase in 'Revenue from sale of power'** of MSEDCL to the tune of Rs. 11,949 Cr as compared to previous year.

ii) **Increase in 'cost of material consumed –of** MSEDCL to the tune of Rs. 9,927 Cr respectively as compared to previous year.

iii) **Increase in 'Revenue'** -of MSPGCL to the tune of Rs. 1249 cr is offset by negative true up order of Rs. 1275 Cr.

iv) **Input Cost increase** -of MSPGCL to the tune of Rs. 1434 Cr due to increase in coal prices and imported coal.

v) **Decrease in 'Revenue'**- of MSETCL to the tune of Rs. 188 cr per month decrease from Rs. 49.85 Cr to Rs. 34 Cr (MERC order no. 265 of 2018)

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL REPORTING:

Your Company has recently appointed a Consultant which has submitted its Report in relation to the subject, and the suggestions are being implemented.

16. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNAL WHICH IMPACT THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

17. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

18. PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS:

The particulars of the loans given, investments made or guarantees given or security provided by the Company as required under section 186 of the Companies Act, 2013, to the extent applicable, are given in the notes to the Standalone Financial Statements.

19. RISK MANAGEMENT:

The management of your Company has framed the Risk management policy of the Company which elaborates the detailed description of type of risk and its mitigating plan.

20. VIGIL MECHANISM:

The Board at its meeting held on 11th February, 2016, approved the Vigil Mechanism that provides a formal mechanism to secure reporting of improper activities (whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity/serious irregularities within the company.

21. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In order to prevent sexual harassment of women at work place a new Act, viz. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013.

There have been no instances of any harassment of Women at workplace as provided under the Act.

22. RIGHT TO INFORMATION ACT, 2005

Your Company ensures compliance under the Right to Information Act, 2005. During the year 2018-19, 5 (Five) applications were received which were replied.

23. MEETINGS OF THE BOARD:

The Board of Directors duly met 5 (five) times during the financial year from 1st April, 2018 to 31st March, 2019. The dates on which the meetings were held are as follows:

Sr. No.	Number of the Meeting	Date of the Meeting
1.	84th Board Meeting	15.05.2018
2.	85th Board Meeting	20.08.2018
3.	86st Board Meeting	16.10.2018
4.	87th Board Meeting	28.12.2018
5.	88th Board Meeting	11.03.2019

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the various Directors attending the Board Meetings are as under:

Sr. No.	Name of the Director	Total number of meetings entitled to attend	Number of meetings attended
1.	Shri. Chandrashekhar Krishnarao Bawankule	5	5
2.	Shri. Madan Yerawar	5	3
3.	Shri. Arvind Singh	5	5
4.	Shri. Bipinkumar Punambhai Shrimali	5	2
5.	Shri. Sanjeev Kumar	5	5
6.	Shri. Parrag Jaiin Nainutia	5	5
7.	Shri. Sunil Laxman Pimpalkhute	4	4
8.	Shri. Prakash Vithal Page	5	5
9.	Shri. Vishwas Vasant Pathak	5	4

10.	Shri. Rajendra Balbhadra Goenka	5	4
11.	Smt. Neeta Shrirang Kelkar	2	2

24.COMMITTEES OF THE BOARD:

In order to have a more focused attention on business and for better governance and accountability, the Board has constituted the various committees as under:

24.1 Audit Committee

24.1.1 The Audit Committee acts as a link between the Statutory, Secretarial and Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting, reviewing the financial statements and reviewing the audit activities.

24.1.2 The Audit Committee consisted of Shri. Prakash Page (Chairman), Shri. Vishwas Pathak and Shri. Parrag Jaiin Nainutia as Members.

24.1.3 The Committee was reconstituted on 16.10.2018 by induction of Smt. Neeta Kelkar to the Committee in place of Shri. Parrag Jaiin Nainutia.

24.1.4 The Audit committee met 3 (three) times during the year, i.e. on 26.09.2018, 19.12.2018 and 28.12.2018. The details are as under:

Sr. No.	Name of the member	Designation	Total number of meetings entitled to attend	Number of meetings attended
1	Shri. Prakash Page	Chairman	3	3
2	Shri. Vishwas Pathak	Member	3	2
3	Shri. Parrag Jaiin Nainutia	Member	1	0
4	Smt. Neeta Shrirang Kelkar	Member	2	2

24.2 Nomination & Remuneration Committee

24.2.1 The Nomination & Remuneration Committee consisted of Shri. Prakash Page (Chairman), Shri. Vishwas Pathak and Shri. Parrag Jaiin Nainutia as Members.

24.2.2 The Committee was reconstituted on 16.10.2018 by induction of Smt. Neeta Kelkar to the Committee in place of Shri. Parrag Jaiin Nainutia.

24.2.3 There was no meeting of the Nomination & Remuneration Committee during the year.

24.3 Corporate Social Responsibility (CSR) Committee

24.3.1 The CSR Committee consisted of Shri. Prakash Page (Chairman), Shri. Vishwas Pathak and Shri. Parrag Jaiin Nainutia as Members.

24.3.2 The Committee was reconstituted on 16.10.2018 by induction of Smt. Neeta Kelkar to the Committee in place of Shri. Parrag Jaiin Nainutia.

24.3.3 There was no meeting of the CSR Committee during the year.

25.STATUTORY AUDITORS:

M/s. Doogar & Associates, Chartered Accountants, Mumbai, (FRN: 000561N) were appointed by Comptroller & Auditor General of India as Statutory Auditor for the financial year 2018-19.

The Board of Directors of your Company has fixed Rs. 7,50,000 (Rupees Seven lacs and fifty thousand only) plus applicable taxes as the Statutory Audit fees.

26.STATUTORY AUDITOR'S REPORT:

The Statutory Auditors have qualified their opinion in relation to various matters appearing in the Financial Statements for the year ended March 31, 2019.

The Board's responses to the qualifications and other observations made by the Auditors in their Report on the Standalone and Consolidated Financial Statements for the year ended March 31, 2019 and in their Report on these Financial Statements are appended to this Report as **Annexure "I"** and **Annexure "IA"** respectively.

27.COMPTROLLER & AUDITOR GENERAL OF INDIA (CAG) REVIEW:

The Comptroller & Auditor General of India (CAG) reviewed the Standalone and Consolidated Financial Statements of the Company, as adopted by the Board and as audited by the Statutory Auditors.

There are **"NIL"** comments on both the Standalone and Consolidated Financial Statements of the Company for the year ended 31.03.2019.

The copy of the CAG comments on Standalone and Consolidated Financial Statements are appended to this Report as **Annexure "II"** and **Annexure "III"** respectively.

28.INTERNAL AUDITORS:

M/s. A N A R & Co., Chartered Accountants, Mumbai (FRN: 124211W) were appointed as Internal Auditors by the Board of Directors for the financial year 2018-19.

29.SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. A. Y. Sathe & Co., Practising Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the year ended 31st March, 2019.

The Secretarial Audit Report submitted by Company Secretary in Practice is appended to this report as **Annexure "IV"**.

30.SECRETARIAL AUDIT REPORT:

The Secretarial Auditor has submitted report in form No. MR–3 and qualified their opinion/observations in respect of the Secretarial Audit conducted for the financial year 2018-19. The Board's responses to the observations of the Secretarial Auditor are appended to this Report as **Annexure "V".**

31.SECRETARIAL STANDARDS:

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under section 118(10) of the Companies Act, 2013.

32.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The disclosures pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as stipulated under section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are furnished in **Annexure "VI".**

33.PARTICULARS OF EMPLOYEES:

As per the provisions of section 197 of the Companies Act, 2013 and rules made thereunder, Government companies are exempted from inclusion in the Directors' report a statement of the particulars of employees drawing remuneration in excess of limits specified under the Act and Rules notified thereunder.

34.EXTRACT OF THE ANNUAL RETURN:

The Extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 is annexed herewith as **Annexure "VII".**

35.SUBSIDIARY COMPANIES:

The Company as on 31st March, 2019, has following subsidiaries:

1. Maharashtra State Electricity Distribution Co. Ltd. - engaged in distribution of electricity
2. Maharashtra State Power Generation Co. Ltd. - engaged in generation of electricity *and*
3. Maharashtra State Electricity Transmission Co. Ltd. - engaged in transmission of electricity

In accordance with sub-section (3) of section 129 of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided as **Annexure "VIII"** to this report.

No company ceased to be subsidiary of your Company during the year under review.

36.PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY:

As required by the rule 8(1) of the Companies (Accounts) Rules, 2014 (as amended) the information in respect of the performance of subsidiaries, associates and joint venture companies, to the extent applicable and their contribution to the overall performance of the Company is appended to this Report as **Annexure "IX"**.

37.CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company believes in Corporate Social Responsibility (CSR) as a commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include persons directly impacted by the activities of the Company, local communities, environment and society at large. Your Company has developed a comprehensive CSR Policy to reinforce the commitment.

The Annual Report on CSR activities is annexed herewith marked as **Annexure "X"** to this report.

38.CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In compliance of the provisions of the Companies Act, 2013, the particulars of contracts or arrangements entered into by the Company with its related parties are disclosed in Form AOC-2 appended to this Report as **Annexure "XI"**.

The transactions with other related parties are included in the Notes to the Accounts pursuant to Ind AS 24 "Related Party Disclosures".

39.GENERAL:

(i) No employee is holding any shares in the Company and hence, the disclosure required under Section 67(3)(c) of the Companies Act, 2013, read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by them is not given. Further, the Company, during the financial year, did not advance any money to any person for subscribing shares of the Company.

(ii) There were no instances of issue of equity shares with differential rights to dividend, voting, or otherwise and issue of shares to employees under any scheme.

(iii) There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

40.ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the assistance and co-operation extended by various Central and State Government Departments/Agencies. The Board also wishes to place on record its appreciation for sincere and dedicated work of all employees.

On behalf of the Board of Directors

Sunil Pimpalkhute	**Aseemkumar Gupta**
Director (Finance)	Managing Director
DIN: 01915725	DIN: 02607016

Place: Mumbai

Date: 16/12/2020

Registered Office:
Hongkong Bank Bldg., 3rd and 4th Floor,
Mahatma Gandhi Road, Fort, Mumbai–400001
Maharashtra.

CIN: U40100MH2005SGC153649
Email ID: msebhcl@gmail.com
Tel. No. : 91-22-22608383
Fax No. : 91-22-22619101

ANNEXURE I

REPLIES TO THE AUDIT REPORT ON STANDLONE FINANCIAL STATEMENTS FOR THE PERIOD 01-04-2018 TO 31-03-2019

Sr. No.	AUDITORS'S COMMENTS	MANAGEMENT'S REPLY
1.	**Report on the Audit of the Financial Statements** **Qualified Opinion** We have audited the accompanying financial statements of MSEB HOLDING COMPANY LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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. 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 para7.3(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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2019, and its loss(financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.	Factual
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 14,453,400,000/-(refer note no. 7.2);	Transfer of ownership of Land & Buildings From erstwhile MSEB in the name of MSEB Is in process. Letters have been issued to the concerned authorities for the transfer.

	b) The company does not collect, maintain & present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises ('MSME') Development Act. 2006. Hence correctness of provision for interest, if any, on outstanding dues to MSME could not be verified.	No dues are outstanding of the vendors who are registered under Micro, Small and Medium Enterprises('MSME') Development Act, 2006. Hence provision of interest on outstanding dues is not provided in the books of accounts.
	c) The balances outstanding in the books of the company with its subsidiaries i.e. MSEDCL, MSETCL and MSPGCL are under reconciliation, discussions and deliberations. (refer note no 9.1 &18.1) and which may have impact on the financial position and certain disclosures in the financial statements. Consequential impact of Para a) to c) above on the loss, reserves and EPS are neither quantified / quantifiable nor disclosed.	The inter Company balances outstanding are due to the difference to opinion between the holding and its subsidiaries. Certain assets/ liabilities reserves relating to subsidiary companies have been transferred to the subsidiaries, but yet to be accepted by them. Due to this certain difference in intercompany balances have emerged. The same will be resolved in the financial year 2018-19.
	We conducted our audit of the 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 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 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 financial statements.	Factual
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. 1,520,434,890/- net of the provision of tax in the books of accounts amounting to Rs. 400,727,729/- and 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.	Income tax department has been disallowed several expenses from the FY 2005-06. The Income tax cases for all the years since FY 2005-06 are in appeals. In order to avoid the huge penalties management has decided to pay advance tax on Income from Rental and Interest Income although there is no liability as per the financial statement.
	3.2 Refer note no. 10.1 where the debts outstanding against rentals from property due from subsidiaries amounting to Rs.3,120,153,032/-(P.Y.Rs.2,352,201,324/-) have been long outstanding.	Factual
	3.3 Refer note no.8.4 where the investment of the company in MSEDCL of Rs. 476,143,199,040 has been getting depreciated due to continuous losses incurred by MSEDCL. The depreciation in value of shares has not been provided for in the books. Although MSEDCL has incurred profits in F.Y 2017-18, reserves as on 31st March'2018 are negative. The figures for 31.03.2019 have not been finalized.	Factual
	3.4 The company has booked GST on guarantee issued to subsidiaries companies and the rate taken is subject to management internal assessment and no legal vetting is done. The liability and interest though provided is still not paid as on date of balance sheet.	Factual
	3.5 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 is from the date of their joining instead from the day they are deputed in MSEBHCL i.e from F.Y 2013-14.	Factual
	3.6 Refer note no-16 where the company has suo-moto given up the claim of deduction of "interest and finance charges" which has resulted in change in the carry forward business losses and unabsorbed depreciation. During the year the company has revised the income tax returns for last years and the brought	Factual

	forward losses as per Income tax returns has been reduced substantially therefore the company has accounted for deferred tax liability amounting to Rs 4,07,978,523/- on account of such revision in Income tax returns. Our report is not qualified in respect of above matters.	
4.	**Information Other than the 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.	Factual
	• Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon	Factual
	• In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.	Factual
	• 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'.	Factual
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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error . In preparing 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	Factual

	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 . Those Board of Directors are also responsible for overseeing the Company's financial reporting process	
6.	**Auditor's responsibility** Our objectives are to obtain reasonable assurance about whether the 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.	Factual
	As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: • Identify and assess the risks of material misstatement of the 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.	Factual
	• 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 system in place and the operating effectiveness of such controls.	Factual
	• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.	Factual
	• 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 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.	Factual
	Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial	Factual

	statements represent the underlying transactions and events in a manner that achieves fair presentation.	
	Materiality is the magnitude of misstatements in the 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 financial statements.	Factual
	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.	Factual
	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.	Factual
7.	**Report on other legal and regulatory requirements** 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.	Factual
	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.	Factual
	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.	Factual
	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.	Factual
	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	Factual
	d. Subject to our observations in para 2 above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.	Factual

	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;	Factual
	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.	Factual
	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.	Factual
	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:	Factual
	a. The Company has disclosed the impact of pending litigations on its financial position in Note 24 to its Standalone Ind AS Financial statements.	Factual
	b. 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;	Factual
	c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company	Factual
	Annexure "A" to Independent Auditors' Report	
i	Referred to in Paragraph 7.1under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date	
	(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).	Factual
	(b) As explained to us fixed assets have not been physically verified by the company during the year. Physical verification of Fixed Assets was carried 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).	Factual
	(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	Follow up to transfer the assets in the name of company is in process

<table>
<tr><td></td><td>Transfer Scheme, since finalised on 31st March'2016 vide GR No. Reform 2010 /Pr.Ka.117 /Urja. Detail of such cases where the title deeds are not in name of company is as below:-</td><td></td></tr>
<tr><td></td><td>
<table>
<tr><th>Description of Asset</th><th>No of cases</th><th>Area in acres</th><th>Gross Block as on 31/03/2019 (Rs.)</th><th>Net Block as on 31/03/2019 (Rs.)</th><th>Remarks</th></tr>
<tr><td>Land-Leasehold</td><td>2</td><td>7.10</td><td>2,045,934,468</td><td>1,646,397,112</td><td rowspan="3">The Company is taking appropriate steps for completion of legal formalities for transfer of title.</td></tr>
<tr><td>Land-Freehold</td><td>4</td><td>1.89</td><td>708,880,000</td><td>708,880,000</td></tr>
<tr><td>Building and structures</td><td>13</td><td>Not Available</td><td>11,805,299,904</td><td>7,928,743,808</td></tr>
</table>
</td><td>Factual</td></tr>
<tr><td>ii</td><td>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 3 (ii) of the Order is not applicable to the company. \</td><td>Factual</td></tr>
<tr><td>iii.</td><td>According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act,2013. Accordingly, clause 3 (iii) (a) & (b) of the Order are not applicable to the company.</td><td>Factual</td></tr>
<tr><td>iv.</td><td>During the year the Company has given guarantee in respect of loans raised by its subsidiary company MSEDCL, however no loans were granted which are covered under Section 185 and 186 of the Companies Act, 2013. In respect of investments in the Subsidiary and guarantee given on behalf of subsidiary company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.</td><td>Factual</td></tr>
<tr><td>v.</td><td>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, 2013and 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.</td><td>Factual</td></tr>
<tr><td>vi.</td><td>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.</td><td>Factual</td></tr>
<tr><td>vii.</td><td>(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, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities.</td><td>Factual</td></tr>
<tr><td></td><td>(b)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 2019 on account of Income-tax, Sales-tax, Service-tax, duty of custom, duty of excise or value added tax are as under:</td><td>Factual</td></tr>
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<tr><td></td><td>
<table>
<tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount (In Rs.)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income Tax Act, 1961</td><td>Penalty</td><td>141,65,57,002</td><td>AY 2006-07</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>2</td><td>Income Tax Act, 1961</td><td>Penalty</td><td>1,121,736,837</td><td>AY 2007-08</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>3</td><td>Income Tax Act, 1961</td><td>Penalty</td><td>1,271,079,159</td><td>AY 2008-09</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>4</td><td>Income Tax Act, 1961</td><td>Penalty</td><td>1,034,815,207</td><td>AY 2009-10</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>5</td><td>Income Tax Act, 1961</td><td>Penalty</td><td>980,338,089</td><td>AY 2010-11</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>6</td><td>Income Tax Act, 1961</td><td>Tax and Interest</td><td>82,490,910</td><td>AY 2011-12</td><td>Income Tax Appellate Tribunals</td></tr>
<tr><td>7</td><td>Income Tax Act, 1961</td><td>Tax and Interest</td><td>82,487,920</td><td>AY 2012-13</td><td>Commissioner of Income Tax (Appeals)</td></tr>
</table>
</td><td>Factual</td></tr>
<tr><td>viii.</td><td>The Company has not taken any loans from financial institutions or banks and has not issued debentures. 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.Reform2010/Pr.Ka.117/Urja, is received from the Company and hence we are unable to comment in respect of default, if any.</td><td>Factual</td></tr>
<tr><td>ix.</td><td>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 (ix) of the Order is not applicable and hence not commented upon.</td><td>Factual</td></tr>
<tr><td>x.</td><td>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.</td><td>Factual</td></tr>
<tr><td>xi.</td><td>As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.</td><td>Factual</td></tr>
<tr><td>xii.</td><td>In our opinion the company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company and hence not commented upon.</td><td>Factual</td></tr>
<tr><td>xiii.</td><td>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).</td><td>Factual</td></tr>
<tr><td>xiv.</td><td>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</td><td>Factual</td></tr>
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<tr><td></td><td>preferential allotment or private placement of shares during the year under review. Company has not made preferential allotment or private placement of fully or partly convertible debentures during the year under review. The company has complied with the requirements of Section 42 of the Act and the amount raised have been used for the purpose for which funds were raised.</td><td></td></tr>
<tr><td>xv.</td><td>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.</td><td>Factual</td></tr>
<tr><td>xvi.</td><td>According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.</td><td></td></tr>
<tr><td></td><td>Annexure "B"- Report on 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 Direction.</td><td></td></tr>
<tr><td></td><td>AUDITOR'S COMMENTS
<table>
<tr><th>Sr. No</th><th>Directions</th><th>Replies</th></tr>
<tr><td>1.</td><td>Whether there are any cases of waiver/write off of debts/ loans / interest etc., if yes, the reasons there for and the amount involved.</td><td>In our opinion and according to the information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc.</td></tr>
<tr><td>2.</td><td>Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.</td><td>According to information and explanations given to us, there are no Inventories lying with third parties and also there are no assets received as gift/grant from Government or other authorities.</td></tr>
<tr><td>3.</td><td>A report on age-wise analysis of pending legal/arbitration cases, including the reasons for the pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.</td><td>As per Annexure-1</td></tr>
</table></td><td>Factual</td></tr>
</table>

4.	**A report if the company has been selected for disinvestment, complete status report in terms of valuation assets (including intangible assets and land) and liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.**	According to information and explanations given to us, Company has not been selected for disinvestment.

ANNEXURE 1

Sr. No.	Year	Building Name	Court case No.	Name of court	Reason	Status of case
1	2001	Honkong Bank building 3rd Floor and part of 4th floor	Appeal 213/18 TER 346/366/2001	Small Cause Court, Mumbai	Vacation of the 3rd and 4th floor potion in possession of MSEBHCL at HSBC Fort.	Arguments in Small Couse Court- 05, Mumbai Next Date 07-11-2019
2	2004	Estrela Batteries Expansion building Dharavi 2nd Floor.	Suit no.1663/2004	Bombay High Court, Mumbai	Suit filed for specific part performance against M/S EBL in the matter of purchase of Estrela batteries Expansion Building	Cross Examination of plaintiff witness by court commissioner. Affidavit submission due date 14-10-2019 after this cross examination start
3	2009	Estrela Batteries Expansion building Dharavi	RAE 533/801/09	Small case court, Mumbai	Regarding vacation of 2nd floor in possession of Central Excise Dept. in Dharavi Office Building at Estrela Batteries compound	Reply in Notice at Small Couse Court – 10, Mumbai. Reply against exhibit No. 24 & 29.
4	2015	National Park colony	Suit no.779/2015	Bombay High court, Mumbai	Land Boundary dispute	Written statement is filed. Not on Board.

ii sector specific Sub – Directions			
	AUDITOR'S COMMENTS		Factual
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 accounted properly.	
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 Loss mentioned in Audit Report is as per Statement of Profit and Loss of the Company.	
	"Annexure C" to the Independent Auditor's Report **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")** We have audited the internal financial controls over financial reporting of MSEB Holding Company Ltd. ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.		
	Management's Responsibility for Internal Financial Controls The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.		The Company has adopted adequate Internal Financial Control and internal auditor has tested the same and reported in their Internal Audit report for the year 2017-18
	Meaning of Internal Financial Controls over Financial Reporting A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance		

	with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	Factual
	Opinion In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.	Factual

ANNEXTURE 1A

REPLIES TO THE AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 01.04.2018 TO 31.03.2019

Sr. No.	AUDITOR'S COMMENTS	REPLY
1.	**Report on the Audit of the Consolidated Financial Statements** **Qualified Opinion** We have audited the accompanying Consolidated Ind AS Financial Statements of **MSEB HOLDING COMPANY LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and para7.2(d) below on the non compliance of certain Indian Accounting Standards (Ind AS), and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, in our opinion the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs (financial position) of the group and its subsidiaries as at March 31, 2019, and their Consolidated loss(financial performance including other comprehensive income), its consolidated cash flows and the changes in equity for the year ended on that date.	Factual
2.	**Basis for Qualified Opinion** **<u>In Case of Holding Company (MSEBHCL):</u>** 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 finalized on 31st March'2016 vide GR No. Reform2010/Pr.Ka.117/Urja of Rs 14,453,400,000/- (refer note no. 3.2).	Transfer of ownership of Land & Building from erstwhile MSEB in the name of MSEB is in process. Letters have been issued to the concerned authorities for the transfer.

	b) The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises ('MSME') Development Act, 2006. Hence, correctness of provision for interest, if any, on outstanding dues to MSME could not be verified.	
	c) The balances outstanding in the books of the company with its subsidiaries i.e. MSEDCL, MSETCL and MSPGCL are under reconciliation, discussions and deliberations. (refer note no 29 and note no.48(6) and which may have impact on the financial position and certain disclosures in the financial statements and (refer note 47) describing the elimination of related party transaction to the extent of lower of balances in the respective financial statements. Consequential impact of Para a) to c) above on the loss, reserves and EPS are neither quantified / quantifiable nor disclosed	The inter Company balances outstanding are due to the difference to opinion between the holding and its subsidiaries. Certain assets/ liabilities reserves relating to subsidiary companies have been transferred to the subsidiaries. But yet to be accepted by them. Due to this certain difference in intercompany balances have emerged. The same will be resolved in the financial year 2019-20
1.	**<u>In Case of Subsidiary Company (MSEDCL)</u>** We draw attention to the matters described in **paragraphs 1 to 16**below**.** The effects of these matters (whether quantified or otherwise) on the Consolidated Ind AS Financial Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material. All the matters referred to paragraph 1 to 16 pertain to Holding Company, except wherever stated otherwise. **Property, Plant & Equipment (PPE), Depreciation and Impairment :** a) As mentioned in Note 49(4) to the Consolidated Ind AS Financial Statements, due to non-availability of proper and complete records relating to date of capitalisation of PPE and Work Completion Reports, we have come across instances of non-capitalisation and/or delayed capitalisation (which is not in accordance with requirements of Ind AS 16 'Property Plant and Equipment'), with corresponding impact on depreciation. In the absence of proper audit trail, we are unable to quantify the impact arising on account of non-capitalisation / delayed capitalization, resultant depreciation and consequential impact, if any, on	There are some instances where there is delay in capitalization. The WCR and Asset creation process has been now automated and simplified whereby Asset is accounted for immediately after creation of WCR. Technical WCR are generated automatically on the basis of approved joint measurement certificate. On the basis of technical WCR, Financial WCR including employee admin & interest cost will be

		the Consolidated Ind AS Financial Statements for the year under audit.	automatically created and same will be charged on assets under construction in financial ledger. As such henceforth there will not be delay in capitalization. Further, the development is made for centralizing process for approval of WCR. The capitalisation pendency is monitored at Head office level through various SAP Reports. Also if assets work completion dates are earlier than Asset Commissioned date then depreciation on this differential period is provided for manually.
	b)	During the year, the Holding Company has capitalized borrowing costs amounting to Rs. 755.63 lakhs (F.Y. 2017-18 Rs. 1,330.23 lakhs) as part of cost of PPE. Capitalization of borrowing costs has been done without identifying qualifying assets, without considering the principles of allocating interest on general and specific borrowings, without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers. Further, as stated in Note n. 1(f)(1) the Company has capitalized Rs. 48,309.12 lakhs (F.Y.2017-18 Rs. 30,688.02 lakhs) being 15% of cost of additions to CWIP towards employee costs and office & administrative expenses. However, the Company does not have a practice of specifically identifying such expenses attributable to additions to CWIP or to the acquisition of PPE. Capitalization of these costs has been done without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers. Such capitalisation is not in accordance with requirements of Ind AS 23 'Borrowing Costs' read with Ind AS 16 'Property, Plant & Equipment'. In the absence of sufficient and appropriate audit evidence, we are not in a position to comment on the correctness of the amounts capitalized as above.	The accounting policy in this regard is disclosed at point no.9(b) in Note -2 on "Significant Accounting Policies" as under "Interest relating to construction period in respect of acquisition of the qualifying assets is capitalized on the addition to Work in Progress during the year based on the average interest rate applicable to the loan." The Company has been following this policy of interest capitalisation consistently. The borrowing cost (the interest on loans used for capital work) is capitalized by identifying the qualifying assets. The borrowing cost is capitalized , if i) The scheme / work is of capital nature ii) The loans for such schemes/ works have been sanctioned / obtained. iii) The work completion period of such schemes/works as per work order should be 12 months or more. However going ahead company is in process of developing of loan module in SAP, which will facilitate computation of interest

		Further, employee cost, office and administrative expenses and borrowing costs have also been capitalised in earlier years on similar lines. As a result, the fixed assets are overstated by the amount capitalized and depreciation has also been overcharged. The impact of the same, however, cannot be ascertained and quantified. Also refer accounting policies on Property, Plant and Equipment as mentioned in Note 1(f)(1)	during construction for given project/capital work, taking into account the specific interest rate sanctioned for that specific scheme. Further, with the implementation of loan module, interest capitalisation will also be auto calculated in the system taking into account the work completion period for individual useful section of the capital work which gets capitalised separately. As the MSEDCL is not having a separate wing for handling capitalization and O&M activities, Departments / Staff carry out both the activities at field level & Head Office. Therefore, the company has carried out detailed exercise of identifying Employee, Administrative and general expenses directly attributable to the bring the asset in the location & in the condition necessary for it to be capable of operating in the manner intended by the management, based on the data of the last 2 years. After carrying out the said exercise, the employee and Administrative & general expenses to be capitalized come to 13.66% in FY 2015-16, 15.36% in FY 2016-17. The same is rounded off to the nearest 15% & is applied for capitalization in FY 2017-18. The Accounting policy of capitalizing @ 15% has been followed consistently during FY 2018-19. Employee cost and administrative expenses incurred during the current year are not capitalized on opening balance of Capital Work in Progress, as it is not attributable to opening CWIP.

		Employee costs and office & administrative expenses are capitalised on additions to CWIP during the year. Thus the capitalization of these costs is not done on interrupted projects. In the master data of the project in SAP, the percentage of funding of the project such as grant, consumer contribution, loan, internal sources etc is updated. Thus the borrowing cost is capitalised on the project costs funded through loan only and not on government grants and consumer contribution from the project costs. Thus, Company has identified these expenses attributable to additions to CWIP or to the acquisition of fixed assets, and as such the fixed assets are not overstated in Current Financial year as well as earlier Financial years.
	c) No physical verification of fixed assets was conducted during the year by the management. As a result, the possible impact, if any, on the Consolidated Ind AS Financial Statements, based on outcome of such physical verification, if it had been conducted, could not be ascertained.	The Company has formulated policy for the physical verification of Fixed Assets during the FY 2017-18. This policy has been modified in FY 2018-19. As per the procedure, after completion of every project/work, joint measurement certification (JMC) is done. After verification asset is created and accounted for in the books of accounts. Also, the third party inspection is carried by reputed agencies like REC, PDCL etc after commissioning of assets. If any problems like supply interruption arises, the action to normalize the power supply is taken immediately and no asset remains unattended for a long time. The power is given continuously 24 X 7 hrs to consumers except few incidences of interruptions and

			the power is continuously transmitted through the distribution network which indicates that infrastructure network once created is always in service / use. Due to peculiar nature of business that is to supply continuous 24 X 7hrs electric supply and the fact that inspection at the time of commissioning of new Fixed asset is 100% and is also through third party inspection in addition to measurement and verification by our own engineers. The policy of physical verification of network assets that is plant and machinery, lines and cables and communication equipment is not required.
	d)	The Company has not carried out impairment test toward its assets. In the absence of such evaluation, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.	Due to regular maintenance and based on internal review and information, the Company is of the opinion that economic performance of the assets of the Company is reasonable and therefore there is no impairment as on the date of the Balance Sheet.
2.		**Trade Receivables**	
	a)	During the year, the Company has derecognized an amount of Rs.1, 14,201.85 Lakhs being electricity duty billed but not collected for the period till 31st March, 2018. Further, during the current year, the Company has not accounted for electricity duty billed but not collected amounting to Rs. 2,064.41 Lakhs. As a result, the amount payable to Government of Maharashtra towards electricity duty and tax on sale of electricity included under Other Financial Liabilities – Current in Note 28 and Trade Receivables in Note 13 are understated by Rs.1,16,266.26 Lakhs.	As per The Bombay Electricity Duty Act, 1958, sub-section (4) (1) and Maharashtra Electricity Duty Act, 2016. (Act No. XXVI of 2016), sub-section (6) (2) the duty so payable shall be a first charge on the amount recoverable by the licensee for the energy supplied or wheeled by him, and shall be a debt due by him to the State Government. Provided that, where the licensee has been unable to recover his dues for the energy supplied or wheeled by him, licensee shall not be liable to pay the duty in respect of the energy so supplied.

			Accordingly, Electricity Duty (ED) is levied to the consumers as per the rate prescribed by the Act and appropriated from the amount received from consumer. The company has been paying electricity duty to GoM on collection basis w.e.f. 01.04.2013. The quantum of ED not paid by consumers remains booked under "ED accrued but not due" account till the time it is collected. Both the amount i.e. "amount payable to GoM" and "ED accrued but not due" are collectively shown under the head "amount payable to GoM" in Balance Sheet. This does not reflect correct position as the amount of "ED accrued but not due" is still not collected from consumers and as such cannot be construed as due to GoM. The company incurs the liability to pay ED to GoM only to the extent of collection of ED and arises when it recovers ED from consumers. Therefore uncollected ED need not to be shown as accrued but not due to GoM. ED is collected from consumers and paid to GoM. Thus the company collects ED on behalf of GoM and is obliged to pay to GoM only on collection. Hence, ED not collected from consumers amounting to Rs 1,16,266.26 Lakhs is not shown as the amount payable to GoM and receivable from consumers.
	b)	The amount collected from consumers and payable to Government of Maharashtra towards electricity duty and tax on sale of electricity is adjustable against amounts due from Government of Maharashtra towards subsidy grant etc. Hitherto, the said adjustment was being made on receipt of Government Resolution (GR) to that effect. During the year, the Company has voluntarily adjusted an amount of Rs. 4,32,220.42 lakhs payable to Government	The Subsidy is predominantly received from GOM by way of adjustment against the ED TOSE payable and necessary Govt. Resolution is issued. Based on these GRs, the company have been accounting for adjustment in book of

	of Maharashtra towards electricity duty and tax on sale of electricity against amounts due from Government of Maharashtra without receipt of the related GR. As a result, the amount payable to Government of Maharashtra towards electricity duty and tax on sale of electricity included under Other Financial Liabilities – Current in Note 28 and amount due from Government of Maharashtra towards subsidy grant etc. shown under Trade Receivables in Note 13 are understated to that extent.	accounts till FY 2017-18. When GoM declares Concession in tariff, there is certainty of receipt of amount from GoM. Many times the said adjustment GR gets delayed due to procedure and spills over in the next financial year and resultantly the unadjusted subsidies against ED TOSE get reflected as receivable and payable in balance sheet. This does not reflect the true and fair picture, considering the routine and inevitable process of adjustment, which has been accepted by GoM year after year based on figures furnished by Company itself. Therefore, in FY 2018-19 receivable from GoM towards tariff subsidy amounting to ₹ 432220.42 Lakhs have been adjusted against ED TOSE payable to GoM.
3.	**Expected Credit Loss (ECL) on Trade and Other Receivables:** As stated in Note No. 49(5)(II)(i)(a) to the Consolidated Financial Statements, the Company has made provision for expected credit loss under Ind AS 109 'Financial Instruments' in respect of trade receivables. While working out the amount of ECL: a) The Company has not considered the amount of Rs. 31,451 Lakhs (FY 2017-18 Rs.26,374 Lakhs) due from Global Tower Limited(GTL),a distribution franchisee.	The legal proceedings for the recovery of ₹ 31,451 lakhs have been initiated in the case of Global Tower Ltd (GTL). As per the Management's opinion entire amount is recoverable and it expects no credit loss in the case of GTL.
	b) The Company has not considered 100% ECL provision on the amount of interest due from consumers, aggregating to Rs.7,08,686.83 Lakhs (FY 2017-18 Rs. 6,03,900.01 Lakhs), in whose cases subsequent recognition of interest has been discontinued, following the accounting policy in respect of recognition of interest as enunciated in Note 1(f)(25).	Company has made ECL taking into consideration of various factors. The ECL primarily comprises of two main factors, viz. Time loss (money value) and Credit loss. Time loss is computed considering an appropriate discount rate. The Credit loss is calculated on the basis of the credit spread of Corporate Bonds having a tenure of 10 years as at the date of the balance sheet.

		Trade receivables are categorised into five groups for computing ECL viz. 1) Government authorities/bodies; 2) Permanent Disconnected consumers; 3) Agricultural consumers ; 4) Regular (Good, whose total outstanding for more than 2 years are less than 20% of Total outstanding of such class) and 5) Regular (Other) Consumers. As per the past trend, it is observed that the categories such as Residential, Industries etc. are not in default in payment of interest. Mainly the AG consumers are in default in payment of arrears. Consequently interest arrears of AG consumers are more. Considering this, the Company has already written off interest arrears of □. 3358 Crs. levied on LT AG live consumers up to Mar 2013 on principal amount prior to Mar 2013. Considering the above, the company has made the provision for ECL of Rs. 208779.76 lakhs
	c) Attention is drawn to Note 1(f)(25) relating to recognition of expected credit loss on trade receivables and other financial assets based on time loss and credit loss. Credit loss has been derived based on provision matrix. However, while preparing the provision matrix, the Company has not taken into account any forward looking information on the behavioral pattern of the customers.	The company has considered the past trend of consumer behavioral pattern accordingly the credit loss is calculated on the basis of the credit spread of Corporate Bonds having tenure of 10 years as at the date of the balance sheet. The Company finds it impractical to base its ECL on the behavioral pattern of the Individual consumers as the Company have approx 2.50 Crs Consumers. The Company has estimated ECL taking into accounts the pattern of payment for category as whole.

<table>
<tr><td></td><td>d) As stated in Note 49(5)(II)(i)(a), Trade receivables have been restated in accordance with IT records. These trade receivables are net of credit balances. As informed to us, the Company is in the process of reconciling these credit balances inter-se.</td><td>Arrears as per IT records have uploaded in accounts during the FY 2018-19. In FY 2018-19 the categories such as Public service category are further classified into Public service - Govt and Public service -other for HT and LT Consumers. However the opening balance is not properly transferred to the sub categories. This is one of the reasons of credit balance in the categories. The company is in the process of reconciling these credit balances.</td></tr>
<tr><td></td><td>e) While calculating ECL, the Company has adjusted security deposit from consumers after identifying the balances of related consumers. The Company has considered the amount of security deposits as per the IT database and not the amount outstanding as per the books of account. The differences in balances as per IT database and books of account are as mentioned below [Refer Note No. 49(5)(II)(i)(a),]:
(Rs. In Lakhs)
<table>
<tr><th>Particulars</th><th>Balance as on 31.03.2019 as per books of accounts (A)</th><th>Balance as on 31.03.2019 as per IT Database (B)</th><th>Differences (A) -(B)</th></tr>
<tr><td>Security deposits</td><td>7,54,348</td><td>7,54,775</td><td>427</td></tr>
</table></td><td>The reconciliation of security deposit as per IT and as per accounts is in process. The difference is reduced from Rs 3,877 Lakhs in FY 2017-18 to Rs 427 Lakhs in FY 2018-19. The same will be reconciled in FY 2019-20 and necessary accounting entries will be passed.</td></tr>
<tr><td></td><td>f) Attention is drawn to Note No. 49(5)(II)(i)(a), relating to movement in ECL during the year. Considering that substantial amount has been written off as bad debts, we are unable to comment on the basis adopted for providing ECL and adequacy thereof.</td><td>Company has made ECL taking into consideration of various factors.
The ECL primarily comprises of two main factors, viz. Time loss (money value) and Credit loss. Time loss is computed considering an appropriate discount rate.
The company has considered the past trend of consumer behavioral pattern.
The Credit loss is calculated on the basis of the credit spread of Corporate Bonds having tenure of 10 years as at the date of the</td></tr>
</table>

			balance sheet. Trade receivables are categorised into five groups for computing ECL viz. 1) Government authorities/bodies; 2) Permanent Disconnected consumers; 3) Agricultural consumers ; 4) Regular (Good, whose total outstanding for more than 2 years are less than 20% of Total outstanding of such class) and 5) Regular (Other) Consumers. Considering the above, according to the company the ECL is adequate.
	g)	During the year, the Company has bifurcated the figure of trade receivables of Rs. 48,53,318 Lakhs as at 31st March 2018 between principal amount of trade receivables of Rs. 32,77,524 Lakhs and interest on trade receivables of Rs.15,75,794 Lakhs. Consequently, the related ECL of Rs. 8,88,183 Lakhs as at 31st March 2018, in respect of the same, has also been bifurcated. We are, however, unable to comment on the basis of bifurcation of the related ECL. In the absence of audit trail / adequate details in respect of matters stated in paragraphs (a) to (g) above, we are not in a position to comment on the consequential impact of the same on the Consolidated Ind AS Financial Statements of the Company for the year under audit.	The Company has bifurcated the ECL in proportion of Principal & interest arrears except for AG consumers. In case of AG consumers the various schemes may be introduced by the government for recovery of arrears by waiving interest on arrears. In view of this and considering remote possibility of recovery of interest on arrears of AG consumers, more ECL is considered for interest arrears of AG consumers.
4.	**Deferred Tax and Leases:**		
	a)	While making disclosure in Note 49(9) of the Financial Statements as per the requirement of Ind AS 12 'Income Taxes', the Company has not considered deferred tax on:	
	i.	The amount of difference between book and tax base of Freehold Land.	Though there will be difference between book value and tax base of Freehold land, the value will not be realized unless there is a sale. In case of distribution business the land is acquired for specific purpose and is unlikely to be put on sale being state distribution licensee.
	ii.	Difference arising on account of amounts recognised in books of account and amounts to be recognised in	Deferred tax assets are recognised to the extent that it is

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<td>accordance with ICDS IV ‘Revenue Recognition’ (Impact on Taxable income Rs. 5,87,750 Lakhs), ICDS V ‘Tangible Fixed Assets’ (amount not ascertained) and ICDS IX ‘Borrowing Costs’ (amount not ascertained).

In the absence of adequate details with regards to it, we are unable to comment upon the disclosed amount of Deferred Tax.</td>
<td>probable that taxable income will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.</td>
</tr>
<tr>
<td></td>
<td>b) In the absence of availability of adequate details, disclosure as required under Ind AS 17 – ‘Leases’ has not been made.</td>
<td>The adequate details for disclosure of ‘Leases’ as per IND-AS 17 will be obtained.</td>
</tr>
<tr>
<td></td>
<td>5. Unexplained Balances and Classification & Presentation thereof :
a) The necessary data/ details pertaining to following accounts were not made available for verification during the course of audit.
(Rs. In lakhs)
<table>
<tr><th>General Ledger code</th><th>Account Description</th><th>Assets/ (Liabilities)</th></tr>
<tr><td>10303008</td><td>Deposit Cons-Advance payment against energy bill</td><td>(1,896.89)</td></tr>
<tr><td>10303011</td><td>MISC. DEPOSIT FROM CONSUMER</td><td>(182.13)</td></tr>
<tr><td>10303013</td><td>Other Miscellaneous Deposits</td><td>(1,676.73)</td></tr>
<tr><td>10303015</td><td>Deposits from employees</td><td>(5.61)</td></tr>
<tr><td>10303016</td><td>Security Deposits received from collection agencies</td><td>(7,669.06)</td></tr>
<tr><td>10303017</td><td>Security Deposits Against Energy of A.G. Pump Under EGS</td><td>(555.80)</td></tr>
<tr><td>10303019</td><td>Security Deposit Payable to Consumers</td><td>(5,992.20)</td></tr>
<tr><td>10303020</td><td>Amount under Saubhagya Scheme</td><td>(0.52)</td></tr>
<tr><td>10501002</td><td>Liability for amount payable to licensees</td><td>(471.74)</td></tr>
<tr><td>10501007</td><td>SD from Vendor capital</td><td>(1,644.65)</td></tr>
<tr><td>10501008</td><td>EMD received from supplier & contractor-Capital</td><td>(857.11)</td></tr>
<tr><td>10501009</td><td>Security Deposits from vendor O&M</td><td>(11,344.34)</td></tr>
<tr><td>10501010</td><td>EMD received from supplier & contractors - O&M</td><td>(4,813.92)</td></tr>
<tr><td>10501011</td><td>Deposits – Others</td><td>(464.02)</td></tr>
</table>
</td>
<td>There are very old balances in assets and liabilities. The balances are since trifurcation period and /or on migration to SAP software. The detail scrutiny of assets and liabilities has been started in FY 2019-20. The same will be identified and necessary action will be initiated after due verification. The proposal for write off / write back of old balances, if required, will be initiated where the records are not available.</td>
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</table>

		10501012	Refund of amount of Non-DDF Scheme	(9,873.37)	
		10501014	Retention money from suppliers contractors	(1,99,871.58)	
		10501015	EMD received from Customer	(185.33)	
		10501017	SD received from Customer	(543.48)	
		10700501	Deposit for temporary service connections	(2,245.52)	
		10900605	Dishonour cheque feed to consumer	13.91	
		10902001	Liability for Supplies/ Works & Maintenance Material Vendor	(70,207.98)	
		10902002	Payable to FI Vendor	(509.23)	
		10902004	Payable to Service Vendor	(25.03)	
		10902009	Payable to Employee as Vendor	(172.37)	
		10902103	Liability for expenses	(82,016.10)	
		10902107	Liabilities towards Employee Claims	(1,292.05)	
		10902108	Deposits from Employee	(42.26)	
		10902109	Adjustment against supplier Bill	183.94	
		10902111	Provision for Expenses O&M	(20,777.96)	
		10902112	Provision for Expenses Capital	(1,362.61)	
		10902310	Deduction from salary payable to outside party	971.81	
		10902319	Stale Cheque	(649.34)	
		10902320	Miscellaneous Recoveries from Staff	(26.92)	
		10902323	Deposits for execution for Jobs	(10.96)	
		10902324	Liability for unissued cheques	(391.03)	
		10902325	Liability for shortages & damages recovery payable	(926.19)	
		10902338	Amount towards compounding Recovered from Consumer	(1,586.10)	
		11000002	Provision for liability for expenses incurred by staff	(3,234.82)	
		20300006	AUC Manual Entry	72,192.90	

20600001	Advances to Suppliers / Contractor - Interest Bearing	11,292.87
20600002	Advances to Suppliers / Contractor - Others	31,679.18
20600103	Other Deposits	1,877.67
20600104	Deposits with court Authority	65,292.43
20600209	House Building Advance	3.68
20901022	Dues towards theft of	(3,490.30)
24000004	Scooter Advance	(0.02)
24000006	Computer Advances	3.40
24000008	T.A. Advance	173.17
24000009	Salary Adv.	6.02
24000010	Festival advances	873.11
24000012	Medical Advances	339.68
24000013	L. T. C. Advances	33.56
24000017	Advances to ITI Training Fee	23.69
24100005	Interest accrued and due on staff loans	0.24
24100006	Interest accrued and not due on staff loans	54.10
24100007	Amount receivable from employees	401.55
24100008	Amount receivable from ex-employees	16.17
24100010	Amounts receivables from other State Electricity Boards	9,277.29
24100018	Advance to prospective employees	27.77
24100023	Short remittance by collection agency & employee / Ex-employee	638.08
24100024	Receivable from supplier contractor	77.82

Further various general ledger codes are being used interchangeably resulting in incorrect resultant balances. In the absence of appropriate explanation/reconciliation, we are unable to comment upon accuracy of balances.

		The effect of the adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.	
	b)	The balances in various assets and liability accounts include (i) balances carried forward since trifurcation period and (ii) balances uploaded on migration to SAP software, for which adequate details are not available and as such we are unable to comment on such balances and the impact, if any, on the Consolidated Financial Statements.	The detail scrutiny of assets and liabilities has been started in FY 2019-20. The same will be identified and necessary action will be initiated after due verification. The proposal for write off / write back of old balances, if required, will be initiated where the records are not available.
	c)	Further, in absence of necessary data/ details, we are unable to comment whether the classification of Assets and Liabilities in to Financial and Non-Financial and their bifurcation in to Current and Non-Current are in accordance with the requirements of Ind AS 32 'Financial Instruments : Presentation' and Schedule – III to Act respectively.	The Company has broadly classified the assets and liabilities into financial and non financial and their bifurcation into Current and Non-Current. In some cases, the classification is difficult being old balances carried forward since trifurcation period and uploaded on migration on SAP software. These items are listed out and classified as Current.
	d)	Attention is drawn to Note 27 to the Consolidated Financial Statements, relating to sum of Rs. 3,601.17 Lakhs (F.Y.2017-18Rs. 3,601.17 lakhs) shown as un-identified balance payable towards power purchase and included under Trade Payables – Current (Liability for purchase of power). Party-wise details of the said amount have not been provided to us for verification. As a result, we are unable to comment on the existence of the liability and consequential impact, if any, on the Consolidated Financial Statements of the Company for the year under audit.	Identification of old unidentified receivable at the time of data migration during financial year 2013-14 for Rs. 3601.17 Lakhs is under process.
	e)	The Company has various Purchase Orders (PO), which have not been executed as on balance sheet date. In the absence of segregation of such orders between capital and other items, we are unable to comment on the accuracy of the disclosure made in Note 42(1) towards capital and other commitments.	The segregation of Purchase Orders (PO), which has not been executed as on balance sheet date, between capital and other items, is made on the basis of available information. Also, the report for Purchase Orders (PO), which has not been executed as on balance sheet date is available in SAP.

<table>
<tr>
<td>6.</td>
<td>External Balance Confirmations/ Reconciliations:
a) Attention is drawn to Note 49(3) to Financial Statements - Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations followed by the Company needs to be strengthened further. In the absence of proper records / details, we are unable to ascertain the effect of the adjustments, if any, arising from reconciliations and settlement of old dues, possible loss / profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.</td>
<td>In case of loans, the confirmation from the financial institutes and banks are obtained. Moreover, in case of creditors for Power Purchase in most of the cases either confirmation has been obtained or reconciliation has been done.
In case of Dues from Government, the correspondence with company can be treated as the confirmation of balance with Govt.
For most of the vendors the Communications were sent for balance confirmation. In some cases confirmation is received. In some cases in spite of follow up the confirmations are not received. Also the system of obtaining third-party balance confirmations will be strengthened further.</td>
</tr>
<tr>
<td></td>
<td>b) Attention is drawn to Note 14 and Note 49(3) to the Consolidated Ind AS Financial Statements regarding non-availability of:

(i) Balance confirmations from Post Offices
The details in respect of balances with Post Office as per books of the Company for which confirmations are not available are as under:
(Rs. In Lakhs)
<table>
<tr><th>F.Y.</th><th colspan="2">Balances with Post Office</th></tr>
<tr><th></th><th>Total Debit balances</th><th>Total Credit balances</th></tr>
<tr><td>2018-19</td><td>28,480.38</td><td>18,936.05</td></tr>
<tr><td>2017-18</td><td>19,691.17</td><td>10,800.11</td></tr>
</table>

(ii) Reconciliation of Post Offices and District Central Co-operative Bank (DCC) accounts.</td>
<td>Balance confirmation has been sought from Post offices however, the Post Office has informed that confirmation of balances as requested is not possible in their system..

The reconciliation of balances with post office is in process.</td>
</tr>
<tr>
<td></td>
<td>c) In the absence of availability of balance confirmations / reconciliations, we are unable to comment on the consequential impact, if any, of the same on the Consolidated Ind AS Financial Statements for the year under audit.</td>
<td>The reconciliation of DCC bank is carried out in all circles. In few circles there are some old unreconciled balances due to unavailability of data records. it is pending due to old un reconciled balances.</td>
</tr>
</table>

	d)	As stated in Note 45 to the Consolidated Ind AS Financial Statements, there is a difference of Rs. 22,273 lakhs (F.Y. 2017-18Rs.22, 073Lakhs) in outstanding balances as appearing in the books of account of the Company and its group companies. Further, as stated in report u/s 143(5), there are differences in receivables and payables between the other generation, distribution and transmission companies. In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Consolidated Financial Statements.	The reconciliation of outstanding balance with group companies has been done. In case of MSEB Holding company, there are balances related to the erstwhile MSEB which are not accepted by MSEDCL amounting to Rs 20705.53 lakhs and also requested to holding Company to write off /write back in their books. In case of Maharashtra State Electricity Transmission Company Ltd., there is difference of Rs. 1572 lakhs as on 31.03.2019 (FY 2017-18 Rs. 1579 lakhs) towards old items. The issue is under discussion. The proposal for write off will be initiated in FY 2019-20.
7.	**Regulatory Deferral Accounts:** As stated in Note 49(6), during the year, the Company has reversed Regulatory Assets amounting to Rs. 49,500 Lakhs (expenses) [in FY 2017-18 recognised Regulatory Assets amounting to Rs. 4,55,502 Lakhs (income)]. While computing the said Regulatory Assets: a) The Company has not considered the amount of Rs. 2,39,000 Lakhs provided towards shortfall of Renewable Power Obligation;		MERC vide FAC vetting order dated 1st Jan 2019 (clause 4.12), has stated that- Multi Year Tariff Regulations 2015, specifies that FAC is chargeable on Actuals subsequent to such a cost being incurred and shall not be provisional basis. The Company has not considered the amount of Rs. 2,39,000 Lakhs provided towards shortfall of Renewable Power Obligation, as it is not actual purchase.
	b)	The Company has not considered amount of Rs. 25,154.65 lakhs being provision made during the year in respect of Income Tax payable for earlier year;	As per Multi Year Tariff Regulations 2015, The actual Income tax paid by the company, is approved by MERC. Hence provision made during the year in respect of Income Tax payable for earlier year, is not considered.
	c)	The Company has considered the power purchase expenses for the year on actual basis. However, while computing the regulatory asset for the	The actual power purchase expenses for the preceding year will be considered at the time of

	preceding year, the Company had considered the same on the basis of amount approved by Maharashtra Electricity Regulatory Commission (MERC).Necessary adjustment on the basis of actual purchases has, however, not been made;	truing up.
	d) The Company has not taken in to account the efficiency gain arising on account of power distribution as per the MERC guidelines. As per the practice followed by the management, necessary adjustment on this account will be made when the same is approved by MERC.	MERC in order dated 12.09.2018 (page no 146) has stated that they will undertake a detailed review of the methodology of determination of AG sales based on the study carried out by commission through a third party agency appointed. The methodology finalised through this study shall form the basis for the approval of AG sales during truing up exercise and accordingly the sharing of gain /losses on distribution loss will be finalised. In view of this MSEDCL has not computed efficiency gain on distribution loss on conservative basis. It is therefore requested to delete the point.
8.	**Refund of Regulatory Liability Charges:** As stated in Note no. 49(24), during F.Y. 2003-04 to F.Y. 2005-06, the Company had collected Regulatory Liability charges from the consumers. Out of the amount collected, MERC had passed an order to refund an amount of Rs. 3,22,700 Lakhs to the consumers. The Company has refunded Rs. 3,12,217 Lakhs up to 31.03.2019. The Company has not made provision towards the balance payment of Rs. 10,483 Lakhs.	As per the information available with the Company there is no outstanding demand. Hence, no provision is required to be made.
9.	**Government Grants :** a) As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', Government grants shall be recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortizes the related costs for which the grants are intended to compensate. The Company assumes that all grants received are utilized and the assets are capitalized in the same year. Due to non-availability of sufficient and appropriate audit evidence, we are unable to comment on the consequential impact on the	The Accounting policy in this regard is disclosed at point no 6 in Note 2 on "Significant Accounting Policies" as under; "Government grants relating to the purchase of property, plant and equipment are presented as Capital Grant in financial statements and are credited to profit and loss in a systematic manner over the expected life of

		Consolidated Ind AS Financial Statements of the Company.	the related assets and presented within other income.” The Grants are immediately utilized to create the assets and as such amortisation starts in the same year.
	b)	The Company is entitled to interest subsidy under National Electricity Fund (NEF). The Company is recognising such subsidy in the year of approval instead of on accrual basis. This is not in accordance with the requirement of Ind AS 20 ‘Accounting for Government Grants and Disclosure of Government Assistance’.	Ministry of Power has constituted a Steering Committee for ensuring effective implementation of National Electricity Fund Scheme (NEF) scheme. The company is eligible for interest subsidy on fulfillment of the specified parameters such as Reduction in AT&C Losses, Reduction in Revenue Gap on Subsidy received basis, Return on Equity (RoE), Notification of Multi Year Tariff (MYT) Regulation under NEF Scheme. After approval of Steering Committee, the interest subsidy amount for the respective year is released to the Lender through nodal agency. The availability of subsidy in exact quantum is not certain and may vary anywhere from 0% to 5% depending on the fulfillment of parameters. Hence considering the conservative principle, company recognises interest subsidy on the approval under the scheme.
10.	**Other Income :**		
	a)	The Company has recognised income from service connection charges of Rs. 15,204.22 Lakhs and supervision charges (amount not ascertained) by apportioning the same over the life of related assets instead of recognizing the same in the year of receipt. As a result of the method adopted by the Company, as above, the amounts in respect of the same remain to be recognised as income till 31st March, 2019.	New service connection charges include service connection charges for overhead supply and underground supply, service line charges, cost of meter, metering cubicle etc., miscellaneous and general charges such as installation testing fee, processing fee, 1.3% supervision charges. The MERC has approved a rate of 1.3% of the normative service connection charges to be recovered towards supervision charges in case MSEDCL

			permits an applicant to carry out the work through a licenced electrical contractor. Service connection charges and service line charges are cost towards infrastructure and therefore the company has rightfully apportioned the same over the life of related assets.
	b)	Other Financial Liabilities-Current (Refer Note 28) includes Rs. 7,517.72 lakhs towards encashment of bank guarantee. As informed to us, the same has not been recognised as income pending settlement with the vendors. In the absence of adequate details, we are unable to comment on the accounting treatment given by the Company.	In case of default by vendors, Company encashes the Bank Guarantee as per the terms of the order and till the final settlement of the claims, encashed Bank Guarantee is not recognised as income. After final settlement if the dues are recoverable from vendor the same is recovered from the Bank Guarantee and the balance if any is refunded to vendor.
11.	**Finance Costs:**		
	a)	Attention is drawn to Note 49(1) relating to accounting in respect of Delayed Payment Surcharge (DPS).The Company has unilaterally recomputed the delayed payment surcharge (DPS) payable to Maharashtra State Electricity Transmission Corporation Limited (MSETCL) and Maharashtra State Power Generation Corporation Limited (MSPGCL) retrospectively by changing the apportionment of payments to principal and interest. As a result, for the year, there is short provision of DPS amounting to Rs.1,70,036 Lakhs. Further, the Company has written back DPS amounting to Rs.3,77,631 Lakhs, which is included under Other Income in Note 33.	As per Article 9 of PPA, 'Billing and Payment' clause no 9.3 (c), ' in case payment of bills is delayed by MAHAVITRAN beyond due date of payment of bills, late payment surcharge at the rate of 1.25 % per month calculated for number of days for which payment delayed shall be levied by MAHAGENCO'. However, methodology for appropriation of payment is not defined in the PPA. Therefore, MSEDCL has appropriated payment towards principal first and balance, if any, is adjusted against DPS thereafter. Accordingly, MSEDCL has re calculated DPS liability and excess DPS provided in earlier years is written back under Other Income in Note 29. As such for the year, there is no short provision of DPS amounting to Rs. 1,70,036 Lakh.
	b)	Refer Note No. 42(1)(iii)(d) to the Consolidated Ind AS Financial Statements. The Company has made a	As per Provisions of PPA, in the event of delay in payment of

		provision for Delayed Payment Charges payable to Independent Power Producers based on base rate instead of SBI Prime Lending Rate plus 2% as required by the Power Purchase Agreements entered into. The Company has made short provision of Rs. 56,091 lakhs for the year 2018-19 (F.Y. 2017-18 Rs. 1,678.74 lakhs). The accumulated short provision is Rs.1,00,786 lakhs as on 31.03.2019 (Rs. 44,694.87 Lakhs as on 31.03.2018).	monthly or supplementary bill by MSEDCL to the generator, surcharge is payable for the period of delay at the rate of SBAR *plus* 2%. Generators claim DPS (Delay Payment Surcharge) at the rate of SBI Prime Lending Rate plus 2%. However, with the introduction of Base Rate system in July 2010 & MCLR in April 2016, the concept of Prime Lending Rate is changed. Hence, MSEDCL has filed an Appeal in Hon. APTEL to consider the introduction of Base Rate/MCLR by RBI as a change in law event. Hence, the matter is under adjudication in Hon. APTEL and there is no decision in the matter. Therefore, MSEDCL shows the difference between the DPS worked out by it and the DPS claimed by Generators as Contingent Liability in Financial Statements. Hence, there is no short provision of delay payment charges payable to Independent Power Producers as on 31st March, 2019.
12.	**Employee Benefit Expenses :**		
	a)	The Company is giving various allowances to its employees. However, the Company has not evaluated the taxability of such allowances and accordingly has not deducted tax, if any, on these allowances. In the absence of adequate details, we are unable to comment on the compliance of relevant regulations and additional tax liability, if any, arising due to such non-compliance.	The matter has been referred to income tax consultant. The necessary action will be taken after receipt of opinion from consultant.
	b)	The Company is liable to pay pension to certain employees. The liability in respect of the same is being accounted on cash basis and has not been actuarially evaluated as required by Ind AS 19 'Employee Benefits'. The liability that may arise has not been ascertained and the relevant disclosure as per Ind AS 19 has not been given. In the opinion of the Company, the amount of liability that may arise on this account may not be significant.	Some employees working in other State Electricity Board were absorbed in erstwhile MSEB before 40-50 years ago. Pension is paid to those ex-employees as per the applicable pension schemes in those Electricity Boards. There are 29 employees to whom

			approximately Rs 0.63 crs pension is paid per year. Considering 54359 employees of MSEDCL, pension amount of these 29 employees is not material.
	c)	According to the information and explanations given to us, the Company has disputed the applicability of Employees State Insurance to its employees. The liability, if any, that may arise on this account (amount not ascertainable) has neither been provided nor been disclosed as contingent liability.	In exercise of the powers conferred by section 87 of the employees state Insurance Act, 1948, Government of Maharashtra exempts all the establishments in the state of Maharashtra belonging to the MSEB for the one year from the date of issue of Notification No. SIA. 0998/CR-2216/LAB-2 dated 27/06/2000 to 26/06/2001. On the basis of the above notification the MSEB had issued a circular dated 12/07/2000 bringing to the notice of the establishments of the Board, the exemption granted by the state Government. Ad-interim stay granted by the Hon'ble High Court, Branch Nagpur for non applicable of ESI scheme to MSEB under the writ petition No 3320 of 2005.
	d)	As stated in Note 44 the Company makes contribution towards Provident Fund administered by Trustees of the Maharashtra State Electricity Board Contributory Provident Fund Trust (CPF Trust). The said trust has not undertaken actuarial evaluation of its liability as required by Ind AS 19 'Employee Benefits'. In the absence of actuarially evaluated liability we are unable to comment whether any additional provision is required to be made in this regard.	The provident fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). Under the Scheme, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. CPF trust has obtained the certificate from Chartered accountant Firm regarding the valuation of investments as on 31st March, 2019. There is no deficit as on 31.03.2019 having regard to the fair value of plan assets at the end of the year as compared to aggregate liability for

		subscription and interest.
13.	**Non provision of various expenses:** a) As mentioned in Note 42(1)(iii) to the Consolidated Ind AS Financial Statements, the Company has not provided for the liability towards compensation for incremental coal cost pass through pursuant to New Coal Distribution Policy (NCDP) payable to Adani Power Maharashtra Ltd. (APML) amounting to approx. Rs. 1,80,700 Lakhs (including carrying cost of Rs. 38,600 Lakhs)(F.Y.2017-18Rs. 2,91,741Lakhs).	Hon'ble MERC held that the change in quantum of Coal Allocation by GoI is a Change in Law event. Hence, the generator is liable for compensation for shortfall in Domestic Coal. Accordingly, Hon. MERC allowed compensation to M/s. APML vide its order in case no 189 of 2013 dtd. 07.03.2018. M/s. APML raised invoice of Rs. 2821 Crs. Vide its invoice on 06.10.2018. However, the parameters for working out the impact are still under litigation, hence, MSEDCL could not finalize the exact compensation. Based on the Supreme court order in case no 1088 dt 2018 regarding 50 %payment of the claim in similar matter in Rajasthan Discom case , MSEDCL paid 50% of the claimed amount i.e. Rs. 1400 Crs along with carrying cost during the FY 2018-19. As stated above, unless Hon. APTEL decides the case regarding the parameter such as Station Heat Rate etc, the final compensation amount cannot be worked out, Therefore, MSEDCL has shown the balance amount of Rs. 1807 Crs (1421 plus 386 carrying cost) as contingent liability.
	b) As mentioned in Note 42(1)(iii)(g) to the Consolidated Ind AS Financial Statements, the Company has not provided for liability towards fixed charges payable to Ratnagiri Gas Power Pvt. Ltd. (RGGPL) amounting to Rs. 3,51,004 Lakhs (F.Y.2017-18 Rs.2,88,323.32 Lakhs). Sum of Rs. 18,101.07Lakhs (F.Y. 2017-18 Rs. 18,101.07 Lakhs) paid to RGPPL has been shown as advances.	As per RGPPL Letter dtd. 07.06.2019, Rs.1800 Crs (excluding surcharges) is kept under abeyance as per minutes of Meeting held on 17.08.2015 at Prime Minister's Office. Amount claimed by RGPPL as on 31.03.2019 is Rs. 3510.04 Crore. Earlier, MSEDCL has paid an amount of Rs. 181.01 Crore as advance. Hence, amount of Rs.

		3510.04 Crore is considered as Contingent Liability. However, the said amount may also get pass through in ARR, if liable to pay. Therefore, the said amount also has been treated as Contingent Asset. However if there is any coercive action is initiated from RGPPL against this liability MSEDCL may move Hon'ble Supreme Court as per their order dated 13.05.2015.
14.	**Contingent Liabilities :** The contingent liabilities as disclosed in Note 42(1) of Consolidated Ind AS Financial Statements is based on information as provided and confirmed by the management. In the absence of adequate documentation by the Company and adequate audit trail, we are unable to comment on the completeness of the disclosure of the contingent liabilities.	The circle wise list of contingent liability duly vetted by Law officers with relevant documents such as court orders , Income Tax orders , Income Tax Appeal documents and orders etc. have already been provided to Auditors.
15.	**Other Items:** a) The Company has shown a sum of Rs. 1,22,153.35 Lakhs(F.Y.2017-18 Rs. 1,22,426.79 Lakhs) and Rs. 70,207.98 Lakhs (F.Y. 2017-18 Rs. 80,418.33 lakhs) as liabilities towards Clearing Goods Receipt Invoice Receipt (GRIR) and Liability for supplier Work & Maintenance. These balances are net of debit balances. In the absence of requisite data and audit trail, we are not in position to ascertain the impact on the Assets and Liabilities of the Company.	The same will be reconciled and necessary rectification entries will be passed in FY 2019-20.
	b) As stated in Note no. 45 to the Consolidated Ind AS Financial Statements, there is a difference of Rs. 22,273 lakhs (F.Y. 2017-18 Rs.22,073 lakhs) in outstanding balances as appearing in the books of account of the Company and its group companies. Further, as stated in Para report u/s 143(5), there are differences in receivables and payables between the other generation, distribution and transmission companies. In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Consolidated Ind AS Financial Statements.	The reconciliation of outstanding balance with group companies has been done. In case of MSEB Holding company, there are balances related to the erstwhile MSEB which are not accepted by MSEDCL amounting to Rs 20705.53 lakhs and also requested to holding Company to write off /write back in their books. In case of Maharashtra State Electricity Transmission Company Ltd., there is difference of Rs. 1572 lakhs as on 31.03.2019 (FY 2017-18 Rs.

		1579 lakhs) towards old items. The issue is under discussion. The proposal for write off will be initiated in FY 2019-20.
	c) Attention is drawn to Note 49(11) to the Consolidated Ind AS Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties. The liability on this account, if any, has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the profit for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Company.	Due care has been taken to release the payment to MSMED parties within due date.
	d) No provision has been made by the Company towards the TDS liability (including interest) amounting to Rs. 3,615.35 Lakhs (PY. Rs.3416 lakhs) in respect of various financial years.	There is TDS default of Rs 3615 lakhs in respect of various financial years. It is due to various reasons • Wrong filling of income tax TDS returns • Quoting Wrong PAN nos while filling TDS returns The above defaults can be rectified by filing revised Income Tax TDS returns after proper verification. It is instructed to all offices for rectifying the TDS defaults on priority. The activity of rectification is already started by all offices resulting to reduction in amount of defaults. Now it is reduced to 3473 lakhs. In view of above it is shown as contingent liability.
	e) While computing the amount towards contribution to contingency reserve on cumulative basis, the Company has considered the value of gross block of fixed assets (original cost) which is different from the value as appearing in its books of account. In the absence of relevant details, we are unable to comment on the adequacy of contribution to contingency reserve.	In accordance with the regulation 34.1 of MYT Regulation 2015, MERC has approved contingency reserve of Rs 143 crs which is 0.25% of opening GFA as approved by MERC. Hence the same amount has been considered for making provision for contingency reserve. Contingency Reserve is calculated on GFA approved by MERC and not on GFA in books of accounts.

<table>
<tr>
<td></td>
<td>f) On the basis of checks carried out by us during the course of our audit certain system/control issues related to computation of depreciation, were observed resulting into incorrect computation of depreciation, which has since been rectified. In the absence of any systems audit being conducted by the Company, we are unable to comment on existence of other system related deficiencies, if any. Impact of the same is not ascertainable.</td>
<td>Total Depreciation on the assets during FY 2018-19 is Rs.2918 crs for all the fixed assets and reaffirmed the correctness of the depreciation calculation in the system and ensures its system control. Only in case of IT equipment the depreciation was calculated incorrectly which is subsequently rectified and it is Rs. 3crs. Considering the total depreciation of Rs 2918 crs on total assets, the impact is negligible.</td>
</tr>
<tr>
<td>16.</td>
<td>Various qualifications listed in paragraphs 1 to 15 above and matters referred to in paragraphs1 to 5 of Emphasis of Matter Paragraph below will have a consequential impact on provision for Income Tax, Regulatory Assets and Deferred Tax. Impact of the same is not ascertainable.

Our report of the Holding Company for the preceding year was also modified in relation to paragraph no. 1(a to c), 3(a), 3(c to e),5(b to d), 6, 8, 9(a), 11(b), 12,15(a to c).

The effects of the matters described above, which could be reasonably determined/quantified, on the elements of the accompanying Consolidated Ind AS Financial Statements are tabulated as under:-

Impact on Statement of Consolidated Profit & Loss
(Rs. in Lakhs)
<table>
<tr><th rowspan="2">Sr. No</th><th rowspan="2">Relevant paragraph</th><th rowspan="2">Particulars</th><th colspan="2">FY 2018-19</th></tr>
<tr><th>Overstated</th><th>Understated</th></tr>
<tr><td>1</td><td>11(a)</td><td>Delayed Payment charges</td><td>5,47,667</td><td></td></tr>
<tr><td>2</td><td>11(b)</td><td>Power purchase - Delayed payment charges</td><td>56,091</td><td></td></tr>
<tr><td>3</td><td>13(a)</td><td>Non provision of expenses –Coal pass through</td><td>1,80,700</td><td></td></tr>
<tr><td>4</td><td>13(b)</td><td>Non provision of expenses - fixed charges</td><td>62,681</td><td></td></tr>
<tr><td></td><td></td><td>Total</td><td>8,47,139</td><td></td></tr>
</table>
</td>
<td>Refer to replies given above.</td>
</tr>
</table>

Impact on Consolidated Balance Sheet

(Rs. in Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2018-19	
			Overstated	Understated
1	3(e)	Security deposits		427
2	11(a)	Delayed Payment charges-Trade Payable		5,47,667
2	11(b)	Current financial liabilities – DPC-short provision		1,00,786
3	13(a)	Non provision of expenses - coal pass through		1,80,700
4	13(b)	Non provision of expenses – fixed charges		3,51,004
5	8	Current financial liabilities – Regulatory Liabilities		10,483
6	10(a)	Other non-current liability-Service connection charges	15,204	
7	15(d)	TDS liability-Provisions		3615.35
7		Other Equity	11,79,478	

<u>**In case of Subsidiary Company (MSPGCL):**</u>

1. The balances of trade receivables, loans and advances, deposits and trade payables are subject to confirmation from respective parties and/or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not made. However, we are informed that the Company has sent letters asking for confirmation to its vendors and wherever such confirmations are received the same is getting reconciled and we are informed that such reconciliation is a continuous and an on-going process for the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the loss for the year of the Company.

Considering the size of the Company and different types of operations undertaken, Company has huge volume of transactions with various vendors. The Company has also issued balance confirmation letters to various vendors / customers / lenders etc. Reconciliation with the vendors is undertaken by the company as an on-going process. However, due to various reasons not attributable to company alone viz., delay in sending invoice by vendors, no response against the balance confirmation requests, wrong details given by vendor, claims / counter claims etc, reconciliation or adjustment

<table>
<tr><td></td><td></td><td>takes more time in case of some vendors. Company also makes necessary provisions against the vendor balances wherever required.</td></tr>
<tr><td></td><td>2. Attention is invited, in particular, to balance recoverable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) of Rs.13442.89 Crores, balance recoverable from Maharashtra State Electricity Transmission Company Limited (MSETCL) of Rs.108.85 Crores are subject to confirmation and reconciliation. However, we are informed that the Company has sent letters asking for confirmation but replies are not received by the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the loss for the year of the Company.</td><td>Reconciliation with MSEDCL is in progress & their books are yet to be closed. As regards the MSETCL, company has issued balance confirmation letter, however, the same is awaited on account of Reactive power billing.</td></tr>
<tr><td></td><td>3. The balances of Coal Companies are subject to confirmation from respective coal companies and reconciliation. Majority of the balance pertains to old outstanding unadjusted balances since past few years. In our opinion, the company does not have a reconciliation based on General Ledger balances. In absence of the same we are unable to comment on consequential impact on the financial statements of the Company. The details of Coal Company-wise outstanding advances are as under.

(Rs. in Crores)

<table>
<tr><th>Name of Supplier</th><th>Balance as per MSPGCL books as at 31st March, 2019</th></tr>
<tr><td>Singareni Collieries Co Ltd</td><td>15.66 Cr.</td></tr>
<tr><td>South Eastern Coalfield Ltd (SECL)</td><td>271.66 Dr.</td></tr>
<tr><td>Western Coalfields Limited – WCL</td><td>397.31 Dr.</td></tr>
<tr><td>Mahanadi Coalfields Limited</td><td>18.04 Dr.</td></tr>
<tr><td>Total</td><td>671.35 Dr.</td></tr>
</table>
Pending such confirmation and completion of reconciliation and proper posting of debit notes issued by the coal companies, no provision has been made for the performance incentive bills / short lifting of coal. Impact is unascertained since the Company has disputed these claims and also has lodged certain counter claims against coal companies. In</td><td>Bill to bill reconciliation with coal company has already taken place & reconciliation of book balance will be attempted in ensuing year. Company proposes to improve further in the reconciliation activities of vendor balances in the ensuing year.</td></tr>
</table>

<table>
<tr><td></td><td>view of the same, we are unable to comment on consequential impact on the financial statements of the Company.</td><td></td></tr>
<tr><td></td><td>4. The balances of Railway companies are subject to confirmation. Majority of the balance pertains to old outstanding unadjusted balances since past few years, which is highlighted as under:

(Rs. in Crores)
<table>
<tr><th>Name of Supplier</th><th>Balance as per MSPGCL as at 31st March, 2019</th></tr>
<tr><td>South Central Railways (Account 30000)</td><td>9.12 Dr.</td></tr>
<tr><td>South East Central Railways (Account 30001)</td><td>193.18 Dr.</td></tr>
<tr><td>Central Railways (Account 43000)</td><td>65.70 Dr.</td></tr>
<tr><td>Total</td><td>268.00 Dr.</td></tr>
</table>

Pending such confirmation and completion of reconciliation, the consequential adjustments in financial books could not be made. In view of the same, we are unable to comment on the consequential impact on Financial Statements of the Company.</td><td>Review of the Railway balance will be conducted in the ensuing year & necessary accounting entries will be posted thereof.</td></tr>
<tr><td>1.</td><td><u>In case of Subsidiary Company MSETCL</u>
The following items form the basis for our qualified opinion:
a) Attention is invited to note no. 51(12) of Consolidated Ind AS Financial Statement giving details about accumulated Delayed Payment Charges (‘DPC’) as at March 31, 2019 amounting to Rs. 85,499 Lakhs (with reference to 8 distribution licensees) relating to Financial Year 2015-16 under the head ‘Other Income’. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission (‘MERC’), wherein MERC had reduced the Aggregate Revenue Requirement (“ARR”) of the Company for F.Y. 2015-16 by the said amount, and classifying it as ‘Non-Tariff Income’. Data/ details pertaining to the certainty over the realisability of such income are not available with the Company. The accounting of such DPC as ‘Other Income’ in FY 2015-16 is in contravention to the applicable Accounting Standard as also Company’s Accounting Policy, which in note No. 1(f)(9) states that “Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain”. Had the Company not recognized such income of Rs. 85,499</td><td>The fact has been disclosed in the Financial Statements vide Note No 43. STU raises the Monthly Tarrif Charges Invoice to Distribution Licencees including the accumulated amount of DPC.</td></tr>
</table>

		Lakhs in the said earlier year, its balance of the retained earnings in the Profit & Loss Account and balance of Trade Receivable Account would have been lesser to that extent.	
	b)	Party- wise break up of trade receivables with ageing is not readily available from the system. The details of ageing of Trade receivables prepared manually contained some inaccuracies. Hence, it could not be fully verified in the course of our audit; accordingly, we are unable to comment upon adequacy of provision based on simplified version of Expected Credit Loss ("ECL") Method.	Since, the generation of invoices and auto posting thereof in SAP system is under development, the details regarding ageing of trade receivables were provided in excel utility. The Company appropriates the monies received from Distribution Utilities towards the clearance of old dues first, the outstanding dues pertains against latest invoices. Accordingly ageing analysis were provided during the course of audit.
	c)	Further, details/breakup/confirmations of Trade receivables aggregating to Rs. 2,44,537.77 Lakhs, sought for, were not made available for verification in the course of our audit. Consequential impact of ascertainment of the realisability from these Trade Receivable and resultant provision, if any, for bad and doubtful debts on the Standalone Ind AS financial statements is not ascertained. Based on selective checking of available data/information from the system and from State Transmission Utility ("STU") invoicing cell, it was noticed that trade receivables from several parties totaling Rs 2,393.89 Lakhs are considered doubtful of recovery but not provided for.	Though details of trade receivable have been provded, the balance confirmation from all the debtors have not received. As per the Company's assessment the provision for bad and doubful debt is sufficient.
	d)	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipment's ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on electronic spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations and as a result several instances of charging excess depreciation on assets were noted. Further, in several cases the deprecation is manually worked out and provided at the Head office for the assets located in Zone or Region for the reason of mismatches in dates of capitalization, critical spare items capitalization etc. In absence of complete data/details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation is not ascertained.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015.The consideration of net block as deemed cost is done as per guidance note on Ind AS Sch II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. Depreciation as per Ind AS on amount as per orginal cost method or as per carrying cost method comes to the same figure, as in SAP-ERP depreciation will be calculated on the original amount, also the residual value of 10% as per MERC regulations has been considered in the SAP-ERP for

			each assets. It is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system. In respect to depreciation for assets whose date of commissioning is prior to April 2018, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR) .However, procedures are being deviced for the generation of WCR through SAP/ERP itself, which would elimate the manual depreciation entry in future.
	e)	Based on the scrutiny of available details of free hold land, it was noticed that in the past, several items of leased land have been clubbed under this head; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/details of such instances, the impact thereof on Standalone Ind AS financial statements is not ascertained.	Considering the numerous number of agreements that too from MSEB period, the task of identifying leasehold land clubbed under freehold land is difficult, however, the process of identifying the same has been initiated in the F.Y. 2019-20.
	f)	The policy about inventory valuation of the Company Note No 1(f)(6) states that inventories are valued at lower of cost or net realizable value ('NRV') but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Ind AS financial statements is not ascertained.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market. Moreover, the uniqueness of the business process of MSETCL makes the derival of NRV difficult. However, MSETCL would initiate a drive to capture data which would help to derive the NRV during the valuation process.
	g)	No inventory or data/details/description could be furnished for verification for the "Assets not in use – held for sale" (GL code 222010) amounting to Rs. 3,599.17 Lakhs; moreover, such assets are held at their carrying value instead of at lower of carrying value or net realizable value. The impact, if any, thereof on Standalone Ind AS financial statements is not ascertained.	MSETCL has initiated steps to take a drive wherein the physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component. Necessary accounting entry

			would be passed after completion of the assignment.
	h)	The government Grants received by the Company of Rs. 23,850 Lakhs in Financial Year 2006-07 towards capital assets for specific projects out of which Rs. 17,051.61 Lakhs are deferred for recognition as revenue as at March 31, 2019. The details of these grant with specific assets there against and condition to be satisfied for the same are not made available for our verification. Hence, correctness thereof pertaining to accounting in terms of provisions of Ind AS 20, cannot be commented upon.	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assets wise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lump sum basis and not asset wise. MSETCL bifurcated the grant based on the cost of the assets.
	i)	The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises ('MSME') Development Act, 2006. Hence, correctness of provision for interest, if any, on outstanding dues to MSME could not be verified.	The fact has been disclosed in the Financial Statements at Note no 37.3
	j)	The Company's system/processes to ascertain provision towards leave encashment, based on actuarial valuation needs to be strengthened, as the data of un-availed leave generated from the system and furnished to the actuary for valuation, was observed to be far in excess of the maximum leave allowed to be carried forward in respect of the employee i.e. 300 days in many instances. Accordingly, we are unable to comment upon the adequacy or otherwise of the actuarial valuation made in respect of leave encashment in the books of accounts.	The necessary steps for updation of leave balances in the HR Module of SAP-ERP will be initiated in the F.Y.2019-20.
	k)	The prior period items of Income and expenses have been disclosed by the Company in Note No.51(14) but the same have not been restated/ recasted in the respective previous years as mandatorily required under Ind AS 8.	Noted and will be implemented in FY 2019-20
	l)	Pursuant to Central Electricity Regulatory Commission ('CERC') order dated 19th December 2017 pertaining to FY 2014-15, the company has recognized an amount of Rs. 599 Lakhs as income during the year as against receipt of Rs. 9,205 lakhs, which until previous financial year was accrued fully as income. Impact of the said order for earlier period remains to be given in the accounts, as a result of which, Surplus in Profit and Loss Account would be lower, and Trade Creditors would be higher by amount which has not been ascertained by the company.	The necessary rectification entry will be passed in the F.Y. 2019-20.
	m)	The deposits from customers towards Outright Contracts ('ORC') amounted to Rs.80,304.65 Lakhs as at March 31, 2019. The company recognizes its supervision charges upfront as income on receipt of deposit and not as and when supervision services are provided, which is	As per Para 35 of Ind AS 115 An entity transfers control of a goods or service over time and, therefore, satisfies a performance obligation and

		in contrary to the provisions of Ind AS 115 "Revenue from Contracts with Customers".	recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts.
	n)	During the year company has collected Rs. 4,762 Lakhs from consumers on account of Partial Open Access and recognized the same as income. In the absence of required data/details thereof, the basis, quantum and completeness of such income recognized during the year could not be verified.	Partial Distribution Open Access charges are collected by Distribution Licences and same are paid to MSETCL as per MERC order of concerned Distribution Licensee. Partial Open Access is given by Distribution Licence to consumer as per the period requested by the partial open access consumer. As per MERC order in Cse No. 69 of 2018...."Transmission charges have to be remitted by distribution licensee to the STU and cannot be retained by the former, in accordance with the MERC DOA Regulations,2016. TPC-D should remit these amounts to the STU". Hence, such income can not be quantified by MSETCL.
	o)	It is noticed in course of audit that 66KV substations/transmission lines having Gross Book Value amounting to Rs. 17,846.08 Lakhs and accumulated depreciation Rs.12,260.47 Lakhs as at 31st March,2019	The 66KV lines and S/s are in operation, however, for ease, the operation and maintenance of these assets have been entrusted

	are not in use for the operations of the Company. Pending testing for impairment of the same, we are unable to comment upon the carrying value of such assets in the books of accounts.	on MSEDCL by handing over the said assets. However, the modality for determining consideration for such transfer is under consideration.
	p) The amounts remaining and recognized in the following GL heads/codes are subject to confirmation and reconciliation. The necessary data/details pertaining to following were not made available in the course of audit for verification:	The necessary instruction have been given to field offices to make available the necessary details and data with regard to these GL in F.Y.2019-20

GL	**Name of Account heads**	**2018-19**	
		Rs. In Lakhs	
		Asset/Exp (Liability/income)	
100050	Grants towards cost of Capital Assets	-17,051.61	
121020	Private Bonds Interest Accrued but Not Due	-1.488.25	
122010	Reversal of Opening DTL	3,499,92	
123030	Security Deposits	-4,708.90	
123040	Security deposits of jobs/works	-12,659.64	
123050	Earnest Money	-1,752.30	
123060	Retention money of Vendor	-69,702.38	
123070	Misc. Deposits – Vend	-640.43	
123090	Advances from Customer	-135.17	
123100	Other Deposits from Consumers- O. R. C. Deposits	-80,304.65	
123110	Retention GL for liquidity charges from vendor	-11,305.51	
130010	GR / IR CLEARING Account	-6,192.87	
130020	EMD Dummy entry	-399.41	
131010	Sundry Creditors Payable Domestic (other than SME)	-25,012.28	
132010	Sundry Creditors FI Vendor	-6.05	
133010	Sundry Creditors - Inter Company	-2,863.68	
134010	Sundry Creditors Employees	-13.84	
140060	Misc. deposits from Employee	-44.23	
146010	Deduction of Labour Cess Amt	-628.69	
150010	Provision for Capital Works	-12,264.68	
150020	Provision for O&M works	-35.75	
150030	Provision for Expenses – Others	-1,479.71	
150040	Provision for Expenses – Employees	-3,872.53	
150060	Provision for Interest - Contractors Deposits	-0.09	
150070	Provision for loss pending investigation	-467.23	
150130	Provision for Int on Late Payment of Service	-267.24	
219701	ACC Dep not in use	-10,651.35	

222010	Assets Not in Use	14,250.92	
223010	Loss to Fixed Assets pending Investigation	-0.4	
230040	AUC Cost of Land Dev. On Leasehold Land -Volt.F100KV	21.08	
230050	AUC Cost of Land Dev. On Leasehold Land -Volt.G132KV	352.84	
230060	AUC Cost of Land Dev. On Leasehold Land -Volt.H220KV	381.86	
232010	AUC OTHER BLDGS-OFFICE, QRTS, TRAINING CENTRE	751.99	
237010	AUC Others	17,858.63	
237020	AUC LE	161.23	
237030	AUC ORC	5,232.35	
237040	AUC SOFTWARE DEVELOPMENT	23.76	
237060	CWIP (Govt Grant Impact)	2,318.87	
255010	Material pending investigation	1.11	
255020	Loss due to Material pending investigation	200.11	
255040	MASA Stock (Physical Verification of Inventor	-114.44	
256010	Obsolete materials stock (including scrap)	567.78	
260010	STU Sundry debtors for Trans. Charges	-17.44	
260011	Sund. Drs -Trans Chgs	1,55,142,02	
260030	STU Sundry Debtors for STOA / SLDC Charges	-1.08	
260031	STU Sundry Debtors for STOA / SLDC Charges	399.69	
260040	Sundry Debtors – Others	76,543.81	
260060	Sundry Debtors - Inter Unit Account	2,100.52	
290010	Advances to Contractors /Suppliers - O&M	1,218.35	
290020	Capital Advance for Projects	493.87	
293050	Miscellaneous Loans & Advances	207.27	
294030	Income Accrued but not Due on Staff Loans &	48.73	
295030	TR Fee Pd To ITI To Be Recov from Dep of Dece	3.29	
296040	Receivable from Tax Authority	1.85	
296050	Exp recov from Suppliers	77.64	
296060	Exp.recov from Contractors	171.65	
296061	Current Amortised Transaction Cost	12,470.78	
297020	Other Deposits	6,999.07	
297050	FDR as Security Depo	6.88	
300040	Rev. Twds. Short term open Access Chg MOU	-1,051.20	

300060	Monthly SLDC Operating Charges	-1,788.50	
300070	Rescheduling Charges	-316.96	
310010	Interest from Staff loans and advances	-9.82	
380040	Other Miscellaneous Receipts (GST taxable)	-2,319.56	
380041	Other Miscellaneous Receipts (Non-GST)	-139.06	
400050	Material Consumption – Project	-8,537.95	
430100	IT & Communication related Exp	1,194.97	
440010	Fees & Subscription	651.63	
453010	Intangible assets Written-off	149.35	
475040	Other Income related to prior period	183.5	
475110	Depreciation under provided for previous year	922.18	

	The effect of the adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/loss that may arise on account of non-recovery or partial recovery or write-back thereof is not ascertained. Further, in absence of necessary data/details, the bifurcation of items of assets/liabilities under 'Current' or 'Non-current' head could not be accurately verified. We conducted our audit 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 Consolidated Ind AS 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 Consolidated Ind AS financial statements under the provisions of the Act and the Rules made there under, 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 Consolidate Ind AS financial statements.	
3.	**Emphasis of Matter**	
	<u>In Case of Holding Company (MSEBHCL)</u> We draw attention to the following matters in the Notes to the financial statements: 1. Refer note no. 48.20 where the company has shown advance tax of Rs. 1,520,434,890/- net of the provision of tax in the books of accounts amounting to Rs. 400,727,729/- and 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	Income tax department has been disallowed several expenses from the FY 2005-06. The Income tax cases for all the years since FY 2005-06 are in appeals. In order to avoid the huge

	Company's judgment only and the amount shown as recoverable is subject to reconciliations and confirmations.	penalties management has decided to pay advance tax on Income from Rental and Interest Income although there is no liability as per the financial statement.
	2. Refer note no. 48.3 where the debts outstanding against rentals from property due from subsidiaries amounting to Rs.3,120,153,032/-(P.Y.Rs.2,352,201,324/-) have been long outstanding.	Factual
	3. The company has booked GST on guarantee issued to subsidiaries companies and the rate taken is subject to management internal assessment and no legal vetting is done. The liability and interest though provided is still not paid as on date of balance sheet	Factual
	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 is from the date of their joining instead from the day they are deputed in MSEBHCL i.e. from F.Y 2013-14.	Factual
	5. Refer note no-48.4 where the company has suo-moto given up the claim of deduction of "interest and finance charges" which has resulted in change in the carry forward business losses and unabsorbed depreciation. During the year the company has revised the income tax returns for last years and the brought forward losses as per Income tax returns has been reduced substantially therefore the company has accounted for deferred tax liability amounting to Rs 4,07,978,523/- on account of such revision in Income tax returns. Our report is not qualified in respect of above matters.	Factual
	In Case of Subsidiary Company (MSEDCL) **Attention is invited to the following matters:** 1. As stated in Note 6 & Note 13 to the Consolidated Ind AS Financial Statements, the Holding Company has made provision of Rs.14,378.59 Lakhs for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable on balances outstanding as on transition date i.e.01.04.2015 on account of impracticability instead of its origination date.	The company has made provision for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable from the date of applicability of Ind AS i.e. 01.04.2015 on account of impracticability.
	2. Attention is drawn to Note 42(1) with regards to the Contingent Liabilities, which are significant in relation to the net worth of the Holding Company at the year end. In the opinion of the management, these are not expected to result into any material financial liability.	As per Management opinion, It's a contingent liability; these are not expected to result into any material financial liability to the Company.

	3.	As stated in Note 49(1), the accumulated losses of the Group as at 31st March 2019 are Rs. 26,38,424.53 Lakhs which exceed 50% of the net worth of the Group. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds, whenever required, the Consolidated Ind AS financial statements have been drawn up on going concern basis and no adjustment is considered necessary to the carrying value of assets and liabilities.	The accumulated losses of the Company as at 31st March 2019 are Rs. 26,37,949 Lakhs. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds whenever required, the financial statements have been drawn up on going concern basis and no adjustment is required to the carrying value of assets and liabilities.
	4.	As stated in Note 49(23) to Consolidated Ind AS Financial Statements, the Holding Company is required to invest every year an amount equivalent to contingency reserve created during the last year as per Maharashtra Electricity Regulatory Commission (MERC) Guidelines. However, the Holding Company has made an earmarked investment of Rs. 18,573 Lakhs as against the contingency reserve of Rs. 95,700 Lakhs as on 31st March 2019.	The Company was passing through a critical financial situation during this period and was not having sufficient funds to discharge the liabilities even of routine Operations & maintenance payments. The issue was deliberated in the Board Meetings and it was decided that, it would not be prudent to borrow the funds from the Banks at higher rates of interest and invest the same in contingency fund at lower rate at this juncture. In view of the above mentioned situation and considering the problem of liquidity crunch, it was decided by the Company not to invest any amount in contingency reserve. The same was also communicated to MERC and was not allowed in tariff by MERC.
	5.	In the case of the Holding Company, there have been recognition of few expenses, more particularly repairs and maintenance, on cash basis instead of accrual / mercantile basis. In the absence of complete audit trail, we are not in a position to ascertain the consequential impact of the same on the Consolidated Ind AS Financial Statements of the Holding Company for the year under audit and other statutory compliances arising there from.	The Accounts are prepared on accrual basis. The outstanding liabilities / expenses are provided for on the basis of available information and to the best of estimates. With the introduction of SAP system there is remote possibility of expenses being booked on Cash basis nevertheless. Suitable instructions have been issued to the field offices for accounting each and every expense on Accrual basis only.

	6. In respect of subsidiary, it has negative net worth, negative operating cash flows and has suffered losses in current year and earlier years. These events indicate the existence of a material uncertainty that may cast significant doubt on the subsidiary's ability to continue as a going concern, and therefore it may be unable to discharge its liabilities in full in the ordinary course of business/activities. Our opinion is not modified in respect of these matters.	Considering the fact that holding company is expected to infuse additional equity funds whenever required, the financial statement have been drawn upon on going concern basis and no adjustment are required to the carrying the value of assets and liabilities.
	<u>In Case of Subsidiary Company (MSPGCL):</u> We draw attention to following notes:	
	<u>Maharashtra State Power Generation Company Limited.</u> a) Attention is invited to Note No. 50(11)(b) regarding write back of Expected Credit Loss provision of Rs.982.28 Crores made in earlier years in respect of Delayed Payment Surcharge bills raised on MSEDCL, for the reasons and management perception stated therein.	
	b) Note no. 44 regarding accounting of shortfall/excess if any, based on the provisional accounts of the Contributory Provident Fund (CPF) and the required disclosures under Ind AS 19 'Employee Benefits', in the absence of the requisite details and information from the Group's CPF Trust.	
	c) Note no. 43 regarding lease agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed.	
	<u>Subsidiary Company of MSPGCL: Mahaguj Collieries Limited</u> i) Note No.1.1 of Significant Accounting Policies in Notes to Accounts which indicates that the Company has accumulated losses and its net worth excluding borrowings from its parent companies has been fully eroded, the Company has incurred net loss during the current and previous year(s) and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 1.D of Significant Accounting Policies forming part of financial statements.	
	ii) Note No. 2.2 forming part of financial statements regarding non provision for the expenses amounting	

	to Rs. 54,40,70,111/- incurred in previous financial years for various operative expenses for development of Machhakata-Mahanadi Coal Block, which had been cancelled by Hon'ble Supreme Court in 2014 and the reimbursement of which has not yet been considered by Ministry of Coal, Government of India as the same has not been allotted to any new allottee as on date. The management is of the opinion that the adjustment / provision will be made in books of accounts only after the finalization of valuation process and on allotment of the above coal block to the new allottee is approved by Ministry of Coal, Government of India.	
	iii) Note No. 42(III)(10) to the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company by M/s Adani Enterprises Limited.	
	Subsidiary Company of MSPGCL: Dhopave Coastal Power Limited The accounts of this subsidiary company are not prepared on Going Concern Basis as the management has decided to close down the Company and Government permission in this regard is awaited. Our opinion is not qualified in respect of above matters.	
4.	**Key Audit Matters (MSPGCL)** Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matters.In case of Holding Company, we have determined the following matters as Key Audit Matter/s for the year.	
	(i) Contingent Liability/ Contingent Assets There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability. Coal companies have made various claims on the Company and management has made counter claims on these coal companies based on its perception.	

	We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias. These said claims and counter claims require management estimates and interpretation of various matters, issues involved and are subjective in nature. (Refer Note No. 42 to the Consolidated Ind AS Financial Statements, read with the Accounting Policy No. 20) We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and contingent assets and adopted the following audit procedures: - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussed with the management any material developments and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions, if any, obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities and contingent assets; - examined management's judgments and assessments whether provisions are required; - reviewed the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities and contingent assets are considered to be adequate and reasonable.	
	(i) ***Revenue Recognition on account of Surcharge Recoverable from MSEDCL and Provision for Expected Credit Loss made there against in earlier year*** The company records revenue from sale of power as per the principles enunciated under Ind AS 115, based on tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC) as modified by the orders of Appellate Authorities. The company recognizes Delayed Payment Surcharge i.e. interest on delayed payments from MSEDCL in terms of PPA and MERC Regulations.	

	This is considered as key audit matter due to the nature and the fact that MSEDCL did not pay the bills over last many years and was requesting for a waiver. Finally MSEDCL recognized Company's bills as liability on 31st March, 2018 and management's perception regarding Expected Credit Loss in this regard involves significant judgment which is subject to bias and that makes recognition and measurement of revenue from sale of power and surcharge being complex and significant. (Refer Note No. 42 to the Consolidated Financial Statements, read with the Significant Accounting Policy No. 9) We have obtained an understanding of the MERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of power and adopted the following audit procedures: - Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from sale of power and delayed payment surcharge. - Verified the accounting of revenue from sale of power based on tariff rates approved by the MERC as modified by the orders of Appellate Authorities. - We have been explained and understood the risk assessment and reassessment done by management and its perception regarding provisioning for Expected Credit Loss and its subsequent addition/reversal on such reassessment as may be applicable. Based on the above procedure performed, the recognition and measurement of revenue from sale of power and provisioning for ECL are considered to be adequate and reasonable.	
5.	**Information Other than the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.	

	• In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS 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'	
6.	**Management's Responsibility for the Consolidated Financial Statements** • The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. • In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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	Factual

	liquidate the Group or to cease operations, or has no realistic alternative but to do so. • The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.	
7.	**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: • Identify and assess the risks of material misstatement of the consolidated Ind AS 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 controls. • Obtain an understanding of internal financial controls 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 and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls 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 management.	Factual

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS 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 However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the Consolidated Ind AS 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 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.	
8.	**Other Matters** **In case of Holding Company (MSEBHCL)** We did not audit the financial statement/ financial information of the three subsidiaries, whose financial statement reflect total Assets of Rs20,049,164.76 and Revenue of Rs11,205,515.99 (before eliminations) as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors, whose reports have been furnished to us by the management, and our opinion, on the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of such subsidiaries and our report in terms of section 143(3) & (11) of the act, in so far as it relates to subsidiaries, is based solely on the report of the auditors. Our opinion is not qualified in respect of above matters.	
	In case of Subsidiary Company (MSPGCL) (a) We did not audit the financial statements / financial information of 3 subsidiaries whose financial statements / financial information reflect total assets of Rs.54.76 Crores as at 31st March, 2019, total revenues of Rs.0.01 Crores and net cash in-flows amounting to Rs.0.07 Crores for the year ended on that date, as considered in the consolidated financial statements.	
	(b) The consolidated financial statements also include the Group's share of net loss of Rs.0.22 Crores for the year ended 31st March, 2019 based on the unaudited financial statements/ unaudited financial information received by management of the Company.	
	(c) We state that the financial statements / financial information of three subsidiaries have not been audited by us. These financial statements / financial information	

	of subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management. In respect of two associates the financial statements/financial information is based on the unaudited provisional financial statements / financial information as received the management of the Company.	
	(d) Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.	
	In case of Subsidiary Company (MSETCL) The Consolidated Ind AS Financial Statements also include the Company's share of net profit of Rs. 506.16 Lakhs for the year ended 31 March 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of two Associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associates, and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associates is based solely on the reports of the other auditors. Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors	No comments
	In Case of Subsidiary Company (MSEDCL) We did not audit the financial statement and other financial information in respect of the subsidiary, whose financial statement includes total assets of Rs 10.70 Lakhs as at 31st March 2019, total revenue of Rs. 0.66 Lakhs and net cash outflow of Rs 0.05 Lakhs for the year then ended on that date. These financial statements and other financial information	No comments

	have been audited by other auditor, whose report has been furnished to us by the Management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.	
9.	**Report on other legal and regulatory requirements** 1. As required under Section 143(5) of the Companies Act, 2013, report on direction/ sub directions issued by the Comptroller and Auditor General of India under sub-section (5) of section 143 of the act has been given along with the Standalone Financial Statements of the company and of its subsidiary company. Hence these reports have not been reproduced along with the respect.	Factual
	2. As required by Section 143(3) of the Act, based on our audit, we report that : a. We have sought and, *except for the possible effect of the matter described in basis for qualified opinion*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.	Factual
	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.	Factual
	c. The Consolidated Ind AS Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.	Factual
	d. *Subject to our observations in basis of qualified opinion*, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.	Factual
	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;	Factual
	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 A”.	Factual

	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.	Factual
	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: a. The Consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements refer Note 42 to its Consolidated Ind AS Financial statements. b. Due to effects of the matters (whether quantified or otherwise) described in the basis of Qualified Opinion paragraph, we are unable to state whether the Group Company has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts. According to the information and explanations given to us & based on the consideration of the report of the other auditors, the group company has not entered into any derivative contracts. c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Subsidiary Company except for MSETCL where the amount of Rs1488.25 lakhs of "Private Bonds Interest Accrued but not Due" is standing in the books accounts for more than 7 years details whereof is not available. Accordingly, respective auditors are unable to comment. Further, delay exceeding one month in transferring an amount of Rs 4.8 lakhs to "Investor Education Protection Fund" was also observed by the auditors of the same.	Factual
	"Annexure A" to the Independent Auditor's Report	
	Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year	No Comments

	ended March 31, 2019, we have audited the internal financial controls over financial reporting of MSEB Holding Company Limited (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date. The auditors of Subsidiary companies have audited the internal financial controls over financial reporting as of March 31, 2019.	
	Management’s Responsibility for Internal Financial Controls The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.	No Comments
	Auditor’s Responsibility Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the	No comments

	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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.	
	Meaning of Internal Financial Controls over Financial Reporting A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.	No comments
	<u>In the case of Holding Company: MSEBHCL</u> **Inherent Limitations of Internal Financial Controls over Financial Reporting** Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	No comments

	Opinion In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.	Factual
	<u>In the case of Subsidiary Company: MSETCL</u> **Inherent Limitations of Internal Financial Controls over Financial Reporting** Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	
	Opinion In our opinion, the Company's internal financial controls system over financial reporting and design thereof needs to be improved to eliminate control lapses and make it comprehensive. Based on selective verification of process controls matrixes made available to us which require to be updated for some identified processes and risks, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business. Based on considerations of reporting of the other auditors of Associates as mentioned in the other matter paragraph, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Associates considering the essential components of internal control stated in the Guidance Note on	Factual

	Audit of Internal Financial Controls Over Financial Reporting issued by t he ICAI.	
	Other Matters Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two Associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India	Factual
	In the case of Subsidiary Companies: MSPGCL **Inherent Limitation of Internal Financial Controls over Financial Reporting** Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	
	Basis of Qualified Opinion According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified, in case of holding company, Maharashtra State Power Generation Co. Ltd as at March 31, 2019 wherein the internal controls were not operating effectively. (1) The Company's internal financial control over timely adjustments of advances to suppliers and provision for liabilities made there against; (2) The Company's internal financial control/policy over timely finalization and levying of liquidated damages; (3) The Company's internal financial control over maintenance of subsidiary records pertaining to employees (4) Interest payments to MSME vendors are not operating effectively. This material weakness may result in incorrect valuation of liabilities and assets of the Company.	
	In case of a subsidiary company i.e. Mahaguj Collieries Limited, not audited by us, the other auditors have reported as under:	

	"Disclaimer of Opinion According to information and explanation given to us, the Company has not established internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019. We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company and the disclaimer, subject to the "Emphasis of Matters" paragraph in our main audit report, does not affect our opinion on the financial statements of the Company." A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.	
	Qualified Opinion: Being a Government undertaking, the Company's internal control process over financial reporting is designed by way of various Manuals, Rules, Circulars and instructions issued from time to time and our opinion is based on the internal control process over financial reporting as defined therein. During the course of our audit of financial statements, we have on test checking basis and on review of adequacy of internal control process over financial reporting, have identified some gaps both in adequacy of design of control process and its effectiveness which have been reported in "Basis for Qualified Opinion" above. Except for the effects/possible effects of the material weakness stated at paragraph (1) on "Basis for Qualified Opinion" above on the achievement of the objectives of the control criteria, in our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Consolidated Ind AS Financial Statements of the Company.	

	The material weakness stated at paragraph (1) on 'Basis for qualified opinion' above with respect to timely adjustments of advances to suppliers and provision for liabilities made there against has affected our opinion on the Consolidated Ind AS Financial Statements of the Company and we have issued a qualified opinion in our main audit report. The other material weaknesses stated in the paragraph (2, 3, and 4) of the "Basis for qualified opinion" above, do not affect our opinion on the Consolidated Ind AS Financial Statements of the Company.	
	Other Matters Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. We state that such reports have not been received from two associates of the Company. Our opinion is not qualified in respect of the above matter.	
	In the case of Subsidiary Company: MSEDCL **Inherent limitation of Internal Financial Control Over Financial Reporting** Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	No comments
	Disclaimer of Opinion According to the information and explanation given to us and based on our audit, as informed to us, the Holding Company is in the process of establishing a framework for internal financial controls with reference to Consolidated Ind AS Financial Statements on criteria based on the essential components of internal control stated in the Guidance note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. In this regard, we have been informed that the Holding Company has identified various risks and controls and is in the process of determining	Risk Control Matrix (RCMs) formulated and identified by the Company for FY 2017-18 submitted and explained to the statutory auditors' in detail. Further. Risk Control Matrix (RCMs) for FY 2018-19 were modified whereever there is a change in process during the

	the operating effectiveness of these controls. In the absence of documented risks and controls and their operating effectiveness till the year end, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial control over financial reporting and whether such internal financial control were operating effectively as on 31st March, 2019 and accordingly, we do not express any opinion on the adequacy of the internal financial controls and the operating effectiveness thereof as on 31st March, 2019. We have, however, considered the above factors in determining the nature, timing and audit tests applied in our audit of the Consolidated Ind AS Financial Statements of the Group. Wherever, during the course of our audit, we have identified weaknesses in internal financial controls over financial reporting, that are likely to affect our opinion on the Consolidated Ind AS Financial Statements of the Group, we have issued a qualified opinion on the Consolidated Financial Statements.	financial year and following RCMs have been submitted to the Statutory Auditors on 06.03.2019: (i) Entity Level Controls (ELC), (ii) Corporate Accounts (CA), (iii) Revenue-HT Billing, (iv) Revenue-LT Billing, (v) Operations & Maintenance (O&M). Smilarly, following RCMs have been submitted to statutory auditors on 22.04.2019: (i) Entity Level Controls (ELC), (ii) Corporate Accounts (CA), (iii) Revenue-HT Billing, (iv) Revenue-LT Billing, (v) Operations & Maintenance (O&M), (vi) Power Purchase (PP), (vii) Material Management (MM), (viii) Human Resource (HR), (ix) Capital Expenditure (CAPEX), (x) Corporate Finance (CF), (xi) Information Technology General Controls (ITGC). The above RCMs are discussed with Statutory Auditors in the meeting held on 03.05.2019.
	Other Matters The audit of Internal financial control over financial reporting relating to the subsidiary has been carried out by other auditors, who have furnished an opinion in respect thereof. Our report, to the extent it relates to the said subsidiary, is solely based on the report of the other auditors. As already stated in the ‘Other Matters’ paragraph above, the auditor of the subsidiary Company has issued an opinion in respect of interim financial control over financial reporting which we have relied upon.	No comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MSEB HOLDING COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of Financial Statements of MSEB Holding Company Limited, Mumbai for the year ended 31 March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 are responsible for expressing opinion on the Financial Statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04 September 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act, of the Standalone Financial Statements of MSEB Holding Company Limited, Mumbai for the year ended 31 March 2019. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company Personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

For and on behalf of
The Comptroller and Auditor General of India

(S. K. Jaipuriyar)
Principal Accountant General
(Audit) - III

Place: Mumbai
Date: 20.11.19

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MSEB HOLDING COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of Consolidated Financial Statements of MSEB Holding Company Limited, Mumbai For the year ended 31 March 2019 in accordance with the financial reporting Framework Prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Companies Act, 2013 are responsible for expressing opinion on these Financial Statements under Section 143 read with section 129(4) of the Companies Act, 2013 based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 June, 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Consolidated Financial Statements of MSEB Holding Company Limited, Mumbai for the year ended 31 March 2019 under section 143 (6) (a) read with the section 129 (4) of the Act. We conducted a supplementary audit of the Financial Statements of MSEB Holding Company Limited and Maharashtra State Electricity Transmission Company Limited, Maharashtra State Power Generation Company Limited and Maharashtra State Electricity Distribution Company Limited (subsidiaries of the Company) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor’s Report under section 143(6)(b) of the Act.

For and on behalf of
The Comptroller and Auditor General of India

(Hema Munivenkatappa)
ACCOUNTANT GENERAL
(AUDIT) - II

Place: Mumbai
Date: 01/10/2020

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
MSEB HOLDING COMPANY LIMITED
Hongkong Bank Bldg., 3rd & 4th Floor,
Mahatma Gandhi Road, Fort, Mumbai 400001,
Maharashtra, India

I, Ajit Y. Sathe, Proprietor of A.Y.Sathe & Co., Practicing Company Secretaries, Mumbai, have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by MSEB HOLDING COMPANY LIMITED (CIN: U40100MH2005SGC153649) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (‘the Act’) and the Companies Act, 1956 (to the extent applicable) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder (not applicable as the Company is Public Unlisted Company);

(iii) The Depositories Act, 1996 and the Regulations and by-laws framed thereunder (not applicable as Company’s shares are in physical form);

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the audit period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were NOT APPLICABLE during the audit period as the Company is an Unlisted Public Company: -

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015;

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

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

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

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) In respect of other laws specifically applicable to the Company, I am informed that there are no other specifically applicable laws to the Company.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India (as originally framed and applicable w.e.f. 1st July, 2015, and as revised w.e.f. 1st October, 2017).

ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (not applicable to the Company during Audit Period, being a Public Unlisted Company).

During the Audit Period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to the following observations/ non-compliances:**

Under Companies Act, 2013:

a) The Company had only one Independent Director during the period from 1st April, 2018 to 15th October, 2018. As a result, the Audit Committee and Nomination & Remuneration Committee had only one Independent Directors during this period.

b) The Company did not have a Woman Director during the period from 1st April, 2018 to 15th October, 2018.

c) The Company did not have a Chief Financial Officer (CFO) during the period from 1st April, 2018 to 3rd August, 2018. The vacancy in the office of CFO was filled-up after a period of six months from the date of such vacancy.

I have relied on information/ records produced by the Company during the course of my audit and the reporting is limited to that extent.

I further report that

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company is Wholly Owned by the Government of Maharashtra and during the Audit Period, the Company issued and allotted equity shares of face value of Rs. 10/- each as under as per the Government of Maharashtra's Directives:

Sr. No.	No. and Date of GR by Government of Maharashtra	No. of shares allotted	Date of Allotment
1.	Nidhvi 2017/Pr.K.65/Urja-3 Dated 25/01/2018	44,76,20,000	15/05/2018
2.	Nidhvi 2017/Pr.K.65/Urja-3 Dated 31/03/2018	11,31,80,000	
3.	Purma 2017/Pr.K.156(1)/Urja-3 Dated 31/03/2018	3,70,00,100	
	Total (A)	**59,78,00,100**	
4.	Nidhvi 2018/Pr.K.77/Urja-3 Dated 24/08/2018	25,58,85,000	16/10/2018
	Total (B)	**25,58,85,000**	
	Total (A) + (B)	**85,36,85,100**	

I further report that, during the Audit Period, other than the above, there were no instances of the following:

i) Public/ preferential issue of shares/ debentures/ sweat equity;

ii) Redemption/ buy-back of securities;

iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

iv) Merger / amalgamation / reconstruction, etc.

v) Foreign technical collaborations.

For A.Y.Sathe & Co.,
Company Secretaries

CS Ajit Sathe
Proprietor
FCS No. 2899, COP No. 738
UDIN: F002899A000507865

Place: Mumbai
Date: 27.12.2019

This Report is to be read with our letter of even date, which is annexed as **"Annexure-I"** and forms an integral part of this Report.

"Annexure-I"

To,

The Members,

MSEB HOLDING COMPANY LIMITED

Hongkong Bank Bldg., 3rd & 4th Floor,

Mahatma Gandhi Road, Fort, Mumbai 400001,

Maharashtra, India

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For A.Y.Sathe & Co.,
Company Secretaries

CS Ajit Sathe
Proprietor
FCS No. 2899, COP No. 738
UDIN: F002899A000507865

Place: Mumbai
Date: 27.12.2019

Annexure V

REPLY TO THE OBSERVATION IN THE SECRETARIAL AUDITOR REPORT FOR THE YEAR 2018-19

Auditor's Observations	Reply
(i) The Company had only one Independent Director during the period from 1st April, 2018 to 15th October, 2018. As a result, the Audit Committee and Nomination & Remuneration Committee had only one Independent Directors during this period.	Factual.
(ii) The Company did not have a Woman Director during the period from 1st April, 2018 to 15th October, 2018	Factual. A Woman Director has been appointed w.e.f. 16.10.2018.
(iii) The Company did not have a Chief Financial Officer (CFO) during the period from 1st April, 2018 to 3rd August, 2018. The vacancy in the office of CFO was filled-up after a period of six months from the date of such vacancy.	Factual. The Company has appointed Chief Financial Officer (CFO) w.e.f. 04.08.2018.

On behalf of the Board of Directors

	Sunil Pimpalkhute	**Aseemkumar Gupta**
Place: Mumbai	Director (Finance)	Managing Director
Date: 16/12/2020	DIN: 01915725	DIN: 02607016

Annexure VI

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY

(i)	The steps taken or impact on conservation of energy	No energy conservation measures were taken during the financial year.
(ii)	The steps taken by the company for utilising alternate sources of energy	No steps were taken for utilising alternate sources of energy
(iii)	The capital investment on energy conservation equipments	Not Applicable.

(B) TECHNOLOGY ABSORPTION

(i)	Efforts made towards technology absorption	Not Applicable.
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a. Details of technology imported; b. Year of import; c. Whether the technology been fully absorbed; d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	Not Applicable.
(iv)	the expenditure incurred on Research and Development	The Company has not undertaken any activity relating to research and development during the year under review.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Activities relating to exports: initiatives taken to increase exports; development of new export markets for products and services; and export Not applicable plans:

(ii) Total foreign exchange earned and used

Particulars	2018-19	2017-18
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil

On behalf of the Board of Directors

Sunil Pimpalkhute
Director (Finance)
DIN: 01915725

Aseemkumar Gupta
Managing Director
DIN: 02607016

Place: Mumbai
Date: 16/12/2020

Annexure VII

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U40100MH2005SGC153649
ii)	Registration Date	31st May, 2005
iii)	Name of the Company	MSEB HOLDING COMPANY LIMITED
iv)	Category/ Sub Category of the Company	Public Company Limited by shares/State Govt. Company
v)	Address of the Registered Office and contact details	Hongkong Bank Bldg., 3rd & 4th Floor, Mahatma Gandhi Road, Fort, Mumbai–400001 Phone (022) 22619100 Fax: (022) 22619101 Email: msebhcl@gmail.com
iv)	Whether Listed Company	No
Vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	NSDL Database Management Limited CIN: U72400MH2004PLC147094 Address: 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 Phone No. : 91-22-24994200 Email: info_ndml@nsdl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Not Applicable	Not Applicable	Not Applicable

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

A. Holding Company: Nil

B. Subsidiaries under section 2(87) of the Companies Act, 2013

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	**Maharashtra State Power Generation Company Ltd.** (MSPGCL) Prakashgad, Plot No. G-9, Anant Kanekar Marg, Bandra (East) Mumbai–400051, Maharashtra	U40100MH2005SGC153648	Subsidiary	100%	2(87)
2.	**Maharashtra State Electricity Distribution Company Ltd.**	U40109MH2005SGC153645	Subsidiary	100%	2(87)

	(MSEDCL) Prakashgad, Plot No. G-9, Anant Kanekar Marg, Bandra (East) Mumbai–400051, Maharashtra				
3.	**Maharashtra State Electricity Transmission Company Ltd. (MSETCL)** Prakashganga, Plot No. C 19, E Block Bandra Kurla Complex, Bandra (E) Mumbai–400051 Maharashtra	U40109MH2005SGC153646	Subsidiary	100%	2(87)
4.	**Mahagenco Ash Management Services Limited** Prakashgad, 2nd Floor, Plot No. G 9, Prof. Anant Kanekar Marg, Bandra (East) Mumbai–400051, Maharashtra	U40105MH2007SGC173433	Subsidiary of MSPGCL	100%	2(87)
5.	**Mahaguj Colliaries Ltd.** Prakashgad, Plot No. G 9, Prof Anant Kanekar Marg, Bandra (East) Mumbai–400051, Maharashtra	U10102MH2006SGC165327	Subsidiary of MSPGCL	60%	2(87)
6.	**Dhopave Coastal Power Ltd.** 2nd Floor, Prakashgad, Plot No. G 9, Prof. Anant Kanekar Marg, Bandra (East) Mumbai–400051, Maharashtra	U40108MH2007SGC168836	Subsidiary of MSPGCL	100%	2(87)
7.	**Aurangabad Power Company Ltd.** Prakashgad, 2nd Floor, Plot No. G 9, Prof. Anant Kanekar Marg, Bandra (East) Mumbai–400051, Maharashtra	U40109MH2007SGC171852	Subsidiary of MSEDCL	100%	2(87)

C. Associate Companies (including Joint Venture Companies) under section 2(6) of the Companies Act, 2013: Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the financial year				No. of Shares held at the end of the financial year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	88,086,541,402	**88,086,541,402**	**100%**	-	88,940,226,502	**88,940,226,502**	**100%**	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1):-	**0**	**88,086,541,402**	**88,086,541,402**	**100%**	**0**	88,940,226,502	**88,940,226,502**	**100%**	**-**
2. Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**88,086,541,402**	**88,086,541,402**	**100%**	-	**88,940,226,502**	**88,940,226,502**	**100%**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indians	-	-	-	-	-	-	-	-	-
ii) Clearing Members	-	-	-	-	-	-	-	-	-
iii) HUFs	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**0**	**88,086,541,402**	**88,086,541,402**	**100%**	**0**	**88,940,226,502**	**88,940,226,502**	**100%**	**0**

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the financial year			Shareholding at the end of the financial year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Governor of Maharashtra (alongwith nominees)	88,086,541,402	%	-	88,940,226,502	100%	-	-
	Total	**88,086,541,402**	**100%**	**-**	**88,940,226,502**	**100%**	**-**	**-**

C) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the financial year 01.04.2018		Cumulative Shareholding during the financial Year 2018-2019	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the financial year	88,086,541,402	100%	88,086,541,402	100%
Allotment of equity shares on 15.05.2018	597,800,100	0.6786	88,684,341,502	100%
Allotment of equity shares on 16.10.2018	255,885,000	0.2904	88,940,226,502	100%
At the end of the financial year	**88,940,226,502**	**100%**	**88,940,226,502**	**100%**

D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the financial year		Shareholding at the end of the financial year	
		No. of shares	% to total shares	No. of shares	% to total shares
1	*	-	-	-	-
2	*	-	-	-	-
3	*	-	-	-	-
4	*	-	-	-	-

- The entire share capital is held by the Governor of Maharashtra alongwith nominees.

E) ***Shareholding of Directors and Key Managerial Personnel:***

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial Year		Shareholding at the end of the financial year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
A.	**Directors**					
None of the Directors hold any Shares in the company (except as Nominee of Govt. of Maharashtra).						
B.	**Key Managerial Personnel**					
None of the Key Managerial Personnel holds any Shares in the company.						

(V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	-	-	0
Change in Indebtedness during the financial year				
i) Addition/(Reduction) in Principal	-	-	-	-
ii) Addition/(Reduction) in Interest due but not paid	-	-	-	-
iii) Addition/(Reduction) in Interest accrued but not due	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	0	0	0

(VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. ***Remuneration to Managing Director, Whole-time Directors and/or Manager:***

S. No.	Particulars of Remuneration	Name of Managing Director/Whole-time Director/Manager			Total Amount (Rs.)
		Arvind Singh (MD)	Surendra N. Pandey (WTD)	Sunil Pimpalkhute (WTD)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7,25,100	11,74,694	18,99,794
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	7,25,100	11,74,694	18,99,794
	Ceiling as per the Act**	-	N.A.	N.A.	N.A.

B. Remuneration to other directors

Particulars of Remuneration	Name of Director		
Independent Directors	**Prakash Page**	-	-
Fee for attending board, committee meetings	3,500	-	-
Commission	-	-	-
Others, please specify	-	-	-
Total (1)	**3,500**	-	-

Other Non-Executive Directors	-	R. B. Goenka	Vishwas Pathak
Fee for attending board/committee meetings	-	3,500	2,000
Commission	-	-	-
Others, please specify	-	-	-
Total (2)	0	3,500	2,000
Total (B)=(1+2)	**3,500**	**3,500**	**2,000**
Total Managerial Remuneration	-	-	-
Overall Ceiling as per the Act	1,00,000*		

*As per Section 196 of the Companies Act, 2013 read with relevant rules, a Company may pay sitting fees to a Director for attending meeting of the Board or Committee which shall not exceed Rupees one lakh per meeting of the Board or Committee.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	14,17,652	-	14,17,652
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	N.A.	-	N.A.	-
3	Sweat Equity	N.A.	-	N.A.	-
4	Commission	N.A.	-		-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (1 to 5)	NIL	14,17,652	NIL	14,17,652

*The Whole-time Director (Finance) was appointed as CFO.

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			N I L		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			N I L		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			N I L		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sunil Pimpalkhute
Director (Finance)
DIN: 01915725

Aseemkumar Gupta
Managing Director
DIN: 02607016

Place: Mumbai

Date: 16/12/2020

Annexure VIII

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Name of the subsidiary	Maharashtra State Power Generation Co. Ltd. (MSPGCL) (Rs. in Crores)	Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) (Rs. in Lakhs)	Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) (Rs. in Lakhs)	Mahagenco Ash Management Services Limited* (Amt. in Rs.)	Mahaguj Colliaries Ltd.* (Amt. in Rs.)	Dhopave Coastal Power Ltd.* (Amt. in Rs.)	Aurangabad Power Company Ltd.+ (Amt. Rs.)
	Nature	Direct	Direct	Direct	Step-down	Step-down	Step-down	Step-down
1.	Date since when subsidiary was acquired	31.05.2005	31.05.2005	31.05.2005	24.08.2007	01.11.2006	16.03.2007	20.06.2007
2.	Reporting period	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19
3.	Reporting currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
4	Share capital	252841262260	476143199000	89849747330	500000	500000	500000	500000
5.	Reserves & surplus	(68489279105)	(258024947800)	20919835795	-	542520204	82349238	(62376841.87)
6.	Total Assets	410479119512	1167912797200	232368907394	1157713	546459108	82942794	1070620.74
7.	Total Liabilities	410479119512	1167912797200	232368907394	1157713	546459108	82942794	1070620.74
8.	Investments	20283888	1857257000	9411465175	-	-	-	-
9.	Turnover	214158228560	732107631000	35903251318	-	-	-	-
10	Profit before taxation	(3258098203)	13117005000	7454306257	(4152716)	(26925356)	(37489)	(23341)
11.	Provision for taxation	76885750	2150763000	(2203660250)	-	-	-	-
12.	Profit after taxation	(3339768739)	10966242000	5223772731	(4152716)	(26925356)	(37489)	(15111)
13.	Proposed Dividend	-	-	-	-	-	-	-
14.	Extent of shareholding	100%	100%	100%	100%	60%	100%	100%

*Subsidiary of MSPGCL
+Subsidiary of MSEDCL

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Date on which the Associate or Joint Venture was associated or acquired.	-	-	-
3. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extent of Holding (in percentage)	-	-	-
4. Description of how there is significant influence	-	-	-
5. Reason why the associate/joint venture is not consolidated	-	-	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-	-	-
7. Profit/Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

Note: The Company has no Associates or Joint Ventures on the Reporting date

1. Names of associates or joint ventures which are yet to commence operations– **Not applicable**
2. Names of associates or joint ventures which have been liquidated or sold during the year– **Not applicable**

On behalf of the Board of Directors

Sunil Pimpalkhute
Director (Finance) &CFO
DIN: 01915725

Aseemkumar Gupta
Managing Director
DIN: 02607016

Pankaj Sharma
CGM (Finance)

Subodh Zare
Company Secretary

Place: Mumbai

Date: 16/12/2020

Annexure IX

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY:

PART-I

Performance of Subsidiaries, Associates and Joint Venture Companies

(i) Maharashtra State Electricity Transmission Co. Ltd. (MSETCL)

During the year under review, performance of MSETCL was as under:

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Revenue from Operations	3,59,032.51	3,77,809.99
Other Income	29,284.76	19,025.21
Total Income	**3,88,317.27**	**3,96,835.20**
Repairs & Maintenance Expenses	19,362.00	18,860.05
Employee Benefits Expenses	95,539.05	88,714.64
Finance Cost	54,133.03	58,266.02
Depreciation and amortization expenses	1,13,794.66	1,10,958.52
Other Expenses	30,945.48	38,584.69
Total Expenditure	**3,13,774.22**	**3,15,383.92**
Profit / (Loss) before tax	**74,543.05**	**81,451.28**
Tax Expenses	(22,036)	(30,194.10)
Profit / (Loss) for the year	**52,506.45**	**51,257.18**
Other Comprehensive Income	(268.73)	168.27
Total Comprehensive Income for the period	**52,237.72**	**51,425.46**

(ii) Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)

During the year under review, performance of MSEDCL was as under:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Revenue from Operation	7,321,076.31	6,130,666.13
Other Income	1,238,404.67	398,502,.42
Total Revenue	**8,559,560.98**	**6,529,168.55**
Purchase of Power	6,342,583.91	5,349,819.90
Employee Benefits Expenses	462,672.73	410,727.81
Finance Expenses	483,297.70	595,205.04
Depreciation & Amortization	294,506.83	293,910.21
Other Expenses	746,329.05	286,302.07
Total Expenses	**8,378,890.22**	**6,941,253.74**
Profit / (Loss) Before Tax	**131,170.76**	**49,224.42**

Tax Expenses	21,507.55	-
Profit/ (Loss) for the year	**109,663.21**	**48,708,.71**
Other Comprehensive Income	(25,088.94)	(5,019.96)
Total Comprehensive Income for the period	**84,574.27**	**43,688.75**

(iii) Maharashtra Power Generation Co. Ltd. (MSPGCL)

During the year under review, performance of MSPGCL was as under:

(Rs. in Crores)

Particulars	2018-19	2017-18
Gross Sale of Power	18,985.11	19,011.03
Other Operating Revenue	2,430.71	2,050.45
Other Income	1,164.12	256.20
Total Revenue	**22,579.94**	**21317.68**
Cost of material consumed	12,995.33	11,560.85
Employee Benefit Expenses	1,284.18	1,407.84
Finance Cost	3,169.73	3,321.11
Depreciation & Amortisation Expenses	3,158.39	2,655.85
Other Expenses	2,298.12	2,290.78
Total Expenses	**22,905.75**	**21,236.43**
Profit / (Loss) Before Tax	**(325.81)**	**81.25**
Tax Expenses	7.39	(642.07)
Profit / (Loss) for the Period	**(333.50)**	**723.32**
Other Comprehensive Income	(0.48	(23.14)
Total Comprehensive Income for the period	**(333.98)**	**700.18**

PART-II

Contribution of the Subsidiaries, Associates and Joint Venture Companies to the overall performance of the Company:

(Rs. in Crores)

Sr. No.	Particulars	Consolidated as on 31.03.2019	Consolidated as on 31.03.2018	Variation
1.	Revenue from Operations	73,965	63,694	10,271
2.	Other Income	9,082	4,418	4,664
3.	**Total Income**	**83,047**	68,112	**14,935**
4.	Total Expenses	79,539	64,001	15,538
5.	**Profit Before Depreciation**	**3,508**	**4,111**	**(603)**
6.	Depreciation for the year	7,288	6,751	537

7.	**Profit Before Tax**	**(3,780)**	**(2,640)**	**1,140**
8.	Share of Profit in associates and joint venture	5	7	(2)
9.	Income Tax & Deferred Tax Provision	486	(338)	(148)
10.	**Profit for the Period**	**(4,755)**	2,260	**(2,495)**
11.	**Other Comprehensive Income**	**(254)**	**(71)**	**(183)**
12.	**Total Comprehensive Income**	**(5,009)**	**2,189**	**(2,820)**

HIGHLIGHTS

➢ Net Increase in Profit Before Depreciation in the F.Y. 2018-2019 as compared to previous year majorly on account of :

- *Increase in 'Revenue from sale of power'* of MSEDCL to the tune of Rs. 7572.29 Cr as compared to previous year.
- *Increase in 'cost of material consumed – conventional power and non conventional sources'* of MSEDCL to the tune of Rs. 3165.36 Cr and 1696.92 Cr respectively as compared to previous year.
- Increase in 'Revenue' -of MSPGCL to the tune of Rs. 1249 cr is offset by negative true up order of Rs. 1275 Cr.
- Input Cost increase -of MSPGCL to the tune of Rs. 1434 Cr due to increase in coal prices and imported coal.
- Decrease in 'Revenue'- of MSETCL to the tune of Rs. 188 cr per month decrease from Rs. 49.85 Cr to Rs. 34 Cr (MERC order no. 265 of 2018)

Annexure X

Annual Report on Corporate Social Responsibility activities for the financial year 2018-19 (Pursuant to section 135 of the Companies Act, 2013)

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

Be a socially responsible corporate entity and to lead the sector in the areas of protection of environment, bio-diversity, human rights and energy conservation. Exceed compliance requirements for Labour practices and decent work. Contribute towards sustainable power development by discharging CSR that would positively impact the stakeholders and environment in various aspects.

2. **The composition of the CSR Committee.**

2.1 The CSR Committee consisted of Shri. Prakash Page (Chairman), Shri. Vishwas Pathak and Shri. Parrag Jaiin Nainutia as Members.

2.2 The Committee was reconstituted on 16.10.2018 by induction of Smt. Neeta Kelkar to the Committee in place of Shri. Parrag Jaiin Nainutia.

3. **Financial Details**

Particulars	Amount (Rs.)
Average net profit/(loss) of the Company for last three financial years:	(82,28,14,778)
Prescribed CSR Expenditure (two percent of the average net profit	Nil
Details of CSR Expenditure during the financial year:	
Total amount to be spent for the financial year	Nil
Amount spent	Nil
Amount unspent	Nil

4. **Manner in which the amount spent during the financial year is as follows:**

(Amt in Rs.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

5. In case the Company has filed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

The Company has been incurring losses. The average loss of the Company for immediate preceding three financial years is Rs. 82,28,14,778

6. This is to state that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Directors

Sunil Pimpalkhute	**Aseemkumar Gupta**
Director (Finance)	Managing Director
DIN: 01915725	DIN: 02607016

Place: Mumbai

Date: 16/12/2020

Annexure XI

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered by MSEB Holding Company Limited with its related parties (as per Section 188(1) of the Companies Act, 2013)

1. **Details of material contracts or arrangement or transactions not at arm's length basis.** Nil

2. **Details of contracts or arrangements or transactions at Arm's length basis:-**

Name(s) of the related party and nature of relationship	Amount (Rs.) excluding taxes	Nature of contracts / arrangements / transaction	Duration of the contracts / arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any.	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) [Wholly-owned Subsidiary]	41,21,39,928	Leasing of the premises of the MSEB Holding Company Ltd. to MSEDCL, MSETCL and MSPGCL as per terms of the MoU dated 31.12.2018	The arrangement was made pursuant to the Memorandum of Understanding (MoU) executed on 31.12.2018 for 5 (five) years effective from 01.04.2018.	As per the Memorandum of Understanding executed on 31.12.18between MSEB Holding Co. Ltd. with its wholly-owned subsidiaries viz. MSEDCL, MSETCL and MSPGCL.	Pursuant to the directives of the Govt. of Maharashtra contained in the "Maharashtra Electricity Reforms Transfer Scheme, 2005" dated 04.06.2005 for providing and giving effect to the transfer of properties, interests, rights, liabilities obligations, proceedings and personnel of the Maharashtra State Electricity Board.	28.012.2018	Nil	Not applicable.
Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) [Wholly-owned Subsidiary]	17,38,91,928							
Maharashtra State Power Generation Co. Ltd. (MSPGCL) [Wholly-owned Subsidiary]	22,95,36,900							

On behalf of the Board of Directors

Sunil Pimpalkhute
Director (Finance)
DIN: 01915725

Aseemkumar Gupta
Managing Director
DIN: 02607016

Place: Mumbai

Date: 16/12/2020

Independent Auditors' Report

To the Members of MSEB HOLDING COMPANY LIMITED

Report on the Audit of the Financial Statements

1. Qualified Opinion

We have audited the accompanying financial statements of MSEB HOLDING COMPANY LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

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 para7.3(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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2019, and its loss(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 14,453,400,000/-(refer note no. 7.2).

b) The company does not collect, maintain & present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises ('MSME') Development Act. 2006. Hence correctness of provision for interest, if any, on outstanding dues to MSME could not be verified.

c) The balances outstanding in the books of the company with its subsidiaries i.e. MSEDCL, MSETCL and MSPGCL are under reconciliation, discussions and deliberations. (refer note no 9.1 &18.1) and which may have impact on the financial position and certain disclosures in the financial statements.

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

We conducted our audit of the 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 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 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 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. 1,520,434,890/- net of the provision of tax in the books of accounts amounting to Rs. 400,727,729/- and 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.3,120,153,032/-(P.Y.Rs.2,352,201,324/-) have been long outstanding.

3.3 Refer note no.8.4 where the investment of the company in MSEDCL of Rs. 476,143,199,040 has been getting depreciated due to continuous losses incurred by MSEDCL. The depreciation in value of shares has not been provided for in the books. Although MSEDCL has incurred profits in F.Y 2017-18, reserves as on 31st March'2018 are negative. The figures for 31.03.2019 have not been finalized.

3.4 The company has booked GST on guarantee issued to subsidiaries companies and the rate taken is subject to management internal assessment and no legal vetting is done. The liability and interest though provided is still not paid as on date of balance sheet.

3.5 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 is from the date of their joining instead from the day they are deputed in MSEBHCL i.e from F.Y 2013-14.

3.6 Refer note no-16 where the company has suo-moto given up the claim of deduction of "interest and finance charges" which has resulted in change in the carry forward business losses and unabsorbed depreciation. During the year the company has revised the income tax returns for last years and the brought forward losses as per Income tax returns has been reduced substantially therefore the company has accounted for deffered tax liability amounting to Rs 4,07,978,523/- on account of such revision in Income tax returns.

Our report is not qualified in respect of above matters.

4. Information Other than the 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 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 the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process

6. Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 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:

    a. The Company has disclosed the impact of pending litigations on its financial position in Note 24 to its Standalone Ind AS Financial statements.

    b. 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;

    c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Doogar & Associates
Chartered Accountants
Firm Regn. No. 000561N

Mukul Marwah
Partner
Membership No. 511239

UDIN: 19511239AAAAAH7496
Place: Mumbai
Date: 04/09/2019

Annexure “A" to Independent Auditors’ Report

Referred to in Paragraph 7.1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date

i. In respect of its fixed assets:

(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).

(b) As explained to us fixed assets have not been physically verified by the company during the year. Physical verification of Fixed Assets was carried 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. Detail of such cases where the title deeds are not in name of company is as below:-

Description of Asset	No of cases	Area in acres	Gross Block as on 31/03/2019 (Rs.)	Net Block as on 31/03/2019 (Rs.) Remarks	Remarks
Land-Leasehold	2	7.10	2,045,934,468	1,646,397,112	The Company is taking appropriate steps for completion of legal formalities for transfer of title.
Land-Freehold	4	1.89	708,880,000	708,880,000	
Building and structures	13	Not Available	11,805,299,904	7,928,743,808	

ii. 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 3 (ii) of the Order is not applicable to the company.

iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act,2013. Accordingly, clause 3 (iii) (a) & (b) of the Order are not applicable to the company.

iv. During the year the Company has given guarantee in respect of loans raised by its subsidiary company MSEDCL, however no loans were granted which are covered under Section 185 and 186 of the Companies Act, 2013. In respect of investments in the Subsidiary and guarantee given on behalf of subsidiary company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

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, 2013and 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, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities.

(b) 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 2019 on account of Income-tax, Sales-tax, Service-tax, duty of custom, duty of excise or value added tax are as under:

Sr. No	Name of Statute	Nature of Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Penalty	141,65,57,002	AY 2006-07	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961	Penalty	1,121,736,837	AY 2007-08	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Penalty	1,271,079,159	AY 2008-09	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Penalty	1,034,815,207	AY 2009-10	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Penalty	980,338,089	AY 2010-11	Commissioner of Income Tax (Appeals)
6	Income Tax Act, 1961	Tax and Interest	82,490,910	AY 2011-12	Income Tax Appellate Tribunals
7	Income Tax Act, 1961	Tax and Interest	82,487,920	AY 2012-13	Commissioner of Income Tax (Appeals)

viii. The Company has not taken any loans from financial institutions or banks and has not issued debentures. 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.Reform2010/Pr.Ka.117/ Urja, is received from the Company and hence we are unable to comment in respect of default, if any.

ix. 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 (ix) of the Order is not applicable and hence not commented upon.

x. 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.

xi. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.

xii. In our opinion the company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company and hence not commented upon.

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. 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. Company has not made preferential allotment or private placement of fully or partly convertible debentures during the year under review. The company has complied with the requirements of Section 42 of the Act and the amount raised have been used for the purpose for which funds were raised.

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. According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For **Doogar & Associates**
Chartered Accountants
Firm Registration No.: 000561N

Mukul Marwah
Partner
Membership No.: 511239

UDIN: 19511239AAAAAH7496

Place: Mumbai
Date: 04/09/2019

Annexure "B"- Report on 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

AUDITOR'S COMMENTS

Sr. No.	Directions	Replies
1	**Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.**	In our opinion and according to the information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc.
2	**Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.**	According to information and explanations given to us, there are no Inventories lying with third parties and also there are no assets received as gift/grant from Government or other authorities.
3.	**A report on age-wise analysis of pending legal/arbitration cases, including the reasons for the pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.**	As per Annexure-1
4	**A report if the company has been selected for disinvestment, complete status report in terms of valuation assets (including intangible assets and land) and liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.**	According to information and explanations given to us, Company has not been selected for disinvestment.

Annexure-1

S. NO.	Year	Building Name	Court case No.	Name of court	Reason	Status of case
1	2001	Honkong Bank building 3rd Floor and part of 4th floor	Appeal 213/18 TER 346/366/2001	Small Cause Court, Mumbai	Vacation of the 3rd and 4th floor potion in possession of MSEBHCL at HSBC Fort.	Arguments in Small Couse Court- 05, Mumbai Next Date 07-11-2019

S. NO.	Year	Building Name	Court case No.	Name of court	Reason	Status of case
2	2004	Estrela Batteries Expansion building Dharavi 2nd Floor.	Suit no.1663/2004	Bombay High Court, Mumbai	Suit filed for specific part performance against M/S EBL in the matter of purchase of Estrela batteries Expansion Building	Cross Examination of plaintiff witness by court commissioner. Affidavit submission due date 14-10-2019 after this cross examination start
3	2009	Estrela Batteries Expansion building Dharavi	RAE 533/801/09	Small case court, Mumbai	Regarding vacation of 2nd floor in possession of Central Excise Dept. in Dharavi Office Building at Estrela Batteries compound	Reply in Notice at Small Couse Court – 10, Mumbai. Reply against exhibit No. 24 & 29.
4	2015	National Park colony	Suit no.779/2015	Bombay High court, Mumbai	Land Boundary dispute	Written statement is filed. Not on Board.

ii. Sector specific Sub Directions

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 accounted properly.
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 Loss mentioned in Audit Report is as per Statement of Profit and Loss of the Company.

"Annexure C" to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of MSEB Holding Company Ltd. ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

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

For **Doogar& Associates**
Chartered Accountants
Firm Regn. No. 000561N

Mukul Marwah
Partner
Membership No. 511239
UDIN: 19511239AAAAAH7496

Place: Mumbai
Date: 04-09-2019

MSEB Holding Company Limited
PART - I BALANCE SHEET
Balance Sheet for the year 31st March 2019

(Amt in Rs)

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
	ASSETS				
(1)	**Non Current Assets**				
a	Property, Plant & Equipment	6	2,420,789,834	2,453,759,123	2,486,997,125
b	Capital Work in Progress		-	-	-
c	Investment Properties	7	7,928,743,808	8,348,952,727	8,769,161,646
d	Goodwill		-	-	-
e	Other Intangible Assets		-	-	-
f	Intangible Assets under Development		-	-	-
g	Biological Assets other than bearer plants		-	-	-
h	Financial Assets		-	-	-
	(i) Investments	8	818,834,208,630	816,275,358,646	810,297,357,639
	(ii)Trade Receivables			-	-
	(iii) Loans			-	-
	(iv) Others (to be specified)			-	-
i	Deferred Tax Assets (Net)			-	-
j	Other Non Current Assets	9	38,680,480,679	38,416,281,182	38,579,129,162
(2)	**Current Assets**				
a	Inventories		-	-	-
b	Financial Assets				
	(i) Investments		-	-	-
	(ii) Trade Receivables	10	3,120,153,036	2,698,609,974	2,352,201,324
	(iii) Cash & cash Equivalents	11	289,256,639	356,556,320	389,198,947
	(iv) Bank Balances Other than (iii) above		-	-	-
	(v) Loans		-	-	-
	(vi) Others		-	-	-
c	Current Tax Assets (Net)		-	-	-
d	Other Current assets	12	6,337,118	10,428,805	12,623,498
	Assets held for sale/Assets included in disposal group(s) held for sale		-	-	-
	Total Assets		**871,279,969,744**	**868,559,946,777**	**862,886,669,341**
	EQUITY AND LIABILITIES				
	EQUITY				
a	Equity Share capital	13	889,402,265,020	880,865,414,020	873,927,520,630
b	Other Equity	14	-21,739,386,658	-15,441,289,113	-14,139,731,090

	LIABILITIES				
(1)	**Non Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings		-	-	-
	(ii) Trade Payables		-	-	-
	(iii) Other fianancial Liabilities (other than those specified in item (b))		-	-	-
b	Provisions	15	37,722,919	50,479,960	44,794,940
c	Deferred Tax Liabilities (Net)	16	407,978,523	-	-
d	Other Non Current Liabilities			-	-
(2)	**Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings		-	-	-
	(ii) Trade Payables	17	31,807,403	28,684,689	22,823
	(iii) Other fianancial Liabilities (other than those specified in item (c))		-	-	-
b	Other Current Liabilties	18	3,091,800,520	2,985,888,655	2,978,010,982
c	Provisions	19	47,782,017	70,768,566	76,051,056
d	Other Current Liabilities				
	Liabilities classified as held for sale/ Liabilities included in disposal group held-for sale		-	-	-
	Total Liabilities and Equity		**871,279,969,744**	**868,559,946,777**	**862,886,669,341**
	Significant Accounting Policies	**1-5**			
	Notes to accounts	**6-34**			

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

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number: 000561N

Sunil Pimpalkhute
Director Finance & CFO

Arvind Singh
Managing Director

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (F)

Subodh Zare
Company Secretary

Place : Mumbai
Date : 04/09/2019

Place : Mumbai
Date : 04/09/2019

MSEB Holding Company Limited
PART II - STATEMENT OF PROFIT AND LOSS
Statement of Profit and Loss for the year ended 31st March 2019

(Amt in Rs)

	Particulars	Note	For the Year 2018-19	For the Year 2017-18
(i)	**Revenue from operations**		-	-
(ii)	**Other Income**	20	844,909,512	412,142,998
I	**Total Income (i)+(ii)**		**844,909,512**	**412,142,998**
	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	21	47,973,682	57,335,544
(v)	Finance Costs		-	-
(vi)	Depreciation and amortization expense	22	462,733,902	463,163,935
(vii)	Others expenses	23	248,578,427	243,743,292
II	**Total Expenses ((i) to (vii))**		**759,286,011**	**764,242,771**
III	**Profit /(Loss) before exceptional items and tax (II-I)**		**85,623,501**	**-352,099,773**
IV	Exceptional Items			
V	**Profit /(Loss) before tax (III - IV)**		**85,623,501**	**-352,099,773**
VI	Tax Expenses:			
	(1) Current Tax -MAT		18,398,306	-
	(2) MAT Credit Entilement		-18,398,306	
	(3) Deferred Tax		407,978,523	-
	(4) Previous Year Taxes		-	-
VII	**Profit /(Loss)for the period from continuing operations (V-VI)**		**-322,355,022**	**-352,099,773**
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**		**-322,355,022**	**-352,099,773**
XII	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to profit or loss			-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			

	Subtotal (A)			-
(B)	(i) Items that will be reclassified to profit or loss		2,258,477	10,434,139
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)		**2,258,477**	**10,434,139**
XIII	**Other Comprehensive Income(A+B)**		**2,258,477**	**10,434,139**
XIV	**Total Comprehensive Income for the period (XI + XIII)**		**-320,096,545**	**-341,665,634**
XV	**Earning per equity share (for continuing operations)**			
	Basic (Rs.)		-0.004	-0.004
	Diluted (Rs.)		-0.004	-0.004
XVI	Earnings per equity share (for discontinued operations)			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
XVII **XVII**	**Earnings per equity share (for continuing and discontinued operations)**			
	Basic (Rs.)	30	-0.004	-0.004
	Diluted (Rs.)	30	-0.004	-0.004
	Significant Accounting Policies	**1-5**		
	Notes to accounts	**6-34**		

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

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number: 000561N

Sunil Pimpalkhute
Director Finance & CFO

Arvind Singh
Managing Director

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (F)

Subodh Zare
Company Secretary

Place : Mumbai
Date : 04/09/2019

Place : Mumbai
Date : 04/09/2019

MSEB Holding Company Limited
PART III -CASH FLOW
Cash Flow Statement for the year ended 31st March 2019

(Amt in Rs)

PARTICULARS	2018-19		2017-18	
A. Cash flows from operating activities				
Net profit before taxation		85,623,501		(352,099,773)
Adjustments for:				
Depreciation	462,733,902		463,163,935	
Interest income	(17,346,337)		(26,063,743)	
Previous Year Taxes	-			
Interest expenses	-	445,387,565	-	437,100,192
Operating profit before working capital changes		531,011,066		85,000,419
Adjustments for:				
Increase/(Decrease) in Reserves	(405,720,046)		39,502,322	
Increase/(Decrease) in Other Long Term Liabilities	3,122,714		28,661,866	
Increase/(Decrease) in Long Term Provisions	(12,757,041)		5,685,020	
Increase/(Decrease) in Other Current Liabilities	105,911,865		6,255,898	
Increase/(Decrease) in Short Term Provisions	(22,986,548)		(32,696,170)	
Increase/(Decrease) in Deferred Tax Liabilties	407,978,523		-	
Increase/(Decrease) in Other Non Current Assets	(264,199,497)		162,847,980	
Increase/(Decrease) in Short Term Loans & Addvances	-		-	
Increase/(Decrease) in Other Current assets	4,091,687		2,161,967	
Increase/(Decrease) in Trade Receivable	(421,543,064)	(606,101,407)	(346,408,650)	(133,989,767)

Cash generated from operations		**(75,090,341)**		**(48,989,348)**
Less: Taxes paid(net of refunds)			-	
Cash flow before extraordinary item		(75,090,341)		(48,989,348)
Add/ Less: Extra-ordinary items				
Net cash from operating activities (A)		**(75,090,341)**		**(48,989,348)**
B. Cash flows from investing activities				
Purchase of fixed assets and addition to Capital Work in Progress	(9,555,693)		(9,717,014)	
Sale of Assets	-		-	
Purchase of Non Current Investments	(2,558,849,984)		(5,978,001,007)	
Interest received (Net of TDS)	17,346,337		26,063,743	
Fixed Deposits Matured				
		(2,551,059,340)		(5,961,654,278)
Net cash used for investing activities (b)				
C. Cash flows from financing activities				
Proceeds from issuance of Share Application Money Pending allotment	2,558,850,000		5,978,001,000	
Interest paid	-			
Increse 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)				
		2,558,850,000		5,978,001,000

Net increase in cash and cash equivalents (A + B + C)		(67,299,681)		(32,642,626)
Cash and cash equivalents at beginning of period		**356,556,320**		**389,198,946**
Cash and cash equivalents at end of period		**289,256,639**		**356,556,320**

Foot Note:

1) Cash flow is prepared under Indirect Method as prescribed in IND AS7-Cash Flow Statements

2) Cash & Cash Equivalents included in the Financial Statements comprise the following.

Cash & Cash Equivalents	**As on 31.03.19**	**As on 31.03.18**
Balance in Current accounts	737,625	302,050
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)	288,519,014	356,254,270
Total	**289,256,639**	**356,556,320**

As per our report of even date

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number: 000561N

Sunil Pimpalkhute
Director Finance & CFO

Arvind Singh
Managing Director

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (F)

Subodh Zare
Company Secretary

Place : Mumbai
Date : 04/09/2019

Place : Mumbai
Date : 04/09/2019

STATEMENT OF CHANGES IN EQUITY

MSEB Holding Company Limited
PART -I BALANCE SHEET
Statement of changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

Particulars	**Amt (Rs.)**
As at 1st April 17	873,927,520,630
Issue of share capital (As per Note)	6,937,893,390
As at 31st March 18	880,865,414,020
Issue of share capital (As per Note)	8,536,851,000
As at 31st March 19	**889,402,265,020**

B. Instruments entirely equity in nature

a. Compulsorily Convertible Preference Shares

Particulars	**Amt (Rs.)**
As at 1st April 17	-
Issued during the year 2017-18	-
As at 31st March 18	-
Issued during the year 2018-19	-
As at 31st March 19	-

b. Compulsorily Convertible Debentures

Particulars	**Amt (Rs.)**
As at 1st April 17	-
Issued during the year 2017-18	-
As at 31st March 18	-
Issued during the year 2018-19	-
As at 31st March 19	-

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

Particulars	**Amt (Rs.)**
As at 1st April 17	-
Issued during the year 2017-18	-
As at 31st March 18	-
Issued during the year 2018-19	-
As at 31st March 19	-

STATEMENT OF CHANGES IN EQUITY

MSEB Holding Company Limited
Statement of changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

Particulars	Amt (Rs.)
As at 31st March 18	880,865,414,020
Issue of share capital	8,536,851,000
As at 31st March 19	889,402,265,020

B. Other Equity

For the year ended 31st March 2019

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			
			Capital reserves	Securities premium Reserve	Other reserves (Specify nature)	Retained Earnings
Balance as on 1st April 2018	5,978,001,000	-	-	-	-	-21,419,290,113
Changes in accounting policy/prior period errors						-
Restated balance at the begining of the reporting period		-	-	-	-	-21,419,290,113
Profit for the year			-	-	-	-322,355,022
Other Comprehensive Income for the year			-	-	-	2,258,477
Dividends			-	-	-	-
Transfer to retained earnings			-	-	-	-

Share Application Money received during the year	2,558,850,000					
Shares issued during the year	8,536,851,000		-	-	-	-
Balance as on 31st March 2019	**-**	**-**	**-**	**-**	**-**	**-21,739,386,658**

As per our report of even date

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number: 000561N

Sunil Pimpalkhute
Director Finance & CFO

Arvind Singh
Managing Director

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (F)

Subodh Zare
Company Secretary

Place : Mumbai
Date : 04/09/2019

Place : Mumbai
Date : 04/09/2019

Note 1: Corporate information:

Maharashtra State Electricity Board Holding Company Ltd. (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. Reform 2010/ Pr. Ka.117/Urja-3. The scheme has been implemented during the F.Y. 31-03-2016 with retrospective effect from 05-06-2005.

Note 2: 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 ‘Rupees’ or ‘Rs.) which is the Company’s functional currency.

Note 3: 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 separates 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 profit or loss incurred.

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

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 profit or 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.

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 80
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 Comparative 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, the fair value of investment property is disclosed in the notes.

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 derecognition.

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 profit or 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 loss 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 profit or 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, through 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 process for publicly traded companies or other available fair value indicators.

Impairments 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 'OCT'). 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 VAT, service tax or duty. 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 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 as fair value though 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 can an entity correct an error prospectively.

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 calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of statement of financial position. 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 or 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 or 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 profit or 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 determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date- whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

a. Company as a lessee

Finance lease, which transfers to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability.

Finance charges are recognised in the profit or loss. Initial direct costs incurred in a finance lease of the lessee are added to the amount recognised as an asset at the commencement of the lease term.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rents are recognised as expense in the period in which they are incurred.

b. Company as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased asset. The finance income is recognised based on the periodic rate of return on the net investment of the Company outstanding in respect of the finance lease. Initial direct costs incurred in a finance lease are included in the initial measurement of finance lease receivable and reduce the amount of income recognised over the lease term.

Lease where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

11. Earnings per share:

The Company's earnings per share (EPS) is 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 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:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

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.

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of group of similar financial assets) is primarily recognised (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 separate 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 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:

Initial recognition and measurements

All the financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payable, loans and borrowings including bank overdrafts and derivatives financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

Derecognition

A financial liability is derecognised 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 dereognition 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 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold Land	Freehold Land	Plant & Machinery	Vehicles	Furniture & Fixtures	Computers	Total	Capital Work in Progress
Year ended 31st March 2018								
Gross Carrying Amount								
Cost as at 1st April 2017	2,045,934,468	708,880,000	125,009,200	10,171,519	122,542,274	2,538,378	**3,015,075,839**	
Additions	-	-	5,163,593	1,144,046	2,743,332	666,043	**9,717,014**	
Adjustments	-	-	-	-	-	-	**-**	-
Disposal/Transfers	-	-	-	-	-	-	**-**	
Closing Gross Carrying Amount	**2,045,934,468**	**708,880,000**	**130,172,793**	**11,315,565**	**125,285,606**	**3,204,421**	**3,024,792,853**	**-**
Accumulated Depreciation and Impairment								
Opening Accumulated Depreciation	333,671,692	-	82,984,508	5,006,931	104,797,192	1,618,392	**528,078,715**	-
Depreciation Charge during the year	32,932,832	-	5,735,614	1,234,828	2,428,767	622,974	**42,955,015**	-
Adjustments	-	-	-	-	-	-	**-**	-
Disposal/Transfers	-						**-**	-
Closing Accumulated Depreciation and Impairment	**366,604,524**	**-**	**88,720,122**	**6,241,759**	**107,225,959**	**2,241,366**	**571,033,730**	**-**
Net Carrying Amount	**1,679,329,944**	**708,880,000**	**41,452,671**	**5,073,806**	**18,059,647**	**963,055**	**2,453,759,123**	**-**
Year ended 31st March 2019								
Gross Carrying Amount								
Opening Gross Carrying Amount	2,045,934,468	708,880,000	130,172,793	11,315,565	125,285,606	3,204,421	**3,024,792,853**	-
Additions	-	-	9,005,869	-	529,764	20,060	**9,555,693**	-

Adjustments	-	-	-	-	-	-	-	
Disposal/Transfers	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**2,045,934,468**	**708,880,000**	**139,178,662**	**11,315,565**	**125,815,370**	**3,224,481**	**3,034,348,546**	**-**
Accumulated Depreciation and Impairment								
Opening Accumulated Depreciation	366,604,524	-	88,720,122	6,241,758	107,225,959	2,241,366	571,033,729	-
Depreciation Charge during the year	32,932,832	-	6,046,920	1,013,716	2,280,132	251,383	42,524,983	-
Adjustments							-	-
Disposal/Transfers							-	
Closing Accumulated Depreciation and Impairment	**399,537,356**	**-**	**94,767,042**	**7,255,474**	**109,506,091**	**2,492,749**	**613,558,712**	**-**
Net Carrying Amount	**1,646,397,112**	**708,880,000**	**44,411,620**	**4,060,091**	**16,309,279**	**731,732**	**2,420,789,834**	**-**

Note 7 : INVESTMENT PROPERTY

(Amt. in Rs.)

Particulars	Freehold Buildings (Amt. in Rs.)
Cost	
Cost as at 1st April 2017	11,805,299,904
Additions	-
Adjustments	-
Disposal/Transfers	-
As at 31st March 2018	**11,805,299,904**
Additions	-
Adjustments	-
Disposal/Transfers	-
As at 31st March 2019	**11,805,299,904**
Accumulated Depreciation	
As at 1st April 2017	3,036,138,258
Depreciation Charge during the year	420,208,919
Adjustments	-
Disposal/Transfers	-
As at 31st March 2018	**3,456,347,177**
Depreciation Charge during the year	420,208,919
Adjustments	-
Disposal/Transfers	-
As at 31st March 2019	**3,876,556,096**
Net Book Value	
1st April 2017	8,769,161,646
As at 31st March 2018	8,348,952,727
As at 31st March 2019	7,928,743,808
Fair Value	
1st April 2017	8,769,161,646
As at 31st March 2018	8,348,952,727
As at 31st March 2019	7,928,743,808
	2018-19
Rental Income derived from investment properties	816,187,416
Direct operating expenses (including repairs and maintainance) generating rental income	86,702,020
Profit arising from investment properties	**729,485,396**

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 names 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. 13,967,512,030/- 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 Bomabay High Court

7.7) Additiions to Fixed Assets amounting to Rs. Nil/-(PY Rs. 9,717,014/-) included fixed assets which have neen accounted on the basis of information received from MSEDCL (Civil Section)

Note 8 : Investments

(Amt. in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1stApril 2017 (Amt. in Rs.)
Trade Investments			
Investments in Equity Instruments			
-Unquoted			
-Subsidiary Companies			
1. Maharashtra State Power Generation Co Ltd 50,000 shares ofRs. 10 each (P.Y 50,000shares of Rs. 10 each)	500,000	500,000	500,000
2. Maharashtra State Power Generation Co Ltd 25,247,076,126 shares of Rs. 10 each (P.Y 24,854,286,788 shares of Rs. 10 each)	252,840,762,260	252,470,761,260	248,542,867,880
3. Maharashtra State Electricity Transmission Co. Ltd 50,000 shares of Rs. 10 each (P.Y 50,000 shares of Rs. 10 each)	500,000	500,000	500,000
4. Maharashtra State Electricity Transmission Co. Ltd8,984,924,733 shares of Rs. 10 each(P.Y 8,984,924,733shares of Rs. 10 each)	89,849,247,330	89,849,247,330	89,849,247,330
5. Maharashtra State Electricity Distribution Co. Ltd 50,000 shares of Rs. 10 each (P.Y 50,000 shares of Rs. 10 each)	500,000	500,000	500,000
6. Maharashtra State Electricity Distribution Co. Ltd 47,614,269,904 shares of Rs. 10 each (P.Y 47,245,204,904shares of Rs. 10 each)	476,142,699,040	472,452,049,040	464,965,849,040
- Other Companies			
Ratnagiri Gas & Power Pvt LtdNil (P.Y 516,280,000 shares of Rs. 10 each)			
Kokan LNG Private Limted 74,053,869 shares of Rs. 10 each			
Sub Total (a)	818,834,208,630	814,773,557,630	803,359,464,250
Share Application Money Pending Allotment			
1. Maharashtra State Power Generation Co. Ltd	--	370,001,016	3,927,893,389
2. Maharashtra State Electricity Transmission Co. Ltd	--	--	
3. Maharashtra State Electricity Distribution Co. Ltd	--	1,131,800,000	3,010,000,000
Sub Total (b)	**--**	**1,501,801,016**	**6,937,893,389**
Total (a) + (b)	**818,834,208,630**	**816,275,358,646**	**810,297,357,639**

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Aggregate amount of quoted investments	--	--	

Aggregate amount of unquoted investments	818,834,208,630	814,773,557,630	803,359,464,250

8.1) Investments include Rs. 1,500,000/- paid to subsidiary companies Viz, MSPGCL, MSETCL & MSEDCL (Rs. 500,000/- 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) Share Application Money of Rs.Nil/- (P.Y.Rs. .370,001,016/-) accounted for during the year represent Investment of MSEB Holding Co. Ltd. in Maharashtra State Power Generation Company Ltd directly paid by GOM during the year 2017-18.

8.3) Share Application Money of Rs. Nil/- (P.Y.Rs.1,131,800,000/-) accounted for during the year represent Investment of MSEB Holding Co. Ltd. in Maharashtra State Electricity Distribution Co. Ltd directly paid by GOM during the years 2017-18.

8.4) The investment of the company in MSEDCL of Rs.476,143,199,040/-has been getting depreciated due to continuous losses incurred by MSEDCL. The depreciation in value of shares has not being provided for in the books. Although MSEDCL has incurred profits in the F.Y 2017-18, reserves as on 31st March 2019 are negative.

8.5) Investment in Ratnagiri Gas & Power Pvt Ltd Rs. 5,162,800,000/- (P.Y 5,162,800,000/-): 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 622crores and 913 crores from March 15 to March 16 and March 16 to March 17 respectively.

(Amount in Rs)

Particulars	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.

8.6) The Demerger Scheme of Ratanagiri 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 KLPL.

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 Ltd has also been taken to be Nil as on 31st March 2019.

Note 9 : Other Non-Current Assets

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Security Deposits			
Unsecured, Considered Good			
Deposits – with Telephone Authorities	--	--	
Loans and advances to related parties			
Unsecured, Considered Good			
MSEDCL	36,967,778,922	36,989,081,880	37,193,001,362
Other loans and advances			
Unsecured, Considered Good			
Advances receivable in cash or in kind or in value to be received	322,801	324,633	246,719
Other Deposits	244,779	94,779	81,500
Miscellaneous loans and advances	--	--	
Advance Tax and Tax Deducted at Source (net of provision for tax)	1,520,434,096	1,426,779,890	1,385,800,081
Income Tax paid under Protest	191,700,081		
Total	**38,680,480,679**	**38,416,281,182**	**38,579,129,162**

9.1) Loans and Advances to related parties–MSEDCL of Rs. 36,967,778,922/-(P.Y. Rs. 36,989,081,880/-) and includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 2,070,553,130,/- which are under reconciliation, discussions and deliberations.

9.2) The Company has shown advance tax of Rs. 1,520,434,096/- net of the provision of tax in the books of accounts amounting to Rs. 400,727,729/- and Income tax Paid under Protest of Rs. 191,700,081/- during the year 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 Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Long Term Trade Receivables			
-against rentals from property			
Considered Good over six months	2,654,061,548	2,673,829,858	2,309,265,049
Considered Good not exceeding six months	644,985,572	202,796,947	197,192,957
Less/Add : Allowance for Expected Credit Loss	178,894,084	178,016,831	154,256,682
	3,120,153,036	**2,698,609,974**	**2,352,201,324**

10.1) The debts outstanding against rentals from property due from subsidiaries amounting to Rs. 3,120,153,032/-(P.Y. Rs.2,352,201,324/-) have been long outstanding.

Note 11 : Cash & Cash Equivalent

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Cash and Cash Equivalent			
a. Balances with banks			
In Current Accounts	705,482	302,050	307,072
In Deposit Accounts with original maturity less than 3 months	--	--	
b. Cash on Hand	32,143	--	
c. Cheques on Hand	--	--	
Other bank balances			
In deposits with original maturity of more than 3 months but less than 12 months	288,519,014	356,254,270	388,891,875
Total	**289,256,639**	**356,556,320**	**389,198,947**

Note12 : Other Current Assets

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Prepaid Expenses	227,322	142,226	97,898
Other Advances	---	---	1,000
Interest Accrued and due on fixed deposits	6,109,796	10,286,579	12,554,600
Total	**6,337,118**	**10,428,805**	**12,623,498**

Note13 : Share Capital

(Amt in Rs)

Particulars	**As at 31 March, 2019**		**As at 31 March, 2018**	
	Number of Shares	**Amount**	**Number of Shares**	**Amount**
A) Authorised Share Capital	**99,000,000,000**	**990,000,000,000**	**99,000,000,000**	**990,000,000,000**
99,000,000,000 (P. Y. 99,000,000,00) Equity Shares (hereafter referred to as 'shares') of Rs. 10 each				
B) Issued, Subscribed & Paid up Capital				
88,940,226,502 (P.Y 88,086,541,402) Equity Shares (hereafter referred to as 'shares') of Rs. 10 each fully paid up.	88,940,226,502	88,9402,265,020	88,086,541,402	880,865,414,020
	88,940,226,502	**88,9402,265,020**	**88,086,541,402**	**880,865,414,020**

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

	As at 31 March, 2019		As at 31 March, 2018	
Name of the Shareholder	**No. of shares held**	**% of Total Paid up Capital**	**No. of Shares held**	**% of Total Paid up Capital**
Gov. of Maharashtra and its nominees	88,940,226,502	100%	880,865,414,02	100%
	88,940,226,502	**100%**	**880,865,414,02**	**100%**

b) Reconciliation of number of shares outstanding at the beginning and at the end of reporting year/periods.

Name of the Shareholder	As at 31 March, 2019	As at 31 March, 2018
	No. of Shares	**No. of Shares**
Shares outstanding at the beginning of the year	88,086,541,402	87,392,752,063
Shares issued during the year	853,685,100	693,789,339
Shares bought back during the year	-	-
Shares outstanding at the end of the year	88,940,226,502	88,086,541,402

c) Details of issued, Subscribed & paid up capital during the year.
597,800,100 Equity shares of Rs. 10/- each were allotted on 15-05-2018
255,885,000 Equity shares of Rs. 10/- each were allotted on 16-10-2018

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 prcceding reporting date.

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Equity Shares allotted as fully paid up Bonus	NIL	NIL	NIL	NIL	NIL
Equity Shares issued for consideration other than cash	NIL	NIL	NIL	76,750,709,863	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.

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

Note 14 : OTHER EQUITY

(Amt in Rs)

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**	**As at 1st April 2017**
(i) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	(21,419,290,113)	(21,077,624,479)	(20,693,690,083)
Add: Profit / (Loss) for the year	(320,096,545)	(341,665,634)	(383,934,396)
Closing balance	(21,739,386,658)	(21,419,290,113)	(21,077,624,479)
Total (A)	**(21,739,386,658)**	**(21,419,290,113)**	**(21,077,624,479)**

SHARE APPLICATION MONEY PENDING ALLOTMENT

(Amt in Rs)

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**	**As at 1st April 2017**
100% pertaining to GOM	-	5,978,001,000	6,937,893,389
Total (B)	**-**	**5,978,001,000**	**6,937,893,389**
Total (A+B)	**(21,739,386,658)**	**(15,441,289,113)**	**(14,139,731,090)**

Note 15 : Long Term Provisions

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Provision for Employee Benefits			
Provision for compensated absence	18,050,531	26,576,212	21,356,393
Provision for gratuity	19,672,388	23,903,748	23,438,547
Total	**37,722,919**	**50,479,960**	**44,794,940**

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

Note 16 : Deferred Tax Liability/Asset (net)

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Deferred Tax Liabilities (A)			
Fixed Assets/Depreciation	2,091,389,067	2,247,976,314	2,388,314,265

Deferred Tax Assets (B)			
Employee Benefits	54,220,348	-	2,496,382
Unabsorbed Depreciation	391781024	5,222,848,118	141,580,863
Others	178,897,084	14,440,238,533	19,663,086,651
Total	**624,895,456**	**19,663,086,651**	**19,807,163,896**
Timing Difference(A-B)	**1,466,493,611**	**(17,415,110,337)**	**(17,418,849,631)**
Deferred Tax Assets/Liabilities	**407,978,523**	**(4,798,298,276)**	**(5,567,064,342)**

Till the P.Y. 2017-18 the company had incurred Deferred Tax Assets on account of huge unabsorbed losses. The Deferred Tax Assets was not recognised in the books of accounts as the management felt it was not likely that the Deferred Tax Liability could be realised.

However during the current year 2018-19 company has incurred Deferred Tax Liability on account of revision of income tax returns for the F.Y. 2016-17 and 2017-18 where in losses of Rs. 19,663,086,651/- for F.Y. 2008-09 to 2015-16 have been disallowed.

Note 17: Trade Payables

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Trade Payable under Micro, Small and Medium Enterprises	--	--	-
Others	24,325,776	28,032,172	-
Other Liabilities	7,481,627	652,517	22,823
Total	**31,807,403**	**28,684,689**	**22,823**

17.1) 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 in 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**	**31.03.2019**	**31.03.2018**	**01.04.2017**
1	Principal Amount due and remaining Unpaid	Nil	Nil	Nil
2	Interest Due on above and the unpaid interest thereon	Nil	Nil	Nil
3	Interest paid	Nil	Nil	Nil
4	Payment made beyond the appointed day during the year	Nil	Nil	Nil
5	Interest due and payable for the period of delay	Nil	Nil	Nil

6	Interest accrued and remaining unpaid	Nil	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil	Nil

Note 18 : Other Current Liabilities

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1stApril 2017**
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 /CSPU dues coal/CSPU dues PP			
c) Inter Company Payable			
MSETCL	745,193,846	745,193,846	744,368,035
MSEB Residual	5,546,170	5,546,170	5,746,170
MSPGCL	2,228,948,173	2,227,865,300	2,226,927,202
Other Payables			
Statutory Dues	111,859,882	7,016,688	649,263
Others	252,449	266,651	320,312
Total	**3,091,800,520**	**2,985,888,655**	**2,978,010,982**

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

18.1) Inter Company Payables:

i) Inter Company Payables : MSETCL of Rs. 745,193,846/- (Rs. P.Y. 745,193,846/-) includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 517,638,283/- which are under reconciliation, discussions and deliberations.

ii) Inter Company Payables : MSPGCL of Rs.2,228,948,173/- (Rs. P.Y2,227,865,300/- debit balance) includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 862,730,471/- which are under reconciliation, discussions and deliberations.

iii) Inter Company Payables: MSEB Residual of Rs. 5,546,170/- (Rs. 5,546,170/-) consists of amount payable to the bond holders who could not be identified / traced as stated.

Note 19 : Short Term Provisions

(Amt in Rs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Provision for Employee Benefits			
Provision for compensated absence	6,813,945	4,284,323	12,682,275
Provision for gratuity	9,683,484	5,509,618	17,388,879
Audit Fees Payable	675,000	675,000	6,85,000

Other Provisions	30,609,588	60299,624	4,52,94,902
Total	**47,782,017**	**70,768,566**	**7,60,51,056**

Note 20 : Other Income

(Amt in Rs)

Particulars	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Income from Rentals	816,187,416	384,352,860
Interest on Fixed Deposits with bank	17,346,337	26,063,743
Cash Discount Received	1,833,980	454,892
Rent from Staff Quarters	37,817	6,036
Interest on IT refund	8,502,950	---
Other Miscellaneous Receipts	1,001,012	1,265,467
Total	**844,909,512**	**412,142,998**

Note 21 : Employees Benefits Expense

(Amt in Rs)

Particulars	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Salary	43,352,522	52,142,875
Directors Remuneration	1,187,979	1,014,026
Contribution to provident fund	3,433,181	4,178,643
Total	**47,973,682**	**57,335,544**

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

21.2) Full time Director - Finance Mr Sunil Pimpalkhute for the period August 2018 to March 2019

Note 22: Depreciation and amortisation expenses

(Amt in Rs)

Particulars	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Depreciation and amortisation expense	462,733,902	463,163,935
Total	**462,733,902**	**463,163,935**

Note 23 : Other Expenses

(Amt in Rs)

Particulars	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Administrative and General Expenses		
Rent, Rates & taxes	32,620,120	32,223,887
Legal & Professional Fees	8,922,851	6,845,385

Audit Fees (inclusive of service tax)		
-As an auditor	750,000	750,000
-other matters		
Printing & Stationery	861,117	1,343,144
Conveyance Expenses	105,179	65,430
Fees & Subscription	8,650,416	7,010,710
Telephone	184,279	195,416
Insurance on Fixed Assets	235,000	183,684
Repairs & Maintenance		
-Office Equipments	26,113,866	23,235,332
-Vehicles	319,682	392,262
-Building	58,805,512	42,424,271
-Furniture	4,492,318	4,376,307
Meeting Expense	383,511	313,011
Travelling Expense	465,062	1,027,713
Postage & Telegram	24,856	15,544
Bank Charges & Commission	119,372	1,907
Books & Periodicals	16,994	15,194
Advertisement	6,164,282	1,779,211
Vehicle Hiring Charges	10,163,835	6,988,577
Vehicle Expenses	1,077,950	1,137,217
Electricity Charges	34,591,431	36,988,545
Water Charges	6,519,441	6,229,874
Security Charges	22,076,251	20,906,396
Upkeep of Office Premises	20,590,754	21,863,638
Other Miscellaneous Expenses	2,181,300	2,404,691
Interest as per BMC directives	1,265,796	1,265,796
Provision for Expected Credit Loss	877,253	23,760,149
Total	**248,578,427**	**243,743,292**

23.1) As per the Memorandum of Understanding dated 08/06/2009, the expenditure amounting the Rs.- Nil(P.Y. Rs.30,512,277/-) incurred during the year on account of all taxes including property tax, Non Agricultural tax, Insurance premium, service tax, lease tax if levied by the local authorities, State or Central Government, have been accounted for on the basis of advices received from MSEDCL – Civil Circle, Bandra.

23.2) As per New Memorandum of Understanding dated 09/05/2014 , the expenditure amounting the Rs.34,169,979/- (P.Y. 196,316,488/-) 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.

23.3) In order to comply with provisions of IND AS 8, prior period items (which include 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.) 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 can an entity correct an error prospectively.

As the error due to oversight discovered during the year ended March 2019 relates to the period prior to 31st March 2019 the comparative figures in the balance sheet and the statement of profit and loss for the year ended 31st March 2018 and 1st April 2017 have been restated by giving effect to each of the affected financial statement in line items. The net effect of restatement of Rs 41,021,788/- is reflected in the restated retained earnings as at 31st March'2018.

Sr No.	Particulars	Prior Period Items reflected in accounts of F.Y 2018-19 Amt (Rs.)
1	Reserves	29,068,182
2	Advertisement charges	4,780
3	Miscellaneous Expenses	1,654,503
4	Meeting Expenses	136,825
5	Legal &Professional Fees	414720
6	Repairs and Maintenance (Civil work)	1,477,148
7	Repairs and Maintenance (Furniture)	12,920
8	Security Charges	140,320
9	Repairs and Maintenance (Office Equipment)	406,132
10	Fees & Subscription	6,937,893
11	Upkeep Premises	710,204
12	Water Charges	40,732
13	Exp on Vehicle Hire Charges	17,429
	Total	**41,021,788**

The cumulative effect of the above can be bifurcated into four parts –

a) **Increase in expenses :** Expenses amounting to Rs. 11,953,606/- have increased in the accounts of F.Y 2017-18 as follows-

(Amt. in Rs)

Sr No.	Particulars	Figures of adopted Financials F.Y 2017-18	Figures of Financials F.Y 2017-18(after restatement)	Net Effect
1	Advertisement charges	1,774,431	1,779,211	4,780
2	Miscellaneous Expenses	750,188	2,404,691	1,654,503
3	Meeting Expenses	176,186	313,011	136,825
4	Legal &Professional Fees	6,430,665	6,845,385	414,720
5	Repairs and Maintenance (Civil work)	40,947,123	42,424,271	1,477,148
6	Repairs and Maintenance (Furniture)	4,363,387	4,376,307	12,920
7	Security Charges	20,766,076	20,906,396	140,320
8	Repairs and Maintenance (Office Equipment)	22,829,200	23,235,332	406,132
9	Fees & Subscription	72,817	7,010,710	6,937,893
10	Upkeep Premises	21,153,434	21,863,638	710,204
11	Water Charges	6,189,142	6,229,874	40,732
12	Exp on Vehicle Hire Charges	6,971,148	6,988,577	17,429
	Total	**132,423,797**	**144,377,403**	**11,953,606**

In presence of loss in the F.Y 2017-18, the question of corresponding effect on taxation does not arise.

b) **Decrease in other equity :** Balance in Reserve and surplus have increased from Rs. (21,378,268,324)/- to Rs.(21,419,290,112)/-

c) **Increase in Loss in F. Y 2017-18 :** The loss of Rs. 329,712,027/- has increased to Rs. 341,665,633/-on account of increased expenses.

d) **Change in Earning Per Share (EPS) of F.Y 2017-18 :** Earning Per Share (EPS) has effectively remained unchanged; however the working of the same has differed as below:

Particulars	2017-18	2017-18 (after restating)
Profit/(Loss) after taxes Rs	(329,712,027)	(341,665,634)
Number of equity shares outstanding	87,653,160,664	87,653,160,664
Face value of equity shares Rs/Share	10	10
Earnings per share- Basic Rs.	(0.004)	(0.004)
Earnings per share- Diluted Rs.	(0.004)	(0.004)

Note: 24 Contingent Liabilities and commitments

a) Contingent Liabilities

(Amt. in Rs)

Nature of Dues	As at 31st March 2019	As at 31st March 2018	Period to which the amount relates
Penalty	1,416,557,002	1,416,557,002	A.Y 2006-07
Penalty	1,371,736,837	1,371,736,837	A.Y 2007-08
Penalty	1,271,079,159	1,271,079,159	A.Y 2008-09
Penalty	1,134,815,207	1,134,815,207	A.Y 2009-10
Penalty	980,338,089	980,338,089	A.Y 2010-11
Tax and Interest	92,310,540	92,310,540	A.Y 2010-11
Tax and Interest	82,490,910	82,490,910	A.Y 2011-12
Tax and Interest	158,289,441	158,289,441	A.Y 2012-13
Tax and Interest	115,898,560	115,898,560	A.Y 2013-14
Stamp Duty on issue of shares	--	26,992,556	A.Y 2016-17

24.1) Out of the penalty of Rs. 1,371,736,837/- (P.Y. Rs. 1,371,736,837/-) for the A.Y. 2007-08 Rs. 250,000,000/- have been paid under protest against which stay proceeding are pending under PCIT.

24.2) Out of the penalty of Rs. 1,134,815,207/- (P.Y. Rs. 1,134,815,207/-) for the A.Y. 2009-10 Rs. 100,000,000/- have been paid under protest against which stay proceeding are pending under PCIT.

24.3) Refund of Rs. 95,957,594/- determined for the A.Y. 2011-12 in terms of an order dated 29th November 2018 giving effect to the order of the CIT(A) has been fully adjusted against the demand raised for the A.Y. 2010-11.

24.4) Out of Tax and Interest of Rs. 158,289,441/-(P.Y. Rs.158,289,441/-) for the A.Y. 2012-13

Rs. 75,801,521/- have been paid.

24.5) Out of Tax and Interest of Rs. 115,898,560/-(P.Y. Rs.115,898,560/-) for the A.Y. 2013-14 Rs. 115,898,560/- have been paid.

24.6) During the year, the company has given Corporate Guarantee of amounting Rs 9600 crores in favour of REC on behalf of MSEDCL for grant of loan.

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 25: Operating Leases (IND AS 17)

In the absence of information about Lease period, amount etc of the leasehold land, it is not possible to provide lease disclosure in accordance with Indian Accounting Standard-17.

Note 26 : 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)	
	2018-19	2017-18	2018-19	2017-18
Discount	7.40%	7.15%	7.40%	7.70%
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 & 60 yrs	58 & 60 yrs

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

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Service Cost				
a. Current Service cost	1,333,576	1,756,549	1,643,011	1,664,961
b. Past Service Cost	-	254,942	--	-
c. (Gain)/Loss on settlements	-			-
d. Total Service cost	1,333,576		1,643,011	1,664,961
Net Interest Cost				
a. Interest expense on DBO	2,258,489	2,297,509	2,005,535	1,980,373
b. Interest (income) on plan assets	-	-	-	-
c. Interest expense on effect of (asset ceiling)	-	-	-	-
e. Total net interest cost	2,258,489	2,297,509	2,005,535	1,980,373
Immediate Recognition of (Gains)/Losses- Other Long Term Benefits	-	-	(4,170,522)	(7,545,459)
Other expenses/ adjustments	-	-	-	-
Defined Benefit cost included in P & L	3,592,065	4,309,000	(521,976)	(3,900,125)

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

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
a. Actuarial (Gain)/Loss due to Demographic Assumption changes in DBO	-	-	-	-
b. Actuarial (Gain)/ Loss due to Financial Assumption changes in DBO	353,307	(772,127)	-	-
c. Actuarial (Gain)/Loss due to Experience on DBO	(2,611,784)	(9,662,011)	-	-
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	**(2,258,477)**	**(10,434,139)**	**-**	**-**

Table 3 : Total Cost Recognised in Comprehensive Income

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Cost Recognised in P&L	3,592,065	4,309,000	(521,976)	(3,900,125)
Remeasurements Effects Recognised in OCI	(2,258,477)	(10,434,139)	-	-
Total cost Recognised in Comprehensive Income	1,333,568	(6,125,139)	(521,976)	(3,900,125)

Table 4 : Change in Defined Benefit Obligation

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Defined Benefit Obligation as of Prior Year	32,085,830	40,827,426	28,188,071	34,038,668
Service Cost				

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
a. Current Service cost	1,333,576	1,756,549	1,643,011	1,664,961
b. Past service cost	-	-	-	-
c. (Gain)/Loss on settlements	-	-	-	-
Interest Cost	2,258,489	2,297,509	2,005,535	1,980,373
Benefit payments from plan assets			-	-
Benefit payments directly by employer	(4,063,546)	(2,616,457)	(2,801,619)	(1,950,472)
Settlements	-	-	-	-
Participant contribution	-	-		
Acquisition/ Divestiture	-	-		
Actuarial (Gain)/ Loss – DemographicAssunmptions	-	-	-	-
Actuarial (Gain)/ Loss – Financial	353,307	(772,127)	376,526	(931,390)
Actuarial (Gain)/ Loss – Experience	(2,611,784)	(9,662,011)	(4,547,048)	(6,614,070)
Other Expenses/adjustments				
Defined Benefit Obligation as of Current Year	29,355,872	32,085,830	24,864,476	28,188,071

Table 5 : Change in Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
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	-	-		

Table 6 : Net Defined Benefit Asset/ (Liability)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Defined Benefit Obligation	29,355,872	32,085,830	24,864,476	28,188,071
Fair Value of Plan Assets				
(Surplus)/ Deficit	29,355,872	32,085,830	24,864,476	28,188,071
Effect of Asset Ceiling				
Net Defined Benefit Liability/ (Asset)	29,355,872	32,085,830	24,864,476	28,188,071

Table 7 : Reconciliation of Amounts in Balance Sheet

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Net defined benefit liability (asset) at prior year end	32,085,830	40,827,426	28,188,071	34,038,668
Defined benefit cost included in P&L	3,592,065	4,309,000	(521,976)	(3,900,125)
Total remeasurements included in OCI	(2,258,477)	(10,434,139)	-	-
Other significant events/ One time Ind AS 19 Adjustment	-	-	-	-
Acquisition/ Divestiture	-	-	-	-
Amounts recognized due to plan	-	-	-	-
Employer contributions	-	-	-	-
Direct benefit payments by Employer	(4,063,546)	(2,616,457)	(2,801,619)	(1,950,472)
Effect of changes in foreign exchange rates				
Net defined benefit liability (asset)- end of period	29,355,872	32,085,830	24,864,476	28,188,071

Table 8 : Reconciliation of Statement of Other Comprehensive Income

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Reconciliation of Statement of Other Comprehensive Income				
Cumulative OCI- (Income)/ Loss, Beginning of Period	(8,985,237)	1,448,901	-	-
Total remeasurements included in OCI	(2,258,477)	(10,434,139)	-	-
Cumulative OCI- (Income)/ Loss, End of Period	(11,243,714)	(8,985,237	-	-

Table 9 : Current / Non Current Liability

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Current Liability	9,683,484	5,509,618	6,813,945	4,284,323
Non Current Liability	19,672,388	26,576,212	18,050,531	23,903,748
Non Current asset				
Total	29,355,872	32,085,830	24,864,476	28,188,071

Table 10 : Expected Future Cashflows

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Year 1	9,683,484	5,509,618	6,813,945	42,84,323
Year 2	4,338,373	8,449,398	3,142,971	59,51,316
Year 3	1,716,077	4,265,126	1,427,154	32,35,722
Year 4	3,507,278	4,516,739	2,708,424	37,21,609
Year 5	3,911,465	3,491,641	3,333,674	26,40,942
Year 6 to 10	10,851,062	10,119,671	10,467,851	92,40,287

Table 11 : Components of Defined Benefit Cost for Next Year

	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)
	01/04/2018 to 31/3/2019	01/04/2018 to 31/3/2019
Service Cost		
a. Current Service Cost	1,170,260	1,297,539
b. Past service cost	--	--

	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)
	01/04/2018 to 31/3/2019	01/04/2018 to 31/3/2019
c. (Gain)/ loss on settlements	--	--
d. Total Service Cost	1,170,260	1,297,539
Net interest cost		
a. Interest expense on DBO	1,814,046	1,587,855
b. Interest (income) on plan assets	--	--
c. Interest expense on effect of (asset ceiling	--	--
d. Total net interest cost	1,814,046	1,587,855
Administrative expenses and taxes		
Defined benefit cost included in P&L	2,984,306	2,885,394

Plan Assets

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
The weighted- average asset allocations at the year end were as follows:	0.00 %	0.00 %	0.00 %	0.00 %
Equities	0.00 %	0.00 %	0.00 %	0.00 %
Bonds	0.00 %	0.00 %	0.00 %	0.00 %
Gilts	0.00 %	0.00 %	0.00 %	0.00 %
Pooled assets with an insurance company	0.00 %	0.00 %	0.00 %	0.00 %
Other	0.00 %	0.00 %	0.00 %	0.00 %
Total	0.00 %	0.00 %	0.00 %	0.00 %
Actual return on plan assets	-	-		

Sensitivity Analysis

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
Defined Benefit Obligation	2018-19	2017-18	2018-19	2017-18
Discount rate				
a. Discount rate – 100 basis points	30,621,299	33,526,001	26,228,730	29,937,860

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
Defined Benefit Obligation	**2018-19**	**2017-18**	**2018-19**	**2017-18**
a. Discount rate - 100 basis pointsimpact(%)	4.31%	4.49%	5.49%	6.21%
b. Discount rate - 100 basis points	28,220,433	30,793,369	23,661,436	26,664,856
b. Discount rate - 100 basis points impact(%)	-3.87%	-4.03%	-4.84%	-5.40%
Salary increase rate				
a. Discount rate – 100 basis points	28,204,938	30,786,458	23,635,646	26,628,275
a. Discount rate - 100 basis points impact(%)	-3.92%	-4.05%	-4.94%	-5.53%
b. Discount rate + 100 basis points	30,617,114	33,511,288	26,234,160	29,950,083
b. Discount rate - 100 basis points impact(%)	4.30%	4.44%	5.51%	6.25%

Valuation done by the actuary is relied upon.

Note 27: 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 28: Related Party Disclosure (IND AS 24)

a)

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
5	Aurangabad Power Company Ltd	Subsidiary of MSEDCL
6	Dhule Thermal Power Company Ltd	Subsidiary of MSPGCL
7	MahagujColliaries Ltd	Subsidiary of MSPGCL
8	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 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 Pvt Ltd	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	
Ratnagiri Gas and Power Pvt Ltd	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 Private Ltd	Dividend Received	Nil
	Investment made during the year	74,053,869 shares of Rs. 10/- each
	Closing Balance Investment	74,053,869 shares of Rs. 10/- each and net realisable value is Nil

b) Key Management Personnel:

Shri Arvind Singh	Managing Director
Mr Sunil Pimpalkhute	Director (Finance) & CFO
Mr Subodh Zare	Company Secretary

I. Whole time Director - Finance has been appointed from August 2018 and has drawn remuneration of Rs. 1,187,979/- during the year.

II. Whole time Company Secretary has been appointed on contract basis from August 2015 and salary of Rs 1,280,982/- was paid to him during the year. His contract has been renewed from November 2018.

Note 29 : Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are applicable to the Company. However, no expenditure had been incurred on CSR by the Company had been incurring losses.

	Year Ended 31/03/2019	Year Ended 31/03/2018
2% of average net profits over the last three years	(16,456,296)	(21,072,042)
Amount expended on CSR activity during the year	---	---
Pending obligations towards expenditure on CSR	---	---

Note 30 : Earnings per share as per (IND AS 33)

Particulars	As at 31st March 2019	As at 31st March 2018
Profit/(Loss) after taxes Rs	(320,096,545)	(341,665,634)
Number of equity shares outstanding	88,727,015,216	87,653,160,664

Face Value of Equity Shares Rs/share	10	10
Earnings per share (basic)	(0.004)	(0.004)
Earnings per share (diluted)	(0.004)	(0.004)

Note 31: 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 32: 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 ongoing 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 33 : Recent accounting pronouncements and effective dates

(a) Ind AS 116, Leases :

Ind AS 116 is applicable for financial reporting periods beginning on or after 1st April, 2019 and replaces existing lease accounting guidance, namely Ind AS 17, Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of new lease standard on its financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12 is required to be disclosed. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019.

(c) Amendment to Ind AS 12, Income Taxes :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. At present the standard is not applicable to the Company.

(d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company does not have any material impact on account of this amendment.

Note 34 : Figures for the previous year have been regrouped wherever necessary.

As per our report of even date

For DOOGAR & ASSOCIATES	**Sunil Pimpalkhute**	**Arvind Singh**
Chartered Accountants	Director Finance & CFO	Managing Director
Firm Registration Number: 000561N		
Mukul Marwah	**Pankaj Sharma**	**Subodh Zare**
Partner	CGM (F)	Company Secretary
Membership Number : 511239		
Place: Mumbai	Place: Mumbai	
Date : 04/09/2019	Date : 04/09/2019	

Consolidated Financial Statement 2018-2019

INDEPENDENT AUDITORS REPORT

To The Members of MSEB HOLDING COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of MSEB HOLDING COMPANY LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and para7.2(d) below on the non compliance of certain Indian Accounting Standards (Ind AS), and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, in our opinion the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs (financial position) of the group and its subsidiaries as at March 31, 2019, and their Consolidated loss(financial performance including other comprehensive income), its consolidated cash flows and the changes in equity for the year ended on that date.

2. Basis for Qualified Opinion

In Case of Holding Company (MSEBHCL):

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 finalized on 31st March'2016 vide GR No. Reform2010/ Pr.Ka.117/Urja of Rs 14,453,400,000/- (refer note no. 3.2).

b) The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises ('MSME') Development Act, 2006. Hence, correctness of provision for interest, if any, on outstanding dues to MSME could not be verified.

c) The balances outstanding in the books of the company with its subsidiaries i.e. MSEDCL, MSETCL and MSPGCL are under reconciliation, discussions and deliberations. (refer note no 29 and note no.48(6) and which may have impact on the financial position and certain disclosures in the financial statements and (refer note 47) describing the elimination of related party transaction to the extent of lower of balances in the respective financial statements.

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

In Case of Subsidiary Company (MSEDCL)

We draw attention to the matters described in paragraphs 1 to 16below. The effects of these matters (whether quantified or otherwise) on the Consolidated Ind AS Financial Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.

All the matters referred to paragraph 1 to 16 pertain to Holding Company, except wherever stated otherwise.

1. Property, Plant & Equipment (PPE), Depreciation and Impairment :

a) As mentioned in Note 49(4) to the Consolidated Ind AS Financial Statements, due to non-availability of proper and complete records relating to date of capitalisation of PPE and Work Completion Reports, we have come across instances of non-capitalisation and/or delayed capitalisation (which is not in accordance with requirements of Ind AS 16 'Property Plant and Equipment'), with corresponding impact on depreciation. In the absence of proper audit trail, we are unable to quantify the impact arising on account of non-capitalisation / delayed capitalization, resultant depreciation and consequential impact, if any, on the Consolidated Ind AS Financial Statements for the year under audit.

b) During the year, the Holding Company has capitalized borrowing costs amounting to Rs. 755.63 lakhs (F.Y. 2017-18 Rs. 1,330.23 lakhs) as part of cost of PPE. Capitalization of borrowing costs has been done without identifying qualifying assets, without considering the principles of allocating interest on general and specific borrowings, without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers.

Further, as stated in Note n. 1(f)(1) the Company has capitalized Rs. 48,309.12 lakhs (F.Y.2017-18 Rs. 30,688.02 lakhs) being 15% of cost of additions to CWIP towards employee costs and office & administrative expenses. However, the Company does not have a practice of specifically identifying such expenses attributable to additions to CWIP or to the acquisition of PPE. Capitalization of these costs has been done without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers.

Such capitalisation is not in accordance with requirements of Ind AS 23 'Borrowing Costs' read with Ind AS 16 'Property, Plant & Equipment'. In the absence of sufficient and appropriate audit evidence, we are not in a position to comment on the correctness of the amounts capitalized as above.

Further, employee cost, office and administrative expenses and borrowing costs have also been capitalised in earlier years on similar lines. As a result, the fixed assets are overstated by the amount capitalized and depreciation has also been overcharged. The impact of the same, however, cannot be ascertained and quantified.

Also refer accounting policies on Property, Plant and Equipment as mentioned in Note 1(f)(1)

c) No physical verification of fixed assets was conducted during the year by the management. As a result, the possible impact, if any, on the Consolidated Ind AS Financial Statements, based on outcome of such physical verification, if it had been conducted, could not be ascertained.

d) The Company has not carried out impairment test toward its assets. In the absence of such evaluation, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.

2. Trade Receivables

a) During the year, the Company has derecognized an amount of Rs.1, 14,201.85 Lakhs being electricity duty billed but not collected for the period till 31st March, 2018. Further, during the current year, the Company has not accounted for electricity duty billed but not collected amounting to Rs. 2,064.41 Lakhs. As a result, the amount payable to Government of Maharashtra towards electricity duty and tax on sale of electricity included under Other Financial Liabilities – Current in Note 28 and Trade Receivables in Note 13 are understated by Rs.1,16,266.26 Lakhs.

b) The amount collected from consumers and payable to Government of Maharashtra towards electricity duty and tax on sale of electricity is adjustable against amounts due from Government of Maharashtra towards subsidy grant etc. Hitherto, the said adjustment was being made on receipt of Government Resolution (GR) to that effect. During the year, the Company has voluntarily adjusted an amount of Rs. 4,32,220.42 lakhs payable to Government of Maharashtra towards electricity duty and tax on sale of electricity against amounts due from Government of Maharashtra without receipt of the related GR. As a result, the amount payable to Government of Maharashtra towards electricity duty and tax on sale of electricity included under Other Financial Liabilities – Current in Note 28 and amount due from Government of Maharashtra towards subsidy grant etc. shown under Trade Receivables in Note 13 are understated to that extent.

3. Expected Credit Loss (ECL) on Trade and Other Receivables:

As stated in Note No. 49(5)(II)(i)(a) to the Consolidated Financial Statements, the Company has made provision for expected credit loss under Ind AS 109 'Financial Instruments' in respect of trade receivables. While working out the amount of ECL:

a) The Company has not considered the amount of Rs. 31,451 Lakhs (FY 2017-18 Rs.26,374 Lakhs) due from Global Tower Limited(GTL),a distribution franchisee.

b) The Company has not considered 100% ECL provision on the amount of interest due from consumers, aggregating to Rs.7,08,686.83 Lakhs (FY 2017-18 Rs. 6,03,900.01 Lakhs), in whose cases subsequent recognition of interest has been discontinued, following the accounting policy in respect of recognition of interest as enunciated in Note 1(f)(25)

c) Attention is drawn to Note 1(f)(25) relating to recognition of expected credit loss on trade receivables and other financial assets based on time loss and credit loss. Credit loss has been derived based on provision matrix. However, while preparing the provision matrix, the Company has not taken into account any forward looking information on the behavioral pattern of the customers.

d) As stated in Note 49(5)(II)(i)(a), Trade receivables have been restated in accordance with IT records. These trade receivables are net of credit balances. As informed to us, the Company is in the process of reconciling these credit balances inter-se.

e) While calculating ECL, the Company has adjusted security deposit from consumers after identifying the balances of related consumers. The Company has considered the amount of security deposits as per the IT database and not the amount outstanding as per the books of account. The differences in balances as per IT database and books of account are as mentioned below [Refer Note No. 49(5)(II)(i)(a),]:

(Amt in Rs)

Particulars	*Balance as on 31.03.2019 as per books of accounts (A)*	*Balance as on 31.03.2019 as per IT Database (B)*	*Differences*
Security deposits	*7,54,348*	*7,54,775*	*427*

f) Attention is drawn to Note No. 49 (5) (II) (i) (a), relating to movement in ECL during the year. Considering that substantial amount has been written off as bad debts, we are unable to comment on the basis adopted for providing ECL and adequacy thereof.

g) During the year, the Company has bifurcated the figure of trade receivables of Rs. 48,53,318 Lakhs as at 31st March 2018 between principal amount of trade receivables of Rs. 32,77,524 Lakhs and interest on trade receivables of Rs.15,75,794 Lakhs. Consequently, the related ECL of Rs. 8,88,183 Lakhs as at 31st March 2018, in respect of the same, has also been bifurcated. We are, however, unable to comment on the basis of bifurcation of the related ECL.

In the absence of audit trail / adequate details in respect of matters stated in paragraphs (a) to (g) above, we are not in a position to comment on the consequential impact of the same on the Consolidated Ind AS Financial Statements of the Company for the year under audit.

4. Deferred Tax and Leases:

a) While making disclosure in Note 49(9) of the Financial Statements as per the requirement of Ind AS 12 'Income Taxes', the Company has not considered deferred tax on:

   i. The amount of difference between book and tax base of Freehold Land.

   ii. Difference arising on account of amounts recognised in books of account and amounts to be recognised in accordance with ICDS IV 'Revenue Recognition' (Impact on Taxable income Rs. 5,87,750 Lakhs), ICDS V 'Tangible Fixed Assets' (amount not ascertained) and ICDS IX 'Borrowing Costs' (amount not ascertained).

In the absence of adequate details with regards to it, we are unable to comment upon the disclosed amount of Deferred Tax.

b) In the absence of availability of adequate details, disclosure as required under Ind AS 17 – 'Leases' has not been made.

5. Unexplained Balances and Classification & Presentation thereof :

a) The necessary data/ details pertaining to following accounts were not made available for verification during the course of audit.

(Rs. In lakhs)

General Ledger code	Account Description	Assets/(Liabilities)
10303008	Deposit Cons-Advance payment against energy bill	(1,896.89)
10303011	MISC. DEPOSIT FROM CONSUMER	(182.13)
10303013	Other Miscellaneous Deposits	(1,676.73)
10303015	Deposits from employees	(5.61)
10303016	Security Deposits received from collection agencies	(7,669.06)
10303017	Security Deposits Against Energy of A.G. Pump Under EGS	(555.80)
10303019	Security Deposit Payable to Consumers	(5,992.20)
10303020	Amount under Saubhagya Scheme	(0.52)
10501002	Liability for amount payable to licensees	(471.74)
10501007	SD from Vendor capital	(1,644.65)
10501008	EMD received from supplier & contractor-Capital	(857.11)
10501009	Security Deposits from vendor O&M	(11,344.34)
10501010	EMD received from supplier & contractors - O&M	(4,813.92)
10501011	Security Deposits – Others	(464.02)
10501012	Refund of amount of Non-DDF Scheme	(9,873.37)
10501014	Retention money from suppliers contractors	(1,99,871.58)
10501015	EMD received from Customer	(185.33)
10501017	SD received from Customer	(543.48)
10700501	Deposit for temporary service connections	(2,245.52)
10900605	Dishonour cheque feed to consumer	13.91
10902001	Liability for Supplies/ Works & Maintenance Material Vendor	(70,207.98)
10902002	Payable to FI Vendor	(509.23)
10902004	Payable to Service Vendor	(25.03)
10902009	Payable to Employee as Vendor	(172.37)
10902103	Liability for expenses	(82,016.10)
10902107	Liabilities towards Employee Claims	(1,292.05)
10902108	Deposits from Employee	(42.26)
10902109	Adjustment against supplier Bill	183.94
10902111	Provision for Expenses O&M	(20,777.96)
10902112	Provision for Expenses Capital	(1,362.61)
10902310	Deduction from salary payable to outside party	971.81
10902319	Stale Cheque	(649.34)
10902320	Miscellaneous Recoveries from Staff	(26.92)
10902323	Deposits for execution for Jobs	(10.96)
10902324	Liability for unissued cheques	(391.03)
10902325	Liability for shortages & damages recovery payable	(926.19)

10902338	Amount towards compounding Recovered from Consumer	(1,586.10)
11000002	Provision for liability for expenses incurred by staff	(3,234.82)
20300006	AUC Manual Entry	72,192.90
20600001	Advances to Suppliers/Contractor- Interest Bearing	11,292.87
20600002	Advances to Suppliers/Contractor- Others	31,679.18
20600103	Other Deposits	1,877.67
20600104	Deposits with court Authority	65,292.43
20600209	House Building Advance	3.68
20901022	Dues towards theft of	(3,490.30)
24000004	Scooter Advance	(0.02)
24000006	Computer Advances	3.40
24000008	T.A. Advance	173.17
24000009	Salary Adv.	6.02
24000010	Festival advances	873.11
24000012	Medical Advances	339.68
24000013	L. T. C. Advances	33.56
24000017	Advances to ITI Training Fee	23.69
24100005	Interest accrued and due on staff loans	0.24
24100006	Interest accrued and not due on staff loans	54.10
24100007	Amount receivable from employees	401.55
24100008	Amount receivable from ex- employees	16.17
24100010	Amounts receivables from other State Electricity Boards	9,277.29
24100018	Advance to prospective employees	27.77
24100023	Short remittance by collection agency & employee / Ex-employee	638.08
24100024	Receivable from supplier contractor	77.82

Further various general ledger codes are being used interchangeably resulting in incorrect resultant balances. In the absence of appropriate explanation/reconciliation, we are unable to comment upon accuracy of balances.

The effect of the adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.

b) The balances in various assets and liability accounts include

(i) balances carried forward since trifurcation period and

(ii) balances uploaded on migration to SAP software,

for which adequate details are not available and as such we are unable to comment on such balances and the impact, if any, on the Consolidated Financial Statements.

c) Further, in absence of necessary data/ details, we are unable to comment whether the classification of Assets and Liabilities in to Financial and Non-Financial and their bifurcation in to Current and Non-Current are in accordance with the requirements of Ind AS 32 'Financial Instruments : Presentation' and Schedule – III to Act respectively.

d) Attention is drawn to Note 27 to the Consolidated Financial Statements, relating to sum of

Rs. 3,601.17 Lakhs (F.Y.2017-18Rs. 3,601.17 lakhs) shown as un-identified balance payable towards power purchase and included under Trade Payables – Current (Liability for purchase of power). Party-wise details of the said amount have not been provided to us for verification. As a result, we are unable to comment on the existence of the liability and consequential impact, if any, on the Consolidated Financial Statements of the Company for the year under audit.

e) The Company has various Purchase Orders (PO), which have not been executed as on balance sheet date. In the absence of segregation of such orders between capital and other items, we are unable to comment on the accuracy of the disclosure made in Note 42 (1) towards capital and other commitments.

6. External Balance Confirmations/ Reconciliations :

a) Attention is drawn to Note 49(3) to Financial Statements - Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations followed by the Company needs to be strengthened further. In the absence of proper records / details, we are unable to ascertain the effect of the adjustments, if any, arising from reconciliations and settlement of old dues, possible loss / profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.

b) Attention is drawn to Note 14 and Note 49 (3) to the Consolidated Ind AS Financial Statements regarding non-availability of:

(i) Balance confirmations from Post Offices

The details in respect of balances with Post Office as per books of the

Company for which confirmations are not available are as under:

(Rs. In Lakhs)

F.Y.	Balances with Post Office	
	Total Debit balances	Total Credit balances
2018-19	28,480.38	18,936.05
2017-18	19,691.17	10,800.11

(ii) Reconciliation of Post Offices and District Central Co-operative Bank (DCC) accounts.

c) In the absence of availability of balance confirmations / reconciliations, we are unable to comment on the consequential impact, if any, of the same on the Consolidated Ind AS Financial Statements for the year under audit.

d) As stated in Note 45 to the Consolidated Ind AS Financial Statements, there is a difference of Rs. 22,273 lakhs (F.Y. 2017-18Rs.22, 073Lakhs) in outstanding balances as appearing in the books of account of the Company and its group companies.

Further, as stated in report u/s 143(5), there are differences in receivables and payables between the other generation, distribution and transmission companies.

In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Consolidated Financial Statements.

7. Regulatory Deferral Accounts:

As stated in Note 49(6), during the year, the Company has reversed Regulatory Assets amounting to Rs. 49,500 Lakhs (expenses) [in FY 2017-18 recognised Regulatory Assets amounting to Rs. 4,55,502 Lakhs (income)]. While computing the said Regulatory Assets:

a) The Company has not considered the amount of Rs. 2,39,000 Lakhs provided towards shortfall of Renewable Power Obligation;

b) The Company has not considered amount of Rs. 25,154.65 lakhs being provision made during the year in respect of Income Tax payable for earlier year;

c) The Company has considered the power purchase expenses for the year on actual basis. However, while computing the regulatory asset for the preceding year, the Company had considered the same on the basis of amount approved by Maharashtra Electricity Regulatory Commission (MERC).Necessary adjustment on the basis of actual purchases has, however, not been made;

d) The Company has not taken in to account the efficiency gain arising on account of power distribution as per the MERC guidelines. As per the practice followed by the management, necessary adjustment on this account will be made when the same is approved by MERC.

8. Refund of Regulatory Liability Charges:

As stated in Note no. 49(24), during F.Y. 2003-04 to F.Y. 2005-06, the Company had collected Regulatory Liability charges from the consumers. Out of the amount collected, MERC had passed an order to refund an amount of Rs. 3,22,700 Lakhs to the consumers. The Company has refunded Rs. 3,12,217 Lakhs up to 31.03.2019. The Company has not made provision towards the balance payment of Rs. 10,483 Lakhs.

9. Government Grants :

a) As per Ind AS 20 ‘Accounting for Government Grants and Disclosure of Government Assistance’, Government grants shall be recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortizes the related costs for which the grants are intended to compensate. The Company assumes that all grants received are utilized and the assets are capitalized in the same year. Due to non-availability of sufficient and appropriate audit evidence, we are unable to comment on the consequential impact on the Consolidated Ind AS Financial Statements of the Company.

b) The Company is entitled to interest subsidy under National Electricity Fund (NEF). The Company is recognising such subsidy in the year of approval instead of on accrual basis. This is not in accordance with the requirement of Ind AS 20 ‘Accounting for Government Grants and Disclosure of Government Assistance’.

10. Other Income :

a) The Company has recognised income from service connection charges of Rs. 15,204.22 Lakhs and supervision charges (amount not ascertained) by apportioning the same over the life of related assets instead of recognizing the same in the year of receipt. As a result of the method adopted by the Company, as above, the amounts in respect of the same remain to be recognised as income till 31stMarch, 2019

b) Other Financial Liabilities-Current (Refer Note 28) includes Rs. 7,517.72 lakhs towards encashment of bank guarantee. As informed to us, the same has not been recognised as income pending settlement with the vendors. In the absence of adequate details, we are unable to comment on the accounting treatment given by the Company.

11. Finance Costs:

a) Attention is drawn to Note 49(1) relating to accounting in respect of Delayed Payment Surcharge (DPS).The Company has unilaterally recomputed the delayed payment surcharge (DPS) payable to Maharashtra State Electricity Transmission Corporation Limited (MSETCL) and Maharashtra State Power Generation Corporation Limited (MSPGCL) retrospectively by changing the apportionment of payments to principal and interest. As a result, for the year, there is short provision of DPS amounting to Rs.1,70,036 Lakhs. Further, the Company has written back DPS amounting to Rs.3,77,631 Lakhs, which is included under Other Income in Note 33.

b) Refer Note No. 42(1)(iii)(d) to the Consolidated Ind AS Financial Statements. The Company has made a provision for Delayed Payment Charges payable to Independent Power Producers based on base rate instead of SBI Prime Lending Rate plus 2% as required by the Power Purchase Agreements entered into. The Company has made short provision of Rs. 56,091 lakhs for the year 2018-19 (F.Y. 2017-18 Rs. 1,678.74 lakhs). The accumulated short provision is Rs.1,00,786 lakhs as on 31.03.2019 (Rs. 44,694.87 Lakhs as on 31.03.2018).

12. Employee Benefit Expenses :

a) The Company is giving various allowances to its employees. However, the Company has not evaluated the taxability of such allowances and accordingly has not deducted tax, if any, on these allowances. In the absence of adequate details, we are unable to comment on the compliance of relevant regulations and additional tax liability, if any, arising due to such non-compliance.

b) The Company is liable to pay pension to certain employees. The liability in respect of the same is being accounted on cash basis and has not been actuarially evaluated as required by Ind AS 19 ‘Employee Benefits’. The liability that may arise has not been ascertained and the relevant disclosure as per Ind AS 19 has not been given. In the opinion of the Company, the amount of liability that may arise on this account may not be significant.

c) According to the information and explanations given to us, the Company has disputed the applicability of Employees State Insurance to its employees. The liability, if any, that may arise on this account (amount not ascertainable) has neither been provided nor been disclosed as contingent liability.

d) As stated in Note 44 the Company makes contribution towards Provident Fund administered by Trustees of the Maharashtra State Electricity Board Contributory Provident Fund Trust

(CPF Trust). The said trust has not undertaken actuarial evaluation of its liability as required by Ind AS 19 'Employee Benefits'. In the absence of actuarially evaluated liability we are unable to comment whether any additional provision is required to be made in this regard.

13. Non provision of various expenses:

a) As mentioned in Note 42(1)(iii) to the Consolidated Ind AS Financial Statements, the Company has not provided for the liability towards compensation for incremental coal cost pass through pursuant to New Coal Distribution Policy (NCDP) payable to Adani Power Maharashtra Ltd. (APML) amounting to approx. Rs. 1,80,700 Lakhs (including carrying cost of Rs. 38,600 Lakhs)(F.Y.2017-18Rs. 2,91,741Lakhs).

b) As mentioned in Note 42(1)(iii)(g) to the Consolidated Ind AS Financial Statements, the Company has not provided for liability towards fixed charges payable to Ratnagiri Gas Power Pvt. Ltd. (RGPPL) amounting to Rs. 3,51,004 Lakhs (F.Y.2017-18 Rs.2,88,323.32 Lakhs). Sum of Rs. 18,101.07Lakhs (F.Y. 2017-18 Rs. 18,101.07 Lakhs) paid to RGPPL has been shown as advances.

14. Contingent Liabilities :

The contingent liabilities as disclosed in Note 42(1) of Consolidated Ind AS Financial Statements is based on information as provided and confirmed by the management. In the absence of adequate documentation by the Company and adequate audit trail, we are unable to comment on the completeness of the disclosure of the contingent liabilities.

15. Other Items:

a) The Company has shown a sum of Rs. 1,22,153.35 Lakhs(F.Y. 2017-18 Rs. 1,22,426.79 Lakhs) and Rs. 70,207.98 Lakhs (F.Y. 2017-18 Rs. 80,418.33 lakhs) as liabilities towards Clearing Goods Receipt Invoice Receipt (GRIR) and Liability for supplier Work & Maintenance. These balances are net of debit balances. In the absence of requisite data and audit trail, we are not in position to ascertain the impact on the Assets and Liabilities of the Company.

b) As stated in Note no. 45 to the Consolidated Ind AS Financial Statements, there is a difference of Rs. 22,273 lakhs (F.Y. 2017-18 Rs.22,073 lakhs) in outstanding balances as appearing in the books of account of the Company and its group companies.

Further, as stated in Para report u/s 143(5), there are differences in receivables and payables between the other generation, distribution and transmission companies.

In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Consolidated Ind AS Financial Statements.

c) Attention is drawn to Note 49(11) to the Consolidated Ind AS Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties. The liability on this account, if any, has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the profit for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Company.

d) No provision has been made by the Company towards the TDS liability (including interest) amounting to Rs. 3,615.35 Lakhs (PY. Rs.3416 lakhs) in respect of various financial years.

e) While computing the amount towards contribution to contingency reserve on cumulative basis, the Company has considered the value of gross block of fixed assets (original cost) which is different from the value as appearing in its books of account. In the absence of relevant details, we are unable to comment on the adequacy of contribution to contingency reserve.

f) On the basis of checks carried out by us during the course of our audit certain system/ control issues related to computation of depreciation, were observed resulting into incorrect computation of depreciation, which has since been rectified. In the absence of any systems audit being conducted by the Company, we are unable to comment on existence of other system related deficiencies, if any. Impact of the same is not ascertainable.

16. Various qualifications listed in paragraphs 1 to 15 above and matters referred to in paragraphs1 to 5 of Emphasis of Matter Paragraph below will have a consequential impact on provision for Income Tax, Regulatory Assets and Deferred Tax. Impact of the same is not ascertainable.

Our report of the Holding Company for the preceding year was also modified in relation to paragraph no. 1 (a to c), 3 (a), 3 (c to e), 5 (b to d), 6, 8, 9 (a), 11 (b), 12,15 (a to c).

The effects of the matters described above, which could be reasonably determined/quantified, on the elements of the accompanying Consolidated Ind AS Financial Statements are tabulated as under:-

Impact on Statement of Consolidated Profit & Loss

(Rs. in Lakhs)

Sr. No	Relevant Paragraph	Particulars	FY 2018-19	
			Overstated	Understated
1	11(a)	Delayed Payment charges	5,47,667	
2	11(b)	Power purchase - Delayed payment charges	56,091	
3	13(a)	Non provision of expenses – Coal pass through	1,80,700	
4	13(b)	Non provision of expenses - fixed charges	62,681	
		Total	**8,47,139**	

Impact on Consolidated Balance Sheet

(Rs. in Lakhs)

Sr. No	Relevant Paragraph	Particulars	FY 2018-19	
			Overstated	Understated
1	3(e)	Security deposits		427
2	11(a)	Delayed Payment charges-Trade Payable		5,47,667
2	11(b)	Current financial liabilities – DPC- short provision		1,00,786
3	13(a)	Non provision of expenses - coal pass through		1,80,700
4	13(b)	Non provision of expenses – fixed charges		3,51,004

5	8	Current financial liabilities – Regulatory Liabilities		10,483
6	10(a)	Other non-current liability-Service connection charges	15,204	
7	15(d)	TDS liability-Provisions		3615.35
7		Other Equity	11,79,478	

In case of Subsidiary Company (MSPGCL):

1. The balances of trade receivables, loans and advances, deposits and trade payables are subject to confirmation from respective parties and/or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not made. However, we are informed that the Company has sent letters asking for confirmation to its vendors and wherever such confirmations are received the same is getting reconciled and we are informed that such reconciliation is a continuous and an on-going process for the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the loss for the year of the Company.

2. Attention is invited, in particular, to balance recoverable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) of Rs.13442.89 Crores, balance recoverable from Maharashtra State Electricity Transmission Company Limited (MSETCL) of Rs.108.85 Crores are subject to confirmation and reconciliation. However, we are informed that the Company has sent letters asking for confirmation but replies are not received by the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the loss for the year of the Company.

3. The balances of Coal Companies are subject to confirmation from respective coal companies and reconciliation. Majority of the balance pertains to old outstanding unadjusted balances since past few years. In our opinion, the company does not have a reconciliation based on General Ledger balances. In absence of the same we are unable to comment on consequential impact on the financial statements of the Company. The details of Coal Company-wise outstanding advances are as under:

(Rs. in Crores)

Name of Supplier	**Balance as per MSPGCL books as at 31st March, 2019**
Singareni Collieries Co Ltd	15.66 Cr.
South Eastern Coalfield Ltd (SECL)	271.66 Dr.
Western Coalfields Limited – WCL	397.31 Dr.
Mahanadi Coalfields Limited	18.04 Dr.
Total	**671.35 Dr.**

Pending such confirmation and completion of reconciliation and proper posting of debit notes issued by the coal companies, no provision has been made for the performance incentive bills / short lifting of coal. Impact is unascertained since the Company has disputed these claims and also has lodged certain counter claims against coal companies. In view of the same, we are unable to comment on consequential impact on the financial statements of the Company.

4. The balances of Railway companies are subject to confirmation. Majority of the balance pertains to old outstanding unadjusted balances since past few years, which is highlighted as under:

(Rs. in Crores)

Name of Supplier	**Balance as per MSPGCL as at 31st March, 2019**
South Central Railways (Account 30000)	9.12 Dr.
South East Central Railways (Account 30001)	193.18 Dr.
Central Railways (Account 43000)	65.70 Dr.
Total	**268.00 Dr.**

Pending such confirmation and completion of reconciliation, the consequential adjustments in financial books could not be made. In view of the same, we are unable to comment on the consequential impact on Financial Statements of the Company.

In case of Subsidiary Company MSETCL

1. The following items form the basis for our qualified opinion:

a) Attention is invited to note no. 51(12) of Consolidated Ind AS Financial Statement giving details about accumulated Delayed Payment Charges ('DPC') as at March 31, 2019 amounting to Rs. 85,499 Lakhs (with reference to 8 distribution licensees) relating to Financial Year 2015-16 under the head **'Other Income'.** The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC had reduced the Aggregate Revenue Requirement ("ARR") of the Company for F.Y. 2015-16 by the said amount, and classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realisability of such income are not available with the Company. The accounting of such DPC as 'Other Income' in FY 2015-16 is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in note No. 1(f)(9) states that "Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain". Had the Company not recognized such income of Rs. 85,499 Lakhs in the said earlier year, its balance of the retained earnings in the Profit & Loss Account and balance of Trade Receivable Account would have been lesser to that extent.

b) Party- wise break up of trade receivables with ageing is not readily available from the system. The details of ageing of Trade receivables prepared manually contained some inaccuracies. Hence, it could not be fully verified in the course of our audit; accordingly, we are unable to comment upon adequacy of provision based on simplified version of Expected Credit Loss ("ECL") Method.

c) Further, details/breakup/confirmations of Trade receivables aggregating to Rs. 2,44,537.77 Lakhs, sought for, were not made available for verification in the course of our audit. Consequential impact of ascertainment of the realisability from these Trade Receivable and resultant provision, if any, for bad and doubtful debts on the Standalone Ind AS financial statements is not ascertained. Based on selective checking of available data/information from the system and from State Transmission Utility ("STU") invoicing cell, it was noticed that trade receivables from several parties totaling Rs 2,393.89 Lakhs are considered doubtful of recovery but not provided for.

d) In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipment's ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on electronic spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations and as a result several instances of charging excess depreciation on assets were noted. Further, in several cases the depriciation is manually worked out and provided at the Head office for the assets located in Zone or Region for the reason of mismatches in dates of capitalization, critical spare items capitalization etc. In absence of complete data/details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation is not ascertained.

e) Based on the scrutiny of available details of free hold land, it was noticed that in the past, several items of leased land have been clubbed under this head; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/details of such instances, the impact thereof on Standalone Ind AS financial statements is not ascertained.

f) The policy about inventory valuation of the Company Note No 1(f)(6) states that inventories are valued at lower of cost or net realizable value ('NRV') but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Ind AS financial statements is not ascertained.

g) No inventory or data/details/description could be furnished for verification for the "Assets not in use – held for sale" (GL code 222010) amounting to Rs. 3,599.17 Lakhs; moreover, such assets are held at their carrying value instead of at lower of carrying value or net realizable value. The impact, if any, thereof on Standalone Ind AS financial statements is not ascertained.

h) The government Grants received by the Company of Rs. 23,850 Lakhs in Financial Year 2006-07 towards capital assets for specific projects out of which Rs. 17,051.61 Lakhs are deferred for recognition as revenue as at March 31, 2019. The details of these grant with specific assets there against and condition to be satisfied for the same are not made available for our verification. Hence, correctness thereof pertaining to accounting in terms of provisions of Ind AS 20, cannot be commented upon.

i) The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises ('MSME') Development Act, 2006. Hence, correctness of provision for interest, if any, on outstanding dues to MSME could not be verified.

j) The Company's system/processes to ascertain provision towards leave encashment, based on actuarial valuation needs to be strengthened, as the data of un-availed leave generated from the system and furnished to the actuary for valuation, was observed to be far in excess of the maximum leave allowed to be carried forward in respect of the employee i.e. 300 days in many instances. Accordingly, we are unable to comment upon the adequacy or otherwise of the actuarial valuation made in respect of leave encashment in the books of accounts.

k) The prior period items of Income and expenses have been disclosed by the Company in Note No.51(14) but the same have not been restated/ recasted in the respective previous years as mandatorily required under Ind AS 8.

l) Pursuant to Central Electricity Regulatory Commission ('CERC') order dated 19th December 2017 pertaining to FY 2014-15, the company has recognized an amount of Rs. 599 Lakhs as income during the year as against receipt of Rs. 9,205 lakhs, which until previous financial year was accrued fully as income. Impact of the said order for earlier period remains to be given in the accounts, as a result of which, Surplus in Profit and Loss Account would be lower, and Trade Creditors would be higher by amount which has not been ascertained by the company.

m) The deposits from customers towards Outright Contracts ('ORC') amounted to Rs.80,304.65 Lakhs as at March 31, 2019. The company recognizes its supervision charges upfront as income on receipt of deposit and not as and when supervision services are provided, which is in contrary to the provisions of Ind AS 115 "Revenue from Contracts with Customers".

n) During the year company has collected Rs. 4,762 Lakhs from consumers on account of Partial Open Access and recognized the same as income. In the absence of required data/details thereof, the basis, quantum and completeness of such income recognized during the year could not be verified.

o) It is noticed in course of audit that 66KV substations/transmission lines having Gross Book Value amounting to Rs. 17,846.08 Lakhs and accumulated depreciation Rs.12,260.47 Lakhs as at 31st March,2019 are not in use for the operations of the Company. Pending testing for impairment of the same, we are unable to comment upon the carrying value of such assets in the books of accounts.

p) The amounts remaining and recognized in the following GL heads/codes are subject to confirmation and reconciliation. The necessary data/details pertaining to following were not made available in the course of audit for verification:

(Rs. In lakhs)

GL	Name of Account heads	2018-19 Rs. In Lakhs Asset/Exp (Liability/income)
100050	Grants towards cost of Capital Assets	-17,051.61
121020	Private Bonds Interest Accrued but Not Due	-1.488.25
122010	Reversal of Opening DTL	3,499,92
123030	Security Deposits	-4,708.90
123040	Security deposits of jobs/works	-12,659.64
123050	Earnest Money	-1,752.30
123060	Retention money of Vendor	-69,702.38
123070	Misc. Deposits – Vend	-640.43
123090	Advances from Customer	-135.17

123100	Other Deposits from Consumers- O. R. C. Deposits	-80,304.65
123110	Retention GL for liquidity charges from vendor	-11,305.51
130010	GR / IR CLEARING Account	-6,192.87
130020	EMD Dummy entry	-399.41
131010	Sundry Creditors Payable Domestic (other than SME)	-25,012.28
132010	Sundry Creditors FI Vendor	-6.05
133010	Sundry Creditors - Inter Company	-2,863.68
134010	Sundry Creditors Employees	-13.84
140060	Misc. deposits from Employee	-44.23
146010	Deduction of Labour Cess Amt	-628.69
150010	Provision for Capital Works	-12,264.68
150020	Provision for O&M works	-35.75
150030	Provision for Expenses – Others	-1,479.71
150040	Provision for Expenses – Employees	-3,872.53
150060	Provision for Interest - Contractors Deposits	-0.09
150070	Provision for loss pending investigation	-467.23
150130	Provision for Int on Late Payment of Service	-267.24
219701	ACC Dep not in use	-10,651.35
222010	Assets Not in Use	14,250.92
223010	Loss to Fixed Assets pending Investigation	-0.4
230040	AUC Cost of Land Dev. On Leasehold Land -Volt.F100KV	21.08
230050	AUC Cost of Land Dev. On Leasehold Land -Volt.G132KV	352.84
230060	AUC Cost of Land Dev. On Leasehold Land -Volt.H220KV	381.86
232010	AUC OTHER BLDGS-OFFICE, QRTS, TRAINING CENTRE	751.99
237010	AUC Others	17,858.63
237020	AUC LE	161.23
237030	AUC ORC	5,232.35
237040	AUC SOFTWARE DEVELOPMENT	23.76
237060	CWIP (Govt Grant Impact)	2,318.87
255010	Material pending investigation	1.11
255020	Loss due to Material pending investigation	200.11
255040	MASA Stock (Physical Verification of Inventor	-114.44
256010	Obsolete materials stock (including scrap)	567.78
260010	STU Sundry debtors for Trans. Charges	-17.44
260011	Sund.Drs -Trans Chgs	1,55,142,02
260030	STU Sundry Debtors for STOA / SLDC Charges	-1.08
260031	STU Sundry Debtors for STOA / SLDC Charges	399.69

260040	Sundry Debtors – Others	76,543.81
260060	Sundry Debtors - Inter Unit Account	2,100.52
290010	Advances to Contractors /Suppliers - O&M	1,218.35
290020	Capital Advance for Projects	493.87
293050	Miscellaneous Loans & Advances	207.27
294030	Income Accrued but not Due on Staff Loans &	48.73
295030	TR Fee Pd To ITI To Be Recov from Dep of Dece	3.29
296040	Receivable from Tax Authority	1.85
296050	Exp recov from Suppliers	77.64
296060	Exp.recovfromContractors	171.65
296061	Current Amortised Transaction Cost	12,470.78
297020	Other Deposits	6,999.07
297050	FDR as Security Depo	6.88
300040	Rev.Twds. Short term open Access Chg MOU	-1,051.20
300060	Monthly SLDC Operating Charges	-1,788.50
300070	Rescheduling Charges	-316.96
310010	Interest from Staff loans and advances	-9.82
380040	Other Miscellaneous Receipts (GST taxable)	-2,319.56
380041	Other Miscellaneous Receipts (Non-GST)	-139.06
400050	Material Consumption – Project	-8,537.95
430100	IT & Communication related Exp	1,194.97
440010	Fees & Subscription	651.63
453010	Intangible assets Written-off	149.35
475040	Other Income related to prior period	183.5
475110	Depreciation under provided for previous year	922.18

The effect of the adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/loss that may arise on account of non-recovery or partial recovery or write-back thereof is not ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/liabilities under ‘Current’ or ‘Non-current’ head could not be accurately verified.

We conducted our audit 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 Consolidated Ind AS 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 Consolidated Ind AS financial statements under the provisions of the Act and the Rules made there under, 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 Consolidate Ind AS financial statements.

3. Emphasis of Matter

In Case of Holding Company (MSEBHCL)

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

1. Refer note no. 48.20 where the company has shown advance tax of Rs. 1,520,434,890/- net of the provision of tax in the books of accounts amounting to Rs. 400,727,729/- and 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.

2. Refer note no. 48.3 where the debts outstanding against rentals from property due from subsidiaries amounting to Rs.3,120,153,032/-(P.Y.Rs.2,352,201,324/-) have been long outstanding.

3. The company has booked GST on guarantee issued to subsidiaries companies and the rate taken is subject to management internal assessment and no legal vetting is done. The liability and interest though provided is still not paid as on date of balance sheet.

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 is from the date of their joining instead from the day they are deputed in MSEBHCL i.e. from F.Y 2013-14.

5. Refer note no-48.4 where the company has suo-moto given up the claim of deduction of "interest and finance charges" which has resulted in change in the carry forward business losses and unabsorbed depreciation. During the year the company has revised the income tax returns for last years and the brought forward losses as per Income tax returns has been reduced substantially therefore the company has accounted for deferred tax liability amounting to Rs 4,07,978,523/- on account of such revision in Income tax returns.

Our report is not qualified in respect of above matters.

In Case of Subsidiary Company (MSEDCL)

Attention is invited to the following matters:

1. As stated in Note 6 & Note 13 to the Consolidated Ind AS Financial Statements, the Holding Company has made provision of Rs.14,378.59 Lakhs for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable on balances outstanding as on transition date i.e.01.04.2015 on account of impracticability instead of its origination date.

2. Attention is drawn to Note 42(1) with regards to the Contingent Liabilities, which are significant in relation to the net worth of the Holding Company at the year end. In the opinion of the management, these are not expected to result into any material financial liability.

3. As stated in Note 49(1), the accumulated losses of the Group as at 31st March 2019 are Rs. 26,38,424.53 Lakhs which exceed 50% of the net worth of the Group. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds, whenever required, the Consolidated Ind AS financial statements have been drawn up on going concern basis and no adjustment is considered necessary to the carrying value of assets and liabilities.

4. As stated in Note 49(23) to Consolidated Ind AS Financial Statements, the Holding Company is required to invest every year an amount equivalent to contingency reserve created during the last year as per Maharashtra Electricity Regulatory Commission (MERC) Guidelines. However, the Holding Company has made an earmarked investment of Rs. 18,573 Lakhs as against the contingency reserve of Rs. 95,700 Lakhs as on 31st March 2019.

5. In the case of the Holding Company, there have been recognition of few expenses, more particularly repairs and maintenance, on cash basis instead of accrual / mercantile basis. In the absence of complete audit trail, we are not in a position to ascertain the consequential impact of the same on the Consolidated Ind AS Financial Statements of the Holding Company for the year under audit and other statutory compliances arising there from.

6. In respect of subsidiary, it has negative net worth, negative operating cash flows and has suffered losses in current year and earlier years. These events indicate the existence of a material uncertainty that may cast significant doubt on the subsidiary's ability to continue as a going concern, and therefore it may be unable to discharge its liabilities in full in the ordinary course of business/activities.

Our opinion is not modified in respect of these matters.

In Case of Subsidiary Company (MSPGCL):

We draw attention to following notes:

Maharashtra State Power Generation Company Limited.

a) Attention is invited to Note No. 50(11)(b) regarding write back of Expected Credit Loss provision of Rs.982.28 Crores made in earlier years in respect of Delayed Payment Surcharge bills raised on MSEDCL, for the reasons and management perception stated therein.

b) Note no. 44 regarding accounting of shortfall/excess if any, based on the provisional accounts of the Contributory Provident Fund (CPF) and the required disclosures under Ind AS 19 ‘Employee Benefits’, in the absence of the requisite details and information from the Group’s CPF Trust.

c) Note no. 43 regarding lease agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed.

Subsidiary Company of MSPGCL: Mahaguj Collieries Limited

i) Note No.1.1 of Significant Accounting Policies in Notes to Accounts which indicates that the Company has accumulated losses and its net worth excluding borrowings from its parent companies has been fully eroded, the Company has incurred net loss during the current and previous year(s) and the Company’s current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 1.D of Significant Accounting Policies forming part of financial statements.

ii) Note No. 2.2 forming part of financial statements regarding non provision for the expenses amounting to Rs. 54,40,70,111/- incurred in previous financial years for various operative expenses for development of Machhakata-Mahanadi Coal Block, which had been cancelled by Hon’ble Supreme Court in 2014 and the reimbursement of which has not yet been considered by Ministry of Coal, Government of India as the same has not been allotted to any new allottee as on date. The management is of the opinion that the adjustment / provision will be made in books of accounts only after the finalization of valuation process and on allotment of the above coal block to the new allottee is approved by Ministry of Coal, Government of India.

iii) Note No. 42(III)(10) to the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company by M/s Adani Enterprises Limited.

Subsidiary Company of MSPGCL: Dhopave Coastal Power Limited

The accounts of this subsidiary company are not prepared on Going Concern Basis as the management has decided to close down the Company and Government permission in this regard is awaited.

Our opinion is not qualified in respect of above matters.

4. Key Audit Matters (MSPGCL)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matters.In case of Holding Company, we have determined the following matters as Key Audit Matter/s for the year.

(i) Contingent Liability/ Contingent Assets

There are a number of litigations pending before various forums against the Company and the management’s judgment is required for estimating the amount to be disclosed as contingent liability. Coal companies have made various claims on the Company and management has made counter claims on these coal companies based on its perception.

We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias. These said claims and counter claims require management estimates and interpretation of various matters, issues involved and are subjective in nature.

(Refer Note No. 42 to the Consolidated Ind AS Financial Statements, read with the Accounting Policy No. 20)

We have obtained an understanding of the Company’s internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and contingent assets and adopted the following audit procedures:

- understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases;

- discussed with the management any material developments and latest status of legal matters;

- read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions, if any, obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities and contingent assets;

- examined management's judgments and assessments whether provisions are required;

- reviewed the adequacy and completeness of disclosures;

Based on the above procedures performed, the estimation and disclosures of contingent liabilities and contingent assets are considered to be adequate and reasonable.

(ii) Revenue Recognition on account of Surcharge Recoverable from MSEDCL and Provision for Expected Credit Loss made there against in earlier year

The company records revenue from sale of power as per the principles enunciated under Ind AS 115, based on tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC) as modified by the orders of Appellate Authorities.

The company recognizes Delayed Payment Surcharge i.e. interest on delayed payments from MSEDCL in terms of PPA and MERC Regulations.

This is considered as key audit matter due to the nature and the fact that MSEDCL did not pay the bills over last many years and was requesting for a waiver. Finally MSEDCL recognized Company's bills as liability on 31st March, 2018 and management's perception regarding Expected Credit Loss in this regard involves significant judgment which is subject to bias and that makes recognition and measurement of revenue from sale of power and surcharge being complex and significant.

(Refer Note No. 42 to the Consolidated Financial Statements, read with the Significant Accounting Policy No. 9)

We have obtained an understanding of the MERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition

and measurement of revenue from sale of power and adopted the following audit procedures:

- Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from sale of power and delayed payment surcharge.

- Verified the accounting of revenue from sale of power based on tariff rates approved by the MERC as modified by the orders of Appellate Authorities.

- We have been explained and understood the risk assessment and reassessment done by management and its perception regarding provisioning for Expected Credit Loss and its subsequent addition/ reversal on such reassessment as may be applicable.

Based on the above procedure performed, the recognition and measurement of revenue from sale of power and provisioning for ECL are considered to be adequate and reasonable.

5. Information Other than the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS 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'

6. Management's Responsibility for the Consolidated Financial Statements

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

- In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

- The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 controls.

- Obtain an understanding of internal financial controls 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 and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS 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 However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the Consolidated Ind AS 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 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.

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

8. Other Matters

In case of Holding Company (MSEBHCL)

We did not audit the financial statement/ financial information of the three subsidiaries, whose financial statement reflect total Assets of Rs20,049,164.76 and Revenue of Rs11,205,515.99 (before eliminations) as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors, whose reports have been furnished to us by the management, and our opinion, on the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of such subsidiaries and our report in terms of section 143(3) & (11) of the act, in so far as it relates to subsidiaries, is based solely on the report of the auditors.

Our opinion is not qualified in respect of above matters.

In case of Subsidiary Company (MSPGCL)

(a) We did not audit the financial statements / financial information of 3 subsidiaries whose financial statements / financial information reflect total assets of Rs.54.76 Crores as at 31st March, 2019, total revenues of Rs.0.01 Crores and net cash in-flows amounting to Rs.0.07 Crores for the year ended on that date, as considered in the consolidated financial statements.

(b) The consolidated financial statements also include the Group's share of net loss of Rs.0.22 Crores for the year ended 31st March, 2019 based on the unaudited financial statements/ unaudited financial information received by management of the Company.

(c) We state that the financial statements / financial information of three subsidiaries have not been audited by us. These financial statements / financial information of subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management. In respect of two associates the financial statements/financial information is based on the unaudited provisional financial statements / financial information as received the management of the Company.

(d) Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

In case of Subsidiary Company (MSETCL)

The Consolidated Ind AS Financial Statements also include the Company's share of net profit of Rs. 506.16 Lakhs for the year ended 31 March 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of two Associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associates, and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associates is based solely on the reports of the other auditors.

Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

In Case of Subsidiary Company (MSEDCL)

We did not audit the financial statement and other financial information in respect of the subsidiary, whose financial statement includes total assets of Rs 10.70 Lakhs as at 31st March 2019, total revenue of Rs. 0.66 Lakhs and net cash outflow of Rs 0.05 Lakhs for the year then ended on that date. These financial statements and other financial information have been audited by other auditor, whose report has been furnished to us by the Management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

9. Report on other legal and regulatory requirements

1. As required under Section 143(5) of the Companies Act, 2013, report on direction/ sub directions issued by the Comptroller and Auditor General of India under sub-section (5) of section 143 of the act has been given along with the Standalone Financial Statements of the company and of its subsidiary company. Hence these reports have not been reproduced along with the respect.

2. As required by Section 143(3) of the Act, based on our audit, we report that :

    a. We have sought and, except for the possible effect of the matter described in basis for qualified opinion, 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 Consolidated Ind AS Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated 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 basis of qualified opinion, 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 A”.

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:

a. The Consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements refer Note 42 to its Consolidated Ind AS Financial statements.

b. Due to effects of the matters (whether quantified or otherwise) described in the basis of Qualified Opinion paragraph, we are unable to state whether the Group Company has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts. According to the information and explanations given to us & based on the consideration of the report of the other auditors, the group company have not entered into any derivative contracts.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Subsidiary Company except for MSETCL where the amount of Rs1488.25 lakhs of "Private Bonds Interest Accrued but not Due" is standing in the books accounts for more than 7 years details whereof is not available. Accordingly, respective auditors are unable to comment. Further, delay exceeding one month in transferring an amount of Rs 4.8 lakhs to "Investor Education Protection Fund" was also observed by the auditors of the same.

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N

Mukul Marwah
Partner
M.NO. 511239
UDIN: 20511239AAAAAN3656

Place: New Delhi
Date: 23/06/2020

"Annexure A" to the Independent Auditor's Report

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of MSEB Holding Company Limited (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date. The auditors of Subsidiary companies have audited the internal financial controls over financial reporting as of March 31, 2019.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

In the case of Holding Company: MSEBHCL

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

In the case of Subsidiary Company: MSETCL

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company's internal financial controls system over financial reporting and design thereof needs to be improved to eliminate control lapses and make it comprehensive. Based on selective verification of process controls matrixes made available to us which require to be updated for some identified processes and risks, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

Based on considerations of reporting of the other auditors of Associates as mentioned in the other matter paragraph, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two Associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

In the case of Subsidiary Companies: MSPGCL

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified, in case of holding company, Maharashtra State Power Generation Co. Ltd as at March 31, 2019 wherein the internal controls were not operating effectively.

(1) The Company's internal financial control over timely adjustments of advances to suppliers and provision for liabilities made there against;

(2) The Company's internal financial control/policy over timely finalization and levying of liquidated damages;

(3) The Company's internal financial control over maintenance of subsidiary records pertaining to employees

(4) Interest payments to MSME vendors are not operating effectively. This material weakness may result in incorrect valuation of liabilities and assets of the Company.

In case of a subsidiary company i.e. Mahaguj Collieries Limited, not audited by us, the other auditors have reported as under:

"Disclaimer of Opinion

According to information and explanation given to us, the Company has not established internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company and the disclaimer, subject to the "Emphasis of Matters" paragraph in our main audit report, does not affect our opinion on the financial statements of the Company."

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion:

Being a Government undertaking, the Company's internal control process over financial reporting is designed by way of various Manuals, Rules, Circulars and instructions issued from time to time and our opinion is based on the internal control process over financial reporting as defined therein. During the course of our audit of financial statements, we have on test checking basis and on review of adequacy of internal control process over financial reporting, have identified some gaps both in adequacy of design of control process and its effectiveness which have been reported in "Basis for Qualified Opinion" above.

Except for the effects/possible effects of the material weakness stated at paragraph (1) on "Basis for Qualified Opinion" above on the achievement of the objectives of the control criteria, in our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Consolidated Ind AS Financial Statements of the Company.

The material weakness stated at paragraph (1) on 'Basis for qualified opinion' above with respect to timely adjustments of advances to suppliers and provision for liabilities made there against has affected our opinion on the Consolidated Ind AS Financial Statements of the Company and we have issued a qualified opinion in our main audit report.

The other material weaknesses stated in the paragraph (2, 3, and 4) of the "Basis for qualified opinion" above, do not affect our opinion on the Consolidated Ind AS Financial Statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. We state that such reports have not been received from two associates of the Company.

Our opinion is not qualified in respect of the above matter.

In the case of Subsidiary Company: MSEDCL

Inherent limitation of Internal Financial Control Over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us and based on our audit, as informed to us, the Holding Company is in the process of establishing a framework for internal financial controls with reference to Consolidated Ind AS Financial Statements on criteria based on the essential components of internal control stated in the Guidance note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. In this regard, we have been informed that the Holding Company has identified various risks and controls and is in the process of determining the operating effectiveness of these controls. In the absence of documented risks and controls and their operating effectiveness till the year end, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial control over financial reporting and whether such internal financial control were operating effectively as on 31st March, 2019 and accordingly, we do not express any opinion on the adequacy of the internal financial controls and the operating effectiveness thereof as on 31st March, 2019.

We have, however, considered the above factors in determining the nature, timing and audit tests applied in our audit of the Consolidated Ind AS Financial Statements of the Group. Wherever, during the course of our audit, we have identified weaknesses in internal financial controls over financial reporting, that are likely to affect our opinion on the Consolidated Ind AS Financial Statements of the Group, we have issued a qualified opinion on the Consolidated Financial Statements.

Other Matters

The audit of Internal financial control over financial reporting relating to the subsidiary has been carried out by other auditors, who have furnished an opinion in respect thereof. Our report, to the extent it relates to the said subsidiary, is solely based on the report of the other auditors.

As already stated in the 'Other Matters' paragraph above, the auditor of the subsidiary Company has issued an opinion in respect of interim financial control over financial reporting which we have relied upon.

For **Doogar & Associates**
Chartered Accountants
Firm Regn No. 000561N

Mukul Marwah
Partner
M.No. 511239
UDIN: 20511239AAAAAN3656

Place: New Delhi
Date: 23/06/2020

MSEB Holding Company Limited
PART - I BALANCE SHEET
Consolidated Balance Sheet as at 31st March 2019

(Amt in Crores)

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
	ASSETS				
(1)	**Non Current Assets**				
a	Property, Plant & Equipment	**2**	116,479.63	116,286.74	117,543.24
b	Capital Work in Progress	**2A**	6,704.02	7,708.54	7,495.86
c	Investment Properties	**3**	792.87	834.90	876.92
d	Goodwill				
e	Other Intangible Assets	**2B**	15.64	13.79	35.77
f	Intangible Assets under Development		133.76	132.55	129.77
g	Investments in Subsidiaries, associates and joint ventures	**4**	41.87	43.47	48.26
h	Financial Assets				
	(i) Investments	**5**	1,050.08	945.19	604.31
	(ii)Trade Receivables	**6**	-	4,265.27	3,231.59
	(iii) Loans	**7**	72.45	73.70	219.57
	(iv) Others (to be specified)	**8**	738.69	676.94	853.61
i	Deferred Tax Assets (Net)				
	(f) Non Current Tax Assets (Net)	**9**	51.15	49.44	47.26
j	Other Non Current Assets	**10**	2,534.60	5,784.32	2,365.36
(2)	**Current Assets**				
a	Inventories	**11**	1,972.20	1,638.51	2,339.76
b	Financial Assets				
	(i) Investments	**12**	76.79	79.13	68.97
	(ii) Trade Receivables	**13**	27,500.33	24,104.31	29,206.76
	(iii) Cash & cash Equivalents	**14**	1,318.41	1,219.00	1,531.58
	(iv) Bank Balances Other than (iii) above		-	-	-
	(v) Loans	**15**	499.08	399.58	61.54
	(iv) Others	**16**	12,804.27	10,080.73	3,573.59
c	Current Tax Assets (Net)		-	-	
d	Other Current assets	**17**	1,823.43	2,262.91	2,216.73
	Assets held for sale/Assets included in disposal group(s) held for sale	**2C**	278.93	242.34	328.61
	Regulatory Assets	**18**	8,983.74	9,478.74	4,923.71
	Total Assets		**183,871.94**	**186,320.08**	**177,702.75**

	EQUITY AND LIABILITIES				
	EQUITY				
a	Equity Share capital	**19**	88,940.23	88,086.54	87,392.75
b	Other Equity	**20**	-34,270.37	-28,586.76	-30,085.07
	Equity attributable to owners of the parent		**54,669.86**	**59,499.78**	**57,307.68**
	Non Controlling interest		21.71	21.67	21.69
			54,691.56	59,521.45	57,329.38
	LIABILITIES				
(1)	**Non Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings	**21**	51,191.89	45,396.79	48,215.65
	(ii) Trade Payables				
	(iii) Other fianancial Liabilities (other than those specified in item (b))	**22**	11,116.23	8,810.90	8,005.43
	(ii) Other Non-fianancial Liabilities				
b	Provisions	**23**	5,095.57	5,095.67	5,145.12
c	Deferred Tax Liabilities (Net)	**24**	3,242.17	3,135.86	3,680.59
d	Other Non Current Liabilities	**25**	9,681.82	8,799.47	5,880.59
(2)	**Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings	**26**	13,770.44	13,681.19	15,044.47
	(ii) Trade Payables	**27**	222.82	2,189.18	11,110.13
	(iii) Other fianancial Liabilities (other than those specified in item (c))	**28**	26,000.99	33,950.26	18,354.61
b	Other Current Liabilties	**29**	2,779.99	2,370.59	3,793.44
c	Provisions	**30**	5,829.10	3,368.72	1,143.36
d	Current Tax Liabilities (Net)	**31**	249.36	-	-
	Liabilities classified as held for sale/ Liabilities included in disposal group held-for sale				
	Total Liabilities and Equity		**183,871.94**	**186,320.08**	**177,702.75**
	Significant Accounting Policies	**1**			
	Notes to accounts	**2-56**			

See accompanying notes to the fianancial statements

As per our report of even date

For DOOGAR & ASSOCIATES	**Sunil Pimpalkhute**	**Dinesh Waghmare**
Chartered Accountants	Director Finance & CFO	Managing Director
Firm Registration Number: 000561N	DIN : 01915725	DIN : 01843097
Mukul Marwah	**Pankaj Sharma**	**Subodh Zare**
Partner	CGM (Finance)	Company Secretary
Membership Number : 511239		

Place : New Delhi	Place : Mumbai
Date : 23/06/2020	Date : 23/06/2020

MSEB Holding Company Limited
PART II - STATEMENT OF PROFIT AND LOSS
Statement of Profit and Loss for the year ended 31st March 2019

(Amt in Crores)

	Particulars	Note	For the Year 2018-19	For the Year 2017-18
(i)	**Revenue from operations**	32	73,965.13	63,693.91
(ii)	**Other Income**	33	9,082.41	4,418.24
I	**Total Income (i)+(ii)**		**83,047.53**	**68,112.15**
	Expenses			
(i)	Cost of materials consumed	34	12,995.33	11,560.85
(ii)	Purchase of Power	35	41,580.29	33,183.11
(iii)	Purchase of Stock-in-Trade		-	-
(iv)	Changes in Inventories of finished goods, Stock-in-trade and work-in-progress		-	-
(v)	Employee Benefits Expenses	36	6,871.76	6,408.71
(vi)	Repairs and maintainance	37	764.49	816.07
(vii)	Admin and General Expenses	38	729.68	635.35
(viii)	Finance Costs	39	7,717.68	7,650.68
(ix)	Depreciation and amortization expense	40	7,287.68	6,750.85
(x)	Others expenses	41	8,880.30	3,746.46
II	**Total Expenses ((i) to (vii))**		**86,827.21**	**70,752.08**
III	**Profit /(Loss) before exceptional items and tax (II-I)**		**-3,779.67**	**-2,639.93**
IV	**Share of profit in associates and joint venture**		**4.84**	**6.69**
V	Exceptional Items			
VI	Regulatory Income / (Expense)		-495.00	4,555.03
VI	**Profit /(Loss) before tax (III - IV)**		**-4,269.83**	**1,921.79**
VII	Tax Expenses:			
	(1) Current Tax		164.67	207.43
	(2) MAT Credit Entitlement		-1.84	-
	(3) Deferred Tax		107.77	-545.64
	(4) Previous Year Taxes		215.08	-
VIII	Profit /(Loss)for the period from continuing operations (V-VI)		-4,755.50	2,260.00
IX	**Profit /(Loss) from discontinued operations before tax**		**-**	**-**
X	Tax Expenses of discontinued operations		**-**	**-**

XI	Profit /(Loss) from discontinued operations (After tax) (VII- IX)		-	-
XII	**Profit /(Loss) for the period**		**-4,755.50**	**2,260.00**
XIII	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to profit or loss		-253.83	-70.61
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (A)		-253.83	-70.61
	Share of net profits of Associates/ Joint Venture accounted in OCI for using equity method		-0.04	-0.04
(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)		-0.04	-0.04
XIV	**Other Comprehensive Income(A+B)**		-253.87	-70.65
XV	**Total Comprehensive Income for the period (XI + XIII)**		**-5,009.37**	**2,189.35**
XVI	**Earning per equity share (for continuing operations)**			
	Basic (Rs.)		-0.54	0.26
	Diluted (Rs.)		-0.54	0.26
	Significant Accounting Policies	**1**		
	Notes to Accounts	**2-56**		

See accompanying notes to the fianancial statements

As per our report of even date

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number: 000561N

Sunil Pimpalkhute
Director Finance & CFO
DIN : 01915725

Dinesh Waghmare
Managing Director
DIN : 01843097

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (Finance)

Subodh Zare
Company Secretary

Place : New Delhi
Date : 23/06/2020

Place : Mumbai
Date : 23/06/2020

MSEB Holding Company Limited
Consolidated Cash Flow for the year ended 31st March 2019

(Amt in Rs)

PARTICULARS	2018-19		2017-18	
A. Cash flows from operating activities				
Net profit before taxation		-4,269.83		1,921.79
Adjustments for:				
Interest income	86.19		45.37	
Finance Cost	7,717.68		7,650.68	
Depreciation and amortisation expense	7,287.68		6,750.85	
Difference in Profit of MSPGCL				
		15,091.55		14,446.90
Operating profit before working capital changes		10,821.72		16,368.69
Changes in Working Capital				
Adjustments for (increase) / decrease in operating assets :				
(Increase)/Decrease in Financial Investments	-104.90		-340.87	
(Increase)/Decrease in Financial Trade Receivables	4,265.27		-1,033.68	
(Increase)/Decrease in Financial Loans and Advances	1.25		145.87	
(Increase)/Decrease in Other Financial Assets	-61.76		176.67	
(Increase)/Decrease in Other Non Current Assets	3,249.72		-3,418.96	
(Increase)/Decrease in Inventories	-333.70		701.25	
(Increase)/Decrease in Current Financial Investments	2.34		-10.16	
(Increase)/Decrease in Current Financial Trade Receivables	-3,396.02		5,102.45	
(Increase)/Decrease in Current Financial Loans and Advances	-99.50		-338.04	
(Increase)/Decrease in Financial Other Current Assets	-2,723.54		-6,507.13	
(Increase)/Decrease in Other Current Assets	439.48		-46.18	
(Increase) /Decrease in Assets held for Sale	-36.59		86.28	
(Increase) /Decrease in Regulatory assets	495.00		-4,555.03	

Increase/(Decrease) in Other Financial Borrowings	5,795.09		-2,818.85	
Increase/(Decrease) in Other Financial Liabilities	2,305.33		805.47	
Increase/(Decrease) in Financial Provisions	-0.09		-49.45	
Increase/(Decrease) in Other Non Current Liabilities	882.34		2,918.88	
Increase/(Decrease) in Other Current Borrowings	89.25		-1,363.28	
Increase/(Decrease) in Current Trade Payables	-1,966.36		-8,920.95	
Increase/(Decrease) in Cuurent Financial Liabilities	-7,949.26		15,595.64	
Increase/(Decrease) in Other Current Liabilities	409.40		-1,422.85	
Increase/(Decrease) in Other Current Provisions	2,460.37		2,225.37	
Increase/(Decrease) in Share Application Money				
Increase/(Decrease) in Other Comprehensive Income	-560.04	3,163.10	270.28	-2,797.30
Cash generated from operations				
Less: Taxes paid (including earlier years)		353.96		-546.91
Net cash from operating activities (A)		14,338.76		13,024.48
B. Cash flows from investing activities				
Purchase of fixed assets and addition to Capital Work in Progress	-9,225.79		-7,246.70	
Sales of fixed assets and addition to Capital Work in Progress	2,746.69		1,558.86	
Sale of Investments & Investment Properties	43.62		46.81	
Interest received (Net of TDS)	-86.19		-45.37	
Net cash used for investing activities (b)		-6,521.67		-5,686.40
C. Cash flows from financing activities				
Proceeds from issuance of shares				
Interest and Financial Charges	-7,717.68		-7,650.68	
Net cash from financing activities (C)		-7,717.68		-7,650.68
Net increase in cash and cash equivalents (A + B + C)		99.41		312.59
Cash and cash equivalents at beginning of period		1,219.00		1,531.58
Cash and cash equivalents at end of period		1318.41		1218.99

Components of cash and cash equivalents				
Cash on hand		5.69		2.72
Balances with banks		499.20		811.73
On current account				
On deposit account with maturity of less than 12 months		28.85		35.63
On deposit account with maturity of more than 12 months		784.21		357.57
Cheques/ drafts on hand		0.45		11.35
Cash and cash equivalents as per note 13		**1,318.41**		**1,219.00**

See accompanying notes to the fianancial statements

As per our report of even date

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number: 000561N

Sunil Pimpalkhute
Director Finance & CFO
DIN : 01915725

Dinesh Waghmare
Managing Director
DIN : 01843097

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (Finance)

Subodh Zare
Company Secretary

Place : New Delhi
Date : 23/06/2020

Place : Mumbai
Date : 23/06/2020

Statement of changes in equity

PART -I BALANCE SHEET

Statement of changes in Equity for the period ended 31st March 2019

A. Equity Share Capital

Amt in Crores

Particulars	Amt (Rs.)
As at 1st April 17	87,392.75
Issue of share capital (Asper Note 19)	693.79
As at 31st March 18	88,086.54
Issue of share capital As per Note 19)	853.69
As at 31st March 19	88,940.23

B. Instruments entirely equity in nature

a. Compulsorily Convertible Preference Shares

Particulars	Amt (Rs.)
As at 1st April 17	-
Issued during the yr 2017-18	-
As at 31st March 18	-
Issued during the yr 2018-19	-
As at 31st March 19	-

b. Compulsorily Convertible Debentures

Particulars	Amt (Rs.)
As at 1st April 17	-
Issued during the yr 2017-18	-
As at 31st March 17	-
Issued during the yr 2018-19	-
As at 31st March 19	-

c. Instrument (any other instrument entirely equity in nature

Particulars	Amt (Rs.)
As at 1st April 17	-
Issued during the yr 2017-18	-
As at 31st March 18	-
Issued during the yr 2018-19	-
As at 31st March 19	-

C: Other Equity

	Share Appli Money pending	Retained Earnings	Other Compre Income	Special Reserve Fund	Contingency Reserve Fund	Statutory Reserve Fund	Total Other Equity
As at 01-04-2017	**933.79**	**-31,884.02**	**-287.67**	**139.39**	**436.44**	**577.00**	**-30,085.07**
Add profit for the year	-	2,189.35	-	-	-	-	2,189.35
Other Comprehensive Income	-	50.20	-50.20	-	-	-	-
Additions during the year	-	0.08	-	-	58.81	-	58.89
Deductions during the year	335.99	413.93	-	-	-	-	749.92
As at 01-04-2018	**597.80**	**-30,058.33**	**-337.87**	**139.39**	**495.25**	**577.00**	**-28,586.76**
Add profit for the year	-	-5,009.37	-	-	-	-	-5,009.37
Other Comprehensive Income	-	250.89	-250.89	-	-	-	-
Additions during the year	-	-	-	-	66.81	-	66.81
Deductions during the year	597.80	143.25	-	-	-	-	741.05
As at 01-04-2019	**0.00**	**-34,960.07**	**-588.76**	**139.39**	**562.06**	**577.00**	**-34,270.37**

As per our report of even date

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Registration Number : 000561N

Sunil Pimpalkhute
Director Finance & CFO
DIN : 01915725

Dinesh Waghmare
Managing Director
DIN : 01843097

Mukul Marwah
Partner
Membership Number : 511239

Pankaj Sharma
CGM (F)

Subodh Zare
Company Secretary

Place : New Delhi
Date : 23/06/2020

Place : Mumbai
Date : 23/06/2020

Note 1

Significant Accounting Policies on Consolidated Financial Accounts for the year ended 31st March, 2019

A) Corporate Information

Maharashtra State Electricity Board Holding Company Ltd. (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 2016and 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.

B) Basis of preparation of Consolidated financial statements Compliance with Ind AS

The consolidated 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.

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

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per requirement of Schedule III unless otherwise.

Principles of Consolidation

The consolidated financial statements relate to the consolidation of MSEB Holding Company Ltd (MSEBHCL) and its following Subsidiaries: `

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)	100% Subsidiary of MSEBHCL
Maharashtra State Power Generation Company Ltd. (MSPGCL)	100% Subsidiary of MSEBHCL

Maharashtra State Transmission Company Ltd (MSETCL)	100% Subsidiary of MSEBHCL
Dhopave Coastal Power Ltd. (DCPL)	100% Subsidiary of MSPGCL
Mahagenco Ash Management Services Ltd (MAMSL)	100% Subsidiary of MSPGCL
Mahaguj Collieries Ltd (MCL)	60% Subsidiary of MSPGCL
UCM	Associate of MSPGCL (18.75% ownership)
Aurangabad Power Company Ltd.(APCL)	100% Subsidiary of MSEDCL
Jaigad Power Transco Ltd. (JPTL)	Joint Venture of MSETCL
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Joint Venture of MSETCL

The group companies are Public Limited Companies registered under the provisions of the Companies Act, 2013. The Companies are governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003. The consolidated financial statements of the Group companies are consolidated on a line-by-line basis.

Associates /Joint Ventures (equity accounted investees)

Equity Method

Under the equity method , on initial recognition the investment in an associate or a joint venture is recognised at cost and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition. The company's share of the investee's profit or loss is recognised in the company's statement of profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for change in the company's proportionate interest in the investee arising from the changes in the investee's other comprehensive income. The Companies share of those changes is recognised in the company's other comprehensive income.

Jaigad Power Transco Limited (JPTL) is a joint venture of JSW Energy Limited with 74% share holding and MSETCL 26% share holding. The Joint venture has been set up to construct , operate and maintain 54.739 kilo meters of one Jaigad – New Koyna 400 KV double circuit (QUAD) transmission line and 110 kilo meters of one Jaigad-Karad 400 KV double circuit (QUAD) transmission line.

Maharashtra Transmission Communication Infrastructure Limited (MTCIL) is a joint venture between Sterlite Technologies Limited (STL) with share holding 72.10 % and Maharashtra State Electricity Transmission Company Limited (MSETCL) with share holding 27.90 %. The prime commercial activity is to make available fibre capacity on lease rental to retail, wholesale and enterprise corporate customers, drawn from Optical Power Ground Wire (OPGW) network.

A joint venture is an arrangement in which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Maharashtra State Electric Power Trading Company Ltd (MSEPTCL) has been merged with MSEB Holding Co Ltd wide order number 24/02/2014-CL-III dated 16/07/2015 with effect from 01.04.2015.

As far as possible the Consolidated Financial Statements are prepared using uniform accounting policy for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Assets and Liabilities created under applicable electricity laws continue to be depicted under appropriate heads.

C) 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.

D) Note on Historical cost convention

The financial statements have been prepared on going concern basis under the historical cost convention except:

(a) certain financial instruments and

(b) defined benefit plans and,

(c) Assets held for sale are measured at lower of its carrying amount and fair value less cost to sale which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

E) 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;

Revision to accouting estimates are recognised prospectively in the Fianacial Statements in the period in which the estimates are revised and in any future ;periods affected unless they are required to be treated retrospectively under relevant Accounting Standards.

F) Other Significant Accounting Policies:

1) Property, Plant and Equipment (PPE):

In respect of MSEBHCL

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 separates 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 profit or loss incurred.

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

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 profit or 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.

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 80
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.

In respect of MSPGCL

Property, Plant and Equipment

Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost (including import duties, freight and non-refundable taxes); any incidental costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost (after deducting the proceeds from selling any items produced during the trial run period) and other operating expenses such as freight, installation charges etc. net of other income during the construction period. The projects under construction are carried at costs comprising of direct costs, related pre-operational incidental expenses and attributable interest.

Subsequent expenditures are included in assets carrying amount or recognized as 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 item can be measured reliably.

Capital Expenditure incurred by the Company, resulting in creation of Property Plant and Equipment for which Company does not have ownership rights and control over it, is reflected as a part of capital work in progress till the assets are under construction and an equivalent amount is provided for by way of debiting obsolescence of assets expense which is charged off to the Statement of Profit and Loss in the year in which it is incurred. Upon completion of construction the aforesaid capital expenditure will be capitalized and adjusted against the provision created for assets not owned by the company. Contribution towards the cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss when incurred.

Enabling Asset Policy (CASE TO CASE BASIS) - Items of property, plant and equipment acquired by the Company, (although not directly increasing the future economic benefits from such assets), may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable the Company to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired. However, capitalization of assets is done by the Company only after verifying the nature of assets on case to case basis.

In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.

An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized and disposed off.

Lease arrangements for land is classified at the inception date as finance lease as, it transfers substantially all the risk and rewards incidental to ownership to the Company during the lease period.

Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

Written Down Value of old Machinery Spares is charged to the Statement of Profit and Loss in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.

In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off.

The Company had chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

Leasehold land is amortized at the rate of 3.34% p.a. on straight line basis as prescribed under MERC Regulation.

Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets (other than software) are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Software are amortised as per the life prescribed by MERC. The amortisation expense on intangible assets and impairment loss is recognised in the statement of Profit & Loss.

The Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

Depreciation /Amortization

A. Leasehold land is amortized over a period of lease generally. However for land held under lease for investment in land, for cost of clearing site, the depreciation is charged on the life of asset which is 25 years.

B. Property , Plant and Equipment

i) The company has estimated the useful life of an item of Property Plant and Equipment based on a techno-commercial evaluation as prescribed by Maharashtra Electricity Regulatory Commission. This estimation includes the pattern of usage of the Property Plant and Equipment item. Accordingly, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset.

ii) Depreciation on the Property Plant and Equipment added/ disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding and in case of capitalization of green field / brown field projects, depreciation is charged from the date of commencement of commercial operation to the Statement of Profit and Loss.

iii) In case of Assets (other than assets mentioned in (iv) below) whose depreciation has not been charged upto 70% after its commissioning, company charges the depreciation rates as prescribed below, on the Gross Block of assets for calculating depreciation till the end of such year in which the accumulated depreciation reaches upto 70% in respect of such asset. After attainment of 70% depreciation, the company charges depreciation on the basis of balance useful life upto 90%, since the company has estimated useful life in case of Thermal and Gas based power generating Stations as 25 years and in case of Hydro Generating Stations as 35 years as prescribed by MERC.

Type of asset	Depreciation (%)
Plant & Machinery in generating station of Hydro – electric, Steam Electric, & Gas based power generation Plant, Cooling Tower, Hydraulic Works, Transformers & other fixed apparatus, Transmission lines, Cable Network etc.	5.28%
Buildings & Other Civil Works	3.34%

iv) In case of following assets depreciation is charged straight line method upto 90% of asset value at rates mentioned below:

Type of asset	Depreciation (%)
Furniture, Fixtures and Office Equipment	6.33%
Vehicles	9.50%
IT Equipment	15.00%

v) Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition. Cost of all Mobile Phones is charged off to Revenue during the year of purchase irrespective of thresh hold limit.

C. Intangible Assets:

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized as prescribed by MERC at the rate mentioned below:

Type of asset	Depreciation (%)
Software	30%

In respect of MSEDCL :

a) Freehold lands are carried at cost.

b) PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Specific know-how fees paid, if any, relating to plant & equipment is treated as a part of cost thereof. Cost includes purchase price and any attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

c) For transition to Ind AS, the carrying value of PPE under previous GAAP as on April 1, 2015 is regarded as its cost.

d) Inventories with useful life for more than one year are accounted as PPE as per Ind AS 16.

1. Depreciation / Amortisation:

a) Leasehold land is amortized over a period of lease.

b) Property, Plant and Equipment:

a) The Group has estimated the useful life of an item of Property Plant and Equipment based on a techno-commercial evaluation. This estimation includes the pattern of usage of the Property Plant and Equipment item. Accordingly, the Group provides depreciation on straight line method to the extent of 90% of the cost of asset.

b) The techno-commercial evaluation of the useful life, residual value and pattern of depreciation is reviewed annually. The present estimation is similar to the method used by MERC to determine tariff through MERC (Multi Year Tariff) Regulations 2015.

c) The rates of Depreciation applied are as under

Assets Group	Rate (%)
Leasehold Land	3.34
Buildings	3.34
Hydraulic Works	5.28
Other Civil Works	3.34
Plant & Machinery	5.28
Lines & Cable Networks	5.28
Vehicles	9.50

Furniture & Fixtures	6.33
Office Equipment	6.33
IT Equipment	15.00

d) In case of Assets whose depreciation has not been charged upto 70% after its commissioning, Company charges depreciation at the rates prescribed above till the end of such year in which the accumulated depreciation reaches upto 70%. After attainment of 70% accumulated depreciation, the Group charges depreciation on the basis of remaining useful life upto 90% of the cost of asset in terms of the requirement of the above Regulations.

e) Depreciation on addition/deletions of assets during the year is provided on pro-rata basis.

f) The assets costing Rs.5000/- or less individually are depreciated at 100% in the year they are put to use.

In respect of MSETCL:

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized. If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, contracts for construction of Sub-station and Transmission Lines where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

The cost of land includes payments/liabilities towards compensation and other expenses wherever possession of land is taken.

Expenditure on levelling, clearing and grading of land is capitalized as cost of Land Development.

Spares parts whose cost is Rs.10,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

Depreciation/Amortisation

Depreciation/amortization on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the Maharashtra Electricity Regulatory

Commission (MERC) for the purpose of recovery of tariff.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 4 years, whichever is less with nil residual value.

Mobile Phones are charged off within 3 years from the date of Purchase.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/ decrease on account of price adjustment, change in duties or similar factors, and the unamortized balance of such asset is depreciated retrospectively at the rates and methodology as specified by the MERC Tariff Regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business, following the rates and methodology notified by the MERC.

The residual values, useful lives and methods of depreciation for assets other than assets related to transmission business are reviewed at each financial year end and adjusted prospectively, wherever required.

Property, Plant & Equipments costing Rs. 5,000/- or less, are fully depreciated in the year of acquisition.

Depreciation rates used for various classes of assets are as under:

Particulars	**Rate**
Tangible Assets	
Hydraulic Works	5.28%
Buildings & Other Civil Works	3.34%
Plant & Machinery	5.28%
Transmission lines, Cable Networks, etc	5.28%
Furniture, Fixtures and Office Equipments	5.28% to 15%
Vehicles	6.33%

The associate companies provide depreciation and amortisation on assets based on straight line method (SLM) as per provisions of Part B of schedule II of the Companies Act 2013.

2) Investment Properties

In respect of MSEBHCL

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 Comparative 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, the fair value of investment property is disclosed in the notes.

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 derecognition.

3) Intangible Assets

In respect of MSEBHCL

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 profit or 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 loss 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 profit or 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, through are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

In respect of MSPGCL :

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized as prescribed by MERC at the rates mentioned below:

Type of asset	Depreciation (%)
Software	30%

Depreciation on the assets of subsidiaries is charged on straight line method following the useful life specified in Schedule II of the Companies Act , 2013.

In respect of MSEDCL :

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable.

Intangible assets are amortised over the contract or warranty period whichever is longer and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets and impairment loss is recognised in the statement of Profit & Loss.

The Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

In respect of MSETCL:

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured 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 when the asset is derecognized.

4) Capital Work -In-Progress

In respect of MSPGCL:

i) In case of Property Plant and Equipment, for new projects / expansion, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.

ii) The total cost including all office expenses incurred by the Company at project and planning offices for the period, are apportioned to respective Capital Work-in-Progress accounts in respect of projects under implementation, on the basis of cumulative balances of expenditure in respect of assets under construction.

The Liquidated Damages are adjusted to the Cost of Property Plant and Equipment during the year it is crystallized.

In respect of MSEDCL:

a) Fifteen percent of the cost of Capital Work in Progress incurred during the year is added to Capital Work in Progress towards Employee Cost and Administration and General Expenses as the Operation and Maintenance Circles are executing both Capital Works and Operation and Maintenance Works.

b) Interest relating to construction period in respect of acquisition of the qualifying assets is capitalised on the addition to Work in Progress during the year based on the average interest rate applicable to the loan.

c) Claims for Price Variation in case of contracts are accounted for on acceptance by the Company.

In respect of MSETCL:

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Corporate office and Project Offices, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

Costs incurred on identification, survey and feasibility studies of a project under sanctioned scheme are shown as a distinct item under capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to Statement of Profit and Loss in the year of rejection

5) Non Current Assets held for Sale:

In respect of MSPGCL and MSETCL

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

6) Inventories

In respect of MSPGCL

Stock of materials including stores, spare parts is valued at lower of cost and net realizable value, and cost is determined on weighted average cost method. However, materials and other items held for generation of electricity are not written down below cost since the sale of electricity will be made at or above the cost of generation. Cost comprises of cost of purchase (net of input tax credit receivable) and other costs incurred in bringing them to their present location and condition. Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts.

In respect of MSEDCL:

Inventories having useful life upto one year and are valued at lower of weighted average cost and net realisable value.

Loss towards obsolete stores and spares identified on review are provided in the accounts.

In respect of MSETCL:

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Cost of inventories comprises of cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Inventories are issued on First out (FIFO) basis.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Obsolete, slow moving and unserviceable stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

7) Impairment of non-financial assets:

In respect of MSEBHCL

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 process for publicly traded companies or other available fair value indicators.

Impairments 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 'OCT'). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

In respect of MSEDCL

Non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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.

In respect of MSPGCL

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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.

In respect of MSEPTCL:

Cash generating units as defined in Ind AS 36 'Impairment of Assets, are identified at the Balance Sheet date. At the date of Balance Sheet, if there is any indication of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss. The impairment loss recognised in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

8) 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.

9) Revenue Recognition:

In respect of MSEBHCL

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 VAT, service tax or duty. 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 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 as fair value though 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.

In respect of MSPGCL

i) Revenue from Sale of electricity is accounted for based on predefined tariff rates at the beginning of the year as approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period which is subject to true up process by MERC in the subsequent years.

ii) In terms of Power Purchase Agreement with MSEDCL, Company recognizes Delayed Payment Surcharge @ 1.25% per month towards delay in receipt of energy bills beyond the credit period, on accrual basis.

iii) Interest income is recognised taking into account the amount outstanding and the applicable interest rate.

iv) Sale of fly ash is accounted for based on rates agreed with the customers. Amount collected are kept under separate account head "Fly Ash Utilisation Fund" in accordance with the guidelines issued by MOE&F dated 03-11-2009. The said fund gets utilised to the extent of expenditure incurred for promotion of ash utilization.

v) Other income is recognized on accrual basis. Sale of scrap, reject coal etc. is accounted for when such scrap is actually lifted by the buyer from Company's premises and company prepares invoice towards the said sale transaction. Recoveries on account of Liquidated Damages are adjusted against the cost of project when they are directly identifiable with the project and for mitigating the additional cost of the project in the year it is crystallized. Interest on advance to contractors for projects are adjusted to cost of projectas and when accrued.. In all other cases, liquidated damages are credited to Other Income.

vi) Company recognizes the value of unsold Energy Saving Certificates as at the end of the financial year by crediting to revenue on accrual basis. Upon sale of the said certificates, the adjustment between the accrued value and actual sale value is effected to Profit and Loss Statement in the year of their actual sale.

In respect of MSEDCL:

a) Sale of Power:

i. Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

ii. Revenue from Sale of Power is accounted for on the basis of demand bills raised on consumers at Tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Cost, if any.

iii. Unbilled revenue accrued up to the end of the financial year is accounted in the books of accounts on estimation basis and includes FAC (Fuel Adjustment Cost), if any.

iv. Bills raised for theft of energy, under section 135 and for unauthorised use of power under section 126 of Electricity Act 2003, whether on consumer or outsiders are recognised in full as soon as assessment is received from the competent authority of the Company.

v. Revenue on account of delay payment surcharge (DPS) and interest on arrears in case of consumers defaulting payment of bills for consecutive three months had been recognised on receipt basis w.e.f. billing for month October 2015. The charged DPS and interest in case of such consumers had been treated as a deferred income (liability). The said policy is changed. Revenue on account of delay payment surcharge (DPS) is recognised on accrual basis. Interest from consumers is recognised on principal arrears amount pertaining to last 2 years only. Interest on arrears more than 2 years is recognised on receipt basis instead of accrual basis. The said policy is changed w.e.f 01.04.2015.

b) Other Operating Income and Other Income:

i. **Regulatory Income/Expenses:**

The tariff of the Company is regulated by MERC. The Regulatory Assets/Liabilities are being accounted based on principles laid down under Tariff Regulations / Tariff orders as notified by MERC. The recognition of Regulatory Assets/Liabilities is as per Ind AS 114 “Regulatory Deferral Accounts”, i.e. on the basis of actual revenue expenditure incurred and the revenue income accounted in the Books of Accounts. Any adjustments that may arise on Annual Performance Review / Mid-Term Review by MERC under Multi-Year Tariff Regulations are made after completion of such review.

ii. Sale of scrap is recognised on realisation.

iii. Interest income on Non-current investments is accounted on accrual basis, using Effective Interest Rate (EIR) method. Interest Income other than Non-current Investments is accounted on accrual basis.

Dividend income is accounted for when the right to receive income is established.

In respect of MSETCL:

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of return, trade allowances, rebates.

Transmission Income

Revenue from transmission of electricity received from Distribution Licensees is accounted for based on Monthly Intra State Transmission Tariff Order issued by the Maharashtra Electricity Regulatory Commission (MERC).

Revenue from Operations such as Open Access charges, SLDC Charges, Rescheduling Charges are recognized as per MERC Orders.

Dividend Income

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

Interest Income

Interest income is recognised using effective interest rate (EIR) method.

Sale of Scrap

Income from sale of scarp is accounted from on realization.

Supervision charges

The supervision charges received from outright Consumers Contribution is recognised in the year of receipt.

Other Income

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

10) Employee benefits:

In respect of MSEBHCL

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 calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of statement of financial position. 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 or 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 or 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 profit or loss as they fall due. The Company has no further obligations under these plans beyond its periodic contributions.

In respect of MSPGCL:

Short Term Employee Benefits

Short term employee benefits are recognized as an expense at undiscounted amount in the Statement of Profit & Loss of the year in which related services are rendered by the employees.

Post-employment benefits

a) Defined Contribution Plan

Company pays fixed contribution to Provident Fund at predetermined rates along with employee's contribution to a separate trust which also manages funds of other group companies. The funds are then invested in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit and Loss

b) Defined Benefit Plans

Post-employment benefits

Liability towards defined employee benefits like gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

Liability towards other long term employee benefits i.e. leave encashment are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

Ex-gratia

Company accrues for the ex-gratia expenditure in the books of accounts as and when the same is declared by the company for its employees.

In respect of MSEDCL:

Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b) Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

c) Defined benefits plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

d) Other long term employee benefits:

Benefits under the Group's leave encashment constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of India government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

In respect of MSETCL:

Short Term Employee Benefits:

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method based on Actuarial Valuation.

The benefits are discounted using the yields of Corporate Bonds at the end of the reporting period that have terms approximating to the terms of the related obligation.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post- employment benefits:

The Company operates the following post-employment schemes:

(i) defined benefit plans such as gratuity; and

(ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

Liability towards defined employee benefits like gratuity is determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plan

Defined Contribution Plans such as Provident Fund etc. are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a separate trust which also manages funds of other group companies.The minimum rate of interest payable by the Trust is in accordance with rate notified by the Government. The Company has an obligation to make good the shortfall, if any.

12) Borrowing costs:

In respect of MSEBHCL:

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.

In respect of MSPGCL:

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. Other borrowing costs not attributable to the acquisition or construction of any capital asset are recognized as expenses in the period in which they are incurred.

In respect of MSETCL:

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest During Construction (IDC) and expenditure (net) allocated to construction as per policy referred are kept as a separate item under CWIP and apportioned to the assets being capitalised in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 70:30 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalisation i.e first capitalisation of asset will be taken place from opening balance of capex .The weighted average rate of interest of each financial institution and banks is applied for calculating IDC.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessary takes a substantial period of time to get ready for its intended use) are capitalized as a part of cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

Capitalisation of Borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are completed.

Investment income earned on temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted fron the borrowing costs eligible for capitalisation.

13) Leases:

In respect of MSEBHCL

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date- whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

a) Company as a lessee

Finance lease, which transfers to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability.

Finance charges are recognised in the profit or loss. Initial direct costs incurred in a finance lease of the lessee are added to the amount recognised as an asset at the commencement of the lease term.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rents are recognised as expense in the period in which they are incurred.

b) Company as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased asset. The finance income is recognised based on the periodic rate of return on the net investment of the Company outstanding in respect of the finance lease. Initial direct costs incurred in a finance lease are included in the initial measurement of finance lease receivable and reduce the amount of income recognised over the lease term.

Lease where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

In respect of MSPGCL:

Finance Lease

Assets acquired as Finance leases, where the Company has substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra.

In respect of MSEDCL:

Operating lease payments / Income are recognised in the statement of profit and loss on a Straight Line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increase, such increase are recognised in the year in which such benefits accrue. The Group does not have any finance lease arrangements.

In respect of MSETCL:

Finance Lease

Assets acquired as Finance leases, where the Company has substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease. Payments made under Operating Leases are generally recognized in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

Lease Agreements in respect of land are considered as Finance Lease as the land has been used for the construction of Sub-Stations which are having perpetual use.

14) Government Grants

In respect of MSPGCL:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant which is of revenue nature relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

In respect of MSEDCL:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the profit and loss over the period they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are presented as Capital Grant in financial statements and are credited to profit and loss in a systematic manner over the expected life of the related assets and presented within other income.

In respect of MSETCL:

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

Accounting of Maharashtra Energy Development Agency (MEDA) Projects

As per Government of Maharashtra's policy for promotion of generation of energy from non convention sources, 50% of costs of such power evacuation project developed by Private Developers shall be borne by the Company and remaining 50% will be reimbursed by MEDA to the developers.

15) Accounting/ classification of expenditure and income

In respect of MSPGCL:

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

Insurance claims are accounted on acceptance basis.

All other claims/entitlements are accounted on the merits of each case.

In respect of MSEBHCL:

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 can an entity correct an error prospectively.

16) Investments in subsidiaries, Associates and Joint Ventures

In respect of MSPGCL:

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Company has chosen the carrying value of the investment in Subsidiaries, associates and joint ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

17) Foreign Currency transactions

In respect of MSPGCL:

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as ‘Exchange Rate Variation’ or as ‘finance costs’ (to the extent regarded as an adjustment to borrowing costs), as the case may be.

In respect of MSETCL:

Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company’s functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

18) Earnings per share:

The Company’s earnings per share (EPS) is 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.

For the purpose of calculating Earning Per Share, the share application money pending allotment, in terms of the commitment from Government of Maharashtra through the Holding company, has been considered as confirmed allotment.

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.

19) 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.

Current tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year, after considering permissible tax exemption, deduction / disallowance. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting. Current tax when provided under the MAT provisions of section 115JB of the Income Tax 1961, the benefit of credit against such payments is available over a period of 15 subsequent assessment years and will be recognized when actually realized.

b) Deferred tax

Deferred tax liability 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.

20) Provisions, Contingent Liabilities, Contingent Assets and Commitments:

In respect of MSEBHCL

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.

In respect of MSPGCL:

Provisions are recognized when there is a present obligation as a result of a 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.

If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

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

In respect of MSEDCL:

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience.

Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the notes to the accounts on the basis of judgement of the management. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

Contingent assets are disclosed where an inflow of economic benefits is probable. A brief description of the nature of the contingent assets, where an inflow of economic benefits is probable, and, where practicable, an estimate of their financial effect will be disclosed.

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payment in respect of such demands, if any is shown as advances.

Contingent Liabilities under various fiscal laws includes those in respect of which the Group/ department is in appeal.

In respect of MSETCL:

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized.

21) Exceptional items:

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

22) Accounting of Losses on account of flood, fire, cyclone etc

The loss on account of flood, fire, cyclone, loss to fixed asset etc is recognized by making provision on the basis of available information. Excess/short provision, if any is recognized on approval from Competent Authority.

23) 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.

All other liabilities are classified as non-current.

24) Fair value measurement:

Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in active market for an identical asset or liability nor based on a valuation technique that uses data from observable markets, then the financial instrument is initially measured at a fair value, adjusted to deter the difference between fair value on initial recognition and the transaction price.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency or volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IND AS, including the level in the fair value hierarchy in which the valuations should be classified.

For assets and liabilities that are recognised in the financial statements 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.

25) Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. The Company's financial asset comprise the following

i) Current Financial assets mainly consisting of trade receivables, cash and bank balances, short term deposits

ii) Non-Current financial assets mainly consisting of equity investment in subsidiaries, loans and advances to subsidiaries, long term receivables etc.

Financial assets:

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

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.

Amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Trade receivables were categorised into five groups for computing ECL viz. 1) Government authorities/bodies, 2) Permanent Disconnected consumers, 3) Agricultural consumers and 4) Regular (Good, whose total outstanding for more than 2 years are less than 20% of Total outstanding of such class) and 5) Regular (Other) Consumers. Time loss for all categories was considered as same, whereas Credit loss was provided on the basis of credit spread for Corporate Bonds (published by FIMMDA) which are rated among various categories based on their credit worthiness. The management has estimated an appropriate credit rating for each of the above five groups.

Security deposit available with the Group for each of the above groups of customers is reduced from the gross outstanding of trade receivables. This reduction is done on the basis of the ageing of the gross outstanding. ECL is provided on the Net Trade Receivable (gross less allocated security deposit) to the extent of unsecured portion. In case of Permanant Disconnected Consumers, the provision matrix (in the range of 20% to 100%) is applied on the basis of ageing of receivables.

The ECL on other receivables from Government of Maharashtra and receivables from Group companies are provided to the extent of Time loss only.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity

investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes being recognized in the Statement of Profit and Loss.

Investments in equity instruments of subsidiaries, associates and joint venture entities are carried at cost less impairment.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. Based on the assessment on intial recognition date, Company recognises an impairment loss or gain in expected credit loss provision in the Profit & Loss statement.

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of group of similar financial assets) is primarily recognised (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.

On Derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

Investment in associates, joint venture and subsidiaries

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

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 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.

ii) Financial Liabilities:

Initial recognition and measurements

All the financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payable, loans and borrowings including bank overdrafts and derivatives financial instruments.

Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using the Effective Interest Rate (EIR) method, except for those which are measured at fair value through profit & loss. For Trade & other payables maturing within one year from the Balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments and are hence, carried at cost. The Group classifies all Borrowings as subsequently measured at "Amortised Cost"

EIR is not calculated for interest bearing Financial Liabilities, which carry market rate bearing interest rates that are subject to reset/change on time to time basis.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

(i) Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recongnised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade Payables : These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Finance guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is a measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised 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 dereognition 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.

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 intension to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

iii) Offsetting of financial instruments:

Cash flow statement:

In respect of MSEDCL:

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 Group's cash management.

In respect of MSPGCL:

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.

In respect of MSETCL:

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

The cash flows from operating, investing and financing activities are segregated.

Material Prior Period Errors:

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The prior period errors below threshold of 0.5% of the turnover of company are accounted for in the current year under the Materiality concept.

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.

G) Minimum Alternate Tax

Company has been depositing current tax in the form of MAT and yet to enter in current tax regime. Company recognises MAT credit in the year in which company would exhaust all the accumulated tax losses/unabsorbed depreciation and the current tax still remains payable . In such event current tax liability would get adjusted to the extent of availability of MAT credit. Residual MAT credit if any would get adjusted in such event in subsequent years.

H) Significant accounting judgements, estimates and assumptions:

In respect of MSEBHCL

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.

a) Judgments:

b) Estimates and assumptions:

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.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the Company's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or the Company's fair value exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 so such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the resent value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair Value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Development Costs

The Company capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Impairment of financial assets

The impairments provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTE -2

PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold Land	Freehold Land	Factory Buildings	Others	Hydraulic Works	Railway Sidings	Roads and Others	Plant, Machinery & Equipments	Lines & Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Capital Expenditure resulting in Assets not belonging to the Company	TOTAL TANGIBLE ASSETS	Less:- Depreciation Capitalised	Depreciation charged to Statement of Profit & Loss
As per Annual accounts as at 01.04.2017	1,921.41	11,172.11	902.43	3,950.79	2,506.87	1,354.46	1,592.45	59,865.50	44,616.89	23.67	121.85	176.58	58.38	128,263.40		
Addition	28.34	15.36	6.65	38.58	21.94	179.16	66.42	2,268.61	2,707.69	12.73	5.31	10.96	-	5,361.73		
Deduction/Adjustments	0.13	0.64	25.60	238.47	24.20	74.68	0.84	121.10	3.50	1.73	0.87	2.13	0.90	494.81		
As per Annual accounts as at 31.03.2018	1,949.61	11,186.83	883.48	3,750.89	2,504.61	1,458.94	1,658.03	62,013.01	47,321.08	34.66	126.28	185.41	57.49	133,130.32		
Addition	62.72	14.04	8.99	137.87	45.00	16.85	103.80	3,589.61	3,450.01	2.36	6.75	62.13	-	7,500.14		
Deduction/Adjustments	**-0.54**	**2.71**	**1.94**	**1.19**	**3.33**	**0.00**	**0.61**	**371.31**	**3.85**	**0.80**	**0.03**	**1.24**	**-**	**386.48**		
As per Annual accounts as at 31.03.2019	2,012.88	11,198.16	890.53	3,887.56	2,546.28	1,475.79	1,761.22	65,231.31	50,767.24	36.22	133.01	246.29	57.49	140,243.98		
Accumulated Depreciation and impairment																
As per Annual accounts as at 01.04.2017	35.69	8.75	27.56	320.63	216.57	131.35	108.65	4,948.26	4,831.87	2.74	20.66	28.10	8.70	10,689.56		
Addition	4.70	4.38	36.70	123.46	149.34	57.86	77.36	3,732.95	2,453.09	2.85	6.75	30.44	4.54	6,684.40	1.77	0.00
Deduction/Adjustments	**0.00**	**-**	**23.04**	**-8.93**	**28.87**	**65.32**	**8.70**	**420.72**	**3.71**	**1.85**	**0.75**	**16.83**	**0.46**	**561.32**		
As per Annual accounts as at 31.03.2018	**40.40**	**13.13**	**41.23**	**453.03**	**337.04**	**123.88**	**177.31**	**8,260.50**	**7,281.25**	**3.74**	**26.66**	**41.71**	**12.78**	**16,812.64**		
Addition	4.65	4.38	22.18	154.42	226.76	83.52	98.02	4,272.85	2,331.63	3.08	7.43	15.78	4.54	7,229.24	0.11	0.00
Deduction/Adjustments	-	-	1.75	0.76	3.00	0.00	-	318.67	0.03	0.72	-0.19	-5.11	-	319.62		
As per Annual accounts as at 31.03.2019	45.05	17.50	61.66	606.69	560.80	207.40	275.33	12,214.68	9,612.84	6.10	34.28	62.60	17.32	23,722.26		
Provision for obsolescence 01.04.2017	-	-	0.40	-	0.30	-	0.28	22.65	6.79	0.11	0.00	0.01	0.05	30.59		
As at 1st april 2017	1,885.71	11,163.36	874.47	3,630.15	2,290.00	1,223.11	1,483.52	54,894.58	39,778.24	20.81	101.19	148.46	49.64	117,543.24		
Provision for obsolescence 31.03.2018	-	-	0.40		0.30		0.28	23.00	6.79	0.11	0.00	0.01	0.05	30.94		
As at 31 March 2018	1,909.21	11,173.70	841.86	3,297.86	2,167.27	1,335.06	1,480.44	53,729.51	40,033.05	30.81	99.62	143.69	44.66	116,286.74		
Provision for obsolescence 31.03.2019	-	-	0.40		0.30		0.28	34.16	6.79	0.11	0.00	0.01	0.05	42.09		
As at 31 March 2019	1,967.83	11,180.66	828.48	3,280.87	1,985.18	1,268.39	1,485.61	52,982.47	41,147.60	30.01	98.73	183.68	40.12	116,479.63		

NOTE 2A
CAPITAL WORK IN PROGRESS

Particulars	CWIP - Freehold Land	CWIP - Factory Buildings	CWIP - Other Buildings	CWIP - Roads & Others	CWIP - Plant & Machinary	CWIP - Vehicles	CWIP - Furniture & Fixtures	CWIP - Office equipment	TOTAL Tangible CWIP
As per Annual accounts as at 01.04.2017	14.39	554.64	-	5.10	6,939.32	-	0.01	14.64	7,495.86
Addition	0.09	80.16	0.21	28.27	5,416.78	0.06	0.00	0.00	5,525.56
Deletion	-	102.69	-	5.07	5,185.52	0	0.01	13.09	5,306.38
As per Annual accounts as at 31.03.2018	14.49	532.11	0.21	28.30	7,170.57	0.06	0.00	1.55	7,747.05
Addition	-	96.79	2.86	48.70	4,840.08	0.00	-0.01	0.56	4,988.99
Deletion	**-**	**99.51**	**0.12**	**3.18**	**5,899.53**	**0.06**	**-0.01**	**1.16**	**6,003.55**
As per Annual accounts as at 31.03.2019	**14.49**	**529.38**	**2.96**	**73.82**	**6,111.12**	**-0.00**	**0.00**	**0.95**	**6,732.71**
Net Capital Work in Progess									**-**
Less:- Provision for obsloescence	-				38.73				38.51
As per Annual accounts as at 31.03.2018	**14.49**	**532.11**	**0.21**	**28.30**	**7,131.84**	**0.06**	**0.00**	**1.55**	**7,708.54**
Less:- Provision for obsloescence	-				28.70				28.70
As per Annual accounts as at 31.03.2019	**14.49**	**529.38**	**2.96**	**73.82**	**6,082.42**	**-0.00**	**0.00**	**0.95**	**6,704.02**

NOTE 2B - INTANGIBLE ASSETS

Particulars	Software Licences
As per Annual accounts as at 01.04.2017	100.81
Addition	70.63
Deduction	67.54
As per Annual accounts as at 31.03.2018	103.90
Addition	85.39
Deduction	67.41
As per Annual accounts as at 31.03.2019	121.89
Accumulated Amortisation	
As per Annual accounts as at 01.04.2017	65.04
Addition	70.87
Deduction	45.80
As per Annual accounts as at 31.03.2018	90.10
Addition	76.89
Deduction/Adjustments	60.75
As per Annual accounts as at 31.03.2019	106.25
Net Carrying Amount	
As at 1st April 2017	35.77
As at 31 March 2018	13.79
As at 31 March 2019	15.64

Note 2C - Assets classified as sale

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Assets classified as held for sale	278.93	242.34	328.61
Total	**278.93**	**242.34**	**328.61**

Note 4: Non Current Assets: Investments in Subsidiaries, associates and joint ventures

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As on 1st April 2017
Investments in Associates			
Chhattisgarh Katghoara Dongargarh Railway Limited	0.52	--	--
Jaigad Power Transco Limited	33.05	30.36	39.47
Maharashtra Transmission Communication Infrastructure Limited	5.19	8.18	4.02
UCM Coal Co. Ltd 30,000 Equity Shares of Rs 10 each fully paid up	-0.42	-0.20	-0.03
Quasi Equity investment in subsidiaries	5.32	5.13	4.80
Less : Allowance for Expected Credit Loss			
(pertains to ECL of MSPGCL)	-1.78	--	--
Total	**41.87**	**43.47**	**48.26**

Note 3

INVESTMENT PROPERTY

(Amt in Rs)

Particulars	**Freehold Buildings**
Cost	
Cost as at 1st April 2017	1,180.53
Additions	-
Adjustments	-
Disposal/Transfers	-
As at 31st March 2017	**1,180.53**
Additions	-
Adjustments	-
Disposal/Transfers	-
As at 31st March 2018	1,180.53
Accumulated Depreciation	
As at 1st April 2017	303.61
Depreciation Charge during the year	42.02
Adjustments	-
Disposal/Transfers	-
As at 31st March 2018	345.63
Depreciation Charge during the year	42.02
Adjustments	-
Disposal/Transfers	-
As at 31st March 2019	387.66
Net Book Value	
As at 31st March 2018	834.90
As at 31st March 2019	792.87
Fair Value	
As at 31st March 2019	792.87
As at 31st March 2018	834.90
As at 1st April 2017	876.92
	2018-19
Rental Income derived from investment properties	81.62
Direct operating expenses (including repairs and maintainance) generating rental income	8.82
Profit arising from investment properties	**72.79**

3.1) 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.

3.2) 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 names 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.

3.3) 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.

3.4) On Finalisation of FRP the value of Assets have been increased by Rs. 13,967,512,030/- 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.

3.5) 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.

3.6) 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 Bomabay High Court

3.7) Additiions to Fixed Assets amounting to Rs. Nil/-(PY Rs. 9,717,014/-) included fixed assets which have neen accounted on the basis of information received from MSEDCL (Civil Section)

Note 5: Non Current Assets: Financial Assets: Investments

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Quoted			
At amortised Cost			
Investments in Government Securities*	283.49	143.00	100.39
Investments in Bonds*	434.68	415.31	311.70
Term Deposit	146.19	48.87	--
II) Investments In Bonds at Amortised Cost			
i)Of Central Govt.Bonds (Earmarked against Contingency Reserve)			
8.15% Govt-FCI Bond 2022	10.49	10.48	10.48
[1050000 bonds of Face Value of Rs.100/- each ; Market Value of C.Y.Rs.103.807 ; (P.Y Rs.101.369 ; 1st April,2015 103.2 each)]			
8.01% Govt-Oil Bond-2023	19.36	19.33	19.31
[(1950000 bonds of Face Value of Rs.100/- each ; Market Value of C.Y. Rs.103.12 ;(P.Y. Rs.100.45 1st April,2015 100.41 each)]			
8.03% Govt-Food Bond-2024	9.92	9.91	9.90
[1000000 bonds of Face Value of Rs.100/- each ; Market Value of C.Y.Rs.103.19; (P.Y.Rs.100.43 1st April,2015 100.57 each)]			
8.23% Govt-Food Bond-2027	9.97	9.97	9.96
[1000000 bonds of Face Value of Rs.100/- each; Market Value of C.Y.Rs.104.45 ; P.Y.Rs.101.56, (1st April, 2015 Rs. 101.19 each)]			
8% Oil Bond 2026	51.47	51.63	51.78
[5000000 bonds ofFace Value of Rs.100/- each; Market Value of C.Y. Rs.102.95; P.Y.Rs.100.07 ,1st April 2015 100.42 each)]			
8.28% GOI 2032	26.84	26.83	26.83
[2700000 bonds of Face Value of Rs.100/- each ; Market Value of C.Y. Rs.108.63 ; (P.Y.103.01, 1st April,2015 104.33 each)]			
8.30% GOI 2040	28.74	28.73	28.73
[2900000 bonds of Face Value of Rs.100/- each ; Market Value of C.Y.Rs.108.51 ;(P.Y.103.80, 1st April,2015 105.0 each)]			
PFC Bonds			
9.45% PFC 2026	28.94	28.93	28.93
[290 bonds of Face Value of Rs.1000000/- each ; (Market Value of P.Y.Rs. 982305, 1st April,2015 Rs. 982305 each)]			
ii) NPCIL Bonds			
4.75% NPCIL-2019	-	-	4.30

[43 bonds of Face Value of Rs.1000000/- each]			
I) Investment in Equity Instruments			
Unquoted - Fully paid up			
(ii) The Raigad Distirict Central Co-op Bank Ltd at Fair Value through Profit & Loss (FVTPL)	--	2.00	2.00
(1000 Equity Shares of Face Value of Rs.500/- each and 390001 Equity Shares of Face Value of Rs.50/- each)			
Share Application Money Pending Allotment			
1. Maharashtra State Power Generation Co. Ltd.	--	37.00	--
2. Maharashtra State Electricity Distribution Co. Ltd.	--	113.18	--
Total	**1050.08**	**945.19**	**604.31**

5.1) Investment in Ratnagiri Gas & Power Pvt Ltd Rs. 516 crores (P.Y Rs. 516 crores): RGPPL carried out an impairment study for Fixed Assetsthrough KPMG. They submitted their final report on 13.05.2017, as follows:

Scenario 1 –

	Amt (in crores)
Equity Value	(3,355)
Impairment of Fixed Assets	(2,241)

Scenario 2 – Considering potential loan restructuring

	Amt (in crores)
Equity Value	750
Impairment of Fixed Assets	(2241)

As on 31.03.2017 details of equity holding is as under:

Name of Shareholder	**Amount (in crores)**
NTPC Limited	974
GAIL (India) Limited	974
MSEB Holding Company Limited	516
IDBI Bank Limited	482
State Bank of India	383
ICICI Bank Limited	340
Canara Bank	82
IFCI Limited	67
Total	**3,820**

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 15 to March 16 and March 16 to March 17 respectively.

(Amount in INR)

Particulars	**March 31,2017**	**March 31,2016**	**March 31, 2015**
Share Capital	38,203	38,203	33,700
Reserves & Surplus	-44,816	-35,680	-24,951
Total	-6,613	2,523	8,749

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

Based on above, it can be inferred that the fair value of the investment as at 1st April 2015.

5.2) The Demerger Scheme of Ratanagiri 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. 442.23 Crs (consisting of 44,22,26,131 shares of Rs. 10/- each).

Accordingly a sum of Rs. 74.05/- Crs. (74,053,869 Equity shares of Rs. 10/-each) was transferred to investment in KLPL.

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 Ltd has also been taken to be Nil as on 31st March 2019.

Note 6: Non Current: Financial: Trade Receivables

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Unsecured considered good;	--	5,247.55	3,740.66
Less: Allowance for Expected Credit Loss	--	-982.28	-509.07
Total	**--**	**4,265.27**	**3,231.59**

Note 7: Non Current: Financial: Loans

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Unsecured , considered good unless stated otherwise			
Balances with group companies	--	--	197.00
Loans and advances to Employees	2.27	3.63	--
Security Deposits	70.19	70.07	18.51

(a) Security Deposits with **(Unsecured: Considered good)**			
b) Loans to related parties **(i)] (UnSecured: Considered good)**	4.53	4.53	4.53
Less: Allowance for Expected Credit Loss	-.4.53	-4.53	-0.61
c) Loans to others (Unsecured: Considered Doubtful)			
(i) Loans & Advances to Licensees	0.31	0.31	0.31
Less: Provision for Doubtful Loans & Advances	-0.31	-0.31	-0.31
(ii) House Building advance to staff	--	--	0.14
Total	**72.45**	**73.70**	**219.57**

Note 8: Non Current: Financial: Other Assets

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
a) Security Deposits (Unsecured, considered good.	-	-	-
(i) Maharashtra Electricity Regulatory Commission [Note no.31(2)]	457.09	428.39	394.19
(ii) Court Authorities	197.16	166.41	335.47
(iii) Others	20.37	21.41	44.44
(iv) Receivable from Govt.of Maharashtra	64.07	60.73	79.50
Total	**738.69**	**676.94**	**853.61**

Note 9: Non Current Tax Assets: Others

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Advance Income Tax	130.00	128.30	126.13
Less: Provision for Taxes	-78.86	-78.86	-78.86
TOTAL	**51.15**	**49.44**	**47.26**

Note 10: Non Current Tax: Others

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Capital Advances	4.94	8.00	25.73
Unamortised transaction cost	0.82	0.86	1.53

Advances for O&M Supplies / recoverables	265.90	252.06	243.90
Less:- Provision for doubtful debts	-172.31	-243.02	-243.90
Balance recoverable from statutory authorities	--	--	0.16
Less:- Provision for doubtful debts	--	--	-0.16
Advance to Irrigation Department Government of Maharashtra	76.21	142.00	138.21
Less:- Allowance for Expected Credit Loss	-76.21	-39.10	-28.08
Advance Tax (net of provisions)	557.20	528.98	555.09
Income Tax paid under protest	333.37	227.86	211.64
Staff Advance	1.95	1.83	2.74
Capital advances	307.39	56.33	60.22
Deferred Lease Rent	751.16	700.06	637.65
i) Advance with Ratnagiri Gas Power Private Limited [Note no. 31(1)(iii)(e)]	181.01	181.01	181.01
ii) Capital Advance	241.14	122.04	118.02
iii) Other	61.98	146.48	64.61
Related Parties	--	3,698.91	396.95
Advances receivable in cash or in kind or for value to be received.	0.03	0.03	0.02
Other Deposits	0.02	0.01	0.01
TOTAL	**2,534.60**	**5,784.32**	**2,365.36**

Note 11: Current Assets: Inventories

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Stores and Spares	584.89	724.33	945.16
Less: Provision for Material Losses Pending Investigation &Obsolete Materials	-30.57	-19.25	-19.10
Raw materials (Coal)	665.36	193.02	638.01
Fuel Oil, LDO etc	218.67	182.24	171.51
Stock-in-transit (Coal)	36.09	42.88	49.00
Stores and Spares	887.41	867.87	914.05
Less : Provision for Obsolescence of stores and spares	-350.60	-302.72	-322.87
Less : Provision for material shortage pending investigation	-39.05	-49.87	-36.01
Total	**1,972.20**	**1,638.51**	**2,339.76**

Note 12: Current Assets: Financial Assets: Investments

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
At amortised Cost			
Investments in Government Securities	--	9.30	68.97
Investments in Bonds	24.57	61.28	--
Demand Deposits	52.21	8.54	--
Total	**76.79**	**79.13**	**68.97**

Note13: Current Assets:Financial assets : Trade Receivables

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Unsecured unless stated otherwise			
Considered Good	31,767.30	27,637.02	21,635.65
- Allowance for Expected Credit Loss	-15.43	-15.43	-13.65
Considered Doubtful	124.71	--	--
- Allowance for Doubtful	-124.71	124.71	26.36
Unsecured considered good; Receivable from GoM towards subsidy to consumers	-7,785.42	-10,888.12	7,583.50
Doubtful	26.60	26.60	97.49
Less: Allowances for Bad and Doubtful Debts	-26.60	-26.60	--
Others (Debts not exceeding six months)	64.50	20.28	11.96
Secured & Considered good [Refer Note No] :	3,625.48	6,911.64	4,137.70
Unsecured & Considered good: Receivable from GoM towards subsidy to consumers [Note no. 31(9)]	786.04	2,102.54	3,488.11
Trade Receivable – Credit Impaired	3,472.89	2,457.88	--
Less: Allowance for Expected Credit Loss (refer Note no. 37(7)(II)(i)(a))	-4,415.04	-4,246.23	-7,760.38
Total	**27,500.33**	**24,104.29**	**29,206.74**

Note 14: Cash & Cash Equivalent

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Balances with Banks	499.20	811.73	1,004.31
Demand Deposits with Banks with original maturity less than 12 months	28.85	35.63	81.76
Cash and Stamps on Hand	0.43	0.54	0.70
Cash with Collection Centers	5.26	2.18	7.18
Cheques/ Drafts on hand	0.45	11.35	4.69
Other Bank Balances			
In earmarked Deposit accounts with original maturities less than 3 months*	784.21	357.57	432.95
Total	**1,318.41**	**1,219.00**	**1,531.58**

Note 15: Loans

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Loans & Advances to Employees	13.28	13.37	19.55
Receivable from CPF Trust	--	1.82	40.73
Other Advances	--	--	1.26
Unsecured : considered good	470.08	468.50	--
Maharashtra State Electricity Transmission Co Limited	15.72	15.79	--
Less: Loss Allowance	--	-99.91	--
Total	**499.08**	**399.58**	**61.54**

Note 16: Others

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Fixed Deposits Received from Suppliers/ Contractors as Security Deposits	0.07	8.54	7.06
Receivable from MSEB CPF Trust	--	--	5.15
Claims for loss/damage to materials	--	--	0.01
Interest Receivable	28.53	14.49	14.23
Other Receivable	--	--	1.91
Recoverable from employees	4.48	17.41	2.21
Unbilled Receivables	2,617.19	2,209.22	1,710.79
Receivable under MVAT refund account	114.30	328.85	584.34

Rent Receivable	0.13	0.14	0.63
Claims receivable	123.07	136.49	18.48
Deposit paid by Mahagenco to Related Party	4.28	0.37	--
Recoverable from Contractors, Deposits paid by Mahagenco	43.43	43.76	87.44
Unbilled Revenue	2,196.13	1,051.69	1,017.32
Less: Allowance for Expected Credit Loss (refer Note no. 37(7)(II)(i)(a))	-412.40	--	--
Interest on Trade Receivables	15,052.17	14,706.25	1.40
Less: Deferred Interest (refer Note no. 2 (6) (a) (v))	-5,877.50	-4,131.55	--
Less: Allowance for Expected Credit Loss (refer Note no. 37(7)(II)(i)(a))	-2,087.80	-4,535.70	--
Interest accrued	31.32	28.03	23.65
Subsidy & Grant Receivable	927.03	21.67	--
Considered Good	22.60	23.59	29.01
Considered doubtful	2.75	2.48	2.45
Less: Provision for Doubtful Advance	-2.75	-2.48	-2.45
Other Receivables	16.63	157.47	69.97
Amounts receivables from other State Electricity Boards	92.77	92.18	92.18
Less: Provision for Doubtful Advances	-92.18	-92.18	-92.18
Total	**12,804.27**	**10,080.73**	**3,573.59**

Note17: Other Current Assets

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Unsecured, Considered Good			
Prepaid Expenses	74.87	73.11	62.95
Advances to Suppliers	12.18	13.75	32.51
Advances and Recoverables	2.07	2.07	2.07
Interest on Refund from Income Tax	0.02	0.02	5.19
Amortised transaction cost	--	--	0.40
Expenses Recoverable			
Considered good	1.00	0.92	1.03
Considered doubtful	1.49	1.49	1.49
- Provision for Doubtful Debts	-1.49	-1.49	-1.49
Coal Deposits			
Prepaid Expenses	38.09	47.72	38.69
Advances for O & M supplies / works	576.06	838.27	1,481.10

Advances for coal / fuel supplies	787.57	905.75	539.53
Less:- Allowance for Expected Credit Loss	203.34	206.95	-90.03
Income accured and due on Investment	0.61	1.03	1.26
MVAT receivable	127.61	173.32	142.03
Total	**1,823.43**	**2,262.91**	**2,216.73**

Note 18: Regulatory Assets

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Regulatory Assets	8,983.74	9,478.74	4,923.71
Total	**8,983.74**	**9,478.74**	**4,923.71**

Note 19: Share Capital

(Amt in Crores)

Particulars	**As at 31 March,2019**		**As at 31 March, 2018**		**As at 1st April 2017**	
	Number of shares	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
A) Authorised Share Capital	9900.00	9900.00	9900.00	9900.00	9900.00	9900.00
99,000,000,000 (P.Y 99,000,000,000) Equity Shares (hereafter referred to as 'shares') of Rs. 10 each						
B) Issued, Subscribed & Paid up Capital						
88,940,246,502 (P.Y 88,086,561,402) Equity Shares (hereafter referred to as 'shares') of Rs. 10 each fully paid up.	8894.02	88940.23	8808.65	88086.54	8739.27	87392.75
	8894.02	88940.23	8808.65	88086.54	8739.27	87392.75

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

Particulars	As at 31 March,2019		As at 31 March, 2018		As at 1st April 2017	
Name of the Shareholder	**No. of shares held**	**% of Total Paid up Capital**	**No. of shares held**	**% of Total Paid up Capital**	**No. of shares held**	**% of Total Paid up Capital**
Gov of Maharashtra and its nominees	8894.02	100%	8808.65	100%	8739.27	100%
	8894.02	**100%**	**8808.65**	**100%**	**8739.27**	**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 St March 2019	As at 31 March, 2018	As at 1st April 2017
	No. of Shares	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	8808.65	8739.27	8739.27
Shares issued during the year	85.37	69.38	---
Shares bought back during the year	-	-	
Shares outstanding at the end of the year	8894.02	8808.65	8739.27

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

597,800,100 Equity shares of Rs. 10/- each were allotted on 15-05-2018
255,885,000 Equity shares of Rs. 10/- each were allotted on 16-10-2018

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	2018-19	2017-18	2016-17	2015-16	2014-15
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	76,750,709,863	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

Note 20: Other Equity

	Share Appli Money pending	Retained Earnings	Other Compre. Income	Special Reserve Fund	Contingency Reserve Fund	Statutory Reserve Fund	Total Other Equity
As at 01-04-2017	933.79	-31,884.02	-287.67	139.39	436.44	577.00	**-30,085.07**
Add profit for the year	-	2,189.35	-	-	-	-	2,189.35
Other Comprehensive Income	-	50.20	-50.20	-	-	-	-
Additions during the year	-	0.08		-	58.81	-	58.89
Deductions during the year	335.99	413.93	-	-	-	-	749.92
As at 31-03-2018	597.80	-30,058.33	-337.87	139.39	495.25	577.00	**-28,586.76**
Add profit for the year	-	-5,009.37	-	-	-	-	-5,009.37
Other Comprehensive Income	-	250.89	-250.89	-	-	-	-
Additions during the year	-	-	-	-	66.81	-	66.81
Deductions during the year	597.80	143.25		-	-	-	741.05
As at 31-03-2019	0.00	-34,960.07	-588.76	139.39	562.06	577.00	**-34,270.37**

Note 21: Non Current Liabilities: Borrowings

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Secured			
Term Loans from Banks	6,366.69	3,971.92	4,328.23
Term Loans from Other Parties	4,812.45	5,328.80	5,637.38
Term Loan From Financial Institutions	20,547.10	21,557.61	21,573.89
Rural Electrification Corporation	19,263.00	13,196.92	9,702.05
Power Finance Corporation	4,357.40	6,091.73	6,763.98
Unsecured Loans			
Term Loan From Financial Institutions	--	--	46.48
Term Loan From CSS EPL Baramati Project	191.39	196.72	201.05
Loan from World Bank	266.62	187.88	159.20
Loan from KFW	381.18	495.20	514.30
Unsecured - at amortized cost			
District Central Cooperative Banks Limited	443.89	416.67	4.46

From other parties			
State Government Loans - GoM	19.99	33.59	55.85
GoM Loan for Uday Yojana	--	--	3,968.00
Maharashtra State Power Generation Co Limited	4.85	--	---
Current Maturities			
Rural Electrification Corporation (REC)	-2,410.94	-2,019.79	-1,083.67
Power Finance Corporation (PFC)	-2,274.79	-2,330.54	-779.71
District Central Cooperative Banks Ltd.	--	-245.00	-4.46
State Govt.Loans - GoM	-771.39	-1,476.16	-1,857.12
State Govt.Loans - Government of Maharashtra	-5.56	-8.75	-1,014.26
Total	**51,191.89**	**45,396.79**	**48,215.65**

Note 22 : Non Current Liabilities: Other Financial Liabilities

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Retention Money	828.79	763.17	881.83
Security Deposits	173.69	224.15	279.85
Other deposits	832.24	618.41	306.21
Inter Company Balances	--	--	4.85
Security deposits from consumers	7,543.48	6,981.00	6,450.90
Deposits for Electrification, service connections, etc.	1.83	3.33	12.92
Deposit From Supplier & Contractors	116.57	--	--
From collection agencies	44.30	--	--
Payable for capital Supplies & services	1,288.36	--	--
Amount payable to REC on behalf of GoM under RGGVY	27.97	34.12	68.86
Other	218.48	186.73	--
Total	**11,116.23**	**8,810.90**	**8,005.43**

Note 23: Non Current Liabilities: Provisions

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Provision for Employment Benefits			
Provision for Gratuity	2,595.20	2,524.50	2,543.14

Provision for Leave Encashment	2,500.38	2,571.16	2,601.98
Total	**5,095.57**	**5,095.67**	**5,145.12**

Note 24: Deferred Tax Liabilities

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Deferred tax liabilities			
Property, plant and equipment	2,666.75	2,620.57	2,527.52
Amortisation of borrowings	7.15	7.07	1.56
Government grant	-5.59	-2.37	-1.70
Others	918.64	853.04	1,507.34
DTL	**3,586.96**	**3,478.31**	**4,034.71**
Deferred tax assets			
Gratuity	193.27	204.26	216.04
Others	77.78	77.78	77.78
Leave Encashment	0.69	--	--
Impairment on trade receivables	9.63	9.63	9.63
Amortisation of investment in govt securities	12.54	15.78	15.67
DTA	**293.92**	**307.45**	**319.12**
Reversal of opening DTL	35.00	35.00	35.00
Provisions	4.98	--	--
Loans & Advances	10.90	--	--
Total	**3,242.17**	**3,135.86**	**3,680.59**

Note 25: Other Non Current Liabilities

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Deferred Government Grants	170.52	178.48	186.58
Grant : Power System Development Fund	21.84	8.75	--
Grant : Green Energy Corridor for Projects	110.16	75.00	--
Grant: Tribal Sub Plan Area (TSP)	19.65	18.09	--
Capital Grant	13.37	61.42	53.63
Contribution from GoM through REC for RGGVY (Subsidy) [Note no. 31(21)]	2,768.94	2,645.15	2,817.74
Grants [Note no. 36(26)]	5,585.35	3,828.58	2,489.39
Uday Loan [refer Note no. 37(25)]	992.00	1,984.00	333.25
Total	**9,681.82**	**8,799.47**	**5,880.59**

Note 26: Current Liabilities: Financial Liabilities- Borrowings

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Loan Repayable on Demand			
Secured			
From Banks			
Cash Credit	4,960.62	4,619.80	3,432.91
Canara Bank	1,415.00	1,500.00	1,500.00
Bank of India	--	340.00	340.00
Bank of Maharashtra	617.50	--	--
United Bank of India	490.00	290.00	490.00
Syndicate Bank	382.50	380.00	350.00
From Banks(WCDL)			
Current Maturities of Term Loans from Banks	51.53	51.53	77.71
Current Maturities of Term Loans from Other Parties	944.76	906.46	879.66
Working capital loans from banks	135.00	69.88	688.67
Unsecured			
Working capital loans from banks	2,350.00	2,300.00	1,962.91
Other Short Term Loans	750.00	1,250.00	3,423.44
Unsecured - at amortized cost			
Loans from banks			
Raigad District Co-Op Bank	--	100.00	100.00
Bank of India	--	--	250.00
The Gadchiroli District Central Co.Op. Bank	--	--	183.98
Maharashtra State Co-op. Bank	833.33	1,000.00	916.67
Vijaya Bank	--	450.00	125.00
Ratnagiri District Co-Op. Bank	300.00	300.00	200.00
Thane District Co-Op Bank	166.68	--	--
Loan from Others			
Interest free Loan from Maharashtra Industrial Development Corporation	123.52	123.52	123.52
Energy Development	250.00	--	--
Total	**13,770.44**	**13,681.19**	**15,044.47**

Note 27: Current Liabilities – Trade Payables

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Dues to Micro,Small and Medium Enterprises	0.12	0.48	2.40
Due to others	325.86	248.37	247.67
Other than MSME	1,209.98	1,425.86	1,704.00
Liability for purchase of Power	-2742.09	-826.37	6,105.66
Liability for transmission charges	-501.32	-727.21	359.56
Other Payable	1,930.27	2,068.06	2,690.82
Total	**222.82**	**2,189.18**	**11,110.12**

Note 28: Other Financial Liabilities

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Interest accrued but not due on borrowings	68.57	73.79	85.88
Unclaimed matured open market bonds and interest accrued thereon	--	0.05	0.85
Payable from MSEB CPF Trust	14.86	15.36	--
Employee related payables	77.95	73.49	80.38
Capital creditors	122.65	126.69	126.14
Payable to group companies	16.78	21.82	--
Other payables	2.78	2.18	1.51
Current maturities oF Long Term Borrowings	2,466.85	2,513.00	2,228.49
Retentions	3,514.43	3,175.11	2,850.91
Other Deposits	106.85	96.76	94.68
Interest accrued but not due	228.97	247.29	242.36
Payables for Capital goods	79.29	109.13	110.59
Related Party Payables	743.67	626.34	--
Others	445.29	326.26	170.92
Payable to employees	77.60	46.28	8.46
Current Maturities of Long-Term Debt			
i) Secured - at amortised Cost			
From Financial Institutions	4,685.73	4,350.33	1,863.38
From Banks	771.39	1,721.16	1,861.58
ii) Unsecured - at amortised Cost			
From Government of Maharashtra	5.56	13.60	1,014.26

Deposits :			
From Consumers	89.67	36.72	35.33
From Others	16.82	106.33	237.73
From Supplier & Contractors	74.78	202.93	2,410.87
From collection agencies	32.39	65.83	59.03
Interest Accrued			
i) On loans	398.45	344.81	381.96
ii) On Deposit	602.67	567.67	555.56
iii) Others	28.34	6.08	--
Payable to GoM towards Electricity Duty and Tax on sale of Electricity	1,131.79	4,434.70	3,425.11
Interest on Trade Payable for purchase of Power	5,280.21	4,244.20	--
Interest on Trade Payable for Transmission Charges	902.49	795.24	--
Others	300.13	175.43	206.10
Payable for capital Supplies & services	710.35	2,505.28	--
Balances with group companies	3,003.68	6,926.40	302.52
Total	**26,000.99**	**33,950.26**	**18,354.61**

Note 29: Other Current Liabilities

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Liability for Grant towards Energisation of AG Pump under EGS	1.60	2.28	2.46
Duties & taxes payable	108.61	85.24	78.70
Advances from customers	1.35	--	2.82
Income tax deducted at source	23.41	18.09	9.21
Income tax collected at source	0.01	0.06	2.27
Service Tax liability	0.05	0.09	0.04
GST Liability	29.13	4.73	--
Profession Tax Liability	0.11	0.03	--
Inter Company Payables	180.37	297.31	274.46
MSEB Residual	0.55	0.55	0.57
Contributions from Consumers	335.67	271.98	328.20
Other Liabilities	0.03	0.03	0.03
Statutory Dues	11.19	0.70	0.06
Contingency Reserve	380.00	237.00	2,525.66
Current maturities of Capital Grant	0.48	0.47	--
Grants	490.23	362.34	322.41

Current Maturity of Uday Loan	992.00	992.00	108.00
Other Current Liabilities	225.20	97.69	138.53
Total	**2,779.99**	**2,370.59**	**3,793.44**

Note 30: Provisions

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Provision for gratuity	550.09	542.60	541.84
Provision for leave encashment	473.12	492.05	513.94
Provision for CSR Expenditure	73.10	79.20	80.92
Provision for late interest payment	2.67	2.67	2.67
Provision for Tree/Land Compensation	6.66	4.82	--
Provision for decrease in value of Investment	--	--	-0.61
Provision for expenses	0.07	0.07	0.07
Other Provision	4,185.88	2,247.32	4.52
Others	537.51	--	--
Total	**5,829.10**	**3,368.72**	**1143.36**

Note 31: Current Tax Liabilities

(Amt in Crores)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Provision for Income Tax	251.55	--	--
Less: Advance tax	-2.19	--	--
Provision for CSR Expenditure	249.36	--	--

Note 32: Revenue from operations

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
a) Operating Revenue :		
Revenue from sale of power	--	1605.67
Transmission charges recoveries	569.79	591.07
Transmission charges recoveries (goa)	5.99	97.68
Transmission charges recoveries (dadar nagar)	138.20	164.96
Open Access Charges	10.51	10.25
SLDC Charges	2.88	3.28
Rescheduling Charges	2.51	1.11

Revenue from sale of power	72,968.91	61,031.30
Less: Prompt Payment Discount	-287.38	-242.40
b) Other Operating Revenue		
Miscellaneous Operating Income	143.81	30.04
Sale of Fly Ash	34.00	29.75
Less: Transferred to Fly Ash Utilisation Fund	-34.00	-29.75
Standby charges	396.05	397.79
Miscellaneous charges from consumers	13.85	3.14
Total	**73,965.13**	**63,693.91**

Note 33: Other Income

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Other Income		
On Deposits	0.28	0.41
Income from Rent, Hire Charges,etc	6.76	6.62
Profit from sale of assets/stores/scarp	63.80	76.97
Sale of tender forms	1.14	1.26
Sundry credit balance write back	42.65	105.91
Other receipts	66.75	64.58
Govt Grant Amortisation	0.48	0.47
Interest income	86.19	45.37
Profit on sale of Property , Plant and Equipment	5.17	3.49
Sale of tender forms	1.52	1.34
Income from sale of scrap	3.76	8.18
Government Grant	9.22	8.10
Amortisation of investments	--	--
Other Miscellaneous Income	178.34	444.99
Gain on foreign currency transactions and translations (Net)	84.85	406.79
Interest from Investment valued at Amortised Cost	17.61	15.65
Interest from Consumers	1,875.02	1,380.44
Other	36.35	6.32
Contribution, Grants and Subsidies towards cost of Capital Assets	825.90	634.31
Grant under UDAY Scheme	992.00	992.00
Miscellaneous Receipts	458.97	--

Income from Rentals	4.96	6.40
Interest on Fixed Deposits with bank	1.73	2.61
Delayed Payment Charges	298.49	205.88
Cash Discount Received	0.18	0.05
Interest on IT refund	0.85	--
Other miscellaneous receipts	0.10	0.13
Provision for bad & doubtful debt	4,019.34	--
Total	**9,082.41**	**4,418.24**

Note 34: Cost of material consumed

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Coal	11,964.67	10,548.77
Gas	554.11	574.78
Oil	292.37	243.80
Water	184.18	193.49
Total	**12,995.33**	**11,560.85**

Note 35: Purchase of Power

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
(a) Conventional Power	27,258.66	21,410.95
(b) Non Conventional Sources	9,648.48	7,591.91
(c)Less : Rebate	-50.68	-280.31
(d) Transmission Charges	4,723.82	4,460.56
Total	**41,580.29**	**33,183.11**

Note 36: Employee Benefit Expense

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Salaries, allowances, bonus etc.	5,687.36	5,019.30
Contribution to provident funds	1,071.80	1,067.24
Gratuity Leave Encashment and other	291.46	388.40
Employee Welfare expenses	298.39	257.70
Other Staff Costs	6.45	5.78
Directors Remuneration	0.12	0.10
	7,355.58	**6,738.54**
Less: Employees cost capitalised	-483.82	-329.82
Total	**6,871.76**	**6,408.71**

Note 37: Repairs and Maintenance

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Plant & Machinery	729.54	582.14
Buidling	12.56	42.15
Others	22.38	191.78
Total	**764.49**	**816.07**

Note 38: Administrative Expenses

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Administrative Expenses	97.87	71.76
Legal & Professional Fees	51.47	25.20
Statutory Auditors fees	1.03	1.00
Expenses towards Consumer Grievance Redressal Fourm	1.06	0.50
Conveyance and Travel	59.38	70.69
Commission/Collection charges	81.27	76.03
Fees & Subscription	11.26	4.43
Printing & stationery	12.82	14.86
Advertisment Expenses	25.02	8.03
SecurityMeasures fr Safety&Protection	117.15	104.07
Expenditure on Computer Billing	296.42	260.74
Vehicle running Expenses	3.50	3.93
Advt.of Tenders/Notices etc.	2.52	7.91
Others	32.02	26.13
Less: Administrative Charges Capitalised	-63.11	-39.93
Total	**729.68**	**635.35**

Note 39: Finance Costs

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Interest Expenses		
a) On Loan from		
Banks	13.06	32.63
Others	6,701.75	6,553.27
Exchange difference regarded as an adjustment to borrowing cost	2.75	44.28

b) On Security Deposits from Consumers	665.28	632.60
c) Payable to Suppliers and Contractors	366.55	482.01
d) Others	36.47	--
Transaction Costs	1.17	2.53
Financial Charges	23.81	15.33
Bank Charges	24.93	27.57
Guarantee charges	--	0.01
Miscellaneous Costs	2.21	2.62
Amortisation of borrowings	0.98	1.86
Less: Interest and Finance Charges Capitalised	-121.29	-144.03
Total	**7,717.68**	**7,650.68**

Note 40: Depreciation & Amortisation

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Depreciation & Amortisation Expenses	7,274.90	6,729.64
Amortisation on intangible fixed assets	12.78	14.95
Provision for impairment of CWIP	--	6.26
TOTAL	**7,287.68**	**6,750.85**

Note 41: Other Expenses

(Amt in Crores)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Rent	35.89	20.92
Hydro Lease rent	565.83	452.09
Repairs & Maintenance		
Plant & Machinery & Building	1,384.08	1,356.89
Vehicle	0.03	0.04
Furniture	0.45	0.44
Office Equipment	2.61	2.32
Others	1.04	0.70
Insurance Charges	28.11	26.68
Rates & Taxes	34.27	30.93
Others -		
Lubricants, consumables stores including obsolescence	9.76	3.89
Domestic water	0.08	6.92
Legal & Professional Charges	22.96	23.59

Commission to Agents	0.01	0.02
Other Bank charges	1.06	0.26
Contribution towards assets not owned by company/CSR expenditure	3.11	10.20
Other General Expenses	186.53	155.38
Obsolescence of Stores	47.88	--
Loss on Obsolescence of Fixed Assets	20.78	40.82
Loss on foreign Exchange variance (net)	16.02	--
Sundry Expenses	29.74	75.91
Payment to the auditors for		
Audit Fees	1.06	0.89
Reimbursement of Expenses	0.12	0.15
Reimbursement of Service Tax	0.19	0.17
Advertisement Expenses	1.51	0.66
Advertisement of tenders / notices and other purchase related advertisement	14.17	10.06
Electricity Charges	8.25	6.07
Freight Charges	0.03	0.04
Government Inspection Fees	0.02	--
Insurance	3.79	3.04
Membership & Subscription	6.52	1.88
Miscellaneous Expenses	71.51	48.63
Ash Utilisation Expenditure	--	3.16
Miscellaneous losses and provisions	0.36	111.63
Postage Telephone & Telex	4.15	4.49
Printing & Stationery	3.12	3.16
Security Expenses	71.14	68.70
Travelling & Conveyance	9.07	9.65
Upkeep of office	12.98	12.40
Vehicle Running & Maintenance Expenses	4.60	5.16
Water charges	6.22	5.93
Expenditure on Hire	25.26	21.81
Fees & Subscription	0.87	0.70
Foreign Exchange Loss	3.61	16.07
Telephone	0.02	0.02
Refund of Regulatory Reliabilty Charges (RLC) as per MERC Order	1.67	0.70
Insurance on Fixed Assets	0.02	0.02
Meeting Expenses	0.04	0.03
Interest as per BMC directives	0.13	0.13

Contribution to Contigency Reserve as per MERC Regulation	143.00	129.00
Bad Debts	4,019.34	-
Expected Credit Loss	2,072.55	1,066.48
Loss on obsolence of Inventory and other	18.78	21.75
Less:Administration expenses capitalised	-14.04	-14.14
Total	**8,880.30**	**3,746.46**

42: Contingent Liabilities and commitments:

In respect of MSEDCL:

1. <u>Contingent Liabilities, Contingent Assets and Commitments :</u>

(Rs in Lakhs)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
I.	Contingent Liabilities		
(a)	Claims against the MSEDCL not acknowledged as debts-		
	(i) Datar Switchgear Ltd. (refer para i below)	70,344	66,032
	(ii) Asian Electronics Ltd. (refer para ii below)	15,712	15,712
	(iii) Power Purchase (refer para iii below)	9,27,054	6,91,735
	(iv) MIDC Interest free Loan (refer para iv below)	6,940	6,940
	(v) Mula-Pravara Electric Co-op. Society Ltd. (refer para v below)	45,709	42,839
	(vi) Others [refer para vi below]	51,678	50,965
	Total of (a)	**11,17,437**	**8,74,223**
(b)	Disputed Duties / Tax Demands		
	(i) Income Tax	3,21,481	4,27,775
	(ii) TDS	3,615	3,416
	(iii) Excise Duty	133	220
	(iv) MVAT	1,88,266	536
	(v) Service Tax	44,949	-
	Total of (b)	**5,58,444**	**4,31,947**
	Total of (a+b)	**16,75,881**	**13,06,170**
II.	Contingent Assets (Refer para I (iii) (j) and II below)	35,250	85,157
III.	Other Commitments		
	(i) Refer para III below	-	-
	(ii) Refer para 12(ii) below	18,880	23,600
IV.	Capital Commitments		
	Liability against capital commitments (net of advances given)	5,47,443	4,36,994

I. Contingent Liabilities include :-

(i) Datar Switchgear Limited :

In an earlier year, erstwhile Maharashtra State Electricity Board (MSEB) had entered into a contract with Datar Switchgears Ltd. (DSL) for supply, erection, commissioning and maintenance of load management system panels on operating lease basis. After part execution of the contract, DSL has filed the suit for damages of panels & cost of possession before Hon. Bombay High Court (BHC), Mumbai. The matter is pending before Hon. BHC The claim amount is Rs. 70,344 Lakhs - including accumulated interest of Rs.62,926 lakhs (P. Y. Rs.66,032 Lakhs- including accumulated interest of Rs.58,614 lakhs).

(ii) Asian Electronics:

The lease rent payment to Asian Electronics towards Low Tension Load Management System (LTLMS) panels installed by them has been stopped since June 2006, as LTLMS panels were not working. The dispute has been referred to Arbitrator by Asian Electronics & a claim of Rs. 15,712 lakhs (P. Y. Rs. 15,712) has been lodged against the company.

MSEDCL has lodged counter claim of Rs. 50,231 lakhs against Asian Electronics. The case is pending in the Arbitral Tribunal for hearing. Asian Electronics is under process of liquidation, hence the counter claim is not considered as a part of contingent assets.

(iii) Power purchase Liabilities :

a) Pursuant to Central Electricity Regulatory Commission (CERC) order in Aug 2000 and July 2004, the wheeling charges are to be paid to the Orissa Power Transmission Corporation Limited (OPTCL) @10 Paise p/u. MSEDCL pays monthly transmission charges bill at the same rate only which is not accepted by OPTCL and they have raised bills @ 17 Paise p/u and showing arrears in their bill. MSEDCL vide letter dated 16.08.2011 has requested OPTCL to withdraw arrears and revise the bills. However, the reply from OPTCL is still pending. The arrears as shown by OPTCL as on 31st Mar 2014 are Rs.1,661 Lakhs (P. Y. Rs.1,661 Lakhs). Now, the transmission charges pertaining to wheeling of power through OPTCL's transmission lines are recovered through the Point of Connection (POC) mechanism.

b) The monthly bill of Sardar Sarovar Projects (SSP) is admitted by MSEDCL @ 2.05 Rs/KWH as decided in the meeting of Government of Maharashtra, whereas the bill is raised by SSP @ 3.00 Rs/KWH without showing any arrears. In case, it is decided to pay @ Rs 3 p/u, MSEDCL will have an additional liability of Rs. 24,783 Lakhs (P. Y. Rs. 23,314 Lakhs).

c) Disputed liability for compensatory tariff on account of New Coal Distribution Policy (NCDP):

The Government of India declared New Coal Distribution Policy (NCDP) on 23.07.2013. As per this new policy, Fuel Supply Agreement is allowed to be signed up to 65% to 75% of Aggregate Contract Quantity only. The balance coal is to be arranged by way of import by Coal India Ltd. / respective generator. As per directions of Ministry of Power, vide letter dated 31st July 2013, to all the States as well as State Commissions, higher cost of imported coal is to be considered for pass through as per modalities suggested by Central Electricity Regulatory Commission (CERC).

Adani Power Maharashtra Ltd (APML) and others had filed petition before Hon'ble MERC for compensation of incremental coal cost pass through due to NCDP seeking compensation over and above the tariff determined through Competitive bidding.

MERC vide Order dated 20.08.2014 approved Rs.1.95 per Kwh for APML and as indicative compensatory fuel charge.

MSEDCL has preferred an appeal against the said order of MERC before the Appellate Tribunal for Electricity (APTEL) wherein APTEL has remanded back the case to MERC for fresh hearing in view of The Supreme Court's judgment in Coastal Gujarat Power Ltd. matter on similar grounds.

MERC passed an order on 07.03.2018 and allowed compensation to APML. Accordingly, APML raised a claim of Rs.2,82,100 lakhs, vide their invoice dated. 06.10.2018. In the absence of clarity over the method of calculation of the balance amount payable (since the matters relating to the technical parameters considered for calculation of amount payable are under litigation), MSEDCL has not made provision for the balance amount and has considered the same as contingent liability. Further, MERC has also allowed carrying cost on claim of NCDP to APML vide its order in case no 295 of 2018. Accordingly, MSEDCL may have to pay the balance claim of Rs. 1,42,100 Lakhs along with carrying cost. The approximate amount of carrying cost till 31st March 2019 comes to the tune of Rs. 38,600 Lakhs. Hence, total amount of Rs. 1,80,700 Lakhs considered as contingent liability.

d) The Power Purchase Agreements (PPAs) with Individual Power Plants (IPPs) provide for Delayed Payment Surcharge (DPS). There is variation in the principal amount (on account of various factors) as well as rate of interest considered for the purpose of calculating DPS. MSEDCL has accounted for the DPS based on its working of principal as well as interest rate. The difference of Rs. 1,00,786 lakhs (P.Y. Rs. 44,694 lakhs) between DPS calculated by MSEDCL and DPS as claimed by the IPPs has not been accounted and is considered as contingent liability as detailed below.

(Rs. in Lakhs)

Particulars	**Contingent Liability on account of DPS**	
	As at 31.03.2019	**As at 31.03.2018**
Adani Power Maharashtra Ltd 1320 MW	36,077	23,647
Adani Power Maharashtra Ltd 1200 MW	35,861	10,096
Adani Power Maharashtra Ltd 125 MW	2,267	1,129
Adani Power Maharashtra Ltd 440 MW	2,862	601
Rattan India Power Ltd 450 MW	6,979	884
Rattan India Power Ltd 750 MW	4,443	193
JSW Energy Limited	9,417	7,616
GMR Warora Energy Ltd	2,880	529
TOTAL	**1,00,786**	**44,695**

e) MERC has held that, the coal distribution policy viz. SHAKTI policy (Scheme for Harnessing and Allocating Koyala Transparently in India) is as a Change in Law event and has allowed compensation to APML from April 2017 onwards. APML has raised claim of Rs. 2,32,000 Lakhs for the period from April 2017 to March 2019. However, MSEDCL has filed an appeal in APTEL against the order of MERC.

MSEDCL may also be required to pay the carrying cost on the claim amount of APML. The approximate impact of carrying cost comes to Rs. 19,600 Lakhs. Hence, the total amount of Rs. 2,51,600 Lakhs has been considered as contingent liability under SHAKTI policy.

f) CERC has allowed compensation to GMR Warora Energy Ltd., (GWEL) towards domestic coal shortfall viz. SHAKTI policy under the provisions of Change in law in PPAs vide its order in case no. 284 of 2018. Moreover, CERC, by another order, has also allowed compensation to GWEL and directed to consider the technical parameters such as Station Heat Rate (SHR) of plant on actual basis and Gross Caloforic Value (GCV) of coal on receipt basis instead of considering the parameters on standard basis. Accordingly, based on the directions of CERC, GWEL has submitted its claim of Rs. 9,300 Lakhs.

MSEDCL may also be required to pay the carrying cost on the claim amount of GWEL. The approximate impact of carrying cost comes to the tune of Rs. 1,129 Lakhs. However, MSEDCL has filed an Appeal in APTEL against both the orders of CERC. Hence, the total amount of Rs. 10,429 Lakhs is considered as contingent liability under SHAKTI policy.

g) Power Purchase Agreement (PPA) was executed between Ratnagiri Gas & Power Pvt. Ltd (RGPPL) and MSEDCL on 10.04.2007. Gas supply from Krishna-Godavari D6 (KG D6) Basin was continuously reducing from September 2011 and subsequently was completely stopped from January 2014 onwards. Due to high cost of alternate fuel and to avoid any financial burden on its consumers, MSEDCL has not accepted the power in accordance with clause 5.9 of PPA and did not pay capacity charges from May 2013 onwards.

CERC vide order dt. 30.7.2013 has allowed RGPPL to declare availability on R-LNG to recover capacity charges. MSEDCL filed an appeal in APTEL against the said CERC Order. APTEL vide its order dated 22.04.2015, dismissed the appeal filed by MSEDCL. Subsequently MSEDCL filed an Appeal in the Supreme Court of India against the APTEL Order. Supreme Court of India has declined to entertain the appeal. However, Supreme Court of India gave liberty to the appellant to move the Supreme Court once again in the event it becomes so necessary.

As per RGPPL Letter dated 07.06.2019, earlier due amount of around Rs. 1,80,000 Lakhs (excluding surcharges) is kept in abeyance as per minutes of meeting held on 17.08.2015 at Prime Minister Office (PMO). RGPPL has claimed Rs. 3,51,004 Lakhs (upto March 2019). MSEDCL has paid an amount of Rs. 18,101 Lakhs as advance against the amount due. The amount paid has been shown as part of deposit. The entire amount of Rs. 3,51,004 lakhs (P.Y. Rs. 2,88,323.32Lakhs) is considered as contingent liability.

h) MSEDCL had PPA with Lanco Vidarbh (the Generator) towards supply of power of 680 MW. Lanco Vidarbh failed to achieve the Schedule Commercial Operation Date (SCOD) as stipulated. As per terms of the PPA, MSEDCL has encashed the Contract Performance Guarantee (CPG) amounting to Rs. 5,100 Lakhs.

However, the Generator approached the State Commission. Accordingly, MERC has directed to return the Bank Guarantee (BG) amount vide order in case no. 85 of 2016 & 135 of 2015. MSEDCL has filed an appeal before APTEL the amount Rs. 5,100 Lakhs i.e. equivalent to BG amount encashed is considered as contingent liability.

i) MERC had passed an order allowing compensation to JSW Energy Ltd. (JSWEL) towards various changes in law events vide its order in case no. 123 of 2017. JSWEL raised a bill including the compensation towards auxiliary consumption on power supplied through alternate sources. MERC disallowed this claim vide its order in case no 289 of 2018. JSWEL has filed an appeal in APTEL against the order of MERC. The matter is pending before APTEL. The amount of Rs. 1,000 Lakhs is considered as contingent liability.

j) Most of the above mentioned amounts [covered by paragraphs (a) to (i) above] considered as Contingent Liability, if crystallised, would be allowed to be recovered through Aggregate Revenue Requirement (ARR) as per MERC Regulations, and are potential contingent assets. However, the amount of contingent asset, if any, that may arise on this account is not considered as such.

(iv) Interest Free Loan from Maharashtra Industrial Development Corporation (MIDC) :

The various electrical infrastructures up gradation and system improvement work at MIDC areas are carried out by MSEDCL. Considering the urgency, necessity & financial condition of MSEDCL, MIDC itself executes the work or provides funds to MSEDCL. The cost incurred by MIDC or funds provided by MIDC are treated as interest free loan from MIDC.

MIDC has raised claim of various works done under MIDC areas amounting to Rs. 11,669 Lakhs, out of which based on available details, MSEDCL has accepted claims amounting to Rs.4,729 Lakhs and accounted for the same as interest free loan.

Out of Rs. 4,729 Lakhs, MSEDCL has repaid Rs. 2,224 Lakhs to MIDC on the basis of Work Completion Report (WCR) and Handing Over Taking Over document received from field offices. Rs. 6,940 Lakhs has been considered as Contingent Liability.

Further, MIDC has sanctioned Rs. 9,848 Lakhs vide letter dated 23.01.2017, and the same is received by MSEDCL on 24.01.2017.

In both the cases, MIDC has not provided the detailed terms and condition of repayment of principal amount and interest payment. However, MSEDCL vide letter dated 15.03.2017, 20.06.2017 and 26.02.2018 requested MIDC to provide the repayment schedule of the interest free loan of Rs. 9,848 Lakhs but the reply is awaited from MIDC.

(v) Deposits made by MSEDCL with MERC against user charges for use of assets of Mula- Pravara Electric Co-op. Society Ltd. :

Mula-Pravara Electric Co-op. Society Ltd. (MPECS) was in the business of Distribution of Electricity as a Licensee from 1970. Govt. of Maharashtra (GoM) had taken a decision with respect to viable rate to be charged to MPECS for the period from April 1977 to April 2000 in the month of May 1999. Due to the implementation of GoM's decision of viable tariff, erstwhile MSEB suffered a revenue loss of Rs. 22,100 Lakhs. The MERC had determined the tariff rate to be charged to MPECS from May 2000. MPECS had continued defaulting full payment from 1977 due to which at the end of Jan. 2011 arrears amounted to Rs. 2,34,920 Lakhs. MPECS challenged the tariff determined by MERC. The matter is pending before Hon'ble Supreme Court and no interim stay has been granted to MPECS.

MSEDCL has also filed suit for recovery of arrears of Rs. 2,34,920 Lakhs before Civil Court, Shrirampur.

Considering the expiry of license of MPECS, MSEDCL filed a petition before MERC for revocation/ suspension of MPECS license. Similarly MPECS also filed a petition for grant/continuation of license. Considering the expiry of licensee of MPECS on 31.01.2011, MERC vide its order dt. 27.01.2011 permitted MSEDCL to supply the electricity in the areas of MPECS and decided the issue of license in favour of MSEDCL. Accordingly, MSEDCL is supplying the electricity w.e.f. 01.02.2011 in the said areas earlier serviced by MPECS using the infrastructure of MPECS.

MPECS challenged MERC order dt. 27.01.2011 and filed petition before Hon'ble APTEL. Hon'ble APETEL vide its order dt. 16.12.2011 directed MERC to review its decision for grant of license to

MSEDCL and also directed to continue the existing arrangement of supplying electricity in MPECS area by MSEDCL, subject to payment of charges for use of distribution network of MPECS by MSEDCL.

MERC decided that MSEDCL being a deemed license, does not require fresh license after expiry of license of MPECS. MPECS challenged MERC order before ATPEL. These appeals are still pending before Hon'ble APTEL.

In the MPECS petition for user charges (third matter), MERC directed MSEDCL to carry out the valuation of assets of MPECS and directed to pay Rs. 100 lakhs per month as interim charges for use of assets to MPECS and directed MPECS to provide the necessary details for valuation of assets to MSEDCL. However, since MPECS failed to produce the fixed assets register and necessary documents to MSEDCL, interim charges were not paid and valuation could not be done. Considering this MERC dismissed the matter of determination of user charges stating that, in the absence of the valuation of assets, MERC may not be able to determine the charges payable by MSEDCL to MPECS for the use of the distribution assets.

MPECS thereafter filled appeal before Hon'ble APTEL in this regard in which Hon'ble APTEL vide its order dated 13.3.2015 directed MSEDCL to pay Rs. 100 lakhs to MPECS as interim arrangement and also directed MERC to carry out valuation of assets. The order of APTEL was challenged by MSEDCL before Hon'ble Supreme Court Hon'ble Supreme Court has directed to deposit Rs. 100 lakhs per month to MERC instead of paying it to MPECS.

Accordingly, based on consultant's valuation report, MERC determined monthly charges payable to MPECS vide its order dt. 02.05.2016. MSEDCL, being aggrieved by the said order, has challenged MERC order dt. 02.05.2016 before Hon'ble APTEL and Hon'ble APTEL on said appeal has passed an order directing as under-

a) The amount of Rs. 6,364 Lakhs deposited by MSEDCL with the MERC together with interest accrued thereon be released to MPECS and consequently adjusted as user charges.

b) MSEDCL will continue to pay an amount of Rs.100 Lakhs per month to MPECS.

c) MSEDCL to deposit monthly charges as per monthly schedule determined with MERC, after deducting Rs.100 lakhs paid to MPECS.

Accordingly, MSEDCL has made payment as under:

(Rs.in Lakhs)

Particulars	Paid up to 31.03.2018	Paid during FY 2018-19	Paid up to 31.03.2019
MPESC (charged to statement of profit & loss)	8,664	1,200	9,864
MERC (Deposit)	42,839	2,870	45,709
Total	**51,503**	**4,070**	**55,573**

As such, the amount of Rs. 45,709 Lakhs (P. Y. Rs. 42,839 Lakhs) deposited with MERC is considered as a contingent liability.

(vi) Others:

These claims relate to various cases filed against MSEDCL mainly for matters related with tariff levied in the energy bill, unauthorised use of power, compensation claim in case of fatal & non-fatal accidents and interest on outstanding payment to the vendors. These claims have been disputed by MSEDCL.

It is not practicable for the Company to estimate the timings of cash out flows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

II. Contingent Asset includes:

Contingent Asset includes following billing dispute Cases.

(Rs in Lakhs)

Sr. No.	Particular	As at 31.03.2019	As at 31.03.2018
1	Vodafone India Ltd. (since merged with and post merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.)	1,167	1,049
2	Idea Cellular Ltd (since merged with and post merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.))	2,275	2,069
3	Asian Electronics Ltd.	-	50,231
4	Material Management Cell	31,808	31,808
	Total	**35,250**	**85,157**

Vodafone India Ltd. and Idea Cellular Ltd. (both have merged with effect from 31st August 2018 and post merger known as Vodafone Idea Ltd.) are High Tension (HT) consumers who were initially billed at industrial tariff. However, it has been observed that no industrial activity is carried out by these consumers and as such it would be appropriate to levy commercial tariff to them. Hence, the tariff category is changed and the differential amount was charged to the consumers. Aggrieved by this demand, these consumers filed writ petition in High Court for continuation of industrial tariff. The order in these matters is awaited. Since the revenue is booked as per industrial tariff, the differential amount is shown as contingent asset.

III. Other Commitments:

The Company has executed PPAs for purchase of power up to capacity of around 36,589 MW for F.Y. 2018-19 (P.Y. 36,435 MW) with various Individual Power Plants (IPPs) and is committed to procuring power as per the requirement and on Merit Order Dispatch (MOD) principle as directed by MERC, at the rate as applicable from time to time.

In respect of MSEBHCL:

a) Contingent Liabilities

(Amt in Rs.)

Nature of Dues	As at 31st March 2019	As at 31st March 2018	Period to which the amount relates
Penalty	1,416,557,002	1,416,557,002	A.Y 2006-07
Penalty	1,371,736,837	1,371,736,837	A.Y 2007-08
Penalty	1,271,079,159	1,271,079,159	A.Y 2008-09
Penalty	1,134,815,207	1,134,815,207	A.Y 2009-10
Penalty	980,338,089	980,338,089	A.Y 2010-11
Tax and Interest	92,310,540	92,310,540	A.Y 2010-11
Tax and Interest	82,490,910	82,490,910	A.Y 2011-12
Tax and Interest	158,289,441	158,289,441	A.Y 2012-13
Tax and Interest	115,898,560	115,898,560	A.Y 2013-14
Stamp Duty on issue of shares	--	26,992,556	A.Y 2016-17

24.1) Out of the penalty of Rs. 1,371,736,837/- (P.Y. Rs. 1,371,736,837/-) for the A.Y. 2007-08 Rs. 250,000,000/- have been paid under protest against which stay proceeding are pending under PCIT.

24.2) Out of the penalty of Rs. 1,134,815,207/- (P.Y. Rs. 1,134,815,207/-) for the A.Y. 2009-10 Rs. 100,000,000/- have been paid under protest against which stay proceeding are pending under PCIT.

24.3) Refund of Rs. 95,957,594/- determined for the A.Y. 2011-12 in terms of an order dated 29th November 2018 giving effect to the order of the CIT(A) has been fully adjusted against the demand raised for the A.Y. 2010-11.

24.4) Out of Tax and Interest of Rs. 158,289,441/-(P.Y. Rs.158,289,441/-) for the A.Y. 2012-13Rs. 75,801,521/- have been paid.

24.5) Out of Tax and Interest of Rs. 115,898,560/-(P.Y. Rs.115,898,560/-) for the A.Y. 2013-14Rs. 115,898,560/- have been paid.

24.6) During the year, the company has given Corporate Guarantee of amounting Rs 9600 crores in favour of REC on behalf of MSEDCL for grant of loan.

a) 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/-)

In respect of MSPGCL:

Contingent Liabilities & Commitments

I	Contingent Liabilities	31.03.2019	31.03.2018
1)	MSPGCL may be contingently liable for interest claim of SECL,WCL and SCCL amounting to Rs 704.25 Crs (P.Y.Rs 461.59 Crs).plus performance incentive Rs. 681.90 Crores (P.Y. Rs.602.65 Crores) and short lifting Rs. 559.84 Crores (P.Y. Rs. 392.77 crs.) plus Penalty claim of WCL Rs. 29.62 crores. Total Contingent Liability RS. 1975.61 Crs. (P.Y. Rs 1457.01 crs.)	1,975.61	1,457.01
2)	MSPGCL may be contingently liable for Counter claims lodged by Washery Operator Amounting Rs 95.18 crores (P. Y. Rs. 40.80 crores)	95.18	40.81
3)	Contingent liability for demand from Irrigation Department for excess water charges and establishment charges amounted to Rs. 267.41(P.Y. Rs. 215.28)(Excess water charges bill Rs. 82.97 + Establishment Charges Rs. 184.45) (Parli TPS)	267.42	215.29
4)	Contingent liabilities of approx Rs. 103.20 Crores (P.Y. 103.20 crores) demand of Irrigation Dept.for water supplied at Shiral Pump House and given to Ratnagiri Power & Gas Ltd.	103.20	103.20
5)	Arbitation between M/s. TATA Projects Ltd., and MAHAGENCO for Bhusawal 2x500 MW project. M/s. TATA claimed for prolongation cost, Bank Guarantee charges for BG submitted, payment against performance Guarantee tests & extra BG charges incurred towards furnished BG, wrongful recoveries made by MAHAGENCO from contractual payments, additional work and return of contract performance Bank Guarantee: Total Bank Guarantee to be returned - Rs. 467.90 Total Amount claimed - Rs. 118.12 Total Interest Clamed - Rs. 79.33 (118.12+79.34 = Rs. 197.46)	197.46	197.46

6)	Contingent liability of approximately estimated to 210.43 Crores plus 37.88 crores int total RS 248.31 Crs (PY Rs.178.33 Crores/- plus 32.10 Crores int). This is related to work of construction of RCC lower Mum with associated works including manufacturing, providing, erection, testing and commissioning of radial gates , stoplog gates, goliath crane and rope drum hoist etc. claimed by M/s Mahalaxmi Infra Project Ltd., Kolhapur. Agency has been requested to submit claim amount based on which the members in arbitration tribunal would be decided, as provided in tender conditions. Arbitration award is declared on 20-11-2014. The sole Arbitrator Shri. S.P. Kurdukar, Mumbai directed to pay Rs. 56 crores. Award is challenged at High Court on vide OSARBP/466/2015. The claimants have filed petition vide no. 5260/2015. New advocate Shri. S.R. Nargolkar is appointed to represent MSPGCL in this matter. Bombay High Court appointment Shri Thakkar as Sole Arbitrator for further proceedings.	248.31	210.43
7)	Contingent liabilities of approx Rs. 443.73 Crores demanded by Irrigation Dept. for water supplied Due to non-renewal of water use agreement penal charges, interest rate, rate of water sewage etc.	123.68	123.68
8)	Arbitration before Justice Shri. V. G. Palshikar Mumbai. ABN/C/No.63/2014 – Sole Arbitrator - Adv. Rathod – Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) vs Mahagenco Major pending issue is change in railway freight and 16 refree sample and subsequent other claims on various accounts for contract of import coal for the year 2010-11. M/s. Asian Natural Resources Ltd. has invoked the arbitration clause with restpect to the pending disputes and delayed payment on various accounts for the contracts for supply of non-cooking (Steam) coal of foreign origin for year 2010-11 to Nasik, Bhusawal, Khaperkheda and Chandrapur TPS. Sole Arbitrator justice V.G. Palahikar (Retd). Appointed with mutual consent on 17.04.2014. Claim and counterclaim filed. Hearing is in process. The claim amount is Rs. 127.48 crores (P.Y. Rs. 102.63 crores) (FMC)	127.48	102.63
9)	Other miscellaneous claims lodged against the company but not acknowledged as debt	314.23	287.15

10)	In case of Mahaguj, due to cancellation of coal block allocation by the Hon'ble Supreme Court of India, the Claims of Rs. 399.79 Crs. is submitted by M/s. Adani Enterprises Ltd. during the F.Y. 2017-18 towards expenditure made for development of Machhakata Coal Block. Further, M/s. AEL has invoked the Arbitration proceedings for their Claims of Rs. 399.79 Crores along with Application U/s 17 for Interim relief of Rs. 44.70 Crores before the Arbitral Tribunal on 10.05.2017. For application U/s 17 for Interim Relief, the Arbitral Tribunal has passed the Interim Award dt. 01.02.2018 and directed MGCL to pay to M/s AEL a sum of Rs. 32.80 Crores. MGCL has filed an application U/s 34 before the Bombay High Court on 21.04.2018 challenging the said Interim Award dt. 01.02.2018 passed by the Arbitral Tribunal. The matter was listed for the hearing before the Bombay High Court on 18.03.2019 for admission. After hearing the matter, the Hon'ble Bombay High Court vide order dt. 18.03.2019 has admitted the MGCL's application u/s. 34 and the same is pending for final hearing. For Arbitration process the cross examination of witnesses is in progress. In vies of this the Management is of the opinion that no. Provision of Rs. 32.80 crores is required to be made in the FY. 2018-19. Thus, Claims against the company not acknowledyed as debt amounted to approximately Rs. 399.79 crores during the previus year. Due to the cancellation of Coal Block allocated to MGCL by Hon'ble Supreme Court, all the pending petitions in Orissa High Court opposing the Land Acquisition process initiated for Machhalata Coal Block have become in-fructuous. Therefore, MGCL is no more a necessary party to the following pending Writ Petitions / Litigations. 1. W.P. (C) 14924 dt. 13.08.2012 - Pending for fresh admission since19.11.2012. 2. W.P.(C) 22392 dt. 23.11.2012 - Referred by High Court to Lok Adalat-1 on 09.12.2017.	399.79	399.79
	Total Claims	**3,852.36**	**3,137.45**
	Tax Demands Outstanding and disputed by the company	31.56	273.75
	Guarantees extended by the company	874.28	814.66
	Total Contingent Liabilities	**4,758.20**	**4,225.86**
II	**Commitments**		
A	Estimated amount of contracts remaining to be executed on Capital Account not provided for	1,107.36	685.84

III	**Other Significant Commitments** Other Significant Commitments (a) Company has entered into Power Purchase Agreement with MSEDCL for Sale of power generated by the company & this agreement remains operative for the period of twenty-five years unless extended or terminated earlier. (b) Agreement / Order has been made / placed with M/s. Ultra Tech cement Ltd. for Sale/ Disposal of fly ash on long term for 15 years basis ending in FY 2023-24. (c) Coal linkage (including Bridge Linkage and MOU) of 52.537 Million MT has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price.. (d) Company has gas purchase and transportation agreement with Gas Authority of India Ltd. towards 3.5 MMSCMD upto 05.07.2021.		
	Contingent Assets		
1	In pursance to Power Purchase Agreement, MSPGCL levied delayed payment Surcharge on MSEDCL. Such Surcharge Income of Rs. 3725 crore was treated as Non-tariff income by MERC and accordingly reduced from the Annual Revenue Requirement of MSPGCL for the period FY 2010-11 to FY 2015-16. The company filed appeal against this methodology in the Appellate Tribunal for Electricity. The Tribunal, however, rejected the appeal of the company. The matter is now pending with Supreme court. Recently in the similar case of another Transmission Licensee (Tribunal order on Appeal no. 250 of 2016 & IA no. 899 of 2017 dated 29-05-2019), the Tribunal decided that the Delayed payment surcharge are not to be considered as Non-tariff Income and thus will not be deducted from Annual Revenue Requirement. The said judgement has significantly increased the chances of favourable decision in case of MSPGCL seeking restoration of Rs.3725 crores in the revenue. If the favourable decision is received, the company will be able to increase its earnings to the tune of Rs.3725 crores.		
2	Mahagenco has entered into contract with M/s. Dirk India for the sale of fly ash contract. As per interim court verdict on the case filed by M/s. Dirk against Mahagenco, the Sale of fly ash to M/s. Dirk India is effected at the rate of Rs. 350 per Metric Tonne, out of this the Rs.6.44 crores(225 per Metric Tonne) is paid to Mahagenco & Rs.3.58 crores (125 per Metric Tonne) is deposited by Ms/ Dirk India with Court. The amount deposited with court is disclosed as contingent asset.		
3	Excise duty on Royalty and other levies are paid under protest		
	Mahagenco has lodged counter claims with coal companies and washery operators which that companies has not considered as debt. The details of the same is as follows:		
1)	Stone Claims	**28.01**	
2)	SRN claims	**43.28**	
3)	Interest claims	**484.35**	
4)	Grade slippage	**2,187.62**	
5)	Moisture Claims	**34.18**	
6)	Short Delivery	**2,115.38**	
	TOTAL	**4,892.82**	
	Mahagenco has filed compensation application amounting to Rs. 409 crores against the three liasioning contractors M/s. Nair, M.s Naresh Kumar, M/s Karam Chand Thapar at NCLAT New Delhi, Advocate K. K. Sharma case no. AT 02/2018		

In respect of MSETCL
Annexure A
Contingent Liabilities (Ind AS 37): (In excess of Ten Lakhs individually in value)

The Company has due process of assesssing the impact of the pending litigation on it's finanacial reporting.

Profit Centre	Name of Party against whom case is pending	Level/ Name of Court	Court Case No.	Amount Involved In Lakhs	Amount Deposited	Name of Advocate	Current Status of Case in Court	Complete detail of the matter involved
AMRAVATI ZONE								
1210	Md. Sadiq Imdadul Haq	Supreme Court	WP/715/06	7,000,000	-	Mr. M.Y.Deshmukh Delhi	Not yet on Board	Discontinued from NMR Service, High Court in favour of Ex-NMR Hence Appealed in Supreme Court3
1210	Mrs. Rekha S. Dikondwar	High Court Aurangabad	WCA10/2015	3,490,000	778,560	Mr. Palodkar Aurangabad	Last Hearing Date 17.06.2019, Next Dt not yet decided	Compensation for husband died on duty
1610	Shivajirao Sadashivrao Patil	Collector Buldhana	MRC-81/Chikhali Bk./2018-19	9,000,000		Adv. Umesh Bonde		Seeking compensation of land under tower / conductor due to erection of tower of 132 KV Paras- Khadka line. Reply submitted on dt.17.11.2018.Order awaited. Bill not claimed yet.
1620	M/S H.T.Associates	Hon'ble Arbitrator, Nagpur	-	5,773,465	Nil	1) Adv.V.A.Sawa rkar.	Proceeding started before Hon'ble Arbitrator,Nagpur	Matter regarding the loss claim/recovery from M/s. H.T.Associates, Nagpur for construction work of 132KV Chikhali-Dhad line
1710	E.E. (C) EHV CCCM DN. Amravati	C.J.S.D. Darwha	Civil/ M.A. 5/2013	2,744,000			Pending	Shri. Uttamrao Raut land owner filed execution special darkhast for claim of Rs. 27/- Lakhs arising due to double deduction of development charges and difference in cost due to conversion of area from Sqm to Sq. ft. in r/o land for 132 KV S/Stn. Digras. NEXT DATE 04.09.2018

AURANGABAD ZONE								
2120	Superintending Engineer & Addl.EE LMSD Parbhani	"Civil Judge Junior Division Parbhani "	Special Civil Suit No.23/2016	1,600,000	Nil	MR P S Umrikar	Next date of Hearing is 15-04-19	Compensation claim due to burning of crops
2220	Shri Baburao Pandurang Gaikwad Vs The District Collector and other	"High Court A'bad."	WP No. of 3309/2014	2,000,000	-	Adv. Salave A'bad	Case is at preadmission stage pending and list before Hon'ble high court,Aurangabad hearing on dt.22.02.2019	Tree Compensation
2220	Tahsildar Ahemedpur V/s. Executive Engineer EHV O&M Division, Latur	"High Court A'bad."	WP No. 2265/ 2015	4,185,600	2,500,000	Adv. Bhonde	Case for Final Disposal.	NA Charges
2220	Tahsildar Ahemedpur V/s. Executive Engineer EHV O&M Division, Latur	"High Court A'bad."	WP No. 2265/ 2015	1,700,000	1,700,000	Adv. Bhonde	Case for Final Disposal.	NA Charges
2220	Shri. Ajit Ganpatrao Nimbalkar	Hon' Civil Jundge S.D. Nilanga	08/2016	4,500,000	-	Adv.K.G. Sakhare	First hearing over on 16/07/2016	Comensation of Tower
2220	Shri. Sambappa Trimbakappa Girwalkar	Hon' Civil Jundge S.D. Latur	124/2015	1,500,000	-	Adv.K.G. Sakhare	Application rejected by Hon'ble District Judge, Latur, awaited guidelines from the Chief Legel Advisor and appeal for High Court, Aurangabad	Comensation of Tower

2600	Shri. V K Despande Vs The State of Maharashtra & others	Hon'ble Labour Court Aurangabad	Compl ULP 1800067/2013	1,900,000	Nil	Shri. D.P.Palodkar Aurangabad. Mob. No.9960222233	Hon'ble High Court stated that the matter is remanded in Labour Court	Removal from Board's Services due Irregularities in Work Chargesheet & Enquiry Report
2610	District Collector, Abad, Ambadas Dhavle & 56 others	Hon. Supreme Court of India	SLP No. 12052/2015	1,886,500	1,886,500	Adv. M.Y. Deshmukh	Pending at Apex court	
2610	District Collector, Abad, Dhansingh P. Rathod & 249 others	Hon. Supreme Court of India	SLP No. 11453/2015	8,425,500	8,425,500	Adv. M.Y. Deshmukh	Pending at Apex court	
2610	Shri.Sandip Sawade & Othrs	District Court Jalna	Misc.No.74/2016	1,200,000	-	Adv.J.C.Badve	Under process at District Court, Jalna	District Collector, Jalna has passed an order for land compensation in r/o Shri. Sandeep A. Sawade involved in 132kV Jalna - Jafrabad line which was commissioned long back before the provision of GR for land compensation & also the area considered for calculation of land compensation is non factual. Hence, this office appealed before District Court, Jalna for cancellation of compensation
2610	Shri. Nandu Baburao Rathod & others	Hon. High Court of Bombay Bench at Aurangabad	W.P. No. 9876 of 2015	1,016,000	-	Shri. S.V. Advant	Under process at High Court, Aurangabad	Farmers have appealed before the Hon. High Court of Bombay Bench at Aurangabad for land compensation payment as per the District Magistrate Order. Guidelines are requested vide T.O.L. No. 1437 Dtd 24.06.2015 from Legal Cell, Corporate office as the District Collector orders are not passed as per the Govt. Resolution Dtd 01.11.2010.
2610	Manorama Bajaj Vs EE Project Div.MSETCL Aurangabad	District Court Judge-4 Jalna	Civil M.A 168/2018	1,600,000	-	Adv.Umesh Bhonde	Under process	Land compensation Compensation

2620	Rukhminibai Sanjeevanrao Deshmukh	Bombay High Court bench at Aurangabad	1) Writ Petition No -223 of 2018	18,460,000	9,000,000	Shrikant V. Adwant	Case is recently submitted to the High Court Mumbai Bench Aurangabad	Land Compensation of 132 Kv Girwali-Kalamb line, Area affected 7100 Sq.ft. in Survey No. 124
2630	Shri Dadarao Purbhaji Mungal & 15 Other	District Magistrate Nanded	O.no-2015/ mashaka-2/jamin/ CR-07	2,000,000	-	Adv. S.S.Sawargaonkar Mob:- 9421766738	Final decision / Order awaited.	One time settlement cases, All cultivators demanding 20,00,000(Twenty Lakh rupees) (FY 15-16)
2630	Shankar Laxman Dhage Other 19	District Magistrate Nanded	2015/CR-8	1,000,000	-	Adv. S.S.Sawargaonkar Mob:- 9421766738	Final decision / Order awaited.	plantiffs are demanded land compensation of old transmission lines.(F.Y. 15-16)
2630	Chander P. Kasture & Others of 400KV Chandrapur-Parliline	District Magistrate Parbhani	MERC/131/2017	1,000,000	-	Adv. A.A. Joshi	Final decision / Order awaited.	plantiffs are demanded land compensation of old transmission lines.(F.Y. 15-16)
2630	Shri Pravin nagnathrao Paldewar	High Court Aurangabad	O.No-2014/ mashaka-2/jamin/ te-2/CR-45 Dt. 10.11.2014	1,000,000	-	Adv. Devatta Palodkar Mob. 9960222233	ORDER RECEIVED IN FAVOUR OF MSETCL	Cultivator wants to change the route (FY 16-17)
2710	M/s Balraje Construction, Georai, Dist. Beed	Hon'ble Supreme Court New Delhi	FA No. 8157/2014 in SLP (C) No. 15749/2011	8,729,714	1,306,510	"1) Shri Pradipkumar Ghosh 2) Shri A.V. Sawant 3) Shri M.Y. Deshmukh "	Further Date is hearing awaited	Total Liability Rs 76.06 lakhs and Interest Rs 13.06 lakhs deposited in Court
2720	1.MSETCL 2. Buddhabai w/o Balaji Hamand 3. SPLAO .Nanded	Civil judge senior division of Biloli Dist .Nanded	LAR No 54/2011	17,32,000	-	2) Adv. Dongaonkar (By hand Rs. 71512)	Lok adalat is hearing was on dated 13/07/2019 & next date is awaited	
2730	Chadrashekhar S/O Sadashiv Dhabikar	District Court Ambejogai	LAR No. 312/2016	8,025,500	-	K.G. Sakhare	Next Dt. 31.01.2019	

KARAD ZONE								
3230	1.Sarpanch, Grampanchayat, Talandage 2. Gramvikas Adhikari, Grampanchayat, Talandage	Standing Committee, Zilla Parishad, Kolhapur		12,421,375		B.S.Patil,Kolhapur		Case pertaining to Grampanchyat Talandage Tal-Hatkangale Dist Kolhapur before BDO Hatkangale amounting to Rs 124 Lakhs.- Grampanchyat Talandage Tal-Hatkangale Dist Kolhapur demanded GP Tax of Rs .124 Lakhs For Year 2015-16,2016-17 ,2017-18 as per demand bill dated 03.08.2017.This demand is excessive ,exorbitant & illegal therefore needs to be challenge by fiing appeal & application for stay. As per instruction from the Chief Legal Advisor Office ,Advt B S Patil held conferences & meeting with Ex.Engineer (O&M and Civil), drafted and filed appeal to Panchyat Samiti,Hatkangale Dist Kolhapur from Ex.Engineer 400KV R S Division Talandage on dated 20.03.2018.Afterthat Block Development Officer ,Hatkangale refused said appeal on dated 14.05.2018 stating that MSETCL has not appealed in due time and Grampanchyat Samiti ,Hatkangale has givan the decision vide Letter No.18 dated 14.05.2018 ,that GP Tax levied by Grampanchyat Talandage is correct . The MSETCL has challenged the order passed by BDO, panchyat Samiti Hatkangale before standing Committee of Zilla Parishand, Kolhapur on dated 04.08.2018. Standing Committee has passed the order vide resolution No.481 dated 03.09.2018 that the Grampanchyat tax demanded by Grampanchyat Talandage is has per rule and correct and is liable to 400 Kv S/s Talandage .

3610	M/s.Banchode Constructions, Kolhapur		301/2012	2,700,000		Mrs.Indira Rajepandhare, Advocate, Kolhapur		Work awarded to M/s.Banchode Constructions, Kop.for 132 KV Talebazar tap line
3620	Shri. B.B. Desai	District court, Sangli	100158/2015	5,000,000		Adv. Nitin Mane, Miraj	"Work is completed Case is going on. "	220 KV Lonand - Bothe line (ORC Work) - Payment issue as per contract with M/s. G.E.T.
3620	M/s.BNC Power Projects Ltd	District Court Pune	Civil M A 484/2019	2,688,688		Advocat B.S.Patil,Kolhapur.		The case is filled against award given by Hon Arbitrator in respect of Time Limit Extension matter of M/s.BNC for the work of construction of 132KV D/C on D/C line from oglewadi to Kale(T) S/stn.
3700	Lustre Engineering Corporation, Navi Mumbai	High Court	17699/2018	11,660,324		"Shri. Mukundrao Kadam Shri. Abhijit Desai Shri N. V. Walawalkar"		High court reminded the case to MSME to decide the interest amount for delayed payment of R.A. bills & retention amount. MSME has passed additional award vide JDIKD/ Arbitration Petition No. 118 of 2018/2019/2886 Dtd. 25-04-2019. The said award was referred to advocate Shri. Desai & as per his opinion MSETCL has to take out amendment & seek a stay on additional award passed by MSME..Claims for Interest on deleyed payment of R.A. Bill (Civil+Electrical) and Retention amount YET TO BE DECIDED.

NAGPUR ZONE								
4210	Smt Malan w/o Ramu Alam	M.A. Tribunal Court Chandrapur	172/2013	2,011,000	50,000	Shri. S.Y. Purankar, Chandrapur	Pending for final decision of Court	Truck Accident case of EHV (O&M) Circle, Chandrapur vs Smt Malan w/o Ramu Alam before motor accident tribunal chandrapur, in this case amount involved of Rs. 20.11 Lakhs and tribunal has grant immediate compulsory relief of "No Fault Liability" claim of Rs.50.000/- to the applicants/claimants through M.A. Tribunal Court, Chandrapur vide Cheque No. 5493 Dt. 31/10/2015 and Appeal admited at High Court Nagpur and final decision of Nagpur High court is awaited.

4310	M/s. Ganesh Engineering Nagpur	High Court Nagpur Branch	"1) 410/93 2) FA-676/2009 3) RCA No. 14/16 4) 2nd Appel no.497/2017 "	16,073,434	16,073,434	Mr. Sachin Zoting Nagpur	M/s. Ganesh Engineering has filed special drakhas case Advocate Mr. Zoting has been appointed to appear before the court from Nov- 2017. M/s. Ganesh Engineering also filed Second appel against MSETCL at High Court Nagpur Branch against the judgment of court in the first appel the same case is also handed over to Mr. Sachin Zoting.	"M/s. Ganesh Engg. Company, Nagpur has filed a suit in Nagpur District Court, claiming dues of Rs. 80.95 Lakhs against tender No.T-13, T-16, T-17 & two work orders issued in the year 1987-88 for the sub setting & erection of 400KV Chandrapur-Parli D. C. Line. Counter claim of Rs. 3.08 Lakhs was filed by erstwhile MSEB against above agency towards recovery of charges of T&P, Material, Vehicle etc. Hon. Court has decided the aforesaid matter in favour of M/s. Ganesh Engg. Co. and directed to pay the claim Rs. 80.95 Lakhs alongwith interest @ 6% from the date of filing of suit (27.04.1993) till the scheduled date of deposit (20.08.2009) which totally amounts to Rs. 160.35 Lakhs. The Counter claim was dismissed by the court. However, on application of MSETCL, Hon. High Court, Nagpur Bench granted stay on decree after deposit of Rs. 160.35 Lakhs in the Court. Accordingly MSETCL has deposited Rs. 160.35 Lakhs in the High Court, Nagpur bench
4610	Smt. Kalpana Jain (Ravindra Rukhabdas Jain Gahankari) Vs. MSEB	High Court Bombay at Bench Nagpur	MCA No. 540/1992 Writ petition No. 1851/2008	2,452,000	684,000	Adv. G. E. Moharir	Case disposed off in favour of MSETCL	Case disposed off in favour of MSETCL
4610	Shri Bhudev C. Wandhe	District Judge-10, Nagpur	Misc. Civil Appli. No 297/2013	22,000,000		Shri. D.M. Kale	Hearing on Dt:25.04.19	For Determining the compensation of Agriculture Land.
4610	Shri Devanad Dattuji Awale	District Judge Nagpur	MCA 361/2014	30,000,000		Shri. D.M. Kale	Hearing on Dt:22.04.19	For Compensation of Land as per Market rate
4610	Smt Anusaibai Dattuji Awale	District Judge Nagpur	MCA 362/2014	75,000,000		Shri. D.M. Kale	Hearing on Dt:22.04.19	For Compensation of Land as per Market rate

4610	Shri Ashok Shyamsunder Agarwal & 02 others	Distt. Judge, Wardha	MCA 21/2014	39,565,000		Shri. D.M. Kale	Hearing on Dt:25.03.19	For Compensation of Land as per Market rate
4610	Smt Sunanda Dhanraj Bhalerao	District Judge No 9,Nagpur	MCA No. 640/2014	40,000,000		Shri. D.M. Kale	Hearing on Dt:22.04.19	Fair Compensation to be paid. Land
4610	Shri.Ramchandra Jagannath Kulkarni & others	High Court Nagpur Bench	WP No. 3425/2015	7,037,000		Shri. D.M. Kale	case admitted	Compensation of Land,tree,crop & labour
4610	Shri Mohan Barole	Principal Distt. Judge-1, Wardha	MCA 02/2016	5,040,000		Shri. D.M. Kale	Hearing on 08.04.19	Enhancement of Compensation amount
4610	Mrs. Chandrakala Mohan Barole	Principal Distt. Judge-1, Wardha	MCA 03/2016	4,275,000		Shri. D.M. Kale	Hearing on 08.04.19	Enhancement of Compensation amount
4610	Shri. Ghanshyam Umraoji Bhalerao	District Judge 4, Nagpur	MCA 1082/2016	80,000,000		Shri. D.M. Kale	Hearing on 22.03.19	Compensation of Land as per Market rate
4630	Shri Mahadeo Jivtode	District Judge-1 Warora	Misc.Civil Appli. No.36/2012	4,500,000		Shri D.M.Kale	Pending	Proper amount of compensation of damages of Mango tree.
4630	Sau. Kalpana Mahadeo Jivtode	District Judge-1 Warora	Misc.Civil Appli. No.37/2012	4,500,000		Shri D.M.Kale	Pending	Proper amount of compensation of damages of Mango tree.
4630	Sau. Suman Maroti Jivtode	District Judge-1 Warora	Misc.Civil Appli. No.39/2012	6,000,000		Shri D.M.Kale	Pending	Proper amount of compensation of damages of Mango tree.
4630	Sau. KalpanaEknath Kapse	District Judge-1 Wardha	M.C.A.No.01/2016	2,799,889		Shri D.M.Kale	Pending	Proper amount of compensation of damages of papaya trees,cotton & Tur crops
4630	Shri Ahtesham Ali	High Court, Nagpur	Writ petition No 6932 of 2018	46,914,665		Shri D.M.Kale	Pending	Increase land compensation for NA plots.
4710	"Maharashtra State Textile Corporation V/S MSETCL "	3rd Ad-Hoc Distt Judge, Nagpur	42/2003	61,500,000		Adv. G.E.Moharir	For evidence on 03.04.2019	Compensation of amount under award date 14.06.2000 in respect of land at Jattarodi

4710	"Sudhir Sahani V/S MSETCL "	9th Jt.Civil Judge Sr. Dn.,Nagpur	569/2009	1,927,057		Adv. G.E.Moharir	For hearing on 01.04.2019	Claim for final bill amount in respect of gantry, equipment foundations at Sindewahi
4710	"M/s Vijay Wargi & Sons V/S MSETCL "	Civil Judge Sr. Dn.,Nagpur	78/2013	2,653,000		Adv. D.M. Kale	For evidence on 12.04.2019.	Claim for 220KV S/stn Umred
4710	Ajay Akhand, Fetri, Ashok Ghormade, Chicholi, Nagpur V/s MSETCL/ GOM/ Sp.LAO,Nagpur.	3rd Ad-Hoc. Distt Judge, Nagpur Nagpur	300/2012	2,579,000		Adv. D.M. Kale	For evidence on 11.04.2019.	Compensation of amount under award date 11.11.2011 in respect of land at Yenwa(Katol). Amount Involved Rs. 25.57 Lacs plus Rs. 22,000/- towards requisite court fees.
4710	MSETCL V/s M/s Unique Associates, Nagpur	Principle Dist: Judge, Nagpur.	M.a no. 680/17	1,001,198	1,001,198	Adv. Sachin D. Zoting	For argument on 03.04.2019	Case filed against award of arbitrator. Amount Involved Rs. 10,01,198.11 (including interest charges @ 12% per annum).

4720	MSETCL VS Tahasildar Samudrapur	Court of Sub -Divisional Officer Hinganghat	53/2018/NAP-36	1,555,000	550,805	Shri Sachin Zoting	Upper Ayukta, Nagpur division	As pe order received on 30.10.2017 the case eglqy vfiy dz- 9@,u-,-ih-@36@16&17 fnaukad 01@10@2016was dismissed by the Collector. T.O. asked CLA C.O. Mumbai to guide in the matter & CLA C.O. Mumbai guided to seek legal opinion from Advocate Shri. Sachin Zoting & also guided that challenge against order can be made before higher appropriate authority/ court. Now, the Advocate Shri. Sachin Zoting made appeal before court of upper aayukta, Nagpur division, Nagpur and got stay on order on 30.01.2018 upto 09.04.2018. (New Case No. 53/2018/NAP-36 Date 30.01.2018). Now the next date is 08.06.2018. Advocate were on strike, hence given next date as 27.07.2018. Next date is given on 20.11.2018 ,the commisioner were not present and next date given as 05.02.2019 .On 05.02.2019, the commisioner were on leave, Now the next date is 23.04.2019
4720	MSETCL vs Grampanchayat Tulana	No case filed in Court, discussed on local level	NA	8,800,000				

4720	MSETCL VS Tahasildar Warora	Appeal tobe made in the Court of Hon'ble SDO Warora	Court Case No.03/ nap36/2017-18	3,600,000	289,000	Shri Sachin Zoting	SDO	As per order received on 01.01.2018 it was directed to deposit N.A charges with penalty (Rs.35,96,440.00) for MSETCL land at mouza tulana in warora tahashil.During the discussion at the office of Deputy collector Chandrapur suggested to deposit the Statutory N.A charges amount excluding penalty .further MSETCL sub division office chandrapur approached MSETCL panel Adv. Sachin Zoting it is opined by him that ,as per direction of SDO warora ,MSETCL is required to deposit the N.A charges amounting Rs.2,89,080.00 since 2009 imposed by tahashildar warora .therefore, as per the directives of SDO Warora,this office is ready to deposit the statutory N.A. charges Rs.2,89,080.00 for filling of appeal in this regard we are depositing the amount vide cheque no.001837 Dt.28.03.2018 towards appeal . The next date is 03.07.2018. Awaiting for the record from Thasildar. No date given by SDO warora. 1. Case was sent for filing on 21.03.2018. The same was not permitted for want of deposit of entire N.A. Charges to the tune of Rs. 35,96,440/-. The matter was listed for argument on 22.03.2018 on directions to deposit the entire amount. However, upon arguments the SDO Warora was convinced that, an amount of Rs. 2,89,080/- should be paid.

NASHIK ZONE								
5610	Shri Shankar Namdev Aher	Civil court Kopargaon	01./2016	1,559,904	-	Rupesh More	Last hearing was held on 05-07-2017	132KV Kopargaon-Yeola line (line Charged) Crop compensation T. L. no. 18
5610	Kamalabai Yadav Nibe	Civil Court Kopargaon	01/.2017	2,000,000	-	Rupesh More	Last hearing was held on 05-07-2017	400KV BBLR-Kudus line Land compensation T. L. no. 13
5620	Shri Kishor Zope & Others	District Court Jalgaon	7858/2011	10,500,000	NIL	Advt. Shri M.J. Bagul at District Court Jalgaon	Writ petation is filed at High Court Bench Aurangabad for stay on execution order at District Court Jalgaon	Shri. Kishor Zope & others filed the case at Hon.District Court Jalgaon against the MSETCL of Rs. 10500000/- as comopensation at Loc. No. 8 of 220 KV Deepnagar Khadka line. Hon. District Court Jalgaon given the verdict in the favour of MSETCL so the Shri. kishor Zope & others filed the case against Wp. no. 7858/2011 at Hon.High Court Mumbai Bench Aurangabad. transferred the case Hon.District Court Jalgaon. Argument was completed & District Court Jalgaon has given the verdict in favour of Kishor Zope & others & MSETCL has filed writ petition at Hon.High Court Mumbai Bench Aurangabad Next hearing is on 11.05.2019 at District Court Jalgaon

5710	Mr.Nawandar & others 5	Mr.Nawandar & others 5	Bombay High Court	9,774,201	7,970,674	Adv.Palodkar, Aurangabad	The Case is pending in High Court for hearing.	The private land has been acquired for 132KV Sangamner sub stations.The Award amount Rs.143519.10 has been deposited by then MSEB on dt 31.03.1986 Land owners approached the Sangamner court for additional compensation. Court has given the decision on dt 25.11.1982 to pay additional compensation RS.1809527.00 In this case the MSEB was not one of the respondant / Party the MSEB filed the write in Bombay high court Aurangabad bench requesting to make the party in the above said matter. HC Aurangabad has redirected the case in Sangamner Court has given the decision to pay the land compensation at enhanced rate total amounting to RS.7970674.00 against this decison the MSEB filed the first appeal No 1129/2004 The date of final hearing is 03.05.2018(SAP DOC.NO.400125377 DT.10.08.2014)
5710	Shubhashani Construction, Nashik & others 7	Bombay High Court	1375/2013	10,600,000	8,785,000	As. Anjali Bakshi, Madam	The Case is pending in High Court for hearing.	The appeal admitted by the Hon. High Court, Mumbai regarding the enhance compensation of land aquired by the Department for 132 KV Sub station Mhasrul
5710	Shri N.S. Suryawanshi & 21 Others	High Court Mumbai.	Land reference No. 255/1993 F.A.No- 176/2002	4,558,000	-	Ad. R. P. Pagar Adv, Nashik	Case is finalised by reference Court, Nashik. & Rs. 8843.00 to be Paid as per our calculation	Enhanced Compensation For The Land Of 220 KV Dabhadi S/stn.
5710	Mr. B. R. Gunjal & Ors. 7 Nominees	High court bench Aurangabad	1034/2012	2,765,000	2,765,000	Adv. Anil Bajaj	Case is filed in High Court, Aurngabad against the decission of Sr. Dn Court, Ahemdnagar on Dt.18.06.2007.	Case is filed in High Court, Aurngabad against the decission of Sr. Dn Court, Ahemdnagar on Dt.18.06.2007.

5710	S.R.WANI & OTHERS	S.R.WANI & OTHERS	High court bench Aurangabad	6,435,000	2,770,035	Adv. Anil Bajaj	Matter is in High court Bench Aurangabad and hearing are going on and final decision is awaited	Decidion goed against company on 09/01/2009 & got certified copy on dt 05.03.09 & from that date appeal is not preferred. Case is under process for an appeal. Writing expenditure of Rs.30/- paid at Aurangabad court on 20.12.2012. Vakilpatra submitted at High court Aurangabad court on 22.10.2013. Further hearing date is not received.
5720	Shri R C Agrawal , Chopada	Shri R C Agrawal , Chopada	FA No 2147/2013	3,951,682	1,775,841	Shri Satish M Godsay High-Court Advocate Aurangabad	For Final Hearing	132 KV Chopda sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.
5720	Shri K B Chavan, Chopada	Shri K B Chavan , Chopada	FA No 2146/2013	1,451,825	650,913	Shri Satish M Godsay High-Court Advocate Aurangabad	For Final Hearing	132 KV Chopda sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.
5720	Shri R G Patil & C G Patil Shahada	Shri R G Patil & C G Patil Shahada	FA No 50/2008 & 51/2008	7,595,027	-	Shri Anil S Bajaj, High-Court Advocate Aurangabad	For Final Hearing	220 KV Shahada sub-stn Dist. Nandurbar.. Regarding obtaining Land additional compensation of private land acquired for 220KV Sub-stn. This is additional Land to adjacent to existing 132KV Shahada sub-stn Dist. Nandurbar.
5720	Shri Prakash S Patil, Parola	Shri Prakash S Patil, Parola	FA No 0189/2014	1,956,630	1,823,249	Shri Satish M Godsay High-Court Advocate Aurangabad	For Final Hearing	132 KV Parola sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.
5720	Shri Rama Shripat Patil, Parola	Shri Rama Shripat Patil, Parola	FA No 0188/2014	1,311,960	1,222,719	Shri Satish M Godsay High-Court Advocate Aurangabad	For Final Hearing	132 KV Parola sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.

5720	Shri Daga Shripat Patil, Parola	Shri Daga Shripat Patil, Parola	FA No 0187/2014	1,611,675	1,435,207	Shri Satish M Godsay High-Court Advocate Aurangabad	For Final Hearing	132 KV Parola sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.
5720	Smt Parvatabai Rajaram Mahajan , Raver	Smt Parvatabai Rajaram Mahajan , Raver	FA No 1524/2015	7,500,000	-	Shri Satish M Godsay High-Court Advocate Aurangabad	Pending for admission.	132 KV Raver sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.
5720	Mohd Ali Hussain Ali & others, Chopada	Mohd Ali Hussain Ali & others, Chopada	WP No.5942/2014	8,414,281	2,106,071	Shri Satish M Godsay High-Court Advocate Aurangabad	For Final Hearing	132 KV Chopada sub-stn Dist. Jalgaon.. Regarding obtaining Land additional compensation of private land acquired for 132KV Sub-stn.
5720	Varsha Construction Co Dhule	Varsha Construction Co Dhule	Special Darkhast No. 03/2013	1,519,947	-	Shri R D Paranjape, Jalgaon	For Final Hearing	After declaring final award on 05-11-2011 by Shri J.M. Phadke Sole Arbitrator Pune & thereafter as per Legal opinion from Chief Legal Adviser MSETCL Mumbai , the same award was challanged in the court of law at Dhule & now the case is transferred to Jalgaon Court. MSETCL has filed reply through Advocate Shri. RD Paranjape, Jalgaon. The case is for Arbitration matter of 400KV Dhule [Kundane] Sub-stn's Contract for " Gantry & Equipment Fdn work awarded to Agency in Year 1991-92 by then MSEB.

5720	Smt Sindhubai V Patil & others	Smt Sindhubai V Patil & others	RCS No. 49/2015	1,277,400	-	Shri U V Marathe, Advocate sakri.	"MSETCL's Advocate has challenged & requested to dispose of the case based on one of Judgement of Supreme Court & Trial case has to decide accordingly. % of Share in total cost of Land is yet to be decided by Court. "	Smt. Sindubai Vishwas Patil & others has claimed their sahre of private lnad which was acquired by Suzlon Energy Ltd.Pune for 220kv Jamde S/Stn. This acquired land is transferred by Suzlon to MSETCL. Now the Civil Judge Sr.Dn. Dhule has ordered to transfer the case to Trial Court Sakri, Since Collector Dhule has taken objection being the Party made to him.
5720	Abdul H Khatik , Chalisgaon	Abdul H Khatik , Chalisgaon	RCS No. 202/2018	8,000,000	-	Shri M J Bagul Advocate Amalner MSETCL's Panel Advocate	"The case is filed by Land Owner Abdul H Khatik against the Judgment delivered by CJJD Chalisgaon on 16-10-2018 & his demand was dismissed by Court. Now Next date of hearing is 03-07-2019. As per today's valuation , the same may be Rs. 80.00 lakhs or higher."	One of Land Owner Abdul H Khatik has filed case against State Govt & now MSETCL for obtaining compensation of Excess acquired Land of 02. Hectors for establishment of 220KV Chalisgaon sub-stn. In the year 1975.

5720	Babulal Shaligram Bhartia, Dhule	Babulal Shaligram Bhartia, Dhule	RCS No. 30/1995	1,277,000	-	Shri M J Bagul Advocate Amalner MSETCL's Panel Advocate	Next Date of hearing is 08-07-2019. The Court has to pass an Order to include MSETCL as one of the Party being MSETCL is Acquiring Body.	One of Land Owner Shri Mohanlal S Bhartia , Dhule has filed case against State Govt & now MSETCL for obtaining compensation of acquired Private Land of 0.64 Hectors from G No. 14 for Establishment of 400KV Dhule [Kundane] sub-stn. In the year 1990. As per Court's order Shri Babulal Shaligram Bhartia Dhule is not one of owner of Land from G No. 14 & as such not entilted for any additional compesation of Land. This LAR is to be rejected // dismissed by Court & accordingly case is being followed.
5720	Secretary R&F GOM Mumbai	Secretary R&F GOM Mumbai	Rev App No. 331/2008	1,277,400	600,000	Shri M J Bagul Advocate Amalner MSETCL's Panel Advocate	The case is decided & decision is in favour of MSETCL. This DO Jalgaon has taken up the issue of obtaining refund of deposited amount with Tahsildar Amalner & is in process.	Appeal is filed with Revenue Secretary, Mantralaya, Mumbai on dt.04/06/2010 against decision of Additional Commissioner, Nasik to pay royalty Charges of Hard Murum used for land Development work at 220 KV Amalner sub-stn Dist. Jalgaon in year 2003. The Collector Jalgaon has ordered to refund the deposited amount of Rs. 12,77,400.00 to MSETCL on 03-07-2018 thus MSETCL has won the long battle of 13 Years pending case.

PUNE ZONE								
6700	Shri. Subhashchandra R. Bansal	Mumbai High Court	38/2010 30/2011	1,208,837			Decision awaited	Shri. S R Bansal, the then SE (Civil) has been imposed with the punishment of "Removal from Services wef 25.10.2011". Shri. Bansal has been paid 1/3 rd of Gratuity Advance as per prevailing rules and he was suspended on 21.01.2010 due to red handed caught by ACB trap. The case against Shri. S R Bansal was initiated by ACB.The proceedings of the case of Shri Bansal with ACB are still going on and the decisions are awaited. The payment of final Gratuity is pending for final decision.
6710	Shirish Yashwant Bhatlawande	Barshi Court	L.A.R. No. 05 / 2018	15,700,000		Shri. Umesh Marathe, Solapur.	The nest date of hearing is on 19.08.2019	Additional Compensation amount claim for land (220 kV S/Stn. Vairag). The Party i.e. Shri. Shrirish Bhattawandes revision is allowed by High Court and the matter is referred to District court.
6720	M/S. R R Kapoor	MSETCL Arbitration	Arbitration Case 2015	10,900,000		Adv.Krishna Kelkar	Arbitration	Dispute and /or differencess were arised in connection with the work for Asphalting of WBM Road in 400KV Lonikand-II S/ Stn, Dist-Pune. M/s R.R.Kapoor have filled arbitration case regarding his claims on a/c of idle charges as much as on technical ground.Total 14 Meetings completed by Arbitation trimunal. Now awaiting for judgement.
6230	Smt.Vimalbai Anna Bedare	District Court Baramati	21/2017	1,070,000	-	Adv A.V Prabhune Baramati	Decision awaited	Shri Anna Kondiba Bendre Phaltan Baramati Line accident.
6210	Sarpanch Grampanchyat, Malinagar	B.D.O. Malshiras	-	1,724,000	-		Decision awaited	Sarpanch Grampanchyat, Malinagar

6130	Grampanchayat Wadhu	BDO;Tal: Haveli ;Dist:Pune		5,939,453	-	R.R.ZOYE	BDO PANCHAYAT SAMITI	Grampanchayat Tax was demanded but we have submitted the case to BDO.As per instructions from CLA MSETCL against Grampanchyayat Tax demand ;appeal pending before BDO Panchyayat Samiti Haveli;Dist Pune
6610	Mrs. Shahnaj Jafer Mulani	In in the court of Hon. Civil Judge Jr.Divat Baramati Court	Civil Suit No.40/2017	3,000,000	-	Adv. Shri Krishna Kelkar	4/2/2019	Case is Fix issue Next date of hearing 30.07.2019
6630	"Vijaykumar Jadhav "	Session Court Malshiras	11/2016	22,500,000	-	"Adv. U. B. Marathe"		Regarding Land Compensation of 132 kV Malinagar-Velapur Lin
VASHI ZONE								

7630	M/s Lustre Engineering corporation	Arbitration before sole arbitrator A.V.Nirgude, Mumbai	66/2017,22172/2017 & 13027/2019	283,932,159		Abhijeet Desai / Sole Arbitrator Anand Nirgude	"Arbitration Final argument is scheduled on 19,22,23 July and final order will be passed by sole arbitrator on or before 2Aug2019"	"M/s Lustre Engineering corporation awarded work contract of shifting of 220kv Kalwa- Mulund-II & Mulund-Trombay line in MCGM area of Kanjur Landfill.on dated 14.02.2013. Agency had stopped work since 26.10.2016 and claiming idling charges for the time taken for approval of the extra item proposal by MSETCL. Agency has filed an arbitration petition no. 66/2017 in the Hon. High Court, Bombay dt. 03.04.2017, Amount involved in case is Rs. 2,999.29 Lakhs. current status: Agency submitted statement of claim on 11.01.2018 before the sole Arbitrator Retd. Justice Shri Anand V. Nrigude to which MSETCL submitted its statement of defence on 27.02.2018. now the disput is at the stage of framing the issues which shall be done on 11.06.2018. And now case is at the stage of cross examination before the sole Arbitrator Retd. Justice Shri Anand V. Nrigude is commenced on date 15/12/2018 and continued.

7630	M/s Lustre Engineering corporation	Hon'ble Director Micro and Small Enterprises Facilitation Council, Konkan Division, Thane & Hon.High Court, Mumbai	37/2017, Writ Petition 23733/2018, Writ Petition 15701/2018 & commerial arbitration petition 117/2019	203,633,269		Mukundrao Kadam/ Abhijeet Desai / Vishal Shirke	High court appointed CA for interest amount calculation of MSME award. Interest amount is incorporated with writ petition file. Now M/s Lustre has served a notice to MSETCL in The High Court Judicature at Bombay Ordinary Original Civil Jurisdiction in its Commercial Division	"M/s Lustre Engineering corporation awarded work contract of shifting of 220kv Kalwa- Mulund-II & Mulund-Trombay line in MCGM area of Kanjur Landfill.on dated 14.02.2013. Agency had stopped work since 26.10.2016 and claiming idling charges for the time taken for approval of the extra item proposal by MSETCL. Agency has filed an arbitration petition no. 66/2017 in the Hon. High Court, Bombay dt. 03.04.2017, Amount involved in case is Rs. 2,999.29 Lakhs. current status: Agency submitted statement of claim on 11.01.2018 before the sole Arbitrator Retd. Justice Shri Anand V. Nrigude to which MSETCL submitted its statement of defence on 27.02.2018. now the disput is at the stage of framing the issues which shall be done on 11.06.2018. And now case is at the stage of cross examination before the sole Arbitrator Retd. Justice Shri Anand V. Nrigude is commenced on date 15/12/2018 and continued. "

7630	M/s Lustre Engineering corporation	Hon'ble Director Micro and Small Enterprises Facilitation Council, Konkan Division, Thane & Hon.High Court, Mumbai.	36/2017 & Arbitration Petition no. 17150 of 2018	4,628,225		Mukundrao Kadam /Vishal Shirke/ Narendra Walawalkar/ Abhijeet Desai		M/s Lustre Engineering corporation awarded work contract of Augmentation work at 220KV Nerul S/S by 50MVA, 220/33-22KV Transformer on dt 24.09.2010. Agency has filed petition no. 36/2017 in the Hon'ble Director Micro and Small Enterprises Facilitation Council, Konkan Division, Thane for Interest on Late payment of Bills. Further Micro & Small Enterprises Facilitation Council, Wagale Estate, Thane issued order/award of Rs.2.75 Lakhs on date 23.05.2018 .MSETCL challanged the order in Hon. High Court, Bombay. Hon. High Court, Bombay anain consented to approach MSME Facolitation council under section 33 of the Arbitration and Conciliation Act,1996 for correction and interpretation of award; additional award.
7110	CIDCO Navi Mumbai	Thane District Court	Muncipal 1/2019	303,068,442		"Adv Vidya Bandekar Adv Vishal Shirke"		Property Tax matter of Sonkhar S/Stn under EHV O&M Dn. Nhandup under EHV O&M Circle Kalwa.
7710	M/s. Luster Engineering Corporation, Rabale.	Jt. Director MSE Facilitation Council Konkon Region, Thane.	"Petition No. 38/2017 (Mahape S/S)"	1,749,961		Shri. V.V. Shirke, Thane.		"Affidavit -in-Reply is submitted to Jt. Director on 01.02.2019 Additional award is issued by the Micro, and Small Enterprises Facilitation Council, Konkan vide letter No.JDIKD/ Arbitration Petition No. 118 of 2018/2019/2886 dated 25.04.2018. (Recieved @ EHV O&M Zone office Vashi vide inward No. 2001 dated 02.05.2019.) "

7710	M/s.D.S. Contruction	Bombay High Court	398 of 2008	7,550,246	4,159,512	Shri. Abhijeet Ambadas Joshi	Case is Pending in Hon. High court.	Amt. of Claim was Rs. 69 lakhs. Hon. High court has ordered whether out of court settlement is possible or otherwise. Agency is ready for Rs. 42 lakhs amount. But CLA has instructed to take next hearing date.Hearing date is not yet declared by the Court.

Annexure B

Sr. No.	No. of Matter	Name of Parties	Name of Court	Name of Advocate	Fees paid to Advocate (Rs.)	Subject matter of case	Amount of claim - (Rs. in Lakhs)	Remark/ current status of case
A.G.M. (Regulatory & Commercial) Corporate Office								
1	Appeal NO 242 of 2015	MERC and 4 other Respondents	APTEL	Adv. .Y. Deshmukh	108,337.00	Appeal file against MERC Order in Case NO 207 of 2014 dated 26.06.2015	88278.00	Matter in process, next hearing schedule on 23.04.2019.
2	Appeal NO 67 of 2017	MERC and 6 other Respondents	APTEL	Adv. M. Y. Deshmukh	143,310.00	Appeal file against MERC Order in Case NO 31 of 2016 dated 07.07.2016	94723.00	Matter in process, next hearing scheduled on 06.03.2019
3	Appeal no- DFR No 507 of 2019 filed on 04.02.2019.	MERC and 8 other Respondents	APTEL	Adv. Sudhanshu Choudhari	As per fees approval schedule of MSETCL. To -date to bill raised by Advocate.	Appeal file against MERC Order in Case NO 313 of 2018 dated 18.12.2018 in matter of Review of MERC's Order in Case No 168 of 2017 dated 26.09.2018.	124259.00	Appeal filed on 04.02.2019, yet to be admitted by the court.
Chief Engineer (C & M) Corporate Office								
1	Arbitration	"M/s B.G Shirke VS MSETCL"	"Sole Arbitrator Mr. Pradip .V. Bavkar"	Mr. Abhijeet Joshi	"1) Rs.36285 (Advocate) 2) 172500 (Arbitrator) 3) 280000 (Arbritator)"	Imposing of LD againts 400kV Lonokand -Padghe line & LILO on 220kV Bhosri-Chinchwad line for 400kV Chakan S/s	915.13	"Cross examination of witness of MSETCL is in process . Next hearing is on dt 6th & 7th of March-19"

2	"High Court Petition no. 325 of 2018"	"M/s ECI VS MSETCL"	High Court	Mr.Abhijeet Desai	NIL	Invocation of BG in rlo of EPC project	801.65	On dt 19.12.2017 Stay order received againts invocation of Bank Guarantee to M/s ECI. High court also ordered M/s ECI to Extend BG 's which are expiring for 3months, if M/s ECI fails to extend the BG's MSETCL can encash the BG's by giving notice before 48 hours .field on dt 1.2.2018. Futher on 23.03.2018 High court stand over the same decision till 26.03.2018. on 12.07.2018 Advance BG of 132kV Morgaon Arjuni was encash . Further encashment letter of ABG for Butibori-II S/s was issue as per court order on dt 26.09.2018 by Nagpur zone by RPAD and Email. And encashment letter for 3no. of ABG's of Aurangabad zone was given on dt 26.11.2018 to bank , but didn't encash all ABG . On 05.12.2018. case was disposed by High court and stay was vacat, again letter was issued to bank for encashment of ABG's as stay was vacat but bank didn't encash the ABG's. On dt 22.12.2018 High Court accept the repetition of M/s ECI and order dt 19.12.2017 was continued till next hearing dt 20.02.2019. Mean while a IDBI bank encash all ABG's and amount deposited to Nagpur and Aurangabad zone accounts. High court on dt 20.02.2019 said that SE Aurangabad , has done contempt of court and further order will be issued on dt 21.02.2019. Order awaited till date.

3	Arbiration	Kalpataru Power Transmission Ltd. VS MSETCL	Arbitration through ICA	Abhijeet Joshi	Bills received : 1) Rs. 25968.60 2) Rs. 99630 3) Rs.230000 4) Rs. 3324631 towards tentative deposit amount to ICA 5) Rs. 8000/- secretarial services	Clause No. 3.5.1, MSETCL assures a firm commitment for 60% of cumulative works to be carred out under this Package. Further, if MSETCL fails to fulfill this commitment, as per clause No. 3.5.2 MSETCL shall provide compensatio to the Contractor as per the formula provide, at the end of the third year. As per clause No. 3.5.4 "The work loss commpensation payable at the end of third year shall be limited to a maximum of 3% of the Contract Cost."	1799.58	Award on 06.01.2017 AGAINST MSETCL. As per Majority Award, Respondent (MSETCL) shall pay to the claimant an amount in principle sum of 35,57,04,610/- as work loss compensatio alongwith interest at the simply interest rate of 9% per annum with effect from 01-03-2013 tukk tge date if Award abd thereafter at the sane rate till payment of said sum.

4	Arbitration	"BNC Power Projects VS MSETCL"	Sole Arbitrator Minoo Siodia	Abhijeet Desai	"1)Rs.16000/- 2) Rs.68565/- 3) Rs. 99500/- 4) Arbitrator Fees a)Rs. 3,20,000/- paid for 16 nos of hearings b) Rs. 80,000/- Office note initiated for 4 nos of hearings c) Rs. 80,000/- office note to be initiated for 4 nos of already conducted hearings."	400 KV DC line from 400KV Jejuri S/S to proposed 400KV Hinjewadi S/S. (Jejuri to Winjhar portion - 57 KM) PKG A (Total line- 105 KM)	2388.75	The matter was disposed off on 4th January, 2018 by Justice Kathawala in High Court & Mr. Minoo Sisodia, Senior Advocate has been appointed as the sole arbitrator to adjudicate the dispute between the parties Claim submitted by M/s BNC on 15.02.2018 & defence statement is submitted by MSETCL on 12.03.2018. Sur Rejoinder submitted by M/s BNC 21.03.2018 and reply to the same is given by MSETCL on 05.04.2018. On 2.08.2018 for cross examination of witness No. 1 started and ended on dt: 22.01.2019. Cross examination of witness No. 2 started on 28.01.19 & is continued. Total meetings/hearings till date for the matter is 24 Nos. Next date of hearing is 28.02.19.
Chief Engineer (CPA) Corporate Office - 06								
1	MSEF Council Nagpur 2012	M/s. Central Cable Ltd., Nagpur V/S MSETCL	MSEF Council Nagpur	Vivek Savarkar, Nagpur	Bill Not Received	Claim for interest amount of Rs.11,31555.53 balance payment 5,48,789.90 under MSMEAct 2006	16.80	Reply submitted on 23.02.2013 toMICRO & Small Enterprises Facilitation Council, Nagpur. Hearing not yet started.
2	WP 9903 of 2014	Petition is filed by M/s. NSIC V/SState of OdishaMSEB as a party No. 6	High Court of Orissa, Cuttak.	P.K. Mohanty Orissa, Cuttack	Rs. 17175 (inclusive of Service Tax)	Petitioner challenges order passed by MSEFC, Cuttak Case No. 21 of 2012 dtd 31.03.2014 directing the petitioner to pay Rs. 12,500 /- principal since 04.12.1999 and Rs.3,00,71,692 interest since 31.03.2011	300.84	Hearing is in process

3	WP 9904 of 2014	Petition is filed by M/s. NSIC V/SState of OdishaMSEB as a party No. 6	High Court of Orissa, Cuttak.	P.K. Mohanty Orissa, Cuttack		Petitioner challenges order passed by MSEFC, Cuttak Case No. 22 of 2012 dtd 31.03.2014 directing the petitioner to pay Rs. 1,01,88,238/85 /- principal since 05.05.2013 and Rs.4,45,14,133 interest since 31.03.2011	547.02	
4	RFA 105 of 2018	The suit filed by M/s. NSIC against M/s. Baroda Electro Engineering products Pvt. Ltd., Vadodara and M.S.E.B. as Defendant No.3.	High Court of Delhi, New Delhi.	Sudhanshu S. Choudhari , New Delhi		Towards recover of Rs. 30.70 Lakh (approx) pending bills against order No.SP/65/T-0809/0594/7836 dt.13/23.6.95and other orders being payable.	30.70	Hearing is in process
5	3009 of 2014	M/s. Karuna Cables Ltd., Mumbai v/s MSETCL	MSEF Council, Thane	Surya Deokar, Mumbai		Claim for interest amount of Rs. 10,26,34,016.10 under MSME Act 2006	1026.34	Hearing is in process
6	Commercial Execution Applications (12Nos.) in Arbitration Petition No. 29 of 2004	Maharashtra Conductor Association & Ors.VsMSEDCL (Defendant No. 1) MSETCL (Defendant No. 2)	High Court of Bombay, Mumbai	Abhijeet A. Joshi , Mumbai		Commercial Execution application for claiming interest on delayed payment	605.26	Hearing is in process
Chief Engineeer (STU), Corporate Office								
1	Civil Appeal No 4145 of 2012	Sai wardha Co Ltd., and MSETCL	Supreme Court	M.Y. Deshmukh	Rs. 85,000 /-(Approx)	filed by Sai wardha Co Ltd.,regarding encashment of LC by MSETCL	904.00	Pending with CourtTentatively case may be listed on 08-03-2019

2	Case No. 153/ MP/2018	MSETCL & DNH Elect. Dept	CERC	Mr. sudhanshu shashikumar choudhari	NIL (3.0 Lakh fees paid towards CERC Petition filing fees)	Miscellaneous petition u/s 79 to adjudicate dispute between the petitioner and the respondent as per bulk agreement dated 06.09.2011 filed by MSETCL	1987.00	Pending with CERC
3	Case No. 154/ MP/2018	MSETCL & Goa electricity Dept.	CERC	Mr. sudhanshu shashikumar choudhari	NIL (3.0 Lakh fees paid towards CERC Petition filing fees)	Miscellaneous Petition u/s 79 to adjudicate dispute between Petitioner and Respondent in accordance to BPT agreement dated 21.11.2011 filed by MSETCL	1586.00	Pending with CERC
4	"Against order passed by APTEL in Appeal No. 16 of 2016 & IA No. 34 of 2016. "	Gupta energy and MSETCL	NCLT (Mumbai)	Abhijeet Desai	NIL	"Order passed by APTEL in Appeal No. 16 of 2016 & IA No. 34 of 2016. "	637.00	Claim admitted before Hon'ble NCLT Mumbai
5	"Against order passed by MERC in Case No. 54 of 2016 . "	SWPGL , MSETCL and MSLDC	NCLT (Hyderabad)	Sachin Zoting	Rs. 43,812/- (Approx)	Order passed by passed by MERC in Case No. 54 of 2016	11951.00	Claim admitted before Hon'ble NCLT Hyderabad
Chief Engineer (Project Schemes) Corporate Office								
1	APPEAL NO. 217 OF 2016	M/s. Maharashtra Seamless Ltd. Vs MERC, MSETCL and MSEDCL	APTEL	Adv. M. Y. Deshmukh	85622	Apeal under section 111 (1) of the electicity act, 2003 against order dated 25.04.2016 passed by the Maharashtra Electriciity Regulatory Commission in case no. 143 of 2014 and M.A. No. 9 of 2014	286.50	Hearing was held on 19.10.2017 before APTEL.

2	35 of 2019	M/s. Pegasus Properties Pvt. Ltd. VS MSETCL	MERC	Adv. Jitendra Pathade	Not claimed	"Review Petition filed by Pegasus Properties Pvt. Ltd for MERC Order dated 18.01.2019 passed in Case No. 351 of 2018, Petition seeking Refund of Amounts/Costs incurred by the Petitioner towards establishing 220 kV EHV Transmission Lines/ Towers and 220 kV EHV substations/Switchyard."	4356.35	Hearing of matter is scheduled on 25.03.2019
LABOUR INDUSTRIAL RELATION & EMPLOYEES WELFARE SECTION (CIRO), CORPORATE OFFICE								
1	Contemcpt Petition No.124 of 2018 in Writ Petition No. 1174 of 1994	"Pratap Mohanlal Shewte,(Dead through LR's) 1. Jagdish S/o. Pratap Shewte, Aged About – 62 years, & Others	High Court Mumbai Nagpur Bench	Ajay Dinkar Mohagaonkar, Nagpur	No	Extending the benefit of EPS 1995	N.A	Disposed
Human Resource Department (HR-NT) Corporate Office								
1	SLP NO.10412/ 2017	Shri. Prashant Gorde Vs MSETCL	Supreme Court, New Delhi	"1.Shri. R. Basant 2.Shri. Harish Salve 3.Shri. M. Y. Deshmukh "	"1,65,000 + 10,00,000 + 1,65,000 + 77,839 1,65,000+ 3,12,299"	"Ex-servicemen benefits of additional increments. Challenged the order passed by Hon'ble High Court, Aurangabad"	18.85	"Date of Next hearing is 11.03.2019 "

LEGAL CASES PENDING IN VARIOUS ZONE								
Amravati Zone								
1	NA	M/S H.T. Associates	Hon'ble Arbitrator, Nagpur	1) Adv.V.A.Sawarkar and 2) Hon'ble Arbitrator Shri. Kubade,Nagpur	1) 16500/- is paid to Adv.V .A.Sawarkar. 2) Arbitrator Shri. Kubade,Nagpur claimed fees of Rs.348378/- and same is recalculated as per CLA letter and submitted for approval. Aproval received of amounting Rs.2,73,380.00. Fee Paid to Arbitrator.	In the matter of Arbitration and conciliation act1996 for grant of interim injuction	57.73	Proceeding started before Hon'ble Arbitrator,Nagpur
Aurangabad Zone (Tech. Matters)								
1	FA No. 8157/2014 in SLP (C) No. 15749/2011	M/s Balraje Construction, Georai, Dist. Beed	Hon’ble Supreme Court New Delhi	"1) Shri Pradipkumar Ghosh 2) Shri A.V. Sawant 3) Shri M.Y. Deshmukh "	198274.00 (up to date)	Appeal against judgement of Hon. High court Aurangabad in the matter of additional compensation for various works	76.06	Matter was heard befor the registrar of suprem court on dtd.14.05.2011 and given order that service is complet. Sol respondent has allready filed the counter affidavit. Ld. Counsel for the parties have failed to file the statement of case within the statutory period. viewed thus, the matter shall be processed for listing before the Hon'able court under the rules. E.E.civil A'bad has been directed to contact company's advocat Shri.M.Y.Deshmukh to obtain exact status of the case
2	Ist appeal Stamp No.34766/18 LAR No.676/1997	Anant Kashinath Amberkar & others V/s MSETCL	H.C.A'bad	Shri.D.P.Palodkar	Nil	Enhancement of land compensation for 132kV S/s Gangakhed	53.18	Ist appeal submitted in H.C.A'bad on dtd.22.10.2018

3	"Stamp No. 9638/2005 F.A.No. 579/2006 "	Veermath Sansthan Trust. Ahmedpur Dist. Latur	Hon. HC Aurangabad	"H.T. Joshi D.P. Palodkar 9960222233"	"(1) 8,450.00 (2009-10) (2) Nil "	Enhancement in land compensation of 132KV S/Stn. Ahmedpur,Dist. Latur	107.00	Hon. HC Aurangabad granted a stay to the order of lower court on condition of depositing Rs. 10,79,760/- in HC aurangabad. Matter was heard on dtd.28.08.2017 & admitted on dtd.28.11.2018 up till now no deposal of case seen
4	LAR No. 85/1982 Court Osmanabad	Smt. Pushpabai Vijaysingh Raje	Dist. Court Osmnabad	"V. B. Deshmukh, Osmanabad "	Nil	Enhancement in land Compensation at 220KV S/Stn. Osmanabad	25.00	Final disposal awaited from dist. court osmanabad. Matter was disscused with company's panal advocate and ltr. is issued to hem to look after the matter for early disposal of case by filling necessary WS.
5	"F.A.No.1246/2006 Fast/20723/2006 F.A.(1000000) D.B. Civil Appeal No. 4612-4613 of 2009"	Rajendra N Gaikwad, Beed	Hon. Supreme Court, Delhi.	"1) Anil Bajaj, Aurangabad 2) M.Y. Deshmukh, Delhi 3) P.B. Gaikwad, Delhi. 4) Now Shri. D.P.Palodkar Agence Anil Bajaj "	"(1) 72,500.00 (2011-12) 7,500.00 (2011-12) (2) 36,411.00 89,736.00 (2015-16) 92,131.00 (2016-17) (3) 2,51,900.00 (2015-16) 283,388.00 (2016-17)"	Enhancement in land compensation of 220 KV S/Stn. Beed Dist. Beed	79.26	As per decision of Hon. HC, Aurangabad, the deposite of amt. Rs.79,25,540/- received back by MSETCL. Again owner appealed in Suprime Court against HC. Supreme Court upon perusal of the case before them on dtd. 03.02.2016 found that the appeal required re-examination by the High Court. Therefore Supreme Court set aside the inpugned judgment and remit the appeal to the High Court, so that the appeal can be heard a fresh in the High Court. matter was kept on the board on dtd.04.07.2016 and case is admitted concerned AEE(C)Beed has been instructed to attend circle office for reconsiling the matter.

6	"LAR 50/2005 at Dist. Court Latur. Civil Aplication No. 2810/2015 Haidarsab Kasimsab Shaikh & W.P.No.737/2010 "	"1) Haidarsab S/o Kasimsab Shaikh 2) Wajrabee Haidarsab Shaikh and other's "	Hon. HC Aurangabad	"(1) R. P. Adgaonkar, Latur (2) D. P. Palodkar, Aurangabad 9960222233"	Rs.7426195.00 deposited with SPLAO, and rental compancen for Rs.1857000.00 is paid to land owner vide D.D.No.56665,56666 dtd.21.04.2005	Enhancement in land compensation of 132 KV S/Stn. Chakur Dist. Latur	1072.00	Hon. HC, Aurangabad granted a stay on the decision & dist. Court Latur by depositing rs.1.00 Cr. In the HC towards the decretal amt. Rs. 10.72 Cr. R&P received with paper book as per order dtd.10.10.2017 matter was fixed for final heraing and final disposal on dtd.24.01.2019 to 29.01.2019 Add.CA is submitted in the court on be half of MSETCL regarding earlier land aquaction award amount of Rs.3.3 Lakhs for 6H 24R land from Gut No.464,466 in the year 1997 and effecting rental compansation for Rs.18.57 Lakhs which was not considered by the lower court. circulation is taken and
7	LAR NO. 142/2004	Sambappa Shankarappa Raut & others	Dist. Court Latur	K. G. Sakhare, Latur	"19,083.00 (2012-13)"	Enhancement in land compensation for 132 KV S/Stn. Renapur Dist. Latur.	125.00	land owner appealed for enhancement t in land compensation in dist. Court Latur MSETCL has submitted a say in the court. Now the court matter is under process..Final disposal of the case is awaited.
8	Spl. C. Suit No. 36/2010	Smt. Kamlabai Govindrao Patil	CJSD Nilanga	R. K. Kulkarni, Nilanga	"21,876.00 (2010-11) 6,350.00 (2009-10)"	Enhancement in land compensation for 132 KV S/Stn. Nilanga Dist. Latur.	43.07	"Case is finalised by Dist. Court Latur & HC Aurangabad.Deposit amt. Rs. 43 lac. Being recovery from the party. Amt. Rs. 22,64,225.00 has recovered with interest against deposited amt. of Rs. 14,00,000.00 on Dt. 11.08.2008. Further recovery of balance amount of Rs. 29,06,967.00 is under process at Dist. Court Nilanga."

9	LAR No. 312/2016	Chadrashekhar S/O Sadashiv Dhabikar	District Court Ambejogai	K.J. Sakhare	19250	Enhancement in land compensation for 132 KV S/Stn. Pangri Dist. Beed.	80.26	"Next date Awaited."
10	Writ Petition No .223 of 2018	Rukhminibai Sanjeevanrao Deshmukh	Bombay High Court bench at Aurangabad	Shrikant V. Adwant	Nil	Land Compensation of 132 Kv Girwali-Kalamb line, Area affected 7100 Sq.ft. in Survey No. 124	184.60	Case is recently submitted to the High Court Mumbai Bench Aurangabad
11	SLP No. 11441/2015	District Collector, Abad, v/s Kisanlala Bramhanath & 11 others	Hon. Supreme Court of India	Adv. M.Y. Deshmukh	892057/-	MSETCL has filed 6 Nos Special Leave Petitions in Apex court against the land compensation order passed by District Collector, Abad & MERC decision on revision petition. Collector orders for compensation are not as per the Govt Resolution dtd 01.11.2010. 6 Nos Writ petitions were filed before Hon. High Court A'bad & same are dismissed by the High Court Abad stating that the remedy of appeal available to the applicant. Matter is under process at Apex court.	139.00	Pending at Apex court

12	Misc.No.76/2016	Shri.Sandip Sawade & Othrs	District Court Jalna	Adv.J.C.Badve	Adv.claimed bill of Rs.15000/- sent for approval as per GO provision.Yet to receive.	District Collector, Jalna has passed an order for land compensation in r/o Shri. Sandeep A. Sawade involved in 132kV Jalna - Jafrabad line which was commissioned long back before the provision of GR for land compensation & also the area considered for calculation of land compensation is non factual. Hence, this office appealed before District Court, Jalna for cancellation of compensation	12.00	Under process at District Court, Jalna
13	W.P. No. 9876 of 2015	Shri. Nandu Baburao Rathod & others	Hon. High Court of Bombay Bench at Aurangabad	Shri. S.V. Advant Mob No. 9822057005	Not claimed	Farmers have appealed before the Hon. High Court of Bombay Bench at Aurangabad for land compensation payment as per the District Magistrate Order. Guidelines are requested vide T.O.L. No. 1437 Dtd 24.06.2015 from Legal Cell, Corporate office as the District Collector orders are not passed as per the Govt. Resolution Dtd 01.11.2010.	10.16	Under process at High Court, Aurangabad

14	Mis. App No. 74/2016	Sandeep A. Sawade & others	District Court, Jalna	Shri. J.C. Badve	Not claimed	District Collector, Jalna has passed an order for land compensation in r/o Shri. Sandeep A. Sawande involved in 132kV Jalna - Jafrabad line which was commissioned long back before the provision of GR for land compensation & also the area considered for calculation of land compensation is non factual. Hence, this office appealed before District Court, Jalna for cancellation of compensation	12.00	Under process at District Court, Jalna
15	Civil Suit No. 244/1997	MSETCL Vs V. Krishna Industries, Nasik	Civil Judge, Senior Division, Abad	Adv. Shri. Umesh Bonde	-	Writing of losses to MSETCL due to bad debts due to V. Krishna Industries	33.68	-
16	Special Civil Suit No. 23/2016	"1. Smt. Shakuntalabai Mundhe Vs. 2. Superitending Engineer, EHV O & M Circle,Aurangabad 3. Executive Engineer, EHV O & M Division, Parbhani 4. Addl. Ex. Engineer, Line Maints Sub Division, Parbhani 5. Electricity Inspector, Division, Parbhani"	Hon. District Court, Parbhani	Shri. Pramod Umrikar, Parbhani	Rs. 13,000/-	For compensation for damages of crops due to sparking of passing over head electiricity wires of high tension lines	16.00	The Evidance of Addl. Exectuitve Engineer had adduced on dt. 12.02.2019 and Next date given For adduce of Evidance of shift incharge shri. T. N. Gajbhiye, DyEE on Dt. 27.02.2019

17	WP No. 2265/ 2015	Tahsildar Ahemedpur V/s. Executive Engineer EHV O&M Division, Latur	"High Court A'bad."	Adv. Bhonde	-	About Excess NA Charges by Commercial rates for 132 Kv S/s. Ahemedpur.	41.86	Case for Final Disposal.
18	08/2016	Shri. Ajit Ganpatrao Nimbalkar	Hon' Civil Jundge S.D. Nilanga	Adv.K.G. Sakhare	Rs. 7000 /-	Compensation for towars at 132 kv line, 33 kv line, 11 kv lines located in Gat No. 171	45.00	First hearing over on 16/07/2016
19	124/2015	Shri. Sambappa Trimbakappa Girwalkar	Hon' Civil Jundge S.D. Latur	Adv.K.G. Sakhare	Rs. 12000 /-	Compensation for towars of 132 kv double CKT line in Gat No. 6	15.00	Application rejected by Hon'ble District Judge, Latur, awaited guidelines from the Chief Legel Advisor and appeal for High Court, Aurangabad
Karad Zone								
1	158/2015	Shri. B.B. Desai	District court, Sangli	Adv. Nitin Mane, Miraj	5500/-	220 KV Lonand - Bothe line (ORC Work) - Payment issue as per contract with M/s. G.E.T.	50.00	"Work is completed , previous date of hearing was 14.02.2019 , Case is going on. Next Hearing date is not given by Court . Case is going on. "
2	39/2017	Superintending Engineer(Civil), Kolhapur, MSETCL VS Lustre Engineering Corporation and Others	MSME Fecilitation Council, Konkan Region	Adv. M.M.Kadam, Pune	33650/-(Proposal for final advocate fee of Rs. 29750/- (Total Rs. 63400/-) is submitted to C.O.Mumbai by Zone office, Karad)	Submit MSETCL say i.r.o. Petition filed by M/s. Lustre Engineering Corporation, Navi Mumbai --Interest charged for delayed principle payment amount by MSETCL as per under Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	27.54	Council has passed award/order in favour of Lustre Engineering Corporation . The same award/ order is challenge in high court in mumbai (Arbitration Petition No. 117/2018(Stamp No. ARPST/17699/2018)

3	"Arbitration Petition No. 117/2018 (Stamp No. ARPST/17699 /2018)"	Superintending Engineer(Civil), Kolhapur, MSETCL VS Lustre Engineering Corporation and Others	"High Court, Mumbai MSME Fecilitation Council, Konkan Region"	"Adv. Abhijeet Desai in High Court, Mumbai, Adv. M.V.Walawalkar, Mumbai Adv. Vishal Shrike in MSME Fecilitation Council, Konkan Region"	"25370/- (Proposal for final advocate fee i.r.o. Shri. Desai of Rs. 83,000/- is submitted to C.O.Mumbai by Zone office, Karad. Proposal for final advocate fee i.r.o. Shri. Walawalkar of Rs. 4,20,000/- is submitted to C.O.Mumbai by Zone office, Karad.)"	To challenge Award/ Order Decision in Petition No. 39/2017 issued by Industry Fecilitation Council, Konkan Region - Interest charged for delayed principle payment amount by MSETCL as per under Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	293	Affidavit in Reply on Behalf of Respondent Submitted before MSME Facilitation Council, Konkan Region as per Hon. High Court, Mumbai order dtd. 07/12/2018 -------MSME Facilitation Council to correct and interpret the award.)

4		MSETCL and Grampanchayat Talandge, Kolhapur	Zilha Parishad Kolhapur	Adv. B.S. Patil	Rs. 32,350.00	" Grampanchayat Talandage has demanded the Grampanchayat Tax for the year 2013-14 to 2017-18 for 400 KV Sub Station Talandage. However while levy of Grampanchayat Tax, the switch yard area is considered as RCC Structure. This office has requested to Grampanchayat Talandage to charge the switch yard area at the rate prescribed for the open land. Also this office has paid Grampanchayat Tax for the year 2013-14 to 2017-18 excluding the switch yard area. Now r. Grampanchayat Talandage has demanded the Grampanchayat Tax amounting to Rs. 1,24,18,850/- for switch yard area with the rate prescribed for RCC structure, hence this office has filed appeal against this before Panchayat Samiti Hatkanangale, Dist-Kolhapur"	124.19	"The Panchayat Samiti Hatkanangale has given the decision vide ltr. No.18 dtd. 14/05/2018, that, tax levied by Grampanchayat Talandage is correct. The MSETCL has challenged the order passed by BDO Panchayat Samiti Hatkanangale before standing committee of Zilha Parishad, Kolhapur, standing committee has passed the order vide Resolution No.481, dtd. 03/09/2018 that the Grampanchayat Tax demanded by the Grampanchayat Talandage is as per rule and correct and is liable to 400 KV S.Stn., Talandage. Meanwhile Government of Maharashtra Industrial Energy and labour department has passed the GR Government Electrical Companies and their franchises under energy department should not be levied Grampanchayat, Corporation taxes. Now Executive Engineer (C), EHV CCCM Division, Kolhapur has written to Adv. Shri. B.S. Patil to convey the Government GR to Grampanchayat Talandage on behalf of MSETCL for exempting the MSETCL from paying any Gramapanchayat taxes. "

NAGPUR ZONE								
5	WP No. 3425/2015	Shri.Ramchandra Jagannath Kulkarni & others	High Court Nagpur Bench	Adv. D. M. Kale	…	Fair Compensation to be paid.	70.37	Case admitted.Work completed
6	Writ petition No 6932 of 2018	Shri Ahtesham Ali	High Court, Nagpur	Shri D.M.Kale	Nil	"(1) The Electricity Act 2003 (2) Right to fair compensation & Transperancy in land acquisition, rehabilitation & resettelment act 2013 (3) GR Dt. 31.05.2017 & 01.11.2010"	469.15	Pending
7	Writ petition No. 7681/2017	Pravin Shamrao Tajne	High Court, Nagpur	Shri Sachin Zoting	Nil	Demand to pay appropriate compensation	16.00	Pending
8	MCA 361/2014	Shri Devanad Dattuji Awale	District Judge Nagpur	Adv. D. M. Kale	Rs.17865/-	Compensation of Land as per Market rate	300.00	Hearing on Dt:21.02.19.Work completed
9	MCA 362/2014	Smt Anusaibai Dattuji Awale	District Judge Nagpur	Adv. D. M. Kale	Rs.17965/-	Compensation of Land as per Market rate	750.00	Hearing on Dt:21.02.19.Work completed
10	MCA 21/2014	Shri Ashok Shyamsunder Agarwal & 02 others	Distt. Judge, Wardha	Adv. D. M. Kale	Rs.21070/-	Grant of Compensation	395.66	Hearing on Dt:12.03.19.Work completed
11	MCA No. 640/2014	Smt Sunanda Dhanraj Bhalerao	District Judge Nagpur	Adv. D. M. Kale	Rs.16240/-	For Fair Compensation.	400.00	Hearing on Dt:21.02.19.Work completed
12	MCA 1082/2016	Shri. Ghanshyam Umraoji Bhalerao	District Court,Nagpur	Adv. D. M. Kale	….	Compensation of Land as per Market rate	800.00	Hearing on 28.02.19.Work completed
13	Misc.Civil Appli. No.36/2012	Shri Mahadeo Jivtode	District Judge-1 Warora	Shri D.M.Kale	Nil	Proper amount of compensation of damage of mango tree	90.00	Pending
14	Misc.Civil Appli. No.39/2012	Sau. Suman Maroti Jivtode	District Judge-1 Warora	Shri D.M.Kale	Nil	Proper amount of compensation of damage of mango tree	60.00	Pending

15	M.C.A.No.01/2016	Sau. Kalpana Eknath Kapse	District Judge-1 Wardha	Shri D.M.Kale	Nil	Proper amount of compensation & damage of Papaya trees, cotton & Tur crops.	28.00	Pending
16	FA ST no 4455/19	Smt. Malan wd/o Ramu Alam & other three	High Court Bench, Nagpur	Shri. Sachin D. Zoting, Nagpur	Nil	Truck Accident Compensation case of Death.Apple before High Court bench at Nagpur against jugment & order passed by Hon'ble M.A.C.T., Court Chandrapur,in M.A.C.P. No. 172/2013 Smt Malan wd/o Ramu Alam V/S MSETCL &Ors. Decided on 10.07.2018	18.84	Filed appeal along with application for stay admited at Hon'ble High Court at Nagpur and final decision of Nagpur High court is awaited.

17	497/2017	M/s Ganesh Engineering, Nagpur	High Court, Nagpur Branch	"Sachin Zoting Priya Zoting Nisha Khope"	Nil	M/s. Ganesh Engineering Co., Nagpur has filled a suit in Nagpur District court claiming dues of Rs. 80,95,925/- against Tender No.T-13, T-16, T-17 and Two Work orders issued in the years 1987-88 for the stub setting & errection of 400KV Chandrapur-Parli D/C Line. Counter claim of Rs. 3,08,426/- was filed by erstwhile MSEB against above agency towards recovery of charges of T&P material, vehicle, etc. Hon. District Court has decided the aforesaid matter in favour of M/s. Ganesh Engineering Co. and directed to pay the claim Rs. 80,95,925/- alongwith interest @ 6% from the date of filing of suit (27.04.1993) till the scheduled date of deposit (20.08.2009) which totally amounts to Rs. 1,60,35,410/-. The counter claim was dismissed by the court. However, on application of MSETCL, Hon. High Court Nagpur bench generated stay on decree after deposit of Rs. 1,60,35,410/- in the court. Accordingly, MSETCL has deposited Rs. 1,60,35,410/- in the High Court, Nagpur bench on dt.31.07.2009. Now,The case is Diverted from High Court to First District Court and Additional Session Court being the amount is below Rs.1 Cr.	160.35	vakalatnaama for 2nd appil has been submitted.

18	42/2003	"Maharashtra State Textile Corporation V/S MSETCL "	3rd Ad-Hoc Distt Judge, Nagpur	Adv. G.E.Moharir	Nil	"Compensation of amount under award date 14.06.2000 in respect of land at Jattarodi "	615.00	For evidence on 03.04.2019
19	569/2009	"Sudhir Sahani V/S MSETCL "	9th Jt.Civil Judge Sr. Dn.,Nagpur	Adv. G.E.Moharir	Nil	"Claim for final bill amount in respect of gantry, equipment foundations at Sindewahi"	19.27	For hearing on 05.03.2019
20	78/2013	"M/s Vijay Wargi & Sons V/S MSETCL "	Civil Judge Sr. Dn.,Nagpur	Adv. D.M. Kale	Rs.21000/- less 10% TDS. Net amount paid Rs.18,900/-	"Claim for 220KV S/stn Umred"	26.53	For evidence on 20.03.2019.
21	300/2012	Ajay Akhand, Fetri, Ashok Ghormade, Chicholi, Nagpur V/s MSETCL/ GOM/ Sp.LAO, Nagpur.	3rd Ad-Hoc. Distt Judge, Nagpur Nagpur	Adv. D.M. Kale	Nil	Land case at Yenwa(Katol)	25.79	For evidence on 27.02.2019.
22	M.a no. 680/2017	MSETCL V/s M/s Unique Associates, Nagpur	Principle Dist: Judge, Nagpur.	Adv. Sachin D. Zoting	Nil	Case filed against award of arbitrator	10.01	For argument on 01.03.2019

23	53/2018/NAP-36 Date 30.01.2018	MSETCL VS Collector Wardha	विद्यमान अपर आयुक्त, नागपुर विभाग नागपूर यांचे न्यायालय	Adv. Sachin Zoting	Nil	Demand Notice for NA Tax (132 KV S/stn. Jam)	15.55	As pe order received on 30.10.2017 the case eglqy vfiy dz- 9@,u-,-ih-@36@16&17 fnaukad 01@10@2016was dismissed by the Collector. T.O. asked CLA C.O. Mumbai to guide in the matter & CLA C.O. Mumbai guided to seek legal opinion from Advocate Shri. Sachin Zoting & also guided that challenge against order can be made before higher appropriate authority/ court. Then, the Advocate Shri. Sachin Zoting made appeal before court of upper aayukta, Nagpur division, Nagpur and got stay on order on 30.01.2018 upto 09.04.2018. (New Case No. 53/2018/NAP-36 Date 30.01.2018).

24	कोर्ट विद्यमान तहसिलदार वरोदा यांचे आदेश प्रीत दिनांक १ जानेवारी २०१८	MSETCL VS TAHASHILDAR WARORA	कोर्ट विद्यमान तहसिलदार वरोदा जिल्हा चंद्रपूर यांचे न्यायालय	Shri Sachin Zoting	......	Deposition of Statutory N.A Charges	20.69	"1. Case was sent for filing on 21.03.2018. The same was not permitted for want of deposit of entire N.A. Charges to the tune of Rs. 35,96,440/-. The matter was listed for argument on 22.03.2018 on directions to deposit the entire amount. However, upon arguments the SDO Warora was convinced that, an amount of Rs. 2,89,080/- should be paid. 2. On 22.03.2018 an application for permission to deposit the amount of 2,89,080/- was moved. The same was allowed with the direction to deposit the same on or before 27.03.2018 by way of challan. 3. On 28.03.2018 the challan was filed and
NASHIK ZONE								
25	Jan-16	Shri Shankar Namdev Aher	Civil court Kopargaon	Rupesh More	Nil	132KV Kopargaon-Yeola line (line Charged) Crop compensation T. L. no. 18	15.60	Result awaited Hearing carried out on 5.06.2017, 13.06.2007 & next hearing on dated 05.07.2017.
26	01/.2017	Kamalabai Yadav Nibe	Civil Court Kopargaon	Rupesh More	Nil	400KV BBLR-Kudus line Land compensation T. L. no. 13	20.00	Result awaited Hearing carried out on 5.06.2017, 13.06.2007 & next hearing on dated 05.07.2017. next hearing 19.11.2018

27	1128, 1129, 1130, 1131, 1133, 1134/ 2004	Mr.R. C. Nawandar & others 5	High Court Mumbai Bench Aurangabad	Adv. Palodkar, Aurangabad	1.03 Lakhs	132 KV S/s Sangamner Land. Regarding additional compensation	80.00	The private land has been acquired for 132 KV Sangamner sub station. The award amount Rs 1,43,519.10 has been deposited by then MSEB.on Dt 31/03/1986 Land owners approached the Sangamner court for additional compensation. Court has given the decision on Dt 25/11/1982 to pay additional compesation. Rs 18,03,527.00 In this case the MSEB was not one of the respondant / Party The MSEB filed the Writ in Bombay high court Aurangabad bench requesting to make the party in the abovesaid matter. HC Aurangabad has redirected the case in Sangamner Court in 2002. The Sangamner Court has
28	1375/2013	Shubhashani Construction, Nashik & others 7	Bombay High Court	As. Anjali Bakshi, Madam	0.25 Lakhs	Unsatisifed with the decision of 4th joint civil judge Sr Dn. Nahsik 132 KV Mhasarul.	91.00	The appeal admitted by the Hon. High Court, Mumbai regarding the enhance compensation of land aquired by the Department for 132 KV Sub station Mhasrul
29	1034/2012	Mr. B. R. Gunjal & Ors. 7 Nominees	High Court, Bench, Auranagabad	Mr.Anil S. Bajaj,	Nil	Reg. 220 KV S/s Kedgaon Land,	27.65	Case is filed in High Court, Aurngabad against the decission of Sr. Dn Court, Ahemdnagar.
30	690/2009	Mr. S. R. Wani & Ors.6 Shevgaon, Dist. Nagar.	High Court, Bench, Auranagabad Dt.1.07.2009	Mr.Anil S. Bajaj,	Nil	Reg. 132 KV S/s Shevgaon Land, demanding Enhanced Compensation	64.35	Decision goes against Company on 9/01/09 & got certified copy on dt. 5/3/09 & from that date appeal is not preferred. Case is under process for an appeal. Writing expenditure of Rs.30/- paid at Aurangabad court on 20.12.12. Vakilpatra submitted at High Court Aurangabad on 22/10/2013. Further hearing date is not received

31	Regular Civil Suit No. 315/2016	M/s. M. M. Construction	Dist & Session Court No.-4 Nasik	Adv. Pagar, Nasik	Nil	Regarding the work payment the work of equipment foundation at 132 KV Ambad was carried out by the agency M. M. Construction but demanded the excess payment which is not done by him.	18.00	On Board
32	1st appeal No. 2147/2013 in High Court Aurangabad	Mr. R. C. Agrawal, Chopda	High Court Aurangabad	Shri. Satish Godsay High-court Advocate A'bad -- Rs.23,310/- Court Stamp fees both cases.i.e. 1st Appeal No. 2146 & 2147/2013. Rs.20,000.00 Professional Fees & Rs.4500.00 other misc expenditure.	Rs.20,000.00 Professional Fees & Rs.4500.00 other misc expenditure.	132 KV S/s Chopda Land additional compensation of private land.	39.52	Final judgment delivered on 10-04-2013 by Hon'ble CJSD Amalner & ordered to pay additional compensation of private Land acquired for this sub-stn @ Rs. 44.00 per Sqm + other interest Charges.Case is Filed by MSETCL in High-Court Aurangabad challenging the Judgement of Trial Court Amalner to pay additional Compensation of Private Land acquired for Establishment of 132KV Chopda sub-station , Dist. Jalgaon. An amount of Rs. 17,75,841.00 has been deposited in High-court A'bad as per order of High-Court A'bad on 23-10-2013 vide Receipt No. 005650 Dt.23-10-2013. The case is pending for Final hearing.

33	1st Appeal No. 2146/2013 in High-Court A'bad.	Mr. K. B. Chavan, Chopda	High-court A'bad.	Shri. Satish Godsay High-court Advocate A'bad -- Rs.15,000.00 Professional Fees & Rs.4500.00 other misc expenditure.	Rs.15,000.00 Professional Fees & Rs.4500.00 other misc expenditure.	132 KV S/s Chopda Land additional compensation of private land.	14.52	Final judgment delivered on 10-04-2013 by Hon'ble CJSD Amalner & ordered to pay additional compensation of private Land acquired for this sub-stn @ Rs. 44.00 per Sqm + other interest Charges.Case is Filed by MSETCL in High-Court Aurangabad challenging the Judgement of Trial Court Amalner to pay additional Compensation of Private Land acquired for Establishment of 132KV Chopda sub-station , Dist. Jalgaon. An amount of Rs. 6,50,913.00 has been deposited in High-court A'bad as per order of High-Court A'bad on 23-10-2013 vide Receipt No. 005651 Dt.23-10-2013. The case is pending for Final hearing.
34	1st appeal No. 613/2005	Mr.P. N. Patil & others 3, Shahada	High-court A'bad.	Earlier Late Shri. H.T. Joshi A'bad & then Shri Anil Bajaj High-court Aurangabad. Court Stamp Fees-- Rs.6000/- Professional fee Rs.10000.00 & Other misc. expenditure-Rs.1250.00	Professional fee Rs.10000.00 & Other misc. expenditure-Rs.1250.00	Case is filed in H.C. Auranagad to pay additional Compensation of Private Land acquired for Establishment of 132KV Shahada sub-station , Dist. Nandurbar . Judgment delivered by Hon'ble CJSD Shahada on 08-03-2005.	10.25	The case papers & Vakilpatra handed over on 13-08-2010 to Advocate Shri Anil S. Bajaj, H.C. Advocate A'bad after demise of earlier HC Advocate Shri. HT Joshi, A'bad. Now pending for final hearing by HC A'bad.
35	1791/98	Smt.Parvati R. Mahajan & Ors.2	Civil Court, Jalgaon	Mr.D.H. Paranjape, Jalgaon. Advocate Fees - Rs.100000/-	Advocate Fees - Rs.100000/-	Reg. 132 KV S/s Raver Land to pay additional Compensation of Private Land acquired for Establishment of 132KV Raver sub-station , Dist. Jalgaon	75.00	The final Judgment delivered by Hon'ble Jt CJSD Jalgaon on 05-05-2012. The Judgement is in favour of MSETCL & the demand of land owners to pay Rs.75-00 lakhs as an additional compensation is totally rejected by Court.

36	331/2008 & RTS Appeal No. /2010.	Hon'ble Revenue Minister & Secretary GOM Mantralaya, Mumbai.	Secretary R&F Mumbai.	Mr. S. S. Jinsiwale, Mumbai Fee Rs.4200 & other Rs. 3000/-	Rs.4200 & other Rs. 3000/-	Regarding decision of Commissioner Nasik for payment of Royalty charges.	12.77	final hearing deliverd by collector jalgaon on 03.07.2018 odered to pay to MSETCL Rs. 12.44Lakh by Tahsildar Amalner. Process to reapy said amount is initited by tahsildar Amalner
37	1st Appeal No. 50 & 51/2008	Mr. R. G. Patil & Shri. C. G. Patil -- Shahada.	High Court, Mumbai Bench, Aurangabad	Mr.Anil S. Bajaj, High-Court A'bad. Court stamp Fee Rs.9850.00 & Professinal fees Rs.6000.00 & other mis. Expenditure Rs.500.00	Professinal fees Rs.6000.00 & other mis. Expenditure Rs.500.00	Regarding additional Compensation of Private Land acquired for Establishment of 220KV Shahada sub-station , Dist. Nandurbar	74.00	Case is pending for final hearing.
38	Special Darkhast No. 03/2013	Varsha Construction Co. Pune	Civil Judge Sr. Divn. Jalgoan	Shri. R.D Paranjape Advocate Jalgoan	No Fees paid yet. The decision of Trial Court Jalgaon is in favour of MSETCL.	Award declared on 5.11.2011 by Shri JM Phadke, Sole Arbitrator, Pune is challanged in court of Law at Dhule & now at Jalgaon in Sep-2013.	15.00	Case is pending for final hearing
39	LAR No.116 /2012	Shri. Prakash S.Patil , Parola	Civil Judge Sr. Dn. Amalner	Shri. J.S. Bagul & shri.M.J. Bagul Amalner	10000.00 Professional fee + Rs. 2800.0 other expenses	132 KV Parola Sub-stn's Private Land -- enhanced compensation there-of	11.93	Case finalised by Civil judge SD Amalner and MSETCL has challenged this decision in High court Aurangabad
40	1st Appeal No. 189 / 2014	Shri Prakash S. Patil , Parola	High Court Aurangabad	Shri Satish M. Godsay, High Court Advocate Aurangabad Rs. 10000.00 Professional fee + Rs. 2800.0 other expenses	10000.00 Professional fee + Rs. 2800.0 other expenses	Challanging the Judgement delivered by CJSD Amalner on 30-10-2013 to pay additional compensation of private land acquired for 132 KV Parola sub station	18.23	Case is pending for final hearing
41	1st Appeal No. 188 / 2014	Shri Rama Shripat Patil , Parola	High Court Aurangabad	Shri Satish M. Godsay, High Court Advocate Aurangabad Rs. 10000.00 Professional fee + Rs. 2800-0 other expenses	10000.00 Professional fee + Rs. 2800.0 other expenses	Challanging the Judgement delivered by CJSD Amalner on 30-10-2013 to pay additional compensation of private land acquired for 132 KV Parola sub station	12.23	Case is pending for final hearing

42	1st Appeal No. 187 / 2014	Shri Daga Shripat Patil , Parola	High Court Aurangabad	Shri Satish M. Godsay, High Court Advocate Aurangabad Rs. 10000.00 Professional fee + Rs. 2800.0 other expenses	10000.00 Professional fee + Rs. 2800.0 other expenses	Challanging the Judgement delivered by CJSD Amalner on 30-10-2013 to pay additional compensation of private land acquired for 132 KV Parola sub station	14.35	Case is pending for final hearing
43	1st Appeal No. 1524 /2015 . Civil application No. 4010/2013 in 1st Appeal Stamp No. 5752/2013	Smt.Parvatabai R. Mahajan & Others 2	High-court A'bad.	Shri satish Godsay HC Advocate A'bad.	No Fees paid yet.	Regarding 132 KV Raver Sub-station Land . Judgment of Jt.CJSD Jalgaon not to pay additional Compensation of Private Land acquired for Establishment of 132KV Raver sub-station , Dist. Jalgaon is challenged in High-Court A'bad by Land Owners.	75.00	Case is pending for admission at High-court A'bad.
44	WP No. 5942 /2014	Mohd. Ali Hussain Ali Chopada Dist. Jalgaon.	High Court Aurangabad	Shri Satish M. Godsay, High Court Advocate Aurangabad. Shri Vijay B Patil Advocate for oppenent.	No Fees paid yet.	132 KV Chopada Sub-stn's Private Land -- enhanced compensation there-of on the basis of Judgment on 10-04-2013 by Trial Court Amalner in the matter of other Owners of 132KV Chopada Sub-stn , this owner is also claiming enhanced compensation.	84.14	MSETCL has deposited 25% amount of Rs. 21.04Lakh at High court A'Bad and case is pending for hearing
Pune Zone								
Vashi Zone	"Spl. Civil Suit no. 980/2008"	Shri.Milind Madhukar Wagh	Hon.Civil Court Pune	"1)Adv. Joshi ,(High court, Mumbai) 2) Adv. Kelkar (Dist. Court.Pune) 3)Adv. Pathade, High court, Mumbai"	" Adv. Abhijit Joshi Rs. 59,511/- Adv. Kelkar ,Bill not received"	"Compensation against fatal accident to his two son's. 1) Mihir 2)Mrigank (Victim)"	12.00	An appeal of MSETCL stands dismissed with costs by Hon. Civil Court,Pune. Now, Adv. Pathade, is engaged for this court case in high court. All legal papers handed over to him on 29/12/18.
2	"Spl.C S 942/2012"	Shri Dilip Narhari Takale	CJSD ,Pune	Shri R.R.Zoye	"Advance 50% Rs. 35,900/-"	Compensation towards accidental death due to induction of 132KV phursungi-Mundhwa line	60.00	Next hearing on dt. 27-02-2019

3	1	1. Smt. Vimalabai Anna Bedare 2. Master Kiran Anna Bedare 3. Vikas Anna Bedare	District Judge Baramati	Adv. A. V. Prabhune	15,000.00	Hon. Civil Judge, Senior Division, Baramati has ordered to pay compensation to the victim of an Electrical Accident of Rs. 10,70,000.00 to revise this compensation appeal filed before Hon Civil Judge.	10.70	Case No.21/2017Final Judgement not yet received to office.
4	11/2016	Vijaykumar Jadhav	Session Court Malshiras	"Adv. U. B. Marathe"	to be Paid	Regarding Compensation of 132 kV Malinagar-Velapur Line	225.00	"Hearing On dt-12.02.2019"
Vashi Zone								
1	Writ Petetion, 399 2/2010	"1) Sarpanch Grampanchyat Village: Anjur 2)Tahasildar, Bhiwandi 3)Collector, Dist: Thane 4) State of Maharashtra"	High Court of Mumbai	Mr. A.R. Baxi	1. Rs.14329/- paid to Adv. A. A. Joshi towards the drafting the communication to the collector Thane & conference with S.D.O. Bhiwandi.	Mulation Entry of Electrode station land at village Anjur Tal- Bhiwandi Dist. Thane in the name of MSETCL	69.68	Admitted (Unready)
2	"Case no.1) RCC No 881 2017 "	"Superintendent Engineer MSETCL HVDC R.S. O&M Circle Padghe V/s. Ashish Anil Ranade Prop.of M/s. Marg Systems Nagpur"	Bhiwandi Court	Mr. M. M. Kadam	____	Regarding custom duty payments not made by M/s Marg Systems to custom authority	33.00	"Hearing On 02.04.2019 "
3	37/2017	Lustre Engineering Corp	Sole Arbbitrator Retd Justice A.V.Nirgude	Adv. Abhijeet A. Desai	Sole Arbitrator, Rs.5,90,000/-	Diversion of 220KV Kalwa-Trombay line in Kanjur landfill area of MCGB	2999.29	Cross examination of petitioner is in progress.
4		Lustre Engineering Corp	Hon. High Court, Bombay	Adv. VIshal Shirke		Diversion of 220 KV Kalwa-Trombay line in Kanjur landfill area of MCGB	1615.00	After award of order by MSME Council .The matter is challenged in Hon. High Court, Bombay

Annexure - C

Details of Disputed dues of Income Tax as on 31.03.2019

Nature of Dues	Period (A.Y) to which amount relates	Forum where matter is pending	Amount Payable / Refundable / Adjustments
Employee State Insurance	Various Years from FY 1968-1996	Employee State Insurance Court, Pune	Amount of Rs 22 lakhs is pertaining to Pune Urban Zone of erstwhile MSEB regarding applicability of ESIC Scheme. The amount is pertaining to R.S O&M Division Pune transferred to Pune Urban Zone, MSEB. The ESIC authority appealed in 2006 in Mumbai High Court.
Fringe Benefit tax	2006-07	The Assistant Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	A demand of Rs.17,57,875/- was raised by the income-tax department in terms of an Order dated 31 December 2008 passed under section 115WE (3) of the Income-tax Act,1961. A rectification application was preferred against the same - the same is pending with the Assessing Officer - after rectification of errors apparent on record viz., non credit of self-assessment tax paid and interest charged in excess under section 115WJ(3) of the Income-tax Act,1961 - no sum is payable by the Company, however, rectification order pending to be passed.

Fringe Benefit tax	2007-08	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	A demand of Rs. 73,32,362/- was raised. No sum payable - however, rectification order pending to be passed.
Income-tax	2008-09	The Income-tax Appellate Tribunal (Departmental Appeal)	A demand of Rs.3,28,40,877/-. In terms of Order giving effect dated 22 September 2011 an amount of Rs. 3,28,40,877/- is payable. Rectification Letter dated 01 February 2012 filed with the ACIT-10(1) against the same pointing out the errors apparent on record - Non granting of relief vis-à-vis the excess disallownace of depreciation to the tune of 28,11,46,639/-. After rectifying the errors amount refundable is Rs. 20,93,15,025/-. However the same has not been acted upon. No sum payable - Department appeal is fixed for hearing on 14.09.2019.
Fringe Benefit tax	2008-09	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	A demand of Rs. 24,45,709/- was raised. No sum payable - however, rectification order pending to be passed.
Income-tax	2009-10	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 1,90,00,83,669/- raised in terms of the Order dated 30 March 2011 passed u/s. 144 r.w.s. 147 of the Income-tax Act, 1961. Stay has been filed, the matter was partially heard by the CIT(A). The remand report from the Assessing Officer is awaited

Fringe Benefit tax	2009-10	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	A demand of Rs. 25,74,948/- was raised. No sum payable - however, rectification order pending to be passed.
Income-tax	2010-11	The Income-tax Appellate Tribunal	A demand of Rs. 35.19 Crs. (after adjustment of refund of Rs. 18.53 crores of AY 2011-12). The CIT(A) vide his Order dated 10.02.2015 has allowed the appeal, however, an Order giving effect is, as yet, pending to be passed. Department has filed an appeal to ITAT - fixed for hearing on 14.09.2019.
Income-tax	2010-11	Commissioner of Income-tax(Appeals) - 22 - Mumbai	A demand of Rs. 3,10,34,590/- has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961. No sum payable and the matter is yet to be heard by the CIT(A).
Income-tax	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Amount of Rs. 18,53,09,560/- determined as refundable as per Assessment Order (adjusted against the demand for the AY 2010-11).
Income-tax	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	No demand has been determined as payable, however, an appeal is pending adjudication before the CIT(A) against the Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961. The appeal is pending adjudication.

Income-tax	2012-13	The Assistant Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	"A demand of Rs. 3,11,05,282/- payable in terms of Order dated 31 March 2015 passed u/s. 143(3) of the Income-tax Act, 1961. The Commissioner of Income-tax (Appeals) - 22, Mumbai has fully allowed the appeal filed by the Company. Order giving effect to the CIT(A)'s Order is awaited and a request for same has already been made on 30 March 2017. Also in terms of an Order dated 04 December 2017 a sum of Rs. 4,48,120/- has been determined as payable to the Company. Department has filed an appeal to ITAT - fixed for hearing on 22.08.2019."
Income-tax	2012-13	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 9,70,568/- has been determined as payable to the Company in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961. Appeal pending with CIT(A).
Income-tax	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 9,36,86,930/- has been determined as payable in terms of Order dated 27 February 2017 passed u/s. 154 of the Income-tax Act, 1961 - appeal has been filed with the CIT(A) which appeal is pending adjudication. Appeal pending with CIT(A).

Income-tax	2014-15	The Commissioner of Income-tax (Appeals) - 22, Mumbai	"A demand of Rs. 1,75,24,46,620/- has been determined as payable in terms of Assessment Order dated 30 December 2016 passed u/s. 143(3) of the Income-tax Act, 1961. The said Order has not been accepted as correct and binding and an appeal against the same has been filed to the CIT(A) - the said appeal is pending adjudication. However, in terms of the Order dated 04 December 2017 passed u/s. 154 of the Income-tax Act, 1961 a sum of Rs. 40,56,58,030/- has been determined as refundable to the Company. The appeal filed with the CIT(A) is pending adjudication. Out of total amount of Rs. 40,56,58,030/- an amount of Rs. 34,02,59,851/- has been refunded to the Company in terms of the refund order dated 11 May 2018 and balance refund amount of Rs. 6,53,98,179/- has been adjusted against the outstanding demand for the various assessment years."

Income-tax	2015-16	Assessing Officer	The demand of Rs. 1,66,75,630/- has been determined as payable in terms of an Order dated 20 December 2017 passed under section 143(3) of the Income-tax Act, 1961. No sum payable - rectification application is pending.
Wealth-tax	2015-16	Assessing Officer	The demand of Rs. 3,11,755/- has been determined in terms of an Intimation dated 14 November 2016 under section 35 of the Wealth-tax Act, 1957. A rectification letter/challan rectification letter has been filed - however, the same has not been given effect to. No sum payable - however, the Assessing Officer has to carry out the rectification.
Income-tax	2017-18	CPC, Bangalore	A sum of Rs. 40,46,99,200/- has been determined as refundable to the Company in terms of the Intimation dated 14 March 2019 u/s. 143(1) of the Income-tax Act, 1961.

Note 43: Operating Leases (IND AS 17)

In respect of MSEBHCL:

In the absence of information about Lease period, amount etc of the leasehold land, it is not possible to provide lease disclosure in accordance with Indian Accounting Standard-17.

In respect of MSEDCL:

Accounting For Operating Lease (Ind AS 17) :

i) The Company has numerous operating leases for office and residential premises for employees that are renewable on periodic basis and cancellable at its option. An expense by way of lease rent for operating leases recognised in the Statement of Profit and Loss for the year is Rs.5,526 Lakhs (P. Y. Rs. 2,839 Lakhs).

ii) The Company has entered into lease agreements with MSEB Holding Company Ltd. in respect of office premises occupied at Head Office i.e. 'Prakashgad' and 'Dharavi', Guest House at New Delhi and residential quarters at various places in Mumbai. The lease agreements are renewable after 60 months at the option of both the lessor and the lessee. Lease charges paid during the year amounting to RS.4,720 Lakhs (P. Y. Rs.1,873 Lakhs) included in the amount shown at (i) above.

Details of contractual payment under non-cancellable lease are given below:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Not later than 1 year	4,720	4,720
Later than 1 year and not later than 5 years	14,160	18,880
Later than 5 years	-	-
Total	18,880	23,600

iii) Ascertainment of Lease in the Power Purchase Arrangement:

MSEDCL has entered into the power purchase agreements with MSPGCL and other generators. The significant output of power generated from MSPGCL and other generators is purchased by MSEDCL. Hence MSEDCL has tested the said power purchase arrangements in terms of Appendix C to Ind AS 17 so as to determine whether the arrangement contains an element of lease. It is identified that the arrangement conveys that MSEDCL has "right" to use of the assets of MSPGCL and other generators. However, MSEDCL has no obligation over the losses arising out of non-availability of power plant for power generation due to non-maintenance and the costs are borne by them. Accordingly, there is no transfer of risks & rewards to the Company from MSPGCL and other generators to this extent. Consequently, the arrangement does not satisfy the criteria of financial lease.

In respect of MSETCL:

A) Finance Lease

The company has taken land on lease from Government of Maharashtra, CIDCO , MIDC , etc for construction of substation and lines for 99 years and more by payment of upfront premium. Such lease arrangements have been considered as finance lease.

As on 31.03.2019

Particulars	**Land**
Gross carrying amount	**14,420.50**
Accumulated amortisation	**1,111.38**
Amortisation recognised in statement of P&L	**82.11**

As on 31.03.2018

Particulars	Land
Gross carrying amount	**12,158.86**
Accumulated amortisation	**1,029.2**
Amortisation recognised in statement of P&L	**77.70**

Particulars	**As at 31.03.2019**		**As at 31.03.2018**	
	Minimum Lease payment	**Present value of MLP**	**Minimum Lease payment**	**Present value of MLP**
Within one year	-	-	-	-
After one but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	-	-	-	-
Less : amounts representing finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-

B) Operating lease

a) Leases as lessee

i) The Company has an operating leases for office facilities and residential premises under a non-cancellable operating lease agreements. The lease rentals paid for the same are charged to Statement of Profit and Loss.

ii) Future minimum rentals payable under non-cancellable operating leases are as follows.

(Amt in Lakhs)

	As at 31.03.2019	**As at 31.03.2018**
Not later than one year	2,020.15	4.88
Later than one year and not later than five years	6,048.16	4.22
Later than five years		

iii) Amounts recognised in profit or loss

(Rs in Lakhs)

	As at 31.03.2019	**As at 31.03.2018**
Lease expense	2,101.17	1,220.29
Contingent rent expense		-

b) Leases as lessor

The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 sub-station. The said lease is considered as operating lease in the books of MSETCL.

As at 31.03.19				(Rs in Lakhs)
Particulars				**Land**
Gross carrying amount				339.30
Accumulated amortisation				-
Amortisation recognised in statement of P&L			-	
As at 31.03.18				(Rs in Lakhs)
Particulars				**Land**
Gross carrying amount				339.30
Accumulated amortisation				-
Amortisation recognised in statement of P&L			-	

In respect of MSPGCL

Leases

Operating Lease

A. Leases as lessee

a) The Company enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Company considers it to be more representative of time pattern of benefits flowing to it.The lease rentals paid for the same are charged to the Statement of Profit and Loss.

The future minimum lease payments and payment profile of non-cancellable (Hydro Plant Leases) operating leases are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows:

	31.03.2019	**31.03.2018**
Less than one year	452.84	452.08
Between one and five years	1,812.26	1,813.32
More than five years	6,422.15	6,873.92
	8,687.25	**9,139.33**

ii. Amounts recognised in profit or loss	31.03.2019	31.03.2018
Lease expense	565.83	452.09
Ascertainment of Lease in the Power Purchase Arrangement:		
The company has entered into the power purchase agreement with MSEDCL. The significant output of power generated from the Company's plants is sold to MSEDCL. Hence company tested the said power purchase arrangement in terms of Appendix C to Ind AS 17 so as to determine whether the arrangement contains element of lease. It is revealed that the arrangement conveys the right to use the assets to MSEDCL, however, the losses arising out of non-maintenance of availability of power plant for power generation are borne by Mahagenco. Accordingly, there is no transfer of risks & rewards to MSEDCL to this extent. Consequently, the arrangement does not satisfy the criteria of financial lease.		

Note 44: Employee Benefit (IND AS 19)

In case of MSEBHCL:

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)	
	2018-19	2017-18	2018-19	2017-18
Discount	7.40%	7.15%	7.40%	7.70%
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 & 60 yrs	58 & 60 yrs

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

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Service cost				
a. Current Service cost	1,333,576	1,756,549	1,643,011	1,664,961
b. Past Service Cost	-	254,942	--	-
c. (Gain)/Loss on settlements	-			-
d. Total Service cost	1,333,576	2,011,491	1,643,011	1,664,961
Net Interest Cost				
a. Interest expense on DBO	2,258,489	2,297,509	2,005,535	1,980,373
b. Interest (income) on plan assets	-	-	-	-
c. Interest expense on effect of (asset ceiling)	-	-	-	-

e. Total net interest cost	2,258,489	2,297,509	2,005,535	1,980,373
Immediate Recognition of (Gains)/Losses- Other Long Term Benefits	-	-	(4,170,522)	(7,545,459)
Other expenses/adjustments	-	-	-	-
Defined Benefit cost included in P & L	3,592,065	4,309,000	(521,976)	(3,900,125)

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

Particulars	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
a. Actuarial (Gain)/Loss due to Demographic Assumption changes in DBO	-	-	-	-
b. Actuarial (Gain)/Loss due to Financial Assumption changes in DBO	353,307	(772,127)	-	-
c. Actuarial (Gain)/Loss due to Experience on DBO	(2,611,784)	(9,662,011)	-	-
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	**(2,258,477)**	**(10,434,139)**	**-**	**-**

Table 3: Total Cost Recognised in Comprehensive Income

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Cost Recognised in P&L	3,592,065	4,309,000	(521,976)	(3,900,125)
Remeasurements Effects Recognised in OCI	(2,258,477)	(10,434,139)	-	-
Total cost Recognised in Comprehensive Income	1,333,568	(6,125,139)	(521,976)	(3,900,125)

Table 4 : Change in Defined Benefit Obligation

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Defined Benefit Obligation as of Prior Year	32,085,830	40,827,426	28,188,071	34,038,668
Service Cost				
a. Current Service cost	1,333,576	1,756,549	1,643,011	1,664,961
b. Past service cost	-		-	-
c. (Gain)/Loss on settlements	-		-	-
Interest Cost	2,258,489	2,297,509	2,005,535	1,980,373
Benefit payments from plan assets			-	-
Benefit payments directly by employer	(4,063,546)	(2,616,457)	(2,801,619)	(1,950,472)
Settlements	-		-	-
Participant contribution	-			
Acquisition/ Divestiture	-			
Actuarial (Gain)/ Loss – DemographicAssunmptions	-	-	-	-
Actuarial (Gain)/ Loss – Financial	353,307	(772,127)	376,526	(931,390)
Actuarial (Gain)/ Loss – Experience	(2,611,784)	(9,662,011)	(4,547,048)	(6,614,070)
Other Expenses/adjustments				
Defined Benefit Obligation as of Current Year	29,355,872	32,085,830	24,864,476	28,188,071

Table 5 : Change in Fair Value of Plan Assets

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
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	-	-		

Table 6 : Net Defined Benefit Asset/ (Liability)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Defined Benefit Obligation	29,355,872	32,085,830	24,864,476	28,188,071
Fair Value of Plan Assets				
(Surplus)/ Deficit	29,355,872	32,085,830	24,864,476	28,188,071
Effect of Asset Ceiling				
Net Defined Benefit Liability/ (Asset)	29,355,872	32,085,830	24,864,476	28,188,071

Table 7 : Reconciliation of Amounts in Balance Sheet

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Net defined benefit liability (asset) at prior year end	32,085,830	40,827,426	28,188,071	34,038,668
Defined benefit cost included in P&L	3,592,065	4,309,000	(521,976)	(3,900,125)
Total remeasurements included in OCI	(2,258,477)	(10,434,139)	-	-
Other significant events/ One time Ind AS 19 Adjustment	-	-	-	-
Acquisition/ Divestiture	-	-	-	-

Amounts recognized due to plan	-	-	-	-
Employer contributions	-	-	-	-
Direct benefit payments by Employer	(4,063,546)	(2,616,457)	(2,801,619)	(1,950,472)
Effect of changes in foreign exchange rates				
Net defined benefit liability (asset)- end of period	29,355,872	32,085,830	24,864,476	28,188,071

Table 8 : Reconciliation of Statement of Other Comprehensive Income

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Reconciliation of Statement of Other Comprehensive Income				
Cumulative OCI- (Income)/ Loss, Beginning of Period	(8,985,237)	1,448,901	-	-
Total remeasurements included in OCI	(2,258,477)	(10,434,139)	-	-
Cumulative OCI- (Income)/ Loss, End of Period	(11,243,714)	(8,985,237	-	-

Table 9 : Current / Non Current Liability

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Current Liability	9,683,484	5,509,618	6,813,945	4,284,323
Non Current Liability	19,672,388	26,576,212	18,050,531	23,903,748
Non Current asset				
Total	29,355,872	32,085,830	24,864,476	28,188,071

Table 10 : Expected Future Cashflows

	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Year 1	9,683,484	5,509,618	6,813,945	42,84,323
Year 2	4,338,373	8,449,398	3,142,971	59,51,316
Year 3	1,716,077	4,265,126	1,427,154	32,35,722
Year 4	3,507,278	4,516,739	2,708,424	37,21,609
Year 5	3,911,465	3,491,641	3,333,674	26,40,942
Year 6 to 10	10,851,062	10,119,671	10,467,851	92,40,287

Table 11 : Components of Defined Benefit Cost for Next Year

	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)
	01/04/2018 to 31/3/2019	01/04/2018 to 31/3/2019
Service Cost		
a. Current Service Cost	1,170,260	1,297,539
b. Past service cost	--	--
c. (Gain)/ loss on settlements	--	--
d. Total Service Cost	1,170,260	1,297,539
Net interest cost		
a. Interest expense on DBO	1,814,046	1,587,855
b. Interest (income) on plan assets	--	--
c. Interest expense on effect of (asset ceiling	--	--
d. Total net interest cost	1,814,046	1,587,855
Administrative expenses and taxes		
Defined benefit cost included in P&L	2,984,306	2,885,394

Plan Assets

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
	01/04/2018 to 31/3/2019		01/04/2018 to 31/3/2019	
	2018-19	2017-18	2018-19	2017-18
The weighted- average asset allocations at the year end were as follows:	0.00 %	0.00 %	0.00 %	0.00 %
Equities	0.00 %	0.00 %	0.00 %	0.00 %
Bonds	0.00 %	0.00 %	0.00 %	0.00 %
Gilts	0.00 %	0.00 %	0.00 %	0.00 %
Pooled assets with an insurance company	0.00 %	0.00 %	0.00 %	0.00 %
Other	0.00 %	0.00 %	0.00 %	0.00 %
Total	0.00 %	0.00 %	0.00 %	0.00 %
Actual return on plan assets	-	-		

Sensitivity Analysis

	Gratuity		Leave Encashment	
	(Unfunded)		(Unfunded)	
Defined Benefit Obligation	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Discount rate				
a. Discount rate – 100 basis points	30,621,299	33,526,001	26,228,730	29,937,860
a. Discount rate - 100 basis pointsimpact(%)	4.31%	4.49%	5.49%	6.21%
b. Discount rate - 100 basis points	28,220,433	30,793,369	23,661,436	26,664,856
b. Discount rate - 100 basis points impact(%)	-3.87%	-4.03%	-4.84%	-5.40%
Salary increase rate				
a. Discount rate – 100 basis points	28,204,938	30,786,458	23,635,646	26,628,275
a. Discount rate - 100 basis points impact(%)	-3.92%	-4.05%	-4.94%	-5.53%
b. Discount rate + 100 basis points	30,617,114	33,511,288	26,234,160	29,950,083
b. Discount rate - 100 basis points impact(%)	4.30%	4.44%	5.51%	6.25%

Valuation done by the actuary is relied upon.

In respect of MSEDCL:

Ind AS 19- Employee Benefits :

Post-Employment Benefits:

A) Defined Benefit Plan:

(i) Provident Fund :

The Company makes separate contribution towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). Under the Scheme, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. In keeping with the guidance on implementing Ind AS 19 Employee Benefits, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. However, there is no further liability which remained to be provided as at the end of the year, on account of shortfall in interest payable to the beneficiaries.

Deficit, if any, having regard to the position of the fund as compared to aggregate liability is additionally contributed by the Company and recognized as expenses. During the year, the fair value of plan assets at the end of the year is more than the liability for subscription and interest as given under.

(a) The amount recognized in Balance sheet in respect of Company's share of assets and liabilities of the fund managed by the CPF Trust are as under:

(Rs. in Lakhs)

Sr.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1.	Liability for subscriptions and interest payable to employees at the end of year	6,07,553	5,46,732
2.	Fair Value of Plan Assets at the end of year	6,13,456	5,92,812
3.	Surplus	5,903	46,080

Above mentioned figures as at 31.03.2019 does not include the additional impact of provident fund of Rs. 4,460 lakhs arising on account of pay revision, which took place on 11th Sept, 2019 w.e.f. 01st April, 2018.

(b) Description of Plan Assets :

Sr. No.	Particulars	For the year ended 31st March, 2019 (in %)	For the year ended 31st March, 2018 (in %)
1.	Central Government Securities	8.37	14.78
2.	Other Securities	27.89	19.81
3.	Listed Debt Securities	4.81	5.27
4.	Basel III Tier-I Bonds	32.27	32.17

5.	Exchange Traded Funds (EFT's)	1.66	1.43
6.	Special Deposit Scheme	24.99	26.53

(ii) **Gratuity (Unfunded Defined Benefit Plan) :**

Gratuity payable to all employees of MSEDCL is as per the provisions of the Payment of the Gratuity (Amendment) Act, 2018 or MSEB Gratuity Regulations 1960, whichever is beneficial to the employees.

Gratuity and Long Term Compensated Absences - as per actuarial valuations by independent actuaries at the year-end by using projected unit credit method as on 31st March, 2019 are recognized in the financial statements in respect of Employees Benefits Schemes.

Details of Gratuity disclosure as required by Ind AS –19 are given hereunder:

Table1. Change in Defined Benefit Obligation during the period

(Rs. in Lakhs)

	Gratuity	
	01.04.2018 to 31.03.2019	**01.04.2017 to 31.03.2018**
Opening Defined Benefit Obligation	2,09,905	**2,19,732**
Current Service Cost	12,495	12,396
Past Service Cost	-	962
Interest Cost	14,904	14,623
Actual Plan Participants' Contributions	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(37,638)	(42,828)
Past Service Cost	-	-
Curtailments/Settlements	-	-
Actuarial (Gains)/Losses	25,089	5,020
Closing Defined Benefit Obligation	2,24,756	2,09,905

Table 2. Net Defined Benefit Asset/ (Liability)

(Rs. in Lakhs)

Particular	**Gratuity**	
	01.04.2018 to 31.03.2019	**01.04.2017 to 31.03.2018**
Defined Benefit Obligation	2,24,756	**2,09,905**
Fair Value of plan Assets	-	**-**
(Surplus)/Deficit	2,24,756	2,09,905
Effect of Asset Ceiling	-	-

Net Defined Benefit Liability/(Asset)	2,24,756	2,09,905

Table 3: Major Actuarial Assumptions

(Rs. in Lakhs)

Description	31 March 2019	31 March 2018
Discount rate	7.65%	**7.70%**
Future Basic salary increase	First Year -32.50% Thereafter 3% (with 18% increases in every 5th year)	**7.00%**
Withdrawal rate	Age based: Upto 50 years – 0.5% Thereafter – 2%	Age based: Upto 50 years – 0.5%Thereafter – 2%
Mortality rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Retirement age	Class I,II,III-58years , ClassIV- 60 years	Class I,II,III-58years , ClassIV- 60 years

Table 4: Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(Rs. in Lakhs)

Description of Discount Rate	Gratuity	
	31-Mar-19	**31-Mar-18**
a. Discount rate – 100 basis points	2,43,900	2,28,644
b. Discount rate – 100 basis points impact (%)	8.52%	8.93%
c. Discount rate + 100 basis points	2,08,482	1,94,023
d. Discount rate – 100 basis points impact (%)	(7.24%)	(7.57%)
Salary increase rate		
a. Rate – 100 basis points	2,08,282	1,93,795
b. Rate – 100 basis points impact (%)	(7.33%)	(7.68%)
c. Rate + 100 basis points	2,43,793	2,28,581
d. Rate + 100 basis points impact (%)	8.47%	8.90%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Table 5 : Expected future cash flows :

(Rs. in Lakhs)

Period	Gratuity	
	31 -March -2019	31 -March -2018
Year 1	36,789	32,686
Year 2	27,667	28,164
Year 3	20,230	21,720
Year 4	16,505	16,225
Year 5	14,753	13,758
Year 6 to 10	80,555	65,813
Average Expected Future Working life (Years)	18.12	17.12

Table 6: Investment in Planned Assets:

The Company has not made investments in planned assets. Hence, disclosure of investment of planned assets is not given.

(iii) **Leave Encashment Benefit (Other Long-Term employee benefits) :**

Leave encashment is payable to all employees as per the Company's Employees Service Regulations, 2005. The Earned Leave (EL) and Half Average Pay (HAP) Leave can be accumulated upto300 and 360 days respectively.

Details of Leave Encashment disclosure as required by Ind AS –19 are detailed hereunder:

Table1. Change in Defined Benefit Obligation during the period

(Rs. in Lakhs)

Period	Leave Encashment	
	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
Opening Defined Benefit Obligation	2,13,958	2,18,078
Current Service Cost	16,770	16,358
Past Service Cost	-	-
Interest Cost	15,446	14,779
Actual Plan Participants' Contributions	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(33,005)	(31,009)
Past Service Cost	-	-
Curtailments/Settlements	-	-
Actuarial (Gains)/Losses	(6,924)	(4,248)
Closing Defined Benefit Obligation	2,06,246	2,13,958

Table 2. Net Defined Benefit Asset/ (Liability)

(Rs. in Lakhs)

Particular	Leave Encashment	
	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
Defined Benefit Obligation	2,06,246	2,13,958
Fair Value of plan Assets	-	-
(Surplus)/Deficit	2,06,246	2,13,958
Effect of Asset Ceiling	-	-
Net Defined Benefit Liability/(Asset)	2,06,246	2,13,958

Table 3: Major Actuarial Assumptions

(Rs. in Lakhs)

Description	31 March 2019	31 March 2018
Discount rate	7.65%	7.70%
Feture Basic Salary	First year - 32.50% Thereafter 3% (With 18% increases in every 5th year)	7.00%
Withdrawal rate	Age based: Upto 50 years – 0.5% Thereafter – 2%	Age based: Upto 50 years – 0.5%
Mortality rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Retirement age	Class I,II,III-58years , ClassIV- 60 years	Class I,II,III-58years , ClassIV- 60 years

Table 4 : Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(Rs. in Lakhs)

Description of Discount Rate	Leave Encashment	
	31-Mar-19	31-Mar-18
a. Discount rate – 100 basis points	2,27,732	2,36,975
b. Discount rate – 100 basis points impact (%)	10.42%	10.76%
c. Discount rate + 100 basis points	1,88,243	1,94,701
d. Discount rate – 100 basis points impact (%)	(8.73%)	(9.00%)
Salary increase rate		
a. Rate – 100 basis points	1,88,013	1,94,419
b. Rate – 100 basis points impact (%)	(8.84%)	(9.13%)
c. Rate + 100 basis points	2,27,620	2,36,905
d. Rate + 100 basis points impact (%)	10.36%	10.72%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Table 5 : Expected future cash flows :

Period	Leave Encashment	
	31 -March -2019	31 -March -2018
Year 1	26,545	26,714
Year 2	20,346	23,513
Year 3	15,123	18,553
Year 4	12,592	14,185
Year 5	11,453	12,288
Year 6 to 10	67,590	63,315
Average Expected Future Working life (Years)	18.13	17.13

Table 6: Investment in Planned Assets :

The Company has not made investments in planned assets. Hence, disclosure of investment of planned assets is not given.

B) Defined Contribution Plan:

(i) Staff Welfare Fund (SWF):

This fund is setup as per the requirement of regulation 104(a) of MSEB/MSEDCL Employees Service Regulation. Hence, the Board under its Resolution No. 8575 dated 23rd April, 1973 has accorded its approval to the setting up of Staff Welfare Fund and its administration in terms of the Staff Welfare Fund Regulations and Procedure.

The income sources of this fund are as follows:

a. Rs.10 per month is recovered from the salary of each employee,

b. Recovery of Notice Pay from employees,

c. Recovery of Fines from employees,

d. Amount equal to interest @ 18% p.a. on the balance in deposit amount is credited to this account as contribution from MSEDCL (charged under the head Staff Welfare)

The expenditure incurred from this SWF is as follows:

a. Scholarship to the children of employees,

b. Medical aid to the employee and their families,

c. First girl Child welfare, etc.

MSEDCL has credited to the SWF and booked as an expense the interest of Rs.1,573 lakhs (P.Y. Rs. 1,300 lakhs). Unspent amount as on 31.03.2019 is Rs. 10,530.98 lakhs (P.Y. Rs.8,555.21 lakhs)

(ii) Monthly Monetary Benefit Scheme (MMBS):

This scheme is set up with a view to pay Monthly Monetary Benefit in lieu of employment to the dependents of employees, i.e., employees who have died while in the service of the Board or employees who have retired prematurely on medical grounds before attaining the age of 50 years.

In pursuance of the approval of the Government of Maharashtra, The MSEB Employees' Dependents Welfare Trust Regulations has been approved w.e.f. 01st Nov, 1998.

For this purpose Rs. 30 per month per employee as employee contribution and Rs. 40 per month per employee as a company contribution is credited to MMBS account and paid to the MSEB Employees Dependent Welfare Trust.

MSEDCL's contribution to MMBS is booked as an expense of Rs. 285 lakhs (P.Y. Rs. 259 lakhs).

In respect of MSPGCL

The Company contributes to the following post-employment defined benefit plans in India.		
Defined Benefit Plan:		
(i) Provident Fund:		
The Company's contribution to the Provident Fund is remitted to a separate trust established for all the Group companies based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.		
The Company has recognised Rs. Nil Crores towards the above stated shortfall (previous year Rs. Nil Crores) in the Statement of Profit and Loss.		
(ii) Gratuity & Leave encashment:		
Liability towards long term defined employee benefits - leave encashment and gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is unfunded.		
GRATUITY		
A. Movement in net defined benefit (asset) liability		
The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components		
	Defined benefit obligation	
	31st March, 2019	**31st March, 2018**
Opening balance	581.09	470.70
Interest Cost Included in profit or loss	45.21	34.22
Current service cost	24.31	16.67
Past service cost	**-----**	**146.03**
Interest cost (income)	**-----**	**--**
	650.61	**667.62**

Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	0.55	(14.43)
Experience adjustment	0.18	49.81
Return on plan assets excluding interest income		
	0.74	**35.38**
Other		
Contributions paid by the employer		
Benefits paid	(114.65)	(121.91)
Closing Balance	536.70	581.09
Represented by		
Net defined benefit asset		
Net defined benefit liability	536.70	581.09
	536.70	**581.09**

B. Defined benefit obligations

i. Actuarial assumptions

Further, assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	31st March, 2019	**31st March, 2018**
Discount rate	**7.76%**	**7.78%**
Salary escalation rate	**5.00%**	**5.00%**
Mortality rate During Employment	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Mortality (2006-08)**

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March, 2019		**31st March, 2018**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	(13.38)	14.26	(13.30)	14.14
Future salary growth (0.5% movement)	14.58	(13.79)	14.46	(13.70)
Employee Turnover (0.5% movement)	2.99	(3.16)	2.90	(3.06)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Maturity Analysis of Defined Benefit Obligation

Defined Benefits Payable in Future Years From the Date of Reporting

	31st March, 2019	**31st March, 2018**
1st Following Year	111.29	135.04
2nd Following Year	57.36	59.79

3rd Following Year	74.06	81.74
4th Following Year	62.01	71.11
5th Following Year	52.86	58.42
Sum of Years 6 To 10	187.02	197.06
Sum of Years 11 and above	391.91	368.16
LEAVE ENCASHMENT		
A. Movement in net defined benefit (asset) liability		
The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components		
	Defined benefit obligation	
	31st March, 2019	**31st March, 2018**
Opening balance	560.51	565.20
Included in profit or loss (Interest Cost)	43.61	41.09
Current service cost	11.91	12.36
Past service cost		
Interest cost (income)		
	616.03	618.65
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	0.62	(16.42)
Experience adjustment	17.29	45.65
Return on plan assets excluding interest income		
	17.90	**29.24**
Other		
Contributions paid by the employer		
Benefits paid	(107.53)	(87.38)
Closing Balance	**526.41**	**560.51**
Represented by		
Net defined benefit asset		
Net defined benefit liability	**526.41**	**560.51**
B. Defined benefit obligations		
i. Actuarial assumptions		
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
	31st March, 2019	**31st March, 2018**
Discount Rate	**7.76%**	**7.78%**
Salary escalation rate	**5.00%**	**5.00%**
Mortality rate During Employment	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Mortality (2006-08)**

B) The provident fund plan of the Company is operated by the "Maharashtra State Power Generation Company Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. During the year, since the market value of investment is more than subscription liability of the Trust, the liability on this account recognised in Profit & Loss account is Rs. Nil (P.Y. Rs. Nil)		
Description of Plan Assets		
Particulars	**31st March, 2019**	**31st March, 2018**
Category -I (a)- GOI	8.37%	14.78%
Category -I (a)-SDL	27.89%	19.81%
Category - I(b)	4.81%	5.27%
Category - II(a)	30.37%	31.21%
Category - II(b)	1.90%	0.96%
Category - IV(c)	1.66%	1.43%
Special Deposit Scheme	24.99%	26.53%
Mahaguj Collieries Limited		
Retirement Benefits		
Provident & other Fund Rules and Payment of Gratuity Act are not applicable to the Company. However, employees on deputation from M/s MSPGCL and M/s GSECL are covered under the said benefit as per policy of the respective Companies.		
MAMSL		
No Provision for Gratuity is required; Since the Company did not have any employee during the year.		

In respect of MSETCL:

Employee Benefits

a) Defined Contribution Plans

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. The investment value is short by Rs. 3593.92 Lakhs (P.Y. Rs. 2551.64 Lakhs excess) than subscription value, hence provision is made accordingly. The Company recognised Rs. 7626.36 lakhs (previous year Rs. 7476.19 lakhs) for Provident Fund contribution in the Statement of Profit and Loss.The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

i) The amount recognized in balance sheet in respect of Company's share of assets and liabilities of the fund managed by the CPF Trust are as under:

(Rs in Lakhs)

Particulars	**As at 31.03.2019**	**As at 31.03.2019**
Liability for subscriptions and interest payable to employees at the end of the year	1,35,693.92	1,29,670.20
Fair value of plan assets at the end of the year	1,32,100.00	1,32,221.84
Net Liability	**3,593.92**	**(2,551.64)**

ii) Description of plan assets

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Special Deposit Schemes(SDS)	24.99%	26.53%
Other Security Gaurantee by Central/State Govt	4.81%	5.27%
Government Securities (GOI)	8.37%	14.78%
State Development Loan (SDL)	27.90%	19.81%
Debt's and Other Related Instrument	30.37%	31.21%
Exchange Traded Fund (ETF)	1.66%	1.43%
Others	1.90%	0.96%

b) Defined Benefit Plan : Gratuity

Liability towards long term defined employee benefits - leave encashment, gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is unfunded in the case of leave encashment and gratuity.

Gratuity (Unfunded)

Movement in net defined benefit (asset)/ liability

i) Reconciliation of opening and closing balances of Gratuity obligation

(Rs in Lakhs)

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Defined benefit obligation at the beginning of the year	38,401.32	41,286.97
Current service cost	1,948.24	1,988.84
Past Service Cost	0.00	224.22
Interest cost	2,968.42	3,051.10
Actuarial (gain)/loss	413.07	(258.66)

Benefits paid	(7,921.63)	(7,891.15)
Defined benefit obligation at the end of the year	35,809.42	38,401.32

ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

Reconciliation of fair value of assets and obligations:

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(35,809.42)	(38,401.32)
Unfunded (Liability)/asset recognized in the Balance Sheet	(35,809.42)	(38,401.32)

Amount recognized in the Statement of Profit and Loss :

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Current service cost	1,948.24	1,988.84
Interest cost	2,968.42	3,051.10
Past Service Cost	0.00	224.22
Expected return on plan assets		-
Net Actuarial (gain)/loss		-
Total expenses recognized in the Statement of Profit and Loss account	4,916.66	5,264.16
Actual return on plan assets		

Particulars	As at 31.03.2019	As at 31.03.2018
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions		
- Changes in Financial arrangements	(140.82)	(783.67)
- Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest		
- Experience adjustments	553.89	525.01
- Return on Plan assets excluding amounts net interest cost		
- Return on Plan assets excluding amounts net interest cost		

Major Actuarial Assumptions

Particulars	As at 31.03.2019	As at 31.03.2018
Discount rate	7.79%	7.73%
Estimated return on plan assets	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

The expected future cash flows as on :

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Projected benefits payable in future years from the date of reporting		
1st following year	6,993.77	8,013.97
2nd following year	3,470.12	4,821.74
3rd following year	3,977.66	4,593.03
4th following year	3,084.09	3,815.20
5th following year	3,014.16	2,933.16
Sum of year 6 to 10	11,666.34	11,610.43
Sum of Year 11 and above	40,729.45	37,524.62

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31.03.2019	As at 31.03.2018
(+) 1% change in rate of discounting	(2,176.11)	(2,097.37)
(-) 1% change in rate of discounting	2,519.40	2,420.99
(-) 1% change in rate of salary increase	(2,249.18)	(2,166.24)
(+) 1% change in rate of employee turnover	585.72	541.22
(-) 1% change in rate of employee turnover	(659.08)	(608.93)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

The expected future cash flows as on :

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Projected Benefit Obligation	25,942.38	24,845.89
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Discount rate	7.79%	7.73%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58, 60 & 65 years	58 & 60 years
While in service encashment rate	10% for the next year	10% for the next year

iii) The Projected Benefit Obligation towards this Accumulating paid absences (Half paid leave) is tabulated below:

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Projected Benefit Obligation	12,271.35	11,157.00
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Discount rate	7.79%	7.73%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58, 60 & 65 years	58 & 60 years

Note 45: Related Party Disclosure (IND AS 24)

In respect of MSEBHCL

a)

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
5	Aurangabad Power Company Ltd	Subsidiary of MSEDCL
6	Dhule Thermal Power Company Ltd	Subsidiary of MSPGCL
7	MahagujColliaries Ltd	Subsidiary of MSPGCL
8	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 Accounting Standard, the company is not required to disclose transactions with its subsidiaries since they are state-controlled enterprises.

a)

Name of related party	**Relationship**
Ratnagiri Gas and Power Pvt Ltd	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**	
Ratnagiri Gas and Power Pvt Ltd	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 Private Ltd	Dividend Received	Nil
	Investment made during the year	74,053,869 shares of Rs. 10/- each
	Closing Balance Investment	74,053,869 shares of Rs. 10/- each and net realisable value is Nil

a) Key Management Personnel:

Shri Arvind Singh	Managing Director
Mr Sunil Pimpalkhute	Director(Finance) & CFO
Mr Subodh Zare	Company Secretary

I. Whole time Director - Finance has been appointed from August 2018 and has drawn remuneration of Rs. 1,187,979/- during the year.

II. Whole time Company Secretary has been appointed on contract basis from August 2015 and salary of Rs 1,280,982/- was paid to him during the year. His contract has been renewed from November 2018.

In respect of MSEDCL

RelatedParty :

As per the definition of 'Related Party' under Ind AS 24, following are the list of related parties:

a) Ultimate Controller :

Government of Maharashtra

b) Holding Company:

MSEB Holding Company Ltd (MSEBHCL)

c) Fellow Subsidiaries:

- Maharashtra State Power Generation Company Limited (MSPGCL)
- Maharashtra State Electricity Transmission Company Limited (MSETCL)
- Maharashtra Power Development Corporation Limited (MPDCL)

MSEDCL, MSPGCL, MSETCL and MPDCL are State Govt Companies and are subsidiaries of MSEB Holding Company Limited and thus fellow subsidiaries of MSEDCL.

d) Subsidiaries:

- Aurangabad Power Company Limited (APCL)

e) Subsidiary of Fellow Subsidiaries

- Dhopave Coastal Power Limited (DCPL)

f) Key Management Persons (KMP):

- Shri. Sanjeev Kumar, Chairman and Managing Director, MSEDCL (w.e.f. 21.12.2015)
- Shri. Sunil Pimpalkhute, Director (Finance), MSEDCL (up to 31.01.2018)
- Shri. Jaikumar Srinivasan, Director (Finance), MSEDCL (w.e.f. 02.02.2018)
- Shri. Abhijeet Deshpande Director (Operations) (w.e.f. 01.04.2017 to 25.05.2017, from 15.06.2017 to 31.07.2018)
- Shri Dinesh R. Saboo, Director (Project) (w.e.f 20.09.2016 to 31.10.2018)
- Shri Dinesh R. Saboo, Director (Operation) (w.e.f 01.11.2018)
- Shri Bhalchandra Khandait, Director (Project) (w.e.f 15.01.2019)
- Shri. Satish Chavan, Director (Commercial) (w.e.f. 22.01.2018)
- Shri. Arvind Haribhau Salve, Director (Vigilance & Security) (w.e.f. 01.04.2018 to 26.02.2019)
- Shri. Dattatraya T Shinde, Director (Vigilance & Security) (w.e.f. 01.03.2019)
- Mrs Anjali Gudekar Company Secretary, MSEDCL.

g) Independent Directors :

- Shri. Vishwas Pathak, Independent Director(from 14.08.2015)
- Shri. Ashok Harane, Independent Director (from 02.01.2009)
- Mrs. Juelee Wagh, Independent Director (from 04.06.2014)

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19- 'Employee Benefits' in the financial statements.

As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

h) Summary of significant transactions along with outstanding balances with related parties:

Part h (1)

Summary of significant transactions along with outstanding balances with related parties:					
					(Rs. In lakhs)
Sr. No.	**Particulars**	**Transactions during the year**		**Closing Balance**	
		F.Y. 2018-19	**F.Y. 2017-18**	**Ourstanding as on 31.03.2019**	**Outstanding as on 31.03.2018**
1	Transactions with key Management Personnel of MSEDCL				
	Remuneration	246	122	-	-
	Transactions with Independent directors				
	Sittting Fees	3	3	-	-
2	Transactions with Holding Company				
	MSEBHCL - Inter Co. Adj. for Other Expenses	2,365	431	4,07,965	4,05,600
3	Transactions with Fellow Subsidiaries:				
	MSPGCL - Purchase of Power	(3,68,300)	6,36,606	10,84,338	14,52,638
	MSETCL - Transmission Charges	(11,528)	84,849	2,62,820	2,74,348
	MSPGCL - Inter Co. Adj. for Other Expenses	158	14	47,008	46,850
	MSETCL - Inter Co. Adj. for Other Expenses	(7)	(22,604)	1,572	1,579
	MPDCL	-	0	247	247
4	Transactions with Subsidiaries of Fellow Subsidiaries:				
	DCPL - Loans & Advances	-	0	207	207
5	Amount recognise in P & L as allowance for Expected Credit Loss				
	MSPGCL	2,547	3,325	12,209	9,662
	MSETCL	1,244	(2,944)	1,572	328

i) Difference between balances of the MSEDCL and Related Parties :

There is a difference in outstanding balances as on 31.03.2019, as appearing in the books of accounts of the Company and the related parties details of which are as under.

(Rs. in Lakhs)

Name of Company	Maharashtra State Power Generation Co Ltd. (MSPGCL)		Maharashtra State Power Transmission Co Ltd. (MSETCL)		Maharashtra State Electricity Board Holding Co Ltd. (MSEBHCL)	
Nature Of transaction	Loans and Advances		Loans and Advances		Other Current Liabilities	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Balance as per MSEDCL	47,008	46,850	1,572	1,579	4,07,965	4,05,600
Balance as per other Group Company	47,008	46,951	0.00	0.00	3,87,264	3,85,208
Difference	0.00	101	1,572	1,579	20,701	20,392

j) Amount Payable to/Receivable from Government of Maharashtra :

(Rs. in Lakhs)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Inspection Fees Payable	498	498
2	Electricity Duty Payable	93,795	4,30,344
3	Tax on Sale – Payable	18,886	12,628
4	Subsidy Receivable	78,604	2,10,254
5.	Grant Receivable	92,703	2,167
6.	Equity Share Capital	47,61,432	47,24,525
7.	RGGVY Loan	6,407	6,073

In respect of MSPGCL

Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s Chhattisgarh Katghora Dongargarh Railway Limited

2. Fellow subsidiaries:

i. M/s Maharashtra State Electricity Distribution Company Ltd.

ii. M/s Maharashtra State Electricity Transmission Company Ltd.

B. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.

1. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s Chhattisgarh Katghora Dongargarh Railway Limited

2. Fellow subsidiaries:

i. M/s Maharashtra State Electricity Distribution Company Ltd.

ii. M/s Maharashtra State Electricity Transmission Company Ltd.

3. Key Management Personnel

Sr No	Designation	Key Management Personnel Name	With effect from
1	Chairman & Managing Director	Shri. Bipin Shrimali	05.01.2015
2	Chairman & Managing Director	Shri Arvind Singh	10.10.2018
3	Director (Mining)	Shri. Shyam Wardhane	14.09.2016 to 12.11.2018
4	Director (Mining)	Shri P.V.Jadhav	14.11.2018 to 31.05.2019
5	Director (O)	Shri. Chandrakant Thotwe	19.09.2016
6	Director (F)	Shri. S. J. Amberkar	11.08.2017
7	Director (P)	Shri. Vikas Jaideo	19.09.2016 to 31.03.2019
8	Director (P)	Shri V. Thangapandian	10.04.2019
9	Company Secretary	Shri. Rahul Dubey	17-01-2006

4. Non Executive Directors in Mahagenco

Sr No	Designation	Key Management Personnel Name	With effect from
1	Director	Shri Vishwas Pathak	21.07.2015
2	Director	Shri. Arvind Singh	15.06.2018

C. Remuneration paid to Key Management Personnel*

(Rs. In crores)

Sr No.	Name of Related Party	Nature of Relationship	2018-19	2017-18
1	Shri. Bipin Shrimali	Chairman & Managing Director	0.29	0.31
2	Shri. Chandrakant Thotwe	Director (Operation)	0.35	0.35
3	Shri. Vikas Jaideo	Director (Projects)	0.34	0.36
4	Shri. Shyam Wardhane	Director (Mining)	0.11	0.19
5	Shri. J. K. Srinivasan	Director (Finance)		0.21
6	Shri. Santosh Amberkar	Director (Finance)	0.31	0.21

Remuneration to Key Managerial Persons

1	Shri. A.R. Nandanwar	Executive Director	0.01	0.69
2	Shri. Vinod Bondre	Executive Director (HR)	0.18	0.20
3	Shri. Raju Burde	Executive Director	0.28	0.27
4	Shri. Kailash Chirutkar	Executive Director	0.28	0.27
5	Shri. Satish Chaware	Executive Director	0.27	0.29
6	Shri Nitin Chandurkar	Executive Director	0.26	
7	Shri. Rahul Dubey	Company Secretary	0.25	0.18

* Remuneration to KMP has been considered from/to the date from which they became KMP.

D. Sitting Fee paid to Non-Executive Directors:

Details of Meeting	Smt. Juelee Wagh	Shri. Vishwas Pathak
Board	0.0053	0.0065
Audit Committee	----	0.0030
Total Sitting Fees Paid	**0.0053**	**0.0095**

In respect of MSTECL

Related Party Transactions

1 **Names of related parties**

a) Associates

Jaigad Power Transco Limited

Maharashtra Transmission Communication Infrastructure Limited

b) Key Managerial Personnel

Key Management Personnel Name	Designation	With effect from
Shri. Rajeev kumar Prembushan Mital	Chairman & Managing Director	06.01.2015 to 02.05.2018
Shri Parrag Jaiin Nainutia	Chairman & Managing Director	03.05.2018
Shri. Vinayak Sathe	Director Finance	02.04.2016
Ms. Vineeta Shriwani	Company Secretary	22.06.2015
Shri Ganpat T Munde	Director (Operations)	20.07.2017
Shri. Ravindra Dinkarrao Chavan	Director (Projects)	05.05.2015 to 04.05.2018 18.05.2018
Smt. Pushpa Ramcharan Chavan	Independent Director	26.06.2014
Shri. Vishwas Pathak	Independent Director	24.08.2015

c) Remuneration paid to Key Managerial Personnel

(Rs. In Lakhs)

Key Managerial Personnel Name	2018-19	2017-18
Shri. Rajeevkumar Prembushan Mital	4.69	21.41
Shri Parrag Jaiin Nainutia	21.90	0.00
Shri. Vinayak Sathe	21.90	17.73
Ms. Vineeta Shriwani	18.91	18.86
Shri. Omprakash Kanhayya Yempal	0.00	26.67
Shri. Ravindra Dinkarrao Chavan	36.55	29.02
Shri. Ganpat T Munde	31.18	17.01

d) Sitting Fees paid to Independent Directors

(Rs. In Lakhs)

Name of Independent Directors	2018-19	2018-19
Smt. Pushpa Ramcharan Chavan	0.55	1.00
Shri. Vishwas Pathak	0.85	1.10

e) Transactions during the year with Associates:

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Jaigad Power Transco Limited		
Dividend income	357.50	1,608.75
Bay Maintenance income	138.19	105.08
Investment in Associates	-	-
A	**495.69**	**1,713.83**
Maharashtra Transmission Communication Infrastructure Limited		
Investment in Equity Shares	**0.00**	**92.45**
Investment in Preference Shares	**0.00**	**522.37**
B	**0.00**	**614.82**
Total (A+B)	**495.69**	**2,328.66**

f) Outstanding balances with Associates:

(Rs. In Lakhs)

Name of Associates	As at 31.03.2019	As at 31.03.2018
Investments in Equity Shares		
Jaigad Power Transco Limited		
Maharashtra Transmission Communication Infrastructure Limited	3,575.00	3,575.00
Investments in Preference Shares	614.82	614.82
Maharashtra Transmission Communication Infrastructure Limited	522.37	522.37

2 Key Managerial Personnel are not entitled for post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements.

3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24:

Maharashtra State Power Generation Company Limited (MahaGenco)

Maharashtra State Electricity Distribution Company Limited (MahaVitaran)

MSEB Holding Company Limited (MSEB Holding Company Limtied)

Note 46: Earnings per share as per (IND AS 33)

(Amt in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Profit/(Loss) after taxes Rs	-4,755.50	2,260.00
Number of equity shares outstanding	8,873	8,765

Face Value of Equity Shares Rs/share	10	10
Earnings per share (basic)	(0.54)	0.26
Earnings per share (diluted)	(0.54)	0.26

Note 47

Part I

Related Party Transactions with respect to Income & Expenses and Assets and Liabilities have been eliminatedin the consolidated accounts to the extent of lower of the two balances as under:

Elimination of Related Party Transactions for the year 2018-19 with

respect to Income & Expenditure

Name of the co	Particulars	Nat. of trans.	Amount	Note No	Name of the co	Particulars	Nat. of trans.	Amt	Note No	Eliminaion lower of the two
MSPGCL	Sale of Power	Inc.	18,985.11	32	MSEDCL	Purchase of Power	Exp.	19,648.52	35	18,985.11
MSEDCL	Sale of Power (MSETCL)	Inc.	48.07	32	MSETCL	Electricity Charges	Exp.	48.07	41	48.07
MSEDCL	Sale of Power (MSPGCL)	Inc.	19.35	32	MSPGCL	Electricity Charges	Exp.	19.35	41	19.35
MSETCL	Lease	Inc.	0.04	33	MSPGCL					0.04
MSETCL	Transmission charges	Inc.	2,844.19	32	MSEDCL	Transmission Charges	Exp.	4,752.29	35	2,844.19
MSETCL	SLDC Charges	Inc.	15.00	32	MSEDCL	SLDC	Exp.	15.00	35	15.00
MSETCL	Sale of Transformer Oil	Inc.	0.58	32	MSEDCL	Oil Purchase	Exp.	0.58	35	0.58
MSETCL	Rescheduling Charges	Inc.	0.66	32	MSPGCL	Purchase of Power	Exp.	1.29	35	0.66
MSETCL	Sale of Empty Oil Barrel	Inc.	0.01	33	MSEDCL					0.01
MSEBHCL	Other Income (Lease Rent MSPGCL)	Inc.	22.95	33	MSPGCL	Administration & General Expenses Lease Rent	Exp.	24.19	41	22.95
MSEBHCL	Other Income (Lease Rent MSETCL)	Inc.	17.39	33	MSETCL	Administration & General Expenses Rent	Exp.	20.16	41	17.39
MSEBHCL	Other Income (Lease Rent MSEDCL)	Inc.	41.21	33	MSEDCL	Administration &General Expenses Lease Rent	Exp.	42.90	38	41.21
MSPGCL	Reactive Charges	Inc.	18.13	32	MSTECL					18.13
MSEDCL					MSETCL	Shifting of Under ground Cable	Exp.	3.69	41	3.69
MSETCL	Frequency Linked Charges	Inc.	0.02	33	MSEDCL	Frequency Linked Charges	Exp.	0.02	41	0.02

MSETCL	Supervision Charges for ORC work	Inc.	0.11	33	MSEDCL					0.11
MSPGCL					MSETCL	Electricity Charges	Exp.	0.04	41	0.04
MSEBHCL					MSEBHCL	Provision for Expected Credit Losses	Exp.	0.09	41	0.09
MSPGCL					MSPGCL	Provision for Doubtful Advance	Exp.	84.55	41	84.55
MSEDCL					MSETCL	Water Charges	Exp.	0.02	41	0.02
MSEDCL					MSETCL	ORC related work Charges	Exp.	0.03	41	0.03
MSPGCL					MSPGCL	Provision for Expected Credit Losses	Exp.	37.12	41	37.12
MSPGCL	Surcharge Income from consumers	Inc.	2,320.69	32	MSEDCL	Finance Costs	Exp.			2,320.69
MSEDCL					MSETCL	New Connection Charges	Exp.	0	41	0
MSPGCL MSPGCL	Other Income (Sundry credit balance write back)	Inc.	982.28	33	MSPGCL MSPGCL	Provision for Expected Credit Losses	Exp.	138	41	137.81

Elimination of Related Party Transactions for the year 2017-18 with respect to Income & Expenditure

Name of the co	Particulars	Nat. of trans.	Amount	Note No	Name of the co	Particulars	Nat. of trans.	Amt	Note No	Eliminaion lower of the two
MSPGCL	Sale of Power	Inc.	19,396.33	32	MSEDCL	Purchase of Power	Exp.	17,405.35	35	17,405.35
MSEDCL	Sale of Power	Inc.	49.38	32	MSETCL	Electricity Charges	Exp.	49.38	41	49.38
MSEDCL	Sale of Power	Inc.	14.16	32	MSPGCL	Electricity Charges	Exp.	14.16	41	14.16
MSPGCL	Surcharge Income from consumers	Inc.	2,047.31	32	MSEDCL	Finance Costs	Exp.	2,047.31	39	2,047.31
MSETCL	Transmission charges	Inc.	2,890.99	32	MSEDCL	Transmission Charges	Exp.	2,890.99	35	2,890.99
MSETCL	SLDC Charges	Inc.	15.53	32	MSEDCL	Transmission Charges	Exp.	15.53	35	15.53
MSETCL	Sale of Transformer Oil	Inc.	1.80	32	MSEDCL	Purchase of Power	Exp.	1.80	35	1.80
MSETCL	Rescheduling Charges	Inc.	1.25	32	MSPGCL	Purchase of Power	Exp.	1.25	35	1.25
MSETCL	Rescheduling Charges	Inc.	0.16	32	MSEDCL	Purchase of Power	Exp.	0.16	35	0.16
MSEBHCL	Other Income	Inc.	10.76	33	MSPGCL	Administration & General Expenses Lease Rent	Exp.	12.33	41	10.76
MSEBHCL	Other Income	Inc.	9.54	33	MSETCL	Administration & General Expenses Rent	Exp.	11.01	41	9.54

MSEBHCL	Other Income	Inc.	18.08	33	MSEDCL	Administration & General Expenses Lease Rent	Exp.	20.54	41	18.08
MSPGCL	Reactive Charges	Inc.	26.38	32	MSTECL					26.38
					MSEBHCL	Provision for Expected Credit Losses	Exp.	2.38	38	2.38
					MSPGCL	Provision for Doubtful Advance	Exp.	9.03	38	9.03
					MSETCL	Water Charges	Exp.	0.01	41	0.01
					MSETCL	Drawing Charges	Exp.	0.01	41	0.01
					MSETCL	Staff Quarter Rent	Exp.	0.00	41	0.00
					MSETCL	Vehicle Running & Maintenance Expenses	Exp.	0.04	41	0.04
					MSPGCL	Provision for Expected Credit Losses	Exp.	296.98	41	296.98
					MSEDCL	Finance Costs	Exp.	157.83	39	157.83
					MSEDCL	Provision for Expected Credit Losses	Exp.	3.28	41	3.28
MSEB Holding Company Ltd					MSEDCL	Provision for Expected Credit Losses	Exp.	96.62	41	96.62
					MSPGCL	Provision for Expected Credit Losses on quassi Investment	Exp.	46.23	41	46.23

Note 47

Part II

Elimination of Inter Company Balances for the Financial year 2018-19

Name of the co	Particulars	Nature of Transaction	Amount	Note No	Name of the co	Particulars	Nature of Transaction	Amount	Note No
MSPGCL	Debtors	Receivable	18,985.11	13	MSEDCL	Creditors	Payable	18,985.11	27
MSEDCL	Debtors	Receivable	48.07	13	MSETCL	Creditors	Payable	48.07	28
MSEDCL	Debtors	Receivable	19.35	13	MSPGCL	Creditors	Payable	19.35	28
MSETCL	Debtors	Receivable	0.04	7	MSPGCL				
MSETCL	Debtors	Receivable	2,844.19	7	MSEDCL	Creditors	Payable	2,844.19	27
MSETCL	Debtors	Receivable	15.00	7	MSEDCL	Creditors	Payable	15.00	27
MSETCL	Debtors	Receivable	0.58	7	MSEDCL	Creditors	Payable	0.58	27
MSETCL	Debtors	Receivable	0.66	7	MSPGCL	Creditors	Payable	0.66	27
MSETCL	Debtors	Receivable	0.01	7	MSEDCL				
MSEBHCL	Debtors	Receivable	22.95	13	MSPGCL	Creditors	Payable	22.95	27
MSEBHCL	Debtors	Receivable	17.39	13	MSETCL	Creditors	Payable	17.39	28
MSEBHCL	Debtors	Receivable	41.21	13	MSEDCL	Creditors	Payable	41.21	28
MSPGCL	Debtors	Receivable	18.13	13	MSTECL				

MSEDCL					MSETCL	Creditors	Payable	3.69	27
MSETCL	Debtors	Receivable	0.02	7	MSEDCL	Creditors	Payable	0.02	27
MSETCL	Debtors	Receivable	0.11	7	MSEDCL				
MSPGCL					MSETCL	Creditors	Payable	0.04	27
MSEBHCL	Debtors	Receivable	0.09	13					
MSPGCL	Debtors	Receivable	84.55	10					
MSEDCL					MSETCL	Creditors	Payable	0.02	27
MSEDCL					MSETCL	Creditors	Payable	0.03	27
MSPGCL	Debtors	Receivable	37.12	17	MSPGCL				
MSPGCL	Debtors	Receivable	2,320.69	13	MSEDCL				
					MSETCL	Creditors	Payable	0.00	27
MSEDCL	Debtors	Receivable	137.81	15					

MSEB Holding Company Ltd.

Elimination of Related Party Transactions for the year 2017-18 with respect to Income & Expenditure

Name of the co	Particulars	Nature of Transaction	Amount	Note No	Name of the co	Particulars	Nature of Transaction	Amount	Note No
MSPGCL	Debtors	Receivable	17,405.35	13	MSEDCL	Creditors	Payable	17,405.35	27
MSEDCL	Debtors	Receivable	49.38	13	MSETCL	Creditors	Payable	49.38	28
MSEDCL	Debtors	Receivable	14.16	13	MSPGCL	Creditors	Payable	14.16	28
MSPGCL	Debtors	Receivable	2,047.31	13	MSEDCL	Creditors	Payable	2,047.31	27
MSETCL	Debtors	Receivable	2,890.99	7	MSEDCL	Creditors	Payable	2,890.99	27
MSETCL	Debtors	Receivable	15.53	7	MSEDCL	Creditors	Payable	15.53	27
MSETCL	Debtors	Receivable	1.80	7	MSEDCL	Creditors	Payable	1.80	27
MSETCL	Debtors	Receivable	1.25	7	MSPGCL	Creditors	Payable	1.25	27
MSETCL	Debtors	Receivable	0.16	7	MSEDCL	Creditors	Payable	0.16	27
MSEBHCL	Debtors	Receivable	10.76	13	MSPGCL	Creditors	Payable	10.76	27
MSEBHCL	Debtors	Receivable	9.54	13	MSETCL	Creditors	Payable	9.54	28
MSEBHCL	Debtors	Receivable	18.08	13	MSEDCL	Creditors	Payable	18.08	27
MSPGCL	Debtors	Receivable	26.38	13	MSTECL				
MSEBHCL	Debtors	Receivable	2.38	13					
MSPGCL	Debtors	Receivable	9.03	10	MSPGCL				
					MSETCL	Creditors	Payable	0.01	27
					MSETCL	Creditors	Payable	0.01	27
					MSETCL	Creditors	Payable	0.00	27
					MSETCL	Creditors	Payable	0.04	27
MSPGCL	Debtors	Receivable	296.98	17					
					MSEDCL	Creditors	Payable	157.83	27
MSEDCL	Debtors	Receivable	3.28	13					
MSEDCL	Debtors	Receivable	96.62	13					
MSPGCL	Debtors	Receivable	46.23	4					

Note 48: Other notes in respect of MSEBHCL

1) Loans and Advances to related parties - MSEDCL of Rs. 3696.78/- Cr (P.Y. Rs. 3798.91/- Cr) and includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 207.05/- Cr which are under reconciliation, discussions and deliberations.

2) The Company has shown advance tax of Rs. 152.04/- Cr net of the provision of tax in the books of accounts amounting to Rs. 40.07/- Cr 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.

3) The debts outstanding against rentals from property due from subsidiaries amounting to Rs. 312.01/-Cr (P.Y. Rs. 232.52/- Cr) have been long outstanding.

4) Deferred Tax Liability/Asset (net)

(Amt in Rs)

	As at 31st March 2019	**As at 31st March 2018**	**As at 1st April 2017**
Deferred Tax Liabilities (A)			
Fixed Assets/ Depreciation	2,091,389,067	2,247,976,314	2,388,314,265
Deferred Tax Assets (B)			
Employee Benefits	54,220,348	-	2,496,382
Unabsorbed Depreciation	391781024	5,222,848,118	141,580,863
Others	178,897,084	14,440,238,533	19,663,086,651
Total	**624,895,456**	**19,663,086,651**	**19,807,163,896**
Timing Difference(A-B)	**1,466,493,611**	**(17,415,110,337)**	**(17,418,849,631)**
Deferred Tax Assets/ Liabilities	**407,978,523**	**(4,798,298,276)**	**(5,567,064,342)**

Till the P.Y. 2017-18 the company had incurred Deferred Tax Assets on account of huge unabsorbed losses. The Deferred Tax Assets was not recognised in the books of accounts as the management felt it was not likely that the Deferred Tax Liability could be realised.

However during the current year 2018-19 company has incurred Deferred Tax Liability on account of revision of income tax returns for the F.Y. 2016-17 and 2017-18 where in losses of Rs. 19,663,086,651/- for F.Y. 2008-09 to 2015-16 have been disallowed.

5) 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 in 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	31.03.2019	31.03.2018	01.04.2017
1	Principal Amount due and remaining Unpaid	Nil	Nil	Nil
2	Interest Due on above and the unpaid interest thereon	Nil	Nil	Nil
3	Interest paid	Nil	Nil	Nil
4	Payment made beyond the appointed day during the year	Nil	Nil	Nil
5	Interest due and payable for the period of delay	Nil	Nil	Nil
6	Interest accrued and remaining unpaid	Nil	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil	Nil

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

Inter Company Payables:

i) Inter Company Payables : MSETCL of Rs. 74.52/- Cr (Rs. P.Y. 74.52/- Cr) includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 51.76/-Cr which are under reconciliation, discussions and deliberations.

ii) Inter Company Payables : MSPGCL of Rs.222.89/-Cr (Rs. P.Y 222.79/- Cr debit balance) includes transfer of common and specific liabilities, assets and reserves amounting to net balance of Rs. 86.27/- Cr which are under reconciliation, discussions and deliberations.

iii) Inter Company Payables: MSEB Residual of Rs. 0.55 Cr (Rs. 0.55Cr) consists of amount payable to the bond holders who could not be identified / traced as stated.

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

Full time Director - Full time Director - Finance Mr Sunil Pimpalkhute for the period August 2018 to March 2019

8) As per the Memorandum of Understanding dated 08/06/2009, the expenditure amounting the Rs. Nil (P.Y. Rs.3.05/- Cr) incurred during the year on account of all taxes including property tax, Non Agricultural tax, Insurance premium, service tax, lease tax if levied by the local authorities, State or Central Government, have been accounted for on the basis of advices received from MSEDCL – Civil Circle, Bandra.

9) As per New Memorandum of Understanding dated 09/05/2014 , the expenditure amounting the Rs.3.41/- Cr (P.Y. Rs19.63/- Cr) 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.

10) In order to comply with provisions of IND AS 8, prior period items (which include 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.) 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 can an entity correct an error prospectively.

As the error due to oversight discovered during the year ended March 2019 relates to the period prior to 31st March 2019 the comparative figures in the balance sheet and the statement of profit and loss for the year ended 31st March 2018 and 1st April 2017 have been restated by giving effect to each of the affected financial statement in line items. The net effect of restatement of Rs 41,021,788/- is reflected in the restated retained earnings as at 31st March'2018.

Sr No.	Particulars	Prior Period Items reflected in accounts of F.Y 2018-19 Amt (Rs.)
1	Reserves	29,068,182
2	Advertisement charges	4,780
3	Miscellaneous Expenses	1,654,503
4	Meeting Expenses	136,825
5	Legal &Professional Fees	414720
6	Repairs and Maintenance (Civil work)	1,477,148
7	Repairs and Maintenance (Furniture)	12,920
8	Security Charges	140,320
9	Repairs and Maintenance (Office Equipment)	406,132
10	Fees & Subscription	6,937,893
11	Upkeep Premises	710,204
12	Water Charges	40,732
13	Exp on Vehicle Hire Charges	17,429
	Total	**41,021,788**

The cumulative effect of the above can be bifurcated into four parts –

a) **Increase in expenses:** Expenses amounting to Rs. 11,953,606/- have increased in the accounts of F.Y 2017-18 as follows-

Amt (in Rs.)

Sr No.	Particulars	Figures of adopted Financials F.Y 2017-18	Figures of Financials F.Y 2017-18 (after restatement)	Net Effect
1	Advertisement charges	1,774,431	1,779,211	4,780
2	Miscellaneous Expenses	750,188	2,404,691	1,654,503
3	Meeting Expenses	176,186	313,011	136,825
4	Legal &Professional Fees	6,430,665	6,845,385	414,720
5	Repairs and Maintenance (Civil work)	40,947,123	42,424,271	1,477,148
6	Repairs and Maintenance (Furniture)	4,363,387	4,376,307	12,920
7	Security Charges	20,766,076	20,906,396	140,320
8	Repairs and Maintenance (Office Equipment)	22,829,200	23,235,332	406,132
9	Fees & Subscription	72,817	7,010,710	6,937,893
10	Upkeep Premises	21,153,434	21,863,638	710,204
11	Water Charges	6,189,142	6,229,874	40,732
12	Exp on Vehicle Hire Charges	6,971,148	6,988,577	17,429
	Total	**132,423,797**	**144,377,403**	**11,953,606**

In presence of loss in the F.Y 2017-18, the question of corresponding effect on taxation does not arise.

b) **Decrease in other equity :** Balance in Reserve and surplus have increased from Rs. (21,378,268,324)/- to Rs.(21,419,290,112)/-

c) **Increase in Loss in F. Y 2017-18 :** The loss of Rs. 329,712,027/- has increased to Rs. 341,665,633/-on account of increased expenses.

d) **Change in Earning Per Share (EPS) of F.Y 2017-18 :** Earning Per Share (EPS) has effectively remained unchanged; however the working of the same has differed as below:

Particulars	2017-18	2017-18 (after restating)
Profit/(Loss) after taxes Rs.	(329,712,027)	(341,665,634)
Number of equity shares outstanding	87,653,160,664	87,653,160,664
Face value of equity shares Rs/Share	10	10
Earnings per share- Basic Rs.	(0.004)	(0.004)
Earnings per share- Diluted Rs.	(0.004)	(0.004)

11) Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are applicable to the Company. However, no expenditure had been incurred on CSR by the Company had been incurring losses.

	Year Ended 31/03/2019	Year Ended 31/03/2018
2% of average net profits over the last three years	(16,456,296)	(21,072,042)
Amount expended on CSR activity during the year	---	---
Pending obligations towards expenditure on CSR	---	---

12) 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.

13) 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 ongoing 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.

13) Recent accounting pronouncements and effective dates

(a) Ind AS 116, Leases :

Ind AS 116 is applicable for financial reporting periods beginning on or after 1st April, 2019 and replaces existing lease accounting guidance, namely Ind AS 17, Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of new lease standard on its financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12 is required to be disclosed. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019.

(c) Amendment to Ind AS 12, Income Taxes :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. At present the standard is not applicable to the Company.

(d) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company does not have any material impact on account of this amendment.

Note 49: Other notes in respect of MSEDCL

1. Going Concern Assumption:

The accumulated losses of the Company as at 31st March 2019 are Rs. 26,38,425 Lakhs. (P.Y. Rs. 27,22,999 Lakhs) Considering the fact that Government of Maharashtra is expected to infuse additional equity funds whenever required, the financial statements have been drawn up on going concern basis and no adjustment is required to the carrying value of assets and liabilities.

The payments to MSETCL and MSPGCL are delayed and as such they have claimed Delayed Payment Charges/ Surcharge. MSEDCL could not pay to these parties as per Power Purchase Agreement (PPA), as there is delay in issue of various orders from MERC and due to billing issues. MSEDCL and MSEB Holding Co. have requested them to waive the interest. Further, the matter is taken up with GoM as per MSEB Holding Co. Ltd.'s directives for extending financial assistance for discharging the liability. However, the provision for DPS payable to MSPGCL and MSETCL was made up to March 2018 in FY 2018-19 based on calculation made by MSETCL and MSPGCL respectively. There is huge difference in the amount claimed by MSPGCL & MSETCL and that calculated by MSEDCL. The difference is mainly due to differential treatment of apportion of payment i.e. while MSPGCL adjust the payment made towards interest first, MSEDCL adjust the payment against principal first. MSEDCL has requested MSPGCL to revise the calculations and the matter is under consideration. Therefore, DPS amount as per MSEDCL's calculations has been accounted for in FY 2018-19.

Further, the excess DPS of Rs. 3,24,140 Lakhs in case of MSPGCL and of Rs. 53,491 Lakhs of MSETCL for the earlier years have been reversed and shown as withdrawal of excess DPS under the head Other Income in Note 29.

2. Accounting of Renewable Purchase Obligation (RPO):

As per MERC RPO regulation 2016, every Obligation Entity shall procure electricity generated from eligible RE sources to the extent of the percentages specified in regulation, out of its total procurement of electricity from all sources in a year. MSEDCL in FY 2018-19 have not fulfilled the RPO as per MERC specification. Hence MSEDCL has provided Rs. 2,39,000 lakhs towards the shortfall.

3. Balance Confirmation :

Balances of Trade Payables, Loans & Advances given, Other Current as well as Non- Current Assets/Liabilities are subject to reconciliation / confirmation and necessary adjustments, if any, from the respective parties. The management does not expect any material difference affecting the current year financial statement due to the same.

Balance confirmations of various post offices balances are not available. Hence these balances are subject to reconciliation/confirmation and necessary adjustments, if any. The management does not expect any material difference affecting the current year financial statement due to the same.

4. Capital Work in Progress and Property Plant Equipment :

An asset is created based on the Work Completion Report (WCR) generated in the SAP–ERP system. Wherever the date of capitalisation in the system is later than actual capitalisation, the depreciation for the differential period is calculated and accounted for. In few cases, work has been completed but not capitalised. This has resulted in non-charging of depreciation in such cases. The amount of depreciation not provided for, however, is unascertainable.

5. Financial Instruments:

The classification of assets and liabilities has been given as below:

Refer Annexure 5(1)

Annex 5 (1)

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amount **(Rs. in Lakhs)**

Particulars	As at 31.03.2019				As at 31.03.2018			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**
Financial assets								
(i) Investments in Equity	-	-		-	200	-		
(ii) Investments in Bonds	-	-	18,573	19,087	-	-	18,582	18,982
(iii) Trade Receivables	-	-	3,006,096	3,006,096	-	-	2,842,911	2,842,911
(iv) Cash and Cash Equivalents	-	-	44,199	44,199	-	-	79,097	79,097
(v) Other Bank Balances	-	-	78,421	78,421	-	-	35,757	35,757
(vi) Loans	-	-	34,799	34,799	-	-	38,439	38,439
(vii) Other Financial Assets	-	-	1,060,747	1,060,747	-	-	799,840	799,840
Total	-	-	**4,242,834**	**4,243,348**	**200**	-	**3,814,626**	**3,815,026**
Financial liabilities								
(i) Borrowings including Current Maturities	-	-	3,321,740	3,321,740	-	-	2,627,050	2,627,050
(ii) Trade Payables	-	-	1,773,889	1,773,889	-	-	2,303,324	2,303,324
(iii) Other Financial Liabilities excl. Current Maturities	-	-	2,288,873	2,288,873	-	-	2,474,638	2,474,638
Total	-	-	**7,384,502**	**7,384,502**	-	-	**7,405,013**	**7,405,013**

Financial Risk Management:

Risk management framework

In its ordinary operations, MSEDCL's activities expose it to various types of risks, which are associated with the financial instruments and markets in which it operates. MSEDCL has its risk management process which has been carried out at regular interval. The following is the summary of the main risks:

I. Regulatory Risk

MSEDCL submits the Annual Revenue Requirement (ARR) to Maharashtra Electricity Regulatory Commission (MERC). The MERC after due diligence & prudence check determine the tariff to be charged to consumer. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically. The tariff is determined based on normative parameters as set out in the said Regulations. Any change in the normative parameters or guiding Regulatory provisions or perception will have impact on the income from sale of the power of the company.

II. MSEDCL has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category are as below.

(i) Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. MSEDCL establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

a) Trade Receivables including interest:

As per the accounting policy MSEDCL has determined the allowance of expected credit loss on trade receivables taking into consideration its widespread base of customers as well as the social obligations that the Company has to fulfill as the primary electricity distributor in the state of Maharashtra.

Trade receivables of MSEDCL are of a short duration and do not carry any contractual rate of interest unless there is a default in payment. Even in such circumstances when a consumer pays the arrears, the interest is the last element to be recovered. Accordingly, effective interest rate of trade receivables is considered to be negligible and discounting of expected cash shortfalls to reflect the time value of money are considered to measure the expected credit losses.

Trade receivables being short term in nature, lifetime expected credit losses are measured, considering the asset as credit impaired, in case the customer does not pay on due dates. Following Ind AS 109, MSEDCL has opted to exercise the practical expedient of determining the loss allowance on a provision matrix. This matrix takes into consideration appropriate grouping or segmentation of Customers and their ageing profile. MSEDCL has determined forward looking information on the behavior pattern of the customer.

Further, while making the provision for expected credit loss:

The Company has considered trade receivables after deducting security deposits received from consumers on individual basis.

(a) The Company has considered trade receivables from customers against whom legal proceedings have been initiated. In the preceding year, no individual identification was done.

(b) The Company has also considered trade receivables due from distribution franchisees except Global Tower Limited (GTL) as the legal proceedings have been initiated for recovery of receivable amount.

The trade receivables to the extent of security deposit amount, is considered as secured receivables and the ECL are provided on such remaining unsecured receivables. The total security deposit from consumers as per books of account and Information Technology (IT) data base are Rs.7,54,348 lakhs and Rs. 7,54,775 lakhs respectively. There is difference of Rs. 427 lakhs (F.Y. 2017-18 Rs.3,878 lakhs) between the security deposit from consumers as per books of accounts and IT.

The movement in allowance for expected credit losses on trade receivable is as under.

(Rs. in Lakhs)

Particulars	Amount
ECL Allowance as on March 31, 2017	**7,76,038**
Addition during the FY 2017-18	1,15,866
Write-off during FY 2017-18	3,720
ECL Allowance as on March 31, 2018	**8,88,183**
Addition during the FY 2018-19	2,15,265
Write-off during FY 2018-19	4,01,934
ECL Allowance as on March 31, 2019	**7,01,514**

b) Other Receivables :-

Besides Trade Receivables, the Company has recognised an allowance for expected credit losses on other financial assets.

The movement in allowance for expected credit losses (including provision for doubtful debts) on other receivables is as under.

(Rs.in Lakhs)

Particulars	Amount
ECL Allowance as on March 31, 2017	**9,671**
Movement during FY 2017-18	773
ECL Allowance as on March 31, 2018	10,444
Movement during FY 2018-19	**3,791**
ECL Allowance as on March 31, 2019	*14,235

*It includes provision of bad and doubtful debts of Rs. 2,025 lakhs (P.Y. Rs.453 lakhs) on other receivables from companies under the same management / subsidiaries.

The details of computation of ECL on trade receivables & other receivables are as follows:

Refer Annexure 5 (2)

Annex 5 (2)

ECL on Trade Receivables including interest

(Rs. in Lakhs)

Customer Category	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31.03.2019			As on 31.03.2018		
Government Customers	476,871	59,874	12.56%	463,353	66,446	14.34%
*Regular Good	490,717	27,928	5.69%	-	-	-
*Regular Residual	2,294	454	19.78%	-	-	-
Agricultural	2,660,838	454,448	17.08%	2,390,903	449,475	18.80%
Permanently Disconnected	666,954	414,543	62.15%	671,263	372,262	55.46%
Sundry Debtors for Sale of Power to Frachisee	12,485	14	0.11%	-	-	-
Total	**4,310,158**	**957,261**		**3,525,519**	**888,183**	
Provision for bad and doubtful debts	146,188	146,188	-	-	-	-
Write off of trade receivables		(401,934)				
Total of above	**4,456,346**	**701,514**	**15.74%**	**3,525,519**	**888,183**	**25.19%**

NOTE 37(7)(II)(i)(b) :

ECL on Other Receivables

(Rs. in Lakhs)

Customer Category	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31.03.2019			As on 31.03.2018		
MSPGCL	47,008	12,209	25.97%	46,850	9,662	20.62%
MSETCL				1,579	328	20.78%
Total	**47,008**	**12,209**	**25.97%**	**48,429**	**9,991**	**20.63%**
Provision for bad and doubtful other receivables:						
MSETCL	1,572	1,572	100.00%			
MPDCL	247	247	100.00%	247	247	100.00%
DCPL	207	207	100.00%	207	207	100.00%
Total of provision	2,025	2,025	100.00%	453	453	100.00%
Grand total	**49,034**	**14,235**	**29.03%**	**48,883**	**10,444**	**21.37%**

Note on Credit Risk Concentration

MSEDCL does not have any credit risk concentration. It has more than 266 lakhs (P.Y. 255 lakhs) consumers in various categories with diverse patterns of consumption of electricity.

c) i) Cash and Bank Balances:

Credit loss is not provided for Cash and Bank Balancesas they are held with the banks, having good reputation.

d) Investments:-

Investments made are for specific purposes and is also made in a subsidiary Company. Provision for diminution in the value of investments made in subsidiary Company has been created for a value of Rs.5 lakhs (P.Y. Rs.5 lakhs).

(ii) Liquidity Risk :

Liquidity risk is the risk that MSEDCL will not be able to meet its financial obligations as they become due. MSEDCL has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. MSEDCL has adequate borrowing limits in place duly approved by its Board. MSEDCL sources of liquidity include operating cash flows, cash and Bank Balances, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

a) Financing arrangements :

MSEDCL has adequate fund and non-fund based limits from various banks. MSEDCL has sufficient borrowing limits in place duly approved by its Board. It's diversified source of funds and strong operating cash flows enable it to maintain requisite capital structure discipline. The financing products include buyer's credit loan clean & secured domestic term loan.

b) Arrangement for working capital facilities & securities given :

An arrangement for working capital facilities (fund based and non-fund based) including cash credit facility and Working Capital Demand Loan (WCDL) aggregating to Rs.7,00,000 Lakhs (FY 2017-18 Rs.7,00,000 Lakhs) has been made with the various banks, details of which are as under

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2019	Fund Based balance as on 31.03.2019	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2019	Non Fund Based balances as on 31.03.2019
Canara Bank	1,50,000	1,41,500	8,500	2,00,000	1,93,248	6,752
Bank of India	34,000	-	34,000	95,000	69,823	25,177
United Bank of India	49,000	49,000	-	-	-	-
Syndicate Bank	38,250	38,250	-	3,300	-	3,300
Bank of Maharashtra	63,750	61,750	2,000	11,700	3,362	8,338
Untied GAP	15,000	-	15,000	40,000	-	40,000
Total	**3,50,000**	**2,90,500**	**59,500**	**3,50,000**	***2,66,433**	**83,567**

*It includes Bank Guarantee of Rs. 3,892 lakhs [refer note 1(I)(a)(vi)] and Letter of Credit of Rs. 2,62,541 lakhs.

Arrangement for working capital facilities (fund based and non-fund based) for FY 2017-18

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2018	Fund Based balance as on 31.03.2018	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2018	Non Fund Based balances as on 31.03.2018
Canara Bank	1,50,000	1,50,000	-	2,05,000	1,84,634	20,366
Bank of India	34,000	34,000	-	95,000	52,845	42,155
United Bank of India	49,000	29,000	20,000	-	-	-
Syndicate Bank	38,250	38,000	250	3,300	-	3,300
Bank of Maharashtra	63,750	-	63,750	11,700	1,836	9,864
Untied GAP	15,000	-	15,000	35,000	-	35,000
Total	**3,50,000**	**2,68,000**	**99,000**	**3,50,000**	***2,39,315**	**1,10,685**

*It includes Bank Guarantee of Rs. 987 lakhs [refer note 1(I)(a)(vi)] and Letter of Credit of Rs. 2,03,766 lakhs.

The above working facilities are secured by hypothecation of present & future book debts of the Company of the non-escrow circles.

The details of Unsecured short term loans- bank & others are as under:

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(I) Loans from banks (Short term Loan)		
(i) Raigad District Co-Op Bank	-	10,000
(ii) Maharashtra State Co-op. Bank	83,333	1,00,000
(iii) Vijaya Bank	-	45,000
(iv) Ratnagiri District Co Op Bank	30,000	30,000
(v) Thane District Co Op Bank	16,668	-
(II) Loan from Others		
(i) Interest free Loan from Maharashtra Industrial Development Corporation (MIDC)	12,352	12,352
(ii) Energy Development Agency Ltd	25,000	-
Total	**1,67,353**	**1,97,352**

c) Maturities of financial liabilities :

The amounts disclosed in the table are the contractual undiscounted cash flows

Annex 5 (3)

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Lakhs)

	Contractual cash flows					
	As at 31.03.2019			As at 31.03.2018		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Borrowings	457,854	1,829,430	1,034,457	448,352	1,548,270	630,428
Trade payables	1,773,889	-	-	2,303,324	-	-
Other financial liabilities	1,364,775	8,518	915,580	1,754,121	13,806	706,712
Total	**3,596,518**	**1,837,947**	**1,950,037**	**4,505,797**	**1,562,076**	**1,337,140**

ii) Market Risk - Market Risk is further categorized as (a) Currency Risk, (b) Interest Rate Risk

a) Currency Risk:

MSEDCL does not have any currency risk as it does not have any exposure to foreign currency loans.

b) InterestRate Risk :

MSEDCL's interest rate risk arises from the potential changes in interest rates on borrowings. The interest rate profile of theMSEDCL's interest bearing financial instruments is as follows.

(Rs. in Lakhs)

c)

	Carrying amounts	
	As At 31.03.2019	**As At 31.03.2018**
Fixed-rate instruments Financial liabilities- Borrowings	14,50,015	8,86,026
Variable-rate instruments Financial liabilities- Borrowings	18,58,888	17,28,187

low sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

(Rs. in Lakhs)

	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2019		**31.03.2018**	
Floating rate borrowings	(4,647)	4,647	(4,320)	4,320
Cash flow sensitivity (net)	(4,647)	4,647	(4,320)	4,320

6. Regulatory Assets :

i) Nature of rate regulated activities

As per Ind AS 114 Regulatory Deferral Accounts, the business of electricity distribution is a rate regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the Regulator determines tariff to be charged by the Company to its consumers based on prevailing Regulations.

ii) Recognition and measurement

MSEDCL submits the Annual Revenue Requirement (ARR) to Maharashtra Electricity Regulatory Commission (MERC). The MERC after due diligence & prudence check determine the tariff to be charged to consumer. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically.

MERC vide order dated 12.09.2018 has approved the final truing up of Aggregate Revenue Requirement (ARR) FY 2015-16, FY 2016-17, provisional truing up of FY 2017-18 and approved tariff for FY 2018-19.

Accordingly, Regulatory Asset of MSEDCL as at 31st March 2019 is accounted for and the details are as follows:

Sr. No.	Particulars	As at 31.3.2019	As at 31.3.2018
A	Opening Regulatory Asset	9,47,874	4,92,372
B	Regulatory income during the year:		
	i) Power purchase cost [excluding provision made of Rs. 2,39,000 lakhs (P.Y. Rs. 33,000 lakhs)towards shortfall of Renewable Power Obligation (RPO)]	61,03,584	52,66,700
	ii) Other expenses as per the terms of Tariff Regulations including ROE	10,91,849	13,18,839
	iii) Revenue billed during the year	73,03,632	61,82,300
	iv) Carrying Cost Allowed	58,700	52,263
	Regulatory income / (expenses) (i+ii-iii+iv)	-49,500	4,55,503
C	Allowance/(disallowance) of income of previous year(s)	-	-
D	Closing Regulatory Asset/(Liability) (A+B+C)	8,98,374	9,47,874

iii) Risk associated with future recovery/ reversal of regulatory asset balance

a) Regulatory risk

The tariff is determined after considering PP cost, Operation and Maintenance cost, finance cost, depreciation, other expenses, Return on Equity (ROE) and non-tariff income and after applying prescribed norms. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically. The tariff is determined based on normative parameters as set out in the said Regulations. Any change in the normative parameters or guiding Regulatory provisions or perception will have impact on the income from sale of the power of the company.

b) Demand Risk - Change in consumer mix, shifting of existing consumers to alternative sources of supply and vice n versa, etc.

c) Other risk including other market risk – Short generation of power due to shortage of fuel, social and economic obligations etc.

These may have an impact on the recovery of regulatory asset balance.

7. Subsidy from GoM towards concession in Tariff :

Maharashtra Electricity Regulatory Commission (MERC) has powers to determine electricity tariff under section 61 & 62 of Electricity Act, 2003. The State Government has powers under section 65 of Electricity Act, 2003 to give concession in electricity tariff to any consumer or class of consumers. The State Government reimburses to the Company to the extent of subsidy granted to the consumers. As it is subsidy to consumers and not the Company, the Company accounts for the same in the books of account as “Receivable from Government of Maharashtra” under Trade Receivable and the ‘Revenue From Sale of power’ is booked at the MERC Tariff rate.

MERC, while determining the electricity tariff does not consider the concession/ subsidy given by the State Government in electricity tariff to any consumer or class of consumers. The electricity tariff determined by MERC is full tariff and not subsidised/concessional tariff. Thus the revenue from sale of power is not booked at the concessional tariff rate, but at MERC Tariff Rate i.e. rate without the concession/ subsidy in electricity tariff to any consumer or class of consumers given by the State Government. The subsidy given by the Government of Maharashtra is just like partial payment (to the extent of concession/subsidy) on behalf of concerned consumers / categories of consumers.

(Rs.in Lakhs)

Year	Opening Balance Receivable from GoM.	Subsidy Accounted	Subsidy Received/ Adjusted	Balance Receivable from GoM.
2017-18	3,23,026	7,61,591	8,74,363	2,10,254
2018-19	2,10,254	10,34,557	11,66,207	78,604

8. Termination of Distribution Franchisee Agreement

Global Tower Ltd. (GTL):

A Distribution Franchisee Agreement (DFA) was signed with Global Tower Ltd. (GTL) on 23.02.2011 for the designated Distribution Franchisee (DF) area of Aurangabad and it was handed over to GTL on 01.05.2011. As per provisions of DFA, GTL was to pay the invoice amount towards energy supplied by MSEDCL at the input points of Aurangabad DF area within stipulated time. GTL failed to pay the full amount of invoice raised by MSEDCL in time and the outstanding piled up.

The DFA with GTL was terminated with effect from 10th November, 2014 and the designated Distribution Franchisee (DF) area was taken over by MSEDCL for further operations. The final dues from GTL are yet to be settled with due deliberation by the Board. Legal proceedings are initiated for recovery of receivable amount Rs. 31,451 Lakhs - including accumulated interest of Rs. 29,928 lakhs (Prev. Year Rs. 26,374 Lakhs - including accumulated interest of Rs. 24,851 lakhs).

9. Taxation :

(I) Current Tax –

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, no provision for income tax for current year has been made. Further, there is no tax liability as per Minimum Alternate Tax (MAT) under section 115-JB of the Income Tax Act, 1961. Provision for income tax for FY 2017-18 as per the provisions of the Income Tax Act, 1961 has been made during the year.

a) **Income tax expense**

(i) **Income tax recognised in statement of profit and loss**

(Rs. in Lakhs)

Sr. No.	Particulars	As At 31/3/2019	As At 31/3/2018
A	**Current tax expense**		
	Current year	-	-
	Adjustment for earlier years	21,508	-
	Pertaining to regulatory deferral account balance	-	-
	Total current tax expense	**21,508**	**-**
B	**Deferred tax expense**	**-**	**-**
C	**Total tax expense (A+B)**	**21,508**	**-**

(ii) **Income tax recognised in other comprehensive income**

(Rs. in Lakhs)

Particulars	As At 31/03/2019			As At 31/03/2018		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial (gains)/ losses on defined benefit plans Current year	25,089	(5,406)	19,683	-	-	-
Net actuarial (gains)/ losses on defined benefit plans earlier year	5,020	(1,071)	3,949	-	-	-

(iii) **Reconciliation of tax expense and the accounting profit multiplied by applicable rate**

(Rs. in Lakhs)

Sr. No.	Particulars	As At 31-03-2019	As At 31-03-2018
		Current year	*Earlier year
A	**Profit before tax including movement in regulatory deferral account balances**	131,170	49,224
B	**Tax at the applicable tax rate of 21.54% (P.Y 21.34%)**	28,266	10,505
C	**Tax effect of:**		
	Non-deductible tax expenses	-	
	Provisions for doubtful debts and advances	47,631	24,920

	Provisions for non-moving items	331	36
	Adjustment	6,848	6,484
	Remeasurement of defined benefit plans	(5,406)	(1,071)
	Bad debts written off	(86,612)	-
	Lower of the book loss/unabsorbed depreciation	-	(19,365)
D	**Current Year tax liability**	-	21,508
E	**Total tax expense recognised in the statement of profit and loss***	21,508	-

*Provision for Income tax for F.Y. 2017-18 is made in F.Y. 2018-19

b) Deferred Tax -

Deferred Tax consists of the following items:

(Rs. in Lakhs)

Sr. No.	Particulars	As At 31-03-2019	As At 31-03-2018
1.	Difference in WDV as per books and Income Tax Act	3,69,348	5,88,481
2.	Regulatory Asset	2,80,293	2,92,893
3.	**Deferred Tax Liability(1+2)**	**6,49,641**	**8,81,374**
4.	Expenses Allowable on payment basis	1,58,993	1,30,974
5.	Unabsorbed Depreciation	3,47,026	3,45,304
6.	Unabsorbed Loss	1,81,224	1,78,786
7.	Provision for Doubtful Debts	2,26,246	2,80,578
8.	Regulatory Liability	-	-
9.	**Deferred Tax Asset(4 to 8)**	**9,13,489**	**9,35,642**
10.	**Net Deferred Tax Asset / (Liability)(9-3)**	**2,63,849**	**54,268**

In view of the uncertainty regarding generation of sufficient future taxable income, deferred tax assets have not been recognised.

10. Impairment of Assets:

In accordance with Ind AS 36 on 'Impairment of Assets' the Management of MSEDCL has carried out a review of its assets with respect to economic performance. On the basis of the review, the Management is of the opinion that economic performance of the assets of the Company is reasonable and therefore there is no impairment as on the date of the Balance Sheet.

11. Micro, Small and Medium Enterprises information :

In view of multiplicity and difficulty in identification of accounts relating to Micro, Small and Medium Enterprises, information with regard to amount unpaid at the yearend together with the interest paid/payable as required by MSMED Act, 2006 is not disclosed. However, due care has been taken to release the payment within due date.

12. Foreign Currency Contracts :

The Company has not given any contracts to out of India entities and therefore nothing is done or receivable on account of foreign currency contracts.

13. Earnings per Share :

EPS is calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Profit Attributable to Equity Holders

A) Earnings per share:

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Net Profit/ (net loss) after Tax (Rs.in Lakhs)	109,662	48,709
Weighted average No. of equity shares for basic Earnings per shares	47,44,54,46,562	46,67,63,67,726
Earnings per share Rs.Basic	0.23	0.10
Weighted average No of equity shares for diluted Earnings per share	47,48,42,06,822	46,79,98,66,356
Diluted Earnings Per Share Rs.	0.23	0.10

B) Earnings per share(excluding regulatory income):

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Net Profit/ (net loss) after Tax (Rs. in Lakhs)	159,163	(406,794)
Weighted average No. of equity shares for basic Earnings per shares	47,48,42,06,822	46,79,98,66,356
Earnings per share Rs.Basic	0.34	(0.87)
Diluted Earnings Per Share Rs.	0.34	(0.87)

C) Reconciliation of Number of shares:

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Basic earinings per equity share-Weighted average no of equity shares outstanding	47,44,54,46,562	46,67,63,67,726
Effect of dilutive common equivalent share-share application money pending allotment	3,87,60,260	12,34,98,630
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,48,42,06,822	46,79,98,66,356

D) Technical Parameters and Subsidy related information:

Sr. No.	Particular	Unit	FY : 2018-19	FY: 2017-18
A	Gross Energy Generated	MU	NA	NA
B	Less: Auxiliary Consumption	MU	NA	NA
C	Energy Purchased (Gross)	MU	1,36,253	1,28,340
D	Input Open Access	MU	5,322	4,578
E	Total Input Energy (A-B+C+D)	MU	1,41,575	1,32,918
F	Less: Energy Traded/ Inter-state sales (Net)	MU	1,134	542
G	Less: Transmission Loss	MU	7,905	9,046
	Transmission Losses (%)		5.58	6.81
H	Net Input Energy (E-F-G)	MU	1,32,536	1,23,742
I	Energy sold	MU	1,09,605	1,06,653
J	Open Access Sale	MU	4,822	4,303
K	Total Energy Sold (H+I)	MU	1,14,427	110,956
	Distribution Loss	MU	18,109	17,219
	Distribution Loss (%)		13.66	13.92
L	Revenue from energy traded/inter-state sales (with respect to units of F above)	Rs. Lakhs	39,732	17,624
M	Subsidy Booked/ Built in the Revenue	Rs Lakhs	10,34,557	7,61,591
N	Subsidy received	Rs. Lakhs	11,66,207	8,74,363

While submitting petition for Tariff determination distribution loss is calculated excluding EHV (extra high voltages) sale and the Distribution loss comes to 14.69% for F.Y. 18-19 and 14.82% for F.Y. 2017-18.

14. Incentive Earned on REC repayment loan:

Ministry of Power (MOP), Government of India has introduced the concept of National Electricity Fund (NEF) Interest Subsidy scheme to provide interest on loans disbursed to State Power Distribution Utilities, in order to improve the infrastructure in Distribution Sector. The projects sanctioned by Rural Electrification Corporation (REC) during the FY 2012-13 and FY 2013-14 are eligible for NEF schemes.

Based on the parameters mentioned in the scheme, MSEDCL has submitted the relevant details for claim of interest subsidy for the FY 2014-15. REC vide letter dated 15.11.2018 informed that NEF Steering Committee has approved interest subsidy of 4% i.e. Rs. 2,935 lakhs under NEF for FY 2014-15 based on the evaluation carried out by the Independent Evaluator in accordance with NEF Guidelines. MSEDCL has reduced the interest cost to that extent so that the benefits can be passed on to the consumers.

15. Auditors' Remuneration:

A) Maharashtra State Electricity Distribution Company Ltd (MSEDCL) :

(Rs. in Lakhs)

Sr. No	Particulars	FY 2018-19	FY 2017-18
1.	Statutory Audit	81	81
2.	Reimbursement of Expenses	7	4
3.	GST on Audit Fees	15	15

16. Government grants and Consumers Contributions :

Government grants, Subsidies and Consumer contributions have been received for the cost of distribution network. The same have been accounted for as government grant/consumer contribution and amortised over the useful life of such assets. There are no other unfulfilled conditions or contingencies attached to these receipts.

(Rs. in Lakhs)

Particulars	Grant		Consumer Contribution	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
As at 1st April	419,092	366,320	291,713	283,779
Add: Received during the year	237,488	89,007	52,315	35,133
Less: Amortised to the statement of profit and loss	49,023	36,234	33,567	27,198
As at 31st March	**607,558**	**419,092**	**310,461**	**291,713**
Current	49,023	36,234	33,567	27,198
Non-current	558,535	382,858	276,894	264,515

17. Refund of 'Service Line Charges' (SLC) :

MSEDCL had recovered the service line charges from consumers while releasing new connections. MERC passed an order dated 08.09.2006 and directed MSEDCL that the cost towards infrastructure from delivery point of transmission system to distributing mains should be borne by MSEDCL.

After receipt of verdict from Hon'ble Supreme Court of India on 10th Nov 2016, MERC vide letter dated 20th July 2017 has further directed to comply with the Commission's Order to refund the collected amount to the consumers. Therefore after verification the eligible amount along withinterest @ 6% is being refunded to respective consumers as per MERC's order.

18. Ujjwal DiscomAssurance Yojana (UDAY) :

The Scheme UDAY was launched by the Government of India on 20th November, 2015 to ensure a permanent and sustainable solution to the debt ridden Distribution utilities to achieve financial stability and growth.

As per the Tripartite MOU, signed by Ministry of Power, Govt. of India, Govt. of Maharashtra (GoM) and MSEDCL on 07/10/2016, Government of Maharashtra shall take over Medium Term and Short Term debt of Rs.4,95,975 Lakhs (Being 75% of Rs. 6,61,300 lakhs, the debt of MSEDCL as on 30th September 2015.

The debt is taken over by GOM and shall be transferred to MSEDCL as Grant/loan as shown in the following table:

(Rs. in Lakhs)

Year	Total Debt taken over	Transfer to MSEDCL in the form of Loan	Transfer to MSEDCL in the form of Grants	Date of Government Resolution (GR)	Outstanding State loan of MSEDCL
16-17	20% of debt taken Over	4,95,975	99,175	31/03/2017	3,96,800
17-18	20% of debt taken Over		99,200	13/02/2018	2,97,600
18-19	20% of debt taken Over		99,200	13/02/2019	1,98,400
19-20	20% of debt taken Over		99,200		
20-21	20% of debt taken Over		99,200		
	Total		**4,95,975**		

The grant received from GoM under UDAY scheme is treated as Revenue Grant for accounting purpose and interest on outstanding loan is paid to GOM and booked accordingly.

MSEDCL is paying interest to GoM, on the loan of GoMat the rate at which it issued non SLR Bonds.

GoM issued Bonds through RBI and transferred Rs. 4,95,975 Lakhs (Rs. 2,95,975 Lakhs @7.38 % p.a. and Rs. 2,00,000 Lakhs @7.33 % p.a.) to MSEDCL on 13/02/2017.

The Government of Maharashtra shall take over the future losses of the MSEDCLs in a graded manner as follows:

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Previous Year's DISCOM loss to be taken over by State	0% of the loss of 2014-15	0% of the loss of 2015-16	5% of the loss of 2016-17	10% of the loss of 2017-18	25% of the loss of 2018-19	50% of the previous year loss

19. DDUGJY, IPDS & Smart Grid :

Government of India has launched Deendayal Upadhyaya Gram Jyoti Yojna (DDUGJY) for the rural areas for separation of agriculture & non agriculture feeders, strengthening & augmentation of sub transmission & distribution infrastructure& rural electrification. The earlier program of Rajiv Gandhi Grameen Vidyuti karan Yojna (RGGVY) is subsumed in this Scheme. Rural Electrification Corporation (REC) is the Nodal Agency.

The "Integrated Power Development Scheme" (IPDS) was launched by Ministry of Power, Government of India with the objectives of strengthening of sub-transmission and distribution network in the urban areas & metering of distribution transformers /feeders / consumers in the urban areas. The Scheme will help in reduction in Aggregate Technical & Commercial Losses (AT & C Losses); establishment of IT enabled energy accounting / auditing system, improvement in billed energy based on metered consumption and improvement in collection efficiency. Power Finance Corporation (PFC) is Nodal Agency.

Smart Grid, is a new and evolving concept for deployment of Smart Meters and Automatic Meter reading Instruments (AMI) & technical up gradation with deployment of Gas Insulated

Sub-stations (GIS) wherever economically feasible. It also covers development of medium sized micro grids up to 1 MW & development of distributed generation in form of Roof Top PVs. It facilitates a Real time monitoring and control of Distribution Transformers, Provision of Harmonic Filters and other power quality improvement measures.

MSEDCL participated in DDUGJY and IPDS projects under these Schemes which are implemented on Turnkey basis. The amount received under these schemes is deposited in separate bank accounts and as per the directives of Ministry of Power (MoP), the interest earned on utilized subsidy component is to be remitted to Govt. of India's account on regular basis.

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 31.03.2019 are as under:

(Rs. in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	Smart Grid	TOTAL
Opening Balance	19,318	13,554	279	33,151
Grant Received	60,756	6,868	0	67,624
Interest Received	522	106	15	643
Grant Utilized	61,211	19,753	0	80,964
Interest Paid to MoP	451	245	24	720
Balance to be Utilized	18,934	530	270	19,734
FD Amount (Canara Bank)	18,934	530	270	19,734

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 31.03.2018 are as under:

(Rs. in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	Smart Grid	TOTAL
Opening Balance	24,797	16,360	0	41,157
Grant Received	13,903	17,411	270	31,584
Interest Received	851	794	9	1,654
Grant Utilized	19,507	20,382	0	39,889
Interest Paid to MoP	726	629	0	1,355
Balance to be Utilized	19,318	13,554	279	33,151
FD Amount (Canara Bank)	19,318	13,554	279	33,151

20. Conversion of Loan into Grant under RAPDRP Scheme (Part 'A' and Part 'B') :

Ministry of Power, Government of India, had launched the Restructured Accelerated Power Development and Reforms Programme (RAPDRP) in July 2008 with focus on establishment of base line data, fixation of accountability, reduction of Aggregate Technical & Commercial losses (AT & C losses) upto15% level. Projects under the scheme were taken up in two parts.

RAPDRP Part A

RAPDRP Part A is implemented in 128 towns where the Company undertakes distribution, with population of more than 30,000 as per Census 2001 and RAPDRP Part A SCADA (Supervisory Control And Data Acquisition)is implemented in 8 towns where population is more than 4 Lakhs as per Census 2001 and Annual Energy input greater than 350 Million Units.

Initially 100% funds for the approved projects are provided through loan from the Government of India on the terms decided by Ministry of Finance. The loan is to be converted into grant on completion of project duly verified by an independent agency.

Final RAPDRP Closure amounting to Rs. 22,648 Lakhs has been approved by PFC/MOP. The conversion of Loan amount into grant is approved in 13th Monitoring Committee Meeting Dt. 18.10.2018. The eligible amount of Rs. 8,670 Lakhs under R-APDRP Part A SCADA is expected to be converted into grant after acceptance of the reports submitted to Third Party independent Agency appointed by PFC.

RAPDRP Part B

RAPDRP Part B is implemented in 123 towns (120 Part Band 3 towns SCADA enabling component) of MSEDCL with Population more than 30,000 as per Census 2001 and AT&C loss greater than 15 %.

50% of the loan amount of Part B projects is to be converted into grant on reduction of Aggregate Technical and Commercial (AT&C) losses of each town below 15 % and as per stipulated conditions.

(Rs. in Lakhs)

Particulars	RAPDRP Part B
Sanctioned Amount	3,11,164
Final Project Cost	2,23,476
Eligible amount for conversion into grant	i.e. 50 % of the Project Cost in proportion to the reduction in the AT&C losses

21. Recovery towards Infra Charges :

Nagpur Municipal Corporation (NMC) had undertaken a scheme for development of road under its jurisdiction. However, for such development the electric poles were to be shifted at many places. Hence, after due deliberation and as per HC order MSEDCL agreed to bear 50% expenditure required for such shifting of poles on Integrated Road Development Project (IRDP) road only. Total expenditure as per estimates of NMC was Rs. 9,145 Lakhs and MSEDCL was to spend Rs. 4,500 Lakhs.

MSEDCL had submitted the proposal to Hon'ble MERC for recovery of such additional charges from consumers, as the work was to be done for consumers only. MERC vide order dt.16.08.2012 has decided to allow MSEDCL to collect an additional charge of 9 paise per unit of consumption from the consumers in the O & M Divisions of MSEDCL at Mahal, Gandhibaug ,Congress Nagar & Civil Lines under Nagpur Urban Circle. As per Commission's analysis, MSEDCL shall be able to recover the entire cost of Rs. 4,500 Lakhs within the next three years based on the per unit charge of 9 paise per unit of consumption.

Accordingly, MSEDCL has recovered Rs.4,765 Lakhs from consumers during the period Sep.12 to Jan.16. The Shifting works are covered under 39 estimates amounting to Rs. 9,145 Lakhs. NMC has placed work orders for 19 works amounting to Rs. 4,098 Lakhs & MSEDCL has paid Rs. 2,205 Lakhs towards its 50% share of 19 on going works. NMC has been requested through various communications to complete the balance work, latest communication was on 29th June 2018.

Further MSEDCL is recovering additional 6 paise per unit w.e.f. Feb 19 to Jan 20 from NMC area consumers towards expenditure that would be incurred for executing the work of shifting of electric polls, conversion of LT/ HT distribution network into underground by NMC and MSEDCL.

22. Contribution to Contingency Reserve :

As per MYT Regulation No 34.1, MSEDCL is required to make contribution to the Contingency Reserve, a sum not less than 0.25 per cent of the original cost of fixed assets annually. Such contribution is also required to be invested in securities permitted under the Indian Trusts Act, 1882 within a period of six months of the close of the year.

MSEDCL has created Contingency Reserve amounting to Rs. 95,700 lakhs (including Rs. 14,300 lakhs during the current year). Out of this Rs.57,700 lakhs (P.Y. Rs. 57,700 lakhs) is included under Other Equity (Note 17) and Rs. 38,000 lakhs (P.Y. Rs. 23,700 lakhs) is included under Other Current Liabilities (Note 26). MSEDCL has invested Rs.18,573 lakhs up to March 2019 (P.Y. Rs. 18,522 lakhs) in the permitted securities.

23. Refund of Regulatory Liability Charges:

In F.Y. 2003-04 to 2006-07 Regulatory Liability charges were collected from the consumers, MERC had passed an order to refund an amount of Rs. 3, 22,700 Lakhs to the consumers. The Company has subsequently refunded Rs. 3, 12,217 Lakhs upto 31.03.2019 (P.Y. Rs. 3,12,050 lakhs). No provision has been made for the balance amount as in the opinion of the management, no further amount is payable.

24. Capital Management:

The Company's objective of capital management is to safeguard its ability to continue as a going concern and to maintain an appropriate capital structure. The company endeavours to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and availing loans at reasonable rates from financial institutions.

For the purpose of the company's capital management, equity capital includes issued equity capital and all other reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders.

The company monitors capital using gearing ratio, which is the ratio of long term debt to total net worth. The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt. The Capital Gearing Ratio is as under;

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Debt	2,863,401	**2,178,213**
(b) Total Equity	2,180,707	2,059,227
Gearing Ratio (a/b)	1.31	1.06

25. Significant Events After The Reporting Period:

A. Revision in Pay scale & Allowances of Employees

The pay and allowances of MSEDCL's employees are being revised after every five years. The last pay revision was for period from 01st Apr 2013 to 31st Mar 2018. The Company has revised the pay scales and allowances of its employees in the board meeting held on 11th Sep 2019, which is effective from 1st Apr 2018. 32.5% rise in the old basic i.e. before merging 125% DA and 100% rise in allowances has been granted which aggregates to Rs. 58,212 lakhs. Accordingly, the provision for pay fixation including terminal benefits has been made in FY 2018-19.

B. Spanco Nagpur Discom (SND) Limited:

SND Ltd (formerly Spanco Nagpur Discom Limited) was appointed as Distribution Franchisee (DF) of MSEDCL for three divisions of Nagpur Zone and was operational since 01st May 2011. However, due to non-payment of outstanding dues of Rs. 16,431 Lakhs as on 08th Jul 2019, exceeding the available Stand by Letter of Credit of Rs. 10,000 Lakhs, MSEDCL issued a Critical Event of Default Notice on 10th Jul 2019 as per Article No. 16.3.1 of Distribution Franchisee Agreement (DFA). Now, SND Ltd vide letter dated 12th Aug 2019 has informed about precarious financial position of the company and its inability to continue the DF operations in Nagpur area and requested MSEDCL to arrange for step in and take over the operations of Nagpur DF. The Board in the meeting held on 11th Sep 2019, has accorded approval to terminate the DFA by issuing take over notice to SND Ltd. The termination account of SND Ltd will be finalised as per the provisions of DFA after termination of the agreement. No effect to the said termination has been given in the financial statements as at 31st March 2019. The amount receivable from SND Ltd as on 31st March, 2019 is Rs.11,435 lakhs and the Bank Guarantees of Rs. 10,000 lakhs are encashed during September 2019.

26. Statement of Net Assets and Profit and Loss attributable to Owners and Non-Controlling Interests

Annex 27

Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests (FY 2018-19)

Name of the Entity	Net Assets i.e Total Assets minus		Total Income i.e. Revenue Plus		Share of Profit and loss		Share in Other Comprehensive		Share in Total	
	As % of Consolidated of net assets	Amount (Rs in Lakhs)	As % of consolidated Total Income	Amount (Rs in Lakhs)	As % of Consolidated of net assets	Amount (Rs in Lakhs)	As % of Consolidated of net assets	Amount (Rs in Lakhs)	As % of Consolidated of net assets	Amount (Rs in Lakhs)
MSEDCL (Holding Company)	100.03	2,181,183.00	100.00	8,559,560.32	100.00	109,663.21	100.00	-25,088.94	100.00	84,574.27
APCL (Subsidiary Company)	-0.03									
Non Controlling Interest	0.03	-619.00	0.00	1.00	0.00	0.23	-	-	-	-
Total	**100.00**	**2,180,564.00**	**100.00**	**8,559,561.32**	**100.00**	**109,663.44**	**100.00**	**-25,088.94**	**100.00**	**84,574.27**

Annex 27

Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests

Name of the Entity	Net Assets i.e Total Assets minus		Total Income i.e. Revenue Plus		Share of Profit and loss		Share in Other Comprehensive		Share in Total	
	As % of Consolidated of net assets	Amount (Rs in Lakhs)	As % of consolidated Total Income	Amount (Rs in Lakhs)	As % of Consolidated of net assets	Amount (Rs in Lakhs)	As % of Consolidated of net assets	Amount (Rs in Lakhs)	As % of Consolidated of net assets	Amount (Rs in Lakhs)
MSEDCL (Holding Company)	100.03	2,059,703.00	100.00	6,529,168.00	101.29	49,224.00	100.00	-5,020.00	100.00	44,204.00
APCL (Subsidiary Company)	-0.03									
Non Controlling Interest	0.03	-619.00	0.00	1.00	-1.29	-625.00	-	-	-	-625.00
Total	**100**	**2,059,084**	**100**	**6,529,169**	**100**	**48,599**	**100**	**-5,020**	**100**	**43,579**

27. Disclosure as per Ind AS 115, "Revenue from contracts with customers"

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The major revenue of the Company comes from energy sales. The Company sells electricity to customers. The Company recognizes revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. Revenue from sale of energy is accounted for based on tariff rates approved by the MERC. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligation cannot be determined reliably for the entire duration of the contract.

The Company has applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

Disaggregation of revenue

(Rs. in Lakhs)

Particulars	For the year ended	
	31 March 2019	**31 March 2018**
Sale of Energy transferred over time	72,74,894	60,85,245

Reconciliation of revenue recognized with contract price:

(Rs. in Lakhs)

Particulars	For the year ended	
	31 March 2019	**31 March 2018**
Revenue from Contract with consumers	73,03,632	61,09,485
Adjustments for:		
Prompt Payment Discount	28,738	24,240
Revenue recognized	72,74,894	60,85,245

Contract balance

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers who are referred as "advance from customers".

The following table provides information about trade receivables, unbilled revenue and advances from customers

(Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 1 April 2018	
	Current	Noncurrent	Current	Noncurrent
Trade receivables	34,57,590	-	32,77,524	-
Unbilled revenue	2,19,613	-	1,05,169	-

Practical expedients applied as per Ind AS 115:

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

On account of adoption of Ind AS 115, no cumulative adjustment was required as at 1st April 2018. Further, no financial statements line items are affected in current year as a result of applying Ind AS 11 and Ind AS 18.

28. Prior Period Items &Changes in Accounting Estimates :

(A) Under Ind AS 8' Accounting Policies, Changes in Accounting Estimates and Errors' material prior period errors shall be corrected by retrospective effect. MSEDCL has not income / expenditure (Net) pertaining to previous year, more than the threshold limit.

(B) In accordance with Ind AS 8' Accounting Policies, Changes in Accounting Estimates and Errors' , the company has prospectively stated its Balance Sheet as at 31st March 2019 and Statement of Profit and loss and Statement of Cash flow for the year ended 31st March 2019 for the change in estimates as stated below;

1. MSEDCL has made provision for DPS payable to MSPGCL & MSETCL up to March 2018 in FY 2017-18 by apportionment of payment to interest first and principal later. During FY 2018-19 MSEDCL has made provision for DPS payable by apportionment of the payment to the principal first and interest later. Accordingly DPS amount as per MSEDCL's calculations has been accounted for in FY 2018-19 and the excess DPS of Rs. 3,24,140 lakhs in case of MSPGCL and Rs. 53,491 lakhs of MSETCL have been withdrawn in FY 2018-19. If DPS had been accounted for as per MSPGCL's and MSETCL's calculation, profit for F.Y. 2018-19 would have been reduced by Rs.1,60,184 lakhs and Rs. 9,852 lakhs respectively. Trade payables would have been increased by Rs. 1,70,036 lakhs. The effect of change in accounting estimates in future period is impracticable.

2. The pay and allowances of MSEDCL's employees are being revised after every five years. As a result the actuarial assumptions related to salary escalations for the purpose of gratuity and leave encashment, have been revised as under:

Particulars	As at 31st march 2019	As at 31st march 2018
Salary increase Rate	1st Year - 32.50% and thereafter 3% (with 18% increase in every 5th year)	7%

If gratuity and leave encashment had been accounted for as per salary escalation considered till last year, profit for F.Y. 2018-19 would have been reduced by Rs. 42,455lakhs and Rs. 36,136 lakhs respectively. The effect of change in accounting estimates in future period is impracticable.

29. Disclosure as per Ind AS 1 'Presentation of financial statements' :

Reclassifications and Comparative figures:

Certain reclassifications have been made to the comparative period's financial statements to:

- Enhance comparability with current year's financial statements
- Ensure compliance with the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013"

As a result, certain line items have been reclassified in the Balance Sheet, Statement of Profit and Loss, the details of which are as under: Refere Annexure 30

30. Standards/ amendments issued but not yet effective

On 30th March 2019, Ministry of Corporate Affairs (MCA) has notified the following

Standards/ amendments which will come into force from 1st April 2019:

1. Ind AS 116 'Leases'

Ind AS 116 'Leases' will replace the existing Ind As 17, 'Leases', and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single onbalance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ins AS 17.

2. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

Appendix C of Ind AS 12, 'Uncertainty over Income Tax Treatments' is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filling which has to be considered to compute the most likely amount or the expected value of tax treatment when determining taxable profit (tax loss), tax bases, unused tax loses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of Initially applying Appendix C recognized by adjusting equity on initial application

3. Amendment to Ind AS 12 'Income taxes'

The amendments to the guidance in Ind AS 12, 'Income taxes', clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

4. Amendment to Ind AS 19 'Employee benefits'

The amendments to the guidance in In AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

5. Amendment to Ind AS 23 'Borrowing Costs'

The amendments to the guidance in Ind AS 23, 'Borrowing Costs', clarify the following:

- While computing the capitalization rate for funds borrowed generally, borrowing costs applicable to borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.
- Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

6. Amendment to Ind AS 28 'Investments in Associates and joint ventures'

The amendments to the guidance in Ind AS 28, 'Investments in Associates and joint ventures', clarifies that an entity applies Ind As 109, 'Financial Instruments', to longterm interests in an associates or joint venture that form part of net investment in the associate or joint venture but to which the equity method in not applied.

7. Amendment to Ind AS 103 'Business Combinations'

The amendment to Ind AS 103 'Business Combinations', clarifies that when an entity obtains control of a business that is joint operation, then the acquirer considers such an acquisition as a business combination achieved in stages and remeasures previously held interests in that business.

8. Amendment to Ind AS 111 'Joint Arrangements'

The amendment to Ind AS 111 'Joint Arrangements', clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

9. Amendment to Ind AS 109 'Financial Instruments'

The amendments relate to the existing requirements in Ind AS 109, 'Financial Instruments' regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company is evaluating the requirements of the above amendments and its impact on the financial statements.

Note 50: Other notes in respect of MSPGCL

1) Capital / Government grants

(Rs. in Crores)

Capital / Government grants		
As at 31.03.2017		**53.64**
Received during FY 2017-2018		8.72
Less: Government Grant amortised during FY 2017-2018		0.47
As at 31.03.2018		**61.89**
Received during FY 2018-19		29.25
Less: Grant adjusted against Assets & Expenditure		76.81
Less: Government Grant amortised during FY 2018-19		0.48
As at 31.03.2019		**13.85**
	31.03.19	**31.03.18**
Current	0.48	0.47
Non-current	13.37	61.42
	13.85	**61.89**

Government grant have been received for the purchase of certain item of Property, Plant and Equipment at Pophali Hydro Power Station. The same have been accounted for as government grant and being amortised over the useful life of such assets.There are are no other unfulfilled contions or contingencies attached to this grant. Further during the year Company has received Grant of Rs. 29.25Crs(PY Rs 8.72 Crs)

2) Intangible assets under development

(Rs. in Crores)

Particulars	**As at 31.03.19**	**As at 31.03.18**
Opening balance	132.55	129.77
Additions for the year		
	1.21	2.78
Specify the nature of exp		
Impairment reversal/(charge)		
Foreign exchange difference		
Closing balance	133.76	132.55

Company has acquired the right to develop the coal block at Gare Palma, Chattishgarh & it is in the process of appointing the mine developer for this purpose.

3) Assets classifies as held for sale

(Rs. in Crores)

	31.03.19	**31.03.18**
Non-current assets held for sale		
Plant & Machinery	188.23	153.24
Factory Buildings & Others	9.53	9.34
Hydraulic Works	8.51	8.18
Railway Sidings, Roads & Others	26.25	26.25
Lines & Cable Networks	8.84	8.84
Vehicles	0.35	0.32
Furniture & Fixtures	0.37	0.36
Office Equipments	0.78	0.71
Other Miscellaneous Assets	0.07	0.07
Total	**242.94**	**207.31**

Note - Operations of the power generating unit no. 5 at Koradi TPS & unit no.3 at Parali TPS Chandrapur 1 & 2 , Bhusawal unit no 2 have been discontinued. The Company is in the process of disposing of these assets. The Company has reclassified the said assets as assets held for sale. No impairment loss has been recognised on reclassified the said assets as assets held for sale. No impairment loss has been recognised on reclassification as the Company expects that the fair value (estimated based on the recent market prices of similar properties) less costs to sell is higher than its carrying amount as on 31st March 2019.

4) Assets hypothecated / pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are:		
		(Rs. In Crores)
	As at	**As at**
	31.03.19	**31.03.18**
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	37,276.28	38,399.19
Security created in respect of Current Borrowings		
i) Inventories	1,417.89	933.43
ii) Trade receivables	13,564.91	12980.89
Total assets as security	**14,982.80**	**13,914.32**

5) Investment in related party

				(Rs. In Crores)
Details of Transactions				**Aurangabad**
As on 01-04-2017				
-Quasi Equity investment				**4.71**
Quasi Equity investment during the year				0.14
As on 31-03-2018				
-Quasi Equity investment				**4.85**
Quasi Equity investment during the year				0.00
As on 31-03-2019				
- Quasi Equity investment				**4.85**

6) During the current financial year 2018-19, Revenue Subsidy towards Solar power sales from Central Government amounting to Rs. 1.47 Crores (2017-18: Rs. 1.78 Crores) has been accounted.

7) Inter- company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.

8) Outstanding balances of fellow subsidiaries at the end of financial year.

Particulars	As at 31-03-2019	As at 31-03-2018
Payable to MSEDCL	505.97	500.52
Receivable from MSETCL	2.21	2.72

9) Trade Receivables from Related Party

Particulars	As at 31-03-2019	As at 31-03-2018
MSEDCL	13,433.07	13887.36
MSETCL	122.23	70.88

10) Corporate Social Responsibilities: During the year 2018 – 19, Company has spent Rs. 3.11 Crores (2017-18: Rs. 10.20 Crores) towards Corporate Social Responsibility (CSR).

(Rs. in Crores)

Sr No	Head of Expenses	2018-19	2017-18
1	Community development and welfare expenses	0.08	2.30
2	Death Compensation & Stipend to Security Guards	2.45	0.16
3	Drinking water supply & construction, repairs of tubewells, hand pumps etc	0.22	5.20
4	Construction / repair of road, compound wall, RCC drain, etc	0.35	2.11
5	Donation for Chakradhar Samaroh 2018 at Raigarh, Chattisgarh	0.01	
6	Education expenses		0.07
7	Tree Plantation		0.36
	Total	**3.11**	**10.20**

11) Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost.

	31.03.2019			31.03.2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
(i) Trade Receivables			13,564.91			129,80.90
(ii) Cash and Cash Equivalents			0.32			0.20
(iii) Bank Balances other than (ii) above						
(iv) Loans			10.64			13.09
(v) Other Financial Assets			2,906.89			2,736.24
TOTAL			**16,482.75**			**15,730.42**
Financial liabilities						
(i) Borrowings			31,072.73			32,420.49
(ii) Trade Payables			1,328.22			1,438.50
(iii) Other Financial Liabilities			7,636.08			7,203.73
TOTAL			**40,037.03**			**41,062.72**

Financial risk management

Risk management framework

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has its risk management process which has been carried out at regular interval. In case of Mahaguj Colieries Limited, Mahagams Limited & Dhopave coastal power Limited there are no borrowings from Banks/ Financial Institutions.

A. Regulatory risk

Mahagenco: The company submits the Annual revenue requirement to Maharashtra Electricity Regulatory Commission, based on these approved tariffs the company raises monthly energy bills to its customers. The tariff so determined by MERC are based on the MERC (Mutly Year Tariff) regulations which get revised periodically. These tariff are determined based on normative parameters as set out in the said regulations. Any change in the normative parameters or guding regulatory provisions will have impact on the income from sale of the power of the company.

B. Company has identified financial risk and categorised them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes:

B.1 - Credit risk ;

Mahagenco: Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instuments covered below is resticted to their respective carrying amount.

Trade receivables

Mahagenco: The Company works out the expected credit losses of trade receivables (which are considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables. The trade receivables refer to receivables against supply of power to MSEDCL, being fellow subsidiary and soverign entity, no credit risk has been envisaged. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

	31.03.2019		**31.03.2018**	
	Gross carrying amount	**Loss allowance**	**Gross carrying amount**	**Loss allowance**
Past due 0-90 days	13,564.91	-	8,742.23	-
Past due 91–360 days	-	-	-	-
More than 360 days	26.60	26.60	5,247.55	1,008.88
	13,591.51	**26.60**	**13,989.77**	**1,008.88**

The movement in the allowance for expected credit loss in respect of trade receivables during the year was as follows:

Balance as at 01.04.2017	**793.81**
Add : Expected Credit loss recognized	**285.96**
Less : Amounts written off	**70.88**
Balance as at 31.03.2018	**1,008.88**
Add : Expected Credit loss recognized	**(982.28)**
Less : Amounts written off	**----**
Balance as at 31.03.2019	**26.60**

Cash and Cash Equivalents:

	As at 31.03.2019	As at 31.03.2018
Cash and cash equivalents	0.32	0.20

B.2. Liquidity risk

Mahagenco: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) **Financing arrangements**

Maahgenco: The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Mahagenco diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, buyer's credit loan, clean & secured domestic Term loan (and Foreign Currency Loans on back to back arrangement basis through Government of India and Government of Maharashtra etc.). Mahagenco taps domestic as well as foreign financial institutions like IBRD & KFW from time-to-time to ensure appropriate funding mix and diversification of geographies.

(ii) **Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual cash flows					
	31.03.2019			31.03.2018		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Borrowings	2,466.85	5,369.,33	17,642.78	2,513.00	4,856.32	19,394.37
Borrowings for working capital	8,060.62			8,169.81		
Trade payables	1,328.32			1438.45		
Other financial liabilities	7,635.74			7,203.47		
Total	**19,491.54**	**5,369.33**	**7,642.78**	**9,324.73**	**4,856.32**	**,394.37**

C. Market Risk - Market Risk is further categorised in (i) Currecy risk , (ii) Interest rate risk & (iii) Commodity risk:

C.1. Currency risk:

The Company is exposed to currency risk mainly on account of its borrowings from KfW Germany and IBRD (World Bank) in foreign currency. Our exposures are 7.39 Crores Euro and 3.04 Crores U.S. dollars. However, Company operates in rate regulatory environment. Consequently, any variation in the foreign exchange rate is allowed to be recovered from consumers at actuals. Hence, company doesn't have significant risk on account of variation in foreign currencies.

C.2 Interest rate risk

Interest rate risk exposure

	Carrying amount in Rs crores	
	31.03.2019	**31.03.2018**
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	478.26	594.24
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	33,061.33	34,339.25

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2019		31.03.2018	
Floating rate borrowings	82.65	(82.65)	85.85	(85.85)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	82.65	(82.65)	85.85	(85.85)

C.3. Commodity Risk

Company operates in rate regulatory environment. Company's cost comprises mainly of coal cost. Any variation in the coal cost is allowed to be recovered from consumers at actuals subject to performance parameters to be achieved. Hence, company doesn't have significant risk on account of variation in coal price.

12) Capital management

The Company’s policy is to maintain a strong capital base so as to maintain shareholder’s confidence and to sustain future development of the business. Management monitors the return on Capital.

The Company monitors capital using debt equity ratio. The Company’s debt to equity ratio at 31.03.2019 is as follows.

	31.03.2019	31.03.2018
Long Term borrowings	23,012.11	24,250.69
Equity Share capital	25,284.15	25,247.15
Debt to Equity ratio	**0.91**	**0.96**

13) Dividends

Mahagenco & its subsidiaries companies have not declared dividend so far.

14) Note on Expected Credit Loss Provision

During the year, the company has reassessed the credit risk associated with the surcharge receivable from MSEDCL in terms of Ind AS 109 - Financial Instruments. Considering the fact that MSEDCL has recorded an equivalent liability in their books as at 31-03-2018, the management does not foresee any difference between the contractual cash flows which are receivable from MSEDCL and the cash flows that the Company expects to receive (i.e. no cash shortfalls). As Company expects to realize the receivables in full, there will be no cash shortfall which warrants Expected Credit Loss provision. Consequently, Company has written back the Expected Credit Loss provision amounting to Rs. 982.28 Crores as on 31-03-2019.

15) In Compliance of Ind As 27 " Separate Financial Statements ". the required Information is as under:

Particulars	Country of In Company	Nature of Investments	Percentage of ownership interest as on	
			As at 31.03.19	As at 31.03.18
M/s. Mahaguj Collieries Ltd	India	Subsidiary	60.00%	60.00%
Dhopave Coastal Power Ltd	India	Subsidiary	100%	100%
Mahagenco Ash Management Services Ltd	India	Subsidiary	100%	100%
M/s. UCM Coal Company Ltd	India	Associates	18.75%	18.75%
M/s. Chhattisgarh Katghora Dongargarh Railway Limited	India	Associates	26.00%	

16) Segment Reporting:

A. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

Geography	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue		
In India	21,415.82	21,061.48
Outside India	Nil	Nil
II. Information about major customers		
Consolidated Revenue - exceeding 10% from each single external customer		
India		
Maharashter State Electricity Distribution Company Limited.	21266.68	21012.77
Outside India	Nil	Nil

LONG TERM BORROWING (ANNEXURE A)

(Amt in Rs. crores)

Sr. No	Particulars of Lender	Nature of loan	Outstanding balance as on 31.3.2019	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest	Nature of security
1	PFC	NEW PARLI EXPANSION PROJECT UNIT 2	498.87	71.28	427.59	60 equal quarterly installments :- commenced from April 2011	10.22%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
2	PFC	PARAS EXPANSION PROJECT UNIT 2	622.33	88.92	533.41	60 equal quarterly installments :- commenced from April 2011	10.22%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
3	PFC	R&M WORKS OF KORADI TPS	3.25	1.30	1.95	48 equal quarterly installments : commenced from October 2008	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
4	PFC	R&M WORKS OF BHUSAWAL, PARLI & PARAS	0.83	0.33	0.50	48 equal quarterly installments : commenced from October 2009	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
5	PFC	R&M WORKS OF NASIK TPS U - 1 & 2	3.55	1.42	2.13	48 equal quarterly installments : commenced from October 2009	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
6	PFC	UPGRADATION OF RLY SIDING SYSTEM AT NASIK TPS	5.21	2.08	3.13	48 equal quarterly installments : commenced from October 2009	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)

7	PFC	PROCUREMENT OF 250 MVA GENERATOR TRANSFORMER FOR KOYNA	0.31	0.31	0.00	48 equal quarterly installments : commenced from April 2008	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
8	PFC	ASH BUND FOR KORADI TPS	4.45	1.78	2.67	48 equal quarterly installments : commenced from October 2009	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
9	PFC	R&M SCHEME OF REPLACEMENT OF BOILER ECONOMIZER / LTSH COILS AND WATER WALL PANELS REQUIRED FOR VARIOUS TPS OF MSPGCL	11.79	3.37	8.42	48 equal quarterly installments : commenced from October 2010	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
10	PFC	Procurement of LP Rotor as a common spare for Unit 5,6 & 7 of Chandrapur STPS	14.32	2.39	11.93	48 equal quarterly installments : commenced from April 2013	10.22%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
11	PFC	KORADI TPS EXPANSION PROJECT (3x660 MW)	8480.50	640.04	7840.46	60 equal quarterly installments : Commenced from July 2017	9.86%	A first pari-passu charge on all the movable & immovable assets of 3x660 MW Koradi Expn TPS including movable machinery, machinery spares, tools & accessories & material at project site, both present & future with a coverage of 1.25 times.
12	PFC	R&M of Unit 5,6 & 7 of Koradi TPS	5.83	0.48	5.35	60 equal quarterly installments : commenced from October 2016	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land

13	PFC	R&M of water supply systemof Parli TPS from Majalgaon Lift Irrigation Scheme.	134.90	14.20	120.70	40 equal quarterly installments : commenced from October 2018	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
14	PFC	R&M of Boiler & Turbine Improvement Scheme of Chandrapur STPS.	67.14	4.63	62.51	60 equal quarterly installments : commencing from October 2018	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
15	PFC	R&M of Ash Handling System of Unit 5&6 of CSTPS	5.41	0.47	4.94	60 equal quarterly installments : commenced from October 2015	10.27%	Assets of Parli TPS Unit 3,4 & 5 together with land
16	PFC	R&M of Condenser Cooling System of Unit 5&6 of CSTPS	18.71	1.63	17.08	60 equal quarterly installments : commenced from October 2015	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
17	PFC	R&M for Process Improvement at Unit 3,4 & 5 of Nashik TPS Stage-II (3x210 MW).	1.94	0.14	1.80	40 equal quarterly installments : commencing from July 2019	10.24%	Assets of Parli TPS Unit 3,4 & 5 together with land
18	PFC	R&M for Measuring & Monitoring of Coal consumption of Bhusawal TPS	0.43	0.03	0.40	60 equal quarterly installments : commenced from October 2016	10.27%	Assets of Parli TPS Unit 3,4 & 5 together with land
19	PFC	R&M for Boiler & Turbine Improvement (Station heat improvement) Scheme of Bhusawal TPS.	6.38	0.51	5.87	60 equal quarterly installments : commenced from October 2016	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
20	PFC	R&M for Turbine Auxiliary Performance Improvement Scheme of Bhusawal TPS.	6.50	0.52	5.98	60 equal quarterly installments : commenced from October 2016	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land

21	PFC	R&M for Replacement of BFP (200 KHI) cartridge with energy efficient cartridge for Unit 3,4 & 5 of Parli TPS.	5.74	0.50	5.24	60 equal quarterly installments : commencing from October 2015	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
22	PFC	Renovation and Upgradation of GT Automation System, Starting Frequency converter & Static Excitation system of unit 7 & 8, Stage -II of Uran GTPS	12.77	1.19	11.58	60 equal quarterly installments : commenced from Jan 2015	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
23	PFC	Procurement of High Pressure Turbine (HPT Module for Khaperkheda TPS Unit 1 & 2.	25.73	1.84	23.89	60 equal quarterly installments : commencing from April 2018	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.
24	PFC	R & M for Turbine Auxiliary Consumption Improvement at Stage II (Unit 3,4 & 5 3x210 MW), Nashik TPS.	12.80	1.22	11.58	60 equal quarterly installments : commenced on October 2014	10.23%	Movable assets of Nashik TPS Unit 3,4 & 5.
25	PFC	Construction of Concrete Road from Nashik-Pune Highway to Booster Pump House at Nashik TPS	9.25	0.73	8.52	60 equal quarterly installments : commenced from Jan 2017	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.
26	PFC	Expediting unloading of Coal Wagons by Up-grading the existing system in Maharashtra. (DPR of Nashik TPS)	1.28	0.11	1.16	60 equal quarterly installments : commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.

27	PFC	Various Schemes of KGSC, Phophali in Maharashtra	5.36	0.47	4.89	60 equal quarterly installments : commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.
28	PFC	Power supply arrangement at Colony, separate 25 KV OHE supply feeding arrangement to BESG siding & providing of passenger elevators at Paras TPS	1.54	0.13	1.40	60 equal quarterly installments : commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.
29	PFC	Various Schemes of Small Hydro Stations in Maharashtra. (Pune SHPC and Nashik SHPC	4.97	0.43	4.54	60 equal quarterly installments : commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.
30	PFC	Provision of Pipe Conveyor System for transportation of coal from WCL mines to Koradi and Khaperkheda TPS.	69.42	0.00	69.42	60 equal quarterly installments : commencing from October 2021	9.97%	Hypothecation of Future assets to be created from the Capex Scheme
31	PFC	Buyers Line of Credit - Capex schemes for existing Power Plants	153.97	31.58	122.40	40 equal quarterly installments : commenced from October 2013	10.22%	Assets of Parli TPS Unit 3,4 & 5 together with land
32	REC	Bhusawal Expansion Project	3447.93	431.00	3016.93	48 equal quarterly installments : commenced from March 2016	10.22%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
33	REC	Chandrapur Expansion Project	4787.66	467.08	4320.58	48 equal quarterly installments : commenced from September 2017	10.00%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land

34	REC	Parli Replacement Project	1369.43	136.96	1232.47	48 equal quarterly installments : commenced from September 2017	10.00%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
35	REC	Koradi Project (3x660 MW)- Debt Refinancing	1578.95	210.52	1368.43	38 equal quarterly installments : commenced from June 2017	9.75%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
36	REC	130 MLD Sewage Treatment Plant at Koradi Project (3x660 MW)	100.35	9.33	91.02	48 equal quarterly installments : commenced from March 2018	9.50%	Hypothecation of movable assets of Bhusawal TPS Unit No. 2 and 3 (210 MW each).
37	REC	Setting up of Bhusawal Replacement Project Unit No-6 (660 MW) at Bhusawal Dist. Jalgaon, Maharashtra.	233.84	0.00	233.84	60 equal quarterly installments : commenced from March 2025	9.77%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
38	REC	Combustion Optimization & Process improvement scheme at Nashik TPS	3.28	0.00	3.28	7 equal annual installments commencing from 15-January 2022	11.34%	Hypothecation of Future assets to be created from the R&M Scheme
39	REC	Procurement of Spare HPT Module for Khaperkheda TPS	14.60	2.92	11.68	7 equal annual installments commenced from 15-January 2018	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
40	REC	R&M - T, I&C Up-gradation through Burner Management System, Excitation system, HT Motor Protection etc. form Parli TPS Unit 3,4 & 5	2.93	0.59	2.34	7 equal annual installments commenced from 15-February 2018	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

41	REC	ESP Restoration/ Refurbishment (Improvement in Stack emmission control) Un it 5,6 &7. Chandrapur STPS	7.62	1.52	6.10	7 equal annual installments commenced from 15-March 2018	11.25%	Hypothecation of Future assets to be created from the R&M Scheme
42	REC	Measurement & monitoring of coal consumption. At Nashik TPS	8.00	1.60	6.40	7 equal annual installments commenced from 15-March 2018	11.37%	Hypothecation of Future assets to be created from the R&M Scheme
43	REC	Input Source measurement scheme (Fuel oil, water, Auxiliary power & coal flow) - Chandrapur STPS	1.25	0.25	1.00	7 equal annual installments commenced from 15-January 2018	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
44		Procurement of Energy Efficient HT Motors at Bhusawal TPS, Koradi TPS, Chandrapur TPS, Khaperkheda TPS, Parli TPS and Paras TPS units.	2.52	0.00	2.52	40 equal quarterly installments : commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
45	REC	Stack management by procurement of Bulldozer & LOCO and CHP area schemes for performance & unloading improvement at Bhusawal TPS.	7.07	0.18	6.89	40 equal quarterly installments commencing from March 2020	9.85%	Hypothecation of Future assets to be created from the R&M Scheme
46		Interconnection of 210 MW CHP to 500 MW CHP through Conveyors BC-02 & BC-03 having capacity of 500 TPH at Bhusawal TPS	0.49	0.01	0.48	40 equal quarterly installments commencing from March 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

47		Installation of Real Time Online Coal-Ash Analyser at various TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
48	REC	Supply of spares for gear box of XRP-1043 coal mill of unit-5&6, Supply & application of wear resistance liners inside the mill body of XRP 1043 Coal Mill of unit-5&6, Supply of main reducer of Coal Mill Gear Box with allied spares for coal mill of unit-7 at Chandrapur TPS.	3.13	0.08	3.06	40 equal quarterly installments commencing from March 2020	9.76%	Hypothecation of Future assets to be created from the R&M Scheme
49	REC	Replacement of Heating Elements (Baskets) Of Primary and Secondary Air Pre-Heaters of Unit# 5 & 6 At Chandrapur TPS.	0.46	0.00	0.46	40 equal quarterly installments commencing from June 2020	9.75%	Hypothecation of Future assets to be created from the R&M Scheme
50	REC	Replacement of Platten Superheater & Eco Coil Additional of Unit# 5 & 6 and Upper & lower low temperature superheater (LTSH) & Eco bottom assemblies of Unit# 7 at Chandrapur TPS.	14.98	0.00	14.98	40 equal quarterly installments commencing from June 2020	9.78%	Hypothecation of Future assets to be created from the R&M Scheme

51	REC	Procurement & replacement of condenser tubes and Boiler Feeder Pump (BFP) cartridges at Chandrapur TPS.	7.28	0.18	7.10	40 equal quarterly installments commencing from March 2020	9.77%	Hypothecation of Future assets to be created from the R&M Scheme
52	REC	210/500 MW Coal Handling Plant (CHP) Performance Improvement at Chandrapur TPS.	13.53	0.34	13.19	40 equal quarterly installments commencing from March 2020	9.76%	Hypothecation of Future assets to be created from the R&M Scheme
53		Procurement of moving blades for LP Turbine and control fluid pumps and AOP for 500 MW Unit# 5, 6 & 7 at Chandrapur TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
54		Performance Improvement & Life Enhancement of 500MW CHP-B at Chandrapur TPS.	7.68	0.00	7.68	40 equal quarterly installments : commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
55	REC	Electro-Static Precipitator performance Improvement Unit#3&4 at Chandrapur TPS.	1.41	0.00	1.41	40 equal quarterly installments commencing from June 2020	9.80%	Hypothecation of Future assets to be created from the R&M Scheme
56		Retrofitting of existing HT breakers installed at Unit# 3, 4, 5 & 6 of Chandrapur TPS.	8.80	0.00	8.80	40 equal quarterly installments commencing from December 2020	10.06%	Hypothecation of Future assets to be created from the R&M Scheme
57	REC	Construction of Quarter Guard, Bachelor Accommodation and allied structures in Phase I & II for induction of CISF Security at Chandrapur TPS.	3.63	0.00	3.63	40 equal quarterly installments commencing from June 2020	9.89%	Hypothecation of Future assets to be created from the R&M Scheme

58	REC	Development of Ash Bund Area at Waregaon, Khaperkheda TPS.	18.02	0.90	17.11	40 equal quarterly installments commencing from -December 2019	9.78%	Hypothecation of Future assets to be created from the R&M Scheme
59	REC	Procurement & Replacement of complete set of LTSH coils for Unit# 3, 4 at Khaperkheda TPS.	5.08	0.13	4.95	40 equal quarterly installments commencing from March 2020	9.75%	Hypothecation of Future assets to be created from the R&M Scheme
60	REC	Works for Ash Disposal from Khaperkheda 1X500 MW Unit to Nandgaon Ash Bund.	47.60	2.38	45.22	40 equal quarterly installments commencing from -December 2019	9.81%	Hypothecation of Future assets to be created from the R&M Scheme
61	REC	ESP upgradation for Unit#1 at Khaperkheda TPS.	0.03	0.00	0.03	40 equal quarterly installments commencing from June 2020	9.75%	Hypothecation of Future assets to be created from the R&M Scheme
62		Procurement, installation and commissioning of Gravimetric belt/ rotary type Feeder, VFD for CEP, up-gradation of BTS System and implementation of Environmental Schemes at Khaperkheda TPS.	6.54	0.00	6.54	40 equal quarterly installments commencing from December 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
63	REC	Restoration of Pond No.3 by desilting and providing peripheral earthen bund with desilted soil and other related appratant works of Nallah training, approach road, C.D. Works, pipe culverts etc at Koradi TPS.	40.99	2.05	38.94	40 equal quarterly installments commencing from -December 2019	9.84%	Hypothecation of Future assets to be created from the R&M Scheme

64	REC	Improvement in Electrical System at Chandrapur TPS.	9.68	0.00	9.68	40 equal quarterly installments commencing from June 2020	9.97%	Hypothecation of Future assets to be created from the R&M Scheme
65	REC	Third Raising of Ash Bund from T.B.L. 581.50 to 586.50 M of Valley No. 4A at Nashik TPS.	6.24	0.00	6.24	40 equal quarterly installments commencing from June 2020	9.80%	Hypothecation of Future assets to be created from the R&M Scheme
66	REC	Various Performance improvement Schemes at KGSC, Pophali.	4.58	0.23	4.35	40 equal quarterly installments commencing from -December 2019	9.86%	Hypothecation of Future assets to be created from the R&M Scheme
67	REC	Enhance the performance & life of Coal Handling plant at Nashik TPS.	15.04	0.38	14.66	40 equal quarterly installments commencing from March 2020	9.76%	Hypothecation of Future assets to be created from the R&M Scheme
68		Revamping of existing Steam & Water Analysis System (SWAS) installed at Unit# 1, 2, 3, 4 & commissioning of new Ammonia Flue Gas Conditioning (AFGC) system at Unit# 5 & 7 at Chandrapur TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
69	REC	Replacement of complete LTSH coils at Unit-3 Boiler and complete economizer coils at Unit-5 Boiler at Nasik TPS 210 MW.	7.60	0.19	7.41	40 equal quarterly installments commencing from March 2020	9.78%	Hypothecation of Future assets to be created from the R&M Scheme
70		Procurement of 6.6 Kv HT Motors as spare motors/ for Replacement at Nashik TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

71	REC	Retrofitting of 6.6 kV Breakers, Battery Replacement, System Improvement & MPCB Related schemes at Nashik TPS.	11.61	0.29	11.32	40 equal quarterly installments commencing from March 2020	9.77%	Hypothecation of Future assets to be created from the R&M Scheme
72	REC	Various schemes related to CHP Improvement and Stack Management & Coal Mill Performance Improvement schemes at 2 X 250 MW Units of Paras TPS.	6.83	0.17	6.66	40 equal quarterly installments commencing from March 2020	9.92%	Hypothecation of Future assets to be created from the R&M Scheme
73	REC	Augmentation of Bottom Ash & Fly Ash Pumping scheme at Paras Thermal Power Station and extension of ash pipe lines from existing ash bund to new ash bund at Gazipur.	28.10	0.00	28.10	40 equal quarterly installments commencing from June 2020	9.89%	Hypothecation of Future assets to be created from the R&M Scheme
74	REC	Replacement OF ESP internals ESP FOR U#4, U#5 & HT Motor Protection Relays, Microprocessor Based digital Trivector Energy meters, and Measurement of SO2 - NOX for Unit – 4, 5, Continuous Ambient Air Quality Monitoring Station at Parli TPS.	0.30	0.00	0.30	40 equal quarterly installments commencing from June 2020	9.75%	Hypothecation of Future assets to be created from the R&M Scheme

75	REC	Procurement & replacement of complete set of economizer coils of unit no. 4, LTSH coils for unit no. 5 and mill base & gear housing with complete gear box assembly to achieve improvement in coal mill availability & performance at 210 MW unit 4 & 5 Parli TPS.	6.47	0.00	6.47	40 equal quarterly installments commencing from June 2020	9.75%	Hypothecation of Future assets to be created from the R&M Scheme
76	REC	Civil works of providing Road Network at KGS Complex Pophali, Modernisation and Refurbishing of Residential complex and Water supply & sanitary works at Koyna Generating Station Complex (KGSC), Pophali.	11.34	0.28	11.06	40 equal quarterly installments commencing from March 2020	9.87%	Hypothecation of Future assets to be created from the R&M Scheme
77		Replacement of Turbine Rotor Blades stage I & II at GT-6 Uran GTPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
78	REC	Construction of 3rd raising of existing Ash bund from T.B.L. 273. 63 Mtr to 276.63 Mtr with construction of masonry dam (Gabion Structure) at Paras TPS in the State of Maharashtra	2.17	0.11	2.06	40 equal quarterly installments commencing from -December 2019	9.83%	Hypothecation of Future assets to be created from the R&M Scheme

79	REC	Replacement of Fire Tender for Chandrapur, Koradi, Khaperkheda, Parli, Paras, Nashik, Bhusawal TPS and Pophali HPS and Uran GTPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
80	REC	Provision of Coal Transport System at Chandrapur STPS in the State of Maharashtra.- Pipe Conveyor system for transportation of coal	44.24	0.00	44.24	40 equal quarterly installments commencing from Sept. 2020	10.02%	Hypothecation of Future assets to be created from the R&M Scheme
81	REC	Control and Instrumentation (C&I) upgraqdation at Unit - 5 and 6 at Chandrapuy STPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
82	REC	Procurement and replacement of Economiser Upper Assemblies at Unit-5 and 6 and Hot Re-heater (HRH) coil at Unit-3 of Chandrapur STPS.	8.25	0.00	8.25	40 equal quarterly installments commencing from Sept. 2020	9.98%	Hypothecation of Future assets to be created from the R&M Scheme
83	REC	Procurement of Bulldozer and refurbishment of Apron Feeder at Khaperkheda TPS	9.11	0.00	9.11	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
84	REC	Procurement of battery set, Air (PA) fan assembly, Jack oil pump, Turbo dirven boiler feed pump (BFP), Cartirdge and restoration of Electro-Static Precipitators (ESP) internals for Unit-5 at Khaperkheda TPS	0.27	0.00	0.27	40 equal quarterly installments commencing from March 2021	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

85	REC	Supply, Installation & Commissioning of different schemes for MPCB and Station requirement at Koradi TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
86	REC	System Rehabilitation & Upgradation at Nashik TPS	2.82	0.00	2.82	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
87	REC	Procurement of BFP cartirdge for Unit-3 and Unit-4 at Paras TPS.	9.81	0.00	9.81	40 equal quarterly installments commencing from June 2021	10.25%	Hypothecation of Future assets to be created from the R&M Scheme
88	REC	GTR Foundation, approach road to New Parli and Plant internal roads at Parli TPS	5.59	0.00	5.59	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
89	REC	Procurement of batteries, breakers and weigh bridge at Unit-6 and Unit-7 at Parli TPS.	6.73	0.00	6.73	40 equal quarterly installments commencing from March 2021	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
90	REC	Various civil schemes for Modernization of HPC Pune Colonies	6.84	0.00	6.84	40 equal quarterly installments commencing from Sept. 2020	10.01%	Hypothecation of Future assets to be created from the R&M Scheme
91	REC	CTR work (Complete Track Renovation) for existing broad guage railway siding at Koradi TPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
92	REC	Provision of work of construction of 1st raising of existing Ash Bund No. 3 from TBL(top Bund Level) 258 Mtr to 264 Mtr at Bhusawal TPS.	51.38	0.00	51.38	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

93	REC	Augmentation of Ash Evacuation system & procurement of BCW pump (Boiler Circulating water pump) motors at Bhusawal TPS and Khaperkheda TPS. Procurement of AVCF drive along with inverter module for GEHO pumps and supply, erection and commissioning of 240 VDC, 100A float and Float cum Boost Battery Changer with 325Ah Battery Bank for CWPH at Bhusawal TPS	0.11	0.00	0.11	40 equal quarterly installments commencing from June 2021	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
94	REC	Provision of scheme related to Barrage Gate, AWR pipeline and concrete road at Nashik TPS.	0.38	0.00	0.38	40 equal quarterly installments commencing from June 2021	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
95	REC	Supply of A0 or B0 WHRP (Waste Heat Recovery Plant) Unit Upgradation at Uran GTPS.	5.42	0.00	5.42	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
96	REC	Renovation of Gas Turbine Air Intake System at Uran GTPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
97	REC	Replacement of Generator Stator Unit No 11 (80 MW) at Stage III at Koyna Generating Station Complex (KGSC).	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

98	REC	Replacement of H2 Generators with New Hydrogen Generator (Non Abstos Design) and Electrical items for Stage II and ORC TPS at Chandrapur	5.42	0.00	5.42	40 equal quarterly installments commencing from December 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
99	REC	Procurement of new Penton Wheel runner for Stage-II Koyna Generating Station Complex (KGSC.)	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
100	REC	DCS (Distributed Control System) Upgradation & Refurbishment of ESP at Unit No 3 at Nashik TPS.	2.18	0.00	2.18	40 equal quarterly installments commencing from June 2021	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
101	REC	Signal & Telecommunication system for in-plant yard, Khaperkheda and Kalumna and modification of Kalumna yard alteration No-5 at Khaperkheda TPS.	0.04	0.00	0.04	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
102	REC	Provision of work of construction of WBM road and drain on filling of hot water canal from Pond No-2 to Pond No 3 and construction of Bridge cum weir on Pond No 3 parallel to National Highway ay Koradi TPS.	9.82	0.00	9.82	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

103	REC	Construction of 1st raising of existing Ash Bund fom TBL(top Bund Level) 426 Mtr to 432 Mtr with construction of masonary dam and raising the height of drain well from 423.75 Mtr to 432 mtr at Dautpur Bond Nom 2 of Parli TPS.	15.88	0.00	15.88	40 equal quarterly installments commencing from June 2021	10.25%	Hypothecation of Future assets to be created from the R&M Scheme
104	REC	Upgradation of Human Machine Interface system at Unit No 3 and 4 at Khaperkheda TPS.	10.71	0.00	10.71	40 equal quarterly installments commencing from March 2022	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
105	REC	Provision of work of providing, lowering, laying and joining M.S. Pipe lines from Waregaon Ash bund leading towards Khaperkheda TPS for additional recovery of water from waregaon ash bund including ancillary works of RCC pedestals at Khaperkheda TPS.	8.85	0.00	8.85	40 equal quarterly installments commencing from December 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
106	REC	Upgradation of protection system & Unitrol excitation system at Ghatghar HPS and Upgradation of ABB make Protection system & Automatic Voltage regulator, Relay Based Unit & Auxiliary Control at Bhatsa Hydro Power Station.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

107	REC	Various schemes related to CHP Improvement and performance optimization and scheme of conversion of existing composite OHE to conventional OHE at Khaperkheda TPS.	3.93	0.00	3.93	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
108	REC	Civil works at Various Thermal Power Stations as implementation of Intelligent Bureau (IB) Recommendations	0.87	0.00	0.87	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
109	REC	Construction of Limited Heigh Sub-way (LHS) at un-manned road level crossing by Railway on cost sharing basis with MSPGCL on Khaperkheda - Kalumna Railway siding and Saoner - Khaperkheda Railway Siding at Khaperkheda TPS.	13.45	0.00	13.45	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
110	REC	Procurement of Boiler Feed Booster pumps to improve availability and performance of Feed system, Moving blades of Lowe Pressure Turbine and Condenser Tubes of Chandrapur TPS (3 x 500 MW)	0.11	0.00	0.11	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme

111	REC	Renovation and Beautification works of CSTPS Chandrapur Colony at Chandrapur.	0.11	0.00	0.11	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
112	REC	Civil works at Bhusawal TPS, Deepnagar, Bhusawal in the state of Maharashtra	4.40	0.00	4.40	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
113	REC	Upgradation of SCADA/ PLC system at Ghatghar HPS in Ahmednagar District in the state of Maharashtra.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
114	REC	Utilization of unused water scheme from Bhanegaon open cast mine and construction of cement concrete road inside part of the power house at Khaperkheda TPS.	1.80	0.00	1.80	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
115	REC	Civil works at Nashik Hydro Power Circle in Maharashtra	0.62	0.00	0.62	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
116	REC	Renovation of Colony at Eklahare at Nashik TPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
117	REC	Procurement of Compressor Rotor Blades of all 16 stages and Tie Rod alongwith frothollow shaft for Gas Turbine Unit No-8 at Uran GTPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme

118	REC	Conservation of Koradi Lake, Nagpur for supply of clean water to Koradi TPS and Khaperkheda TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
119	REC	Procurement and replacement of Air Pre-heater Baskets, installation of Electromechanical drive for Apron feeder & procurement of coal mine gear box for 2x500 MW Units at Bhusawal TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
120	REC	Up-gradation of Automation System of GT-7 and Static Excitation Equipment of B0 Unit at Uran GTPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
121	REC	Procurement of APH Basket for Unit 1 to 4 (210 MW) and Unit-5 (500 MW)and up-gradation of HT Rotor Protection Relays in Unit 1 to 4 at Khaperkheda TPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
122	REC	Replacement of Battery Bank Set, Two complete set of Air Pre-heater Baskets & Coal Compartment Assemblies for 250 MW Unit-4, at Paras TPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme

123	REC	Supply, Erection, Commissioning and testing of 220V, 2035 AH station Battery Set (04 nos) and 24 V, 2250 AH, SG/TG and BoP Battery Sets (08 nos) for Unit No-4 and 5 along with accessories at 2 x 500 MW Bhusawal TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
124	REC	Renovation work of Colony at Parli TPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
125	REC	Various Civil works at Parli TPS in the State of Maharashtra	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
126	REC	Provision and Construction of various public amenities in the rehabilitated village Khasara at Koradi TPS, Koradi district.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
127	REC	Provision and Construction of various public amenities in the rehabilitated village Koradi at Koradi TPS, Koradi district.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
128	REC	Work of maintaining the zero discharge condition of Pond No-2 and Pond No-3 and providing the facilities on peripheral area of Pond No-3 such as roads/ bridges with lightening arrangement at Koradi TPS, Koradi disctrict.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme

129	REC	14 Nos of Schemes for Hydro Power Stations under Renewable Energy Circle, Pune & Nashik of MSPGCL	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
130	REC	Upgradation of HMI Symphony Harmony DCS, Battery Replacement and retrofitting of HT berakers by VCB at Unit-3, 210 MW Bhusawal TPS	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
131	REC	Procurement of complete sets of Air Pre-heater Basket at various TPS of MSPGCL.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
132	REC	Replacement of complete set of Economiser Upper and Lower Coil Assemblies & Replacement of complete set of Low Temperature Super Heater (LTSH) Upper and Lower Coil Assemblies in Unit 3 at Paras TPS in Akola District.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
133	REC	Replacement of complete set of Economiser Upper and Lower Coil Assemblies & Replacement of complete set of Low Temperature Super Heater (LTSH) Upper and Lower Coil Assemblies in Unit No 6 and 7 of Parli TPS.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme

134	REC	Up-gradation of Governing System at Stage – I at Koyna Dam Foot Power House (KDPH) and Stage – III at Koyana Generating Station Complex (KGSC), Pophali.	0.00	0.00	0.00	40 equal quarterly installments : commencing from (.)	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
135	REC	Working Capital facility	430.00	17.92	412.08	24 equal Monthly installments : commencing from March 2020	11.75%	Movable assets of Bhusawal TPS Unit 4 & 5 (2x500 MW) and Chandrapur TPS Unit 8 & 9 (2x500 MW).
136	South Indian Bank	Capex (Long term) for funding of capital expenditure of existing Power stations	48.69	15.00	33.69	40 quarterly installments of Rs.3.75 crores commenced from Aug 2012	At 1 year MCLR+ 0.40% spread (Fixed) (presently 9.60%)	Movable assets (BOP mechanical package) of Parli Unit -6
137	Housing & Urban Develo-pment Corpora-tion Ltd. (HUDCO)	Construction of Staff Quarters at Koradi Project 3x660 MW	7.62	3.00	4.62	32 quarterly installments of Rs. 75.05 lacs commenced from 31.5.2015	Fixed for 1 year (presently 9.81%)	Mortgage/ Hypothecation of Future assets to be created for construction of staff quarters together with Land at Koradi Project site at Nagupr.
138	State Bank of India	Debt Refinancing loan for Khaperkheda TPS Expn Unit-5 (500 MW)	1764.53	172.40	1592.13	51 equal quarterly installments started from October 2016	1 year MCLR + spread (presently 9.65%)	Mortgage & Hypothecation of all Movable & Immovable assets of Khaperkheda TPS Unit-5 (500 MW)

139	KfW-Germany	Establishment of 150 M.W Solar Power Plant at Sakri-Dhule	478.26	97.08	381.18	21 semi annual installments commenced from 30.12.2013	Fixed rate (1.96%)	Unsecured - Back to back arrangement GoM & Govt of India.
140	KfW-Germany	Establishment of Solar Power Plant at Baramati & other places	0.0	0.0	0.0	21 semi annual installments commenced from 30.12.2013	Fixed rate (1.96%)	Unsecured - Back to back arrangement GoM & Govt of India.
141	IBRD-World Bank	Funding for Koradi TPS Unit-6 EE R&M	280.10	13.48	266.62	50 semi annual Installments beginning from 15.12.2014 till 15.6.2039	Six month LIBOR + variable Spread (presently 1.80%)	Unsecured - Back to back arrangement GoM & Govt of India.
142	M/s. Clean Sustainable Solar Energy Pvt. Ltd.	Construction Cost for 50 MW Solar Power Project at Shirsuphal	195.69	4.30	191.39	To be repaid in monthly installment over 20 years from FY 2015-16	18%	Unsecured
		TOTAL	**25484.49**	**2466.85**	**23017.64**			

NOTE:- In case of partly disburse long term loan of financial Instituation, Which are under disbrusement & at the same time repayment has been commenced, the amount repayable within one year, is being worked out on the basis of outstandings loan balances as on the closing date i.e. 31/03/2019 & the balance residual tenor of the loan on the closing date.

SHORT TERM BORROWINGS (ANNEXURE B)

Amount in Rs. crores

Sr. No	Particulars of Lender	Outstanding balance as on 31.3.2019	Terms of Repayment	Rate of Interest	Nature of security
1	Bank of India	1236.77	Sanctioned for a period of one year and renewal on yearly basis	Rate of interest is based on Bank's MCLR (presently 8.00%)	Book debts and stocks alongwith collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
2	Bank of Maharashtra	116.39		Rate of interest is based on Bank's MCLR (presently 8.70%)	
3	Canara Bank	1889.63		Rate of interest is based on Bank's MCLR (presently 8.00%)	
4	Indian Bank	335.00		Rate of interest is based on Bank's MCLR (presently 7.85%)	
5	Central Bank of India	340.86		Rate of interest is based on Bank's MCLR (presently 7.70%)	
6	State Bank of India	1041.98		Rate of interest is based on Bank's MCLR (presently 7.65%)	
7	Canara Bank	221.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
8	Canara Bank	79.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
9	Canara Bank	36.53	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
10	Canara Bank	113.47	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
11	Canara Bank	50.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
12	Canara Bank	200.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
13	Canara Bank	200.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured

14	Canara Bank	200.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
15	Canara Bank	200.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
16	Canara Bank	200.00	1 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.35%)	Unsecured
17	Vijaya Bank	100.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
18	Vijaya Bank	200.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
19	Vijaya Bank	200.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
20	Bank of India	250.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.70%)	Unsecured
21	Syndicate Bank	200.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.85%)	Unsecured
22	Syndicate Bank	200.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.85%)	Unsecured
23	Syndicate Bank	250.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.85%)	Unsecured
24	Syndicate Bank	50.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.85%)	Unsecured
25	Syndicate Bank	50.00	3 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 9.00%)	Unsecured
26	Gadchiroli DCC Bank	100.00	12 months from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 9.10%)	Unsecured
	Total	**8060.6232726**			

Note 51: Other notes in respect of MSETCL

1. Government Grants-

(Rs. in Lakhs.)

Capital / Government grants		Amount
As at 1 April 2017		**18,657.56**
Received during FY 2017-2018		10,183.91
Government Grant amortised during FY 2017-2018		809.98
As at 31.03.2018		**28,031.49**
Received during FY 2018-2019		5,023.69
Government Grant amortised during FY 2018-2019		922.19
As at 31.03.2019		**32,132.99**
	31.03.2019 (Audited)	**31.03.2018 (Unaudited)**
Current	921.72	795.98
Non-current	31,211.27	27,235.52
Total	**32,132.99**	**28,031.59**

MSETCL has received Government Grant for the purpose of strengthening of Transmission Network by constructing Substations and Lines in various Districts in Maharashtra.

<table>
<tr><th>F.Y</th><th>Grants Received (Rs in lakhs)</th><th>Purpose for which grant received</th><th>Reasons for unfulfilled conditions</th></tr>
<tr><td>2006-07</td><td>6,850.00</td><td rowspan="3">Construction of Substations and Lines for strentening of Transmission Network in 14 Districts</td><td>Total 29 Schemes out of which only 2 schemes are still ongoing</td></tr>
<tr><td>2007-08</td><td>8,000.00</td><td>Total 21 Schemes out of which only 4 schemes are still ongoing</td></tr>
<tr><td>2008-09</td><td>9,000.00</td><td>Total 79 Schemes out of which only 3 schemes are still ongoing.</td></tr>
<tr><td>2017-18</td><td>874.53</td><td>Power System Development Fund for System improvement</td><td>Work in progress</td></tr>
<tr><td>2018-19</td><td>1,284.90</td><td colspan="2">Power System Development Fund for System improvement. Work in progress</td></tr>
<tr><td>2017-18</td><td>7,500.00</td><td colspan="2" rowspan="2">Received as per the recommendation of the 13th Finance Commission towards equity portion of MSETCL for Green Energy Corridor project Work in Progress</td></tr>
<tr><td>2018-19</td><td>3,556.59</td></tr>
<tr><td>2017-18</td><td>1,809.38</td><td colspan="2" rowspan="2">The grant is received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP) Work in Progress</td></tr>
<tr><td>2018-19</td><td>182.20</td></tr>
<tr><td>Total</td><td>39,057.60</td><td></td><td></td></tr>
</table>

2. **Tax Expense-**

(a) Amounts recognised in statement of profit and loss

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current year	(16,256.86)	(19,518.91)
Short/Excess provision for earlier years	--	--
Current tax expense (A)	**(16,256.86)**	**(19,518.91)**
Origination and reversal of temporary differences	(5953.60)	(10,866.10)
Deferred tax expense (B)	**(5953.60)**	**(10,866.10)**
Tax expense recognised in the current statement (A) + (B)	**(22,210.46)**	**(30,385.02)**

(b) Amounts recognised in Other Comprehensive Income

(Rs. In Lakhs)

Particulars	For year ended 31.03.2019			For year ended 31.03.2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss : Remeasurements of the defined benefit plans	(413.07)	144.34	(268.72)	258.66	(90.39)	168.27
Equity Instruments through Other Comprehensive Income						
	(413.07)	**144.34**	**(268.72)**	**258.66**	**(90.39)**	**168.27**

(c) Reconciliation of effective tax rate

(Rs. In Lakhs)

	2018-19		2017-18	
Particulars	**%**	**Rs. In lakhs**	**%**	**Rs. In lakhs**
Profit before tax		74,691.71	0.00	80,528.49
Tax using the Company's domestic tax rate	34.94	26,100.27	34.61	27,869.30
Increase in tax rate				
Tax effect of:				

Non-deductible tax expenses				
Tax-exempt income				
Deduction u/s 80-IA				
Others				
	34.94	**26,100.27**	**34.61**	**27,869.30**

(d) Movement in deferred tax balances

					March 31, 2018 (Audited)		
Particulars	**Net balance April 1, 2017**	**Recognised in profit or loss**	**Recog-nised in OCI**	**Recog-nised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax Asset/ (Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,62,056.59)	(4,618.88)		-	(2,66,675.47)		(2,66,675.47)
Loans and borrowings	(706.66)	(8.21)		-	(714.87)		(714.87)
Employee benefits	20,425.57	(1,324.83)	144.34	-	19,245.08	19,245.08	
Provisions	963.09			-	963.09	963.09	
Government grant	236.58	322.25		-	558.83	558.83	
Investment in government security	1,578.03	(323.93)		-	1,254.10	1,254.10	
Other items	7,778.41			-	7,778.41	7,778.41	
Tax assets (Liabilities)	(2,31,781.57)	(5,953.60)	144.34	-	(2,37,590.83)	29,799.51	(2,67,390.34)
Reversal of Opening DTL	3,499.92			-	3,499.92	3,499.92	
Tax assets (Liabilities) (Net)	(2,28,281.65)	(5,953.60)	144.34	-	(2,34,090.91)	33,299.43	(2,67,390.34)

(e) Movement in deferred tax balances

(Rs. In Lakhs)

					March 31, 2018 (Audited)		
Particulars	**Net balance April 1, 2017**	**Recognised in profit or loss**	**Recog-nised in OCI**	**Recog-nised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax Asset/ (Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,52,751.54)	(9,305.06)			(2,62,056.59)		(2,62,056.59
Loans and borrowings	(155.98)	(550.68)			(706.66)		(706.66)
Employee benefits	21,603.73	(1,087.77)	(90.39)		20,425.57	20,425.57	
Provisions	963.09	-			963.09	963.09	
Stores and Spares					-	-	

Revaluation of Property , plant and equipment					-		
Government grant	170.12	66.46			236.58	236.58	
Investment in government security	1,567.09	10.94			1,578.03	1,578.03	
Other items	7,778.41				7,778.41	7,778.41	
Tax assets (Liabilities)	**(2,20,825.08)**	(10,866.11)	(90.39)		(2,31,781.57)	30,981.67	(2,62,763.25)
Reversal of Opening DTL	3,499.92				3,499.92	3,499.92	
Tax assets (Liabilities) (Net)	(2,17,325.16)	(10,866.11)	(90.39)		(2,28,281.65)	34,481.59	(2,62,763.25)

The Company offsets tax assets and liabilities if and only if it has a legally enforcable to offset current tax assets and current tax liabilties and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

3. Financial Assets and Financial Liabilities

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost:

(Rs. In Lakhs)

	31.03.2019				**31.03.2018**			
Particulars	**FV-TPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amor-tised cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**
Non -current financial Assets								
Investments			86435.80				60,718.37	
Loans #			9345.85				9,496.84	
Current Financial assets								
Investments			7678.86				7,482.75	
Loans #			264.67				210.45	
Other Financial Assets #			2,859.96				2,303.28	
Total	-	-	**1,06,585.13**	-	-	-	**80,211.70**	
Non - current Financial Liabilities								
Borrowings #			5,00,359.20				5,44,421.67	
Other non - current Financial Liabilities #			1,83,471.85				1,60,572.39	
Current Financial liabilities								

Borrowings #			1,13,128.48				1,02,787.18	
Trade Payables #			32,726.66				24,562.55	
Other Financial Liabilities #			35,596.54				32,290.80	
Total	-	-	**8,65,282.73**	-	-	-	**8,64,634.58**	

The above amounts are considered at cost

Trade receivables:

The Company works out the expected credit losses of trade receivables (which are considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables. The trade receivables refer to receivables against wheeling charges to MSEDCL, being fellow subsidiary and soverign entity, no credit risk has been envisaged. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(Rs. In Lakhs)

Particulars	**31.03.2019**		**31.03.2018**	
	Gross carrying amount	**Loss allowance**	**Gross carrying amount**	**Loss allowance**
Past due 0-180 days	1,17,568.39		95,973.93	
Past due 180-360 days	34,574.52		1,875.37	
More than 360 days	92,394.87	12,470.78	1,38,408.68	12,470.78
TOTAL	**244,537.78**	**12,470.78**	**2,36,257.98**	**12,470.78**

The movement in the allowance for expected credit loss in respect of trade receivables during the year was as follows:

(Rs. In Lakhs)

Balance as at 01.04.2017	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2018	-
Add : Expected Credit loss recognised	
Less : Amounts written off	-
Balance as at 31.03.2019	-

Cash and cash equivalents:

(Rs. In Lakhs)

	As at 31.03.2019	**As at 31.03.2018**
Cash and cash equivalents	6,296.86	3,460.35

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. MSETCL diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, clean & secured domestic Term loans. These loans are taken from REC, PFC and banks.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. In Lakhs)

	Contractual cash flows					
	31.03.2019			**31.03.2018**		
	Upto 1 year	**1-3 years**	**more than 3 years**	**Upto 1 year**	**1-3 years**	**more than 3 years**
Non-derivative financial liabilities						
Borrowings	996	3,001	2,997	958	2,917	3,485
Total	**996**	**3,001**	**2,997**	**958**	**2,917**	**3,485**

Market Risk - Market Risk is further categorised in (i) Currecy risk , (ii) Interest rate risk & (iii) Commodity risk:

Currency risk:

Interest rate risk exposure:
Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Carrying amount	
	31.03.2019	**31.03.2018**
Fixed-rate instruments		
Financial assets	94,114.65	68,201.12
Financial liabilities	21,794.73	27,749.75
Variable-rate instruments		
Financial assets		
Financial liabilities	4,78,564.47	5,16,671.92

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. In Lakhs)

	Profit or loss			
	25 bp increase	**25 bp decrease**	**25 bp increase**	**25 bp decrease**
	31.03.2019		**31.03.2018**	
Floating rate borrowings	1,196.41	(1,196.41)	1,291.68	(1,291.68)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	1,196.41	(1,196.41)	1,291.68	(1,291.68)

5. Interest in Associates/Joint Venture

MSETCL has a 26% (March 31,2018: 26%) interest in Jaigad Power Transmission Ltd (JPTL), a Associate/Joint venture engaged in the transmission of electricity and 38.14% (March 31, 2018 : 38.14%) interest in Maharashtra Transmission Communication Infrastructure Limited (MTCIL), a Associate/Joint venture engaged in making available optical fibre capacity on lease.

MSETCL's interest in JPTL & MTCIL ('Associate/Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the Associate/ Joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(Rs. In Lakhs)

	JPTL		**MTCIL**	
Summarised balance sheet	**As at 31.03.2019**	**As at 31.03.2018**	**As at 31.03.2019**	**As at 31.03.2018**
Proportion of the Company's ownership (%)	26.00%	26.00%	38.14%	38.14%
Current Assets	3368.50	3243.58	774.60	717.90
Non Current Assets	33676.47	36447.65	10486.30	10735.20
Total Assets (A)	**37044.97**	**39691.23**	**11260.90**	**11453.10**
Current Liabilities	2926.92	3454.17	5937.00	6200.50
Non Current Liabilities	15383.76	18254.94	3913.30	3809.60
Total Liabilities (B)	**18310.68**	**21709.11**	**9850.30**	**10010.10**
Net Assets (A)-(B)	**18734.29**	**17982.13**	**1410.60**	**1443.00**
Proportion of the company's ownership	**4870.92**	**4675.35**	**538.00**	**550.36**
Add/ (less) : Dividend paid	357.50	1,608.75		

Add/ (less) : Share in profit for previous years		31.00		(2.34)
Add/ (less) : Bonus Shares issued			0.00	217.22
Carrying amount of investments	**3304.65**	**3035.60**	**519.31**	**817.75**

Summarised statement of profit and loss of the Associates/Joint Venture

(Rs. In Lakhs)

	JPTL		**MTCIL**	
	As at 31.03.2019	**As at 31.03.2018**	**As at 31.03.2019**	**As at 31.03.2018**
Proportion of the Company's ownership (%)	**26.00%**	**26.00%**	**38.14%**	**38.14%**
Revenue from operations	8,078.42	8,870.14	452.20	205.20
Other Income	221.05	286.59	1.80	16.90
Total Income (I+II)	**8,299.47**	**9,156.73**	**454.00**	**222.10**
EXPENSES				
Repair & Maintenance Expenses	-	-	-	82.70
Employee benefits expense	99.86	110.93	73.00	62.70
Finance costs	1,828.49	2,313.75	267.20	187.10
Depreciation and amortization expense	2,910.65	2,910.28	656.10	382.40
Other expenses	381.53	405.47	229.50	37.60
Total expenses (IV)	**5,220.53**	**5,740.43**	**1,225.80**	**752.50**
Profit/(loss) before tax (III - IV)	**3,078.94**	**3,416.29**	**(771.80)**	**(530.40)**
Tax expense:				
(1) Current tax	668.71	734.28	-	-
(2) Current tax- Previous years				
(3) Deferred tax				
Profit/(Loss) for the year (V - VI)	**2,410.23**	**2,682.01**	**(771.80)**	**(530.40)**
Company's share of Profit/(Loss) for the year	**626.66**	**697.32**	**(294.36)**	**(202.29)**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
- Remeaurement of defined benefit plans	(0.43)	0.06	(10.70)	9.40
(ii) Income tax relating to items that will not be reclassified to profit or loss				
Company's share of Profit from Other Comprihensive Income	**(0.11)**	**0.01**	**(4.08)**	**3.59**
Total Comprehensive Income for the period (VII + VIII)	**3,036.35**	**3,379.41**	**(1,080.95)**	**(719.71)**

Name of Associate/Joint Venture	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at 31.03.2019	As at 31.03.2018

Equity Shares

Jaigad Power Transco Ltd (JPTL)	Transmission of electricity	Mumbai	26%	26%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	38.14%	38.14%

Preference Shares

Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	100.00%	100.00%

Aggregate Summarised Financial Information of Associates / Joint Venture that are not individually material

(Rs. In Lakhs)

Associates	JPTL		MTCIL	
Particulars	2018-19	2017-18	2018-19	2017-18
Carrying amount of Investment in Equity Shares	3,035.60	3,947.01	295.38	494.07
Carrying amount of Investment in Preference Shares			522.37	522.37
Company's Share of Profit or Loss from Continuing Operations	626.66	697.32	(294.36)	(202.29)
Company's share of post-tax profit or loss from discontinued operations	-	-		-
Company's share in other comprehensive income	(0.11)	0.02	(4.08)	3.60
Company's share in Total comprehensive income	**626.55**	**697.34**	**(298.45)**	**(198.69)**

(Rs. In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Aggregate carrying amount of the Company's interest in these Associates/Joint Venture Impairment of Goodwill/Investments	3,853.35	4,963.45
Carrying amount of the Company's interest in these Associates/ Joint Venture	3,853.35	4,963.45

DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCSHEDULE III OF COMPANIES ACT, 2013

(Rs. In Lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share of Profit or Loss		OCI		TCI	
	2018-19		2018-19		2018-19		2018-19	
	As % of Consoli-dated net Assets	Net Assets	As % of Consoli-dated Profit or Loss	Profit / (Loss)	As % of Consolidated Other Compreh-ensive Income	Other Compreh-ensive Income	As % of Consoli-dated Total Compreh-ensive Income	Total Compreh-ensive Income
Parent Company								
Maharashtra State Eletricity Transmission Company Limited	99.48%	1059511.54	99.36%	51975.10	98.46%	-268.72	99.37%	51706.37
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.47%	5,039.52	1.20%	626.66	0.04%	-0.11	1.20%	626.55
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.05%	538.00	-0.56%	(294.36)	1.50%	-4.08	-0.57%	(298.45)
Total	**100.00%**	**1065089.07**	**100.00%**	**52307.39**	**100.00%**	**-272.92**	**100.00%**	**52034.48**

(Rs. In Lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share of Profit or Loss		OCI		TCI	
	2017-18		2017-18		2017-18		2017-18	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit / (Loss)	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Eletricity Transmission Company Limited	99.48%	1059511.54	99%	49457.53	97.91%	168.27	99%	49,625.80
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.45%	4,837.19	1%	697.32	0.01%	0.01	1%	697.34
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.04%	402.60	0%	(147.98)	2.09%	3.59	0%	(144.39)
Total	**100.00%**	**1064751.33**	**100%**	**50,006.87**	**100.00%**	**171.87**	**100%**	**50,178.75**

5. Assets hypothecated/pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are:

Particulars	As at 31.03.2019	As at 31.03.2018
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	1,956,902	1,893,162
Security created in respect of Current Borrowings		
i) Inventories	80,000	140,000
ii) Trade receivables	-	-
Total assets as security	**2,036,902**	**2,033,162**

6. Capital Management

The Corporation’s objective is to maximize the shareholders' value by maintaining an optimum capital structure.Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

(Amt in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Long term borrowings (Rs. Lakhs)	5,00,359.20	5,44,421.67
Equity share Capital (Rs. Lakhs)	8,98,497.47	8,98,497.47
Debt to Equity ratio	**0.56**	**0.61**

a. Contigency Reserve and Special Reserve

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the Company for FY 2018-19 has appropriated an amount of Rs. 6681 Lakhs (Previous Year Rs. 5881 Lakhs) towards Contingency Reserve. Furthermore, an amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve.

Secured Loans:-				(Rs. In Lakhs)
Loan Secured By				
Name of the Institution	**Guarantee from State Government**	**Hypothecation against future assets**	**Mortgage against existing assets**	**Total**
Rural Electrification Corporation	NIL	3,65,804.52	-	3,65,804.52
Power Finance Corporation	NIL	1,88,027.83		1,88,027.83
Union Bank of India	-	3,746.59	-	3,746.59
Bank of Baroda	-	3,910.01	-	3,910.01
Canara Bank	-	6,237.10	-	6,237.10
Bank of India	-	9,211.60	-	9,211.60
Oriental Bank of Commerce	-	1,131.84	-	1,131.84

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Union Bank of India	Bank of Baroda	Canara Bank	Japan International Corporation Agency	Oriental Bank of Commerce	Bank of India
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit	Up to Borrowing Limit	Rs 33570.00 Lakhs	Rs 26400.00 Lakhs	Rs 50000.00 Lakhs	RS.61849.00 Lakhs (16749 million Yen)	27673.00 Lakhs	30000.00 Lakhs
						(12070.58 MJPY)		
Period (Term)	13 Years (3+10)	18 Years (3+15)	15 Years (2+13)	15 Years (2+13)	13 Years (3+10)	15 Years (5+10)	10 Years	13 Years (3+10)
(5+10)	10 years	13 Years (3+10)						
Moratorium Period	3 Years	3 Years	2 Years	2 Years	3 Years	5 Years	-	3 Years
Repayment	Repayment is ongoining	Repayment is ongoining	Repayment is Started	Repayment is Started	No. start Repayment	Repayment is Started	Repayment is started	No.start Repayment
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Debt Restructuring	Capex Funding
Rate of Interest (Floating)	10.50%	10.69%	9.40% p.a.	9.10% p.a.	8.65%	0.75%	9.25%	9.13%
			With annually reset	With annually reset	With annually reset		With annually reset	With annually reset
Terms of Payment	Yearly	Quarterly	156 monthly installments	156 monthly installments	40 quarterly installment	Semi Annually	Quarterly & yearly	20 Half yearly
Upfront Fees	Upto 500 Cr-Nil Above 500 Cr-0.01% of loan amount	Upto 500 Cr-Nil Above 500 Cr-0.01% of loan amount	Nil	Nil	Nil	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr-Nil Above 500 Cr-0.25% P.A. on undrawn Amount of Quarter till the Date of Acatual Drawl	Upto 500 Cr-Nil Above 500 Cr-0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of	Nil	Nil	Nil	Nil	Nil	Nil
		Drawl						
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	20.00%	20.00%	25.00%	VAT, CS T/ ED Paid by MSETCL	Nil	25.00%

Foreign Currency Loan								
Loan Secured by		**JICA (Rs.) in Lakhs**		**JICA (Rs.) in Million**				
Guarantee from Central Government		21,794.73		349,610.68				
Japanese Yen								

8. The Company generally makes payments to creditors within a period of 45 days as stipulated in the Micro, Small and Medium Enterprise Act. 2006. The Company is in the process of identifying Micro, Small and Medium Enterprises as defined in the above mentioned Act. Hence relevant disclosure is not made. The Company has not provided any interest payable to Micro and Small Enterprises as required by the aforesaid Action absence of information. However such interest payable is not expected to be of material nature.

9. Capital Commitments

Capital Expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows :

(Amt in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Property, Plant and Equipment	65,665.50	1,00,354.30
Less : Capital Advances	--	--
Net Capital Commitments	**65,665.50**	**1,00,354.30**

11. Balances of Trade Receivables, Financial assets - Loans and advances are subject to confirmation and reconciliation if any. The Company is taking necessary steps for reconciliation and confirmation of the same.

10. The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items interalia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 21183.49 lakhs (Receivables Rs 19679.53 lakhs and Payables Rs 40863.03 lakhs i.e Net payable Rs 21183.49 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL in F.Y. 2017:18.

11. In accordance with Ind AS 36 - Impairment of assets, impairement analyis of assets of Transmission activity of MSETCL by evaluation of its Cash Generating Units, was carried out by outside agency

in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised. In the current year., there is no indication of impairment which requires re-estimating the recoverable amount of the assets.

12. MSETCL is consistently following its accounting policy regarding recognition of other income on 'accrual basis except when ultimate realization of such income is uncertain' as mentioned in Note no. 2.12 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 11.3 of MYT Regulations 2011 (applicable upto FY 2015-16).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Ri.85499 lakhs towards, Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.394437 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.85499 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Note 52:

According to the Management the investment of the Company in Ratnagiri Gas & Power Pvt Ltd and Konkan LNG Private Ltd is not treated as Joint Venture as there is no control of MSEBHCL in its operations.

Note 53 :

On the principles of prudence, Net Income of Rs 6,007.88 crores as given below has been reversed in the Consolidated Financial Statements therebyshowing loss of Rs. 5,009.37 crores.

Tax impact due to such reversal has not been recognised.

Sr. No.	Particulars	Amount in Crores
1	Lease charged by MSETCL not considered by MSPGCL	0.04
2	Sale of Empty Oil Barrel charged by MSETCL not considered by MSEDCL	0.01
3	Reactive Charges charged by MSPGCL not considered by MSTECL	18.13
4	Shifting of Under ground Cable charged by MSTECL not considered by MSEDCL	-3.69
5	Supervision Charges for ORC work charged by MSETCL not consdiered by MSEDCL	0.11
6	Electricity Charges charged by MSETCL not considered by MSPGCL	-0.04

7	Provision for Expected Credit Losses of MSEBHCL	-0.09
8	Provision for Doubtful Advance of MSPGCL	-84.55
9	Water Charges charged by MSETCL not considered by MSEDCL	-0.02
10	ORC related work Charges of MSETCL not considered by MSEDCL	-0.03
11	Provision for Expected Credit Losses of MSPGCL	-37.12
12	Delayed Payment Charges of MSPGCL not considered by MSEDCL	1,494.33
13	Provision for Expected Credit Losses charged to MSPGCL	844.47
14	Excess provision of Delayed Payment Charges written back by MSEDCL	3,776.31
	Net Impact	**6,007.88**

Note 54

Part I

Related Party Transactions with respect to Income & Expenses and Assets and Liabilities have been eliminatedin the consolidated accounts to the extent of lower of the two balances as under:

Elimination of Related Party Transactions for the year 2018-19 with respect to Income & Expenditure

Name of the co	Particulars	Nature of Transaction	Amount	Note No	Name of the co	Particulars	Nature of Transaction	Amount	Note No	Eliminaion lower of the two
MSPGCL	Sale of Power	Income	18,985.11	32	MSEDCL	Purchase of Power	Expenses	19,648.52	35	18,985.11
MSEDCL	Sale of Power (MSETCL)	Income	48.07	32	MSETCL	Electricity Charges	Expenses	48.07	41	48.07
MSEDCL	Sale of Power (MSPGCL)	Income	19.35	32	MSPGCL	Electricity Charges	Expenses	19.35	41	19.35
MSETCL	Lease	Income	0.04	33	MSPGCL					0.04
MSETCL	Transmission charges	Income	2,844.19	32	MSEDCL	Transmission Charges	Expenses	4,752.29	35	2,844.19
MSETCL	SLDC Charges	Income	15.00	32	MSEDCL	SLDC	Expenses	15.00	35	15.00
MSETCL	Sale of Transformer Oil	Income	0.58	32	MSEDCL	Oil Purchase	Expenses	0.58	35	0.58
MSETCL	Rescheduling Charges	Income	0.66	32	MSPGCL	Purchase of Power	Expenses	1.29	35	0.66
MSETCL	Sale of Empty Oil Barrel	Income	0.01	33	MSEDCL					0.01
MSEBHCL	Other Income (Lease Rent MSPGCL)	Income	22.95	33	MSPGCL	Administration & General Expenses Lease Rent	Expenses	24.19	41	22.95
MSEBHCL	Other Income (Lease Rent MSETCL)	Income	17.39	33	MSETCL	Administration & General Expenses Rent	Expenses	20.16	41	17.39
MSEBHCL	Other Income (Lease Rent MSEDCL)	Income	41.21	33	MSEDCL	Administration & General Expenses Lease Rent	Expenses	42.90	38	41.21
MSPGCL	Reactive Charges	Income	18.13	32	MSTECL					18.13
MSEDCL					MSETCL	Shifting of Under ground Cable	Expenses	3.69	41	3.69

MSETCL	Frequency Linked Charges	Income	0.02	33	MSEDCL	Frequency Linked Charges	Expenses	0.02	41	0.02
MSETCL	Supervision Charges for ORC work	Income	0.11	33	MSEDCL					0.11
MSPGCL					MSETCL	Electricity Charges	Expenses	0.04	41	0.04
MSEBHCL					MSEBHCL	Provision for Expected Credit Losses	Expenses	0.09	38	0.09
MSPGCL					MSPGCL	Provision for Doubtful Advance	Expenses	84.55	41	84.55
MSEDCL					MSETCL	Water Charges	Expenses	0.02	41	0.02
MSEDCL					MSETCL	ORC related work Charges	Expenses	0.03	41	0.03
MSPGCL					MSPGCL	Provision for Expected Credit Losses	Expenses	37.12	41	37.12
MSPGCL	Surcharge Income from consumers	Income	2,320.69	32	MSEDCL	Finance Costs	Expenses			2,320.69
MSEDCL					MSETCL	New Connection Charges	Expenses	0.00	41	0.00
MSPGCL					MSEDCL	Provision for Expected Credit Losses	Expenses	138	41	137.81
MSPGCL	Other Income (Sundry credit balance write back)	Income	982.28	33	MSPGCL					

MSEB Holding Company Ltd

Part II

Elimination of Related Party Transactions for the year 2017-18 with respect to Income & Expenditure

Name of the co	Particulars	Nat. of Trans.	Amount	Note No	Name of the co	Particulars	Nat. of Trans.	Amount	Note No	Eliminaion lower of the two
MSPGCL	Sale of Power	Inc.	19,396.33	32	MSEDCL	Purchase of Power	Exp.	17,405.35	35	17,405.35
MSEDCL	Sale of Power	Inc.	49.38	32	MSETCL	Electricity Charges	Exp.	49.38	41	49.38
MSEDCL	Sale of Power	Inc.	14.16	32	MSPGCL	Electricity Charges	Exp.	14.16	41	14.16
MSPGCL	Surcharge Income from consumers	Inc.	2,047.31	32	MSEDCL	Finance Costs	Exp.	2,047.31	39	2,047.31
MSETCL	Transmission charges	Inc.	2,890.99	32	MSEDCL	Transmission Charges	Exp.	2,890.99	35	2,890.99
MSETCL	SLDC Charges	Inc.	15.53	32	MSEDCL	Transmission Charges	Exp.	15.53	35	15.53
MSETCL	Sale of Transformer Oil	Inc.	1.80	32	MSEDCL	Purchase of Power	Exp.	1.80	35	1.80
MSETCL	Rescheduling Charges	Inc.	1.25	32	MSPGCL	Purchase of Power	Exp.	1.25	35	1.25
MSETCL	Rescheduling Charges	Inc.	0.16	32	MSEDCL	Purchase of Power	Exp.	0.16	35	0.16
MSEBHCL	Other Income	Inc.	10.76	33	MSPGCL	Administration & General Expenses Lease Rent	Exp.	12.33	41	10.76
MSEBHCL	Other Income	Inc.	9.54	33	MSETCL	Administration & General Expenses Rent	Exp.	11.01	41	9.54
MSEBHCL	Other Income	Inc.	18.08	33	MSEDCL	Administration & General Expenses Lease Rent	Exp.	20.54	41	18.08
MSPGCL	Reactive Charges	Inc.	26.38	32	MSTECL					26.38
					MSEBHCL	Provision for Expected Credit Losses	Exp.	2.38	38	2.38

					MSPGCL	Provision for Doubtful Advance	Exp.	9.03	38	9.03
					MSETCL	Water Charges	Exp.	0.01	41	0.01
					MSETCL	Drawing Charges	Exp.	0.01	41	0.01
					MSETCL	Staff Quarter Rent	Exp.	0.00	41	0.00
					MSETCL	Vehicle Running & Maintenance Expenses	Exp.	0.04	41	0.04
					MSPGCL	Provision for Expected Credit Losses	Exp.	296.98	41	296.98
					MSEDCL	Finance Costs	Exp.	157.83	39	157.83
					MSEDCL	Provision for Expected Credit Losses	Exp.	3.28	41	3.28
					MSEDCL	Provision for Expected Credit Losses	Exp.	96.62	41	96.62
					MSPGCL	Provision for Expected Credit Losses on quassi Investment	Exp.	46.23	41	46.23

MSEB Holding Company Limited

Reconcilation of Retained Earnings for the F.Y 2018-19

Part III

Particulars	MSPGCL	MSTECL	MSEDCL	MSEBHCL	Total
Retained Earnings	-337.31	522.08	845.74	-32.01	998.50
Adjustment of Related Party Transactions					
For F.Y 2018-19					
Lease charged by MSETCL not considered by MSPGCL					0.04
Sale of Empty Oil Barrel charged by MSETCL not considered by MSEDCL					0.01
Reactive Charges charged by MSPGCL not considered by MSTECL					18.13
Shifting of Under ground Cable charged by MSTECL not considered by MSEDCL					-3.69
Supervision Charges for ORC work charged by MSETCL not consdiered by MSEDCL					0.11
Electricity Charges charged by MSETCL not considered by MSPGCL					-0.04
Provision for Expected Credit Losses of MSEBHCL					-0.09
Provision for Doubtful Advance of MSPGCL					-84.55
Water Charges charged by MSETCL not considered by MSEDCL					-0.02
ORC related work Charges of MSETCL not considered by MSEDCL					-0.03
Provision for Expected Credit Losses of MSPGCL					-37.12
Delayed Payment Charges of MSPGCL not considered by MSEDCL					1,494.33
Provision for Expected Credit Losses charged to MSPGCL					844.47
Excess provision of Delayed Payment Charges written back by MSEDCL					3,776.31
					6,007.88
Consolidated Retained Earnings for the FY 2017-18					**-5,009.37**

MSEB Holding Company Limited

Reconcilation of Retained Earnings for the F.Y 2017-18

Part IV

Particulars	MSPGCL	MSTECL	MSEDCL	MSEBHCL	Total
Retained Earnings	697.52	503.08	436.89	-34.17	1,603.32
Adjustment of Related Party Transactions					
For F.Y 2017-18					
Reactive Charges charged by MSPGCL from MSTECL					26.38
Provision for Expected Credit Losses of MSEBHCL					-2.38
Provision for Doubtful Advance of MSEBHCL					-9.03
Water Charges charged by MSTECL					-0.01
Drawing Charges charged by MSETCL					-0.01
Staff Quarter Rent charged by MSETCL					-0.00
Vehicle Running & Maintenance Expenses charged by MSETCL					-0.04
Provision for Expected Credit Losses of MSPGCL					-296.98
Finance Costs charged by MSEDCL					-157.83
Provision for Expected Credit Losses of MSEDCL					-3.28
Provision for Expected Credit Losses of MSEDCL					-96.62
Provision for Expected Credit Losses on quassi Investment of MSPGCL					-46.23
					-586.03
Consolidated Retained Earnings for the FY 2017-18					**2,189.35**

Note : 55

Part I

Reconciliation and Restatement of Consolidated Profit & Loss for the year ended 31st March 2018

Sr. No.	Particulars	Note No.	Reported Amount as at 31st March 2018	Reclassification / Restatement	Reinstated Amount as at 31st March 2018
(i)	Revenue from operations	**32**	86,146.24	-22,452.33	63,693.91
(ii)	Other Income	**33**	4,456.61	-38.37	4,418.24
I	**Total Income**		**90,602.85**	**-22,490.70**	**68,112.15**
	Expenses				
	Cost of materials consumed	**34**	11,560.85	-	11,560.85
	Purchase of Power	**35**	53,498.20	-20,315.09	33,183.11
	Employee Benefits Expenses	**36**	6,408.71	0.00	6,408.71
	Repairs and maintainance	**37**	816.07	-	816.07
	Admin and General Expenses	**38**	653.43	-18.08	635.35
	Finance Costs	**39**	9,855.82	-2,205.14	7,650.68
	Depreciation and amortization expense	**40**	6,750.85	-	6,750.85
	Others expenses	**41**	4,284.88	-538.42	3,746.46
II	**Total Expenses**		**93,828.81**	**-23,076.74**	**70,752.08**

Part II

Reconciliation and Restatement of Consolidated Balance Sheet as at 31st March 2018

Sr. No	Particulars	Note No	Reported Amount as at 31st March 2018	Reclassification / Restatement	Reinstated Amount as at 31st March 2018
	ASSETS				
(1)	Non Current Assets				
a	Property, Plant & Equipment	2	116,286.74	-	116,286.74
b	Capital Work in Progress	2A	7,708.54	-	7,708.54
c	Investment Properties	3	834.90	0.00	834.90
d	Goodwill				
e	Other Intangible Assets	2B	13.79	-	13.79
f	Intangible Assets under Development		132.55	-	132.55
g	Investments in Subsidiaries, associates and joint ventures	4	-2.76	46.23	43.47
h	Financial Assets				
	(i) Investments	5	82,422.54	-81,477.36	945.19
	(ii)Trade Receivables	6	4,265.27	-	4,265.27
	(iii) Loans	7	94.97	-21.27	73.70
	(iv) Others (to be specified)	8	676.94	-	676.94
i	Deferred Tax Assets (Net)				
	(f) Non Current Tax Assets (Net)	9	49.44	-	49.44
j	Other Non Current Assets	10	5,775.31	9.03	5,784.34
(2)	Current Assets				
a	Inventories	11	1,638.51	-	1,638.51
b	Financial Assets				
	(i) Investments	12	79.13	-	79.13
	(ii) Trade Receivables	13	39,672.57	-15,568.26	24,104.31
	(iii) Cash & cash Equivalents	14	1,219.00	-	1,219.00
	(iv) Bank Balances Other than (iii) above		-	-	-
	(v) Loans	15	399.58	-	399.58
	(iv) Others	16	10,080.73	-	10,080.73
c	Current Tax Assets (Net)		-	-	-
d	Other Current assets	17	1,965.93	296.98	2,262.91

	Assets held for sale/Assets included in disposal group(s) held for sale	**2C**	242.34	-	242.34
	Regulatory Assets	**18**	9,478.74	-	9,478.74
	Total Assets		**283,034.74**	**-96,714.64**	**186,320.10**
	EQUITY AND LIABILITIES				
	EQUITY				
a	Equity Share capital	**19**	169,563.92	-81,477.36	88,086.56
b	Other Equity	**20**	-33,083.22	4,496.46	-28,586.76
	Equity attributable to owners of the parent				
	Non Controlling interest		21.67	-	21.67
	LIABILITIES				
(1)	**Non Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings	**21**	45,396.79	-	45,396.79
	(ii) Trade Payables				
	(iii) Other fianancial Liabilities (other than those specified in item (b))	**22**	8,810.90	-	8,810.90
	(ii) Other Non-fianancial Liabilities			-	-
b	Provisions	**23**	5,095.67	-	5,095.67
c	Deferred Tax Liabilities (Net)	**24**	3,135.86	-	3,135.86
d	Other Non Current Liabilities	**25**	8,799.47	-	8,799.47
(2)	**Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings	**26**	13,681.19	-	13,681.19
	(ii) Trade Payables	**27**	24,720.23	-22,531.05	2,189.18
	(iii) Other fianancial Liabilities (other than those specified in item (c))	**28**	31,152.94	2,797.32	33,950.26
b	Other Current Liabilties	**29**	2,370.59	-	2,370.59
c	Provisions	**30**	3,368.72	-	3,368.72
d	Current Tax Liabilities (Net)			-	-
	Liabilities classified as held for sale/ Liabilities included in disposal group held-for sale				
	Total Liabilities and Equity		**283,034.74**	**-96,714.64**	**186,320.10**

Part III

Reconciliation and Restatement of Consolidated Balance Sheet as at 31st March 2017

Sr. No	Particulars	Note No	Reported Amount as at 31st March 2017	Reclassification / Restatement	Reinstated Amount as at 31st March 2017
	ASSETS				
(1)	Non Current Assets				
a	Property, Plant & Equipment	2	117,543.24	-	117,543.24
b	Capital Work in Progress	2A	7,495.86	-	7,495.86
c	Investment Properties	3	876.92	-	876.92
d	Goodwill				
e	Other Intangible Assets	2B	35.77	-	35.77
f	Intangible Assets under Development		129.77	-	129.77
g	Investments in Subsidiaries, associates and joint ventures	4	3.16	45.10	48.26
h	Financial Assets				
	(i) Investments	5	81,634.05	-81,029.74	604.31
	(ii)Trade Receivables	6	3,044.34	187.25	3,231.59
	(iii) Loans	7	445.06	-225.49	219.57
	(iv) Others (to be specified)	8	853.61	-	853.61
i	Deferred Tax Assets (Net)				
	(f) Non Current Tax Assets (Net)	9	47.26	-	47.26
j	Other Non Current Assets	10	5,687.71	-3,322.35	2,365.36
(2)	**Current Assets**				
a	Inventories	11	2,339.76	-	2,339.76
b	Financial Assets				
	(i) Investments	12	68.97	-	68.97
	(ii) Trade Receivables	13	44,342.00	-15,135.24	29,206.76
	(iii) Cash & cash Equivalents	14	1,531.58	-	1,531.58
	(iv) Bank Balances Other than (iii) above		-	-	-
	(v) Loans	15	466.53	-404.99	61.54
	(iv) Others	16	3,573.59	-	3,573.59
c	Current Tax Assets (Net)			-	
d	Other Current assets	17	2,216.73	-	2,216.73

	Assets held for sale/Assets included in disposal group(s) held for sale	**2C**	328.61	-	328.61
	Regulatory Assets	**18**	4,923.71	-	4,923.71
	Total Assets		**277,588.21**	**-99,885.45**	**177,702.75**
	EQUITY AND LIABILITIES				
	EQUITY				
a	Equity Share capital	**19**	167,728.72	-80,335.97	87,392.75
b	Other Equity	**20**	-33,995.50	3,910.43	-30,085.07
	Equity attributable to owners of the parent				
	Non Controlling interest		21.69	-	21.69
	LIABILITIES				
(1)	Non Current Liabilities				
a	Financial laibilities				
	(i) Borrowings	**21**	48,215.65	-	48,215.65
	(ii) Trade Payables				
	(iii) Other fianancial Liabilities (other than those specified in item (b))	**22**	8,005.43	-	8,005.43
	(ii) Other Non-fianancial Liabilities			-	-
b	Provisions	**23**	5,145.12	-	5,145.12
c	Deferred Tax Liabilities (Net)	**24**	3,680.59	-	3,680.59
d	Other Non Current Liabilities	**25**	5,880.59	-	5,880.59
(2)	**Current Liabilities**				
a	Financial laibilities				
	(i) Borrowings	**26**	15,044.47	-	15,044.47
	(ii) Trade Payables	**27**	29,659.54	-18,549.41	11,110.13
	(iii) Other fianancial Liabilities (other than those specified in item (c))	**28**	23,242.44	-4,887.83	18,354.61
b	Other Current Liabilties	**29**	3,816.11	-22.67	3,793.44
c	Provisions	**30**	1,143.37	-0.01	1,143.36
d	Current Tax Liabilities (Net)			-	-
	Liabilities classified as held for sale/ Liabilities included in disposal group held-for sale				
	Total Liabilities and Equity		**277,588.21**	**-99,885.45**	**177,702.75**

Note 56:

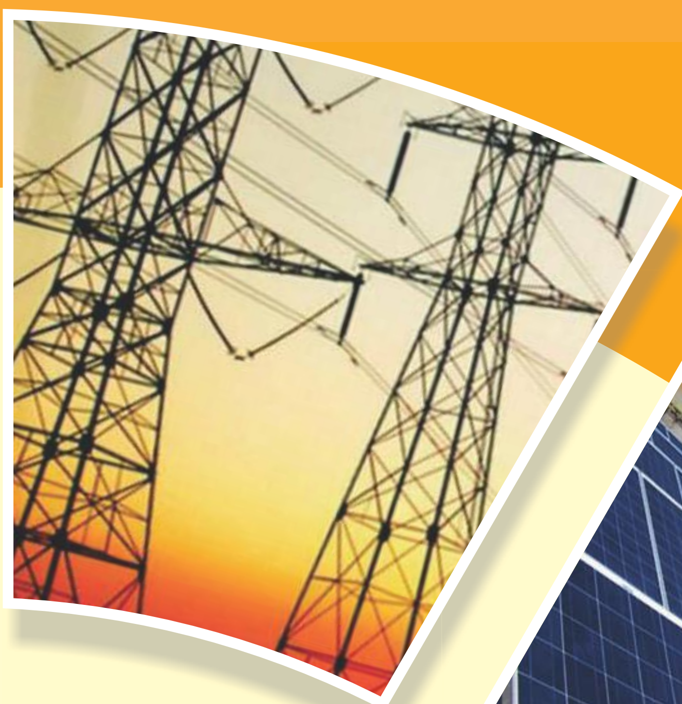
Figures for the previous year have been regrouped wherever necessary for appropriate presentation of financial statements to comply with the provisions of schedule III as per the Companies Act, 2013.

As per our report of even date

For **DOOGAR & ASSOCIATES**	**Sunil Pimpalkhute**	**Dinesh Waghmare**
Chartered Accountants	Director (Finance) & CFO	Managing Director
Firm Registration Number: 000561N	DIN : 01915725	DIN : 01843097
Mukul Marwah	**Pankaj Sharma**	**Subodh Zare**
Partner	CGM (Finance)	Company Secretary
Membership Number : 511239		
Place: New Delhi	Place : Mumbai	
Date : 23/06/2020	Date : 23/06/2020	

MSEB HOLDING COMPANY LTD.

(Govt. of Maharashtra Undertaking)



Registered Office:
Hongkong Bank Building,
3rd & 4th Floor,
Mahatma Gandhi Road,
Fort, Mumbai - 400 001.
(CIN: U40100MH2005SGC153649)